

# **Anne Arundel County, Maryland**

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

## **County Executive**

Steuart Pittman

## **County Council**

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

Prepared by: Office of Finance – Karin McQuade, Controller



**Anne Arundel County, Maryland  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021**

**Table of Contents**

**Introductory Section**

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

**Financial Section**

<i>Report of Independent Public Accountants</i> .....	9
<i>Management's Discussion and Analysis</i> .....	13

**Basic Financial Statements**

*Government-wide Financial Statements*

Statement of Net Position .....	30
Statement of Activities .....	32

*Fund Financial Statements*

Balance Sheet - Governmental Funds .....	34
Reconciliation of Governmental Fund Balance to Governmental Net Position - Governmental Funds .....	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds .....	36
Reconciliation of Changes in Fund Balances to Changes in Net Position - Governmental Funds .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	38
Statement of Net Position - Proprietary Funds .....	39
Reconciliation of Enterprise Funds Net Position to Business-type Net Position .....	40
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	41
Statement of Cash Flows - Proprietary Funds .....	42
Statement of Fiduciary Net Position .....	44
Statement of Changes in Fiduciary Net Position .....	45

<i>Notes to the Financial Statements</i> .....	46
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**Required Supplementary Information**

Schedule of Changes in Anne Arundel County's Retirement and Pension System Net Pension Liability and Related Ratios - Employees' Retirement Plan .....	109
Schedule of Changes in Anne Arundel County's Retirement and Pension System Net Pension Liability and Related Ratios - Police Service Retirement Plan .....	110
Schedule of Changes in Anne Arundel County's Retirement and Pension System Net Pension Liability and Related Ratios - Fire Service Retirement Plan .....	111
Schedule of Changes in Anne Arundel County's Retirement and Pension System Net Pension Liability and Related Ratios - Detention Officers and Deputy Sheriffs' Plan .....	112
Schedule of Investment Returns .....	113
Schedule of Employer's Contributions - Employees' Retirement Plan .....	114
Schedule of Employer's Contributions - Police Service Retirement Plan .....	115
Schedule of Employer's Contributions - Fire Service Retirement Plan .....	116
Schedule of Employer's Contributions - Detention Officers' and Duputy Sheriffs' Retirement Plan .....	117
Schedule of County's Proportionate Share for Withdrawn Personnel of the Net Pension Liability Maryland State Retirement and Pension System .....	118
Schedule of County's Proportionate Share for Officials of the Net Pension Liability Maryland State Retirement and Pension System .....	119
Schedule of County's Proportionate Share for Judges Plan of the Net Pension Liability Maryland State Retirement and Pension System .....	120
Schedule of County Contributions to State Municipal Pool Withdrawn Personnel .....	121
Schedule of County Contributions to State Municipal Pool Officials .....	122
Schedule of County Contributions to State Municipal Pool Judges .....	123

**Anne Arundel County, Maryland  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021**

**Table of Contents (continued)**

Retiree Health Benefits Trust Schedule of Changes in Net OPEB Liability and Related Ratios - County Plan .....	124
Retiree Health Benefits Trust Schedule of Changes in Net OPEB Liability and Related Ratios - College Plan .....	125
Retiree Health Benefits Trust Schedule of Changes in Net OPEB Liability and Related Ratios - Library Plan .....	126
Retiree Health Benefits Trust Schedule of Contributions - County Plan .....	127
Retiree Health Benefits Trust Schedule of Contributions - College Plan .....	128
Retiree Health Benefits Trust Schedule of Contributions - Library Plan .....	129
Retiree Health Benefits Trust Schedule of Investment Returns by Plan .....	130
Schedule of Changes in Anne Arundel County's Length of Service Award Program (LOSAP) Net Pension Liability and Related Ratios .....	131
<b><i>Combining Fund Statements, Budgetary Statements, and Other Supporting Schedules</i></b>	
Detail Schedule of Revenues - Estimated and Actual - General Fund .....	134
Detail Schedule of Appropriations, Expenditures, and Encumbrances - General Fund .....	136
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Separately Budgeted Components .....	138
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Impact Fees Capital Projects Fund .....	139
<b><i>Combining Fund Statements and Individual Fund Schedules</i></b>	
Combining Balance Sheet - Non-major Governmental Funds .....	142
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds .....	148
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Funds .....	153
Schedule of Revenues and Expenditures - Budget and Actual - Erosion Districts Fund .....	158
Schedule of Revenues and Expenditures - Budget and Actual - Roads and Special Benefit Districts Fund .....	160
Schedule of Funding Sources Authorized and Realized - General County Capital Projects Fund .....	162
Schedule of Appropriations, Expenditures, and Encumbrances - General County Capital Projects Fund .....	164
Schedule of Revenues and Expenditures - Budget and Actual - Non-major Capital Project Funds .....	166
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Funds .....	167
Schedule of Revenues and Expenditures- Budget and Actual - Special Taxing Districts Fund .....	170
Combining Schedule of Net Position - Water and Wastewater Fund .....	172
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Water and Wastewater Fund .....	173
Combining Schedule of Cash Flows - Water and Wastewater Fund .....	174
Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual - Enterprise Funds .....	176
Schedule of Funding Sources Authorized and Realized - Enterprise Capital Projects Funds .....	178
Schedule of Appropriations, Expenditures, and Encumbrances - Enterprise Capital Projects Funds .....	180
Combining Statement of Net Position - Internal Service Funds .....	182
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds .....	183
Combining Statement of Cash Flows - Internal Service Funds .....	184
Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual - Internal Service Funds .....	185
Combining Statement of Plan Net Position - Pension Trust Funds .....	189
Combining Statement of Changes in Net Position - Pension Trust Funds .....	190
Combining Statement of Fiduciary Net Position - Retiree Health Benefits Trust .....	191
Combining Statement of Changes in Fiduciary Net Position - Retiree Health Benefits Trust .....	192
Combining Balance Sheet - Custodial Funds .....	194
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Custodial Funds .....	196
<b><i>Non-major Component Unit Financial Statements</i></b>	
Combining Statements	
Combining Statement of Net Position - Non-major Component Units .....	198
Combining Statement of Activities - Non-major Component Units .....	200

**Anne Arundel County, Maryland  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021**

**Table of Contents (continued)**

Library Component Unit Financial Statements	
Balance Sheet .....	202
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	203
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Operating Fund .....	204
Details of Long-term Debt and Interest .....	206
Schedule of Debt Service Requirements for Long-term Debt and Interest .....	210
<b>Statistical Section</b>	
<i>Net Position by Category</i> .....	215
<i>Changes in Net Position</i> .....	216
<i>Fund Balances, Governmental Funds</i> .....	218
<i>Changes in Fund Balances, Governmental Funds</i> .....	220
<i>Taxable Assessed Value and Estimated Actual Value of Property</i> .....	222
<i>Direct and Overlapping Property Tax Rates</i> .....	223
<i>Principal Property Tax Payers</i> .....	224
<i>Property Tax Levies and Collections</i> .....	225
<i>Ratios of Outstanding Debt by Type</i> .....	226
<i>Ratios of General Bonded Debt Outstanding</i> .....	227
<i>Direct and Overlapping Governmental Activities Debt</i> .....	228
<i>Legal Debt Margin</i> .....	229
<i>Pledged Revenue Bond Coverage</i> .....	230
<i>Demographic and Economic Statistics</i> .....	231
<i>Principal Employers</i> .....	232
<i>County Government Employees by Function</i> .....	233
<i>Operating Indicators by Function / Program</i> .....	234
<i>Capital Asset Statistics by Function</i> .....	235

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Steuart Pittman  
County Executive

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Karin McQuade  
Controller

December 28, 2021

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 Annual Comprehensive Financial Report (ACFR) of Anne Arundel County, Maryland (the County) for the fiscal year ended June 30, 2021, 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 2021.

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, SB & Company, LLC, 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 requires 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.



After a thorough review of the departmental requests, the comprehensive budget document is submitted to the County Council on May 1<sup>st</sup>. The County Council then conducts a series of public hearings and work sessions to review the proposed budget. The County Council cannot alter revenue estimates or increase any expenditure for current or capital purposes, unless expressly provided in State law and to correct mathematical errors. The County Council can reduce the County Executive's budget, but not increase it, except in the case of the Board of Education's budget. After its review, the County Council finalizes the budget and sets tax rates, fees and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Council on or before the fifteenth day of the last month of the fiscal year currently ending. The Office of Finance is responsible for budgetary control. Expenditure authority for the operating budget is at the department level within each fund 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 9.9 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 and 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 30,939 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 22<sup>nd</sup> busiest U.S. airport providing 490 flights per day and serving approximately 11.2 million visitors in 2020.

Fort Meade is a 5,067-acre federal facility that hosts 119 tenant organizations with an estimated total employment on base of 62,680 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.

Arundel Mills is a major regional retail, entertainment, office and hospitality center in western Anne Arundel County. Its development history began 20 years ago with support from County Tax Increment Financing investment for

## ANNE ARUNDEL COUNTY

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infrastructure. In addition to 17 anchor and over 225 specialty retail stores, 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. In 2019, Live! opened 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 – Luminis Health Anne Arundel Medical Center and the University of Maryland Baltimore Washington Medical Center, with affiliations to Johns Hopkins and University of Maryland respectively, 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 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 nearly nine million square feet of existing warehouse space with an additional seven 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 approximately 310,000 workers serves businesses, government agencies and institutions throughout the Washington-Baltimore Region. Within the County, there are approximately 256,000 “in-place” jobs (the County’s largest employer, the National Security Agency, does not report its employee numbers to any of the State or County statistical reporting agencies). The County’s workforce is highly skilled with an educational attainment that reports 43.9% workers 25 years and older with a bachelor’s or advanced graduate degree. The fiscal year 2021 average unemployment rate for Anne Arundel County is 5.5% as compared to the average for 2020 of 4.4%. This rate is favorable in contrast to the average State unemployment rate of 6.8% and the average national rate of 6.9%.

**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, Education and Health Services, Construction, and Financial Activities. In calendar year 2020, strong gains were seen in both the Manufacturing and Construction sectors, while all other industries were hit hard by the COVID-19 pandemic. The County continues to regain pandemic-related losses in payroll employment with 256,248 jobs currently in the County.

**Housing Market:** The number of housing units sold in Anne Arundel County is up 30.6% from fiscal year 2020 at 9,313 units to 12,167 units in fiscal year 2021. In addition, the median price for existing homes is up 11.7% from \$359,613 in fiscal year 2020 to \$401,675 in fiscal year 2021. Additionally, the number of housing units available continues to rise and has grown by 20,568 over the past ten years to keep pace with an increasing county population that was 588,261 according to the 2020 Decennial Census.

**Commercial Real Estate:** Currently there is 62,001,491 square feet of office, flex, and industrial commercial real estate in Anne Arundel County representing 1,991 properties. The average vacancy rate for all commercial property (office, flex, industrial) in the County is 7.5%, down from the five-year average of 9.4%. Average rental rates are \$16.97 per square foot, up when compared to the five-year average cost at \$16.20 per square foot. Current average rental rates per square foot are \$27.53 for office, \$13.98 for flex and \$8.86 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. The number of housing units sold in the County and the median price for existing homes have both risen sharply as the housing market has been strong, hampered only by a decreasing inventory of homes on the market. Altogether, these factors position Anne Arundel County to continue to be a leader for job growth in the State.

## Long Term Financial Planning

**Permanent Public Infrastructure Fund:** The County has restricted \$19.5 million in funds for permanent public infrastructure to be used as a funding source for permanent public improvements in the capital budget as a result of bill number 42-19 which passed at the end of fiscal year 2019.

**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 \$84.4 million at the end of fiscal year 2021. 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 \$11.0 million will be transferred to the Fund during fiscal year 2022. Effective May 30, 2021, the maximum fund balance may not exceed an amount equal to 6.0% of the estimated General Fund revenues for the upcoming fiscal year or \$95.7 million for fiscal year 2022.

**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 \$0.933 per \$100 assessed value, the property tax is the lowest among the State's seven largest metropolitan jurisdictions and its local income tax rate at 2.81% is the 4<sup>th</sup> lowest in the State of Maryland. Revenues from property and income taxes for fiscal year 2021 supported 79.3% 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.

ANNE ARUNDEL COUNTY

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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, 2021 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the fortieth 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 Annual Comprehensive 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 annual comprehensive 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 ACFR. 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 Jessica Papaleonti, 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**

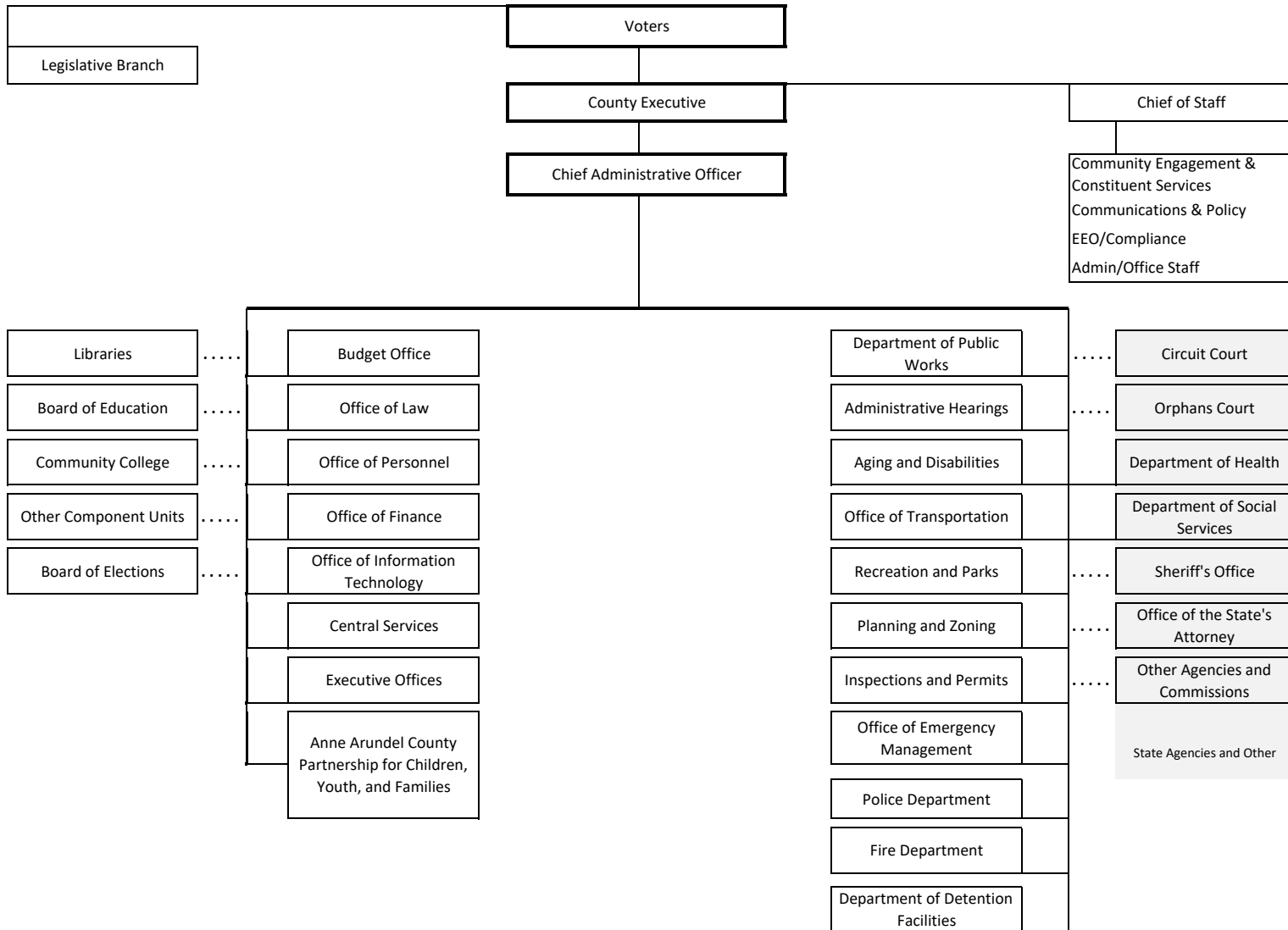
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Anne Arundel County, Maryland



..... Not a direct report



**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

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, 2021, 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**

The County’s 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Anne Arundel County Board of Education, Anne Arundel County Community College, Anne Arundel Economic Development Corporation, Tipton Airport Authority, Anne Arundel Workforce Development Corporation, and Anne Arundel County Retirement and Pension System. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for the County, 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.

The financial statements that we did not audit, which are listed above, represent the percentages of the total assets, total net position, and total revenues of the accompanying financial statements as listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Position	Total Operating Revenues
Component units			
Major			
Board of Education	86.3%	113.8%	83.5%
Community College	11.9%	-15.0%	12.3%
Non-Major			
Economic Development	0.3%	-0.2%	1.7%
Tipton Airport	0.5%	-0.9%	0.2%
Workforce Development	0.1%	-0.1%	0.6%
Total Percentage of Component Units	99.1%	97.5%	98.2%
Fiduciary Funds:			
Pension Trust Fund	83.6%	83.6%	55.8%



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

### ***Opinion***

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, and the aggregate remaining fund information of the County, as of June 30, 2021, 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 employer's contributions, schedules of proportionate shares of pension plans, schedules of County's contributions, schedules of changes in net OPEB liabilities and related ratios, retiree health benefits trust schedules of contributions, and schedule of changes in length of service award program net pension liability 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 an opinion 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.





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The combining fund statements, budgetary statements and other supporting schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 and statistical sections, as referenced in the accompanying table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021 on our consideration of the County's internal controls 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls 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 controls over financial reporting and compliance.

Owings Mills, Maryland  
December 28, 2021

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**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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As management of Anne Arundel County, Maryland (the County), we have prepared the following discussion and analysis to inform readers of the County's annual financial report about the financial information that the enclosed statements present. We encourage readers to consider the discussion and analysis along with the other information in this report, including the transmittal letter and notes to the basic financial statements. In this section we have provided an overview of the basic financial statements, selected condensed financial data and highlights, and analysis of the County's financial position and changes in financial position. Comparable amounts from the fiscal year ended June 30, 2020 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 \$911.0 million. The unrestricted portion was negative \$1.3 billion which was composed of a deficit in the governmental activities of \$1.3 billion and a deficit of \$13.6 million in the business-type activities. The unrestricted deficit occurred in the governmental activities due to Board of Education and Anne Arundel Community College debt being recorded on the County's statement of net position, but not the corresponding capital assets. Debt outstanding for education projects was \$778.5 million and for college projects was \$77.3 million. The current net value of the Board of Education capital assets was \$1.5 billion and the community college net capital assets total \$185.5 million. In the current fiscal year, the governmental activities unrestricted deficit decreased by \$72.7 million and the business-type activities unrestricted net position decreased by \$22.5 million.
- Total net position of the County has increased by \$93.2 million or 11.4% over the prior fiscal year.
  - In the governmental activities, total revenues increased \$159.3 million or 8.2% and expenses increased \$96.3 or 5.0% from the prior fiscal year, resulting in an increase of \$101.0 million in net position, which is \$62.8 million more than the prior fiscal year change. Increases in operating grants and contributions, capital grants and contributions, general property taxes, local income tax revenues, and recordation and transfer tax revenues of \$27.7 million, \$16.3 million, \$30.3 million, \$61.7 million, and \$42.0 million, respectively, were the primary drivers which increased revenues. These increases were offset by decreases in charges for services, local sales tax and investment income of \$7.1 million, \$2.7 million and \$7.5 million, respectively. Higher expenses were primarily due to increases in public safety (\$49.5 million), general government (\$18.2 million), health and human services (\$11.2 million), public works (\$29.9 million), recreation and community services (\$19.2 million), judicial (\$3.5 million), and code enforcement (\$1.9 million). The increase in budgetary expenditures were in part from labor related the cost of living increase and pay for performance increase of 2.0% and 3.0%, respectively for represented positions and a one-time payment of \$1,500 for non-represented positions, 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 \$5.8 million or 2.3% and total expenses increased by \$9.9 million or 4.0%, from the prior fiscal year, resulting in a \$7.7 million decrease in net position, which is \$15.5 million less than the prior fiscal year change. Increases in revenue are attributable to increased capital grants and developer contributions and other revenues in the amount of \$1.5 million and \$2.3 million respectively, were offset by significant reductions in revenue related to charges for services and investment income, \$5.4 million and \$4.1 million, respectively. This was primarily from a decrease in charges for service and connections fees in the Water and Wastewater Fund of \$4.4 million and \$10.8, respectively. The \$9.9 million increase in expenses resulted from an increase in spending for contractual service in the Water and Wastewater Fund of \$7.3 million and in the Solid Waste Fund \$5.1 million, offset by \$2.5 million in reduced child care expenses.

**Fund Level:**

- The County's governmental funds reported combined fund balances of \$715.8 million, an increase of \$209.0 million from the prior fiscal year. The greatest net change in fund balance was a \$162.1 million increase from the prior fiscal year in the General Fund mainly due to an increase local income taxes, and recordation and transfer tax revenues of \$86.3 million and \$42.0 million, respectively. These increases in revenue were offset in part by increases in spending for education, public safety, general government expenses, and principal payments on debt of \$17.5 million, \$22.9 million, \$15.8 million, and \$139.4 million, respectively, and a decrease in recreation and community services of \$1.3 million. For fiscal year 2021, the Impact Fees Capital Projects Fund balance increased \$9.3 million due to incoming revenues exceeding expenses and transfers out by \$9.3 million. The General County Capital Projects fund balance

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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increased by \$27.9 million as a result of incoming revenue and transfers in for capital project funding exceeding education and capital outlay spending by \$27.9 million. The Grants Fund balance increased by \$4.3 million as a result of revenues exceeding expenses because of the normal lag in the grant reimbursements which occurs each year. Non-major governmental funds balance increased \$5.5 million due to net operating income of \$48.7 million, offset by a net of \$43.2 million for other financing sources and uses.

- Approximately 65.0% of the total governmental fund balance or \$465.4 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and are properly designated as committed, assigned and unassigned.
- Available fund balance for the General Fund was \$386.3 million or 99.0% of the total fund balance, which is 21.9% of the current year expenditures. Non-spendable fund balance of the General Fund was \$3.8 million or 1.0% of the total fund balance.
- The enterprise fund charges for service decreased by \$5.4 million or 3.6%, and capital contributions increased \$1.5 million or 1.8%. As discussed previously, this was primarily due a decrease in charges for service and connection fees in the Water and Wastewater Fund. Non-operating revenues decreased by \$1.8 million or 7.4%, primarily due to a reduction in investment income of \$4.1 million from prior year. Operating expenses increased by \$9.9 million or 4.0%, and non-operating expenses increased by \$0.124 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 \$61.3 million for governmental activities and \$24.6 million for business-type activity in fiscal year 2021. The County issued additional general obligation debt in the amount of \$180.1 million for governmental activities which will be used for education, infrastructure improvements, community college, watershed protection and restoration, parks and recreation, waterway improvements, and general government improvements. The County issued new bonds for business-type activity in the amount of \$75.6 million for waste management and utility improvements. The County had a net decrease for Maryland Water Quality loans of \$4.6 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.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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*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 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, Grants 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 and therefore are not recorded in the government-wide statements and are not available to support County services. 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 single employer defined benefit plans for the purpose of providing retiree health benefits. In addition, this category includes custodial 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. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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.

**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.

	Statement of Net Position					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current	\$ 713,963,687	\$ 747,215,502	\$ 164,696,916	\$ 158,625,640	\$ 878,660,603	\$ 905,841,142
Restricted - Current	481,728,194	274,267,516	325,777,255	333,245,552	807,505,449	607,513,068
Restricted - Noncurrent	-	-	20,905,831	23,000,923	20,905,831	23,000,923
Capital	1,453,256,218	1,399,569,819	1,866,709,443	1,832,622,489	3,319,965,661	3,232,192,308
Total	<u>2,648,948,099</u>	<u>2,421,052,837</u>	<u>2,378,089,445</u>	<u>2,347,494,604</u>	<u>5,027,037,544</u>	<u>4,768,547,441</u>
Deferred outflow of resources	<u>198,584,249</u>	<u>200,830,156</u>	<u>23,821,712</u>	<u>27,604,655</u>	<u>222,405,961</u>	<u>228,434,811</u>
<b>Liabilities:</b>						
Current	315,562,884	348,576,921	86,516,817	85,569,435	402,079,701	434,146,356
Restricted - current	126,465,533	74,738,010	11,185,441	14,832,103	137,650,974	89,570,113
Noncurrent	2,800,979,122	2,676,999,865	972,313,145	933,847,669	3,773,292,267	3,610,847,534
Total	<u>3,243,007,539</u>	<u>3,100,314,796</u>	<u>1,070,015,403</u>	<u>1,034,249,207</u>	<u>4,313,022,942</u>	<u>4,134,564,003</u>
Deferred inflow of resources	<u>23,255,769</u>	<u>41,251,292</u>	<u>2,124,033</u>	<u>3,374,168</u>	<u>25,379,802</u>	<u>44,625,460</u>
<b>Net Position:</b>						
Net investment in capital assets	626,801,385	635,565,747	1,028,572,432	1,008,501,766	1,655,373,817	1,644,067,513
Restricted	253,003,875	216,024,232	314,786,793	320,079,113	567,790,668	536,103,345
Unrestricted	<u>(1,298,536,220)</u>	<u>(1,371,274,244)</u>	<u>(13,587,504)</u>	<u>8,895,005</u>	<u>(1,312,123,724)</u>	<u>(1,362,379,239)</u>
Total net position	<u>\$ (418,730,960)</u>	<u>\$ (519,684,265)</u>	<u>\$ 1,329,771,721</u>	<u>\$ 1,337,475,884</u>	<u>\$ 911,040,761</u>	<u>\$ 817,791,619</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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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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.

**Management's Analysis** – Unrestricted current assets of governmental activities are \$33.3 million less in fiscal year 2021. This is due primarily to a decrease in cash and temporary investments, and taxes and other state revenue receivables of \$12.8 million and \$37.2 million, respectively, which was offset by an increase in amounts due from component units of \$13.2 million. The business-type activities current assets increased by \$6.1 million, primarily due to an increase in cash and temporary investments of \$8.6 million from the prior fiscal year.

Restricted current assets in governmental activities increased by \$207.5 million or 75.6%. This was mainly from an increase in restricted cash and temporary investments, and amounts due from other governmental agencies of \$180.1 million and \$31.7 million, respectively. The restricted cash in the Grants Fund increased by \$7.7 million as a result of Covid-19 funding which was unspent as of the end of the current fiscal year. The restricted cash in the Impact Fee Capital Projects Fund increased by \$9.1 million as a result of an increase in fund balance of \$9.3 million. This was primarily due to a decrease in transfers out of \$5.8 million. The General County Capital project fund had a decrease in cash and investments of \$8.9 million. This decrease is in part the result of increases in accounts receivables of \$22.3 million offset by an increase in the fund balance of \$27.9 million as a result of excess revenues and transfer in amounts over expenditures. The Non-major Governmental Funds had an increase in cash and investments of \$22.5 million. This was mainly due to the following changes in cash and investments; Arundel Community Development Services increased \$14.2 million; Odenton Town Center increased by \$4.4 million; Video Lottery Local Impact Aid increased \$1.8 million; and an increase in the Watershed Protection and Restoration Fund of \$2.8 million. The increase in current non-restricted assets in business-type activities of \$6.1 million or 3.8% was primarily due to an increase in cash and temporary investments of \$8.6 million. The decrease in current restricted assets in business-type activities of \$7.5 million or 2.2%, was primarily due to a decrease in investments of \$15.1 million offset by an increase in cash and temporary investments of \$4.6 million, and other receivables of \$3.8 million, respectively. The decrease in investments was due mainly to the reduction in investment income as a result of the drop in the Federal interest rate, while the increase in other receivables was related to an increase in receivables from project developer allocations in the Water and Wastewater Debt Service Fund.

The governmental capital assets balance increased by \$53.7 million from the prior fiscal year or 3.8%. These increases are mainly the result of the completion of certain capital projects.

Noncurrent assets in business-type activities increased by \$32.0 million from the prior fiscal year or 1.7%. This increase resulted in part from an increase in total capital assets of \$34.1 million mainly 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.

Current unrestricted liabilities for governmental activities decreased by \$33.0 million or 9.5%, from the previous fiscal year. This occurred primarily due to a decrease in accounts payable and accrued liabilities, and amounts due to component units of \$29.9 million, \$14.7 million, offset by an increase in current portion of non-current liabilities of \$11.7 million. The accounts payable and accrued liabilities decrease was mainly from the General County Capital Projects Fund in the amount of \$4.0 million. The current unrestricted liabilities in business-type activities increased by \$1.0 million or 1.1% from the prior fiscal year, mainly the result of an increase in current portion of non-current liabilities and internal balances of \$4.3 million and \$0.6 million, respectively offset by a decrease in accounts payable and accrued liabilities of \$4.1 million.

Restricted current liabilities for governmental activities increased by \$51.7 million or 69.2% from the prior fiscal year, mainly as a result of an increase in accrued liabilities of \$29.2 million and an increase in unearned revenue of \$22.2

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

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million due to unearned Covid-19 grant revenue. Restricted current liabilities for business-type activities decreased by \$3.6 million or 24.6% from the previous fiscal year, mainly the result of a decrease in unearned revenue of \$4.2 million.

Noncurrent liabilities consist of bonded debt, pension benefits, OPEB obligation, unpaid insurance claims, loans, capital leases, and other liabilities. These liabilities increased \$124.0 million or 4.6%, in governmental activities, and increased by \$38.5 million or 4.1%, in business-type activities. The increase in governmental activities was mainly due to an increase in pension liability, OPEB obligation, and long-term debt liability of \$18.5 million, \$19.2 million, and \$83.6 million, respectively, offset by a decrease in unpaid insurance claims of \$1.6 million. The increase in the noncurrent liabilities in business-type activities was caused primarily by an increase in the long-term bonded debt of \$36.4 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 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 \$1.5 billion and \$185.5 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 net position 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</u> <u>year</u>	<u>Balance</u> <u>(in millions)</u>	<u>Fiscal</u> <u>year</u>	<u>Balance</u> <u>(in millions)</u>
2018	\$ (1,256.7)	2020	\$ (1,371.9)
2019	(1,345.0)	2021	(1,298.5)

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.



**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

	Governmental		Business type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<b>Program Revenues:</b>						
Charges for services	\$ 162,101,290	\$ 169,170,478	\$ 143,807,507	\$ 149,241,309	\$ 305,908,797	\$ 318,411,787
Operating grants & contributions	150,802,000	123,052,168	-	-	150,802,000	123,052,168
Capital grants & contributions	93,752,059	77,415,187	81,182,485	79,720,811	174,934,544	157,135,998
	<u>406,655,349</u>	<u>369,637,833</u>	<u>224,989,992</u>	<u>228,962,120</u>	<u>631,645,341</u>	<u>598,599,953</u>
<b>General Revenues:</b>						
General property taxes	828,844,864	798,537,966	-	-	828,844,864	798,537,966
Local income taxes	668,002,091	606,312,333	-	-	668,002,091	606,312,333
State shared taxes	4,677,098	5,447,870	-	-	4,677,098	5,447,870
Recordation & transfer taxes	156,927,794	114,907,649	-	-	156,927,794	114,907,649
Local sales taxes	24,016,271	26,699,642	-	-	24,016,271	26,699,642
Investment income	1,449,674	8,931,334	3,092,408	7,193,478	4,542,082	16,124,812
Other revenue	18,829,827	19,666,825	19,695,504	17,403,654	38,525,331	37,070,479
	<u>1,702,747,619</u>	<u>1,580,503,619</u>	<u>22,787,912</u>	<u>24,597,132</u>	<u>1,725,535,531</u>	<u>1,605,100,751</u>
Total revenues	<u>2,109,402,968</u>	<u>1,950,141,452</u>	<u>247,777,904</u>	<u>253,559,252</u>	<u>2,357,180,872</u>	<u>2,203,700,704</u>
<b>Expenses:</b>						
Education	919,228,528	939,581,972	-	-	919,228,528	939,581,972
Public safety	394,346,520	344,881,511	-	-	394,346,520	344,881,511
General government	250,467,620	232,233,118	-	-	250,467,620	232,233,118
Health & human services	116,319,497	105,098,924	-	-	116,319,497	105,098,924
Public works	112,956,167	83,066,338	-	-	112,956,167	83,066,338
Recreation & community services	97,920,478	78,697,946	-	-	97,920,478	78,697,946
Judicial	34,243,612	30,780,314	-	-	34,243,612	30,780,314
Code enforcement	16,817,595	14,872,974	-	-	16,817,595	14,872,974
Land use & development	1,858,640	19,195,078	-	-	1,858,640	19,195,078
Interest expense on debt	64,954,006	64,360,485	-	-	64,954,006	64,360,485
Water & wastewater	-	-	189,988,951	182,683,237	189,988,951	182,683,237
Waste collection	-	-	61,869,697	56,777,155	61,869,697	56,777,155
Child care	-	-	2,960,419	5,490,066	2,960,419	5,490,066
Total expenses	<u>2,009,112,663</u>	<u>1,912,768,660</u>	<u>254,819,067</u>	<u>244,950,458</u>	<u>2,263,931,730</u>	<u>2,157,719,118</u>
Increase(decrease) in net position	100,290,305	37,372,792	(7,041,163)	8,608,794	93,249,142	45,981,586
<b>Non operating income and expense:</b>						
County Transfer	663,000	787,000	(663,000)	(787,000)	-	-
Change in Net Position	<u>100,953,305</u>	<u>38,159,792</u>	<u>(7,704,163)</u>	<u>7,821,794</u>	<u>93,249,142</u>	<u>45,981,586</u>
Net Position, beg of year	(519,684,265)	(557,844,057)	1,337,475,884	1,329,654,090	817,791,619	771,810,033
Adjustment to restate net position	-	-	-	-	-	-
Net Position, end of year	<u>\$ (418,730,960)</u>	<u>\$ (519,684,265)</u>	<u>\$ 1,329,771,721</u>	<u>\$ 1,337,475,884</u>	<u>\$ 911,040,761</u>	<u>\$ 817,791,619</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 \$159.3 million or 8.2%. This is mainly due to an increase in local income tax of \$61.7 million or 10.2%, an increase in recordation and transfer taxes of \$42.0 million or 36.6% from the growth in real property assessable base, and an increase in program revenues of \$37.0 million or 10.0%. The change in program revenue was from an increase in operating grants and contributions of \$27.7 million, a decrease in charges for service of \$7.1 million, and an increase in capital grants and contributions of \$16.3 million.

The governmental activities' expenses had an increase of \$96.3 million or 5.0% from prior fiscal year. Certain functional categories of expenditures had significant fluctuations during fiscal year 2021. The most notable fluctuations were in public safety, general government, health and human services, public works, and recreation and community services which increased by \$49.5 million or 14.3%, \$18.2 million or 7.9%, \$11.2 million or 10.7%, \$29.9 million or 36.0%, and \$19.2 million or 24.4%, respectively. These increases were partially offset by a decrease in both education of \$20.4 million or 2.2%, and land use and development of \$17.3 million or 90.3%. The spending increase in general government was driven in part by an increase in the Grant Fund of \$8.5 million on grants for general government. The spending increase in health and human services was in due to increased grant spending for Covid-19 initiatives. The spending decrease in education was as a result of the Board of Education spending less for the County's funds for capital

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

---

improvements. The \$17.3 million decrease in land use and development spending was mainly driven by the reimbursement for land acquisition made in the previous fiscal year for Greenways and Quiet Waters Park. In fiscal year 2021, the represented County Employee’s received a 2.0% cost of living increase and a 3.0% pay for performance increase while non-represented employees received a one-time payment of \$1,500 which effect all funds.

Business-type activities total revenues decreased by \$5.8 million or 2.3% from prior fiscal year. The decrease in program revenue of \$4.0 million or 1.7% is mainly due to a decrease in charges for services of \$5.4 million or 3.6% from the previous fiscal year. In addition, there was a decrease in capital contributions of \$10.8 million or 24.4% in the Water and Wastewater Debt Service Fund due to decrease in connection fees, offset by an increase in environmental protection revenues of \$1.6 million. General revenues decreased by \$1.8 million or 7.4% which was mainly from a decrease in investment income of \$4.1 million from the prior fiscal year.

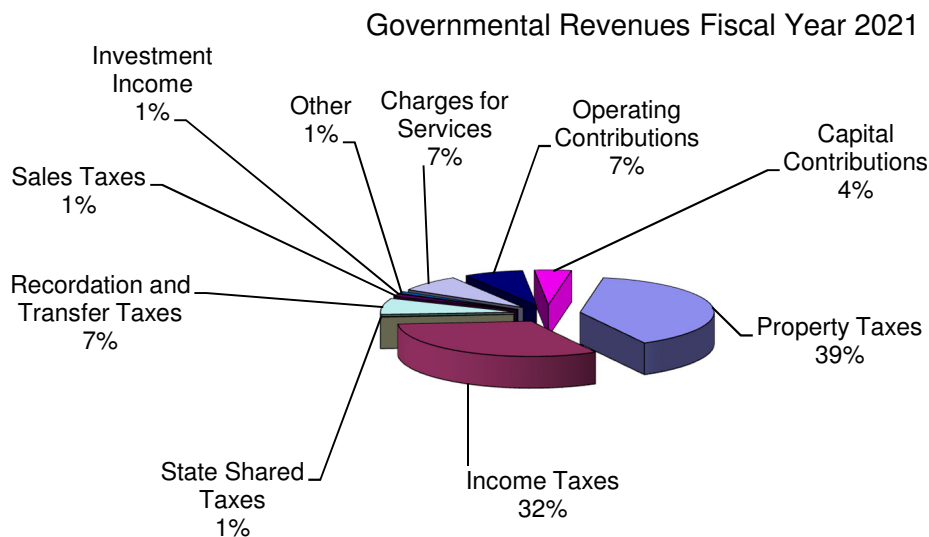
Business-type expenses had an overall increase of \$9.9 million or 4.0% from the previous fiscal year, which was primarily caused by an increase in water and wastewater fund, and waste collection expenses of \$7.3 million and \$5.1 million, respectively. The increase in the Water and Wastewater Operating Fund was in part from a \$5.8 million increase in personal services and an increase in depreciation expense of \$2.2 million.

**Distribution of Revenues and Expenses**

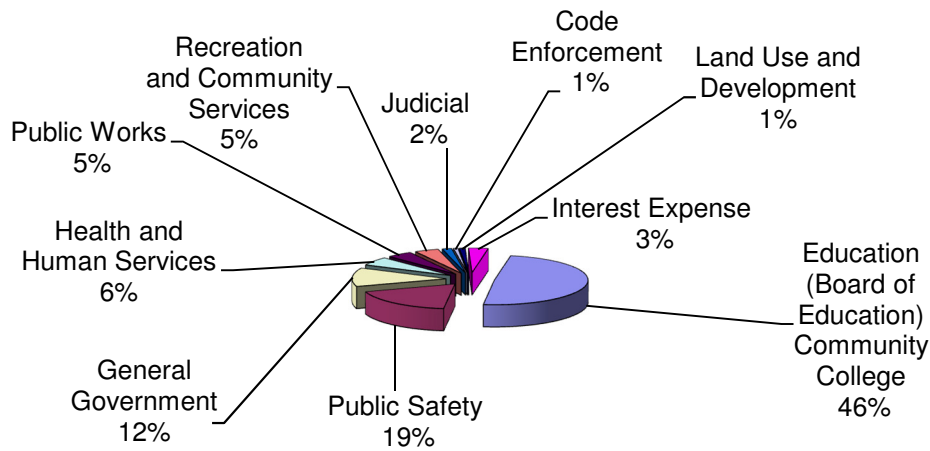
The next two charts show the percentage distribution of revenues from governmental activities and the percentage expended on each function. Discussion of the 2021 distribution and significant changes since 2020 follows.

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 80% of the revenue base, which remained unchanged from fiscal year 2020. Charges for services paid to the County by users were 7% for fiscal year 2021, a decrease from fiscal year 2020 which was 8%.

An analysis of the percentage distribution of revenues revealed that there was an increase in Operating Contributions from 6% to 7% while Charges for Services decreased from 8% to 7%. An analysis of the percentage distribution of expenses by function revealed that Public Safety, Public Works and Recreation and Community Services increased slightly from 18% to 19%, 4% to 5% and 4% to 5%, respectively, while Education (Board of Education and Community College) decreased from 49% to 46%.



### Governmental Expenses Fiscal Year 2021

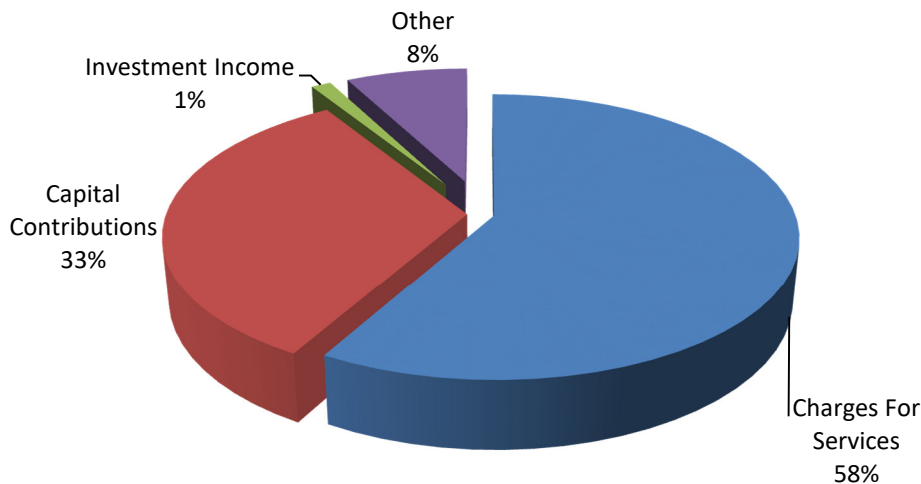


The next two charts show the percentage distribution of revenues from business-type activities and the percentage expended on each function. Discussion of the fiscal year 2021 distribution and significant changes since fiscal year 2020 follows.

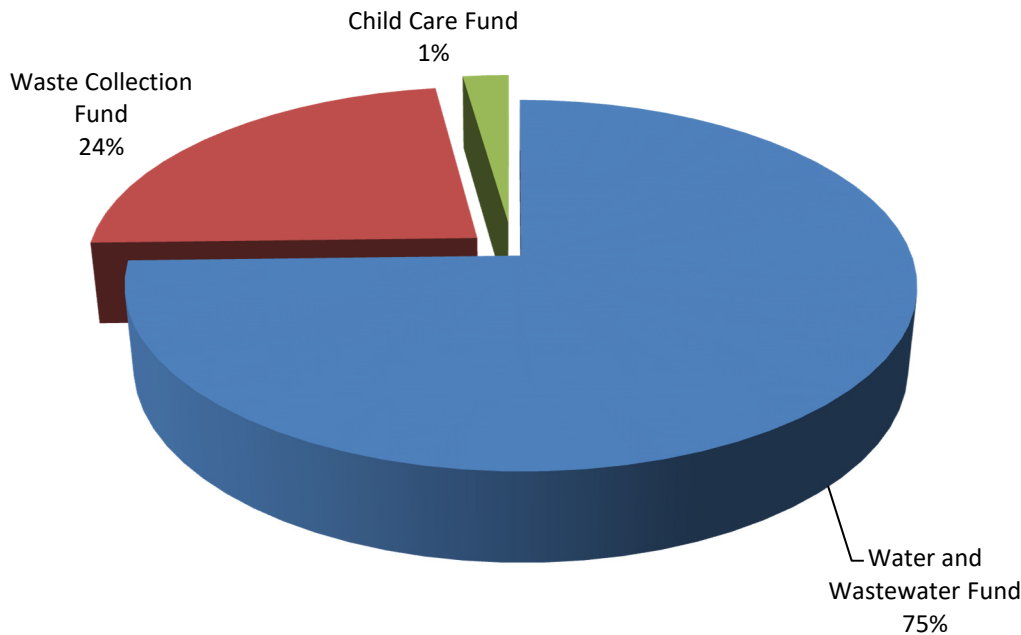
Charges for services and capital contributions continue to provide the vast majority of the County’s business-type activities revenue. Together these account for 91% of the revenue in fiscal year 2021, no change from fiscal year 2020 which was also 91%.

An analysis of the percentage distribution of expenses by function revealed that the Waste Collection Fund increased from 23% to 24%, while the Child Care Fund decreased from 2% to 1%.

### Business-Type Activities Revenues Fiscal Year 2021



## Business-Type Activities Expenses Fiscal Year 2021



### 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 \$439.5 million to \$574.3 million or \$134.8 million, from the prior fiscal year. The increase primarily occurred in cash and investments of \$135.9 million, state shared revenues of \$3.2 million and amounts due from other funds of \$6.7 million which was offset by a decrease in local income taxes of \$20.8 million. Total fund balance increased from \$228.0 million to \$390.1 million or \$162.1 million.

General Fund revenues increased from \$1,608.5 million to \$1,758.7 million or \$150.2 million and expenditures increased from \$1,561.8 million to \$1,762.9 million or \$201.1 million over the prior fiscal year. The main increases in revenue were in general property tax, local income tax, and recordation and transfer taxes of \$28.3 million, \$86.3 million, and \$42.0 million, respectively, offset by a decrease in local sales tax and investment income of \$2.7 million and \$7.6 million, respectively. The increase in General Property taxes was attributable to an increase in the taxable assessments for the County, while the increase in local income taxes was due to additional revenues collected by the State.

The County has put aside funds for permanent public infrastructure, in the amount of \$19.5 million, which is included in

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

---

the committed fund balance of the General Fund. 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 \$84.4 million was in the reserve fund. This increase from the prior fiscal year is from the current year contribution of \$2.2 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 Grants Fund is being presented as a major fund in the current fiscal year as a result of the inflow and outflow of Covid-19 grants received from state and federal sources. The total fund balance increased by \$4.3 million, from a negative \$8.4 million in fiscal year 2020 to a negative \$4.1 million in fiscal year 2021. This was a result of State agencies, primarily the Health Department, catching up on unpaid balances dating back to fiscal year 2020 when Covid-19 caused significant delays in processing grant reimbursements to the County.

The Impact Fees Capital Project Fund retains developer impact fees until needed for the construction of capital assets. The total fund balance increased \$9.3 million, from \$94.8 million in fiscal year 2020 to \$104.1 million in fiscal year 2021. This was a result of impact fee revenues of \$31.7 million exceeding impact fee expenses of \$4.1 million and transfers out to capital projects of \$18.4 million. 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 General County Capital Projects Fund's total assets increased from \$177.2 million in fiscal year 2020 to \$190.1 million in fiscal year 2021, or \$13.4 million. This is primarily due to a decrease in cash and investments of \$8.9 million at the end of current fiscal year, and an increase in receivables of \$22.3 million. The receivable increase was in part due to the grants receivable increase in public safety of \$1.1 million for Central Holding and Processing, and Anne Arundel Community College for the Health Building of \$8.4 million. Amounts due from the Board of Education increased by \$12.8 million. Liabilities decreased by \$17.4 million compared to the prior fiscal year, primarily due to a decrease in the amount due to the Board of Education and the Anne Arundel Community College of \$6.8 million and \$6.6 million, respectively. Deferred inflow of resources increased \$3.0 million due to an increase in unavailable grant and program revenue. The change in fund balance from the prior fiscal year increased from \$99.6 million to \$127.4 million in fiscal year 2021, for an increase of \$27.8 million in fund balance from the prior fiscal year.

Revenues in the General County Capital Projects Fund increased from \$25.0 million in fiscal year 2020 to \$44.1 million in fiscal year 2021, or by \$19.1 million. Expenditures in this fund decreased by \$72.7 million which is attributed to a decrease of \$39.1 million for amounts paid to the Board of Education and Community College for capital projects and a \$33.6 million decrease in capital outlay expense. The decrease in Board of Education and Community College is primarily attributable to the decrease in cost for school construction. Although, school construction costs fluctuated based on various projects, Crofton Area High School and Richard Henry Lee Elementary School completed construction which decreased costs by \$53.9 million compared to the prior fiscal year. This was offset by an increased in funding for Anne Arundel Community College's, Health, Science and Biology Building of \$16.7 million.

**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 \$2.3 billion at the end of fiscal year 2021, which was an increase of \$32.9 million over fiscal year 2020. The increase primarily occurred as a result of an increase in net capital assets of \$30.1 million and an increase in cash and investments, and restricted receivables of \$19.6 million, \$3.0 million, respectively. These increases were offset by a decrease in investments of \$15.1 million. Capital assets increase each year as capital projects are completed and developer donated water and sewer facilities are added. The main increase in liabilities was an increase in long term debt of \$34.1 million. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net position increased by only \$0.114 million or 0.009%.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for Water and Wastewater Fund had a decrease in operating revenues of \$3.0 million. Operating expenses increased by \$6.6 million or 4.4%, mainly from an increase in personnel services of \$5.8 million and an increase in depreciation expense of \$2.2 million, offset by a decrease in

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

---

contractual services of \$2.9 million. Non-operating revenue and expenses decreased from the previous year by \$2.3 million, while environmental protection fees increased by \$1.6 million.

The Solid Waste Fund's assets decreased by \$0.1278 million. Liabilities increased by \$2.1 million from the prior fiscal year in part from an increase in long-term debt of \$2.3 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 \$2.5 million and an increase in operating expenses of \$4.8 million. This contributed to a decrease in net position of \$3.2 million at the end of the current fiscal year.

**Fiduciary Funds:**

Fiduciary funds include the Pension Trust Funds, the OPEB Trust Fund, and Custodial Funds. The Pension Trust Funds are presented for the calendar year ended December 31, 2020. Total investments in the Pension Trust increased by \$105.7 million in calendar year 2020. The Pension Fund net position increased from \$2.0 billion to \$2.1 billion or 5.6%. Contributions increased from \$92.2 million in 2019 to \$101.7 million during 2020 and investment activity decreased by \$114.4 million from prior year. The net position of the OPEB Trust at the end of the current fiscal year was \$393.2 million, an increase of \$130.7 million from the prior fiscal year. Custodial funds balance is \$23.5 million in fiscal year 2021. The annual property tax sale was postponed because of the Covid-19 pandemic.

**Budgetary Variations:**

The budgetary statements of the General Fund show actual revenues of \$1.8 billion compared to budgeted amounts of \$1.7 billion, resulting in \$154.9 million more revenue than anticipated. The most significant budgetary variations within components of revenue were the increases in general property taxes, local income tax, and recordation and transfer taxes which exceeded budgetary expectation by \$4.1 million or 0.5%, \$104.1 million or 17.7%, and \$61.9 million or 65.2%, respectively. The remaining negative variances were mainly due to decreases in state shared taxes, local sales taxes, licenses and permits, investment income, inter-fund recoveries, and fees for service and other revenues of \$1.1 million, \$6.9 million, \$2.1 million, \$2.2 million, \$3.4 million, and \$2.7 million, respectively. The decrease in revenues were mainly the result of the effects of Covid-19 related to County closures, the temporary reduction of fees charged by the County and the poor returns on investment income due to the drop in the Federal interest rate.

Total expenditures on a budgetary basis were \$1.71 billion compared to appropriation authority of \$1.73 billion, resulting in \$20.2 million or 1.2%, less than planned. The most notable variances are in the public safety, general government, and health and human services of \$4.3 million, \$6.9 million, and \$3.2 million, respectively. This was in part due to under spending in the police department of \$1.3 million, the fire department of \$2.4 million, health department of \$2.5 million, and recreation and parks of \$2.0 million. The Police Department under spent mainly in personnel services partly as a result of position vacancies and the Health Department did not spend all of their Covid-19 grant funds which will be spent in the following fiscal year. Also, certain expenses were applied to grants for Covid-19 related activities.

In reviewing the changes from the original budget to the final budget, total budgeted revenues did not change but budgeted expenses increased by \$6.9 million once plans for the uses of the US Treasury CARES funding were better defined. The expense increase was primarily in health and human service in the amount of \$5.3 million and public works of \$3.3 million for Covid-19 expenditures. 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 \$53.7 million or 3.8%, from fiscal year 2020. The following table shows an increase in land improvements, roads and bridges, storm drains and culverts, automobiles and rolling stock, furniture and equipment and construction in progress of \$6.3 million, \$6.2 million, \$8.1 million, \$4.7 million, \$11.3 million and \$36.9 million, respectively. These increases were partially offset by a decrease

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

in land and easements, and buildings of \$13.0 million and \$6.4 million, respectively.

