



**CALVERT
COUNTY**
Maryland

Comprehensive Annual Financial Report

For the Fiscal Year
Ended June 30, 2014



Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2014

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2014

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Introductory Section



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CALVERT COUNTY GOVERNMENT

Board of County Commissioners

Steven R. Weems, President

Evan K. Slaughenhaupt Jr., Vice President

Pat Nutter, Commissioner

Mike Hart, Commissioner

Thomas Hejl, Commissioner

December 22, 2014

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, 2014, 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, 2014 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 2014) of the revenue for the General Fund of the Calvert County Government. Declines in property assessments are expected to end with calendar year 2014 reassessments. We are anticipating a 1% increase. Income taxes in FY

2014 fell significantly short of estimates, by about 9%. FY 2015 has started out much the same.

Property tax, the largest revenue source, represented 62 percent of the total General Fund revenue for fiscal year 2014. Along with the rest of the Country, Calvert County's property values have decreased from peak levels. New construction has helped this revenue item and we experienced positive variances in both FY 2013 and FY 2014. The number of residential building permits issued in fiscal year 2014 was 240, a decrease of about 5 percent or 14 permits from the prior fiscal year. Property taxes have been buoyed by public utility providers.

Income tax revenue, at almost 30 percent of the total General Fund revenue for fiscal year 2014, is directly affected by personal income levels, employment levels, and population growth. Our wealthy county sees major swings related to the timing of capital gain recognition reported on income tax returns. Remembering that the end of calendar year 2012 was the period labeled by the media as the fiscal cliff provides some explanation of the current weakness in income tax. As a county that neighbors Washington D.C., sequestration is also considered a cause of income tax weakness.

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 2015 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 2015 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 2014, 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 2014 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 2014 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, 2013. 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, 2013 to June 30, 2014. 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, 2013

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Steven R. Weems
President, Board of County Commissioners

Evan K. Slaughenhaupt Jr.
Vice President, Board of County Commissioners

Pat Nutter
Commissioner

Mike Hart
Commissioner

Thomas Hejl
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

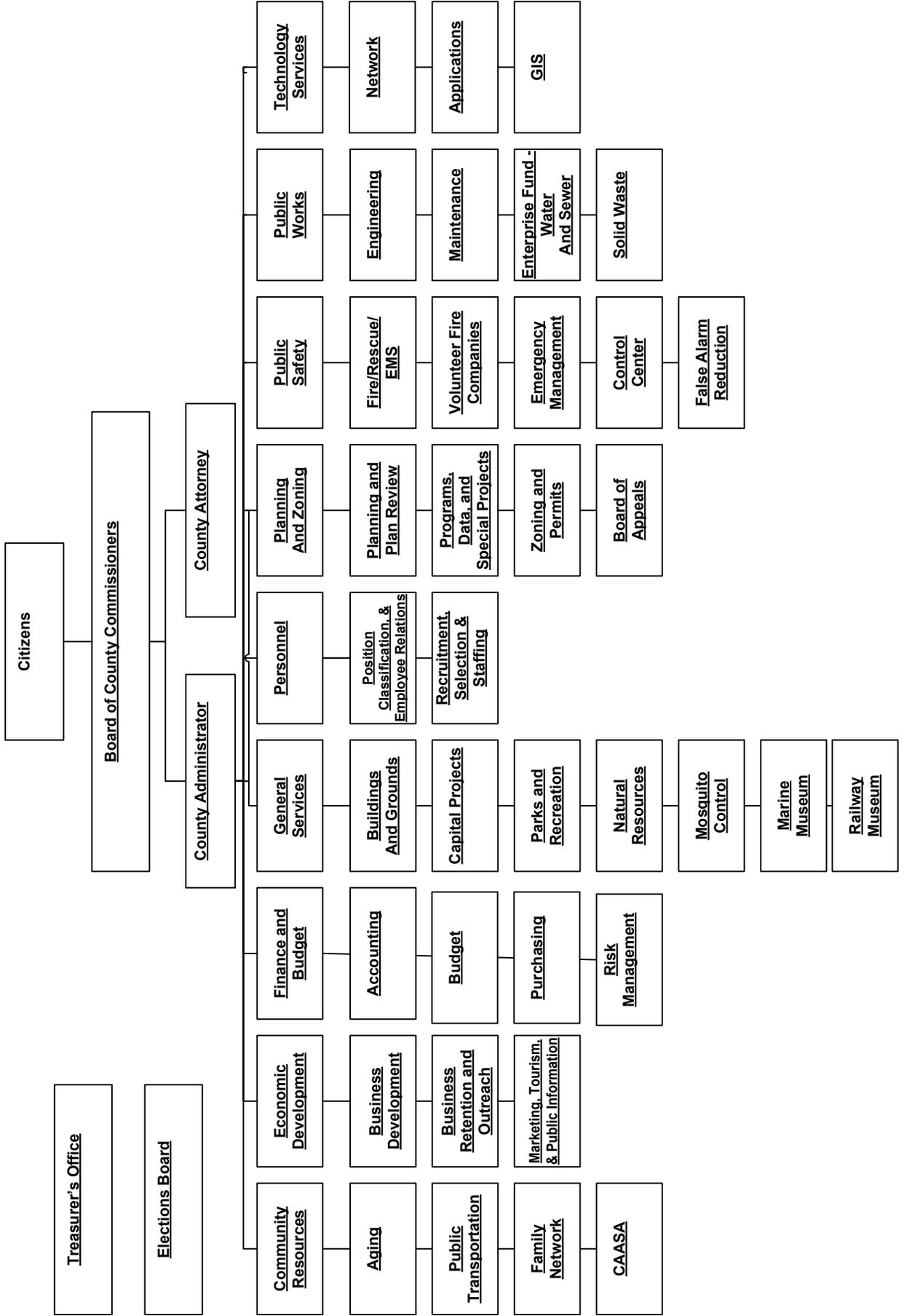
Linda Vassallo
Director of Economic Development

P. Rai Sharma
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



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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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and historical pension and other post employment benefit schedules on pages 4-15 and 69-79 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 other 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 other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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 other 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 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 19, 2014, 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 19, 2014

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, 2014. 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 \$184.9 million (*net position*). 17.0 percent of this amount is attributable to the business-type activities that include the Water and Sewer Fund and the Solid Waste and Recycling Fund. Of total net position, \$23.7 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors (\$9.3 million of this amount is related to governmental activities and \$14.4 million is attributable to the business-type activities), \$19.7 million is restricted for specific purposes (*restricted net position*), and \$141.5 million is net invested in capital assets. Included as restricted cash is \$28.7 million of which \$24.4 million represents bond proceeds.
- The government's total net position has decreased by \$8.7 million; a \$9.4 million decrease was related to the governmental activities and an increase of \$734,403 was related to the business-type activities. The governmental decrease was due in part to a \$6.7 million decrease in the State's estimated unallocated income tax amount for Calvert County. \$4.4 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, 2014, the County's governmental funds reported combined fund balances of \$104.9 million, a decrease of \$9.2 million from the prior year. Approximately 84.4 percent of this total amount, \$88.6 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$68.4 million (prior year, \$68.2 million) has been dedicated for certain purposes, including, \$27.0 million for approved capital projects, \$5.0 million for employee leave obligations payouts, \$9.7

million for purposes within special revenue funds and \$4.7 million for other post employment benefits (*GASB 45*).

- The proprietary funds revenue increased by \$286,720 or 1.7 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$51.9 million (*committed, assigned and unassigned*), or 22.3 percent of total fiscal year 2014 General Fund budgetary expenditures and other financing uses. Nonspendable and restricted fund balance of the General Fund was \$8.3 million, or 13.8 percent of fund balance.
- Calvert County Government issued new general obligation bonds of \$9.6 million during fiscal year 2014. The purpose of this debt was to finance several major capital projects including the Williams and Dowell Newtown Road projects, the 800 MHz System expansion along with several water and sewer projects.

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 and solid waste & recycling.

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 15 individual governmental funds: the General, Planning and Zoning, Board of Library Trustees, Parks and Recreation, the Chesapeake Hills Golf Course, the Calvert Marine Museum, 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 on page 22 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 and solid waste and recycling in the basic proprietary fund financials found on pages 23 to 25 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 26 and 27 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 28 to 68 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 69 of this report.

Government-wide Financial Analysis

This is the thirteenth 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 2014 assets exceeded liabilities by \$184.9 million (prior year, \$190.0 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:

- Net invested in capital assets;
 - 76.7 percent of total net position (78.6 percent, prior year)
- Restricted net position;
 - 10.5 percent of total net position (9.3 percent, prior year)
- Unrestricted net position;
 - 12.8 percent of total net position (12.1 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 unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Restricted net positions 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:

	Governmental Activities			Business-type Activities			Total		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
Current and other assets	\$ 157,528,468	\$ 166,063,058	\$ (8,534,590)	\$ 20,092,270	\$ 17,044,495	\$ 3,047,775	\$ 177,620,738	\$ 183,107,553	\$ (5,486,815)
Capital assets	188,826,764	191,143,139	(2,316,375)	41,087,455	41,867,802	(780,347)	229,914,219	233,010,941	(3,096,722)
Total assets	346,355,232	357,206,197	(10,850,965)	61,179,725	58,912,297	2,267,428	407,534,957	416,118,494	(8,583,537)
Deferred outflows of resources	-	-	-	50,296	-	50,296	50,296	-	50,296
Long-term liabilities	139,347,983	141,803,206	(2,455,223)	26,287,768	17,066,822	9,220,946	165,635,751	158,870,028	6,765,723
Other liabilities	52,944,129	52,962,618	(18,489)	3,110,770	10,751,433	(7,640,663)	56,054,899	63,714,051	(7,659,152)
Total liabilities	192,292,112	194,765,824	(2,473,712)	29,398,538	27,818,255	1,580,283	221,690,650	222,584,079	(893,429)
Deferred inflows of resources	1,040,399	-	1,040,399	3,038	-	3,038	1,043,437	-	1,043,437
Net invested in capital assets	126,029,053	126,847,298	(818,245)	15,498,941	25,882,020	(10,383,079)	141,527,994	152,729,318	(11,201,324)
Restricted	17,696,426	15,851,897	1,844,529	1,979,832	1,665,715	314,117	19,676,258	17,517,612	2,158,646
Unrestricted	9,297,242	19,741,178	(10,443,936)	14,349,672	3,546,307	10,803,365	23,646,914	23,287,485	359,429
Total net position	\$ 153,022,721	\$ 162,440,373	\$ (9,417,652)	\$ 31,828,445	\$ 31,094,042	\$ 734,403	\$ 184,851,166	\$ 193,534,415	\$ (8,683,249)

Governmental activities: Net position of the Governmental activities decreased by \$9.4 million (prior year, a decrease of \$15.4 million). Fiscal Year 2014's decrease was due in part to a \$6.7 million decrease in the State's estimated unallocated income tax amount for Calvert County and \$4.4 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 \$734,403 (prior year, an increase of \$1.1 million). This increase is the result of the Calvert Marine Museum fund type change from enterprise fund to special revenue fund and positive results of the Water and Sewer Fund and Solid Waste fund.

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. In 2014, the advance was formalized into a loan from General Fund of \$7.0 million.

The Water and Sewer Fund had an increase in net position of \$575,566, primarily due to the new rate structure. The Solid Waste and Recycling Fund had an increase in net position of \$158,837, explained by positive operating results. Lowered revenues due to the economically sensitive waste stream were offset by strong cost controls.

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

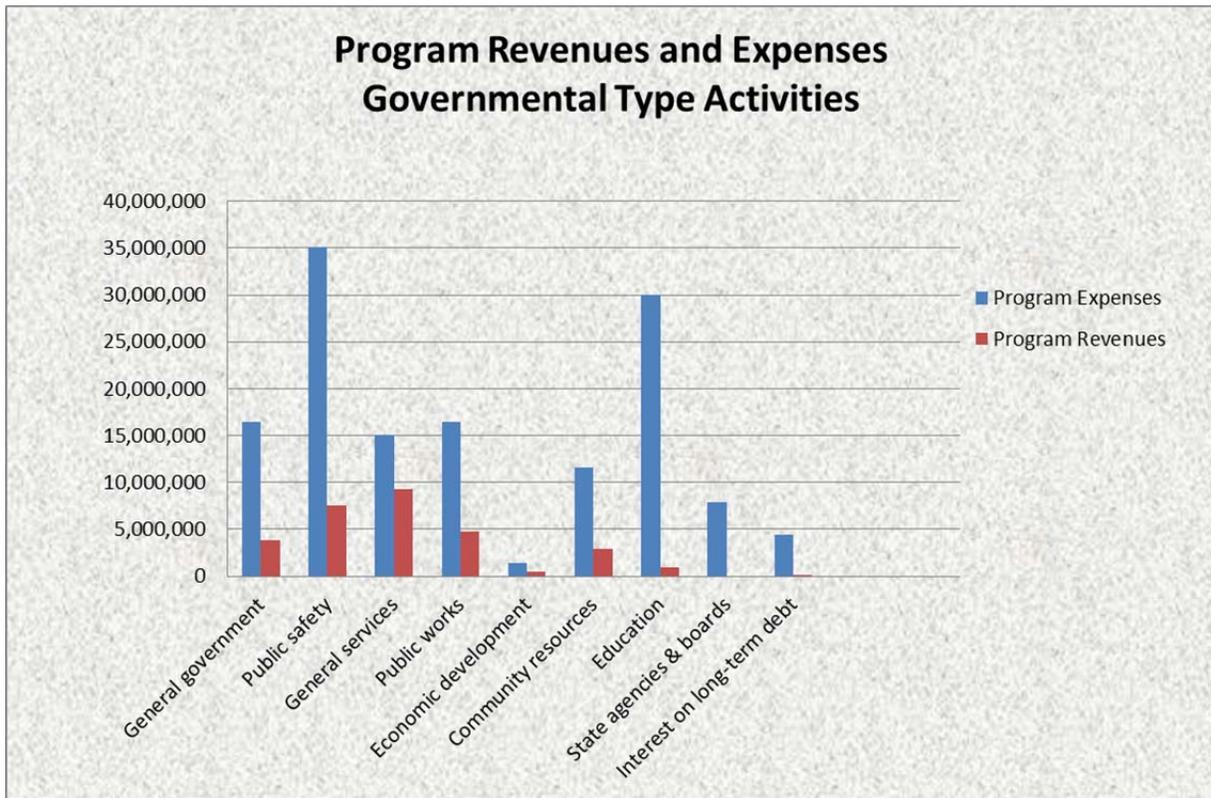
	Governmental Activities			Business-type Activities			Total		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
Revenues									
<u>Program Revenues</u>									
Charges for services	\$ 20,959,547	\$ 15,001,977	\$ 5,957,570	\$ 16,799,364	\$ 16,662,978	\$ 136,386	\$ 37,758,911	\$ 31,664,955	\$ 6,093,956
Operating grants and contributions	6,440,610	5,836,366	604,244	-	141,820	(141,820)	6,440,610	5,978,186	462,424
Capital grants and contributions	2,392,865	2,686,512	(293,647)	599,714	251,512	348,202	2,992,579	2,938,024	54,555
<u>General Revenues</u>									
Property taxes	141,760,716	145,034,029	(3,273,313)	-	-	-	141,760,716	145,034,029	(3,273,313)
Income taxes	62,141,903	60,726,847	1,415,056	-	-	-	62,141,903	60,726,847	1,415,056
Other taxes	8,239,152	8,001,839	237,313	-	-	-	8,239,152	8,001,839	237,313
Investment earnings	493,295	367,372	125,923	55,201	111,249	(56,048)	548,496	478,621	69,875
Total revenues	242,428,088	237,654,942	4,773,146	17,454,279	17,167,559	286,720	259,882,367	254,822,501	5,059,866
Expenses									
<u>Program Expenses</u>									
General government	16,415,357	14,174,216	2,241,141	-	-	-	16,415,357	14,174,216	2,241,141
Public safety	35,084,015	32,007,116	3,076,899	-	-	-	35,084,015	32,007,116	3,076,899
General services	15,124,898	21,752,051	(6,627,153)	-	-	-	15,124,898	21,752,051	(6,627,153)
Public works	16,435,645	13,559,366	2,876,279	-	-	-	16,435,645	13,559,366	2,876,279
Economic development	1,440,317	1,525,196	(84,879)	-	-	-	1,440,317	1,525,196	(84,879)
Community resources	11,597,350	10,956,919	640,431	-	-	-	11,597,350	10,956,919	640,431
Education	143,384,137	145,813,724	(2,429,587)	-	-	-	143,384,137	145,813,724	(2,429,587)
State agencies & independent boards	7,839,422	8,125,874	(286,452)	-	-	-	7,839,422	8,125,874	(286,452)
Interest on long-term debt	4,459,599	4,784,558	(324,959)	-	-	-	4,459,599	4,784,558	(324,959)
Water and sewer	-	-	-	7,512,161	7,101,088	411,073	7,512,161	7,101,088	411,073
Solid waste	-	-	-	9,272,715	9,285,367	(12,652)	9,272,715	9,285,367	(12,652)
Total expenses	251,780,740	252,699,020	(918,280)	16,784,876	16,386,455	398,421	268,565,616	269,085,475	(519,859)
Excess (deficiency) of revenues over expenses	(9,352,652)	(15,044,078)	5,691,426	669,403	781,104	(111,701)	(8,683,249)	(14,262,974)	5,579,725
Transfers	(65,000)	(91,000)	26,000	65,000	91,000	(26,000)	-	-	-
Change in Net position									
Net position - beginning	162,440,373	177,575,451	(15,135,078)	31,094,042	30,221,938	872,104	193,534,415	207,797,389	(14,262,974)
Net position - ending	\$ 153,022,721	\$ 162,440,373	\$ (9,417,652)	\$ 31,828,445	\$ 31,094,042	\$ 734,403	\$ 184,851,166	\$ 193,534,415	\$ (8,683,249)

