



CALVERT
COUNTY
Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013



Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2013

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Letter of Transmittal	i-v
Certificate of Achievement for Excellence in Financial Reporting	vi
Certain Elected and Appointed Officials	vii
Organizational Chart-Calvert County	viii
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis (required supplementary information)	4-15
Basic Financial Statements	
Statement of Net Position	16
Statement of Activities	17-18
Balance Sheet	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	27-66
Required Supplementary Information	
Summary Schedule of Revenue and Expenditures, and Other Financing Sources and Uses - Budget and Actual (Budgetary Basis) - General Fund	67
Schedule of Pension Fund Funding Progress & Employer Contributions	
Calvert County Maryland Post-Employment Benefit Plan	68
Calvert County Employees Retirement Plan	69
Calvert County Sheriff's Department Plan	70
Length of Service Awards Program (Volunteer Fire Departments & Rescue Squads)	71

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2013

TABLE OF CONTENTS (Continued)

Other Supplementary Information	
Schedule of Revenue and Other Financing Sources - Budget and Actual (Budgetary Basis) - General Fund	72-74
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Budgetary Basis) - General Fund	75-82
Nonmajor Funds and Other Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	83-84
Combining Statement of Revenue, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds	85-86
Component Unit Statement of Net Position - Economic Development Authority	87
Component Unit Statement of Revenue, Expenses and Changes in Fund Net Position - Economic Development Authority	88
Component Unit Statement of Cash Flows - Economic Development Authority	89
Combining Schedule of Revenues, Expenses and Changes in Net Position - Water and Sewer Fund	90
Statement of Changes in Assets and Liabilities - Agency Fund	91
Schedule of Notes Receivable - Volunteer Fire Departments and Rescue Squads General Fund	92
Schedule of Real and Personal Taxes Receivable - General Fund	93
Combining Statement of Revenues, Expenditures and Changes in Fund Equity Calvert County Family Network	94
Compliance Report	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	95-96

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2013

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION

Financial Trend Data

Schedule 1	Net Position by Category	97
Schedule 2	Changes in Net Position	98-99
Schedule 3	General Tax Revenues	100
Schedule 4	Fund Balance of Governmental funds	101
Schedule 5	Changes in Fund Balance of Governmental funds	102

Revenue Capacity

Schedule 6	Assessed and Estimated Actual Value of Taxable Property	103
Schedule 7	Direct and Overlapping Real Property Tax Rates	104
Schedule 8	Principal Property Taxpayers	105
Schedule 9	Property Tax Levies and Collections Schedule	106

Debt Capacity

Schedule 10	Ratios of Outstanding Debt by type	107
Schedule 11	Ratios of Net General Bonded Debt	108
Schedule 12	Pledged-Revenue Coverage	109

Demographic and Economic Information

Schedule 13	Demographic and Economic Statistics	110
Schedule 14	Principal Employers	111

Operating Information

Schedule 15	Full Time Equivalent Calvert County Employees by Function	112
Schedule 16	Operating Indicators by Function	113
Schedule 17	Capital Asset Statistics by Function	114

“THIS PAGE LEFT INTENTIONALLY BLANK”

Introductory Section



“THIS PAGE LEFT INTENTIONALLY BLANK”



CALVERT COUNTY GOVERNMENT

Board of County Commissioners

Pat Nutter, President

Steven R. Weems, Vice President

Gerald W. Clark, Commissioner

Susan Shaw, Commissioner

Evan K. Slaughenhaupt Jr., Commissioner

December 23, 2013

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, 2013, 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 the County's 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 and accurate 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 implies a high degree of assurance, constrained by the costs and benefits of establishing incremental control procedures. The cost of a control should not exceed the benefit to be derived from it.

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, 2013 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 (“clean”) 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. Also prepared by the auditors is a “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”. This report is presented on pages 95 and 96.

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 starting on page 4.

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 generally derive their authority from those powers and duties prescribed within the laws of the State of Maryland and the Code of Public Local Laws of Calvert County, Maryland. Election of the County Commissioners was amended by the Maryland General Assembly in 2013 so that “[b]eginning with the general election to be held in Calvert County in November 2014: (1) one county commissioner shall be a resident of and shall represent the first election district of the county; (2) one county commissioner shall be a resident of and shall represent the second election district of the county; (3) one county commissioner shall be a resident of and shall represent the third election district of the county; and(4) two county commissioners shall be residents of the county and shall represent the county at large.... Each candidate for the office of county commissioner shall specify at the time of filing a certificate of candidacy whether the candidate is seeking to represent the district in which the candidate resides or to represent the county at large.” (2013 Laws of Maryland, Chapter 310).

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 about 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 (budgetary basis) can be found on page 67 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 has allowed the County to maintain a sound financial position. Property taxes and income taxes provide the majority (91 percent, budgetary basis, in fiscal year 2013) of the revenue for the General Fund of the Calvert County Government. While property taxes continue trying to regain their footing in light of weakening property values, income tax receipts are at record levels. More of this same trend is expected for FY 2014.

Property tax, the largest revenue source, represented 63 percent of the total General Fund revenue for fiscal year 2013. Along with the rest of the Country, Calvert County's property values have decreased from peak levels. This decrease in value is expected to lower the real

property tax revenue in fiscal years 2014 and 2015. The number of residential building permits issued in fiscal year 2013 was 254, an increase of 9 percent or 21 permits from the prior fiscal year. Property taxes have been buoyed by public utility providers.

Income tax revenue, at 28 percent of the total General Fund revenue for fiscal year 2013, is directly affected by personal income levels, employment levels, and population growth. The median household income for Calvert County in 2011 was \$89,393, one of the highest in the nation for a county of our size. Income tax revenues were strong in FY 2013 and based on projections by the State of Maryland, moderate increases are expected to continue.

Long-term financial planning: Calvert County annually adopts a Capital Budget and prepares a five year Capital Improvement Plan. There is also a four year financial forecast prepared of general fund revenues and expenses that is included in the annual budget document. These are the County's primary financial management planning tools.

The fiscal year 2014 operating budget demonstrated that education and public safety are the top priorities of the County's administration. The capital improvements program budget for fiscal Year 2014 shows the same with public safety and education receiving the largest allocations.

The County continues its policy of maintaining a reserve of 8 percent of current budgeted General Fund expenditures to protect its high credit ratings and provide for a source of funds to be available in the event of "catastrophic" revenue short falls. The County maintains additional reserve funds 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 assigned a portion of fund balances for future other post-employment benefits and accrued leave. The County has experienced regular credit rating upgrades in recent years. The latest ratings, received during fiscal year 2013, were Aa1 from Moody's Investors Service, Inc., AAA from Standard & Poor's, and AAA 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 fiscal year 2009 to comply with the State of Maryland's new requirement. That policy was amended during fiscal year 2013 to reflect some economic changes. The guidelines created in 1990 and ratified in this amended policy, establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 1.8 percent and 2) debt service as a percent of general fund revenue, 9.5 percent. Using fiscal year 2013 data, the County's current ratios are as follows: debt to assessed value is 1.06 percent and debt service to general fund revenue is steady from the prior year at 7.3 percent.

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, 2012. 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 also received the GFOA Award for Distinguished Budget Presentation for its annual budget dated July 1, 2012 to June 30, 2013. 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.

The preparation of the comprehensive annual financial report 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 and accurately recording the day to day transactions that make up the 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 manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Hayden', written in a cursive style.

Tim Hayden, CPA, CMA
Director, Finance and Budget



Government Finance Officers Association

**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, 2012

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Pat Nutter
President, Board of County Commissioners

Steven R. Weems
Vice President, Board of County Commissioners

Susan Shaw
Commissioner

Gerald W. Clark
Commissioner

Evan K. Slaughenhaupt Jr.
Commissioner

Novalea Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

Terry L. Shannon
County Administrator

Timothy Hayden
Director of Finance and Budget

Thomas P. Barnett
Director of Planning and Zoning

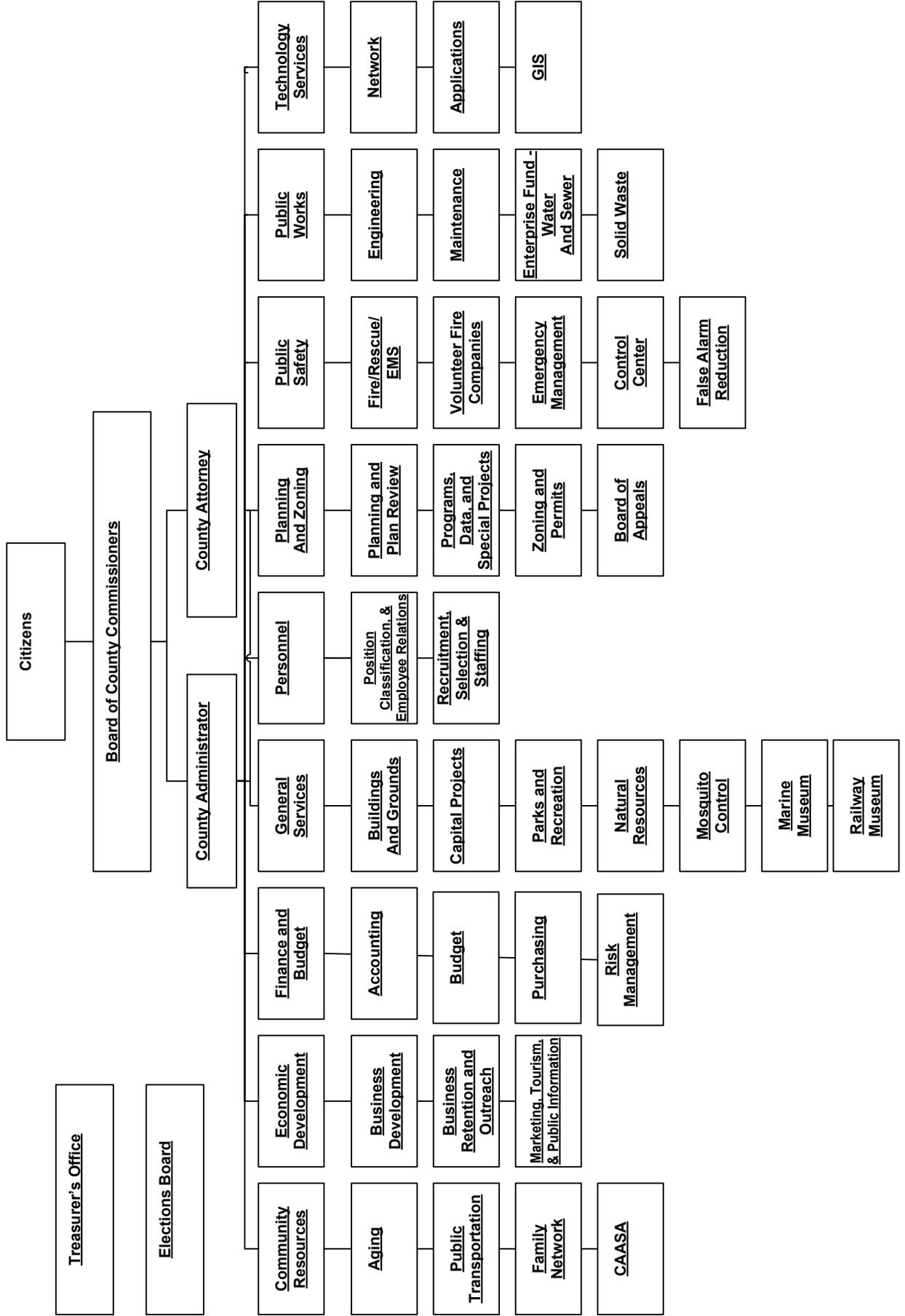
Linda Vassallo
Director of Economic Development

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

Jacqueline K. Vaughan
Director of Public Safety

CALVERT COUNTY GOVERNMENT

175 Main Street, Prince Frederick, MD 20678
 Local: 410-535-1600; Metro: 301-855-1243
calvertcounty@co.cal.md.us



Financial Section



“THIS PAGE LEFT INTENTIONALLY BLANK”



Murphy & Murphy, CPA, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners of Calvert County, Maryland
Prince Frederick, Maryland

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Calvert County Board of Education, which represent 39 percent, 51 percent and 48 percent, respectively of the assets, net position and revenues of the total reporting entity. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Calvert County Board of Education, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Calvert County, Maryland, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and historical pension and other post employment benefit schedules on pages 4-15 and 67-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County Commissioners of Calvert County, Maryland's basic financial statements. The introductory section, combining and

individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County Commissioners of Calvert County, Maryland's internal control over financial reporting and compliance.

Murphy & Murphy, CPA, LLC

Clinton, Maryland
December 20, 2013

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, 2013. 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

Government-wide:

- The assets of Calvert County Government exceeded its liabilities at the close of the most recent fiscal year by \$193.6 million (*net position*). 18 percent of this amount is attributable to the business-type activities that include the Water and Sewer Fund, the Solid Waste and Recycling Fund, and the Calvert Marine Museum. Of total net position, \$23.5 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors (\$19.7 million of this amount is related to governmental activities and \$3.8 million is attributable to the business-type activities), \$18.0 million is restricted for specific purposes (*restricted net position*), and \$152.0 million is invested in capital assets, net of related debt. Included as restricted cash is \$28.4 million of which \$25.1 million represents bond proceeds.
- The government's total net position has decreased by \$14.3 million; a \$15.4 million decrease was related to the governmental activities and an increase of \$1.1 million was related to the business-type activities. The governmental decrease was due in part to a \$4.8 million decrease in the State's estimated unallocated income tax amount for Calvert County. \$2.2 million of the governmental activities decrease is related to the increase in net pension obligation.

Fund Level:

- In accordance with Governmental Accounting Standards Board Statement No. 54, effective for the year ended June 30, 2011, new fund balance categories were established for financial reporting purposes of all governmental funds. These new categories, nonspendable, restricted, committed, assigned, and unassigned, were established to enhance fund balance presentation and improve the usefulness of fund balance information.
- As of June 30, 2013, the County's governmental funds reported combined fund balances of \$113.3 million, a decrease of \$7.2 million from the prior year. Approximately 84.2 percent of this total amount, \$95.4 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$68.2 million (prior year, \$73.8 million) has been dedicated for certain purposes, including, \$30.5 million for approved capital projects, \$5.0 million for employee leave obligations payouts, \$6.1 million for purposes within special revenue funds and \$4.7 million for other post employment benefits (*GASB 45*).

- The proprietary funds operating revenue decreased by \$330,420 or 2.1 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$58.9 million (*committed, assigned and unassigned*), or 25.9 percent of total fiscal year 2013 General Fund budgetary expenditures and other financing uses. Nonspendable and restricted fund balance of the General Fund was \$8.1 million, or 12.1 percent of fund balance.
- Calvert County Government issued new general obligation bonds of \$6.6 million during fiscal year 2013. The purpose of this debt was to finance several major capital projects including Calvert High School, the Chesapeake Hills Golf Course, and the Calvert Marine Museum and water and sewer projects. In addition, \$11.0 million of bonds issued in 2003 and 2007 were refunded.

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 supplementary information.

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 government-wide financial statements can be found on pages 16 to 18 of this report. These statements are described next:

The *statement of net position* presents information on all of Calvert County Government's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash 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, and Calvert Marine Museum operations.

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.

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 14 individual governmental funds: the General, Planning and Zoning, Board of Library Trustees, Parks and Recreation, the Chesapeake Hills Golf Course, 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 Supplementary Information* section on page 67 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, and Calvert Marine Museum in the basic proprietary fund financials found on pages 22 to 24 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 25 and 26 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 27 to 66 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, other *supplementary information*, and a *statistical section* concerning Calvert County Government. Other supplementary information can be found beginning on page 72 of this report.

Government-wide Financial Analysis

This is the twelfth 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 position may serve over time as a useful indicator of a government's overall financial condition and position. In fiscal year 2013 assets exceeded liabilities by \$193.6 million (prior year, \$207.9 million).

As shown in the chart on the following page titled "Calvert County Government's Changes in Net Position" Calvert County Government's net position is divided into three categories:

- invested in capital assets, net of related debt;
 - 78.6 percent of total net position (71.7 percent, prior year)
- restricted net position;
 - 9.3 percent of total net position (9.7 percent, prior year)
- unrestricted net position
 - 12.1 percent of total net position (18.6 percent, prior year)

Investment in capital assets net of depreciation includes the County's purchases of land and easements, buildings, machinery, equipment, infrastructure and improvements, less any un-matured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Restricted net position are resources that are subject to external restrictions on how they may be used. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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

Calvert County's Government's Change in Net Position

	Governmental Activities			Business-type Activities			Total		
	2013	2012	Difference	2013	2012	Difference	2013	2012	Difference
Current and other assets	\$165,806,928	\$181,351,476	\$ (15,544,548)	\$ 10,855,500	\$ 9,203,698	\$ 1,651,802	\$176,662,428	\$190,555,174	\$ (13,892,746)
Capital assets	187,666,674	188,654,894	(988,220)	44,886,622	45,449,013	(562,391)	232,553,296	234,103,907	(1,550,611)
Total Assets	\$353,473,602	\$370,006,370	(16,532,768)	55,742,122	54,652,711	1,089,411	409,215,724	424,659,081	(15,443,357)
Long-term liabilities	\$141,803,206	\$139,517,739	\$ 2,285,467	\$ 17,066,822	\$ 17,401,677	\$ (334,855)	\$158,870,028	\$156,919,416	\$ 1,950,612
Other liabilities	52,900,668	56,370,650	(3,469,982)	3,801,128	3,466,001	335,127	56,701,796	59,836,651	(3,134,855)
Total Liabilities	\$194,703,874	\$195,888,389	(1,184,515)	20,867,950	20,867,678	272	215,571,824	216,756,067	(1,184,243)
Net Position:									
Invested in capital assets, net of related debt	\$123,176,653	\$119,780,770	\$ 3,395,883	\$ 28,900,840	\$ 29,333,105	\$ (432,265)	\$152,077,493	\$149,113,875	\$ 2,963,618
Restricted	15,851,897	18,047,917	(2,196,020)	2,187,836	2,130,523	57,313	18,039,733	20,178,440	(2,138,707)
Unrestricted	19,741,178	36,289,294	(16,548,116)	3,785,496	2,321,405	1,464,091	23,526,674	38,610,699	(15,084,025)
Total Net position	\$158,769,728	\$174,117,981	\$ (15,348,253)	\$ 34,874,172	\$ 33,785,033	\$ 1,089,139	\$193,643,900	\$207,903,014	\$ (14,259,114)

Governmental activities: Net position of the Governmental activities decreased by \$15.4 million (prior year, a decrease of \$32,672). Fiscal Year 2013's decrease was due in part to a \$4.8 million decrease in the State's estimated unallocated income tax amount for Calvert County and \$2.2 million of the governmental activities decrease is related to the increase in net pension obligation.

Business-type activities: Business-type activities increased Calvert County Government's net position by \$1.1 million (prior year, a decrease of \$70,829). This increase is the result of the Chesapeake Hills Golf Course fund type change and positive results of the Water and Sewer Fund, Solid Waste fund, and the Calvert Marine Museum.

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 2013, the long term part of these advances total \$5.7 million. This deficit is anticipated to be in excess of \$7.0 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 Water and Sewer had an increase in net position of \$547,380, primarily due to the final year of the new rate structure. The Solid Waste and Recycling Fund had an increase in net position of \$324,724, explained by positive operating results. Lowered revenues due to the economically sensitive waste stream were offset by strong cost controls. The Calvert Marine Museum had an increase of \$217,035 in net position.

The chart on the following page reflects the revenues and program expenses for the governmental and the business-type activities and the changes in net position for the year ended June 30:

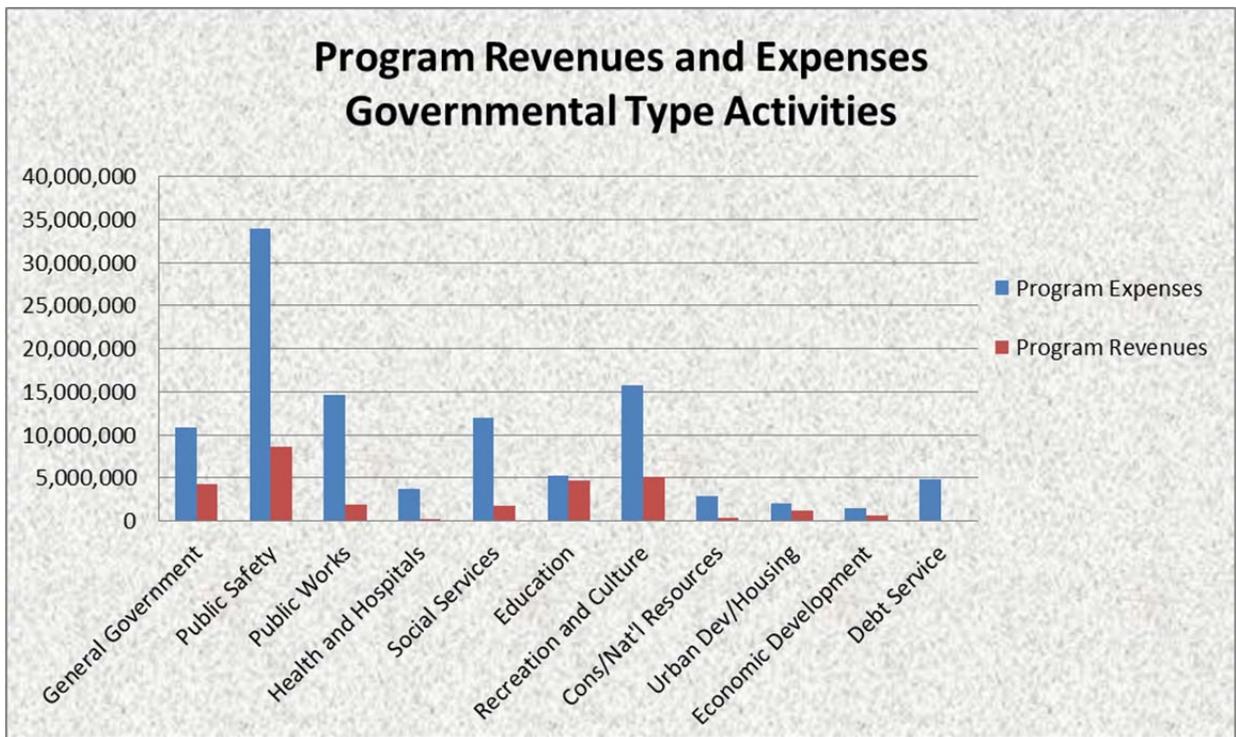
Calvert County Government Schedule of Activities and Changes in Net Position

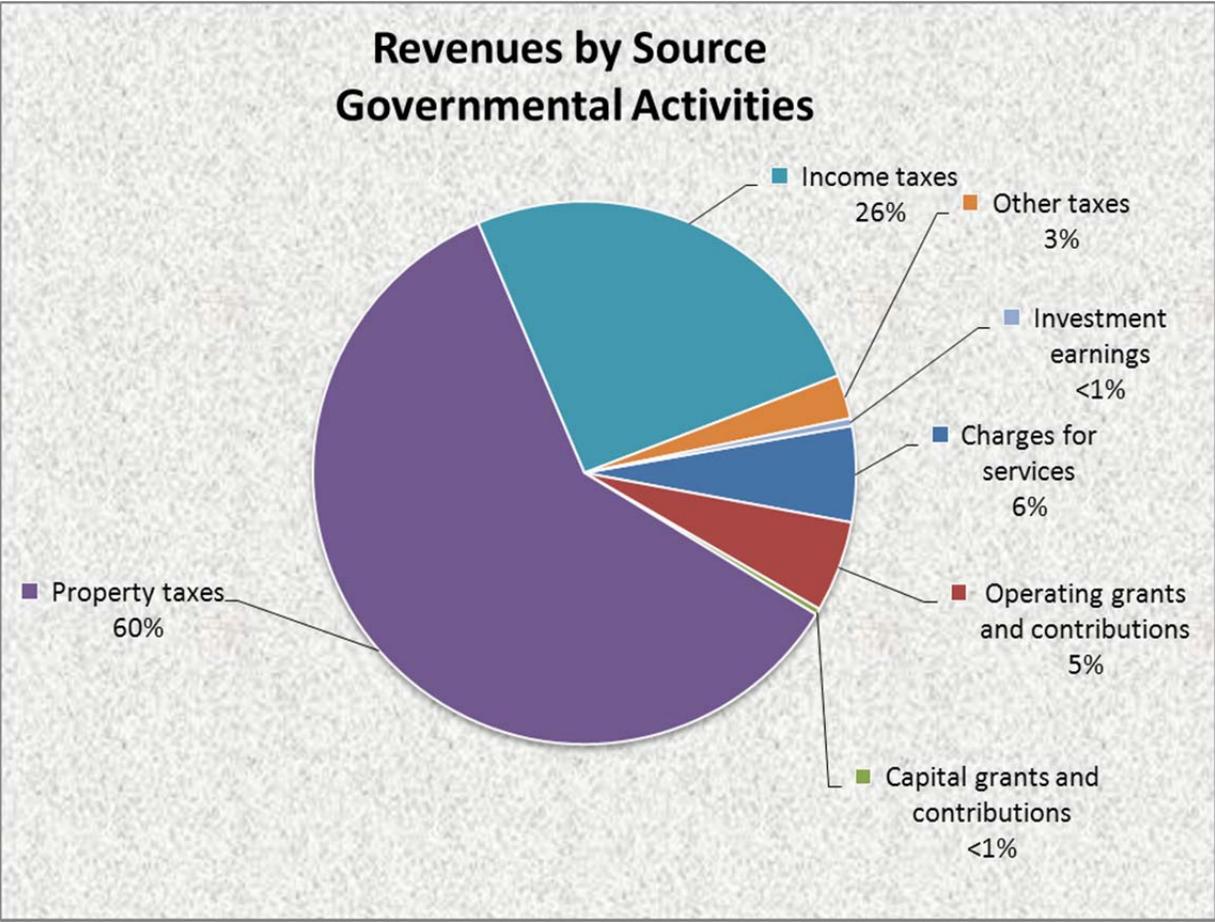
	Governmental Activities			Business-type Activities			Total	
	2013	2012	Difference	2013	2012	Difference	2013	2012
Revenues								
<u>Program Revenues</u>								
Charges for services	\$ 14,638,129	\$ 14,949,058	\$ (310,929)	\$ 17,026,826	\$ 17,199,303	\$ (172,477)	\$ 31,664,955	\$ 32,148,361
Operating grants and contributions	5,518,196	13,628,508	(8,110,312)	459,990	835,248	(375,258)	5,978,186	14,463,756
Capital grants and contributions	2,009,948	938,224	1,071,724	928,073	65,374	862,699	2,938,021	1,003,598
<u>General Revenues:</u>								
Property taxes	145,034,029	150,000,842	(4,966,813)	-	-	-	145,034,029	150,000,842
Income taxes	60,726,847	63,576,777	(2,849,930)	-	-	-	60,726,847	63,576,777
Other taxes	8,001,839	6,530,982	1,470,857	-	-	-	8,001,839	6,530,982
Investment earnings	367,372	1,132,781	(765,409)	115,112	71,276	43,836	482,484	1,204,057
Total revenues	236,296,360	250,757,172	(14,460,812)	18,530,001	18,171,201	358,800	254,826,361	268,928,373
Expenses								
<u>Program Expenses</u>								
General Government	10,872,517	20,481,137	(9,608,620)	-	-	-	10,872,517	20,481,137
Public Safety	33,874,212	31,706,576	2,167,636	-	-	-	33,874,212	31,706,576
Public Works	14,672,326	17,878,045	(3,205,719)	-	-	-	14,672,326	17,878,045
Health and Hospitals	3,670,682	3,408,940	261,742	-	-	-	3,670,682	3,408,940
Social Services	11,925,326	10,645,671	1,279,655	-	-	-	11,925,326	10,645,671
Education	5,278,673	4,405,156	873,517	-	-	-	5,278,673	4,405,156
Board of Education	141,921,641	129,427,039	12,494,602	-	-	-	141,921,641	129,427,039
Recreation and Culture	15,701,100	16,783,198	(1,082,098)	-	-	-	15,701,100	16,783,198
Cons/Nat'l Resources	2,934,998	4,543,744	(1,608,746)	-	-	-	2,934,998	4,543,744
Urban Dev/Housing	2,050,230	2,170,117	(119,887)	-	-	-	2,050,230	2,170,117
Economic Development	1,465,743	1,592,887	(127,144)	-	-	-	1,465,743	1,592,887
Debt Service	4,784,558	4,980,102	(195,544)	-	-	-	4,784,558	4,980,102
Water and Sewer	-	-	-	7,101,088	6,707,332	393,756	7,101,088	6,707,332
Solid Waste	-	-	-	9,285,367	10,717,986	(1,432,619)	9,285,367	10,717,986
Culture	-	-	-	3,547,014	3,583,944	(36,930)	3,547,014	3,583,944
Total expenses	249,152,006	248,022,612	1,129,394	19,933,469	21,009,262	(1,075,793)	269,085,475	269,031,874
Excess (Deficiency) of revenues over expenses	(12,855,646)	2,734,560	(15,590,206)	(1,403,468)	(2,838,061)	1,434,593	(14,259,114)	(103,501)
Transfers	(2,492,607)	(2,767,232)	274,625	2,492,607	2,767,232	(274,625)	-	-
Change in net position	(15,348,253)	(32,672)	(15,315,581)	1,089,139	(70,829)	1,159,968	(14,259,114)	(103,501)
Net position - beginning	174,117,981	174,150,653	(32,672)	33,785,033	33,855,862	(70,829)	207,903,014	208,006,515
Net position - ending	\$ 158,769,728	\$ 174,117,981	\$ (15,348,253)	\$ 34,874,172	\$ 33,785,033	\$ 1,089,139	\$ 193,643,900	\$ 207,903,014

The two most significant differences in the revenue section are related to operating grants and contributions and property taxes. The \$8.1 million difference in the operating grants and contributions is mostly the result of an FY2012 transfer from the County’s Board of Education (BOE). This transfer was intended to assist the County with the funding of the Other Post-Employment Benefits Trust fund, co-owned by the County and BOE. The Property tax decrease of \$5.0 million is due primarily to declining state property assessments.