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

- \$27.9 million for Road Resurfacing and Reconstruction
- \$11.5 million for Information Technology Enhancement
- \$9.6 million for county facilities and system upgrades
- \$6.8 million for culvert and storm drain rehab
- 68 new vehicles were purchased including a helicopter, fire trucks, ambulances, and various autos

*Business-type capital assets* – The business-type activities capital assets increased by \$34.1 million or 1.9%, from fiscal year 2020. The following table shows increases in landfills, buildings, water and sewer plants and lines, and construction in progress of \$4.0 million, \$2.6 million, \$18.6 million and \$9.8 million, respectively. These increases were partially offset by a decrease in furniture and equipment of \$1.4 million. 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:

- \$15.7 million for general water and sewer main replacement and reconstruction
- \$8.2 million for upgrade and retrofit of sewer pumping station facilities
- \$3.4 million for generator replacement at sewer pumping station facilities
- \$2.6 million for water meter replacement and upgrades
- \$1.8 million for Dewatering Facilities

<b>Anne Arundel County, Maryland</b>						
<b>Capital Assets (net of depreciation)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land and easements	\$ 263,583,903	\$ 276,633,421	\$ 18,373,610	\$ 18,228,804	\$ 281,957,513	\$ 294,862,225
Historical property						
and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	167,919,266	161,639,869	-	-	167,919,266	161,639,869
Landfills	-	-	34,566,707	30,552,852	34,566,707	30,552,852
Buildings	170,638,574	177,001,103	39,265,991	36,657,711	209,904,565	213,658,814
Roads, bridges and signals	168,494,052	162,320,253	-	-	168,494,052	162,320,253
Sidewalks, curbs and gutters	34,670,915	34,004,235	-	-	34,670,915	34,004,235
Storm drains and culverts	161,113,192	153,015,537	-	-	161,113,192	153,015,537
Water and sewer plants and lines	-	-	1,212,144,756	1,193,577,319	1,212,144,756	1,193,577,319
Automobiles and rolling stock	61,133,889	56,403,767	6,663,512	6,350,343	67,797,401	62,754,110
Furniture and equipment	35,940,286	24,625,670	11,909,892	13,277,922	47,850,178	37,903,592
Software	2,345,684	3,419,551	-	-	2,345,684	3,419,551
Construction in progress	383,249,992	346,339,948	543,784,975	533,977,538	927,034,967	880,317,486
Total	<u>\$ 1,453,256,218</u>	<u>\$ 1,399,569,819</u>	<u>\$ 1,866,709,443</u>	<u>\$ 1,832,622,489</u>	<u>\$ 3,319,965,661</u>	<u>\$ 3,232,192,308</u>

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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

---

	<u>Total Depreciable Capital Assets</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Capital Assets</u>	<u>Accumulated Depreciation as a Percent of Total</u>
<b>Governmental</b>				
2021	\$ 1,809,334,953	\$ (1,007,079,095)	\$ 802,255,858	56%
2020	1,752,416,903	(979,986,918)	772,429,985	56%
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%
<b>Business-type</b>				
2021	\$ 2,384,206,168	\$ (1,079,655,308)	\$ 1,304,550,860	45%
2020	2,303,599,166	(1,023,183,019)	1,280,416,147	44%
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%

This analysis shows that the percent of depreciated governmental capital assets has remained steady in the last year at 56.0% at fiscal year-end 2021. The business-type capital assets has increased to 45.0% 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.

#### Debt Administration

The County's outstanding debt at the end of fiscal years 2021 and 2020 is presented in the table below. The County issued general obligation bonds, of \$255.7 million in April 2021, including \$180.1 million for governmental activities, \$75.6 million for water and wastewater activities to fund improvements for general county capital projects of \$180.1 million, waste management projects of \$6.6 million, and water and sewer projects of \$69.0 million. The County had a decrease in Maryland Water Quality loans for water and waste water improvements of \$4.6 million in the Water and Wastewater Fund.

The changes to the state loans were not significant as there was no new loans in the current fiscal year. Principal payments of \$224,213 were made on existing loans. There was one new capital lease added for a Konica Pro 1100 printer in the current fiscal year and payments for leases totaling \$30,272 resulted in an increase in the capital lease balance to \$50,422. The County did not initiate new agricultural easements through installment purchase agreements during fiscal year 2021. Other changes to debt balances resulted from principal payments during fiscal year 2021. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.



**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

Anne Arundel County, Maryland						
Outstanding Debt *						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 1,445,992,927	\$ 1,384,648,193	\$ 775,209,550	\$ 750,633,378	\$ 2,221,202,477	\$ 2,135,281,571
Tax incremental and other debt	64,945,000	68,445,000	-	-	64,945,000	68,445,000
State loans	2,138,181	2,362,394	-	-	2,138,181	2,362,394
Capital leases	50,422	20,245	-	-	50,422	20,245
Installment purchase agreements	13,465,000	13,485,000	-	-	13,465,000	13,485,000
<b>Total</b>	<b>\$ 1,526,591,530</b>	<b>\$ 1,468,960,832</b>	<b>\$ 775,209,550</b>	<b>\$ 750,633,378</b>	<b>\$ 2,301,801,080</b>	<b>\$ 2,219,594,210</b>

\* Does not include unamortized premiums.

**Fiscal Year 2022 and Beyond**

- The County Real Property Tax Rate for fiscal year 2022 is \$0.933 per \$100 of assessed valuation. This is a \$0.001 decrease over previous year's property tax rate. Fiscal year 2022 property tax receipts are estimated to increase 1.4% over the fiscal year 2021 actual receipts. Any future decline in real property assessments would 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 set the calendar year 2022 County income tax rate at 2.81%, which is unchanged from calendar year 2021. Based on most recent estimate, Fiscal year 2022 income tax revenue is projected to decrease 2.7% over the fiscal year 2021 actual revenue. The projected income tax revenue is about \$26.9 million more than the budgeted amount of \$647.0 million for fiscal year 2022.
- 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 2022, stormwater fee remains unchanged at \$89.25 per ERU (equivalent run off unit) and the Watershed Protection and Restoration Fund had an approved budgeted revenue of \$25.8 million.
- For fiscal year 2022, the Anne Arundel County Public Schools are funded by the County at \$784.7 million, a \$35.16 million or 4.7% increase over the prior fiscal year. This funding level exceeds the required Maintenance of Effort level for fiscal 2022. Anne Arundel County Public Schools fiscal year 2022 capital budget contains 46 planned projects totaling \$206.0 million or 53.8% of the General County capital projects. Of the total FY2022 General Fund debt service budget, 44.7% is allocated for school debt.
- The County's support of the Anne Arundel Community College will decrease \$0.2 million in fiscal year 2022 over fiscal year 2021 to a total of \$48.2 million, \$46.4 million from General Fund and \$1.7 million from Video Lottery Local Impact Aid Special Revenue Fund. The County has appropriated \$6.2 million for Anne Arundel County Community College's fiscal year 2022 capital projects, which will be financed by issuing general obligation bonds. The Community College's annual debt service of \$8.8 million is paid by the County.

The fiscal year 2022 General Fund budget was crafted in the midst of the Covid-19 pandemic with considerable uncertainty in the economy. Thankfully, the federal stimulus had a positive impact on income tax distributions, and recordation and transfer tax revenues are better than expected. These positives are balanced by declines in revenue from local sales tax, licensing fees, and other revenues impacted by the ongoing and evolving Covid-19 crisis. FY22 General Fund budget estimates total revenues at \$1.76 billion, an increase of \$79.0 million or 4.7% over fiscal year 2021 original budgeted amounts. As FY2021 revenues came in much higher than the budgeted amounts, the County most likely will revise its FY2022 revenue estimates upward during the FY2023 budget process. Expenditures for fiscal year 2022 will

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2021**

---

continue to be tightened and trimmed where possible with some strategic investments, particularly in public safety and technology. The County also anticipates issuing bonds during fiscal year 2022.

As mentioned above, FY2022 income tax rate stayed at 2.81%. This rate is the fourth lowest in the State. The FY2022 property tax rate is \$0.933 per \$100 of assessed valuation – the seventh 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 effective January 1 2019

Bill 42-19 has been passed to establish the Reserve Fund for Permanent Public Improvements (PPI Fund). This 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. FY2022 General Fund Budget met the required contribution toward the PPI Fund of \$21 million.

The Water and Wastewater Fund usage rates for water and wastewater fees for fiscal year 2022 are \$2.83/1,000gal and \$4.97/1,000gal, respectively. This is same with the prior fiscal year. Solid waste service charges per household is increased by 14.4% from \$298/year to \$341/year. Landfill tipping fees increased from \$75/ton to \$85/ton. A 10% rate increase on Capital Facility Connection Charges and 8.3% rate increase in Environment Protection Fee (EPF) were placed consistent with the five year plan.

#### **Requests for Information**

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

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

**Basic  
Financial  
Statements**



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Anne Arundel County, Maryland

Statement of Net Position

June 30, 2021

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
<b>ASSETS</b>						
Current Assets						
Cash and temporary investments	\$ 488,594,648	\$ 139,172,889	\$ 627,767,537	\$ 216,334,093	\$ 23,685,584	\$ 6,546,186
Taxes and other revenue receivable	168,303,535	-	168,303,535	32,825,491	14,373,728	-
Service billings receivable	-	22,769,426	22,769,426	-	-	59,539
Prepaid and other assets	29,310,942	32,565	29,343,507	31,119,917	6,227,234	2,302,714
Inventories	4,821,706	2,722,036	7,543,742	2,246,952	864,808	49,802
Receivables	-	-	-	-	-	317,640
Due from primary government	-	-	-	24,288,202	66,312	2,391,599
Due from component units	22,932,856	-	22,932,856	-	-	-
Restricted assets						
Cash and temporary investments	415,582,524	24,023,970	439,606,494	12,977,760	-	131,548
Investments	-	273,017,135	273,017,135	-	-	-
Receivables	-	-	-	-	-	-
Due from other governmental agencies	63,745,473	3,175,170	66,920,643	-	-	-
Other, net	2,400,197	25,560,980	27,961,177	-	-	-
Total current assets	<u>1,195,691,881</u>	<u>490,474,171</u>	<u>1,686,166,052</u>	<u>319,792,415</u>	<u>45,217,666</u>	<u>11,799,028</u>
Non-current Assets						
Restricted assets						
Long term assessment and connection charges	-	20,905,831	20,905,831	-	-	-
Total non-current restricted assets	-	20,905,831	20,905,831	-	-	-
Loans receivable and other assets	-	-	-	-	20,786,064	1,220,076
Capital assets not being depreciated	651,000,360	562,158,585	1,213,158,945	225,877,534	8,415,614	-
Capital assets being depreciated	1,809,334,953	2,384,206,166	4,193,541,119	2,280,033,958	288,044,572	41,306,171
Less accumulated depreciation	(1,007,079,095)	(1,079,655,308)	(2,086,734,403)	(1,001,824,822)	(110,937,966)	(16,074,909)
Net capital assets being depreciated	<u>802,255,858</u>	<u>1,304,550,858</u>	<u>2,106,806,716</u>	<u>1,278,209,136</u>	<u>177,106,606</u>	<u>25,231,262</u>
Total capital assets	<u>1,453,256,218</u>	<u>1,866,709,443</u>	<u>3,319,965,661</u>	<u>1,504,086,670</u>	<u>185,522,220</u>	<u>25,231,262</u>
Total non-current assets	<u>1,453,256,218</u>	<u>1,887,615,274</u>	<u>3,340,871,492</u>	<u>1,504,086,670</u>	<u>206,308,284</u>	<u>26,451,338</u>
Total assets	<u>2,648,948,099</u>	<u>2,378,089,445</u>	<u>5,027,037,544</u>	<u>1,823,879,085</u>	<u>251,525,950</u>	<u>38,250,366</u>
DEFERRED OUTFLOW OF RESOURCES						
Pension benefits	101,201,275	9,312,002	110,513,277	24,568,471	843,967	1,078,683
OPEB benefits	88,521,962	11,219,014	99,740,976	224,928,000	46,904,149	19,095,055
LOSAP benefits	5,034,715	-	5,034,715	-	-	-
Unamortized deferred refunding loss	3,826,297	3,290,696	7,116,993	-	182,838	-
Total deferred outflow of resources	<u>198,584,249</u>	<u>23,821,712</u>	<u>222,405,961</u>	<u>249,496,471</u>	<u>47,930,954</u>	<u>20,173,738</u>

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

Anne Arundel County, Maryland  
Statement of Net Position  
June 30, 2021

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and accrued liabilities	\$ 103,015,299	\$ 28,840,038	\$ 131,855,337	\$ 164,780,618	\$ 19,272,084	\$ 2,013,902
Current portion of non-current liabilities	184,719,667	55,298,653	240,018,320	28,466,160	-	1,562,118
Notes payable	-	-	-	-	868,714	-
Internal balances	(1,727,178)	1,727,178	-	-	-	-
Due to primary government	-	-	-	22,548,516	384,340	-
Due to component units	26,746,113	-	26,746,113	-	-	-
Escrow deposits	2,808,983	650,948	3,459,931	-	-	-
Unearned revenue	-	-	-	3,536,844	9,601,502	651,739
Rent abatement	-	-	-	-	-	177,353
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	36,174,362	8,322,105	44,496,467	-	-	-
Escrow and other deposits	5,366,774	-	5,366,774	-	-	-
Unearned revenue	84,924,397	2,863,336	87,787,733	-	-	-
Total current liabilities	<u>442,028,417</u>	<u>97,702,258</u>	<u>539,730,675</u>	<u>219,332,138</u>	<u>30,126,640</u>	<u>4,405,112</u>
Non-current liabilities						
Compensated absences and other obligations	2,141,148	632,830	2,773,978	30,343,049	2,271,879	-
Net pension liability	591,898,820	54,913,487	646,812,307	76,712,926	3,604,419	6,472,730
Net other post-employment liability	516,681,281	67,450,307	584,131,588	2,064,794,000	93,008,789	51,449,876
Net LOSAP liability	20,663,963	-	20,663,963	-	-	-
Unpaid insurance claims	55,821,548	-	55,821,548	-	-	-
Estimated landfill closure and postclosure	-	20,818,240	20,818,240	-	-	-
Long-term debt	1,613,772,362	827,260,617	2,441,032,979	17,550,056	7,368,907	1,025,666
Unearned revenue	-	1,237,664	1,237,664	-	-	-
Total non-current liabilities	<u>2,800,979,122</u>	<u>972,313,145</u>	<u>3,773,292,267</u>	<u>2,189,400,031</u>	<u>106,253,994</u>	<u>58,948,272</u>
Total liabilities	<u>3,243,007,539</u>	<u>1,070,015,403</u>	<u>4,313,022,942</u>	<u>2,408,732,169</u>	<u>136,380,634</u>	<u>63,353,384</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Pension benefits	17,930,269	1,326,308	19,256,577	7,028,236	428,759	116,193
OPEB benefits	1,834,049	233,633	2,067,682	749,229,000	18,366,434	6,636,593
LOSAP benefits	3,061,226	-	3,061,226	-	-	-
Unamortized deferred refunding gain	-	564,092	564,092	-	-	-
Property tax revenue collected in advance	430,225	-	430,225	-	-	-
Total deferred inflow of resources	<u>23,255,769</u>	<u>2,124,033</u>	<u>25,379,802</u>	<u>756,257,236</u>	<u>18,795,193</u>	<u>6,752,786</u>
<b>NET POSITION</b>						
Net investment in capital assets	626,801,385	1,028,572,432	1,655,373,817	1,495,268,601	178,307,686	24,128,427
Restricted for:						
Debt service	7,140,126	311,605,604	318,745,730	-	-	-
Capital improvements	167,718,556	3,175,170	170,893,726	-	-	-
Permanent Public Infrastructure	19,542,703	-	19,542,703	-	-	-
Scholarships/endowments	-	-	-	-	11,645,440	-
Reforestation	3,648,847	-	3,648,847	-	-	-
Other purposes	54,953,643	6,019	54,959,662	30,759,687	-	1,124,418
Unrestricted	<u>(1,298,536,220)</u>	<u>(13,587,504)</u>	<u>(1,312,123,724)</u>	<u>(2,617,642,137)</u>	<u>(45,672,049)</u>	<u>(36,934,911)</u>
Total net position (deficit)	<u>\$ (418,730,960)</u>	<u>\$ 1,329,771,721</u>	<u>\$ 911,040,761</u>	<u>\$ (1,091,613,849)</u>	<u>\$ 144,281,077</u>	<u>\$ (11,682,066)</u>

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

Statement of Activities

Year Ended June 30, 2021

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units			
					Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major	
<b>Primary government</b>											
Governmental activities											
Education	\$ 919,228,528	\$ -	\$ -	\$ 44,084,187	\$ (875,144,341)	\$ -	\$ (875,144,341)	\$ -	\$ -	\$ -	
Public safety	394,346,520	27,518,472	16,201,577	2,121,131	(348,505,340)	-	(348,505,340)	-	-	-	
General government	250,467,620	68,814,077	27,654,848	6,496,878	(147,501,817)	-	(147,501,817)	-	-	-	
Health and human services	116,319,497	8,851,095	55,678,170	-	(51,790,232)	-	(51,790,232)	-	-	-	
Public works	112,956,167	24,491,096	6,866,262	35,371,264	(46,227,545)	-	(46,227,545)	-	-	-	
Recreation and community services	97,920,478	17,474,395	42,998,680	5,523,928	(31,923,475)	-	(31,923,475)	-	-	-	
Judicial	34,243,612	1,969,034	1,899,585	-	(30,374,993)	-	(30,374,993)	-	-	-	
Code enforcement	16,817,595	11,461,588	-	-	(5,356,007)	-	(5,356,007)	-	-	-	
Land use and development	1,858,640	1,521,533	(547,614)	154,671	(730,050)	-	(730,050)	-	-	-	
Interest on debt and leases	64,954,006	-	50,492	-	(64,903,514)	-	(64,903,514)	-	-	-	
	<u>2,009,112,663</u>	<u>162,101,290</u>	<u>150,802,000</u>	<u>93,752,059</u>	<u>(1,602,457,314)</u>	<u>-</u>	<u>(1,602,457,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Business-type activities											
Water and wastewater	189,988,951	84,967,048	-	81,182,485	-	(23,839,418)	(23,839,418)	-	-	-	
Waste collection	61,869,697	57,471,023	-	-	-	(4,398,674)	(4,398,674)	-	-	-	
Child care	2,960,419	1,369,436	-	-	-	(1,590,983)	(1,590,983)	-	-	-	
	<u>254,819,067</u>	<u>143,807,507</u>	<u>-</u>	<u>81,182,485</u>	<u>-</u>	<u>(29,829,075)</u>	<u>(29,829,075)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total primary government</b>	<b>\$ 2,263,931,730</b>	<b>\$ 305,908,797</b>	<b>\$ 150,802,000</b>	<b>\$ 174,934,544</b>	<b>(1,602,457,314)</b>	<b>(29,829,075)</b>	<b>(1,632,286,389)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Component units</b>											
Board of Education	\$ 1,440,838,073	\$ 263,996	\$ 231,667,976	\$ 99,784,820	-	-	-	(1,109,121,281)	-	-	
Community College	154,607,472	35,527,816	25,075,026	65,541,788	-	-	-	-	(28,462,842)	-	
Library System	29,813,301	117,398	4,818,677	-	-	-	-	-	-	(24,877,226)	
Economic Development Corp	28,020,317	1,942	27,097,086	-	-	-	-	-	-	(921,289)	
Tipton Airport Authority	2,169,341	1,778,190	-	1,287,848	-	-	-	-	-	896,697	
Workforce Development	10,463,990	264,189	10,051,138	-	-	-	-	-	-	(148,663)	
	<u>\$ 1,665,912,494</u>	<u>\$ 37,953,531</u>	<u>\$ 298,709,903</u>	<u>\$ 166,614,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,109,121,281)</u>	<u>(28,462,842)</u>	<u>(25,050,481)</u>	
General revenues											
General property taxes					828,844,864	-	828,844,864	-	-	-	
Local income taxes					668,002,091	-	668,002,091	-	-	-	
State shared taxes - unrestricted					4,677,098	-	4,677,098	-	-	1,000,000	
Recordation and transfer taxes					156,927,794	-	156,927,794	-	-	-	
Local sales taxes					24,016,271	-	24,016,271	-	-	-	
Unrestricted contributions					-	-	-	1,121,820,661	84,366,451	25,086,830	
Investment income					1,449,674	3,092,408	4,542,082	278,671	4,944,422	22,686	
Other revenue					18,829,827	19,695,504	38,525,331	6,402,988	13,543	573,278	
County transfer					663,000	(663,000)	-	-	-	-	
<b>Total general revenues</b>					<u>1,703,410,619</u>	<u>22,124,912</u>	<u>1,725,535,531</u>	<u>1,128,502,320</u>	<u>89,324,416</u>	<u>26,682,794</u>	
Changes in net position					100,953,305	(7,704,163)	93,249,142	19,381,039	60,861,574	1,632,313	
Net position, July 1 (as restated)					(519,684,265)	1,337,475,884	817,791,619	(1,110,994,888)	83,419,503	(13,314,379)	
Net position, June 30					<u>\$ (418,730,960)</u>	<u>\$ 1,329,771,721</u>	<u>\$ 911,040,761</u>	<u>\$ (1,091,613,849)</u>	<u>\$ 144,281,077</u>	<u>\$ (11,682,066)</u>	

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



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Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2021

	Major Funds				Non-major	Totals
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
<b>ASSETS</b>						
Cash and investments	\$ 334,623,854	\$ 68,306,656	\$ 103,873,577	\$ 140,541,729	\$ 119,949,003	\$ 767,294,819
Receivables						
Property taxes (net of \$6,472,699 allowance)	3,463,248	-	-	-	-	3,463,248
Local sales taxes	7,791,005	-	-	-	-	7,791,005
State shared revenues	5,131,631	-	-	-	-	5,131,631
Due from other governmental agencies	1,573,461	10,068,851	-	26,816,955	3,972,672	42,431,939
Due from other funds	28,435,456	-	-	-	-	28,435,456
Due from Board of Education	45,861	-	-	22,502,655	-	22,548,516
Due from Community College	-	-	-	384,340	-	384,340
Local income tax	173,231,185	-	-	-	-	173,231,185
Other, net	14,225,735	27,249	761,280	379,846	1,231,822	16,625,932
Inventories	3,834,411	-	-	-	-	3,834,411
Other assets	1,938,647	-	-	-	-	1,938,647
Total assets	\$ 574,294,494	\$ 78,402,756	\$ 104,634,857	\$ 190,625,525	\$ 125,153,497	\$ 1,073,111,129
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 65,542,874	\$ 3,433,679	\$ -	\$ 28,255,269	\$ 4,485,414	\$ 101,717,236
Due to other funds	4,983,828	2,715,050	-	-	499,559	8,198,437
Due to component units	-	-	-	-	-	-
Board of Education	-	-	-	24,288,202	-	24,288,202
Community College	-	-	-	66,312	-	66,312
Library	2,391,599	-	-	-	-	2,391,599
Escrow and other deposits	2,764,375	-	574,040	44,608	4,792,734	8,175,757
Unearned revenue	-	70,328,457	-	-	14,595,940	84,924,397
Total liabilities	75,682,676	76,477,186	574,040	52,654,391	24,373,647	229,761,940
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable local income tax	106,570,113	-	-	-	-	106,570,113
Unavailable Liquor Board	1,451,562	-	-	-	-	1,451,562
Unavailable grant and program revenue	-	6,038,477	-	10,527,591	2,453,935	19,020,003
Unavailable 911 fees	38,733	-	-	-	-	38,733
Property tax revenue collected in subsequent year	430,225	-	-	-	-	430,225
Total deferred inflow of resources	108,490,633	6,038,477	-	10,527,591	2,453,935	127,510,636
<b>FUND BALANCES</b>						
Non-spendable	3,834,411	-	-	-	-	3,834,411
Restricted	-	2,835,713	104,060,817	33,255,785	106,494,868	246,647,183
Committed	19,542,703	-	-	-	17,088,441	36,631,144
Assigned	123,051,188	-	-	94,187,758	-	217,238,946
Unassigned	243,692,883	(6,948,620)	-	-	(25,257,394)	211,486,869
Total fund balances	390,121,185	(4,112,907)	104,060,817	127,443,543	98,325,915	715,838,553
Total liabilities, deferred inflows and fund balances	\$ 574,294,494	\$ 78,402,756	\$ 104,634,857	\$ 190,625,525	\$ 125,153,497	\$ 1,073,111,129

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, 2021

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Total fund balance for governmental funds as shown on the Balance Sheet	\$	715,838,553
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet		
Capital assets		2,367,568,556
Accumulated depreciation		(946,525,893)
Deferred Outflows of Resources		
Unamortized loss on refunding		3,826,297
Certain liabilities not due and payable in the current period and, therefore, not included on governmental funds balance sheet		
Long-term bonded debt		(1,742,284,422)
Federal and state loans		(2,138,181)
Wynne liability due to State of Maryland		(17,252,134)
Pension benefits		(500,852,492)
Other post-employment benefits		(421,543,917)
LOSAP		(18,690,474)
Compensated absences		(35,434,317)
Long-term leases		(50,422)
Accrued interest payable on debt recorded in governmental activities		(15,470,562)
Deferred revenues		
Revenues not available for use in the current fiscal year deferred until future periods on the governmental funds balance sheet		127,080,411
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		62,010,116
Business-type activities allocation of Internal Service Funds net position		1,896,833
Certain expenditures paid with current resources deferred to future periods on the Statement of Net Position		<u>3,291,088</u>
Total net position (deficit) for governmental activities as shown on Statement of Net Position	\$	<u><u>(418,730,960)</u></u>

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

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

## Governmental Funds

Year Ended June 30, 2021

	Major Funds				Non-major Governmental Funds	Totals
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects		
<b>REVENUES</b>						
General property taxes	\$ 778,653,674	\$ -	\$ -	\$ -	\$ 52,469,190	\$ 831,122,864
Local income taxes	693,300,152	-	-	-	-	693,300,152
State shared taxes	11,414,898	-	-	-	-	11,414,898
Grants and aid	-	99,005,224	-	41,961,652	19,512,056	160,478,932
Recordation and transfer taxes	156,927,794	-	-	-	-	156,927,794
Local sales taxes	24,016,271	-	-	-	-	24,016,271
License and permit fees	14,564,976	-	-	-	-	14,564,976
Ambulance fees	12,642,842	-	-	-	-	12,642,842
Cable fees	9,786,085	-	-	-	-	9,786,085
Impact fees	-	-	31,468,598	-	-	31,468,598
Special community benefit taxes	-	-	-	-	9,003,030	9,003,030
Video lottery local impact aid	9,492,404	-	-	-	21,128,299	30,620,703
Watershed protection and restoration	-	-	-	-	23,619,255	23,619,255
Investment income	(1,061,989)	-	252,970	68,982	(365,042)	(1,105,079)
Fees for services and other revenue	48,950,058	227,530	-	2,070,065	1,509,516	52,757,169
Total revenues	<u>1,758,687,165</u>	<u>99,232,754</u>	<u>31,721,568</u>	<u>44,100,699</u>	<u>126,876,304</u>	<u>2,060,618,490</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
Education	796,241,600	-	1,677,278	119,609,650	1,700,000	919,228,528
Public safety	341,436,849	17,100,593	-	-	7,639,000	366,176,442
General government	151,972,563	26,224,353	-	-	10,161,352	188,358,268
Health and human services	55,732,168	49,863,292	-	-	5,691,320	111,286,780
Public works	31,468,058	-	2,412,711	-	11,534,763	45,415,532
Recreation and community services	48,228,750	733,200	-	-	23,694,020	72,655,970
Judicial	29,690,930	2,173,827	-	-	41,987	31,906,744
Code enforcement	14,059,921	-	-	-	1,272,884	15,332,805
Land use and development	8,330,414	42,358	-	-	761,076	9,133,848
Capital outlay	-	-	-	139,447,415	-	139,447,415
<b>Debt service</b>						
Interest payments on debt	56,237,716	-	-	-	7,617,272	63,854,988
Principal payments on debt	229,478,405	-	-	-	8,002,698	237,481,103
Interest payments on leases	8,712	-	-	-	-	8,712
Principal payments on leases	30,272	-	-	-	-	30,272
Total expenditures	<u>1,762,916,358</u>	<u>96,137,623</u>	<u>4,089,989</u>	<u>259,057,065</u>	<u>78,116,372</u>	<u>2,200,317,407</u>
Revenues over (under) expenditures	<u>(4,229,193)</u>	<u>3,095,131</u>	<u>27,631,579</u>	<u>(214,956,366)</u>	<u>48,759,932</u>	<u>(139,698,917)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	41,834,616	1,156,895	-	242,219,288	1,328,649	286,539,448
Transfers out	(163,820,395)	-	(18,371,503)	(68,982)	(104,278,568)	(286,539,448)
General obligation bonds issued	153,065,000	-	-	-	27,000,000	180,065,000
Refunding bonds issued	110,511,100	-	-	-	-	110,511,100
Premium from sale of bonds	-	-	-	-	32,725,974	32,725,974
COI on refunding bonds	(184,064)	-	-	-	-	(184,064)
Premium on refunding of bonds	24,941,314	-	-	-	-	24,941,314
Transfer from Water and Wastewater Fund	-	-	-	530,000	-	530,000
Transfers from Solid Waste Fund	-	-	-	133,000	-	133,000
Total other financing sources (uses)	<u>166,347,571</u>	<u>1,156,895</u>	<u>(18,371,503)</u>	<u>242,813,306</u>	<u>(43,223,945)</u>	<u>348,722,324</u>
Net change in fund balances	<u>162,118,378</u>	<u>4,252,026</u>	<u>9,260,076</u>	<u>27,856,940</u>	<u>5,535,987</u>	<u>209,023,407</u>
Fund balances, July 1	228,002,807	(8,364,933)	94,800,741	99,586,603	92,789,928	506,815,146
Fund balances, June 30	<u>\$ 390,121,185</u>	<u>\$ (4,112,907)</u>	<u>\$ 104,060,817</u>	<u>\$ 127,443,543</u>	<u>\$ 98,325,915</u>	<u>\$ 715,838,553</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, 2021

Changes in fund balances as shown on Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds	\$ 209,023,407
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	104,334,930
Current year donations of capital assets	13,108,482
Current year disposals of capital assets	(14,408,501)
Depreciation expense recorded in the Statement of Activities	(50,839,293)
Change in Wynne accrued liability due to the State of MD	442,362
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	(159,813,274)
Principal payments on debt	102,212,753
LOSAP	(672,821)
Additions of new lease	(60,449)
Lease payments	30,272
Change in accrued interest payable	(1,099,018)
Loss on refunding	324,299
Amortization of prior year refunding gain/loss	(992,100)
Accrual of compensated absences	(4,602,036)
Accrual of pension benefits	(1,373,422)
Accrual of other post-employment benefit liability	(21,247,355)
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	3,291,088
Amortization of expenditures deferred in previous years	(3,654,625)
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.	(57,667,288)
Amortization of premiums	22,840,456
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.	(32,497,885)
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.	<u>(5,726,677)</u>
Changes in net position as shown in governmental activities on the Statement of Activities	<u>\$ 100,953,305</u>

*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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 774,515,600	\$ 774,515,600	\$ 778,653,674	\$ 4,138,074
Local income taxes	589,200,000	589,200,000	693,300,152	104,100,152
State shared taxes	12,537,800	12,537,800	11,414,898	(1,122,902)
Recordation and transfer taxes	95,000,000	95,000,000	156,927,794	61,927,794
Local sales taxes	28,725,000	28,725,000	21,836,540	(6,888,460)
Licenses and permits	18,114,000	18,114,000	16,016,538	(2,097,462)
Ambulance fees	12,500,000	12,500,000	12,642,842	142,842
Cable fees	10,250,000	10,250,000	9,786,085	(463,915)
Video Lottery Impact Aid	6,000,000	6,000,000	9,492,404	3,492,404
Investment income	2,700,000	2,700,000	515,608	(2,184,392)
Interfund recoveries	79,583,400	79,583,400	76,158,518	(3,424,882)
Fees for services and other revenues	52,351,700	52,351,700	49,648,028	(2,703,672)
Total revenues	<u>1,681,477,500</u>	<u>1,681,477,500</u>	<u>1,836,393,081</u>	<u>154,915,581</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Education	749,579,900	749,579,900	749,579,900	-
Higher education	46,661,700	46,661,700	46,661,700	-
Public safety	340,412,100	342,064,100	337,716,139	4,347,961
General government	226,285,800	226,180,800	219,315,259	6,865,541
Health and human services	55,253,200	60,583,200	57,397,838	3,185,362
Public works	31,926,200	35,209,000	34,611,448	597,552
Recreation and community services	52,141,800	52,141,800	50,177,974	1,963,826
Judicial	30,987,500	30,997,500	29,964,428	1,033,072
Land use and development	8,997,500	8,997,500	8,380,117	617,383
Code enforcement	14,947,700	14,947,700	14,060,183	887,517
Debt service	153,517,900	150,215,900	149,471,875	744,025
Pay go funding - capital projects	8,513,000	8,588,000	8,588,000	-
Total expenditures	<u>1,719,224,300</u>	<u>1,726,167,100</u>	<u>1,705,924,861</u>	<u>20,242,239</u>
Revenues over (under) expenditures	\$ <u>(37,746,800)</u>	<u>(44,689,600)</u>	130,468,220	\$ <u>175,157,820</u>
Fund balances, budgetary, July 1			<u>113,226,832</u>	
Fund balances, budgetary, June 30			<u>\$ 243,695,052</u>	
<b>Fund balance - GAAP Basis</b>				
Non-spendable			(3,834,411)	
Restricted			(19,542,703)	
Assigned			(123,051,188)	
Unassigned - Revenue reserve allocation			(84,407,720)	
<b>Effects of:</b>				
Fair market value adjustment			691,866	
LOSAP - current liability			763,250	
Payroll overtime liability			106,297	
County Parking Garage Fund			(216,610)	
Inmate Benefits and Morale Fund			(947,673)	
Permanent Public Improvements			(9,371,621)	
Conference & Visitor Center transfer			331,170	
Arts Council transfer			58,442	
Beer, wine, liquor			1,451,562	
Self Insurance Fund surplus allocation			(25,220,847)	
Central Garage Fund deficit allocation			4,983,828	
Unassigned - Non-GAAP basis			<u>131,914,827</u>	
Assigned for subsequent years			<u>111,780,225</u>	
Fund balance - budgetary basis			<u>\$ 243,695,052</u>	

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

## Statement of Net Position

## Proprietary Funds

June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
<b>ASSETS</b>					
Current assets					
Cash and temporary investments	\$ 113,834,161	\$ 24,536,445	\$ 802,283	\$ 139,172,889	\$ 39,891,950
Investments	-	-	-	-	96,990,403
Service billings receivable	21,605,111	1,143,686	20,629	22,769,426	7,047,549
Due from other funds	787,639	181,516	8,417	977,572	5,791,745
Inventories	2,520,454	201,582	-	2,722,036	987,295
Other	32,565	-	-	32,565	2,807,923
Restricted assets					
Cash and temporary investments	3,307,099	20,716,871	-	24,023,970	-
Investments	273,017,135	-	-	273,017,135	-
Receivables					
Current portion of note receivable	-	-	-	-	-
Due from other governmental agencies	3,175,170	-	-	3,175,170	-
Other, net	25,560,980	-	-	25,560,980	-
Total current assets	443,840,314	46,780,100	831,329	491,451,743	153,516,865
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	20,905,831	-	-	20,905,831	-
Capital assets					
Less accumulated depreciation	(1,003,032,717)	(76,622,591)	-	(1,079,655,308)	(60,553,202)
Total capital assets, net of depreciation	1,798,272,508	68,436,935	-	1,866,709,443	32,213,555
Total noncurrent assets	1,819,178,339	68,436,935	-	1,887,615,274	32,213,555
Total assets	2,263,018,653	115,217,035	831,329	2,379,067,017	185,730,420
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	7,607,961	1,551,137	152,904	9,312,002	1,390,694
OPEB benefits	8,706,526	2,001,555	510,933	11,219,014	1,607,637
Unamortized deferred refunding loss	3,290,696	-	-	3,290,696	-
Total deferred outflows	19,605,183	3,552,692	663,837	23,821,712	2,998,331
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	24,951,830	3,720,754	167,454	28,840,038	5,512,977
Current portion of long-term debt and obligations	49,275,708	5,975,771	47,173	55,298,652	19,949,929
Due to other funds	535,136	272,781	-	807,917	26,198,419
Escrow deposits	577,202	73,746	-	650,948	-
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	8,322,105	-	-	8,322,105	-
Unearned revenue	2,863,336	-	-	2,863,336	-
Total current liabilities	86,525,317	10,043,052	214,627	96,782,996	51,661,325
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	55,821,548
Accrued liability for compensated absences	467,207	145,979	19,644	632,830	12,656
Net pension liability	44,737,241	9,259,636	916,610	54,913,487	8,966,306
Net OPEB liability	53,190,407	12,991,895	1,268,005	67,450,307	10,024,044
Estimated landfill closure and postclosure	-	20,818,240	-	20,818,240	-
Long-term debt	782,386,728	44,873,890	-	827,260,618	-
Unearned revenue	1,237,664	-	-	1,237,664	-
Total noncurrent liabilities	882,019,247	88,089,640	2,204,259	972,313,146	74,824,554
Total liabilities	968,544,564	98,132,692	2,418,886	1,069,096,142	126,485,879
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension benefits	1,073,730	231,145	21,433	1,326,308	199,710
OPEB benefits	182,580	42,781	8,272	233,633	33,044
Unamortized deferred refunding gain	-	564,092	-	564,092	-
Total deferred inflows	1,256,310	838,018	29,705	2,124,033	232,754
<b>NET POSITION</b>					
Net investment in capital assets	1,004,954,351	23,618,081	-	1,028,572,432	32,213,555
Restricted for debt service	311,605,604	-	-	311,605,604	-
Restricted for capital improvements	3,175,170	-	-	3,175,170	-
Restricted for other purposes	-	6,019	-	6,019	-
Unrestricted	(6,912,163)	(3,825,083)	(953,425)	(11,690,671)	29,796,563
Total net position	\$ 1,312,822,962	\$ 19,799,017	\$ (953,425)	\$ 1,331,668,554	\$ 62,010,118

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, 2021

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Net position as shown on Statement of Net Position - Proprietary Funds	\$ 1,331,668,554
The allocation of the net deficit in the Internal Service Funds to various activities, funds, etc. as it relates to business-type activities.	<u>(1,896,833)</u>
Net position shown on government wide Statement of Net Position	\$ <u>1,329,771,721</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, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 84,967,048	\$ 49,879,841	\$ 1,369,436	\$ 136,216,325	\$ 36,554,688
Landfill charges	-	7,591,182	-	7,591,182	-
Medical premiums	-	-	-	-	91,204,624
Other revenues	8,081,942	393,894	-	8,475,836	8,036,638
Total operating revenues	<u>93,048,990</u>	<u>57,864,917</u>	<u>1,369,436</u>	<u>152,283,343</u>	<u>135,795,950</u>
<b>OPERATING EXPENSES</b>					
Personnel services	39,053,180	8,919,306	1,936,358	49,908,844	20,125,474
Contractual services	36,611,424	38,690,538	94,386	75,396,348	2,088,810
Supplies and materials	9,859,746	793,599	92,228	10,745,573	2,273,709
Business and travel	176,426	196,012	1,845	374,283	39,721
Cost of goods issued	-	-	-	-	6,725,533
Depreciation	53,851,029	5,633,637	-	59,484,666	9,842,242
Provision for claims and estimated losses	-	-	-	-	105,344,578
Landfill closure and postclosure costs	-	471,084	-	471,084	-
Other	16,302,978	4,321,664	800,200	21,424,842	1,721,500
Total operating expenses	<u>155,854,783</u>	<u>59,025,840</u>	<u>2,925,017</u>	<u>217,805,640</u>	<u>148,161,567</u>
Operating income (loss)	<u>(62,805,793)</u>	<u>(1,160,923)</u>	<u>(1,555,581)</u>	<u>(65,522,297)</u>	<u>(12,365,617)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	3,118,373	(31,008)	5,043	3,092,408	3,911,663
Interest earned on long-term receivables	449,358	-	-	449,358	-
Other revenues	10,561,724	208,586	-	10,770,310	-
Other expenses	(1,088,385)	(95,362)	-	(1,183,747)	-
Interest expense	(30,690,192)	(1,976,954)	-	(32,667,146)	-
Gain (loss) on disposal of assets	(83,597)	(31,669)	-	(115,266)	(319,990)
Income (loss) before contributions and transfers	<u>(80,538,512)</u>	<u>(3,087,330)</u>	<u>(1,550,538)</u>	<u>(85,176,380)</u>	<u>(8,773,944)</u>
Capital contributions	81,182,485	-	-	81,182,485	-
Interfund transfers	<u>(530,000)</u>	<u>(133,000)</u>	<u>-</u>	<u>(663,000)</u>	<u>-</u>
Change in net position	113,973	(3,220,330)	(1,550,538)	(4,656,895)	(8,773,944)
Net position, July 1	<u>1,312,708,989</u>	<u>23,019,347</u>	<u>597,113</u>	<u>1,336,325,449</u>	<u>70,784,062</u>
Net position, June 30	\$ <u>1,312,822,962</u>	\$ <u>19,799,017</u>	\$ <u>(953,425)</u>	\$ <u>1,331,668,554</u>	\$ <u>62,010,118</u>

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

Change in net position shown above \$ (4,656,895)

The portion of internal service funds' current year activity related to enterprise funds allocated to the business-type activities on the government-wide statement of activities. (3,047,268)

Decrease in net position as shown on the government-wide statement of activities \$ (7,704,163)

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

## Statement of Cash Flows

## Proprietary Funds

Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received for services	\$ 95,508,622	\$ 57,704,722	\$ 1,349,892	\$ 154,563,236	\$ 140,500,711
Cash received for expense reimbursement	-	-	-	-	61,541
Cash payments to suppliers for goods and services	(56,618,052)	(40,292,214)	(1,102,953)	(98,013,219)	(11,142,937)
Cash payments for insurance claims	-	-	-	-	(111,726,477)
Cash payments to employees for services	(35,910,280)	(8,151,609)	(2,164,334)	(46,226,223)	(6,630,854)
Other operating payments	-	(4,419,400)	-	(4,419,400)	(1,721,500)
Net cash provided (used) by operating activities	<u>2,980,290</u>	<u>4,841,499</u>	<u>(1,917,395)</u>	<u>5,904,394</u>	<u>9,340,484</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of bonds	69,045,000	6,600,000	-	75,645,000	-
Proceeds from grant funds	1,259,471	-	-	1,259,471	-
Proceeds from developers' contributions	179,570	-	-	179,570	-
Refunds to developers	(8,427,179)	-	-	(8,427,179)	-
Assessments and connection charges	40,496,061	-	-	40,496,061	-
Environmental protection fees for capital assets	22,979,750	-	-	22,979,750	-
Payments of long-term debt	(36,554,094)	(3,076,460)	-	(39,630,554)	-
Interest payments	(29,808,004)	(1,874,968)	-	(31,682,972)	-
Rebates, interest income and reimbursements	1,951,307	-	-	1,951,307	-
Acquisition and construction of capital assets	(70,879,820)	(10,734,177)	-	(81,613,997)	(12,241,602)
Premium on sale of bonds	24,208,416	-	-	24,208,416	-
Proceeds from sale of equipment	-	-	-	-	417,659
Payment of capital related fees	(1,005,459)	-	-	(1,005,459)	-
Due to the General Fund	(1,966,257)	-	-	(1,966,257)	-
Transfer to Utility Debt Service Fund	29,742	-	-	29,742	-
Transfer to capital projects	(12,104,208)	-	-	(12,104,208)	-
Transfer to general county capital projects	(530,000)	(133,000)	-	(663,000)	-
Net cash provided (used) by capital and related financing activities	<u>(1,125,704)</u>	<u>(9,218,605)</u>	<u>-</u>	<u>(10,344,309)</u>	<u>(11,823,943)</u>

## Anne Arundel County, Maryland

## Statement of Cash Flows

## Proprietary Funds

Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities	\$ (200,389,284)	\$ -	\$ -	\$ (200,389,284)	\$ (117,890,145)
Sale of investment securities	217,896,359	-	-	217,896,359	109,015,377
Interest on investments	200,930	(31,008)	5,043	174,965	3,945,511
Net cash provided (used) by investing activities	17,708,005	(31,008)	5,043	17,682,040	(4,929,257)
Net increase (decrease) in cash and cash equivalents	19,562,591	(4,408,114)	(1,912,352)	13,242,125	(7,412,716)
Cash and temporary investments, July 1	97,578,669	49,661,430	2,714,635	149,954,734	47,304,666
Cash and temporary investments, June 30	\$ 117,141,260	\$ 45,253,316	\$ 802,283	\$ 163,196,859	\$ 39,891,950
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (62,805,793)	\$ (1,160,923)	\$ (1,555,581)	\$ (65,522,297)	\$ (12,365,618)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	53,851,029	5,633,637	-	59,484,666	9,842,242
Noncapital construction costs	5,201,548	-	-	5,201,548	-
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	2,438,776	(160,195)	(19,544)	2,259,037	2,884,605
Loss on sale of capital assets write off	(214,308)	-	-	(214,308)	-
Prepaid expenses	(43)	-	-	(43)	(41,132)
Inventories	320,992	(25,225)	-	295,767	(280,509)
Accounts payable and accrued liabilities	1,201,886	(561,460)	(130,564)	509,862	(1,617,959)
Unpaid claims	-	-	-	-	(1,494,875)
Landfill closure and postclosure costs	-	471,084	-	471,084	-
Due to other funds	(123,914)	(18,017)	-	(141,931)	11,981,776
Due from other funds	-	(79,719)	(4,527)	(84,246)	-
Escrow deposits	20,856	-	-	20,856	-
Accrued liability for compensated absences	345,690	79,801	15,779	441,270	13,560
Accrued liability for pension	(544,202)	(113,833)	(11,066)	(669,101)	(100,301)
Deferred outflow of resources	2,841,784	679,904	(306,917)	3,214,771	459,169
Deferred inflow of resources	(1,451,901)	(338,273)	(24,053)	(1,814,227)	(291,917)
Accrued liability for OPEB benefits	1,897,890	434,718	119,078	2,451,686	351,443
Net cash provided (used) by operating activities	\$ 2,980,290	\$ 4,841,499	\$ (1,917,395)	\$ 5,904,394	\$ 9,340,484
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions of capital assets from developers	\$ 22,214,589	\$ -	\$ -	\$ 22,214,589	\$ -
Trade in of capital assets	90,000	100,269	-	190,269	-
Change in capital contributions, fees and grants, accruals and deferrals	(5,821,389)	-	-	(5,821,389)	-
Increase (decrease) in fair value of investments	445,096	-	-	445,096	1,837,483
Amortization of refunding gains (losses)	(326,222)	24,214	-	(302,008)	-
Noncash investing, capital and financing activities	\$ 16,602,074	\$ 124,483	\$ -	\$ 16,726,557	\$ 1,837,483

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, 2021

	Pension (December 31, 2020) and Other Post Employment Plan Trust Funds	Custodial Funds
<b>ASSETS</b>		
Investments, at fair value:		
Cash and temporary investments	\$ 115,604,180	\$ 28,325,125
U. S. government obligations	25,213,832	-
Bank Loans	7,702,291	-
Corporate obligations	189,785,752	-
Domestic fixed income mutual funds	282,944,980	-
International fixed income mutual funds	110,985,951	-
Domestic equity	769,831,519	-
International equity pools	634,394,230	-
Private markets	203,631,751	-
Real estate investment pools	143,763,640	-
Aetna insurance pooled fixed income	20,468,646	-
Total investments	<u>2,504,326,772</u>	<u>28,325,125</u>
Collateral from securities lending transactions	60,816,777	-
Receivables:		
Accounts receivable	5,011,440	5,816,622
Employer contributions	7,552,803	-
Participant contributions	1,745,396	-
Accrued interest and dividends	2,460,524	-
Investment sales proceeds	5,218,457	-
Total receivables	<u>21,988,620</u>	<u>5,816,622</u>
Deposits on hand	<u>265,329</u>	<u>-</u>
Total assets	<u>2,587,397,498</u>	<u>34,141,747</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liability	3,501,868	272,736
Escrow and other deposits	-	10,354,431
Investment commitments payable and unearned revenue	12,171,393	-
Obligation for collateral received under securities lending transactions	<u>60,816,777</u>	<u>-</u>
Total liabilities	<u>76,490,038</u>	<u>10,627,167</u>
<b>NET POSITION</b>		
Restricted for:		
Pension	2,117,733,806	-
OPEB	393,173,654	-
Custodial Funds	-	23,514,580
Total net position	<u>\$ 2,510,907,460</u>	<u>\$ 23,514,580</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, 2021

	Pension (December 31, 2020) and Other Post Employment Plan Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 177,127,461	\$ -
Participant	25,155,797	-
Insurance subsidies and rebates	11,533,810	-
Total contributions	<u>213,817,068</u>	<u>-</u>
Investment income:		
Net appreciation in fair value of investments	180,425,365	-
Interest income	21,599,138	-
Dividend income	29,956,250	-
Total investment income	<u>231,980,753</u>	<u>-</u>
Less investment expense	10,895,901	-
Net income from investing activities	<u>221,084,852</u>	<u>-</u>
Securities lending activities:		
Securities lending income	380,188	-
Securities lending expenses:		
Borrower rebates	210,297	-
Management fees	67,957	-
Securities lending expense	278,254	-
Securities lending net income	<u>101,934</u>	<u>-</u>
Total net investment income	221,186,786	-
Custodial revenues	-	16,010,215
Total additions	<u>435,003,854</u>	<u>16,010,215</u>
<b>DEDUCTIONS</b>		
Participant benefit payments and refunds	137,942,712	-
Insurance claims and premiums	51,289,032	-
Administrative expenses	2,763,490	-
Custodial expenditures	-	8,250,393
Total deductions	<u>191,995,234</u>	<u>8,250,393</u>
Net increase	243,008,620	7,759,822
Fiduciary net position, beginning of year (as restated)	2,267,898,840	15,754,758
Fiduciary net position, end of year	<u>\$ 2,510,907,460</u>	<u>\$ 23,514,580</u>

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

**Anne Arundel County, Maryland**  
**Notes to Basic Financial Statements**  
**Index**

Note 1	Summary of Significant Accounting Policies	48
	A. Reporting Entity	
	B. Financial Statement Presentation, Measurement Focus, and Basis of Accounting	
	C. Cash, Investments, and Related Income	
	D. Inventories and Prepaid Expenses	
	E. Program Revenues	
	F. Capital Assets	
	G. Deferred Outflows/Inflows of Resources	
	H. Operating and Nonoperating Revenues and Expenses and Capital Contributions	
	I. Bond Premiums and Refunding Gain or Loss	
	J. Indirect Costs	
	K. Encumbrances	
	L. Fund Balance Classification	
	M. Compensated Absences	
	N. New GASB Pronouncements	
	O. Use of Estimates	
Note 2	Budgetary Information	56
	A. Excess Expenditures over Appropriation Limits	
	B. Fund Deficits	
	C. Reconciliation Between Fund Financial Statements and Budgetary Statements	
Note 3	Cash and Investments	57
	A. Policies	
	B. Balances and Custodial Credit Risk	
	C. Interest Rate Risk	
	D. Credit Risk	
	E. Concentration Risk	
	F. Foreign Currency Risk	
	G. Fair Value Measurement	
Note 4	Receivables	67
	A. Property Taxes Receivable	
	B. State Income Taxes Receivable	
	C. Long-Term Receivables	
Note 5	Capital Assets	67
Note 6	Restricted Assets and Liabilities	70
Note 7	Interfund and Intra-Entity Balances and Transfers	71
Note 8	Bonded Debt and Other Obligations	72
	A. Bond Anticipation Notes	
	B. General County Debt	
	C. Tax Increment and Other Debt	
	D. State Loans	
	E. Leases	
	F. Installment Purchase Agreements	
	G. Year-end Balances, Debt Limitations, and Authorized Debt	
	H. Loans Payable	
	I. Payables to State of Maryland	
	J. Changes in Debt and Obligations	
	K. Refundings	

**Anne Arundel County, Maryland**  
**Notes to Basic Financial Statements**  
**Index (continued)**

Note 9	Governmental Fund Balance	77
Note 10	Deferred Outflows and Inflows of Resources and Unearned Revenue	78
Note 11	Conduit Debt	80
Note 12	Pension Plans	81
	A. Summary of Significant Accounting Policies for Pensions	
	B. Single-Employer Defined Benefit Pension Plans	
	C. Multiple-Employer Pension Plans	
	D. Funding Policy and Annual Pension Costs	
	E. Net Pension Liability of the System by Plan	
	F. Changes in the Net Pension Liability by Plan for the Measurement Period December 31, 2019	
	G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Pension Plans	
	H. Payable to the County Pension System	
	I. Commitments	
	J. Teacher Pension Funding Shift	
	K. 401(a) Employee Retirement Savings Plan	
	L. Fireman's Length of Service Award Program (LOSAP)	
Note 13	Other Post-employment Benefits	96
	A. Plan Description, Eligibility, Authorization, and Funding Policy	
	B. Membership by Plan	
	C. Funding Policy	
	D. Actuarial Methods and Assumptions	
	E. Net OPEB Liability of the Trust	
	F. Long Term Expected Real Rate of Return	
	G. Discount Rate	
	H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate	
	I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate	
Note 14	Risk Management	104
Note 15	Landfill Closure, Post-Closure, and Remediation	105
Note 16	Tax Abatements	106
	A. Payment in Lieu of Taxes (PILOT)	
	B. Brownsfields Site Tax Credit	
	C. Agricultural Land Tax Credit	
	D. Enterprise Zone Tax Credit	
	E. The State of Maryland	
Note 17	Contingent Liabilities	107
	A. Impact Fees	
	B. Lawsuits	
	C. Federal Financial Assistance	
	D. Payroll	

**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 Annual Comprehensive Financial Report (ACFR).

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 custodial 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.
- **Grants Special Revenue Fund** – The grants 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. This fund moved from a minor fund to a major fund in the current fiscal year as a result of increases in revenues and expenses related to Covid-19.
- **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.

