

Calvert County Maryland



Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2009

Calvert County Maryland



Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2009

Prepared by:
Department of Finance & Budget
Calvert County, Maryland

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2009

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

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Introductory Section



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CALVERT COUNTY GOVERNMENT

Board of County Commissioners

Wilson H. Parran, President

Gerald "Jerry" W. Clark, Vice President

Linda L. Kelley, Commissioner

Susan Shaw, Commissioner

Barbara A. Stinnett, Commissioner

December 23, 2009

Honorable Members of the Board of County Commissioners of Calvert County,
County Administrator and Citizens of Calvert County

The Comprehensive Annual Financial Report of Calvert County, Maryland for the Fiscal Year ended June 30, 2009, is hereby submitted. Calvert County Code of Public Local Law requires that Calvert County annually issue a report of its financial position and activity, and that this report be audited by certified public accountants. The County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of Calvert County Government and its component units.

Management of the government 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 to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP). The internal control structure is designed to provide reasonable 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.

Murphy & Murphy, CPA, LLC, Independent Certified Public Accountants have audited Calvert County Government's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Calvert County Government

for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Calvert County, Maryland was formed as one of the original counties in Maryland in 1654 and has a Commissioner form of government. A board of five Commissioners governs the County and serves the executive and legislative functions. The Commissioners operate under a Code of Public Local Laws of Calvert County, revised in 1985, and are subject to legislation adopted by the State Legislature. "Beginning with the general election to be held in Calvert County in November 1978, five county commissioners shall be elected by countywide vote. One shall be a resident of the first election district, one a resident of the second district, and one a resident of the third election district of the county. Of the remaining candidates, the two receiving the highest number of votes shall be selected. Commissioners who are elected and qualify shall take office the third Tuesday of December following election. Each commissioner shall hold office for 4 years or until a successor is elected and qualified (Code 1981, § 4-102; 1985,ch 715, § 2.)"

There are several other elected officials in Calvert County that include: Register of Wills, Sheriff, States Attorney, Treasurer, Mayor of the Town of Chesapeake Beach, Mayor of the Town of North Beach, Clerk of the Circuit Court, and five members of the Board of Education.

The Commissioners appoint a County Administrator who is responsible for the day-to-day administration of the County government. The Commissioners establish policy, enact ordinances, review and approve annual budgets, conduct public hearings and make decisions on land use matters. The Commissioners also appoint all department heads, members of boards and commissions and represent the county in dealings with other municipalities, the state and federal government. The office of the Commissioners is located at 175 Main Street, Prince Frederick, Maryland, 20678. The main phone number is 410-535-1600 and the website is www.co.cal.md.us.

Calvert County occupies 213 square miles, has 143 miles of shoreline, and serves a population of 90,000. It is the smallest county in Southern Maryland. Despite recent growth, Calvert County retains its rural character and agrarian roots, offering good schools, a clean environment and good quality of life. Calvert is a peninsula, bounded by the Chesapeake Bay on the east and the Patuxent River on the west. Steep cliffs and woods

predominate on the bay side, while along the Patuxent, rolling fields slip gently down to the river. The County's many creeks provide refuge for wildlife, as well as scenic areas for boating and fishing.

Prince Frederick, the County seat, is located 35 miles southeast of Washington, D.C. and 55 miles south of Baltimore. There are two incorporated towns in Calvert County: North Beach and Chesapeake Beach, located on the bay at the northeast corner of the county. In addition, the Comprehensive Plan identifies seven "town centers." These include (from north to south) Dunkirk, Owings, Huntingtown, Prince Frederick, St. Leonard, Lusby, and Solomons.

The County provides a full range of municipal services, including: public safety, construction and maintenance of highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, planning and zoning, and general administrative services. The County is also financially accountable for legally separate entities which are reported separately within the County's Financial Statements. The entities that meet these criteria are the Calvert County Board of Education and the Economic Development Authority of Calvert County. Additional information on the component units can be found in Note 1.

Calvert County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. Each County department, agency, or board receiving County funds submits a budget request to the Commissioners at a public hearing, via the Department of Finance and Budget. Additional public hearings are conducted to obtain taxpayer comments. On or before July 1 of each year, the budget is legally enacted through passage of a resolution. No expenditure of County funds may be made in excess of appropriation at the Fund level. A Summary Schedule of Revenues, Expenditures, and Other Financing Sources and Uses- Budget and Actual on a budgetary basis can be found on page 75 of this report. The capital projects fund budget is prepared on a project length basis and, accordingly, annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy: Conservative fiscal management and steady economic growth have allowed the County to maintain a sound financial position. Property taxes and income taxes provide the majority of the revenue for the General Fund of the Calvert County Government. While property taxes continue to show steady growth, due mostly to a phase-in of prior year assessment increases, Income tax revenue declined on a year over year basis in Fiscal Year 2009. Increased unemployment and the decreased capital gains that taxpayers across the Country are experiencing have created this situation. Both of the growth rates are expected to flatten in the near term because of economic conditions.

Property tax, the largest revenue source, represented 56% of the total final budgeted General Fund revenue for fiscal year 2009. Property assessments have increased over the last ten fiscal years, 2000 to 2009, by 57%. The property tax revenue increased during that same time by 86%. Both the increases in the assessments and property tax revenue continue to be affected by the decrease in public utility tax of 31 % that took place in fiscal years 2000 and 2002 due to tax reform related to electric deregulation. The property tax revenue increase in

fiscal year 2008 was 16%, a trend that is not expected to continue as changes real property assessments are expected to be minimal across the State of Maryland.

Property tax revenues are directly affected by the market value of homes and the number of new housing starts. The market value of owner occupied homes in the County had been rising steadily over several years, until fiscal year 2008. Along with the rest of the Country, Calvert County's property values decreased. If and most likely when this decline in sales prices is reflected in the assessment data, the decrease is not expected to have an immediate impact on property tax revenue. The primary reasons for this are the triennial assessment schedule and the 10% homestead credit cap. The number of residential building permits issued in fiscal year 2009 was 172, a decrease of 26% or 62 permits from the prior fiscal year.

Until this current year, the income tax base like the property tax base had shown steady growth. Income tax revenue, at 29% of the total final budgeted General Fund revenue for fiscal year 2009, is directly affected by personal income levels, employment levels, and population growth. Over the period of 1990 through 2000, growth in the County's population of 45% contributed to a labor force growth rate of 40%. The County's employment has increased by approximately 50%, well ahead of the State's 10% growth rate. The median household income for Calvert County in 2007 was \$90,200, one of the highest levels in the nation for a county of our size. With population growth expected to slow, increasing national unemployment levels and significant pressures on wage increases, growth in income tax revenue is expected to be level after this current down trend completes.

Long-term financial planning: Calvert County annually adopts a Capital Budget and Capital Improvement Program that is designed to plan for expenditures and commitments for the current fiscal year as well as the subsequent five fiscal years. This is one of the County's primary financial management planning tools to ensure that its major capital projects meet the needs of its citizens in a timely manner. In addition, this process ensures that the County plans for the best use of its financial resources.

The fiscal year 2009 budget reflected education, roads, public safety, and recreational opportunities as the continued top priorities of the County's administration. The General Fund operating budget included a 5.5% increase in funding for the Board of Education operating costs. Within the Capital Improvements Program Budget for Fiscal Year 2009, 46% was dedicated to new school construction, additions, renovations, and the maintenance of existing facilities. The primary focus was on the replacement of Calvert Middle school. Public Works comprised of 41 %, with Transportation comprising of 21% with the primary road project being the Prince Frederick Loop Road. Utilities comprised 20%, with the primary projects being the Appeal Landfill Convenience Center

The County continues its policy of maintaining a reserve of 8 % of the total General Fund expenditures budget for the subsequent year to protect its high credit ratings. The County maintains a Rainy Day Reserve as a means to handle potential revenue shortfalls, to fund one-time non-recurring expenditures, or in the event of emergency or unplanned expenditures. In addition, the County has set aside a reserve for future other post employment benefits. The County has received continued credit rating upgrades in recent

years. The latest ratings, received in fiscal year 2009, were Aa2 from Moody's Investors Service, Inc., AA+ from Standard & Poor's, and AA+ from Fitch Ratings.

In 1990, the County adopted a debt affordability model to ensure that the debt levels are kept at an affordable, manageable, moderate level. A Debt policy was adopted in FY 2009 to comply with the State of Maryland's new requirement. The guidelines created in 1990 and ratified in this policy, establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 4.5%, 2) debt service as a percent of general fund revenue, 9.5%, and 3) debt per capita \$1,500. Using fiscal year 2009 data, the County's current ratios are as follows: debt to assessed value is .9%, debt service to general fund revenue is 7.68%, and debt per capita is \$1,375.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calvert County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The County received its eighth GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2008 to June 30, 2009. In order to qualify for this Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award. We await our Ninth.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Budget Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the County Commissioners and the County Administrator for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

Tim Hayden, CPA, CMA
Director, Finance and Budget

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County Commissioners
of Calvert County, Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. M.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enow", positioned above the title "Executive Director".

Executive Director

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Wilson H. Parran
President, Board of County Commissioners

Gerald W. Clark
Vice President, Board of County Commissioners

Linda L. Kelley
Commissioner

Susan Shaw
Commissioner

Barbara A. Stinnett
Commissioner

Novalea Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

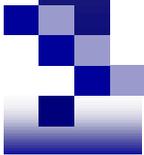
Terry L. Shannon
County Administrator

Timothy Hayden
Director of Finance and Budget

Greg Bowen
Director of Planning and Zoning

Linda Vassallo
Director of Economic Development

Terry P. Carlson, P.E.
Director of Public Works



CALVERT COUNTY GOVERNMENT

175 Main Street, Prince Frederick, MD 20678
410-535-1600
calvertcounty@co.cal.md.us

Citizens

Treasurer's Office

Board of County Commissioners

Elections Board

County Administrator

County Attorney

Community Resources

Aging

Public Transportation

Family Network

CAASA

Economic Development

Finance and Budget

General Services

Buildings And Grounds

Parks and Recreation

Natural Resources

Mosquito Control

Marine Museum

Railway Museum

Personnel

Planning And Zoning

Planning and Plan Review

Programs, Data, and Special Projects

Zoning and Permits

Board of Appeals

Public Safety

Fire/Rescue/EMS

Volunteer Fire Companies

Emergency Management

Control Center

False Alarm Reduction

Public Works

Engineering

Fleet Maintenance and Highway

Water And Sewer

Solid Waste

Project Management

Transportation

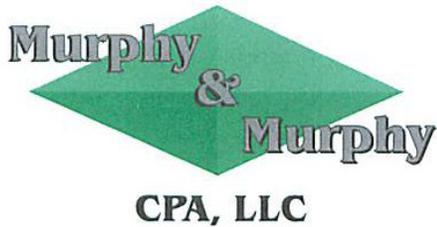
Technology Services



Financial Section



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INDEPENDENT AUDITOR'S REPORT

County Commissioners of Calvert County, Maryland
Prince Frederick, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Calvert County, Maryland, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County Commissioners of Calvert County, Maryland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Calvert County Board of Education, which represents 35 percent of the assets and 50 percent of the revenues of the total reporting entity. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Calvert County Board of Education, are based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the

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aggregate remaining fund information of the County Commissioners of Calvert County, Maryland, as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009, on our consideration of the County Commissioners of Calvert County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 75, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County Commissioners of Calvert County, Maryland's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents under other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County Commissioners of Calvert County, Maryland. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Murphy & Murphy, CPA, LLC

Clinton, Maryland
December 23, 2009

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Annual Financial Report of Calvert County, Maryland presents a narrative overview and analysis of the financial activities of Calvert County Government for the fiscal year ended June 30, 2009. We encourage readers to use the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets of Calvert County Government exceeded its liabilities at the close of the most recent fiscal year by \$209.8 million (*net assets*). Approximately 18.3 percent of this amount is attributable to the business-type activities that include the Water and Sewer Fund, the Solid Waste and Recycling Fund, the Calvert Marine Museum and the Chesapeake Hills Golf Course. Of total net assets, \$46.6 million (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors (the \$49.5 million of the Governmental Activities' unrestricted net assets are reduced by \$2.8 million, attributable to the business-type activities), \$14.7 million is restricted for specific purposes (*restricted net assets*), and \$148.5 million is invested in capital assets, net of related debt. Included as restricted cash is \$26.5 million of which \$23.8 million represents bond proceeds, which, the majority will be used to pay for costs associated with the construction of a several road projects, a middle school, and an almost completed aquatic center.
- The government's overall net assets have decreased by \$11.9 million; a \$15.9 million decrease was related to the governmental activities and an increase of \$4.0 million was related to the business type activities. Additional details on this change are presented in the following pages.
- As of June 30, 2009, the County's governmental funds reported combined fund balances of \$122.6 million, a decrease of \$17.5 million in comparison with the prior year. Approximately 81 percent of this total amount, \$99.1 million is available to meet the County's current and future needs (*unreserved fund balance*). Of the total unreserved fund balance, \$79.2 million (prior year, \$93.8 million) has been dedicated for certain purposes, including, \$44.1 million for approved capital projects, \$3.5 million for employee leave obligations payouts, \$4.4 million for purposes within special revenue funds and \$6.9 million for *Other Post Employment Benefits (GASB 45)*.
- The proprietary funds operating revenue decreased by \$151,890 or 1.0 percent.
- At the close of the current fiscal year, unreserved fund balance for the General Fund (primary operating fund) was \$48.3 million, or 22.1 percent of total General

Fund budgetary expenditures and other financing uses. Designated fund balance of the General Fund was \$30.7 million, or 64 percent of unreserved fund balance.

- Calvert County Government issued new general obligation bonds of \$18.5 million during the current fiscal year. The purpose of this debt was to finance several major capital projects including the Southern Connector Road, the Calvert County Indoor Aquatic Center, the Prince Frederick Loop Road and the Calvert Middle School.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Calvert County Government's basic financial statements. Calvert County Government's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of Calvert County Government's finances, in a manner comparable to a private-sector business.

The *statement of net assets* presents information on all of Calvert County Government's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position and condition of Calvert County Government is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Calvert County Government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Calvert County Government include: general government, public safety, public works, health and hospitals, social services, education, recreation and culture, conservation of natural resources, urban development and housing, economic development, and debt service. The business-type activities of Calvert County Government include: Water and Sewer, Solid Waste & Recycling, Calvert Marine Museum operations and the Chesapeake Hills Golf Course.

The government-wide financial statements include not only Calvert County Government itself (known as the *primary government*), but also legally separate component units. Calvert County Government has the following component units: Calvert County Board of Education and Economic Development Authority. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 15 to 17 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Calvert County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Calvert County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Calvert County Government maintains 15 individual governmental funds: the General, Planning and Zoning, Housing, Project Graduation, Board of Library Trustees, Parks and Recreation, Bar Library, Economic Development Authority Revolving Loan, Revolving Loan, Calvert County Family Network, Excise Tax, Economic Development Incentive, Grants, Land Preservation, and Capital Projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital projects funds with a summary of the other funds, referred to as nonmajor governmental funds.

Calvert County Government adopts an annual appropriated budget for its General Fund. To demonstrate compliance with this budget, a budgetary comparison statement has been provided for the General Fund, the County's primary fund. The summary schedule on a budgetary basis for the General Fund can be found in the *Required Supplemental Information* section on page 75 of this report.

Proprietary funds: Proprietary funds, also known as, *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Calvert County Government uses enterprise funds to account for its Water and Sewer, Solid Waste and Recycling, Calvert Marine Museum and Chesapeake Hills Golf Course activities. Note that the Calvert Marine Museum and Chesapeake Hills Golf Course are combined in the column “Nonmajor Proprietary Funds” in the basic proprietary fund financial statements found on pages 21 to 23 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Calvert County Government’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 26 to 74 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*, other *supplemental information*, and a *statistical section* concerning Calvert County Government. Other supplemental information can be found beginning on page 76 of this report.

Government-wide Financial Analysis

This is the seventh reporting period that the Governmental Accounting Standards Board (GASB) Statement No. 34 has been applied in the preparation of the financial statements of Calvert County Government.

As noted earlier, net assets may serve over time as a useful indicator of a government’s overall financial condition and position. In the case of Calvert County, assets exceeded liabilities by \$209.8 million (prior year, \$221.7 million) at the close of the current fiscal year. Calvert County Government’s net assets are divided into three categories, invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Approximately 71 percent (prior year, 61 percent) of the County’s net assets reflects its investment in capital assets net of depreciation (e.g. land and easements, buildings, machinery, equipment, infrastructure and improvements), less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Restricted net assets represent 7.0 percent (6.0 percent, prior year) of total net assets. Restricted net assets are resources that are subject to external restrictions on how they may be used. Unrestricted net assets of the government have a balance of \$46.6 million (prior year, \$72.5 million) 22 percent (prior year, 33 percent) of total net assets which may be used to meet the government’s ongoing obligations to citizens and creditors. Of this amount, the unrestricted net assets for business-type activities have a negative balance of -\$2.8

million (prior year, -\$6.0 million). This change was mostly due to an offsetting decrease in the restricted net assets of the Water and Sewer Fund.

The following table indicates the changes in net assets for governmental and business-type activities:

Calvert County Government's Changes in Net Assets

	Governmental Activities			Business-type Activities			Total		
	2009	2008	Difference	2009	2008	Difference	2009	2008	Difference
Current and other assets	\$ 187,210,102	\$ 205,334,601	\$ (18,124,499)	\$ 3,533,036	\$ 3,326,074	\$ 206,962	\$ 190,743,138	\$ 208,660,675	\$ (17,917,537)
Capital assets	179,390,076	162,313,311	17,076,765	48,832,382	46,146,750	\$ 2,685,632	228,222,458	208,460,061	19,762,397
Total Assets	366,600,178	367,647,912	(1,047,734)	52,365,418	49,472,824	2,892,594	418,965,596	417,120,736	1,844,860
Long - term liabilities	131,943,456	123,022,059	8,921,397	10,782,706	11,621,211	(838,505)	142,726,162	134,643,270	8,082,892
Other liabilities	63,275,641	57,377,287	5,898,354	3,142,429	3,420,467	(278,038)	66,418,070	60,797,754	5,620,316
Total liabilities	195,219,097	180,399,346	14,819,751	13,925,135	15,041,678	(1,116,543)	209,144,232	195,441,024	13,703,208
Net assets									
Invested in capital assets,									
Net of related debt	109,942,359	100,994,016	8,948,343	38,558,942	34,722,581	3,836,361	148,501,301	135,716,597	12,784,704
Restricted	11,968,498	7,763,481	4,205,017	2,704,915	5,674,336	(2,969,421)	14,673,413	13,437,817	1,235,596
Unrestricted	49,470,224	78,491,069	(29,020,845)	(2,823,574)	(5,965,771)	3,142,197	46,646,650	72,525,298	(25,878,648)
Total net assets	\$ 171,381,081	\$ 187,248,566	\$ (15,867,485)	\$ 38,440,283	\$ 34,431,146	\$ 4,009,137	\$ 209,821,364	\$ 221,679,712	\$ (11,858,348)

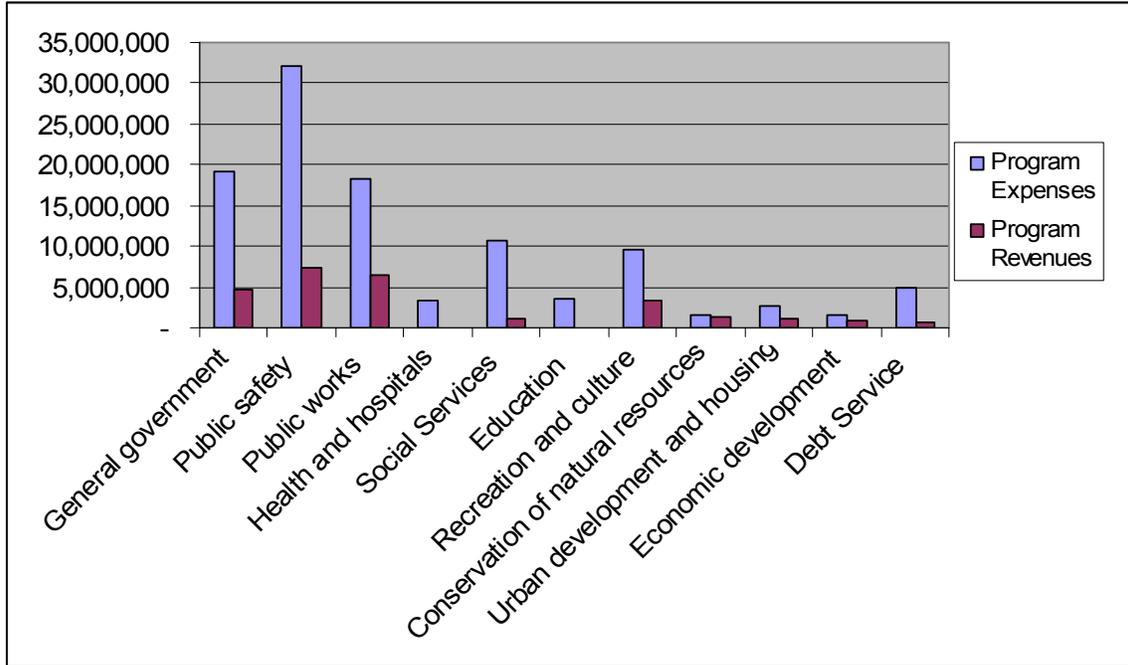
Governmental activities: Net assets of the Governmental activities decreased by \$15,867,485 (prior year, an increase of \$12,221,979), accounting for the overall decrease in the net assets of the Government. This decrease is in part due to an increase in the net pension and other post employment benefit obligations of the County. The acquisition of the Chesapeake Hills Golf Course and its resulting fund balance (listed below as a Business-type activity) also lowered the Governmental activities fund balance by shifting it to Business-type activities. The negative financial results of FY 2009 are also reflected in this amount.

Business-type activities: Business-type activities increased Calvert County Government's net assets by \$4.0 million (prior year, an increase of \$.6 million). The Solid Waste and Recycling Fund had an increase in net assets of \$489,679 and the Calvert Marine Museum had an increase of \$29,218. The Water and Sewer Fund net assets decreased by \$168,371. In FY 2009 the County purchased the Chesapeake Hills Golf Course. This new fund adds \$3,658,611 to the net assets of the business type activities. The Board of County Commissioners began a seven year water and sewer rate plan in January 2006 to phase-in rate adjustments so that revenues will eventually cover the costs of operations. Until such time that the rates have been fully adjusted, the County plans to use reserves to fund the deficit for the Water and Sewer Fund. At the end of fiscal year 2009, the long term part of these advances total \$5.9 million. This deficit is anticipated to be in excess of \$8.5 million at the end of the phase-in period. The Board of County Commissioners will determine the payback method of this amount when the phase-in is complete.

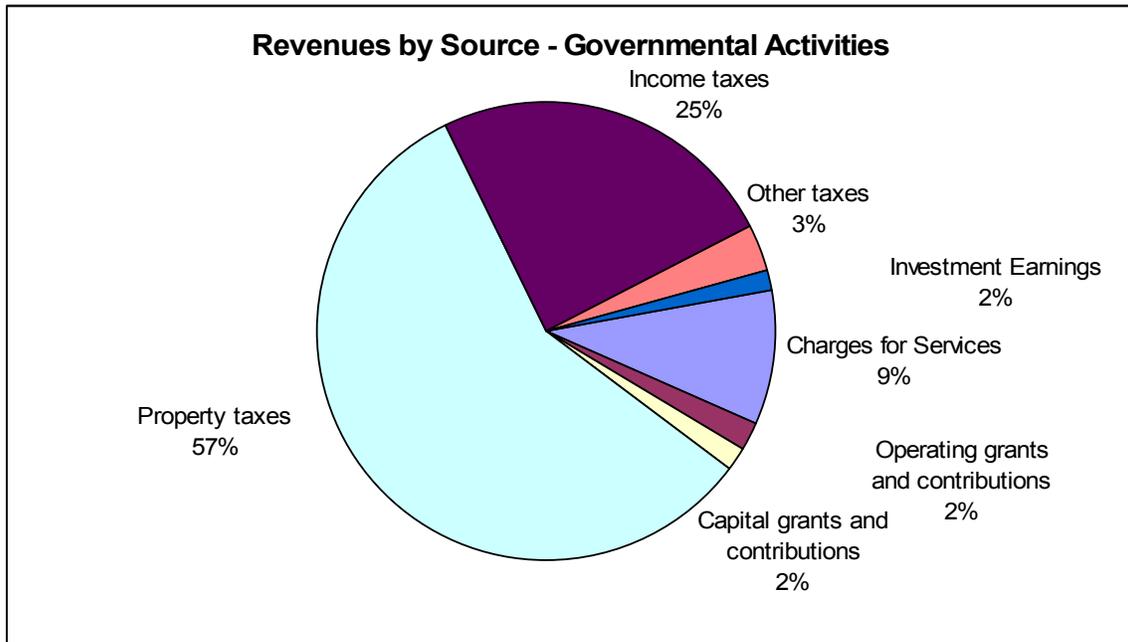
The following charts reflect the Revenues and Program expenses for the Governmental and the Business-type Activities and the changes in net assets for the year ended June 30:

	Governmental Activities			Business-type Activities			Total		
	2009	2008	Difference	2009	2008	Difference	2009	2008	Difference
Revenues									
Program Revenues:									
Charges for Services	\$ 20,497,870	\$ 21,166,420	\$ (668,550)	\$ 17,517,155	\$ 17,437,807	\$ 79,348	38,015,025	\$ 38,604,227	\$ (589,202)
Operating grants and contributions	4,682,078	3,702,580	979,498	435,485	531,126	(95,641)	5,117,563	4,233,706	883,857
Capital grants and contributions	3,850,425	1,356,301	2,494,124	684,513	24,849	659,664	4,534,938	1,381,150	3,153,788
General revenues:									
Property taxes	126,502,446	109,907,718	16,594,728	-	-	-	126,502,446	109,907,718	16,594,728
Income taxes	54,280,021	63,477,715	(9,197,694)	-	-	-	54,280,021	63,477,715	(9,197,694)
Other taxes	7,078,629	10,560,542	(3,481,913)	-	-	-	7,078,629	10,560,542	(3,481,913)
State reimbursement	-	5,897,437	(5,897,437)	-	-	-	-	5,897,437	(5,897,437)
Investment Earnings	3,362,353	5,581,211	(2,218,858)	77,469	343,249	(265,780)	3,439,822	5,924,460	(2,484,638)
	220,253,822	221,649,924	(1,396,102)	18,714,622	18,337,031	377,591	238,968,444	239,986,955	(1,018,511)
Program Expenses									
General government	19,068,759	21,118,928	(2,050,169)	-	-	-	19,068,759	21,118,928	(2,050,169)
Public safety	31,997,935	28,440,488	3,557,447	-	-	-	31,997,935	28,440,488	3,557,447
Public works	18,172,391	12,747,610	5,424,781	-	-	-	18,172,391	12,747,610	5,424,781
Health and hospitals	3,451,586	3,059,513	392,073	-	-	-	3,451,586	3,059,513	392,073
Social Services	10,721,194	9,674,760	1,046,434	-	-	-	10,721,194	9,674,760	1,046,434
Education	3,478,087	3,048,939	429,148	-	-	-	3,478,087	3,048,939	429,148
Board of Education	122,637,685	108,689,460	13,948,225	-	-	-	122,637,685	108,689,460	13,948,225
Recreation and culture	9,561,064	11,230,664	(1,669,600)	292,250	-	292,250	9,853,314	11,230,664	(1,377,350)
Conservation of natural resources	1,601,851	1,816,478	(214,627)	-	-	-	1,601,851	1,816,478	(214,627)
Urban development and housing	2,603,275	1,378,660	1,224,615	-	-	-	2,603,275	1,378,660	1,224,615
Economic development	1,465,651	1,209,545	256,106	-	-	-	1,465,651	1,209,545	256,106
Debt Service	4,822,828	4,180,761	642,067	-	-	-	4,822,828	4,180,761	642,067
Water and sewer	-	-	-	6,383,248	6,063,824	319,424	6,383,248	6,063,824	319,424
Solid waste	-	-	-	10,848,552	11,110,091	(261,539)	10,848,552	11,110,091	(261,539)
Culture	-	-	-	3,720,436	3,395,574	324,862	3,720,436	3,395,574	324,862
Total expenses	229,582,306	206,595,806	22,986,500	21,244,486	20,569,489	674,997	250,826,792	227,165,295	23,661,497
Excess (Deficiency) of revenues over expenses	(9,328,484)	15,054,118	(24,382,602)	(2,529,864)	(2,232,458)	(297,406)	(11,858,348)	12,821,660	(24,680,008)
Transfers	(6,539,001)	(2,832,139)	(3,706,862)	6,539,001	2,832,139	3,706,862	-	-	-
Assets									
Net assets- beginning	187,248,566	175,026,587	12,221,979	34,431,146	33,831,465	599,681	221,679,712	208,858,052	12,821,660
Net assets- ending	\$ 171,381,081	\$ 187,248,566	\$ (15,867,485)	\$ 38,440,283	\$ 34,431,146	\$ 4,009,137	\$ 209,821,364	\$ 221,679,712	\$ (11,858,348)

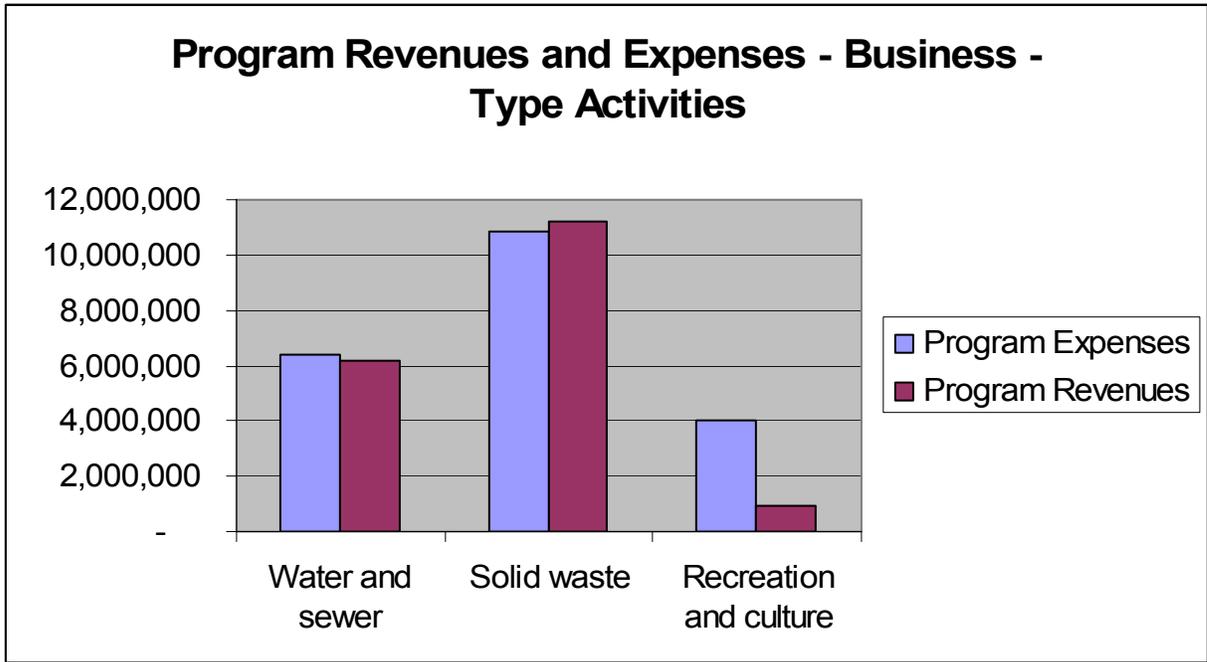
This chart matches governmental program revenues and expenses by function. The Board of Education is not included because at 53% of the total program expenses the chart becomes meaningless for comparison purposes:



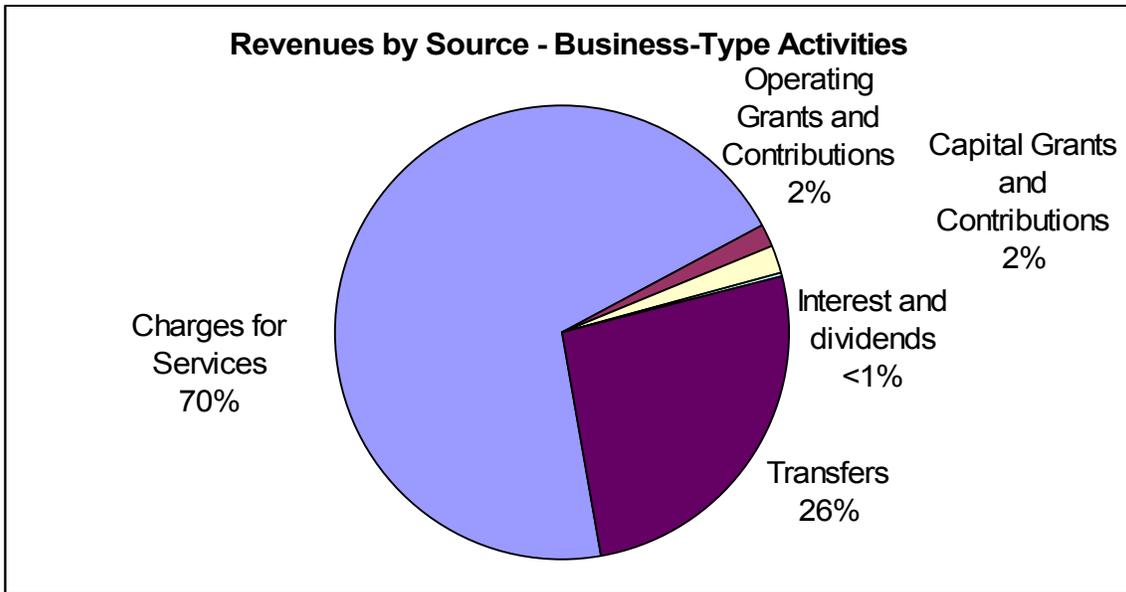
This chart reports governmental revenue sources:



This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



This chart uses the revenues from the Statement of Activities to display a comparison of the business-type activities revenues by source:



Financial Analysis of the Government's Funds

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

Governmental funds: The focus of Calvert County Government's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Calvert County Government's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Calvert County Government's governmental funds reported combined ending fund balances of \$122.6 million (prior year, \$140.1 million), a decrease of \$17.5 million in comparison with the prior year increase of \$13.9 million. Approximately 81 percent (prior year, 85 percent) of this amount, \$99.1 million (prior year, \$119.8 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. It should be noted that \$79.2 million (prior year, \$93.8 million) of this amount has been designated for certain purposes (see *Financial Highlights* for details.). The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period, 2) for inventories, or 3) dedicated for a variety of restricted purposes. The reserved fund balance is equal to 19 percent (prior year, 14 percent) of total fund balance.