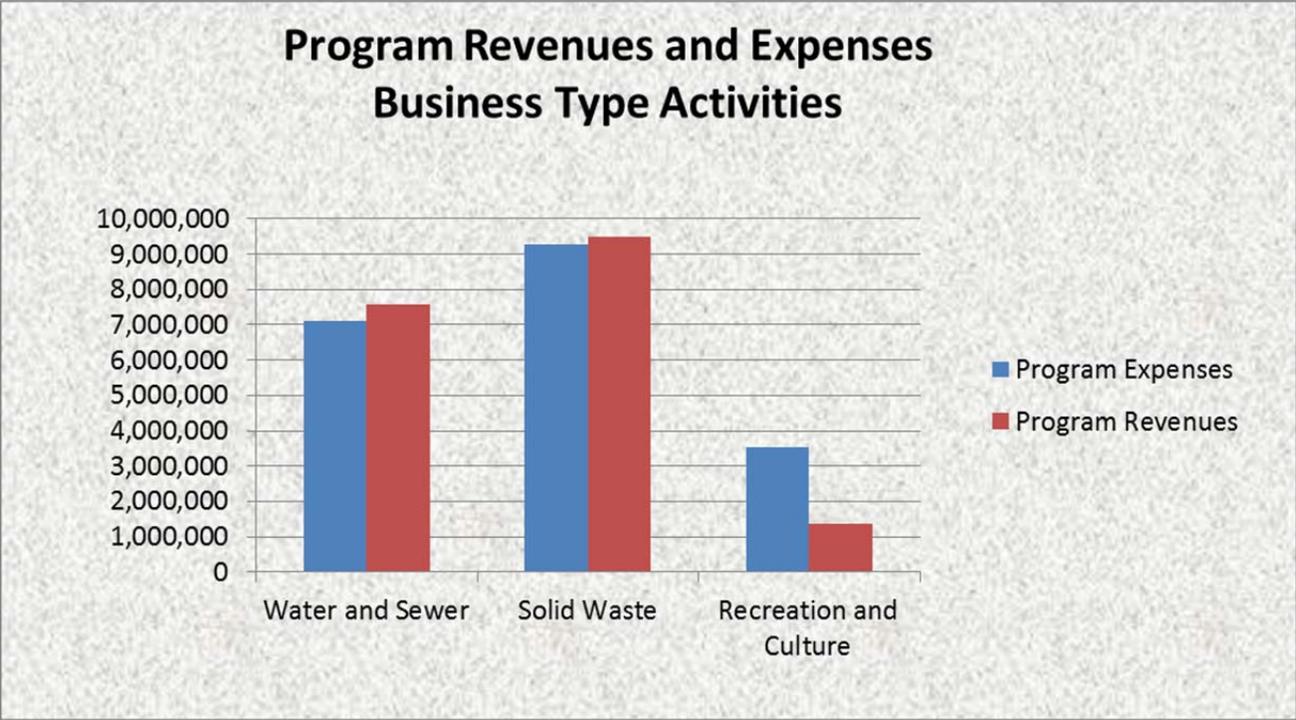
The majority of the differences noted in the expense section are related to classifying by function completed capital assets. The \$12.5 million Board of Education difference, for example, is the result of multi-year capital projects that were completed in FY 2013. Although the expenses were incurred in the capital project fund, the “functional aspect” of the expense is used to “capitalize” the asset. Remember that the modified GAAP statements show these capital assets as expenses and those expenses are reclassified (by lowering the expense) and recording the capital asset for the Statement of Net Position.

The next two charts use data from the Statement of Activities that matches governmental program revenues and expenses by function. The Board of Education is not included because at 52 percent of the total program expenses the chart becomes meaningless for comparison purposes:

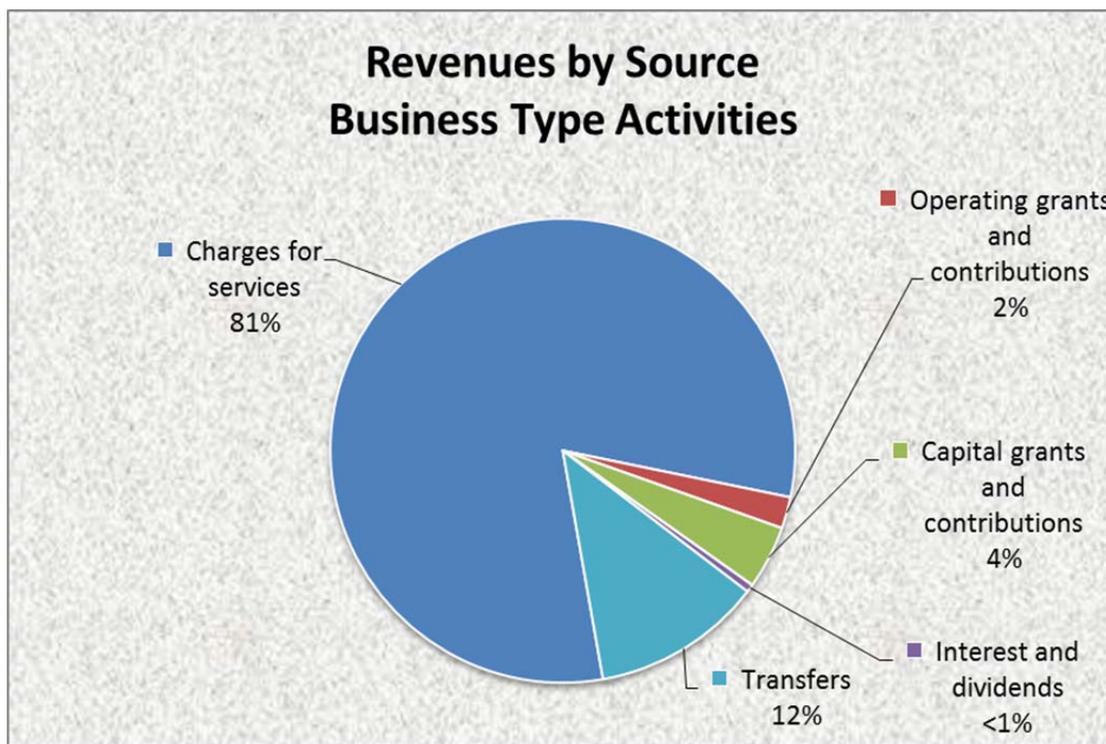




This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



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, *committed, assigned and unassigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As reported on the balance sheet of the governmental funds, the total governmental funds combined fund balance is \$113.4 million (prior year, \$120.6 million), a decrease of \$7.2 million (prior year, increase of \$8.4 million). The capital projects fund saw the largest part of this decrease. General Obligation bonds with a par value of \$5.6 million were refunded and \$17.7 million of capital project expenses were incurred, both of which would impact that fund balance.

Approximately 84 percent (prior year, 84 percent) of this amount, \$95.4 million (prior year, \$101.2 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$68.2 million (prior year, \$73.8 million) of this amount has been *committed or assigned* for certain purposes. The remainder of fund balance, \$18.0 million or 15.8 percent, is *nonspendable and restricted* to indicate that it is not available for new spending because it has already been dedicated: 1) to

liquidate contracts and purchase orders of the prior period, 2) for inventories, or 3) dedicated for a variety of constrained purposes. Additional details of fund balance are presented in Note 8 within the notes section of these financial statements.

The General Fund is the chief operating fund of Calvert County Government. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$37.0 million (prior year, \$35.5 million), while total fund balance was \$67.0 million (prior year, \$67.2 million). As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 16.2 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 15.0 percent), while total fund balance represents 29.5 percent (prior year, 28.0 percent) of that same amount.

The fund balance of Calvert County Government's General Fund decreased by \$144,852 (prior year decrease of \$27,381). As noted previously, staff had estimated fiscal year 2013 would have surplus funds and used some of that funding to pay for anticipated fiscal year 2014 expenses. Many revenue and expense line item variances resulted in the County's budgetary loss of \$1,777,678.

The Capital Projects Fund has a total fund balance of \$30.5 million (prior year, \$36.1 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$20.3 million make up 66.6 percent of the total fund balance (prior year, \$23.3 million, 64.5 percent).

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 position of the proprietary funds increased \$1.1 million (prior year, decrease of \$70,829). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to negative \$.8 million (prior year, negative \$1.7 million). The Solid Waste and Recycling Fund reported \$4.3 million in unrestricted net position (prior year, \$3.7 million). The Calvert Marine Museum ended the year with \$3.7 million of total net position (prior year, \$3.5 million).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$5.4 million over the original budget (prior year, \$8.6 million increase). The majority of the budget adjustment was related to appropriation of fund balance which was increased to fund a contribution to the County's Other Post-Employment Benefits (OPEB) trust fund and to provide funding for a voluntary retirement incentive. Overall expenditures were less than the final budget by \$2.9 million. There are many variances within the 1,500 budgeted line items of the general fund. Three notable positive variances are utilities, with a \$539,645 savings, transfers, with a \$393,446 savings and contracted service savings throughout the general fund of \$402,574. Revenues were \$4.7 million less than the final budgetary estimates. \$3.8 million of this difference can be explained by a planned use of fund balance that would not impact actual revenues. \$1.8 of this difference is due to a decrease in income tax.

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, 2013, amounts to \$232.6 million (prior year, \$234.1 million), net of accumulated depreciation. This investment in capital assets includes: land, land development rights, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

	Governmental Activities			Business-type Activities			Total		
	2013	2012	Difference	2013	2012	Difference	2013	2012	Difference
Land	\$ 34,671,339	\$ 32,263,348	\$ 2,407,991	\$ 3,074,352	\$ 3,074,352	\$ -	\$ 37,745,691	\$ 35,337,700	\$ 2,407,991
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	8,891,051	13,205,508	(4,314,457)	2,710,682	3,050,400	(339,718)	11,601,733	16,255,908	(4,654,175)
Buildings	36,537,227	34,849,557	1,687,670	22,703,459	24,489,625	(1,786,166)	59,240,686	59,339,182	(98,496)
Improvements	19,800,392	20,419,528	(619,136)	9,193,181	7,696,062	1,497,119	28,993,573	28,115,590	877,983
Machinery and equipment	14,864,492	14,430,512	433,980	7,204,948	7,126,430	78,518	22,069,440	21,556,942	512,498
Infrastructure	61,656,868	62,241,136	(584,268)	-	-	-	61,656,868	62,241,136	(584,268)
Total Capital Assets	\$187,666,674	\$188,654,894	\$ (988,220)	\$ 44,886,622	\$ 45,436,869	\$ (550,247)	\$232,553,296	\$234,091,763	\$ (1,538,467)

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

- Completed the Substance Abuse Facility with a cost of \$2.8 million.
- Completed construction of Boyds Turn Road with a total capitalized cost of \$2.4 million.
- Completed work on the Barstow Gas Remediation with a cost of \$542 thousand.

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 and notes payable outstanding of \$146.9 million (prior year, \$146.8 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, \$16.5 million (prior year, \$16.6 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. Within the governmental activities are the \$7.9 million (prior year, \$7.9 million) in installment purchase agreements for the land preservation program. The principal amount is supported by US Treasury Strip securities.

	Governmental Activities			Business-type Activities			Total		
	2013	2012	Difference	2013	2012	Difference	2013	2012	Difference
General obligation debt	\$ 130,246,113	\$ 130,058,040	188,073	\$ 10,800,070	\$ 10,167,661	632,409	141,046,183	140,225,701	820,482
Notes payable	141,056	158,794	(17,738)	5,698,674	6,412,663	(713,989)	5,839,730	6,571,457	(731,727)
Land preservation program	7,933,355	7,933,355	-	-	-	-	7,933,355	7,933,355	-
Total Bonded Debt	\$ 138,320,524	\$ 138,150,189	\$ 170,335	\$ 16,498,744	\$ 16,580,324	\$ (81,580)	\$ 154,819,268	\$ 154,730,513	\$ 88,755

Calvert County Government's total general obligation bonded debt increased by \$.8 million, (prior year, a decrease of \$1.6 million), or 1.0 percent during the current fiscal year (prior year, a decrease of 1.0 percent).

In May 2013, the County's credit ratings were reaffirmed by the three major rating agencies. The current ratings follow:

Standard & Poor's	"AAA"
Fitch Ratings	"AAA"
Moody's Investors Service, Inc.	"Aa1"

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 2010 to comply with the State of Maryland's new requirement. The guidelines created in 1990 and ratified in the policy, establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 4.5 percent, 2) debt service as a percent of general fund revenue, 9.5 percent, and 3) debt per capita \$1,500. Using fiscal year 2013 data, the County's current ratios are as follows: debt to assessed value is 1.04 percent, debt service to general fund revenue is 7.3 percent, and debt per capita is \$1,387.

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

Economic Factors and Fiscal Year 2014's Budgets and Rates

- The estimated median household income of County residents for calendar year 2012 is \$87,449 (\$89,393 in 2011), a decrease of 2.2 percent. There was a .6 percent increase from calendar year 2010 to 2011.
- The unemployment rate for the County and the State of Maryland remained relatively flat from 2012 to 2013 at 5.7 percent and 5.9 percent, respectively.
- Real property tax assessments for the third of the County that was reassessed for fiscal year 2013 were down on average 11.4 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2014 fiscal year. Calvert County Government has adopted a balanced budget for fiscal year 2014.

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.

“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

BASIC FINANCIAL STATEMENTS

JUNE 30, 2013

“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Board of Education	Economic Development Authority
ASSETS					
Cash, cash equivalents and investments	\$ 112,747,005	\$ 661,170	\$ 113,408,175	\$ 21,860,470	\$ 1,765,357
Receivables					
Taxes	8,496,810	-	8,496,810	-	-
Special assessments	1,059,263	-	1,059,263	-	-
Accounts	16,101,191	2,711,772	18,812,963	-	-
Notes	5,085,775	246,621	5,332,396	-	36,417
Accrued interest	28,072	7,387	35,459	-	2,715
Other	-	-	-	188,687	-
Due from primary government	-	-	-	10,598,730	157,808
Internal balances	1,151,270	(1,151,270)	-	-	-
Due from other governments	-	-	-	5,761,418	-
Deferred expenses	-	109,486	109,486	-	-
Prepaid costs	-	10,380	10,380	13,371	-
Inventory	326,735	107,662	434,397	114,638	-
Net pension asset	530,857	-	530,857	-	-
Restricted assets					
Cash	20,279,950	8,152,292	28,432,242	-	-
Capital assets not being depreciated	54,807,695	5,785,034	60,592,729	17,151,890	22,191
Depreciable capital assets - net	132,858,979	39,101,588	171,960,567	206,634,529	-
Total assets	<u>353,473,602</u>	<u>55,742,122</u>	<u>409,215,724</u>	<u>262,323,733</u>	<u>1,984,488</u>
LIABILITIES					
Accounts payable	4,104,317	1,767,504	5,871,821	3,592,525	-
Notes payable	71,600	-	71,600	-	-
Accrued liabilities	11,432,489	494,848	11,927,337	17,297,338	-
Due to other governments	6,896,933	-	6,896,933	-	-
Due to component units	10,756,538	-	10,756,538	-	-
Compensated absences, current portion	1,260,676	100,000	1,360,676	2,097,500	-
Long-term debt, current portion	12,227,386	1,338,324	13,565,710	-	-
Estimated postclosure costs, current portion	30,000	65,000	95,000	-	-
Unearned revenue	6,120,729	35,452	6,156,181	4,332,176	-
Noncurrent liabilities:					
Net pension obligation	7,455,056	-	7,455,056	26,028,847	-
Compensated absences, net of current portion	7,865,012	411,885	8,276,897	1,367,322	-
Long-term debt, net of current portion	119,019,917	14,647,458	133,667,375	-	-
Bond premium/deferred loss of refunding	7,073,221	512,962	7,586,183	-	-
Estimated postclosure costs, net of current portion	390,000	1,494,517	1,884,517	-	-
Total liabilities	<u>194,703,874</u>	<u>20,867,950</u>	<u>215,571,824</u>	<u>54,715,708</u>	<u>-</u>
NET POSITION					
Invested in capital assets, net of related debt	123,176,653	28,900,840	152,077,493	223,786,419	22,191
Restricted for					
Capital projects	4,225,421	-	4,225,421	-	-
Grants	129,048	-	129,048	488,467	-
Land Preservation	9,685,220	-	9,685,220	-	-
Parks and Recreation	1,119,264	-	1,119,264	-	-
Restricted capital connections	-	1,665,715	1,665,715	-	-
Planning and Zoning	24,535	-	24,535	-	-
Bar library	10,435	-	10,435	-	-
Revolving loan	12,100	-	12,100	-	-
Economic Development Authority revolving loan	326,077	-	326,077	-	-
Economic Development incentive	309,553	-	309,553	-	-
Board of Library Trustees	10,244	-	10,244	-	-
Gifts and bequests	-	522,121	522,121	-	-
Unrestricted	<u>19,741,178</u>	<u>3,785,496</u>	<u>23,526,674</u>	<u>(16,666,861)</u>	<u>1,962,297</u>
Total net position	<u>\$ 158,769,728</u>	<u>\$ 34,874,172</u>	<u>\$ 193,643,900</u>	<u>\$ 207,608,025</u>	<u>\$ 1,984,488</u>

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, 2013**

<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>
Primary Government:				
<u>Governmental activities:</u>				
General government	\$ 10,872,517	\$ 1,349,510	\$ 986,589	\$ 56,225
Public safety	33,874,212	4,475,814	2,385,442	1,948,723
Public works	14,672,326	984,717	-	-
Health and hospital	3,670,682	150,278	5,203	-
Social services	11,925,326	76,764	1,743,223	-
Education	5,278,673	-	-	-
Board of Education	141,921,641	-	-	-
Recreation and culture	15,701,100	4,329,356	397,739	5,000
Conservation and natural resources	2,934,998	1,623,509	-	-
Urban development and housing	2,050,230	1,133,168	-	-
Economic development	1,465,743	508,714	-	-
Interest on long-term debt	4,784,558	6,299	-	-
Total governmental activities	<u>249,152,006</u>	<u>14,638,129</u>	<u>5,518,196</u>	<u>2,009,948</u>
<u>Business-Type activities:</u>				
Water and sewer	7,101,088	7,248,491	69,754	251,509
Solid waste	9,285,367	9,414,487	72,066	-
Recreation and culture	3,547,014	363,848	318,170	676,564
Total business-type activities	<u>19,933,469</u>	<u>17,026,826</u>	<u>459,990</u>	<u>928,073</u>
Total primary government	<u>\$ 269,085,475</u>	<u>\$ 31,664,955</u>	<u>\$ 5,978,186</u>	<u>\$ 2,938,021</u>
Component Units:				
School district	234,578,419	3,863,666	46,222,786	10,870,186
Economic development	1,134	1,526	-	-
Total component units	<u>\$ 234,579,553</u>	<u>\$ 3,865,192</u>	<u>\$ 46,222,786</u>	<u>\$ 10,870,186</u>

General Revenues:

Property taxes
Income taxes
Recordation taxes
Admission and amusement taxes
Franchise taxes
Other miscellaneous taxes
Interest and dividends
Unrestricted local appropriations, state and federal aid
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - 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, 2013**

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
\$ (8,480,193)	\$ -	\$ (8,480,193)	\$ -	\$ -
(25,064,233)	-	(25,064,233)	-	-
(13,687,609)	-	(13,687,609)	-	-
(3,515,201)	-	(3,515,201)	-	-
(10,105,339)	-	(10,105,339)	-	-
(5,278,673)	-	(5,278,673)	-	-
(141,921,641)	-	(141,921,641)	-	-
(10,969,005)	-	(10,969,005)	-	-
(1,311,489)	-	(1,311,489)	-	-
(917,062)	-	(917,062)	-	-
(957,029)	-	(957,029)	-	-
(4,778,259)	-	(4,778,259)	-	-
(226,985,733)	-	(226,985,733)	-	-
-	468,666	468,666	-	-
-	201,186	201,186	-	-
-	(2,188,432)	(2,188,432)	-	-
-	(1,518,580)	(1,518,580)	-	-
<u>\$ (226,985,733)</u>	<u>\$ (1,518,580)</u>	<u>\$ (228,504,313)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(173,621,781)	-
-	-	-	-	392
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (173,621,781)</u>	<u>\$ 392</u>
145,034,029	-	145,034,029	-	-
60,726,847	-	60,726,847	-	-
6,459,376	-	6,459,376	-	-
29,720	-	29,720	-	-
1,274,815	-	1,274,815	-	-
237,928	-	237,928	-	-
367,372	115,112	482,484	8,335	6,641
-	-	-	172,634,276	-
(2,492,607)	2,492,607	-	-	-
211,637,480	2,607,719	214,245,199	172,642,611	6,641
(15,348,253)	1,089,139	(14,259,114)	(979,170)	7,033
174,117,981	33,785,033	207,903,014	208,587,195	1,977,455
<u>\$ 158,769,728</u>	<u>\$ 34,874,172</u>	<u>\$ 193,643,900</u>	<u>\$ 207,608,025</u>	<u>\$ 1,984,488</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 105,624,819	\$ -	\$ 7,122,186	\$ 112,747,005
Receivables:				
Taxes	7,671,554	-	825,256	8,496,810
Special assessments	1,059,263	-	-	1,059,263
Accounts	14,962,814	-	1,138,377	16,101,191
Notes	4,880,117	-	205,658	5,085,775
Accrued interest	27,943	129	-	28,072
Due from other funds	7,012,255	10,976,318	9,862,513	27,851,086
Due from other governments	-	-	-	-
Inventory	296,272	-	30,463	326,735
Restricted assets				
Cash and investments	-	20,279,950	-	20,279,950
Total assets	<u>\$ 141,535,037</u>	<u>\$ 31,256,397</u>	<u>\$ 19,184,453</u>	<u>\$ 191,975,887</u>
LIABILITIES				
Accounts payable	1,630,692	639,617	1,834,008	4,104,317
Notes payable	-	-	71,600	71,600
Accrued liabilities	10,005,382	-	-	10,005,382
Due to other funds	26,699,816	-	-	26,699,816
Due to component units	10,607,808	148,730	-	10,756,538
Due to other governments	6,833,615	-	63,318	6,896,933
Deferred revenue	18,729,520	-	1,363,630	20,093,150
Total liabilities	<u>74,506,833</u>	<u>788,347</u>	<u>3,332,556</u>	<u>78,627,736</u>
FUND BALANCE (DEFICITS)				
Nonspendable	8,098,274	-	9,264,806	17,363,080
Restricted	-	-	586,267	586,267
Committed	21,983,132	148,730	6,050,680	28,182,542
Assigned	9,718,619	30,319,320	10,244	40,048,183
Unassigned	27,228,179	-	(60,100)	27,168,079
Total fund balances	<u>67,028,204</u>	<u>30,468,050</u>	<u>15,851,897</u>	<u>113,348,151</u>
Total liabilities and fund balances	<u>\$ 141,535,037</u>	<u>\$ 31,256,397</u>	<u>\$ 19,184,453</u>	<u>\$ 191,975,887</u>
Fund balance (as reported above)				113,348,151
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				187,666,674
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				14,503,278
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(147,866,212)
Net pension obligations are not due and payable in the current period, and, therefore, are not reported in the funds.				(7,455,056)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				<u>(1,427,107)</u>
Net position of governmental activities:				<u>\$ 158,769,728</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, 2013**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes	\$ 215,711,905	\$ -	\$ 3,117,154	\$ 218,829,059
Licenses and permits	307,553	-	-	307,553
Intergovernmental	3,646,722	1,953,723	6,604,053	12,204,498
Charges for services	3,348,433	-	1,713,157	5,061,590
Fines and forfeitures	392,505	-	157,648	550,153
Miscellaneous	675,972	56,225	2,716,091	3,448,288
Total revenues	<u>224,083,090</u>	<u>2,009,948</u>	<u>14,308,103</u>	<u>240,401,141</u>
<u>EXPENDITURES</u>				
General government	17,375,391	-	-	17,375,391
Public safety	27,785,783	-	-	27,785,783
Public works	7,826,188	-	-	7,826,188
Health and hospitals	2,758,231	-	-	2,758,231
Social services	1,729,311	-	7,212,896	8,942,207
Education - other	3,906,429	-	86,272	3,992,701
Board of Education	110,284,424	-	-	110,284,424
Recreation and culture	4,194,965	-	7,522,000	11,716,965
Conservation of natural resources	408,224	-	1,803,374	2,211,598
Urban development and housing	1,400,226	-	119,411	1,519,637
Economic development	1,099,378	-	-	1,099,378
Pensions and insurance	21,290,423	-	-	21,290,423
Capital projects	-	17,664,025	-	17,664,025
Debt service				
Principal retirement	11,654,816	-	-	11,654,816
Interest expense	4,805,625	-	-	4,805,625
Refunding expense	86,574	-	-	86,574
Total expenditures	<u>216,605,988</u>	<u>17,664,025</u>	<u>16,743,953</u>	<u>251,013,966</u>
Excess (deficiency) of revenues over expenditures	<u>7,477,102</u>	<u>(15,654,077)</u>	<u>(2,435,850)</u>	<u>(10,612,825)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Bond issuance	-	5,863,460	-	5,863,460
Refunding bonds issued	-	12,028,906	-	12,028,906
Amount deposited in refunding escrow	-	(12,028,906)	-	(12,028,906)
Transfers in - other	1,003,500	4,172,717	6,040,096	11,216,313
Transfers out - other	(8,625,454)	-	(5,083,466)	(13,708,920)
Total other financing sources (uses)	<u>(7,621,954)</u>	<u>10,036,177</u>	<u>956,630</u>	<u>3,370,853</u>
Net change in fund balance	(144,852)	(5,617,900)	(1,479,220)	(7,241,972)
Fund balance at beginning of year	<u>67,173,056</u>	<u>36,085,950</u>	<u>17,331,117</u>	<u>120,590,123</u>
Fund balance at end of year	<u>\$ 67,028,204</u>	<u>\$ 30,468,050</u>	<u>\$ 15,851,897</u>	<u>\$ 113,348,151</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, 2013**