- **Custodial Funds** – Custodial 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 1<sup>st</sup>. The County Council holds public hearings regarding the budget. The Annual Budget and Appropriation Ordinance must be approved by June 15<sup>th</sup> (prior to the start of the next fiscal year on July 1<sup>st</sup>) and provides the spending authority at the department level for the operations of the County. Unexpended or unencumbered appropriations in the operating budget expire at year end. The County also recognizes revenues 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/fy2021/index.html](http://www.aacounty.org/departments/budget-office/previous-budgets/fy2021/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 include 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 such as money market funds and certificates of deposits.

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, custodial 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 on a first-in, first-out method. 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 items 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 that future period. At the end of the current fiscal year, 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 (DIR) 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 (DIR) is reported when resources are received before time requirements are met and revenue unavailable. The governmental funds had deferred inflows of resources (DIR) representing unavailable tax revenues, E-Rate Federal reimbursements, 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 advances in property tax 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 (DIR) 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 revenues 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 revenues. 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 and in the internal service 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, depending on the nature of the fund, in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances as of June 30, 2021 totaled \$144,554,688 in the governmental fund types, of which \$104,693,930 is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary

purposes. As of June 30, 2021, the proprietary funds had encumbrances totaling \$96,191,204, of which \$83,655,899 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:
  - **Permanent Public Infrastructure (PPI):** \$19,542,703 of the general fund balance is restricted through enabling legislation from County bill 42-19 which established the reserve fund for permanent public improvement (PPI).
  - **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, 2021. The annual leave accrual is calculated using unused annual leave hours as of June 30, 2021 and pay rates in place for each employee at the end of the fiscal year.

The compensated absences accrual also includes an estimate of sick leave payouts earned as of fiscal year-end plus the estimated FICA that would be paid on the amount. 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, 2021, the County adopted the following new GASB statements:

- Statement No. 84, *Fiduciary Activities*. This GASB Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The effects of restatement as of July 1, 2020 are as follows:

		Custodial Funds
Assets/Liabilities of Agency Funds as of July 1, 2020	\$	21,011,267
Assets/Liabilities reclassified to General Fund		(5,256,509)
Net Position of Custodial Funds as of July 1, 2020	\$	<u>15,754,758</u>

- Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The following pronouncements will be evaluated for future implementation:

As of the year ended June 30, 2021, GASB issued Statement No. 87, *Leases*; Statement No. 90, *Majority Equity Interests*; Statement No. 91, *Conduit Debt Obligations*; Statement No. 96, *Subscription-Based Information Technology Arrangements*, Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*; and Implementation Guide No. 2019-3. 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 at the department level 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 Arundel Community Development Services exceeded budgeted appropriations by \$73,164.

**B** *Fund Deficits* - The Partnership for Children, Youth and Family, Grants Special Revenue Fund, Arundel Community Development Services, and Child Care have deficit fund balances in the amount of (\$376,728, \$4,112,907, \$1,987,290, and \$953,425), 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 (\$1,091,613,849) and (\$23,717,832), respectively, as a result of unfunded liabilities for other postemployment and pension benefits. In addition, Governmental Activities has a deficit net position of (\$418,730,960) 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	\$ 130,468,220
Net effect of encumbrances	(3,007,830)
FMV Interest Adj - GAAP	(1,396,098)
Health Department Encum Adj Gaap Only	321,272
Beer, wine, liquor	(1,451,562)
Revenue Reserve Fund Balance	2,007,282
LOSAP-Current Liability	36,550
Bond Refunding Premium	65,844
Bond Refunding COI	(65,844)
Payroll Overtime Liability	2,893,703
Transfer for Permanent Public Improvements	19,542,703
Conference and Visitor Center - transfer to GAAP Only	(331,170)
Arts Council - transfer to GAAP Only	(58,442)
Self Insurance Fund Deficit	11,683,221
Garage Fund Deficit	931,186
Effects of Inmate Benefit Fund & Parking Garage Fund	132,193
Net inventory change	347,150
Change in fund balance - modified accrual basis	<u>\$ 162,118,378</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. As of June 30, 2021, there were no 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 markets, 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, 2020 was \$60,816,777. There were no securities held as collateral. The market value of securities on loan for the Retirement System as of December 31, 2020 was \$61,867,284.

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, 2020 had a weighted average final maturity of 1.0 day. 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, small capitalized domestic equities, international equities, emerging international equities, core fixed income, diversified fixed income, and real estate. 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, 2021, the carrying amount of the primary government's bank deposits was \$1,398,798 and bank balances were \$4,440,334. All bank balances were fully secured by Federal Deposit insurance or fully collateralized. The total money market fund balance was \$332,668,677.

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.

Money market fund balances for the Retirement System as of calendar year-end December 31, 2020 and OPEB Trust as of fiscal year ended June 30, 2021, were \$90,553,984 and \$25,050,196 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 Secured Overnight Financing 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 \$97,184,258 of callable issues and there are no issues that have both callable and variable-rate features as of June 30, 2021. The component units' issues have no variable rate securities. Equity mutual fund investments with a market value of \$11,636,418 are not included in this table.

Investment Type	Fair Value	Investment Maturities			
		Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years
<b>Primary Government</b>					
U.S. Government securities	\$ 429,797,105	418,146,245	\$ -	\$ 9,596,334	\$ 2,054,526
Agencies / instrumentalities	235,264,173	103,380,718	86,511,905	45,371,550	-
Supranationals	29,305,460	22,239,260	7,066,200	-	-
Money market pools	332,677,233	332,677,233	-	-	-
Commercial paper	92,694,000	92,694,000	-	-	-
Repurchase agreements	-	-	-	-	-
Corporate bonds	27,288,964	24,650,464	2,638,500	-	-
Municipals bonds	199,316,330	53,830,039	145,486,291	-	-
Bond mutual funds	13,030,914	13,030,914	-	-	-
	<u>\$ 1,359,374,179</u>	<u>\$ 1,060,648,873</u>	<u>\$ 241,702,896</u>	<u>\$ 54,967,884</u>	<u>\$ 2,054,526</u>
<b>Component units</b>					
<b>Board of Education</b>					
Investment Type					
Money market pools	\$ 199,563,937	\$ 199,563,937	\$ -	\$ -	\$ -
	<u>\$ 199,563,937</u>	<u>\$ 199,563,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Community College</b>					
Investment Type					
Money market pools	\$ 6,640,701	\$ 6,640,701	\$ -	\$ -	\$ -
	<u>\$ 6,640,701</u>	<u>\$ 6,640,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other non-major component units</b>					
Investment Type					
Money market pools	\$ 330	\$ 330	\$ -	\$ -	\$ -
	<u>\$ 330</u>	<u>\$ 330</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, 2020. 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 with variable rate features was \$8,960,589 as of December 31, 2020.

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 \$116,622,977 with call dates ranging from January 20, 2021 for continuously callable issues to August 5, 2069. Stated call prices are generally at par. The callable holdings include issues with floating interest rates, which have a market value of \$10,849,211. Non-debt investments, guaranteed contracts, and un-invested cash with a combined fair value of \$1,500,474,771, do not have maturity dates and therefore are not included in this table.

		Retirement System				
		Investment Maturities (in Years)				
Investment Type	Fair Value	Less than				
		1 year	1 to 5	6 to 10	over 10	
Money market pools	\$ 90,553,984	\$ 90,553,984	\$ -	\$ -	\$ -	
Agency/instrumentalities	32,086,931	-	5,630	529,422	31,551,879	
Bank loans	7,702,291	-	3,887,196	3,815,095	-	
Bond mutual funds	300,703,347	300,703,347	-	-	-	
Collateralized mrtg obligations	6,218,595	-	86,527	137,418	5,994,650	
Corporate bonds	137,965,524	1,299,188	45,731,478	60,698,845	30,236,013	
Foreign and yankee bonds	10,655,949	404,936	3,681,173	2,024,910	4,544,930	
Municipal bonds	116,758	-	-	-	116,758	
Other asset-backed securities	2,741,994	-	-	13,039	2,728,955	
U.S. treasuries	25,213,832	8,217,772	550,560	2,728,606	13,716,894	
Totals	\$ <u>613,959,205</u>	\$ <u>401,179,227</u>	\$ <u>53,942,564</u>	\$ <u>69,947,335</u>	\$ <u>88,890,079</u>	

The OPEB Trust owned one debt mutual fund exposed to interest rate risk as of June 30, 2021. As of June 30, 2021 the trust owned one fixed income mutual fund with an effective maturity of 9.4 years with a fair value of \$93,227,584.

**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 \$11,636,418 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

Investment Type	Value	Standard & Poor's Credit Ratings					
		A-1	AAA	AA	A	BBB	Not Rated
<b>Primary Government</b>							
Agencies/instrumentalities	\$ 235,264,173	\$ -	\$ -	\$ 105,431,810	\$ -	\$ -	\$ 129,832,363
Supranationals	29,305,460	-	29,305,460	-	-	-	-
Commercial paper	92,694,000	92,694,000	-	-	-	-	-
Repurchase agreement	-	-	-	-	-	-	-
Corporate bonds	27,288,964	-	-	6,530,950	15,304,014	5,454,000	-
Municipal securities *	199,316,330	-	66,131,740	84,574,961	18,635,836	-	29,973,793
Bond mutual funds	13,030,914	-	-	-	-	-	13,030,914
Money market pools	332,668,677	-	318,916,416	-	-	-	13,752,261
Total Credit Risk-Debt Securities	929,568,518	\$ 92,694,000	\$ 414,353,616	\$ 196,537,721	\$ 33,939,850	\$ 5,454,000	\$ 186,589,331
U.S. Gov't & Agencies **	429,797,105	-	-	-	-	-	-
Total Debt Securities	\$ 1,359,365,623	-	-	-	-	-	-
<b>Component Units</b>							
<b>Board of Education</b>							
Investment Type							
Money market pools	\$ 199,563,937	\$ -	\$ 186,586,177	\$ -	\$ -	\$ -	\$ 12,977,760
	\$ 199,563,937	\$ -	\$ 186,586,177	\$ -	\$ -	\$ -	\$ 12,977,760
<b>Community College</b>							
Investment Type							
Money market pools	\$ 6,640,701	\$ -	\$ 6,640,701	\$ -	\$ -	\$ -	\$ -
	\$ 6,640,701	\$ -	\$ 6,640,701	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
<b>Non-major component units</b>							
Investment Type							
Money market pools	\$ 330	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ -
	\$ 330	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ -

\* Two issuers not rated by Standard and Poor's are rated Aaa by Moody's.

\*\*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, 2020, excluding equities and un-invested cash with a total fair value of \$1,500,474,771, are displayed next.

Retirement System

	Total Fair Value	Standard & Poor's Credit Ratings			
		AAA - A	BBB - B	CCC - C	NR
Aetna insurance pool fixed income	\$ 20,468,646	\$ -	\$ -	\$ -	\$ 20,468,646
Agency/instrumentalities	32,086,931	114,636	581,687	-	31,390,608
Bank loans	7,702,291	-	-	-	7,702,291
Collateralized mort. obligations	6,218,595	1,472,330	75,733	-	4,670,532
Corporate bonds	137,965,524	22,905,023	112,531,653	1,854,841	674,007
Municipal bonds	116,758	116,758	-	-	-
Mutual funds	300,703,347	-	-	-	300,703,347
Other asset-backed obligations	2,741,995	764,587	474,316	917,510	585,582
Money market pools	90,553,984	-	-	-	90,553,984
Yankee & foreign gov. issued	10,655,949	800,633	8,850,727	170,093	834,496
Total credit risk of debt securities	609,214,020	\$ 26,173,967	\$ 122,514,116	\$ 2,942,444	\$ 457,583,493
US gov't & agencies *	25,213,832				
Total debt securities	\$ 634,427,852				

\*The fair value of U.S. government agency securities is listed here. Due to the explicitly 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, 2021:

	Retiree Health Benefits Trust				
	Total	Standard & Poor's Credit Ratings			NR
		AAA-A	BBB-B	CCC-C	
Fixed Income Mutual Funds	\$ 93,227,584	\$ -	\$ -	\$ -	\$ 93,227,584
Short Term Investment Pool	25,050,196	-	-	-	25,050,196
Total Debt Securities	\$ 118,277,780	\$ -	\$ -	\$ -	\$ 118,277,780

**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, 2021, Federal Home Loan Bank was 5.74% of the primary government’s investments, Federal Agricultural Mortgage Corporation represented 4.04%, Federal Farm Credit Bank was 4.90%, Federal Home Loan Mortgage Corporation was 0.67%, and Federal National Mortgage Association was 1.94%. 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, 2020, 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, 2021. 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, 2020, 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 \$634,359,148 as of December 31, 2020.

As of June 30, 2021, the OPEB Trust had no direct exposure to fixed income foreign currency. The fair market value of one international mutual fund totaled \$111,021,033.

**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, 2021 is displayed below. As of June 30, 2021, short-term investments of \$332,668,677 were in money market mutual funds, which are not subject to the fair value measurement requirements.

Assets at Fair Value June 30, 2021

Primary Government Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets			Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
		Level 1				
U.S. Treasuries	\$ 429,797,105	\$ 429,797,105	\$	-	\$	-
Agencies/instrumentalities	235,264,173	235,264,173		-		-
Supranationals	29,305,460	-		29,305,460		-
Commercial paper	92,694,000	92,694,000		-		-
Corporate bonds	27,288,964	27,288,964		-		-
Municipals bonds	199,316,330	-		199,316,330		-
Bond mutual funds	13,030,914	13,030,914		-		-
Equity mutual funds	11,636,418	11,636,418		-		-
	<u>\$ 1,038,333,364</u>	<u>\$ 809,711,574</u>	<u>\$</u>	<u>228,621,790</u>	<u>\$</u>	<u>-</u>

As of June 30, 2021, 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, 2020. As of December 31, 2020, 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, 2020

Assets at Fair Value December 31, 2020		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Fair Value			
<b>Fixed Income Investments</b>				
U.S. Government obligations	\$ 25,213,832	\$ -	\$ 25,213,832	\$ -
Agency/Instrumentalities	32,086,931	-	32,086,931	-
Collateralized Mort. obligations	6,218,595	-	5,426,881	791,714
Other asset-backed obligations	2,741,995	-	2,664,733	77,262
Corporate bonds	137,965,524	-	137,965,524	-
Bank Loans	7,702,291	-	7,621,808	80,483
Yankee & Foreign Gov. Issued	10,655,949	-	10,655,949	-
Municipal bonds	116,758	-	116,758	-
Fixed income mutual funds	207,816,903	117,346,651	90,470,252	-
Total fixed income investments	430,518,778	117,346,651	312,222,668	949,459
<b>Equity Investments</b>				
Domestic equity	406,080,753	406,080,753	-	-
International equity pools	291,325,561	291,325,561	-	-
Total equity investments	697,406,314	697,406,314	-	-
Total investments by fair value level	\$ 1,127,925,092	\$ 814,752,965	\$ 312,222,668	\$ 949,459

Pension System Net Asset Value December 31, 2020

Investment Types at net asset value	Net Asset Value	Unfunded Commitments as of 12/31/20	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled funds-debt	\$ 92,886,444	\$ -	Twice monthly	15 days
Commingled funds-equities	369,474,758	-	Daily, Monthly	Daily, 5 Business days
International equity pool	85,705,306	-	Daily	Daily
Real estate (REIT) fund	123,787,996	-	Quarterly	90 days
Opportunistic	4,334,081	2,414,753	Quarterly	95 days
Private markets buyouts	68,581,862	47,101,538	Not eligible	Not eligible
Private markets distressed	48,856,616	8,650,645	Not eligible	Not eligible
Private markets energy	14,234,616	7,932,974	Not eligible	Not eligible
Private markets fund of funds	5,092,912	1,724,662	Not eligible	Not eligible
Private markets growth equity	35,980,869	16,672,200	Not eligible	Not eligible
Private markets mezzanine	5,448,913	1,715,981	Not eligible	Not eligible
Private markets secondaries	21,101,882	25,588,526	Not eligible	Not eligible
Total at net asset value	875,486,255	\$ 111,801,279		
<b>Investments measured at amortized cost</b>				
Money market pools	90,553,984			
Aetna insurance pooled fixed income	20,468,646			
Total Investments	\$ 2,114,433,977			

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 (publicly 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, 2021				
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Community College				
Equity mutual funds				
Domestic broad equity	\$ 6,499,526	\$ 6,499,526	\$ -	\$ -
International equity	4,957,191	4,957,191	-	-
Mid cap broad equity	2,649,375	2,649,375	-	-
Small cap broad equity	1,576,101	1,576,101	-	-
Real assets equity	1,005,721	1,005,721	-	-
	<u>16,687,914</u>	<u>16,687,914</u>	-	-
Bond funds	3,627,863	3,627,863	-	-
Equity securities	35,844	35,844	-	-
	<u>\$ 20,351,621</u>	<u>\$ 20,351,621</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, 2021				
Assets at Fair Value June 30, 2021	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	\$ 93,227,584	\$ 93,227,584	\$ -	\$ -
Domestic Equity	140,618,338	140,618,338	-	-
International Equity	111,021,033	111,021,033	-	-
Total Mutual Funds	<u>\$ 344,866,955</u>	<u>\$ 344,866,955</u>	<u>\$ -</u>	<u>\$ -</u>
Assets at Net Asset Value June 30, 2021				
Investment Type	Net Asset Value			
Real estate (REIT) fund	<u>19,975,644</u>			
Total at net asset value	19,975,644			
Investments measured at amortized cost				
Money Market pool	<u>25,050,196</u>			
Total Investments	<u>\$ 389,892,795</u>			

#### **4**      **Receivables**

**A**      ***Property Taxes Receivable*** - The County's property tax is levied each July 1<sup>st</sup> based on values assessed and certified by the Maryland State Department of Assessments as of that date. Liens are placed on property at that time. A revaluation of each property is required to be completed every three years. For owner-occupied residential property, owners can choose to pay one payment due September 30<sup>th</sup> or two installments due on September 30<sup>th</sup> and December 31<sup>st</sup>. Property taxes are due from all other taxpayers on September 30<sup>th</sup>. Once the due date has passed, interest 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 was collected by The State and distributed to local governments 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 unavailable local income tax balance as of June 30, 2021 was \$106,570,113. The local income tax rate for the reporting fiscal year is 2.81%.

**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, 2021 was \$20,905,831.

#### **5**      **Capital Assets**

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2021 are presented as follows:

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 276,633,421	\$ 824,360	\$ (13,873,878)	\$ 263,583,903
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	346,339,948	108,538,145	(71,628,101)	383,249,992
Total assets not depreciated	<u>627,139,834</u>	<u>109,362,505</u>	<u>(85,501,979)</u>	<u>651,000,360</u>
<i>Capital assets being depreciated:</i>				
Land improvements	302,627,833	17,912,050	-	320,539,883
Buildings	327,236,293	161,614	-	327,397,907
Roads and bridges	400,088,744	18,294,790	(10,114,618)	408,268,916
Sidewalks, curbs, and gutters	54,650,949	1,797,921	(338,565)	56,110,305
Storm drains and culverts	390,177,546	15,890,339	(769,158)	405,298,727
Automobiles and rolling stock	137,921,974	20,263,611	(9,233,068)	148,952,517
Furniture, fixtures, and equipment	114,339,234	17,155,903	(2,997,058)	128,498,079
Software	25,374,330	302,032	(11,407,743)	14,268,619
Total assets depreciated	<u>1,752,416,903</u>	<u>91,778,260</u>	<u>(34,860,210)</u>	<u>1,809,334,953</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(140,987,964)	(11,632,653)	-	(152,620,617)
Buildings	(150,235,190)	(6,524,143)	-	(156,759,333)
Roads and bridges	(237,768,491)	(12,120,991)	10,114,618	(239,774,864)
Sidewalks, curbs, and gutters	(20,646,714)	(1,131,241)	338,565	(21,439,390)
Storm drains and culverts	(237,162,009)	(7,642,483)	618,957	(244,185,535)
Automobiles and rolling stock	(81,518,207)	(14,778,526)	8,478,105	(87,818,628)
Furniture, fixtures, and equipment	(89,713,564)	(5,726,927)	2,882,698	(92,557,793)
Software	(21,954,779)	(1,124,571)	11,156,415	(11,922,935)
Total accumulated depreciation	<u>(979,986,918)</u>	<u>(60,681,535)</u>	<u>33,589,358</u>	<u>(1,007,079,095)</u>
Total capital assets being depreciated, net	<u>772,429,985</u>	<u>31,096,725</u>	<u>(1,270,852)</u>	<u>802,255,858</u>
Total governmental activities, net	<u>\$ 1,399,569,819</u>	<u>\$ 140,459,230</u>	<u>\$ (86,772,831)</u>	<u>\$ 1,453,256,218</u>
<b>Business-type activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 18,228,804	\$ 144,806	\$ -	\$ 18,373,610
Construction in progress	533,977,538	75,639,444	(65,832,007)	543,784,975
Total assets not depreciated	<u>552,206,342</u>	<u>75,784,250</u>	<u>(65,832,007)</u>	<u>562,158,585</u>
<i>Capital assets being depreciated:</i>				
Buildings	52,413,301	3,891,990	-	56,305,291
Landfills	81,359,272	6,712,709	-	88,071,981
Water and sewer plants and lines	2,124,007,038	69,982,892	-	2,193,989,930
Automobiles and rolling stock	15,008,674	1,736,035	(808,085)	15,936,624
Furniture, fixtures, and equipment	30,810,881	1,569,617	(2,478,158)	29,902,340
Total assets depreciated	<u>2,303,599,166</u>	<u>83,893,243</u>	<u>(3,286,243)</u>	<u>2,384,206,166</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(15,755,590)	(1,283,710)	-	(17,039,300)
Landfills	(50,806,420)	(2,698,854)	-	(53,505,274)
Water and sewer plants and lines	(930,429,719)	(51,415,455)	-	(981,845,174)
Automobiles and rolling stock	(8,658,331)	(1,413,204)	798,423	(9,273,112)
Furniture, fixtures, and equipment	(17,532,959)	(2,673,443)	2,213,954	(17,992,448)
Total accumulated depreciation	<u>(1,023,183,019)</u>	<u>(59,484,666)</u>	<u>3,012,377</u>	<u>(1,079,655,308)</u>
Total capital assets being depreciated, net	<u>1,280,416,147</u>	<u>24,408,577</u>	<u>(273,866)</u>	<u>1,304,550,858</u>
Total business-type activities, net	<u>\$ 1,832,622,489</u>	<u>\$ 100,192,827</u>	<u>\$ (66,105,873)</u>	<u>\$ 1,866,709,443</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
<b>Board of Education:</b>				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 68,346,260	\$ 8,719,484	\$ -	\$ 77,065,744
Construction in progress	246,441,615	69,569,495	(167,199,320)	148,811,790
Total assets not depreciated	<u>314,787,875</u>	<u>78,288,979</u>	<u>(167,199,320)</u>	<u>225,877,534</u>
<i>Capital assets being depreciated:</i>				
Buildings	2,033,848,446	163,082,953	-	2,196,931,399
Computer software	14,577,681	-	-	14,577,681
Furniture, fixtures, and equipment	62,878,339	7,081,622	(1,435,083)	68,524,878
Total assets depreciated	<u>2,111,304,466</u>	<u>170,164,575</u>	<u>(1,435,083)</u>	<u>2,280,033,958</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(905,440,504)	(45,714,228)	-	(951,154,732)
Computer software	(6,812,488)	(1,457,767)	-	(8,270,255)
Furniture, fixtures, and equipment	(39,249,939)	(4,567,076)	1,417,180	(42,399,835)
Total accumulated depreciation	<u>(951,502,931)</u>	<u>(51,739,071)</u>	<u>1,417,180</u>	<u>(1,001,824,822)</u>
Total capital assets being depreciated, net	<u>1,159,801,535</u>	<u>118,425,504</u>	<u>(17,903)</u>	<u>1,278,209,136</u>
Total Board of Education, net	<u>\$ 1,474,589,410</u>	<u>\$ 196,714,483</u>	<u>\$ (167,217,223)</u>	<u>\$ 1,504,086,670</u>
<b>Community College:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,092,203	\$ -	\$ -	\$ 4,092,203
Construction in progress	48,134,731	67,141,760	(110,953,080)	4,323,411
Total assets not depreciated	<u>52,226,934</u>	<u>67,141,760</u>	<u>(110,953,080)</u>	<u>8,415,614</u>
<i>Capital assets being depreciated:</i>				
Land improvements	7,984,386	868,393	-	8,852,779
Buildings and improvements	145,121,254	102,078,287	(21,604)	247,177,937
Furniture, fixtures, and equipment	28,133,937	3,654,513	(453,323)	31,335,127
Leasehold improvements	1,604,721	(2,676)	(1,594,165)	7,880
Intangible assets	670,849	-	-	670,849
Total assets depreciated	<u>183,515,147</u>	<u>106,598,517</u>	<u>(2,069,092)</u>	<u>288,044,572</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(5,024,542)	(377,869)	-	(5,402,411)
Buildings and improvements	(79,078,415)	(5,130,935)	11,047	(84,198,303)
Furniture, fixtures, and equipment	(19,526,643)	(1,570,320)	437,061	(20,659,902)
Leasehold improvements	(1,251,473)	(145,174)	1,390,146	(6,501)
Intangible assets	(654,301)	(16,548)	-	(670,849)
Total accumulated depreciation	<u>(105,535,374)</u>	<u>(7,240,846)</u>	<u>1,838,254</u>	<u>(110,937,966)</u>
Total capital assets being depreciated, net	<u>77,979,773</u>	<u>99,357,671</u>	<u>(230,838)</u>	<u>177,106,606</u>
Total Community College, net	<u>\$ 130,206,707</u>	<u>\$ 166,499,431</u>	<u>\$ (111,183,918)</u>	<u>\$ 185,522,220</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
<b>Other non-major:</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<i>Capital assets being depreciated:</i>				
Airport improvements (as restated)	16,500,684	1,396,208	-	17,896,892
Library collection	19,817,522	5,426,839	(3,799,510)	21,444,851
Automobiles and rolling stock	26,632	-	-	26,632
Furniture, fixtures, and equipment	2,026,251	65,292	(153,747)	1,937,796
Total assets depreciated	<u>38,371,089</u>	<u>6,888,339</u>	<u>(3,953,257)</u>	<u>41,306,171</u>
<i>Less accumulated depreciation for:</i>				
Airport improvements	(8,120,904)	(715,876)	-	(8,836,780)
Library collection	(5,676,219)	(1,796,135)	1,799,337	(5,673,017)
Automobiles and rolling stock	(16,216)	(5,327)	-	(21,543)
Furniture, fixtures, and equipment	(1,548,459)	(148,857)	153,747	(1,543,569)
Total accumulated depreciation	<u>(15,361,798)</u>	<u>(2,666,195)</u>	<u>1,953,084</u>	<u>(16,074,909)</u>
Total capital assets being depreciated, net	<u>23,009,291</u>	<u>4,222,144</u>	<u>(2,000,173)</u>	<u>25,231,262</u>
Total other non-major, net	<u>\$ 23,009,291</u>	<u>\$ 4,222,144</u>	<u>\$ (2,000,173)</u>	<u>\$ 25,231,262</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	\$ 9,536,552	Water and wastewater	\$ 53,851,029
General government	14,938,046	Solid Waste	<u>5,633,637</u>
Health and human services	378,411		<u>\$ 59,484,666</u>
Public works	24,586,846	<i>Component units:</i>	
Recreation and community services	9,773,605	Board of Education	\$ 51,739,071
Judicial	1,386,254	Community College	7,240,846
Code enforcement	23,789	Library System	1,840,000
Land use and development	58,032	Economic Development Corp	56,185
	<u>\$ 60,681,535</u>	Tipton Airport Authority	715,876
		Workforce Development	<u>54,134</u>
			<u>\$ 61,646,112</u>

## **6 Restricted Assets and Liabilities**

The following funds are shown as restricted on the government-wide financial statements, Statement of Net Position: Grants, Impact Fees Capital Project, General County Capital Projects, 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, Arundel Community Development Services, Circuit Court, Erosion Districts, Watershed Protection and Restoration, 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, 2021:

### *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	\$ 499,559	Implicit borrowing from the General Fund
General Fund	Grants Special Revenue Fund	2,715,050	Implicit borrowing from the General Fund
General Fund	Internal Service Funds	25,220,847	Self Insurance Fund surplus allocation
Non-major Enterprise Funds	Internal Service Funds	8,417	Self Insurance Fund surplus allocation
Water and Wastewater Fund	Internal Service Funds	787,639	Self Insurance Fund surplus allocation
Solid Waste Fund	Internal Service Funds	181,516	Self Insurance Fund surplus allocation
Internal Service Funds	Water and Wastewater Fund	535,136	Central Garage Fund deficit allocation
Internal Service Funds	Solid Waste Fund	272,781	Central Garage Fund deficit allocation
Internal Service Funds	General Fund	4,983,828	Central Garage Fund deficit allocation
		<u>\$ 35,204,773</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 \$286,539,448 for fiscal year 2021. 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	\$ 270,000	Transfers for grants
General Fund	General County Capital Projects	153,065,000	Bond proceeds transferred for capital projects
General Fund	General County Capital Projects	8,588,000	Pay-as-you-go transfers for capital projects
Impact Fees Capital Projects	General County Capital Projects	17,310,757	Impact fee funding for capital projects
Reforestation	General County Capital Projects	269	Transfers for capital projects
Odenton Town Center Tax Increment	General County Capital Projects	262,494	Transfers for capital projects
Watershed Protection and Restoration	General County Capital Projects	27,000,000	Transfers for capital projects
Bond Premium	General County Capital Projects	32,725,974	Transfers for capital projects
Video Lottery Local Impact Aid	General County Capital Projects	2,728,100	Transfers for capital projects
Street Light Capital Projects	General County Capital Projects	538,694	Transfers for capital projects
General County Capital Projects	Watershed Protection and Restoration	4,006	Investment income allocation retained
General County Capital Projects	General Fund	64,976	Investment income allocation retained
Impact Fees Capital Projects	General Fund	1,060,746	Impact fees transferred for debt service
Nursery Road Tax Increment	General Fund	5,985,168	Transfers legally appropriated
West County Tax Increment	General Fund	7,164,671	Transfers legally appropriated
Arundel Mills Tax Increment	General Fund	8,268,960	Transfers legally appropriated
Parole Tax Increment	General Fund	17,380,936	Transfers legally appropriated
National Business Park North TIF	General Fund	316,230	Transfers legally appropriated
Village South at Waugh Chapel TIF	General Fund	1,592,929	Transfers legally appropriated
General Fund	Grants	1,156,895	Transfers for grants
General Fund	Installment Purchase Agreements	740,500	Transfers for land preservation
Erosion Districts	Special Taxing Districts	314,143	Transfers for project maintenance
		<u>\$ 286,539,448</u>	

### Transfers In

<u>Transfer Out</u>	<u>Grants</u>		<u>General County Capital Projects</u>	<u>Non-Major Governmental</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue</u>			
General Fund	\$ -	\$ 1,156,895	\$ 161,653,000	\$ 1,010,500	\$ 163,820,395
Non-Major Governmental	40,708,894	-	63,255,531	314,143	104,278,568
Impact Fees Capital Projects	1,060,746	-	17,310,757	-	18,371,503
General County Capital Projects	64,976	-	-	4,006	68,982
<b>Total Transfers In</b>	<b>\$ 41,834,616</b>	<b>\$ 1,156,895</b>	<b>\$ 242,219,288</b>	<b>\$ 1,328,649</b>	<b>\$ 286,539,448</b>

Transfers between the primary government's proprietary funds and governmental funds presented as follows, totaled \$663,000 for fiscal year 2021. 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.

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
Water and Wastewater Fund	General County Capital Projects	\$ 530,000
Solid Waste Fund	General County Capital Projects	133,000
		<u>\$ 663,000</u>

As of June 30, 2021, 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	\$ 24,288,202
Community College	Primary Government	66,312
Other Non-major	Primary Government	2,391,599
Primary Government	Board of Education	22,548,516
Primary Government	Community College	384,340
		<u>\$ 49,678,969</u>

**Primary Government Expenditures**

<u>Originating Entity</u>	<u>Recipient Entity</u>	<u>Amount</u>
Primary Government	Board of Education	\$ 819,261,675
Primary Government	Community College	99,966,853
Primary Government	Other Non-major	29,307,055
		<u>\$ 948,535,583</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 2021 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 based on the weekly SIFMA Index plus fifty 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, 2022. The County has a credit amount available of up to \$90 million, of which none is outstanding as of June 30, 2021.

**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, 2021 are presented as follows:



<b>General County Debt</b>					
<b>Year Ending June 30,</b>	<b>Governmental</b>		<b>Business-type</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2022	\$ 101,781,694	\$ 66,097,183	\$ 41,761,387	\$ 34,502,882	
2023	96,292,964	60,839,162	41,240,448	32,458,153	
2024	90,674,244	56,103,682	40,208,274	30,597,333	
2025	86,273,649	51,608,929	38,806,535	28,776,840	
2026	78,695,819	47,360,619	38,269,303	26,956,513	
2027-2031	339,112,142	183,529,292	181,911,060	110,363,587	
2032-2036	220,253,987	113,876,450	148,839,489	73,249,553	
2037-2041	165,333,942	71,546,650	120,652,540	42,411,869	
2042-2046	169,103,810	36,308,435	87,846,190	17,636,039	
2047-2051	98,470,676	6,443,569	35,674,324	2,692,655	
	<u>\$ 1,445,992,927</u>	<u>\$ 693,713,971</u>	<u>\$ 775,209,550</u>	<u>\$ 399,645,424</u>	

**C Tax Increment and Other Debt** - As of June 30, 2021, there was \$64,945,000 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, 2021, 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, 2021, \$52,469,190 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, \$1,063,494 is related to Park Place which is not considered part of the County's debt and \$4,633,254 is related to Odenton Town Center TIF which does not have debt outstanding as of June 30, 2021. The table that follows outlines the debt service requirements for these bonds.

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 3,930,000	\$ 2,407,618	2027-2031	\$ 21,350,000	\$ 4,943,270
2023	4,235,000	2,208,344	2032-2036	13,870,000	2,307,712
2024	4,600,000	1,992,518	2037-2041	6,685,000	422,484
2025	4,965,000	1,758,644			
2026	5,310,000	1,543,219		<u>\$ 64,945,000</u>	<u>\$ 17,583,809</u>

In addition, there were \$2,165,000, \$10,950,000, \$29,695,000, and \$22,460,000 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, 2021, 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 \$2,138,181 as of June 30, 2021. These loans were received from the State for waterway improvements. During fiscal year 2021, the County paid \$224,213 for principal. The table that follows outlines the debt service requirements:

Year Ending June 30,	Principal	Year Ending June 30,	Principal
2022	\$ 235,810	2027-2031	838,878
2023	220,612	2032-2036	\$ 177,901
2024	202,260	2037-2041	58,200
2025	202,260		
2026	202,260		<u>\$ 2,138,181</u>

**E Leases** – The County has two 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 and a capital asset in the amount of \$60,650 for a Konica Pro 1100 copier. The total principal payments due as of fiscal year-end are \$50,422. The net present value of these minimum lease payments as of June 30, 2021 and the future minimum lease obligations were as follows:

Year ending June 30,	Principal Lease Payments	Interest Lease Payments	Total Lease Payments
2022	\$ 30,272	\$ 8,712	\$ 38,984
2023	20,150	8,339	28,489
	<u>\$ 50,422</u>	<u>\$ 17,051</u>	<u>\$ 67,473</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 June 30,	Annual Rentals	Year Ending June 30,	Annual Rentals
2022	\$ 5,922,803	2027-2031	\$ 15,819,322
2023	4,596,808	2032-2036	12,744,608
2024	4,060,301	2037-2041	1,426,347
2025	3,684,537	2042-2046	1,059,427
2026	3,679,276	2047-2051	118
			<u>\$ 52,993,547</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, 2021 are presented as follows:

Year Ending June 30,	Principal	Interest	Year Ending June 30,	Principal	Interest
2022	\$ 20,000	\$ 719,377	2027-2031	\$ 10,434,000	\$ 2,007,761
2023	20,000	718,261	2032-2036	-	668,312
2024	20,000	717,145	2037-2041	2,931,000	404,297
2025	20,000	716,030	2042-2046	-	-
2026	20,000	714,915		<u>\$ 13,465,000</u>	<u>\$ 6,666,098</u>

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

	<u>Dates</u>	<u>Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
Governmental activities:				
General obligation bonds	2022-2051	1.50% to 5.55%	\$ 2,079,017,960	\$ 1,445,992,927
Tax increment district bonds	2021-2041	1.50% to 5.00%	79,240,000	64,945,000
Installment purchase agreements	2021-2041	4.55% to 6.00%	13,819,916	13,465,000
Loans payable	2021-2041	0%	5,033,912	2,138,181
Total governmental activities			<u>2,177,111,788</u>	<u>1,526,541,108</u>
Business-type activities:				
Water and wastewater serial bonds	2022-2051	1.00% to 5.55%	980,358,309	727,847,477
Solid waste serial bonds	2022-2051	2.00% to 5.55%	67,847,040	47,362,073
Total business-type activities			<u>1,048,205,349</u>	<u>775,209,550</u>
			<u>\$ 3,225,317,137</u>	<u>\$ 2,301,750,658</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, 2021, 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	\$ 5,279,328,236	\$ 5,243,824,875
Bonded debt outstanding		
Installment purchase agreements	13,465,000	-
General obligation-serial bonds	1,327,512,622	727,847,477
General obligation-serial bonds, WPRF	118,480,305	-
General obligation-serial bonds, Solid Waste	47,362,073	-
Tax increment bonds	64,945,000	-
	<u>1,571,765,000</u>	<u>727,847,477</u>
Legal debt margin	<u>\$ 3,707,563,236</u>	<u>\$ 4,515,977,398</u>

As of June 30, 2021, the County had the total authority to issue bonds in the amount of \$2,843,013,302 of which \$1,281,263,382 has not been issued. Included in the amounts available to issue to date are \$316,564,144 for general obligation water and wastewater series bonds, and \$485,217 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, 2021 was \$7,520,000. 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>
2022	\$ 845,000	2024	\$ 895,000	2026	\$ 950,000
2023	875,000	2025	925,000	2026-2030	3,030,000
					<u>\$ 7,520,000</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 were entitled to a credit against the county portion of the Maryland income tax owed. The ruling meant that each county in Maryland would experience a reduction in income tax revenue, including Anne Arundel County. The Comptroller’s Office calculated the fiscal impact of the ruling on the County to be \$17,694,496 of refunds for prior years’ taxes, and an estimated reduction of \$4,000,000 each year going forward. The calculated amount of refunds to be paid has been recorded as a non-current liability on the Statement of Net Position and an accrued liability in the General Fund. The County began reimbursing the State of Maryland in May 2021 in the amount of \$221,181 quarterly. These reimbursements will continue for 80 installments over twenty 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, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,384,648,193	\$ 290,576,100	\$ 229,231,366	\$ 1,445,992,927	\$ 101,781,694
Unamortized premium	183,054,663	57,667,288	22,840,456	217,881,495	24,682,737
Tax incremental and other debt	68,445,000	-	3,500,000	64,945,000	3,930,000
Total bonds payable	<u>1,636,147,856</u>	<u>348,243,388</u>	<u>255,571,822</u>	<u>1,728,819,422</u>	<u>130,394,431</u>
State loans	2,362,394	-	224,213	2,138,181	235,810
Capital leases	20,245	60,449	30,272	50,422	30,272
Installment purchase agreements	13,485,000	-	20,000	13,465,000	20,000
Unpaid insurance claims	76,874,765	106,615,199	108,110,074	75,379,890	19,558,342
Compensated absences	31,222,964	34,012,413	29,396,817	35,838,560	33,717,562
Total long-term	<u>1,760,113,224</u>	<u>488,931,449</u>	<u>393,353,198</u>	<u>1,855,691,475</u>	<u>183,956,417</u>
Total governmental activities	<u>\$ 1,760,113,224</u>	<u>\$ 488,931,449</u>	<u>\$ 393,353,198</u>	<u>\$ 1,855,691,475</u>	<u>\$ 183,956,417</u>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 750,633,378	\$ 132,873,900	\$ 108,297,728	\$ 775,209,550	\$ 41,761,387
Unamortized premium	87,266,037	24,766,782	9,076,254	102,956,555	9,144,100
Total bonds payable	<u>837,899,415</u>	<u>157,640,682</u>	<u>117,373,982</u>	<u>878,166,105</u>	<u>50,905,487</u>
Compensated absences	2,685,095	2,586,523	2,145,253	3,126,365	2,493,535
Total long-term	<u>840,584,510</u>	<u>160,227,205</u>	<u>119,519,235</u>	<u>881,292,470</u>	<u>53,399,022</u>
Total business-type activities	<u>\$ 840,584,510</u>	<u>\$ 160,227,205</u>	<u>\$ 119,519,235</u>	<u>\$ 881,292,470</u>	<u>\$ 53,399,022</u>

**K Refundings** – In fiscal year 2021, 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 March 23, 2021 the County issued \$167,740,000 in non-taxable refunding bonds for the following: \$117,565,000 to refund \$58,060,000 of General Obligation Build America Bonds Series 2010, \$52,600,000 of General Obligation Series 2011, and \$6,905,000 of General Obligation Series 2011R, \$21,530,000 to refund Water Wastewater Build America Bonds Series 2010, \$25,910,000 to refund Water Wastewater Series 2011, and \$2,735,000 to refund Water Wastewater Series 2011R. The true interest cost for both the refunded bonds was 1.17%. 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 2010, 2011, and 2011R was \$22,322,308 and from refunding Water Wastewater Series 2010, 2011, and 2011R was \$15,034,984. The net effect of the total refunding gain for General Obligation Series 2010, 2011, and 2011R was \$308,975, and the net effect of the total refunding gain for Water

Wastewater Series 2010, 2011, and 2011R was \$148,555. The refunding gain 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 \$37.4 million 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.

	Major Funds				Non-major	Totals
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
<b>FUND BALANCES</b>						
Non-spendable						
Inventories	\$ 3,834,411	\$ -	\$ -	\$ -	\$ -	\$ 3,834,411
Total non-spendable	3,834,411	-	-	-	-	3,834,411
Restricted						
Impact fees capital projects	-	-	104,060,817	-	-	104,060,817
Forfeiture and asset seizure team	-	-	-	-	11,245	11,245
Roads and special benefits	-	-	-	-	750,489	750,489
Reforestation	-	-	-	-	3,648,847	3,648,847
Laurel racetrack community benefit	-	-	-	-	76,552	76,552
Grants	-	2,835,713	-	16,289,364	22,893,376	42,018,453
Circuit court	-	-	-	-	333,899	333,899
Odenton Town Center Tax Increment	-	-	-	-	21,333,713	21,333,713
Erosion districts	-	-	-	-	1,861,247	1,861,247
Video lottery local impact aid	-	-	-	6,308,077	1,754,056	8,062,133
Watershed protection and restoration	-	-	-	10,658,344	46,691,318	57,349,662
Debt service	-	-	-	-	7,140,126	7,140,126
Total restricted	-	2,835,713	104,060,817	33,255,785	106,494,868	246,647,183
Committed						
Reserve for Permanent Public Improvements (PPI)	19,542,703	-	-	-	-	19,542,703
Street lights capital projects	-	-	-	-	4,891,332	4,891,332
Recreation and land fees	-	-	-	-	304,238	304,238
Energy revolving loan	-	-	-	-	40,258	40,258
Bike, Pedestrian, Trans & Infrastructure	-	-	-	-	151,629	151,629
Installment purchase agreements	-	-	-	-	11,700,984	11,700,984
Total committed	19,542,703	-	-	-	17,088,441	36,631,144
Assigned						
General County capital projects	-	-	-	94,187,758	-	94,187,758
General County	123,051,188	-	-	-	-	123,051,188
Total assigned	123,051,188	-	-	94,187,758	-	217,238,946
Unassigned	243,692,883	(6,948,620)	-	-	(25,257,394)	211,486,869
Total fund balances	\$ 390,121,185	\$ (4,112,907)	\$ 104,060,817	\$ 127,443,543	\$ 98,325,915	\$ 715,838,553

**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	\$ 464,493
Fire	1,200,806
Office of Emergency Management	129,580
Detention Facilities	459,393
Chief Administrative Officer	94,077
Office of Budget	3,618
Office of Finance	236,047
Central Services	2,946,763
Personnel	394,998
Information Technology	1,638,095
Law	25,872
Legislative Branch	101,594
Transportation	298,568
Health	1,035,024
Services for the Aging	269,611
Public Works	1,625,231
Recreation & Parks	287,741
Planning & Zoning	52,663
Inspection & Permits	2,480
Board of License Commissioners	4,309
Grants Fund	2,835,713
Partnership for Children Youth and Families	12,771
Arundel Community Development Services	22,880,605
Reforestation Fund	8,410
Watershed Protection and Restoration	2,838,418
General County Capital Projects Fund	84,453,840
Watershed Protection and Restoration Capital Projects Fund	20,240,090
Tax Increment Funds	<u>13,878</u>
Total	<u>\$ 144,554,688</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:

Anne Arundel County, Maryland  
Notes to the Financial Statements

	Business-Type Activities - Enterprise Funds					
	Governmental Activities	Water and Wastewater	Solid Waste	Child Care	Business-Type Totals	Grand Totals
<b>Deferred outflow of resources</b>						
<b>Pension benefits</b>						
Contributions subsequent to measurement date	\$ 41,745,944	\$ 2,676,621	\$ 559,877	\$ 54,426	\$ 3,290,924	\$ 45,036,868
Change in experience	26,659,618	1,758,244	353,799	35,406	2,147,449	28,807,067
Change in assumptions	32,724,719	3,173,096	637,461	63,072	3,873,629	36,598,348
Change in investments	70,994	-	-	-	-	70,994
<b>Total pension benefits</b>	<b>101,201,275</b>	<b>7,607,961</b>	<b>1,551,137</b>	<b>152,904</b>	<b>9,312,002</b>	<b>110,513,277</b>
<b>OPEB benefits</b>						
Contributions subsequent to measurement date	73,457,230	7,224,878	1,654,880	453,305	9,333,063	82,790,293
Change in experience	14,398,881	1,424,483	341,428	25,998	1,791,909	16,190,790
Change in assumptions	-	-	-	-	-	-
Change in investments	665,851	57,165	5,247	31,630	94,042	759,893
<b>Total OPEB benefits</b>	<b>88,521,962</b>	<b>8,706,526</b>	<b>2,001,555</b>	<b>510,933</b>	<b>11,219,014</b>	<b>99,740,976</b>
<b>Length of Service Awards Program (LOSAP)</b>						
Contributions subsequent to measurement date	381,625	-	-	-	-	381,625
Change in assumptions	4,653,090	-	-	-	-	4,653,090
<b>Total LOSAP benefits</b>	<b>5,034,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,034,715</b>
<b>Unamortized deferred refunding loss</b>	<b>3,826,297</b>	<b>3,290,696</b>	<b>-</b>	<b>-</b>	<b>3,290,696</b>	<b>7,116,993</b>
<b>Total deferred outflows</b>	<b>\$ 198,584,249</b>	<b>\$ 19,605,183</b>	<b>\$ 3,552,692</b>	<b>\$ 663,837</b>	<b>\$ 23,821,712</b>	<b>\$ 222,405,961</b>

	Governmental Activities - Internal Service Funds *			Component Units			
	Self Insurance	Central Garage & Transportation	Totals	BOE	Community College	Library	Economic Development
<b>Deferred outflow of resources</b>							
<b>Pension benefits</b>							
Contributions subsequent to measurement date	\$ 101,400	\$ 391,926	\$ 493,326	\$ 8,772,222	\$ 451,393	\$ 197,750	\$ 175,244
Change in experience	66,895	258,695	325,590	-	-	144,062	112,690
Change in assumptions	117,855	453,923	571,778	326,504	17,349	247,580	201,357
Change in investments	-	-	-	5,743,839	265,013	-	-
Change in proportion	-	-	-	9,694,382	108,093	-	-
Changes proportion share of contribution	-	-	-	31,524	2,119	-	-
<b>Total pension benefits</b>	<b>286,150</b>	<b>1,104,544</b>	<b>1,390,694</b>	<b>24,568,471</b>	<b>843,967</b>	<b>589,392</b>	<b>489,291</b>
<b>OPEB benefits</b>							
Contributions subsequent to measurement date	303,850	1,034,020	1,337,870	30,113,000	4,744,000	3,433,519	-
Change in experience	54,880	202,997	257,877	105,485,000	1,147,693	311,282	75,066
Change in assumptions	-	-	-	89,330,000	40,624,732	15,216,518	-
Change in investments	4,817	7,073	11,890	-	387,724	54,667	4,003
<b>Total OPEB benefits</b>	<b>363,547</b>	<b>1,244,090</b>	<b>1,607,637</b>	<b>224,928,000</b>	<b>46,904,149</b>	<b>19,015,986</b>	<b>79,069</b>
<b>Unamortized deferred refunding loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,838</b>	<b>-</b>	<b>-</b>
<b>Total deferred outflows</b>	<b>\$ 649,697</b>	<b>\$ 2,348,634</b>	<b>\$ 2,998,331</b>	<b>\$ 249,496,471</b>	<b>\$ 47,930,954</b>	<b>\$ 19,605,378</b>	<b>\$ 568,360</b>

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

Anne Arundel County, Maryland  
Notes to the Financial Statements

	Business-Type Activities - Enterprise Funds					
	Governmental Activities	Water and Wastewater	Solid Waste	Child Care	Business-Type Totals	Grand Totals
<b>Deferred inflow of resources</b>						
<b>Pension benefits</b>						
Change in experience	\$ 6,190,780	\$ 530,463	\$ 110,959	\$ 10,787	\$ 652,209	\$ 6,842,989
Change in assumptions	15,251	-	-	-	-	15,251
Change in investments	11,724,238	543,267	120,186	10,646	674,099	12,398,337
<b>Total pension benefits</b>	<b>17,930,269</b>	<b>1,073,730</b>	<b>231,145</b>	<b>21,433</b>	<b>1,326,308</b>	<b>19,256,577</b>
<b>OPEB benefits</b>						
Change in experience	389,880	39,737	9,743	655	50,135	440,015
Change in assumptions	1,444,169	142,843	33,038	7,617	183,498	1,627,667
Change in investments	-	-	-	-	-	-
<b>Total OPEB benefits</b>	<b>1,834,049</b>	<b>182,580</b>	<b>42,781</b>	<b>8,272</b>	<b>233,633</b>	<b>2,067,682</b>
<b>Length of Service Awards Program</b>						
Change in experience	2,389,174	-	-	-	-	2,389,174
Change in assumptions	672,052	-	-	-	-	672,052
<b>Total LOSAP benefits</b>	<b>3,061,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,061,226</b>
<b>Property tax revenue collected in advance</b>	<b>430,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>430,225</b>
<b>Unamortized deferred refunding gain</b>			564,092		564,092	564,092
<b>Total deferred inflows</b>	<b>\$ 23,255,769</b>	<b>\$ 1,256,310</b>	<b>\$ 838,018</b>	<b>\$ 29,705</b>	<b>\$ 2,124,033</b>	<b>\$ 25,379,802</b>

	Governmental Activities - Internal Service Funds *			Component Units			
	Self Insurance	Central Garage and Transportation	Totals	BOE	Community College	Library	Economic Development
<b>Deferred inflow of resources</b>							
<b>Pension benefits</b>							
Change in experience	\$ 20,097	\$ 77,674	\$ 97,771	\$ 2,764,202	\$ 147,616	\$ 39,191	\$ 34,424
Change in assumptions	-	-	-	1,374,982	67,834	-	-
Change in investments	15,695	86,244	101,939	-	-	10,002	32,576
Change in proportion	-	-	-	2,885,959	213,155	-	-
Changes proportion share of contribution	-	-	-	3,093	154	-	-
<b>Total pension benefits</b>	<b>35,792</b>	<b>163,918</b>	<b>199,710</b>	<b>7,028,236</b>	<b>428,759</b>	<b>49,193</b>	<b>67,000</b>
<b>OPEB benefits</b>							
Change in experience	1,334	5,323	6,657	-	-	-	2,151
Change in assumptions	5,901	20,486	26,387	749,229,000	18,366,434	6,626,823	7,619
Change in investments	-	-	-	-	-	-	-
<b>Total OPEB benefits</b>	<b>7,235</b>	<b>25,809</b>	<b>33,044</b>	<b>749,229,000</b>	<b>18,366,434</b>	<b>6,626,823</b>	<b>9,770</b>
<b>Total deferred inflows</b>	<b>\$ 43,027</b>	<b>\$ 189,727</b>	<b>\$ 232,754</b>	<b>\$ 756,257,236</b>	<b>\$ 18,795,193</b>	<b>\$ 6,676,016</b>	<b>\$ 76,770</b>

\* Included in Governmental Activities column above.