The General Fund is the chief operating fund of Calvert County Government. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$48.3 million (prior year, \$55.6 million), while total fund balance was \$59.8 million (prior year, \$68.2 million). As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.1 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 27.1 percent), while total fund balance represents 27.3 percent (prior year, 33.3 percent) of that same amount.

The fund balance of Calvert County Government's General Fund decreased by \$8.4 million (prior year increase of \$4.8 million). This decrease is mostly due to a \$5.3 million unfavorable variance in income tax revenue and the use of \$3.7 million fund balance, to purchase a golf course. The county realized a budgetary deficit of \$6,745,809.

The Capital Project Fund has a total fund balance of \$44.1 million (prior year, \$51.5 million) of which the entire balance is unreserved, but designated for future capital project expenditures. Unspent bond proceeds of \$23.8 million make up 54.0 percent of the unreserved fund balance (prior year, \$36.0 million, 70.0 percent). The decreases in fund balance and unspent bond proceeds are explained by the use of funds to build and acquire capital assets some of which are listed in the capital asset discussion below.

Proprietary funds: Calvert County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Overall the net assets of the proprietary funds increased \$4.0 million (prior year, increase of \$.6 million). At the end of the year, unrestricted net assets of the Water and Sewer Fund amounted to a negative \$5.8 million (prior year, -\$8.4 million), and the Solid Waste and Recycling Fund amounted to \$2.2 million (prior year, \$2.0 million). The Calvert Marine Museum ended the year with \$4.0 million of total net assets (prior year, \$3.9 million) and the Chesapeake Hills Golf Course reported \$3.7 million in total net assets in its initial reporting period.

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$3,963,835 over the original budget (prior year, \$2,072,388). Of this total, \$3,650,000 was appropriated from reserves to purchase the Chesapeake Hills Golf Course. Overall expenditures were less than budgetary estimates by \$6.6 million because of cost cutting measures executed by management. Revenues were \$13.3 million less than budgetary estimates mostly due to week performance of economically sensitive revenue items and reductions in local aid to counties by the State of Maryland.

Capital Asset and Debt Administration

Capital assets: Calvert County Government's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$228.2 million (prior year, \$208.5 million), net of accumulated depreciation. This investment in capital assets includes: land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure and land development rights. The total increase in Calvert County Government's investment in capital assets for the current fiscal year was 9.5 percent (prior year, 9.0 percent), a 10.5 percent increase for governmental activities (11.4 percent, prior year) and a 5.8 percent increase (prior year, 1.3 percent decrease) for business-type activities.

Calvert County Government's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 24,181,432	\$ 23,593,616	\$ 4,561,708	\$ 3,074,352	\$ 28,743,140	\$ 26,667,968
Land development rights	10,413,705	10,413,705	-	-	\$ 10,413,705	10,413,705
Construction in progress	27,950,579	37,496,180	613,229	1,351,294	\$ 28,563,808	38,847,474
Buildings	23,483,341	23,551,287	30,513,111	1,273,759	\$ 53,996,452	24,825,046
Improvements	19,462,572	17,094,013	8,572,545	33,492,754	28,035,118	50,586,767
Machinery and equipment	12,765,921	12,329,262	4,571,791	6,954,591	17,337,711	19,283,853
Infrastructure	61,132,526	37,835,248	-	-	61,132,526	37,835,248
Total	\$ 179,390,076	\$ 162,313,311	\$ 48,832,384	\$ 46,146,750	\$ 228,222,460	\$ 208,460,061

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

- Added about \$23m in roads to capitalized infrastructure.
- Construction of the Calvert County Indoor Aquatic Center is almost complete, with a cumulative cost of \$12.9m.
- Added the Chesapeake Hills Golf Course land and related equipment

Additional information on Calvert County’s capital assets can be found in Note 6 of this report.

Long-term debt: At the end of the current fiscal year, Calvert County Government had total general obligation debt outstanding of \$135.3 million (prior year, \$129.5 million). The full faith and credit and unlimited taxing power of the County are irrevocably pledged to levy and collect taxes in order to provide for the payment of principal and interest due on the debt. Of this amount, \$10.1 million (prior year, \$11.2 million) are considered self-supporting bonds, funded through various surcharges and assessments related to the operation of the water and sewerage and solid waste and recycling systems of the County. Also within the governmental activities are the \$10.4 million (prior year, \$10.4 million) in installment purchase agreements for the land preservation program. The principal amount is supported by US Treasury Strip securities.

Calvert County Government's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General Obligation Debt	\$ 125,252,295	\$ 118,294,975	\$ 10,078,363	\$ 11,194,282	\$ 135,330,658	\$ 129,489,257
The Land Preservation Program	10,413,705	10,413,705	-	-	10,413,705	\$ 10,413,705
Total Bonded Debt	<u>\$ 135,666,000</u>	<u>\$ 128,708,680</u>	<u>\$ 10,078,363</u>	<u>\$ 11,194,282</u>	<u>\$ 145,744,363</u>	<u>\$ 139,902,962</u>

Calvert County Government’s total general obligation bonded debt increased by \$5.8 million (prior year, an increase of \$13.6 million), or 4.5 percent during the current fiscal year (prior year, an increase of 10.8 percent).

In April 2009, the Calvert County Government had its credit ratings reaffirmed by the major rating agencies:

Standard & Poor’s	“AA+”
Fitch Ratings	“AA+”
Moody’s Investors Service, Inc.	“Aa2”

In 1990, the County adopted a debt affordability model to ensure that the debt levels are kept at an affordable, manageable, moderate level. A Debt policy was adopted in FY 2009 to comply with the State of Maryland’s new requirement. The guidelines created in 1990 and ratified in this policy, establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 4.5%, 2) debt service as a percent of general fund revenue, 9.5%, and 3) debt per capita \$1,500. Using fiscal year 2009 data, the County’s current ratios are as follows: debt to assessed value is .9%, debt service to general fund revenue is 7.68%, and debt per capita is \$1,375.

Additional information on Calvert County Government's long-term debt can be found in Note 7 of this report.

Economic Factors and Fiscal Year 2010's Budgets and Rates

- Total personal income of County residents exceeded \$3.63 billion during calendar year 2007 (\$3.43 billion in 2006), an increase of 6.0%. The increase was 4.9% from calendar year 2005 to 2006.
- The unemployment rate for the County as of June 30, 2009 was 6.4%, while the average unemployment rate for the State of Maryland was 7.2%. Based on recent more favorable data, it is hoped that 6.4% was the peak unemployment rate in the County.
- Based on preliminary information, the County is experiencing decreases in assessed real estate values. Forecasted future revenues reflect this trend.
- The Water and Sewer Fund rates were adjusted for fiscal year 2009, continuing with the adopted phase-in plan to achieve a structurally balanced Water & Sewer Fund by FY2012.
- The Solid Waste Fund fee was adjusted for fiscal year 2010, from \$107 to \$113, an increase of 5.6%.

All of these factors were considered in preparing the Calvert County Government's budget for the 2010 fiscal year. Calvert County Government has adopted a balanced budget for fiscal year 2010.

Requests for Information

This financial report is designed to provide a general overview of Calvert County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Budget, Calvert County Government, 175 Main Street, Prince Frederick, MD 20678.

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

FINANCIAL STATEMENTS

JUNE 30, 2009

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Board of Education	Economic Development Authority
Cash, cash equivalents and investments	\$ 120,207,505	\$ 485,070	\$ 120,692,575	\$ 17,497,493	\$ 1,735,161
<u>Receivables</u>					
Taxes	5,927,602	-	5,927,602	-	-
Special assessments	1,232,306	-	1,232,306	-	-
Accounts	27,332,582	2,591,069	29,923,651	-	-
Notes	5,053,605	195,331	5,248,936	-	232,231
Accrued interest	237,311	8,932	246,243	-	71,568
Other	-	-	-	6,448	-
Due from primary government	-	-	-	15,909,101	95,900
Internal balances	2,782,155	(2,782,155)	-	-	-
Due from other governments	33,688	-	33,688	5,007,153	-
Deferred expenses	-	143,702	143,702	-	-
Prepaid costs	-	-	-	57,627	-
Inventory	286,468	186,172	472,640	92,793	-
Net pension asset	299,842	-	299,842	-	-
<u>Restricted assets</u>					
Cash	23,817,038	2,704,915	26,521,953	-	-
Capital assets not being depreciated	62,545,716	5,174,936	67,720,652	21,220,486	22,191
Depreciable capital assets - net	116,844,360	43,657,446	160,501,806	168,326,807	-
Total assets	366,600,178	52,365,418	418,965,596	228,117,908	2,157,051
<u>Liabilities</u>					
Accounts payable	3,267,876	1,343,382	4,611,258	19,465,863	588
Notes payable	239,400	-	239,400	-	-
Accrued liabilities	10,556,409	230,585	10,786,994	-	-
Due to other governments	4,212,143	-	4,212,143	1,227,564	-
Due to component units	16,670,146	-	16,670,146	-	-
Unearned revenue	7,402,356	20,685	7,423,041	1,549,523	200,561
Net pension obligation	7,974,125	-	7,974,125	-	-
Noncurrent liabilities					
Due within one year	12,953,186	1,547,777	14,500,963	277,054	-
Due in more than one year	131,943,456	10,782,706	142,726,162	3,209,551	-
Total liabilities	195,219,097	13,925,135	209,144,232	25,729,555	201,149
<u>Net Assets</u>					
Invested in capital assets, net of related debt	109,942,360	38,558,942	148,501,302	189,244,090	-
<u>Restricted for</u>					
Capital projects	1,956,829	-	1,956,829	-	-
Grants	2,442	-	2,442	-	-
Land preservation	9,944,095	-	9,944,095	-	-
Cafeteria fund	-	-	-	1,547,588	-
Parks and recreation	65,132	-	65,132	-	-
Restricted capital connection	-	2,087,310	2,087,310	-	-
Gifts and bequests	-	617,605	617,605	-	-
Unrestricted	49,470,223	(2,823,574)	46,646,649	11,596,675	1,955,902
Total net assets	\$ 171,381,081	\$ 38,440,283	\$ 209,821,364	\$ 202,388,353	\$ 1,955,902

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Primary Government</u>				
<u>Governmental activities</u>				
General government	\$ 19,068,759	\$ 2,988,780	\$ 1,263,364	\$ 343,267
Public safety	31,997,935	5,014,300	2,056,354	293,645
Public works	18,172,391	5,555,237	-	879,104
Health and hospitals	3,451,586	27,060	11,677	-
Social services	10,721,194	1,800	1,047,727	-
Education	3,478,087	-	-	-
Board of Education	122,637,685	-	-	2,334,409
Recreation and culture	9,561,064	3,083,036	302,956	-
Conservation of natural resources	1,601,851	1,330,446	-	-
Urban development and housing	2,603,275	1,022,376	-	-
Economic development	1,465,651	838,483	-	-
Debt service	4,822,828	636,352	-	-
Total governmental activities	<u>229,582,306</u>	<u>20,497,870</u>	<u>4,682,078</u>	<u>3,850,425</u>
<u>Business-Type activities</u>				
Water and sewer	6,383,248	5,946,393	-	250,750
Solid waste	10,848,552	11,238,260	-	-
Recreation and culture	4,012,686	332,502	435,485	433,763
Total business-type activities	<u>21,244,486</u>	<u>17,517,155</u>	<u>435,485</u>	<u>684,513</u>
Total primary government	<u>250,826,792</u>	<u>38,015,025</u>	<u>5,117,563</u>	<u>4,534,938</u>
<u>Component Units</u>				
School district	218,407,699	4,354,448	41,933,102	18,724,123
Economic development	870,875	22,778	-	-
Total component units	<u>\$ 219,278,574</u>	<u>\$ 4,377,226</u>	<u>\$ 41,933,102</u>	<u>\$ 18,724,123</u>

<u>General Revenues</u>
Property taxes
Income taxes
Recordation taxes
Admission and amusement taxes
Franchise taxes
Other miscellaneous taxes
Interest and dividends
Miscellaneous
Unrestricted investment earnings
Unrestricted local appropriations, state and federal aid
Unrestricted state reimbursement of electricity deregulation
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
\$ (14,473,348)	\$ -	\$ (14,473,348)	\$ -	\$ -
(24,633,636)	-	(24,633,636)	-	-
(11,738,050)	-	(11,738,050)	-	-
(3,412,849)	-	(3,412,849)	-	-
(9,671,667)	-	(9,671,667)	-	-
(3,478,087)	-	(3,478,087)	-	-
(120,303,276)	-	(120,303,276)	-	-
(6,175,072)	-	(6,175,072)	-	-
(271,405)	-	(271,405)	-	-
(1,580,899)	-	(1,580,899)	-	-
(627,168)	-	(627,168)	-	-
(4,186,476)	-	(4,186,476)	-	-
<u>(200,551,933)</u>	<u>-</u>	<u>(200,551,933)</u>	<u>-</u>	<u>-</u>
-	(186,105)	(186,105)	-	-
-	389,708	389,708	-	-
-	(2,810,936)	(2,810,936)	-	-
<u>-</u>	<u>(2,607,333)</u>	<u>(2,607,333)</u>	<u>-</u>	<u>-</u>
<u>(200,551,933)</u>	<u>(2,607,333)</u>	<u>(203,159,266)</u>	<u>-</u>	<u>-</u>
-	-	-	(153,396,026)	-
-	-	-	-	(848,097)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153,396,026)</u>	<u>\$ (848,097)</u>
126,502,446	-	126,502,446	-	-
54,280,021	-	54,280,021	-	-
5,799,985	-	5,799,985	-	-
30,212	-	30,212	-	-
1,078,080	-	1,078,080	-	-
119,546	-	119,546	-	-
3,362,353	77,469	3,439,822	144,881	-
-	-	-	-	-
50,806	-	50,806	-	-
-	-	-	172,211,852	-
-	-	-	-	-
(6,539,001)	6,539,001	-	-	-
<u>184,684,448</u>	<u>6,616,470</u>	<u>191,300,918</u>	<u>172,356,733</u>	<u>-</u>
(15,867,485)	4,009,137	(11,858,348)	18,960,707	(848,097)
<u>187,248,566</u>	<u>34,431,146</u>	<u>221,679,712</u>	<u>183,427,646</u>	<u>2,803,999</u>
<u>\$ 171,381,081</u>	<u>\$ 38,440,283</u>	<u>\$ 209,821,364</u>	<u>\$ 202,388,353</u>	<u>\$ 1,955,902</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash, cash equivalents and investments	\$ 111,896,906	\$ -	\$ 8,310,599	\$ 120,207,505
<u>Receivables</u>				
Taxes	4,685,338	-	1,242,264	5,927,602
Special assessments	1,232,306	-	-	1,232,306
Accounts	25,765,367	-	1,567,216	27,332,583
Notes	5,053,605	-	-	5,053,605
Accrued interest	236,273	1,038	-	237,311
Due from other funds	6,851,330	21,722,891	11,715,086	40,289,307
Due from other governments	33,688	-	-	33,688
Inventory	275,855	-	10,613	286,468
<u>Restricted assets</u>				
Cash and investments	-	23,817,038	-	23,817,038
Total assets	<u>\$ 156,030,668</u>	<u>\$ 45,540,967</u>	<u>\$ 22,845,778</u>	<u>\$ 224,417,413</u>
Liabilities and Fund Balance				
<u>Liabilities</u>				
Accounts payable	1,306,351	407,801	1,553,724	3,267,876
Notes payable	-	-	239,400	239,400
Accrued liabilities	8,595,861	400,674	-	8,996,535
Due to other funds	37,374,378	-	132,774	37,507,152
Due to component units	16,005,001	665,145	-	16,670,146
Due to other governments	4,212,143	-	-	4,212,143
Deferred revenue	28,760,949	-	2,211,147	30,972,096
Total liabilities	<u>96,254,683</u>	<u>1,473,620</u>	<u>4,137,045</u>	<u>101,865,348</u>
<u>Fund Balances</u>				
Reserved	11,452,788	-	11,968,498	23,421,286
<u>Unreserved</u>				
Designated for, reported in:				
General fund	30,703,197	-	-	30,703,197
Capital projects fund	-	44,067,347	-	44,067,347
Special revenue funds	-	-	4,405,680	4,405,680
Undesignated reported in:				
General fund	17,620,000	-	-	17,620,000
Special revenue funds	-	-	2,334,555	2,334,555
Total fund balances	<u>59,775,985</u>	<u>44,067,347</u>	<u>18,708,733</u>	<u>122,552,065</u>
Total liabilities and fund balances	<u>\$ 156,030,668</u>	<u>\$ 45,540,967</u>	<u>\$ 22,845,778</u>	<u>\$ 224,417,413</u>

Fund balance (as reported above)	122,552,065
Amounts reported for governmental activities in <u>the statement of net assets are different because:</u>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	179,390,076
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	23,869,581
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.	(144,896,642)
Net pension obligations are not due and payable in the current period, and, therefore, are not reported in the funds.	(7,974,125)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.	<u>(1,559,874)</u>
Net assets of governmental activities	<u>\$ 171,381,081</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Taxes	\$ 194,157,120	\$ -	\$ 2,820,550	\$ 196,977,670
Licenses and permits	238,143	-	-	238,143
Intergovernmental	3,743,219	3,701,624	4,805,281	12,250,124
Charges for services	3,768,064	-	-	3,768,064
Fines and forfeitures	119,940	-	199,340	319,280
Miscellaneous	5,776,554	148,801	4,814,563	10,739,918
Total revenues	<u>207,803,040</u>	<u>3,850,425</u>	<u>12,639,734</u>	<u>224,293,199</u>
<u>Expenditures</u>				
General government	16,078,913	-	-	16,078,913
Public safety	26,237,282	-	-	26,237,282
Public works	11,224,901	-	-	11,224,901
Health and hospitals	2,819,937	-	-	2,819,937
Social services	1,611,329	-	7,154,088	8,765,417
Education - other	2,755,571	-	100,727	2,856,298
Board of Education	100,656,137	9,955,382	-	110,611,519
Recreation and culture	4,094,547	-	5,688,616	9,783,163
Conservation of natural resources	371,978	-	936,893	1,308,871
Urban development and housing	1,797,517	-	181,091	1,978,608
Economic development	1,205,616	-	-	1,205,616
Miscellaneous	19,880,661	-	-	19,880,661
Capital projects	-	24,807,060	-	24,807,060
<u>Debt service</u>				
Principal retirement	11,513,920	-	-	11,513,920
Interest	4,807,328	-	-	4,807,328
Total expenditures	<u>205,055,637</u>	<u>34,762,442</u>	<u>14,061,415</u>	<u>253,879,494</u>
Excess (deficiency) of revenues over expenditures	2,747,403	(30,912,017)	(1,421,681)	(29,586,295)
<u>Other financing sources (uses)</u>				
Issuance of debt	-	18,485,000	-	18,485,000
Premium on issuance of debt	-	50,806	-	50,806
Transfers in - other	3,538,682	4,943,504	5,610,457	14,092,643
Transfers out - other	(14,722,024)	-	(5,909,620)	(20,631,644)
Total other financing sources (uses)	<u>(11,183,342)</u>	<u>23,479,310</u>	<u>(299,163)</u>	<u>11,996,805</u>
Net change in fund balance	(8,435,939)	(7,432,707)	(1,720,844)	(17,589,490)
Fund balance at beginning of year	<u>68,211,924</u>	<u>51,500,054</u>	<u>20,429,577</u>	<u>140,141,555</u>
Fund balance at end of year	<u>\$ 59,775,985</u>	<u>\$ 44,067,347</u>	<u>\$ 18,708,733</u>	<u>\$ 122,552,065</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	(17,589,490)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	68,480,064	
Depreciation	<u>(8,722,255)</u>	59,757,809

The net effect of various transactions involving capital assets including, capitalized assets reclassified from construction in progress, sales, trade-ins, and donations.	(42,681,044)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(4,090,182)
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The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to government funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds.

Compensated absences	(848,362)	
Change in landfill postclosure liabilities	30,000	
Net pension obligation	(3,473,396)	
Issuance - Gen Obligation	(18,485,000)	
Issuance - Land Preservation	-	
Principal payments	<u>11,527,680</u>	
Changes in long-term debt		(11,249,078)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest	<u>(15,500)</u>
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Change in net assets of governmental activities	<u><u>\$ (15,867,485)</u></u>
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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total Nonmajor Proprietary Funds	Total
Assets				
<u>Current assets</u>				
Cash and cash equivalents	\$ 213,865	\$ 1,000	\$ 153,458	\$ 368,323
Investments	-	-	116,747	116,747
Total cash, cash equivalents and investments	<u>213,865</u>	<u>1,000</u>	<u>270,205</u>	<u>485,070</u>
Accounts receivable	1,314,856	1,229,904	46,309	2,591,069
Notes receivable	195,331	-	-	195,331
Accrued interest receivable	131	8,801	-	8,932
Due from other funds	-	3,547,309	521,866	4,069,175
Deferred expenses	44,456	1,803	-	46,259
Prepaid expenses	95,308	1,636	499	97,443
Inventory	115,049	-	71,123	186,172
Total current assets	<u>1,978,996</u>	<u>4,790,453</u>	<u>910,002</u>	<u>7,679,451</u>
<u>Non-current assets</u>				
Restricted assets				
Cash and investments	2,087,310	-	617,605	2,704,915
Capital assets not being depreciated	1,021,603	1,938,797	2,214,536	5,174,936
Depreciable capital assets - net	37,041,045	2,614,480	4,001,921	43,657,446
Total non-current assets	<u>40,149,958</u>	<u>4,553,277</u>	<u>6,834,062</u>	<u>51,537,297</u>
Total assets	<u>42,128,954</u>	<u>9,343,730</u>	<u>7,744,064</u>	<u>59,216,748</u>
Liabilities				
<u>Current liabilities</u>				
Vouchers and accounts payable	508,565	744,419	90,398	1,343,382
Accrued expenses	166,212	62,340	2,033	230,585
Due to other funds	6,851,330	-	-	6,851,330
Unearned revenue	-	-	20,685	20,685
Bonds and notes payable - current	1,092,732	455,045	-	1,547,777
Total current liabilities	<u>8,618,839</u>	<u>1,261,804</u>	<u>113,116</u>	<u>9,993,759</u>
<u>Noncurrent liabilities</u>				
Long-term obligations	8,464,014	2,318,692	-	10,782,706
Total liabilities	<u>17,082,853</u>	<u>3,580,496</u>	<u>113,116</u>	<u>20,776,465</u>
Net Assets				
Invested in capital assets, net of related debt	28,750,857	3,591,628	6,216,457	38,558,942
Restricted capital connection	2,087,310	-	-	2,087,310
Restricted gifts and bequests	-	-	617,605	617,605
Unrestricted	<u>(5,792,066)</u>	<u>2,171,606</u>	<u>796,886</u>	<u>(2,823,574)</u>
Total net assets	<u>\$ 25,046,101</u>	<u>\$ 5,763,234</u>	<u>\$ 7,630,948</u>	<u>\$ 38,440,283</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total Nonmajor Proprietary Funds	Total
<u>Operating revenue</u>				
Charges for services	\$ 4,505,826	\$ 11,203,257	\$ 153,380	\$ 15,862,463
<u>Expenses</u>				
Salaries & benefits	2,147,129	2,057,146	2,379,110	6,583,385
Contracted services	464,900	7,677,241	228,886	8,371,027
Supplies	240,287	42,339	162,742	445,368
Heat, light and power	707,737	40,345	177,635	925,717
Depreciation	1,808,729	519,991	329,842	2,658,562
Miscellaneous	52,298	22,480	282,541	357,319
Telephone	16,717	7,098	9,702	33,517
Compensated absences	14,607	45,515	-	60,122
Maintenance and repairs	498,065	332,779	114,518	945,362
Capital outlay	159,747	45,460	56,828	262,035
Grant & restricted expenses	-	-	270,881	270,881
Total operating expenses	<u>6,110,216</u>	<u>10,790,394</u>	<u>4,012,685</u>	<u>20,913,295</u>
Operating income (loss)	(1,604,390)	412,863	(3,859,305)	(5,050,832)
<u>Non-operating revenue (expenses)</u>				
Grants	-	-	22,236	22,236
Contributions and fund-raising	-	-	413,249	413,249
Deferred amount on refunding	(30,191)	(10,544)	-	(40,735)
Gain(loss) on disposal of assets	-	-	-	-
Miscellaneous income	94,860	11,243	179,122	285,225
Tower revenue	109,584	23,760	-	133,344
Investment income	17,735	35,971	23,763	77,469
Interest expense	(242,842)	(47,614)	-	(290,456)
Net non-operating revenue (expenses)	<u>(50,854)</u>	<u>12,816</u>	<u>638,370</u>	<u>600,332</u>
Income (loss) before contributions and transfers	(1,655,244)	425,679	(3,220,935)	(4,450,500)
Operating transfers in (out)	-	64,000	2,589,001	2,653,001
Capital transfers in (out)	-	-	-	-
Capital connection charges	1,236,123	-	-	1,236,123
Capital contributions	250,750	-	4,319,763	4,570,513
Change in net assets	(168,371)	489,679	3,687,829	4,009,137
Total net assets - beginning	<u>25,214,472</u>	<u>5,273,555</u>	<u>3,943,119</u>	<u>34,431,146</u>
Total net assets - ending	<u>\$ 25,046,101</u>	<u>\$ 5,763,234</u>	<u>\$ 7,630,948</u>	<u>\$ 38,440,283</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Nonmajor Proprietary Funds	Total
<u>Cash flows from operating activities</u>				
Receipts from customers	\$ 4,534,836	\$ 10,896,735	\$ 113,951	\$ 15,545,522
Tower revenue	109,584	23,760	-	133,344
Payments to suppliers	(2,360,300)	(8,295,674)	(1,235,690)	(11,891,664)
Payments to employees	(2,124,109)	(2,030,140)	(2,377,077)	(6,531,326)
Payments from (to) other funds	(2,392,251)	209,098	(521,866)	(2,705,019)
Net cash provided by (used in) operating activities	<u>(2,232,240)</u>	<u>803,779</u>	<u>(4,020,682)</u>	<u>(5,449,143)</u>
<u>Cash flows from non-capital financing activities</u>				
Operating transfers from other funds	-	64,000	2,589,001	2,653,001
Contribution and fundraising receipts/misc.	94,860	11,243	592,371	698,474
Net cash provided by (used in) non-capital financing activities	<u>94,860</u>	<u>75,243</u>	<u>3,181,372</u>	<u>3,351,475</u>
<u>Cash flows from capital and related financing activities</u>				
Additions to capital assets and construction-in-progress	(1,317,330)	(396,990)	(3,629,875)	(5,344,195)
Proceeds from issuance of long term debt	638,286	-	-	638,286
Grant funds received	-	-	22,236	22,236
Capital connection fees received	1,236,123	-	-	1,236,123
Capital transfers from other funds	-	-	4,319,763	4,319,763
Capital contributions	250,750	-	-	250,750
Principal paid on long-term obligations	(1,281,945)	(472,260)	-	(1,754,205)
Interest paid on long-term obligations	(277,049)	(42,019)	-	(319,068)
Net cash provided by (used in) capital and related financing activities	<u>(751,165)</u>	<u>(911,269)</u>	<u>712,124</u>	<u>(950,310)</u>
<u>Cash flows from investing activities</u>				
Interest received on deposits	28,223	32,697	23,764	84,684
Purchase of investments	2,998,957	-	(19,864)	2,979,093
Net cash provided by (used in) investing activities	<u>3,027,180</u>	<u>32,697</u>	<u>3,900</u>	<u>3,063,777</u>
Increase in cash and cash equivalents	138,635	450	(123,286)	15,799
Cash and cash equivalents, beginning of year	75,230	550	276,744	352,524
Cash and cash equivalents, end of year	<u>\$ 213,865</u>	<u>\$ 1,000</u>	<u>\$ 153,458</u>	<u>\$ 368,323</u>
<u>Provided by (used in) operating activities</u>				
Operating income (loss)	\$ (1,604,390)	\$ 412,863	\$ (3,859,304)	\$ (5,050,831)
Adjustments to reconcile operating income (loss) to				
<u>Net cash provided by (used in) operating activities</u>				
Depreciation	1,808,729	519,991	329,842	2,658,562
Landfill closure costs and other	-	-	-	-
Tower revenue	109,584	23,760	-	133,344
<u>Changes in assets and liabilities</u>				
Inventory	(41,308)	-	(34,834)	(76,142)
Accounts receivable	29,010	(306,522)	(46,309)	(323,821)
Prepaid expenses	(80,278)	(1,636)	1,501	(80,413)
Deferred expenditures	-	-	20,685	20,685
Due from other funds	-	209,098	(521,866)	(312,768)
Bond payable refundable	(2,420)	-	-	(2,420)
Accounts payable	(39,966)	632,459	87,571	680,064
Accrued expenses	(18,950)	(686,234)	2,033	(703,151)
Due to other funds	(2,392,251)	-	-	(2,392,251)
Net cash provided by (used in) operating activities	<u>\$ (2,232,240)</u>	<u>\$ 803,779</u>	<u>\$ (4,020,681)</u>	<u>\$ (5,449,142)</u>
Reconciliation of cash and cash equivalents to the balance sheet:				
Cash and investments, unrestricted	\$ 213,865	\$ 1,000	\$ 270,205	\$ 485,070
Cash and investments, restricted	2,087,310	-	617,605	2,704,915
	2,301,175	1,000	887,810	3,189,985
Less - noncash equivalent investments	2,087,310	-	734,352	2,821,662
Cash and cash equivalents	<u>\$ 213,865</u>	<u>\$ 1,000</u>	<u>\$ 153,458</u>	<u>\$ 368,323</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009**

Assets	<u>PENSION & OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS</u>	<u>AGENCY FUND</u>
Cash and short-term investments	\$ 2,192,601	\$ 25,823
<u>Investments at fair value</u>		
Fixed income fund	24,939,633	-
Common stock	14,884,506	-
Equity fund	24,271,610	-
Other assets	1,304,963	-
Total investments	<u>65,400,712</u>	<u>-</u>
Accounts receivable	-	9,040
Interest receivable	<u>22,278</u>	<u>-</u>
Total assets	<u>\$ 67,615,591</u>	<u>\$ 34,863</u>
 Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ -	\$ 34,863
Net assets		
Held in trust for pension and other post employment benefits	<u>67,615,591</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 67,615,591</u>	<u>\$ 34,863</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>PENSION & OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS</u>
<u>Additions</u>	
<u>Contributions</u>	
Plan sponsor	\$ 10,165,738
Employee	1,016,145
Total contributions	<u>11,181,883</u>
<u>Investment income/(loss)</u>	
Net appreciation/(depreciation) in fair value of investments	(15,206,112)
Interest and dividends	2,272,394
Total investment income/(loss)	<u>(12,933,718)</u>
Total additions	(1,751,835)
<u>Deductions</u>	
Benefits	3,027,303
Administrative expenses	654,460
Total deductions	<u>3,681,763</u>
Change in net assets	(5,433,598)
<u>Net assets held in trust for pension and other post employment benefits</u>	
Beginning of year	<u>73,049,189</u>
End of year	<u>\$ 67,615,591</u>

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

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Calvert County (the County), was established as one of the original counties of the Maryland colony in 1654. The County is governed by a board of five Commissioners. Three Commissioners are elected by district and two at large, all for a term of four years. This board assumes responsibilities conferred upon them by the Maryland General Assembly and provides the following services: public safety, public improvements, health and social services, sanitation, recreation and culture, education, economic development and general administrative services.