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

Net change in fund balances - total governmental funds		\$ (7,241,972)
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	32,693,879
	Depreciation	<u>(11,778,617)</u>
		20,915,262
The net effect of various transactions involving capital assets including, capitalized assets reclassified from construction in progress, sales, trade-ins, and donations.		(21,903,482)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(10,879,885)
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	(317,125)
	Change in landfill postclosure liabilities	30,000
	Net pension obligation	(1,850,048)
	Issuance - General Obligation Bonds	(5,415,000)
	Premium on issuance of debt	(448,460)
	Principal payments	<u>11,654,816</u>
	Changes in long-term debt	3,654,183
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>107,641</u>
Change in net position of governmental activities		<u><u>\$ (15,348,253)</u></u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Calvert Marine Museum Fund (nonmajor)	Total
ASSETS				
<u>Current assets:</u>				
Cash and cash equivalents	\$ 414,460	\$ 1,000	\$ 144,004	\$ 559,464
Investments	-	-	101,706	101,706
Total cash, cash equivalents and investments	<u>414,460</u>	<u>1,000</u>	<u>245,710</u>	<u>661,170</u>
Accounts receivable	2,034,850	676,922	-	2,711,772
Notes receivable	246,621	-	-	246,621
Accrued interest receivable	86	7,301	-	7,387
Due from other funds	-	5,860,985	-	5,860,985
Deferred expenses	103,862	5,624	-	109,486
Prepaid expenses	-	-	10,380	10,380
Inventory	62,613	-	45,049	107,662
Total current assets	<u>2,862,492</u>	<u>6,551,832</u>	<u>301,139</u>	<u>9,715,463</u>
<u>Non-current assets:</u>				
Restricted assets				
Cash and investments	6,718,713	911,458	522,121	8,152,292
Capital assets not being depreciated	3,077,045	2,100,809	607,180	5,785,034
Depreciable capital assets - net	35,181,267	1,618,166	2,302,155	39,101,588
Total non-current assets	<u>44,977,025</u>	<u>4,630,433</u>	<u>3,431,456</u>	<u>53,038,914</u>
Total assets	<u>47,839,517</u>	<u>11,182,265</u>	<u>3,732,595</u>	<u>62,754,377</u>
LIABILITIES				
<u>Current liabilities:</u>				
Vouchers and accounts payable	777,877	989,627	-	1,767,504
Accrued expenses	272,499	195,851	26,498	494,848
Due to other funds	7,012,255	-	-	7,012,255
Unearned revenue	-	-	35,452	35,452
Compensated absences, current portion	50,000	50,000	-	100,000
Estimated post closure costs, current portion	-	65,000	-	65,000
Long-term debt, current portion	1,226,693	111,631	-	1,338,324
Total current liabilities	<u>9,339,324</u>	<u>1,412,109</u>	<u>61,950</u>	<u>10,813,383</u>
<u>Noncurrent liabilities:</u>				
Compensated absences, net of current portion	142,177	269,708	-	411,885
Estimated post closure costs	-	1,494,517	-	1,494,517
Bond premium/deferred loss on refunding	438,503	74,459	-	512,962
Long-term debt, net of current portion	13,543,311	1,104,147	-	14,647,458
Total liabilities	<u>23,463,315</u>	<u>4,354,940</u>	<u>61,950</u>	<u>27,880,205</u>
NET POSITION				
Invested in capital assets, net of related debt	23,488,308	2,503,197	2,909,335	28,900,840
Restricted capital connection	1,665,715	-	-	1,665,715
Restricted gifts and bequests	-	-	522,121	522,121
Unrestricted	(777,821)	4,324,128	239,189	3,785,496
Total net position	<u>\$ 24,376,202</u>	<u>\$ 6,827,325</u>	<u>\$ 3,670,645</u>	<u>\$ 34,874,172</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 POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Calvert Marine Museum Fund (nonmajor)	Total
<u>Operating revenues:</u>				
Charges for services	\$ 6,406,635	\$ 9,310,794	\$ 160,576	\$ 15,878,005
<u>Operating expenses:</u>				
Salaries & benefits	2,118,587	2,371,207	2,325,490	6,815,284
Contracted services	638,529	5,707,586	119,584	6,465,699
Supplies	273,559	30,239	137,830	441,628
Heat, light and power	557,403	35,548	140,406	733,357
Depreciation	2,286,757	523,801	429,573	3,240,131
Miscellaneous	41,052	52,573	121,466	215,091
Telephone	14,160	7,507	11,560	33,227
Compensated absences	49,037	4,554	-	53,591
Maintenance and repairs	520,102	459,256	57,414	1,036,772
Capital outlay	133,499	47,530	14,920	195,949
Grant & restricted expenses	-	-	188,771	188,771
Total operating expenses	<u>6,632,685</u>	<u>9,239,801</u>	<u>3,547,014</u>	<u>19,419,500</u>
Operating income (loss)	<u>(226,050)</u>	<u>70,993</u>	<u>(3,386,438)</u>	<u>(3,541,495)</u>
<u>Non-operating revenue (expenses):</u>				
Grants	-	-	47,931	47,931
Contributions and fund-raising	-	-	270,239	270,239
Deferred amount on refunding	(23,346)	(993)	-	(24,339)
Miscellaneous income	50,338	75,379	203,272	328,989
FEMA grant reimbursement	69,754	72,066	-	141,820
Tower revenue	155,651	28,314	-	183,965
Investment income	78,714	32,538	3,860	115,112
Developer contribution	-	-	-	-
Interest expense	(445,057)	(44,573)	-	(489,630)
Total non-operating revenue (expenses)	<u>(113,946)</u>	<u>162,731</u>	<u>525,302</u>	<u>574,087</u>
Income (loss) before contributions and transfers	(339,996)	233,724	(2,861,136)	(2,967,408)
Transfers in (out)	-	91,000	2,401,607	2,492,607
Capital connection charges	635,867	-	-	635,867
Developer contribution	251,509	-	-	251,509
Capital contributions	-	-	676,564	676,564
Change in net position	547,380	324,724	217,035	1,089,139
Total net position - beginning	<u>23,828,822</u>	<u>6,502,601</u>	<u>3,453,610</u>	<u>33,785,033</u>
Total net position - ending	<u>\$ 24,376,202</u>	<u>\$ 6,827,325</u>	<u>\$ 3,670,645</u>	<u>\$ 34,874,172</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, 2013**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Calvert Marine Museum Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,121,077	\$ 9,499,369	\$ 186,793	\$ 15,807,239
Tower revenue	155,651	28,314	-	183,965
Other Receipts	50,338	75,379	203,272	328,989
Payments to suppliers	(1,883,647)	(6,558,158)	(824,304)	(9,266,109)
Payments to employees	(2,196,913)	(2,390,892)	(2,325,490)	(6,913,295)
Payments to other funds	-	(588,934)	-	(588,934)
Receipts from other funds	(1,157,169)	-	-	(1,157,169)
Net cash provided by (used in) operating activities	<u>1,089,337</u>	<u>65,078</u>	<u>(2,759,729)</u>	<u>(1,605,314)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers (to)/ from other funds	-	91,000	2,401,607	2,492,607
Contribution and fundraising receipts	69,754	72,066	270,239	412,059
Net cash provided by (used in) non-capital financing activities	<u>69,754</u>	<u>163,066</u>	<u>2,671,846</u>	<u>2,904,666</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to capital assets and construction-in-progress	(1,865,807)	(147,513)	(676,564)	(2,689,884)
Proceeds from issuance of long term debt	1,405,330	67,599	-	1,472,929
Grant funds received	-	-	47,931	47,931
Capital connection fees received	635,867	-	-	635,867
Capital contributions	-	-	676,564	676,564
Developer contribution	251,509	-	-	251,509
Principal paid on long-term obligations	(1,409,774)	(181,137)	-	(1,590,911)
Interest paid on long-term obligations	(420,220)	(49,008)	-	(469,228)
Net cash provided by (used in) capital and related financing activities	<u>(1,403,095)</u>	<u>(310,059)</u>	<u>47,931</u>	<u>(1,665,223)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on deposits	54,794	32,728	3,860	91,382
Purchase of investments	349,461	49,187	29,684	428,332
Net cash provided by (used in) investing activities	<u>404,255</u>	<u>81,915</u>	<u>33,544</u>	<u>519,714</u>
Increase (decrease) in cash and cash equivalents	160,251	-	(6,408)	153,843
Cash and cash equivalents, beginning of year	254,209	1,000	150,412	405,621
Cash and cash equivalents, end of year	<u>\$ 414,460</u>	<u>\$ 1,000</u>	<u>\$ 144,004</u>	<u>\$ 559,464</u>
PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (226,050)	\$ 70,993	\$ (3,386,438)	\$ (3,541,495)
Adjustments to reconcile operating income (loss) to Net cash provided by (used in) operating activities				
Depreciation	2,286,757	523,801	429,573	3,240,131
Gain(Loss) on sale of asset	-	-	-	-
Landfill closure costs and other	-	65,000	-	65,000
Tower revenue	155,651	28,314	-	183,965
Other Receipts	50,338	75,379	203,272	328,989
<u>Changes in assets and liabilities</u>				
Inventory	7,009	-	(11,414)	(4,405)
Accounts receivable	(285,558)	188,575	-	(96,983)
Prepaid expenses	-	-	(9,838)	(9,838)
Deferred expenditures	-	-	26,217	26,217
Due from other funds	-	(588,934)	-	(588,934)
Accounts payable	270,052	(278,365)	-	(8,313)
Accrued expenses	(11,693)	(19,685)	(11,101)	(42,479)
Due to other funds	(1,157,169)	-	-	(1,157,169)
Net cash provided by (used in) operating activities	<u>\$ 1,089,337</u>	<u>\$ 65,078</u>	<u>\$ (2,759,729)</u>	<u>\$ (1,605,314)</u>
Reconciliation of cash and cash equivalents to the balance sheet:				
Cash and investments, unrestricted	\$ 414,460	\$ 1,000	\$ 245,710	\$ 661,170
Cash and investments, restricted	6,718,713	911,458	522,121	8,152,292
	7,133,173	912,458	767,831	8,813,462
Less - noncash equivalent investments	6,718,713	911,458	623,827	8,253,998
Cash and cash equivalents	<u>\$ 414,460</u>	<u>\$ 1,000</u>	<u>\$ 144,004</u>	<u>\$ 559,464</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 POSITION
JUNE 30, 2013**

	PENSION & OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS	AGENCY FUND
	<u> </u>	<u> </u>
ASSETS		
Cash and short-term investments	\$ 5,097,841	\$ 86,212
<u>Investments at fair value</u>		
Fixed income fund	33,301,830	-
Common stock	15,969,129	-
Equity fund	68,782,341	-
Foreign assets	22,997,011	-
Other assets	4,104,262	-
Total investments	<u>145,154,573</u>	<u>-</u>
Accounts receivable	(430)	6,186
Interest receivable	23,144	-
Total assets	<u>\$ 150,275,128</u>	<u>\$ 92,398</u>
LIABILITIES		
Accounts payable	<u>\$ 97,306</u>	<u>\$ 92,398</u>
NET POSITION		
Net position held in trust for pension benefits and other purposes	<u>\$ 150,177,822</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 POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	PENSION & OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS
ADDITIONS	
Contributions:	
Plan sponsor	\$ 8,650,000
Employee	992,503
Total contributions	<u>9,642,503</u>
Investment income/(loss):	
Net appreciation/(depreciation) in fair value of investments	15,181,450
Interest and dividends	4,122,352
Total investment income/(loss)	<u>19,303,802</u>
Total additions	<u>28,946,305</u>
DEDUCTIONS	
Benefits	4,392,922
Administrative expenses	716,484
Total deductions	<u>5,109,406</u>
Change in net position	23,836,899
Net position - beginning	<u>126,340,923</u>
Net position - ending	<u>\$ 150,177,822</u>

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

“THIS PAGE LEFT INTENTIONALLY BLANK”

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

INDEX

		<u>Page #</u>
Note 1	Summary of Significant Accounting Policies	
	A. Reporting Entity	27
	B. Government-wide and Fund Financial Statements	28
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	28
	D. Assets, Liabilities, and Net Position	31
Note 2	Property Taxes	35
Note 3	Cash, Cash Equivalents and Investments	36
Note 4	Notes Receivable	39
Note 5	Interfund Accounts and Transfers	41
Note 6	Capital Assets	42
Note 7	Long-Term Obligations	45
Note 8	Fund Balances	50
Note 9	Retirement Systems	52
	Calvert County's Employees Retirement Plan	52
	State Retirement Systems of Maryland	54
	Calvert County's Employee Retirement Savings Plan	55
	Length of Service Award Program	55
	Calvert County Sheriff's Department Pension Plan	57
	Calvert County Maryland Other Post-Employment Benefit Trust	59
	Combining Statement of Plan Net Position (all trust funds)	61
	Combining Statement of Changes in Plan Net Position (all trust funds)	62
Note 10	Commitment and Contingent Liabilities	65
Note 11	Risk Management	65
Note 12	Subsequent Events	66
Note 13	Accounting Changes/Restatement	66

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 - Summary of Significant Accounting Policies

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. One Commissioner is elected from each of the three districts and two are elected at large. All serve four-year terms. 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 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).

A. Reporting Entity

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 by accounting principles, a component unit is a legally separate organization that is financially accountable to the Primary Government or where its relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading or incomplete. The two discretely presented component units described below reported in separate columns in the government-wide financial statements to emphasize separation from the Primary 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. In addition, the Commissioners are responsible for levying taxes and collecting and distributing the funds to the Board and the County issues 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.

Economic Development Authority of Calvert County - The Economic Development Authority of Calvert County (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. The Authority provides services which exclusively benefit the County and County employees perform all of the Authority's services. The Economic Development Authority of Calvert County does not issue separate financial statements, so their statements are included in this document on pages 87-89.

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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

from the basic financial statements on the basis that these entities 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 position 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. Likewise, the Primary Government is reported separately from the component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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 proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements are divided into three categories: government-wide financial statements, fund financial statements, and budgetary statements. The measurement focus, bases of accounting and presentation of these categories is discussed below.

Measurement Focus and Basis of Accounting

The 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 funds and Pension and Other Post Employment Benefit Trust funds statements. 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 using the *modified accrual* basis of accounting. Revenues are recognized in the accounting period in which the revenues are measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. For the County's purposes, the period of availability 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.

In governmental funds expenditures are generally recorded when incurred; however, expenditures for debt service, compensated absences, and claims and judgments are recorded when payments are due. General County capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of the County's general long-term debt are reported as other financing sources.

The Agency Funds have no measurement focus since these funds only report assets and liabilities. Agency Funds use the *accrual basis* of accounting.

Financial Statement Presentation

Fund financial statements report detailed information about the County. Governmental and Proprietary fund financial statement presentation focuses 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.

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the Primary Government. 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 County. The Capital Projects Fund is a major fund.

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 Parks and Recreation Fund, Chesapeake Hills Golf Course, Planning and Zoning Special Revenue Fund, Bar Library Fund, Revolving Loan Fund, Economic Development Authority Revolving Loan Fund, Calvert County Family Network, Grants Fund, Economic Development Incentive Fund, Excise Tax Fund, the Land Preservation Fund, and the Board of Library Trustees for Calvert County (the Library). None of these special revenue funds are major funds.

Proprietary Fund Type

Enterprise Funds - Enterprise funds are used to report activities for which a fee is charged to external users for goods or services. Enterprise funds herein include the operations of the Water and Sewer Fund, the Solid Waste and Recycling Fund, and the Calvert Marine Museum. The Water and Sewer Fund and the Solid Waste and Recycling Fund are major funds. The Calvert Marine Museum is a nonmajor fund.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Fiduciary Fund Types

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

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.

Net Position

The government-wide and business-type fund financial statements utilize net position presentation. Net position is presented in three components – invested in capital assets (net of related debt), restricted and unrestricted.

1. Invested in Capital Assets (net of related debt) – This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of these assets.
2. Restricted – This component consists of assets that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.
3. Unrestricted – This component consists of assets that do not meet the definition of “invested in capital assets, net of related debt” and restricted.

Significant Accounting Policies

The following is a summary of the more significant accounting policies applied to elements in the County's basic financial statements:

Internal Activity - Calvert County has minimal activity between governmental and business-type activities. However, to avoid double counting of internal activities, the effect of internal transactions and balances has been eliminated from the financial statements.

Program, General and Operating Revenues – Revenue in the government-wide financial statements is classified as program or general revenue. 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. In addition, general revenues include all taxes.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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, those charges 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.

Fund Balance Assumptions – In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When components of unrestricted resources are available for use and the purpose is a qualified activity, committed fund balance is depleted first, followed by assigned, and lastly unassigned.

Budgets and Budgetary Accounting - The County follows certain 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 appropriations 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 appropriations 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.

The budget for the General Fund and Capital Projects are adopted annually. The basis is consistent with GAAP except that for the General Fund, on a budgetary basis, encumbrances are treated as expenditures rather than as a commitment of fund balance. Budgetary comparisons presented for the General Fund in the basic financial statements are prepared on the budgetary basis. Budgetary control is at the object level. The Capital Projects budget is prepared for the duration of the respective project and annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

D. Assets, Liabilities and Net Position

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 the investment presents insignificant risk of changes in value because of changes in interest rates.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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, the Calvert County Employees Retirement Plan and the Calvert County Maryland Other Post-Employment Benefits Trust) are carried at fair value determined on June 30 of each year, based on appraisals or quotations by an independent investment counselor.

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.

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

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 nonspendable fund balance account, which indicates that inventory does not constitute "available spendable resources," even though it is a component of 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 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 on the next page is a general guideline for determining the estimated useful life of assets:

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

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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 payable is based upon the employee's full-time status. The sick leave can be paid to the employee or credited to their retirement benefit upon meeting retirement eligibility in the applicable defined benefit pension plan. 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 employees. 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.

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.

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 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 those benefits are due.

Pension Accounting - Employee contributions are recognized in the Pension Trust Funds 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.

Any net pension obligation or asset is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 27 – Accounting for Pensions by State and Local Governmental Employers. Expenditures are recognized when 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.

Interfund Transfers - The transfers in to the General Fund are for capital projects that have been closed out, the transfer from excise tax fund to cover a portion of debt service, and one-time fund balance transfers from special revenue funds. The transfer out from the General Fund is for operating, disbursement of grant matching funds and pay-go monies.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 committed fund balances and do not constitute expenditures or liabilities because the commitments will be honored during a subsequent year.

Long-Term Obligations – In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method which approximates the effective interest method.

Equity – Detailed information on the presentation of net position for the government-wide and business-type funds is located page 16. Information regarding the implementation of GASB No. 54 as it relates to the governmental fund balance presentation is located on page 19.

Stabilization Arrangement – During the fiscal year ended June 30, 2011, the County implemented GASB Statement No. 54 – Fund Balance and Governmental Fund Type Definitions which required an establishment of policy by formal action. This formal action imposes the parameters and identifies the specific circumstances and need for stabilization, and these circumstances are non-routine in nature.

Establishment/Elimination of Funds – Due to the County's implementation of GASB Statement No. 54 – Fund Balance and Governmental Fund Type Definitions which updated the definitions and criteria for Special Revenue Funds, the County elected to change the fund type of the Chesapeake Hills Golf Course from an Enterprise Fund to a Special Revenue Fund during the fiscal year ending June 30, 2013. Also, due to this implementation, during the fiscal year ended June 30, 2011, the county eliminated two special revenue funds: Project Graduation and the Housing Fund. These two funds are now presented as part of the General Fund.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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. In semi-annual bills, 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 in which 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 advertise and sell any real property if the taxes remain 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, 2013, 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, 2013 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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2013, cash on hand for petty cash and change was \$7,602.

Policies and Provisions

General Deposits - 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, 2013 the net carrying amount and the bank balances of the County's deposits with financial institutions were \$25,050,969 and \$35,557,301, 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.

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, 2013, no deposits were in foreign currency.

General Investments - 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.

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 & Poor's (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%.

In order to limit exposure to interest rate risk, the County's investment policy provides that 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.

Fiduciary Fund Investments - 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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. Note 9 presents the details of the pension plans starting on page 52.

Land Preservation Fund – The Land Preservation 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 August 15, 2013. The latest maturity date is May 15, 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.

Interest Rate Risk

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

<u>Maturities</u>		<u>Maturities</u>	
Cash and Equivalents	\$ 69,352,186	5-10 years	3,536,236
Less than 1 year	32,316,974	10-15 years	126,895
1-5 years	21,002,226	15-20 years	-
		Total	<u>\$ 126,334,517</u>

Foreign Currency Risk

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. Calvert County currently has no formal policy relating to foreign currency risk in the pension plans.

<u>Country</u>	<u>Total Exposure</u>	<u>Country</u>	<u>Total Exposure</u>
United Kingdom	\$ 6,641,537	Japan	6,174,697
Netherlands	708,308	France	2,147,921
Sweden	735,904	Denmark	459,940
Spain	701,409	Switzerland	<u>2,053,633</u>
Germany	1,993,841	Total	<u>\$ 22,997,011</u>
Belgium	1,379,821		

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Carrying Value

The carrying value of all the County’s cash and investments as of June 30, 2013 is summarized in the following table:

<u>Cash, Cash Equivalent or Investment Type</u>	<u>Fair Value</u>	<u>Cash, Cash Equivalent or Investment Type</u>	<u>Fair Value</u>
U.S. Agency Obligations	\$ 44,985,820	Other special equity	\$ 4,104,263
U.S. Treasury Strips	7,041,167	Petty cash	7,602
Common stock	33,301,829	Total	* \$ <u>292,179,046</u>
Fixed Assets	15,969,129		
Equity and bond funds	91,779,353	Unrestricted	\$ 263,660,593
Money market mutual funds	69,351,181	Restricted	<u>28,518,453</u>
Certificates of deposit	587,733		* \$ <u>292,179,046</u>
Cash in banks	25,050,969	*Includes agency fund cash of \$86,211	

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2013, totaled \$1,765,357 and consisted of money market mutual funds.

Board of Education

Deposits - At June 30, 2013, the carrying amount and bank balances of the Board’s deposits with financial institutions totaled \$19,429,854 and \$20,619,902, respectively. All 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, 2013, the Board had invested \$3,171,011 in governmental activities and \$1,302,067 in business-type activities in the Maryland Local Government Investment Pool (MLGIP), which is under the administration of the State Treasurer. MLGIP is rated AAAM by Standard and Poors, the agency’s highest rating for money market funds. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, market-to-market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value.

Investment Rate Risk 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% 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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 4 - Notes Receivable

A. Primary Government

General Fund

The Affordable Housing Program – The County under this program has a 20 year loan set up to fund a participant in the County’s Water and Sewer Assistance Program. This note initiated in FY2009, will mature in FY2029 and bears interest at 5% per annum. Principal and interest payments are due monthly. At June 30, 2013, \$8,951 is outstanding.

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, 2013, was \$4,205,577. See detailed schedule at page 92.

Parks and Recreation Fund - The General Fund has a \$358,000 note receivable from the Parks and Recreation Fund in the form of an interest-free note signed in 2004. Principal is payable annually beginning June 1, 2006 through maturity on June 1, 2015. At June 30, 2013, \$71,600 is outstanding.

Water and Sewer Fund

The Water and Sewer Fund’s *Due to the General Fund* balance includes \$5,678,433 that has been reclassified to an advance over the last four fiscal years. This advance is not expected to be repaid within the next twelve 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, 2013, outstanding principal amounted to \$96,386 and is offset by a nonspendable 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 was 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, 2013, \$333,877 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Funds previously advanced by the General Fund to the Water and Sewer Fund for the Shores of Calvert Water and Sewer System were converted to a 20 year interest bearing note. The note calls for annual payments of \$9,967 including interest at 1.5%. Principal is payable annually beginning July 1, 2012 through maturity on July 1, 2031. At June 30, 2013, \$163,726 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

The Water and Sewer Fund has a note receivable for four Public Utility Payment Plans with developers, of which the total amount outstanding at June 30, 2013 was \$242,916.

Economic Development Authority Revolving Loan Fund

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, 2013, \$48,607 is outstanding.

During Fiscal year 2010 a five-year, \$75,000 loan was made to Little Proteges Inc. The note bears interest at 7.5% per annum. Principal is payable monthly, beginning July 2010 through maturity in June 2014. At June 30, 2013, \$31,288 is outstanding.

Economic Development Incentive Fund

During Fiscal year 2008 a five-year, \$200,000 loan was made to Kelly Generator Inc. The note bears interest at 1.0% per annum. Principal is payable monthly, beginning September 2007 through maturity in August 2022. At June 30, 2013, \$125,763 is outstanding.

B. Component Unit

Economic Development Authority - The Authority has a \$78,300 note receivable from Shadow Stone, LLC 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 2000 and continuing monthly until December 28, 2014. As of June 30, 2013, the note balance is \$18,208.

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 beginning in January 2000, and continuing monthly until December 28, 2014. As of June 30, 2013, the note balance is \$18,209.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 5 - Interfund Accounts and Transfers

Interfund Accounts - represent outstanding balances between funds resulting from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. These amounts include balances of working capital loans made to the enterprise funds which the general fund expects to collect in subsequent year. 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.

At June 30, 2013, the interfund account balances were as shown below:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
<u>General Fund</u>		
Special Revenue Funds	\$ -	\$ 9,862,513
Capital Projects Fund	-	10,976,318
Enterprise Funds	<u>7,012,255</u>	<u>5,860,985</u>
	<u>7,012,255</u>	<u>26,699,816</u>
<u>Special Revenue Funds</u>		
General Fund	9,862,513	-
<u>Capital Projects Fund</u>		
General Fund	10,976,318	-
<u>Enterprise Funds</u>		
General Fund	<u>5,860,985</u>	<u>7,012,255</u>
	<u>\$ 33,712,071</u>	<u>\$ 33,712,071</u>
Component Units:		
Primary government – General Fund	\$ -	\$ 10,607,808
Primary government – Capital Projects	-	148,730
Component unit – Board of Education	10,598,730	-
Component unit – Economic Development Authority	<u>157,808</u>	<u>-</u>
	<u>\$ 10,756,538</u>	<u>\$ 10,756,538</u>

Interfund Transfers - are used to (1) move revenues from the fund with collection authority to the enterprise and capital project funds for bond proceeds and (2) move general fund resources to provide annual operating subsidy to the capital projects, special revenue, and enterprise funds.

During the fiscal year ended June 30, 2013, the interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Primary Government:		
<u>Governmental Funds</u>		
Special Revenue Funds	\$ 6,040,096	\$ 5,083,466
Capital Projects Fund	4,172,717	-
General Fund	<u>1,003,500</u>	<u>8,625,454</u>
	<u>11,216,313</u>	<u>13,708,920</u>
<u>Proprietary Funds</u>		
Water and Sewer Fund	-	-
Solid Waste Fund	91,000	-
Nonmajor proprietary funds	<u>2,401,607</u>	<u>-</u>
	<u>2,492,607</u>	<u>-</u>
Total Transfers	<u>\$ 13,708,920</u>	<u>\$ 13,708,920</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 13,205,508	\$ 17,511,558	\$(21,826,015) ⁽¹⁾	\$ 8,891,051
Land Development Rights	11,245,305	-	-	11,245,305
Land	<u>32,263,348</u>	<u>2,407,991</u>	<u>-</u>	<u>34,671,339</u>
	<u>56,714,161</u>	<u>19,919,549</u>	<u>(21,826,015)</u>	<u>54,807,695</u>
Capital assets, being depreciated				
Buildings	68,616,887	3,735,234	-	72,352,121
Improvements	33,550,766	1,153,423	(77,467)	34,626,722
Machinery & Equipment	39,031,178	3,617,383	(817,441)	41,831,120
Infrastructure	<u>117,064,187</u>	<u>4,268,290</u>	<u>-</u>	<u>121,332,477</u>
	<u>258,263,018</u>	<u>12,774,330</u>	<u>(894,908)</u>	<u>270,142,440</u>
Less accumulated depreciation for:				
Buildings	(33,767,330)	(2,047,564)	-	(35,814,894)
Improvements	(13,131,238)	(1,695,092)	-	(14,826,330)
Machinery & Equipment	(24,600,666)	(3,183,403)	817,441	(26,966,628)
Infrastructure	<u>(54,823,051)</u>	<u>(4,852,558)</u>	<u>-</u>	<u>(59,675,609)</u>
	<u>(126,322,285)</u>	<u>(11,778,617)</u>	<u>817,441</u>	<u>(137,283,461)</u>
Total capital assets, being depreciated, net	<u>131,940,733</u>	<u>995,713</u>	<u>(77,467)</u>	<u>132,858,979</u>
Governmental activities capital assets, net	<u>\$188,654,894</u>	<u>\$20,915,262</u>	<u>\$(21,903,482)</u>	<u>\$187,666,674</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 3,050,400	\$ 86,015	\$ (425,733)	\$ 2,710,682
Land	<u>3,074,352</u>	<u>-</u>	<u>-</u>	<u>3,074,352</u>
	<u>6,124,752</u>	<u>86,015</u>	<u>(425,733)</u>	<u>5,785,034</u>
Capital assets, being depreciated				
Buildings	58,018,336	23,815	-	58,042,151
Improvements	11,424,702	2,061,954	-	13,486,656
Machinery & Equipment	<u>11,074,394</u>	<u>957,828</u>	<u>(261,570)</u>	<u>11,770,652</u>
	<u>80,517,432</u>	<u>3,043,597</u>	<u>(261,570)</u>	<u>83,299,459</u>
Less accumulated depreciation for:				
Buildings	(33,528,711)	(1,809,981)	-	(35,338,692)
Improvements	(3,728,640)	(564,835)	-	(4,293,475)
Machinery & Equipment	<u>(3,947,964)</u>	<u>(865,315)</u>	<u>247,575</u>	<u>(4,565,704)</u>
	<u>(41,205,315)</u>	<u>(3,240,131)</u>	<u>247,575</u>	<u>(44,197,871)</u>
Total capital assets, being depreciated, net	<u>39,312,117</u>	<u>(196,534)</u>	<u>(13,995)</u>	<u>39,101,588</u>
Business-type activities capital assets, net	<u>\$ 45,436,869</u>	<u>\$ (110,519)</u>	<u>\$ (439,728)</u>	<u>\$ 44,886,622</u>

(1) Includes assets of \$2,937,237 that were transferred to the Board of Education.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2013 as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 22,191	\$ -	\$ -	\$ 22,191
	<u>\$ 22,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,191</u>

Board of Education

A summary of changes in capital assets for the year ended June 30, 2013 as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,757,711	\$ -	\$ -	\$ 3,757,711
Construction in progress	2,669,441	11,402,311	(677,573)	13,394,179
	<u>6,427,152</u>	<u>11,402,311</u>	<u>(677,573)</u>	<u>17,151,890</u>
Capital assets, being depreciated				
Buildings and improvements	293,725,302	-	677,573	294,402,875
Land improvements	4,657,877	-	-	4,657,877
Equipment	7,577,805	511,115	(72,683)	8,016,237
	<u>305,960,984</u>	<u>511,115</u>	<u>604,890</u>	<u>307,076,989</u>
Less accumulated depreciation for:				
Buildings and improvements	(85,503,708)	(6,413,801)	-	(91,917,509)
Land improvements	(2,532,419)	(229,875)	-	(2,762,294)
Equipment	(5,649,930)	(416,362)	72,683	(5,993,609)
	<u>(93,686,057)</u>	<u>(7,060,038)</u>	<u>72,683</u>	<u>(100,673,412)</u>
Total capital assets, being depreciated, net	<u>212,274,927</u>	<u>(6,548,923)</u>	<u>677,573</u>	<u>206,403,577</u>
Governmental activities capital assets, net	<u>\$ 218,702,079</u>	<u>\$ 4,853,388</u>	<u>\$ -</u>	<u>\$ 223,555,467</u>
Business-type activities:				
Equipment at historical cost	\$ 1,792,406	\$ 91,093	\$ (21,069)	\$ 1,862,430
Less accumulated depreciation	(1,606,270)	(46,277)	21,069	(1,631,478)
Business-type activities capital assets, net	<u>\$ 186,136</u>	<u>\$ 44,816</u>	<u>\$ -</u>	<u>\$ 230,952</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2013 as follows:

	<u>Spent to Date</u>	<u>Commitment</u>
Calvert High School	\$ 12,496,456	\$ 5,166,085
Other	897,723	314,961
Total	<u>\$ 13,394,179</u>	<u>\$ 5,481,046</u>

These projects are funded primarily by capital grants from Calvert County and the State of Maryland prior to commitments being made with contractors.