## 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, 2021, 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 \$21,200,000. 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**

County employees participate in one of four single-employer defined benefit pension plans, which are in separate trust funds and administered by the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System issues a separate financial report for these plans. A copy of this report can be obtained from Anne Arundel County on the Office of Personnel page of the County website at [www.aacounty.org](http://www.aacounty.org). Some County employees participate in two multi-employer cost sharing pension plans administered by the State 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, 2020 based on the January 1, 2021, 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	2,096	777	645	306	3,824
Terminated Plan members entitled to but not yet receiving payments	295	-	-	6	301
Deferred Retirement Option (DROP)	-	76	74	34	184
Active Plan members	2,158	715	796	338	4,007
Total	<u>4,549</u>	<u>1,568</u>	<u>1,515</u>	<u>684</u>	<u>8,316</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 2021 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, 2021 was \$93,042. Of this amount, \$27,544 was for County Officials Retirement System and \$65,498 was for Master Judges Retirement System. The final payment for the State withdrawal payoff of unfunded liability was made in 2020. The rates varied from 0.0% for the actuarially determined contractual liability to 40.3% of covered payroll for the participant in the Judges Retirement System and 20.7% for the County Officials Retirement System. The County made its share of the required contributions.

As of June 30, 2021, the County reported a liability of \$1,021,220 for its proportionate share of the net pension liability of the State System. The net pension liability was measured as of June 30, 2020 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, 2020. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2020, the County's proportionate share was 0.0045%.

*Actuarial assumption:* The total pension liability for the State System in the June 30, 2020 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	7.40%

Mortality rates were based on PUB-2010 Mortality Tables with projected generational improvements based on the MP-2018 fully generational mortality improvement scale.

The economic and demographic actuarial assumptions used in the June 30, 2020 valuation were adopted by the System's Board of Trustees based upon review of the State System's experience study for the period 2014-2018, after the completion of the June 30, 2019 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, 2020. As a result, an investment return assumption of 7.40% and an inflation assumption of 2.60% were used in the June 30, 2020 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%	5.2%
Private Equity	13%	6.5%
Rate Sensitive	19%	-0.3%
Credit Opportunity	9%	2.8%
Real Assets	14%	4.3%
Absolute Return	8%	1.8%
Total	<u>100%</u>	

Source- Maryland State Retirement and Pension System Comprehensive Annual Financial Report For the Years Ended June 30, 2020 and 2019

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, 2020.

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 3.50%. 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 7.40%. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. 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 8.0% 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, 2021, 2020, and 2019 equal the required contributions and are summarized as follows along with the State’s contribution on behalf on the employees discussed previously.

	<u>Fiscal Year Ending June 30,</u>	
	<u>2021</u>	<u>2020</u>
County contributions:		
County	\$ 93,042	\$ 2,463,599
Board of Education	8,772,222	7,277,312
Community College	246,824	281,859
State contributions on behalf of:		
Board of Education	62,919,672	63,629,739
Community College	4,865,034	4,895,148
Library	1,569,933	1,628,249
	<u>\$ 78,466,727</u>	<u>\$ 80,175,906</u>

**E Net Pension Liability of the System by Plan** - The components of the net pension liability and assumptions for each Plan as of December 31, 2020 as calculated by the actuary are displayed as follows:

	<b>Employees'</b>	<b>Police Service</b>	<b>Fire Service</b>	<b>Detention Officers'</b>	
	<b>Retirement Plan</b>	<b>Retirement Plan</b>	<b>Retirement Plan</b>	<b>Retirement Plan</b>	<b>Total</b>
Total pension liability	\$ 998,524,396	\$ 810,929,345	\$ 728,904,028	\$ 223,880,890	\$ 2,762,238,659
Plan fiduciary net position	(718,989,813)	(613,858,749)	(609,695,729)	(167,430,551)	(2,109,974,842)
Plan net pension liability	\$ 279,534,583	\$ 197,070,596	\$ 119,208,299	\$ 56,450,339	\$ 652,263,817
Plan fiduciary net position as a percentage of the total pension liability	72.01%	75.70%	83.65%	74.79%	76.39%

Note to schedule Source is actuarial data based on preliminary financials. The difference between this schedule and the final combining statement of changes in fiduciary net position on Page 14 are considered immaterial.

Actuarial assumptions The total pension liability was determined by an actuarial valuation as of December 31, 2020 using the following summarized actuarial assumptions, applied to all periods in the measurement. Full descriptions of the actuarial assumptions are available in the January 1, 2021 valuation reports.

The most recent Experience and Assumption Study was conducted in 2018 for the period 2012 to 2016.

Inflation	3.00%	3.00%	3.00%	3.00%
Salary increases	Rates vary by participant age for each Plan.			
Investment rate of return	7.45%, net of pension plan investment expense, including inflation for each Plan.			
Mortality Scale	RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018.			
Set forward for post-disability mortality.	9 years	5 years	5 years	5 years

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the Actuarial Statement Section included in this Comprehensive Annual Financial Report.

**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, 2020 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 2.50%.

**30-Year Return Assumptions by Asset Class  
As of December 31, 2020**

Asset Class	30-Year Geometric Forecast	
	(Nominal Returns)	(Real Returns)
Cash	1.90%	-0.31%
U.S. Treasuries	2.13%	-0.08%
IG Corp Credit	3.95%	1.69%
Mortgage Backed Securities	2.50%	0.28%
Bank Loans	5.19%	2.91%
Core Fixed Income	2.80%	0.58%
High-Yield Bonds	5.60%	3.31%
Emerging Market Debt (External)	5.27%	2.99%
Emerging Market Debt (Local Currency)	5.87%	3.57%
Large Cap Equity	7.51%	5.18%
Small/Mid Cap Equity	8.46%	6.11%
International Equities (Unhedged)	8.18%	5.84%
Emerging Int'l Equities	11.79%	9.37%
Private Equity	12.62%	10.18%
Private Debt	8.13%	5.78%
Real Estate	6.61%	4.30%
Hedge Funds	5.57%	3.28%
Hedge Funds (Macro)	5.09%	2.81%

*Note: NEPC's 30-year geometric CPI inflation assumption is 2.50%. NEPC's 10 year geometric CPI inflation assumption is 2.25%.*

*\* Core Bonds assumption based on market weighted blend of components of Aggregate Index (Treasuries, IG Corp Credit, and MBS).*

*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, 2020:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Employees' Plan</b>			
<b>Balances as of 12/31/19</b>	\$ 973,355,989	\$ 690,383,355	\$ 282,972,634
<b>Changes for the year:</b>			
Service cost	16,773,781	-	16,773,781
Interest	70,362,751	-	70,362,751
Differences between expected and actual	(4,189,053)	-	(4,189,053)
Changes of assumptions	-	-	-
Contributions - employer	-	32,566,842	(32,566,842)
Contributions - member	-	5,764,368	(5,764,368)
Net investment income	-	48,589,710	(48,589,710)
Benefit payments, including refunds of member contributions	(57,779,072)	(57,779,072)	-
Administrative expense	-	(535,390)	535,390
<b>Net Changes</b>	<u>25,168,407</u>	<u>28,606,458</u>	<u>(3,438,051)</u>
<b>Balances as of 12/31/20</b>	<u>\$ 998,524,396</u>	<u>\$ 718,989,813</u>	<u>\$ 279,534,583</u>

Note: The source is actuarial data Based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Police Service Plan</b>			
<b>Balances as of 12/31/19</b>	\$ 759,568,512	\$ 581,733,565	\$ 177,834,947
<b>Changes for the year:</b>			
Service cost	14,503,922	-	14,503,922
Interest	55,148,608	-	55,148,608
Differences between expected and actual experience	20,345,780	-	20,345,780
Changes of assumptions	-	-	-
Contributions - employer	-	24,900,576	(24,900,576)
Contributions - member	-	4,180,925	(4,180,925)
Net investment income	-	42,157,705	(42,157,705)
Benefit payments, including refunds of member contributions	(38,637,477)	(38,637,477)	-
Administrative expense	-	(476,545)	476,545
<b>Net Changes</b>	<u>51,360,833</u>	<u>32,125,184</u>	<u>19,235,649</u>
<b>Balances as of 12/31/20</b>	<u>\$ 810,929,345</u>	<u>\$ 613,858,749</u>	<u>\$ 197,070,596</u>

Note: The source is actuarial data Based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.



	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Fire Service Plan</b>			
<b>Balances as of 12/31/19</b>	\$ 691,561,715	\$ 575,886,891	\$ 115,674,824
<b>Changes for the year:</b>			
Service cost	14,146,077	-	14,146,077
Interest	50,304,647	-	50,304,647
Differences between expected and actual experience	(913,222)	-	(913,222)
Changes of assumptions	6,467,929	-	6,467,929
Contributions - employer	-	20,505,510	(20,505,510)
Contributions - member	-	4,093,240	(4,093,240)
Net investment income	-	42,359,282	(42,359,282)
Benefit payments, including refunds of member contributions	(32,663,118)	(32,663,118)	-
Administrative expense	-	(486,076)	486,076
<b>Net Changes</b>	<u>37,342,313</u>	<u>33,808,838</u>	<u>3,533,475</u>
<b>Balances as of 12/31/20</b>	<u>\$ 728,904,028</u>	<u>\$ 609,695,729</u>	<u>\$ 119,208,299</u>

Note: The source is actuarial data Based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Detention Officers and Deputy Sheriffs' Plan</b>			
<b>Balances as of 12/31/19</b>	\$ 213,233,864	\$ 155,082,765	\$ 58,151,099
<b>Changes for the year:</b>			
Service cost	4,703,945	-	4,703,945
Interest	15,555,775	-	15,555,775
Differences between expected and actual experience	(749,649)	-	(749,649)
Changes of assumptions	-	-	-
Contributions - employer	-	8,165,094	(8,165,094)
Contributions - member	-	1,529,837	(1,529,837)
Net investment income	-	11,639,205	(11,639,205)
Benefit payments, including refunds of member contributions	(8,863,045)	(8,863,045)	-
Administrative expense	-	(123,305)	123,305
<b>Net Changes</b>	<u>10,647,026</u>	<u>12,347,786</u>	<u>(1,700,760)</u>
<b>Balances as of 12/31/20</b>	<u>\$ 223,880,890</u>	<u>\$ 167,430,551</u>	<u>\$ 56,450,339</u>

Note: The source is actuarial data Based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

*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 7.45%, 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 (6.45%) or 1.0 percentage point higher (8.45%) than the current rate.

**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

	<b>Employees' Retirement Plan</b>	<b>Police Service Retirement Plan</b>	<b>Fire Service Retirement Plan</b>	<b>Detention Officers' and Deputy Sheriffs' Retirement Plan</b>
1% Decrease to 6.45%	\$ 392,165,080	\$ 299,026,907	\$ 210,128,402	\$ 81,861,386
Current Discount Rate 7.45%	279,534,583	197,070,596	119,208,299	56,450,339
1% Increase to 8.45%	184,631,132	113,810,473	44,590,064	35,326,699

Sensitivity of groups within the State System:

	<b>Withdrawn Group *</b>	<b>Officials</b>	<b>Judges</b>
Proportional Share of State System	n/a	0.00121330%	0.00330510%
1% Decrease to 6.40%	n/a	\$ 390,400	\$ 1,063,472
Current Discount Rate 7.40%	n/a	274,230	746,990
1% Increase to 8.40%	n/a	177,457	483,404

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

Anne Arundel County Public Library and Anne Arundel County Economic Development Corp., for the measurement date of December 31, 2021, are displayed by Plan in the following table.

	<b>Employees' Retirement Plan</b>	<b>Police Service Retirement Plan</b>	<b>Fire Service Retirement Plan</b>	<b>Detention Officers' and Deputy Sheriffs' Retirement Plan</b>	<b>Total Pension System</b>
<b>PENSION EXPENSE:</b>	\$ 37,043,623	\$ 28,758,608	\$ 19,014,253	\$ 7,894,988	\$ 92,711,472
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Differences between expected and actual experience	\$ 10,970,556	\$ 15,259,335	\$ 2,497,109	\$ 336,819	\$ 29,063,819
Changes of assumptions	19,602,464	5,047,922	11,942,999	449,387	37,042,772
Contributions subsequent to measurement date	16,909,766	13,063,192	11,071,386	4,272,475	45,316,819
Total Deferred Outflow of Resources	\$ 47,482,786	\$ 33,370,449	\$ 25,511,494	\$ 5,058,681	\$ 111,423,410
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Differences between expected and actual experience	\$ (3,351,242)	\$ (1,656,006)	\$ (1,371,379)	\$ (499,766)	\$ (6,878,393)
Differences between projected and actual plan investments	(3,171,741)	(3,609,595)	(4,568,927)	(1,090,657)	(12,440,920)
Total Deferred Inflow of Resources	\$ (6,522,983)	\$ (5,265,601)	\$ (5,940,306)	\$ (1,590,423)	\$ (19,319,313)

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, 2022. 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:

	<b>Employees' Retirement Plan</b>	<b>Police Service Retirement Plan</b>	<b>Fire Service Retirement Plan</b>	<b>Detention Officers' and Deputy Sheriffs' Retirement Plan</b>	<b>Total Pension System</b>
Year ending December 31:					
2021	\$ 8,251,353	\$ 4,053,472	\$ 635,317	\$ (64,234)	\$ 12,875,908
2022	16,564,944	13,118,574	9,323,014	1,255,152	40,261,684
2023	(348,346)	(2,291,936)	(4,211,260)	(1,983,307)	(8,834,849)
2024	(417,914)	161,546	2,752,731	(11,828)	2,484,535
Total	<u>\$ 24,050,037</u>	<u>\$ 15,041,656</u>	<u>\$ 8,499,802</u>	<u>\$ (804,217)</u>	<u>\$ 46,787,278</u>

*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, 2021 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**

	<b>Master Judges</b>	<b>Officials</b>	<b>Total Portion</b>
<b>PENSION EXPENSE:</b>	<u>\$ 9,087</u>	<u>\$ 2,774</u>	<u>\$ 11,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Changes of assumptions	\$ 3,309	\$ 1,205	\$ 4,514
Net difference between projected and actual earnings	52,131	18,863	70,994
Contributions subsequent to measurement date	<u>65,498</u>	<u>27,544</u>	<u>93,042</u>
Subtotal of outflows	<u>120,938</u>	<u>47,612</u>	<u>168,550</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Differences between expected and actual experience	(28,016)	(10,196)	(38,212)
Changes of assumptions	<u>(11,198)</u>	<u>(4,053)</u>	<u>(15,251)</u>
Subtotal of inflows	<u>(39,214)</u>	<u>(14,249)</u>	<u>(53,463)</u>
Total Deferred Activity	<u>\$ 81,724</u>	<u>\$ 33,363</u>	<u>\$ 115,087</u>
Net pension liability	<u>\$ 746,990</u>	<u>\$ 274,230</u>	<u>\$ 1,021,220</u>

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net pension liability in fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Anne Arundel County, Maryland  
Notes to the Financial Statements

Year ending June 30:	<u>Master Judges</u>	<u>Officials</u>	<u>Total</u>
2022	\$ (10,451)	\$ (4,039)	\$ (14,490)
2023	(452)	(128)	(580)
2024	5,673	2,109	7,782
2025	10,784	3,959	14,743
2026	10,784	3,959	14,743
2027	(111)	(42)	(153)
<b>Total</b>	<b>\$ 16,227</b>	<b>\$ 5,818</b>	<b>\$ 22,045</b>

The County and State pension plans reconciles to the Statement of Net position, as presented in the following table:

	<u>Governmental Activities *</u>	<u>Business-Type Totals</u>	<u>Library</u>	<u>Economic Development</u>	<u>Pension Totals</u>	<u>County &amp; State Pension Totals</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Differences between expected and actual experience	\$ 26,659,618	\$ 2,147,449	\$ 144,062	\$ 112,690	\$ 29,063,819	\$ 29,063,819
Changes of assumptions	32,724,719	3,873,629	247,580	201,357	37,047,285	37,047,285
Net difference between projected and actual earnings on pension plan investments	70,994	-	-	-	70,994	70,994
Contributions subsequent to measurement date	41,745,944	3,290,924	197,750	175,244	45,409,862	45,409,862
<b>Total Deferred Outflow of Resources</b>	<b>\$ 101,201,275</b>	<b>\$ 9,312,002</b>	<b>\$ 589,392</b>	<b>\$ 489,291</b>	<b>\$ 111,591,960</b>	<b>\$ 111,591,960</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Differences between expected and actual experience	\$ (6,190,780)	\$ (652,209)	\$ (39,191)	\$ (34,424)	\$ (6,916,605)	\$ (6,916,605)
Changes of assumptions	(15,251)	-	-	-	(15,251)	(15,251)
Net difference between projected and actual earnings on pension plan investments	(11,724,238)	(674,099)	(10,002)	(32,576)	(12,440,915)	(12,440,915)
<b>Total Deferred Inflow of Resources</b>	<b>\$ (17,930,269)</b>	<b>\$ (1,326,308)</b>	<b>\$ (49,193)</b>	<b>\$ (67,000)</b>	<b>\$ (19,372,771)</b>	<b>\$ (19,372,771)</b>
<b>PENSION LIABILITY:</b>	<b>\$ (591,898,820)</b>	<b>\$ (54,913,487)</b>	<b>\$ (3,857,524)</b>	<b>\$ (2,615,206)</b>	<b>\$ (653,285,037)</b>	<b>\$ (653,285,037)</b>

\* Includes the ISF's pension information

The aggregate totals for pension plans are presented below:

	<b>Total Pension Liability</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense</b>
Employees' Plan	\$ 998,524,396	\$ 279,534,583	\$ 47,482,786	\$ (6,522,983)	\$ 37,043,623
Police Service Plan	810,929,345	197,070,596	33,370,449	(5,265,601)	28,758,608
Fire Service Plan	728,904,028	119,208,299	25,511,494	(5,940,306)	19,014,253
Detention Service Plan	223,880,890	56,450,339	5,058,681	(1,590,423)	7,894,988
Master Judges (State Plan)	N/A	746,990	120,938	(39,214)	9,087
Officials (State Plan)	N/A	274,230	47,612	(14,249)	2,774
LOSAP Plan	21,427,213	21,427,213	5,034,715	(3,061,226)	1,416,446
Total Pension Plans	<u>\$ 2,783,665,872</u>	<u>\$ 674,712,250</u>	<u>\$ 116,626,675</u>	<u>\$ (22,434,002)</u>	<u>\$ 94,139,779</u>

**H Payable to the County Pension System** – At December 31, 2020, the System reported \$13.8 million payables.

**I Commitments** – The System has committed to fund various private markets investments totaling \$390.2 million at December 31, 2020, of which approximately \$111.8 million remains unfunded. The expected funding dates for these commitments extend through 2026.

**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. Since that time, the annual appropriations for the Teachers' Pension System have been as follows:

<b><u>Fiscal Year</u></b>	<b><u>Appropriation</u></b>
Fiscal Year 2017	\$ 22,079,472
Fiscal Year 2018	23,665,760
Fiscal Year 2019	23,665,760
Fiscal Year 2020	23,980,202
Fiscal Year 2021	24,701,353

**K 401(a) Employee Retirement Savings Plan** – Anne Arundel County Bill No. 95-17 created the new 401(a) Employee Retirement Savings Plan. Effective July 1, 2018, any employee hired in any position eligible to participate in the Employees' Retirement System shall have the election to choose the Employee Retirement Savings Plan. Employee contribution for the Savings Plan is 4% and there is an 8% employer contribution. An employee vests in the new plan in 5 years. The amount not vested as of June 30, 2021 was \$1,169,185.

**L 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 full accrual Governmental Activities section of the County financial statements. For purposes of measuring the 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, 2020 using the following actuarial assumptions:

***Actuarial Assumptions:***

Inflation Rate	3.00 %
Discount rate	2.00 %
Salary increases	Not applicable
Mortality	SOA RP-2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2018
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:*

<b>Changes in the Net Pension Liability</b>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances as of 1/1/20	\$ 18,967,836	\$ -	\$ 18,967,836
Changes for the year:			
Service cost	658,016	-	658,016
Interest	528,731	-	528,731
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(231,442)	-	(231,442)
Change in assumptions	2,302,522	-	2,302,522
Employer contributions	-	798,450	(798,450)
Benefit payments, including refunds of member contributions	(798,450)	(798,450)	-
Net Changes	<u>2,459,377</u>	<u>-</u>	<u>2,459,377</u>
Balances as of 12/31/20	<u>\$ 21,427,213</u>	<u>\$ -</u>	<u>\$ 21,427,213</u>

**LOSAP Deferred Outflows of Resources and Deferred Inflows of Resources** – Recognized LOSAP expenses and deferred outflows of resources for the measurement date of December 31, 2020 are displayed in the table below.

	<b>Volunteer Fire Personnel</b>
<b>LOSAP EXPENSE:</b>	<u>\$ (1,416,446)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Changes of assumptions	\$ 4,653,090
Contributions subsequent to measurement date	<u>381,625</u>
Subtotal of deferred outflows	<u>5,034,715</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Differences between expected and actual experience	(2,389,174)
Changes of assumptions	<u>(672,052)</u>
Subtotal of deferred inflows	<u>(3,061,226)</u>
Total Deferred Activity	<u>\$ 1,973,489</u>
LOSAP liability *	<u>\$ 21,427,213</u>

\* Current liability in the governmental fund is \$763,250.

The contributions subsequent to measurement date as listed above will be recorded in accounts payable and accrued expenses in fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP will be recognized in pension expense as follows:

Year ending June 30:	<u>LOSAP</u>
2021	\$ 229,699
2022	229,699
2023	229,699
2024	229,699
2025	229,699
Thereafter	443,369

*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 2.00%, 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 (1.00%) or 1.0% percentage-point higher (3.00%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>1.00%</u>	<u>Current</u> <u>Discount</u> <u>Rate</u> <u>2.00%</u>	<u>1%</u> <u>Increase</u> <u>3.00%</u>
County's Net Pension Liability	\$ 25,259,041	\$ 21,427,213	\$ 18,444,905

*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 at December 31, 2020:

<u>LOSAP Participant Summary at December 31, 2020</u>			
	<u>Active</u> <u>Participants</u>	<u>Volunteers</u> <u>Receiving</u> <u>Payment</u>	<u>Survivors</u> <u>Receiving</u> <u>Payment</u>
Number	475	187	73
Average Age	44.88	70.81	78.93
Total Annual Benefits		\$ 663,000	\$ 134,400
Average Service	8.88		

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

The County (which includes the County and Anne Arundel Economic Development Corporation), the Community College, and the Library participate in a single employer defined benefit healthcare plan for retirees. The assets of each participant (the County, Community College, and Library) are commingled for investment and payment of benefits, however each participant's activity is tracked separately, and each participant receives a separate actuarial valuation. 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 January 1, 2020 valuation data for the County, College, and Library Plans with a roll forward of data to June 30, 2020. The Plan's liability was rolled forward to the measurement date June 30, 2020. The methods, assumptions, plan provisions, and participant data used are detailed in the actuarial valuation report dated August 18, 2021 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, 2021 is contained in the actuarial valuation report dated August 18, 2021.

**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. Anne Arundel Economic Development, a component unit of the County, is a participant in the County plan. 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.

The Anne Arundel County Public school system offers a separate single employer defined OPEB plan, which is disclosed in its separately issued financial statements. 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. This is not part of the County plan. 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.

A Summary of the key elements of the AACPS Plan are disclosed below:

<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
\$ 2,064,794,000	\$ 224,928,000	\$ 749,229,000

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, 2021 follows. Data is based on actuarial valuations dated April 20, 2021.

	<u>County Plan</u>	<u>College Plan</u>	<u>Library Plan</u>	<u>Total</u>
Employees with medical coverage	4,083	695	204	4,982
Deferred vested termination	302	-	-	302
Retirees	2,861	247	148	3,256
Total	<u>7,246</u>	<u>942</u>	<u>352</u>	<u>8,540</u>

**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
Asset valuation Method	Market value of Assets	Market value of Assets	Market value of Assets
Actuarial Assumptions			
Discount Rate	6.30%	2.83%	1.92%
	Long-term expected return based on trust assets	Blended 6/30/2021 government bond rate and long term expected rate of return	6/30/2021 government bond rate
Payroll Increase	Pension Plan Assumptions	Pension Plan Assumptions	Pension Plan Assumptions
Ultimate Healthcare Cost Trend Rate	3.90%	3.90%	3.90%

Notes:

- 1) The health cost trend rate in 2019 and 2020 is 5.40%. The rate in 2030 is 5.20%. The rate in 2050 is 4.90%. The rate in 2070 is 4.30%. The ultimate rate is 3.90%
- 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, 2021 which used census valuation data as of January 1, 2021.

**Mortality rates:** Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount-Weighted Mortality; MP-2018 base year 2006 fully generational. Disabled - General County employees uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 9 years). 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).

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. The measurement date for the current fiscal year-end was June 30, 2020. 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 for the County Plan:*

<b>Change in Net OPEB Liability</b>			
<b>County Employees</b>			
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balance as of June 30, 2020 for FYE 2020	\$ 826,140,840	\$ 239,325,867	\$ 586,814,973
Changes for the Year			
Service Cost	22,188,371	-	22,188,371
Interest	54,646,529	-	54,646,529
Experience Losses/(Gains)	4,323,676	-	4,323,676
Change in Assumptions	55,395,501	-	55,395,501
Employer Trust Contribution	-	101,749,126	(101,749,126)
Net Investment Income	-	66,519,702	(66,519,702)
Administrative Expense	-	(156,995)	156,995
Benefit Payments	(39,870,670)	(39,870,670)	-
Net Changes	<u>96,683,407</u>	<u>128,241,163</u>	<u>(31,557,756)</u>
Balance as of June 30, 2021 for FYE 2021	\$ <u>922,824,247</u>	\$ <u>367,567,030</u>	\$ <u>555,257,217</u>

For the fiscal year ended June 30, 2021 Anne Arundel County General Employees, including Anne Arundel Economic Development (AAEDC) recognized an OPEB expense of \$97,616,675 and income of \$38,880, respectively. Anne Arundel County General Employees and AAEDC, reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 16,265,856	\$ (442,157)
Changes of assumptions	-	(1,635,286)
Net difference between projected and actual earnings on OPEB plan investments	763,896	-
Employer contribution subsequent to measurement date	82,790,293	
<b>Total</b>	<b>\$ 99,820,045</b>	<b>\$ (2,077,443)</b>

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net OPEB liability in fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30:</b>	
2022	\$ 2,065,672
2023	3,482,279
2024	3,920,138
2025	5,670,639
2026	(186,419)
Thereafter	-

The following table details the changes in the net OPEB liability for the College Plan:

	<b>Change in Net OPEB Liability College Plan</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance as of June 30, 2020 for FYE 2020	\$ 105,130,214	\$ 12,121,425	\$ 93,008,789
Changes for the Year			
Service Cost	4,983,627	-	4,983,627
Interest	3,569,951	-	3,569,951
Experience Losses/(Gains)	(12,587,909)	-	(12,587,909)
Change in Assumptions	7,893,914	-	7,893,914
Employer Trust Contribution	-	4,765,152	(4,765,152)
Net Investment Income	-	3,566,507	(3,566,507)
Administrative Expense	-	(6,813)	6,813
Benefit Payments	(2,083,151)	(2,083,151)	-
Net Changes	<u>1,776,432</u>	<u>6,241,695</u>	<u>(4,465,263)</u>
Balance as of June 30, 2021 for FYE 2021	<u>\$ 106,906,646</u>	<u>\$ 18,363,120</u>	<u>\$ 88,543,526</u>

For the fiscal year ended June 30, 2021 Anne Arundel Community College recognized an OPEB expense of \$8,667,919. Anne Arundel Community College reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,147,693	\$ -
Changes of assumptions	40,624,732	(18,366,433)
Net difference between projected and actual earnings on OPEB plan investments	387,724	-
Employer contribution subsequent to measurement date	4,744,000	
<b>Total</b>	<b>\$ 46,904,149</b>	<b>\$ (18,366,433)</b>

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net OPEB liability in fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30:</b>	
2022	\$ 2,461,942
2023	2,554,699
2024	2,558,273
2025	2,553,662
2026	2,435,217
Thereafter	11,229,923

The following table details the changes in the net OPEB liability for the Library Plan:

	<b>Change in Net OPEB Liability</b>		
	<b>Library Plan</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balance as of June 30, 2020 for FYE 2020	\$ 49,983,907	\$ 1,217,416	\$ 48,766,491
Changes for the Year			
Service Cost	2,031,637	-	2,031,637
Interest	1,207,192	-	1,207,192
Experience Losses/(Gains)	(3,589,905)	-	(3,589,905)
Change in Assumptions	4,422,977	-	4,422,977
Employer Trust Contribution	-	3,433,519	(3,433,519)
Member Trust Contribution	-	-	-
Net Investment Income	-	556,365	(556,365)
Administrative Expense	-	(675)	675
Benefit Payments	(1,383,519)	(1,383,519)	-
Other (Insurance Subsidies and Rebates)	-	-	-
Net Changes	<u>2,688,382</u>	<u>2,605,690</u>	<u>82,692</u>
Balance as of June 30, 2021 for FYE 2021	\$ <u>52,672,289</u>	\$ <u>3,823,106</u>	\$ <u>48,849,183</u>

For the fiscal year ended June 30, 2021 Anne Arundel Public Library recognized an OPEB expense of \$4,559,594. Anne Arundel County Public Library reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 311,282	\$ -
Changes of assumptions	15,216,518	(6,626,823)
Net difference between projected and actual earnings on OPEB plan investments	54,667	-
Employer contribution subsequent to measurement date	3,433,519	
<b>Total</b>	<b>\$ 19,015,986</b>	<b>\$ (6,626,823)</b>

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:

<b>Fiscal Year Ending June 30:</b>	
2022	\$ 1,278,191
2023	1,283,550
2024	1,872,396
2025	3,661,316
2026	860,191
Thereafter	-

**E Net OPEB Liability of the Trust** – The components of the net OPEB liability of the Plan, measured at June 30, 2020, for June 30, 2021 fiscal year-end are displayed on the following schedule.

Net OPEB Liability of the Trust  
As of June 30, 2021  
(in thousands)

	<u>County Plan</u>	<u>College Plan</u>	<u>Library Plan</u>	<u>TOTAL</u>
Total OPEB liability	\$ 922,824	\$ 106,907	\$ 52,672	\$ 1,082,403
Plan fiduciary net position	(370,969)	(18,380)	(3,825)	(393,174)
Net OPEB liability	<u>\$ 551,855</u>	<u>\$ 88,527</u>	<u>\$ 48,847</u>	<u>\$ 689,229</u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.20%	17.19%	7.26%	
Net OPEB liability:				
Anne Arundel County Gov.	\$ 551,855	\$ -	\$ -	\$ 551,855
Economic Development	2,683	-	-	2,683
College Plan	-	88,527	-	88,527
Library Plan	-	-	48,847	48,847
Net OPEB liability	<u>\$ 554,538</u>	<u>\$ 88,527</u>	<u>\$ 48,847</u>	<u>\$ 691,912</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	<u>County Plan</u>	<u>College Plan</u>	<u>Library Plan</u>
Inflation	2.40%	2.40%	2.40%
Discount rate	6.30%	2.83%	1.92%
Initial healthcare cost trend	3.90%	3.90%	3.90%

**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 25 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, 2021 are summarized in the following table:

**2021 30-Year Return Assumptions by Asset Class**

<u>Asset Class</u>	30-Year Geometric Forecast <u>(Nominal Returns)</u>	30-Year Geometric Forecast <u>(Real Returns)</u>
Inflation (CPI)	2.22%	--
Cash	1.90%	-0.31%
Core Fixed Income <sup>(1)</sup>	2.65%	0.42%
Diversified Fixed Income <sup>(2)</sup>	4.34%	2.07%
Large Cap Equity	6.30%	3.99%
Small/Mid Cap Equity	6.60%	4.28%
International Equities (Unhedged)	6.50%	4.19%
Emerging Int'l Equities	8.40%	6.05%
Real Estate (Core)	5.60%	3.31%

Notes

*NEPC's 30-year geometric CPI inflation assumption is 2.40%.*

*(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*

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**

	<b>Target Allocation</b>	<b>Minimum Allocation</b>	<b>Maximum Allocation</b>
Large Cap U.S. Equities	26%	21%	31%
Small/Mid Cap U.S. Equities	7%	2%	12%
International Equities - Developed Markets	21%	16%	26%
Emerging International Equities	6%	1%	11%
<b>Total Equity</b>	<b>60%</b>	<b>50%</b>	<b>70%</b>
Core Fixed Income	11%	6%	16%
Diversified Fixed Income	14%	9%	19%
<b>Total Fixed Income</b>	<b>25%</b>	<b>15%</b>	<b>35%</b>
Real Estate (Core)	5%	0%	10%
<b>Total Real Estate</b>	<b>5%</b>	<b>0%</b>	<b>10%</b>
Cash	10%	0%	20%
<b>Total Cash</b>	<b>10%</b>	<b>0%</b>	<b>20%</b>

**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 6.30 percent as the discount rate. The College's liability uses the expected rate of return on assets of 2.83%. The Library's liability uses the expected rate of return on assets of 1.92%.

**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 the current discount rate, as well as what the liability would be if it were calculated using a rate that is 1.0% lower or 1.0% higher than the current discount rate as follows:

Discount Rate Sensitivity as of June 30, 2021

	Net OPEB liability		
	1.00% Decrease	Discount Rate	1.00% Increase
County Plan	5.30%	6.30%	7.30%
	\$ 700,423,853	\$ 551,855,000	\$ 439,078,254
College Plan	1.83%	2.83%	3.83%
	\$ 108,900,031	\$ 88,527,000	\$ 72,259,563
Library Plan	0.92%	1.92%	2.92%
	\$ 58,935,376	\$ 48,847,000	\$ 40,944,127

**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% lower or 1% higher than the current healthcare cost trend rates:

Healthcare Trend Cost Sensitivity as of June 30, 2021

	Net OPEB liability		
	1.00% Decrease	Trend Rates	1.00% Increase
	2.90%	3.90%	4.90%
County Plan	\$ 425,451,469	\$ 551,855,000	\$ 719,797,384
College Plan	68,971,856	88,527,000	114,418,365
Library Plan	40,051,887	48,847,000	60,423,556

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, 2021, the Self Insurance Fund liability of \$68,628,670 is discounted, since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of \$6,751,220 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 2021 and 2020 were as follows:



	<u>2021</u>	<u>2020</u>
Liability balance, July 1	\$ 76,874,765	\$ 87,381,627
Current year claims and changes in estimates:		
Changes in estimates - prior periods	(10,175,423)	6,104,902
Changes in estimates - current year	106,615,199	97,156,456
Claims payments	(97,934,651)	(113,768,220)
Liability balance, June 30	<u>\$ 75,379,890</u>	<u>\$ 76,874,765</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 2022. Cell 9 has opened and is 14.1% full. Cell 9 has a useful life to at least 2052. 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	\$ 61,211,767	\$ 18,163,719	\$ 79,375,486
Post closure	31,133,722	2,109,158	33,242,880
	<u>92,345,489</u>	<u>20,272,877</u>	<u>112,618,366</u>
Less:			
Amount recognized thru June 30, 2021	<u>57,362,667</u>	<u>20,272,877</u>	<u>77,635,544</u>
Costs remaining to be recognized	<u>\$ 34,982,822</u>	<u>\$ -</u>	<u>\$ 34,982,822</u>
Liability recorded as of June 30, 2021			
Closure Cell 8 (current for FY22)	\$ 6,019	\$ -	\$ 6,019
Closure Cell 9 Long Term	3,447,703	-	3,447,703
Current portion post closure	1,638,956	254,655	1,893,611
Post closure Long Term	15,516,035	1,854,503	17,370,538
	<u>\$ 20,608,713</u>	<u>\$ 2,109,158</u>	<u>\$ 22,717,871</u>

The primary government accounts for landfill activities in the Solid Waste Fund. Management estimates the costs of closure, post closure, remediation, and monitoring the landfills based on federal and state regulations. These estimates are recorded at current costs and are management's best judgment of the minimum cost required to correct identified problems and close and remediate open cells. These estimates are subject to periodic reevaluation, and actual costs may differ due to inflation or deflation, changes in technology, or changes in applicable laws and regulations. The closure reserves increased in the amount of \$1,032,223, primarily as a result of Cell 9 closure costs through June 30, 2021 and post closure reserves decreased by \$561,139 in fiscal year 2021. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The Solid Waste Fund has restricted assets of \$20,716,871 for closure and post closure care as of June 30, 2021.

## **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 2021, the net amount of taxes abated after receipt of the PILOT payments was \$642,410. 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 2021, the County had one of this type of PILOT agreement and the amount of the abatement of real and personal property taxes was \$1,200,000.

**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 2021, the total amount of taxes abated for brownfields sites was \$192,666.

**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 2021, the total amount of agricultural taxes abated was \$622,991.

**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 2021, 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 2021, there were 1,548 accounts totaling 46,420 acres receiving a preferential land value of \$12,249,212. 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 2021, the difference between the preferred use value and the market value reduced the assessments by \$25,548,930 resulting in an abatement of \$238,627 in County real property taxes.

## **17**    **Contingent Liabilities**

**A**    **Impact Fees** – At June 30, 2021, 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 \$24,310,873 as of June 30, 2021.

**B**    **Lawsuits** – A taxpayer seeks refunds of real property taxes paid for fiscal years 2013 through 2017 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 \$2,850,888 in addition to interest from the dates of the various years' payments totaling \$1,637,427 for a total amount claimed of \$4,488,427 as of November 30, 2021, with interest accruing at \$14,254 per month thereafter. 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. On November 2, 2021, the Court of Special Appeals issued an opinion in favor of the taxpayer. The County has previously set funds aside to pay the anticipated refunds.

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, 2021, 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 engaged financial professionals to determine the amount of those miscalculations. The original estimated liability of \$3.0 million was accrued in fiscal year 2020. Payments were issued against this liability throughout the fiscal year, leaving a balance of \$106,297 which was paid in full on September 30, 2021.

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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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)							
Service cost	\$ 16,774	\$ 16,344	\$ 16,687	\$ 15,497	\$ 15,144	\$ 15,115	\$ 14,159
Interest	70,362	65,128	63,246	60,502	59,292	58,329	53,353
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(4,189)	12,546	3,826	9,562	(12,599)	(17,971)	16,408
Changes of assumptions	-	32,671	-	-	-	-	22,567
Benefit payments, including refunds of member contributions	(57,779)	(55,081)	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Net change in total pension liability	25,168	71,608	33,184	38,181	17,813	14,221	67,475
Total pension liability - beginning	973,356	901,748	868,564	830,383	812,570	798,349	730,874
Total pension liability - ending (a)	<u>\$ 998,524</u>	<u>\$ 973,356</u>	<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	32,567	29,637	27,033	25,654	25,810	25,630	24,451
Contributions - member	5,764	5,512	5,612	5,472	5,182	4,847	4,662
Net investment income	48,589	90,338	(31,166)	94,908	41,345	(8,374)	28,451
Benefit payments, including refunds of member contributions	(57,779)	(55,081)	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Administrative expense	(535)	(609)	(543)	(526)	(497)	(504)	(519)
Net change in plan fiduciary net position	28,606	69,797	(49,640)	78,127	27,816	(19,654)	18,034
Plan fiduciary net position - beginning	690,383	620,587	670,226	592,099	564,283	583,936	565,902
Plan fiduciary net position - ending (b)	<u>\$ 718,990</u>	<u>\$ 690,383</u>	<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>\$ 279,535</u>	<u>\$ 282,973</u>	<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	72.0%	70.9%	68.8%	77.2%	71.3%	69.4%	73.1%
Covered payroll	\$ 139,975	\$ 138,428	\$ 134,892	\$ 138,239	\$ 130,313	\$ 127,827	\$ 127,091
County's net pension liability as a percentage of covered payroll	199.7%	204.4%	208.4%	143.5%	182.9%	194.2%	168.7%
Expected average remaining service years of all participants	5	5	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 There are no assumption changes reflected in the schedule for the current year.
- 5 Full descriptions of the actuarial assumptions are available in the January 1, 2020 actuarial valuation report.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)							
Service cost	\$ 14,504	\$ 13,064	\$ 12,826	\$ 12,689	\$ 12,057	\$ 12,258	\$ 10,951
Interest	55,148	52,474	50,963	48,563	47,032	45,473	41,480
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	20,346	(2,017)	(2,591)	6,202	(4,527)	(4,693)	12,801
Changes of assumptions	-	10,096	-	-	-	-	18,331
Benefit payments, including refunds of member contributions	(38,637)	(36,791)	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Net change in total pension liability	51,361	36,826	25,261	32,504	21,205	21,903	54,055
Total pension liability - beginning	759,569	722,742	697,482	664,978	643,773	621,870	567,815
Total pension liability - ending (a)	\$ 810,929	\$ 759,569	\$ 722,742	\$ 697,482	\$ 664,978	\$ 643,773	\$ 621,870
Plan fiduciary net position							
Contributions - employer	24,900	23,094	21,934	20,931	20,411	19,560	18,870
Contributions - member	4,181	3,669	3,372	3,250	3,158	3,104	2,950
Net investment income	42,157	75,786	(25,860)	78,155	33,500	(7,869)	21,813
Benefit payments, including refunds of member contributions	(38,637)	(36,791)	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Administrative expense	(476)	(530)	(464)	(445)	(417)	(423)	(418)
Net change in plan fiduciary net position	32,125	65,228	(36,956)	66,941	23,295	(16,762)	13,707
Plan fiduciary net position - beginning	581,734	516,505	553,461	486,520	463,225	479,988	466,281
Plan fiduciary net position - ending (b)	\$ 613,859	\$ 581,734	\$ 516,505	\$ 553,461	\$ 486,520	\$ 463,225	\$ 479,988
County's net pension liability - ending (a)-(b)	\$ 197,071	\$ 177,835	\$ 206,237	\$ 144,020	\$ 178,458	\$ 180,547	\$ 141,882
Plan fiduciary net position as a percentage of the total pension liability	75.7%	76.6%	71.5%	79.4%	73.2%	72.0%	77.2%
Covered payroll	\$ 58,777	\$ 53,035	\$ 48,322	\$ 45,989	\$ 44,894	\$ 43,879	\$ 42,960
County's net pension liability as a percentage of covered payroll	335.3%	335.3%	426.8%	313.2%	397.5%	411.5%	330.3%
Expected average remaining service years of all participants	4	4	4	4	4	4	4

**Notes to Schedule:**

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- 3 There are no benefit changes reflected in the current schedule.
- 4 There are no assumption changes reflected in the schedule for the current year.
- 5 Full descriptions of the actuarial assumptions are available in the January 1, 2020 actuarial valuation report.
- 6 Covered payroll does not include pay for members in DROP.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)							
Service cost	\$ 14,146	\$ 12,612	\$ 11,785	\$ 11,556	\$ 11,102	\$ 10,339	\$ 9,184
Interest	50,304	47,454	45,537	43,670	42,294	41,924	38,949
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(913)	(573)	3,521	2,210	(1,552)	(14,630)	3,679
Changes of assumptions	6,468	10,153	-	-	-	-	18,028
Benefit payments, including refunds of member contributions	(32,663)	(30,098)	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Net change in total pension liability	37,342	39,548	28,869	24,309	17,976	6,112	41,016
Total pension liability - beginning	691,562	652,014	623,144	598,836	580,860	574,748	533,731
Total pension liability - ending (a)	\$ <u>728,904</u>	\$ <u>691,562</u>	\$ <u>652,014</u>	\$ <u>623,144</u>	\$ <u>598,836</u>	\$ <u>580,860</u>	\$ <u>574,748</u>
Plan fiduciary net position							
Contributions - employer	20,506	17,637	15,704	14,664	14,591	15,122	15,899
Contributions - member	4,093	3,652	3,524	3,441	3,257	3,050	2,778
Net investment income	42,359	75,388	(25,208)	77,992	33,899	(7,744)	22,688
Benefit payments, including refunds of member contributions	(32,663)	(30,098)	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Administrative expense	(486)	(522)	(430)	(448)	(428)	(436)	(423)
Net change in plan fiduciary net position	33,809	66,058	(38,382)	62,520	17,451	(21,528)	12,119
Plan fiduciary net position - beginning	575,887	509,828	548,211	485,690	468,239	489,767	477,648
Plan fiduciary net position - ending (b)	\$ <u>609,696</u>	\$ <u>575,887</u>	\$ <u>509,828</u>	\$ <u>548,211</u>	\$ <u>485,690</u>	\$ <u>468,239</u>	\$ <u>489,767</u>
County's net pension liability - ending (a)-(b)	\$ <u>119,208</u>	\$ <u>115,675</u>	\$ <u>142,185</u>	\$ <u>74,933</u>	\$ <u>113,146</u>	\$ <u>112,621</u>	\$ <u>84,981</u>
Plan fiduciary net position as a percentage of the total pension liability	83.6%	83.3%	78.2%	88.0%	81.1%	80.6%	85.2%
Covered payroll	\$ 55,428	\$ 51,011	\$ 48,728	\$ 46,954	\$ 46,228	\$ 43,838	\$ 40,476
County's net pension liability as a percentage of covered payroll	215.1%	226.8%	291.8%	159.6%	244.8%	256.9%	210.0%
Expected average remaining service years of all participants	5	6	6	6	6	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 information for those years for which data is available.
- 3 There are no benefit changes reflected in the current schedule.
- 4 For FY 2020, the salary scale and retirement rates were updated to reflect the new County pay scale.
- 5 Full descriptions of the actuarial assumptions are available in the January 1, 2020 actuarial valuation report.
- 6 Covered Payroll does not include pay for members in DROP.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)							
Service cost	\$ 4,704	\$ 4,147	\$ 4,533	\$ 4,658	\$ 4,461	\$ 4,634	\$ 4,602
Interest	15,556	14,632	13,836	12,912	12,281	11,401	10,301
Changes of benefit terms	-	-	-	-	-	4,635	-
Differences between expected and actual experience	(750)	1,010	1,938	2,244	(1,678)	(2,558)	2,322
Changes of assumptions	-	1,348	-	-	-	-	3,494
Benefit payments, including refunds of member contributions	(8,863)	(8,610)	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Net change in total pension liability	10,647	12,528	12,145	12,993	8,579	11,833	14,900
Total pension liability - beginning	213,234	200,706	188,562	175,569	166,990	155,156	140,256
Total pension liability - ending (a)	\$ 223,881	\$ 213,234	\$ 200,706	\$ 188,562	\$ 175,569	\$ 166,990	\$ 155,156
Plan fiduciary net position							
Contributions - employer	8,165	7,600	7,282	7,000	6,689	6,371	6,111
Contributions - member	1,530	1,402	1,352	1,354	1,316	1,317	1,298
Net investment income	11,639	19,918	(6,825)	19,607	8,159	(1,919)	4,944
Benefit payments, including refunds of member contributions	(8,863)	(8,610)	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Administrative expense	(123)	(135)	(108)	(109)	(100)	(98)	(96)
Net change in plan fiduciary net position	12,348	20,174	(6,461)	21,030	9,579	(608)	6,438
Plan fiduciary net position - beginning	155,083	134,908	141,369	120,339	110,760	111,368	104,930
Plan fiduciary net position - ending (b)	\$ 167,431	\$ 155,083	\$ 134,908	\$ 141,369	\$ 120,339	\$ 110,760	\$ 111,368
County's net pension liability - ending (a)-(b)	\$ 56,450	\$ 58,151	\$ 65,798	\$ 47,193	\$ 55,230	\$ 56,230	\$ 43,788
Plan fiduciary net position as a percentage of the total pension liability	74.8%	72.7%	67.2%	75.0%	68.5%	66.3%	71.8%
Covered payroll	\$ 21,401	\$ 22,057	\$ 19,573	\$ 19,790	\$ 19,801	\$ 19,386	\$ 19,776
County's net pension liability as a percentage of covered payroll	263.8%	263.6%	336.2%	238.5%	278.9%	290.1%	221.4%
Expected average remaining service years of all participants	3	3	3	3	3	4	4

**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 schedule for the current year.
- 4 There are no assumption changes reflected in the schedule for the current year.
- 5 Full descriptions of the actuarial assumptions are available in the January 1, 2020 actuarial valuation report.
- 6 Covered Payroll does not include pay for members in DROP.



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

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The investments for the Employees', Police Service, Fire Service and Detention Officers' and Deputy Sheriffs' Retirement Plans are commingled. The annual money-weighted rate of return for all plans are disclosed below:

Annual Money-Weighted Rate of Return Net of Investment Expenses	
2020	7.1 %
2019	14.5 %
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

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Annual Money-Weighted Rate of Return Net of Investment Expenses	
2020	3.5 %
2019	6.4 %
2018	8.1 %
2017	10.0 %
2016	1.2 %
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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 33,820	\$ 31,314	\$ 27,961	\$ 26,104	\$ 25,204	\$ 26,416	\$ 24,894	\$ 23,958	\$ 20,765	\$ 18,883
Contributions in relation to the actuarially determined contribution	33,820	31,314	27,961	26,104	25,204	26,416	24,894	23,958	20,765	18,883
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (See note)	\$ 139,975	\$ 138,428	\$ 134,892	\$ 138,239	\$ 130,313	\$ 127,827	\$ 127,091	\$ 115,809	\$ 116,025	\$ 120,416
Contributions as a percentage of Covered payroll	24.16%	22.62%	20.73%	18.88%	19.34%	20.67%	19.59%	20.69%	17.90%	15.68%
Valuation date	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012

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 14 to 23 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

3.00%

Salary increases

Rates vary by participant age.