The basic financial statements of the County Commissioners of Calvert County, Maryland, (the Commissioners) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements include various agencies, department organizations and offices which are legally part of Calvert County (the Primary Government) and the County's Component Units. As defined in GASB Statement Number 14, component units are legally separate organizations for whom the County is financially accountable or for which their relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in GASB Statement Number 14. These financial statements present the government and its component units. The two discretely presented component units described below are combined and reported in a separate column in the combined financial statements to emphasize their separation from the government.

Discretely Presented Component Units

Board of Education of Calvert County Public Schools - The Board of Education of Calvert County Public Schools (the Board) is responsible for elementary and secondary education within the County. The Board is fiscally dependent upon the County because the Commissioners are responsible for approving the Board's annual appropriations in the budget, the Commissioners are responsible for levying taxes and collecting and distributing the funds to the Board. The County can and does issue bonds to finance school system construction projects.

Complete financial statements of the Board may be obtained at the entity's administrative offices located at 1305 Dares Beach Road, Prince Frederick, Maryland, 20678.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued
Discretely Presented Component Units - Continued

Economic Development Authority of Calvert County - The Economic Development Authority (the Authority) was established in 1969, for the purpose of acquiring, constructing, developing, improving, operating, and managing an industrial park within the County and to enlarge economic development opportunities for the preservation and betterment of the economy of Calvert County. The members of the Board of the Authority are appointed by the Commissioners. All of the services of the Authority are performed by County employees. The Authority provides services which exclusively benefit the County.

The Calvert County Housing Authority, the Volunteer Fire and Rescue Squads, the Calvert County Fair, Inc., and the Calvert County Soil Conservation District have been excluded from the basic financial statements on the basis that they are not controlled by or financially dependent upon the County.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental, normally supported by taxes and intergovernmental revenues and those that are considered business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. These sources are used to fund the general expenses of the County Government.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Of the component units presented, only the Economic Development Authority of Calvert County, does not issue separate financial statements.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies - Continued

C. Measurement focus, basis of accounting and financial statement presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It is related to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund statements. Agency funds have no measurement focus. 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 as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a current financial resources measurement focus and are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period that, for the County's purposes, is considered to be 60 days after year end. Revenues considered susceptible to accrual are grants, delinquent property taxes, income taxes and interest on investments.

Governmental Fund Types

General Fund - The general fund is the general operating fund of the Commissioners. All financial resources are accounted for in this fund except those required to be accounted for in another fund. The general fund is a major fund.

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities of the Commissioners. The capital projects fund is a major fund.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies - Continued
Governmental Fund Types - Continued

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The special revenue funds include the Planning and Zoning Special Revenue Fund, Housing Fund, Project Graduation, the Board of Library Trustees for Calvert County (the Library), the Parks and Recreation Fund, Bar Library Fund, Economic Development Authority Revolving Loan Fund, the Revolving Loan Fund, the Calvert County Family Network, the Excise Tax Fund, the Land Preservation Fund, the Economic Development Incentive Fund, and the Grants Fund. None of these special revenue funds are considered a major fund.

Proprietary Fund Type

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds include the operations of the Water and Sewer Fund, the Solid Waste and Recycling Fund, the Chesapeake Hills Golf Course, and the Calvert Marine Museum. The Water and Sewer Fund and the Solid Waste and Recycling Fund are major funds. The Chesapeake Hills Golf Course and the Calvert Marine Museum are nonmajor funds reported on separately from the two major enterprise funds.

Fiduciary Fund Types

Trust Funds - The County maintains pension trust funds to account for the Volunteer Fire Department and Rescue Squad Pension Plan, the Calvert County Sheriff's Department Pension Plan, the Calvert County Employees Retirement Plan and the Other Post Employment Benefits Trust Fund.

Agency Funds - The tax redemption fund is an agency fund used to account for tax payments made by delinquent property owners to redeem tax certificates held by third parties. These funds are held by the County in a trustee capacity.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued

Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, to avoid double counting of internal activities, the effect of internal activity has been eliminated from the financial statements. Calvert County has minimal internal activity.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds are also known as the enterprise funds, of which the County has four: The Water and Sewer Fund, the Solid Waste and Recycling Fund, the Calvert Marine Museum, and the Chesapeake Hills Golf Course. The operating revenues of the enterprise funds are defined as the charges for services received from the customers that are of a recurring nature. That is, they do not include one-time fees or grants, such as capital connection charges or capital grants. Revenue sources such as these are included under non-operating revenues.

When both restricted and unrestricted resources are available for use, the County, when financially prudent to do so, utilizes restricted resources to finance qualifying activities first, then unrestricted resources, as they are needed.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

Each County department, agency or board receiving County funds submits a budget request to the Commissioners at a public hearing. Additional public hearings are conducted to obtain taxpayer comments. On or before July 1 of each year, the budget is legally enacted through passage of a resolution.

The Director of Finance and Budget is empowered to make administrative transfers of expenditures within the current expense budget, within the same office or department, between departments, agencies, boards or commissions, inter-project transfers of appropriations between capital projects in the capital budget and the addition of new budget items, in the amount of not more than \$10,000. The County Administrator is authorized to transfer budgeted amounts up to \$25,000. Any change involving more than \$25,000 but less than \$100,000 can be approved by the Board of County Commissioners without passage of a resolution. Any change totaling more than \$100,000 may only be made by resolution approved by the Commissioners after compliance with certain public hearing requirements.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Projects Fund, and Enterprise Funds. Enterprise fund budgets are for management control only.

The budget for the General Fund is adopted on a basis consistent with GAAP except that encumbrances are treated as expenditures rather than as a reservation of fund balance on a budgetary basis. Budgetary comparisons presented for the general fund in the basic financial statements are prepared on the budgetary basis. Budgetary control is at the fund level.

The capital projects fund budget is prepared on a project length basis and, accordingly, annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Encumbrances outstanding at year end are reported as reservations of fund balance under accounting principles generally accepted in the United States of America since they do not constitute expenditures or liabilities.

Long-Term Receivables

Long-term receivables relating to governmental fund types are reported in their balance sheets in spite of their spending measurement focus. These receivables however, are offset by fund balance reserve accounts to indicate they should not be considered available spendable resources since they do not represent net current assets.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The County currently defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. In prior years the capital asset threshold was \$3,000. Those prior year assets are still recorded as capital assets. Assets are depreciated using the straight-line method over the estimated useful life of the asset. The table below is a general guideline for determining the estimated useful life of assets:

Buildings	25-30 years
Improvements	15-20 years
Water and Sewer Systems	20-30 years
Machinery and equipment	3-10 years
Vehicles	3-7 years
Computers	3 years

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued
Capital Assets - Continued

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

With the implementation of GASB Statement 34, the county has recorded its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. The inventories are recorded as expenditures when consumed rather than when purchased. Governmental fund type inventories are offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources," even though they are a component of net current assets.

Accumulated Annual, Personal and Sick Leave Benefits

County employees are granted annual leave at varying rates based upon years of service. The carrying amount of accumulated annual leave may not exceed a maximum of 100 days on a calendar year basis. In addition, 15 days of sick leave and 5 days of personal leave are granted annually. Upon termination or retirement, all annual and personal leave accrued to the credit of an employee is paid. The amount of accrued sick leave paid is based upon the employee's full-time status. For 35-hour per week employees, one-fourth of the accrued sick leave up to 700 hours plus one-half of the accrued sick leave over 700 hours will be paid to the employee or credited to their retirement benefits upon meeting retirement eligibility in some defined benefit plans. The 40-hour per week employees receive one-fourth of the accrued sick leave up to 800 hours plus one-half of the accrued sick leave over 800 hours in a similar fashion.

Deferred Compensation Plan

The County has established a deferred compensation plan in accordance with Internal Revenue Code Section 457, and administered by Nationwide Retirement Solutions. All County employees may participate in the plan and defer a portion of their salary, subject to limitations imposed by the Internal Revenue Service. In September 1997, the County amended the plan in accordance with the provisions of IRC Section 457(g). The assets of the plan were placed in an independent trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribes that the County no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the County's financial statements. The plan assets will not be subject to the claims of the public entity's creditors.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 - Summary of Significant Accounting Policies - Continued

Cash, Cash Equivalents and Investments

For purposes of the statements of cash flows, cash equivalents are considered to be investments that are a) short-term, highly liquid investments which are readily convertible to known amounts of cash; and b) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Investments in certificates of deposit, U.S. government obligations, repurchase agreements and other investments are carried at fair value, which is determined on June 30 of each fiscal year.

Investments in the pension trust funds (Volunteer Fire and Rescue Squad Pension Fund and Calvert County Sheriff's Department Pension Plan and the Calvert County Employees Retirement Plan) are carried at fair value determined on June 30 of each year, based on appraisals or quotations by an independent investment counselor.

Other Post Employment Benefit Obligations - OPEB

In fiscal year 2008 the County adopted, GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, which required that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they do for pensions. Annual OPEB cost is based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Pension Accounting

Pension Trust Funds:

Employee contributions are recognized in the period the contributions are due. Employer contributions are recognized when due and the county has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are funded from investment income.

Governmental Funds:

The net pension obligation (asset) is calculated on an actuarial basis consistent with the requirements of Governmental Standards Board Statement #27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The net pension obligation (asset) is reported in the government wide financial statements.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 2 - Property Taxes

Property taxes attach an enforceable lien on property as of July 1. Taxes are levied each July 1 and the taxpayer has the option to pay in full without interest by September 30 or to pay the bill semiannually. If not paid in full by September 30, the first payment is payable without interest by September 30 and the second payment, including a service charge, is payable without interest by December 31. Interest is charged for each month or fraction thereof that taxes remain unpaid beginning October 1 on accounts under the annual payment option or January 1 for accounts under the semiannual payment option. Maryland law grants the Treasurer of Calvert County the power to immediately advertise and sell any real property after the taxes are delinquent for a period of one year. Property taxes are levied at rates enacted by the Commissioners in the annual budget based on the assessed value of the property as determined by the Maryland State Department of Assessments and Taxation, an agency of the government of the State of Maryland. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and, then, only after public hearings. The real property tax rate during the year ended June 30, 2009, was \$.892 per \$100 of assessed value based on the full valuation method, except that within the two incorporated towns, North Beach and Chesapeake Beach, the rate was \$.556 per \$100 of assessed value based on the full valuation method. The personal property tax rate during the year ended June 30, 2009 was \$2.23 per \$100 of assessed value except that within the two incorporated towns, North Beach and Chesapeake Beach, the rate was \$1.39. The County bills and collects all property taxes.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 - Cash, Cash Equivalents and Investments

Primary Government

Cash on Hand

At June 30, 2009, cash on hand for petty cash and change was \$6,417.

Deposits

Legal and contractual provisions governing deposits - general

The County has agreements with its depository financial institutions, which require all deposits to be either insured by the Federal Deposit Insurance Corporation or collateralized. The County has an agreement with Bank of America to collateralize 110% of deposits. At June 30, 2009, the net carrying amount and the bank balances of the County's deposits with financial institutions were \$2,505,953 and \$4,848,449, respectively, all of which was covered by federal depository insurance or collateral held by a third party custodian in a segregated account for the benefit of Calvert County.

Policies governing deposits - general

Foreign risk related to deposits is managed by allowing no more than \$1,000,000 or 10% of the total investment portfolio to be invested with financial institutions residing in a single foreign country. At June 30, 2009, no deposits were in foreign currency.

Investments

Legal and contractual provisions governing investments - general

The County's policy for investments, as set by public code, is to invest in securities that are issued by the United States Government or any agency thereof, certificates of deposit, bankers' acceptances, any and all investments generally recognized as "money market instruments," securities issued by any state or municipal government, securities issued by the Federal Home Loan Mortgage Corporation (FHLMC), securities issued by the Government National Mortgage Association (GNMA), repurchase agreements, and reverse repurchase agreements. The County's intent is not to redeem any investment until the market value is at least equal to the carrying value.

Policies governing investments - general

The County manages concentration risk by using limits, stated in percentages and/or dollars, for investment classes (noted above) that are not Federally insured. The County's policy on credit risk is to only allow for Bankers' Acceptances of domestic and foreign banks that maintain the highest short-term deposit rating from Standard & Poors (A-1) and/or Moody's (P-1). These ratings are also required for Repurchase Agreements. Repurchase Agreements are required to be collateralized at 102%.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 - Cash, Cash Equivalents and Investments – Continued
Primary Government - Continued

“Investment maturities in any permitted investment shall not exceed 24 months in duration unless prior approval is received from the Director of Finance and Budget, or a designee. Investment in securities exceeding 24 months in duration shall not exceed 20% of the total investment portfolio at the time of purchase.” This provision of the investment policy is intended to limit exposure to interest rate risk.

Policies and legal and contractual provisions governing investments – fiduciary funds

The Calvert County Post Employment Benefit Plan, the Volunteer Fire and Rescue Squad Pension Plan, the Calvert County Sheriff’s Department Pension Plan and the Calvert County Employees Retirement Plan are authorized to invest in common stocks, corporate bonds and any other securities in varying proportions when and for as long as, in the opinion of the respective Plan Trustees, prevailing market and economic considerations indicate that it is in the best interest of the respective Plan to do so. Footnote nine presents the details of the pension plans.

Policies and legal and contractual provisions governing investments – nonmajor funds

The land preservation fund, a nonmajor governmental fund, is invested in U.S Treasury Strips (U.S. Treasury Bonds with the coupon/interest payment removed). The earliest maturity date of any of the bonds in this fund is May 15, 2011. The latest maturity date is May 16, 2026. This fund has no interest rate risk because each of the bonds was purchased to pay a specific obligation. The maturity date and amount of the bond coincides with the due date of the obligation.

The following schedules presents the interest rate risk (increasing interest rates decrease the value of the bonds) based on maturity of the bonds held.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 3 - Cash, Cash Equivalents and Investments – Continued
Primary Government - Continued

Interest Rate Risk

Maturities		
Cash and Equivalents		\$ 66,742,649
Less than 1 year		56,267,225
1-5 years		16,972,622
5-10 years		2,754,144
10-15 years		1,839,977
15-20 years		86,966
Total		<u>\$ 144,663,583</u>

The following schedule shows the pension plans' exposure to foreign currency risk. This risk is created by the ownership of American Depository Receipts (ADR). ADRs are stocks that trade in the United States but represent a specified number of shares in a foreign corporation. ADRs are bought and sold on American markets just like regular stocks, and are issued/sponsored in the U.S. by a bank or brokerage. Because the value of an ADR is derived from the value of the foreign share price, fluctuations in that currency exchange rate create changes in value.

United Kingdom	\$ 1,495,749
Netherlands	357,922
Canada	78,482
Switzerland	680,851
Spain	151,275
Germany	544,224
New Zealand	13,745
Portugal	123,972
Mexico	200,805
Japan	1,738,260
France	489,088
Korea	227,190
Italy	536,898
Total	<u>\$ 6,638,461</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 3 - Cash, Cash Equivalents and Investments – Continued
Primary Government - Continued

The carrying value of all the County’s cash and investments as of June 30, 2009 is summarized in the following table.

	<u>Fair Value</u>
U.S. Agency obligations	\$ 72,710,466
U.S. Treasury Strips	8,001,169
Corporate obligations	22,148,931
Common stock	21,480,891
Equity and bond funds	17,675,225
Money market mutual funds	67,949,466
Certificates of deposit	2,505,953
Cash in banks	3,010,253
Other special equity	1,304,963
Petty cash	<u>6,417</u>
Total cash, cash equivalents and investments	*\$ <u>216,793,734</u>
Cash, cash equivalents and investments:	
Unrestricted	\$ 190,245,958
Restricted	<u>26,547,776</u>
	*\$ <u>216,793,734</u>

*Includes agency fund cash of \$25,823

Component Units

Economic Development Authority

The Economic Development Authority follows the investment policy of the County. The following reports its cash, cash equivalents and investments.

	<u>Fair Value</u>
Money market mutual funds	\$ 1,735,161
Total cash, cash equivalent and investments	\$ <u>1,735,161</u>

Board of Education

Deposits

At June 30, 2009, the carrying amount and bank balances of the Board of Education’s deposits with financial institutions totaled \$1,578,299 and \$2,013,563, respectively. All of the bank deposits are covered by Federal Deposit Insurance and/or collateral held in the Board’s name at the Federal Reserve.

Investments

At June 30, 2009 the Board had invested \$16,335,782 in governmental activities and \$1,294,373 in business-type activities in the Maryland Local

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 3 - Cash, Cash Equivalents and Investments – Continued
Component Units- Continued
Board of Education - Continued

Government Investment Pool (MLGIP). MLGIP is rated AAA by Standard and Poors, their highest rating for money market funds.

Investment Rate and Custodial Credit risk

Fair Value fluctuates with interest rates. To limit the Board's exposure to fair value losses arising from increasing interest rates, the Board's investment policy limits the term of investment maturities to overnight repurchase agreements and requires that collateral securities underlying the repurchase agreements have a market value of at least 102 percent of the cost of the agreement. To reduce custodial credit risk, the Board limits its investments to overnight deposits that are insured or collateralized with securities held by a custodian in the Board's name and investments in the MLGIP.

Note 4 - Notes Receivable

Primary Government

Volunteer Fire Department and Rescue Squads

The County finances purchases of equipment by the volunteer fire department and rescue squads. To maintain control over the equipment purchased, the County Commissioners create non-interest bearing notes receivable, secured by the equipment, with three to twenty-nine year terms. Deferred revenue is also recorded for the total amount of the notes receivable. Repayment of the notes does not involve cash transactions, but is achieved by reducing notes receivable and deferred revenue based upon the value of services rendered by the fire and/or rescue companies over the lives of the notes. Notes receivable from fire and/or rescue companies at June 30, 2009, were \$4,209,336. See detailed schedule at page 100.

Nastos Construction

Funds previously overpaid for construction services. Principal is payable in installments starting August 2008 to August 2010. At June 30 2009, \$18,333 is outstanding.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 - Notes Receivable - Continued
Primary Government - Continued

Parks and Recreation

The County has a \$82,000 note receivable from Parks and Recreation in the form of an interest-free note signed in 2003. Principal is payable annually beginning June 1, 2003 through maturity on June 1, 2012. At June 30, 2009, \$24,600 is outstanding.

The County has a \$358,000 note receivable from Parks and Recreation in the form of an interest-free note signed in 2004. Principal is payable annually beginning June 1, 2006 through maturity on June 1, 2014. At June 30, 2009, \$214,800 is outstanding.

Water and Sewer Fund

\$5,878,435 of the Water and Sewer Due to the General Fund account has been reclassified to an advance over the last three fiscal years. This is not expected to be repaid in the next 12 months. This amount is planned funding for the Water and Sewer fund as rate adjustments continue, as required to balance the budget.

Funds previously advanced by the General Fund to the Water and Sewer fund for the Dares Beach Water Supply Project were converted to a note. The note calls for annual payments of \$19,969 including interest at 6.6%, commencing June 30, 1990 through maturity in 2019. At June 30, 2009, outstanding principal amounted to \$142,920 and is offset by a reservation of fund balance to indicate these funds are not available, spendable resources.

Funds previously advanced by the General Fund to the Water and Sewer fund for the Prince Frederick Water and Sewer System were converted to an interest-free note in 1992. Principal is payable annually beginning January 1, 1993 through maturity on January 1, 2025. At June 30, 2009, \$443,616 is outstanding, and is offset by a reservation of fund balance to indicate these funds are not available, spendable resources.

Water and Sewer Fund-Other

The Water and Sewer Fund has a note receivable from the Calvert County Detention Center and three Public Utility Payment Plans, of which the total amount outstanding at June 30, 2009 was \$195,331.

Economic Development Authority Revolving Loan Fund

During Fiscal year 2006 a five-year, \$50,000 loan was made to CPM Fastools, Inc. The note bears interest at 7.5% per annum. Principal is payable monthly, beginning January 2006 through maturity in December 2010. At June 30, 2009, \$17,896 is outstanding.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 4 - Notes Receivable – Continued

During Fiscal year 2009 a five-year, \$50,000 loan was made to Southern Maryland Business Center. The note bears interest at 7.5% per annum. Principal is payable monthly, beginning July 2009 through maturity in June 2013. At June 30, 2009, \$48,765 is outstanding.

Component Unit

Economic Development Authority

The Authority has a \$78,300 note receivable from George Larry Burdette and Karen Lynn Burdette related to the sale of lot number 20A, which was land held for resale. This note is secured by a deed of trust on the property. The note bears interest at 5.5% per annum. Principal and interest payments of \$640 are due monthly beginning January 28, 2000 and continuing monthly thereafter until December 28, 2014. The balance of this note as of June 30, 2009 is \$36,834.

The Authority has a \$78,300 note receivable from Shadow Stone, LLC related to the sale of lot number 20B, which was land held for resale. This note is secured by a deed of trust on the property. The note bears interest at 5.5 % per annum. Principal and interest payments of \$640 are due monthly until December 28, 2014. The balance of this note as of June 30, 2009 is \$36,834.

The Authority has a \$87,141 note receivable from Cutter Court, LLC related to the sale of lot number 35, which was land held for resale. This note is secured by a deed of trust on the property. The note bears interest at 6% per annum. Principal and interest payments of \$850 are due until November 19, 2011. The balance of this note as of June 30, 2009 is \$22,712.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 - Notes Receivable – Continued
Component Unit - Continued
Economic Development Authority – Continued

The Authority has a \$135,850 note receivable from R.A. B., L.L.C.. related to the sale of lot number 43 CCIP, which was land held for resale. This note is secured by a deed of trust on the property. The note bears interest at 6 % per annum. All principal and accrued interest are payable in full on June 23, 2011. The Authority may forgive the entire unpaid principal and accrued interest on June 23, 2011, provided certain conditions have been met in accordance with the Agreement of Purchase and Sale. If any of these conditions are not met in the interim, the Authority may immediately demand repayment of all unpaid principal and accrued interest. The accrued interest receivable on this note at June 30, 2009 is \$64,710. The gain on this land sale and the accrued interest are included in deferred revenue due to the loan forgiveness provision in the loan document.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 5 - Interfund Accounts

At June 30, 2009, the interfund accounts were as follows:

	<u>Due From</u>	<u>Due To</u>
<u>Primary Government</u>		
<u>General Fund</u>		
Special Revenue Fund	\$ -	\$ 11,582,312
Capital Projects Fund	-	21,722,891
Enterprise fund	6,851,330	4,069,175
	<u>6,851,330</u>	<u>37,374,378</u>
<u>Special Revenue Fund</u>		
General Fund	11,715,086	132,774
<u>Capital Projects Fund</u>		
General Fund	21,722,891	-
<u>Enterprise Fund</u>		
General Fund	4,069,175	6,851,330
Total due from/to other funds	<u>\$ 44,358,482</u>	<u>\$ 44,358,482</u>
<u>Component Units</u>		
Primary government – general fund	\$ -	\$ 16,005,001
Component unit – Board of Education	15,909,101	-
Component unit – Economic Development Authority	95,900	-
Total due from primary government		
To component unit	<u>\$16,005,001</u>	<u>\$ 16,005,001</u>

Interfund accounts represent activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the year and where repayment is expected within a reasonable time. These accounts are also referred to as due to/from other funds. Most deposits and cash disbursements are processed using the General Fund bank account. These deposit and cash disbursement transactions create the interfund balances.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 6 - Capital Assets

Primary Government

A summary of changes in capital assets follows:

	Balance June 30, 2008	Additions	Deductions/ Reclassifications	Balance June 30, 2009
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Construction in Progress	\$ 37,496,180	\$ 33,103,341	\$ (42,648,942)	\$ 27,950,579
Land Development Rights	10,413,705	-	-	10,413,705
Land	23,593,616	587,816	-	24,181,432
Total capital assets, not being depreciated	<u>71,503,501</u>	<u>33,691,157</u>	<u>(42,648,942)</u>	<u>62,545,716</u>
Capital assets, being depreciated				
Buildings	56,610,662	1,383,971	-	57,994,633
Improvements	22,951,422	3,781,640	-	26,733,062
Machinery & Equipment	27,947,953	3,077,196	(368,286)	30,656,863
Infrastructure	75,389,311	26,546,100	-	101,935,411
Total capital assets, being depreciated	<u>182,899,348</u>	<u>34,788,907</u>	<u>(368,286)</u>	<u>217,319,969</u>
Less accumulated depreciation for:				
Buildings	(33,059,375)	(1,451,917)	-	(34,511,292)
Improvements	(5,857,409)	(1,413,081)	-	(7,270,490)
Machinery & Equipment	(15,618,691)	(2,608,435)	336,184	(17,890,942)
Infrastructure	(37,554,063)	(3,248,822)	-	(40,802,885)
Total accumulated depreciation	<u>(92,089,538)</u>	<u>(8,722,255)</u>	<u>336,184</u>	<u>(100,475,609)</u>
Total capital assets, being depreciated, net	<u>90,809,810</u>	<u>26,066,652</u>	<u>(32,102)</u>	<u>116,844,360</u>
Governmental activities capital assets, net	<u>\$ 162,313,311</u>	<u>\$ 59,757,809</u>	<u>\$ (42,681,044)</u>	<u>\$ 179,390,076</u>

Depreciation Expense was charged to functions as follows:

Governmental activities:

General government	\$ 2,730,106
Public Safety	1,221,686
Public Works	3,673,751
Health and hospitals	12,266
Social services	95,519
Recreation and culture	987,900
Miscellaneous	1,027
	<u>\$ 8,722,255</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 6 - Capital Assets - Continued
Primary Government - Continued

	Balance June 30, 2008	Additions	Deductions/ Reclassifications	Balance June 30, 2009
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 1,351,294	\$ 1,461,284	\$ (2,199,349)	\$ 613,229
Land	3,074,352	1,487,355	-	4,561,707
Total capital assets, not being depreciated	4,425,646	2,948,639	(2,199,349)	5,174,936
Capital assets, being depreciated				
Buildings	9,414,286	328,500	48,493,438	58,236,224
Improvements	48,552,315	2,147,655	(39,524,308)	11,175,662
Machinery & Equipment	14,134,957	2,129,040	(9,044,091)	7,219,906
Total capital assets, being depreciated	72,101,558	4,605,195	(74,961)	76,631,792
Less accumulated depreciation for:				
Buildings	(8,140,527)	(1,946,765)	(17,635,821)	(27,723,113)
Improvements	(15,059,561)	(382,382)	12,838,826	(2,603,117)
Machinery & Equipment	(7,180,366)	(329,415)	4,861,665	(2,648,116)
Total accumulated depreciation	(30,380,454)	(2,658,562)	64,670	(32,974,346)
Total capital assets, being depreciated, net	41,721,104	1,946,633	(10,291)	43,657,446
Business-type activities capital assets, net	\$ 46,146,750	\$ 4,895,272	\$ (2,209,640)	\$ 48,832,382

Depreciation Expense was charged to Business-type activities as follows:

Water and Sewer	\$ 1,808,729
Solid Waste and Recycling	519,991
Marine Museum	294,698
Chesapeake Hills Golf Course	35,144
	\$ 2,658,562

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 6 - Capital Assets - Continued

Component Units

Board of Education

A summary of changes in capital assets for the year ended June 30, 2009 follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2009</u>
Governmental Activities				
Land	\$ 3,757,711	\$ -	\$ -	\$ 3,757,711
Land Improvements	4,342,045	321,166	-	4,663,211
Construction in progress	12,626,144	19,481,244	(19,307,824)	12,799,564
Buildings and improvements	220,441,667	18,992,727	-	239,434,394
Equipment	6,001,735	153,046	(151,171)	6,003,610
Total at historical cost	<u>247,169,302</u>	<u>38,948,183</u>	<u>(19,458,995)</u>	<u>266,658,490</u>
Less accumulated depreciation for:				
Land Improvements	(1,643,578)	(223,014)	-	(1,866,592)
Buildings and improvements	(65,887,241)	(5,039,479)	-	(70,926,720)
Equipment	(4,295,611)	(397,220)	125,613	(4,567,218)
Total accumulated depreciation	<u>(71,826,430)</u>	<u>(5,659,713)</u>	<u>125,613</u>	<u>(77,360,530)</u>
Governmental Activities capital assets, net	<u>\$ 175,342,872</u>	<u>\$ 33,288,470</u>	<u>\$ (19,333,382)</u>	<u>\$ 189,297,960</u>

Depreciation expense for the year ended June 30, 2009 was charged to governmental functions as follows:

Instruction	
Regular education	\$ 183,482
Special education	12,428
Support services:	
Administration	116,698
Mid-level administration	1,367
Transportation	4,047
Operation of plant and equipment	5,272,845
Maintenance of plant	68,846
Total	<u>\$ 5,659,713</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 6 - Capital Assets - Continued
Component Units - Continued
Board of Education - continued

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2009</u>
Business-type activities:				
Equipment at historical cost	\$ 1,682,285	\$ 11,670	\$ (27,865)	\$ 1,666,090
Less accumulated depreciation	<u>(1,365,818)</u>	<u>(78,396)</u>	<u>27,457</u>	<u>(1,416,757)</u>
Business-type activities capital assets, net	<u>\$ 316,467</u>	<u>\$ (66,726)</u>	<u>\$ (408)</u>	<u>\$ 249,333</u>

\$ 78,396 in depreciation expense was charged to business-type activities for food services for the year ended June 30, 2009.