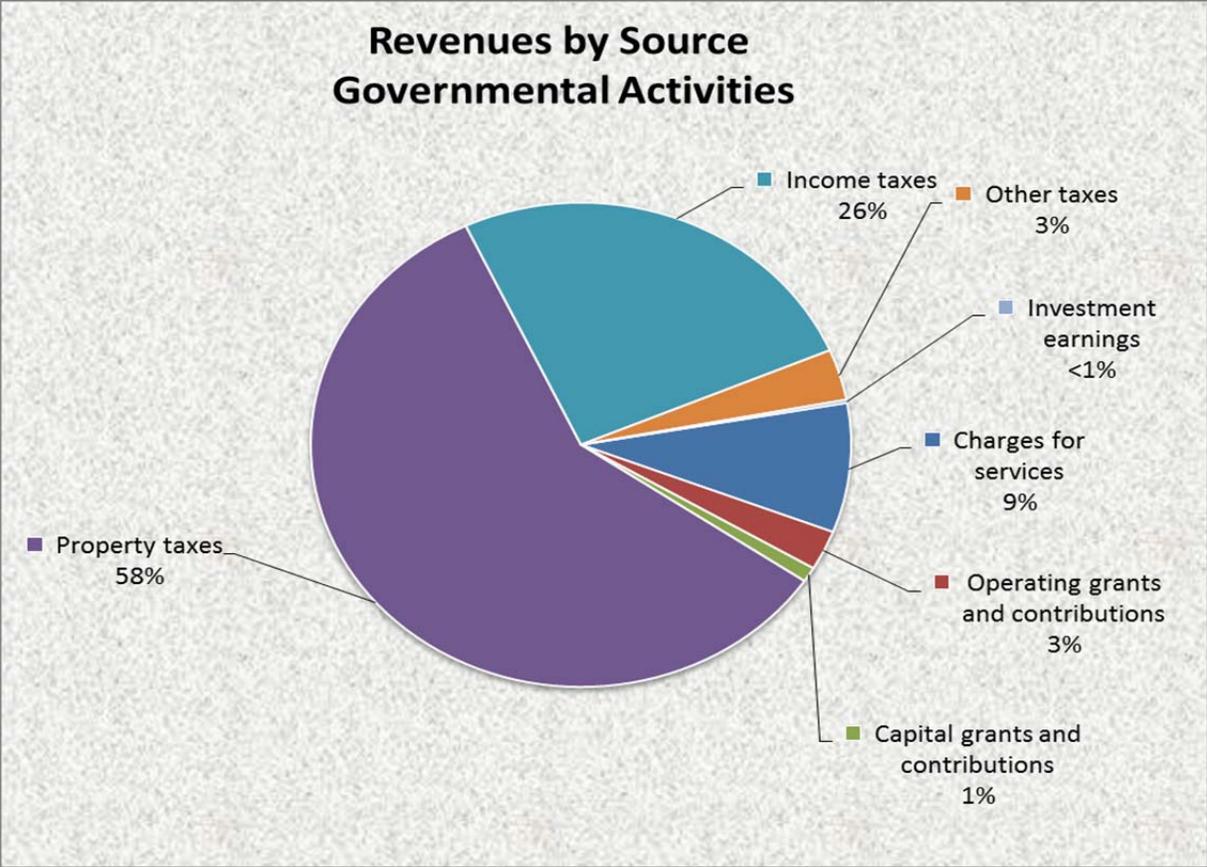
* In FY2014, the expenditure categories were realigned to correspond with the budgetary document.

The two most significant differences in the revenue section are related to charges for services and property taxes. The \$6.0 million difference in the charges for services is mostly the result of the Calvert Marine Museum being reported as a special revenue fund in this fiscal year. The property tax decrease of \$3.3 million is due declining state property assessments.

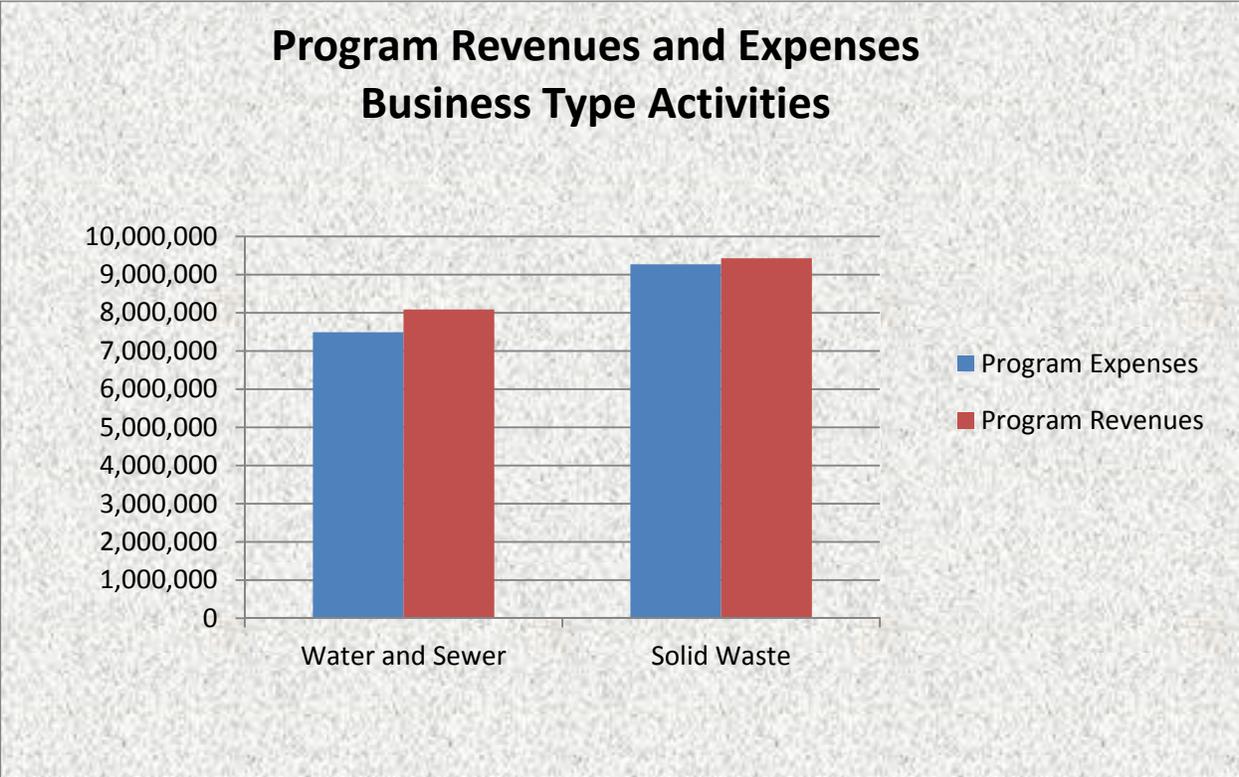
The majority of the differences noted in the expense section are related to reclassifying the expenditure categories to correspond with the budgetary document. In total expenses changed minimally.

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 45 percent of the total program expenses the chart becomes meaningless for comparison purposes:

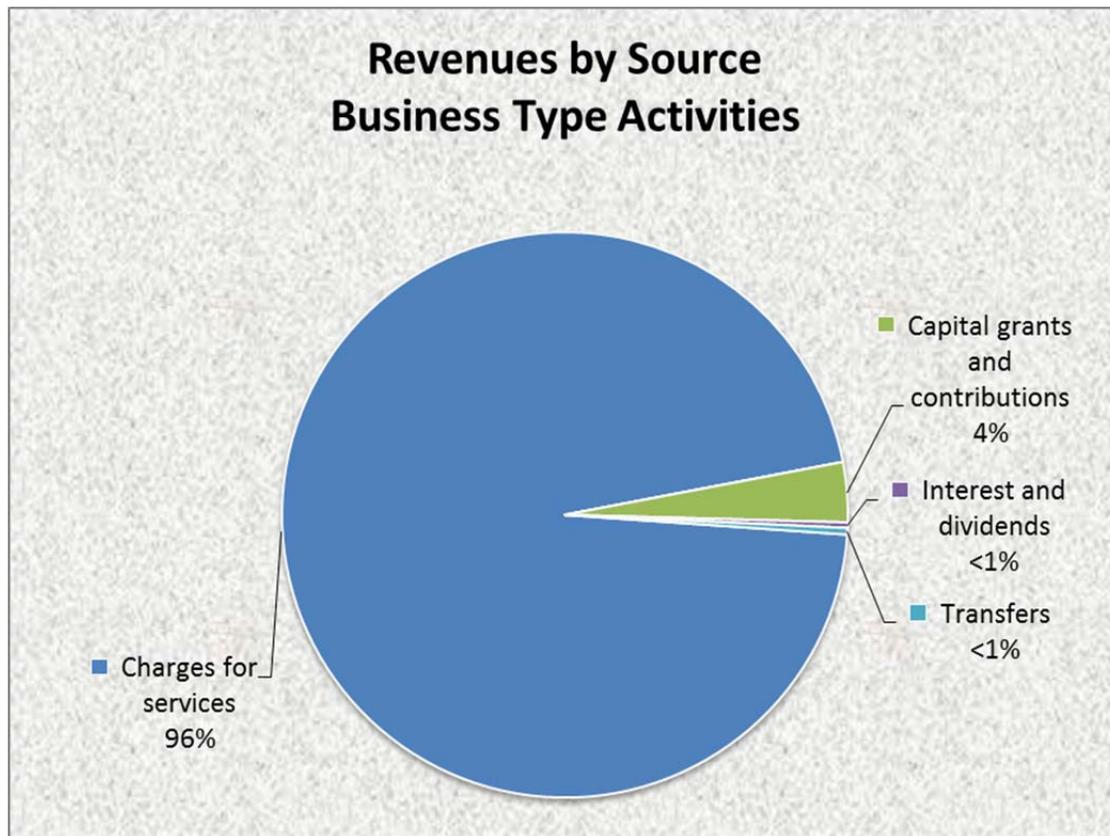




This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



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 \$104.9 million (prior year, \$114.1 million), a decrease of \$9.2 million (prior year, decrease of \$7.2 million).

Approximately 84 percent (prior year, 84 percent) of this amount, \$88.6 million (prior year, \$95.4 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$68.4 million (prior year, \$68.2 million) of this amount has been *committed or assigned* for certain purposes. The remainder of fund balance, \$16.4 million or 15.6 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 \$29.9 million (prior year, \$37.0 million), while total fund balance was \$60.2 million (prior year, \$67.0 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 12.9 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 16.2 percent), while total fund balance represents 25.9 percent (prior year, 29.5 percent) of that same amount.

The fund balance of Calvert County Government's General Fund decreased by \$6.8 million (prior year decrease of \$144,852). Staff had estimated fiscal year 2014 would have planned deficit of \$4.4 million. Many revenue and expense line item variances resulted in the County's budgetary loss of \$6,827,362 but most noteworthy were the disappointing income tax results.

The Capital Projects Fund has a total fund balance of \$27.1 million (prior year, \$30.5 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$17.4 million make up 64.2 percent of the total fund balance (prior year, \$20.3 million, 66.6 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 \$734,403 (prior year, increase of \$1.1 million). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to a positive \$9.7 million (prior year, negative \$.8 million). The major change that caused this large increase was due to the General Fund loan of \$7.0 million. The Solid Waste and Recycling Fund reported \$4.7 million in unrestricted net position (prior year, \$4.3 million).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$2.4 million over the original budget (prior year, \$5.4 million increase). The majority of the budget adjustment was related to appropriation of fund balance which was increased to cover several snow events that occurred during FY2014. Overall expenditures were less than the final budget by \$2.7 million. There are many variances within the 1,500 budgeted line items of the general fund. Two notable positive variances are transfers, with a \$745,817 savings and contracted service savings throughout the general fund of \$333,055. Revenues were \$9.5 million less than the final budgetary estimates. \$4.4 million of this difference can be explained by a planned use of fund balance that would not impact actual revenues. \$6.7 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, 2014, amounts to \$229.9 million (prior year, \$232.6 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.

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

	Governmental Activities			Business-type Activities			Total		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
Land	\$ 39,553,149	\$ 35,278,519	\$ 4,274,630	\$ 2,483,591	\$ 2,467,172	\$ 16,419	\$ 42,036,740	\$ 37,745,691	\$ 4,291,049
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	7,695,249	8,891,051	(1,195,802)	3,541,201	2,710,682	830,519	11,236,450	11,601,733	(365,283)
Buildings	34,713,851	37,083,513	(2,369,662)	20,749,267	22,157,173	(1,407,906)	55,463,118	59,240,686	(3,777,568)
Improvements	22,301,119	20,598,269	1,702,850	7,894,029	8,395,304	(501,275)	30,195,148	28,993,573	1,201,575
Machinery and equipment	15,615,972	15,822,484	(206,512)	6,419,366	6,246,956	172,410	22,035,338	22,069,440	(34,102)
Infrastructure	57,702,119	61,656,868	(3,954,749)	-	-	-	57,702,119	61,656,868	(3,954,749)
Total Capital Assets	\$ 188,826,764	\$ 190,576,009	\$ (1,749,245)	\$ 41,087,454	\$ 41,977,287	\$ (889,833)	\$ 229,914,218	\$ 232,553,296	\$ (2,639,078)

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

- Completed the Calvert Marine Museum Administration Building with a cost of \$1.9 million.
- Completed construction of the Stafford Road Waterline with a total capitalized cost of \$859 thousand.
- Capitalized \$670 thousand of initial costs on the 800 MHz system.

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 \$150.0 million (prior year, \$147.5 million). The full faith and credit and unlimited taxing power of the County are irrevocably pledged to levy and collect taxes in order to provide for the payment of principal and interest due on the debt. Of this amount, \$25.5 million (prior year, \$16.5 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 \$7.8 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.

Calvert County's Government's Outstanding Debt

	Governmental Activities			Business-type Activities			Total		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
General obligation debt	\$ 124,297,591	\$ 130,879,818	\$ (6,582,227)	\$ 13,651,111	\$ 10,859,325	\$ 2,791,786	\$ 137,948,702	\$ 141,739,143	\$ (3,790,441)
Notes payable	123,319	141,056	(17,737)	11,937,403	5,698,674	6,238,729	12,060,722	5,839,730	6,220,992
Land preservation program	7,819,640	7,933,355	(113,715)	-	-	-	7,819,640	7,933,355	(113,715)
Total Bonded Debt	\$ 132,240,550	\$ 138,954,229	\$ (6,713,679)	\$ 25,588,514	\$ 16,557,999	\$ 9,030,515	\$ 157,829,064	\$ 155,512,228	\$ 2,316,836

Calvert County Government's total general obligation bonded debt decreased by \$3.8 million, (prior year, a decrease of \$.8 million), or 2.7 percent during the current fiscal year (prior year, a decrease of 1.0 percent).

In May 2014, 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, 1.8 percent, and 2) debt service as a percent of general fund revenue, 9.5 percent. Using fiscal year 2014 data, the County's current ratios are as follows: debt to assessed value is 1.15 percent and debt service to general fund revenue is 7.2 percent.

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

Economic Factors and Fiscal Year 2015's Budgets and Rates

- The estimated median household income of County residents for calendar year 2010-2012 is \$92,517 (\$91,638 in 2009-2011), an increase of 1.0 percent. There was a 4.4 percent increase from calendar year, 2008-2010 to 2009-2011.
- The unemployment rate for the County and the State of Maryland remained relatively flat from 2012 to 2013 at 5.7 percent and 5.8 percent, respectively.
- Real property tax assessments for the third of the County that was reassessed for fiscal year 2014 were down on average 2.9 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2015 fiscal year. Calvert County Government has adopted a balanced budget for fiscal year 2015.

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.