Depreciation expense for the year ended June 30, 2013 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

General government	\$ 2,425,876
Public safety	1,647,233
Public works	5,424,153
Health and hospitals	16,578
Social services	97,490
Recreation and culture	2,167,287
Miscellaneous	-
Total	<u>\$ 11,778,617</u>

Business-type activities:

Water and Sewer	\$ 2,286,757
Solid Waste and Recycling	523,801
Marine Museum	429,573
Chesapeake Hills Golf Course	-
Total	<u>\$ 3,240,131</u>

Component Units:

Board of Education - governmental activities:

<i>Instruction:</i>	
Regular education	\$ 124,510
Special education	10,580
<i>Support services:</i>	
Administration	219,472
Mid-level administration	371
Transportation	7,301
Operation of plant and equipment	6,662,994
Maintenance of plant	34,810
Total	<u>\$ 7,060,038</u>

Board of Education - business-type activities:

Food services	<u>\$ 46,277</u>
---------------	------------------

Economic Development:

Total	<u>\$ -</u>
-------	-------------

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 - Long-Term Obligations

A. Primary Government

Changes in Long-term Obligations

The following is a summary of the changes in long-term obligations of the County for the year ended June 30, 2013.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<i>Governmental activities:</i>					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 130,058,040	\$ 22,891,367	\$ (22,703,294)	\$ 130,246,113	\$ 12,095,933
Notes Payable ⁽²⁾	158,794	-	(17,738)	141,056	17,738
The Land Preservation Program	7,933,355	-	-	7,933,355	113,715
Other Liabilities:					
Landfill Closure Costs	450,000	-	(30,000)	420,000	30,000
Compensated Absences	8,808,563	1,490,508	(1,173,383)	9,125,688	1,260,676
Total	\$ 147,408,752	\$ 24,381,875	\$ (23,924,415)	\$ 147,866,212	\$ 13,518,062
<i>Business-type activities:</i>					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 10,167,661	\$ 1,514,316	\$ (881,907)	\$ 10,800,070	\$ 609,066
Notes Payable ⁽¹⁾	6,412,663	-	(713,989)	5,698,674	729,258
Other Liabilities:					
Landfill Closure Costs	1,494,517	65,000	-	1,559,517	65,000
Compensated Absences	721,749	-	(209,864)	511,885	100,000
Total	\$ 18,796,590	\$ 1,579,316	\$ (1,805,760)	\$ 18,570,146	\$ 1,503,324

(1) Indicates debt issued for the purpose of acquiring capital assets.

(2) Represents debt used for other governmental purposes.

The liability for Compensated Absences, under governmental activities, the general fund normally liquidates 93 percent, the special revenue funds liquidate less than 1 percent. For the business-type activities, the solid waste fund liquidates 4 percent, the water and sewer fund liquidates 2 percent, and the nonmajor proprietary funds liquidate 1 percent.

Advance Refunding

The County issued \$10,730,000 in public improvement bonds with interest rates ranging from 3.0% to 4.0%. The proceeds were used to advance refund \$10,970,000 of outstanding debt related to the County's 2003 and 2007 general obligation bonds which had interest rates ranging from 4.0% to 4.25%. The net proceeds of \$12,446,630 (including a \$1,716,630 premium and after payments of \$99,488 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt payments on the refunded bonds. As a result, the 2003 and 2007 general obligations bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,857,142. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The county advance refunded 2003 and 2007 general obligation bonds to reduce

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

its total debt service payments over 9 years by \$357,000 and to obtain an economic gain of \$364,790.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2013, \$34.1 million of bonds outstanding are considered defeased.

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2013, consist of the following:

Bond Description and Year	Amount Borrowed	Rate	Due serially through	Governmental Activities Balance
<i>Governmental Activities</i>				
<i>General Obligation Bonds</i>				
Consolidated Public Improvement Project Bonds, 2003 Series	\$ 30,275,000	2% - 5%	July 15, 2013	\$ 2,160,000
Refunding Bonds, 2003 Series (replaced the 1993 Series bonds)	13,614,090	2% - 5%	July 15, 2019	335,361
Consolidated Public Improvement Project Bonds, 2004 Series	8,910,000	2% - 5%	April 1, 2014	615,000
Consolidated Public Improvement Project Bonds, 2005 Series	6,995,000	3.375% - 4.1%	April 1, 2015	960,000
Consolidated Public Improvement Project Bonds, 2006 Series	10,885,000	4% - 5%	April 1, 2016	2,175,000
Consolidated Public Improvement Project Bonds, 2007 Series	29,780,000	4% - 5%	April 1, 2022	9,900,000
Consolidated Public Improvement Project Bonds, 2008 Series	22,250,000	3% - 5%	April 1, 2023	16,045,000
Consolidated Public Improvement Project Bonds, 2009 Series	18,485,000	2% - 3.5%	April 1, 2024	14,200,000
Consolidated Public Improvement Project Bonds, 2010 Series	13,921,232	3% - 5%	July 1, 2025	12,525,736
Refunding Bonds, 2010 Series (replaced the 2002 Series bonds)	4,900,000	3% - 4%	January 1, 2016	4,060,000
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	16,684,724
Refunding Bonds, 2011 Series (replaced the 2003/2004 Series bonds)	15,360,000	2% - 5%	July 15, 2018	15,360,000
Consolidated Public Improvement Project Bonds, 2012 Series	6,290,000	3% - 4%	April 1, 2027	5,392,783
Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds)	6,425,000	3% - 4%	April 1, 2027	6,425,000
Consolidated Public Improvement Project Bonds, 2012 Series (CHGC)	516,280	2% - 5%	April 1, 2027	482,217
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2022	5,415,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	10,437,071
<i>Shore Erosion Control</i>				
Western Shores (non-interest bearing)	261,042	n/a	July 1, 2017	65,261
Solomons United Methodist Church (non-interest bearing)	32,150	n/a	July 1, 2026	18,004
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	57,791
<i>Other</i>				
The Land Preservation Program	10,611,555	3% - 5%		7,933,355
Total General Obligation Bonds and Notes Receivables	234,704,678			131,247,303
Estimated Landfill Postclosure Costs				420,000
Premium, 2009, 2010, 2011, 2012, 2013				7,073,221
Accumulated Unpaid Employee Leave				9,125,688
Total Governmental Activities	<u>\$ 234,704,678</u>			<u>\$ 147,866,212</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2013, consist of the following:

Bond Description and Year <i>Business-Type Activities</i>	Amount Borrowed	Rate	Due serially through	Business-Type Activities Balance
<i>General Obligation Bonds - Water and Sewer</i>				
Refunding Bonds, 2003 Series (replaced the 1993 Series bonds)	\$ 4,010,790	2% - 5%	July 15, 2019	\$ 99,045
Consolidated Public Improvement Project Bonds, 2010 Series	2,314,702	3% - 5%	July 1, 2025	2,082,671
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	2,539,284
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,945,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	225,330
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	1,180,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	38,864
General Fund Note - Dares Beach Water Supply	258,225	6.6%	June 30, 2019	96,386
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	333,877
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	163,726
Maryland Department of the Environment (MDE) Note	250,000	4.64%	February 1, 2033	207,294
Maryland Water Quality Financing Admin Note - Solomons Wastewater	3,982,024	2.55%	August 1, 2015	507,752
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	228,560
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	3,067,876
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	240,142
Maryland Water Quality Financing Admin Note - Chesapeake Beach	<u>1,071,036</u>	1.1%	February 2, 2028	<u>814,197</u>
Total General Obligation Bonds and Notes Receivables	27,450,263			14,770,004
Deferred Loss on Refunding, 2003 Series				(62,926)
Premium, 2010, 2011, 2012, 2013 Series				501,429
Accumulated Unpaid Employee Leave				<u>192,177</u>
Total Water and Sewer	<u>\$ 27,450,263</u>			<u>\$ 15,400,684</u>
<i>General Obligation Bonds - Solid Waste</i>				
Refunding Bonds, 2003 Series (replaced the 1993 Series bonds)	\$ 1,205,120	2% - 5%	July 15, 2019	\$ 30,594
Consolidated Public Improvement Project Bonds, 2010 Series	274,066	3% - 5%	July 1, 2025	246,593
Consolidated Public Improvement Project Bonds, 2011 Series	1,000,000	2% - 5%	May 1, 2026	870,992
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	<u>67,599</u>	2% - 5%	April 1, 2022	<u>67,599</u>
Total General Obligation Bonds	2,546,785			1,215,778
Estimated Landfill Postclosure Costs				1,559,517
Deferred Amount of Refunding, 2013 Series				3,671
Premium, 2010 & 2011 Series				70,788
Accumulated Unpaid Employee Leave				<u>319,708</u>
Total Solid Waste	<u>\$ 2,546,785</u>			<u>\$ 3,169,462</u>
Total Business Type Activities	<u>\$ 29,997,048</u>			<u>\$ 18,570,146</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Debt Requirements

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, 2013 are as follows:

Governmental Activities			
Years Ending June 30,	Principal	Interest	Total
2014	\$ 12,227,386	\$ 4,922,811	\$ 17,150,197
2015	12,585,694	4,581,940	17,167,634
2016	15,012,574	4,145,452	19,158,026
2017	13,384,602	3,585,156	16,969,758
2018	13,546,078	3,050,611	16,596,689
2019-2023	51,610,292	7,972,033	59,582,325
2024-2028	12,873,878	960,258	13,834,136
2029 - plus	6,799	-	6,799
Premium	7,073,221	-	7,073,221
	\$ 138,320,524	\$ 29,218,261	\$ 167,538,785

Business-Type Activities			
Years Ending June 30,	Principal	Interest	Total
2014	\$ 1,338,322	\$ 513,363	\$ 1,851,685
2015	1,251,996	485,953	1,737,949
2016	1,000,139	440,249	1,440,388
2017	1,014,357	413,882	1,428,239
2018	1,028,124	385,949	1,414,073
2019-2023	5,116,050	1,423,596	6,539,646
2024-2028	2,707,842	680,940	3,388,782
2029 - plus	2,528,952	435,317	2,964,269
Def. loss on ref/premium	512,962	-	512,962
	\$ 16,498,744	\$ 4,779,249	\$ 21,277,993

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$420,000. The landfill is at 100% capacity with no remaining useful life. An amount is recorded in the general long-term debt account group for the estimated postclosure costs associated with the Barstow Landfill. This amount is required by state and federal regulations to provide for monitoring costs associated with the closed landfill. Therefore, the total estimated cost of postclosure care has been recorded.

Appeal Landfill – This is the County’s current operating landfill. In 1998, the County entered into a long-term arrangement under which the County's waste is transferred out of the County, which has extended the life of the 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 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 \$5,940,509.

This amount has been and will be increased by a factor of 3.5% to account for inflation, through fiscal year 2033. In fiscal year 2012, the county obtained an independent contractor to provide an analysis that would ensure compliance with changing federal and state laws, study 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 that is full was re-estimated in FY13 as 72.8%; therefore, \$1,559,517 represents the accrued reserve at June 30, 2013, which is reported in the Solid Waste and Recycling fund. The amount that has not yet been recognized in the County's financial statements is \$4,170,000. The accrued reserve will be increased with contributions of \$217,489 made annually.

B. Component Units

Changes in Long-term Obligations

The following is a summary of the changes in the Long-Term Obligations of the Board of Education for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<i>Governmental activities:</i>					
Compensated absences	\$ 3,438,643	\$ 2,068,959	\$ (2,075,951)	\$ 3,431,651	\$ 2,072,000
Net OPEB obligation	<u>18,794,742</u>	<u>6,820,135</u>	<u>-</u>	<u>25,614,877</u>	<u>-</u>
	<u>\$ 22,233,385</u>	<u>\$ 8,889,094</u>	<u>\$ (2,075,951)</u>	<u>\$29,046,528</u>	<u>\$2,072,000</u>
<i>Business-type activities:</i>					
Compensated absences	\$ 34,543	\$ 24,943	\$ (26,315)	\$ 33,171	\$ 25,500
Net OPEB obligation	<u>304,369</u>	<u>109,601</u>	<u>-</u>	<u>413,970</u>	<u>-</u>
	<u>\$ 338,912</u>	<u>\$ 134,544</u>	<u>\$ (26,315)</u>	<u>\$ 447,141</u>	<u>\$ 25,500</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 8 - Fund Balances

A. Governmental Funds - Fund Balance

Fund Balance – In fiscal year 2011, Calvert County implemented Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The new fund balance classifications are as follows:

1. Nonspendable: Amounts that cannot be spent because they are either in a nonspendable form, or are legally or contractually required to be maintained intact.
2. Restricted: Amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
3. Committed: Amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the County's highest level of decision making authority. The Board of County Commissioners (BOCC) is the highest level of decision-making authority, and committed funds are established by resolution. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.
4. Assigned: Amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the BOCC or the Director of Finance and Budget as established in the County's Fund Balance Policy.
5. Unassigned: Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

The County has passed a fund balance resolution that specifies the spending order of the different types of fund balances. Nonspendable amounts by definition can't be spent. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County's policy to use committed resources first, the assigned, and then unassigned as they are needed.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

As of June 30, 2013, fund balances were reported as follows:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

GOVERNMENTAL FUNDS FUND BALANCES

JUNE 30, 2013

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventory	\$ 296,272	\$ -	\$ -	\$ 296,272
Long term receivables	7,802,002	-	-	7,802,002
Leveraging obligations	-	-	9,264,806	9,264,806
Restricted for:				
Other purposes	-	-	549,462	549,462
Endowments	-	-	36,805	36,805
Committed to:				
Encumbrances:				
General government	1,021,380	-	-	1,021,380
Public safety	872,239	-	-	872,239
Public works	1,419,299	-	-	1,419,299
Health and hospital	1,700	-	-	1,700
Social services	3,311	-	-	3,311
Recreation and culture	211,206	-	-	211,206
Other purposes	73,644	-	-	73,644
Stabilization arrangement	18,000,000	-	-	18,000,000
Board of education	-	148,730	-	148,730
Other purposes	380,353	-	6,050,680	6,431,033
Assigned to:				
Vacation/sick leave	5,000,000	-	-	5,000,000
OPEB	4,718,619	-	-	4,718,619
Other purposes	-	-	10,244	10,244
Other capital projects	-	30,319,320	-	30,319,320
Unassigned:	<u>27,228,179</u>	<u>-</u>	<u>(60,100)</u>	<u>27,168,079</u>
Total fund balances:	<u>\$ 67,028,204</u>	<u>\$ 30,468,050</u>	<u>\$ 15,851,897</u>	<u>\$ 113,348,151</u>

Other long-term receivables - The amount of notes receivable advanced to Dares Beach Water, Prince Frederick Water and Sewer, Shores of Calvert Water and Sewer System, advances to the Water and Sewer fund, one Parks and Recreation notes and an amount due from a vendor receivable at June 30, 2013.

Reserved for other 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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 9 - Retirement Systems

A. Primary Government

All new employees to Calvert County Government are either in the Sheriff's Department Pension Plan or the Calvert County Employee Retirement Savings Plan. The Primary Government operates four Pension Trust Funds – Calvert County Sheriff's Department Pension Plan, Calvert County Employees Retirement Plan, Volunteer Fire Department and Rescue Squads Plan, and the Calvert County Maryland Other Post-Employment Benefits Trust (OPEB). Separate audited financial statements have not been issued for these County plans. The County Plans' Statements of Net Position and Statements of Changes in Net Position are presented at the end of this note. In addition, some employees participate in the State Retirement System of Maryland. See pages 54-55 for additional information.

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 were 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. No new participants were added to this plan after the adoption of the Calvert County Employee Retirement Savings Plan. Please see page 55 for information on this plan.

County employees in this plan 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.

At June 30, 2013, the membership in the plan was as follows:

Retired	146
Terminated, vested	26
Active, vested	122
Active non-vested	<u>0</u>
Total active	<u><u>122</u></u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 2013 were made in accordance with the Plan requirements as of the July 1, 2012 actuarial report. The contributions consisted of amounts contributed by the employees of \$163,001 (2.2% of current covered payroll). The County's costs for fiscal year 2013 were \$2,910,000 (38.9% of current covered payroll).

The net pension obligation was computed using the Projected Unit Credit Method as a part of an actuarial valuation performed as of July 1, 2013. 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 an inflation rate of 2.4%, rate of return on the investments of present and future assets of 8% a year compounded annually, additional projected salary increases of 6% compounded annually for ages under 46 and 5% compounded annually for ages 46 and older, cost of living increases of 3% per year calculated on a compound interest basis, and no postretirement benefit increases.

Funded Status - The following schedule presents the funded status as of June 30, 2013:

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$52,364,615	\$69,734,714	\$17,370,099	75.09%	\$7,480,753	232.20%

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

Funding Progress - The schedule of funding progress (presented as required supplementary information) gives multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

Annual pension cost (APC) and Net pension assets (NPA) - The following schedule gives information on the County's APC and NPA:

Annual required contribution	\$	2,657,294
Interest on NPA		(4,681)
Adjustment to ARC		5,960
Annual pension cost (APC)	\$	2,658,573
Contribution made		2,910,000
Decrease (increase) in net pension asset	\$	(251,427)
Net pension asset, beginning of year		(58,514)
Net pension asset, end of year	\$	(309,941)

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

The County's APC, percentage of APC contributed, and NPA for the plan for the current year and each of the two preceding years were as follows:

Actuarial Valuation Date <u>June 30,</u>	Annual Pension Costs <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2013	\$ 2,658,573	109.46%	\$ (309,941)
2012	2,864,869	100.29%	(58,514)
2011	2,585,656	108.09%	(50,223)

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' 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, 2008 through 2013 were zero.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

The computation of the pension contribution requirements for fiscal year 2013 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 \$298,488, \$320,402, and \$320,784, for the years ended June 30, 2013, 2012 and 2011. In accordance with GASB Statement Number 24, the State's 2013 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, 2013 were \$922,895 and \$648,151, respectively.

Length of Service Award Program

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 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.

At June 30, 2013, the membership was as follows:

Retired	47
Active, vested	57
Active, non- vested	964
Total active	<u>1021</u>
Active employees receiving benefits	<u>37</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Funding Policy - The net pension obligation was computed using the Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2013. The significant actuarial assumptions used in the valuation include an inflation rate of 2.4%, a 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 2013 totaling \$470,000 were made in accordance with actuarial determined requirements computed through an actuarial valuation performed as of July 1, 2012.

Funded Status - The following schedule presents the funded status as of June 30, 2013:

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$ 3,052,522	\$ 6,802,216	\$ 3,749,694	44.88%	N/A	N/A

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

Funding Progress - The schedule of funding progress (presented as required supplementary information) gives multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

Annual pension cost (APC) and Net pension assets (NPA) - The following schedule gives information on the County's APC and NPA:

Annual required contribution	\$	467,519
Interest on NPA		(7,134)
Adjustment to ARC		9,082
Annual pension cost (APC)	\$	469,467
Contribution made		470,000
Decrease (increase) in net pension asset	\$	(533)
Net pension asset, beginning of year		(89,170)
Net pension asset, end of year	\$	(89,703)

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

The County's APC, percentage of APC contributed, and NPA for the plan for the current year and each of the two preceding years were as follows:

Actuarial Valuation Date <u>June 30,</u>	Annual Pension Costs <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2013	\$ 469,467	100.11%	\$ (89,703)
2012	470,385	80.05%	(89,170)
2011	392,614	78.55%	(183,006)

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.

At June 30, 2013, the membership was as follows:

Retired	51
Terminated, vested	38
Active, vested	121
Active, non-vested	<u>63</u>
Total active	<u><u>184</u></u>

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, 2013. The significant actuarial assumptions used in the valuation include an inflation rate of 2.4%, a 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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 2013 totaling \$2,770,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2012.

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

County (24.2% of current covered payroll)	\$ 2,770,000
Employees (7.2% of current covered payroll)	829,502

Funded Status - The following schedule presents the funded status as of June 30, 2013:

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$ 51,435,307	\$ 65,095,243	\$ 13,659,936	79.0%	\$ 11,467,047	119.12%

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

Funding Progress - The schedule of funding progress (presented as required supplementary information) gives multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

Annual pension cost (APC) and Net pension assets (NPA) - The following schedule gives information on the County's APC and NPA:

Annual required contribution	\$ 2,537,251
Interest on NPA	8,304
Adjustment to ARC	<u>(10,573)</u>
Annual pension cost (APC)	\$ 2,534,982
Contribution made	<u>2,770,000</u>
Decrease (increase) in net pension asset	\$ (235,018)
Net pension asset, beginning of year	<u>103,805</u>
Net pension asset, end of year	<u><u>\$ (131,213)</u></u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

The County's APC, percentage of APC contributed, and NPA for the plan for the current year and each of the two preceding years were as follows:

Actuarial Valuation Date <u>June 30,</u>	Annual Pension Costs <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2013	\$ 2,534,982	109.27%	\$ (131,213)
2012	2,685,310	94.03%	103,805
2011	2,565,539	103.71%	(56,600)

Calvert County Maryland Other Post-Employment Benefits Trust

Plan description – The County contributes to the Calvert County Maryland Other Post-Employment Benefit Trust (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 employee/retiree membership in the Plan as of June 30, 2013 is as follows:

	<u>County</u>	<u>Board of Education</u>
Active	628	1,647
Retired	136	678
Total	<u>764</u>	<u>2,325</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 its retirees which includes health care and life insurance benefits.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Contribution rates and the net other post employment benefits obligation for the year ended June 30, 2013 were actuarially determined, using the Projected Unit Credit Actuarial Cost Method, through an actuarial valuation dated July 1, 2010 . The significant actuarial assumptions used in the valuation include; an inflation rate of 2.4%, a 7% investment rate of return (net of administrative expenses), a discount rate of 7%, a projected salary increase of 6.0%, and the healthcare cost trends of – medical 7.2% in the 2013 plan year declining 0.4% each plan year to 5% for 2018 and later years, dental 4.5% in the 2013 year declining 0.50% each year to 4% for 2014 and later, mortality - RP 2000 combined healthy mortality table, except for the Sherriff’s Plan which uses 1983 Group Annuity Mortality Table.

The contributions to the Plan by the County for the years ended June 30 were as follows:

	County	On behalf payments for Board of Education	Total
2013	\$ 544,292	\$ 1,955,708	\$ 2,500,000
2012	2,384,047	8,566,168	10,950,215
2011	1,425,862	2,346,849	3,772,711

Funding Status & Progress- The schedule of funding progress (presented as required supplementary information) gives information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

Funding Status - At June 30, 2013, the funding status was as follows:

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
County	\$ 4,337,978	\$ 36,717,748	\$ 32,379,770	11.81%	\$ 45,606,128	71.00%
Board of Education	17,226,681	139,625,512	122,398,831	12.34%	127,857,499	95.73%
Total	<u>\$21,564,659</u>	<u>\$176,343,260</u>	<u>\$154,778,601</u>	<u>12.23%</u>	<u>\$173,463,627</u>	<u>89.23%</u>

Actuarial valuations involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. Projection of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan member to that point. Actuarial calculations reflect a long-term prospective, and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

Net OPEB Obligation - 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 schedule below presents the net OPEB obligation for the past six years:

Actuarial Valuation date June 30,	Annual Required Contribution	Interest on net Pension Obligation	Adjustment to Annual Required Contribution	Annual OPEB Cost	Pay as You go Payments Plus Contributions	Increase in net OPEB Obligation	End of Year net OPEB Obligation
County							
2013	\$ 3,996,491	\$ 358,262	\$ 415,256	\$ 3,939,497	\$ 1,602,471	\$ 2,337,026	\$ 7,455,056
2012	3,996,491	323,061	374,456	3,945,096	3,442,226	502,870	5,118,030
2011	3,641,418	242,747	115,714	3,768,451	2,621,100	1,147,351	4,615,160
2010	3,641,418	100,512	115,714	3,626,216	1,594,299	2,031,917	3,467,809
2009	3,109,164	39,984	-	3,149,148	2,284,452	864,696	1,435,892
2008	3,109,164	-	-	3,109,164	2,537,968	571,196	571,196
Board of Education							
2013	\$ 14,359,874	\$ 1,336,938	\$ 1,550,655	\$ 14,146,157	\$ 7,216,423	\$ 6,929,734	\$ 26,028,847
2012	14,359,874	1,314,336	1,524,438	14,149,772	13,826,883	322,889	19,099,113
2011	11,319,105	892,244	516,870	11,694,479	5,664,604	6,029,875	18,776,224
2010	11,319,105	448,969	516,870	11,251,204	4,918,693	6,332,511	12,746,349
2009	9,127,324	267,341	-	9,394,665	6,799,986	2,594,679	6,413,838
2008	9,127,324	-	-	9,127,324	5,308,165	3,819,159	3,819,159
Total							
2013	\$ 18,356,365	\$ 1,695,200	\$ 1,965,911	\$ 18,085,654	\$ 8,818,894	\$ 9,266,760	\$ 33,483,903
2012	18,356,365	1,637,397	1,898,894	18,094,868	17,269,109	825,759	24,217,143
2011	14,960,523	1,134,991	632,584	15,462,930	8,285,704	7,177,226	23,391,384
2010	14,960,523	549,481	632,584	14,877,420	6,512,992	8,364,428	16,214,158
2009	12,236,488	307,325	-	12,543,813	9,084,438	3,459,375	7,849,730
2008	12,236,488	-	-	12,236,488	7,846,133	4,390,355	4,390,355

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Net Asset Information (all trust funds) – The statement of net position and statement of changes in net position for all County-administered plans are shown below:

	<u>Combining Statement of Plan Net Position</u>				
	<u>Volunteer Fire and Rescue</u>	<u>Sheriff's Pension Plan</u>	<u>Employees Retirement Plan</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
<i>Assets:</i>					
Cash and cash equivalents	\$ 84,813	\$ 1,145,536	\$ 1,202,835	\$ 2,664,657	\$ 5,097,841
Investments at Fair Value					
Fixed income	534,327	12,821,107	12,767,938	7,178,458	33,301,830
Common stocks	-	7,700,236	8,268,893	-	15,969,129
Equity funds	2,003,243	20,964,327	21,599,240	24,215,531	68,782,341
Foreign assets	370,000	7,479,098	7,541,647	7,606,266	22,997,011
Other assets	-	1,734,394	1,985,103	384,765	4,104,262
Total investments at fair value	<u>2,907,570</u>	<u>50,699,162</u>	<u>52,162,821</u>	<u>39,385,020</u>	<u>145,154,573</u>
Total cash, cash equivalents and investments	2,992,383	51,844,698	53,365,656	42,049,677	150,252,414
Interest receivable	1	11,155	11,970	18	23,144
Accounts receivable	-	(430)	-	-	(430)
Total assets	<u>2,992,384</u>	<u>51,855,423</u>	<u>53,377,626</u>	<u>42,049,695</u>	<u>150,275,128</u>
<i>Liabilities</i>					
Total liabilities	<u>7,500</u>	<u>31,348</u>	<u>36,850</u>	<u>21,608</u>	<u>97,306</u>
<i>Net Position held in trust for pension and other post employment benefits</i>					
	<u>\$ 2,984,884</u>	<u>\$ 51,824,075</u>	<u>\$ 53,340,776</u>	<u>\$ 42,028,087</u>	<u>\$ 150,177,822</u>
	<u>Combining Statement of Changes in Plan Net Position</u>				
<i>Additions:</i>					
Contributions					
Plan sponsor	\$ 470,000	\$ 2,770,000	\$ 2,910,000	\$ 2,500,000	\$ 8,650,000
Employee	-	829,502	163,001	-	992,503
Total Contributions	<u>470,000</u>	<u>3,599,502</u>	<u>3,073,001</u>	<u>2,500,000</u>	<u>9,642,503</u>
<i>Investment income/(Loss):</i>					
Net appreciation/(depreciation) in fair value of investments	271,718	5,191,767	5,867,673	3,850,292	15,181,450
Interest and dividends	<u>107,675</u>	<u>1,273,646</u>	<u>1,365,221</u>	<u>1,375,810</u>	<u>4,122,352</u>
Net investment income/(loss)	<u>379,393</u>	<u>6,465,413</u>	<u>7,232,894</u>	<u>5,226,102</u>	<u>19,303,802</u>
Total Additions	849,393	10,064,915	10,305,895	7,726,102	28,946,305
<i>Expenditures:</i>					
Distributions to participants	411,524	1,681,177	2,300,221	-	4,392,922
Administrative expenses	<u>20,295</u>	<u>306,701</u>	<u>290,555</u>	<u>98,933</u>	<u>716,484</u>
Total Expenditures	<u>431,819</u>	<u>1,987,878</u>	<u>2,590,776</u>	<u>98,933</u>	<u>5,109,406</u>
Net increase(decrease)	417,574	8,077,037	7,715,119	7,627,169	23,836,899
<i>Net Position Held in Trust for Pension and Other Post Employment Benefits:</i>					
Beginning of the year	<u>2,567,310</u>	<u>43,747,038</u>	<u>45,625,657</u>	<u>34,400,918</u>	<u>126,340,923</u>
End of the year	<u>\$ 2,984,884</u>	<u>\$ 51,824,075</u>	<u>\$ 53,340,776</u>	<u>\$ 42,028,087</u>	<u>\$ 150,177,822</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

B. Component Unit – Board of Education

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 require 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 the Board are established by annual actuarial valuations using the entry age normal test method. The State's contribution's on behalf of the Board to the Teachers systems for the years ended June 30, 2013, 2012, and 2011 were approximately \$13.5 million, \$17.0 million, and \$17.0 million, respectively.