The Board has active school construction projects as of June 30, 2009 as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Beach Elementary	\$ 245,999	\$ 42,377
Calvert Elementary	276,626	161,405
Calvert High	1,678,728	1,253,476
Calvert Middle	10,593,211	5,438,955
Huntingtown Elementary	5,000	1,800
Other Projects	<u>-</u>	<u>264,092</u>
Total	<u>\$ 12,799,564</u>	<u>\$ 7,162,105</u>

Economic Development Authority

A summary of change in capital assets for the year ended June 30, 2009 follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2009</u>
Land	<u>\$ 22,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,191</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 7 - Long-Term Obligations

Primary Government

The following is a summary of the changes in long-term obligations of the County for the year ended June 30, 2009.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Bonds Payable					
General Obligation Debt	\$ 118,294,975	\$ 18,485,000	\$ (11,527,680)	\$ 125,252,295	12,038,369
The Land Preservation Program	10,413,705	-	-	10,413,705	-
Other Liabilities:					
Landfill Closure Costs	570,000	-	(30,000)	540,000	30,000
Compensated Absences	<u>7,080,876</u>	<u>2,328,699</u>	<u>(718,933)</u>	<u>8,690,642</u>	<u>884,817</u>
Total Long-term Liabilities related to Governmental Activities	<u>\$ 136,359,556</u>	<u>\$ 20,813,699</u>	<u>\$ (12,276,613)</u>	<u>\$ 144,896,642</u>	<u>\$ 12,953,186</u>
<u>Business-type Activities</u>					
Bonds Payable					
Debt	\$ 11,194,282	\$ 638,286	\$ (1,754,203)	\$ 10,078,365	\$ 1,475,776
Other Liabilities:					
Landfill Closure Costs	1,422,586	-	-	1,422,586	-
Compensated Absences	<u>841,357</u>	<u>60,121</u>	<u>(71,946)</u>	<u>829,532</u>	<u>72,000</u>
Total Long-term Liabilities related to Business-type Activities	<u>\$ 13,458,225</u>	<u>\$ 698,407</u>	<u>\$ (1,826,149)</u>	<u>\$ 12,330,483</u>	<u>\$ 1,547,776</u>

For governmental activities, compensated absences are generally liquidated by the governmental fund to which the liability relates

Estimated Closure and Postclosure Costs

Barstow Landfill

An amount is recorded in the general long-term debt for the estimated postclosure costs associated with the Barstow Landfill based upon the estimated cost. This amount is required by state and federal regulations to provide for monitoring costs associated with the closed landfill. During 1997, the County closed the Barstow Landfill. The current estimate of postclosure costs is \$540,000. The landfill is at 100% capacity with no remaining useful life. Therefore, the total estimated cost of postclosure care has been recorded.

Appeal Landfill

An accrual is recorded for the estimated closure and postclosure costs associated with the Appeal Landfill. The accrual is based upon the capacity used to date. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are reported as an operating expense in each period based on landfill capacity used as of each balance sheet date. This accrual is required by state and federal regulations to provide for the capping and monitoring costs

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 - Long-Term Obligations - Continued
Estimated Closure and Postclosure Costs - Continued
Appeal Landfill – Continued

associated with the closing of the landfill. The estimate of total closure and post closure costs, provided by an independent contractor specializing in landfills is \$1,906,351.

This amount has been and will be increased by a factor of 3.5% to account for inflation, through fiscal year 2023. These cost estimates have been analyzed by an independent contractor to ensure compliance with changing federal and state laws, potential changes in costs due to inflation or deflation, and changes in technology in an effort to maintain accurate accruals. The percentage of the landfill was re-estimated in FY09 as 69%; therefore, \$1,422,586 represents the accrued reserve at June 30, 2009, which is reported in the solid waste and recycling fund. The reserve will be increased with annual contributions and an estimated 5.0% return on investment. In 1998, the County entered into a long-term arrangement under which the County's waste is transferred out of the County, which extended the life of the landfill.

Long-term obligations as of June 30, 2009, consist of the following:

Governmental Activities
General Obligation Bonds

\$11,970,000 – Consolidated Public Improvement Project Bonds, 2002 Series, principal due in annual installments through January 1, 2017, interest rates range from 3% to 5%.	\$ 7,200,000
\$9,998,533 – Refunding Bonds, 2002 Series, due in annual installments through January 1, 2011, interest rates range from 3% to 5%. These bonds were issued to replace the 1991 and 1996 Series bonds to take advantage of a favorable interest rate environment.	3,168,018
\$30,275,000 – Consolidated Public Improvement Project Bonds, 2003 Series, due in annual installments through July 15, 2018, interest rates range from 2% to 5%.	22,085,000
\$13,614,090 – Refunding Bonds, 2003 Series, principal due in annual installments through July 15, 2019, interest rates range from 2% to 5%. These bonds were issued to replace the 1993 Series bonds to take advantage of a favorable interest rate environment.	3,940,350
\$8,910,000 – Consolidated Public Improvement Project Bonds, 2004 Series, principal due in annual installments beginning April 1, 2005 through April 1, 2019, interest rates range from 2.0% to 5.0%.	6,320,000

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 - Long-Term Obligations - Continued
Governmental Activities - Continued
General Obligation Bonds- Continued

\$6,995,000 – Consolidated Public Improvement Project Bonds, 2005 Series, principal due in annual installments beginning April 1, 2006 through April 1, 2020, interest rates range from 3.375% to 4.1%.	\$ 5,425,000
\$10,885,000 – Consolidated Public Improvement Project Bonds, 2006 Series, principal due in annual installments beginning April 1, 2007 through April 1, 2021, interest rates range from 4.0% to 5.0%.	8,700,000
\$29,780,000 – Consolidated Public Improvement Project Bonds, 2007 Series, principal due in annual installments beginning April 1, 2008 through April 1, 2022, interest rates range from 4.0% to 5.0%.	26,645,000
\$22,250,000 – Consolidated Public Improvement Project Bonds, 2008 Series, principal due in annual installments beginning April 1, 2009 through April 1, 2023, interest rates range from 3.0% to 5.0%.	21,045,000
\$18,485,000 – Consolidated Public Improvement Project Bonds, 2009 Series, principal due in annual installments beginning April 1, 2010 through April 1, 2024, interest rates range from 2.0% to 3.5%.	18,485,000

Waterway Improvement Projects

\$44,182 - 1992 loan for construction of waterway improvement at Spring Cove; due in annual installments through November 2011; non-interest bearing.	6,627
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Shore Erosion Control

\$91,392 - Ship Point - This is a loan with the Maryland Department of Natural Resources for a shore erosion project. The loan is interest-free and final payment will be made on July 1, 2010.	10,752
\$261,042 - Western Shores - The County signed a 20-year note for a shore erosion control project with the State of Maryland Department of Natural Resources. Beginning in July 1998, principal payments of \$13,052 are due annually through July 2017. This note is non-interest bearing.	117,470
\$83,758 - Mears Creek - 1997 loan for construction of shore erosion protection. Beginning in July 1997, payments of \$5,584 are due annually through July 2012. This note is non-interest bearing.	16,752

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

<p>Note 7 - <u>Long Term Obligations- Continued</u> <u>Governmental Activities</u> – Continued <u>Shore Erosion Control</u> – Continued</p>	
<p>\$32,150 – Solomons United Methodist Church – 2002 loan for construction of shore erosion protection. Beginning in July 2002, payments of \$1,286 are due annually through July 2026. This note is non-interest bearing.</p>	23,148
<p>\$84,987 – Our Lady Star of the Sea – 2005 loan for construction of shore erosion protection. Beginning in July 2005, payments of \$3,399 are due annually through July 2029. This note is non-interest bearing.</p>	71,389
<p><u>Office Building</u></p>	
<p>\$6,075,000 - State Office Building Refunding Bond 1999 Series; due in annual installments through July 2010; interest at 3% - 4.4%.</p>	1,210,000
<p><u>Other</u></p>	
<p>\$4,534,279 – Maryland Water Quality Bond, 1996 Series, due in annual installments commencing February 1, 1997 through February 2011. Interest is due semiannually at 4.35%.</p>	741,508
<p>\$10,413,705 – The Land Preservation Program. This program is run by the County and is designed to preserve prime forest and farmland. The pay-out is spread over 10 to 20 years. The land owner receives annual tax-free interest payments and a balloon payment at the end of the term. The debt is supported by Treasury Strips.</p>	10,413,705
<p>\$137,602 – Detention Center Note – This is money due to the Water and Sewer Fund for work related to the Detention Center’s plumbing system. The note is due in annual installments of \$13,760 commencing June 1, 2003 through June 1, 2012. The note is interest-free.</p>	41,281
<p><u>Estimated Landfill Postclosure Costs</u></p>	
<p>Accrued estimated costs associated with monitoring the landfill at Barstow in compliance with state and federal regulations.</p>	540,000
<p><u>Accumulated Unpaid Employee Leave</u></p>	
<p>Accumulated unpaid vacation, personal and sick leave</p>	<u>8,690,642</u>
<p>Total governmental activities long-term obligations</p>	<u>\$144,896,642</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 - Long-Term Obligations- Continued
Business-Type Activities

Water and Sewer Fund

General Obligation Bonds

\$4,010,790 – Refunding Bonds, 2003 series, due in annual installments through July 15, 2019, interest rates range from 2% to 5%; net of deferred loss on refunding of \$158,655. These bonds were issued to replace the 1993 Series bonds to take advantage of a favorable interest rate environment. \$ 1,002,306

Notes Payable

\$89,775 - Water Supply Facilities Loan Note from the State of Maryland for the Dares Beach Water Supply Project. Interest payable annually at 6.6% commencing November 1, 1992 through 2019, principal and interest payments of \$7,110 due annually. 54,406

\$258,225- Funds previously advanced by the General Fund to the Water and Sewer Fund for the Dares Beach Water Supply Project were converted to a note. Interest payable annually at 6.6% commencing June 30, 1990 through 2019, principal and interest payments of \$19,969 due annually. 142,920

\$863,254 - Funds previously advanced by the General Fund to the Water and Sewer Fund for Prince Frederick Water and Sewer were converted to an interest-free note. Principal is payable annually commencing January 1, 1993 through 2025. 443,617

\$3,982,024 – Water Quality Revolving Loan from the State of Maryland for the Solomons Island Wastewater Treatment Plant Modifications Project. Interest payable annually at 3.25% commencing August 1, 1993 through 2015. Debt service payments are variable based on the amount of funds drawn on the revolving loan. 1,430,821

\$250,000 – Maryland Department of the Environment (MDE) note for the Kenwood Beach Water Supply Project. Interest payable annually at 4.64% commencing February 1, 2004 through 2033, principal and interest payments starting February 1, 2006 of \$16,129 due annually. 230,579

\$500,000 – Maryland Water Quality Financing Administration note to expand sewer lines into the Dares Beach Community. Interest payable semiannually at 1.6% commencing August 1 2002, principal and interest payments total \$32,128 each year. 332,405

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 7 - Long-Term Obligations - Continued
Business-Type Activities – Continued

Water and Sewer Fund, Continued

\$6,300,000 – Maryland Water Quality Financing Administration note for the expansion of a sewer plant in Prince Frederick. The final principal payment will be made in February 2022. The rate of interest on this loan is 1.5%.	\$ 4,304,864
\$400,000 – Maryland Water Quality Financing Administration note for the sewer pumping station at the Patuxent Business Park in Lusby, The final principal payment will be made in February 2024. The rate of interest on this loan is 1.0%.	322,151
\$1,071,036 – Maryland Water Quality Financing Administration note for Calvert County’s share of the Chesapeake Beach Wastewater Treatment Plant Shellfish Protection Emergency Tank and Interim Expansion Project. As of June 30, 2009, \$938,709 in draws have been taken on the note. A final amortization schedule of this loan will be available after the project is complete. Based on estimates, the duration will be 20 years and the rate will be 1.10%.	890,068
Accumulated unpaid vacation, personal, and sick leave	<u>402,609</u>
Total water and sewer fund	<u>\$9,556,746</u>

Solid Waste and Recycling Fund

\$1,931,467 – Refunding Bonds, 2002 series, due in annual installments through January 1, 2011, interest at 3% to 5%; net of deferred loss on refunding of \$31,702. These bonds were issued to replace the 1991 and 1996 Series bonds to take advantage of a favorable interest rate environment.	580,281
\$1,205,120 – Refunding Bonds, 2003 series, due in annual installments through January 1, 2019, interest at 2% to 5%; net of deferred loss on refunding of \$5,721. These bonds were issued to replace the 1993 Series bonds to take advantage of a favorable interest rate environment.	343,947
Accumulated unpaid vacation, personal, and sick leave	426,923
<u>Estimated Landfill Closure and Postclosure Costs</u>	
Accrued estimated costs associated with closing and monitoring the landfill at the Appeal Landfill in compliance with state and federal regulations.	<u>1,422,586</u>
Total solid waste and recycling fund	<u>2,773,737</u>
Total business-type activities long-term obligations	<u>\$12,330,483</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 7 - Long-Term Obligations - Continued

The minimum annual requirements to amortize all outstanding debt, except accumulated unpaid vacation, personal and sick leave, estimated landfill closure and postclosure costs as of June 30, 2009 are as follows:

Years Ending June 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 12,038,369	\$ 5,398,293	\$ 17,436,662
2011	12,501,011	4,949,927	17,450,938
2012	11,688,381	4,411,972	16,100,353
2013	9,283,088	3,949,004	13,232,092
2014	9,692,648	3,602,411	13,295,059
2015-2019	53,262,747	11,711,463	64,974,210
2020-2024	26,986,502	2,603,278	29,589,780
2025-2029	209,855	19,807	229,662
2030	<u>3,399</u>	<u>-</u>	<u>3,399</u>
Total	<u>\$135,666,000</u>	<u>\$36,646,155</u>	<u>\$172,312,155</u>

Years Ending June 30,	Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,475,776	\$ 264,828	\$ 1,740,604
2011	1,302,082	228,574	1,530,656
2012	809,954	186,462	996,416
2013	830,722	167,654	998,376
2014	850,533	148,878	999,411
2015-2019	2,945,357	470,115	3,415,472
2020-2024	1,708,197	186,398	1,894,595
2025-2029	291,813	19,807	311,620
2030-2033	60,006	6,842	66,848
Deferred loss on refunding	<u>(196,077)</u>	<u>-</u>	<u>(196,077)</u>
Total	<u>\$10,078,363</u>	<u>\$1,679,558</u>	<u>\$11,757,921</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 7 - Long Term Obligations- Continued
Component Units

The following is a summary of the changes in the Long-Term Obligations of the Board of Education for the year ended June 30, 2009:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
Governmental activities:					
Capital lease	\$ 465,014	\$ -	\$ (161,811)	\$ 303,203	\$ 167,442
Compensated absences	<u>2,571,026</u>	<u>2,180,590</u>	<u>(1,616,917)</u>	<u>3,134,699</u>	<u>91,260</u>
Total governmental activities	<u>\$ 3,036,040</u>	<u>\$ 2,180,590</u>	<u>\$ (1,778,728)</u>	<u>\$ 3,437,902</u>	<u>\$ 258,702</u>
Business-type activities:					
Compensated absences	<u>\$ 38,532</u>	<u>\$ 35,445</u>	<u>\$ (25,274)</u>	<u>\$ 48,703</u>	<u>\$ 18,352</u>
Total business-type activities	<u>\$ 38,532</u>	<u>\$ 35,445</u>	<u>\$ (25,274)</u>	<u>\$ 48,703</u>	<u>\$ 18,352</u>

The Board of Education has entered into lease agreements as lessee to finance the purchase of equipment in the amount of \$772,493. The lease agreements are for periods of five years.

The assets acquired and capitalized as capital assets under the capital lease are as follows:

	Governmental Activities
Computer equipment	\$ 475,054
Less accumulated depreciation	<u>(265,580)</u>
Total	<u>\$ 209,474</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

<u>Year Ending June 30,</u>	Governmental Activities
2010	179,298
2011	140,485
Total minimum lease payments	319,783
Less amount representing interest	<u>(16,580)</u>
Present value of minimum lease payments	<u>\$ 303,203</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 8 - Fund Balances

A. Governmental Funds with Reservation of Fund Balance

As of June 30, 2009, fund balances were reserved as follows:

	<u>General</u>	<u>Special Revenue</u>
<u>Reserved</u>		
Encumbrances	\$ 3,481,335	\$ -
Other long-term receivables	7,695,600	-
Reserved for special purposes	-	11,968,498
For deferred expenditures	<u>275,853</u>	<u>-</u>
Total reserved fund balance	<u>\$11,452,788</u>	<u>\$11,968,498</u>

B. Governmental Funds with Unreserved Fund Balances Designated for Other Purposes

As of June 30, 2009, unreserved fund balances designated for other purposes are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
<u>Unreserved – Designated</u>			
Designated for:			
Vacation and sick pay	\$ 3,500,000	\$ -	\$ -
Future capital project expenditures	20,346,197	44,067,347	4,405,680
Future other post employment benefits	<u>6,857,000</u>	<u>-</u>	<u>-</u>
Total unreserved-designated Fund balances	<u>\$30,703,197</u>	<u>\$44,067,347</u>	<u>\$4,405,680</u>

The reservations of fund balance represent:

Other long-term receivables - The amount of notes receivable advanced to Dares Beach Water, Prince Frederick Water and Sewer, advances to the Water and Sewer fund, two Parks and Recreation notes and an amount due from a vendor receivable at June 30, 2009.

Reserved for special purposes - These amounts represent the portion of fund balance restricted for the special purpose of the following funds: Special Revenue Funds: Parks and Recreation Fund, and Land Preservation Fund.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 - Retirement Systems

Primary Government

Calvert County Employees Retirement Plan

Plan Description - The County contributes to the Calvert County Employees Retirement Plan (the Plan), a single employer defined benefit pension plan that provides retirement benefits and death and disability benefits to participating employees and their beneficiaries. All full-time employees of the County plus part-time employees working at least 50% of a regular work week and employees of the office of the State's Attorney and the Calvert County Housing Authority are eligible to participate in the Plan. If hired before July 1, 1996, benefits vest 100% for service greater or equal to 5 years, or if hired on or after July 1, 1996, benefits vest 100% for service greater or equal to seven years. County employees are eligible to receive retirement benefits the first month following completion of 30 years of eligibility service or (1) if hired prior to July 1, 1996, first month following attainment of age 62, completion of 2 years eligibility service and sum of age and service is at least 67, and (2) if hired on or after July 1, 1996, the first of the month following attainment of age 62 and completion of 7 years of eligible service. Benefits are payable monthly for life, in an amount equal to 1.5% of the average final salary (the highest consecutive thirty-six month period of base pay) up to covered compensation for each year of service up to 30 years plus .3% of average final salary over the Social Security integration level for each year of service up to 30 years, plus 1.0% of the average final salary for each year in excess of 30 years up to 5 years. Benefit provisions and all other requirements are established by the County Commissioners and administered by a County-appointed Board of Trustees.

Funding Policy - Participating County employees are required to contribute 2% of their annual compensation to the Plan, plus an additional 2% of base salary in excess of Social Security Wage Base. The County contributes the remaining amounts necessary to fund the payments of benefits under the Plan based upon the direction of its consulting actuary. The contributions made to the Plan for fiscal year 2009 were made in accordance with the Plan requirements as of the July 1, 2008 actuarial report. The contributions consisted of amounts contributed by the employees of \$211,148 (2% of current covered payroll). The County's costs for fiscal year 2009 were \$2,141,454 (20.5% of current covered payroll).

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Employees Retirement Plan - Continued
Funding Policy - Continued

The net pension obligation was computed using the Projected Unit Credit Method as a part of an actuarial valuation performed as of July 1, 2009. The actuarial value of assets was determined using the assumed yield method with a market value adjustment. The significant actuarial assumptions used in the valuation include, rate of return on the investments of present and future assets of 8% a year compounded annually, additional projected salary increases of 5% compounded annually, cost of living increases of 3% per year calculated on a compound interest basis, and no postretirement benefit increases.

Funding Progress - The following schedule gives an analysis of the funding progress for the past three years:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
June 30, 2009	\$34,593,965	\$53,007,610	\$ 18,413,645	65.3%	\$ 10,340,394	178.1%
2008	39,736,110	48,932,199	9,196,089	81.2%	10,470,627	87.8%
2007	36,354,279	42,656,369	6,302,090	85.2%	10,285,756	61.3%

The plan's unfunded actuarial liability is being amortized using the level dollar method over a closed amortization period of 20 years.

Employer Contributions - The following schedule gives information on employer required contributions for the past three years:

Years Ended June 30,	Contribution	Annual Required Contribution	Percentage Contributed
2009	\$ 2,141,454	\$ 2,142,802	99.9%
2008	1,662,037	1,662,037	100.0%
2007	1,490,000	1,489,747	100.0%

Net Pension Obligation

Actuarial Valuation Date	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Increase - (Decrease) in Net Pension Obligation	Net Pension Obligation
June 30, 2009	\$ 2,142,802	\$ 10,473	\$ 18,337	\$ (6,516)	\$ 124,395
2008	1,662,037	11,055	18,337	(7,282)	130,911
2007	1,489,747	11,616	18,371	(7,008)	138,193

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Employees Retirement Plan - Continued

Investments - The Plan invests in stocks, bonds and notes.

Financial Statements

Separate, audited financial statements have not been issued for the plan. The plan's statement of net assets and statement of changes in net assets are presented at the end of the primary government section of Note 9.

State Retirement System of Maryland

Plan Description - On October 29, 1996, the Commissioners approved the withdrawal of employees of Calvert County from the State Retirement and Pension System of Maryland (the System) based on the establishment of the Calvert County Employees Retirement Plan. All employees covered under the System were given the option to participate in the new plan or remain in the System. All but 58 County employees opted to participate in the new plan.

Thirty employees remained in the State of Maryland Employees' Retirement System and 28 employees remained in the State of Maryland Employees' Pension System (collectively the Employees' Systems). The effective date of the withdrawal from the System was June 30, 1996.

The State Retirement Agency (the Agency) is the administrator of the System, a cost-sharing multiple-employer public-employee retirement system. The System was established by the State Personnel and Pension Articles of the Annotated Code of Maryland Rules and Regulations and provides retirement allowances to System members and beneficiaries. Responsibility for the administration and operation of the System is vested with a 14-member Board of Trustees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by calling (800) 492-5909.

Funding Policy - Members of the Employees Systems may elect to contribute 5% to 7% of their earnable compensation depending on the retirement option selected. Employer contribution rates are determined actuarially. The System paid the County the sum of \$10,212,854, the amount of the reserves allocable to the withdrawing employees on a market value basis as determined by an actuary, together with interest at the rate of 7.5% compounded annually from July 1, 1996, to the date of payment, reduced by the partial payment of \$700,000 to the Calvert County Employees'

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 - Retirement Systems - Continued
Primary Government - Continued
State Retirement System of Maryland - Continued
Funding Policy - Continued

Retirement System on December 20, 1996. Based on the actuarial valuation as of June 30, 1996, the unfunded liability for the employees and officers of the County who elected to remain in the System amounted to \$1,383,013. The County paid the unfunded liability in two installments: an initial installment of \$800,000 on the date of this agreement, and a final installment of \$583,013 on July 1, 1996. The County's required contributions and actual contributions to the Employee's Systems for the years ended June 30, 2007 through 2009 were zero. The computation of the pension contribution requirements for fiscal year 2009 was based on the same actuarial assumptions, benefits provisions, actuarial funding method and other significant factors used to determine pension contributions requirements in the previous year. Contributions by the State of Maryland on behalf of the Calvert County Public Library were \$229,094, \$204,490, and \$152,623, for the years ended June 30, 2009, 2008 and 2007. In accordance with GASB Statement Number 24, the State's 2009 contribution amount has been shown as State aid revenue and pension expenditure.

Calvert County's Employee Retirement Savings Plan

On July 28, 1998, the Commissioners approved the formation of a single employer defined contribution pension plan with a 5% County contribution and a required 3% contribution from all eligible employees. The plan was put in place January 1, 1999. All employees hired after June 30, 1998 were automatically enrolled in the defined contribution pension plan. Required contributions and all other plan provisions are established by the County Commissioners and administered by a county-appointed Board of Trustees. The contributions by the County and the employees for the year ended June 30, 2009 were \$877,482 and \$526,482, respectively.

Volunteer Fire Departments and Rescue Squads

Plan Description - The County contributes to the Length of Service Awards Program (LSAP) for the Volunteer Fire and Rescue Squads personnel of Calvert County (Plan), a single-employer noncontributory retirement and pension plan. Any person who is certified as an active member with any Calvert County Volunteer Fire Company or Rescue Squad is eligible to participate in the Plan. Active members who attain age 55 and have completed 25 years of certified volunteer service shall receive \$400 per month plus \$4 per month additional for each year of service in excess of 25 years, with a maximum benefit of \$500 per month. If an active member attains age 70 and has 2 years of qualifying service out of the last 5 years, but does not complete 25 years of

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued

Primary Government- Continued

Volunteer Fire Departments and Rescue Squads - Continued

service, a monthly benefit equal to \$8 times the years of service will be payable. The Plan also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the Fire and Rescue Commission and approved by the Commissioners as authorized by the legislative assembly. The County contributes all amounts necessary to fund the payments of benefits under the Plan.

Funding Policy - The net pension obligation was computed using the Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2009. The significant actuarial assumptions used in the valuation include rate of return on the investments of present and future assets of 8% a year compounded annually; 80% of the participants are assumed to be married with spouses four years younger; participants, who have already earned at least two years of credit and have attained age 30, are assumed to earn credit in 50% of their future years. All others are assumed to earn no credit. The actuarial value of assets was determined using the Assumed Yield Method with a Market Value adjustment.

The contributions made by the County to the Plan for fiscal 2009 totaling \$259,000 were made in accordance with actuarial determined requirements computed through an actuarial valuation performed as of July 1, 2008.

Trend Information - The following schedule gives an analysis of the funding progress for the past three years:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
June 30, 2009	\$2,228,429	\$5,050,340	\$2,821,911	44.1%	N/A	N/A
2008	2,525,943	4,370,000	1,844,000	57.8%	N/A	N/A
2007	2,385,639	4,248,438	1,862,799	56.2%	N/A	N/A

The plans unfunded actuarial liability is being amortized using the level dollar method over a closed period of 20 years.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government - Continued
Volunteer Fire Departments and Rescue Squads - Continued

Employer Contributions - The following schedule gives information on employer contributions for the past three years:

Years Ended <u>June 30,</u>	<u>Contribution</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 259,000	\$ 259,000	100.0%
2008	248,912	248,912	100.0%
2007	240,000	237,655	101.0%

Net Pension Obligation

Actuarial Valuation Date <u>June 30,</u>	<u>Annual Required Contribution</u>	<u>Interest on Net Pension Obligation</u>	<u>Adjustment to Annual Required Contribution</u>	<u>Increase (Decrease) in Net Pension Obligation</u>	<u>Net Pension Obligation</u>
2009	\$ 259,000	\$ (24,025)	\$ (42,067)	\$ 18,042	\$ (282,273)
2008	248,912	(25,362)	(42,067)	16,705	(300,315)
2007	237,655	(26,402)	(41,756)	13,009	(317,020)

Investments - The Plan invests in stocks, bonds and notes.

Financial Statements - Separate, audited financial statements have not been issued for the plan. The plan's statement of net assets and statement of changes in net assets are presented at the end of the primary government section of Note 9.

Calvert County Sheriff's Department Pension Plan

Plan Description - The County contributes to the Calvert County Sheriff's Department Pension Plan (Plan), a single-employer defined benefit pension plan. All full-time deputy sheriffs and correctional officers employed by the County, excluding those who were hired prior to July 1, 1989, who elected to remain in the State Pension System, are eligible to participate in the Plan. Benefits vest 50% after 5 years, increasing 5% a year to 100% after 15 years. County employees who retire at or after age 55 or after 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.4% of their final average earnings for each year of service up to 20, plus 2% of final average earnings for service over 20 years and up to 27 years. The Plan also provides for death and disability benefits to participating employees. Benefit provisions and all other requirements are established by a County-appointed Board of Trustees.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Sheriff's Department Pension Plan - Continued

Funding Policy -

The net pension obligation was computed using the Projected Unit Credit Method as a part of an actuarial valuation performed as of July 1, 2009. The significant actuarial assumptions used in the valuation include rate of return on the investments of present and future assets of 8% a year compounded annually; additional projected salary increases of 6.50% to age 37, 4.50% from age 38 to 42 and 4.00% thereafter; costs of living increases to all plan participants of 3.00% per year calculated on a compound interest basis. The actuarial value of assets was determined using an Asset Smoothing Method.

Participating County employees are required to contribute 8% of their annual compensation to the Plan, compounded annually with 5% interest. The County contributes the remaining amounts necessary to fund the payments of benefits under the Plan based upon the direction of its consulting actuary.

The contributions made to the Plan for fiscal 2009 totaling \$1,765,284 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2008.