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Board of Education	Economic Development Authority
ASSETS					
Cash, cash equivalents and investments	\$ 105,374,720	\$ 159,149	\$ 105,533,869	\$ 18,317,742	\$ 1,770,162
Receivables					
Taxes	7,102,823	-	7,102,823	-	-
Special assessments	1,040,359	-	1,040,359	-	-
Accounts	17,201,951	2,732,196	19,934,147	-	-
Notes	13,847,701	50,336	13,898,037	-	29,809
Accrued interest	30,825	8,242	39,067	-	311
Other	-	-	-	435,826	-
Due from primary government	-	-	-	11,729,898	163,959
Internal balances	(5,677,395)	5,677,395	-	-	-
Due from other governments	-	-	-	2,625,804	-
Deferred expenses	-	-	-	-	-
Prepaid costs	-	-	-	2,006	-
Inventory	581,363	125,498	706,861	181,585	-
Net pension asset	670,770	-	670,770	-	-
Restricted assets					
Cash	17,355,351	11,339,454	28,694,805	-	-
Capital assets not being depreciated	58,493,703	6,024,792	64,518,495	6,876,835	22,191
Depreciable capital assets - net	130,333,061	35,062,663	165,395,724	221,397,994	-
Total assets	<u>346,355,232</u>	<u>61,179,725</u>	<u>407,534,957</u>	<u>261,567,690</u>	<u>1,986,432</u>
Deferred Outflows of Resources					
Deferred loss on refunding	-	50,296	50,296	-	-
LIABILITIES					
Accounts payable	4,308,415	1,101,945	5,410,360	2,702,583	32
Notes payable	35,800	-	35,800	-	-
Accrued liabilities	9,174,383	321,829	9,496,212	13,389,148	-
Due to other governments	4,937,733	-	4,937,733	-	-
Due to component units	11,893,857	-	11,893,857	-	-
Compensated absences, current portion	1,343,791	100,000	1,443,791	209,004	-
Long-term debt, current portion	12,910,694	1,521,996	14,432,690	-	-
Estimated postclosure costs, current portion	30,000	65,000	95,000	-	-
Unearned revenue	8,309,456	-	8,309,456	4,038,148	-
Noncurrent liabilities:					
Net pension obligation	11,826,162	-	11,826,162	44,588,847	-
Compensated absences, net of current portion	7,831,965	456,192	8,288,157	3,191,339	-
Long-term debt, net of current portion	119,329,856	24,066,518	143,396,374	-	-
Estimated postclosure costs, net of current portion	360,000	1,765,058	2,125,058	-	-
Total liabilities	<u>192,292,112</u>	<u>29,398,538</u>	<u>221,690,650</u>	<u>68,119,069</u>	<u>32</u>
Deferred Inflows of Resources					
Deferred gain on refunding	1,040,399	3,038	1,043,437	-	-
NET POSITION					
Net investment in capital assets	126,029,053	15,498,941	141,527,994	228,274,829	22,191
<u>Restricted for</u>					
Parks and recreation	2,126,791	-	2,126,791	-	-
Planning and zoning	24,535	-	24,535	-	-
Bar library	-	-	-	-	-
Revolving loan	12,100	-	12,100	-	-
Economic Development Authority revolving loan	328,121	-	328,121	-	-
Calvert County Family Network	-	-	-	-	-
Grants	63,820	-	63,820	472,261	-
Economic Development incentive	310,751	-	310,751	-	-
Excise tax	4,255,182	-	4,255,182	-	-
Land preservation	10,566,519	-	10,566,519	-	-
Board of Library trustees	8,607	-	8,607	-	-
Restricted for capital connections	-	1,979,832	1,979,832	-	-
Unrestricted	9,297,242	14,349,672	23,646,914	(35,298,469)	1,964,209
Total net position	<u>\$ 153,022,721</u>	<u>\$ 31,828,445</u>	<u>\$ 184,851,166</u>	<u>\$ 193,448,621</u>	<u>\$ 1,986,400</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, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<u>Governmental activities:</u>				
General government	\$ 16,415,357	\$ 2,975,267	\$ 881,839	\$ 6,759
Public safety	35,084,015	4,727,958	2,552,468	294,948
General services	15,124,898	6,880,228	398,271	1,974,112
Public works	16,435,645	4,569,645	50,029	117,046
Economic development	1,440,317	519,213	-	-
Community resources	11,597,350	1,280,936	1,630,067	-
Education	143,384,137	-	927,936	-
State agencies & independent boards	7,839,422	-	-	-
Interest on long-term debt	4,459,599	6,300	-	-
Total governmental activities	251,780,740	20,959,547	6,440,610	2,392,865
<u>Business-Type activities:</u>				
Water and sewer	7,512,161	7,455,373	-	599,714
Solid waste	9,272,715	9,343,991	-	-
Total business-type activities	16,784,876	16,799,364	-	599,714
Total primary government	\$ 268,565,616	\$ 37,758,911	\$ 6,440,610	\$ 2,992,579
Component Units:				
School district	\$ 251,994,977	\$ 3,721,126	\$ 48,324,305	\$ 12,368,859
Economic development	417	1,070	-	-
Total component units	\$ 251,995,394	\$ 3,722,196	\$ 48,324,305	\$ 12,368,859

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, 2014**

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
\$ (12,551,492)	\$ -	\$ (12,551,492)	-	-
(27,508,641)	-	(27,508,641)	-	-
(5,872,287)	-	(5,872,287)	-	-
(11,698,925)	-	(11,698,925)	-	-
(921,104)	-	(921,104)	-	-
(8,686,347)	-	(8,686,347)	-	-
(142,456,201)	-	(142,456,201)	-	-
(7,839,422)	-	(7,839,422)	-	-
(4,453,299)	-	(4,453,299)	-	-
<u>(221,987,718)</u>	<u>-</u>	<u>(221,987,718)</u>	<u>-</u>	<u>-</u>
-	542,926	542,926	-	-
-	71,276	71,276	-	-
<u>-</u>	<u>614,202</u>	<u>614,202</u>	<u>-</u>	<u>-</u>
<u>\$ (221,987,718)</u>	<u>\$ 614,202</u>	<u>\$ (221,373,516)</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (187,580,687)	\$ -
-	-	-	-	653
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (187,580,687)</u>	<u>\$ 653</u>
141,760,716	-	141,760,716	-	-
62,141,903	-	62,141,903	-	-
6,170,923	-	6,170,923	-	-
14,776	-	14,776	-	-
1,366,119	-	1,366,119	-	-
687,334	-	687,334	-	-
493,295	55,201	548,496	4,622	1,259
-	-	-	173,416,661	-
(65,000)	65,000	-	-	-
<u>212,570,066</u>	<u>120,201</u>	<u>212,690,267</u>	<u>173,421,283</u>	<u>1,259</u>
<u>(9,417,652)</u>	<u>734,403</u>	<u>(8,683,249)</u>	<u>(14,159,404)</u>	<u>1,912</u>
<u>162,440,373</u>	<u>31,094,042</u>	<u>193,534,415</u>	<u>207,608,025</u>	<u>1,984,488</u>
<u>\$ 153,022,721</u>	<u>\$ 31,828,445</u>	<u>\$ 184,851,166</u>	<u>\$ 193,448,621</u>	<u>\$ 1,986,400</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, 2014**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 97,181,380	\$ -	\$ 8,193,340	\$ 105,374,720
Receivables:				
Taxes	6,181,212	-	921,611	7,102,823
Special assessments	1,040,359	-	-	1,040,359
Accounts	16,116,388	-	1,085,563	17,201,951
Notes	13,670,631	-	177,070	13,847,701
Accrued interest	30,679	146	-	30,825
Due from other funds	112,258	11,371,695	10,759,234	22,243,187
Due from other governments	-	-	-	-
Inventory	515,374	-	65,989	581,363
Restricted assets				
Cash and investments	-	17,355,351	-	17,355,351
Total assets	<u>\$ 134,848,281</u>	<u>\$ 28,727,192</u>	<u>\$ 21,202,807</u>	<u>\$ 184,778,280</u>
LIABILITIES				
Accounts payable	1,870,626	449,066	1,988,723	4,308,415
Notes payable	-	-	35,800	35,800
Accrued liabilities	7,578,406	249,539	-	7,827,945
Due to other funds	27,844,942	-	75,640	27,920,582
Due to component units	10,913,959	979,898	-	11,893,857
Due to other governments	4,937,733	-	-	4,937,733
Unearned revenue	-	-	1,406,218	1,406,218
Total liabilities	<u>53,145,666</u>	<u>1,678,503</u>	<u>3,506,381</u>	<u>58,330,550</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	<u>21,510,987</u>	<u>-</u>	<u>-</u>	<u>21,510,987</u>
FUND BALANCE (DEFICITS)				
Nonspendable	8,317,376	-	7,192,814	15,510,190
Restricted	-	-	847,698	847,698
Committed	21,943,607	979,898	7,858,941	30,782,446
Assigned	9,718,619	26,068,791	1,872,260	37,659,670
Unassigned	20,212,026	-	(75,287)	20,136,739
Total fund balances	<u>60,191,628</u>	<u>27,048,689</u>	<u>17,696,426</u>	<u>104,936,743</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 134,848,281</u>	<u>\$ 28,727,192</u>	<u>\$ 21,202,807</u>	<u>\$ 184,778,280</u>
Fund balance (as reported above)				104,936,743
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.				188,826,764
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				15,278,519
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(142,846,705)
Net pension obligations are not due and payable in the current period, and, therefore, are not reported in the funds.				(11,826,162)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				(1,346,438)
Net position of governmental activities				<u>\$ 153,022,721</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, 2014**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 214,317,246	\$ -	\$ 2,755,793	\$ 217,073,039
Licenses and permits	336,520	-	-	336,520
Intergovernmental	3,731,751	5,043,612	6,752,693	15,528,056
Charges for services	3,628,720	-	1,845,481	5,474,201
Fines and forfeitures	389,651	-	264,909	654,560
Miscellaneous	1,204,928	557,478	3,333,244	5,095,650
Total revenues	<u>223,608,816</u>	<u>5,601,090</u>	<u>14,952,120</u>	<u>244,162,026</u>
EXPENDITURES				
General government	11,938,458	-	111,610	12,050,068
Public safety	27,740,436	-	-	27,740,436
General services	9,107,533	-	7,249,527	16,357,060
Public works	9,510,233	-	-	9,510,233
Economic development	1,130,190	-	-	1,130,190
Community resources	1,836,054	-	7,116,059	8,952,113
Education	117,632,648	-	4,141,342	121,773,990
State agencies & independant boards	6,468,234	-	-	6,468,234
Pensions and insurance	19,231,184	-	-	19,231,184
Capital projects	-	19,443,595	-	19,443,595
Debt service				
Principal retirement	12,113,675	-	-	12,113,675
Interest expense	4,530,901	-	-	4,530,901
Bond/refunding expense	9,367	-	-	9,367
Total expenditures	<u>221,248,913</u>	<u>19,443,595</u>	<u>18,618,538</u>	<u>259,311,046</u>
Excess (deficiency) of revenues over expenditures	<u>2,359,903</u>	<u>(13,842,505)</u>	<u>(3,666,418)</u>	<u>(15,149,020)</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance	-	5,760,000	-	5,760,000
Premium on bonds issued	-	281,302	-	281,302
Transfers in - other	1,150,000	4,381,842	7,443,894	12,975,736
Transfers out - other	(10,346,479)	-	(2,694,257)	(13,040,736)
Total other financing sources (uses)	<u>(9,196,479)</u>	<u>10,423,144</u>	<u>4,749,637</u>	<u>5,976,302</u>
Net change in fund balance	(6,836,576)	(3,419,361)	1,083,219	(9,172,718)
Fund balance at beginning of year	67,028,204	30,468,050	16,613,207	114,109,461
Fund balance at end of year	<u>\$ 60,191,628</u>	<u>\$ 27,048,689</u>	<u>\$ 17,696,426</u>	<u>\$ 104,936,743</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, 2014**

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

Net change in fund balances - total governmental funds		\$ (9,172,718)
<p>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.</p>		
Capital outlays	32,824,986	
Depreciation	<u>(13,647,083)</u>	19,177,903
The net effect of various transactions involving capital assets including, capitalized assets reclassified from construction in progress, sales, trade-ins, and donations.		(33,040,823)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		11,716,205
<p>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.</p>		
Compensated absences	(50,068)	
Change in landfill postclosure liabilities	30,000	
Net pension obligation	(4,231,193)	
Issuance - General Obligation Bonds	(5,760,000)	
Premium on issuance of debt	(281,302)	
Principal payments	<u>12,113,675</u>	
Changes in long-term debt		1,821,112
<p>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.</p>		
Change in accrued interest		<u>80,669</u>
Change in net position of governmental activities		<u><u>\$ (9,417,652)</u></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
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget Original	Budget Final	Actual	Variance (Over) Under
REVENUES				
Taxes	\$ 219,459,579	\$ 219,480,001	\$ 214,317,246	\$ (5,162,755)
Licenses and permits	302,641	302,641	336,520	33,879
Intergovernmental	4,348,498	4,595,788	4,110,684	(485,104)
Charges for services	3,439,499	3,462,578	3,685,835	223,257
Fines and forfeitures	406,900	500,210	518,935	18,725
Miscellaneous	3,298,648	5,078,585	996,106	(4,082,479)
Total revenues	231,255,765	233,419,803	223,965,326	(9,454,477)
EXPENDITURES				
General government	12,100,537	11,908,108	11,819,557	88,551
Public safety	26,903,054	27,323,725	27,376,187	(52,462)
General services	12,203,577	12,245,962	11,614,778	631,184
Public works	8,886,344	10,348,788	9,861,156	487,632
Economic development	1,269,353	1,269,713	1,106,920	162,793
Community resources	1,906,048	1,987,691	1,843,808	143,883
Education	121,335,871	121,338,790	121,324,262	14,528
State Agencies & Independent Boards	6,615,891	6,648,637	6,477,123	171,514
Pensions and insurance	19,589,846	19,609,936	19,231,184	378,752
<u>Debt service</u>				
Principal retirement	12,065,173	12,065,173	12,113,675	(48,502)
Interest	4,525,004	4,525,004	4,530,901	(5,897)
Bond refunding expense	-	-	9,367	(9,367)
Total expenditures	227,400,698	229,271,527	227,308,918	1,962,609
Excess (deficiency) of revenues over expenditures	3,855,067	4,148,276	(3,343,592)	(7,491,868)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,295,818	1,440,133	1,358,822	(81,311)
Operating transfers out	(5,150,885)	(5,588,409)	(4,842,592)	745,817
Total other financing sources (uses)	(3,855,067)	(4,148,276)	(3,483,770)	664,506
Net change in fund balance	-	-	(6,827,362)	(6,827,362)
Fund balance - beginning	67,028,204	67,028,204	67,028,204	-
Fund balance - ending	<u>\$ 67,028,204</u>	<u>\$ 67,028,204</u>	<u>\$ 60,200,842</u>	<u>\$ (6,827,362)</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)	\$ 225,324,148
Transfer adjustment (Library)	(565,332)
Revenue and transfers in (GAAP basis)	<u>\$ 224,758,816</u>
Expenditures and operating transfers out (budgetary basis)	\$ 232,151,510
Encumbrance/accrual adjustment	64,067
Transfer adjustment (Library)	(565,332)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 231,650,245</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, 2014

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total
ASSETS			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 158,149	\$ 1,000	\$ 159,149
Investments	-	-	-
Total cash, cash equivalents and investments	158,149	1,000	159,149
Accounts receivable	1,913,944	818,252	2,732,196
Notes receivable	50,336	-	50,336
Accrued interest receivable	125	8,117	8,242
Due from other funds	-	5,714,013	5,714,013
Deferred expenses	-	-	-
Inventory	125,498	-	125,498
Total current assets	2,248,052	6,541,382	8,789,434
<u>Non-current assets:</u>			
Restricted assets			
Cash and investments	10,428,123	911,331	11,339,454
Capital assets not being depreciated	3,874,743	2,150,049	6,024,792
Depreciable capital assets - net	33,712,963	1,349,700	35,062,663
Total non-current assets	48,015,829	4,411,080	52,426,909
Total assets	50,263,881	10,952,462	61,216,343
Deferred Outflows of Resources			
Deferred loss on refunding	50,296	-	50,296
Total assets and deferred outflows	50,314,177	10,952,462	61,266,639
LIABILITIES			
<u>Current liabilities:</u>			
Vouchers and accounts payable	540,177	561,768	1,101,945
Accrued liabilities	238,245	83,584	321,829
Due to other funds	36,618	-	36,618
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	1,454,185	84,960	1,539,145
Total current liabilities	2,319,225	845,312	3,164,537
<u>Noncurrent liabilities:</u>			
Compensated absences, net of current portion	181,230	274,962	456,192
Estimated post closure costs	-	1,765,058	1,765,058
Bond premium/deferred loss on refunding	22,965,816	1,083,553	24,049,369
Long-term debt, net of current portion	-	-	-
Total liabilities	25,466,271	3,968,885	29,435,156
Deferred Inflows of Resources			
Deferred gain on refunding	-	3,038	3,038
Total liabilities and deferred inflows	25,466,271	3,971,923	29,438,194
NET POSITION			
Net investment in capital assets	13,167,705	2,331,236	15,498,941
Restricted capital connection	1,979,832	-	1,979,832
Unrestricted	9,700,369	4,649,303	14,349,672
Total net position	\$ 24,847,906	\$ 6,980,539	\$ 31,828,445