Investment rate of return

7.45% Net of pension plan investment expense, including inflation.

Retirement age

Rates vary by participant age and service.

Mortality

RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018.

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, 2020.

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 26,126	\$ 23,675	\$ 22,513	\$ 21,355	\$ 20,507	\$ 20,315	\$ 18,805	\$ 18,934	\$ 16,558	\$ 14,503
Contributions in relation to the actuarially determined contribution	26,126	23,675	22,513	21,355	20,507	20,315	18,805	18,934	16,558	14,503
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 67,888	\$ 61,345	\$ 55,102	\$ 51,759	\$ 50,560	\$ 48,117	\$ 48,262	\$ 41,714	\$ 40,522	\$ 41,335
Contributions as a percentage of Covered payroll	38.48%	38.59%	40.86%	41.26%	40.56%	42.22%	38.97%	45.39%	40.86%	35.09%
Valuation date	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012

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 14 to 23 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	3.00%
Salary increases	Rates vary by participant age.
Investment rate of return	7.45% Net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service.
Mortality	RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-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, 2020.

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 22,143	\$ 18,868	\$ 16,406	\$ 15,001	\$ 14,328	\$ 14,855	\$ 15,389	\$ 16,409	\$ 15,896	\$ 14,581
Contributions in relation to the actuarially determined contribution	<u>22,143</u>	<u>18,868</u>	<u>16,406</u>	<u>15,001</u>	<u>14,328</u>	<u>14,855</u>	<u>15,389</u>	<u>16,409</u>	<u>15,896</u>	<u>14,581</u>
Contribution deficiency	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ <u>63,461</u>	\$ <u>58,710</u>	\$ <u>54,769</u>	\$ <u>51,767</u>	\$ <u>50,412</u>	\$ <u>49,182</u>	\$ <u>48,550</u>	\$ <u>44,951</u>	\$ <u>43,362</u>	\$ <u>45,673</u>
Contributions as a percentage of Covered payroll	34.89%	32.14%	29.95%	28.98%	28.42%	30.20%	31.70%	36.50%	36.66%	31.92%
Valuation date	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012

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 14 to 23 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market.
Inflation	3.00%
Salary increases	Rates vary by participant age.
Investment rate of return	7.45% Net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service.
Mortality	RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-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, 2020.

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 8,545	\$ 7,785	\$ 7,416	\$ 7,149	\$ 6,851	\$ 6,526	\$ 6,215	\$ 6,007	\$ 5,194	\$ 5,089
Contributions in relation to the actuarially determined contribution	8,545	7,785	7,416	7,149	6,851	6,526	6,215	6,007	5,194	5,089
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 24,702	\$ 24,504	\$ 21,445	\$ 21,269	\$ 21,001	\$ 19,975	\$ 19,776	\$ 18,133	\$ 17,897	\$ 18,761
Contributions as a percentage of Covered payroll	34.59%	31.77%	34.58%	33.61%	32.62%	32.67%	31.43%	33.13%	29.02%	27.13%
Valuation date	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012

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 3 to 23 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market.
Inflation	3.00%
Salary increases	Rates vary by participant age.
Investment rate of return	7.45% Net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service.
Mortality	RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-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, 2020.

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

<b>As of June 30</b>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
County's portion of the net pension liability	n/a	n/a	n/a	n/a	n/a	n/a	n/a
County's proportionate 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	5,799	5,630	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	0.00%	0.00%	0.24%	0.12%	0.09%	0.07%	0.06%
Plan fiduciary net position as a percentage of the total pension liability	70.72%	72.34%	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**

<b>As of June 30</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's portion of the net pension liability	0.0012133%	0.0012034%	0.0012379%	0.0011945%	0.00111830%	0.00094790%	0.00077211%
County's proportionate share of the net pension liability	\$ 274,230	\$ 248,200	\$ 259,731	\$ 258,295	\$ 263,850	\$ 196,990	\$ 137,025
County's covered payroll	132,999	133,001	133,001	133,001	132,999	132,999	128,624
County's proportionate share of the net pension liability as a percentage of its covered payroll	48.50%	53.59%	51.21%	51.49%	50.41%	67.52%	93.87%
Plan fiduciary net position as a percentage of the total pension liability	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

*Notes:*

- 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.  
-- Inflation assumption changed from 2.60% to 2.65%.*
- 4 *Methods and Assumptions Used in Calculation of Actuarially Determined Contributions:*

<i>Actuarial</i>	<i>Entry Age Normal</i>
<i>Amortization Method</i>	<i>Level Percentage of Payroll, Closed</i>
<i>Remaining Amortization Period</i>	<i>25 years for State system</i>
<i>Asset Valuation Method</i>	<i>5-year smoothed market (max. 120% and min. 80% of the market value)</i>
<i>Inflation</i>	<i>2.60% general, 3.10% wage</i>
<i>Salary Increases</i>	<i>3.10% to 11.06% including inflation</i>
<i>Investment Rate of Return</i>	<i>7.40 %</i>
<i>Retirement Age</i>	<i>Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.</i>
<i>Mortality</i>	<i>Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.</i>

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

<b>As of June 30</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's portion of the net pension liability	0.0033051%	0.0033248%	0.0033694%	0.0033089%	0.0029627%	0.0043607%	0.00586823%
County's proportionate share of the net pension liability	\$ 746,990	\$ 685,763	\$ 706,946	\$ 715,507	\$ 699,020	\$ 906,228	\$ 1,041,419
County's covered payroll	162,647	159,458	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	21.77%	23.25%	20.91%	20.22%	20.29%	14.82%	12.81%
Plan fiduciary net position as a percentage of the total pension liability	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

*Notes:*

- 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.  
-- Inflation assumption changed from 2.60% to 2.65%.*
- 4 *Methods and Assumptions Used in Calculation of Actuarially Determined Contributions:*

<i>Actuarial</i>	<i>Entry Age Normal</i>
<i>Amortization Method</i>	<i>Level Percentage of Payroll, Closed</i>
<i>Remaining Amortization Period</i>	<i>25 years for State system</i>
<i>Asset Valuation Method</i>	<i>5-year smoothed market (max. 120% and min. 80% of the market value)</i>
<i>Inflation</i>	<i>2.60% general, 3.10% wage</i>
<i>Salary Increases</i>	<i>3.10% to 11.06% including inflation</i>
<i>Investment Rate of Return</i>	<i>7.40 %</i>
<i>Retirement Age</i>	<i>Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.</i>
<i>Mortality</i>	<i>Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.</i>



Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Withdrawn Personnel

For the Last Ten Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ -	\$ 2,366,721	\$ 2,254,020	\$ 2,146,686	\$ 2,044,464	\$ 1,947,108	\$ 1,854,389	\$ 1,766,098	\$ 1,681,986	\$ 1,601,891
Contributions in relation to the actuarially determined contribution	-	2,366,721	2,254,020	2,146,686	2,044,464	1,947,108	1,854,389	1,766,098	1,681,986	1,601,891
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   25 years for State System.
  - Asset valuation method           Five-year smoothed market (max. 120% and min. 80% of the market value).
  - Inflation                           2.6% general, 3.1% wage
  - Salary increases                 Projected salary increases of 3.1% compounded annually, attributable to seniority and merit.
  - Investment rate of return:       7.4%
  - Retirement age                 Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.
  - Mortality                         Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2020 and 2019.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 27,544	\$ 26,015	\$ 24,711	\$ 24,685	\$ 24,312	\$ 21,785	\$ 19,980	\$ 17,993	\$ 15,739	\$ 17,160
Contributions in relation to the actuarially determined contribution	27,544	26,015	24,711	24,685	24,312	21,785	19,980	17,993	15,739	17,160
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 132,999	\$ 133,001	\$ 133,001	\$ 133,001	\$ 132,999	\$ 132,999	\$ 132,999	\$ 128,624	\$ 128,064	\$ 128,064
Contributions as a percentage of covered payroll	20.71%	19.56%	18.58%	18.56%	18.28%	16.38%	15.02%	13.99%	12.29%	13.40%

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      25 years for State System.
- Asset valuation method      Five-year smoothed market (max. 120% and min. 80% of the market value).
- Inflation      2.6% general, 3.1% wage
- Salary increases      Projected salary increases of 3.1% compounded annually, attributable to seniority and merit.
- Investment rate of return:      7.4%
- Retirement age      Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.
- Mortality      Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2020 and 2019.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 65,498	\$ 70,863	\$ 68,275	\$ 67,188	\$ 67,347	\$ 57,716	\$ 57,395	\$ 65,724	\$ 78,968	\$ 77,922
Contributions in relation to the actuarially determined contribution	65,498	70,863	68,275	67,188	67,347	57,716	57,395	65,724	78,968	77,922
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 162,647	\$ 159,458	\$ 153,324	\$ 147,796	\$ 144,646	\$ 141,808	\$ 134,289	\$ 133,379	\$ 129,074	\$ 129,074
Contributions as a percentage of covered payroll	40.27%	44.44%	44.53%	45.46%	46.56%	40.70%	42.74%	49.28%	61.18%	60.37%

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	25 years for State System.
Asset valuation method	Five-year smoothed market (max. 120% and min. 80% of the market value).
Inflation	2.6% general, 3.1% wage
Salary increases	Projected salary increases of 3.10% compounded annually, attributable to seniority and merit.
Investment rate of return	7.4%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2020 and 2019.

## 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					
Plan fiscal year end	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 22,188	\$ 19,895	\$ 18,452	\$ 17,759	\$ 17,092
Interest	54,646	49,423	43,578	41,434	39,648
Changes of benefit terms	-	40,100	-	-	-
Differences between expected and actual experience	4,323	440	23,849	(884)	-
Changes of assumptions	55,396	(1,558)	(505)	-	-
Benefit payments	(39,870)	(28,258)	(35,593)	(23,539)	(33,075)
Net change in total OPEB liability	96,683	80,042	49,781	34,770	23,665
Total OPEB liability - beginning	826,141	746,099	696,318	661,548	637,883
Total OPEB liability - ending (a)	\$ 922,824	\$ 826,141	\$ 746,099	\$ 696,318	\$ 661,548
Plan fiduciary net position					
Contributions - employer	\$ 82,787	\$ 91,811	\$ 63,586	\$ 57,335	\$ 44,908
Contributions - retiree	8,035	7,772	7,477	-	6,246
Other	11,534	10,136	8,458	-	4,398
Investment income	66,906	3,950	10,312	9,193	11,582
Benefit payments	(46,270)	(43,782)	(44,008)	(23,539)	(33,075)
Administrative expense	(1,129)	(1,084)	(1,057)	(39)	(894)
Net change in plan fiduciary net position	121,863	68,803	44,768	42,950	33,166
Plan fiduciary net position - beginning	249,106	180,303	135,837	92,887	59,720
Plan fiduciary net position - ending (b)	\$ 370,969	\$ 249,106	\$ 180,303	\$ 135,837	\$ 92,887
County's net OPEB liability - ending (a)-(b)	\$ 551,855	\$ 577,035	\$ 565,796	\$ 560,481	\$ 568,661
Fiduciary net position as a percentage of the					
Total OPEB liability	40.20%	28.97%	24.16%	19.51%	14.04%
Expected average remaining service years of all participants	6	6	6	6	6
Covered payroll	\$ 305,970	\$ 294,514	\$ 276,058	\$ 263,129	\$ 258,490
County's net OPEB liability as a percentage of					
covered-employee payroll	180.36%	195.93%	204.96%	213.01%	219.99%
Discount Rate	6.30%	6.75%	6.75%	6.38%	6.38%

## Notes :

- 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 24 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 For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.
- 5 Bill 24-19 was effective on July 5, 2019. Under Bill the pre-age 65 subsidy is based on the plan selected instead of the lowest cost plan.
- 6 The discount rate was reduced from 6.75% to 6.30%.

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					
Plan fiscal year end	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 4,984	\$ 3,257	\$ 1,618	\$ 3,083	\$ 3,590
Interest	3,570	3,743	2,962	2,390	2,022
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	7,894	21,568	27,583	(21,741)	(6,971)
Benefit payments	(2,083)	(2,096)	(2,006)	(1,685)	(2,111)
Net change in total OPEB liability	1,777	26,663	31,239	(17,749)	(3,470)
Total OPEB liability - beginning	105,130	78,467	47,228	64,977	68,447
Total OPEB liability - ending (a)	<u>\$ 106,907</u>	<u>\$ 105,130</u>	<u>\$ 78,467</u>	<u>\$ 47,228</u>	<u>\$ 64,977</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,769	\$ 2,096	\$ 4,006	\$ 3,720	\$ 1,946
Contributions - retiree	1,203	1,195	1,136	-	790
Other	-	-	-	-	-
Benefit payments	(3,286)	(3,291)	(3,141)	(1,685)	(2,111)
Administrative expense	(7)	(9)	(8)	(5)	(7)
Net change in plan fiduciary net position	6,274	190	2,666	2,540	1,438
Plan fiduciary net position - beginning	12,106	11,916	9,250	6,710	5,272
Plan fiduciary net position - ending (b)	<u>\$ 18,380</u>	<u>\$ 12,106</u>	<u>\$ 11,916</u>	<u>\$ 9,250</u>	<u>\$ 6,710</u>
College's net OPEB liability - ending (a)-(b)	<u>\$ 88,527</u>	<u>\$ 93,024</u>	<u>\$ 66,551</u>	<u>\$ 37,978</u>	<u>\$ 58,267</u>
Fiduciary net position as a percentage of the					
Total OPEB liability	17.19%	11.53%	15.18%	19.59%	10.33%
Expected average remaining service years of all participants	9	9	9	9	8
Covered payroll	\$ 65,554	\$ 64,137	\$ 61,817	\$ 61,103	\$ 61,257
College Plan's net OPEB liability as a percentage of					
covered-employee payroll	135.04%	145.04%	107.66%	62.15%	95.12%
Discount Rate	2.83%	3.43%	4.83%	6.38%	3.72%

Notes:

- 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 24 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 For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.
- 5 The mortality assumption was updated to the latest SOA experience study results for public sector teacher headcount-weighted employees, retirees and disabled retirees with a MP 2020 mortality improvement scale.
- 6 The discount rate was reduced from 3.43% to 2.83%.

## 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

Plan fiscal year end	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 2,032	\$ 1,595	\$ 651	\$ 1,233	\$ 1,437
Interest	1,207	1,322	1,542	1,212	1,033
Changes of benefit terms	-	441	-	-	-
Differences between expected and actual experience	(3,590)	113	223	136	-
Changes of assumptions	4,423	5,048	16,515	(10,896)	(3,536)
Benefit payments	(1,384)	(1,402)	(902)	(1,286)	(1,462)
Net change in total OPEB liability	2,688	7,117	18,029	(9,601)	(2,528)
Total OPEB liability - beginning	49,984	42,867	24,838	34,439	36,967
Total OPEB liability - ending (a)	\$ 52,672	\$ 49,984	\$ 42,867	\$ 24,838	\$ 34,439
Plan fiduciary net position					
Contributions - employer	\$ 3,433	\$ 1,512	\$ 1,622	\$ 1,699	\$ 299
Contributions - retiree	350	-	348	-	292
Other	-	-	-	-	871
Investment income	561	20	41	34	47
Benefit payments	(1,734)	(1,402)	(1,730)	(1,286)	(1,462)
Administrative expense	(1)	(1)	(1)	(1)	-
Net change in plan fiduciary net position	2,609	129	280	446	47
Plan fiduciary net position - beginning	1,216	1,087	807	361	314
Plan fiduciary net position - ending (b)	\$ 3,825	\$ 1,216	\$ 1,087	\$ 807	\$ 361
Library's net OPEB liability - ending (a)-(b)	\$ 48,847	\$ 48,768	\$ 41,780	\$ 24,031	\$ 34,078
Library fiduciary net position as a percentage of the					
Total OPEB liability	7.26%	2.44%	2.54%	3.25%	1.05%
Expected average remaining service years of all participants	6	6	6	6	6
Covered payroll	\$ 15,459	\$ 14,421	\$ 13,785	\$ 13,203	\$ 12,691
The Library Plan's net OPEB liability as a percentage					
of covered-employee payroll	315.98%	338.17%	303.08%	182.01%	268.51%
Discount Rate	1.92%	2.45%	3.13%	6.37%	3.58%

## Notes:

- 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 24 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 For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.
- 5 The discount rate was reduced from 2.45% to 1.92%.

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

Amounts in thousands

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 70,720	\$ 54,509	\$ 53,264	\$ 48,734	\$ 77,516	\$ 73,689	\$ 75,695	\$ 71,324	\$ 109,939	\$ 102,777
Contributions in relation to the actuarially determined contribution	82,787	91,811	63,586	57,334	44,908	44,097	40,795	34,683	-	-
Contribution deficiency (excess)	\$ (12,067)	\$ (37,302)	\$ (10,322)	\$ (8,600)	\$ 32,608	\$ 29,592	\$ 34,900	\$ 36,641	\$ 109,939	\$ 102,777
Covered-employee payroll	\$ 305,970	\$ 294,514	\$ 276,058	\$ 263,129	\$ 258,490	\$ 255,191	\$ 247,008	\$ 239,173	\$ 213,899	\$ 215,209
Contributions as a percentage of covered-employee payroll	27.06%	31.17%	23.03%	21.79%	17.37%	17.28%	16.52%	14.50%	0.00%	0.00%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Open group Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target).
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate is 5.4 percent in 2019 and 2020. 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	6.30% The long-term expected return on assets is based on trust assets.
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 Mortality 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 4,810	\$ 4,604	\$ 4,398	\$ 3,881	\$ 5,568	\$ 5,542	\$ 5,188	\$ 4,870	\$ 5,857	\$ 5,468
Contributions in relation to the actuarially determined contribution	4,769	2,096	4,006	3,720	2,088	4,850	-	-	-	-
Contribution deficiency (excess)	\$ 41	\$ 2,508	\$ 392	\$ 161	\$ 3,480	\$ 692	\$ 5,188	\$ 4,870	\$ 5,857	\$ 5,468
Covered-employee payroll	\$ 65,554	\$ 64,137	\$ 61,817	\$ 61,103	\$ 94,667	\$ 95,101	\$ 93,550	\$ 90,338	\$ 89,089	\$ 89,955
Contributions as a percentage of covered-employee payroll	7.27%	3.27%	6.48%	6.09%	2.21%	5.10%	0.00%	0.00%	0.00%	0.00%

Notes:

Valuation date

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Open group Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target).
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate is 5.4 percent in 2019 and 2020. 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	6.30% The long-term expected return on assets is based on trust assets.
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 – 2020. (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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,333	\$ 2,299	\$ 2,168	\$ 2,008	\$ 2,548	\$ 2,692	\$ 2,712	\$ 2,568	\$ 3,669	\$ 3,439
Contributions in relation to the actuarially determined contribution	3,433	1,512	1,142	1,699	1,170	291	-	-	-	-
Contribution deficiency (excess)	\$ (1,100)	\$ 787	\$ 1,026	\$ 309	\$ 1,378	\$ 2,401	\$ 2,712	\$ 2,568	\$ 3,669	\$ 3,439
Covered-employee payroll	\$ 15,459	\$ 14,421	\$ 13,785	\$ 13,203	\$ 12,691	\$ 12,494	\$ 12,015	\$ 11,109	\$ 10,100	\$ 9,920
Contributions as a percentage of covered-employee payroll	22.21%	10.48%	8.28%	12.87%	9.22%	2.33%	0.00%	0.00%	0.00%	0.00%

Notes:

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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target)
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate is 5.4 percent in 2019 and 2020. 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	6.30% The long-term expected return on assets is based on trust assets.
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

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**Composite Money-Weighted Rate of Return, Net of Fees**

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2021	17.56%
2020	1.65%
2019	5.70%
2018	6.62%*
2017	12.94%*

\* Percentage has changed due to calculation method.

*Notes:*

- 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)

	2020	2019	2018	2017	2016	2015 (1)
Total pension liability						
Service cost	\$ 658	\$ 494	\$ 507	\$ 689	\$ 522	
Interest	529	619	631	699	559	
Changes of benefit terms	-	-	-	-	2,666	
Differences between expected and actual experience	(232)	(275)	(1,784)	(1,057)	-	
Change in assumptions	2,302	2,340	(924)	1,236	-	
Benefit payments, including refunds of member contributions	(798)	(803)	(790)	(808)	(707)	
Net Change in total pension liability	2,459	2,375	(2,360)	759	3,040	
Total pension liability - beginning	18,968	16,593	18,953	18,194	15,154	
Total pension liability - ending	21,427	18,968	16,593	18,953	18,194	
County's net pension liability	\$ 21,427	\$ 18,968	\$ 16,593	\$ 18,953	\$ 18,194	
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	
Covered payroll	n/a	n/a	n/a	n/a	n/a	
County's net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	
Expected average remaining service years of all participants	9	9	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 2.75% to 2.00% in 2020, from 3.71% to 2.75% in 2019, from 3.31% to 3.71% in 2018 and from 3.78% to 3.31% in 2017. Mortality changed to SOA RP-2014 Mortality Table Adjusted to 2006 Blue Collar Mortality with Scale MP-2018 from SOA RP-2014 Blue Collar Mortality Table projected from 2006 using scale MP-2015 and 1 year set forward.

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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.

**Permanent Public Improvements** – This revenue reserve fund is used solely as a funding source for permanent public improvements in the Capital Budget, including the payment/reimbursement of debt service on bonds and notes.

**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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>GENERAL PROPERTY TAXES</b>				
Real and personal taxes	\$ 772,237,600	\$ 772,237,600	\$ 776,038,121	\$ 3,800,521
Interest and penalties	2,278,000	2,278,000	2,615,553	337,553
	<u>774,515,600</u>	<u>774,515,600</u>	<u>778,653,674</u>	<u>4,138,074</u>
<b>LOCAL INCOME TAXES</b>	<u>589,200,000</u>	<u>589,200,000</u>	<u>693,300,152</u>	<u>104,100,152</u>
<b>STATE SHARED TAXES</b>				
Highway user	6,737,800	6,737,800	6,674,929	(62,871)
Admissions	5,800,000	5,800,000	4,734,924	(1,065,076)
Auto-boat	-	-	5,045	5,045
	<u>12,537,800</u>	<u>12,537,800</u>	<u>11,414,898</u>	<u>(1,122,902)</u>
<b>RECORDATION AND TRANSFER TAXES</b>				
Recordation	46,000,000	46,000,000	71,031,200	25,031,200
Transfer	49,000,000	49,000,000	85,896,594	36,896,594
	<u>95,000,000</u>	<u>95,000,000</u>	<u>156,927,794</u>	<u>61,927,794</u>
<b>LOCAL SALES TAXES</b>				
Electricity	4,900,000	4,900,000	4,548,044	(351,956)
Gas	800,000	800,000	775,242	(24,758)
Telephone	5,200,000	5,200,000	4,715,093	(484,907)
Fuel	35,000	35,000	48,365	13,365
Hotel-motel	12,240,000	12,240,000	8,786,783	(3,453,217)
Parking	5,200,000	5,200,000	2,488,423	(2,711,577)
Gross receipt tax - heavy equipment	350,000	350,000	474,590	124,590
	<u>28,725,000</u>	<u>28,725,000</u>	<u>21,836,540</u>	<u>(6,888,460)</u>



Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>LICENSES AND PERMITS</b>				
Amusements	\$ 212,000	\$ 212,000	\$ 149,650	\$ (62,350)
Special events	5,000	5,000	2,700	(2,300)
Beer, wine, liquor	1,100,000	1,100,000	1,237,142	137,142
Trade licenses	271,500	271,500	239,005	(32,495)
Traders	830,000	830,000	838,117	8,117
Permits	10,754,500	10,754,500	10,445,474	(309,026)
Fines	62,500	62,500	90,359	27,859
Mobile home parks	31,600	31,600	28,335	(3,265)
Taxicabs	68,500	68,500	21,825	(46,675)
Animal control	226,000	226,000	185,648	(40,352)
Other	2,416,400	2,416,400	1,191,220	(1,225,180)
Health department	1,022,000	1,022,000	1,073,927	51,927
Public space	1,114,000	1,114,000	513,136	(600,864)
	<u>18,114,000</u>	<u>18,114,000</u>	<u>16,016,538</u>	<u>(2,097,462)</u>
<b>AMBULANCE FEES</b>	<u>12,500,000</u>	<u>12,500,000</u>	<u>12,642,842</u>	<u>142,842</u>
<b>CABLE FEES</b>	<u>10,250,000</u>	<u>10,250,000</u>	<u>9,786,085</u>	<u>(463,915)</u>
<b>VIDEO LOTTERY IMPACT AID</b>	<u>6,000,000</u>	<u>6,000,000</u>	<u>9,492,404</u>	<u>3,492,404</u>
<b>INVESTMENT INCOME</b>	<u>2,700,000</u>	<u>2,700,000</u>	<u>515,608</u>	<u>(2,184,392)</u>
<b>INTER-FUND RECOVERIES</b>	<u>79,583,400</u>	<u>79,583,400</u>	<u>76,158,518</u>	<u>(3,424,882)</u>
<b>OTHER REVENUES</b>				
Sale of surplus property	-	-	105,000	105,000
Health department fees	3,668,600	3,668,600	4,006,975	338,375
Certification of liens	115,000	115,000	123,040	8,040
Recreation and parks	9,549,700	9,549,700	8,071,319	(1,478,381)
Developers fees - street lighting	35,000	35,000	21,278	(13,722)
Sheriff	65,000	65,000	41,732	(23,268)
Subdivision	1,257,100	1,257,100	631,609	(625,491)
Administrative fees	375,000	375,000	290,305	(84,695)
Rental income	1,642,600	1,642,600	1,765,788	123,188
Reimbursements	26,576,100	26,576,100	23,573,376	(3,002,724)
Fines and fees	404,500	404,500	296,255	(108,245)
Miscellaneous	8,663,100	8,663,100	10,721,351	2,058,251
	<u>52,351,700</u>	<u>52,351,700</u>	<u>49,648,028</u>	<u>(2,703,672)</u>
<b>Total revenues</b>	<u>\$ 1,681,477,500</u>	<u>\$ 1,681,477,500</u>	<u>\$ 1,836,393,081</u>	<u>\$ 154,915,581</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EDUCATION</b>				
Board of Education	\$ 749,579,900	\$ 749,579,900	\$ 749,579,900	\$ -
Community College	46,661,700	46,661,700	46,661,700	-
	<u>796,241,600</u>	<u>796,241,600</u>	<u>796,241,600</u>	<u>-</u>
<b>PUBLIC SAFETY</b>				
Police	156,098,400	157,450,400	156,178,046	1,272,354
Fire	129,958,400	129,958,400	127,563,375	2,395,025
Office of Emergency Management	807,500	1,107,500	995,089	112,411
Detention Facilities	53,547,800	53,547,800	52,979,629	568,171
	<u>340,412,100</u>	<u>342,064,100</u>	<u>337,716,139</u>	<u>4,347,961</u>
<b>GENERAL GOVERNMENT</b>				
County Executive	5,424,700	5,424,700	5,416,845	7,855
Chief Administrative Officer	14,838,000	11,873,000	11,692,544	180,456
Office of Budget	1,521,300	1,521,300	1,508,078	13,222
Office of Finance	9,424,100	9,649,100	9,194,310	454,790
Office of Finance (non-departmental)	112,220,900	114,220,900	112,607,817	1,613,083 *
Mandated Transfers	3,217,200	3,217,200	2,648,494	568,706 *
Office of Central Services	24,987,800	24,987,800	24,162,992	824,808
Office of Personnel	8,080,600	8,380,600	8,064,764	315,836
Information Technology	25,503,000	25,588,000	25,260,231	327,769
Office of Law	4,598,900	4,598,900	4,429,596	169,304
Legislative Branch	4,722,500	4,722,500	4,245,633	476,867
Ethics Commission	251,400	251,400	244,387	7,013
Board of Election Supervisors	5,329,700	5,579,700	5,524,920	54,780
Transportation	6,165,700	6,165,700	4,314,648	1,851,052
	<u>226,285,800</u>	<u>226,180,800</u>	<u>219,315,259</u>	<u>6,865,541</u>
<b>HEALTH AND HUMAN SERVICES</b>				
Health	41,711,000	46,711,000	44,243,807	2,467,193
Social Services	5,303,900	5,633,900	5,387,946	245,954
Services for Aging and Disability	8,238,300	8,238,300	7,766,085	472,215
	<u>55,253,200</u>	<u>60,583,200</u>	<u>57,397,838</u>	<u>3,185,362</u>
<b>PUBLIC WORKS</b>				
	<u>31,926,200</u>	<u>35,209,000</u>	<u>34,611,448</u>	<u>597,552</u>
<b>RECREATION AND COMMUNITY SERVICES</b>				
Recreation and Parks	27,600,700	27,600,700	25,636,874	1,963,826
Public Library System	24,541,100	24,541,100	24,541,100	-
	<u>52,141,800</u>	<u>52,141,800</u>	<u>50,177,974</u>	<u>1,963,826</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>JUDICIAL</b>				
States Attorney	\$ 13,007,600	\$ 13,007,600	\$ 12,833,779	\$ 173,821
Sheriffs Office	11,595,100	11,595,100	11,002,470	592,630
Circuit Court	6,228,900	6,228,900	5,994,576	234,324
Orphans Court	<u>155,900</u>	<u>165,900</u>	<u>133,603</u>	<u>32,297</u>
	<u>30,987,500</u>	<u>30,997,500</u>	<u>29,964,428</u>	<u>1,033,072</u>
<b>LAND USE AND DEVELOPMENT</b>				
Planning and Zoning	8,332,900	8,332,900	7,762,435	570,465
Office of Administrative Hearings	424,000	424,000	381,922	42,078
Cooperative Extension Service	<u>240,600</u>	<u>240,600</u>	<u>235,760</u>	<u>4,840</u>
	<u>8,997,500</u>	<u>8,997,500</u>	<u>8,380,117</u>	<u>617,383</u>
<b>CODE ENFORCEMENT</b>				
Inspections and Permits	14,030,700	14,030,700	13,298,651	732,049
Board of License Commissioners	<u>917,000</u>	<u>917,000</u>	<u>761,532</u>	<u>155,468</u>
	<u>14,947,700</u>	<u>14,947,700</u>	<u>14,060,183</u>	<u>887,517</u>
DEBT SERVICE	<u>153,517,900</u>	<u>150,215,900</u>	<u>149,471,875</u>	<u>744,025</u> *
PAY GO FUNDING - CAPITAL PROJECTS	<u>8,513,000</u>	<u>8,588,000</u>	<u>8,588,000</u>	<u>-</u>
Total expenditures and encumbrances	\$ <u><u>1,719,224,300</u></u>	\$ <u><u>1,726,167,100</u></u>	\$ <u><u>1,705,924,861</u></u>	\$ <u><u>20,242,239</u></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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>COUNTY PARKING GARAGE</b>				
Revenues				
Parking fees	\$ 538,600	\$ 538,600	\$ 413,998	\$ (124,602)
Other	-	-	1,060	1,060
	<u>538,600</u>	<u>538,600</u>	<u>415,058</u>	<u>(123,542)</u>
Expenditures				
General government	527,300	527,300	264,022	263,278
Interfund reimbursement	-	-	83,640	(83,640)
	<u>527,300</u>	<u>527,300</u>	<u>347,662</u>	<u>179,638</u>
Revenues over (under) expenditures	<u>\$ 11,300</u>	<u>\$ 11,300</u>	<u>\$ 67,396</u>	<u>\$ 56,096</u>
<b>PERMANENT PUBLIC IMPROVEMENTS</b>				
Revenues				
Investment income	\$ 300,000	\$ 300,000	\$ 73,503	\$ (226,497)
Other	19,469,200	19,469,200	19,469,200	-
	<u>19,769,200</u>	<u>19,769,200</u>	<u>19,542,703</u>	<u>(226,497)</u>
Expenditures				
Public works	-	-	-	-
Revenues over (under) expenditures	<u>\$ 19,769,200</u>	<u>\$ 19,769,200</u>	<u>\$ 19,542,703</u>	<u>\$ (226,497)</u>
<b>INMATE BENEFIT AND MORALE</b>				
Revenues				
Commissary sales	\$ 700,000	\$ 700,000	\$ 636,266	\$ (63,734)
Commissions and fees	766,000	766,000	804,881	38,881
Investment income	20,000	20,000	2,691	(17,309)
Other	-	-	162,676	162,676
	<u>1,486,000</u>	<u>1,486,000</u>	<u>1,606,514</u>	<u>120,514</u>
Expenditures				
Commissary purchases	700,000	700,000	667,444	32,556
Inmate benefits/morale	942,400	942,400	793,324	149,076
	<u>1,642,400</u>	<u>1,642,400</u>	<u>1,460,768</u>	<u>181,632</u>
Revenues over (under) expenditures	<u>\$ (156,400)</u>	<u>\$ (156,400)</u>	<u>\$ 145,746</u>	<u>\$ 302,146</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>IMPACT FEES</b>				
Revenues				
Impact fees	\$ 21,775,600	\$ 21,775,600	\$ 31,468,599	\$ 9,692,999
Investment income	382,000	382,000	252,970	(129,030)
	<u>22,157,600</u>	<u>22,157,600</u>	<u>31,721,569</u>	<u>9,563,969</u>
Expenditures				
Education	-	-	1,677,278	(1,677,278)
Public works	-	-	2,412,711	(2,412,711)
Other inter-fund reimbursements	1,845,300	1,845,300	1,060,747	784,553
Pay-as-you-go	64,065,600	64,065,600	17,310,757	46,754,843
	<u>65,910,900</u>	<u>65,910,900</u>	<u>22,461,493</u>	<u>43,449,407</u>
Revenues over (under) expenditures	\$ <u>(43,753,300)</u>	\$ <u>(43,753,300)</u>	9,260,076	\$ <u>53,013,376</u>
Fund balance, budgetary, July 1			<u>94,800,741</u>	
Fund balance, budgetary, June 30			<u>104,060,817</u>	
Change in fund balance on a budgetary basis			<u>\$ 9,260,076</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.

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.

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.

## **Non-major Governmental Funds (continued)**

### ***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, 2021

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 695,914	\$ -	\$ 8,389,888	\$ -
Receivables					
Due from other governmental agencies (net of allowances)	-	-	1,064,011	-	-
Other, net	100,000	54,638	-	34,126	357,143
Total assets	\$ 100,000	\$ 750,552	\$ 1,064,011	\$ 8,424,014	\$ 357,143
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 30	\$ 63	\$ 384,511	\$ 72,397	\$ -
Due to General Fund	88,725	-	130,243	-	280,591
Escrow and other deposits	-	-	-	4,702,770	-
Unearned revenue	-	-	459,340	-	-
Total liabilities	88,755	63	974,094	4,775,167	280,591
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue	-	-	466,645	-	-
Total deferred inflow of resources	-	-	466,645	-	-
<b>FUND BALANCES</b>					
Restricted	11,245	750,489	12,771	3,648,847	76,552
Committed	-	-	-	-	-
Unassigned	-	-	(389,499)	-	-
Total fund balances (deficit)	11,245	750,489	(376,728)	3,648,847	76,552
Total liabilities, deferred inflows and fund balances	\$ 100,000	\$ 750,552	\$ 1,064,011	\$ 8,424,014	\$ 357,143



Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Circuit Court	Park Place Tax Increment	Odenton Town Center Tax Increment
\$ 288,371	\$ 14,188,221	\$ 417,014	\$ 4,538	\$ 21,333,713
420,710	2,487,951	-	-	-
<u>-</u>	<u>-</u>	<u>6,849</u>	<u>-</u>	<u>-</u>
<u>\$ 709,081</u>	<u>\$ 16,676,172</u>	<u>\$ 423,863</u>	<u>\$ 4,538</u>	<u>\$ 21,333,713</u>
\$ 709,081	\$ 2,539,572	\$ -	\$ 4,538	\$ -
-	-	-	-	-
-	-	89,964	-	-
<u>-</u>	<u>14,136,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>709,081</u>	<u>16,676,172</u>	<u>89,964</u>	<u>4,538</u>	<u>-</u>
<u>-</u>	<u>1,987,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>1,987,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	22,880,605	333,899	-	21,333,713
-	-	-	-	-
<u>-</u>	<u>(24,867,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(1,987,290)</u>	<u>333,899</u>	<u>-</u>	<u>21,333,713</u>
<u>\$ 709,081</u>	<u>\$ 16,676,172</u>	<u>\$ 423,863</u>	<u>\$ 4,538</u>	<u>\$ 21,333,713</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2021

	Special Revenue Funds			Capital Projects Funds	
	Erosion Districts	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Recreational Land Fees	Bond Premium
<b>ASSETS</b>					
Cash and investments	\$ 1,853,597	\$ 1,754,056	\$ 46,781,561	\$ 304,238	\$ -
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	8,400	-	666,337	-	-
Total assets	<u>\$ 1,861,997</u>	<u>\$ 1,754,056</u>	<u>\$ 47,447,898</u>	<u>\$ 304,238</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 750	\$ -	\$ 756,580	\$ -	\$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>750</u>	<u>-</u>	<u>756,580</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	1,861,247	1,754,056	46,691,318	-	-
Committed	-	-	-	304,238	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>1,861,247</u>	<u>1,754,056</u>	<u>46,691,318</u>	<u>304,238</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,861,997</u>	<u>\$ 1,754,056</u>	<u>\$ 47,447,898</u>	<u>\$ 304,238</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
\$ 4,891,332	\$ 40,258	\$ 151,629	\$ 3,500	\$ 5,866	\$ 6,003,706	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,891,332</u>	<u>\$ 40,258</u>	<u>\$ 151,629</u>	<u>\$ 3,500</u>	<u>\$ 5,866</u>	<u>\$ 6,003,706</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 3,500	\$ 5,866	\$ 3,706	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>5,866</u>	<u>3,706</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	-
4,891,332	40,258	151,629	-	-	-	-
-	-	-	-	-	-	-
<u>4,891,332</u>	<u>40,258</u>	<u>151,629</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>
<u>\$ 4,891,332</u>	<u>\$ 40,258</u>	<u>\$ 151,629</u>	<u>\$ 3,500</u>	<u>\$ 5,866</u>	<u>\$ 6,003,706</u>	<u>\$ -</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2021

	Debt Service Funds				
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
<b>ASSETS</b>					
Cash and investments	\$ 12,040	\$ 4,092	\$ 1,124,485	\$ 11,700,984	\$ 119,949,003
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	3,972,672
Other, net	-	-	4,329	-	1,231,822
Total assets	\$ 12,040	\$ 4,092	\$ 1,128,814	\$ 11,700,984	\$ 125,153,497
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4,820	\$ -	\$ 4,485,414
Due to General Fund	-	-	-	-	499,559
Escrow and other deposits	-	-	-	-	4,792,734
Unearned revenue	-	-	-	-	14,595,940
Total liabilities	-	-	4,820	-	24,373,647
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	2,453,935
Total deferred inflow of resources	-	-	-	-	2,453,935
<b>FUND BALANCES</b>					
Restricted	12,040	4,092	1,123,994	-	106,494,868
Committed	-	-	-	11,700,984	17,088,441
Unassigned	-	-	-	-	(25,257,394)
Total fund balances (deficit)	12,040	4,092	1,123,994	11,700,984	98,325,915
Total liabilities, deferred inflows and fund balances	\$ 12,040	\$ 4,092	\$ 1,128,814	\$ 11,700,984	\$ 125,153,497

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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, 2021

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	3,763,688	-	-
Seized / forfeited funds	10,613	-	-	-	-
Special community benefit taxes	-	8,130,815	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Fees and commissions	-	-	-	561,002	357,143
Investment income	-	-	324	20,905	-
Other	-	-	-	-	-
Total revenues	<u>10,613</u>	<u>8,130,815</u>	<u>3,764,012</u>	<u>581,907</u>	<u>357,143</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	3,625,581	-	-
Public works	-	-	-	-	-
Recreation and community services	-	8,038,907	-	-	450,000
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	761,076	-
<b>Debt service</b>					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Total expenditures	<u>-</u>	<u>8,038,907</u>	<u>3,625,581</u>	<u>761,076</u>	<u>450,000</u>
Revenues over (under) expenditures	<u>10,613</u>	<u>91,908</u>	<u>138,431</u>	<u>(179,169)</u>	<u>(92,857)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
<b>Transfers in</b>					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
<b>Transfers out</b>					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	(269)	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(269)</u>	<u>-</u>
Net change in fund balances	10,613	91,908	138,431	(179,438)	(92,857)
Fund balances, July 1	632	658,581	(515,159)	3,828,285	169,409
Fund balances, June 30	<u>\$ 11,245</u>	<u>\$ 750,489</u>	<u>\$ (376,728)</u>	<u>\$ 3,648,847</u>	<u>\$ 76,552</u>

Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Circuit Court	Park Place Tax Increment	Odenton Town Center Tax Increment
\$ -	\$ -	\$ -	\$ 1,063,494	\$ 4,633,254
2,065,739	13,682,629	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	546	44,250
-	-	91,277	-	-
<u>2,065,739</u>	<u>13,682,629</u>	<u>91,277</u>	<u>1,064,040</u>	<u>4,677,504</u>
-	-	-	-	-
-	-	-	1,064,040	-
2,065,739	-	-	-	-
-	14,560,805	-	-	-
-	-	41,987	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,065,739</u>	<u>14,560,805</u>	<u>41,987</u>	<u>1,064,040</u>	<u>-</u>
<u>-</u>	<u>(878,176)</u>	<u>49,290</u>	<u>-</u>	<u>4,677,504</u>
-	270,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(262,494)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	270,000	-	-	(262,494)
-	(608,176)	49,290	-	4,415,010
-	(1,379,114)	284,609	-	16,918,703
\$ <u>-</u>	\$ <u>(1,987,290)</u>	\$ <u>333,899</u>	\$ <u>-</u>	\$ <u>21,333,713</u>

(continued)

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

Non-major Governmental Funds

Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Funds	
	Erosion Districts	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Recreation Land Fees	Bond Premium
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	513,540	-	-	-	-
Video lottery local impact aid	-	21,128,299	-	-	-
Watershed protection and restoration	-	-	23,619,255	-	-
Fees and commissions	-	-	-	17,000	-
Investment income	-	40	128,462	716	-
Other	-	-	225	-	-
Total revenues	<u>513,540</u>	<u>21,128,339</u>	<u>23,747,942</u>	<u>17,716</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
Education	-	1,700,000	-	-	-
Public safety	-	7,639,000	-	-	-
General government	-	9,037,500	-	-	-
Health and human services	-	-	-	-	-
Public works	422,706	-	11,112,057	-	-
Recreation and community services	-	550,000	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	-	1,272,884	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	4,308,586	-	-
Principal payments on debt	-	-	4,258,485	-	-
Total expenditures	<u>422,706</u>	<u>18,926,500</u>	<u>20,952,012</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>90,834</u>	<u>2,201,839</u>	<u>2,795,930</u>	<u>17,716</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	4,006	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	(2,728,100)	(27,000,000)	-	(32,725,974)
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	(314,143)	-	-	-	-
General obligation bonds issued	-	-	27,000,000	-	-
Premiums from sale of bonds	-	-	-	-	32,725,974
Total other financing sources (uses)	<u>(314,143)</u>	<u>(2,728,100)</u>	<u>4,006</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(223,309)</u>	<u>(526,261)</u>	<u>2,799,936</u>	<u>17,716</u>	<u>-</u>
Fund balances, July 1	<u>2,084,556</u>	<u>2,280,317</u>	<u>43,891,382</u>	<u>286,522</u>	<u>-</u>
Fund balances, June 30	<u>\$ 1,861,247</u>	<u>\$ 1,754,056</u>	<u>\$ 46,691,318</u>	<u>\$ 304,238</u>	<u>\$ -</u>



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
\$ -	\$ -	\$ -	\$ 6,137,008	\$ 8,349,189	\$ 10,498,566	\$ 17,363,373
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
347,585	-	-	-	-	-	-
-	100	-	3,410	4,097	20,851	17,563
-	-	124,671	-	-	-	-
<u>347,585</u>	<u>100</u>	<u>124,671</u>	<u>6,140,418</u>	<u>8,353,286</u>	<u>10,519,417</u>	<u>17,380,936</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,500	12,040	11,407	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	46,750	341,575	709,050	-
-	-	-	105,000	835,000	1,530,000	-
-	-	-	155,250	1,188,615	2,250,457	-
<u>347,585</u>	<u>100</u>	<u>124,671</u>	<u>5,985,168</u>	<u>7,164,671</u>	<u>8,268,960</u>	<u>17,380,936</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(5,985,168)	(7,164,671)	(8,268,960)	(17,380,936)
(538,694)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(538,694)</u>	<u>-</u>	<u>-</u>	<u>(5,985,168)</u>	<u>(7,164,671)</u>	<u>(8,268,960)</u>	<u>(17,380,936)</u>
(191,109)	100	124,671	-	-	-	-
5,082,441	40,158	26,958	-	-	6,000,000	-
\$ <u>4,891,332</u>	\$ <u>40,258</u>	\$ <u>151,629</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, 2021

	Debt Service Funds					Totals
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements		
<b>REVENUES</b>						
General property taxes	\$ 1,865,738	\$ 2,558,568	\$ -	\$ -	\$ -	52,469,190
Grants and aid	-	-	-	-	-	19,512,056
Seized / forfeited funds	-	-	-	-	-	10,613
Special community benefit taxes	-	-	358,675	-	-	9,003,030
Video lottery local impact aid	-	-	-	-	-	21,128,299
Watershed protection and restoration	-	-	-	-	-	23,619,255
Fees and commissions	-	-	-	-	-	1,282,730
Investment income	1,078	3,493	-	(610,877)	-	(365,042)
Other	-	-	-	-	-	216,173
Total revenues	<u>1,866,816</u>	<u>2,562,061</u>	<u>358,675</u>	<u>(610,877)</u>		<u>126,876,304</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
Education	-	-	-	-	-	1,700,000
Public safety	-	-	-	-	-	7,639,000
General government	16,482	16,383	-	-	-	10,161,352
Health and human services	-	-	-	-	-	5,691,320
Public works	-	-	-	-	-	11,534,763
Recreation and community services	-	-	94,308	-	-	23,694,020
Judicial	-	-	-	-	-	41,987
Code enforcement	-	-	-	-	-	1,272,884
Land use and development	-	-	-	-	-	761,076
<b>Debt service</b>						
Interest payments on debt	996,688	494,131	-	720,492	-	7,617,272
Principal payments on debt	<u>575,000</u>	<u>455,000</u>	<u>224,213</u>	<u>20,000</u>	-	<u>8,002,698</u>
Total expenditures	<u>1,588,170</u>	<u>965,514</u>	<u>318,521</u>	<u>740,492</u>		<u>78,116,372</u>
Revenues over (under) expenditures	<u>278,646</u>	<u>1,596,547</u>	<u>40,154</u>	<u>(1,351,369)</u>		<u>48,759,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Transfers in</b>						
General Fund	-	-	-	740,500	-	1,010,500
Impact Fees Capital Projects Fund	-	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-	4,006
Energy Revolving Loan Fund	-	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-	-
Erosion Districts Fund	-	-	314,143	-	-	314,143
<b>Transfers out</b>						
General Fund	(316,230)	(1,592,929)	-	-	-	(40,708,894)
General County Capital Projects Fund	-	-	-	-	-	(63,255,531)
Erosion Districts Fund	-	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-	(314,143)
General obligation bonds issued	-	-	-	-	-	27,000,000
Premiums from sale of bonds	-	-	-	-	-	32,725,974
Total other financing sources (uses)	<u>(316,230)</u>	<u>(1,592,929)</u>	<u>314,143</u>	<u>740,500</u>		<u>(43,223,945)</u>
Net change in fund balances	<u>(37,584)</u>	<u>3,618</u>	<u>354,297</u>	<u>(610,869)</u>		<u>5,535,987</u>
Fund balances, July 1	<u>49,624</u>	<u>474</u>	<u>769,697</u>	<u>12,311,853</u>		<u>92,789,928</u>
Fund balances, June 30	\$ <u>12,040</u>	\$ <u>4,092</u>	\$ <u>1,123,994</u>	\$ <u>11,700,984</u>	\$	\$ <u>98,325,915</u>

## Anne Arundel County, Maryland

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

## Special Revenue Funds

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FORFEITURE AND ASSET SEIZURE TEAM</b>				
Revenues				
Seized and forfeited funds	\$ 571,000	\$ 571,000	\$ 10,613	\$ (560,387)
Investment income	-	-	-	-
Other	-	-	-	-
	<u>571,000</u>	<u>571,000</u>	<u>10,613</u>	<u>(560,387)</u>
Expenditures				
Public safety	<u>611,000</u>	<u>611,000</u>	-	611,000
Revenues over (under) expenditures	(40,000)	(40,000)	10,613	<u>\$ 50,613</u>
Fund balance, budgetary, July 1	<u>632</u>	<u>632</u>	<u>632</u>	
Fund balance, budgetary, June 30	<u>\$ (39,368)</u>	<u>\$ (39,368)</u>	<u>\$ 11,245</u>	
<b>ROADS AND SPECIAL BENEFITS</b>				
Revenues				
Special community benefit taxes	\$ <u>8,031,377</u>	\$ <u>8,031,377</u>	\$ <u>8,130,815</u>	\$ <u>99,438</u>
Expenditures				
Recreation and community services	<u>13,682,200</u>	<u>13,682,200</u>	<u>8,038,907</u>	<u>5,643,293</u>
Revenues over (under) expenditures	(5,650,823)	(5,650,823)	91,908	<u>\$ 5,742,731</u>
Fund balance, budgetary, July 1	<u>658,581</u>	<u>658,581</u>	<u>658,581</u>	
Fund balance, budgetary, June 30	<u>\$ (4,992,242)</u>	<u>\$ (4,992,242)</u>	<u>\$ 750,489</u>	
<b>ANNE ARUNDEL COUNTY PARTNERSHIP FOR CHILDREN, YOUTH &amp; FAMILIES</b>				
Revenues				
Grants and aid	\$ 5,251,400	\$ 5,346,700	\$ 3,632,792	\$ (1,713,908)
Investment income	-	-	324	324
	<u>5,251,400</u>	<u>5,346,700</u>	<u>3,633,116</u>	<u>(1,713,584)</u>
Expenditures				
Health and human services	<u>5,284,600</u>	<u>5,379,900</u>	<u>3,638,352</u>	<u>1,741,548</u>
Revenues over (under) expenditures	(33,200)	(33,200)	(5,236)	<u>\$ 27,964</u>
Fund balance, budgetary, July 1	<u>82,382</u>	<u>82,382</u>	<u>82,382</u>	
Fund balance, budgetary, June 30	<u>\$ 49,182</u>	<u>\$ 49,182</u>	<u>\$ 77,146</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REFORESTATION</b>				
Revenues				
Commissions and fees	\$ 620,000	\$ 620,000	\$ 561,002	\$ (58,998)
Investment income	-	-	20,905	20,905
	<u>620,000</u>	<u>620,000</u>	<u>581,907</u>	<u>(38,093)</u>
Expenditures				
Land use and development	<u>810,600</u>	<u>810,600</u>	<u>756,885</u>	<u>53,715</u>
Revenues over (under) expenditures	(190,600)	(190,600)	(174,978)	<u>\$ 15,622</u>
Fund balance, budgetary, July 1	3,815,415	3,815,415	3,815,415	
Fund balance, budgetary, June 30	<u>\$ 3,624,815</u>	<u>\$ 3,624,815</u>	<u>\$ 3,640,437</u>	
<b>LAUREL RACETRACK COMMUNITY BENEFIT</b>				
Revenues				
Fees and commissions	\$ 450,000	\$ 450,000	\$ 357,143	\$ (92,857)
Expenditures				
Recreation and community services	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Revenues over (under) expenditures	-	-	(92,857)	<u>\$ (92,857)</u>
Fund balance, budgetary, July 1	169,409	169,409	169,409	
Fund balance, budgetary, June 30	<u>\$ 169,409</u>	<u>\$ 169,409</u>	<u>\$ 76,552</u>	
<b>WORKFORCE DEVELOPMENT</b>				
Revenues				
Grants and aid	\$ 2,400,000	\$ 2,400,000	\$ 2,065,739	\$ (334,261)
Expenditures				
Health and human services	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,065,739</u>	<u>334,261</u>
Revenues over (under) expenditures	-	-	-	<u>\$ -</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>ARUNDEL COMMUNITY DEVELOPMENT SERVICES</b>				
Revenues				
Grants and aid	\$ 7,110,700	\$ 29,054,400	\$ 28,383,337	\$ (671,063)
Other	-	-	744,227	744,227
	<u>7,110,700</u>	<u>29,054,400</u>	<u>29,127,564</u>	<u>73,164</u>
Expenditures				
Recreation and community services	<u>7,110,700</u>	<u>29,054,400</u>	<u>29,127,564</u>	<u>(73,164)</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>GRANTS</b>				
Revenues				
Grants and aid	\$ 39,836,300	\$ 124,288,566	\$ 94,872,740	\$ (29,415,826)
Fees, General Fund contributions and other	1,052,100	2,360,651	2,914,358	553,707
	<u>40,888,400</u>	<u>126,649,217</u>	<u>97,787,098</u>	<u>(28,862,119)</u>
Expenditures				
Public safety	5,097,100	22,093,663	16,174,495	5,919,168
General government	2,847,300	29,398,853	26,438,838	2,960,015
Health and human services	29,977,600	71,462,401	51,802,797	19,659,604
Recreation and community services	2,000	734,200	733,200	1,000
Judicial	2,862,500	2,976,000	2,186,087	789,913
Land use and development	440,900	440,900	42,358	398,542
	<u>41,227,400</u>	<u>127,106,017</u>	<u>97,377,775</u>	<u>29,728,242</u>
Revenues over (under) expenditures	(339,000)	(456,800)	409,323	\$ 866,123
Fund balance, budgetary, July 1	<u>(5,659,542)</u>	<u>(5,659,542)</u>	<u>(5,659,542)</u>	
Fund balance, budgetary, June 30	\$ <u>(5,998,542)</u>	\$ <u>(6,116,342)</u>	\$ <u>(5,250,219)</u>	
<b>CIRCUIT COURT</b>				
Revenues				
Bond Forfeited Funds	\$ 165,000	\$ 165,000	\$ 91,277	\$ (73,723)
Expenditures				
Circuit Court	<u>165,000</u>	<u>165,000</u>	<u>41,987</u>	<u>123,013</u>
Revenues over (under) expenditures	-	-	49,290	\$ 49,290
Fund balance, budgetary, July 1	<u>284,609</u>	<u>284,609</u>	<u>284,609</u>	
Fund balance, budgetary, June 30	\$ <u>284,609</u>	\$ <u>284,609</u>	\$ <u>333,899</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)