Amounts contributed by the County and Employees consisted of the following:

County (19.8% of current covered payroll)	\$1,765,284
Employees (9.0% of current covered payroll)	\$804,997

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Sheriff's Department Pension Plan - Continued

Trend Information - The following schedule gives an analysis of trend information for the past three years:

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2009	\$ 31,118,948	\$ 45,164,336	\$ 14,045,388	68.9%	\$10,027,146	140.1%
2008	35,102,961	41,370,310	6,267,349	84.9%	8,931,278	70.2%
2007	31,577,163	37,774,661	6,197,498	83.6%	7,506,278	82.6%

The plan's unfunded actuarial liability is being amortized using the level dollar method over a closed amortization period of 20 years.

Employer Contributions - The following schedule gives information on employer contributions for the past three years:

Years Ended June 30,	Contribution	Annual Required Contribution	Percentage Contributed
2009	\$ 1,765,284	\$ 1,766,394	99.9%
2008	1,685,214	1,627,076	103.6%
2007	1,520,000	1,518,586	100.1%

Net Pension Obligation

Actuarial Valuation Date June, 30	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Increase (Decrease) in Net Pension Obligation	Net Pension Obligation
2009	\$ 1,766,394	\$ (1,605)	\$ (2,990)	\$ 2,495	\$ (17,569)
2008	1,627,076	3,241	5,674	(60,571)	(20,064)
2007	1,518,586	3,540	5,872	(3,746)	40,507

Investments - The plan invests in stocks, bonds and notes.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued

Calvert County Maryland Post-Employment Benefit Plan

Plan description – The County contributes to the Calvert County Maryland Post-Employment Benefit Plan (Plan), an agent multiple employer defined benefit postemployment healthcare plan. Benefit provisions and all other requirements are established by the County Commissioners and the County Board of Education and administered by a jointly appointed Board of Trustees. The plan provides healthcare, prescription drug and dental benefits to retired employees, spouses and dependants, of participating governmental entities. The plan also provides life insurance benefits for retirees of the Board of Education. Active employees of a participating governmental entity who retire or are disabled and meet the eligibility criteria will participate. Generally employees must have retired from a participating entity to be eligible.

The current County employee/retiree membership in the Plan as of June 30, 2009 is as follows:

Active	585
Retired	<u>122</u>
Total	<u>707</u>

Funding Policy – The Calvert County Board of County Commissioners will establish annually a health insurance subsidy amount under the Plan. These subsidies will be reviewed annually and are subject to change based on budgetary constraints. For retirees who retired before June 30, 2008, the subsidy is 90% of the premium, for retirees who retired after June 30, 2008 the subsidy is 75% of the premium. Retirees who retired prior to August 1, 1994 receive 100% of their individual policy and 50% of the difference between the individual policy and the policy selected. Retirees will earn or vest in the subsidy based upon their years of creditable service, at a rate ranging from 20% to 100%. Current retirees, who have a 100% subsidy, equate to the Plan covering 75% of their cost of benefit coverage. The retiree is responsible for the difference between the cost of the selected Plan and the earned subsidy. The Board of Education establishes the level of benefits for it's retirees which includes health care and life insurance benefits.

Contribution rates and the net other post employment benefits obligation for the year ended June 30, 2009 were actuarially determined, using the Projected Unit Credit Actuarial Cost Method, through an actuarial valuation dated July 1, 2006. The significant actuarial assumptions used in the valuation include; a discount rate of 7%, healthcare cost trend – medical 11% in the 2007 plan year declining 1% each plan year to 5% for 2013 and later years, dental 7% in the 2007 year declining 1% each year to 4% for 2010 and later, mortality - RP 2000 combined healthy mortality table, except for Sherriff's Plan which uses 1983 Group Annuity Mortality Table. The contributions to the Plan by the county for the year ended June 30, 2009 were \$6,000,000, of that amount \$4,475,463 were made on behalf of the School Board. The contributions to the Plan by the County for the year ended June 30, 2008 were \$4,761,695. Of that amount \$2,983,642 were made on behalf of the School Board.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Maryland Post-Employment Benefit Plan - Continued

The following table is based on an actuarial valuation date of July 1, 2007:

The Plan's unfunded actuarial liability is being amortized using the level dollar method over a closed amortization period of 30 years.

<u>Entity</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
County	\$ -	\$ 25,690,319	\$ 25,690,319	\$ -	\$ 13,000,000	198%
Board of Education	-	78,032,239	78,032,239	-	Not Avail.	Not Avail.
Total	\$ -	\$103,722,558	\$103,722,558	\$ -	N/A	N/A

The County implemented GASB 45 in fiscal year 2008 and elected to report a zero net OPEB obligation at the beginning of the transition year. The County makes on behalf payments for the Board of Education. The total of the County's annual other postemployment benefit cost and net OPEB obligation for the Plan as of and for the fiscal year ended June 30, 2009, were as follows:

	<u>Total</u>	<u>County</u>	<u>Board of Education</u>
Annual required contribution (ARC)	\$ 12,236,488	\$3,109,164	\$9,127,324
Interest on net OPEB obligation	307,325	39,984	267,341
Expected benefit payments	(3,084,438)	(759,915)	(2,324,523)
Net Annual OPEB cost	9,459,375	2,389,233	7,070,142
Contribution made	(6,000,000)	(1,524,537)	(4,475,463)
Increase in net OPEB obligation	3,459,375	864,696	2,594,679
Net OPEB obligation - beginning of year	4,390,355	571,196	3,819,159
Net OPEB obligation - end of year	\$ 7,849,730	\$ 1,435,892	\$6,413,838

The annual OPEB cost, the percentage of annual OPEB cost contributed during the fiscal year, and the net OPEB obligation at the end of FY 2009, and FY 2008 the transition year, for the County's plan was as follows:

<u>Entity</u>	<u>Annual OPEB Cost</u>	<u>Percent Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County	\$ 2,329,249	76%	\$ 71,196
Board of Education	6,802,801	44%	3,819,159
2008 Total	\$ 9,152,050	52%	\$ 4,390,355

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued
Calvert County Maryland Post-Employment Benefit Plan - Continued

<u>Entity</u>	<u>Annual OPEB Cost</u>	<u>Percent Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County	\$ 2,389,233	63%	\$ 1,435,892
Board of Education	7,070,142	63%	6,413,838
2009 Total	<u>\$ 9,459,375</u>	63%	<u>\$ 7,849,730</u>

Investments – the Plan is authorized to invest in stocks, bonds and notes.

Financial statements- Separate, audited financial statements have not been issued for the Plan.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems - Continued
Primary Government- Continued

Calvert County Maryland Post-Employment Benefit Plan - Continued

The statement of net assets and statement of changes in net assets for all of the County administered plans follows:

Combining Statement of Plan Net Assets

	Volunteer Fire and Rescue	Sheriff's Pension Plan	Employees Retirement Plan	Other Post Employment Benefits	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 36,231	\$ 383,699	\$ 565,854	\$ 1,206,817	\$ 2,192,601
<u>Investments at Fair Value</u>					
Fixed income	700,426	11,038,926	11,333,780	1,866,501	24,939,633
Common Stocks	304,133	4,939,001	5,817,713	3,823,659	14,884,506
Equity funds	557,973	6,124,779	6,910,319	4,082,154	17,675,225
Foreign Assets	258,261	2,851,238	3,486,886	-	6,596,385
Other Assets	-	593,165	711,798	-	1,304,963
Total investments at fair value	<u>1,820,793</u>	<u>25,547,109</u>	<u>28,260,496</u>	<u>9,772,314</u>	<u>65,400,712</u>
Total cash, cash equivalents and investments	1,857,024	25,930,808	28,826,350	10,979,131	67,593,313
Interest receivable	814	9,460	11,964	40	22,278
Total assets	<u>1,857,838</u>	<u>25,940,268</u>	<u>28,838,314</u>	<u>10,979,171</u>	<u>67,615,591</u>
<u>Liabilities and Net Assets</u>					
Total Liabilities	-	-	-	-	-
Net Assets held in trust for pension and other post employment benefits	1,857,838	25,940,268	28,838,314	10,979,171	67,615,591
Total liabilities and net assets	<u>\$ 1,857,838</u>	<u>\$ 25,940,268</u>	<u>\$ 28,838,314</u>	<u>\$ 10,979,171</u>	<u>\$ 67,615,591</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems – Continued
Primary Government- Continued
Combining Statement of Changes in Plan Net Assets

	Volunteer Fire and Rescue	Sheriff's Pension Plan	Employees Retirement Plan	Other Post Employment Benefits	Total
<u>Additions</u>					
<u>Contributions</u>					
Plan sponsor	\$ 259,000	\$ 1,765,284	\$2,141,454	\$ 6,000,000	\$ 10,165,738
Employee	-	804,997	211,148	-	1,016,145
Total Contributions	<u>259,000</u>	<u>2,570,281</u>	<u>2,352,602</u>	<u>6,000,000</u>	<u>11,181,883</u>
<u>Investment income/(Loss)</u>					
Net appreciation / (depreciation) in fair value of investments	(542,694)	(6,702,507)	(7,860,409)	(100,502)	(15,206,112)
Interest and dividends	120,994	826,844	942,266	382,290	2,272,394
Net investment income/(loss)	<u>(421,700)</u>	<u>(5,875,663)</u>	<u>(6,918,143)</u>	<u>281,788</u>	<u>(12,933,718)</u>
Total Additions	(162,700)	(3,305,382)	(4,565,541)	6,281,788	(1,751,835)
<u>Expenditures</u>					
Distributions to participants	305,248	1,170,832	1,551,223	-	3,027,303
Administrative expenses	24,632	279,766	325,187	24,875	654,460
Total Expenditures	<u>329,880</u>	<u>1,450,598</u>	<u>1,876,410</u>	<u>24,875</u>	<u>3,681,763</u>
Net increase(decrease)	(492,580)	(4,755,980)	(6,441,951)	6,256,913	(5,433,598)
<u>Net Assets Held in Trust for Pension and Other Post Employment Benefits</u>					
Beginning of the year	<u>2,350,418</u>	<u>30,696,248</u>	<u>35,280,265</u>	<u>4,722,258</u>	<u>73,049,189</u>
End of the year	<u>\$ 1,857,838</u>	<u>\$ 25,940,268</u>	<u>\$ 28,838,314</u>	<u>\$ 10,979,171</u>	<u>\$ 67,615,591</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 - Retirement Systems – Continued

Board of Education (Component Unit)

Plan Description - The employees of the Board of Education (the Board), are covered by the Teachers Retirement System, the Teachers Pension System of the State of Maryland (the Teachers Systems) or the Employees Retirement System and Employees Pension System of the State of Maryland. These systems are part of the Maryland State Retirement and Pension System, (the System) and are cost-sharing, multiple-employer, defined benefit public employee retirement systems.

The System was established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a Board of Trustees (Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to system members and beneficiaries.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the State Retirement and Pension System of Maryland, State Retirement Agency, 120 East Baltimore Street, Baltimore, Maryland 21202, or by calling (800) 492-5909.

Funding Policy - The State Personnel and Pensions Article requires active members to contribute to the System at the rate of 5% to 7% of their covered salary depending upon the retirement option selected. Contribution rates for employees and other “non-employer” contributing entities are established by annual actuarial valuations using the entry age normal test method. The contribution rates have been established as the rates necessary to fully fund normal costs and amortize the unfunded actuarial accrued liability. The State makes a substantial portion of the Board's annual required contributions to the Teachers systems on behalf of the Board. The State's contributions on behalf of the Board to the Teachers systems for the years ended June 30, 2009, 2008, and 2007 were approximately \$12.4 million, \$11.7 million, and \$9.2 million, respectively.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems – Continued
Board of Education Component Unit – continued.

Annual Required Contributions

For the year ended June 30, 2009, the Board’s annual pension cost of \$1,062,232 was equal to its required contribution. The annual required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, compounded annually, (b) projected salary increases of 3.5% compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 8.5% per year attributable to seniority and merit, (d) post-retirement benefit increases ranging from 3% to 4% per year depending on the system, (e) rates of mortality, termination of service, disablement and retirement based on actual experience from 2003 through 2006, and (f) the aggregate active member payroll is assumed to increase by 3.5% annually. The actuarial value of the Systems’ assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments by using a simplified five-year moving average. The Board’s unfunded actuarial accrued liability is being amortized in distinct pieces. The equivalent single amortization period is 23 years. The Board’s annual pension cost for the last three years was:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2009	\$ 1,062,232	100%	-0-
June 30, 2008	1,176,227	100%	-0-
June 30, 2007	1,033,155	100%	-0-

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 9 - Retirement Systems – Continued
Annual Required Contributions - Continued

Required Supplemental Information - Schedule of Funding Progress for the State Retirement and Pension Systems of Maryland.
(expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
June 30, 2006	\$35,795,025	\$43,243,492	\$7,448,467	82.78%	\$9,287,576	80%
June 30, 2007	37,886,936	49,306,375	11,419,439	76.84%	9,971,012	93%
June 30, 2008	39,504,284	50,244,047	10,739,763	78.62%	10,542,806	102%

Note 10 - Commitments and Contingent Liabilities

The Commissioners are defendants in several lawsuits. In the opinion of the County attorney and legal counsel pending legal proceedings are not likely to have a material adverse impact on the County's financial condition and to the best of his knowledge, the County is in compliance with all state and local laws and ordinances.

Note 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and related disasters. The County is a capital member of the Local Government Insurance Trust (LGIT) sponsored by the Maryland Municipal League (MML), and the Maryland Association of Counties. The LGIT is a self-insured public entity risk pool offering general liability, excess liability, business auto liability, police legal liability, public official liability, environmental liability, and property coverage.

LGIT is capitalized at an actuarially determined level to provide financial stability for its local government members and to reduce the possibility of assessments. The trust is owned by the participating counties and cities and managed by a Board of Trustees elected by the members. Annual premiums are assessed for the various policy coverages. During fiscal year 2009, the County paid premiums of \$586,099 to the trust. The agreement for the formation of LGIT provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2009

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SUMMARY SCHEDULE OF REVENUE AND EXPENDITURES, AND OTHER
FINANCING SOURCES AND USES - BUDGET
AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenue</u>				
Taxes	\$ 203,785,303	\$ 203,785,303	\$ 194,157,120	\$ (9,628,183)
Licenses and permits	213,900	213,900	238,143	24,243
Intergovernmental	4,614,535	4,643,202	4,189,386	(453,816)
Charges for services	3,802,870	3,849,917	3,940,760	90,843
Fines and forfeitures	31,500	103,999	119,940	15,941
Miscellaneous	4,447,708	8,253,097	4,894,650	(3,358,447)
Total revenue	216,895,816	220,849,418	207,539,999	(13,309,419)
<u>Expenditures</u>				
General government	16,807,728	16,770,899	15,618,493	1,152,406
Public safety	26,340,587	26,523,654	26,012,513	511,141
Public works	10,907,960	10,932,014	10,261,999	670,015
Health and hospitals	2,843,790	2,843,790	2,819,348	24,442
Social services	1,661,995	1,669,027	1,609,349	59,678
Education	103,371,694	103,411,744	103,411,708	36
Recreation and culture	10,665,250	10,724,822	10,285,911	438,911
Conservation of natural resources	362,337	382,637	371,824	10,813
Urban development and housing	1,898,314	1,889,959	1,789,913	100,046
Economic development	1,343,547	1,343,057	1,201,067	141,990
Miscellaneous	23,514,838	23,144,488	19,880,661	3,263,827
<u>Debt Service</u>				
Principal retirement	11,513,921	11,513,921	11,513,920	1
Interest	4,813,277	4,813,277	4,807,328	5,949
Total expenditures	216,045,238	215,963,289	209,584,034	6,379,255
<u>Other financing sources (uses)</u>				
Operating transfers in	4,443,228	4,453,461	4,453,461	-
Operating transfers out	(5,293,806)	(9,339,590)	(9,155,235)	184,355
Total other financing sources (uses)	(850,578)	(4,886,129)	(4,701,774)	184,355
Excess of revenue and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ (6,745,809)	\$ (6,745,809)

A reconciliation of the revenue and expenditures of the general fund to present the combined statement of revenue and expenditures on a GAAP basis follows:

Revenue and transfers in (budgetary basis)	\$ 211,993,460
Transfer adjustment (Library)	<u>(651,739)</u>
Revenue and transfers in (GAAP basis)	<u>\$ 211,341,721</u>
Expenditures and operating transfers out (budgetary basis)	218,739,269
Encumbrance/accrual adjustment	1,690,131
Transfer adjustment (Library)	<u>(651,739)</u>
Expenditures and operating transfers out (GAAP basis)	<u>\$ 219,777,661</u>

See Independent Auditor's Report.

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

OTHER SUPPLEMENTAL INFORMATION
JUNE 30, 2009

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>Taxes</u>				
<u>Real estate and personal property taxes</u>				
Real estate levy	\$ 107,097,796	\$ 107,097,796	\$ 106,519,835	\$ (577,961)
Personal property levy	180,000	180,000	163,866	(16,134)
Corporation levy	16,000,000	16,000,000	16,193,384	193,384
Payment In Lieu of Tax	6,096,574	6,096,574	6,096,574	-
Public utilities tax	8,350,000	8,350,000	7,528,408	(821,592)
Additions and abatements	(180,000)	(180,000)	(121,879)	58,121
Penalties and interest	375,000	375,000	396,946	21,946
Tax credit	(13,880,078)	(13,880,078)	(13,677,001)	203,077
Land preservation credit	(154,000)	(154,000)	(182,113)	(28,113)
Total real estate and personal property	<u>123,885,292</u>	<u>123,885,292</u>	<u>122,918,020</u>	<u>(967,272)</u>
<u>Other local taxes</u>				
Income taxes	63,694,140	63,694,140	58,370,205	(5,323,935)
Admissions and amusements	40,000	40,000	30,212	(9,788)
Recordation	8,500,000	8,500,000	5,799,985	(2,700,015)
Trailer parks	140,000	140,000	119,546	(20,454)
Hotel	700,000	700,000	763,877	63,877
Total other local taxes	<u>73,074,140</u>	<u>73,074,140</u>	<u>65,083,825</u>	<u>(7,990,315)</u>
<u>Taxes state shared</u>				
Highway user revenue	5,855,871	5,855,871	5,077,195	(778,676)
Franchise	970,000	970,000	1,078,080	108,080
Total taxes state shared	<u>6,825,871</u>	<u>6,825,871</u>	<u>6,155,275</u>	<u>(670,596)</u>
Total taxes	203,785,303	203,785,303	194,157,120	(9,628,183)
<u>Licenses and permits</u>				
<u>Business licenses and permits</u>				
Builders' licenses	25,000	25,000	21,372	(3,628)
Beer, wine, and liquor licenses	70,000	70,000	68,017	(1,983)
Traders	75,000	75,000	96,922	21,922
Hawkers and peddlers	1,000	1,000	3,011	2,011
Total business licenses and permits	<u>171,000</u>	<u>171,000</u>	<u>189,322</u>	<u>18,322</u>
<u>Other permits</u>				
Animal	25,000	25,000	25,743	743
Code book sales	2,500	2,500	716	(1,784)
Marriage	2,400	2,400	4,162	1,762
Gambling permits	13,000	13,000	18,200	5,200
Total other permits	<u>42,900</u>	<u>42,900</u>	<u>48,821</u>	<u>5,921</u>
Total licenses and permits	213,900	213,900	238,143	24,243
<u>Intergovernmental revenue</u>				
Federal emergency management	48,481	48,481	41,980	(6,501)
F.E.M.A. reimbursement	-	-	-	-
Grants fr federal government	-	-	-	-
Grants fr state government	-	5,202	5,202	-
Police protection - state	735,000	735,000	725,037	(9,963)
Library - state	423,182	446,167	446,167	-
Soil conservation - state	44,715	44,715	52,953	8,238
State prisoner housing - state	730,000	730,000	451,516	(278,484)
Mosquito control - state	20,000	20,000	5,400	(14,600)
Jury reimbursement - state	20,000	20,480	30,855	10,375
State reimbursement	25,000	25,000	31,240	6,240
State reimbursement - deregulation	-	-	-	-
911 grant	716,162	716,162	633,070	(83,092)

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<u>Intergovernmental revenue - continued</u>				
Shore erosion	\$ 26,258	\$ 26,258	\$ 26,258	\$ -
Housing Authority	1,082,963	1,082,963	1,022,376	(60,587)
CMM payroll reimbursement Board of Gov.	420,830	420,830	400,090	(20,740)
CMM payroll reimbursement society	317,444	317,444	308,665	(8,779)
CASSA payroll reimbursement	-	-	4,077	4,077
Waterman's Wharf	4,500	4,500	4,500	-
Total intergovernmental revenue	<u>4,614,535</u>	<u>4,643,202</u>	<u>4,189,386</u>	<u>(453,816)</u>
<u>Charges for services</u>				
<u>General government</u>				
Auto license fees	3,000	3,000	2,823	(177)
Library fines	135,000	135,000	145,819	10,819
Zoning fees	42,000	42,000	29,530	(12,470)
Total general government	<u>180,000</u>	<u>180,000</u>	<u>178,172</u>	<u>(1,828)</u>
<u>Public safety</u>				
Sheriff's fees	60,000	60,000	90,378	30,378
Chesapeake Beach Police reimbursements	695,460	695,460	695,460	-
North Beach Police reimbursements	319,314	319,314	319,314	-
Lab fees	16,000	16,000	13,576	(2,424)
Engineering inspections	100,000	100,000	100,250	250
DWI facility	-	-	9,841	9,841
Electron monitor det cnt	-	-	24,474	24,474
False alarm fees	4,200	4,200	1,475	(2,725)
Telephone commission - detention center	96,000	96,000	339,479	243,479
Protective inspections	400,000	400,000	277,734	(122,266)
False alarm registration	2,500	2,500	4,175	1,675
Dominion police reimbursement	1,342,683	1,342,683	1,207,037	(135,646)
Dare Program - Private Contributions	-	1,697	1,697	-
Sex Offender Registry - St. Reimbursements	-	14,411	14,411	-
Room and board - detention center	115,000	115,000	89,578	(25,422)
Court fines ems	-	-	12,930	12,930
Misc. Income	-	10,368	18,750	8,382
Federal detention per diem	-	-	65,900	65,900
Public safety tower	72,000	72,000	81,194	9,194
Total public safety	<u>3,223,157</u>	<u>3,249,633</u>	<u>3,367,653</u>	<u>118,020</u>
<u>Highways and streets</u>				
Road tax districts	77,376	77,376	80,552	3,176
Developer street signs	5,000	5,000	409	(4,591)
Waterway improvements	6,837	6,837	6,837	-
Total highways and streets	<u>89,213</u>	<u>89,213</u>	<u>87,798</u>	<u>(1,415)</u>
<u>Miscellaneous</u>				
Mosquito control	20,000	20,000	21,660	1,660
Soil conservation grading fees	20,000	48,000	29,180	(18,820)
Erosion/sedimentary control	-	-	750	750
Replatting fees - P & Z	4,000	4,000	5,280	1,280
P & Z tower fees	500	500	900	400
Bd of appeals application fees	25,000	25,000	17,692	(7,308)
Library - copying and miscellaneous	37,500	22,000	26,877	4,877
Administration fees s/a serv. C	195,000	195,000	195,000	-
Administration planting bond	3,500	11,571	9,241	(2,330)
Small lot clearing fees	5,000	5,000	557	(4,443)
Total miscellaneous	<u>310,500</u>	<u>331,071</u>	<u>307,137</u>	<u>(23,934)</u>
Total charges for services	3,802,870	3,849,917	3,940,760	90,843

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>Fines and forfeitures</u>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 9,145	\$ 4,145
Domestic master fees	-	-	828	828
Community service programs	15,000	15,000	24,337	9,337
Court fines EMS	-	-	-	-
Home study fees	1,500	1,500	1,800	300
Animal citation fines	10,000	10,000	5,600	(4,400)
State's attorney fees	-	875	6,606	5,731
Forfeiture-St. attorney	-	766	766	-
Forfeiture sheriff operating	-	70,858	70,858	-
Total fines and forfeitures	<u>31,500</u>	<u>103,999</u>	<u>119,940</u>	<u>15,941</u>
<u>Miscellaneous</u>				
Interest and dividends	2,750,000	2,750,000	1,972,298	(777,702)
Interest revenue - state office building lease	4,675	4,675	4,675	-
Interest on notes	10,077	10,077	10,078	1
Appreciation of investment	-	-	756,759	756,759
Administration fee - grant coordinator	80,000	80,000	157,482	77,482
Rents and concessions	30,000	41,195	47,210	6,015
Tennison charters	40,000	40,000	46,137	6,137
Flag Pond entrance fees	40,000	40,000	46,563	6,563
Rent concrete plant	2,400	2,400	17,467	15,067
State office building	648,545	654,395	624,288	(30,107)
State office building debt service	629,515	629,515	629,515	-
SOB land lease	30,814	30,814	30,814	-
Boat ramp fees	6,000	6,000	4,004	(1,996)
Kings Landing pool fees	20,000	20,000	20,136	136
Kings Landing camp fees	8,500	8,500	9,668	1,168
Map sales	1,000	1,000	322	(678)
P&R self sustained program	15,000	15,000	15,000	-
Salary reimbursements	35,000	68,198	63,582	(4,616)
Battle Creek PR reimbursements	6,032	6,032	7,018	986
Trfr from boe wireles	30,000	30,000	25,500	(4,500)
Balance from prior year fund balance	-	3,698,778	-	(3,698,778)
Library- other sources	-	3,575	3,575	-
Library - E-rate	10,000	10,000	9,831	(169)
Library other misc.	-	15,500	19,470	3,970
Vending - treatment facility	-	-	-	-
Insurance reimbursement	-	-	135,692	135,692
Private contributions	-	2,721	2,721	-
Private contributions economic development	-	750	750	-
Sick call detention center	5,000	5,000	4,946	(54)
Fees in Lieu	-	24,054	24,054	-
Filing fees election office	150	150	-	(150)
Miscellaneous income	45,000	54,768	205,095	150,327
Total miscellaneous	<u>4,447,708</u>	<u>8,253,097</u>	<u>4,894,650</u>	<u>(3,358,447)</u>
Total revenue	216,895,816	220,849,418	207,539,999	(13,309,419)
<u>Other financing sources</u>				
Transfer from Board of Education - resident trooper	104,546	114,779	114,779	-
Transfer from BOE	800,000	800,000	800,000	-
Transfer from excise fee fund	3,538,682	3,538,682	3,538,682	-
Transfer from Economic Development Authority	-	-	-	-
Total other financing sources	<u>4,443,228</u>	<u>4,453,461</u>	<u>4,453,461</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 221,339,044</u>	<u>\$ 225,302,879</u>	<u>\$ 211,993,460</u>	<u>\$ (13,309,419)</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>General government</u>				
<u>County commissioners</u>				
Salaries	\$ 250,149	\$ 250,149	\$ 247,628	\$ 2,521
Operating expense	44,200	45,170	40,490	4,680
Contracted services	9,000	51,500	50,944	556
Capital outlay	-	1,530	1,530	-
Total county commissioners	303,349	348,349	340,592	7,757
<u>Clerk to commissioners</u>				
Salaries	59,595	59,595	58,976	619
Operating expense	1,900	1,900	139	1,761
Contracted services	500	500	489	11
Total clerk to commissioners	61,995	61,995	59,604	2,391
<u>County administrator</u>				
Salaries	253,827	244,336	206,357	37,979
Operating expense	12,900	15,199	2,473	12,726
Contracted services	9,863	9,463	10,246	(783)
Capital outlay	700	800	635	165
Total county administrators	277,290	269,798	219,711	50,087
<u>Office of management information systems</u>				
Salaries	1,284,376	1,284,376	1,264,008	20,368
Operating expense	140,050	150,050	117,343	32,707
Contracted services	552,469	552,469	484,026	68,443
Capital outlay	375,912	375,912	193,482	182,430
Total office of management info. systems	2,352,807	2,362,807	2,058,859	303,948
<u>Circuit court</u>				
Salaries	510,487	510,487	518,993	(8,506)
Operating expense	89,945	89,311	80,394	8,917
Contracted services	34,734	43,601	39,049	4,552
Capital outlay	10,865	13,827	12,931	896
Total circuit court	646,031	657,226	651,367	5,859
<u>Orphans' court</u>				
Salaries	26,075	26,075	26,171	(96)
Operating expense	1,905	1,905	220	1,685
Total orphans' court	27,980	27,980	26,391	1,589
<u>State's attorney</u>				
Salaries	1,263,815	1,263,815	1,268,350	(4,535)
Operating expense	86,055	87,696	79,961	7,735
Contracted services	23,981	23,981	15,672	8,309
Capital outlay	6,510	6,510	4,486	2,024
Total state's attorney	1,380,361	1,382,002	1,368,469	13,533
<u>Grand jury</u>				
Salary and operating expense	5,000	5,480	5,480	-

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Department of employment services</u>				
Salaries	\$ 534,638	\$ 533,138	\$ 519,143	\$ 13,995
Operating expense	67,975	68,999	42,535	26,464
Tuition program	34,400	-	-	-
Contracted services	50,990	50,466	37,516	12,950
Capital Outlay	2,949	2,949	2,066	883
Total department of employment services	690,952	655,552	601,260	54,292
<u>Elections</u>				
Salaries	301,305	301,305	305,035	(3,730)
Operating expense	67,130	64,674	50,243	14,431
Contracted services	116,241	116,241	72,205	44,036
Election Judges	38,050	38,586	38,585	1
Capital Outlay	-	1,920	156	1,764
Total elections	522,726	522,726	466,224	56,502
<u>Finance and budget</u>				
Salaries	1,383,225	1,383,225	1,270,420	112,805
Operating expense	131,750	130,750	112,236	18,514
Contracted services	150,000	150,000	133,237	16,763
Capital outlay	8,882	9,882	4,401	5,481
Total administration and finance	1,673,857	1,673,857	1,520,294	153,563
<u>Tax collections and disbursements</u>				
Salaries	308,795	308,795	306,956	1,839
Operating expense	44,400	46,900	45,739	1,161
Contracted services	21,562	19,062	18,960	102
Capital outlay	1,500	1,500	-	1,500
Total tax collections and disbursements	376,257	376,257	371,655	4,602
<u>Independent accounting and auditing</u>				
	73,378	73,378	72,481	897
<u>County attorney</u>				
Salaries	322,668	322,668	306,700	15,968
Operating expense	22,450	22,450	20,035	2,415
Contracted services	40,000	40,000	24,787	15,213
Capital outlay	350	350	-	350
Total county attorney	385,468	385,468	351,522	33,946
<u>Planning and zoning</u>				
Salaries	1,029,240	1,047,176	1,021,322	25,854
Operating expense	81,116	69,236	60,011	9,225
Contracted services	21,000	14,000	12,722	1,278
Capital outlay	19,650	18,181	18,165	16
Total planning and zoning	1,151,006	1,148,593	1,112,220	36,373
<u>Public facilities director</u>				
Salaries	169,219	169,219	158,992	10,227
Operating expense	4,000	4,000	3,043	957
Total public facilities director	173,219	173,219	162,035	11,184
<u>State office building</u>				
Salaries	100,299	100,299	104,442	(4,143)
Fringe benefits	35,532	35,532	36,557	(1,025)
Operating expense	36,782	82,708	42,850	39,858
Utilities	253,063	253,063	228,220	24,843
Maintenance and repair projects	130,571	84,645	67,367	17,278
Contracted services	92,298	98,148	93,877	4,271
Total state office building	648,545	654,395	573,313	81,082