Annual Required Contributions - For the year ended June 30, 2013, the Board's annual pension cost of \$4,198,294 was equal to its required contribution. The annual required contribution was determined as part of the June 30, 2012 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% to 12.0%, attributable to inflation, (c) post-retirement benefit increases ranging from 1.70% to 3.5% per year depending on the system, and (d) rates of mortality, termination of service, disablement and retirement based on actual experience from 2006 through 2010. 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. Each new layer of UAAL arising subsequent to June 30, 2000 is being amortized in separate annual layers over a 25-year period.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

The Board's annual pension cost for the last three years was:

<u>Fiscal Year Ending June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 4,198,294	100%	-
2012	2,012,647	100%	-
2011	1,654,559	100%	-

Required Supplemental Information

**Schedule of Funding Progress for the
State Retirement and Pension Systems of Maryland**

(expressed in thousands)

<u>Actuarial Valuation Date (June 30)</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2012	\$ 37,248,401	\$ 57,869,145	\$ 20,620,744	64.37%	\$ 10,336,537	199%
2011	36,177,656	55,917,543	19,739,887	64.70%	10,478,800	188%
2010	34,688,346	54,085,081	19,396,735	64.14%	10,657,944	182%

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 their knowledge, the County is in compliance with all state and local laws and ordinances.

The State of Maryland currently allows Maryland citizens who earn personal income in jurisdictions outside Maryland to take a credit against their Maryland personal Income Tax for the income tax paid to other jurisdictions. Maryland has not allowed this credit against Maryland County or Municipal income taxes. A suit was brought against the State, the Wynne Case, asserting that this unequal treatment violated the Federal Commerce Clause. The State lost the case and while it is under appeal, the final outcome will likely result in the State allowing credits against county income taxes with a resulting reduction in annual income tax revenue. The tax law will allow a refund of overpayments for three prior tax years. The State Comptroller has estimated Calvert County's liability to be about \$964,709. This loss was considered probable and measurable and has been recorded in the current year, however a contingent liability above this amount could exist, but at this time it is not considered sufficiently measurable.

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 2013, the County paid premiums of \$566,369 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 four fiscal years.

The County is under a modified retrospective billing arrangement with a commercial insurance carrier to provide group health coverage. Under this arrangement the insurance carrier assesses an initial charge paid by the County through monthly premiums. At the end of the coverage period, there is a settlement of the difference between the billed premium and the actual claims and expenses. A deficiency in the billed premium represents the callable margin, which is owed by the County, up to a maximum of 5%. If the actual claims and expenses are less than the billed premium, the County would be entitled to a refund.

“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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, 2013**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
REVENUES				
Taxes	\$ 215,269,664	\$ 216,419,296	\$ 215,711,905	\$ (707,391)
Licenses and permits	291,400	291,922	307,553	15,631
Intergovernmental	3,804,296	4,026,103	4,014,146	(11,957)
Charges for services	3,346,392	3,426,915	3,415,447	(11,468)
Fines and forfeitures	439,900	515,201	520,964	5,763
Miscellaneous	372,418	4,223,400	373,610	(3,849,790)
Total revenues	<u>223,524,070</u>	<u>228,902,837</u>	<u>224,343,625</u>	<u>(4,559,212)</u>
EXPENDITURES				
General government	17,639,236	18,434,741	17,835,519	599,222
Public safety	26,816,259	28,215,192	27,881,534	333,658
Public works	8,771,947	9,033,045	8,780,146	252,899
Health and hospitals	2,777,240	2,791,740	2,759,922	31,818
Social services	1,648,463	1,777,089	1,732,141	44,948
Education	114,190,853	114,190,853	114,190,853	-
Recreation and culture	10,470,348	10,711,795	10,303,633	408,162
Conservation of natural resources	400,298	405,298	408,211	(2,913)
Urban development and housing	1,441,042	1,467,804	1,407,391	60,413
Economic development	1,242,445	1,248,575	1,148,794	99,781
Pensions and insurance	20,141,725	22,068,728	21,290,423	778,305
<u>Debt service</u>				
Principal retirement	11,563,816	11,563,816	11,654,816	(91,000)
Interest	4,905,066	4,905,066	4,805,625	99,441
Bond refunding expense	-	-	86,574	(86,574)
Total expenditures	<u>222,008,738</u>	<u>226,813,742</u>	<u>224,285,582</u>	<u>2,528,160</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,420,129	1,445,955	1,305,862	(140,093)
Operating transfers out	<u>(2,935,461)</u>	<u>(3,535,050)</u>	<u>(3,141,583)</u>	<u>393,467</u>
Total other financing sources (uses)	<u>(1,515,332)</u>	<u>(2,089,095)</u>	<u>(1,835,721)</u>	<u>253,374</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,777,678)</u>	<u>\$ (1,777,678)</u>

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)	\$ 225,649,487
Transfer adjustment (Library)	(562,897)
Revenue and transfers in (GAAP basis)	<u>\$ 225,086,590</u>
Expenditures and operating transfers out (budgetary basis)	\$ 227,427,165
Encumbrance/accrual adjustment	(1,632,826)
Transfer adjustment (Library)	(562,897)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 225,231,442</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**REQUIRED SUPPLEMENTARY INFORMATION
CALVERT COUNTY MARYLAND POST-EMPLOYMENT BENEFIT PLAN
OTHER POST EMPLOYMENT BENEFITS SCHEDULES
YEAR ENDED JUNE 30, 2013**

A. Schedule of Funding Progress

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
County						
2013	\$ 4,337,978	\$ 36,717,748	\$ 32,379,770	11.81%	\$ 45,606,128	71.00%
2012	4,337,978	36,717,748	32,379,770	11.81%	46,040,730	70.33%
2011	1,199,877	30,562,690	29,362,813	3.93%	45,509,178	64.52%
2010	1,199,877	30,562,690	29,362,813	3.93%	45,551,004	64.46%
2009	-	25,690,319	25,690,319	0.00%	44,955,301	57.15%
2008	-	25,690,319	25,690,319	0.00%	41,639,057	61.70%
Board of Education						
2013	\$ 17,226,681	\$ 139,625,512	\$ 122,398,831	12.34%	\$ 127,857,499	95.73%
2012	17,226,681	139,625,512	122,398,831	12.34%	128,597,253	95.18%
2011	3,522,381	99,455,289	95,932,908	3.54%	129,758,359	73.93%
2010	3,522,381	99,455,289	95,932,908	3.54%	127,698,903	75.12%
2009	-	78,032,239	78,032,239	0.00%	126,633,344	61.62%
2008	-	78,032,239	78,032,239	100.00%	119,957,677	65.05%
Total						
2013	\$ 21,564,659	\$ 176,343,260	\$ 154,778,601	12.23%	\$ 173,463,627	89.23%
2012	21,564,659	176,343,260	154,778,601	12.23%	174,637,983	88.63%
2011	4,722,258	130,017,979	125,295,721	3.63%	175,267,537	71.49%
2010	4,722,258	130,017,979	125,295,721	3.63%	173,249,907	72.32%
2009	-	103,722,558	103,722,558	0.00%	171,588,645	60.45%
2008	-	103,722,558	103,722,558	0.00%	161,596,734	64.19%

B. Schedule of Employer Contributions

	Annual Required Contribution	Pay as You go Payments Plus Contributions	% Contributed	Net OPEB Obligation
<i>Year ended June 30, 2013:</i>				
County	\$ 3,996,491	\$ 1,602,471	40.10%	\$ 7,455,056
Board of Education	14,359,874	7,216,423	50.25%	26,028,847
	<u>\$ 18,356,365</u>	<u>\$ 8,818,894</u>	48.04%	<u>\$ 33,483,903</u>
<i>Year ended June 30, 2012:</i>				
County	\$ 3,996,491	\$ 3,442,226	86.13%	\$ 5,118,030
Board of Education	14,359,874	13,826,883	96.29%	19,099,113
	<u>\$ 18,356,365</u>	<u>\$ 17,269,109</u>	94.08%	<u>\$ 24,217,143</u>
<i>Year ended June 30, 2011:</i>				
County	\$ 3,641,418	\$ 2,621,100	71.98%	\$ 4,615,160
Board of Education	11,319,105	5,664,604	50.04%	18,776,224
	<u>\$ 14,960,523</u>	<u>\$ 8,285,704</u>	55.38%	<u>\$ 23,391,384</u>
<i>Year ended June 30, 2010:</i>				
County	\$ 3,641,418	\$ 1,594,299	43.78%	\$ 3,467,809
Board of Education	11,319,105	4,918,693	43.45%	12,746,349
	<u>\$ 14,960,523</u>	<u>\$ 6,512,992</u>	43.53%	<u>\$ 16,214,158</u>
<i>Year ended June 30, 2009:</i>				
County	\$ 3,109,164	\$ 2,284,452	73.47%	\$ 1,435,892
Board of Education	9,127,324	6,799,986	74.50%	6,413,838
	<u>\$ 12,236,488</u>	<u>\$ 9,084,438</u>	74.24%	<u>\$ 7,849,730</u>
<i>Year ended June 30, 2008:</i>				
County	\$ 3,109,164	\$ 2,537,968	81.63%	\$ 571,196
Board of Education	9,127,324	5,308,165	58.16%	3,819,159
	<u>\$ 12,236,488</u>	<u>\$ 7,846,133</u>	64.12%	<u>\$ 4,390,355</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**REQUIRED SUPPLEMENTARY INFORMATION
CALVERT COUNTY EMPLOYEES RETIREMENT PLAN
PENSION PLAN SCHEDULES
YEAR ENDED JUNE 30, 2013**

A. Schedule of Funding Progress

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$ 52,364,615	\$ 69,734,714	\$ 17,370,099	75.09%	\$ 7,480,753	232.20%
2012	47,684,644	64,920,246	17,235,602	73.45%	8,703,823	198.02%
2011	43,210,780	59,398,290	16,187,510	72.75%	9,466,884	170.99%
2010	38,497,686	55,158,918	16,661,232	69.79%	9,861,976	168.94%
2009	34,593,965	53,007,610	18,413,645	65.26%	10,340,394	178.07%
2008	39,736,110	48,932,199	9,196,089	81.21%	10,470,627	87.83%

B. Schedule of Employer Contributions

Years Ended June 30,	Contribution	Annual Required Contribution	Percentage Contributed
2013	\$ 2,910,000	\$ 2,657,294	109.51%
2012	2,873,160	2,860,148	100.45%
2011	3,090,000	2,873,160	107.55%
2010	2,959,622	3,024,934	97.84%
2009	2,141,454	2,142,802	99.94%
2008	1,662,037	1,662,037	100.00%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**REQUIRED SUPPLEMENTARY INFORMATION
CALVERT COUNTY SHERIFF'S DEPARTMENT
PENSION PLAN SCHEDULES
YEAR ENDED JUNE 30, 2013**

A. Schedule of Funding Progress

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$ 51,435,307	\$ 65,095,243	\$ 13,659,936	79.02%	\$ 11,467,047	119.12%
2012	45,717,410	57,564,334	11,846,924	79.42%	10,817,969	109.51%
2011	40,503,652	54,976,319	14,472,667	73.67%	10,738,433	134.77%
2010	35,424,741	49,354,357	13,929,616	71.78%	10,316,424	135.02%
2009	31,118,948	45,164,336	14,045,388	68.90%	10,027,146	140.07%
2008	35,102,961	41,370,310	6,267,349	84.85%	8,931,278	70.17%

B. Schedule of Employer Contributions

Years Ended June 30,	Contribution	Annual Required Contribution	Percentage Contributed
2013	\$ 2,770,000	\$ 2,537,251	109.17%
2012	2,524,905	2,700,709	93.49%
2011	2,615,000	2,524,905	103.57%
2010	2,511,000	2,564,133	97.93%
2009	1,765,284	1,766,394	99.94%
2008	1,685,214	1,627,076	103.57%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**REQUIRED SUPPLEMENTARY INFORMATION
LENGTH OF SERVICE AWARD PROGRAM
(VOLUNTEER FIRE DEPARTMENTS & RESCUE SQUADS)
PENSION PLAN SCHEDULES
YEAR ENDED JUNE 30, 2013**

A. Schedule of Funding Progress

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2013	\$ 3,052,522	\$ 6,802,216	\$ 3,749,694	44.88%	N/A	N/A
2012	2,762,898	6,110,725	3,347,827	45.21%	N/A	N/A
2011	2,547,402	5,967,750	3,420,348	42.69%	N/A	N/A
2010	2,340,301	5,157,986	2,817,685	45.37%	N/A	N/A
2009	2,228,429	5,050,340	2,821,911	44.12%	N/A	N/A
2008	2,525,943	4,370,000	1,844,057	57.80%	N/A	N/A

B. Schedule of Employer Contributions

Years Ended June 30,	Contribution	Annual Required Contribution	Percentage Contributed
2013	\$ 470,000	\$ 467,519	100.53%
2012	376,549	453,180	83.09%
2011	375,000	376,549	99.59%
2010	299,000	361,168	82.79%
2009	259,000	259,000	100.00%
2008	248,912	248,912	100.00%

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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, 2013**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate levy	\$ 100,880,772	\$ 100,880,772	\$ 101,491,192	\$ 610,420
Personal property levy	200,000	200,000	146,913	(53,087)
Corporation levy	2,500,000	2,500,000	2,147,216	(352,784)
Payment in lieu of tax (PILOT)	19,646,574	19,646,574	19,646,574	-
Public utilities tax	18,100,000	18,100,000	18,678,948	578,948
Additions and abatements	200,000	200,000	(117,213)	(317,213)
Penalties and interest	517,960	517,960	495,788	(22,172)
Tax credit	(1,205,042)	(1,205,042)	(995,501)	209,541
Land preservation credit	(290,000)	(290,000)	(212,015)	77,985
Total Real Estate and Personal Property Taxes	140,550,264	140,550,264	141,281,902	731,638
<u>Other Local Taxes</u>				
Income taxes	64,800,000	65,949,632	64,127,088	(1,822,544)
State budget tax increases	1,703,000	1,703,000	1,703,000	-
Admissions and amusement tax	30,000	30,000	29,720	(280)
Recordation taxes	5,500,000	5,500,000	5,909,376	409,376
Trailer parks	113,000	113,000	237,928	124,928
Hotel tax	810,000	810,000	634,973	(175,027)
Franchise tax	1,170,000	1,170,000	1,274,815	104,815
Total Other Local Taxes	74,126,000	75,275,632	73,916,900	(1,358,732)
<u>Shared State Taxes</u>				
Highway user revenue	593,400	593,400	513,103	(80,297)
Total State Shared Taxes	593,400	593,400	513,103	(80,297)
Total Taxes	215,269,664	216,419,296	215,711,905	(707,391)
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	25,000	25,000	27,386	2,386
Beer, wine, and liquor licenses	135,000	135,000	130,888	(4,112)
Traders	85,000	85,000	95,863	10,863
Junk dealers	-	-	190	190
Hawkers and peddlers	2,000	2,522	2,850	328
Total Business Licenses and Permits	247,000	247,522	257,177	9,655
<u>Other Permits</u>				
Animal licenses	22,000	22,000	21,960	(40)
Code book sales	700	700	551	(149)
Marriage licenses	3,700	3,700	4,705	1,005
Gambling permits	18,000	18,000	23,160	5,160
Total Other Permits	44,400	44,400	50,376	5,976
Total Licenses and Permits	291,400	291,922	307,553	15,631
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	67,104	(15,303)
F.E.M.A. reimbursement	-	176,842	180,206	3,364
Build America Bond Subsidy	110,437	110,437	105,633	(4,804)
Total Federal Grants	192,844	369,686	352,943	(16,743)
<u>State Grants</u>				
State police protection	470,000	470,000	470,600	600
State library	367,000	367,000	367,424	424
State soil conservation	61,191	61,191	61,191	-
State prisoner housing	99,200	70,200	155,745	85,545
State mosquito control	20,000	20,000	20,268	268
State jury reimbursement	15,000	15,000	20,160	5,160
State reimbursement	28,000	28,000	1,353	(26,647)
Other state reimbursement	-	18,608	18,608	-
Total State Grants	1,060,391	1,049,999	1,115,349	65,350

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, 2013**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Other Intergovernmental</u>				
911 Grant	\$ 590,000	\$ 590,000	\$ 586,178	\$ (3,822)
Shore Erosion	26,258	26,258	20,395	(5,863)
Housing Authority	1,139,305	1,164,067	1,133,168	(30,899)
Health department core svcs. reimbursement	126,998	126,998	130,010	3,012
CAASA payroll reimbursement	-	19,291	18,549	(742)
CMM payroll reimbursement - CMM Board of Governors	350,000	354,306	370,754	16,448
CMM payroll reimbursement - CMM Society	290,000	296,998	258,300	(38,698)
SDAT costs paid by the towns	28,500	28,500	28,500	-
Total Other Intergovernmental	2,551,061	2,606,418	2,545,854	(60,564)
Total Intergovernmental Revenues	3,804,296	4,026,103	4,014,146	(11,957)
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	90,000	90,000	91,904	1,904
Chesapeake Beach police reimbursement	706,947	706,947	706,947	-
North Beach police reimbursement	326,503	326,503	326,503	-
Dominion police reimbursement	1,240,000	1,268,807	1,268,807	-
Lab fees	10,000	10,000	10,890	890
Engineering inspections	100,000	100,000	89,743	(10,257)
DWI facility	7,345	7,345	1,445	(5,900)
Detention Center electronic monitor	16,000	16,000	13,891	(2,109)
Detention Center telephone commission	100,000	100,000	108,983	8,983
Detention Center live in/work out	41,000	70,000	37,559	(32,441)
Detention Center sick call	5,000	5,000	-	(5,000)
False alarm fees	2,000	2,000	600	(1,400)
False alarm registration	3,800	3,800	4,800	1,000
Protective inspections	300,000	300,000	290,903	(9,097)
Public safety tower	70,000	70,000	82,198	12,198
Total Public Safety	3,018,595	3,076,402	3,035,173	(41,229)
<u>General Services</u>				
Waterman's Wharf slip fees	4,200	4,200	5,575	1,375
Tennison charters	43,000	43,000	41,513	(1,487)
Flag Pond entrance fees	40,000	40,000	47,252	7,252
Boat ramp fees	6,000	6,000	1,528	(4,472)
Kings Landing camp fees	10,000	10,000	11,533	1,533
P&R self-sustained program	15,000	15,000	-	(15,000)
Total General Services	118,200	118,200	107,401	(10,799)
<u>Public Works</u>				
Road tax districts	75,420	75,420	63,058	(12,362)
Developer street signs	600	600	-	(600)
Utility permit fee	-	-	27,360	27,360
Waterway improvements	6,837	6,837	6,299	(538)
Total Public Works	82,857	82,857	96,717	13,860
<u>Community Resources</u>				
Library - other sources	-	1,650	2,200	550
Library - e-rate	7,000	7,000	5,424	(1,576)
Library - other miscellaneous	-	25,200	31,976	6,776
Library - copying and miscellaneous	46,200	26,000	27,414	1,414
Office on Aging - bus trip revenue	-	13,992	32,344	18,352
Office on Aging - program revenue	6,000	387	4,101	3,714
Office on Aging - senior class revenue	-	7,687	26,471	18,784
Total Community Resources	59,200	81,916	129,930	48,014
<u>Other Charges for Services</u>				
Administration fees semi-annual service charges	27,040	27,040	27,040	-
Rents and concessions	40,000	40,000	19,032	(20,968)
Map sales	500	500	154	(346)
Total Other Charges for Services	67,540	67,540	46,226	(21,314)
Total Charges for Services	3,346,392	3,426,915	3,415,447	(11,468)

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, 2013**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	\$ 30,000	\$ 30,000	\$ 40,376	\$ 10,376
CP&B administration planting bond	4,500	4,666	1,733	(2,933)
CP&B tower fees	500	500	4,650	4,150
Board of Appeals application fees	20,000	20,000	8,998	(11,002)
CP&B replatting fees	4,000	4,000	3,660	(340)
Total General Government	59,000	59,166	59,417	251
<u>Other Fines, Fees, and Forfeitures</u>				
Domestic master fees	800	800	694	(106)
Community service programs	25,000	25,000	28,550	3,550
Criminal court fines	9,000	9,000	7,766	(1,234)
Home study fees	10,000	10,000	13,848	3,848
Animal citation fines	7,000	7,000	6,910	(90)
State's attorney fees	6,500	11,078	9,472	(1,606)
State's attorney forfeiture	15,000	8,174	8,424	250
Sheriff's operating forfeiture	-	77,383	77,383	-
Grant Coordinator administration fee	150,000	150,000	164,017	14,017
Election Office filing fees	-	-	460	460
Auto license fees	2,600	2,600	2,224	(376)
Library fines	135,000	135,000	128,459	(6,541)
Zoning fees	20,000	20,000	13,340	(6,660)
Total Other Fines, Fees, and Forfeitures	380,900	456,035	461,547	5,512
Total Fines, Fees, and Forfeitures	439,900	515,201	520,964	5,763
<u>Investment Revenue</u>				
Interest and dividends	250,000	250,000	68,937	(181,063)
Interest on notes	-	-	9,766	9,766
Appreciation of investment	-	-	(33,757)	(33,757)
Total Investment Revenue	250,000	250,000	44,946	(205,054)
<u>Reimbursements</u>				
Salary reimbursement	35,000	43,899	93,845	49,946
Battle Creek salary reimbursement	7,418	7,418	8,355	937
Health insurance reimbursement	-	15,600	107,981	92,381
Circuit ct. clerks office reimbursements	-	-	4,351	4,351
Total Reimbursements	42,418	66,917	214,532	147,615
<u>Other Revenue</u>				
Appropriation of fund balance	-	3,810,797	-	(3,810,797)
Private contributions	-	500	500	-
Miscellaneous income	80,000	95,186	113,632	18,446
Total Other Revenue	80,000	3,906,483	114,132	(3,792,351)
Total Revenue	223,524,070	228,902,837	224,343,625	(4,559,212)
<u>Other financing sources</u>				
Transfer from Board of Education - Resident Trooper	150,036	172,362	172,362	-
Transfer from Board of Education - Sheriff's Office	-	-	100,000	100,000
Transfer from BOE wireless	30,000	30,000	30,000	-
Transfer from Affordable Housing	240,093	240,093	-	(240,093)
Transfer from Chesapeake Hills Golf Course	-	-	-	-
Transfer from P&R self sustaining fund	-	3,500	3,500	-
Transfer from Excise Tax fund	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	1,420,129	1,445,955	1,305,862	(140,093)
Total Revenue and Other Financing Sources	\$ 224,944,199	\$ 230,348,792	\$ 225,649,487	\$ (4,699,305)

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
General Government				
<u>County Commissioners</u>				
Salaries	\$ 249,046	\$ 249,046	\$ 244,019	\$ 5,027
Operating expense	41,995	39,095	34,199	4,896
Contracted services	-	1,700	1,356	344
Total County Commissioners	291,041	289,841	279,574	10,267
<u>Clerk to Commissioners</u>				
Salaries	60,952	62,952	76,609	(13,657)
Operating expense	2,050	1,580	214	1,366
Contracted services	-	470	-	470
Total Clerk to Commissioners	63,002	65,002	76,823	(11,821)
<u>County Administrator</u>				
Salaries	217,985	219,985	226,252	(6,267)
Operating expense	9,730	16,680	15,213	1,467
Contracted services	-	2,000	2,000	-
Total County Administrator	227,715	238,665	243,465	(4,800)
<u>Technology Services</u>				
Salaries	1,323,354	1,349,634	1,345,347	4,287
Operating expense	128,055	128,055	119,211	8,844
Contracted services	794,608	790,328	764,480	25,848
Capital outlay	337,975	337,975	320,783	17,192
Total Technology Services	2,583,992	2,605,992	2,549,821	56,171
<u>Circuit Court</u>				
Salaries	499,782	513,782	537,951	(24,169)
Operating expense	81,664	85,398	70,174	15,224
Contracted services	80,414	68,674	44,837	23,837
Capital outlay	5,100	13,106	13,096	10
Total Circuit Court	666,960	680,960	666,058	14,902
<u>Orphans' Court</u>				
Salaries	26,450	26,450	26,450	-
Operating expense	1,450	1,450	291	1,159
Total Orphans' Court	27,900	27,900	26,741	1,159
<u>State's Attorney</u>				
Salaries	1,366,696	1,411,681	1,426,441	(14,760)
Operating expense	97,285	107,269	98,738	8,531
Contracted services	23,774	23,774	19,897	3,877
Capital outlay	-	20,768	20,366	402
Total State's Attorney	1,487,755	1,563,492	1,565,442	(1,950)
<u>Grand Jury</u>				
Salary and operating expense	5,000	5,000	4,860	140
<u>Personnel</u>				
Salaries	498,357	506,857	507,681	(824)
Operating expense	58,725	53,725	33,416	20,309
Tuition program	35,000	35,000	30,358	4,642
Contracted services	71,939	101,939	98,679	3,260
Capital outlay	-	10,000	9,780	220
Total Personnel	664,021	707,521	679,914	27,607