## Special Revenue Funds

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PARK PLACE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 1,088,000	\$ 1,088,000	\$ 1,063,494	\$ (24,506)
Investment income	2,000	2,000	546	(1,454)
	<u>1,090,000</u>	<u>1,090,000</u>	<u>1,064,040</u>	<u>(25,960)</u>
Expenditures				
General government	1,090,000	1,090,000	1,064,040	25,960
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>ODENTON TOWN CENTER</b>				
Revenues				
General property taxes	\$ 4,345,000	\$ 4,345,000	\$ 4,633,254	\$ 288,254
Investment income	202,500	202,500	44,250	(158,250)
	<u>4,547,500</u>	<u>4,547,500</u>	<u>4,677,504</u>	<u>130,004</u>
Expenditures				
Other	1,502,000	1,502,000	1,502,000	-
	<u>1,502,000</u>	<u>1,502,000</u>	<u>1,502,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>3,045,500</u>	<u>3,045,500</u>	<u>3,175,504</u>	\$ <u>130,004</u>
Fund balance, budgetary, July 1	15,574,915	15,574,915	15,574,915	
Fund balance, budgetary, June 30	\$ <u>18,620,415</u>	\$ <u>18,620,415</u>	\$ <u>18,750,419</u>	
<b>EROSION DISTRICTS</b>				
Revenues				
Special community benefit taxes	\$ 497,837	\$ 497,837	\$ 513,540	\$ 15,703
Expenditures				
Public works	1,791,388	1,791,388	422,706	1,368,682
Revenues over (under) expenditures	(1,293,551)	(1,293,551)	90,834	\$ <u>1,384,385</u>
Fund balance, budgetary, July 1 (as restated)	1,770,413	1,770,413	1,770,413	
Fund balance, budgetary, June 30	\$ <u>476,862</u>	\$ <u>476,862</u>	\$ <u>1,861,247</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>VIDEO LOTTERY LOCAL IMPACT AID</b>				
Revenues				
Video lottery impact aid	\$ 18,947,600	\$ 18,947,600	\$ 21,128,299	\$ 2,180,699
Investment income	-	-	40	40
	<u>18,947,600</u>	<u>18,947,600</u>	<u>21,128,339</u>	<u>2,180,739</u>
Expenditures				
Education	1,700,000	1,700,000	1,700,000	-
Public safety	7,639,000	7,639,000	7,639,000	-
General government	9,037,500	9,037,500	9,037,500	-
Recreation and community service	550,000	550,000	550,000	-
Pay-go funding - capital projects	2,728,100	2,728,100	2,728,100	-
	<u>21,654,600</u>	<u>21,654,600</u>	<u>21,654,600</u>	<u>-</u>
Revenues over (under) expenditures	(2,707,000)	(2,707,000)	(526,261)	\$ <u>2,180,739</u>
Fund balance, budgetary, July 1	2,280,317	2,280,317	2,280,317	
Fund balance, budgetary, June 30	\$ <u>(426,683)</u>	\$ <u>(426,683)</u>	\$ <u>1,754,056</u>	
<b>WATERSHED PROTECTION AND RESTORATION</b>				
Revenues				
Stormwater fees	\$ 23,569,400	\$ 23,569,400	\$ 23,619,255	\$ 49,855
Interfund reimbursements	770,000	770,000	909,170	139,170
Investment Income	807,100	807,100	132,468	(674,632)
Other	-	-	118,354	118,354
	<u>25,146,500</u>	<u>25,146,500</u>	<u>24,779,247</u>	<u>(367,253)</u>
Expenditures				
Public works	14,375,300	14,375,300	12,146,007	2,229,293
Code enforcement	1,348,500	1,348,500	1,272,884	75,616
Debt service	8,567,100	8,567,100	8,567,071	29
	<u>24,290,900</u>	<u>24,290,900</u>	<u>21,985,962</u>	<u>2,304,938</u>
Revenues over (under) expenditures	855,600	855,600	2,793,285	\$ <u>1,937,685</u>
Fund balance, budgetary, July 1	41,059,615	41,059,615	41,059,615	
Fund balance, budgetary, June 30	\$ <u>41,915,215</u>	\$ <u>41,915,215</u>	\$ <u>43,852,900</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Browns Pond	\$ 11,316	\$ 11,316	\$ 11,585	\$ 269
Cedarhurst	74,240	74,240	77,944	3,704
Franklin Manor	139,440	139,440	146,283	6,843
Idlewilde	2,105	2,105	2,236	131
Masons Beach	41,220	41,220	42,364	1,144
Riviera Beach	149,480	149,480	153,092	3,612
Snug Harbor - Waterway	73,436	73,436	73,436	-
Spriggs Pond	6,600	6,600	6,600	-
Total revenues	<u>\$ 497,837</u>	<u>\$ 497,837</u>	<u>\$ 513,540</u>	<u>\$ 15,703</u>
<b>EXPENDITURES</b>				
Browns Pond	\$ 23,161	\$ 23,161	\$ 579	\$ 22,582
Cedarhurst	200,140	200,140	67,858	132,282
Franklin Manor	483,240	483,240	296,091	187,149
Idlewilde	100,311	100,311	100	100,211
Masons Beach	186,320	186,320	2,000	184,320
Riviera Beach	628,180	628,180	9,662	618,518
Snug Harbor - Waterway	163,436	163,436	46,086	117,350
Spriggs Pond	6,600	6,600	330	6,270
Total expenditures	<u>\$ 1,791,388</u>	<u>\$ 1,791,388</u>	<u>\$ 422,706</u>	<u>\$ 1,368,682</u>

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



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## Anne Arundel County, Maryland

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

## Roads and Special Benefit Districts Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Amberly	\$ 22,000	\$ 22,000	\$ 21,879	\$ (121)
Annapolis Roads	323,399	323,399	325,621	2,222
Arundel on the Bay	231,875	231,875	234,345	2,470
Avalon Shores	67,160	67,160	67,160	-
Bay Highlands	80,640	80,640	80,633	(7)
Bay Ridge	311,265	311,265	311,266	1
Bayside Beach	18,263	18,263	19,170	907
Beverly Beach	18,600	18,600	18,550	(50)
Birchwood	4,432	4,432	4,431	(1)
Bittersweet	1,650	1,650	1,650	-
Broadwater Creek	8,400	8,400	8,400	-
Cape Anne	26,250	26,250	26,250	-
Cape St. Claire	450,060	450,060	450,255	195
Capetown	38,571	38,571	38,571	-
Carrollton Manor	82,200	82,200	82,350	150
Cedarhurst	133,910	133,910	140,298	6,388
Chartwell	26,800	26,800	26,760	(40)
Columbia Beach	158,000	158,000	160,072	2,072
Crofton	929,850	929,850	950,287	20,437
Deale Beach	9,050	9,050	9,050	-
Eden Woods	9,000	9,000	9,000	-
Epping Forest	344,565	344,565	364,080	19,515
Fairhaven Cliffs	4,900	4,900	4,900	-
Felicity Cove	17,835	17,835	17,310	(525)
Franklin Manor	69,720	69,720	73,145	3,425
Gibson Island	997,343	997,343	1,021,271	23,928
Greenbriar Gardens	18,144	18,144	18,144	-
Greenbriar II	25,211	25,211	25,211	-
Heritage Pool	50,500	50,500	50,500	-
Hillsmere Shores	304,781	304,781	309,134	4,353
Homewood	3,244	3,244	3,244	-
Hunters Harbor	15,900	15,900	16,050	150
Idlewilde	9,690	9,690	9,690	-
Indian Hills(Winchester)	122,834	122,834	125,010	2,176
Kensington	8,798	8,798	8,798	-
Little Magothy River	35,700	35,700	35,700	-
Loch Haven	41,230	41,230	40,945	(285)
Long Point on the Severn	22,000	22,000	22,000	-
Magothy Beach	6,520	6,520	6,520	-
Magothy Forge	13,912	13,912	13,817	(95)
Manhattan Beach	77,375	77,375	77,375	-
Mason's Beach	7,369	7,369	7,369	-
Owings Beach	12,150	12,150	13,024	874
Owings Cliffs	2,775	2,775	2,775	-
Oyster Harbor	401,490	401,490	408,494	7,004
Parke West	50,280	50,280	50,280	-
Pine Grove Village	22,080	22,080	22,080	-
Pines on the Severn	59,331	59,331	58,576	(755)
Provinces	15,750	15,750	15,696	(54)
Queen's Park	41,223	41,223	41,225	2
Rockview Beach/Riviera Isles	13,342	13,342	13,284	(58)
Scheides Cove	9,000	9,000	9,000	-
Selby on the Bay	119,560	119,560	119,560	-
Severn Grove	26,977	26,977	26,723	(254)
Severna Forest	22,228	22,228	22,358	130
Severndale	16,809	16,809	16,809	-
Sherwood Forest	1,232,374	1,232,374	1,232,374	-
Shoreham Beach	73,500	73,500	72,975	(525)
Snug Harbor	8,421	8,421	8,421	-
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	6,297	6,297	6,297	-
Sylvan Shores	117,050	117,050	116,609	(441)
Sylvan View on the Magothy	24,850	24,850	24,850	-
Upper Magothy Beach	14,450	14,450	14,450	-
Venice Beach	4,159	4,159	4,993	834
Venice on the Bay	7,175	7,175	7,175	-
Warthen Knolls	-	-	-	-
Wilelnor	28,000	28,000	28,000	-
Woodland Beach/Londontowne	504,160	504,160	509,576	5,416
Woodland Beach/Pasadena	6,300	6,300	6,300	-
Total revenues	\$ 8,031,377	\$ 8,031,377	\$ 8,130,815	\$ 99,438

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

## Roads and Special Benefit Districts Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
Amberly	\$ 55,735	\$ 55,735	\$ 21,841	\$ 33,894
Annapolis Roads	453,799	453,799	325,681	128,118
Arundel on the Bay	455,062	455,062	267,131	187,931
Avalon Shores	171,384	171,384	2,000	169,384
Bay Highlands	298,740	298,740	37,919	260,821
Bay Ridge	316,485	316,485	295,214	21,271
Bayside Beach	18,768	18,768	18,633	135
Beverly Beach	69,800	69,800	947	68,853
Birchwood	4,432	4,432	4,428	4
Bittersweet	3,948	3,948	1,655	2,293
Broadwater Creek	32,900	32,900	413	32,487
Cape Anne	90,707	90,707	26,584	64,123
Cape St. Claire	468,139	468,139	468,139	-
Capetown	38,571	38,571	1,929	36,642
Carrollton Manor	204,132	204,132	139,331	64,801
Cedarhurst	247,710	247,710	140,001	107,709
Chartwell	90,069	90,069	26,917	63,152
Columbia Beach	286,471	286,471	170,476	115,995
Crofton	1,596,860	1,596,860	950,332	646,528
Deale Beach	13,550	13,550	9,048	4,502
Eden Woods	72,688	72,688	9,000	63,688
Epping Forest	667,422	667,422	351,143	316,279
Fairhaven Cliffs	29,200	29,200	829	28,371
Felicity Cove	45,542	45,542	17,265	28,277
Franklin Manor	149,286	149,286	71,355	77,931
Gibson Island	1,573,054	1,573,054	1,017,246	555,808
Greenbriar Gardens	44,147	44,147	18,149	25,998
Greenbriar II	40,660	40,660	28,206	12,454
Heritage Pool	103,487	103,487	35,513	67,974
Hillsmere Shores	646,455	646,455	361,862	284,593
Homewood	7,162	7,162	3,244	3,918
Hunters Harbor	15,900	15,900	15,860	40
Idlewilde	33,469	33,469	9,606	23,863
Indian Hills(Winchester)	194,473	194,473	123,454	71,019
Kensington	15,385	15,385	8,798	6,587
Little Magothy River	100,049	100,049	35,737	64,312
Loch Haven	41,230	41,230	40,592	638
Long Point on the Severn	117,596	117,596	21,795	95,801
Magothy Beach	10,530	10,530	6,204	4,326
Magothy Forge	28,194	28,194	6,698	21,496
Manhattan Beach	161,117	161,117	77,437	83,680
Mason's Beach	7,369	7,369	3,551	3,818
Owings Beach	80,823	80,823	34,512	46,311
Owings Cliffs	10,933	10,933	2,723	8,210
Oyster Harbor	967,007	967,007	411,881	555,126
Parke West	69,589	69,589	50,568	19,021
Pine Grove Village	60,010	60,010	30,601	29,409
Pines on the Severn	132,958	132,958	58,776	74,182
Provinces	44,108	44,108	14,349	29,759
Queen's Park	182,744	182,744	2,000	180,744
Rockview Beach/ Riviera Isles	21,796	21,796	13,502	8,294
Scheides Cove	14,650	14,650	450	14,200
Selby on the Bay	171,175	171,175	127,704	43,471
Severn Grove	44,474	44,474	26,976	17,498
Severna Forest	29,781	29,781	22,232	7,549
Severndale	53,585	53,585	11,354	42,231
Sherwood Forest	1,232,474	1,232,474	1,231,902	572
Shoreham Beach	141,713	141,713	71,917	69,796
Snug Harbor	67,598	67,598	8,141	59,457
South River Manor	10,698	10,698	4,320	6,378
South River Park	74,608	74,608	33,294	41,314
Steedman Point	43,000	43,000	200	42,800
Stone Haven	16,484	16,484	314	16,170
Sylvan Shores	181,570	181,570	115,550	66,020
Sylvan View on the Magothy	45,749	45,749	24,855	20,894
Upper Magothy Beach	25,453	25,453	15,400	10,053
Venice Beach	130,208	130,208	6,293	123,915
Venice on the Bay	10,438	10,438	7,195	3,243
Warthen Knolls	4,266	4,266	5	4,261
Wilenor	67,773	67,773	27,995	39,778
Woodland Beach/Londontowne	699,076	699,076	510,429	188,647
Woodland Beach/Pasadena	25,782	25,782	1,306	24,476
Total expenditures	\$ 13,682,200	\$ 13,682,200	\$ 8,038,907	\$ 5,643,293

## Anne Arundel County, Maryland

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

## General County Capital Projects Fund

Year Ended June 30, 2021

	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>	<u>Recreation</u>
<b>AUTHORIZED PER ORIGINAL BUDGET</b>					
County bonds	\$ 1,589,047,976	\$ 768,977,954	86,830,000	974,984	104,578,001
Contributions from other funds	183,616,944	68,576,261	6,390,000	8,599	11,150,920
Impact fees	169,406,296	95,285,000	-	-	-
Grants and aid	655,006,818	495,405,854	58,628,000	82,000	44,654,898
Special fees	10,081,414	-	-	-	440,000
Other sources	259,103,020	112,873,000	3,000,000	24,444	16,212,592
Total	<u>\$ 2,866,262,468</u>	<u>\$ 1,541,118,069</u>	<u>\$ 154,848,000</u>	<u>\$ 1,090,027</u>	<u>\$ 177,036,411</u>
<b>AUTHORIZED PER FINAL BUDGET</b>					
County bonds	\$ 1,497,758,068	\$ 717,145,185	\$ 86,830,000	\$ 974,984	\$ 103,189,507
Contributions from other funds	167,107,217	69,076,261	6,390,000	8,599	10,923,017
Impact fees	164,481,546	94,035,000	-	-	-
Grants and aid	625,085,070	476,002,854	58,628,000	82,000	38,395,405
Special fees	10,081,414	-	-	-	440,000
Other sources	217,930,788	99,921,000	3,000,000	24,443	14,666,361
Total	2,682,444,103	1,456,180,300	154,848,000	1,090,026	167,614,290
Less: Completed projects	120,598,506	31,912,000	-	1,081,427	11,206,788
	<u>2,561,845,597</u>	<u>1,424,268,300</u>	<u>154,848,000</u>	<u>8,599</u>	<u>156,407,502</u>
<b>REALIZED</b>					
Current year:					
Bonds and bond anticipation notes	180,065,000	96,000,000	11,865,000	-	21,400,000
Contributions from other funds	9,251,000	(18,948,000)	(3,000,000)	-	905,000
Impact fees	17,310,757	14,500,000	-	-	-
Grants and aid	44,934,856	-	27,845,778	-	8,526,169
Special fees	1,785,613	-	-	-	-
Other sources	36,539,983	25,391,852	4,335,000	-	228,100
Total	289,887,209	116,943,852	41,045,778	-	31,059,269
Prior years:	1,390,599,395	802,932,555	87,717,784	1,085,997	67,614,069
Total realized funding sources	1,680,486,604	919,876,407	128,763,562	1,085,997	98,673,338
Less: Completed projects and adjustments	115,154,911	27,410,000	-	1,077,398	11,186,237
	<u>1,565,331,693</u>	<u>892,466,407</u>	<u>128,763,562</u>	<u>8,599</u>	<u>87,487,101</u>
Funding sources authorized - June 30, 2021	<u>\$ 996,513,904</u>	<u>\$ 531,801,893</u>	<u>\$ 26,084,438</u>	<u>\$ -</u>	<u>\$ 68,920,401</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>
33,735,182	110,389,220	97,103,789	24,371,884	112,373,906	249,713,056
3,387,564	53,602,456	4,058,709	1,150,521	35,291,914	-
-	69,224,496	4,896,800	-	-	-
4,059,364	7,484,151	5,550,000	8,165,690	25,013,861	5,963,000
-	728	-	-	9,640,686	-
<u>925,000</u>	<u>62,491,080</u>	<u>19,521,000</u>	<u>855,701</u>	<u>36,889,203</u>	<u>6,311,000</u>
\$ <u>42,107,110</u>	\$ <u>303,192,131</u>	\$ <u>131,130,298</u>	\$ <u>34,543,796</u>	\$ <u>219,209,570</u>	\$ <u>261,987,056</u>
\$ 33,544,990	\$ 104,185,116	\$ 96,232,221	\$ 23,941,287	\$ 96,058,368	\$ 235,656,410
3,387,564	52,359,819	2,094,701	747,901	22,119,355	-
-	65,549,746	4,896,800	-	-	-
4,059,364	7,324,151	5,550,000	7,914,826	21,165,470	5,963,000
-	728	-	-	9,640,686	-
<u>925,000</u>	<u>48,946,080</u>	<u>13,643,000</u>	<u>855,700</u>	<u>34,949,204</u>	<u>1,000,000</u>
41,916,918	278,365,640	122,416,722	33,459,714	183,933,083	242,619,410
-	33,409,705	14,354,047	8,058,688	12,952,924	7,622,927
<u>41,916,918</u>	<u>244,955,935</u>	<u>108,062,675</u>	<u>25,401,026</u>	<u>170,980,159</u>	<u>234,996,483</u>
-	12,600,000	-	2,500,000	8,700,000	27,000,000
(752,000)	25,810,000	700,000	200,000	4,336,000	-
-	1,485,829	1,324,928	-	-	-
1,253,597	160,000	1,138,313	994,733	3,154,576	1,861,690
-	-	-	-	1,785,613	-
-	1,548,945	-	-	36,086	5,000,000
<u>501,597</u>	<u>41,604,774</u>	<u>3,163,241</u>	<u>3,694,733</u>	<u>18,012,275</u>	<u>33,861,690</u>
<u>26,289,803</u>	<u>124,560,805</u>	<u>93,448,330</u>	<u>20,167,802</u>	<u>83,595,704</u>	<u>83,186,546</u>
26,791,400	166,165,579	96,611,571	23,862,535	101,607,979	117,048,236
-	33,409,705	14,353,357	7,150,867	12,944,420	7,622,927
<u>26,791,400</u>	<u>132,755,874</u>	<u>82,258,214</u>	<u>16,711,668</u>	<u>88,663,559</u>	<u>109,425,309</u>
\$ <u>15,125,518</u>	\$ <u>112,200,061</u>	\$ <u>25,804,461</u>	\$ <u>8,689,358</u>	\$ <u>82,316,600</u>	\$ <u>125,571,174</u>

Anne Arundel County, Maryland

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

General County Capital Projects Fund

Year Ended June 30, 2021

APPROPRIATIONS	Total	School Construction	Higher Education	Storm Drains
Original Budget	\$ <u>2,865,281,468</u>	\$ <u>1,541,118,069</u>	\$ <u>154,848,000</u>	\$ <u>109,027</u>
Final Budget				
Prior years	\$ 2,325,833,402	\$ 1,297,921,400	\$ 119,167,000	\$ 1,245,026
Current year	<u>356,610,701</u>	<u>158,258,900</u>	<u>35,681,000</u>	<u>(155,000)</u>
	2,682,444,103	1,456,180,300	154,848,000	1,090,026
Less: Completed projects	<u>120,598,506</u>	<u>31,912,000</u>	<u>-</u>	<u>1,081,427</u>
Total appropriations	<u>2,561,845,597</u>	<u>1,424,268,300</u>	<u>154,848,000</u>	<u>8,599</u>
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	1,283,879,184	776,920,315	76,949,375	1,080,077
Current year expenditures	139,447,415	-	-	1,044
Operating transfers	<u>119,609,650</u>	<u>68,004,497</u>	<u>51,605,153</u>	<u>-</u>
	1,542,936,249	844,924,812	128,554,528	1,081,121
Less: Completed projects	<u>115,151,490</u>	<u>27,410,000</u>	<u>-</u>	<u>1,073,977</u>
Total	1,427,784,759	817,514,812	128,554,528	7,144
Encumbrances outstanding	<u>104,693,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and encumbrances	<u>1,532,478,689</u>	<u>817,514,812</u>	<u>128,554,528</u>	<u>7,144</u>
Unencumbered appropriations - June 30, 2021	\$ <u>1,029,366,908</u>	\$ <u>606,753,488</u>	\$ <u>26,293,472</u>	\$ <u>1,455</u>

	Recreation	Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other	Watershed Protection and Restoration
\$	<u>177,036,411</u>	<u>42,107,110</u>	<u>303,192,131</u>	<u>131,130,298</u>	<u>34,543,796</u>	<u>219,209,570</u>	<u>261,987,056</u>
\$	132,347,090	44,118,918	220,795,640	100,250,722	30,902,713	134,239,083	244,845,810
	<u>35,267,200</u>	<u>(2,202,000)</u>	<u>57,570,000</u>	<u>22,166,000</u>	<u>2,557,001</u>	<u>49,694,000</u>	<u>(2,226,400)</u>
	167,614,290	41,916,918	278,365,640	122,416,722	33,459,714	183,933,083	242,619,410
	<u>11,206,788</u>	<u>-</u>	<u>33,409,705</u>	<u>14,354,047</u>	<u>8,058,688</u>	<u>12,952,924</u>	<u>7,622,927</u>
	<u>156,407,502</u>	<u>41,916,918</u>	<u>244,955,935</u>	<u>108,062,675</u>	<u>25,401,026</u>	<u>170,980,159</u>	<u>234,996,483</u>
	61,684,026	20,995,497	105,801,647	71,614,091	18,858,439	72,569,549	77,406,168
	<u>26,226,051</u>	<u>5,119,376</u>	<u>39,741,766</u>	<u>12,231,298</u>	<u>3,596,986</u>	<u>23,907,068</u>	<u>28,623,826</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	87,910,077	26,114,873	145,543,413	83,845,389	22,455,425	96,476,617	106,029,994
	<u>11,186,237</u>	<u>-</u>	<u>33,409,705</u>	<u>14,353,357</u>	<u>7,150,867</u>	<u>12,944,420</u>	<u>7,622,927</u>
	76,723,840	26,114,873	112,133,708	69,492,032	15,304,558	83,532,197	98,407,067
	<u>11,439,543</u>	<u>7,649,112</u>	<u>44,079,652</u>	<u>5,131,455</u>	<u>1,824,476</u>	<u>14,329,602</u>	<u>20,240,090</u>
	<u>88,163,383</u>	<u>33,763,985</u>	<u>156,213,360</u>	<u>74,623,487</u>	<u>17,129,034</u>	<u>97,861,799</u>	<u>118,647,157</u>
\$	<u>68,244,119</u>	<u>8,152,933</u>	<u>88,742,575</u>	<u>33,439,188</u>	<u>8,271,992</u>	<u>73,118,360</u>	<u>116,349,326</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>ENERGY REVOLVING LOAN</b>				
Revenues				
Other	\$ -	\$ -	\$ 100	\$ 100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Expenditures				
Other	38,700	38,700	-	38,700
	<u>38,700</u>	<u>38,700</u>	<u>-</u>	<u>38,700</u>
Revenues over (under) expenditures	<u>(38,700)</u>	<u>(38,700)</u>	<u>100</u>	<u>\$ 38,800</u>
Fund balance, budgetary, July 1	<u>40,158</u>	<u>40,158</u>	<u>40,158</u>	
Fund balance, budgetary, June 30	\$ <u><u>1,458</u></u>	\$ <u><u>1,458</u></u>	\$ <u><u>40,258</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>NURSERY ROAD TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 6,215,000	\$ 6,215,000	\$ 6,137,008	\$ (77,992)
Investment income	40,400	40,400	3,410	(36,990)
	<u>6,255,400</u>	<u>6,255,400</u>	<u>6,140,418</u>	<u>(114,982)</u>
Expenditures				
General government	4,000	4,000	3,500	500
Interest payments on debt	46,800	46,800	46,750	50
Principal payments on debt	105,000	105,000	105,000	-
Other	6,099,600	6,099,600	5,985,168	114,432
	<u>6,255,400</u>	<u>6,255,400</u>	<u>6,140,418</u>	<u>114,982</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	-
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	-
<b>WEST COUNTY TAX INCREMENT DISTRICT (NBP)</b>				
Revenues				
General property taxes	\$ 8,947,000	\$ 8,947,000	\$ 8,349,189	\$ (597,811)
Investment income	55,000	55,000	4,097	(50,903)
	<u>9,002,000</u>	<u>9,002,000</u>	<u>8,353,286</u>	<u>(648,714)</u>
Expenditures				
General government	28,500	28,500	18,500	10,000
Interest payments on debt	341,600	341,600	341,575	25
Principal payments on debt	835,000	835,000	835,000	-
Other	7,796,900	7,796,900	7,164,671	632,229
	<u>9,002,000</u>	<u>9,002,000</u>	<u>8,359,746</u>	<u>642,254</u>
Revenues over (under) expenditures	-	-	(6,460)	\$ (6,460)
Fund balance, budgetary, July 1	(163)	(163)	(163)	-
Fund balance, budgetary, June 30	\$ (163)	\$ (163)	\$ (6,623)	-
<b>ARUNDEL MILLS TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 11,021,000	\$ 11,021,000	\$ 10,498,566	\$ (522,434)
Investment income	75,000	75,000	20,851	(54,149)
	<u>11,096,000</u>	<u>11,096,000</u>	<u>10,519,417</u>	<u>(576,583)</u>
Expenditures				
General government	70,200	70,200	18,501	51,699
Interest payments on debt	709,100	709,100	709,050	50
Principal payments on debt	1,530,000	1,530,000	1,530,000	-
Other	8,786,700	8,786,700	8,268,960	517,740
	<u>11,096,000</u>	<u>11,096,000</u>	<u>10,526,511</u>	<u>569,489</u>
Revenues (under) expenditures	-	-	(7,094)	\$ (7,094)
Fund balance, budgetary, July 1	5,999,838	5,999,838	5,999,838	-
Fund balance, budgetary, June 30	\$ 5,999,838	\$ 5,999,838	\$ 5,992,744	-

*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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PAROLE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 17,552,000	\$ 17,552,000	\$ 17,363,373	\$ (188,627)
Investment income	130,000	130,000	17,563	(112,437)
	<u>17,682,000</u>	<u>17,682,000</u>	<u>17,380,936</u>	<u>(301,064)</u>
Expenditures				
General government	-	-	-	-
Other	17,682,000	17,682,000	17,380,936	301,064
	<u>17,682,000</u>	<u>17,682,000</u>	<u>17,380,936</u>	<u>301,064</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>NATIONAL BUSINESS PARK NORTH TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 1,866,000	\$ 1,866,000	\$ 1,865,738	\$ (262)
Investment income	20,000	20,000	1,078	(18,922)
	<u>1,886,000</u>	<u>1,886,000</u>	<u>1,866,816</u>	<u>(19,184)</u>
Expenditures				
General government	32,000	32,000	16,482	15,518
Interest payments on debt	996,700	996,700	996,688	12
Principal payments on debt	575,000	575,000	575,000	-
Other	282,300	300,700	316,230	(15,530)
	<u>1,886,000</u>	<u>1,904,400</u>	<u>1,904,400</u>	<u>-</u>
Revenues over (under) expenditures	-	(18,400)	(37,584)	\$ (19,184)
Fund balance, budgetary, July 1	49,624	49,624	49,624	
Fund balance, budgetary, June 30	\$ 49,624	\$ 31,224	\$ 12,040	
<b>VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 2,565,000	\$ 2,565,000	\$ 2,558,568	\$ (6,432)
Investment income	30,000	30,000	3,493	(26,507)
	<u>2,595,000</u>	<u>2,595,000</u>	<u>2,562,061</u>	<u>(32,939)</u>
Expenditures				
General government	50,000	49,000	16,383	32,617
Interest payments on debt	494,100	495,100	494,131	969
Principal payments on debt	455,000	455,000	455,000	-
Other	1,595,900	1,595,900	1,592,929	2,971
	<u>2,595,000</u>	<u>2,595,000</u>	<u>2,558,443</u>	<u>36,557</u>
Revenues (under) expenditures	-	-	3,618	\$ 3,618
Fund balance, budgetary, July 1	474	474	474	
Fund balance, budgetary, June 30	\$ 474	\$ 474	\$ 4,092	

*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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SPECIAL TAXING DISTRICTS</b>				
Revenues				
Special assessments	\$ 349,462	\$ 349,462	\$ 358,675	\$ 9,213
Expenditures				
Principal payments on debt	224,213	224,213	224,213	-
Other	1,154,877	1,154,877	94,308	1,060,569
	<u>1,379,090</u>	<u>1,379,090</u>	<u>318,521</u>	<u>1,060,569</u>
Revenues over (under) expenditures	(1,029,628)	(1,029,628)	40,154	\$ <u>1,069,782</u>
Fund balance, budgetary, July 1 (as restated)	<u>1,083,840</u>	<u>1,083,840</u>	<u>1,083,840</u>	
Fund balance, budgetary, June 30	\$ <u>54,212</u>	\$ <u>54,212</u>	\$ <u>1,123,994</u>	
<b>INSTALLMENT PURCHASE AGREEMENTS</b>				
Revenues				
Investment income	\$ -	\$ -	\$ 445,791	\$ 445,791
Other	740,500	740,500	740,500	-
	<u>740,500</u>	<u>740,500</u>	<u>1,186,291</u>	<u>445,791</u>
Expenditures				
Interest payments on debt	720,500	720,500	720,492	8
Principal payments on debt	20,000	20,000	20,000	-
	<u>740,500</u>	<u>740,500</u>	<u>740,492</u>	<u>8</u>
Revenues over (under) expenditures	-	-	445,799	\$ <u>445,799</u>
Fund balance, budgetary, July 1	<u>10,871,643</u>	<u>10,871,643</u>	<u>10,871,643</u>	
Fund balance, budgetary, June 30	\$ <u>10,871,643</u>	\$ <u>10,871,643</u>	\$ <u>11,317,442</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Amberly- Waterway	\$ 5,700	\$ 5,700	\$ 5,713	\$ 13
Annapolis Cove - Erosion	9,571	9,571	9,572	1
Arundel on the Bay - Erosion	37,100	37,100	37,495	395
Bay Ridge - Erosion	82,854	82,854	84,259	1,405
Buckingham Cove - Waterway	8,951	8,951	8,951	-
Camp Wabanna - Erosion	9,687	9,687	9,687	-
Cape Anne - Erosion	-	-	-	-
Cattail Creek - Waterway	5,400	5,400	4,649	(751)
Columbia Beach - Erosion	60,000	60,000	61,109	1,109
Elizabets Landing - Erosion	4,309	4,309	4,618	309
Holland Point - Erosion	90,640	90,640	96,731	6,091
Lake Hillsmere II - Waterway	7,900	7,900	7,868	(32)
Romar Estates - Waterway	13,052	13,052	13,052	-
Snug Harbor - Erosion	8,229	8,229	8,144	(85)
Whitehall - Waterway	6,069	6,069	6,827	758
Total revenues	<u>\$ 349,462</u>	<u>\$ 349,462</u>	<u>\$ 358,675</u>	<u>\$ 9,213</u>
<b>EXPENDITURES</b>				
Amberly- Waterway	\$ 5,700	\$ 5,700	\$ 5,686	\$ 14
Annapolis Cove - Erosion	12,271	12,271	12,269	2
Arundel on the Bay - Erosion	317,300	317,300	16,429	300,871
Bay Ridge - Erosion	556,470	556,470	59,155	497,315
Buckingham Cove - Waterway	9,151	9,151	9,150	1
Camp Wabanna - Erosion	9,687	9,687	9,655	32
Cape Anne - Erosion	38,000	38,000	8,101	29,899
Cattail Creek - Waterway	13,611	13,611	5,361	8,250
Columbia Beach - Erosion	227,100	227,100	55,664	171,436
Elizabets Landing - Erosion	15,009	15,009	6,361	8,648
Holland Point - Erosion	135,000	135,000	96,781	38,219
Lake Hillsmere II - Waterway	7,941	7,941	7,939	2
Romar Estates - Waterway	13,052	13,052	12,852	200
Snug Harbor - Erosion	11,929	11,929	6,211	5,718
Whitehall - Waterway	6,869	6,869	6,907	(38)
Total expenditures	<u>\$ 1,379,090</u>	<u>\$ 1,379,090</u>	<u>\$ 318,521</u>	<u>\$ 1,060,569</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, 2021

	Operating	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 30,138,529	\$ -	\$ 83,695,632	\$ 113,834,161
Service billings receivable	21,605,111	-	-	21,605,111
Receivables				
Due from other funds	787,639	-	-	787,639
Inventories	2,520,454	-	-	2,520,454
Other	32,565	-	-	32,565
Restricted for debt service and capital projects				
Cash and temporary investments	-	3,307,099	-	3,307,099
Investments	-	273,017,135	-	273,017,135
Receivables				
Due from other governmental agencies	-	-	3,175,170	3,175,170
Other, net	-	25,560,980	-	25,560,980
Total current assets	<u>55,084,298</u>	<u>301,885,214</u>	<u>86,870,802</u>	<u>443,840,314</u>
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	20,905,831	-	20,905,831
Capital assets				
Land and buildings	49,260,230	-	-	49,260,230
Water and sewer plants	962,602,073	-	-	962,602,073
Water and sewer lines	1,231,387,857	-	-	1,231,387,857
Machinery and equipment	18,875,802	-	-	18,875,802
	<u>2,262,125,962</u>	<u>-</u>	<u>-</u>	<u>2,262,125,962</u>
Less accumulated depreciation	<u>(1,003,032,717)</u>	<u>-</u>	<u>-</u>	<u>(1,003,032,717)</u>
	1,259,093,245	-	-	1,259,093,245
Construction work in progress	88,094	-	539,091,169	539,179,263
Total capital assets, net of depreciation	<u>1,259,181,339</u>	<u>-</u>	<u>539,091,169</u>	<u>1,798,272,508</u>
Total noncurrent assets	<u>1,259,181,339</u>	<u>20,905,831</u>	<u>539,091,169</u>	<u>1,819,178,339</u>
Total assets	<u>1,314,265,637</u>	<u>322,791,045</u>	<u>625,961,971</u>	<u>2,263,018,653</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension benefits	7,607,961	-	-	7,607,961
OPEB benefits	8,706,526	-	-	8,706,526
Unamortized deferred refunding loss	-	3,290,696	-	3,290,696
Total deferred outflow of resources	<u>16,314,487</u>	<u>3,290,696</u>	<u>-</u>	<u>19,605,183</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	8,489,148	-	16,462,682	24,951,830
Current portion of long-term debt and obligations	40,321,003	8,954,705	-	49,275,708
Due to other funds	535,136	-	-	535,136
Escrow deposits	247,319	-	329,883	577,202
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	8,322,105	-	8,322,105
Escrow deposits	-	-	-	-
Unearned revenue	-	2,863,336	-	2,863,336
Total current liabilities	<u>49,592,606</u>	<u>20,140,146</u>	<u>16,792,565</u>	<u>86,525,317</u>
Noncurrent liabilities				
Accrued liability for compensated absences	467,207	-	-	467,207
Net pension liability	44,737,241	-	-	44,737,241
Net OPEB liability	53,190,407	-	-	53,190,407
Long-term debt	276,721,031	92,822,332	412,843,365	782,386,728
Unearned revenue	1,237,664	-	-	1,237,664
Total noncurrent liabilities	<u>376,353,550</u>	<u>92,822,332</u>	<u>412,843,365</u>	<u>882,019,247</u>
Total liabilities	<u>425,946,156</u>	<u>112,962,478</u>	<u>429,635,930</u>	<u>968,544,564</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension benefits	1,073,730	-	-	1,073,730
OPEB benefits	182,580	-	-	182,580
Total deferred inflow of resources	<u>1,256,310</u>	<u>-</u>	<u>-</u>	<u>1,256,310</u>
<b>NET POSITION</b>				
Net investment in capital assets	944,177,227	(98,486,341)	159,263,465	1,004,954,351
Restricted for debt service	-	311,605,604	-	311,605,604
Restricted for pension	-	-	-	-
Restricted for capital improvements	-	-	3,175,170	3,175,170
Unrestricted	(40,799,569)	-	33,887,406	(6,912,163)
Total net position	<u>\$ 903,377,658</u>	<u>\$ 213,119,263</u>	<u>\$ 196,326,041</u>	<u>\$ 1,312,822,962</u>

Anne Arundel County, Maryland

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

Water and Wastewater Fund

Year Ended June 30, 2021

	Operating	Debt Service	Capital Projects	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 84,967,048	\$ -	\$ -	\$ 84,967,048
Other revenues	8,081,942	-	-	8,081,942
Total operating revenues	<u>93,048,990</u>	<u>-</u>	<u>-</u>	<u>93,048,990</u>
<b>OPERATING EXPENSES</b>				
Personnel services	39,053,180	-	-	39,053,180
Contractual services	36,611,424	-	-	36,611,424
Supplies and materials	9,859,746	-	-	9,859,746
Business and travel	176,426	-	-	176,426
Depreciation	53,851,029	-	-	53,851,029
Other	16,302,978	-	-	16,302,978
Total operating expenses	<u>155,854,783</u>	<u>-</u>	<u>-</u>	<u>155,854,783</u>
Operating loss	(62,805,793)	-	-	(62,805,793)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	74,600	3,043,773	-	3,118,373
Interest on long-term receivables	-	449,358	-	449,358
Other revenues	-	10,561,724	-	10,561,724
Other expenses	-	(1,088,385)	-	(1,088,385)
Interest expense	-	(30,690,192)	-	(30,690,192)
Loss on the disposal of assets	(83,597)	-	-	(83,597)
Loss before contributions and transfers	<u>(62,814,790)</u>	<u>(17,723,722)</u>	<u>-</u>	<u>(80,538,512)</u>
Capital contributions and grants	24,315,334	33,420,406	459,066	58,194,806
Environmental protection fees	-	22,987,679	-	22,987,679
Interfund transfers (General County Capital Projects)	(530,000)	-	-	(530,000)
Intrafund transfers	45,393,840	(59,463,302)	14,069,462	-
Change in net position	6,364,384	(20,778,939)	14,528,528	113,973
Net position, July 1	<u>897,013,274</u>	<u>233,898,202</u>	<u>181,797,513</u>	<u>1,312,708,989</u>
Net position, June 30	<u>\$ 903,377,658</u>	<u>\$ 213,119,263</u>	<u>\$ 196,326,041</u>	<u>\$ 1,312,822,962</u>

Anne Arundel County, Maryland

Combining Schedule of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2021

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 95,508,622	\$ -	\$ -	\$ 95,508,622
Cash payments to suppliers for goods and services	(56,618,052)	-	-	(56,618,052)
Cash payments to employees for services	(35,910,280)	-	-	(35,910,280)
Net cash provided by operating activities	<u>2,980,290</u>	<u>-</u>	<u>-</u>	<u>2,980,290</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of County bonds	-	-	69,045,000	69,045,000
Proceeds from grant funds	-	-	1,259,471	1,259,471
Proceeds from developers' contributions	-	-	179,570	179,570
Refunds to developers	-	(8,318,864)	(108,315)	(8,427,179)
Assessment and connection charges	2,100,746	38,395,315	-	40,496,061
Environmental protection fees for capital assets	-	22,979,750	-	22,979,750
Payments of long-term debt	-	(36,554,094)	-	(36,554,094)
Interest payments	-	(29,808,004)	-	(29,808,004)
Rebates, interest income and reimbursements	-	1,951,307	-	1,951,307
Operating funds used in construction	(6,701,000)	-	6,701,000	-
Acquisition and construction of capital assets	(1,553,589)	-	(69,326,231)	(70,879,820)
Premium on sale of bonds	-	12,104,208	12,104,208	24,208,416
Payment of capital related fees	-	(1,005,459)	-	(1,005,459)
Due to the General Fund	-	(1,966,257)	-	(1,966,257)
Transfer to the General Fund	29,742	-	-	29,742
Transfer to Capital Projects	-	(12,104,208)	-	(12,104,208)
Transfer to General County Capital Projects	(530,000)	-	-	(530,000)
Net cash provided (used) by capital and related financing activities	<u>(6,654,101)</u>	<u>(14,326,306)</u>	<u>19,854,703</u>	<u>(1,125,704)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	-	(200,389,284)	-	(200,389,284)
Sale of investment securities	-	217,896,359	-	217,896,359
Interest on investments	74,600	126,330	-	200,930
Net cash provided (used) by investing activities	<u>74,600</u>	<u>17,633,405</u>	<u>-</u>	<u>17,708,005</u>
Net decrease in cash and cash equivalents	(3,599,211)	3,307,099	19,854,703	19,562,591
Cash and temporary investments, July 1	33,737,740	-	63,840,929	97,578,669
Cash and temporary investments, June 30	<u>\$ 30,138,529</u>	<u>\$ 3,307,099</u>	<u>\$ 83,695,632</u>	<u>\$ 117,141,260</u>



Anne Arundel County, Maryland  
Combining Schedule of Cash Flows  
Water and Wastewater Fund  
Year Ended June 30, 2021

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (62,805,793)	\$ -	\$ -	\$ (62,805,793)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	53,851,029	-	-	53,851,029
Noncapital construction costs	5,201,548	-	-	5,201,548
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	2,438,776	-	-	2,438,776
Due from other funds	(214,308)	-	-	(214,308)
Inventories	320,992	-	-	320,992
Prepaid expenses	(43)	-	-	(43)
Deferred outflow of resources	2,841,784	-	-	2,841,784
Deferred inflow of resources	(1,451,901)	-	-	(1,451,901)
Accounts payable and accrued liabilities	1,201,886	-	-	1,201,886
Due to other funds	(123,914)	-	-	(123,914)
Escrow deposits	20,856	-	-	20,856
Accrued liability for compensated absences	345,690	-	-	345,690
Accrued liability for pension	(544,202)	-	-	(544,202)
Accrued liability for OPEB benefits	1,897,890	-	-	1,897,890
Net cash provided by operating activities	<u>\$ 2,980,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,980,290</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributions of capital assets from developers	\$ 22,214,589	\$ -	\$ -	\$ 22,214,589
Trade in of capital assets	90,000	-	-	90,000
Change in capital contributions, fees and grants; accruals and deferrals	-	(4,966,980)	(854,409)	(5,821,389)
Increase in fair value of investments	-	445,096	-	445,096
Amortization of refunding losses	-	(326,222)	-	(326,222)
Total Noncash investing, capital, and financing activities	<u>\$ 22,304,589</u>	<u>\$ (4,848,106)</u>	<u>\$ (854,409)</u>	<u>\$ 16,602,074</u>

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

## Enterprise Funds

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>WATER AND WASTEWATER OPERATIONS</b>				
Revenues				
Charges for services	\$ 93,530,700	\$ 93,530,700	\$ 87,067,794	\$ (6,462,906)
Investment income	725,000	725,000	74,600	(650,400)
Other	11,250,300	11,250,300	10,309,763	(940,537)
	<u>105,506,000</u>	<u>105,506,000</u>	<u>97,452,157</u>	<u>(8,053,843)</u>
Expenses				
Personal services	39,935,600	39,935,600	38,092,650	1,842,950
Contractual services	36,630,400	36,630,400	32,855,119	3,775,281
Supplies and materials	9,543,300	9,543,300	9,293,127	250,173
Business and travel	262,000	262,000	176,946	85,054
Capital outlay	1,736,000	1,736,000	1,653,225	82,775
Administrative costs	17,156,200	17,156,200	16,641,200	515,000
Pay-as-you-go	7,231,000	7,231,000	7,231,000	-
	<u>112,494,500</u>	<u>112,494,500</u>	<u>105,943,267</u>	<u>6,551,233</u>
Revenues over (under) expenditures	<u>\$ (6,988,500)</u>	<u>\$ (6,988,500)</u>	<u>\$ (8,491,110)</u>	<u>\$ (1,502,610)</u>
<b>WATER AND WASTEWATER DEBT SERVICE</b>				
Revenues				
Water and sewer assessments	\$ 2,445,000	\$ 2,445,000	\$ 2,507,365	\$ 62,365
Capital connection charges	27,962,800	27,962,800	26,456,328	(1,506,472)
Environmental protection fees	21,565,100	21,565,100	22,987,679	1,422,579
Investment income	2,520,000	2,520,000	2,497,300	(22,700)
Other	2,872,500	2,872,500	3,048,156	175,656
	<u>57,365,400</u>	<u>57,365,400</u>	<u>57,496,828</u>	<u>131,428</u>
Expenses				
Principal payments on debt	36,929,200	36,929,200	36,554,094	375,106
Interest expense	31,506,700	31,506,700	29,808,022	1,698,678
Other	1,055,000	1,055,000	1,060,284	(5,284)
	<u>69,490,900</u>	<u>69,490,900</u>	<u>67,422,400</u>	<u>2,068,500</u>
Revenues over (under) expenditures	<u>\$ (12,125,500)</u>	<u>\$ (12,125,500)</u>	<u>\$ (9,925,572)</u>	<u>\$ 2,199,928</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SOLID WASTE</b>				
Revenues				
Charges for services	\$ 49,570,900	\$ 49,570,900	\$ 49,879,841	\$ 308,941
Landfill charges	5,855,400	5,855,400	7,591,182	1,735,782
Other	397,800	397,800	489,282	91,482
	<u>55,824,100</u>	<u>55,824,100</u>	<u>57,960,305</u>	<u>2,136,205</u>
Expenses				
Personal services	8,449,300	8,449,300	8,919,306	(470,006)
Contractual services	39,789,300	40,289,300	40,146,639	142,661
Supplies and materials	767,800	817,800	736,897	80,903
Business and travel	23,900	23,900	9,570	14,330
Capital outlay	1,694,400	1,444,400	1,409,778	34,622
Principal payments on debt	3,076,500	3,076,500	3,076,460	40
Interest expense	2,064,200	2,064,200	1,976,954	87,246
Administrative costs	4,255,500	4,255,500	4,255,500	-
Contributions to other funds	1,495,800	1,495,800	1,398,064	97,736
Other	492,000	192,000	186,442	5,558
Capital improvements	688,000	688,000	688,000	-
	<u>62,796,700</u>	<u>62,796,700</u>	<u>62,803,610</u>	<u>(6,910)</u>
Revenues over (under) expenditures	<u>\$ (6,972,600)</u>	<u>\$ (6,972,600)</u>	<u>\$ (4,843,305)</u>	<u>\$ 2,129,295</u>
<b>CHILD CARE</b>				
Revenues				
Child care fees	\$ 6,570,300	\$ 6,570,300	\$ 1,369,436	\$ (5,200,864)
Other	-	-	12,476	12,476
	<u>6,570,300</u>	<u>6,570,300</u>	<u>1,381,912</u>	<u>(5,188,388)</u>
Expenses				
Personal services	5,091,300	5,091,300	2,159,316	2,931,984
Contractual services	373,500	373,500	104,256	269,244
Supplies and materials	532,700	532,700	92,228	440,472
Business and travel	42,500	42,500	1,845	40,655
Capital outlay	13,400	13,400	-	13,400
Other	1,054,200	1,054,200	800,200	254,000
	<u>7,107,600</u>	<u>7,107,600</u>	<u>3,157,845</u>	<u>3,949,755</u>
Revenues over (under) expenditures	<u>\$ (537,300)</u>	<u>\$ (537,300)</u>	<u>\$ (1,775,933)</u>	<u>\$ (1,238,633)</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, 2021