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, 2014**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<u>Operating revenues:</u>			
Charges for services	\$ 6,806,910	\$ 9,317,769	\$ 16,124,679
<u>Operating expenses:</u>			
Salaries & benefits	2,284,280	2,338,968	4,623,248
Contracted services	537,438	5,555,722	6,093,160
Supplies	307,312	45,373	352,685
Heat, light and power	652,984	47,584	700,568
Depreciation	2,338,112	365,930	2,704,042
Miscellaneous	104,746	69,380	174,126
Telephone	14,078	8,317	22,395
Compensated absences	63,349	18,890	82,239
Maintenance and repairs	499,291	479,171	978,462
Capital outlay	186,945	301,068	488,013
Total operating expenses	<u>6,988,535</u>	<u>9,230,403</u>	<u>16,218,938</u>
Operating income (loss)	<u>(181,625)</u>	<u>87,366</u>	<u>(94,259)</u>
<u>Non-operating revenue (expenses):</u>			
Deferred amount on refunding	(20,298)	(2,304)	(22,602)
Miscellaneous income	92,965	2,264	95,229
Bond Issuance Costs	(32,000)	-	(32,000)
Tower revenue	145,029	23,958	168,987
Investment income	32,640	22,561	55,201
Interest expense	<u>(471,328)</u>	<u>(40,008)</u>	<u>(511,336)</u>
Total non-operating revenue (expenses)	<u>(252,992)</u>	<u>6,471</u>	<u>(246,521)</u>
Income (loss) before contributions and transfers	(434,617)	93,837	(340,780)
Transfers in (out)	-	65,000	65,000
Capital connection charges	410,469	-	410,469
Developer contribution	599,714	-	599,714
Change in net position	575,566	158,837	734,403
Total net position - beginning	<u>24,272,340</u>	<u>6,821,702</u>	<u>31,094,042</u>
Total net position - ending	<u>\$ 24,847,906</u>	<u>\$ 6,980,539</u>	<u>\$ 31,828,445</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, 2014**

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 7,124,101	\$ 9,176,439	\$ 16,300,540
Tower revenue	145,029	23,958	168,987
Other Receipts	92,965	2,264	95,229
Payments to suppliers	(5,017,642)	(9,021,791)	(14,039,433)
Payments to employees	56,925	(105,965)	(49,040)
Receipts from other funds	(6,975,637)	146,972	(6,828,665)
Net cash provided by (used in) operating activities	<u>(4,574,259)</u>	<u>221,877</u>	<u>(4,352,382)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/ from other funds	-	65,000	65,000
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>65,000</u>	<u>65,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets and construction-in-progress	(1,667,505)	(146,704)	(1,814,209)
Proceeds from issuance of long term debt	9,745,551	-	9,745,551
Capital connection fees received	410,469	-	410,469
Developer contribution	599,714	-	599,714
Principal paid on long-term obligations	(729,256)	(112,464)	(841,720)
Interest paid on long-term obligations	(338,257)	(49,582)	(387,839)
Net cash provided by (used in) capital and related financing activities	<u>8,020,716</u>	<u>(308,750)</u>	<u>7,711,966</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on deposits	6,641	21,744	28,385
Purchase of investments	(3,709,409)	129	(3,709,280)
Net cash provided by (used in) investing activities	<u>(3,702,768)</u>	<u>21,873</u>	<u>(3,680,895)</u>
Increase (decrease) in cash and cash equivalents	(256,311)	-	(256,311)
Cash and cash equivalents, beginning of year	414,460	1,000	415,460
Cash and cash equivalents, end of year	<u>\$ 158,149</u>	<u>\$ 1,000</u>	<u>\$ 159,149</u>
PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (181,625)	\$ 87,366	\$ (94,259)
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	2,338,112	365,930	2,704,042
Landfill closure costs and other	-	270,541	270,541
Tower revenue	145,029	23,958	168,987
Other Receipts	92,965	2,264	95,229
<u>Changes in assets and liabilities</u>			
Inventory	(62,885)	-	(62,885)
Accounts receivable	317,192	(141,330)	175,862
Due from other funds	-	146,972	146,972
Accounts payable	(237,701)	(427,860)	(665,561)
Accrued expenses	(9,709)	(105,964)	(115,673)
Due to other funds	(6,975,637)	-	(6,975,637)
Net cash provided by (used in) operating activities	<u>\$ (4,574,259)</u>	<u>\$ 221,877</u>	<u>\$ (4,352,382)</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and investments, unrestricted	\$ 158,149	\$ 1,000	\$ 159,149
Cash and investments, restricted	10,428,123	911,331	11,339,454
	10,586,272	912,331	11,498,603
Less - noncash equivalent investments	10,428,123	911,331	11,339,454
Cash and cash equivalents	<u>\$ 158,149</u>	<u>\$ 1,000</u>	<u>\$ 159,149</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employee Retirement Fund	OPEB	Agency Fund
ASSETS					
Cash and cash equivalents	\$ 118,493	\$ 3,424,775	\$ 1,593,038	\$ 23,114	\$ 102,616
Receivables and prepaid expenses:					
Accounts receivables	-	-	-	-	6,186
Investment income receivables	1	7,889	8,430	2,743	-
Total receivables	<u>1</u>	<u>7,889</u>	<u>8,430</u>	<u>2,743</u>	<u>6,186</u>
Investments:					
Fixed income	560,320	13,343,564	13,288,156	9,238,594	-
Common stocks	-	9,287,361	9,990,037	-	-
Equity funds	2,560,409	27,497,697	31,745,436	32,266,601	-
Foreign assets	378,786	7,213,223	3,822,482	7,739,242	-
Other assets	-	2,009,087	2,222,057	593,146	-
Total investments	<u>3,499,515</u>	<u>59,350,932</u>	<u>61,068,168</u>	<u>49,837,583</u>	<u>-</u>
Total assets	<u>3,618,009</u>	<u>62,783,596</u>	<u>62,669,636</u>	<u>49,863,440</u>	<u>108,802</u>
LIABILITIES AND FUND BALANCE					
Payables:					
Accounts payable	-	-	-	-	108,802
Accrued expenses and benefits payable	7,500	31,348	36,257	21,608	-
Total liabilities	<u>7,500</u>	<u>31,348</u>	<u>36,257</u>	<u>21,608</u>	<u>\$ 108,802</u>
Net position restricted for pensions	<u>\$ 3,610,509</u>	<u>\$ 62,752,248</u>	<u>\$ 62,633,379</u>	<u>\$ 49,841,832</u>	

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employees Retirement Fund	OPEB
ADDITIONS				
Contributions:				
Employer contributions	\$ 490,000	\$ 2,960,000	\$ 2,890,000	\$ -
Member contributions	-	951,992	154,037	-
Total contributions	<u>490,000</u>	<u>3,911,992</u>	<u>3,044,037</u>	<u>-</u>
Investment income (loss):				
Interest and dividends	175,704	2,016,113	2,152,033	1,837,616
Appreciation of investments	421,514	6,400,670	6,501,434	6,097,252
Capital gains	-	971,826	1,052,630	-
Less investment expenses:				
Direct investment expense	<u>(36,010)</u>	<u>(402,559)</u>	<u>(336,018)</u>	<u>(121,123)</u>
Net investment income (loss)	<u>561,208</u>	<u>8,986,050</u>	<u>9,370,079</u>	<u>7,813,745</u>
Other income	-	-	-	-
Total additions	<u>1,051,208</u>	<u>12,898,042</u>	<u>12,414,116</u>	<u>7,813,745</u>
DEDUCTIONS				
Distributions to participants	<u>425,583</u>	<u>1,969,869</u>	<u>3,121,513</u>	<u>-</u>
Total deductions	<u>425,583</u>	<u>1,969,869</u>	<u>3,121,513</u>	<u>-</u>
Net increase (decrease) in net position	625,625	10,928,173	9,292,603	7,813,745
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	<u>2,984,884</u>	<u>51,824,075</u>	<u>53,340,776</u>	<u>42,028,087</u>
End of year	<u>\$ 3,610,509</u>	<u>\$ 62,752,248</u>	<u>\$ 62,633,379</u>	<u>\$ 49,841,832</u>

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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 from the basic financial statements on the basis that these entities are not controlled by or financially dependent upon the County.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, Calvert Marine Museum, 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 and the Solid Waste and Recycling Fund.

Fiduciary Fund Types

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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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. Net investment in capital assets – 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.

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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

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.

Unearned Revenue – Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Deferred Outflows/Inflows of Resources - represents a consumption/acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources until then. The only item that qualifies for reporting in this category is the deferred lose/gain on refunding reported in the government-wide statement of net position. A deferred loss/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

The government has only one type of item, unavailable revenue, and is reported only in the governmental funds balance sheet for taxes, special assessment, and intergovernmental charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 and to change the Calvert Marine Museum from an Enterprise Fund to a Special Revenue Fund during fiscal year ending June 30, 2014. 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.

E. Implementation of New Accounting Principles

The County has implemented the requirements of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for reporting period ending June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify previously reported assets and liabilities as deferred outflows of resources or deferred inflows of resources. The effect of this statement was an addition of deferred inflow and a decrease in long term liabilities on the Government-wide Net Position with an adjustment to net position for gain/loss on refunding and bond issue costs.

In March 2012, GASB issued Statement No. 66, *Technical Corrections 2012 – an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance for two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The County has implemented the effects of this Statement for the reporting period ending June 30, 2014. The effect of this statement had no significant impact on the financial statements.

The County also implemented the requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by the state and local governmental pension plans. The effect of this statement was a change in the notes disclosure of the County's pension plans.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, 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, 2014 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, 2014

Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2014, cash on hand for petty cash and change was \$10,801.

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, 2014 the net carrying amount and the bank balances of the County's deposits with financial institutions were \$17,636,436 and \$17,673,982, 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, 2014, 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 fair 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 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 26 and 27.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 May 15, 2016. 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>	
Cash and equivalents	\$ 28,258,814
Less than 1 year	32,755,783
1 - 5 years	22,835,899
5 - 10 years	3,413,750
10 - 15 years	133,589
Total	<u>\$ 87,397,835</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>	
China	\$ 2,010,137
Germany	942,456
Netherlands	552,782
Russia	526,665
Switzerland	1,394,124
United Kingdom	1,420,523
Total	<u>\$ 6,846,687</u>

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2014 is summarized in the following table:

<u>Cash, Cash Equivalent or Investment type</u>		<u>Cash, Cash Equivalent or Investment type</u>	
U.S. Agency obligations	\$ 50,019,710	Unrestricted	\$ 284,449,486
U.S. Treasury strips	7,067,543	Restricted	<u>28,797,421</u>
Common stock	19,277,399		Total
Fixed assets	36,430,633		<u>\$ 313,246,907</u>
Equity and bond funds	113,223,876		
Money market mutual funds	62,113,037		
Certificates of deposits	2,643,182		
Cash in banks	17,636,436		
Other special equity	4,824,290		
Petty cash	10,801		
	<u>Total</u>		
	<u>\$ 313,246,907</u> *		

*includes agency fund cash of \$102,616.

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2014, totaled \$1,770,162 and consisted of money market mutual funds.

Board of Education

Deposits - At June 30, 2014, the carrying amount and bank balances of the Board's deposits with financial institutions totaled \$15,858,893 and \$17,278,142, 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, 2014, the Board had invested \$3,172,892 in governmental activities and \$1,302,839 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 - Fair Value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. 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 and MLGIP and requires that collateral securities underlying the repurchase agreements have a market value of at least 102% of the cost of the agreement. Interest income is reported as general revenue in the Calvert County Public School, Statement of Activities.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, \$8,953 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 inflow 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 inflow 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, 2014, was \$6,455,448. See detailed schedule at page 101.

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, 2014, \$35,800 is outstanding.

Water and Sewer Fund

The Water and Sewer Fund ratified a loan with the general fund in 2014. The note calls for annual payments of \$175,000, non-interest bearing, commencing June 30, 2013 through maturity in 2052. At June 30, 2014, outstanding principal amounted to \$6,625,000 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 Dares Beach Water Supply Project was 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, 2014, outstanding principal amounted to \$82,773 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, 2014, \$306,442 is outstanding, 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 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, 2014, \$156,215 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, 2014

The Water and Sewer Fund has a note receivable for three Public Utility Payment Plans with developers, of which the total amount outstanding at June 30, 2014 was \$46,631.

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, 2014, \$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, 2014, \$15,866 is outstanding.

Economic Development Incentive Fund

During Fiscal year 2008 a fifteen-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, 2014, \$112,598 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, 2014, the note balance is \$14,264.

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, 2014, the note balance is \$14,265.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014 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	\$ 75,640	\$ 10,759,234
Capital projects fund	-	11,371,695
Enterprise funds	36,618	5,714,013
	<u>112,258</u>	<u>27,844,942</u>
<u>Special Revenue Funds</u>		
General fund	10,759,234	75,640
<u>Capital Projects Fund</u>		
General fund	11,371,695	-
<u>Enterprise Funds</u>		
General fund	5,714,013	36,618
	<u>\$ 27,957,200</u>	<u>\$ 27,957,200</u>
Component Units:		
Primary government – General fund	\$ -	\$ 10,913,959
Primary government – Capital projects	-	979,898
Component unit – Board of Education	11,729,898	-
Component unit – Economic Development Authority	163,959	-
	<u>\$ 11,893,857</u>	<u>\$ 11,893,857</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, 2014, the interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Primary Government:		
<u>Governmental Funds</u>		
Special revenue funds	\$ 7,443,894	\$ 2,694,257
Capital projects fund	4,381,842	-
General fund	1,150,000	10,346,479
	<u>12,975,736</u>	<u>13,040,736</u>
<u>Proprietary Funds</u>		
Water and sewer fund	-	-
Solid waste fund	65,000	-
	<u>65,000</u>	<u>-</u>
Total Transfers	<u>\$ 13,040,736</u>	<u>\$ 13,040,736</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

	<u>Balance</u>		<u>Deductions/</u>	<u>Balance</u>
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>June 30, 2014</u>
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 8,891,051	\$ 19,443,595	\$ (20,639,397)	\$ 7,695,249
Land Development Rights	11,245,305	-	-	11,245,305
Land	<u>35,278,519</u>	<u>4,274,630</u>	-	<u>39,553,149</u>
	<u>55,414,875</u>	<u>23,718,225</u>	<u>(20,639,397)</u>	<u>58,493,703</u>
Capital assets, being depreciated				
Buildings	78,886,828	8,633	-	78,895,461
Improvements	36,563,671	4,202,928	(238,291)	40,528,308
Machinery & Equipment	43,359,661	3,664,578	(911,172)	46,113,067
Infrastructure	<u>121,332,477</u>	<u>1,230,622</u>	-	<u>122,563,099</u>
	<u>280,142,637</u>	<u>9,106,761</u>	<u>(1,149,463)</u>	<u>288,099,935</u>
Less accumulated depreciation for:				
Buildings	(41,803,315)	(2,378,295)	-	(44,181,610)
Improvements	(15,965,402)	(2,261,787)	-	(18,227,189)
Machinery & Equipment	(27,537,177)	(3,821,630)	861,712	(30,497,095)
Infrastructure	<u>(59,675,609)</u>	<u>(5,185,371)</u>	-	<u>(64,860,980)</u>
	<u>(144,981,503)</u>	<u>(13,647,083)</u>	<u>861,712</u>	<u>(157,766,874)</u>
Total capital assets, being depreciated, net	<u>135,161,134</u>	<u>(4,540,322)</u>	<u>(287,751)</u>	<u>130,333,061</u>
Governmental activities capital assets, net	<u>\$ 190,576,009</u>	<u>\$ 19,177,903</u>	<u>\$ (20,927,148)</u>	<u>\$ 188,826,764</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 2,710,682	\$ 830,519	\$ -	\$ 3,541,201
Land	<u>2,467,172</u>	<u>16,419</u>	-	<u>2,483,591</u>
	<u>5,177,854</u>	<u>846,938</u>	-	<u>6,024,792</u>
Capital assets, being depreciated				
Buildings	51,507,444	-	-	51,507,444
Improvements	11,549,707	14,558	-	11,564,265
Machinery & Equipment	<u>10,242,111</u>	<u>953,203</u>	<u>(23,879)</u>	<u>11,171,435</u>
	<u>73,299,262</u>	<u>967,761</u>	<u>(23,879)</u>	<u>74,243,144</u>
Less accumulated depreciation for:				
Buildings	(29,350,271)	(1,407,906)	-	(30,758,177)
Improvements	(3,154,403)	(515,833)	-	(3,670,236)
Machinery & Equipment	<u>(3,995,155)</u>	<u>(780,303)</u>	23,390	<u>(4,752,068)</u>
	<u>(36,499,829)</u>	<u>(2,704,042)</u>	23,390	<u>(39,180,481)</u>
Total capital assets, being depreciated, net	<u>36,799,433</u>	<u>(1,736,281)</u>	<u>(489)</u>	<u>35,062,663</u>
Business-type activities capital assets, net	<u>\$ 41,977,287</u>	<u>\$ (889,343)</u>	<u>\$ (489)</u>	<u>\$ 41,087,455</u>