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Elections</u>				
Salaries	\$ 304,256	\$ 309,356	\$ 315,173	\$ (5,817)
Operating expense	61,353	64,253	53,487	10,766
Contracted services	114,900	114,900	98,653	16,247
Election judges	43,700	41,700	38,550	3,150
Capital outlay	500	500	130	370
Total Elections	524,709	530,709	505,993	24,716
<u>Finance and Budget</u>				
Salaries	1,393,383	1,416,883	1,406,416	10,467
Operating expense	89,299	88,917	71,694	17,223
Contracted services	150,000	149,612	143,711	5,901
Capital outlay	-	1,293	1,300	(7)
Total Finance and Budget	1,632,682	1,656,705	1,623,121	33,584
<u>Treasury</u>				
Salaries	308,457	317,121	316,062	1,059
Operating expense	44,060	37,235	35,847	1,388
Contracted services	17,850	22,011	22,664	(653)
Total Treasury	370,367	376,367	374,573	1,794
<u>Independent Accounting and Auditing</u>				
	80,275	80,275	75,285	4,990
<u>County Attorney</u>				
Salaries	274,720	277,720	273,469	4,251
Operating expense	25,140	24,510	17,838	6,672
Contracted services	33,000	265,842	250,750	15,092
Capital outlay	-	630	630	-
Total County Attorney	332,860	568,702	542,687	26,015
<u>Community Planning and Building</u>				
Salaries	1,060,425	1,096,425	1,115,362	(18,937)
Operating expense	53,021	58,021	52,973	5,048
Contracted services	27,850	121,082	120,920	162
Capital outlay	13,600	36,751	36,762	(11)
Total Community Planning and Building	1,154,896	1,312,279	1,326,017	(13,738)
<u>Planning Commission</u>				
Salaries	652,715	661,715	613,624	48,091
Operating expense	92,167	92,533	85,748	6,785
Contracted services	54,000	48,450	46,445	2,005
Total General Services	798,882	802,698	745,817	56,881
<u>General Services</u>				
Salaries	305,519	330,518	313,687	16,831
Operating expense	33,294	38,320	26,771	11,549
Total General Services	338,813	368,838	340,458	28,380
<u>Buildings and Grounds</u>				
Salaries	1,306,158	1,462,976	1,600,189	(137,213)
Operating expense	927,394	921,404	839,241	82,163
Utilities	1,271,097	1,212,955	920,777	292,178
Maintenance and repair projects	567,160	581,860	566,647	15,213
Contracted services	546,859	544,134	472,391	71,743
Capital outlay	25,000	53,900	45,942	7,958
Total Buildings and Grounds	4,643,668	4,777,229	4,445,187	332,042

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Other General Government</u>				
Maryland Association of Counties	\$ 17,000	\$ 17,000	\$ 16,987	\$ 13
Commission for Women	3,895	3,895	3,749	146
Environmental Commission	3,866	4,366	2,619	1,747
MD State Dept. of Assessments	630,723	651,735	651,736	(1)
Non-county agencies	1,089,214	1,099,570	1,088,592	10,978
Total Other General Government	1,744,698	1,776,566	1,763,683	12,883
Total General Government	17,639,236	18,434,741	17,835,519	599,222
Public Safety				
<u>Public Safety</u>				
Salaries	146,906	148,906	153,163	(4,257)
Operating expense	61,511	68,900	55,381	13,519
Contracted services	10,380	3,101	2,654	447
Capital outlay	7,000	7,000	6,284	716
Total Public Safety	225,797	227,907	217,482	10,425
<u>Transportation Chief</u>				
Salaries	134,599	150,945	151,842	(897)
Operating expense	36,331	36,546	23,297	13,249
Transportation subsidy	50,000	50,000	38,579	11,421
Contracted services	37,460	37,460	16,924	20,536
Total Transportation Chief	258,390	274,951	230,642	44,309
<u>Sheriff's Office</u>				
Salaries	9,624,877	9,792,335	10,050,291	(257,956)
Operating expense	838,104	862,576	860,973	1,603
Vehicle supplies and repairs	779,734	915,734	904,818	10,916
Contracted services	70,270	107,293	103,094	4,199
Capital outlay	-	532,790	532,745	45
Total Sheriff's Office	11,312,985	12,210,728	12,451,921	(241,193)
<u>Control Center</u>				
Salaries	1,747,748	1,809,908	1,663,009	146,899
Operating expense	152,064	153,051	140,153	12,898
Radio maintenance	273,202	270,202	270,063	139
Contracted services	313,223	316,223	315,488	735
Capital outlay	10,655	10,655	6,133	4,522
Total Control Center	2,496,892	2,560,039	2,394,846	165,193
<u>Resident Trooper Program</u>	192,434	214,760	214,760	-
<u>Volunteer Fire Companies & Rescue Squads</u>				
Operating expense	2,086,130	2,202,968	2,193,164	9,804
Insurance	820,000	824,576	815,430	9,146
Capital outlay	148,600	146,435	145,526	909
Total Volunteer Fire Companies & Rescue Squads	3,054,730	3,173,979	3,154,120	19,859
<u>Detention Center</u>				
Salaries	4,981,536	5,130,376	5,182,981	(52,605)
Operating expense	247,552	284,840	254,914	29,926
Utilities	524,700	524,700	379,675	145,025
Inmate care	120,763	120,763	100,042	20,721
Food	350,852	350,852	350,852	-
Contracted services	589,698	553,744	515,245	38,499
Capital outlay	61,315	117,054	116,419	635
Total Detention Center	6,876,416	7,082,329	6,900,128	182,201

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Inspections and Permits</u>				
Salaries	\$ 739,585	\$ 752,585	\$ 703,949	\$ 48,636
Operating expense	59,100	27,203	21,688	5,515
Vehicle supplies and repair	-	23,100	23,943	(843)
Contracted services	48,405	48,405	48,405	-
Capital outlay	-	32,797	32,673	124
Total Inspections and Permits	<u>847,090</u>	<u>884,090</u>	<u>830,658</u>	<u>53,432</u>
<u>Residential Substance Abuse Treatment</u>				
Contracted services	<u>159,200</u>	<u>159,200</u>	<u>145,955</u>	<u>13,245</u>
Total Residential Substance Abuse Treatment	<u>159,200</u>	<u>159,200</u>	<u>145,955</u>	<u>13,245</u>
<u>Emergency Management</u>				
Salaries	155,665	160,665	166,679	(6,014)
Operating expense	37,120	42,016	37,393	4,623
Contracted services	29,781	30,131	29,966	165
Capital outlay	-	669	632	37
Total Emergency Management	<u>222,566</u>	<u>233,481</u>	<u>234,670</u>	<u>(1,189)</u>
<u>Liquor Board</u>				
Salaries	24,720	24,720	23,420	1,300
Operating expense	700	1,096	1,168	(72)
Contracted services	25,000	34,412	35,674	(1,262)
Total Liquor Board	<u>50,420</u>	<u>60,228</u>	<u>60,262</u>	<u>(34)</u>
<u>Fire, Rescue, and Emergency Services</u>				
Salaries	233,337	237,337	241,766	(4,429)
Operating expense	175,062	183,750	161,533	22,217
Contracted services	62,830	54,174	50,641	3,533
Capital outlay	23,500	23,500	22,699	801
Total Fire, Rescue, and Emergency Services	<u>494,729</u>	<u>498,761</u>	<u>476,639</u>	<u>22,122</u>
<u>Animal Control</u>				
Salaries	316,610	326,308	323,636	2,672
Operating expense	31,650	22,926	21,524	1,402
Vehicle supplies and repairs	45,600	45,600	41,577	4,023
Contracted services	230,750	238,750	181,559	57,191
Capital outlay	-	1,155	1,155	-
Total Animal Control	<u>624,610</u>	<u>634,739</u>	<u>569,451</u>	<u>65,288</u>
Total Public Safety	<u>26,816,259</u>	<u>28,215,192</u>	<u>27,881,534</u>	<u>333,658</u>
Public Works				
<u>Engineering Services</u>				
Salaries	1,050,946	1,099,320	1,118,404	(19,084)
Operating expense	71,669	69,309	61,047	8,262
Contracted services	52,497	80,355	80,086	269
Capital outlay	-	3,802	3,802	-
Total Engineering Services	<u>1,175,112</u>	<u>1,252,786</u>	<u>1,263,339</u>	<u>(10,553)</u>
<u>Highway Lighting</u>				
Operating expense	<u>261,250</u>	<u>261,250</u>	<u>257,351</u>	<u>3,899</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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Highway Maintenance</u>				
Salaries	\$ 1,630,397	\$ 1,686,259	\$ 1,632,766	\$ 53,493
Operating expense	57,934	75,392	59,732	15,660
Vehicle supplies and repairs	351,000	371,917	367,409	4,508
Utilities	23,500	23,500	15,320	8,180
Road maintenance and repairs	502,508	504,781	464,389	40,392
Paving	2,838,782	2,838,782	2,838,588	194
Snow removal contractors	412,250	299,549	306,900	(7,351)
Rental service contract	180,000	185,950	185,843	107
Contracted services	205,554	205,799	205,718	81
Capital outlay	-	140,475	131,559	8,916
Total Highway Maintenance	<u>6,201,925</u>	<u>6,332,404</u>	<u>6,208,224</u>	<u>124,180</u>
<u>Fleet Maintenance</u>				
Salaries	558,881	600,913	477,554	123,359
Operating expense	19,665	18,599	14,628	3,971
Vehicle supplies and repairs	28,850	28,850	11,733	17,117
Utilities	29,230	29,230	28,292	938
Contracted services	17,500	22,479	22,473	6
Total Fleet Maintenance	<u>654,126</u>	<u>700,071</u>	<u>554,680</u>	<u>145,391</u>
<u>Project Management and Inspections</u>				
Salaries	442,574	449,574	451,815	(2,241)
Operating expense	18,800	12,600	8,486	4,114
Vehicle supplies and repairs	18,160	24,360	36,251	(11,891)
Total Project Management and Inspections	<u>479,534</u>	<u>486,534</u>	<u>496,552</u>	<u>(10,018)</u>
Total Public Works	<u>8,771,947</u>	<u>9,033,045</u>	<u>8,780,146</u>	<u>252,899</u>
Health and Hospitals				
<u>Health Department</u>				
Salaries	144,681	112,435	111,666	769
Operating expense	2,423,116	2,463,362	2,463,611	(249)
Total Health Department	<u>2,567,797</u>	<u>2,575,797</u>	<u>2,575,277</u>	<u>520</u>
<u>Mosquito Control</u>				
Salaries	138,106	140,106	114,954	25,152
Operating expense	22,217	28,217	22,131	6,086
Chemicals	28,640	27,820	27,814	6
Contracted services	6,000	4,500	4,476	24
Capital outlay	14,480	15,300	15,270	30
Total Mosquito Control	<u>209,443</u>	<u>215,943</u>	<u>184,645</u>	<u>31,298</u>
Total Health and Hospitals	<u>2,777,240</u>	<u>2,791,740</u>	<u>2,759,922</u>	<u>31,818</u>
Social Services				
<u>Community Resources</u>				
Salaries	287,085	309,215	310,848	(1,633)
Operating expense	32,997	35,658	34,210	1,448
Contracted services	2,384	2,384	675	1,709
Total Community Resources	<u>322,466</u>	<u>347,257</u>	<u>345,733</u>	<u>1,524</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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Department of Social Services</u>				
County contribution	\$ 64,982	\$ 64,982	\$ 64,967	\$ 15
<u>Pauper's Burial</u>	1,000	1,000	-	1,000
<u>Office on Aging</u>				
Salaries	1,143,918	1,231,677	1,209,248	22,429
Operating expense	94,084	102,173	85,422	16,751
Contracted services	22,013	30,000	26,771	3,229
Total Office on Aging	1,260,015	1,363,850	1,321,441	42,409
Total Social Services	1,648,463	1,777,089	1,732,141	44,948
Education				
College of Southern Maryland	3,906,429	3,906,429	3,906,429	-
Board of Education	110,284,424	110,284,424	110,284,424	-
Total Education	114,190,853	114,190,853	114,190,853	-
Recreation and Culture				
<u>Parks and Recreation</u>				
Salaries	2,686,846	2,738,132	2,601,804	136,328
Operating expense	408,517	423,982	382,473	41,509
Utilities	177,791	177,791	138,213	39,578
Maintenance and repair projects	85,000	84,900	76,210	8,690
Contracted services	138,000	122,700	69,343	53,357
Capital outlay	-	24,670	22,519	2,151
Total Parks and Recreation	3,496,154	3,572,175	3,290,562	281,613
<u>Railway Museum</u>				
Salaries	97,807	99,807	96,465	3,342
Operating expense	10,195	7,125	7,045	80
Utilities	6,412	5,412	3,473	1,939
Contracted services	26,046	28,816	28,767	49
Capital outlay	1,375	2,675	1,293	1,382
Total Railway Museum	141,835	143,835	137,043	6,792
<u>Marine Museum</u>				
Salaries	1,973,110	2,029,110	1,974,882	54,228
Operating expense	193,653	218,240	209,442	8,798
Utilities	198,416	176,548	142,908	33,640
Maintenance and repair projects	22,091	25,821	25,774	47
Contracted services	56,347	52,153	50,818	1,335
Capital outlay	6,791	20,791	20,033	758
Total Marine Museum	2,450,408	2,522,663	2,423,857	98,806
<u>Public Libraries</u>				
Salaries	2,345,486	2,390,486	2,386,099	4,387
Operating expense	1,148,935	1,155,585	1,149,000	6,585
Contracted services	80,060	80,060	74,841	5,219
Capital outlay	31,490	31,490	31,490	-
Total Public Libraries	3,605,971	3,657,621	3,641,430	16,191

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Natural Resources Division</u>				
Salaries	\$ 620,905	\$ 658,381	\$ 668,453	\$ (10,072)
Operating expense	62,625	66,415	64,249	2,166
Utilities	43,450	35,125	28,224	6,901
Maintenance and repair projects	6,000	2,918	1,162	1,756
Contracted services	8,000	6,812	4,327	2,485
Capital outlay	35,000	45,850	44,326	1,524
Total Natural Resources Division	775,980	815,501	810,741	4,760
Total Recreation and Culture	10,470,348	10,711,795	10,303,633	408,162
Conservation of Natural Resources				
<u>Agricultural Extension Service</u>				
Operating expense	85,979	85,979	84,002	1,977
Total Agricultural Extension Service	85,979	85,979	84,002	1,977
<u>Soil Conservation Service</u>				
Salaries	290,108	295,108	300,083	(4,975)
Operating expense	3,426	3,426	3,341	85
Total Soil Conservation Service	293,534	298,534	303,424	(4,890)
<u>Forestry</u>				
Operating expense	20,785	20,785	20,785	-
Total Conservation of Natural Resources	400,298	405,298	408,211	(2,913)
Urban Development and Housing				
<u>Housing</u>				
Salaries	857,278	875,620	858,426	17,194
Operating expense	385,775	392,195	378,488	13,707
Total Housing	1,243,053	1,267,815	1,236,914	30,901
<u>Historical District Commission</u>				
Salaries	4,623	4,623	4,314	309
Operating expense	3,397	3,397	1,501	1,896
Contracted services	6,600	6,600	6,600	-
Total Historical District Commission	14,620	14,620	12,415	2,205
<u>Board of Appeals</u>				
Salaries	122,413	124,413	124,734	(321)
Operating expense	12,200	12,200	2,958	9,242
Contracted services	23,756	23,756	9,195	14,561
Honorarium	25,000	25,000	21,175	3,825
Total Board of Appeals	183,369	185,369	158,062	27,307
Total Urban Development and Housing	1,441,042	1,467,804	1,407,391	60,413

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, 2013**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Economic Development				
<u>EDA/EDC/Tourism</u>				
Salaries	\$ 729,869	\$ 741,869	\$ 737,631	\$ 4,238
Operating expense	105,716	113,150	92,962	20,188
Advertising	252,325	196,585	126,726	69,859
Chamber of Commerce	103,535	103,535	103,535	-
Small Business Development Center	20,400	20,400	20,400	-
Contracted services	30,600	71,533	66,038	5,495
Capital outlay	-	1,503	1,502	1
Total Economic Development	1,242,445	1,248,575	1,148,794	99,781
Pension and Insurance				
Pension contribution	9,593,621	9,862,160	9,102,495	759,665
Workmen's' compensation	1,550,000	1,125,164	1,656,458	(531,294)
General insurance	753,000	723,000	531,827	191,173
Health insurance	7,511,000	7,784,938	7,499,643	285,295
Other post employment benefits (OPEB)	-	2,500,000	2,500,000	-
Contingency	734,104	73,466	-	73,466
Total Pension and Insurance	20,141,725	22,068,728	21,290,423	778,305
Debt service				
<u>Bond principal retirement</u>				
General obligations	11,563,816	11,563,816	11,654,816	(91,000)
<u>Bond interest</u>				
General obligations	4,905,066	4,905,066	4,805,625	99,441
<u>Bond expense</u>				
Debt refunding expense	-	-	86,574	(86,574)
Total Debt Service	16,468,882	16,468,882	16,547,015	(78,133)
Total expenditures	222,008,738	226,813,742	224,285,582	2,528,160
Other financing uses				
<u>Operating transfers out</u>				
Transfer to Capital Projects Fund	-	92,751	92,751	-
Transfer to Grants Fund	1,736,406	1,766,487	1,516,390	250,097
Transfer to P&R Self-Sustaining	402,055	402,055	269,985	132,070
Transfer to Land Preservation	607,000	1,022,757	1,022,757	-
Transfer to Chesapeake Hills Golf Course	160,000	160,000	148,700	11,300
Transfer to Water and Sewer	-	-	-	-
Transfer to Solid Waste	30,000	91,000	91,000	-
Total other financing uses	2,935,461	3,535,050	3,141,583	393,467
Total expenditures and other financing uses	\$ 224,944,199	\$ 230,348,792	\$ 227,427,165	\$ 2,921,627

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

NONMAJOR FUNDS & OTHER SCHEDULES
JUNE 30, 2013

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund	Economic Development Authority Revolving Loan Fund
ASSETS						
Cash, cash equivalents and investments	\$ 30,946	\$ 39,829	\$ -	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	25,000	-	-	-
Notes receivable	-	-	-	-	-	79,895
Accrued interest receivable	-	-	-	-	-	-
Due from other funds	1,601,196	48,028	448,979	30,108	12,100	246,182
Inventory	17,033	13,430	-	-	-	-
Total assets	<u>\$ 1,649,175</u>	<u>\$ 101,287</u>	<u>\$ 473,979</u>	<u>\$ 30,108</u>	<u>\$ 12,100</u>	<u>\$ 326,077</u>
LIABILITIES						
Vouchers and accounts payable	259,714	161,387	449,444	19,673	-	-
Notes payable	71,600	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to state	-	-	-	-	-	-
Deferred revenue	138,497	-	-	-	-	-
Total liabilities	<u>469,811</u>	<u>161,387</u>	<u>449,444</u>	<u>19,673</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	36,805	-	-	-	-	-
Committed	1,142,559	-	24,535	10,435	12,100	326,077
Assigned	-	-	-	-	-	-
Unassigned	-	(60,100)	-	-	-	-
Total fund balances	<u>1,179,364</u>	<u>(60,100)</u>	<u>24,535</u>	<u>10,435</u>	<u>12,100</u>	<u>326,077</u>
Total liabilities and fund balances	<u>\$ 1,649,175</u>	<u>\$ 101,287</u>	<u>\$ 473,979</u>	<u>\$ 30,108</u>	<u>\$ 12,100</u>	<u>\$ 326,077</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustee for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ 7,041,167	\$ 10,244	\$ 7,122,186
-	-	-	825,256	-	-	825,256
83,648	1,029,729	-	-	-	-	1,138,377
-	-	125,763	-	-	-	205,658
-	-	-	-	-	-	-
84,876	284,120	183,790	4,215,763	2,707,371	-	9,862,513
-	-	-	-	-	-	30,463
<u>\$ 168,524</u>	<u>\$ 1,313,849</u>	<u>\$ 309,553</u>	<u>\$ 5,041,019</u>	<u>\$ 9,748,538</u>	<u>\$ 10,244</u>	<u>\$ 19,184,453</u>
130,721	813,069	-	-	-	-	1,834,008
-	-	-	-	-	-	71,600
-	-	-	-	-	-	-
-	-	-	-	63,318	-	63,318
37,803	371,732	-	815,598	-	-	1,363,630
<u>168,524</u>	<u>1,184,801</u>	<u>-</u>	<u>815,598</u>	<u>63,318</u>	<u>-</u>	<u>3,332,556</u>
-	-	-	-	9,264,806	-	9,264,806
-	129,048	-	-	420,414	-	586,267
-	-	309,553	4,225,421	-	-	6,050,680
-	-	-	-	-	10,244	10,244
-	-	-	-	-	-	(60,100)
<u>-</u>	<u>129,048</u>	<u>309,553</u>	<u>4,225,421</u>	<u>9,685,220</u>	<u>10,244</u>	<u>15,851,897</u>
<u>\$ 168,524</u>	<u>\$ 1,313,849</u>	<u>\$ 309,553</u>	<u>\$ 5,041,019</u>	<u>\$ 9,748,538</u>	<u>\$ 10,244</u>	<u>\$ 19,184,453</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund	Economic Development Authority Revolving Loan Fund
REVENUE						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	994,299	718,858	-	-	-	-
Fines and forfeitures	-	-	5,418	23,771	-	-
Miscellaneous	1,404,917	-	92,409	40,674	-	3,241
Total revenue	2,399,216	718,858	97,827	64,445	-	3,241
EXPENDITURES						
Salaries and fringe benefits	1,200,105	524,435	49,325	43,285	-	-
Education and miscellaneous	1,343,735	343,792	70,086	42,987	-	-
Total expenditures	2,543,840	868,227	119,411	86,272	-	-
Excess (deficiency) of revenue over (under) expenditures	(144,624)	(149,369)	(21,584)	(21,827)	-	3,241
OTHER FINANCING SOURCES (USES)						
Operating transfer in	269,985	148,700	-	-	-	-
Operating transfer out	(246,366)	-	-	-	-	-
Capital transfer out	-	-	-	-	-	-
Total other financing sources (uses)	23,619	148,700	-	-	-	-
Net change in fund balance	(121,005)	(669)	(21,584)	(21,827)	-	3,241
Fund balance - beginning of year	1,300,369	(59,431)	46,119	32,262	12,100	322,836
Fund balance - end of year	\$ 1,179,364	\$ (60,100)	\$ 24,535	\$ 10,435	\$ 12,100	\$ 326,077

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustee for Calvert County	Total
\$ -	\$ -	\$ -	\$ 3,117,154	\$ -	\$ -	\$ 3,117,154
-	4,623,265	-	-	1,314,876	665,912	6,604,053
-	-	-	-	-	-	1,713,157
-	-	-	-	-	128,459	157,648
513,168	559,196	1,329	7,022	-	94,135	2,716,091
513,168	5,182,461	1,329	3,124,176	1,314,876	888,506	14,308,103
85,741	2,643,220	-	-	-	3,398,445	7,944,556
427,427	4,056,508	-	134,523	1,803,374	576,965	8,799,397
513,168	6,699,728	-	134,523	1,803,374	3,975,410	16,743,953
-	(1,517,267)	1,329	2,989,653	(488,498)	(3,086,904)	(2,435,850)
-	1,516,390	-	-	1,022,757	3,082,264	6,040,096
-	-	-	(4,837,100)	-	-	(5,083,466)
-	-	-	-	-	-	-
-	1,516,390	-	(4,837,100)	1,022,757	3,082,264	956,630
-	(877)	1,329	(1,847,447)	534,259	(4,640)	(1,479,220)
-	129,925	308,224	6,072,868	9,150,961	14,884	17,331,117
\$ -	\$ 129,048	\$ 309,553	\$ 4,225,421	\$ 9,685,220	\$ 10,244	\$ 15,851,897

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

STATEMENT OF NET POSITION

JUNE 30, 2013

	Operating Fund
ASSETS	
Cash, cash equivalents and investments	\$ 1,765,357
Notes receivable	36,417
Accrued interest receivable	2,715
Due from primary government	157,808
Capital assets (not being depreciated)	22,191
Total assets	<u>\$ 1,984,488</u>
LIABILITIES	
Deferred revenue	<u>\$ -</u>
Total liabilities	<u>-</u>
NET POSITION	
Invested in capital assets, net of related debt	22,191
Unrestricted	1,962,297
Total net position	<u>\$ 1,984,488</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2013

	Operating Fund
	<hr/>
<u>Operating revenue:</u>	
Charges for services	\$ 1,526
Miscellaneous income	-
Total operating revenue	<hr/> 1,526 <hr/>
 <u>Operating expenses:</u>	
Contracted services	1,134
Miscellaneous	-
Total operating expenses	<hr/> 1,134 <hr/>
 Operating income (loss)	 <hr/> 392 <hr/>
 <u>Non-operating revenue (expenses):</u>	
Investment income	7,024
Investment expense	(383)
Total non-operating revenue (expenses)	<hr/> 6,641 <hr/>
 Change in net position	 7,033
 Total net position - beginning	 <hr/> 1,977,455 <hr/>
Total net position - ending	 \$ 1,984,488 <hr/> <hr/>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

	Operating Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Note receipts from customers	\$ 8,710
Interest receipts from customers	1,526
Payments from (to) primary government	(7,939)
Payments to suppliers	(1,134)
	<hr/>
Net cash provided by (used in) operating activities	1,163
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	6,724
Investment expenses	(383)
Adjustment to market value	-
	<hr/>
Net cash provided by (used in) investing activities	6,341
	<hr/>
Increase in cash and cash equivalents	7,504
	<hr/>
Cash and cash equivalents, beginning of year	1,757,853
	<hr/>
Cash and cash equivalents, end of year	\$ 1,765,357
	<hr/> <hr/>
PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ 392
Adjustments to reconcile operating income (loss) to	
<u>Net cash provided by (used in) operating activities</u>	
<u>Changes in assets and liabilities</u>	
Notes receivable	8,710
Due from primary government	(7,939)
Deferred revenue	-
Accounts payable	-
	<hr/>
Net cash provided by (used in) operating activities	\$ 1,163
	<hr/> <hr/>
Reconciliation of cash and cash equivalents to the balance sheet:	
Cash and investments, unrestricted	\$ -
Cash and investments, restricted	1,765,357
	<hr/>
	1,765,357
Less - noncash equivalent investments	-
	<hr/>
Cash and cash equivalents	\$ 1,765,357
	<hr/> <hr/>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2013**

	<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	\$ 2,061,914	\$ 4,264,053	\$ 80,668	\$ -	\$ 6,406,635
<u>Operating expenses</u>					
Salaries & benefits	526,016	695,351	51,624	845,596	2,118,587
Contracted services	85,298	504,929	25,459	22,843	638,529
Supplies	118,142	127,699	4,048	23,670	273,559
Heat, light and power	175,038	382,365	-	-	557,403
Depreciation	858,590	1,390,141	-	38,026	2,286,757
Miscellaneous	10,327	329	-	30,396	41,052
Telephone	2,017	5,240	771	6,132	14,160
Compensated absences	15,496	11,281	4,632	17,628	49,037
Maintenance and repairs	250,671	252,043	4,712	12,676	520,102
Capital outlay	11,040	116,171	50	6,238	133,499
Total operating expenses	<u>2,052,635</u>	<u>3,485,549</u>	<u>91,296</u>	<u>1,003,205</u>	<u>6,632,685</u>
Operating income (loss)	<u>9,279</u>	<u>778,504</u>	<u>(10,628)</u>	<u>(1,003,205)</u>	<u>(226,050)</u>
<u>Non-operating revenue (expenses)</u>					
Deferred amount on refunding	(1,180)	(22,166)	-	-	(23,346)
Miscellaneous income	30,578	4,497	-	15,263	50,338
FEMA grant reimbursement	7,357	39,499	-	22,898	69,754
Tower revenue	155,651	-	-	-	155,651
Investment income	23,000	50,215	-	5,499	78,714
Interest expense	(135,986)	(309,071)	-	-	(445,057)
Administrative allocation	(589,190)	(364,078)	(6,277)	959,545	-
Total non-operating revenue (expenses)	<u>(509,770)</u>	<u>(601,104)</u>	<u>(6,277)</u>	<u>1,003,205</u>	<u>(113,946)</u>
Income (loss) before contributions and transfers	(500,491)	177,400	(16,905)	-	(339,996)
<u>Transfers</u>					
Transfers in (out)	-	-	-	-	-
Capital connection charges	233,867	402,000	-	-	635,867
Developer contribution	-	251,509	-	-	251,509
Change in net position	(266,624)	830,909	(16,905)	-	547,380
Total net position - beginning	<u>5,994,995</u>	<u>15,833,995</u>	<u>-</u>	<u>1,999,832</u>	<u>23,828,822</u>
Total net position - ending	<u>\$ 5,728,371</u>	<u>\$ 16,664,904</u>	<u>\$ (16,905)</u>	<u>\$ 1,999,832</u>	<u>\$ 24,376,202</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Tax Redemption Fund				
Assets				
Cash	\$ 94,396	\$ 622,835	\$ (631,019)	\$ 86,212
Accounts receivable	6,186	-	-	6,186
Total assets	<u>\$ 100,582</u>	<u>\$ 622,835</u>	<u>\$ (631,019)</u>	<u>\$ 92,398</u>
Liabilities				
Accounts payable	\$ 100,582	\$ 622,835	\$ (631,019)	\$ 92,398
Total liabilities	<u>\$ 100,582</u>	<u>\$ 622,835</u>	<u>\$ (631,019)</u>	<u>\$ 92,398</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF NOTES RECEIVABLE - VOLUNTEER FIRE DEPARTMENTS
AND RESCUE SQUADS - GENERAL FUND
JUNE 30, 2013**