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>County buildings</u>				
Salaries	\$ 1,246,432	\$ 1,246,432	\$ 1,259,582	\$ (13,150)
Operating expense	863,709	1,146,334	1,030,035	116,299
Utilities	1,321,368	1,269,618	1,233,134	36,484
Maintenance and repair projects	668,926	422,275	245,932	176,343
Contracted services	488,516	492,263	480,182	12,081
Capital outlay	231,951	249,380	245,907	3,473
Total county buildings	4,820,902	4,826,302	4,494,772	331,530
<u>Other general government</u>				
Maryland Association of Counties	16,394	16,394	16,394	-
Commission for Women	4,341	4,341	4,333	8
Environmental Commission	4,332	4,332	3,612	720
Non-county agencies	1,211,538	1,140,448	1,137,905	2,543
Total other general government	1,236,605	1,165,515	1,162,244	3,271
Total general government	16,807,728	16,770,899	15,618,493	1,152,406
<u>Public safety</u>				
<u>Director of public safety</u>				
Salaries	149,283	149,283	153,372	(4,089)
Operating expense	53,310	51,760	36,754	15,006
Contracted services	1,500	1,500	1,282	218
Capital outlay	27,000	28,550	26,592	1,958
Total director of public safety	231,093	231,093	218,000	13,093
<u>Transportation chief</u>				
Salaries	133,892	133,892	134,987	(1,095)
Operating expense	39,840	39,840	26,312	13,528
Transportation subsidy	60,000	60,000	63,926	(3,926)
Contracted services	43,260	43,260	39,616	3,644
Capital outlay	-	-	-	-
Total transportation chief	276,992	276,992	264,841	12,151
<u>Sheriff's office</u>				
Salaries	9,234,663	9,285,211	9,569,913	(284,702)
Operating expense	952,816	952,871	817,226	135,645
Vehicle supplies and repairs	701,402	788,971	820,426	(31,455)
Contracted services	86,174	105,866	69,916	35,950
Capital outlay	612,823	625,128	596,139	28,989
Total sheriff's office	11,587,878	11,758,047	11,873,620	(115,573)
<u>Control center</u>				
Salaries	1,660,651	1,660,651	1,688,406	(27,755)
Operating expense	155,736	155,736	124,985	30,751
Radio maintenance	262,221	262,221	259,759	2,462
Contracted services	280,699	280,699	5,524	275,175
Capital outlay	140	140	140	-
Total control center	2,359,447	2,359,447	2,078,814	280,633
<u>Resident trooper program</u>	146,944	157,177	140,903	16,274
<u>Volunteer fire companies and rescue squads</u>				
Operating expense	2,007,766	2,070,931	2,048,729	22,202
Insurance	419,924	419,924	388,273	31,651
Capital outlay	163,292	163,292	152,074	11,218
Total volunteer fire	2,590,982	2,654,147	2,589,076	65,071

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>County jail</u>				
Salaries	\$ 4,705,624	\$ 4,705,624	\$ 4,933,143	\$ (227,519)
Operating expense	279,842	306,342	279,209	27,133
Utilities	460,150	460,150	409,364	50,786
Inmate Care	264,072	139,072	114,714	24,358
Food	378,393	378,393	356,121	22,272
Contract services	440,447	540,447	537,751	2,696
Capital outlay	105,295	103,795	27,048	76,747
Total county jail	6,633,823	6,633,823	6,657,350	(23,527)
<u>Inspections and permits</u>				
Salaries	727,209	718,209	720,458	(2,249)
Operating expense	47,035	40,085	28,255	11,830
Vehicle supplies and repair	18,000	21,307	18,799	2,508
Contracted services	12,500	10,500	10,175	325
Capital outlay	17,325	15,468	13,290	2,178
Total inspections and permits	822,069	805,569	790,977	14,592
<u>Residential substance abuse treatment</u>				
Contracted services	180,000	180,000	96,890	83,110
Total treatment facility	180,000	180,000	96,890	83,110
<u>Emergency management</u>				
Salaries	167,175	167,175	170,294	(3,119)
Operating expense	37,405	37,405	23,499	13,906
Contracted services	27,140	27,140	26,435	705
Capital outlay	55,000	55,000	-	55,000
Total emergency management	286,720	286,720	220,228	66,492
<u>Liquor board</u>				
Salaries	19,920	19,920	13,000	6,920
Operating expense	700	800	584	216
Contracted services	5,000	4,900	4,875	25
Total liquor board	25,620	25,620	18,459	7,161
<u>Fire, rescue, and emergency services</u>				
Salaries	215,742	216,742	224,760	(8,018)
Operating expense	209,966	213,604	142,228	71,376
Contracted services	63,830	59,722	41,249	18,473
Capital outlay	-	470	469	1
Total fire, rescue, and emergency services	489,538	490,538	408,706	81,832
<u>Animal warden</u>				
Salaries	356,864	321,864	315,270	6,594
Operating expense	43,598	43,598	38,896	4,702
Vehicle supplies and repairs	54,400	41,605	37,900	3,705
Contracted services	210,419	210,419	215,848	(5,429)
Capital outlay	44,200	46,995	46,735	260
Total animal warden	709,481	664,481	654,649	9,832
Total public safety	26,340,587	26,523,654	26,012,513	511,141

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Public works</u>				
<u>Engineering services</u>				
Salaries	\$ 1,212,130	\$ 1,224,184	\$ 1,198,068	\$ 26,116
Operating expense	90,106	65,641	43,855	21,786
Contracted Services	44,596	60,919	60,463	456
Capital outlay	16,120	48,316	43,297	5,019
Total engineering services	1,362,952	1,399,060	1,345,683	53,377
<u>Highway lighting</u>				
Operating expense	250,000	250,000	240,882	9,118
<u>Highway maintenance</u>				
Salaries	1,770,853	1,758,799	1,698,964	59,835
Operating expense	52,625	47,625	40,578	7,047
Vehicle supplies and repairs	302,473	307,473	303,224	4,249
Utilities	21,109	21,109	18,328	2,781
Road maintenance and repairs	697,710	697,710	582,110	115,600
Paving	4,349,175	4,349,175	4,323,175	26,000
Snowremoval contractors	207,000	207,000	127,147	79,853
Rental service contract	265,000	265,000	215,000	50,000
Contracted services	259,000	259,000	208,805	50,195
Capital outlay	192,000	192,000	167,045	24,955
Total highway maintenance	8,116,945	8,104,891	7,684,376	420,515
<u>Fleet maintenance</u>				
Salaries	568,080	568,080	558,680	9,400
Operating expense	21,600	23,000	19,120	3,880
Vehicle supplies and repairs	33,500	33,500	(107,977)	141,477
Utilities	28,836	28,836	23,051	5,785
Contracted services	17,390	15,990	14,206	1,784
Capital outlay	11,500	11,500	8,846	2,654
Total fleet maintenance	680,906	680,906	515,926	164,980
<u>Project management and inspections</u>				
Salaries	456,232	456,232	439,857	16,375
Operating expense	17,050	17,050	9,518	7,532
Vehicle supplies and repairs	23,875	23,875	25,757	(1,882)
Total project management and inspections	497,157	497,157	475,132	22,025
Total public works	10,907,960	10,932,014	10,261,999	670,015
<u>Health and hospitals</u>				
<u>Health department</u>				
Operations	-	-	(435)	435
Salaries	32,500	32,500	32,625	(125)
Operating expense	2,586,648	2,586,648	2,586,648	-
Total operations	2,619,148	2,619,148	2,618,838	310
<u>Mosquito control</u>				
Salaries	135,319	135,319	118,700	16,619
Operating expense	21,718	20,804	21,637	(833)
Chemicals	14,700	14,700	14,566	134
Contracted services	27,055	27,055	20,423	6,632
Capital outlay	25,850	26,764	25,184	1,580
Total mosquito control	224,642	224,642	200,510	24,132
Total health and hospitals	2,843,790	2,843,790	2,819,348	24,442

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Social services</u>				
<u>Community service director</u>				
Salaries	\$ 290,735	\$ 290,735	\$ 298,281	\$ (7,546)
Operating expense	37,683	37,983	30,483	7,500
Contracted services	2,000	1,700	90	1,610
Capital outlay	-	-	-	-
Total community service director	330,418	330,418	328,854	1,564
<u>Department of Social Services -</u>				
County contribution	64,982	64,982	63,959	1,023
<u>Pauper's burial</u>				
	1,000	1,000	650	350
<u>Commission on aging</u>				
Salaries	1,189,697	1,191,257	1,138,039	53,218
Operating expense	74,598	78,730	75,214	3,516
Contracted services	-	702	701	1
Capital outlay	1,300	1,938	1,932	6
Total commission on aging	1,265,595	1,272,627	1,215,886	56,741
Total social services	1,661,995	1,669,027	1,609,349	59,678
<u>Education</u>				
Tuition program	2,715,557	2,755,607	2,755,571	36
Board of Education	100,656,137	100,656,137	100,656,137	-
Total education	103,371,694	103,411,744	103,411,708	36
<u>Recreation and culture</u>				
<u>Participation recreation</u>				
Salaries	2,662,443	2,688,409	2,459,506	228,903
Operating expense	557,940	556,290	482,456	73,834
Utilities	190,780	171,384	171,763	(379)
Maintenance and repair projects	81,833	81,833	85,013	(3,180)
Contracted services	74,320	75,820	79,029	(3,209)
Capital outlay	10,711	10,861	8,525	2,336
Total participation recreation	3,578,027	3,584,597	3,286,292	298,305
<u>Railroad museum</u>				
Salaries	94,312	94,312	91,686	2,626
Operating expense	11,845	9,181	9,110	71
Utilities	6,160	6,160	4,822	1,338
Contracted services	25,287	26,977	26,928	49
Capital outlay	-	974	974	-
Total Railroad museum	137,604	137,604	133,520	4,084

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Marine museum</u>				
Salaries	\$ 2,029,054	\$ 2,029,054	\$ 2,027,934	\$ 1,120
Operating expense	207,785	233,506	215,342	18,164
Utilities	182,889	182,889	177,635	5,254
Maintenance and repair projects	34,500	34,500	33,208	1,292
Contracted services	56,715	56,644	55,992	652
Capital outlay	20,000	15,350	14,860	490
Total Marine museum	2,530,943	2,551,943	2,524,971	26,972
<u>Libraries</u>				
Salaries	-	3,024,942	3,009,820	15,122
Operating expense	3,623,913	481,043	458,445	22,598
Contracted Services	-	65,445	55,516	9,929
Capital outlay	-	84,485	84,085	400
Total libraries	3,623,913	3,655,915	3,607,866	48,049
<u>Natural resources division</u>				
Salaries	646,283	646,283	635,038	11,245
Operating expense	63,960	63,960	43,770	20,190
Utilities	40,500	40,500	33,989	6,511
Maintenance and repair projects	10,000	10,000	462	9,538
Contracted services	23,350	23,350	9,333	14,017
Total natural resources division	784,093	784,093	722,592	61,501
<u>Arts council</u>				
Operating expense	10,670	10,670	10,670	-
Total recreation and culture	10,665,250	10,724,822	10,285,911	438,911
<u>Conservation of natural resources</u>				
<u>Agricultural extension service</u>				
Operating expense	90,230	90,230	88,385	1,845
Total agricultural extension	90,230	90,230	88,385	1,845
<u>Soil conservation service</u>				
Salaries	245,027	265,327	256,593	8,734
Operating expense	3,835	3,835	3,601	234
Total soil conservation service	248,862	269,162	260,194	8,968
<u>Forestry</u>				
Operating expense	23,245	23,245	23,245	-
Total conservation of natural resources	362,337	382,637	371,824	10,813
<u>Urban development and housing</u>				
<u>Housing</u>				
Salaries	872,580	872,580	827,920	44,660
Total urban development and housing	872,580	872,580	827,920	44,660
<u>Historical District Commission</u>				
Salaries	4,576	4,576	4,589	(13)
Operating expense	4,900	4,675	2,277	2,398
Contracted services	6,645	7,645	5,740	1,905
Total Historical District Commission	16,121	16,896	12,606	4,290

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amount		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Board of appeals</u>				
Salaries	\$ 121,176	\$ 121,176	\$ 120,657	\$ 519
Operating expense	15,200	13,699	7,685	6,014
Contracted services	20,000	20,000	15,825	4,175
Honorarium	32,000	23,700	23,700	-
Total Board of Appeals	188,376	178,575	167,867	10,708
<u>Planning commission</u>				
Salaries	655,072	661,316	662,360	(1,044)
Operating expense	101,165	98,565	83,640	14,925
Contracted services	65,000	59,956	35,520	24,436
Capital Outlay	-	2,071	-	2,071
Total planning commission	821,237	821,908	781,520	40,388
Total urban development and housing	1,898,314	1,889,959	1,789,913	100,046
<u>Economic development</u>				
<u>EDA/EDC/Tourism</u>				
Salaries	768,643	768,643	725,673	42,970
Operating expense	109,690	114,185	101,153	13,032
Advertising	312,419	302,029	221,936	80,093
Chamber of commerce	93,421	93,421	93,421	-
Sbdc	20,400	20,400	20,400	-
Contracted services	26,714	27,945	27,095	850
Capital outlay	12,260	16,434	11,389	5,045
Total economic development	1,343,547	1,343,057	1,201,067	141,990
<u>Miscellaneous</u>				
Pension contribution	7,818,838	7,824,022	6,611,363	1,212,659
Workmen's' compensation	1,700,000	1,681,553	1,290,693	390,860
General insurance	7,396,000	7,418,016	5,978,605	1,439,411
Other post employment benefits (OPEB)	6,000,000	6,000,000	6,000,000	-
Contingency	600,000	220,897	-	220,897
Total miscellaneous	23,514,838	23,144,488	19,880,661	3,263,827
<u>Debt service</u>				
<u>Bond principal retirement</u>				
General obligations	11,513,921	11,513,921	11,513,920	1
<u>Bond interest</u>				
General obligations	4,813,277	4,813,277	4,807,328	5,949
Total debt service	16,327,198	16,327,198	16,321,248	5,950
Total expenditures	216,045,238	215,963,289	209,584,034	6,379,255
<u>Other financing uses</u>				
<u>Operating transfers out</u>				
Capital projects fund	2,576,357	2,808,566	2,808,566	-
Transfer to grants fund	1,859,449	1,930,761	1,796,406	134,355
Transfer to p&r self sustaining	171,000	173,921	173,921	-
Transfer to land preservation	607,000	607,000	607,000	-
Transfer to affordable housing fund	-	55,342	55,342	-
Transfer to CHS HLS GLF CR	-	3,650,000	3,650,000	-
Solid waste	30,000	64,000	64,000	-
Economic Development Incentive Fund	50,000	50,000	-	50,000
Total other financing uses	5,293,806	9,339,590	9,155,235	184,355
Total expenditures and other financing uses	\$ 221,339,044	\$ 225,302,879	\$ 218,739,269	\$ 6,563,610

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Planning and Zoning Special Revenue Fund	Housing Fund	Project Graduation	Excise Tax	Board of Library Trustees for Calvert County	Land Preservation Fund
Assets						
Cash, cash equivalents and investments	\$ -	\$ -	\$ -	\$ -	\$ 10,173	\$ 8,001,169
Taxes receivable	-	-	-	1,242,264	-	-
Accounts receivable	25,000	8,953	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
Due from other funds	161,582	1,742,141	2,778	3,086,501	-	3,072,081
Inventory	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 186,582</u>	<u>\$ 1,751,094</u>	<u>\$ 2,778</u>	<u>\$ 4,328,765</u>	<u>\$ 10,173</u>	<u>\$ 11,073,250</u>
Liabilities and Fund Balance						
<u>Liabilities</u>						
Vouchers and accounts payable	\$ 124,893	\$ 6,362	\$ -	\$ -	\$ -	\$ 170,000
Notes payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	1,125,434	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	124,893	6,362	-	1,125,434	-	170,000
<u>Fund Balance</u>						
Reserved	-	-	-	1,956,829	-	9,944,095
<u>Unreserved</u>						
Designated	-	-	-	4,405,680	-	-
Undesignated	61,689	1,744,732	2,778	(3,159,178)	10,173	959,155
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	61,689	1,744,732	2,778	3,203,331	10,173	10,903,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 186,582</u>	<u>\$ 1,751,094</u>	<u>\$ 2,778</u>	<u>\$ 4,328,765</u>	<u>\$ 10,173</u>	<u>\$ 11,073,250</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2009

<u>Economic Development Incentive Fund</u>	<u>Parks and Recreation Fund</u>	<u>Bar Library Fund</u>	<u>Economic Development Authority Revolving Loan Fund</u>	<u>Revolving Loan Fund</u>	<u>Grants Fund</u>	<u>Calvert Co. Family Network</u>	<u>Total</u>
\$ -	\$ 299,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,310,599
-	-	-	-	-	-	-	1,242,264
177,133	-	3,331	66,662	-	1,141,850	144,287	1,567,216
-	-	-	-	-	-	-	-
126,334	1,411,256	193,936	241,824	1,012,100	-	664,553	11,715,086
-	7,383	-	-	-	3,230	-	10,613
<u>\$ 303,467</u>	<u>\$ 1,717,896</u>	<u>\$ 197,267</u>	<u>\$ 308,486</u>	<u>\$ 1,012,100</u>	<u>\$ 1,145,080</u>	<u>\$ 808,840</u>	<u>\$ 22,845,778</u>
\$ -	\$ 181,299	\$ 9,331	\$ -	\$ -	\$ 889,359	\$ 172,480	\$ 1,553,724
-	239,400	-	-	-	-	-	239,400
-	-	-	-	-	132,774	-	132,774
-	334,935	-	-	-	114,418	636,360	2,211,147
-	755,634	9,331	-	-	1,136,551	808,840	4,137,045
-	65,132	-	-	-	2,442	-	11,968,498
-	-	-	-	-	-	-	4,405,680
<u>303,467</u>	<u>897,130</u>	<u>187,936</u>	<u>308,486</u>	<u>1,012,100</u>	<u>6,087</u>	<u>-</u>	<u>2,334,555</u>
<u>303,467</u>	<u>962,262</u>	<u>187,936</u>	<u>308,486</u>	<u>1,012,100</u>	<u>8,529</u>	<u>-</u>	<u>18,708,733</u>
<u>\$ 303,467</u>	<u>\$ 1,717,896</u>	<u>\$ 197,267</u>	<u>\$ 308,486</u>	<u>\$ 1,012,100</u>	<u>\$ 1,145,080</u>	<u>\$ 808,840</u>	<u>\$ 22,845,778</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

	Planning and Zoning Special Revenue Fund	Housing Fund	Project Graduation	Excise Tax	Board of Library Trustees for Calvert County	Land Preservation Fund
<u>Revenue</u>						
Taxes	\$ -	\$ -	\$ -	\$ 2,820,550	\$ -	\$ -
Intergovernmental	-	-	-	-	675,261	108,138
Fines and forfeitures	20,784	-	-	-	145,819	-
Miscellaneous	51,728	5,570	9	33,987	114,216	1,754,757
Total revenue	72,512	5,570	9	2,854,537	935,296	1,862,895
<u>Expenditures</u>						
Salaries and fringe benefits	111,553	-	-	-	3,238,915	-
Education and miscellaneous	38,176	31,362	-	104,095	687,412	936,893
Total expenditures	149,729	31,362	-	104,095	3,926,327	936,893
Excess (deficiency) of revenue over expenditures	(77,217)	(25,792)	9	2,750,442	(2,991,031)	926,002
<u>Other Financing Sources (Uses)</u>						
Operating transfer in	-	55,342	-	-	2,977,788	607,000
Operating transfer out	-	-	-	(5,909,620)	-	-
Total other financing sources (uses)	-	55,342	-	(5,909,620)	2,977,788	607,000
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(77,217)	29,550	9	(3,159,178)	(13,243)	1,533,002
Fund balance - beginning of year	138,906	1,715,182	2,769	6,362,510	23,415	9,370,248
Fund balance - end of year	\$ 61,689	\$ 1,744,732	\$ 2,778	\$ 3,203,332	\$ 10,172	\$ 10,903,250

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

Economic Development Incentive Fund	Parks and Recreation Fund	Bar Library Fund	Economic Development Authority Revolving Loan Fund	Revolving Loan Fund	Grants Fund	Calvert Co. Family Network	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,820,550
-	-	-	-	-	4,021,882	-	4,805,281
-	-	32,737	-	-	-	-	199,340
1,839	1,564,555	867	4,988	-	449,482	832,565	4,814,563
1,839	1,564,555	33,604	4,988	-	4,471,364	832,565	12,639,734
-	627,004	40,397	-	-	2,822,454	234,099	7,074,422
-	1,031,190	60,330	-	-	3,457,846	639,689	6,986,993
-	1,658,194	100,727	-	-	6,280,300	873,788	14,061,415
1,839	(93,639)	(67,123)	4,988	-	(1,808,936)	(41,223)	(1,421,681)
-	173,921	-	-	-	1,796,406	-	5,610,457
-	-	-	-	-	-	-	(5,909,620)
-	173,921	-	-	-	1,796,406	-	(299,163)
1,839	80,282	(67,123)	4,988	-	(12,530)	(41,223)	(1,720,844)
301,628	881,980	255,059	303,498	1,012,100	21,059	41,223	20,429,577
<u>\$ 303,467</u>	<u>\$ 962,262</u>	<u>\$ 187,936</u>	<u>\$ 308,486</u>	<u>\$ 1,012,100</u>	<u>\$ 8,529</u>	<u>\$ -</u>	<u>\$ 18,708,733</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2009**

	Chesapeake Hills Golf Course	Calvert Marine Museum	Total
Assets			
<u>Current assets</u>			
Cash and cash equivalents	\$ 53,343	\$ 100,115	\$ 153,458
Investments	-	116,747	116,747
Total cash, cash equivalents and investments	<u>53,343</u>	<u>216,862</u>	<u>270,205</u>
Accounts receivable	-	46,309	46,309
Notes receivable	-	-	-
Accrued interest receivable	-	-	-
Due from other funds	521,866	-	521,866
Deferred expenses	-	-	-
Prepaid expenses	-	499	499
Inventory	28,470	42,653	71,123
Total current assets	<u>603,679</u>	<u>306,323</u>	<u>910,002</u>
<u>Non-current assets</u>			
Restricted assets			
Cash and investments	-	617,605	617,605
Capital assets not being depreciated	1,607,356	607,180	2,214,536
Depreciable capital assets - net	1,553,612	2,448,309	4,001,921
Total non-current assets	<u>3,160,968</u>	<u>3,673,094</u>	<u>6,834,062</u>
Total assets	<u>3,764,647</u>	<u>3,979,417</u>	<u>7,744,064</u>
Liabilities			
<u>Current liabilities</u>			
Vouchers and accounts payable	90,198	200	90,398
Accrued expenses	2,033	-	2,033
Due to other funds	-	-	-
Unearned revenue	13,805	6,880	20,685
Bonds and notes payable - current	-	-	-
Total current liabilities	<u>106,036</u>	<u>7,080</u>	<u>113,116</u>
<u>Noncurrent liabilities</u>			
Long-term obligations	-	-	-
Total liabilities	<u>106,036</u>	<u>7,080</u>	<u>113,116</u>
Net Assets			
Invested in capital assets, net of related debt	3,160,968	3,055,489	6,216,457
Restricted capital connection	-	-	-
Restricted gifts and bequests	-	617,605	617,605
Unrestricted	497,643	299,243	796,886
Total net assets	<u>\$ 3,658,611</u>	<u>\$ 3,972,337</u>	<u>\$ 7,630,948</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009**

	Chesapeake Hills Golf Course	Calvert Marine Museum	Total
<u>Operating revenue</u>			
Charges for services	\$ -	\$ 153,380	\$ 153,380
<u>Expenses</u>			
Salaries & benefits	12,720	2,366,390	2,379,110
Contracted services	-	228,886	228,886
Supplies	11,431	151,311	162,742
Heat, light and power	-	177,635	177,635
Depreciation	35,144	294,698	329,842
Miscellaneous	188,074	94,467	282,541
Telephone	-	9,702	9,702
Compensated absences	-	-	-
Maintenance and repairs	2,912	111,606	114,518
Capital outlay	41,968	14,860	56,828
Grant & restricted expenses	-	270,881	270,881
Total operating expenses	<u>292,249</u>	<u>3,720,436</u>	<u>4,012,685</u>
Operating income (loss)	(292,249)	(3,567,056)	(3,859,305)
<u>Non-operating revenue (expenses)</u>			
Grants	-	22,236	22,236
Contributions and fund-raising	-	413,249	413,249
Deferred amount on refunding	-	-	-
Gain(loss) on disposal of assets	-	-	-
Miscellaneous income	64,860	114,262	179,122
Tower revenue	-	-	-
Investment income	-	23,763	23,763
Interest expense	-	-	-
Net non-operating revenue (expenses)	<u>64,860</u>	<u>573,510</u>	<u>638,370</u>
Income (loss) before contributions and transfers	(227,389)	(2,993,546)	(3,220,935)
Operating transfers in (out)	-	2,589,001	2,589,001
Capital transfers in (out)	-	-	-
Capital connection charges	-	-	-
Capital contributions	3,886,000	433,763	4,319,763
Change in net assets	3,658,611	29,218	3,687,829
Total net assets - beginning	<u>-</u>	<u>3,943,119</u>	<u>3,943,119</u>
Total net assets - ending	<u>\$ 3,658,611</u>	<u>\$ 3,972,337</u>	<u>\$ 7,630,948</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Chesapeake Hills Golf Course	Calvert Marine Museum	Total
<u>Cash flows from operating activities</u>			
Receipts from customers	\$ -	\$ 113,951	\$ 113,951
Tower revenue		-	-
Payments to suppliers	(168,852)	(1,066,838)	(1,235,690)
Payments to employees	(10,687)	(2,366,390)	(2,377,077)
Payments from (to) other funds	(521,866)	-	(521,866)
Net cash provided by (used in) operating activities	<u>(701,405)</u>	<u>(3,319,277)</u>	<u>(4,020,682)</u>
<u>Cash flows from non-capital financing activities</u>			
Operating transfers from other funds	-	2,589,001	2,589,001
Contribution and fundraising receipts/misc.	64,860	527,511	592,371
Net cash provided by (used in) non-capital financing activities	<u>64,860</u>	<u>3,116,512</u>	<u>3,181,372</u>
<u>Cash flows from capital and related financing activities</u>			
Additions to capital assets and construction-in-progress	(3,196,112)	(433,763)	(3,629,875)
Proceeds from issuance of long term debt	-	-	-
Grant funds received	-	22,236	22,236
Capital connection fees received	-	-	-
Capital transfers from other funds	3,886,000	433,763	4,319,763
Capital contributions	-	-	-
Principal paid on long-term obligations	-	-	-
Interest paid on long-term obligations	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>689,888</u>	<u>22,236</u>	<u>712,124</u>
<u>Cash flows from investing activities</u>			
Interest received on deposits	-	23,764	23,764
Purchase of investments	-	(19,864)	(19,864)
Net cash provided by (used in) investing activities	<u>-</u>	<u>3,900</u>	<u>3,900</u>
Increase in cash and cash equivalents	53,343	(176,629)	(123,286)
Cash and cash equivalents, beginning of year	-	276,744	276,744
Cash and cash equivalents, end of year	<u>\$ 53,343</u>	<u>\$ 100,115</u>	<u>\$ 153,458</u>
<u>Provided by (used in) operating activities</u>			
Operating income (loss)	\$ (292,249)	\$ (3,567,056)	\$ (3,859,305)
Adjustments to reconcile operating income (loss) to			
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	35,144	294,698	329,842
Landfill closure costs and other	-	-	-
Tower revenue	-	-	-
<u>Changes in assets and liabilities</u>			
Inventory	(28,470)	(6,364)	(34,834)
Accounts receivable	-	(46,309)	(46,309)
Prepaid expenses	-	1,501	1,501
Deferred expenditures	13,805	6,880	20,685
Due from other funds	(521,866)	-	(521,866)
Bond payable refundable	-	-	-
Accounts payable	90,198	(2,627)	87,571
Accrued expenses	2,033	-	2,033
Due to other funds	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (701,405)</u>	<u>\$ (3,319,277)</u>	<u>\$ (4,020,682)</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and investments, unrestricted	\$ 53,343	\$ 216,862	\$ 270,205
Cash and investments, restricted	-	617,605	617,605
	<u>53,343</u>	<u>834,467</u>	<u>887,810</u>
Less - noncash equivalent investments	-	734,352	734,352
Cash and cash equivalents	<u>\$ 53,343</u>	<u>\$ 100,115</u>	<u>\$ 153,458</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Operating Fund</u>
<u>Assets</u>	
Cash, cash equivalents and investments	\$ 1,735,161
Notes receivable	232,231
Accrued interest receivable	71,568
Due from primary government	95,900
Fixed assets (net of accumulated depreciation)	22,191
Total assets	<u>\$ 2,157,051</u>
<u>Liabilities and Net Assets</u>	
<u>Liabilities</u>	
Accounts payable	\$ 588
Deferred revenue	200,561
Total liabilities	<u>201,149</u>
<u>Net Assets</u>	
Unrestricted	1,955,902
Total net assets and other credits	<u>1,955,902</u>
Total liabilities and net assets	<u>\$ 2,157,051</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT FUND PRESENTATION
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2009**

	<u>Operating Fund</u>
<u>Operating revenue</u>	
Charges for services	\$ 22,778
 <u>Expenses</u>	
Miscellaneous	1,014
Total operating expenses	<u>1,014</u>
 Operating income (loss)	 21,764
 <u>Non-operating revenue (expenses)</u>	
Gain(loss) on disposal of assets	(869,861)
Net non-operating revenue (expenses)	<u>(869,861)</u>
 Income (loss) before contributions and transfers	 (848,097)
 Change in net assets	 (848,097)
 Total net assets - beginning	 <u>2,803,999</u>
 Total net assets - ending	 <u><u>\$ 1,955,902</u></u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT FUND PRESENTATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Operating Fund
	<hr/>
<u>Cash flows from operating activities</u>	
Receipts from customers	\$ 41,169
Payments to suppliers	(426)
Payments to primary government	(27,838)
Net cash provided by (used in) operating activities	<hr/> 12,905
Increase in cash and cash equivalents	12,905
Cash and cash equivalents, beginning of year	1,722,256
Cash and cash equivalents, end of year	<hr/> <hr/> \$ 1,735,161
<u>Provided by (used in) operating activities</u>	
Operating income (loss)	\$ 21,764
Adjustments to reconcile operating income (loss) to	
<u>Net cash provided by (used in) operating activities</u>	
Depreciation	-
<u>Changes in assets and liabilities</u>	
Notes Receivable	209,980
Accrued interest	97,226
Due from primary government	(27,838)
Accounts payable	588
Unearned revenue	(288,815)
Net cash provided by (used in) operating activities	<hr/> <hr/> \$ 12,905
Reconciliation of cash and cash equivalents to the balance sheet:	
Cash and investments, unrestricted	\$ 1,735,161
Cash and investments, restricted	-
	<hr/> 1,735,161
Less - noncash equivalent investments	<hr/> -
Cash and cash equivalents	<hr/> <hr/> \$ 1,735,161