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2014 as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2014</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, 2014 as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2014</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,757,711	\$ -	\$ -	\$ 3,757,711
Construction in progress	13,394,179	11,575,335	(21,850,390)	3,119,124
	<u>17,151,890</u>	<u>11,575,335</u>	<u>(21,850,390)</u>	<u>6,876,835</u>
Capital assets, being depreciated				
Buildings and improvements	294,402,875	-	-	294,402,875
Land improvements	4,657,877	-	21,850,390	26,508,267
Equipment	8,016,237	133,902	(42,309)	8,107,830
	<u>307,076,989</u>	<u>133,902</u>	<u>21,808,081</u>	<u>329,018,972</u>
Less accumulated depreciation for:				
Buildings and improvements	(91,917,509)	(6,525,907)	-	(98,443,416)
Land improvements	(2,762,294)	(229,875)	-	(2,992,169)
Equipment	(5,993,609)	(442,419)	42,309	(6,393,719)
	<u>(100,673,412)</u>	<u>(7,198,201)</u>	<u>42,309</u>	<u>(107,829,304)</u>
Total capital assets, being depreciated, net	<u>206,403,577</u>	<u>(7,064,299)</u>	<u>21,850,390</u>	<u>221,189,668</u>
Governmental activities capital assets, net	<u>\$ 223,555,467</u>	<u>\$ 4,511,036</u>	<u>\$ -</u>	<u>\$ 228,066,503</u>
Business-type activities:				
Equipment at historical cost	\$ 1,862,430	\$ 29,360	\$ -	\$ 1,891,790
Less accumulated depreciation	(1,631,478)	(51,986)	-	(1,683,464)
Business-type activities capital assets, net	<u>\$ 230,952</u>	<u>\$ (22,626)</u>	<u>\$ -</u>	<u>\$ 208,326</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2014 as follows:

	<u>Spent to Date</u>	<u>Commitment</u>
Mutual Elementary School	\$ 476,545	\$ 928,584
Northern High School	2,061,572	690,923
Southern Middle School	20,100	230,000
Security Initiative	<u>86,522</u>	<u>6,193</u>
Total	<u>\$ 2,644,739</u>	<u>\$ 1,855,700</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, 2014 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

General government	\$ 1,331,507
Public safety	1,809,553
General services	4,279,180
Public works	4,909,573
Community resources	393,700
Education	51,858
State agencies and other boards	<u>10,000</u>
Total	<u>\$ 12,785,371</u>

Business-type activities:

Water and Sewer	\$ 2,338,112
Solid Waste and Recycling	<u>365,930</u>
	<u>\$ 2,704,042</u>

Component Units:

Board of Education - governmental activities:

Instruction:	
Regular education	\$ 117,432
Special education	10,580
Support services:	
Administration	259,178
Mid-level administration	371
Transportation	3,255
Operation of plant and equipment	6,775,855
Maintenance of plant	<u>31,530</u>
Total	<u>\$ 7,198,201</u>

Board of Education - business-type activities:

Food services	<u>\$ 51,986</u>
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Economic Development:

\$ -

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and Notes Payable					
General Obligation Debt ^{(1),(3)}	\$ 130,879,818	\$ 6,093,343	\$ (12,675,570)	\$ 124,297,591	\$ 12,892,956
Notes Payable ⁽²⁾	141,056	-	(17,737)	123,319	17,738
The Land Preservation Program	7,933,355	-	(113,715)	7,819,640	-
Other Liabilities:					
Landfill Closure Costs	420,000	-	(30,000)	390,000	30,000
Compensated Absences	9,125,688	1,365,116	(1,315,048)	9,175,756	1,343,791
Total	\$ 148,499,917	\$ 7,458,459	\$ (14,152,070)	\$ 141,806,306	\$ 14,284,485
Business-type activities:					
Bonds and Notes Payable					
General Obligation Debt ^{(1),(3)}	\$ 10,859,325	\$ 3,433,232	\$ (641,446)	\$ 13,651,111	\$ 584,895
Notes Payable ⁽¹⁾	5,698,674	7,142,986	(904,257)	11,937,403	937,101
Other Liabilities:					
Landfill Closure Costs	1,559,517	270,541	-	1,830,058	65,000
Compensated Absences	511,885	44,307	-	556,192	100,000
Total	\$ 18,629,401	\$ 10,891,066	\$ (1,545,703)	\$ 27,974,764	\$ 1,686,996

(1) Indicates debt issued for the purpose of acquiring capital assets.
(2) Represents debt used for other governmental purposes.
(3) Governmental beginning balance change due to GASB 65 implementation.

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.

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2014, consist of the following:

Bond Description and Year <i>Governmental Activities</i>	Amount Borrowed	Rate	Due serially through	Governmental Activities Balance
<i>General Obligation Bonds</i>				
Consolidated Public Improvement Project Bonds, 2005 Series	\$ 6,995,000	3.375% - 4.1%	April 1, 2015	\$ 490,000
Consolidated Public Improvement Project Bonds, 2006 Series	10,885,000	4% - 5%	April 1, 2016	1,450,000
Consolidated Public Improvement Project Bonds, 2007 Series	29,780,000	4% - 5%	April 1, 2022	8,265,000
Consolidated Public Improvement Project Bonds, 2008 Series	22,250,000	3% - 5%	April 1, 2023	14,700,000
Consolidated Public Improvement Project Bonds, 2009 Series	18,485,000	2% - 3.5%	April 1, 2024	13,090,000
Consolidated Public Improvement Project Bonds, 2010 Series	13,921,232	3% - 5%	July 1, 2025	11,787,936
Refunding Bonds, 2010 Series (replaced the 2002 Series bonds)	4,900,000	3% - 4%	January 1, 2016	3,100,000
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	15,401,283
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	5,007,251
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	447,744
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2028	5,170,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	10,383,573
Consolidated Public Improvement Project Bonds, 2014 Series	5,760,000	2% - 5%	May 1, 2029	5,760,000
<i>Shore Erosion Control</i>				
Western Shores (non-interest bearing)	261,042	n/a	July 1, 2017	52,209
Solomons United Methodist Church (non-interest bearing)	32,150	n/a	July 1, 2026	16,718
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	54,392
<i>Other</i>				
The Land Preservation Program	<u>10,611,555</u>	3% - 5%		<u>7,819,640</u>
Total General Obligation Bonds and Notes Receivables	187,665,588			124,780,746
Estimated Landfill Postclosure Costs				390,000
Premium, 2009, 2010, 2011, 2012, 2013, 2014 Series				7,459,804
Accumulated Unpaid Employee Leave				<u>9,175,756</u>
Total Governmental Activities	<u>\$ 187,665,588</u>			<u>\$ 141,806,306</u>

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2014, consist of the following:

Bond Description and Year	Amount Borrowed	Rate	Due serially through	Business-Type Activities Balance
<i>Business-Type Activities</i>				
<i>General Obligation Bonds - Water and Sewer</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 2,314,702	3% - 5%	July 1, 2025	\$ 1,959,996
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	2,414,724
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,820,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	224,175
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	1,155,000
Consolidated Public Improvement Project Bonds, 2014 Series	3,275,000	2% - 5%	May 1, 2039	3,275,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	34,317
General Fund Note - Dares Beach Water Supply	258,225	6.6%	June 30, 2019	82,773
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	306,442
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	156,215
General Fund Note - Water and Sewer	7,000,000	0.00%	June 30, 2052	6,625,000
Maryland Department of the Environment (MDE) Note	250,000	4.64%	February 1, 2033	200,782
Maryland Water Quality Financing Admin Note - Solomons Wastewater	3,982,024	2.55%	August 1, 2015	257,936
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	201,551
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	2,746,946
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	219,381
Maryland Water Quality Financing Admin Note - Chesapeake Beach	1,071,036	1.1%	February 2, 2028	763,074
Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP	342,986	1.1%	February 1, 2036	342,986
Total General Obligation Bonds and Notes Receivables	34,057,459			23,786,298
Premium, 2010, 2011, 2012, 2013, 2014 Series				633,703
Accumulated Unpaid Employee Leave				231,230
Total Water and Sewer	\$ 34,057,459			\$ 24,651,231
<i>General Obligation Bonds - Solid Waste</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 274,066	3% - 5%	July 1, 2025	\$ 232,068
Consolidated Public Improvement Project Bonds, 2011 Series	1,000,000	2% - 5%	May 1, 2026	803,993
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	67,599	2% - 5%	April 1, 2022	67,253
Total General Obligation Bonds	1,341,665			1,103,314
Estimated Landfill Postclosure Costs				1,830,058
Premium, 2010 & 2011 Series				65,199
Accumulated Unpaid Employee Leave				324,962
Total Solid Waste	\$ 1,341,665			\$ 3,323,533
Total Business Type Activities	\$ 35,399,124			\$ 27,974,764

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014 are as follows:

Governmental Activities			
Years Ending June 30,	Principal	Interest	Total
2015	\$ 12,910,694	\$ 4,777,219	\$ 17,687,913
2016	15,327,574	4,346,815	19,674,389
2017	13,710,595	3,773,919	17,484,514
2018	13,881,077	3,223,124	17,104,201
2019	13,430,828	2,622,067	16,052,895
2020-2024	45,174,046	6,493,231	51,667,277
2025-2029	10,342,533	697,316	11,039,849
2030 - plus	3,399	-	3,399
Premium	7,459,804	-	7,459,804
	<u>\$ 132,240,550</u>	<u>\$ 25,933,691</u>	<u>\$ 158,174,241</u>

Business-Type Activities			
Years Ending June 30,	Principal	Interest	Total
2015	\$ 1,521,996	\$ 592,384	\$ 2,114,380
2016	1,282,288	552,449	1,834,737
2017	1,296,506	522,482	1,818,988
2018	1,315,273	490,049	1,805,322
2019	1,392,645	455,053	1,847,698
2020-2024	6,196,964	1,673,736	7,870,700
2025-2029	3,894,334	922,528	4,816,862
2030 - plus	7,989,606	677,373	8,666,979
Premium	698,902	-	698,902
	<u>\$ 25,588,514</u>	<u>\$ 5,886,054</u>	<u>\$ 31,474,568</u>

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$390,000. 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are reported as an operating expense in each period based on landfill capacity used as of each balance sheet date. This accrual is required by state and federal regulations to provide for the capping and monitoring costs 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 \$7,289,037.

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, \$1,830,058 represents the accrued reserve at June 30, 2014, 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 \$5,458,979. The accrued reserve will be increased with contributions of \$270,541 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, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 3,431,651	\$ 2,100,742	\$ (2,162,912)	\$ 3,369,481	\$ 209,004
Net OPEB obligation	25,614,877	18,261,577	-	43,876,454	-
	<u>\$ 29,046,528</u>	<u>\$ 20,362,319</u>	<u>\$ (2,162,912)</u>	<u>\$ 47,245,935</u>	<u>\$ 209,004</u>
Business-type activities:					
Compensated absences	\$ 33,171	\$ 25,818	\$ (28,127)	\$ 30,862	\$ -
Net OPEB obligation	413,970	298,423	-	712,393	-
	<u>\$ 447,141</u>	<u>\$ 324,241</u>	<u>\$ (28,127)</u>	<u>\$ 743,255</u>	<u>\$ -</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 8 - Fund Balances

A. Governmental Funds - Fund Balance

Fund Balance – In fiscal year 2011, Calvert County implemented GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 if 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, 2014

As of June 30, 2014, fund balances were reported as follows:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**GOVERNMENTAL FUNDS FUND BALANCES
JUNE 30, 2014**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventory	\$ 515,374	\$ -	\$ 15,188	\$ 530,562
Long term receivables	7,802,002	-	-	7,802,002
Leveraging obligations	-	-	7,177,626	7,177,626
Restricted for:				
Other purposes	-	-	811,590	811,590
Endowments	-	-	36,108	36,108
Committed to:				
Encumbrances:				
General government	341,625	-	-	341,625
Public safety	338,764	-	-	338,764
General services	610,704	-	-	610,704
Public works	1,740,833	-	-	1,740,833
Economic development	35,514	-	-	35,514
Community resources	10,878	-	-	10,878
Education	3,545	-	-	3,545
Other purposes	15,767	-	-	15,767
Stabilization arrangement	18,500,000	-	-	18,500,000
Board of education	-	979,898	-	979,898
Other purposes	345,977	-	7,858,941	8,204,918
Assigned to:				
Vacation/sick leave	5,000,000	-	-	5,000,000
OPEB	4,718,619	-	-	4,718,619
Other purposes	-	-	1,872,260	1,872,260
Other capital projects	-	26,068,791	-	26,068,791
Unassigned:	20,212,026	-	(75,287)	20,136,739
Total fund balances:	<u>\$ 60,191,628</u>	<u>\$ 27,048,689</u>	<u>\$ 17,696,426</u>	<u>\$ 104,936,743</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, 2014.

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, 2014

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 64 and 65 for additional information.

1. Length of Service Award Program

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2014.

Plan Description

Plan administration - 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. The County contributes all amounts necessary to fund the payments of benefits under the Plan.

Management and all other requirements are established by the Fire and Rescue Commission and approved by the Commissioners as authorized by the legislative assembly.

Employees covered by benefit terms - At June 30, 2014, the membership was as follows:

Inactive employees or beneficiaries currently receiving benefits	47
Active employees currently receiving benefits	37
Active employees	1,021

Benefits provided - 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. Disability benefits are determined in the same manner but are payable immediately. Members who have at least 25 years of service are entitled to a Death benefit which is payable to his or her surviving spouse and is entitled to 50% of the member's benefit and a \$3,000 burial benefit.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Contribution – The contribution made by the County to the Plan for fiscal 2014 totaling \$490,000 were made in accordance with actuarial determined requirements computed through and actuarial valuation performed on July 1, 2014.

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

Annual required contribution	\$517,903
Interest on NPA	(6,952)
Adjustment to ARC	8,967
Annual Pension cost (APC)	\$519,918
Contribution made	490,000
Decrease (increase) in net pension asset	29,918
Net pension asset, beginning of year	(89,703)
Net pension asset, end of year	<u>\$ (59,785)</u>

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:

Valuation Date June 30,	Annual Pension Costs (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)
2014	\$519,918	94.25%	\$ (59,785)
2013	469,467	110.11%	(89,703)
2012	470,385	80.05%	(89,170)

Investments

Investment policy – The pension plans policy in regard to the targeted allocation of invested assets is based on the County's investment advisors recommendations.

Asset Class	Target Allocation
Domestic equity	55%
International equity	15%
Fixed income	25%
Cash	5%
Total	<u>100%</u>

Rate of return – For the year ended June 30, 2014, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 14.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Net Pension Liability

The County's net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	\$6,926,511
Plan fiduciary net position	(3,610,509)
County's net pension liability	<u>\$3,316,002</u>

Plan fiduciary net position as a percentage of the total pension liability	52.1%
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Actuarial assumptions and methods – The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Projected unit credit
Inflation rate	2.4%
Salary increases	n/a
Investment rate of return	7.75%
Mortality	RP-2000 combined healthy generational mortality table

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014 are summarized in the following table:

Asset Classes	Long-term Expected Real Rate of Return
Domestic equity	5.1%
International equity	5.0%
Fixed income	1.8%
Real estate	4.1%
Cash	1.0%
Alternative investments	4.2%

Discount rate – The discount rate of 7.75% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will less than this return over the next 30 years.

Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.75%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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	1% Decrease (6.75)	Current Discount Rate (7.75)	1% Increase (8.75)
Total pension liability	\$7,714,862	\$6,926,511	\$6,267,994
Plan fiduciary net position	(3,610,509)	(3,610,509)	(3,610,509)
County's net pension liability	\$4,104,353	\$3,316,002	\$2,657,485

2. Calvert County Sheriff's Department Pension Plan

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2014.

Plan Description

Plan administration - 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.

Management of the Sheriff's Plan is vested in the Board of Trustees, which consists of nine members appointed by the BOCC. The Trustee officer's include two employees (one deputy sheriff and one correctional officer) whom are plan members, the County Administrator, Director of Public Safety, Director of Finance and Budget, a retired deputy, and three outside members who have financial expertise and are not County employees or members of the BOCC.

Employees covered by benefit terms - At June 30, 2014, the membership was as follows:

Retired	56
Terminated, vested	43
Active, vested	139
Active, non-vested	48
Total active	187

Benefits provided - 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.

Contribution - The contributions made to the Plan for fiscal 2014 totaling \$2,960,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2014.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

Annual required contribution	\$2,957,525
Interest on NPA	(10,169)
Adjustment to ARC	13,117
Annual Pension cost (APC)	\$2,960,473
Contribution made	2,960,000
Decrease (increase) in net pension asset	473
Net pension asset, beginning of year	(131,213)
Net pension asset, end of year	<u><u>\$(130,470)</u></u>

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:

Valuation Date June 30,	Annual Pension Costs (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)
2014	\$2,960,473	99.98%	\$(130,740)
2013	2,534,982	109.27%	(131,213)
2012	2,685,310	94.03%	103,805

Investments

Investment policy – The pension plans policy in regard to the targeted allocation of invested assets is based on the County's investment advisors recommendations.