Volunteer Fire Departments and Rescue Squads	Term	Payment Period	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
North Beach VFDRS	25 years	Semiannually	\$ 134,276	\$ -	\$ 10,329	\$ 123,947
	12 years	Semiannually	3,912	-	2,608	1,304
	8 years	Semiannually	63,827	-	15,957	47,870
	8 years	Semiannually	150,938	-	20,124	130,814
	24 years	Semiannually	86,662	-	9,629	77,033
			<u>439,615</u>	<u>-</u>	<u>58,647</u>	<u>380,968</u>
Prince Frederick VFD	25 years	Semiannually	31,360	-	31,360	-
	25 years	Semiannually	299,300	-	14,600	284,700
	19 years	Semiannually	20,925	-	13,950	6,975
	25 years	Semiannually	416,000	-	26,000	390,000
	12 years	Semiannually	9,984	-	3,328	6,656
	25 years	Semiannually	461,000	-	23,050	437,950
	25 years	Semiannually	380,000	-	15,200	364,800
		<u>1,618,569</u>	<u>-</u>	<u>127,488</u>	<u>1,491,081</u>	
Solomons VFDRS	25 years	Semiannually	44,508	-	44,508	-
	25 years	Semiannually	63,590	-	15,898	47,692
	7 years	Semiannually	55,849	-	15,957	39,892
	19 years	Semiannually	9,800	-	9,800	-
	19 years	Semiannually	12,000	-	8,000	4,000
	12 years	Semiannually	19,420	-	3,530	15,890
	9 years	Semiannually	10,419	-	4,168	6,251
	8 years	Semiannually	107,575	-	17,929	89,646
	8 years	Semiannually	150,938	-	20,124	130,814
		<u>474,099</u>	<u>-</u>	<u>139,914</u>	<u>334,185</u>	
Prince Frederick VRS	8 years	Semiannually	21,284	-	14,190	7,094
	8 years	Semiannually	55,849	-	15,957	39,892
	8 years	Semiannually	-	171,000	-	171,000
		<u>77,133</u>	<u>171,000</u>	<u>30,147</u>	<u>217,986</u>	
Dunkirk VFDRS	24 years	Semiannually	104,238	-	9,476	94,762
	8 years	Semiannually	6,688	-	6,688	-
	8 years	Semiannually	6,889	-	6,889	-
	25 years	Semiannually	253,500	-	13,000	240,500
	12 years	Semiannually	10,282	-	3,427	6,855
	8 years	Semiannually	-	171,000	-	171,000
		<u>381,597</u>	<u>171,000</u>	<u>39,480</u>	<u>513,117</u>	
Huntingtown VFDRS	25 years	Semiannually	31,360	-	7,840	23,520
	24 years	Semiannually	75,600	-	7,200	68,400
	24 years	Semiannually	82,302	-	9,144	73,158
	24 years	Semiannually	13,375	-	13,375	-
	12 years	Semiannually	34,760	-	4,090	30,670
	25 years	Semiannually	296,270	-	13,780	282,490
		<u>533,667</u>	<u>-</u>	<u>55,429</u>	<u>478,238</u>	
St. Leonard VFDRS	25 years	Semiannually	50,030	-	12,507	37,523
	25 years	Semiannually	154,263	-	10,639	143,624
	24 years	Semiannually	119,613	-	9,569	110,044
	9 years	Semiannually	23,046	-	5,122	17,924
	12 years	Semiannually	10,284	-	3,428	6,856
	8 years	Semiannually	161,000	-	20,125	140,875
	7 years	Semiannually	-	171,000	10,687	160,313
		<u>518,236</u>	<u>171,000</u>	<u>72,077</u>	<u>617,159</u>	
Calvert Advanced Life Support Unit	3 years	Semiannually	26,077	-	26,077	-
	2.5 years	Semiannually	55,285	-	27,642	27,643
	3 years	Semiannually	-	93,000	-	93,000
		<u>81,362</u>	<u>93,000</u>	<u>53,719</u>	<u>120,643</u>	
Dive Team	9 years	Semiannually	-	58,000	5,800	52,200
			<u>\$ 4,124,278</u>	<u>\$ 664,000</u>	<u>\$ 582,701</u>	<u>\$ 4,205,577</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2013**

	<u>Total Assessed Value of Taxable Property</u>	<u>Tax Rate Per \$100 of Assessed Value</u>	<u>Actual Tax Levy</u>	<u>Amount Collected</u>	<u>Balance of Taxes Receivable</u>
<u>County Portion</u>					
Current year property - locally assessed					
Real property:					
For full year levy	\$ 10,694,160,626	\$ 0.892	\$ 95,391,913	\$ 93,303,219	\$ 2,088,694
For half year levy	41,889,250	0.446	186,826	186,826	-
North Beach	243,447,800	0.556	1,353,570	1,353,570	-
Chesapeake Beach	745,581,500	0.556	4,145,433	4,145,433	-
Total real property	<u>11,725,079,176</u>		<u>101,077,742</u>	<u>98,989,048</u>	<u>2,088,694</u>
Personal property, including corporations and banks	111,580,810	2.230	2,488,252	2,149,009	339,243
Public utilities operating and personal property	<u>838,817,310</u>	2.230	<u>18,705,626</u>	<u>17,238,349</u>	<u>1,467,277</u>
Total current year	<u>\$ 12,675,477,296</u>		<u>\$ 122,271,620</u>	<u>\$ 118,376,406</u>	<u>\$ 3,895,214</u>
Prior years, real, personal, and corporate property					1,808,378
Accrued interest receivable and service charge					<u>1,230,238</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>3,038,616</u>
Total taxes receivable - county portion					6,933,830
Taxes receivable - state portion, net of tax credits					492,837
Taxes receivable - towns portion, net of tax credits					215,239
Bay Restoration fee due to state - billed with Real estate taxes					<u>29,648</u>
Total taxes receivable					<u>\$ 7,671,554</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, 2013**

	Healthy Families	Saturday Schools	YSB	Reinvest Funds	LAM	CCFN Administrative	Total
REVENUES							
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	253,780	-	53,256	-	131,166	74,966	513,168
Total revenues	253,780	-	53,256	-	131,166	74,966	513,168
EXPENDITURES							
Salaries	8,276	-	-	-	-	50,856	59,132
Postage	-	-	-	-	-	8	8
Mileage allowance	-	-	-	-	-	496	496
Board of Education	241,780	-	-	-	-	-	241,780
Contracted services	-	-	53,256	-	131,166	-	184,422
Telephone/comm	-	-	-	-	-	721	721
Benefits	3,724	-	-	-	-	22,885	26,609
Total expenditures	253,780	-	53,256	-	131,166	74,966	513,168
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

“THIS PAGE LEFT INTENTIONALLY BLANK”



Murphy & Murphy, CPA, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S 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

To the County Commissioners of Calvert County, Maryland
Prince Frederick, Maryland

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the County Commissioners of Calvert County, Maryland's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report includes a reference to other auditors who 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 of the financial statements, we considered the County Commissioners of Calvert County, Maryland's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County Commissioners of Calvert County, Maryland's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County Commissioners of Calvert County, Maryland's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murphy & Murphy, CPA, LLC

Clinton, Maryland
December 20, 2013

Statistical Section



“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

FINANCIAL TREND DATA
JUNE 30, 2013

The following schedules contain information to help the reader understand how the government's financial performance and well-being have changed over the last eight years.

The financial trend data schedules are:

- Net position by category
- Changes in net position
- General tax revenue-government activities
- Fund balance of governmental funds

County Commissioners of Calvert County, Maryland
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 1

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 61,146,224	\$ 63,129,333	\$ 78,866,512	\$ 96,731,172	\$ 100,994,016	\$ 109,942,360	\$ 110,447,873	\$ 109,943,246	\$ 119,780,770	\$ 123,176,653
Restricted	5,055,707	5,516,116	5,884,509	9,246,067	7,763,481	11,968,498	13,275,882	17,137,497	18,047,917	15,851,897
Unrestricted	45,990,097	63,169,041	67,514,862	69,049,348	78,491,069	49,470,223	33,885,557	43,142,024	36,289,294	19,741,178
Total governmental activities net position	\$ 112,192,028	\$ 131,813,490	\$ 152,265,883	\$ 175,026,587	\$ 187,248,566	\$ 171,381,081	\$ 157,609,312	\$ 170,222,767	\$ 174,117,981	\$ 158,769,728
Business-type activities										
Invested in capital assets, net of related debt	\$ 28,843,560	\$ 30,186,513	\$ 30,215,402	\$ 32,980,825	\$ 34,722,581	\$ 38,558,942	\$ 34,365,814	\$ 34,549,717	\$ 29,333,105	\$ 28,900,840
Restricted	4,604,303	4,091,718	4,903,917	4,386,023	5,674,336	2,704,915	2,359,895	2,336,457	2,130,523	2,187,836
Unrestricted	1,330,155	16,967	(1,579,473)	(3,535,383)	(5,965,771)	(2,823,574)	1,539,588	897,574	2,321,405	3,785,496
Total business-type activities net position	\$ 34,778,018	\$ 34,295,198	\$ 33,539,846	\$ 33,831,465	\$ 34,431,146	\$ 38,440,283	\$ 38,265,297	\$ 37,783,748	\$ 33,785,033	\$ 34,874,172
Primary government										
Invested in capital assets, net of related debt	\$ 89,989,784	\$ 93,315,846	\$ 109,081,914	\$ 129,711,997	\$ 135,716,597	\$ 148,501,302	\$ 144,813,687	\$ 144,492,963	\$ 149,113,875	\$ 152,077,493
Restricted	9,660,010	9,607,834	10,788,426	13,632,090	13,437,817	14,673,413	15,635,777	19,473,954	20,178,440	18,039,733
Unrestricted	47,320,252	63,185,008	65,935,389	65,513,965	72,525,298	46,646,649	35,425,145	44,039,598	38,610,699	23,526,674
Total primary government net position	\$ 146,970,046	\$ 166,108,688	\$ 185,805,729	\$ 208,858,062	\$ 221,679,712	\$ 209,821,364	\$ 195,874,609	\$ 208,006,515	\$ 207,903,014	\$ 193,643,900

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

“THIS PAGE LEFT INTENTIONALLY BLANK”

County Commissioners of Calvert County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 2

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Expenses										
Governmental activities:										
General government	\$ 13,369,218	\$ 14,641,034	\$ 15,837,498	\$ 19,378,201	\$ 21,118,928	\$ 19,068,759	\$ 10,729,459	\$ 20,454,675	\$ 20,481,137	\$ 10,872,517
Public safety	17,642,496	18,794,313	18,104,991	25,832,813	28,440,488	31,997,935	31,297,136	28,670,766	31,706,576	33,874,212
Public works	10,379,211	4,954,308	8,656,507	16,294,562	12,747,610	18,172,391	24,131,844	15,059,870	17,878,045	14,672,326
Health and hospitals	2,581,456	2,439,169	2,547,571	3,091,069	3,059,513	3,451,586	2,128,412	3,407,428	3,408,940	3,670,682
Social services	7,031,034	7,671,901	7,689,167	9,205,328	9,674,760	10,721,194	11,660,259	10,931,198	10,645,671	11,925,326
Education	1,624,356	2,020,194	2,391,360	2,991,382	3,048,939	3,478,087	4,614,647	4,263,196	4,405,156	5,278,673
Board of Education	93,320,807	87,372,370	85,712,612	90,378,744	108,689,480	122,637,685	133,561,524	128,257,599	129,427,039	141,921,641
Recreation and culture	6,584,078	6,831,068	2,547,771	10,608,677	11,230,664	9,561,064	4,993,041	10,430,206	16,783,198	15,701,100
Conservation of natural resources	770,377	1,050,357	3,201,679	1,422,798	1,816,478	1,601,851	1,573,710	3,393,562	4,543,744	2,934,998
Urban development and housing	939,441	970,288	1,076,102	1,326,831	1,378,660	2,603,275	2,643,490	2,521,746	2,170,117	2,050,230
Economic development	1,232,521	1,179,816	1,204,049	1,430,435	1,209,545	1,465,651	1,852,710	1,580,260	1,592,887	1,465,743
Miscellaneous	9,753,996	10,455,449	12,480,849	2,034,100	-	-	-	-	-	-
Capital projects	4,973,978	4,769,708	13,792,519	2,034,100	-	-	-	-	-	-
Debt service	3,071,809	3,203,820	3,284,365	3,640,050	4,180,761	4,822,828	4,726,867	4,859,414	4,980,102	4,784,558
Subtotal governmental activities expenses	<u>173,254,778</u>	<u>166,353,795</u>	<u>178,527,040</u>	<u>187,634,990</u>	<u>206,595,806</u>	<u>229,582,306</u>	<u>233,913,099</u>	<u>233,829,920</u>	<u>248,022,612</u>	<u>249,152,006</u>
Business-type activities:										
Water and sewer	5,186,540	5,179,836	5,813,095	5,782,763	6,063,824	6,383,249	6,955,914	6,595,252	6,707,332	7,101,088
Solid waste	11,495,314	12,041,497	12,280,864	11,588,833	11,110,091	10,848,552	10,101,302	9,877,661	10,717,986	9,285,367
Culture	2,922,806	2,942,141	3,298,655	3,298,655	3,395,574	4,012,686	4,350,817	4,539,550	3,583,944	3,547,014
Subtotal business-type activities expenses	<u>19,604,660</u>	<u>20,163,474</u>	<u>21,037,931</u>	<u>20,670,251</u>	<u>20,569,489</u>	<u>21,244,487</u>	<u>21,408,033</u>	<u>21,012,463</u>	<u>21,009,262</u>	<u>19,933,469</u>
Total primary government expenses	<u>\$ 192,859,438</u>	<u>\$ 186,517,269</u>	<u>\$ 199,564,971</u>	<u>\$ 208,305,241</u>	<u>\$ 227,165,295</u>	<u>\$ 250,826,793</u>	<u>\$ 255,321,132</u>	<u>\$ 254,842,383</u>	<u>\$ 269,031,874</u>	<u>\$ 269,085,475</u>
Program Revenues										
Governmental activities:										
General government	\$ 2,163,364	\$ 1,979,433	\$ 3,084,507	\$ 2,733,752	\$ 4,234,723	\$ 4,595,411	\$ 4,985,993	\$ 4,851,711	\$ 4,268,793	\$ 1,276,505
Public safety	5,604,444	6,343,750	5,848,001	6,925,881	7,166,206	7,364,299	7,713,006	7,107,185	8,611,189	6,861,256
Public works	7,849,342	5,439,168	6,446,786	7,282,186	6,388,285	6,434,341	1,642,677	2,799,539	1,852,926	984,717
Health and hospitals	82,608	54,343	58,187	70,687	58,399	38,737	47,213	52,958	288,278	155,481
Social services	682,748	753,748	754,048	1,014,712	797,476	1,049,527	698,277	1,239,016	1,761,833	1,819,987
Education	12,103	34,193	34,193	8,299	4,000	-	107,940	-	155,680	-
Board of Education	-	-	-	-	-	-	-	140,203	4,573,994	-
Recreation and culture	4,323,459	2,563,470	3,226,166	3,549,745	3,353,666	3,385,992	3,584,768	4,133,659	5,143,001	4,727,095
Conservation of natural resources	151,279	166,768	143,702	744,522	336,473	1,330,446	184,610	248,853	368,640	1,623,509
Urban development and housing	744,894	845,954	1,018,478	997,111	961,195	1,022,376	1,071,636	1,109,510	1,223,258	1,133,168
Economic development	1,083,522	989,167	1,007,398	1,058,562	929,119	838,483	698,198	591,273	615,199	508,714
Miscellaneous	1,987,109	838,894	1,823,092	1,707,441	1,356,301	2,334,409	-	-	-	1,059,594
Capital projects	638,943	740,651	641,346	636,098	639,458	636,352	636,802	7,441	7,441	2,009,948
Debt service	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities revenues	<u>26,676,822</u>	<u>22,746,543</u>	<u>25,816,485</u>	<u>26,728,996</u>	<u>26,225,301</u>	<u>29,030,373</u>	<u>22,336,907</u>	<u>22,281,348</u>	<u>28,870,232</u>	<u>22,166,273</u>
Business-type activities:										
Water and sewer	5,152,447	4,518,241	4,504,973	4,696,931	5,529,760	6,197,143	6,051,786	6,132,568	6,777,888	7,569,754
Solid waste	11,806,448	12,318,489	12,569,922	12,524,486	11,626,494	11,238,260	10,235,471	10,100,142	10,666,677	9,486,553
Culture	1,181,133	607,406	668,812	732,755	837,528	1,201,750	1,750,751	1,488,473	1,300,918	1,358,582
Subtotal business-type activities revenues	<u>18,140,028</u>	<u>17,444,136</u>	<u>17,743,707</u>	<u>17,954,172</u>	<u>17,993,782</u>	<u>18,637,153</u>	<u>18,038,008</u>	<u>17,721,183</u>	<u>18,745,483</u>	<u>18,414,889</u>
Total primary government revenues	<u>\$ 44,816,850</u>	<u>\$ 40,190,679</u>	<u>\$ 43,560,192</u>	<u>\$ 44,683,168</u>	<u>\$ 44,219,083</u>	<u>\$ 47,667,526</u>	<u>\$ 40,374,915</u>	<u>\$ 40,002,531</u>	<u>\$ 47,615,715</u>	<u>\$ 40,581,162</u>

County Commissioners of Calvert County, Maryland
Changes in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 2

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Net (Expense)/Revenue										
Governmental activities:										
General government										
Public safety	\$ (11,205,854)	\$ (12,752,991)	\$ (16,644,449)	\$ (16,884,205)	\$ (14,473,348)	\$ (5,743,466)	\$ (15,602,964)	\$ (16,212,344)	\$ (9,596,012)	
Public works	(12,038,052)	(12,256,990)	(18,906,932)	(21,274,282)	(24,633,636)	(23,584,130)	(21,563,581)	(23,095,387)	(27,012,956)	
Health and hospitals	(2,529,869)	(484,860)	(2,209,721)	(6,359,325)	(11,738,050)	(22,489,167)	(12,260,331)	(16,025,119)	(13,687,609)	
Social services	(2,498,848)	(2,384,826)	(2,489,384)	(3,020,382)	(3,001,114)	(3,412,849)	(3,354,470)	(3,120,662)	(3,515,201)	
Education	(6,348,286)	(6,918,153)	(6,935,119)	(8,190,616)	(8,877,284)	(10,961,982)	(8,883,838)	(10,105,339)	(10,105,339)	
Board of Education	(1,612,253)	(1,986,001)	(2,357,167)	(2,983,083)	(3,044,939)	(3,478,087)	(4,263,196)	(4,249,476)	(5,278,673)	
Recreation and culture	(93,320,807)	(87,372,370)	(85,712,612)	(90,378,744)	(108,689,460)	(122,637,885)	(132,595,737)	(128,117,396)	(141,921,641)	
Conservation of natural resources	(2,240,619)	(4,267,598)	678,395	(7,058,932)	(7,876,998)	(6,175,072)	(1,408,273)	(11,640,005)	(10,974,005)	
Urban development and housing	(619,098)	(883,589)	(3,057,977)	(678,276)	(1,480,005)	(271,405)	(1,389,100)	(4,175,104)	(1,311,489)	
Economic development	(194,547)	(124,334)	(57,624)	(329,720)	(417,465)	(1,580,899)	(1,571,854)	(946,899)	(917,062)	
Miscellaneous	(148,999)	(190,649)	(196,651)	(371,873)	(280,426)	(627,168)	(1,154,512)	(988,987)	(957,029)	
Capital projects	(8,400,989)	(8,358,445)	(10,750,268)	-	-	-	-	-	-	1,059,594
Debt service	(2,986,869)	(3,930,814)	(11,969,427)	(326,659)	1,356,301	2,334,409	-	-	-	2,009,948
Subtotal governmental activities expenses	(2,432,866)	(2,563,169)	(2,643,019)	(3,003,952)	(3,541,303)	(4,186,476)	(4,090,065)	(4,851,973)	(4,972,661)	(4,778,259)
Business-type activities:										
Water and sewer	(146,577,956)	(143,607,252)	(152,710,555)	(160,905,994)	(180,370,505)	(200,551,933)	(211,576,192)	(211,548,572)	(219,152,380)	(226,985,733)
Solid waste	(34,093)	(661,595)	(1,308,122)	(1,085,832)	(534,064)	(186,106)	(904,128)	(462,684)	70,556	468,666
Culture	311,134	276,992	289,058	935,653	516,403	389,708	134,169	222,481	(51,309)	201,186
Subtotal business-type activities expenses	(1,741,673)	(2,334,735)	(2,275,160)	(2,568,046)	(2,568,046)	(2,810,936)	(2,600,066)	(3,051,077)	(2,283,432)	(2,188,432)
Total primary government expenses	(1,464,632)	(2,719,338)	(3,294,224)	(2,716,079)	(2,575,707)	(2,607,334)	(3,370,025)	(3,291,280)	(2,263,779)	(1,518,580)
Subtotal primary government expenses	\$ (148,042,588)	\$ (146,326,590)	\$ (156,004,779)	\$ (163,622,073)	\$ (182,946,212)	\$ (203,159,267)	\$ (214,946,217)	\$ (214,839,852)	\$ (221,416,159)	\$ (228,504,313)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 77,471,702	\$ 85,133,607	\$ 90,833,150	\$ 98,994,236	\$ 109,907,718	\$ 126,502,446	\$ 137,559,596	\$ 150,043,755	\$ 150,000,842	\$ 145,034,029
Income taxes	49,978,622	56,890,109	58,647,605	61,886,520	63,477,715	54,280,021	55,475,403	69,711,237	63,576,777	60,726,847
Recordation taxes	11,322,287	13,630,156	14,481,819	11,664,698	9,114,661	5,799,985	5,690,348	5,330,746	5,180,576	6,459,376
Admission and amusement taxes	198,063	269,049	293,735	107,310	23,377	30,212	25,009	25,803	30,938	29,720
Franchise taxes	618,105	714,446	778,416	892,707	984,342	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815
Other miscellaneous taxes	154,886	182,573	132,064	157,516	148,115	119,546	114,013	113,763	127,458	237,928
State reimbursement of electricity deregulation	5,425,079	6,096,574	6,096,574	6,096,574	5,897,437	3,362,353	933,632	442,937	1,132,781	367,372
Interest and dividends	460,472	2,386,403	4,066,075	6,358,189	5,871,258	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)
Miscellaneous	(2,111,893)	(2,044,203)	(2,166,490)	(2,491,052)	(2,832,139)	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)
Subtotal governmental activities revenues	143,517,323	163,228,714	173,162,948	183,666,698	192,592,484	184,684,448	197,804,423	224,162,027	218,474,150	211,637,480
Business-type activities:										
State reimbursement of electric deregulation	51,180	192,315	372,382	-	-	-	-	-	-	-
Miscellaneous	2,111,893	2,044,203	2,166,490	3,007,698	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719
Subtotal business-type activities revenues	2,163,073	2,236,518	2,538,872	3,007,698	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719
Total primary government revenues	\$ 145,680,396	\$ 165,465,232	\$ 175,701,820	\$ 186,674,396	\$ 195,767,872	\$ 191,300,918	\$ 200,999,462	\$ 226,971,758	\$ 221,496,247	\$ 214,245,199
Change in net position										
Governmental activities	\$ (3,060,633)	\$ 19,621,462	\$ 20,452,393	\$ 22,760,704	\$ 12,221,979	\$ (15,867,485)	\$ (13,771,769)	\$ 12,613,455	\$ (678,230)	\$ (15,348,253)
Business-type activities	698,441	(482,820)	(755,352)	291,619	599,681	4,009,136	(174,986)	(481,549)	758,318	1,089,139
Total primary government	\$ (2,362,192)	\$ 19,138,642	\$ 19,697,041	\$ 23,052,323	\$ 12,821,660	\$ (11,858,349)	\$ (13,946,755)	\$ 12,131,906	\$ 80,088	\$ (14,259,114)

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 other 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.

County Commissioners of Calvert County, Maryland
 General Tax Revenues - Governmental Activities
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (unaudited, see related notes below)
 Schedule 3

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Real and personal property taxes	\$ 70,820,349	\$ 78,790,203	\$ 86,051,217	\$ 94,728,796	\$ 106,121,819	\$ 122,918,020	\$ 133,981,114	\$ 146,790,799	\$ 146,449,619	\$ 141,281,902
Income taxes	46,585,767	54,386,967	55,625,569	59,064,889	62,153,000	58,370,205	56,136,128	62,668,488	64,199,044	65,280,088
Admission and amusements	198,063	269,049	293,735	107,310	23,377	30,212	25,009	25,803	30,938	29,720
Recordation	11,322,287	13,630,156	14,481,819	11,664,698	9,114,661	5,799,985	5,690,348	5,330,746	5,180,576	6,459,376
Trailer parks	154,885	149,036	132,063	157,516	148,115	119,546	114,013	113,753	127,458	237,928
Hotel (2)	528,181	498,039	519,919	644,328	785,519	763,877	693,265	815,416	753,981	634,973
Highway user revenue (3)	3,632,858	4,611,142	5,683,147	5,947,234	5,701,044	5,077,195	256,759	410,452	281,653	513,103
Franchise	618,105	714,446	778,416	892,707	984,342	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815
Total Taxes	\$ 133,860,495	\$ 153,049,038	\$ 163,565,885	\$ 173,207,478	\$ 185,031,877	\$ 194,157,120	\$ 198,006,947	\$ 217,325,233	\$ 218,215,279	\$ 215,711,905

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.
- (3) Significant Highway User revenue decreases by the state starting in FY2010.

County Commissioners of Calvert County, Maryland
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited, see related notes below)
Schedule 4

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011(2)	FY2012(2)	FY2013(2)
General Fund <i>(prior to GASB 54)</i>										
Reserved	\$ 4,968,812	\$ 5,383,571	\$ 5,839,319	\$ 9,195,518	\$ 12,562,828	\$ 11,452,788	\$ 10,438,949	\$ -	\$ -	\$ -
Unreserved Undesignated	39,447,501	47,719,807	56,039,767	37,671,295	37,969,096	30,703,197	28,650,914	-	-	-
Undesignated <i>(post GASB 54)</i>	-	-	-	16,552,000	17,710,000	17,620,000	18,159,691	-	-	-
Non-spendable	-	-	-	-	-	-	-	9,554,965	9,545,194	8,098,274
Restricted	-	-	-	-	-	-	-	64,861	-	-
Committed	-	-	-	-	-	-	-	20,913,418	21,430,248	21,983,132
Assigned	-	-	-	-	-	-	-	9,246,000	8,218,619	9,718,619
Unassigned	-	-	-	-	-	-	-	26,763,823	27,321,625	27,228,179
Total General Fund	\$ 44,416,313	\$ 53,103,378	\$ 61,879,086	\$ 63,418,813	\$ 68,241,924	\$ 59,775,985	\$ 57,249,554	\$ 66,543,067	\$ 66,515,686	\$ 67,028,204
All other governmental funds <i>(prior to GASB 54)</i>										
Reserved	\$ 86,895	\$ 132,545	\$ 45,190	\$ 50,549	\$ 7,763,481	\$ 11,968,498	\$ 13,099,967	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	17,421,221	15,717,939	13,174,434	17,170,651	12,666,097	6,740,235	6,348,586	-	-	-
Capital projects funds	27,267,249	32,317,075	31,975,700	45,555,272	51,500,054	44,067,347	34,330,086	-	-	-
<i>(post GASB 54)</i>										
Non-spendable								10,354,760	7,170,057	9,264,806
Restricted								3,750	2,114,579	586,267
Committed								6,768,471	9,605,033	6,199,410
Assigned								44,721,770	34,586,829	30,329,564
Unassigned								-	-	(60,100)
Total all other governmental funds	\$ 44,775,365	\$ 48,167,559	\$ 45,195,324	\$ 62,776,472	\$ 71,929,632	\$ 62,776,080	\$ 53,778,639	\$ 61,848,751	\$ 53,476,498	\$ 46,319,947

NOTES:

- (1) Fund balance information for governmental funds is reported on the modified accrual basis of accounting.
- (2) Calvert County implemented GASB 54 starting with FY2011.