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2009**

	<u>Water Systems</u>	<u>Sewer Systems</u>	<u>Contracted Systems</u>	<u>Administrative and Shared Costs</u>	<u>Total</u>
<u>Operating revenue</u>					
Charges for services	\$ 1,483,643	\$ 2,424,089	\$ 598,094	\$ -	\$ 4,505,826
<u>Expenses</u>					
Salaries & benefits	563,231	665,112	283,777	635,009	2,147,129
Contracted services	28,536	329,078	88,177	19,109	464,900
Supplies	76,293	88,543	45,696	29,755	240,287
Heat, light and power	202,698	505,039	-	-	707,737
Depreciation	702,376	1,088,638	-	17,715	1,808,729
Miscellaneous	10,014	-	-	42,284	52,298
Telephone	3,325	8,418	1,013	3,961	16,717
Compensated absences	11,073	9,930	528	(6,924)	14,607
Maintenance and repairs	200,546	237,052	45,803	14,664	498,065
Capital outlay	97,114	47,569	-	15,064	159,747
Grant & restricted expenses	-	-	-	-	-
Total operating expenses	<u>1,895,206</u>	<u>2,979,379</u>	<u>464,994</u>	<u>770,637</u>	<u>6,110,216</u>
Operating income (loss)	(411,563)	(555,290)	133,100	(770,637)	(1,604,390)
<u>Non-operating revenue (expenses)</u>					
Grants	-	-	-	-	-
Deferred amount on refunding	-	(30,191)	-	-	(30,191)
Miscellaneous income	77,757	8,722	-	8,381	94,860
Tower revenue	109,584	-	-	-	109,584
Investment income	5,419	10,852	-	1,464	17,735
Interest expense	(24,706)	(218,136)	-	-	(242,842)
Administrative allocation	(403,920)	(223,772)	(133,100)	760,792	-
Net non-operating revenue (expenses)	<u>(235,866)</u>	<u>(452,525)</u>	<u>(133,100)</u>	<u>770,637</u>	<u>(50,854)</u>
Income (loss) before contributions and transfers	(647,429)	(1,007,815)	-	-	(1,655,244)
<u>Transfers</u>					
Operating transfers in (out)	-	-	-	-	-
Capital transfers in (out)	-	-	-	-	-
Capital connection charges	512,995	723,128	-	-	1,236,123
Capital contributions	<u>250,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,750</u>
Change in net assets	116,316	(284,687)	-	-	(168,371)
Total net assets - beginning	<u>7,205,760</u>	<u>16,008,880</u>	<u>-</u>	<u>1,999,832</u>	<u>25,214,472</u>
Total net assets - ending	<u>\$ 7,322,076</u>	<u>\$ 15,724,193</u>	<u>\$ -</u>	<u>\$ 1,999,832</u>	<u>\$ 25,046,101</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2009**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Tax Redemption Fund				
Assets				
Cash	\$ 35,119	\$ 319,584	\$ 328,880	\$ 25,823
Accounts receivable	9,184	9,475	9,619	9,040
Total Assets	<u>\$ 44,303</u>	<u>\$ 329,059</u>	<u>\$ 338,499</u>	<u>\$ 34,863</u>
Liabilities				
Accounts payable	\$ 13,822	\$ 310,108	\$ 319,548	\$ 4,382
Deposits	30,481	-	-	30,481
Total Liabilities	<u>\$ 44,303</u>	<u>\$ 310,108</u>	<u>\$ 319,548</u>	<u>\$ 34,863</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
SCHEDULE OF NOTES RECEIVABLE - VOLUNTEER FIRE DEPARTMENTS
AND RESCUE SQUADS - GENERAL FUND
JUNE 30, 2009

Volunteer Fire Departments and Rescue Squads	Term	Payment Period	Balance 39,630	Additions	Reductions	Balance June 30, 2009
North Beach	25 years	Semiannually	175,592	-	10,329	\$ 165,263
	9 years	Semiannually	8,563	-	3,425	5,138
	12 years	Semiannually	14,344	-	2,608	11,736
	8 years	Semiannually	127,655	-	15,957	111,698
	19 years	Semiannually	26,250	-	7,500	18,750
	7 years	Semiannually	25,217	-	12,607	12,610
	14 years	Semiannually	16,667	-	6,667	10,000
	24 years	Semiannually	125,178	-	9,629	115,549
				<u>519,466</u>	<u>-</u>	<u>68,722</u>
Prince Frederick (PF)	25 years	Semiannually	14,588	-	4,168	\$ 10,420
	10 years	Semiannually	15,785	-	4,510	11,275
	25 years	Semiannually	62,720	-	7,840	54,880
	25 years	Semiannually	357,700	-	14,600	343,100
	19 years	Semiannually	76,725	-	13,950	62,775
	25 years	Semiannually	520,000	-	26,000	494,000
	12 years	Semiannually	23,297	-	3,328	19,969
			<u>1,070,815</u>	<u>-</u>	<u>74,396</u>	<u>\$ 996,419</u>
Solomons	25 years	Semiannually	89,017	-	11,127	\$ 77,890
	25 years	Semiannually	127,180	-	15,898	111,282
	7 years	Semiannually	119,677	-	15,957	103,720
	29 years	Semiannually	16,750	-	11,167	5,583
	19 years	Semiannually	49,000	-	9,800	39,200
	19 years	Semiannually	44,000	-	8,000	36,000
	7 years	Semiannually	37,821	-	12,607	25,214
	12 years	Semiannually	33,542	-	3,531	30,011
	9 years	Semiannually	27,091	-	4,168	22,923
	8 years	Semiannually	97,849	-	15,054	82,795
			<u>641,927</u>	<u>-</u>	<u>107,309</u>	<u>\$ 534,618</u>
PF Second District	8 years	Semiannually	53,500	-	13,375	\$ 40,125
	8 years	Semiannually	78,042	-	14,190	\$ 63,852
	9 years	Semiannually	9,133	-	3,653	5,480
	8 years	Semiannually	119,677	-	15,957	103,720
			<u>260,352</u>	<u>-</u>	<u>47,175</u>	<u>\$ 213,177</u>
Dunkirk	24 years	Semiannually	142,142	-	9,476	132,666
	8 years	Semiannually	60,188	-	13,375	46,813
	8 years	Semiannually	61,993	-	13,776	48,217
	9 years	Semiannually	16,672	-	4,169	12,503
	25 years	Semiannually	305,500	-	13,000	292,500
	12 years	Semiannually	23,995	-	3,428	20,567
			<u>610,490</u>	<u>-</u>	<u>57,224</u>	<u>\$ 553,266</u>
Huntingtown	25 years	Semiannually	62,720	-	7,840	54,880
	24 years	Semiannually	104,400	-	7,200	97,200
	18.5 years	Semiannually	8,407	-	8,407	-
	24 years	Semiannually	118,879	-	9,145	109,734
	24 years	Semiannually	66,875	-	13,375	53,500
	9 years	Semiannually	16,672	-	4,168	12,504
	12 years	Semiannually	49,075	-	2,045	47,030
	25 years	Semiannually	344,500	-	6,890	337,610
	8 years	Semiannually	45,449	-	12,985	32,464
			<u>816,977</u>	<u>-</u>	<u>72,055</u>	<u>\$ 744,922</u>
St. Leonard	25 years	Semiannually	100,058	-	12,507	\$ 87,551
	25 years	Semiannually	196,819	-	10,639	186,180
	24 years	Semiannually	157,889	-	9,569	148,320
	7 years	Semiannually	25,217	-	12,607	12,610
	9 years	Semiannually	43,534	-	5,122	38,412
	8 years	Semiannually	53,500	-	13,375	40,125
	12 years	Semiannually	23,996	-	3,428	20,568
			<u>601,013</u>	<u>-</u>	<u>67,247</u>	<u>\$ 533,766</u>
Calvert Advanced Life Support Unit	3 years	Semiannually	58,023	-	23,209	\$ 34,814
	3 years	Semiannually	10,019	-	10,019	-
	3 years	Semiannually	-	73,805	-	\$ 73,805
	3 years	Semiannually	-	73,805	-	\$ 73,805
			<u>68,042</u>	<u>147,610</u>	<u>33,228</u>	<u>\$ 182,424</u>
		<u>4,589,082</u>	<u>147,610</u>	<u>527,356</u>	<u>\$ 4,209,336</u>	

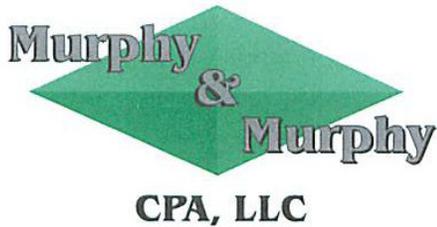
COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2009**

	Total Assessed Value of Taxable Property	Tax Rate Per \$100 of Assessed Value	Actual Tax Levy	Amount Collected	Balance of Taxes Receivable
<u>County Portion</u>					
<u>Current Year Property - Locally Assessed</u>					
Real property:					
For full year levy	\$ 12,355,786,015	\$ 0.892	\$ 110,213,611	\$ 107,876,088	\$ 2,337,523
For half year levy	46,496,065	0.446	207,372	207,372	-
North Beach	222,137,824	0.556	1,235,086	1,235,086	-
Chesapeake Beach	710,816,083	0.556	3,952,137	3,952,137	-
Total real property	<u>13,335,235,987</u>		<u>115,608,206</u>	<u>113,270,683</u>	<u>2,337,523</u>
Personal property, including corporations and banks	131,572,360	2.230	2,934,064	2,673,573	260,491
Public utilities operating and personal property	<u>338,877,250</u>	<u>2.230</u>	<u>7,556,963</u>	<u>7,556,963</u>	<u>-</u>
Total current year	<u>\$ 13,805,685,597</u>		<u>\$ 126,099,233</u>	<u>\$ 123,501,219</u>	<u>\$ 2,598,014</u>
Prior years, real, personal, and corporate property					811,966
Accrued interest receivable and service charge					<u>623,530</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>1,435,496</u>
Total taxes receivable - county portion					4,033,510
Taxes receivable - state portion net of tax credits					324,480
Taxes receivable- towns portion, net of tax credits					309,428
Bay Restoration fee due to state - Billed with Real estate taxes					<u>17,920</u>
Total taxes receivable					<u>\$ 4,685,338</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - CALVERT COUNTY FAMILY NETWORK
FOR THE YEAR ENDED JUNE 30, 2009

	Community Service Initiative	Healthy Families	LCC Flex Funds	Saturday Schools	Consolidated Youth Strategies YSPI	LAM	Family Navigator	Functional Family Therapy	Rehab Option	LCC Coordinator	Reinvest Funds	CCFN Administrative	Total
Revenue													
Federal revenue	\$ 15,967	\$ 255,779	\$ 30,671	\$ 83,590	\$ 28,695	\$ 53,153	\$ 58,800	\$ 56,181	\$ 2,700	\$ 70,000	\$ 3,588	\$ 173,441	\$ 832,565
State revenue													
Total revenue	15,967	255,779	30,671	83,590	28,695	53,153	58,800	56,181	2,700	70,000	3,588	173,441	832,565
Expenditures													
Salaries	-	-	-	-	-	-	-	-	-	51,470	-	123,916	175,386
Printing & office supp	-	-	-	-	-	-	-	-	-	-	-	5,043	5,043
Postage	-	-	-	-	-	-	-	-	-	-	-	256	256
Mileage allowance	-	-	-	-	-	-	-	-	-	-	-	2,463	2,463
Conferences	-	-	10,864	-	-	-	-	-	-	-	-	3,327	14,191
Board of Education	-	248,778	-	85,453	-	-	-	-	-	-	-	-	334,231
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	38,477	2,313	-	-	28,695	53,153	58,800	56,181	2,700	-	3,588	9,288	253,195
Advertising	-	2,688	-	-	-	-	-	-	-	-	-	78	2,766
Training/reimb	-	2,000	14,775	-	-	-	-	-	-	-	-	1,757	18,532
Subscription/membership	-	-	-	-	-	-	-	-	-	-	-	84	84
Telephone/comm	-	-	-	-	-	-	-	-	-	-	-	1,573	1,573
Electric	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	1,447	1,447
Food	-	-	-	-	-	-	-	-	-	-	-	877	877
Computer hardware	-	-	5,032	-	-	-	-	-	-	-	-	-	5,032
Benefits	-	-	-	-	-	-	-	-	-	18,530	-	40,182	58,712
Total expenditures	38,477	255,779	30,671	85,453	28,695	53,153	58,800	56,181	2,700	70,000	3,588	190,291	873,788
Excess (deficiency) of revenue over expenditures	(22,510)	-	-	(1,863)	-	-	-	-	-	-	-	(16,850)	(41,223)
Fund balance - beginning of year	22,510	-	-	1,863	-	-	-	-	-	-	-	16,850	41,223
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

County Commissioners of Calvert County, Maryland
Prince Frederick, Maryland

We have audited the 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 the County Commissioners of Calvert County, Maryland, as of and for the year ended June 30, 2009, which collectively comprise the County Commissioners of Calvert County, Maryland's basic financial statements and have issued our report thereon dated December 23, 2009. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the Calvert County Board of Education, as described in our report on the County Commissioners of Calvert County, Maryland's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Commissioners of Calvert County, Maryland's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County Commissioners of Calvert County, Maryland's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County Commissioners of Calvert County, Maryland's internal control over financial reporting.

Member: AICPA Private Companies Practice Section

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Commissioners of Calvert County, Maryland's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County Commissioners of Calvert County, Maryland's financial statements that is more than inconsequential will not be prevented or detected by the County Commissioners of Calvert County, Maryland's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County Commissioners of Calvert County, Maryland's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County Commissioners of Calvert County, Maryland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County Commissioners of Calvert County, Maryland and management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Murphy & Murphy, CPA, LLC

Clinton, Maryland
December 23, 2009

Statistical Section



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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

FINANCIAL TREND DATA
JUNE 30, 2009

THE FOLLOWING SCHEDULES CONTAIN INFORMATION TO HELP THE READER UNDER-
STAND HOW THE GOVERNMENT'S FINANCIAL PERFORMANCE AND WELL-BEING HAVE
CHANGED OVER THE LAST SEVEN YEARS. THE SCHEDULES ARE: NET ASSETS BY
CATEGORY, CHANGES IN NET ASSETS, GENERAL TAX REVENUE-GOVERNMENT ACTIVI-
TES, AND FUND BALANCE OF GOVERNMENTAL FUNDS.

County Commissioners of Calvert County, Maryland
Net Assets by Category
(Unaudited)
Schedule 1
(see related notes below)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 56,233,384	\$ 61,146,224	\$ 63,129,333	\$ 78,866,512	\$ 96,731,172	\$ 100,994,016	\$ 109,942,360
Restricted	4,883,359	5,055,707	5,516,116	5,884,509	9,246,067	7,763,481	11,968,498
Unrestricted	54,135,918	45,990,097	63,168,041	67,514,862	69,049,348	78,491,069	49,470,223
Total Governmental activities net assets	\$ 115,252,661	\$ 112,192,028	\$ 131,813,490	\$ 152,265,883	\$ 175,026,587	\$ 187,248,566	\$ 171,381,081
Business-type activities							
Invested in capital assets, net of related debt	\$ 27,314,438	\$ 28,843,560	\$ 30,186,513	\$ 30,215,402	\$ 32,980,825	\$ 34,722,581	\$ 38,558,942
Restricted	4,845,269	4,604,303	4,091,718	4,903,917	4,386,023	5,674,336	2,704,915
Unrestricted	1,919,870	1,330,155	16,967	(1,579,473)	(3,535,383)	(5,965,771)	(2,823,574)
Total business-type activities net assets	\$ 34,079,577	\$ 34,778,018	\$ 34,295,198	\$ 33,539,846	\$ 33,831,465	\$ 34,431,146	\$ 38,440,283
Primary government							
Invested in capital assets, net of related debt	\$ 83,547,822	\$ 89,989,784	\$ 93,315,846	\$ 109,081,914	\$ 129,711,997	\$ 135,716,597	\$ 148,501,302
Restricted	9,728,628	9,660,010	9,607,834	10,788,426	13,632,090	13,437,817	14,673,413
Unrestricted	56,055,788	47,320,252	63,185,008	65,935,389	65,513,965	72,525,298	46,646,649
Total primary government net assets	\$ 149,332,238	\$ 146,970,046	\$ 166,108,688	\$ 185,805,729	\$ 208,858,052	\$ 221,679,712	\$ 209,821,364

NOTES:

- (1) Accounting standards require the net assets be reported in three components in the financial statements: capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.
- (2) Government-wide net asset information is reported on the accrual basis of accounting.
- (3) Seven years of statistical data is reported on this schedule. Prior to GASB 34, the county did not maintain this type of information.

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County Commissioners of Calvert County, Maryland
Changes in Net Assets
(accrual basis of accounting)
(Unaudited, see related notes below)
Schedule 2

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Expenses							
Governmental activities:							
General government	\$ 12,587,597	\$ 13,369,218	\$ 14,641,034	\$ 15,837,498	\$ 19,378,201	\$ 21,118,928	\$ 19,068,759
Public safety	17,249,535	17,642,496	18,794,313	18,104,991	25,832,813	28,440,488	31,997,935
Public works	10,561,311	10,379,211	4,954,308	8,656,507	16,294,562	12,747,610	18,172,391
Health and hospitals	2,604,086	2,581,456	2,439,169	2,547,571	3,091,069	3,059,513	3,451,586
Social services	6,443,024	7,031,034	7,671,901	7,689,167	9,205,328	9,674,760	10,721,194
Education	1,802,882	1,624,356	2,020,194	2,391,360	2,991,382	3,048,939	3,478,087
Board of Education	78,087,440	93,320,807	87,372,370	85,712,612	90,378,744	108,689,460	122,637,685
Recreation and culture	6,297,878	6,564,078	6,831,068	2,547,771	10,608,677	11,230,664	9,561,064
Conservation of natural resources	291,651	770,377	1,050,357	3,201,679	1,422,798	1,816,478	1,601,851
Urban development and housing	820,511	939,441	970,288	1,076,102	1,326,831	1,378,660	2,603,275
Economic development	899,803	1,232,521	1,179,816	1,204,049	1,430,435	1,209,545	1,465,651
Miscellaneous	8,641,126	9,753,996	10,455,449	12,480,849	-	-	-
Capital projects	3,328,279	4,973,978	4,769,708	13,792,519	2,034,100	-	-
Debt service	2,666,968	3,071,809	3,203,820	3,284,365	3,640,050	4,180,761	4,822,828
Subtotal governmental activities expenses	\$ 152,282,091	\$ 173,254,778	\$ 166,353,795	\$ 178,527,040	\$ 187,634,990	\$ 206,595,806	\$ 229,582,306
Business-type activities:							
Water and sewer	4,773,683	5,186,540	5,179,836	5,813,095	5,782,763	6,063,824	6,383,249
Solid waste	10,048,130	11,495,314	12,041,497	12,280,864	11,588,833	11,110,091	10,848,552
Culture	2,527,056	2,922,806	2,942,141	2,943,972	3,298,655	3,395,574	4,012,686
Subtotal business-type activities expenses	\$ 17,348,869	\$ 19,604,660	\$ 20,163,474	\$ 21,037,931	\$ 20,670,251	\$ 20,569,489	\$ 21,244,487
Total primary government expenses	\$ 169,630,960	\$ 192,859,438	\$ 186,517,269	\$ 199,564,971	\$ 208,305,241	\$ 227,165,295	\$ 250,826,793
Program Revenues							
Governmental activities:							
General government	\$ 1,566,147	\$ 2,163,364	\$ 1,979,433	\$ 3,084,507	\$ 2,733,752	\$ 4,234,723	\$ 4,595,411
Public safety	4,123,398	5,604,444	6,343,750	5,848,001	6,925,881	7,166,206	7,364,299
Public works	5,373,336	7,849,342	5,439,168	6,446,786	7,282,186	6,388,285	6,434,341
Health and hospitals	41,329	82,608	54,343	58,187	70,687	58,399	38,737
Social services	814,116	682,748	753,748	754,048	1,014,712	797,476	1,049,527
Education	5,148	12,103	34,193	34,193	8,299	4,000	-
Board of Education	-	-	-	-	-	-	-
Recreation and culture	2,026,048	4,323,459	2,563,470	3,226,166	3,549,745	3,353,666	3,385,992
Conservation of natural resources	155,458	151,279	166,768	143,702	744,522	336,473	1,330,446
Urban development and housing	700,488	744,894	845,954	1,018,478	997,111	961,195	1,022,376
Economic development	1,293,689	1,083,522	989,167	1,007,398	1,058,562	929,119	838,483
Miscellaneous	1,126,307	1,353,007	2,097,004	1,730,581	-	-	-
Capital projects	10,644,669	1,987,109	838,894	1,823,092	1,707,441	1,356,301	2,334,409
Debt service	641,103	638,943	640,651	641,346	636,098	639,458	636,352
Subtotal governmental activities revenues	\$ 28,511,236	\$ 26,676,822	\$ 22,746,543	\$ 25,816,485	\$ 26,728,996	\$ 26,225,301	\$ 29,030,373
Business-type activities:							
Water and sewer	3,632,580	5,152,447	4,518,241	4,504,973	4,696,931	5,529,760	6,197,143
Solid waste	10,433,675	11,806,448	12,318,489	12,569,922	12,524,486	11,626,494	11,238,260
Culture	497,522	1,181,133	607,406	668,812	732,755	837,528	5,087,750
Subtotal business-type activities revenues	\$ 14,563,777	\$ 18,140,028	\$ 17,444,136	\$ 17,743,707	\$ 17,954,172	\$ 17,993,782	\$ 22,523,153
Total primary government revenues	\$ 43,075,013	\$ 44,816,850	\$ 40,190,679	\$ 43,560,192	\$ 44,683,168	\$ 44,219,083	\$ 51,553,526

County Commissioners of Calvert County, Maryland
Changes in Net Assets
 (accrual basis of accounting)
 (Unaudited, see related notes below)
 Schedule 2

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Net (Expense)/Revenue							
Governmental activities:							
General government	\$ (11,021,450)	\$ (11,205,854)	\$ (12,661,601)	\$ (12,752,991)	\$ (16,644,449)	\$ (16,884,205)	\$ (14,473,348)
Public safety	(13,126,137)	(12,038,052)	(12,450,563)	(12,256,990)	(18,906,932)	(21,274,282)	(24,633,636)
Public works	(5,187,975)	(2,529,869)	484,860	(2,209,721)	(9,012,376)	(6,359,325)	(11,738,050)
Health and hospitals	(2,562,757)	(2,498,848)	(2,384,826)	(2,489,384)	(3,020,382)	(3,001,114)	(3,412,849)
Social services	(5,628,908)	(6,348,286)	(6,935,119)	(6,935,119)	(8,190,616)	(8,877,284)	(9,671,667)
Education	(1,797,734)	(1,612,253)	(1,986,001)	(2,357,167)	(2,983,083)	(3,044,939)	(3,478,087)
Board of Education	(78,087,440)	(93,320,807)	(87,372,370)	(85,712,612)	(90,378,460)	(108,689,460)	(122,637,685)
Recreation and culture	(4,271,830)	(2,240,619)	(4,267,598)	678,395	(7,058,932)	(7,876,998)	(6,175,072)
Conservation of natural resources	(136,193)	(619,098)	(883,589)	(3,057,977)	(678,276)	(1,480,005)	(271,405)
Urban development and housing	(120,023)	(194,547)	(124,334)	(57,624)	(329,720)	(417,465)	(1,580,899)
Economic development	393,886	(148,999)	(190,649)	(196,651)	(371,873)	(280,426)	(627,168)
Miscellaneous	(7,514,819)	(8,400,989)	(8,358,445)	(10,750,268)	-	-	-
Capital projects	7,316,390	(2,986,869)	(3,930,814)	(11,969,427)	(326,659)	1,356,301	2,334,409
Debt service	(2,025,865)	(2,432,866)	(2,563,169)	(2,643,019)	(3,003,952)	(3,541,303)	(4,186,476)
Subtotal governmental activities expenses	<u>(123,770,855)</u>	<u>(146,577,956)</u>	<u>(143,607,252)</u>	<u>(152,710,555)</u>	<u>(160,905,994)</u>	<u>(180,370,505)</u>	<u>(200,551,933)</u>
Business-type activities:							
Water and sewer	(1,141,103)	(34,093)	(661,595)	(1,308,122)	(1,085,832)	(534,064)	(186,106)
Solid waste	385,545	311,134	276,992	289,058	935,653	516,403	389,708
Culture	(2,029,534)	(1,741,673)	(2,334,735)	(2,275,160)	(2,565,900)	(2,558,046)	1,075,064
Subtotal business-type activities expenses	<u>(2,785,092)</u>	<u>(1,464,632)</u>	<u>(2,719,338)</u>	<u>(3,294,224)</u>	<u>(2,716,079)</u>	<u>(2,575,707)</u>	<u>1,278,666</u>
Total primary government expenses	<u>\$ (126,555,947)</u>	<u>\$ (148,042,588)</u>	<u>\$ (146,326,590)</u>	<u>\$ (156,004,779)</u>	<u>\$ (163,622,073)</u>	<u>\$ (182,946,212)</u>	<u>\$ (199,273,267)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 69,922,260	\$ 77,471,702	\$ 85,133,607	\$ 90,833,150	\$ 98,994,236	\$ 109,907,718	\$ 126,502,446
Income taxes	39,753,312	49,978,622	56,880,109	58,647,605	61,886,520	63,477,715	54,280,021
Recordation taxes	9,067,979	11,322,287	13,630,156	14,481,819	11,664,698	9,114,661	5,799,985
Admission and amusement taxes	40,472	198,063	269,049	293,735	107,310	23,377	30,212
Franchise taxes	551,667	618,105	714,446	778,416	892,707	984,342	1,078,080
Other miscellaneous taxes	970,841	154,886	182,573	132,064	157,516	148,115	119,546
State reimbursement of electricity deregulation	6,096,574	5,425,079	6,096,574	6,096,574	6,096,574	5,897,437	-
Interest and dividends	1,571,307	460,472	2,366,403	4,066,075	6,358,189	5,871,258	3,362,353
Miscellaneous	(1,118,900)	(2,111,893)	(2,044,203)	(2,166,490)	(2,491,052)	(2,832,139)	(6,488,195)
Subtotal governmental activities revenues	<u>126,855,512</u>	<u>143,517,323</u>	<u>163,228,714</u>	<u>173,162,948</u>	<u>183,666,698</u>	<u>192,592,484</u>	<u>184,684,448</u>
Business-type activities:							
State reimbursement of electric deregulation	349,539	51,180	192,315	372,382	-	-	-
Miscellaneous	1,727,031	2,111,893	2,044,203	2,166,490	3,007,698	3,175,388	2,730,470
Subtotal business-type activities revenues	<u>2,076,570</u>	<u>2,163,073</u>	<u>2,236,518</u>	<u>2,538,872</u>	<u>3,007,698</u>	<u>3,175,388</u>	<u>2,730,470</u>
Total primary government revenues	<u>\$ 128,932,082</u>	<u>\$ 145,680,396</u>	<u>\$ 165,465,232</u>	<u>\$ 175,701,820</u>	<u>\$ 186,674,396</u>	<u>\$ 195,767,872</u>	<u>\$ 187,414,918</u>
Change in Net assets							
Governmental activities	\$ 3,084,657	\$ (3,060,633)	\$ 19,621,462	\$ 20,452,393	\$ 22,760,704	\$ 12,221,979	\$ (15,867,485)
Business-type activities	(708,522)	698,441	(482,820)	(755,352)	291,619	599,681	4,009,136
Total primary government	<u>\$ 2,376,135</u>	<u>\$ (2,362,192)</u>	<u>\$ 19,138,642</u>	<u>\$ 19,697,041</u>	<u>\$ 23,052,323</u>	<u>\$ 12,821,660</u>	<u>\$ (11,858,349)</u>

NOTES:
 (1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and greater than program revenues and therefore general revenues. Numbers in parentheses indicate that expenses were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
 (2) Government-wide net asset information is reported on the accrual basis of accounting.
 (3) Seven years of statistical data is reported on this schedule. Prior to GASB 34, the county did not maintain this type of information.

County Commissioners of Calvert County, Maryland
 General Tax Revenues - Governmental Activities
 (Unaudited)
 Schedule 3
 (see related notes below)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Real and personal property taxes	\$ 65,968,381	\$ 64,057,122	\$ 63,634,502	\$ 65,763,330	\$ 70,820,349	\$ 78,790,203	\$ 86,051,217	\$ 94,728,796	\$ 106,121,819	\$ 122,918,020
Income taxes	31,639,483	36,733,853	38,102,620	40,161,499	46,585,767	54,386,967	55,625,569	59,064,889	62,153,000	58,370,205
Admission and amusements	18,470	47,789	38,351	40,472	198,063	269,049	293,735	107,310	23,377	30,212
Recordation	4,470,152	6,054,865	7,180,740	9,067,979	11,322,287	13,630,156	14,481,819	11,664,698	9,114,661	5,799,985
Trailer parks	124,622	140,678	145,216	154,844	154,885	149,036	132,063	157,516	148,115	119,546
Hotel (Note 2)	-	-	-	-	528,181	498,039	519,919	644,328	785,519	763,877
Highway user revenue	4,165,545	4,614,661	4,599,518	4,470,538	3,632,858	4,611,142	5,683,147	5,947,234	5,701,044	5,077,195
Franchise	429,672	414,463	466,179	551,667	618,105	714,446	778,416	892,707	984,342	1,078,080
Total Taxes	\$106,816,325	\$112,063,431	\$114,167,126	\$120,210,329	\$133,860,495	\$153,049,038	\$163,565,885	\$173,207,478	\$185,031,877	\$194,157,120

NOTES:

- (1) Government-wide general tax revenue information is reported on the accrual basis of accounting.
- (2) Calvert County began collecting hotel tax in FY2004.

County Commissioners of Calvert County, Maryland
Fund Balance of Governmental Funds
(Unaudited)
Schedule 4
(see related notes below)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
General Fund							
Reserved	\$ 4,625,004	\$ 4,968,812	\$ 5,383,571	\$ 5,839,319	\$ 9,195,518	\$ 12,562,828	\$ 11,452,788
Unreserved	38,883,863	39,447,501	47,719,807	56,039,767	54,223,295	55,649,096	48,323,197
Total General Fund	<u>\$ 43,508,867</u>	<u>\$ 44,416,313</u>	<u>\$ 53,103,378</u>	<u>\$ 61,879,086</u>	<u>\$ 63,418,813</u>	<u>\$ 68,211,924</u>	<u>\$ 59,775,985</u>
All other governmental funds							
Reserved	\$ 258,355	\$ 86,895	\$ 132,545	\$ 45,190	\$ 50,549	\$ 7,763,481	\$ 11,968,498
Unreserved, reported in:							
Special revenue funds	11,250,173	17,421,221	15,717,939	13,174,434	17,170,651	12,666,097	6,740,235
Capital projects funds	44,647,155	27,267,249	32,317,075	31,975,700	45,555,272	51,500,054	44,067,347
Permanent funds							
Total all other governmental funds	<u>\$ 56,155,683</u>	<u>\$ 44,775,365</u>	<u>\$ 48,167,559</u>	<u>\$ 45,195,324</u>	<u>\$ 62,776,472</u>	<u>\$ 71,929,632</u>	<u>\$ 62,776,080</u>

NOTES:

- (1) Fund balance information for governmental funds is reported on the modified accrual basis of accounting.
- (2) Seven years of statistical data is reported on this schedule. Prior to GASB 34, the county did not maintain this type of information.