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	52%
International equity	13%
Fixed income	30%
Cash	5%
Total	<u><u>100%</u></u>

Rate of return – For the year ended June 30, 2014, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 13.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County's net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Total pension liability	\$69,200,947
Plan fiduciary net position	(62,752,248)
County's net pension liability	<u>\$6,448,699</u>

Plan fiduciary net position as a percentage of the total pension liability	90.7%
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Actuarial assumptions and methods – The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Projected unit credit
Inflation rate	2.4%
Salary increases:	
Correctional Officers	4.00% - 7.25%, based on age
Deputy Sheriffs	5.00% - 7.25%, based on age
Investment rate of return	7.75%
Mortality	RP-2000 combined healthy generational mortality table

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	5.1%
International equity	5.0%
Fixed income	1.8%
Real estate	4.1%
Cash	1.0%
Alternative investments	4.2%

Discount rate – The discount rate of 7.75% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will less than this return over the next 30 years.

Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.75%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

	1% Decrease (6.75)	Current Discount Rate (7.75)	1% Increase (8.75)
Total pension liability	\$80,465,312	\$69,200,947	\$60,099,958
Plan fiduciary net position	(62,752,248)	(62,752,248)	(62,752,248)
County's net pension liability	\$17,713,064	\$6,448,699	\$(2,652,290)

3. Calvert County Employees Retirement Plan

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2014.

Plan Description

Plan administration -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.

Management of the Employees Retirement Plan is vested in the Board of Trustees, which consists of eight members appointed by the BOCC. The Trustee officer's include one employee who is a plan participant and appointed by the Calvert County Employee Representative Committee, one employee who a plan participant and appointed by the BOCC, the County Administrator, Director of Public Safety, Director of Finance and Budget, the Deputy Director of Finance and Budget, and three outside members who are appointed by the BOCC and who are residents of the County and who have expertise in pension administration, investing or finance, and who are not County employees or elected or appointed County officials or participants in any County retirement plan.

Employees covered by benefit terms - At June 30, 2014, the membership was as follows:

Retired	151
Terminated, vested	28
Active, vested	114
Active, non-vested	0
Total active	114

Benefits provided - 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

Contribution - The contributions made to the Plan for fiscal 2014 totaling \$2,890,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2014.

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

Annual required contribution	\$2,712,733
Interest on NPA	(24,020)
Adjustment to ARC	30,983
Annual Pension cost (APC)	\$2,719,696
Contribution made	2,890,000
Decrease (increase) in net pension asset	(170,304)
Net pension asset, beginning of year	(309,941)
Net pension asset, end of year	<u>\$(480,245)</u>

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:

Valuation Date June 30,	Annual Pension Costs (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)
2014	\$2,719,696	106.26%	\$(480,245)
2013	2,658,573	109.46%	(309,941)
2012	2,864,869	100.29%	(58,514)

Investments

Investment policy – The pension plans policy in regard to the targeted allocation of invested assets is based on the County's investment advisors recommendations.

Asset Class	Target Allocation
Domestic equity	52%
International equity	13%
Fixed income	30%
Cash	5%
Total	<u>100%</u>

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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Rate of return – For the year ended June 30, 2014, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 20.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	\$72,663,465
Plan fiduciary net position	(62,633,379)
County’s net pension liability	<u>\$10,030,086</u>

Plan fiduciary net position as a percentage of the total pension liability	86.2%
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Actuarial assumptions and methods – The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Projected unit credit
Inflation rate	2.4%
Salary increases	6% under 46, 5.0% 46 and older
Investment rate of return	7.75%
Mortality	RP-2000 combined healthy generational mortality table

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2014 are summarized in the following table:

Asset Classes	Long-term Expected Real Rate of Return
Domestic equity	5.1%
International equity	5.0%
Fixed income	1.8%
Real estate	4.1%
Cash	1.0%
Alternative investments	4.2%

Discount rate – The discount rate of 7.75% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will less than this return over the next 30 years.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.75%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75)	Current Discount Rate (7.75)	1% Increase (8.75)
Total pension liability	\$81,433,530	\$72,663,465	\$65,263,773
Plan fiduciary net position	(62,633,379)	(62,633,379)	(62,633,379)
County’s net pension liability	\$18,800,151	\$10,030,086	\$2,630,394

4. 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 dependents, 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, 2014 is as follows:

	<u>County</u>	<u>Board of Education</u>
Active	628	1,647
Retired	136	678
Total	764	2,325

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.

Contribution rates and the net other post-employment benefit 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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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 the Board of Education	Total
2014	-0-	-0-	-0-
2013	544,292	1,955,708	2,500,000
2012	2,384,047	8,566,168	10,950,215

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, 2014, 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.

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.

CALVERT COUNTY, MARYLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The schedule below presents the net OPEB obligation for the past seven years:

Summary of GASB 54 Valuation Results							
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							
2014	\$ 6,128,384	\$ 372,753	\$ 484,961	\$ 6,016,176	\$ 1,645,070	\$ 4,371,106	\$ 11,826,162
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							
2014	\$ 23,682,000	\$ 1,301,000	\$ 1,847,000	\$ 23,136,000	\$ 4,576,000	\$ 18,560,000	\$ 44,588,847
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							
2014	\$ 29,810,384	\$ 1,673,753	\$ 2,331,961	\$ 29,152,176	\$ 6,221,070	\$ 22,931,106	\$ 56,415,009
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

5. 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, 2014 were \$971,051 and \$635,375, respectively.

6. 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

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 2014 were zero.

The computation of the pension contribution requirements for fiscal year 2014 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 \$345,801, \$298,488, and \$320,402, for the years ended June 30, 2014, 2013 and 2012. In accordance with GASB Statement Number 24, the State's 2014 contribution amount has been shown as State aid revenue and pension expenditure.

State Retirement and Pension Systems of Maryland
(expressed in thousands)

Actuarial Valuation Date (June 30)	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	\$ 39,350,969	\$ 60,060,091	\$ 20,709,122	65.52%	\$ 10,477,544	198%
2012	37,248,401	57,869,145	20,620,744	64.37%	10,336,538	199%
2011	36,177,656	55,917,543	19,739,887	64.70%	10,478,800	188%

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, 2013, and 2012 were approximately \$14.9 million, \$13.5 million, and \$17.0 million, respectively.

Annual Required Contributions - For the year ended June 30, 2014, the Board's annual pension cost of \$3,594,696 was equal to its required contribution. The annual required contribution was determined as part of the June 30, 2013 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.

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>
2014	\$ 23,136,000	19.8%	44,588,847
2013	14,146,161	51.0%	26,028,847
2012	14,149,772	97.7%	19,099,109

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 \$321,570. This loss was considered probable and measurable and was recorded in fiscal year 2013, 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 2014, the County paid premiums of \$655,918 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.

CALVERT COUNTY, MARYLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 12 - Subsequent Events

In preparing these financial statements, the management of Calvert County, Maryland has evaluated events and transactions for potential recognition or disclosure through December 19, 2014, the date the financial statements were available to be issued.

Note 13 – Prior Period Adjustments/Restatement

In fiscal year 2014, the Calvert Marine Museum, is being presented as a special revenue fund, while in fiscal year 2013, it was presented as an enterprise fund. The beginning fund balance has been restated to reflect the change from using full accrual basis to modified accrual basis. In addition, the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* resulted in an adjustment to Net Position for bond issuance costs.

	Net Position Governmental Activities	Net Position Business-type Activities	Net Position Business-type Activities (CMM)	Fund Balance Non-major Fund (CMM)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net position/fund balance, June 30, 2013	\$ 158,769,728	\$ 34,874,172	\$ 3,670,645	\$ -
Restatement for:				
Fund Reclassification				
Cash	144,004	(144,004)	(144,004)	144,004
Investments	101,706	(101,706)	(101,706)	101,706
Inventory	10,380	(10,380)	(10,380)	10,380
Prepaid expenses	45,049	(45,049)	(45,049)	45,049
Restricted assets	522,121	(522,121)	(522,121)	522,121
Capital assets not being depreciated	607,180	(607,180)	(607,180)	-
Depreciable capital assets - net	2,302,155	(2,302,155)	(2,302,155)	-
Accrued expense	(26,498)	26,498	26,498	(26,498)
Unearned revenue	(35,452)	35,452	35,452	(35,452)
Change in Accounting Principle	<u>-</u>	<u>(109,485)</u>	<u>-</u>	<u>-</u>
Restated net position/fund balance, June 30, 2013	<u>\$ 162,440,373</u>	<u>\$ 31,094,042</u>	<u>\$ -</u>	<u>\$ 761,310</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
Volunteer Fire and Rescue Pension Fund**

	FY2014
Total pension liability	
Service costs	\$ 63,624
Interest	508,501
Changes in benefit terms	-
Difference between expected and actual experience	37,692
Benefit payments, including refunds of member contributions	(425,583)
Net change in total pension liability	\$ 184,234
Total pension liability - beginning	6,742,277
Total pension liability - ending	\$ 6,926,511
 Plan fiduciary net position	
Contributions - employer	\$ 490,000
Contributions - member	-
Net investment income	561,208
Benefit payments, including refunds of member contributions	(425,583)
Administrative expense	-
Net change in plan fiduciary net position	\$ 625,625
Plan fiduciary net position - beginning	2,984,884
Plan fiduciary net position - ending	\$ 3,610,509
 County's net pension liability - ending	\$ 3,316,002
 Plans fiduciary net position as a percentage of the total pension liability	52.13%
 Covered - employee payroll	N/A
 County's net pension liability as a percentage of covered - employee payroll	N/A

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Volunteer Fire and Rescue Pension Fund

	<u>FY2014</u>
Actuarially determined contribution	\$ 519,918
Contributions in relation to the actuarially determined contribution	490,000
Contribution deficiency (excess)	<u>\$ 29,918</u>
Covered - employee payroll	N/A
Contribution as a percentage of covered - employee payroll	N/A

Notes to schedule

Valuation date: 7/1/2014

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected unit credit
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	5 - year smoothed market
Inflation rate	8.00%
Salary increases	N/A
Cost of living increases	N/A
Investment rate of return	7.75% , net of pension plan investment expense, including inflation.
Retirement age	In the 2014 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.

Mortality In the 2014 actuarial valuation, assumed life expectancies used the PR-2000 Health Annuitant Mortality Table.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Volunteer Fire and Rescue Pension Fund**

FY2014

Annual money-weighted rate of return,
net of investment expense

14.24%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
Sheriff's Department Pension Plan**

	FY2014
Total pension liability	
Service costs	\$ 1,429,134
Interest	5,419,116
Changes in benefit terms	-
Difference between expected and actual experience	148,423
Benefit payments, including refunds of member contributions	<u>(1,969,869)</u>
Net change in total pension liability	<u><u>\$ 5,026,804</u></u>
Total pension liability - beginning	<u>64,174,143</u>
Total pension liability - ending	<u><u>\$ 69,200,947</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 2,960,000
Contributions - member	951,992
Net investment income	8,986,050
Benefit payments, including refunds of member contributions	(1,969,869)
Administrative expense	-
Net change in plan fiduciary net position	<u><u>\$ 10,928,173</u></u>
Plan fiduciary net position - beginning	<u>51,824,075</u>
Plan fiduciary net position - ending	<u><u>\$ 62,752,248</u></u>
 County's net pension liability - ending	<u><u>\$ 6,448,699</u></u>
 Plans fiduciary net position as a percentage of the total pension liability	90.68%
 Covered - employee payroll	\$ 11,425,700
 County's net pension liability as a percentage of covered - employee payroll	56.44%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
 SCHEDULE OF COUNTY CONTRIBUTIONS
 Sheriff's Department Pension Plan

	FY2014
Actuarially determined contribution	\$ 2,960,473
Contributions in relation to the actuarially determined contribution	2,960,000
Contribution deficiency (excess)	<u>\$ 473</u>
Covered - employee payroll	\$ 11,425,700
Contribution as a percentage of covered - employee payroll	25.91%

Notes to schedule

Valuation date: 7/1/2014

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected unit credit				
Amortization method	Level percentage of payroll, closed				
Remaining amortization period	15 years				
Asset valuation method	5 - year smoothed market				
Inflation rate	8.00%				
Salary increases	<u>To age 37:</u>	<u>Ages 38 to 42:</u>	<u>Ages 42 to 49:</u>	<u>After age 49:</u>	
	Correctional Officers	7.25%	6.00%	5.00%	4.00%
	Deputy Sheriffs	7.25%	5.00%	5.00%	5.00%
Cost of living increases	3.00% , per year calculated on a compound interest basis.				
Investment rate of return	7.75% , net of pension plan investment expense, including inflation.				
Retirement age	In the 2014 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.				
Mortality	In the 2014 actuarial valuation, assumed life expectancies used the PR-2000 Health Annuitant Mortality Table.				

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Sheriff's Department Pension Plan

FY2014

Annual money-weighted rate of return,
net of investment expense

13.99%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
Calvert County Employees Retirement Plan**

	FY2014
Total pension liability	
Service costs	\$ 677,466
Interest	5,345,363
Changes in benefit terms	-
Difference between expected and actual experience	(432,297)
Benefit payments, including refunds of member contributions	<u>(3,121,513)</u>
Net change in total pension liability	<u><u>\$ 2,469,019</u></u>
Total pension liability - beginning	<u>70,194,446</u>
Total pension liability - ending	<u><u>\$ 72,663,465</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 2,890,000
Contributions - member	154,037
Net investment income	9,370,079
Benefit payments, including refunds of member contributions	(3,121,513)
Administrative expense	-
Net change in plan fiduciary net position	<u><u>\$ 9,292,603</u></u>
Plan fiduciary net position - beginning	<u>53,340,776</u>
Plan fiduciary net position - ending	<u><u>\$ 62,633,379</u></u>
 County's net pension liability - ending	<u><u>\$ 10,030,086</u></u>
 Plans fiduciary net position as a percentage of the total pension liability	86.20%
 Covered - employee payroll	\$ 7,078,232
 County's net pension liability as a percentage of covered - employee payroll	141.70%

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
 SCHEDULE OF COUNTY CONTRIBUTIONS
 Calvert County Employees Retirement Plan

	FY2014
Actuarially determined contribution	\$ 2,890,000
Contributions in relation to the actuarially determined contribution	2,890,000
Contribution deficiency (excess)	\$ -
Covered - employee payroll	\$ 7,078,232
Contribution as a percentage of covered - employee payroll	40.83%

Notes to schedule

Valuation date: 7/1/2014

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 - year smoothed market
Inflation rate	8.00%
Salary increases	5.00% , for all ages.
Cost of living increases	3.00% , per year calculated on a compound interest basis.
Investment rate of return	7.75% , net of pension plan investment expense, including inflation.
Retirement age	In the 2014 actuarial valuation, expected retirement ages of general plan members were adjusted adjusted to more closely reflect the actual experience.
Mortality	In the 2014 actuarial valuation, assumed life expectancies used the PR-2000 Health Annuitant Mortality Table.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Calvert County Employees Retirement Plan**

	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	20.16%

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, 2014**

A. Schedule of Funding Progress

Actuarial Valuation Date June 30, County	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2014	\$ 13,875,050	\$ 65,381,130	\$ 51,506,080	21.22%	\$ 46,890,265	109.84%
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						
2014	\$ 17,226,681	\$ 214,859,000	\$ 197,632,319	8.02%	\$ 128,500,000	153.80%
2013	17,226,681	139,625,512	122,398,831	12.34%	127,857,500	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						
2014	\$ 31,101,731	\$ 280,240,130	\$ 249,138,399	11.10%	\$ 175,390,265	142.05%
2013	21,564,659	176,343,260	154,778,601	12.23%	173,463,628	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%

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, 2014**

B. Schedule of Employer Contributions

	<u>Annual Required Contribution</u>	<u>Pay as You go Payments Plus Contributions</u>	<u>% Contributed</u>	<u>Net OPEB Obligation</u>
<i>Year ended June 30, 2014:</i>				
County	\$ 6,128,384	\$ 1,645,070	26.84%	\$ 11,826,162
Board of Education	23,682,000	4,576,000	19.32%	44,588,847
	<u>\$ 29,810,384</u>	<u>\$ 6,221,070</u>	20.87%	<u>\$ 56,415,009</u>
<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
CALVERT COUNTY, MARYLAND