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

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
REVENUES										
Taxes	\$ 138,456,058	\$ 159,070,686	\$ 168,868,174	\$ 177,201,666	\$ 188,241,056	\$ 196,977,670	\$ 200,892,163	\$ 219,762,773	\$ 220,823,988	\$ 218,829,059
Licenses and permits	169,980	215,014	232,123	257,518	281,266	298,143	328,671	328,301	304,571	307,563
Intergovernmental	15,855,731	15,759,563	18,350,527	16,770,720	15,669,424	12,950,124	10,635,443	10,939,016	10,137,812	12,204,468
Charges for services	3,236,323	3,294,595	2,900,487	3,202,758	3,670,167	3,768,064	3,585,775	3,337,111	3,303,365	4,067,281
Fines and forfeitures	273,920	252,017	328,280	289,052	285,049	315,280	340,061	586,175	477,806	550,153
Miscellaneous	3,949,023	7,110,816	8,479,435	12,016,605	12,625,951	10,739,916	8,123,531	7,147,229	15,496,237	4,442,307
Total revenues	161,941,015	185,702,601	199,159,026	208,747,317	220,243,963	224,235,199	223,905,944	242,076,605	250,543,779	240,401,141
EXPENDITURES										
General government	11,802,003	12,764,613	14,970,798	15,349,833	16,736,565	16,075,913	15,189,984	15,511,172	16,164,778	17,375,391
Public safety	16,851,428	17,995,869	19,319,261	21,663,919	24,008,176	26,237,282	25,987,152	26,616,262	27,372,685	27,785,783
Health and hospitals	7,161,352	6,917,035	7,715,592	10,599,520	7,656,572	10,984,725	9,103,252	9,103,252	9,756,758	7,826,188
Social services	6,982,937	7,184,652	7,746,183	7,672,234	8,347,844	8,765,417	8,957,279	8,314,076	2,767,520	2,758,231
Education - other	1,624,356	2,020,194	2,391,360	2,521,895	2,660,762	2,856,298	3,031,586	3,268,987	3,451,728	8,942,207
Board of Education	92,892,336	87,372,370	90,552,791	95,104,149	97,782,359	110,611,519	114,137,687	105,010,110	109,059,947	110,284,424
Recreation and culture	6,573,899	6,817,349	7,488,244	8,286,634	8,900,443	9,783,163	9,916,945	10,987,198	11,202,674	11,716,965
Conservation of natural resources	770,448	1,050,019	3,230,187	1,302,107	1,681,507	1,308,871	1,034,321	2,610,094	3,597,704	2,211,598
Urban development and housing	914,646	948,487	1,083,349	1,239,214	1,978,608	1,982,486	1,914,857	1,914,857	2,003,182	1,519,637
Economic development	1,235,265	1,169,234	1,211,752	1,215,905	1,062,995	1,205,616	1,209,744	1,234,891	1,273,769	1,099,378
Miscellaneous	9,733,411	10,427,891	12,457,865	14,370,535	18,279,910	19,880,661	18,890,672	23,205,341	29,522,254	21,290,423
Capital projects	12,104,557	11,163,377	20,124,272	24,649,617	20,687,852	24,807,060	21,249,637	16,350,785	21,690,541	17,664,025
Debt service										
Principal retirement	5,141,946	6,920,962	7,940,391	8,724,561	9,967,111	11,513,920	12,024,609	11,233,501	10,971,736	11,654,616
Interest	2,853,819	3,235,987	3,317,092	3,441,562	4,326,306	4,807,328	4,851,414	4,631,143	5,108,954	4,805,625
Refunding expense	-	-	-	-	-	-	-	-	-	86,574
Total expenditures	179,211,994	178,548,916	202,088,665	218,607,711	226,005,601	253,979,494	252,223,009	242,619,199	262,336,752	251,013,966
Excess (deficiency) of revenues over expenditures	(17,270,979)	7,153,685	(2,929,639)	(8,860,394)	(5,761,638)	(29,366,295)	(28,317,065)	(542,594)	(11,792,973)	(10,612,925)
OTHER FINANCING SOURCES (USES)										
Proceeds from bond issuance	8,910,000	6,995,000	10,885,000	29,780,000	22,250,000	18,485,000	24,344,888	19,256,000	5,773,720	5,415,000
Amount deposited in refunding escrow	-	-	-	692,322	290,047	50,806	(5,191,344)	1,326,199	-	-
Premium of issuance of debt	-	-	-	-	-	-	743,436	-	568,872	448,460
Refunding bonds issued	-	-	-	-	-	-	-	-	21,785,000	10,437,071
Premium on refunding bonds issued	-	-	-	-	-	-	-	-	2,422,139	1,591,835
Amount deposited in refunding escrow	-	-	-	-	-	-	-	-	(24,207,139)	(12,028,906)
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers in - other	13,931,333	21,782,880	18,565,370	15,920,176	10,180,740	14,092,643	10,296,056	11,355,542	11,966,387	11,216,313
Transfers out - other	(16,043,226)	(23,852,306)	(20,717,258)	(18,411,229)	(13,012,879)	(20,631,644)	(13,399,945)	(14,031,522)	(14,915,640)	(13,708,920)
Total other financing sources (uses)	6,788,107	4,925,574	8,733,112	27,981,269	19,707,908	11,996,805	16,793,191	17,906,219	3,393,339	3,370,853
Net change in fund balances	\$ (10,472,872)	\$ 12,079,259	\$ 5,803,473	\$ 19,120,875	\$ 13,946,270	\$ (17,589,490)	\$ (11,523,872)	\$ 17,363,625	\$ (8,399,634)	\$ (7,241,972)

Debt service as a percentage of noncapital expenditures

	5.02%	6.32%	6.93%	7.18%	7.64%	8.80%	8.76%	7.50%	6.86%	7.54%
	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

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 comes from the reconciliation of the statement of revenues, expenditures and changes in fund balance of the governmental funds to the statement of activities.
- (4) Calculation based on Debt Service divided by Expenditures minus Capital Outlays (Pg. 21).

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REVENUE CAPACITY
JUNE 30, 2013

The following schedules contain information to help the reader access the government's most significant local revenue source, property taxes.

The revenue capacity schedules are:

- Assessed and estimated actual value of taxable property
- Direct and overlapping real property tax rates
- Principal property taxpayers
- 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, see related notes below)
 Schedule 6

Fiscal Year	Real Property			Personal Property			Total Taxable			% Taxable Assessed to total Estimated Actual Value
	Assessed Value	Exempt Property	Taxable Assessed Value	Assessed Value	Direct Rate	Assessed Value	Assessed Value	Estimated Actual Value	Estimated Actual Value	
2004	6,531,076,135	563,391,239	5,967,684,896	882,393,920	0.892	7,413,470,055	6,850,078,816	7,413,470,055	7,413,470,055	92.40%
2005	7,093,440,835	570,848,991	6,522,591,844	1,026,470,460	0.892	8,119,911,295	7,549,062,304	8,119,911,295	8,119,911,295	92.97%
2006	7,950,408,153	594,754,848	7,355,653,305	1,087,505,840	0.892	9,037,913,993	8,443,159,145	9,037,913,993	9,037,913,993	93.42%
2007	9,286,512,820	656,267,485	8,630,245,335	1,123,614,063	0.892	10,410,126,883	9,753,859,398	10,410,126,883	10,410,126,883	93.70%
2008	11,464,556,220	788,968,756	10,675,587,464	1,052,405,750	0.892	12,516,961,970	11,727,993,214	12,516,961,970	12,516,961,970	93.70%
2009 ⁽¹⁾	14,223,348,981	888,112,994	13,335,235,987	470,449,610	0.892 ⁽¹⁾	14,693,798,591	13,805,685,597	14,693,798,591	14,693,798,591	93.96%
2010	15,571,990,076	987,183,072	14,584,807,004	504,475,135	0.892	16,076,465,211	15,089,282,139	16,076,465,211	16,076,465,211	93.86%
2011	14,334,949,486	1,022,420,831	13,312,528,655	874,351,230	0.892	15,209,300,716	14,186,879,885	15,209,300,716	15,209,300,716	93.28%
2012	13,473,142,494	1,030,936,269	12,442,206,225	921,126,040	0.892	14,394,268,534	13,363,332,265	14,394,268,534	14,394,268,534	92.84%
2013	12,717,190,774	992,111,598	11,725,079,176	950,398,120	0.892	13,667,588,894	12,675,477,296	13,667,588,894	13,667,588,894	92.74%

NOTES:

(1) 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, see related notes below)
Schedule 7

Fiscal Year	Direct	Overlapping Rates	
		County Rate	Town Rate (1)
	Calvert County	Town of North Beach	Town of North Beach
2004	0.892	0.556	0.72
2005	0.892	0.556	0.72
2006	0.892	0.556	0.72
2007	0.892	0.556	0.67
2008	0.892	0.556	0.67
2009	0.892	0.556	0.61
2010	0.892	0.556	0.61
2011	0.892	0.556	0.63
2012	0.892	0.556	0.63
2013	0.892	0.556	0.63

Fiscal Year	Direct	Overlapping Rates	
		County Rate	Town Rate (1)
	Calvert County	Town of Chesapeake Beach	Town of Chesapeake Beach
2004	0.892	0.556	0.50
2005	0.892	0.556	0.50
2006	0.892	0.556	0.50
2007	0.892	0.556	0.44
2008	0.892	0.556	0.44
2009	0.892	0.556	0.37
2010	0.892	0.556	0.37
2011	0.892	0.556	0.37
2012	0.892	0.556	0.36
2013	0.892	0.556	0.36

NOTES:
(1) Towns of North Beach and Chesapeake Beach pay only the overlapping rates for County and Town respectively.

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

Name of Taxpayer	FY13			FY04		
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total Taxable Assessed Value
Constellation Energy Group	\$ 1,286,711,557	(3) 1	9.63%	\$ 570,092,350	1	8.32%
Dominion (Cove Point)	645,406,051	2	4.83%	88,055,900	2	1.29%
Southern Maryland Electric Co.	52,109,730	3	0.39%	40,551,230	3	0.59%
Asbury-Solomons	32,434,994	4	0.24%	32,743,600	5	0.48%
Fox Run Ltd. Partnership	28,652,800	5	0.21%	23,579,200	6	0.34%
Dunkirk Gateway	24,077,500	6	0.18%			
Holiday Inn - Solomons	22,820,000	7	0.17%	17,886,400	7	0.26%
Verizon	22,324,840	8	0.17%	36,215,430	4	0.53%
Market Square Shopping Center	16,610,200	9	0.12%			
Dunkirk Market Place	10,050,600	10	0.08%	8,527,800	9	0.12%
Calvert County Hospital				7,901,000	10	0.12%
Town Square Shopping Center				9,018,600	8	0.13%
	\$ 2,141,198,272		16.02%	\$ 834,571,510		12.18%

NOTES:

(1) Source: Maryland State Department of Assessments and Taxation

(2) Source: Department of Finance and Budget

(3) Estimated value 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.

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
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	115,850,743	113,954,907	98.36%	1,842,551	115,797,458	99.95%
2009	126,099,233	123,501,219	97.94%	2,094,900	125,596,119	99.60%
2010	137,446,533	133,596,703	97.20%	2,468,876	136,065,579	99.00%
2011	134,047,010	130,037,865	97.01%	2,578,268	132,616,133	98.93%
2012	128,140,153	125,344,923	97.82%	2,795,230	128,140,153	100.00%
2013	122,271,620	118,376,406	96.81%	2,563,774	120,940,180	98.91%

“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

DEBT CAPACITY
JUNE 30, 2013

The following schedules present information to help the reader assess the affordability of government's current levels of outstanding debt and government's ability to issue additional debt in the future.

The debt capacity schedules are:

- Ratios of outstanding debt by type
- Ratios of net general bonded debt per capita
- Pledged-revenue coverage

County Commissioners of Calvert County, Maryland

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(in thousands of dollars, except per capita)

(unaudited, see related notes below)

Schedule 10

Fiscal Year	Governmental Activity				Business Type Activity				Percentage of Personal Income (a)	Population	Debt Per Capita
	General Obligation Bonds	Office Building	Leveraging	Misc.	Notes Payable	General Obligation Bonds	Total Outstanding Debt				
2004	75,290	3,830	5,931	2,797	9,885	6,715	104,448	3.42%	83,400	1,252	
2005	76,178	3,345	5,931	2,528	9,461	6,055	103,498	3.15%	84,900	1,219	
2006	79,973	2,840	6,882	2,170	8,841	5,169	105,875	3.03%	86,200	1,228	
2007	101,907	2,320	7,961	1,800	8,248	4,057	126,293	3.40%	87,100	1,450	
2008	115,099	1,775	10,414	1,421	8,176	3,018	139,903	3.55%	87,700	1,595	
2009	123,013	1,210	10,414	1,029	8,152	1,927	145,745	3.68%	88,100	1,654	
2010	126,019	620	10,414	621	7,612	3,871	149,157	3.63%	88,737	1,681	
2011	134,451	-	10,612	198	6,934	7,335	159,530	N/A (2)	89,000	1,792	
2012	129,402	-	7,933	159	6,413	10,823	154,730	N/A (2)	91,339	1,694	
2013	130,246	-	7,933	141	5,699	10,800	154,819	N/A (2)	92,250	1,602	

NOTES:

(1) See the Demographic and Economic Statistics schedule for personal income.

(2) N/A - current data is not available at this time.

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	Taxable Assessed Value Real & Personal Property Per Capita
		Real & Personal Property	Real & Personal Property						
2004	83,400	6,850,078,816	81,916,937	4,175,533	77,741,404	1.13%	932	82,135	
2005	84,900	7,549,062,304	82,051,874	3,697,306	78,354,568	1.04%	923	88,917	
2006	86,200	8,193,159,145	99,150,704	3,158,657	95,992,047	1.17%	1,114	95,048	
2007	87,100	9,753,859,398	118,269,868	2,606,446	115,663,422	1.19%	1,328	111,985	
2008	87,700	11,464,556,220	129,311,374	2,035,916	127,275,458	1.11%	1,451	130,725	
2009	88,100	13,805,685,597	135,338,426	1,456,138	133,882,288	0.97%	1,520	156,705	
2010	88,737	15,089,282,139	131,131,135	829,856	130,301,279	0.86%	1,468	170,045	
2011	89,000	14,186,879,885	141,785,916	184,325	141,601,591	1.00%	1,591	159,403	
2012	91,339	13,363,332,265	140,384,495	158,794	140,225,701	1.05%	1,535	146,305	
2013	92,250	12,675,477,296	141,187,239	141,056	141,046,183	1.11%	1,529	137,404	

NOTES:
(1) - Includes Waterway Improvement, Shore Erosion and State Office Building Debt. (State Office Building completed in FY2010)

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

Fiscal Year	State Office Building (1)				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
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	26,258	23,322	-	1.13	6,837	8,122	-	0.84
2006	634,509	505,000	129,509	1.00	26,258	23,322	-	1.13	6,837	6,676	-	1.02
2007	629,261	520,000	109,261	1.00	26,258	23,322	-	1.13	-	-	-	0.00
2008	632,621	545,000	87,621	1.00	26,258	23,322	-	1.13	-	-	-	0.00
2009	629,515	565,000	64,515	1.00	26,258	23,322	-	1.13	-	-	-	0.00
2010	629,965	590,000	39,965	1.00	26,258	23,322	-	1.13	-	-	-	0.00
2011	-	-	-	-	26,258	23,322	-	1.13	-	-	-	0.00
2012	-	-	-	-	26,258	23,322	-	1.13	-	-	-	0.00
2013	-	-	-	-	20,395	17,738	-	1.15	-	-	-	0.00

(1) State Office Building agreement was completed in FY2010.

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2013

The following schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place, and to understand economic trends.

The demographic and economic schedules are:

- Demographic and economic statistics
- Principal employers

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (\$ thousands)(1)</u>	<u>Per Capita Income (1)</u>	<u>Civilian Labor Force (2)</u>	<u>Unemployment Rate Percent (2)</u>	<u>Public School Enrollment (3)</u>
2004	83,400	3,051,852	34,465	42,339	2.80%	16,904
2005	84,900	3,286,123	36,706	45,503	3.40%	16,842
2006	86,200	3,492,251	38,396	47,085	3.50%	17,113
2007	87,100	3,714,419	40,392	47,448	3.60%	17,468
2008	87,700	3,944,776	42,561	48,265	3.70%	17,029
2009	88,100	3,955,122	42,716	47,347	6.40%	16,729
2010	88,737	4,103,932	44,193	48,220	6.80%	16,406
2011	89,000	N/A	N/A	48,070	6.40%	16,305
2012	91,339	N/A	N/A	47,997	6.20%	16,136
2013	92,250	N/A	N/A	48,163	6.70%	15,818

NOTES:

- (1) Source: Maryland Department of Planning, planning data sources from U.S. Bureau of Economic Analysis
- (2) Source: U.S. Department of Labor Bureau of Labor Statistics
- (3) Source: Calvert County Public Schools Budget Book

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

Employer	Fiscal Year 2013			Fiscal Year 2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,135	1	4.43%	2025	1	5.25%
Calvert County Government	1,193	2	2.48%	875	4	2.43%
Calvert Memorial Hospital	1,200	3	2.49%	915	3	2.43%
Constellation Energy Group (1)	900	4	1.87%	998	2	2.36%
Wal-Mart	455	5	0.94%	310	6	0.73%
Giant Food	356	6	0.74%			
Safeway	340	7	0.71%			
Navy Recreation Center	289	8	0.60%			
Chesapeake Beach Resort/Spa	260	9	0.54%			
ARC of Southern Maryland	186	10	0.39%	369	5	0.87%
DynCorp				296	7	0.70%
Recorded Books				291	8	0.69%
DM Group				250	9	0.59%
Calvert Nursing Center				203	10	0.48%

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

“THIS PAGE LEFT INTENTIONALLY BLANK”

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2013

The following schedules contain service and infrastructure data that demonstrates how the information in the government's financial report relates to the services the government provides and the activities it performs.

The operating information schedules are:

- Full-time Calvert County employees by function
- Operating indicators by function
- Capital asset statistics by function

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

Function:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
General Government									
Commissioners	7	7	7	6	6	6	6	6	6
Circuit court	10	10	10.7	10.9	10.9	10.9	10.9	10.9	10.9
Clerk of the commissioners	1	1	1	1	1	1	1	1	1
County administration	2	2	3	3	3	3	3	2	2
County attorney	3	3	4	4	4	4	4	4	4
Treasurers	6	6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Election	8	9	9	9	9	9	9	9	9
Finance	20	22	22.6	22.6	23.6	23.6	23.6	25.6	25.6
General services	2	2	2	2	2	4	5	5	5
Buildings and grounds	26	28	31.7	32.7	32.7	32.7	32.7	31.7	31.7
Orphans court	3	3	3	3	3	3	3	3	3
Personnel	5	6	7.6	7.6	8.6	8.6	8.6	8.6	8.6
States attorney	18	18	20.1	20.1	20.1	21.1	22.1	22.1	22.1
Technology services	17	17	18.6	19.6	21.8	21.8	21.8	22.8	22.8
Public Safety									
Transportation	1	2	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Mosquito control	1	1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Public safety	2	2	2	2	2	2	2	2	2
Control center	25	29	30	30	30	30	30	34	34
Emergency management	2	2	3	3	3	3	3	3	3
Fire and rescue	3	4	4	4	4	4.5	5.5	5.5	5.5
Inspections and permits	13	13	14.2	14.2	14.2	14.2	14.2	14.2	14.2
Animal control	5	5	5	6	7	7	7	7	7
Detention center	64	65	67	77.6	81.6	81.6	85.6	88.6	88.6
Sheriffs office	105	115	131.2	134.2	139.2	139.2	142.2	146.2	146.2
Liquor board	3	3	3	3	3	3.2	3.2	5	3.2
Public Works									
Public works	14	14	16.6	16.6	16.6	14.6	15.2	15.2	15.2
Planning commission	1	1	2	1	1	10.1	10	10	10
Project Management	8	8	8	8	7	7	7	7	7
Fleet maintenance	7	8	9	9	10	10	10	10	10
Highway maintenance	33	33	33.6	33.6	36.6	36.6	36	36	36
Social Services									
Community resources	4	4	4.5	4.5	4.5	4.5	4.5	5	5
Office on aging	23	23	23.5	24.6	24.6	24.6	24.6	24.6	24.6
Recreation									
Marine museum	36	36	40.2	40.2	40.2	40.2	40.2	40.2	40.2
Railway museum	1	1	2	2	2	2	2	2	2
Recreation programs	59	62	68.7	69.7	70	70.7	68.6	69.2	69.2
Library	45.3	45.3	50.2	52.2	52.2	52.8	52.8	62	52.8
Conservation of Natural Resources									
	12	13.2	13.2	13.2	13.2	13.2	13.2	13.7	13.7
Soil Conservation									
	4	4	4	4	5	5	5	5	5
Urban Development									
Community Planning and Building	21	21	26.1	26.1	16.1	16.1	16.1	16.1	16.1
Economic Development									
	8	9	9.1	10.1	12.1	12.1	12.5	12.5	12.5
Water and Sewer									
	30	30	30	33	34	33	33	32	32
Solid Waste									
	32	33	36.8	37.8	37.8	38.8	38.8	41.3	41.3
Chesapeake Hills Golf Course									
	-	-	-	-	-	10.9	10.9	10.9	10.9
Total	690.3	720.5	791.7	815.6	827.1	850.1	858.3	884.4	873.4

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budgets FY2005-FY2013

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

Function:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
	Actual									
General Government										
Circuit court										
Case transactions	6,680	7,007	9,763	12,028	13,884	14,363	15,123	16,085	16,981	16,981
Technology services										
Work orders completed	N/A	N/A	3,945	4,348	4,124	4,050	3,375	4,209	4,300	5,375
Support to desktop/laptop computers	N/A	N/A	512	665	750	795	835	875	930	960
Treasurers office										
Credit card dollars collected	146,477	182,444	300,051	283,659	480,062	466,182	537,611	598,705	630,000	661,500
Credit card transactions	139	168	287	247	323	291	346	363	380	399
Real estate tax bills	39,765	40,468	40,988	41,265	41,390	41,757	42,236	42,297	42,327	42,347
Finance and budget										
Purchase orders processed	5,632	5,641	6,705	7,046	7,291	7,273	6,717	6,759	6,780	6,790
Accounts payable checks	15,949	15,493	15,015	17,050	16,349	15,693	14,852	15,334	14,834	16,334
Average number of employees per pay	906	930	936	945	992	1,017	1,049	1,112	1,130	1,140
Fixed assets maintained	13,326	14,551	15,364	15,973	14,503	15,255	15,804	16,749	16,900	17,100
Health care benefits managed	692	717	738	935	958	997	1,021	1,020	1,030	1,035
Public Safety										
Transportation										
Yearly ridership	107,753	113,354	132,648	132,728	133,270	134,786	109,705	135,500	109,658	112,874
Inspections and permits										
Building permits issued	2,430	2,425	2,504	2,098	1,812	1,428	1,472	1,492	1,689	1,344
Grading permits issued	1,053	855	820	717	672	707	672	783	795	678
Electrical permits issued	2,007	2,424	2,438	1,986	1,666	1,425	1,471	1,437	1,659	1,580
Plumbing permits issued	1,625	1,667	1,279	1,074	943	757	744	873	870	877
Control center										
Number of incidents handled	N/A	117,936	130,478	148,947	160,063	164,807	151,224	140,031	147,033	154,384
Fire and rescue										
Total calls responded	16,500	16,900	17,560	19,747	20,743	20,021	19,708	21,000	21,000	21,000
Animal control										
Calls for service	5,103	5,354	7,377	7,506	8,139	8,063	5,601	6,129	6,500	6,500
Detention center										
Average daily population	212	227	212	238	228	237	288	233	240	247
Work release (adp)	74	73	68	75	85	67	39	32	27	23
Sheriff's office										
Calls for service	54,789	71,959	65,454	76,223	85,941	83,062	84,513	87,045	89,659	89,659
Murder cases	1	1	-	2	1	-	-	-	-	2
Rape cases	8	11	4	-	6	10	17	10	10	7
Robbery cases	10	20	9	16	15	27	26	27	29	29
Aggravated assault cases	120	121	171	173	272	187	123	56	56	72
Theft cases	677	899	935	947	1,051	1,067	1,204	1,100	1,100	1,101
Auto theft cases	62	65	77	92	92	82	92	55	55	40
Domestic violence incidents responded to	N/A	N/A	1,103	1,189	1,231	1,203	1,287	1,325	1,364	1,364
Business & community patrol checks	N/A	N/A	23,414	30,419	38,032	35,538	33,977	29,724	30,615	30,615
Sex offenders registered in Calvert County	N/A	N/A	99	108	110	103	107	109	112	112
School related incidents/investigations	N/A	N/A	351	403	293	333	1,574	1,621	1,669	1,669
Public Works										
Major and minor subdivisions	989	1,040	205	227	175	143	149	196	196	52
Road plans	67	120	32	33	41	17	24	30	30	17
Project management										
Miles of roadway resurfaced	17	13	11	13	15	14	12	8	8	13
Fleet maintenance										
Work orders	2,500	2,600	2,226	2,211	2,371	3,529	2,837	3,500	3,600	3,625
Recreation										
Public library										
Circulation of materials	879,152	930,098	920,727	962,246 *	1,035,223	1,114,737	1,154,634	1,153,773	1,142,301	1,121,505
Railway museum										
Outreach participants	3,300	3,924	3,621	3,900	4,000	4,100	4,150	4,200	4,200	4,200
Participants in programs	N/A	N/A	N/A	2,547	2,434	3,569	5,118	4,200	4,200	5,000
Urban Development										
Planning and zoning										
Major and minor subdivisions (new applications)	49	47	47	63	40	21	34	45	45	71
Water and Sewer										
Number of customers	N/A	N/A	4,587	4,788	4,799	5,037	5,076	5,104	5,153	5,190

NOTES:
(1) Source: Calvert County's Adopted Operating and Capital Budget FY2005-2014
(2) Source: Calvert County Sheriff's Office

County Commissioners of Calvert County, Maryland
Capital Asset Statistics by Function
Last Nine Fiscal Years
(unaudited, see related notes below)
Schedule 17

Function:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Public Safety									
Police:									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	89	115	115	120	141	140	141	141	125
Special purpose units	0	0	0	0	0	5	6	6	6
Fire protection:									
Fire stations	7	7	7	7	7	5	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12
Ambulances	15	15	15	15	15	14	14	14	14
Rescue trucks	6	6	6	6	6	7	7	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	3
Brush units	12	12	12	12	12	13	13	13	13
Tankers	5	5	5	5	5	5	5	5	5
Jet skis	2	2	2	2	2	2	2	2	2
Dive rescue van	1	1	1	1	1	1	1	1	1
Fire-rescue boats	3	3	3	3	3	3	3	3	3
Mass casualty unit/trailer	1	1	1	1	1	1	1	1	1
Inflatable boats	6	6	6	6	6	6	6	6	6
Paramedic units	5	5	5	5	5	5	5	5	5
Air cascade units	0	0	1	1	1	2	2	2	2
Other utility types	24	24	24	24	24	25	25	25	25
Community Resources									
Transportation:									
Passenger buses	17	17	18	18	17	17	17	17	19
Public Works									
County owned streets in miles	435	446	446	446	446	452	452	452	462
Recreation									
Baseball fields	20	20	20	20	20	20	20	20	20
Football fields	7	7	7	7	7	7	7	7	7
Basketball courts	6	6	6	6	6	6	6	6	6
Tennis courts	10	10	10	10	10	10	10	12	12
Pools	1	2	2	2	2	3	3	3	3
Golf course	0	0	0	0	0	1	1	1	1
Playgrounds and parks in acres	360	360	360	360	360	360	375	375	580
Water and Sewer									
Water mains in miles	75	75	75	75	75	77	77	77	79
Water systems	21	21	21	21	21	21	21	20	21
Storage tanks	14	14	14	14	14	14	14	14	14
Sewer mains in miles	66	66	66	66	66	66	66	66	68
Sewer treatment plants	9	9	9	9	9	9	9	8	8
Sewer pumping stations	27	27	27	27	39	39	39	39	39

NOTES:
(1) Source: Various county departments