County Commissioners of Calvert County, Maryland
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Unaudited)
Schedule 5
(see related notes below)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Revenues										
Taxes	\$ 109,899,018	\$ 115,136,885	\$ 117,358,009	\$ 123,642,161	\$ 138,456,058	\$ 159,070,686	\$ 168,868,174	\$ 177,201,666	\$ 188,241,056	\$ 196,977,670
Licenses and permits	206,029	192,221	186,618	188,953	169,960	216,014	232,123	257,518	281,266	238,143
Intergovernmental	7,119,413	14,716,495	18,386,165	18,128,762	15,855,731	15,758,563	18,350,527	16,779,720	15,069,474	12,250,124
Charges for services	2,465,174	2,708,836	3,101,343	3,118,582	3,236,323	3,294,505	2,900,487	3,202,758	3,670,167	3,765,064
Fines and forfeitures	230,186	236,960	200,371	236,545	273,920	252,017	328,280	289,052	356,049	319,280
Miscellaneous	6,813,615	7,923,804	5,944,434	5,188,807	3,949,023	7,110,816	8,479,435	12,016,603	12,625,951	10,739,918
Total revenues	128,733,435	140,915,201	145,176,940	150,503,810	161,941,015	185,702,601	199,159,026	209,747,317	220,243,963	224,293,199
Expenditures										
General government	9,212,887	9,139,446	9,959,210	11,312,244	11,802,003	12,764,613	14,970,798	15,349,833	16,736,565	16,078,913
Public safety	13,324,496	14,158,764	14,805,518	16,070,048	16,851,428	17,999,869	19,319,261	21,663,919	24,008,176	26,237,282
Public works	6,179,503	6,675,392	6,577,394	7,793,754	7,161,352	6,917,035	7,715,592	10,599,520	7,656,572	11,224,901
Health and hospitals	2,843,905	2,391,310	2,484,813	2,613,224	2,569,591	2,556,877	2,539,528	2,600,707	2,667,985	2,819,937
Social services	1,753,424	1,038,402	6,265,200	6,411,220	6,982,937	7,184,652	7,746,183	7,672,234	8,347,844	8,765,417
Education - other	887,575	1,366,485	1,464,604	1,802,882	1,624,356	2,020,194	2,391,360	2,521,895	2,660,762	2,856,298
Board of Education	64,973,680	67,484,662	71,759,418	78,087,440	92,892,336	87,372,370	90,562,791	95,104,149	97,782,359	110,611,519
Recreation and culture	2,212,561	2,368,132	5,951,972	5,971,106	6,573,899	6,817,349	7,488,244	8,266,634	8,900,443	9,783,163
Conservation of natural resources	249,065	263,996	279,893	289,609	770,448	1,050,019	3,230,187	1,302,107	1,681,507	1,308,871
Urban development and housing	545,331	607,617	744,654	803,429	914,646	948,487	1,083,349	1,124,533	1,239,214	1,978,608
Economic development	601,710	624,310	684,360	867,642	1,235,265	1,169,234	1,211,752	1,215,905	1,062,995	1,205,616
Miscellaneous	6,657,127	7,190,967	7,802,418	8,641,126	9,733,411	10,427,891	12,457,865	14,370,535	18,279,910	19,880,661
Capital projects	9,033,618	16,407,356	13,222,893	11,443,746	12,104,557	11,163,377	20,124,272	24,649,617	20,687,852	24,807,060
Debt service										
Principal retirement	4,030,305	4,003,021	4,133,534	5,187,841	5,141,946	6,920,962	7,940,391	8,724,561	9,967,111	11,513,920
Interest	2,526,323	2,362,870	2,449,082	2,406,741	2,853,819	3,235,987	3,317,092	3,441,562	4,326,306	4,807,328
Total expenditures	125,031,500	136,082,730	148,584,963	159,702,052	179,211,994	178,543,916	202,088,665	218,607,711	226,005,601	253,879,494
Excess (deficiency) of revenues over expenditures	1,701,935	4,832,471	(3,408,023)	(9,198,242)	(17,270,979)	7,153,685	(2,929,639)	(8,860,394)	(5,761,638)	(29,586,295)
Other financing sources (uses)										
Proceeds from bond issuance	-	2,727,000	9,962,517	31,192,767	8,910,000	6,995,000	10,885,000	29,780,000	22,250,000	18,485,000
Premium of issuance of debt			428,049					692,322	290,047	50,806
Forgiveness of debt										
Transfers in - other	20,425,987	11,571,612	12,881,086	15,138,768	13,931,333	21,782,880	18,565,370	15,920,176	10,180,740	14,092,643
Transfers out - other	(21,971,495)	(13,078,385)	(14,627,774)	(16,899,797)	(16,043,226)	(23,852,306)	(20,717,258)	(18,411,229)	(13,012,879)	(20,631,644)
Total other financing sources (uses)	(1,545,508)	1,220,227	8,215,829	29,859,787	6,798,107	4,925,574	8,733,112	27,961,269	19,707,908	11,996,805
Net change in fund balances	\$ 156,427	\$ 6,052,698	\$ 4,807,806	\$ 20,661,545	\$ (10,472,872)	\$ 12,079,259	\$ 5,803,473	\$ 19,120,875	\$ 13,946,270	\$ (17,589,490)
Debt service as a percentage of noncapital expenditures	5.65%	5.20%	4.53%	4.23%	(3)4.54%	(3)5.82%	(3)5.84%	(3)5.44%	(3)6.28%	(3)7.12%

NOTES:
(1) Governmental fund information is reported on the modified accrual basis of accounting.
(2) Debt service represents debt service principal, interest and any proceeds of bond issuance.
(3) Noncapital expenditures represents Total Expenditures above, plus proceeds of bond issuance, less Capital Projects Expenses.
(4) Calculation based on Expenses minus Capital Outlays pg. 20 divided by debt service, beginning in FY2004.

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REVENUE CAPACITY
JUNE 30, 2009

THE FOLLOWING SCHEDULES CONTAIN INFORMATION TO HELP THE READER ACCESS THE GOVERNMENT'S MOST SIGNIFICANT LOCAL REVENUE SOURCE, PROPERTY TAXES. THE SCHEDULES ARE: ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, DIRECT AND OVERLAPPING PROPERTY TAX RATES, PRINCIPAL PROPERTY TAXPAYERS, AND SUMMARY OF PROPERTY TAX LEVIES AND COLLECTIONS.

County Commissioners of Calvert County, Maryland
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (Unaudited)
 Schedule 6
 (see related notes below)

Fiscal Year	Real Property					Personal Property					Total		% Taxable Assessed to total
	Assessed Value	Exempt Property	Taxable Assessed Value	Direct Rate	Assessed Value	Estimated Actual Value	Direct Rate	Assessed Value	Taxable Assessed Value	Estimated Actual Value	Estimated Actual Value		
2000	5,133,985,725	420,419,763	4,713,565,963	0.892	1,147,095,500	1,147,095,500	2.23	6,281,081,225	5,860,661,463	6,281,081,225	93.31%		
2001	5,387,133,795	442,952,913	4,944,180,883	0.892 (2)	978,853,722	978,853,722	2.23	6,365,987,517	5,923,034,605	6,365,987,517	93.04%		
2002	5,671,566,808	468,515,724	5,203,051,084	0.892 (2)	825,125,530	825,125,530	2.23	6,496,692,338	6,028,176,614	6,496,692,338	92.79%		
2003	6,072,549,179	495,002,976	5,577,546,203	0.892	822,606,880	822,606,880	2.23	6,895,156,059	6,400,153,063	6,895,156,059	92.82%		
2004	6,531,076,135	563,391,239	5,967,684,896	0.892	882,393,920	882,393,920	2.23	7,413,470,055	6,850,078,816	7,413,470,055	92.40%		
2005	7,093,440,835	570,848,991	6,522,591,844	0.892	1,026,470,460	1,026,470,460	2.23	8,119,911,295	7,549,062,304	8,119,911,295	92.97%		
2006	7,950,408,153	594,754,848	7,355,653,305	0.892	1,087,505,840	1,087,505,840	2.23	9,037,913,993	8,443,159,145	9,037,913,993	93.42%		
2007	9,286,512,820	656,267,485	8,630,245,335	0.892	1,123,614,063	1,123,614,063	2.23	10,410,126,883	9,753,859,398	10,410,126,883	93.70%		
2008	11,464,556,220	788,968,756	10,675,587,464	0.892	1,052,405,750	1,052,405,750	2.23	12,516,961,970	11,727,993,214	12,516,961,970	93.70%		
2009	14,223,348,981	888,112,994	13,335,235,987	0.892 (3)	470,449,610	470,449,610	2.23	14,693,798,591	13,805,685,597	14,693,798,591	93.96%		

NOTES:

- (1) As of Fiscal Year 2002, real property taxes are assessed at the property's estimated actual value. Previously real property taxes were assessed at 40% of the property's estimated actual value.
- (2) Reflects decrease in assessment due to tax reform related to electric deregulation. A 50% exemption was given on assets used in the generation of electricity. This exemption was phased in over two years.
- (3) A significant portion of Constellation Energy's assessable base was reclassified from personal property to real property.

Source: State of Maryland, Department of Assessments and Taxation

County Commissioners of Calvert County, Maryland
Direct and Overlapping Property Tax Rates (Per \$100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)
Schedule 7
(see related notes below)

Fiscal Year	Calvert County	State	County Rate	
			Town of North Beach	Town of Chesapeake Beach
2000	2.23	0.21	1.39	1.39
2001	2.23	0.21	1.39	1.39
2002	(1) 0.892	0.084	0.556	0.556
2003	0.892	0.084	0.556	0.556
2004	0.892	0.132	0.556	0.556
2005	0.892	0.132	0.556	0.556
2006	0.892	0.112	0.556	0.556
2007	0.892	0.112	0.556	0.556
2008	0.892	0.112	0.556	0.556
2009	0.892	0.112	0.556	0.556

NOTES:

(1) As of Fiscal Year 2002, real property taxes is assessed at the property's full estimated actual value, previously real property was assessed at 40% of the property's estimated actual value. Accordingly, the tax rates were adjusted to maintain the effective tax rate.

(2) The real property tax rate is \$.892 per \$100.

County Commissioners of Calvert County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)
Schedule 8
(see related notes below)

Name of Taxpayer	FY09			FY00		
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total Taxable Assessed Value
Baltimore, Gas & Electric	\$ 450,944,246	(4)	3.27%	\$ 948,490,890	(3)	16.18%
Cove Point LNG Plant	219,747,410	2	1.59%	34,576,200	(3)	0.59%
Southern Maryland Electric Co.	40,096,280	3	0.29%	46,184,500	(3)	0.79%
Verizon	31,407,290	4	0.23%	35,658,360	(3)	0.61%
Fox Run Ltd. Partnership	29,347,732	5	0.21%			
Asbury-Solomons	26,236,200	6	0.19%			
Holiday Inn - Solomons	24,511,500	7	0.18%	7,091,885	(3)	0.12%
Dunkirk Gateway	16,795,833	8	0.12%			
Market Square	13,694,366	9	0.10%			
Dunkirk Market Place	12,102,066	10	0.09%			
Bell Atlantic				6,939,767	(3)	0.12%
Fox Run Shopping Center				46,352,692	(3)	0.79%
Pepco				9,301,412	(3)	0.16%
Calvert Village Shopping Center				7,178,601	(3)	0.12%
	\$ 864,882,923		6.27%	\$ 1,144,371,566		19.52%

SOURCE:

- (1) Maryland State Department of Assessments and Taxation
- (2) Department of Finance and Budget

NOTES:

- (3) Estimated
- (4) Due to changes in Maryland property tax law during FY08 a PILOT (payments in lieu of taxes) agreement was entered into with Constellation which changed the taxable assessment. Note the difference is made up in the PILOT program.

County Commissioners of Calvert County, Maryland
Summary of Property Tax Levies and Collections
Last Ten Fiscal years
(Unaudited)
Schedule 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of levy		Amount	Percent of Levy
2000	66,287,086	64,176,673	96.82%	2,093,039	66,269,712	99.97%
2001	64,521,905	62,615,348	97.05%	1,869,269	64,484,617	99.94%
2002	63,182,466	61,686,664	97.63%	1,446,143	63,132,807	99.92%
2003	66,188,158	64,420,874	97.33%	1,693,931	66,114,805	99.89%
2004	71,093,332	69,525,551	97.79%	1,464,226	70,989,777	99.85%
2005	78,990,817	77,613,438	98.26%	1,294,300	78,907,738	99.89%
2006	87,749,160	86,285,379	98.33%	1,308,330	87,593,709	99.82%
2007	99,359,697	97,787,042	98.42%	1,377,991	99,165,033	99.80%
2008	126,099,233	123,501,219	97.94%	1,842,551	125,343,770	99.40%
2009	126,099,233	123,501,219	97.94%	2,094,900	125,596,119	99.60%

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

DEBT CAPACITY
JUNE 30, 2009

THE FOLLOWING SCHEDULES PRESENT INFORMATION TO HELP THE READER ACCESS THE AFFORDABILITY OF GOVERNMENT'S CURRENT LEVELS OF OUTSTANDING DEBT AND GOVERNMENT'S ABILITY TO ISSUE ADDITIONAL DEBT IN THE FUTURE. THE SCHEDULES ARE: RATIOS OF OUTSTANDING DEBT BY TYPE, NET BONDED DEBT PER CAPITA, AND PLEDGED-REVENUE COVERAGE.

County Commissioners of Calvert County, Maryland
Ratios of Outstanding Debt by Type (in thousands of dollars, except per capita)
Last Ten Fiscal Years
(Unaudited)
Schedule 10
(see related notes below)

Fiscal Year	Governmental Activity										Business Type Activity			
	General Obligation Bonds	State Transportation Bonds	Revenue Bonds	Bond Anticipation Note	General Obligation Mortgages	Office Building	Leveraging	Misc.	Notes payable	General Obligation Bonds	Total Primary Government	Percentage of Personal Income (a)	Per Capita	
2000	38,018	807	-	-	-	5,600	-	4,283	4,719	9,410	62,837	2.67%	843	
2001	35,090	410	-	2,727	-	5,180	-	4,025	4,496	8,718	60,646	2.41%	796	
2002	44,533	103	-	-	-	4,745	4,839	3,694	9,353	8,009	75,276	2.81%	955	
2003	70,740	-	-	-	-	4,295	5,589	3,117	10,157	7,253	101,151	3.56%	1,235	
2004	75,290	-	-	-	-	3,830	5,931	2,797	9,885	6,715	104,448	3.39%	1,243	
2005	76,178	-	-	-	-	3,345	5,931	2,528	9,461	6,055	103,498	3.16%	1,215	
2006	79,973	-	-	-	-	2,840	6,882	2,170	8,841	5,169	105,875	3.09%	1,193	
2007	101,907	-	-	-	-	2,320	7,961	1,800	8,248	4,057	126,293	3.48%	1,435	
2008	115,099	-	-	-	-	1,775	10,414	1,421	8,176	3,018	139,903	N/A (2)	1,411	
2009	123,013	-	-	-	-	1,210	10,414	1,029	8,152	1,927	145,745	N/A (2)	1,403	

NOTES:
(1) See the Demographic and Economic Statistics schedule for personal income and population data.
(2) N/A= Not Available

County Commissioners of Calvert County, Maryland
Ratio of Net General Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)
Schedule 11

Fiscal Year	Population	Taxable Assessed Value		Gross Bonded Debt	Self Supporting Debt (1)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		Real & Personal Property (2)						
2000	74,563	5,860,661,463		48,707,553	5,983,860	42,723,693	0.73%	572.99
2001	76,200	5,923,034,605		47,431,532	5,588,655	41,842,877	0.71%	549.12
2002	78,800	6,028,176,614		53,075,211	5,119,312	47,955,899	0.80%	608.58
2003	81,900	6,400,153,083		78,151,519	4,665,831	73,485,688	1.15%	897.26
2004	84,000	6,850,078,816		81,916,937	4,175,533	77,741,404	1.13%	925.49
2005	85,200	7,549,062,304		82,051,874	3,697,306	78,354,568	1.04%	919.65
2006	87,000	8,193,159,145		85,141,476	3,158,657	81,982,819	1.00%	942.33
2007	88,000	9,753,859,398		105,964,284	2,606,446	103,357,838	1.06%	1,174.52
2008	89,500	11,464,556,220		118,117,092	2,035,916	116,081,176	1.01%	1,297.00
2009	90,000	13,805,685,597		125,260,061	1,456,138	123,803,923	0.90%	1,375.60

NOTES:

(1) - Includes Waterway Improvement, Shore Erosion and Office Building Debt

(2) - Assessments prior to FY2002 are restated to equal full value assessment.

County Commissioners of Calvert County, Maryland
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)
Schedule 12

Fiscal Year	State Office Building				Shore Erosion Bonds			Waterway Improvement Bonds				
	State Office Building Receipts	Debt Service Principal	Debt Service Interest	Coverage	Shore Erosion Billed	Debt Service Principal	Debt Service Interest	Coverage	Waterway Improvement Billed	Debt Service Principal	Debt Service Interest	Coverage
2000	754,898	475,000	279,898	1.00	25,713	18,636	-	1.38	6,837	8,122	-	0.84
2001	635,496	420,000	215,496	1.00	25,713	18,636	-	1.38	6,837	8,122	-	0.84
2002	635,421	435,000	200,421	1.00	27,012	19,927	-	1.36	6,837	8,122	-	0.84
2003	634,266	450,000	184,266	1.00	27,012	19,922	-	1.36	6,837	8,122	-	0.84
2004	632,106	465,000	167,106	1.00	27,012	19,922	-	1.36	6,837	8,122	-	0.84
2005	633,814	485,000	148,814	1.00	30,446	23,322	-	1.31	6,837	8,122	-	0.84
2006	634,509	505,000	129,509	1.00	30,446	23,322	-	1.31	6,837	6,676	-	1.02
2007	629,261	520,000	109,261	1.00	30,446	23,322	-	1.31	-	-	-	0.00
2008	632,621	545,000	87,621	1.00	30,446	23,322	-	1.31	-	-	-	0.00
2009	629,515	565,000	64,515	1.00	30,446	23,322	-	1.31	-	-	-	0.00

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2009

THE FOLLOWING SCHEDULES OFFER DEMOGRAPHIC AND ECONOMIC INDICATORS TO HELP THE READER UNDERSTAND THE ENVIRONMENT WITHIN WHICH THE GOVERNMENT'S FINANCIAL ACTIVITIES TAKE PLACE. THE SCHEDULES ARE: DEMOGRAPHIC AND ECONOMIC STATISTICS AND PRINCIPAL EMPLOYERS.

County Commissioners of Calvert County, Maryland
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)
Schedule 13
(see related notes below)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (\$ thousands)(2)</u>	<u>Per Capita Income (2)</u>	<u>Civilian Labor Force (3)</u>	<u>Unemployment Rate Percent (3)</u>	<u>Public School Enrollment (4)</u>
2000	74,563	2,352,217	30,364	38,894	2.60%	14,823
2001	76,200	2,513,986	31,091	39,411	2.50%	15,791
2002	78,800	2,674,927	32,055	40,188	2.70%	16,371
2003	81,900	2,834,014	32,950	41,365	3.00%	16,745
2004	84,000	3,051,852	34,465	42,339	2.80%	16,904
2005	85,200	3,270,323	35,990	45,503	3.40%	16,842
2006	87,000	3,427,000	39,134	47,085	3.50%	17,113
2007	88,000	3,631,560	41,200	47,448	3.60%	17,468
2008	89,500	N/A	N/A	48,265	3.70%	17,029
2009	90,000	N/A	N/A	47,347	6.40%	16,729

NOTES:

- (1) Source: Calvert County Department of Planning and Zoning.
- (2) Source: Maryland Department of Planning , Planning data Sources from U.S. Bureau of Economic Analysis.
- (3) Source: U.S. Department of Labor Bureau of Labor Statistics.
- (4) Source: Calvert County Public Schools Financial Statements.

County Commissioners of Calvert County, Maryland
Principal Employers
Current Year and Ten Years ago
(Unaudited)
Schedule 14
(see related notes below)

Employer	Fiscal Year 2009			Fiscal Year 2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,264	1	4.78%	1314	1	3.39%
Calvert County Government	1,257	2	2.65%	820	4	2.11%
Calvert Memorial Hospital	1,057	3	2.23%	850	3	2.19%
Constellation Energy Group (1)	800	4	1.69%	1227	2	3.16%
Wal-Mart	500	5	1.06%			
ARC of Southern Maryland	455	6	0.96%	360	5	0.93%
Giant Food	385	7	0.81%			
Safeway	290	8	0.61%			
DynCorp				246	6	0.63%
Chesapeake Beach Resort & Spa	230	9	0.49%			
Recorded Books	230	10	0.49%	175	10	0.45%
Calvert Nursing Center				185	9	0.48%
Direct Mail Mgmt., Inc				213	7	0.55%
The Gott Company				200	8	0.52%

NOTES:

- (1) Employees of Calvert Cliffs Nuclear Power Plant - Corporate owner was Baltimore Gas and Electric (1997), and is now Constellation Energy Group.
- (2) Source: Calvert County Department of Economic Development

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2009

THE FOLLOWING SCHEDULES CONTAIN SERVICE AND INFRASTRUCTURE DATA THAT SHOWS THE READER HOW THE INFORMATION IN THE GOVERNMENT'S FINANCIAL REPORT RELATES TO THE SERVICES THE GOVERNMENT PROVIDES THE ACTIVITIES IT PERFORMS. THE SCHEDULES ARE: FULL-TIME CALVERT COUNTY EMPLOYEES BY FUNCTION, OPERATING INDICATORS BY FUNCTION, AND CAPITAL ASSET STATISTICS BY FUNCTION.

County Commissioners of Calvert County, Maryland
Full-time Calvert County Employees by Function
Last Seven Fiscal Years
Schedule 15
(see related notes below)

Function:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
General Government						
Commissioners	8	7	7	7	6	6
Circuit court	7	10	10	10.7	10.9	10.9
Clerk of the Commissioners	1	1	1	1	1	1
County Administration	3	2	2	3	3	3
County Attorney	3	3	3	4	4	4
Treasurers	6	6	6	7.6	7.6	7.6
Election	8	8	9	9	9	9
Finance	21	20	22	22.6	22.6	23.6
General Services	2	2	2	2	2	2
Buildings and grounds	24	26	28	31.7	32.7	32.7
Orphans court	3	3	3	3	3	3
Personnel	5	5	6	7.6	7.6	8.6
States Attorney	18	18	18	20.1	20.1	20.1
Technology Services	15	17	17	18.6	19.6	21.8
Public Safety						
Transportation	1	1	2	2.8	2.8	2.8
Mosquito control	1	1	1	4.1	4.1	4.1
Public safety	2	2	2	2	2	2
Control Center	25	25	29	30	30	30
Emergency Management	2	2	2	3	3	3
Fire/Rescue	3	3	4	4	4	4
Inspections/Permits	13	13	13	14.2	14.2	14.2
Animal Control	4	5	5	5	6	7
Detention Center	64	64	65	67	77.6	81.6
Sheriffs Office	100	105	115	131.2	134.2	139.2
Liquor board	3	3	3	3	3	3
Public Works	14	14	14	16.6	16.6	16.6
Planning commission	1	1	1	2	1	1
Project Management	8	8	8	8	8	7
Fleet Maintenance	7	7	8	9	9	10
Highway Maintenance	33	33	33	33.6	33.6	36.6
Social Services						
Community Resources	4	4	4	4.5	4.5	4.5
Office on Aging	23	23	23	23.5	24.6	24.6
Recreation						
Marine Museum	35	36	36	40.2	40.2	40.2
Railway Museum	1	1	1	2	2	2
Recreation Programs	57	59	62	68.7	69.7	70
Conservation of Natural Resources	12	12	13	13.2	13.2	13.2
Urban Development						
Planning and Zoning	19	21	21	26.1	26.1	16.1
Economic Development	10	8	9	9.1	10.1	12.1
Water and Sewer	30	30	30	30	33	34
Solid Waste	34	32	33	36.8	37.8	37.8
Total	630	641	671	737.5	759.4	769.9

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budget FY2006, FY2007, FY2008, and FY2009.

(2) Seven years of statistical data is reported on this schedule. Prior to implementing GASB 34, the county did not maintain this type of information.

County Commissioners of Calvert County, Maryland
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)
Schedule 16
(see related notes)

Function:	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
	Actual	Projected								
General Government										
Circuit court										
Case Transactions	5,891	5,523	6,912	5,927	6,680	7,007	9,763	12,028	13,884	13,980
Technology Services										
Work orders completed	N/A	N/A	N/A	N/A	N/A	N/A	3,945	4,348	4,124	5,722
Countywide support to desktop computers	N/A	N/A	N/A	N/A	N/A	N/A	512	665	750	810
Treasurers										
Credit Card dollars collected	N/A	N/A	5,702	55,692	146,477	182,444	300,051	283,659	480,062	360,000
Credit card transactions	N/A	N/A	5	58	139	168	287	247	323	275
Real Estate Tax bills	N/A	N/A	N/A	N/A	39,765	40,468	40,988	41,265	41,390	41,453
Water & Sewer Payments	N/A	N/A	N/A	N/A	16,200	18,400	18,800	19,200	19,600	20,000
Finance										
Purchase orders Processed	N/A	N/A	5,771	5,916	5,632	5,641	6,705	7,046	7,291	7,500
Accounts Payable checks	N/A	N/A	15,038	15,374	15,949	15,493	15,015	17,050	16,349	16,400
Average number of employees per pay	N/A	N/A	800	860	906	930	936	945	992	990
Fixed Assets Maintained	N/A	N/A	12,072	12,491	13,326	14,551	15,364	15,973	14,503	17,500
Health Care benefits managed	N/A	N/A	650	667	692	717	738	935	958	1,010
Public Safety										
Transportation										
Yearly rider ship	105,686	112,255	112,672	108,094	107,753	113,354	132,648	132,728	133,270	135,000
Control Center										
Number of incidents handled	N/A	N/A	N/A	106,560	N/A	117,936	130,478	148,947	159,145	167,102
Fire/Rescue										
Total calls responded	14,500	15,000	16,000	16,100	16,500	16,900	17,560	19,747	20,743	21,780
Inspections/Permits										
Building permits issued	N/A	N/A	N/A	2,410	2,430	2,425	2,504	2,098	1,812	1,542
Grading Permits Issued	N/A	N/A	N/A	1,256	1,053	855	820	717	672	753
Electrical Permits issued	N/A	N/A	N/A	2,298	2,007	2,424	2,438	1,986	1,666	1,539
Plumbing permits issued	N/A	N/A	N/A	1,746	1,625	1,667	1,279	1074	943	800
Animal Control										
Calls for service	4,880	4,841	4,325	4,955	5,103	5,354	7,377	7,506	8,000	7,500
Detention Center										
Average Daily Population	N/A	148	168	181	212	227	212	238	222	269
Work release (adp)	N/A	52	62	69	74	73	68	75	85	
Sheriffs Office										
Calls for service	33,342	36,820	38,849	49,148	54,789	71,959	65,454	76,223	86,894	99,059
Murder cases	1	1	-	2	1	1	-	2	1	-
Rape cases	7	15	16	7	8	11	4	-	6	10
Robbery cases	12	18	14	15	10	20	9	16	15	27
Aggravated Assault cases	195	164	221	177	120	121	171	173	272	187
Theft cases	667	712	622	753	677	899	935	947	1,051	1,067
Auto theft cases	55	48	56	69	62	65	77	92	92	82
Domestic violence incidents responded to	N/A	N/A	N/A	N/A	N/A	N/A	1,103	1,189	1,272	1,361
Business & community patrol checks	N/A	N/A	N/A	N/A	N/A	N/A	23,414	30,419	34,069	38,157
Sex offenders registered in Calvert County	N/A	N/A	N/A	N/A	N/A	N/A	99	108	113	118
School related incidents/investigations	N/A	N/A	N/A	N/A	N/A	N/A	351	403	439	478
Public Works										
Major and Minor Subdivisions	N/A	N/A	N/A	1,073	989	1,040	205	227	175	182
Road plans	N/A	N/A	N/A	48	67	120	32	33	41	35
Project Management										
Miles of roadway resurfaced	N/A	N/A	20	20	17	13	11	13	15	14
Fleet Maintenance										
Work orders	N/A	N/A	N/A	2,350	2,500	2,600	2,226	2,211	2,371	2,250
Recreation										
Public Library										
Circulation of materials	601,640	670,640	707,703	808,178	879,152	930,098	920,727	962,246 *	1,035,223	N/A
Railway Museum										
Outreach participants	N/A	N/A	N/A	N/A	3,300	3,924	3,621	3,900	4,200	N/A
Participants in programs	N/A	2,547	2,434	2,700						
Urban Development										
Planning and zoning										
Major and Minor Subdivisions	N/A	N/A	49	60	49	47	47	63	63	N/A
Water and Sewer										
Number of customers	N/A	N/A	N/A	N/A	N/A	N/A	4,587	4,788	4,870	4,925

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budget FY2000-2010.
(2) Source: Sheriff's office.

County Commissioners of Calvert County, Maryland
Capital Asset Statistics by function
Last Five Fiscal Years
(Unaudited)
Schedule 17
(see related notes)

Function:	FY2005	FY2006	FY2007	FY2008	FY2009
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol Units	89	115	115	120	141
Fire Protection					
Fire Stations	7	7	7	7	7
Pumpers	12	12	12	12	12
Ambulances	15	15	15	15	15
Rescue Trucks	6	6	6	6	6
Aerial Trucks/towers	3	3	3	3	3
Brush Units	12	12	12	12	12
Tankers	5	5	5	5	5
Jet skis	2	2	2	2	2
Dive rescue van	1	1	1	1	1
Fire-rescue boats	3	3	3	3	3
Mass casualty unit/trailer	1	1	1	1	1
Inflatable boats	6	6	6	6	6
Paramedic units	5	5	5	5	5
Air Cascade Unit	0	0	1	1	1
Other utility type	24	24	24	24	24
Public Works					
Transportation					
Passenger buses	17	17	18	18	17
County owned streets in miles	435	446	446	446	446
Recreation					
Baseball fields	20	20	20	20	20
Football fields	7	7	7	7	7
Basketball courts	6	6	6	6	6
Tennis courts	10	10	10	10	10
Pools	1	2	2	2	2
Playgrounds and parks in acres	360	360	360	360	360
Water and Sewer					
Water mains in miles	3	3	3	3	75
Water treatment plants	22	22	22	22	28
Storage tanks	14	14	14	14	14
Sewer lines and storm drains in miles	1	1	1	1	78
Sewer treatment plants	7	7	7	7	10
Sewer pumping stations	27	27	27	27	58

NOTES:

(1) Source: Various county departments.

(2) Five years of statistical data is reported on this schedule, as this detail was not maintained prior to FY05.