NON MAJOR FUNDS AND OTHER SCHEDULES
JUNE 30, 2014

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Calvert Marine Museum	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund
ASSETS						
Cash, cash equivalents and investments	\$ 32,735	\$ 71,848	\$ 900,024	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	1,120	-	36,085	25,000	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	1,734,878	-	-	434,962	16,888	12,100
Inventory	19,863	15,188	30,938	-	-	-
Total assets	<u>\$ 1,788,596</u>	<u>\$ 87,036</u>	<u>\$ 967,047</u>	<u>\$ 459,962</u>	<u>\$ 16,888</u>	<u>\$ 12,100</u>
LIABILITIES						
Vouchers and accounts payable	263,661	71,495	22,510	435,427	16,888	-
Notes payable	35,800	-	-	-	-	-
Due to other funds	-	75,640	-	-	-	-
Unearned revenue	170,537	-	76,245	-	-	-
Total liabilities	<u>469,998</u>	<u>147,135</u>	<u>98,755</u>	<u>435,427</u>	<u>16,888</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	15,188	-	-	-	-
Restricted	36,108	-	527,714	-	-	-
Committed	1,282,490	-	-	24,535	-	12,100
Assigned	-	-	340,578	-	-	-
Unassigned	-	(75,287)	-	-	-	-
Total fund balances	<u>1,318,598</u>	<u>(60,099)</u>	<u>868,292</u>	<u>24,535</u>	<u>-</u>	<u>12,100</u>
Total liabilities and fund balances	<u>\$ 1,788,596</u>	<u>\$ 87,036</u>	<u>\$ 967,047</u>	<u>\$ 459,962</u>	<u>\$ 16,888</u>	<u>\$ 12,100</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,180,126	\$ 8,607	\$ 8,193,340
-	-	-	-	921,611	-	-	921,611
-	82,300	941,058	-	-	-	-	1,085,563
64,472	-	-	112,598	-	-	-	177,070
263,649	113,121	360,708	198,153	4,238,382	3,386,393	-	10,759,234
-	-	-	-	-	-	-	65,989
<u>\$ 328,121</u>	<u>\$ 195,421</u>	<u>\$ 1,301,766</u>	<u>\$ 310,751</u>	<u>\$ 5,159,993</u>	<u>\$ 10,566,519</u>	<u>\$ 8,607</u>	<u>\$ 21,202,807</u>
-	186,490	992,252	-	-	-	-	1,988,723
-	-	-	-	-	-	-	35,800
-	-	-	-	-	-	-	75,640
-	8,931	245,694	-	904,811	-	-	1,406,218
-	<u>195,421</u>	<u>1,237,946</u>	<u>-</u>	<u>904,811</u>	<u>-</u>	<u>-</u>	<u>3,506,381</u>
-	-	-	-	-	7,177,626	-	7,192,814
-	-	63,820	-	-	220,056	-	847,698
328,121	-	-	310,751	4,255,182	1,645,762	-	7,858,941
-	-	-	-	-	1,523,075	8,607	1,872,260
-	-	-	-	-	-	-	(75,287)
<u>328,121</u>	<u>-</u>	<u>63,820</u>	<u>310,751</u>	<u>4,255,182</u>	<u>10,566,519</u>	<u>8,607</u>	<u>17,696,426</u>
<u>\$ 328,121</u>	<u>\$ 195,421</u>	<u>\$ 1,301,766</u>	<u>\$ 310,751</u>	<u>\$ 5,159,993</u>	<u>\$ 10,566,519</u>	<u>\$ 8,607</u>	<u>\$ 21,202,807</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Calvert Marine Museum	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund
REVENUE						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	893,862	792,843	158,776	-	-	-
Fines and forfeitures	-	-	-	107,312	28,313	-
Miscellaneous	1,296,640	-	905,952	4,298	20,496	-
Total revenue	2,190,502	792,843	1,064,728	111,610	48,809	-
EXPENDITURES						
Salaries and fringe benefits	1,163,330	534,182	2,114,879	52,215	43,767	-
Education and miscellaneous	1,292,837	366,947	1,217,170	59,395	38,418	-
Total expenditures	2,456,167	901,129	3,332,049	111,610	82,185	-
Excess (deficiency) of revenue over (under) expenditures	(265,665)	(108,286)	(2,267,321)	-	(33,376)	-
OTHER FINANCING SOURCES (USES)						
Transfer in	404,899	108,287	2,374,303	-	22,941	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	404,899	108,287	2,374,303	-	22,941	-
Net change in fund balance	139,234	1	106,982	-	(10,435)	-
Fund balance - beginning of year	1,179,364	(60,100)	761,310	24,535	10,435	12,100
Fund balance - end of year	\$ 1,318,598	\$ (60,099)	\$ 868,292	\$ 24,535	\$ -	\$ 12,100

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,755,793	\$ -	\$ -	\$ 2,755,793
-	-	4,624,731	-	-	1,403,228	724,734	6,752,693
-	-	-	-	-	-	-	1,845,481
-	-	-	-	-	-	129,284	264,909
2,044	518,713	503,507	1,198	6,478	-	73,918	3,333,244
2,044	518,713	5,128,238	1,198	2,762,271	1,403,228	927,936	14,952,120
-	91,121	2,564,998	-	-	-	3,476,022	10,040,514
-	427,592	4,032,348	-	38,253	521,929	583,135	8,578,024
-	518,713	6,597,346	-	38,253	521,929	4,059,157	18,618,538
2,044	-	(1,469,108)	1,198	2,724,018	881,299	(3,131,221)	(3,666,418)
-	-	1,403,880	-	-	-	3,129,584	7,443,894
-	-	-	-	(2,694,257)	-	-	(2,694,257)
-	-	1,403,880	-	(2,694,257)	-	3,129,584	4,749,637
2,044	-	(65,228)	1,198	29,761	881,299	(1,637)	1,083,219
326,077	-	129,048	309,553	4,225,421	9,685,220	10,244	16,613,207
<u>\$ 328,121</u>	<u>\$ -</u>	<u>\$ 63,820</u>	<u>\$ 310,751</u>	<u>\$ 4,255,182</u>	<u>\$ 10,566,519</u>	<u>\$ 8,607</u>	<u>\$ 17,696,426</u>

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, 2014**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate tax	\$ 97,230,143	\$ 97,250,565	\$ 97,838,782	\$ 588,217
Personal property tax	180,000	180,000	80,861	(99,139)
Corporate personal property tax	2,400,000	2,400,000	2,499,616	99,616
Payment in lieu of tax (PILOT)	19,646,574	19,646,574	19,646,574	-
Public utilities tax	18,300,000	18,300,000	19,235,343	935,343
Additions and abatements	200,000	200,000	(188,267)	(388,267)
Penalties and interest	500,000	500,000	605,312	105,312
Tax credit	(989,325)	(989,325)	(746,633)	242,692
Land preservation credit	(240,000)	(240,000)	(203,968)	36,032
Total Real Estate and Personal Property Taxes	<u>137,227,392</u>	<u>137,247,814</u>	<u>138,767,620</u>	<u>1,519,806</u>
<u>Other Local Taxes</u>				
Income taxes	73,426,000	73,426,000	66,768,748	(6,657,252)
Franchise tax	1,200,000	1,200,000	1,366,119	166,119
Hotel tax	810,000	810,000	560,148	(249,852)
Admissions and amusement tax	30,000	30,000	14,776	(15,224)
Recordation taxes	6,000,000	6,000,000	6,170,922	170,922
Trailer parks	120,000	120,000	127,186	7,186
Total Other Local Taxes	<u>81,586,000</u>	<u>81,586,000</u>	<u>75,007,899</u>	<u>(6,578,101)</u>
<u>Shared State Taxes</u>				
Highway user revenue	646,187	646,187	541,727	(104,460)
Total State Shared Taxes	<u>646,187</u>	<u>646,187</u>	<u>541,727</u>	<u>(104,460)</u>
Total Taxes	<u>219,459,579</u>	<u>219,480,001</u>	<u>214,317,246</u>	<u>(5,162,755)</u>
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	24,941	24,941	36,686	11,745
Beer, wine, and liquor licenses	135,000	135,000	138,382	3,382
Traders	85,000	85,000	96,317	11,317
Hawkers and peddlers	2,000	2,000	2,422	422
Total Business Licenses and Permits	<u>246,941</u>	<u>246,941</u>	<u>273,807</u>	<u>26,866</u>
<u>Other Permits</u>				
Animal licenses	25,000	25,000	21,404	(3,596)
Code book sales	700	700	529	(171)
Marriage licenses	5,000	5,000	22,640	17,640
Gambling permits	25,000	25,000	18,140	(6,860)
Total Other Permits	<u>55,700</u>	<u>55,700</u>	<u>62,713</u>	<u>7,013</u>
Total Licenses and Permits	<u>302,641</u>	<u>302,641</u>	<u>336,520</u>	<u>33,879</u>
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	97,393	14,986
Build America Bond Subsidy	110,437	110,437	102,486	(7,951)
Total Federal Grants	<u>192,844</u>	<u>192,844</u>	<u>199,879</u>	<u>7,035</u>

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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>State Grants</u>				
State police protection	\$ 775,000	\$ 775,000	\$ 702,275	\$ (72,725)
State library	379,000	379,000	378,933	(67)
State soil conservation	61,191	61,191	61,191	-
State prisoner housing	100,000	100,000	88,335	(11,665)
State jury reimbursement	30,000	30,000	20,360	(9,640)
State reimbursement	28,000	20,200	2,000	(18,200)
Other state reimbursement	-	25,693	25,693	-
Health department core svcs. reimbursement	132,781	132,781	-	(132,781)
CAASA payroll reimbursement	20,150	20,150	12,165	(7,985)
Total State Grants	<u>1,526,122</u>	<u>1,544,015</u>	<u>1,290,952</u>	<u>(253,063)</u>
<u>Other Intergovernmental</u>				
911 Grant	590,000	590,000	605,366	15,366
Shore Erosion	21,000	21,000	20,395	(605)
Housing Authority payroll reimbursement	1,315,788	1,315,788	1,205,885	(109,903)
CMM payroll reimbursement - CMM Board of Governors	278,918	278,918	231,885	(47,033)
CMM payroll reimbursement - CMM Society	407,993	407,993	311,092	(96,901)
SDAT costs paid by the towns	15,833	15,833	15,833	-
FY2014 Pothole Funds	-	229,397	229,397	-
Total Other Intergovernmental	<u>2,629,532</u>	<u>2,858,929</u>	<u>2,619,853</u>	<u>(239,076)</u>
Total Intergovernmental Revenues	<u>4,348,498</u>	<u>4,595,788</u>	<u>4,110,684</u>	<u>(485,104)</u>
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	75,000	75,000	77,230	2,230
Chesapeake Beach police reimbursement	689,009	689,009	689,009	-
North Beach police reimbursement	312,208	312,208	312,208	-
Dominion police reimbursement	1,240,000	1,240,000	1,313,998	73,998
Lab fees	15,000	15,000	11,380	(3,620)
Engineering inspections	100,000	100,000	205,397	105,397
DWI facility	7,345	7,345	2,988	(4,357)
Electronic monitor - detention center	16,000	16,000	11,999	(4,001)
Telephone commission - detention center	100,000	100,000	131,632	31,632
Live in/work out - detention center	95,000	95,000	42,504	(52,496)
Sick call - detention center	5,000	5,000	9,082	4,082
False alarm fees	2,000	2,000	34,661	32,661
False alarm registration	3,800	3,800	5,250	1,450
Protective inspections	300,000	300,000	298,843	(1,157)
Public safety tower revenue	70,000	70,000	96,629	26,629
Det. Ctr. Conmed refund	-	-	29,758	29,758
Total Public Safety	<u>3,030,362</u>	<u>3,030,362</u>	<u>3,272,568</u>	<u>242,206</u>
<u>General Services</u>				
Waterman's Wharf slip fees	4,200	4,200	3,988	(212)
Tennison charters	50,000	30,000	26,104	(3,896)
Tennison special charters	-	20,000	11,057	(8,943)
Kings Landing camp fees	10,000	10,000	22,273	12,273
Flag Pond entrance fees	40,000	40,000	52,822	12,822
Boat ramp fees	6,000	6,000	7,815	1,815
Total General Services	<u>110,200</u>	<u>110,200</u>	<u>124,059</u>	<u>13,859</u>

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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Public Works</u>				
Road tax districts	\$ 63,000	\$ 63,000	\$ 62,270	\$ (730)
Developer street signs	600	600	217	(383)
Utility permit fee	25,000	25,000	23,040	(1,960)
Waterway improvements	6,837	6,837	6,299	(538)
Total Public Works	95,437	95,437	91,826	(3,611)
<u>Community Resources</u>				
Library - copying and miscellaneous	51,500	27,000	29,986	2,986
Library - other sources	-	24,500	24,338	(162)
Library - e-rate	10,000	10,000	-	(10,000)
Library - other miscellaneous	-	2,379	2,792	413
Office on Aging - bus trip revenue	-	38,000	40,384	2,384
Office on Aging - program revenue	56,500	7,100	6,180	(920)
Office on Aging - senior class revenue	-	28,500	28,488	(12)
Total Community Resources	118,000	137,479	132,168	(5,311)
<u>Other Charges for Services</u>				
Administration fees semi-annual service charges	45,000	45,000	12,455	(32,545)
Rents and concessions	40,000	40,000	52,710	12,710
Rent hlth dpt genoa	-	3,600	-	(3,600)
Map sales	500	500	49	(451)
Total Other Charges for Services	85,500	89,100	65,214	(23,886)
Total Charges for Services	3,439,499	3,462,578	3,685,835	223,257
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	30,000	30,000	39,575	9,575
Administration planting bond - CP&B	4,500	4,500	-	(4,500)
Replatting fees - CP&B	4,000	4,000	4,260	260
Board of Appeals application fees	20,000	20,000	22,135	2,135
CP&B tower fees	500	500	2,650	2,150
Total General Government	59,000	59,000	68,620	9,620
<u>Public Safety</u>				
Domestic master fees	800	800	1,681	881
Community service programs	25,000	25,000	35,095	10,095
Criminal court fines	9,000	9,000	6,855	(2,145)
Home study fees	2,000	2,000	8,748	6,748
Animal citation fines	7,000	7,000	3,295	(3,705)
State's attorney fees	6,500	9,798	10,295	497
Forfeiture sheriff	-	88,436	77,797	(10,639)
Forfeiture State's attorney	-	1,576	1,576	-
Total public safety	50,300	143,610	145,342	1,732
<u>Other Fines, Fees, and Forfeitures</u>				
Grant Coordinator administration fee	150,000	150,000	151,311	1,311
Auto license fees	2,600	2,600	2,245	(355)
Library fines	125,000	125,000	129,283	4,283
Zoning fees	20,000	20,000	18,319	(1,681)
Small lot clearing fees	-	-	2,690	2,690
Election Office filing fees	-	-	1,125	1,125
Total Other Fines, Fees, and Forfeitures	297,600	297,600	304,973	7,373
Total Fines, Fees, and Forfeitures	406,900	500,210	518,935	18,725

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, 2014**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Other Revenue Sources</u>				
<u>Investment Revenue</u>				
Interest and dividends	\$ 300,000	\$ 300,000	\$ 41,441	\$ (258,559)
Interest on notes	-	-	8,813	8,813
Appreciation of investment	-	-	21,308	21,308
Total Investment Revenue	<u>300,000</u>	<u>300,000</u>	<u>71,562</u>	<u>(228,438)</u>
<u>Reimbursements</u>				
Salary reimbursement	35,000	36,721	44,289	7,568
Battle Creek salary reimbursement	7,418	7,418	8,798	1,380
Heath insurance reimbursement	-	15,389	792,521	777,132
Circuit ct. clerks office reimbursements	-	4,351	4,351	-
Total Reimbursements	<u>42,418</u>	<u>63,879</u>	<u>849,959</u>	<u>786,080</u>
<u>Other Revenue</u>				
Mosquito control	41,080	41,080	17,572	(23,508)
Appropriation of fund balance	2,665,150	4,422,485	-	(4,422,485)
Private contributions	-	500	500	-
Advertising revenue	-	5,250	5,250	-
Merchandise sales	-	-	730	730
Miscellaneous income	250,000	245,391	50,533	(194,858)
Total Other Revenue	<u>2,956,230</u>	<u>4,714,706</u>	<u>74,585</u>	<u>(4,640,121)</u>
Total Other Revenue Sources	<u>3,298,648</u>	<u>5,078,585</u>	<u>996,106</u>	<u>(4,082,479)</u>
Total Revenue	<u>231,255,765</u>	<u>233,419,803</u>	<u>223,965,326</u>	<u>(9,454,477)</u>
<u>Other financing sources</u>				
Transfer from BOE - Resident Trooper/Sheriff	265,818	160,133	72,234	(87,899)
Transfer from BOE - Sheriffs Dept.	-	100,000	129,088	29,088
Transfer from BOE - wireless	30,000	30,000	7,500	(22,500)
Transfer from Excise Tax fund	1,000,000	1,150,000	1,150,000	-
Total Other Financing Sources	<u>1,295,818</u>	<u>1,440,133</u>	<u>1,358,822</u>	<u>(81,311)</u>
Total Revenue and Other Financing Sources	<u>\$ 232,551,583</u>	<u>\$ 234,859,936</u>	<u>\$ 225,324,148</u>	<u>\$ (9,535,788)</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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
General Government				
<u>Board of County Commissioners</u>				
Salaries	\$ 252,845	\$ 252,845	\$ 257,004	\$ (4,159)
Operating expense	38,995	39,200	30,123	9,077
Contracted services	3,000	3,000	2,814	186
Total Board of County Commissioners	294,840	295,045	289,941	5,104
<u>Contingency</u>	300,000	46,846	-	46,846
<u>Clerk to the Commissioners</u>				
Salaries	63,085	62,408	62,889	(481)
Operating expense	1,580	1,580	320	1,260
Contracted services	470	470	-	470
Total Clerk to the Commissioners	65,135	64,458	63,209	1,249
<u>County Administrator</u>				
Salaries	232,449	231,649	235,372	(3,723)
Operating expense	9,935	9,586	7,332	2,254
Total County Administrator	242,384	241,235	242,704	(1,469)
<u>Technology Services</u>				
Salaries	1,388,424	1,404,195	1,412,064	(7,869)
Operating expense	131,821	131,771	134,968	(3,197)
Contracted services	894,370	828,635	827,784	851
Capital outlay	204,100	268,135	268,059	76
Total Technology Services	2,618,715	2,632,736	2,642,875	(10,139)
<u>Circuit Court</u>				
Salaries	520,482	572,056	593,721	(21,665)
Operating expense	85,714	75,644	70,267	5,377
Contracted services	76,370	34,704	29,735	4,969
Capital outlay	7,996	42,082	40,137	1,945
Total Circuit Court	690,562	724,486	733,860	(9,374)
<u>Judge of Orphans' Court</u>				
Salaries	26,715	26,715	26,552	163
Operating expense	1,450	1,450	167	1,283
Total Judge of Orphans' Court	28,165	28,165	26,719	1,446
<u>State's Attorney</u>				
Salaries	1,524,185	1,524,185	1,563,564	(39,379)
Operating expense	108,068	113,094	91,763	21,331
Contracted services	25,200	25,288	22,686	2,602
Capital outlay	2,014	8,274	12,984	(4,710)
Total State's Attorney	1,659,467	1,670,841	1,690,997	(20,156)
<u>Grand Jury</u>				
Salary and operating expense	5,000	5,000	4,860	140
<u>Personnel</u>				
Salaries	517,291	516,724	521,770	(5,046)
Operating expense	56,104	45,964	31,331	14,633
Tuition program	35,000	47,635	48,307	(672)
Contracted services	79,560	79,560	70,398	9,162
Capital outlay	-	2,505	2,505	-
Total Personnel	687,955	692,388	674,311	18,077