				Water and
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
<b>AUTHORIZED PER ORIGINAL BUDGET</b>				
County bonds	\$ 790,997,208	\$ 254,240,304	\$ 885,770	\$ 255,126,074
Maryland Water Quality Loan	31,252,206	2,714,250	-	2,714,250
Grants and aid	116,567,618	4,026,000	-	4,026,000
Pay-as-you-go	76,442,743	10,624,602	-	10,624,602
Contributions by developers	3,236,456	430,000	-	430,000
Other sources	68,473,997	8,200,000	-	8,200,000
Total	<u>\$ 1,086,970,228</u>	<u>\$ 280,235,156</u>	<u>\$ 885,770</u>	<u>\$ 281,120,926</u>
<b>AUTHORIZED PER FINAL BUDGET</b>				
County bonds	\$ 735,747,017	\$ 247,246,615	\$ 885,770	\$ 248,132,385
Maryland Water Quality Loan	31,252,206	2,714,250	-	2,714,250
Grants and aid	115,919,618	4,026,000	-	4,026,000
Pay-as-you-go	67,655,712	7,944,602	-	7,944,602
Contributions by developers	3,146,551	430,000	-	430,000
Other sources	68,473,997	8,200,000	-	8,200,000
Total	1,022,195,101	270,561,467	885,770	271,447,237
Less: Completed projects	51,354,336	12,816,236	-	12,816,236
	<u>970,840,765</u>	<u>257,745,231</u>	<u>885,770</u>	<u>258,631,001</u>
<b>REALIZED</b>				
Current year:				
Bonds and bond anticipation notes	69,045,000	17,368,860	13,233	17,382,093
Grants and aid	405,062	873,208	-	873,208
Pay-as-you-go	6,701,000	768,985	-	768,985
Developer contributions	54,004	-	-	-
Other source	12,104,208	9,504,000	-	9,504,000
Total	88,309,274	28,515,053	13,233	28,528,286
Prior years	621,905,570	61,436,814	252,563	61,689,377
Total realized funding sources	710,214,844	89,951,867	265,796	90,217,663
Less: Completed projects	51,200,597	12,803,311	-	12,803,311
	<u>659,014,247</u>	<u>77,148,556</u>	<u>265,796</u>	<u>77,414,352</u>
Funding sources authorized - June 30, 2021	<u>\$ 311,826,518</u>	<u>\$ 180,596,675</u>	<u>\$ 619,974</u>	<u>\$ 181,216,649</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	
\$ 431,147,202	\$ 1,009,236	\$ 432,156,438	\$ 103,714,696	\$ 35,546,280	
28,537,956	-	28,537,956	-	-	
112,394,618	-	112,394,618	147,000	-	
21,191,390	-	21,191,390	44,626,751	19,884,896	
-	-	-	2,806,456	-	
59,701,000	-	59,701,000	572,997	750,000	
<u>\$ 652,972,166</u>	<u>\$ 1,009,236</u>	<u>\$ 653,981,402</u>	<u>\$ 151,867,900</u>	<u>\$ 56,181,176</u>	
\$ 388,402,232	\$ 998,386	\$ 389,400,618	\$ 98,214,014	\$ 34,468,054	
28,537,956	-	28,537,956	-	-	
111,746,618	-	111,746,618	147,000	-	
15,782,333	-	15,782,333	43,928,777	19,884,896	
-	-	-	2,716,551	-	
59,701,000	-	59,701,000	572,997	750,000	
604,170,139	998,386	605,168,525	145,579,339	55,102,950	
26,209,363	16,476	26,225,839	12,312,261	7,400,067	
<u>577,960,776</u>	<u>981,910</u>	<u>578,942,686</u>	<u>133,267,078</u>	<u>47,702,883</u>	
35,012,749	3,956	35,016,705	16,646,202	6,600,000	
(468,146)	-	(468,146)	-	-	
2,783,466	-	2,783,466	3,148,549	525,000	
20,000	-	20,000	34,004	-	
2,027,208	-	2,027,208	573,000	-	
39,375,277	3,956	39,379,233	20,401,755	7,125,000	
494,421,654	124,711	494,546,365	65,669,828	37,016,733	
533,796,931	128,667	533,925,598	86,071,583	44,141,733	
26,068,549	16,476	26,085,025	12,312,261	7,204,611	
507,728,382	112,191	507,840,573	73,759,322	36,937,122	
<u>\$ 70,232,394</u>	<u>\$ 869,719</u>	<u>\$ 71,102,113</u>	<u>\$ 59,507,756</u>	<u>\$ 10,765,761</u>	

Anne Arundel County, Maryland

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

Enterprise Capital Projects Funds

Year Ended June 30, 2021

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
<b>APPROPRIATIONS</b>				
Original Budget	\$ <u>1,086,970,228</u>	\$ <u>280,235,156</u>	\$ <u>885,770</u>	\$ <u>281,120,926</u>
Final Budget:				
Prior years	\$ 951,366,601	\$ 247,337,466	\$ 685,770	\$ 248,023,236
Current year	<u>70,828,500</u>	<u>23,224,001</u>	<u>200,000</u>	<u>23,424,001</u>
	1,022,195,101	270,561,467	885,770	271,447,237
Less: Completed projects	<u>51,354,336</u>	<u>12,816,236</u>	<u>-</u>	<u>12,816,236</u>
Total appropriations	<u>970,840,765</u>	<u>257,745,231</u>	<u>885,770</u>	<u>258,631,001</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Prior years expenditures	572,543,456	49,617,408	252,568	49,869,976
Current year expenditures	<u>65,487,964</u>	<u>16,462,425</u>	<u>13,242</u>	<u>16,475,667</u>
	638,031,420	66,079,833	265,810	66,345,643
Less: Completed projects	<u>51,200,597</u>	<u>12,803,311</u>	<u>-</u>	<u>12,803,311</u>
Total	586,830,823	53,276,522	265,810	53,542,332
Encumbrances outstanding	<u>82,546,478</u>	<u>18,750,536</u>	<u>109,582</u>	<u>18,860,118</u>
Total expenditures and encumbrances	<u>669,377,301</u>	<u>72,027,058</u>	<u>375,392</u>	<u>72,402,450</u>
Unencumbered appropriations - June 30, 2021	\$ <u>301,463,464</u>	\$ <u>185,718,173</u>	\$ <u>510,378</u>	\$ <u>186,228,551</u>

Wastewater				
Wastewater				
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste
\$ <u>652,972,166</u>	\$ <u>1,009,236</u>	\$ <u>653,981,402</u>	\$ <u>151,867,900</u>	\$ <u>56,181,176</u>
\$ <u>583,060,639</u>	\$ <u>748,386</u>	\$ <u>583,809,025</u>	\$ <u>119,534,340</u>	\$ <u>51,519,950</u>
<u>21,109,500</u>	<u>250,000</u>	<u>21,359,500</u>	<u>26,044,999</u>	<u>3,583,000</u>
<u>604,170,139</u>	<u>998,386</u>	<u>605,168,525</u>	<u>145,579,339</u>	<u>55,102,950</u>
<u>26,209,363</u>	<u>16,476</u>	<u>26,225,839</u>	<u>12,312,261</u>	<u>7,400,067</u>
<u>577,960,776</u>	<u>981,910</u>	<u>578,942,686</u>	<u>133,267,078</u>	<u>47,702,883</u>
<u>457,540,410</u>	<u>124,711</u>	<u>457,665,121</u>	<u>65,008,359</u>	<u>31,289,811</u>
<u>28,229,580</u>	<u>3,988</u>	<u>28,233,568</u>	<u>20,778,729</u>	<u>8,896,255</u>
<u>485,769,990</u>	<u>128,699</u>	<u>485,898,689</u>	<u>85,787,088</u>	<u>40,186,066</u>
<u>26,068,549</u>	<u>16,476</u>	<u>26,085,025</u>	<u>12,312,261</u>	<u>7,204,611</u>
<u>459,701,441</u>	<u>112,223</u>	<u>459,813,664</u>	<u>73,474,827</u>	<u>32,981,455</u>
<u>37,416,361</u>	<u>9,799</u>	<u>37,426,160</u>	<u>26,260,200</u>	<u>1,109,421</u>
<u>497,117,802</u>	<u>122,022</u>	<u>497,239,824</u>	<u>99,735,027</u>	<u>34,090,876</u>
\$ <u>80,842,974</u>	\$ <u>859,888</u>	\$ <u>81,702,862</u>	\$ <u>33,532,051</u>	\$ <u>13,612,007</u>

## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Internal Service Funds

June 30, 2021

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>ASSETS</b>					
Current assets					
Cash and temporary investments	\$ 1,642,609	\$ 24,661,941	\$ 6,697,590	\$ 6,889,810	\$ 39,891,950
Investments	96,990,403	-	-	-	96,990,403
Service billings receivable	18,165	6,969,142	60,242	-	7,047,549
Due from other funds	-	-	5,791,745	-	5,791,745
Inventories	-	-	987,295	-	987,295
Other assets	65,668	2,742,255	-	-	2,807,923
Total current assets	<u>98,716,845</u>	<u>34,373,338</u>	<u>13,536,872</u>	<u>6,889,810</u>	<u>153,516,865</u>
Noncurrent assets					
Due from other funds	-	-	-	-	-
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	449,719	90,243,048	90,692,767
	-	-	2,523,709	90,243,048	92,766,757
Less accumulated depreciation	-	-	(1,989,778)	(58,563,424)	(60,553,202)
Total capital assets, net of depreciation	-	-	533,931	31,679,624	32,213,555
Total noncurrent assets	-	-	533,931	31,679,624	32,213,555
Total assets	<u>98,716,845</u>	<u>34,373,338</u>	<u>14,070,803</u>	<u>38,569,434</u>	<u>185,730,420</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	286,150	-	1,104,544	-	1,390,694
OPEB benefits	363,547	-	1,244,090	-	1,607,637
Total deferred outflows	<u>649,697</u>	<u>-</u>	<u>2,348,634</u>	<u>-</u>	<u>2,998,331</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	558,941	3,896,061	772,602	285,373	5,512,977
Current portion of long-term obligations	12,879,198	6,751,220	319,511	-	19,949,929
Due to other funds	26,198,419	-	-	-	26,198,419
Total current liabilities	<u>39,636,558</u>	<u>10,647,281</u>	<u>1,092,113</u>	<u>285,373</u>	<u>51,661,325</u>
Noncurrent liabilities					
Unpaid claims	55,821,548	-	-	-	55,821,548
Accrued liability for compensated absences	-	-	12,656	-	12,656
Accrued liability for pension benefits	1,711,765	-	7,254,541	-	8,966,306
Accrued liability for OPEB	2,153,644	-	7,870,400	-	10,024,044
Total noncurrent liabilities	<u>59,686,957</u>	<u>-</u>	<u>15,137,597</u>	<u>-</u>	<u>74,824,554</u>
Total liabilities	<u>99,323,515</u>	<u>10,647,281</u>	<u>16,229,710</u>	<u>285,373</u>	<u>126,485,879</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension benefits	35,792	-	163,918	-	199,710
OPEB benefits	7,235	-	25,809	-	33,044
Total deferred inflows	<u>43,027</u>	<u>-</u>	<u>189,727</u>	<u>-</u>	<u>232,754</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	533,931	31,679,624	32,213,555
Unrestricted	-	23,726,057	(533,931)	6,604,437	29,796,563
Total net position	<u>\$ -</u>	<u>\$ 23,726,057</u>	<u>\$ -</u>	<u>\$ 38,284,061</u>	<u>\$ 62,010,118</u>



Anne Arundel County, Maryland

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

Internal Service Funds

Year Ended June 30, 2021

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 11,146,724	\$ -	\$ 14,252,248	\$ 11,155,716	\$ 36,554,688
Medical premiums	-	91,204,624	-	-	91,204,624
Other	-	7,993,547	43,091	-	8,036,638
Total operating revenues	<u>11,146,724</u>	<u>99,198,171</u>	<u>14,295,339</u>	<u>11,155,716</u>	<u>135,795,950</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,507,616	13,000,000	5,617,858	-	20,125,474
Contractual services	78,161	789,037	1,185,822	35,790	2,088,810
Supplies and materials	69,621	9,128	203,117	1,991,843	2,273,709
Business and travel	19,323	861	19,537	-	39,721
Cost of goods issued	-	-	6,725,533	-	6,725,533
Depreciation	-	-	87,672	9,754,570	9,842,242
Provision for claims and estimated losses	13,028,153	92,316,425	-	-	105,344,578
Other	278,000	945,400	455,800	42,300	1,721,500
Total operating expenses	<u>14,980,874</u>	<u>107,060,851</u>	<u>14,295,339</u>	<u>11,824,503</u>	<u>148,161,567</u>
Operating income (loss)	<u>(3,834,150)</u>	<u>(7,862,680)</u>	<u>-</u>	<u>(668,787)</u>	<u>(12,365,617)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	3,834,150	77,513	-	-	3,911,663
Loss on disposal of assets	-	-	-	(319,990)	(319,990)
Loss before transfers	-	(7,785,167)	-	(988,777)	(8,773,944)
Change in net position	-	(7,785,167)	-	(988,777)	(8,773,944)
Net position, July 1	-	31,511,224	-	39,272,838	70,784,062
Net position, June 30	<u>\$ -</u>	<u>\$ 23,726,057</u>	<u>\$ -</u>	<u>\$ 38,284,061</u>	<u>\$ 62,010,118</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2021

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 23,128,500	\$ 90,924,052	\$ 15,292,443	\$ 11,155,716	\$ 140,500,711
Cash received for expense reimbursement	61,541	-	-	-	61,541
Cash payments to suppliers for goods and services	115,715	(1,158,738)	(8,072,280)	(2,027,634)	(11,142,937)
Cash payments for insurance claims	(15,587,357)	(96,139,120)	-	-	(111,726,477)
Cash payments to employees for services	(1,352,155)	-	(5,278,699)	-	(6,630,854)
Other operating payments	(278,000)	(945,400)	(455,800)	(42,300)	(1,721,500)
Net cash provided (used) by operating activities	<u>6,088,244</u>	<u>(7,319,206)</u>	<u>1,485,664</u>	<u>9,085,782</u>	<u>9,340,484</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	(101,898)	(12,139,704)	(12,241,602)
Proceeds from sale of equipment	-	-	-	417,659	417,659
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>(101,898)</u>	<u>(11,722,045)</u>	<u>(11,823,943)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities	(117,890,145)	-	-	-	(117,890,145)
Sale of investment securities	109,015,377	-	-	-	109,015,377
Investment income	3,867,998	77,513	-	-	3,945,511
Net cash provided (used) by investing activities	<u>(5,006,770)</u>	<u>77,513</u>	<u>-</u>	<u>-</u>	<u>(4,929,257)</u>
Net increase (decrease) in cash and cash equivalents	1,081,474	(7,241,693)	1,383,766	(2,636,263)	(7,412,716)
Cash and temporary investments, July 1	561,135	31,903,634	5,313,824	9,526,073	47,304,666
Cash and temporary investments, June 30	<u>\$ 1,642,609</u>	<u>\$ 24,661,941</u>	<u>\$ 6,697,590</u>	<u>\$ 6,889,810</u>	<u>\$ 39,891,950</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (3,834,150)	\$ (7,862,680)	\$ -	\$ (668,788)	\$ (12,365,618)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	-	87,672	9,754,570	9,842,242
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	-	1,844,410	1,040,195	-	2,884,605
Prepaid expenses	(56,728)	-	15,596	-	(41,132)
Inventories	-	-	(280,509)	-	(280,509)
Accounts payable and accrued expenses	389,659	(2,303,724)	296,106	-	(1,617,959)
Deferred outflow of resources	77,769	-	381,400	-	459,169
Deferred inflow of resources	(56,112)	-	(235,805)	-	(291,917)
Unpaid claims	(2,497,663)	1,002,788	-	-	(1,494,875)
Due to other funds	11,981,776	-	-	-	11,981,776
Accrued liability for compensated absences	24,491	-	(10,931)	-	13,560
Accrued liability for OPEB benefits	79,818	-	271,625	-	351,443
Accrued liability for pension benefits	(20,616)	-	(79,685)	-	(100,301)
Net cash provided (used) by operating activities	<u>\$ 6,088,244</u>	<u>\$ (7,319,206)</u>	<u>\$ 1,485,664</u>	<u>\$ 9,085,782</u>	<u>\$ 9,340,484</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Increase in fair value of investments	\$ 1,837,483	\$ -	\$ -	\$ -	\$ 1,837,483
Trade in of capital assets	-	-	-	-	-
Total Noncash investing, capital, and financing activities	<u>\$ 1,837,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,837,483</u>

Anne Arundel County, Maryland

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

Internal Service Funds

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SELF INSURANCE</b>				
Revenues				
Charges for services	\$ 23,128,500	\$ 23,128,500	\$ 23,128,500	\$ -
Investment income	2,148,400	2,148,400	1,996,666	(151,734)
Reimbursements	200,000	200,000	61,541	(138,459)
Other	-	-	142,075	142,075
	<u>25,476,900</u>	<u>25,476,900</u>	<u>25,328,782</u>	<u>(148,118)</u>
Expenses				
Personal services	1,522,300	1,522,300	1,426,658	95,642
Contractual services	22,406,700	22,750,700	10,533,937	12,216,763
Supplies and materials	72,400	71,900	68,316	3,584
Business and travel	16,700	17,200	19,584	(2,384)
Capital outlay	2,000	2,000	1,306	694
Administrative costs	278,000	278,000	278,000	-
	<u>24,298,100</u>	<u>24,642,100</u>	<u>12,327,801</u>	<u>12,314,299</u>
Revenues over (under) expenditures	<u>\$ 1,178,800</u>	<u>\$ 834,800</u>	<u>\$ 13,000,981</u>	<u>\$ 12,166,181</u>
<b>HEALTH INSURANCE</b>				
Revenues				
Charges for services	\$ 95,637,700	\$ 95,637,700	\$ 91,204,624	\$ (4,433,076)
Investment income	-	-	77,513	77,513
Other	-	-	7,997,275	7,997,275
	<u>95,637,700</u>	<u>95,637,700</u>	<u>99,279,412</u>	<u>3,641,712</u>
Expenses				
Medical claim costs	86,512,600	91,512,600	92,316,425	(803,825)
Contractual services	987,300	987,300	809,070	178,230
Supplies and materials	46,900	46,900	9,128	37,772
Business and travel	4,100	4,100	861	3,239
Other	10,945,400	13,945,400	13,945,400	-
	<u>98,496,300</u>	<u>106,496,300</u>	<u>107,080,884</u>	<u>(584,584)</u>
Revenues over expenditures	<u>\$ (2,858,600)</u>	<u>\$ (10,858,600)</u>	<u>\$ (7,801,472)</u>	<u>\$ 3,057,128</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)

Internal Service Funds

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>CENTRAL GARAGE AND TRANSPORTATION</b>				
Revenues				
Charges for services	\$ 14,982,700	\$ 14,982,700	\$ 15,734,665	\$ 751,965
Other	-	-	43,091	43,091
	<u>14,982,700</u>	<u>14,982,700</u>	<u>15,777,756</u>	<u>795,056</u>
Expenses				
Personal services	5,429,700	5,429,700	5,280,323	149,377
Contractual services	1,795,300	1,792,600	1,077,800	714,800
Supplies and materials	7,685,700	7,685,700	7,120,505	565,195
Business and travel	16,700	19,400	19,537	(137)
Capital outlay	125,400	125,400	107,999	17,401
Other	455,800	455,800	455,800	-
	<u>15,508,600</u>	<u>15,508,600</u>	<u>14,061,964</u>	<u>1,446,636</u>
Revenues over (under) expenditures	<u>\$ (525,900)</u>	<u>\$ (525,900)</u>	<u>\$ 1,715,792</u>	<u>\$ 2,241,692</u>
<b>GARAGE VEHICLE REPLACEMENT</b>				
Revenues				
Charges for services	\$ 10,805,400	\$ 10,805,400	\$ 11,155,716	\$ 350,316
Other	200,000	200,000	428,590	228,590
	<u>11,005,400</u>	<u>11,005,400</u>	<u>11,584,306</u>	<u>578,906</u>
Expenses				
Contractual services	37,000	37,000	35,790	1,210
Capital outlay	10,603,200	10,671,200	10,651,120	20,080
Other	42,300	42,300	42,300	-
	<u>10,682,500</u>	<u>10,750,500</u>	<u>10,729,210</u>	<u>21,290</u>
Revenues (under) expenditures	<u>\$ 322,900</u>	<u>\$ 254,900</u>	<u>\$ 855,096</u>	<u>\$ 600,196</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 single 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.

### ***Custodial 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.

401(a) Employee Retirement Savings Plan – This fund accounts for employee and employer contributions to be sent to the employee's retirement savings plan.

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.

### **Fiduciary Funds (continued)**

PACE - There is a Clean Energy Loan Program to finance energy efficiency projects and renewable energy projects. A property owner participating in the Clean Energy Loan Program shall repay the loan through a surcharge on their real property tax bill. Clean Energy Loans may be provided by any private lender and a Clean Energy Financing Agreement may contain any terms agreed to by the Clean Energy Lender and the property owner, as permitted by law, for the financing of Clean Energy Loans. The County may not finance or fund any loan under the program, shall serve only as a program sponsor to facilitate loan repayment by including the surcharge on the annual County real property tax bill for the property, and shall incur no liability for the loan.

Bids & Contracts – Bids and Contracts Fund is a holding place for Bid Deposits submitted by potential bidders as a guarantee that if awarded a contract, they will follow through on contract execution or forfeit the bid deposit.

Home Builders Guarantee - The State of Maryland has established a Home Builder Guaranty Fund that is overseen by the Consumer Protection Division. This fund allows consumers to seek compensation for losses resulting from an act or omission by a registered builder who constructs a new home for a consumer. When a home builder applies for a building permit, \$50 of the cost of that permit is used to fund the Home Builder Guaranty Fund. The Department of Inspections and Permits collects and transfers this fee to the State of Maryland's Attorney General's office on a monthly basis.

Victim Restitution Fund - The Victim's Fund is money raised by the State's Attorney's Office and the Anne Arundel County Bar Association Foundation to reimburse crime victims who have no other means of replacing what has been damaged or stolen.

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

	Defined Benefit Pension Plans (December 31, 2020)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
<b>ASSETS</b>					
Investments, at fair value:					
Cash and temporary investments	\$ 30,909,781	\$ 26,261,142	\$ 26,186,065	\$ 7,196,996	\$ 90,553,984
U. S. Government obligations	8,588,544	7,335,929	7,290,267	1,999,092	25,213,832
Bank Loans	2,623,618	2,240,971	2,227,022	610,680	7,702,291
Corporate obligations	64,646,394	55,217,900	54,874,194	15,047,264	189,785,752
Domestic fixed income mutual funds	64,623,110	55,198,012	54,854,430	15,041,844	189,717,396
International fixed income mutual funds	37,804,953	32,291,208	32,090,210	8,799,580	110,985,951
Domestic equity	214,327,803	183,068,699	181,929,179	49,887,500	629,213,181
International equity pools	178,275,711	152,274,703	151,326,862	41,495,921	523,373,197
Private markets	69,362,733	59,246,374	58,877,593	16,145,051	203,631,751
Real estate investment pools	42,165,692	36,015,945	35,791,762	9,814,597	123,787,996
Aetna insurance pooled fixed income	6,972,200	5,955,324	5,918,255	1,622,867	20,468,646
<b>Total investments</b>	<b>720,300,539</b>	<b>615,106,207</b>	<b>611,365,839</b>	<b>167,661,392</b>	<b>2,114,433,977</b>
Collateral from securities lending transactions	20,715,914	17,694,557	17,584,416	4,821,890	60,816,777
Receivables:					
Employer contributions	2,818,294	2,177,199	1,845,231	712,079	7,552,803
Participant contributions	621,649	492,607	465,926	165,214	1,745,396
Accrued interest and dividends	838,077	715,892	711,447	195,108	2,460,524
Investment sales proceeds	1,777,554	1,518,303	1,508,852	413,748	5,218,457
<b>Total receivables</b>	<b>6,055,574</b>	<b>4,904,001</b>	<b>4,531,456</b>	<b>1,486,149</b>	<b>16,977,180</b>
Deposits on hand	16,703	171,044	77,582	-	265,329
<b>Total assets</b>	<b>747,088,730</b>	<b>637,875,809</b>	<b>633,559,293</b>	<b>173,969,431</b>	<b>2,192,493,263</b>
<b>LIABILITIES</b>					
Accounts payable	602,891	514,961	513,105	140,330	1,771,287
Investment commitments payable	4,145,921	3,541,250	3,519,207	965,015	12,171,393
Obligation for collateral received under securities lending transactions	20,715,914	17,694,557	17,584,416	4,821,890	60,816,777
<b>Total liabilities</b>	<b>25,464,726</b>	<b>21,750,768</b>	<b>21,616,728</b>	<b>5,927,235</b>	<b>74,759,457</b>
<b>NET POSITION</b>					
Net position restricted for pension	\$ <u>721,624,004</u>	\$ <u>616,125,041</u>	\$ <u>611,942,565</u>	\$ <u>168,042,196</u>	\$ <u>2,117,733,806</u>

## Combining Statement of Changes in Net Position

## Pension Trust Funds

Year Ended June 30, 2021

	Defined Benefit Pension Trust (December 31, 2020)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 32,566,842	\$ 24,900,576	\$ 20,505,510	\$ 8,165,094	\$ 86,138,022
Participant	5,764,368	4,180,925	4,093,239	1,529,838	15,568,370
Total contributions	38,331,210	29,081,501	24,598,749	9,694,932	101,706,392
Investment income:					
Net appreciation/(depreciation) in fair value of investments	39,668,702	34,190,146	34,156,676	9,559,858	117,575,382
Interest income	6,964,871	6,320,368	6,603,116	1,636,963	21,525,318
Dividend income	7,406,757	6,287,349	6,245,916	1,698,424	21,638,446
Total investment income/(loss)	54,040,330	46,797,863	47,005,708	12,895,245	160,739,146
Less investment expense	3,627,789	3,144,654	3,115,996	826,473	10,714,912
Net income/(loss) from investing activities	50,412,541	43,653,209	43,889,712	12,068,772	150,024,234
Securities lending activities:					
Securities lending income	130,171	110,463	109,737	29,817	380,188
Securities lending expenses:					
Borrower rebates	72,003	61,101	60,700	16,493	210,297
Management fees	23,267	19,745	19,615	5,330	67,957
Securities lending expense	95,270	80,846	80,315	21,823	278,254
Securities lending net income	34,901	29,617	29,422	7,994	101,934
Total net investment income/(loss)	50,447,442	43,682,826	43,919,134	12,076,766	150,126,168
Total additions	88,778,652	72,764,327	68,517,883	21,771,698	251,832,560
<b>DEDUCTIONS</b>					
Participant benefit payments and refunds	57,779,072	38,637,477	32,663,118	8,863,045	137,942,712
Administrative expenses	535,391	478,380	489,265	123,860	1,626,896
Total deductions	58,314,463	39,115,857	33,152,383	8,986,905	139,569,608
Net increases	30,464,189	33,648,470	35,365,500	12,784,793	112,262,952
Net position, beginning of year	691,159,815	582,476,571	576,577,065	155,257,403	2,005,470,854
Net position, end of year	\$ 721,624,004	\$ 616,125,041	\$ 611,942,565	\$ 168,042,196	\$ 2,117,733,806



**Anne Arundel Retiree Health Benefits Trust**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2021**

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
<b>ASSETS</b>				
Investments:				
Short-term investments	\$ 24,920,480	\$ 44,380	\$ 85,336	\$ 25,050,196
Mutual Funds	324,008,341	17,323,930	3,534,683	344,866,954
Real estate investment pool	18,767,456	1,003,450	204,739	19,975,645
Total investments	<u>367,696,277</u>	<u>18,371,760</u>	<u>3,824,758</u>	<u>389,892,795</u>
Accounts receivable	<u>5,003,282</u>	<u>8,133</u>	<u>25</u>	<u>5,011,440</u>
Total assets	<u>\$ 372,699,559</u>	<u>\$ 18,379,893</u>	<u>\$ 3,824,783</u>	<u>\$ 394,904,235</u>
<b>LIABILITIES</b>				
Accrued liabilities and accounts payables	<u>\$ 1,730,442</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 1,730,581</u>
Total liabilities	<u>1,730,442</u>	<u>-</u>	<u>139</u>	<u>1,730,581</u>
<b>NET POSITION</b>				
Net position restricted for OPEB	<u>\$ 370,969,117</u>	<u>\$ 18,379,893</u>	<u>\$ 3,824,644</u>	<u>\$ 393,173,654</u>

Anne Arundel Retiree Health Benefits Trust  
Combining Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2021

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
<b>Additions:</b>				
<b>Contributions:</b>				
Employer	\$ 82,787,293	\$ 4,768,627	\$ 3,433,519	\$ 90,989,439
Member	8,034,528	1,203,113	349,786	9,587,427
Insurance subsidies and rebates	11,533,810	-	-	11,533,810
Total contributions	<u>102,355,631</u>	<u>5,971,740</u>	<u>3,783,305</u>	<u>112,110,676</u>
<b>Investment income:</b>				
Net appreciation in fair value of investments	59,179,050	3,182,326	488,607	62,849,983
Dividends	7,827,380	419,525	70,899	8,317,804
Interest	70,619	2,148	1,053	73,820
Total investment income	<u>67,077,049</u>	<u>3,603,999</u>	<u>560,559</u>	<u>71,241,607</u>
Less investment expense	170,784	8,928	1,277	180,989
Net investment income	<u>66,906,265</u>	<u>3,595,071</u>	<u>559,282</u>	<u>71,060,618</u>
Total additions	<u><u>169,261,896</u></u>	<u><u>9,566,811</u></u>	<u><u>4,342,587</u></u>	<u><u>183,171,294</u></u>
<b>Deductions:</b>				
Insurance claims	38,466,598	-	-	38,466,598
Insurance premiums	7,802,865	3,286,264	1,733,305	12,822,434
General and administrative expense	1,129,435	6,503	656	1,136,594
Total deductions	<u>47,398,898</u>	<u>3,292,767</u>	<u>1,733,961</u>	<u>52,425,626</u>
Net increase in plan net position	121,862,998	6,274,044	2,608,626	130,745,668
Net position held in trust for other postemployment benefits, beginning of year	<u>249,106,119</u>	<u>12,105,849</u>	<u>1,216,018</u>	<u>262,427,986</u>
Net position held in trust for other postemployment benefits, end of year	<u><u>\$ 370,969,117</u></u>	<u><u>\$ 18,379,893</u></u>	<u><u>\$ 3,824,644</u></u>	<u><u>\$ 393,173,654</u></u>

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Anne Arundel County, Maryland

Combining Balance Sheet

Custodial Funds

June 30, 2021

	Subdivision Deposits	Sediment Control	City and State Tax Collections	401(a) Employee Retirement Savings Plan	Tax Sale Escrow Deposits	National Business Park STD	Two Rivers STD	Arundel Gateway STD	Farmington STD	Dorchester STD
<b>ASSETS</b>										
Cash and investments	\$ 2,252,215	\$ 4,238,743	\$ 4,501,751	\$ 559	\$ 8,900,417	\$ 1,498	\$ 3,790,624	\$ 828,887	\$ 985,117	\$ 2,605,176
Receivables										
Due from other governmental agencies (net of allowances)	-	-	5,806,273	-	-	-	-	-	-	-
Other (net)	-	-	-	-	-	-	4,346	-	84	5,069
Total assets	<u>\$ 2,252,215</u>	<u>\$ 4,238,743</u>	<u>\$ 10,308,024</u>	<u>\$ 559</u>	<u>\$ 8,900,417</u>	<u>\$ 1,498</u>	<u>\$ 3,794,970</u>	<u>\$ 828,887</u>	<u>\$ 985,201</u>	<u>\$ 2,610,245</u>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ (3,909)	\$ -	\$ 267,282	\$ -	\$ 3,456	\$ -	\$ -	\$ 407
Escrow and other deposits	-	-	10,311,933	714	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,308,024</u>	<u>714</u>	<u>267,282</u>	<u>-</u>	<u>3,456</u>	<u>-</u>	<u>-</u>	<u>407</u>
<b>FUND BALANCES</b>										
Restricted for:										
Individuals, organizations and other	\$ 2,252,215	\$ 4,238,743	-	\$ (155)	\$ 8,633,135	\$ 1,498	\$ 3,791,514	\$ 828,887	\$ 985,201	\$ 2,609,838
Total fund balances (deficit)	<u>2,252,215</u>	<u>4,238,743</u>	<u>-</u>	<u>(155)</u>	<u>8,633,135</u>	<u>1,498</u>	<u>3,791,514</u>	<u>828,887</u>	<u>985,201</u>	<u>2,609,838</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,252,215</u>	<u>\$ 4,238,743</u>	<u>\$ 10,308,024</u>	<u>\$ 559</u>	<u>\$ 8,900,417</u>	<u>\$ 1,498</u>	<u>\$ 3,794,970</u>	<u>\$ 828,887</u>	<u>\$ 985,201</u>	<u>\$ 2,610,245</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Custodial Funds

June 30, 2021

	PACE Clean Energy Loan Program	Bid's & Contracts	Home Builders Guarantee	Victim Restitution Fund	Miscellaneous Escrow	Totals
<b>ASSETS</b>						
Cash and investments	\$ 384	\$ 177,278	\$ 9,594	\$ 1,918	\$ 30,964	\$ 28,325,125
Receivables						
Due from other governmental agencies (net of allowances)	-	-	-	-	-	5,806,273
Other, net	-	-	850	-	-	10,349
Total assets	<u>\$ 384</u>	<u>\$ 177,278</u>	<u>\$ 10,444</u>	<u>\$ 1,918</u>	<u>\$ 30,964</u>	<u>\$ 34,141,747</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ 272,736
Escrow and other deposits	-	-	-	-	41,784	10,354,431
Total liabilities	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>-</u>	<u>41,784</u>	<u>10,627,167</u>
<b>FUND BALANCES</b>						
Restricted for:						
Individuals, organizations and other	384	177,278	4,944	1,918	(10,820)	23,514,580
Total fund balances (deficit)	<u>384</u>	<u>177,278</u>	<u>4,944</u>	<u>1,918</u>	<u>(10,820)</u>	<u>23,514,580</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 384</u>	<u>\$ 177,278</u>	<u>\$ 10,444</u>	<u>\$ 1,918</u>	<u>\$ 30,964</u>	<u>\$ 34,141,747</u>

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Custodial Funds

Year Ended June 30, 2021

	Subdivision Deposits	Sediment Control	City and State Tax Collections	401(a) Employee Retirement Savings Plan	Tax Sale Escrow Deposits	National Business Park STD	Two Rivers STD	Arundel Gateway STD	Farmington STD	Dorchester STD
<b>REVENUES</b>										
Subdivision deposits	\$ 1,224,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sediment control collections	-	1,409,109	-	-	-	-	-	-	-	-
Tax sale collections	-	-	-	-	8,376,469	-	-	-	-	-
Special taxing district tax collections	-	-	-	-	-	-	1,812,202	1,452,162	516,146	1,115,962
Home builder guarantee collections	-	-	-	-	-	-	-	-	-	-
Victim restitution collections	-	-	-	-	-	-	-	-	-	-
Misc. revenue	-	-	-	-	-	4	1,876	1,484	74	1,119
Investment income	-	-	-	-	-	-	4,342	-	15	5,051
Misc. escrow collections	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,224,003</u>	<u>1,409,109</u>	<u>-</u>	<u>-</u>	<u>8,376,469</u>	<u>4</u>	<u>1,818,420</u>	<u>1,453,646</u>	<u>516,235</u>	<u>1,122,132</u>
<b>EXPENDITURES</b>										
Subdivision deposits	511,401	-	-	-	-	-	-	-	-	-
Sediment control	-	2,480,314	-	-	-	-	-	-	-	-
Tax sale escrow deposits	-	-	-	-	304,871	-	-	-	-	-
Special tax districts	-	-	-	-	-	-	1,763,327	1,403,800	483,286	1,102,294
Escrow deposits	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	47,517	15,873	15,368	23,492
Total expenditures	<u>511,401</u>	<u>2,480,314</u>	<u>-</u>	<u>-</u>	<u>304,871</u>	<u>-</u>	<u>1,810,844</u>	<u>1,419,673</u>	<u>498,654</u>	<u>1,125,786</u>
Revenues over (under) expenditures	<u>712,602</u>	<u>(1,071,205)</u>	<u>-</u>	<u>-</u>	<u>8,071,598</u>	<u>4</u>	<u>7,576</u>	<u>33,973</u>	<u>17,581</u>	<u>(3,654)</u>
Net change in fund balances	712,602	(1,071,205)	-	-	8,071,598	4	7,576	33,973	17,581	(3,654)
Fund balances, July 1 (as restated)	1,539,613	5,309,948	-	(155)	561,537	1,494	3,783,938	794,914	967,620	2,613,492
Fund balances, June 30	\$ <u>2,252,215</u>	\$ <u>4,238,743</u>	\$ <u>-</u>	\$ <u>(155)</u>	\$ <u>8,633,135</u>	\$ <u>1,498</u>	\$ <u>3,791,514</u>	\$ <u>828,887</u>	\$ <u>985,201</u>	\$ <u>2,609,838</u>

(continued)

Anne Arundel County, Maryland

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

Custodial Funds

Year Ended June 30, 2021

	PACE Clean Energy Loan Program	Bid's & Contracts	Home Builders Guarantee	Victim Restitution Fund	Miscellaneous Escrow	Totals
<b>REVENUES</b>						
Subdivision deposits	\$ -	\$ -	\$ -	\$ -	\$ -	1,224,003
Sediment control collections	-	-	-	-	-	1,409,109
Tax sale collections	-	-	-	-	-	8,376,469
Special taxing district tax collections	-	-	-	-	-	4,896,472
Home builder guarantee collections	-	-	84,825	-	-	84,825
Victim restitution collections	-	-	-	95	-	95
Misc. revenue	23	-	-	-	-	4,580
Investment income	-	-	-	-	-	9,408
Other	-	-	-	-	5,254	5,254
Total revenues	<u>23</u>	<u>-</u>	<u>84,825</u>	<u>95</u>	<u>5,254</u>	<u>16,010,215</u>
<b>EXPENDITURES</b>						
Subdivision deposits	-	-	-	-	-	511,401
Sediment control	-	-	-	-	-	2,480,314
Tax sale escrow deposits	-	-	-	-	-	304,871
Special tax districts	-	-	-	-	-	4,752,707
Escrow deposits	-	-	91,350	-	7,500	98,850
Consultants	-	-	-	-	-	102,250
Total expenditures	<u>-</u>	<u>-</u>	<u>91,350</u>	<u>-</u>	<u>7,500</u>	<u>8,250,393</u>
Revenues over (under) expenditures	<u>23</u>	<u>-</u>	<u>(6,525)</u>	<u>95</u>	<u>(2,246)</u>	<u>7,759,822</u>
Net change in fund balances	23	-	(6,525)	95	(2,246)	7,759,822
Fund balances, July 1 (as restated)	361	177,278	11,469	1,823	(8,574)	15,754,758
Fund balances, June 30	<u>\$ 384</u>	<u>\$ 177,278</u>	<u>\$ 4,944</u>	<u>\$ 1,918</u>	<u>\$ (10,820)</u>	<u>\$ 23,514,580</u>

## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Non-major Component Units

June 30, 2021

	AA County Public Library	Economic Development	Tipton Airport	Workforce Development	Totals
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 11,824	\$ 4,806,065	\$ 702,910	\$ 1,025,387	\$ 6,546,186
Service billings receivable	-	-	59,539	-	59,539
Prepays and other assets	-	623,605	58,510	1,620,599	2,302,714
Inventories	-	-	49,802	-	49,802
Receivables	-	-	317,640	-	317,640
Due from primary government	2,391,599	-	-	-	2,391,599
Restricted assets					
Cash and temporary investments	-	131,548	-	-	131,548
Total current assets	<u>2,403,423</u>	<u>5,561,218</u>	<u>1,188,401</u>	<u>2,645,986</u>	<u>11,799,028</u>
Non-current Assets					
Loans receivable and other assets	-	1,100,014	-	120,062	1,220,076
Capital assets being depreciated	22,060,446	907,514	17,989,982	348,229	41,306,171
Less accumulated depreciation	(6,245,741)	(640,661)	(8,928,455)	(260,052)	(16,074,909)
Total capital assets	<u>15,814,705</u>	<u>266,853</u>	<u>9,061,527</u>	<u>88,177</u>	<u>25,231,262</u>
Total assets	<u>18,218,128</u>	<u>6,928,085</u>	<u>10,249,928</u>	<u>2,854,225</u>	<u>38,250,366</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	589,392	489,291	-	-	1,078,683
OPEB benefits	19,015,986	79,069	-	-	19,095,055
Total deferred outflows	<u>19,605,378</u>	<u>568,360</u>	<u>-</u>	<u>-</u>	<u>20,173,738</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accrued liabilities	919,087	393,511	143,391	557,913	2,013,902
Current portion on non-current liabilities	1,322,220	22,842	54,327	162,729	1,562,118
Unearned revenue	-	27,077	50,566	574,096	651,739
Rent Abatement	-	-	-	177,353	177,353
Total current liabilities	<u>2,241,307</u>	<u>443,430</u>	<u>248,284</u>	<u>1,472,091</u>	<u>4,405,112</u>
Non-current liabilities					
Accrued liability for OPEB benefits	48,766,491	2,683,385	-	-	51,449,876
Accrued liability for pension benefits	3,857,524	2,615,206	-	-	6,472,730
Long-term debt, net of deferred refunding gain/loss	-	21,652	1,004,014	-	1,025,666
Total non-current liabilities	<u>52,624,015</u>	<u>5,320,243</u>	<u>1,004,014</u>	<u>-</u>	<u>58,948,272</u>
Total liabilities	<u>54,865,322</u>	<u>5,763,673</u>	<u>1,252,298</u>	<u>1,472,091</u>	<u>63,353,384</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension benefits	49,193	67,000	-	-	116,193
OPEB benefits	6,626,823	9,770	-	-	6,636,593
Total deferred outflows	<u>6,676,016</u>	<u>76,770</u>	<u>-</u>	<u>-</u>	<u>6,752,786</u>
<b>NET POSITION</b>					
Capital assets, net of related debt	15,814,705	222,359	8,003,186	88,177	24,128,427
Restricted for:					
Other purposes	-	250,000	874,418	-	1,124,418
Unrestricted	(39,532,537)	1,183,643	120,026	1,293,957	(36,934,911)
Total net position (deficit)	<u>\$ (23,717,832)</u>	<u>\$ 1,656,002</u>	<u>\$ 8,997,630</u>	<u>\$ 1,382,134</u>	<u>\$ (11,682,066)</u>



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Anne Arundel County, Maryland

Combining Statement of Activities

Non-major Component Units

Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>AA County Public Library</i>				
Community services	\$ 29,813,301	\$ 117,398	\$ 4,818,677	\$ -
<i>Economic Development</i>				
Arundel Business Loan Program	433,374	1,942	-	-
Chesapeake Innovation Center	-	-	-	-
Administrative	27,338,058	-	27,033,459	-
Anne Arundel Agricultural Marketing, LLC	191,736	-	63,627	-
Anne Arundel Community Development, LLC	964	-	-	-
Video Lottery Terminal	-	-	-	-
Unallocated depreciation	56,185	-	-	-
	<u>28,020,317</u>	<u>1,942</u>	<u>27,097,086</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport operations	<u>2,169,341</u>	<u>1,778,190</u>	<u>-</u>	<u>1,287,848</u>
<i>Workforce Development</i>				
Workforce development programs				
Other WIA programs	9,041,059	-	8,827,930	-
Administration	54,134	-	-	-
Other grants, projects, initiatives	1,368,797	264,189	1,223,208	-
	<u>\$ 10,463,990</u>	<u>\$ 264,189</u>	<u>\$ 10,051,138</u>	<u>\$ -</u>

General revenues:

Hotel tax  
 Unrestricted contributions  
 Interest earnings  
 Miscellaneous  
 Total general revenues

Changes in net position

Net position, July 1 (as restated)

Net position, June 30

Net (Expense) Revenues and Changes in Net Position

<u>AA County Public Library</u>	<u>Economic Development</u>	<u>Tipton Airport</u>	<u>Workforce Development</u>	<u>Total</u>
\$ <u>(24,877,226)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(24,877,226)</u>
-	(431,432)	-	-	(431,432)
-	-	-	-	-
-	(304,599)	-	-	(304,599)
-	(128,109)	-	-	(128,109)
-	(964)	-	-	(964)
-	-	-	-	-
-	(56,185)	-	-	(56,185)
<u>-</u>	<u>(921,289)</u>	<u>-</u>	<u>-</u>	<u>(921,289)</u>
<u>-</u>	<u>-</u>	<u>896,697</u>	<u>-</u>	<u>896,697</u>
-	-	-	(213,129)	(213,129)
-	-	-	(54,134)	(54,134)
-	-	-	118,600	118,600
<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,663)</u>	<u>(148,663)</u>
-	1,000,000	-	-	1,000,000
24,541,100	477,655	-	68,075	25,086,830
-	13,929	974	7,783	22,686
18,647	407,450	-	147,181	573,278
<u>24,559,747</u>	<u>1,899,034</u>	<u>974</u>	<u>223,039</u>	<u>26,682,794</u>
(317,479)	977,745	897,671	74,376	1,632,313
<u>(23,400,353)</u>	<u>678,257</u>	<u>8,099,959</u>	<u>1,307,758</u>	<u>(13,314,379)</u>
\$ <u>(23,717,832)</u>	\$ <u>1,656,002</u>	\$ <u>8,997,630</u>	\$ <u>1,382,134</u>	\$ <u>(11,682,066)</u>

Anne Arundel County, Maryland

Balance Sheet

AA County Public Library Component Unit

June 30, 2021

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 11,495	\$ 329	\$ 11,824
Due from primary government	2,396,017	(4,418)	2,391,599
Total assets	<u>\$ 2,407,512</u>	<u>\$ (4,089)</u>	<u>\$ 2,403,423</u>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 899,853	\$ 19,234	\$ 919,087
Total liabilities	<u>899,853</u>	<u>19,234</u>	<u>919,087</u>
<b>FUND BALANCES</b>			
Assigned	901,124	8,332	909,456
Unassigned	606,535	(31,655)	574,880
Total fund balances (deficit)	<u>1,507,659</u>	<u>(23,323)</u>	<u>1,484,336</u>
Total liabilities and fund balances	<u>\$ 2,407,512</u>	<u>\$ (4,089)</u>	<u>\$ 2,403,423</u>

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

AA County Public Library Component Unit

Year Ended June 30, 2021

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
<b>REVENUES</b>			
Grants and aid	\$ 29,298,150	\$ 54,816	\$ 29,352,966
Fines and fees	117,398	-	117,398
Other	8,513	10,134	18,647
Total revenues	<u>29,424,061</u>	<u>64,950</u>	<u>29,489,011</u>
<b>EXPENDITURES</b>			
Recreation and community services	29,725,375	62,267	29,787,642
Capital outlay	-	24,977	24,977
Total expenditures	<u>29,725,375</u>	<u>87,244</u>	<u>29,812,619</u>
Revenues over (under) expenditures	<u>(301,314)</u>	<u>(22,294)</u>	<u>(323,608)</u>
Net change in fund balances	<u>(301,314)</u>	<u>(22,294)</u>	<u>(323,608)</u>
Fund balances, July 1	<u>1,808,973</u>	<u>(1,029)</u>	<u>1,807,944</u>
Fund balances, June 30	<u>\$ 1,507,659</u>	<u>\$ (23,323)</u>	<u>\$ 1,484,336</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Grants and aid	\$ 2,516,000	\$ 2,516,000	\$ 2,518,904	\$ 2,904
Primary government contribution	24,541,100	24,541,100	24,541,100	-
Fines and fees	553,000	553,000	120,782	(432,218)
Other	602,000	602,000	608,513	6,513
Total revenues	<u>28,212,100</u>	<u>28,212,100</u>	<u>27,789,299</u>	<u>(422,801)</u>
<b>EXPENDITURES</b>				
Current				
Recreation and community services	28,019,600	28,019,600	27,474,425	545,175
Other	433,000	433,000	433,000	-
Capital outlay	239,000	239,000	151,192	87,808
Total expenditures	<u>28,691,600</u>	<u>28,691,600</u>	<u>28,058,617</u>	<u>632,983</u>
Revenues over expenditures	(479,500)	(479,500)	(269,318)	\$ <u>210,182</u>
Fund balances, budgetary, July 1	<u>1,703,353</u>	<u>1,703,353</u>	<u>1,703,353</u>	
Fund balances, budgetary, June 30	<u>\$ 1,223,853</u>	<u>\$ 1,223,853</u>	<u>\$ 1,434,035</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, 2021

	<u>Issued Date</u>	<u>Maturing Serially</u>	<u>Rate of Interest</u>	<u>Amount Issued</u>	<u>Redeemed F/Y 21</u>	<u>06/30/21 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	\$ 110,173	\$ 1,196,844	\$ 1,297,788
MDWQE Annapolis WRF Expn	06/27/03	2005-24	1.00 to 1.00	19,362,500	1,031,112	3,155,616	3,218,938
MDWQE Marley Jumpers	04/07/07	2008-27	1.00 to 1.00	5,854,341	370,020	984,818	1,003,114
MDWQE Woodholme Circle	06/17/08	2009-28	1.10 to 1.10	1,200,475	67,461	436,676	454,253
MDWQE Deale Rd Sewer	12/01/09	2011-30	0.00 to 0.00	1,749,147	98,324	667,587	667,587
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	27,700,000	1,390,000	-	-
Series 11	04/20/11	2012-41	2.00 to 5.00	47,600,000	1,590,000	-	-
MDWQE Annap/Bneck/Cox	06/16/11	2013-32	2.20 to 2.20	15,975,016	862,798	10,495,984	11,896,445
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	8,860,000	740,000	-	-
MDWQE Bwater/MDCity/Patxnt	05/31/12	2014-33	1.80 to 1.80	12,430,208	634,814	8,526,730	9,552,785
Series 12	06/14/12	2013-42	2.00 to 4.00	27,020,000	900,000	18,900,000	26,250,750
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	15,810,000	1,200,000	9,180,000	10,938,575
MDWQE Sylvan Shores Water	12/21/12	2014-42	0.80 to 0.80	3,783,000	129,462	2,802,466	3,043,875
MDWQE Sylvan Shores Sewer	12/21/12	2014-33	0.80 to 0.80	1,944,000	97,424	1,231,699	1,296,683
Series 13	06/20/13	2014-43	4.00 to 5.00	38,080,000	1,270,000	27,940,000	41,794,112
MDWQE Cox Creek Ph II	10/31/13	2014-34	2.10 to 2.10	17,475,907	1,207,506	13,289,057	16,077,152
Series 14	04/03/14	2015-44	3.00 to 5.00	79,200,000	2,640,000	60,720,000	90,987,600
Series 15	04/08/15	2016-45	2.00 to 5.00	77,600,000	2,590,000	62,060,000	100,837,500
Series 15 Refunding	04/08/15	2016-36	5.00 to 5.00	34,875,000	1,880,000	27,700,000	38,547,250
Series 16	04/13/16	2017-46	3.00 to 5.00	43,585,000	1,455,000	36,320,000	59,000,750
Series 16 Refunding	04/13/16	2017-36	3.00 to 5.00	75,300,000	4,735,000	48,100,000	58,159,150
Series 17	04/12/17	2018-47	5.00 to 5.00	63,175,000	2,125,000	55,250,000	91,162,500
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	20,515,000	975,000	17,395,000	22,727,875
Series 18	03/29/18	2019-48	5.00 to 5.00	67,805,000	2,260,000	61,020,000	102,208,500
Series 19	04/12/19	2020-49	5.00 to 5.00	71,090,000	2,370,000	66,355,000	112,800,125
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	6,020,000	1,355,000	3,275,000	3,630,750
Series 20	05/06/20	2021-50	3.00 to 5.00	74,095,000	2,470,000	71,625,000	123,549,625
Series 21	03/23/21	2022-51	3.00 to 5.00	69,045,000	-	69,045,000	105,341,508
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	50,175,000	-	50,175,000	72,739,844
Total applicable to 5.6% and 14.0% debt limitations				<u>980,358,309</u>	<u>36,554,094</u>	<u>727,847,477</u>	<u>1,109,185,034</u>

(continued)



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

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

June 30, 2021

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 21</i>	<i>06/30/21 Outstanding</i>	<i>Total Due to Maturity</i>
<b>Consolidated General Improvements</b>							
<b>Bonds</b>							
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	\$ 72,888,560	\$ 7,288,856	\$ -	-
Series 11	04/20/11	2012-31	3.00 to 5.00	117,500,000	5,789,491	-	-
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	35,835,000	3,595,000	-	-
Series 12	06/14/12	2013-32	3.00 to 4.00	98,900,000	5,947,028	45,324,590	55,182,721
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	36,332,512	3,911,232	13,616,425	14,812,855
Series 13	06/20/13	2014-33	4.00 to 5.00	116,000,000	6,960,000	60,320,000	78,578,400
Series 14	04/03/14	2015-34	3.00 to 5.00	115,000,000	6,968,020	65,939,852	83,441,047
Series 15	04/08/15	2016-35	2.00 to 5.00	154,920,000	10,804,842	100,941,590	133,751,721
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.00	58,504,968	6,112,887	33,669,015	39,177,987
Golf Course Refunding	04/08/15	2016-28	5.00 to 5.00	15,735,000	1,135,000	9,675,000	11,704,250
Series 16	04/13/16	2017-46	5.00 to 5.00	80,027,783	2,668,926	66,688,153	108,352,502
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	69,384,271	6,192,133	20,086,217	22,557,639
Series 17	04/12/17	2018-47	5.00 to 5.00	104,008,000	3,538,389	89,854,444	148,334,398
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	44,423,549	4,196,537	33,802,442	39,384,203
Series 18	03/29/18	2019-48	5.00 to 5.00	177,642,000	5,862,817	160,053,549	268,751,957
Series 19	04/12/19	2020-49	5.00 to 5.00	191,621,000	6,326,858	178,972,284	305,053,206
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	4,445,000	760,000	2,910,000	3,270,000
Series 20	05/06/20	2021-50	3.00 to 5.00	188,363,000	6,152,039	182,210,961	273,020,273
Series 21	03/23/21	2022-51	3.00 to 5.00	152,937,000	-	152,937,000	233,956,539
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	110,511,100	-	110,511,100	138,428,515
				<u>1,944,978,743</u>	<u>94,210,055</u>	<u>1,327,512,622</u>	<u>1,957,758,213</u>
<b>WPRF Bonds</b>							
Series 14	04/03/14	2015-34	2.00 to 5.00	7,300,000	390,427	4,709,011	6,025,056
Series 15	04/08/15	2016-35	5.00 to 5.00	26,880,000	1,443,684	19,646,580	26,967,924
Series 16	04/13/16	2017-45	5.00 to 5.00	13,232,217	441,074	11,026,847	17,918,626
Series 18	03/29/18	2019-48	5.00 to 5.00	13,008,000	433,600	11,707,200	19,609,560
Series 19	04/12/19	2020-49	5.00 to 5.00	20,359,000	678,633	19,001,734	32,302,958
Series 20	05/06/20	2021-50	3.00 to 5.00	26,132,000	871,067	25,260,933	37,730,249
Series 21	03/23/21	2022-51	3.00 to 5.00	27,128,000	-	27,128,000	41,394,312
				<u>134,039,217</u>	<u>4,258,485</u>	<u>118,480,305</u>	<u>181,948,685</u>
<b>Solid Waste Bonds</b>							
BABs Series 10	04/08/10	2011-30	4.80 to 5.55	3,161,440	316,144	-	-
Series 11	04/20/11	2012-31	3.00 to 5.00	8,200,000	500,509	-	-
Series 12	06/14/12	2013-32	3.00 to 4.00	2,200,000	112,972	1,235,410	1,511,653
Series 12 Refunding	06/14/12	2013-25	2.00 to 5.00	917,488	98,768	358,575	391,145
Series 14	04/03/14	2015-34	2.00 to 5.00	4,600,000	256,553	2,946,137	3,757,206
Series 15	04/08/15	2016-35	2.00 to 5.00	9,600,000	501,474	6,961,830	9,566,605
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.50	2,700,032	282,113	1,535,985	1,785,763
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	200,729	17,867	68,783	77,761
Series 17	04/12/17	2018-47	5.00 to 5.00	4,377,000	76,611	4,070,556	6,620,729
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	936,451	88,463	712,558	830,222
Series 18	03/29/18	2019-48	5.00 to 5.00	5,200,000	228,583	4,514,251	6,881,608
Series 19	04/12/19	2020-49	5.00 to 5.00	4,100,000	199,509	3,700,982	5,466,969
Series 20	05/06/20	2021-50	3.00 to 5.00	8,000,000	396,894	7,603,106	10,478,202
Series 21	03/23/21	2022-51	3.00 to 5.00	6,600,000	-	6,600,000	9,466,214
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	7,053,900	-	7,053,900	8,835,863
Total Waste Collection Enterprise Fund				<u>67,847,040</u>	<u>3,076,460</u>	<u>47,362,073</u>	<u>65,669,940</u>
Total applicable to 5.2% and 13.0% debt limitations				<u>2,146,865,000</u>	<u>101,545,000</u>	<u>1,493,355,000</u>	<u>2,205,376,838</u>

(continued)

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

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2021

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 21</i>	<i>06/30/21 Outstanding</i>	<i>Total Due to Maturity</i>
<b>Installment Purchase Agreements - Agricultural Easement Program</b>							
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85	\$ 401,000	\$ 1,000	\$ 381,000	\$ 579,491
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	141,000	213,130
Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	358,000	544,381
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	567,000	871,020
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	122,000	181,472
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	255,000	359,076
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	812,000	1,146,117
Charlotte Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	392,000	552,659
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	638,000	900,255
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	179,000	243,680
Weems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,503,000	2,075,250
Alice Hall	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	162,000	223,771
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	682,000	941,039
Shearman Talbot	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	247,000	331,546
Sally Brice O'Hara	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	300,000	420,582
Thackray Sez nec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,389,000	1,951,716
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	279,000	387,192
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	354,000	474,394
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	912,000	1,223,787
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	861,000	1,170,308
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	1,048,544
Francis Talbot III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,451,520
Thompson Lumber	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	2,840,168
				<u>13,819,916</u>	<u>20,000</u>	<u>13,465,000</u>	<u>20,131,098</u>
<b>Tax Increment Bonds</b>							
Arundel Mills Refunding	05/14/14	2015-29	2.00 to 5.00	24,940,000	1,530,000	17,340,000	19,919,200
National Business Park Ref	05/14/14	2015-28	1.50 to 5.00	12,155,000	835,000	7,970,000	9,045,651
Nursery Road Refunding	05/14/14	2015-29	2.00 to 5.00	1,765,000	105,000	1,175,000	1,361,924
National Business Park N Ref	06/07/18	2020-37	3.00 to 5.00	25,855,000	575,000	24,830,000	33,363,318
Village South Waugh Chapel Ref	06/07/18	2020-41	3.00 to 4.00	14,525,000	455,000	13,630,000	18,838,716
				<u>79,240,000</u>	<u>3,500,000</u>	<u>64,945,000</u>	<u>82,528,809</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 21</u>	<u>06/30/21 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	\$ 64,800	\$ 64,800
Annapolis Cove	05/27/14	2015-30	0.00	173,425	11,793	94,342	94,342
Arundel on the Bay SECD	11/17/18	2020-40	0.00	279,400	2,950	276,450	276,450
Bay Ridge #2	07/01/08	2009-28	0.00	500,000	25,771	206,168	206,168
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	8,699	8,699
Camp Wabanna SECD	04/26/05	2011-31	0.00	174,857	9,203	82,828	82,828
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	97,189	97,189
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	10,210	10,210
Columbia Beach	06/12/08	2013-38	0.00	1,042,027	53,664	590,304	590,304
Elizabeth's Landing III	01/22/10	2012-37	0.00	153,262	6,130	85,809	85,809
Holland Point SECD	10/11/04	2011-31	0.00	1,050,054	55,266	497,394	497,394
Lake Hillsmere II	04/03/98	1998-22	0.00	188,660	7,546	15,092	15,092
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	12,199	12,199
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	5,817	58,170	58,170
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	32,827	32,827
Total not applicable to debt limitations				5,033,912	224,213	2,138,181	2,138,181
Total long-term debt				\$ 3,225,317,137	\$ 141,843,307	\$ 2,301,750,658	\$ 3,419,359,960

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

June 30, 2021

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		WPRF		Tax Increment	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 96,618,942	\$ 60,814,963	\$ 3,478,306	\$ 2,223,129	\$ 5,162,752	\$ 5,282,220	\$ 3,930,000	\$ 2,407,618
2023	91,130,212	55,839,193	3,522,036	2,034,208	5,162,752	4,999,969	4,235,000	2,208,344
2024	85,458,812	51,361,851	3,365,756	1,860,088	5,215,432	4,741,831	4,600,000	1,992,518
2025	81,202,819	47,127,870	3,231,351	1,692,765	5,070,830	4,481,059	4,965,000	1,758,644
2026	73,624,989	43,133,101	3,154,181	1,531,801	5,070,830	4,227,518	5,310,000	1,543,219
2027	70,448,030	39,467,041	3,031,140	1,374,127	5,070,830	3,973,976	5,620,000	1,349,518
2028	67,153,422	36,117,087	2,975,748	1,225,778	5,070,830	3,727,405	5,955,000	1,143,819
2029	63,596,620	33,070,624	2,962,550	1,085,145	5,070,830	3,479,962	4,930,000	945,969
2030	59,436,827	30,190,319	2,872,343	945,923	5,070,830	3,232,084	2,455,000	797,969
2031	53,123,093	27,292,252	2,466,077	804,469	5,070,830	2,978,542	2,390,000	705,994
2032	48,294,287	24,750,094	2,154,883	685,308	5,070,830	2,728,486	2,505,000	632,569
2033	44,355,557	22,444,523	2,043,613	581,498	5,070,830	2,478,429	2,640,000	553,744
2034	39,715,557	20,302,635	2,043,613	483,412	5,070,830	2,232,728	2,765,000	467,562
2035	35,212,885	18,423,742	1,824,786	387,301	4,707,329	1,991,382	2,910,000	375,344
2036	29,427,241	16,755,349	1,334,118	301,969	3,328,641	1,769,082	3,050,000	278,494
2037	29,422,242	15,457,195	1,334,117	246,216	3,328,641	1,629,114	3,210,000	174,762
2038	29,517,046	14,206,878	1,239,313	195,909	3,328,641	1,498,189	825,000	106,672
2039	29,672,927	12,950,293	1,083,432	151,869	3,328,641	1,367,263	855,000	77,788
2040	29,846,986	11,685,460	904,373	116,202	3,328,641	1,236,338	885,000	47,337
2041	30,231,537	10,410,508	519,823	90,780	3,328,640	1,105,412	910,000	15,925
2042	30,492,123	9,125,928	254,238	75,110	3,328,639	974,487	-	-
2043	30,492,123	7,837,489	254,238	63,424	3,328,639	843,562	-	-
2044	30,492,123	6,549,051	254,238	51,738	3,328,639	712,636	-	-
2045	30,492,123	5,260,612	254,238	40,052	3,328,639	581,711	-	-
2046	30,492,126	3,972,173	254,238	28,366	3,328,636	450,786	-	-
2047	27,828,193	2,750,333	254,242	16,679	2,887,565	330,887	-	-
2048	24,337,661	1,682,354	134,774	7,980	2,887,565	222,016	-	-
2049	18,314,019	852,230	67,006	3,961	2,453,975	123,984	-	-
2050	11,808,378	335,337	51,290	2,030	1,775,332	53,758	-	-
2051	5,273,722	79,106	42,012	630	904,266	13,564	-	-
	<u>\$ 1,327,512,622</u>	<u>\$ 630,245,591</u>	<u>\$ 47,362,073</u>	<u>\$ 18,307,867</u>	<u>\$ 118,480,305</u>	<u>\$ 63,468,380</u>	<u>\$ 64,945,000</u>	<u>\$ 17,583,809</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>Installment Purchase Agreements</i>		<i>State Advances</i>		<i>Water and Sewer Bonds (b)</i>		<i>Total</i>		<i>Debt Service</i>
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Charge</i>
\$ 20,000	\$ 719,377	\$ 235,810	\$ -	\$ 38,283,081	\$ 32,279,753	\$ 147,728,891	\$ 103,727,060	\$ 251,455,951
20,000	718,261	220,612	-	37,718,412	30,423,945	142,009,024	96,223,920	238,232,944
20,000	717,145	202,260	-	36,842,518	28,737,245	135,704,778	89,410,678	225,115,456
20,000	716,030	202,260	-	35,575,184	27,084,075	130,267,444	82,860,443	213,127,887
20,000	714,915	202,260	-	35,115,122	25,424,712	122,497,382	76,575,266	199,072,648
20,000	713,799	195,695	-	34,756,368	23,846,693	119,142,063	70,725,154	189,867,217
8,880,000	712,683	195,695	-	34,146,470	22,359,443	124,377,165	65,286,215	189,663,380
5,000	223,954	195,695	-	33,000,921	20,962,333	109,761,616	59,767,987	169,529,603
1,529,000	223,662	158,131	-	33,000,432	19,574,847	104,522,563	54,964,804	159,487,367
-	133,663	93,662	-	32,699,011	18,184,829	95,842,673	50,099,749	145,942,422
-	133,662	87,845	-	30,457,117	16,808,176	88,569,962	45,738,295	134,308,257
-	133,663	34,158	-	28,542,127	15,448,938	82,686,285	41,640,795	124,327,080
-	133,662	20,680	-	27,643,592	14,130,174	77,259,272	37,750,173	115,009,445
-	133,663	20,668	-	26,814,741	12,835,814	71,490,409	34,147,246	105,637,655
-	133,662	14,550	-	25,980,899	11,586,963	63,135,449	30,825,519	93,960,968
1,444,000	133,663	14,550	-	23,842,066	10,415,808	62,595,616	28,056,758	90,652,374
-	67,659	14,550	-	23,788,242	9,364,463	58,712,792	25,439,770	84,152,562
-	67,658	14,550	-	23,684,428	8,311,789	58,638,978	22,926,660	81,565,638
-	67,659	14,550	-	22,725,624	7,274,969	57,705,174	20,427,965	78,133,139
1,487,000	67,658	-	-	21,531,122	6,243,864	58,008,122	17,934,147	75,942,269
-	-	-	-	20,370,000	5,261,299	54,445,000	15,436,824	69,881,824
-	-	-	-	19,470,000	4,318,375	53,545,000	13,062,850	66,607,850
-	-	-	-	18,200,000	3,410,425	52,275,000	10,723,850	62,998,850
-	-	-	-	15,560,000	2,559,625	49,635,000	8,442,000	58,077,000
-	-	-	-	12,975,000	1,827,625	47,050,000	6,278,950	53,328,950
-	-	-	-	11,525,000	1,261,125	42,495,000	4,359,024	46,854,024
-	-	-	-	9,400,000	784,000	36,760,000	2,696,350	39,456,350
-	-	-	-	7,135,000	416,625	27,970,000	1,396,800	29,366,800
-	-	-	-	4,765,000	165,125	18,400,000	556,250	18,956,250
-	-	-	-	2,300,000	34,500	8,520,000	127,800	8,647,800
<u>\$ 13,465,000</u>	<u>\$ 6,666,098</u>	<u>\$ 2,138,181</u>	<u>\$ -</u>	<u>\$ 727,847,477</u>	<u>\$ 381,337,557</u>	<u>\$ 2,301,750,658</u>	<u>\$ 1,117,609,302</u>	<u>\$ 3,419,359,960</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)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$ 626,801,385	\$ 635,565,747	\$ 604,084,265	\$ 596,510,465	\$ 606,338,970	\$ 556,191,931	\$ 578,852,173	\$ 622,405,918	\$ 630,965,090	\$ 633,818,542
Restricted for:										
Debt service	7,140,126	6,819,795	8,009,868	7,168,724	6,641,452	6,684,460	8,962,428	6,541,144	3,999,512	1,563,957
Capital improvements	167,718,556	151,354,034	140,771,194	115,345,559	120,779,559	152,617,318	129,907,443	83,524,600	74,937,323	76,820,358
Permanent Public Infrastructure	19,542,703	9,371,621	-	-	-	-	-	-	-	-
Reforestation	3,648,847	3,828,285	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804	7,662,442	6,823,655
Other purposes	54,953,643	44,650,497	30,357,753	30,038,789	16,043,607	18,740,570	7,335,836	4,724,488	7,590,496	2,702,597
Unrestricted	(1,298,536,220)	(1,371,274,244)	(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)
Subtotal governmental activities net position	(418,730,960)	(519,684,265)	(557,844,057)	(500,752,884)	(497,001,970)	(493,646,644)	(417,756,980)	(29,603,407)	(950,442)	63,966,532
<b>Business-type activities</b>										
Net investment in capital assets	1,028,572,432	1,008,501,766	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
Restricted for:										
Debt service	311,605,604	316,010,654	306,535,034	303,151,272	300,551,883	317,747,290	331,288,133	279,611,526	260,752,727	250,397,620
Capital improvements	3,175,170	4,029,579	4,019,610	13,458,769	9,081,443	17,381,921	12,771,873	-	-	-
Other purposes	6,019	38,880	162,314	1,907,059	11,255,564	16,384,208	3,087,221	19,549,090	9,039,041	4,578,740
Unrestricted	(13,587,504)	8,895,005	(596,026)	(434,806)	10,038,368	5,484,501	(8,709,841)	12,846,117	16,700,393	19,852,330
Subtotal business-type activities net position	1,329,771,721	1,337,475,884	1,329,654,090	1,331,793,442	1,319,371,242	1,296,309,570	1,273,335,931	1,249,315,346	1,179,309,152	1,128,505,594
<b>Primary government</b>										
Net investment in capital assets	1,655,373,817	1,644,067,513	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
Restricted for:										
Debt service	318,745,730	322,830,449	314,544,902	310,319,996	307,193,335	324,431,750	340,250,561	286,152,670	264,752,239	251,961,577
Capital improvements	170,893,726	155,383,613	144,790,804	128,804,328	129,861,002	169,999,239	142,679,316	83,524,600	74,937,323	76,820,358
Permanent Public Infrastructure	19,542,703	9,371,621	-	-	-	-	-	-	-	-
Reforestation	3,648,847	3,828,285	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804	7,662,442	6,823,655
Other purposes	54,959,662	44,689,377	30,520,067	31,945,848	27,299,171	35,124,778	10,423,057	24,273,578	16,629,537	7,281,337
Unrestricted	(1,312,123,724)	(1,362,379,239)	(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)
Total primary governmental net position	\$ 911,040,761	\$ 817,791,619	\$ 771,810,033	\$ 831,040,558	\$ 822,369,272	\$ 802,662,926	\$ 855,578,951	\$ 1,219,711,939	\$ 1,178,358,710	\$ 1,192,472,126

*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)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental activities:										
Education	\$ 919,228	\$ 939,582	\$ 946,223	\$ 874,498	\$ 756,618	\$ 770,324	\$ 764,352	\$ 708,507	\$ 708,818	\$ 669,191
Public safety	394,347	344,882	342,374	307,333	352,253	313,525	325,971	294,436	304,563	290,833
General government	250,468	232,233	210,851	185,021	162,786	186,840	153,913	123,010	118,774	116,146
Health and human services	116,319	105,099	85,069	78,173	83,000	79,787	77,175	72,520	74,569	72,907
Public works	112,956	83,066	81,239	100,961	93,287	157,103	89,763	106,372	82,066	80,934
Recreation and community services	97,920	78,698	74,090	70,717	67,698	58,131	56,358	59,095	56,380	56,129
Judicial	34,244	30,781	31,366	30,734	31,648	28,588	30,582	28,950	29,058	28,011
Code enforcement	16,818	14,873	14,626	13,832	16,292	13,819	14,815	13,379	13,735	13,788
Land use and development	1,859	19,195	22,299	25,246	12,707	14,135	14,897	10,273	10,392	11,472
Interest on debt and leases	64,954	64,360	58,859	55,898	54,132	53,157	48,149	45,104	37,685	39,712
Subtotal governmental activities expenses	2,009,113	1,912,769	1,866,996	1,742,413	1,630,421	1,675,409	1,575,975	1,461,646	1,436,040	1,379,123
Business-type activities:										
Water and wastewater	189,989	182,683	175,379	166,442	146,011	153,026	129,450	124,341	118,049	121,553
Waste collection	61,870	56,777	56,607	48,257	54,943	46,297	51,226	50,732	47,767	47,933
Child care	2,960	5,490	5,650	5,532	5,363	4,767	4,835	4,589	4,020	3,777
Subtotal business-type activities expenses	254,819	244,950	237,636	220,231	206,317	204,090	185,511	179,662	169,836	173,263
Total primary government expenses	2,263,932	2,157,719	2,104,632	1,962,644	1,836,738	1,879,499	1,761,486	1,641,308	1,605,876	1,552,386
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	27,518	33,821	34,155	31,084	27,897	27,150	25,108	19,477	15,744	17,843
General government	68,814	66,824	68,950	61,345	57,073	51,850	53,146	47,741	51,240	44,487
Health and human services	8,851	12,198	12,413	9,955	12,487	8,938	10,535	9,648	7,139	7,778
Public works	24,491	24,569	24,678	24,548	24,939	23,805	19,187	15,737	4,193	2,992
Recreation and community services	17,474	15,799	19,011	19,545	19,560	18,664	17,275	16,962	17,995	17,053
Judicial	1,969	2,459	3,134	3,024	3,061	3,209	3,207	3,166	2,997	3,009
Code enforcement	11,462	11,601	13,675	14,361	13,316	14,380	13,587	12,181	13,215	11,414
Land use and development	1,522	1,900	2,981	2,297	2,298	2,461	1,881	2,216	2,184	1,769
Operating grants and contributions	150,802	123,052	82,054	77,267	67,906	66,729	63,651	61,177	42,874	47,165
Capital grants and contributions	93,752	77,415	58,854	63,963	59,231	63,915	96,381	45,969	41,689	42,656
Subtotal governmental activities revenues	406,655	369,638	319,905	307,389	287,768	281,101	303,958	234,274	199,270	196,166
Business-type activities:										
Charges for services:										
Water and wastewater	84,967	89,318	84,180	85,275	85,467	85,178	85,367	86,023	84,555	86,737
Waste collection	57,471	55,137	54,584	53,162	51,441	50,975	49,970	50,133	49,175	50,680
Child care	1,370	4,786	6,080	5,807	5,742	5,112	4,739	4,661	4,070	4,032
Capital grants and contributions	81,182	79,721	69,671	81,381	69,022	82,131	127,526	87,887	71,141	76,527
Subtotal business-type activities revenues	224,990	228,962	214,515	225,625	211,672	223,396	267,602	228,704	208,941	217,976
Total primary government program revenues	631,645	598,600	534,420	533,014	499,440	504,497	571,560	462,978	408,211	414,142
<b>Net (Expense)/Revenue</b>										
Governmental activities	(1,602,458)	(1,543,131)	(1,547,091)	(1,435,024)	(1,342,653)	(1,394,308)	(1,272,017)	(1,227,372)	(1,236,770)	(1,182,957)
Business-type activities	(29,829)	(15,988)	(23,121)	5,394	5,355	19,306	82,091	49,042	39,105	44,713
Total primary government net (expense)/revenue	(1,632,287)	(1,559,119)	(1,570,212)	(1,429,630)	(1,337,298)	(1,375,002)	(1,189,926)	(1,178,330)	(1,197,665)	(1,138,244)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
General property taxes	\$ 828,845	\$ 798,538	\$ 739,776	\$ 718,910	\$ 697,495	\$ 666,491	\$ 657,850	\$ 637,623	\$ 620,348	\$ 593,914
Local income taxes	668,002	606,312	560,494	506,513	485,822	485,232	420,382	436,906	403,623	400,465
State shared taxes	4,677	5,448	6,154	7,339	8,361	8,703	8,405	8,683	27,868	10,334
Recordation and transfer taxes	156,928	114,908	115,520	110,643	109,396	105,669	89,698	77,535	81,036	59,089
Local sales taxes	24,016	26,700	32,111	32,744	32,938	33,070	32,831	31,517	32,690	32,258
Investment income	1,450	8,931	14,550	2,854	1,797	4,586	1,967	2,446	(1,206)	1,418
Other revenue	18,830	19,667	19,015	18,855	18,194	15,766	11,012	9,477	7,494	12,323
County transfer	663	787	2,380	946	448	(1,099)	28	275	-	-
Forgiveness of debt State of Maryland	-	-	-	-	-	-	-	-	-	32,663
Subtotal governmental activities	1,703,411	1,581,291	1,490,000	1,398,804	1,354,451	1,318,418	1,222,173	1,204,462	1,171,853	1,142,464
Business-type activities:										
In kind contributions of capital assets	-	-	-	-	-	-	-	-	-	2,000
Investment income	3,092	7,193	6,939	6,439	2,777	1,671	1,173	1,161	560	1,072
Other revenue	19,696	17,404	16,422	14,086	15,378	11,398	11,656	14,417	11,139	12,215
County transfer	(663)	(787)	(2,380)	(946)	(448)	1,099	(28)	(275)	-	-
Subtotal business-type activities	22,125	23,810	20,981	19,579	17,707	14,168	12,801	15,303	11,699	15,287
Total primary government	1,725,536	1,605,101	1,510,981	1,418,383	1,372,158	1,332,586	1,234,974	1,219,765	1,183,552	1,157,751
<b>Change in Net Position</b>										
Governmental activities	100,953	38,160	(57,091)	(36,220)	11,798	(75,890)	(49,844)	(22,910)	(64,917)	(40,493)
Business-type activities	(7,704)	7,822	(2,140)	24,973	23,062	33,474	94,892	64,345	50,804	60,000
Total primary government	\$ 93,249	\$ 45,982	\$ (59,231)	\$ (11,247)	\$ 34,860	\$ (42,416)	\$ 45,048	\$ 41,435	\$ (14,113)	\$ 19,507

*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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Non-spendable	\$ 3,834,411	\$ 3,487,261	\$ 2,525,276	\$ 2,738,022	\$ 3,082,745	\$ 2,678,031	\$ 2,493,448	\$ 2,116,996	\$ 1,891,254	\$ 2,081,977
Restricted	-	-	-	-	1,372,139	1,372,139	38,177,889	16,974,138	302,017	-
Committed	19,542,703	9,371,621	-	-	-	-	-	-	-	-
Assigned	123,051,188	53,147,669	81,811,048	89,215,268	82,546,189	65,989,087	42,862,522	42,657,510	69,233,918	31,391,329
Unassigned	243,692,883	161,996,256	90,361,685	82,924,322	88,023,466	76,778,332	78,436,997	57,724,388	44,312,026	46,035,927
Total general fund	\$ <u>390,121,185</u>	\$ <u>228,002,807</u>	\$ <u>174,698,009</u>	\$ <u>174,877,612</u>	\$ <u>175,024,539</u>	\$ <u>146,817,589</u>	\$ <u>161,970,856</u>	\$ <u>119,473,032</u>	\$ <u>115,739,215</u>	\$ <u>79,509,233</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	246,647,183	207,356,738	184,873,975	153,223,193	159,426,040	188,477,300	174,183,847	109,341,127	87,949,331	84,309,450
Committed	17,088,441	17,747,932	16,111,319	15,228,305	15,353,968	16,822,454	15,237,161	13,512,623	1,932,505	1,407,089
Assigned	94,187,758	76,805,478	85,148,709	134,902,781	124,078,614	79,535,242	121,015,146	82,922,005	45,297,103	43,019,813
Unassigned	(32,206,014)	(23,097,809)	(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	\$ <u>325,717,368</u>	\$ <u>278,812,339</u>	\$ <u>273,277,246</u>	\$ <u>293,939,885</u>	\$ <u>290,594,162</u>	\$ <u>272,936,680</u>	\$ <u>304,327,415</u>	\$ <u>202,245,649</u>	\$ <u>131,853,311</u>	\$ <u>125,054,146</u>

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

	2021	2020	2019	2018	2017
<b>REVENUES</b>					
General property taxes	\$ 831,122,864	\$ 800,684,208	\$ 741,670,235	\$ 720,718,221	\$ 698,622,818
Local income taxes	693,300,152	606,998,155	522,923,960	508,267,424	491,528,416
State shared taxes	11,414,898	11,704,256	12,410,845	11,624,829	11,694,607
Grants and aid	160,478,932	101,396,165	61,249,684	48,773,143	47,789,759
Recordation and transfer taxes	156,927,794	114,907,649	115,519,643	110,642,661	109,395,916
Local sales taxes	24,016,271	26,699,642	32,110,766	32,744,465	32,938,166
License and permit fees	14,564,976	15,441,085	18,335,508	18,132,998	17,148,374
Ambulance fees	12,642,842	12,112,507	13,627,382	11,833,040	11,985,658
Cable fees	9,786,085	10,415,690	11,142,696	11,056,998	11,560,846
Impact fees	31,468,598	36,710,846	32,733,711	35,651,712	24,587,197
Special community benefit taxes	9,003,030	8,793,500	8,517,569	8,471,575	8,429,687
Video lottery local impact grants	30,620,703	22,431,343	27,316,533	27,942,514	23,805,240
Watershed protection and restoration	23,619,255	23,326,588	22,017,074	21,665,866	21,821,801
Contributed capital	-	-	-	-	589,323
Investment income	(1,105,079)	11,932,051	16,449,014	6,560,442	1,983,519
Fees for services and other revenue	52,757,169	55,258,347	64,437,432	61,563,037	59,225,786
Total revenues	<u>2,060,618,490</u>	<u>1,858,812,032</u>	<u>1,700,462,052</u>	<u>1,635,648,925</u>	<u>1,573,107,113</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Education	919,228,528	939,581,972	946,223,055	874,498,215	756,618,157
Public safety	366,176,442	335,794,412	314,231,025	297,679,594	291,177,796
General government	188,358,268	161,691,255	148,598,076	139,055,913	113,861,353
Health and human services	111,286,780	101,850,680	81,174,496	76,011,931	78,503,626
Public works	45,415,532	48,976,660	53,686,960	51,848,700	46,309,768
Recreation and community services	72,655,970	65,485,317	60,854,736	60,745,723	57,791,422
Judicial	31,906,744	31,210,499	30,215,792	29,148,559	27,708,229
Code enforcement	15,332,805	15,181,035	13,918,760	14,046,524	14,206,639
Land use and development	9,133,848	9,398,676	10,129,513	8,613,192	11,234,169
Capital outlay	139,447,415	173,058,009	168,807,350	151,503,207	112,762,608
<b>Debt service</b>					
Interest payments on debt	63,854,988	64,033,273	57,901,384	54,487,265	53,916,572
Principal payments on debt	237,481,103	96,920,048	98,981,692	97,311,937	90,755,667
Interest payments on leases	8,712	373	373	-	15,210
Principal payments on leases	30,272	10,122	34,138	54,869	39,658
Total expenditures	<u>2,200,317,407</u>	<u>2,043,192,331</u>	<u>1,984,757,350</u>	<u>1,855,005,629</u>	<u>1,654,900,874</u>
Revenues over (under) expenditures	<u>(139,698,917)</u>	<u>(184,380,299)</u>	<u>(284,295,298)</u>	<u>(219,356,704)</u>	<u>(81,793,761)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	286,539,448	346,249,000	364,875,286	327,401,558	244,889,130
Transfers out	(286,539,448)	(346,249,000)	(364,875,286)	(327,401,558)	(244,889,130)
General obligation bonds issued	180,065,000	214,495,000	211,980,000	190,650,000	103,285,000
Bond anticipation notes issued	-	-	-	-	-
Payment of bond anticipation notes	-	-	-	-	-
Proceeds from Federal and State Loans	-	-	285,100	-	-
Proceeds from capital leases	-	-	41,980	-	94,513
Proceeds from refunding issue	110,511,100	-	4,445,000	40,380,000	44,423,549
Premiums from sale of bonds	32,725,974	27,938,190	43,830,943	30,959,363	18,037,398
Premiums from the refunding of bonds	24,757,250	-	490,033	1,263,919	5,479,931
Transfers from (to) proprietary funds	663,000	787,000	2,380,000	946,137	1,170,804
Transfers from (to) OPEB Trust	-	-	-	-	-
Reduction (increase) in lawsuit liability	-	-	-	-	-
Payments to escrow agent	-	-	-	(41,643,919)	(49,903,480)
Total other financing sources (uses)	<u>348,722,324</u>	<u>243,220,190</u>	<u>263,453,056</u>	<u>222,555,500</u>	<u>122,587,715</u>
Net change in fund balances	<u>\$ 209,023,407</u>	<u>\$ 58,839,891</u>	<u>\$ (20,842,242)</u>	<u>\$ 3,198,796</u>	<u>\$ 40,793,954</u>
Debt service as a percentage of noncapital expenditures	<u>14.4%</u>	<u>8.4%</u>	<u>8.5%</u>	<u>8.7%</u>	<u>9.2%</u>



	2016	2015	2014	2013	2012
\$	668,195,251	\$ 659,894,834	\$ 637,345,360	\$ 622,059,854	\$ 595,707,896
	456,192,055	444,302,777	435,870,098	407,582,398	394,480,856
	12,092,354	11,270,543	12,163,216	30,436,273	11,720,894
	54,773,026	45,491,189	43,872,560	49,240,293	52,827,290
	105,668,592	89,697,633	77,535,100	81,036,685	59,088,413
	33,070,498	32,830,881	31,516,775	32,689,945	32,258,227
	18,617,749	17,333,180	16,536,662	15,306,284	15,215,772
	11,387,538	11,060,278	5,238,016	3,940,989	6,044,441
	11,329,610	11,088,708	10,663,480	10,229,615	9,550,069
	33,651,125	26,322,325	25,983,661	16,166,890	20,113,165
	8,202,160	7,451,077	6,884,379	6,869,374	6,744,865
	18,437,244	17,701,164	18,924,230	-	-
	21,058,386	16,925,138	13,168,354	-	-
	5,187,715	42,776,980	-	-	-
	4,933,509	2,261,163	1,735,894	(968,161)	3,444,363
	49,047,470	54,700,019	48,035,826	54,335,032	45,507,123
	<u>1,511,844,282</u>	<u>1,491,107,889</u>	<u>1,385,473,611</u>	<u>1,328,925,471</u>	<u>1,252,703,374</u>
	770,323,479	764,212,446	707,187,203	707,731,777	667,863,748
	283,055,202	281,406,166	264,937,499	244,784,672	234,743,678
	67,831,167	77,157,430	85,244,783	79,706,211	78,732,889
	76,012,320	72,578,279	69,650,709	69,646,503	69,383,832
	51,788,360	49,310,052	48,748,016	38,840,446	38,088,334
	55,341,217	53,354,539	49,866,606	48,337,232	49,595,703
	27,189,933	25,736,525	25,423,827	23,339,079	22,399,505
	13,149,060	13,096,270	12,287,022	11,583,462	11,536,177
	11,541,521	10,610,682	9,432,737	9,014,094	9,320,020
	100,566,378	105,072,340	65,054,648	73,051,659	70,480,365
	53,433,347	47,526,274	43,344,484	40,313,826	39,736,712
	129,372,483	99,693,700	75,614,400	73,778,953	69,389,373
	13,619	11,654	13,662	2,008	3,526
	22,347	12,304	16,211	3,907	26,563
	<u>1,639,640,433</u>	<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>(127,796,151)</u>	<u>(108,670,772)</u>	<u>(71,348,196)</u>	<u>(91,208,358)</u>	<u>(108,597,051)</u>
	199,828,955	261,225,566	185,144,585	122,899,386	76,229,704
	(199,828,955)	(261,225,566)	(185,144,585)	(122,899,386)	(76,229,704)
	93,260,000	181,800,000	122,300,000	116,000,000	98,900,000
	-	-	37,800,000	65,040,000	70,400,000
	-	-	(37,800,000)	(65,040,000)	(70,400,000)
	-	4,937	168,488	-	91,035
	60,038	-	119,790	-	-
	69,384,271	75,715,900	38,860,000	-	73,085,000
	18,664,020	13,642,515	14,815,121	16,130,659	30,548,530
	8,399,763	38,824,048	4,414,478	-	-
	(1,099,230)	8,782,112	5,274,617	1,545,790	3,294,210
	(70,877,624)	-	-	-	-
	-	-	-	-	(67,118)
	<u>(25,679,034)</u>	<u>(68,730,094)</u>	<u>(42,852,298)</u>	<u>-</u>	<u>(87,600,104)</u>
	<u>92,112,204</u>	<u>250,039,418</u>	<u>143,100,196</u>	<u>133,676,449</u>	<u>118,251,553</u>
\$	<u>(35,683,947)</u>	<u>\$ 141,368,646</u>	<u>\$ 71,752,000</u>	<u>\$ 42,468,091</u>	<u>\$ 9,654,502</u>
	<u>11.3%</u>	<u>9.5%</u>	<u>8.4%</u>	<u>8.4%</u>	<u>8.4%</u>

Anne Arundel County, Maryland  
 Taxable Assessed Value and Estimated Actual Value of Property  
 Last Ten Fiscal Years  
 (in thousands of dollars)

Fiscal Year Ended June 30,	Real Property					Personal Property			Total Taxable Assessed Value	Weighted Average Tax Rate	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				
2021	\$ 71,395,721	\$ 22,651,601	\$ 572,257	\$ 20,424	\$ 94,640,003	\$ 1,251,058	\$ 1,503,158	\$ 2,754,216	\$ 97,394,219	0.94	\$ 97,394,219	100.00%
2020	69,494,486	21,422,055	557,322	23,131	91,496,994	1,164,769	1,546,641	2,711,410	94,208,404	0.95	94,208,404	100.00%
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%

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.					
2021	\$ 0.934	\$ 2.335	\$ 0.560	\$ 1.400	\$ 0.940	\$ 0.738	\$ 0.112	\$ 1.046	\$ 1.410
2020	0.935	2.337	0.561	1.402	0.950	0.738	0.112	1.047	1.411
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

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

2021			2012		
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	\$ 1,067,074,763	1.10%	Constellation Power Source Gen. Inc.	\$ 696,990,304	0.87%
Annapolis Mall LTD Partnership (Annapolis Mall)	501,893,233	0.52%	Baltimore Gas and Electric Company	635,638,100	0.80%
Arundel Mills Limited Partnership (Arundel Mills Mall)	484,510,110	0.50%	Annapolis Mall LTD Partnership (Annapolis Mall)	418,179,896	0.52%
Verizon	158,404,130	0.16%	Arundel Mills Limited Partnership (Arundel Mills Mall)	352,673,537	0.44%
PPE Casino Resorts Maryland LLC	242,163,432	0.25%	Verizon	208,372,810	0.26%
Annapolis Towne Center at Parole LLC	219,616,300	0.23%	Annapolis Towne Center at Parole LLC	135,111,200	0.17%
Northrop Grumman Systems Corp.	240,503,720	0.25%	Wal-mart Stores, Inc.	115,116,893	0.14%
Raven FS Property Holdings LLC	184,735,400	0.19%	Northrop Grumman Corp.	111,835,763	0.14%
Comcast of Maryland, LLC	62,550,550	0.06%	TKL East (Marley Station Mall)	95,044,670	0.12%
WCS Properties Business Trust	136,293,134	0.14%	Annapolis Harbour Center Assoc. LLLP	90,144,690	0.11%
	<u>\$ 3,297,744,772</u>	<u>3.39%</u>		<u>\$ 2,859,107,863</u>	<u>3.58%</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
2021	\$ 829,252,065	\$ 821,315,061	99.04%	\$ -	\$ 821,315,061	99.04%
2020	802,387,875	796,488,765	99.26%	4,803,315	801,292,080	99.86%
2019	744,040,379	742,102,299	99.74%	1,547,700	743,649,999	99.95%
2018	719,780,692	718,630,145	99.84%	993,156	719,623,301	99.98%
2017	691,541,813	690,363,926	99.83%	1,095,200	691,459,126	99.99%
2016	664,554,243	662,752,803	99.73%	1,756,924	664,509,727	99.99%
2015	660,178,876	651,873,246	98.74%	8,275,651	660,148,897	100.00%
2014	638,043,608	628,011,846	98.43%	9,996,533	638,008,379	99.99%
2013	619,955,595	618,157,426	99.71%	1,777,214	619,934,640	100.00%
2012	595,530,678	593,210,480	99.61%	2,178,187	595,388,667	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				
2021	\$ 1,663,874	\$ -	\$ 64,945	\$ 2,138	\$ 10	\$ 13,465	\$ 1,744,432	\$ 878,166	\$ -	\$ 2,622,598	6.19%	\$ 4,447	
2020	1,567,703	-	68,445	2,362	20	13,485	1,652,015	837,899	-	2,489,914	6.07%	4,272	
2019	1,438,373	-	71,610	2,584	30	13,505	1,526,102	781,357	-	2,307,459	5.77%	3,984	
2018	1,292,667	-	73,700	2,527	24	13,525	1,382,443	729,593	-	2,112,036	5.44%	3,670	
2017	1,175,582	-	81,130	2,767	79	13,545	1,273,103	682,152	-	1,955,255	5.28%	3,422	
2016	1,159,243	-	83,125	3,101	96	13,565	1,259,130	638,133	-	1,897,263	5.33%	3,342	
2015	1,136,729	-	84,860	3,398	37	13,585	1,238,609	615,297	-	1,853,906	5.36%	3,290	
2014	1,004,487	-	86,440	3,730	49	13,605	1,108,311	527,263	-	1,635,574	4.97%	2,922	
2013	946,045	-	90,815	3,888	4	13,625	1,054,377	458,645	-	1,513,022	4.77%	2,724	
2012	892,512	-	93,155	4,215	8	13,645	1,003,535	424,450	-	1,427,985	4.54%	2,595	

(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)
2021	\$ 2,284,155	2.35%	\$ 3,873
2020	2,151,217	2.28%	3,691
2019	1,976,795	2.18%	3,413
2018	1,785,640	2.04%	3,103
2017	1,631,670	1.95%	2,856
2016	1,556,069	1.93%	2,741
2015	1,496,636	1.92%	2,656
2014	1,332,037	1.74%	2,380
2013	1,230,752	1.60%	2,216
2012	1,158,156	1.45%	2,105

*(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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Annapolis	\$ 58,676,930	100.00%	\$ 58,676,930
Subtotal overlapping debt			58,676,930
Anne Arundel County direct debt			1,744,432,726
Total direct and overlapping debt			\$ 1,803,109,656

*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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Assessed value</b>										
Real property	\$ 94,640,003	\$ 91,496,994	\$ 88,023,098	\$ 84,741,803	\$ 81,206,409	\$ 78,154,218	\$ 75,746,986	\$ 74,302,152	\$ 74,265,956	\$ 77,289,434
Personal and operating real property	2,754,216	2,711,410	2,733,898	2,676,602	2,597,018	2,278,129	2,184,577	2,191,220	2,582,018	2,554,619
Total assessed value	<u>97,394,219</u>	<u>94,208,404</u>	<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>
<b>Legal debt margin</b>										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	4,921,280	4,757,844	4,577,201	4,406,574	4,222,733	4,064,019	3,938,843	3,863,712	3,861,830	4,019,051
Debt limit (13% of assessed value of personal and operating real property)	358,048	352,483	355,407	347,958	337,613	296,157	283,995	284,859	335,662	332,101
Total debt limit	<u>5,279,328</u>	<u>5,110,327</u>	<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>
Debt applicable to limit:										
General obligation bonds (1)	1,327,513	1,289,037	1,190,801	1,088,656	997,364	982,412	984,949	916,204	875,042	830,134
Bonded debt for WPRF projects (1)	118,480	95,611	72,866	55,216	44,448	46,688	33,825	7,300	-	-
Bonded debt for solid waste projects (1)	47,362	44,472	38,973	37,228	33,888	32,920	33,881	28,491	26,028	28,111
Installment Purchase Agreements (1)	13,465	13,485	13,505	13,525	13,545	13,565	13,585	13,605	13,625	13,645
Tax Increment Bonds (1)	64,945	68,445	71,610	73,700	81,130	83,125	84,860	86,440	90,815	93,155
Bond anticipation notes (2)	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	<u>1,571,765</u>	<u>1,511,050</u>	<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>
Legal debt margin	<u>\$ 3,707,563</u>	<u>\$ 3,599,277</u>	<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>
Total debt applicable to the limit as a percentage of debt limit	<u>29.77%</u>	<u>29.57%</u>	<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>

(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	
2021	\$ 96,617	\$ 102,534	\$ -5,917	\$ 36,554	\$ 30,690	-0.09	\$ 57,834	\$ 53,525	\$ 4,309	\$ 3,076	\$ 1,977	0.85
2020	102,566	98,213	4,353	34,136	30,418	0.07	56,534	47,710	8,825	2,501	1,928	1.99
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

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	
2021	\$ 52,564	\$ 1,124	\$ 51,440	\$ 3,500	\$ 2,588	8.45	\$ 130	\$ 0	\$ 130	\$ 20	\$ 720	0.18
2020	51,120	1,118	50,002	3,165	2,749	8.45	2,449	0	2,449	20	722	3.30
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

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>
2021	589,765	\$ 42,375,200	\$ 71,851	87,639	5.05
2020	582,777	41,053,491	70,445	83,044	5.85
2019	579,234	39,996,757	69,051	84,984	2.97
2018	575,523	38,803,403	67,423	83,249	3.23
2017	571,339	37,058,496	64,863	82,777	3.64
2016	567,665	35,619,262	62,747	81,397	3.80
2015	563,502	34,590,334	61,385	80,387	4.42
2014	559,691	32,884,533	58,755	79,518	5.15
2013	555,438	31,689,181	57,053	78,500	5.78
2012	550,311	31,434,076	57,121	77,770	6.08

*Sources and notes:*

(a) Mid-year (July 1) estimates obtained from the Maryland Department of Planning , U.S. Census Bureau, release date March 2021; These data supersede population estimates published in previous years. Year 2021 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 2020 - revised estimated for 2012-2019. These data supersede personal income estimates published in previous years. The year 2021 has been forecast by Anne Arundel County Planning & Zoning.

(c) U. S Bureau of Economic Analysis, release date November 2020 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 2021; 2002-2020 actual enrollment. Enrollment for 2021 Projected by AACPS Planning Department release date July 2021. Revised to include evening high school enrollment.

(e) Maryland Department of Labor, Licensing and Regulation monthly reports Average per Calendar Year ; Year 2021 average for 6 months (Jan-June). Release date 8/01/2021. Previous data for 2018 and 2019 superseded by August 2021 report.

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

2021			2012		
<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	57,327	13.59%	Ft. George G. Meade	55,365	15.47%
Anne Arundel County Public Schools	14,000	3.32%	Anne Arundel County Public Schools	14,081	3.94%
State of Maryland	12,627	2.99%	BWI Thurgood Marshall Airport	9,717	2.72%
BWI Thurgood Marshall Airport	9,717	2.30%	State of Maryland	9,424	2.63%
Northrop Grumman Corp.	9,500	2.25%	Northrop Grumman Corp.	7,000	1.96%
Anne Arundel County Government	5,190	1.23%	Anne Arundel County Government	4,163	1.16%
Anne Arundel Health System	4,900	1.16%	Southwest Airlines	3,200	0.89%
Southwest Airlines	4,857	1.15%	Anne Arundel Health System	3,000	0.84%
Univ. of MD Baltimore Washington Medical Center	3,215	0.76%	Baltimore Washington Medical Center	2,650	0.74%
Live! Casino and Hotel	3,000	0.71%	U.S. Naval Academy	2,340	0.65%
	<u>124,333</u>	<u>29.47%</u>		<u>110,940</u>	<u>31.00%</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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	534	529	519	521	511	502	500	500	489	496
Public safety										
Police	1,019	1,005	1,016	992	975	965	951	919	909	895
Fire	1,009	988	934	922	908	901	901	780	785	855
Detention center	434	434	397	395	397	398	398	398	398	399
Emergency Management	6	5	5	-	-	-	-	-	-	-
Health and human services	155	154	154	154	158	158	158	158	159	161
Public works	299	298	295	297	298	307	308	309	270	270
Recreation and community services	108	105	100	95	92	87	87	87	87	90
Judicial	306	296	290	286	281	277	270	272	269	269
Code enforcement	166	165	160	160	159	155	156	155	154	154
Land use and development	81	81	72	75	75	78	80	81	79	81
Water and wastewater	380	380	380	380	380	380	378	376	350	350
Solid waste	90	90	90	90	90	90	90	88	88	87
Child care	9	9	9	9	9	9	9	9	9	9
Total	<u>4,596</u>	<u>4,539</u>	<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>

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police</b>										
Physical arrests	9,205	10,304	13,145	12,946	14,126	14,375	13,788	14,725	14,477	16,914
Parking violations	1,932	2,058	3,298	2,906	2,429	1,545	1,715	3,338	3,828	3,081
Traffic violations	75,752 <sup>1</sup>	129,831	187,715	177,049	172,259	159,213	149,416	152,663	171,849	102,374
<b>Fire</b>										
Emergency responses	88,085	85,081	87,292	86,862	85,061	81,040	71,844	69,053	75,407	72,075
Inspections	7,446	9,866	12,544	10,829	12,656	9,062	10,268	10,729	10,584	11,540
<b>Streets and highways</b>										
Resurfacing (miles)	97.5	80.1	59.1	59.8	74.8	53.4	38.1	41.7	48.2	59.9
<b>Recreation and community services</b>										
Facility use applications	843 <sup>1</sup>	5,530	6,231	6,234	7,331	5,036	6,162	6,158	6,233	6,451
<b>Water</b>										
New water connections	1,670	1,811	2,633	1,000	1,671	1,972	1,229	1,126	694	712
Water main breaks	160	177	165	168	221	227	236	255	207	196
Average daily water consumption (thousands of gallons)	30,265	31,193	33,600	32,400	33,650	33,067	33,333	34,105	36,900	35,503
Number of customers	121,677	119,938	118,127	115,494	114,494	112,917	111,466	110,165	108,760	107,721
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	28,336	29,192	33,183	30,386	28,859	31,442	31,568	32,468	31,086	32,399
Number of customers	129,882	128,157	126,287	123,653	122,603	120,981	119,499	118,154	116,801	115,817
<b>Solid waste</b>										
Trash collected (tons per year)	302,616	270,550	254,681	222,822	205,604	199,116	185,817	182,148	182,992	191,842
Recyclables collected (tons per year)	142,475	142,464	135,884	136,912	143,890	136,831	135,648	132,509	145,301	140,174
<b>Child care</b>										
Enrollment	470 <sup>1</sup>	3,141	3,097	3,134	3,087	2,903	2,842	2,417	2,175	2,337

1) Decreases primarily due to COVID-19.

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Public Safety</b>										
<b>Police</b>										
Stations	12	12	12	12	12	12	12	12	12	12
Patrol units (vehicles)	588	582	572	545	505	500	500	500	492	487
<b>Fire</b>										
County owned stations	22	22	21	20	20	20	20	20	19	19
Volunteer stations	9	9	10	11	11	11	11	11	12	12
Pumpers/tankers	67	69	70	65	63	60	58	66	59	59
Ladder trucks	25	25	24	22	23	23	23	23	22	22
Paramedic units	43	40	41	43	43	43	44	43	42	42
<b>Streets and highways</b>										
Streets (miles)	1,826	1,818	1,813	1,811	1,806	1,802	1,819	1,819	1,814	1,776
Streetlights	40,736	40,194	39,734	39,173	39,301	39,046	38,858	38,549	38,054	37,660
Traffic signals	238	238	234	222	219	216	207	205	195	193
<b>Recreation and community services</b>										
Open space acreage	4,989	4,984	4,930	4,722	4,991	4,991	4,990	4,982	4,976	5,053
Playgrounds and Parks acreage	7,789	7,706	7,536	7,542	7,329	7,329	7,319	7,318	7,242	7,158
<b>Parks *</b>										
Playgrounds	78	68	68	68	70	69	67	67	66	64
Baseball/softball fields	198	198	198	197	213	215	216	213	213	237
Football fields	100	99	99	97	104	99	97	98	98	118
Basketball courts	83	82	84	84	84	83	76	77	76	70
Tennis courts	53	52	54	53	53	54	54	54	54	64
<b>Water</b>										
Water mains (miles)	1,510	1,447	1,423	1,412	1,407	1,388	1,387	1,377	1,366	1,362
Water treatment plants	12	12	12	12	12	12	12	12	13	13
<b>Wastewater</b>										
Maximum daily treatment capacity (thousands of gallons)	52,530	52,530	52,530	46,830	46,640	46,640	46,615	46,615	46,615	46,615
Wastewater mains (miles)	1,523	1,469	1,469	1,472	1,472	1,446	1,445	1,442	1,432	1,418
Wastewater treatment plants	7	7	7	6	7	7	7	7	7	7
Wastewater pumping stations	265	265	262	262	259	258	257	257	253	251

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

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