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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Finance and Budget</u>				
Salaries	\$ 1,440,161	\$ 1,426,155	\$ 1,442,067	\$ (15,912)
Operating expense	109,000	108,472	92,580	15,892
Contracted services	140,000	135,221	133,952	1,269
Capital outlay	-	2,170	2,284	(114)
Total Finance and Budget	<u>1,689,161</u>	<u>1,672,018</u>	<u>1,670,883</u>	<u>1,135</u>
<u>County Treasurer</u>				
Salaries	316,284	316,284	309,119	7,165
Operating expense	24,410	24,142	28,109	(3,967)
Contracted services	12,500	12,500	(500)	13,000
Capital outlay	-	268	268	-
Total County Treasurer	<u>353,194</u>	<u>353,194</u>	<u>336,996</u>	<u>16,198</u>
<u>Auditing and Related Services</u>				
	<u>61,575</u>	<u>61,760</u>	<u>61,759</u>	<u>1</u>
<u>County Attorney</u>				
Salaries	277,783	280,575	281,627	(1,052)
Operating expense	25,140	25,006	21,959	3,047
Contracted services	50,000	50,000	46,353	3,647
Capital outlay	-	134	134	-
Total County Attorney	<u>352,923</u>	<u>355,715</u>	<u>350,073</u>	<u>5,642</u>
<u>Community Planning and Building</u>				
Salaries	1,921,009	1,921,009	1,939,938	(18,929)
Operating expense	58,911	57,165	55,480	1,685
Contracted services	27,850	66,172	66,171	1
Capital outlay	13,600	19,944	19,898	46
Total Community Planning and Building	<u>2,021,370</u>	<u>2,064,290</u>	<u>2,081,487</u>	<u>(17,197)</u>
<u>Planning Commission</u>				
Operating expense	20,367	20,567	14,487	6,080
Contracted services	53,800	51,800	43,385	8,415
Honorarium	72,000	48,000	48,000	-
Total Planning Commission	<u>146,167</u>	<u>120,367</u>	<u>105,872</u>	<u>14,495</u>
<u>Inspections and Permits</u>				
Salaries	692,201	692,201	678,133	14,068
Operating expense	59,550	54,550	47,411	7,139
Vehicle supplies and repair	-	5,000	9,489	(4,489)
Contracted services	49,373	49,373	49,373	-
Capital outlay	6,575	6,575	5,009	1,566
Total Inspections and Permits	<u>807,699</u>	<u>807,699</u>	<u>789,415</u>	<u>18,284</u>
<u>Pauper's Burial</u>				
	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<u>Board of Appeals</u>				
Operating expense	9,225	9,200	3,914	5,286
Contracted services	24,000	19,665	10,695	8,970
Honorarium	25,000	25,000	22,000	3,000
Total Board of Appeals	<u>58,225</u>	<u>53,865</u>	<u>36,609</u>	<u>17,256</u>
<u>Maryland Association of Counties</u>				
	<u>17,000</u>	<u>17,000</u>	<u>16,987</u>	<u>13</u>
Total General Government	<u>12,100,537</u>	<u>11,908,108</u>	<u>11,819,557</u>	<u>88,551</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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Public Safety				
<u>Director of Public Safety</u>				
Salaries	\$ 152,070	\$ 151,345	\$ 143,676	\$ 7,669
Operating expense	90,410	84,038	49,882	34,156
Contracted services	26,610	27,271	25,819	1,452
Capital outlay	-	5,711	5,527	184
Total Director of Public Safety	<u>269,090</u>	<u>268,365</u>	<u>224,904</u>	<u>43,461</u>
<u>Sheriff's Office</u>				
Salaries	10,302,299	10,365,475	10,642,985	(277,510)
Operating expense	935,968	1,619,230	1,645,154	(25,924)
Vehicle supplies and repairs	719,027	287,798	335,445	(47,647)
Contracted services	77,445	111,397	101,035	10,362
Capital outlay	127,081	142,396	142,532	(136)
Total Sheriff's Office	<u>12,161,820</u>	<u>12,526,296</u>	<u>12,867,151</u>	<u>(340,855)</u>
<u>Control Center</u>				
Salaries	1,815,540	1,815,540	1,686,269	129,271
Operating expense	154,804	141,804	132,150	9,654
Radio maintenance	273,202	293,202	290,589	2,613
Contracted services	328,081	321,081	316,501	4,580
Capital outlay	6,968	6,968	3,794	3,174
Total Control Center	<u>2,578,595</u>	<u>2,578,595</u>	<u>2,429,303</u>	<u>149,292</u>
<u>Resident Trooper Program</u>	<u>208,216</u>	<u>131,044</u>	<u>72,234</u>	<u>58,810</u>
<u>Volunteer Fire-Rescue-EMS Departments</u>				
Operating expense	2,160,107	2,219,687	2,209,242	10,445
Insurance	862,242	862,279	862,279	-
Capital outlay	252,800	247,837	242,258	5,579
Total Volunteer Fire-Rescue-EMS Departments	<u>3,275,149</u>	<u>3,329,803</u>	<u>3,313,779</u>	<u>16,024</u>
<u>Detention Center</u>				
Salaries	5,014,223	5,015,661	5,175,934	(160,273)
Operating expense	253,997	249,144	220,001	29,143
Utilities	485,000	485,000	537,628	(52,628)
Inmate care	126,363	229,363	226,574	2,789
Food	350,852	350,852	350,852	-
Contracted services	658,584	656,184	660,971	(4,787)
Capital outlay	81,654	63,907	55,442	8,465
Total Detention Center	<u>6,970,673</u>	<u>7,050,111</u>	<u>7,227,402</u>	<u>(177,291)</u>
<u>Emergency Management</u>				
Salaries	166,029	166,029	144,773	21,256
Operating expense	44,570	71,720	57,932	13,788
Contracted services	70,600	41,812	41,811	1
Capital outlay	3,000	4,638	3,325	1,313
Total Emergency Management	<u>284,199</u>	<u>284,199</u>	<u>247,841</u>	<u>36,358</u>
<u>Fire-Rescue-EMS</u>				
Salaries	251,054	251,054	247,560	3,494
Operating expense	175,062	175,105	118,871	56,234
Contracted services	62,830	62,787	64,186	(1,399)
Capital outlay	32,000	32,000	30,595	1,405
Total Fire-Rescue-EMS	<u>520,946</u>	<u>520,946</u>	<u>461,212</u>	<u>59,734</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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Animal Control</u>				
Salaries	\$ 326,966	\$ 326,966	\$ 313,948	\$ 13,018
Operating expense	31,650	63,650	47,288	16,362
Vehicle supplies and repairs	45,000	13,000	12,053	947
Contracted services	230,750	230,750	159,072	71,678
Total Animal Control	<u>634,366</u>	<u>634,366</u>	<u>532,361</u>	<u>102,005</u>
Total Public Safety	26,903,054	27,323,725	27,376,187	(52,462)
<u>General Services</u>				
<u>Director of General Services</u>				
Salaries	313,751	317,102	353,663	(36,561)
Operating expense	24,237	24,087	21,540	2,547
Contracted services	12,551	12,551	12,292	259
Capital outlay	-	150	150	-
Total Director of General Services	<u>350,539</u>	<u>353,890</u>	<u>387,645</u>	<u>(33,755)</u>
<u>Buildings and Grounds</u>				
Salaries	1,309,642	1,309,474	1,342,529	(33,055)
Operating expense	888,494	917,343	878,474	38,869
Utilities	1,271,807	1,240,011	1,119,458	120,553
Maintenance and repair projects	565,259	513,379	395,429	117,950
Contracted services	597,221	584,181	567,202	16,979
Capital outlay	15,000	79,927	59,388	20,539
Total Buildings and Grounds	<u>4,647,423</u>	<u>4,644,315</u>	<u>4,362,480</u>	<u>281,835</u>
<u>Mosquito Control</u>				
Salaries	141,473	141,473	115,505	25,968
Operating expense	25,601	29,721	27,466	2,255
Chemicals	25,256	20,256	20,243	13
Contracted services	2,080	380	347	33
Capital outlay	-	2,580	2,576	4
Total Mosquito Control	<u>194,410</u>	<u>194,410</u>	<u>166,137</u>	<u>28,273</u>
<u>Parks and Recreation</u>				
Salaries	2,799,975	2,799,975	2,573,875	226,100
Operating expense	425,937	469,241	458,933	10,308
Utilities	180,641	180,641	171,394	9,247
Maintenance and repair projects	85,000	85,000	83,382	1,618
Contracted services	143,000	77,922	57,078	20,844
Capital outlay	9,800	37,735	37,444	291
Total Parks and Recreation	<u>3,644,353</u>	<u>3,650,514</u>	<u>3,382,106</u>	<u>268,408</u>
<u>Railway Museum</u>				
Salaries	100,919	100,919	103,157	(2,238)
Operating expense	13,130	13,275	13,230	45
Utilities	7,000	4,800	3,813	987
Contracted services	27,046	29,101	29,070	31
Total Railway Museum	<u>148,095</u>	<u>148,095</u>	<u>149,270</u>	<u>(1,175)</u>
<u>Calvert Marine Museum</u>				
Salaries	1,956,690	1,958,236	1,923,443	34,793
Operating expense	204,674	235,249	225,371	9,878
Utilities	189,008	177,793	168,184	9,609
Maintenance and repair projects	25,500	19,000	18,818	182
Contracted services	48,823	50,398	49,658	740
Total Calvert Marine Museum	<u>2,424,695</u>	<u>2,440,676</u>	<u>2,385,474</u>	<u>55,202</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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Natural Resources Division</u>				
Salaries	\$ 642,187	\$ 642,187	\$ 607,836	\$ 34,351
Operating expense	64,625	67,971	70,031	(2,060)
Utilities	43,450	39,450	40,224	(774)
Maintenance and repair projects	5,000	28,314	27,697	617
Contracted services	7,000	4,090	3,941	149
Capital outlay	31,800	32,050	31,937	113
Total Natural Resources Division	794,062	814,062	781,666	32,396
Total General Services	12,203,577	12,245,962	11,614,778	631,184
<u>Public Works</u>				
<u>Director of Public Works/Engineering</u>				
Salaries	1,063,159	1,067,206	1,140,201	(72,995)
Operating expense	71,588	69,017	57,452	11,565
Contracted services	52,497	27,735	24,937	2,798
Capital outlay	-	10,073	7,862	2,211
Total Director of Public Works/Engineering	1,187,244	1,174,031	1,230,452	(56,421)
<u>Project Management and Inspections</u>				
Salaries	453,002	453,002	457,640	(4,638)
Operating expense	12,600	29,795	32,214	(2,419)
Vehicle supplies and repairs	24,360	6,875	11,912	(5,037)
Capital outlay	-	24,500	24,499	1
Total Project Management and Inspections	489,962	514,172	526,265	(12,093)
<u>Highway Maintenance</u>				
Salaries	1,661,884	1,775,968	1,732,309	43,659
Operating expense	60,304	441,292	397,199	44,093
Vehicle supplies and repairs	352,154	249,154	260,166	(11,012)
Utilities	23,500	23,500	21,256	2,244
Road maintenance and repairs	503,138	1,082,364	1,009,502	72,862
Paving	2,838,782	2,850,798	2,698,921	151,877
Snow removal contractors	412,250	880,383	880,383	-
Rental service contract	180,000	180,000	181,783	(1,783)
Contracted services	201,400	201,400	151,434	49,966
Capital outlay	40,000	40,000	37,911	2,089
Total Highway Maintenance	6,273,412	7,724,859	7,370,864	353,995
<u>Highway Lighting</u>				
Operating expense	261,250	261,250	267,742	(6,492)
<u>Fleet Maintenance</u>				
Salaries	579,231	579,231	490,872	88,359
Operating expense	19,665	24,765	20,384	4,381
Vehicle supplies and repairs	28,850	23,750	(90,949)	114,699
Utilities	29,230	29,230	28,181	1,049
Contracted services	17,500	17,500	17,345	155
Total Fleet Maintenance	674,476	674,476	465,833	208,643
Total Public Works	8,886,344	10,348,788	9,861,156	487,632

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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Economic Development				
<u>EDA/EDC/Tourism</u>				
Salaries	\$ 756,277	\$ 755,427	\$ 731,620	\$ 23,807
Operating expense	246,131	250,772	155,124	95,648
Advertising	58,500	47,905	35,526	12,379
Chamber of Commerce	106,645	106,645	106,645	-
Small Business Development Center	20,900	20,900	20,900	-
Contracted services	73,900	74,110	43,138	30,972
Capital outlay	7,000	13,954	13,967	(13)
Total Economic Development	1,269,353	1,269,713	1,106,920	162,793
Community Resources				
<u>Director of Community Resources</u>				
Salaries	298,098	313,779	318,203	(4,424)
Operating expense	35,126	36,380	29,489	6,891
Contracted services	1,884	1,884	43	1,841
Capital outlay	-	630	630	-
Total Director of Community Resources	335,108	352,673	348,365	4,308
<u>Affordable Housing</u>				
Salaries	-	-	9,238	(9,238)
Operating expense	50,000	74,000	25,347	48,653
Total Director of Affordable Housing	50,000	74,000	34,585	39,415
<u>Office on Aging</u>				
Salaries	1,110,126	1,110,726	1,035,719	75,007
Operating expense	93,513	101,613	95,939	5,674
Contracted services	58,500	67,500	61,116	6,384
Total Office on Aging	1,262,139	1,279,839	1,192,774	87,065
<u>Transportation</u>				
Salaries	146,549	146,549	139,640	6,909
Operating expense	28,542	58,720	61,750	(3,030)
Transportation subsidy	50,000	50,000	41,122	8,878
Contracted services	33,710	25,910	25,572	338
Total Transportation	258,801	281,179	268,084	13,095
Total Community Resources	1,906,048	1,987,691	1,843,808	143,883
Education				
College of Southern Maryland	4,238,219	4,238,219	4,238,219	-
Board of Education	113,394,429	113,394,429	113,394,429	-
<u>Public Libraries</u>				
Salaries	2,481,090	2,481,090	2,461,619	19,471
Operating expense	1,093,343	1,098,819	1,108,720	(9,901)
Contracted services	102,800	82,803	77,923	4,880
Capital outlay	25,990	43,430	43,352	78
Total Public Libraries	3,703,223	3,706,142	3,691,614	14,528
Total Education	121,335,871	121,338,790	121,324,262	14,528
State Agencies & Independent Boards				
<u>Health Department</u>				
Salaries	152,781	108,596	61,252	47,344
Operating expense	2,423,116	2,493,553	2,455,002	38,551
Total Health Department	2,575,897	2,602,149	2,516,254	85,895

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, 2014

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Election Board</u>				
Salaries	\$ 310,650	\$ 310,650	\$ 315,737	\$ (5,087)
Operating expense	54,906	57,906	52,758	5,148
Contracted services	114,900	112,900	79,931	32,969
Election judges	54,300	53,300	57,975	(4,675)
Total Election Board	534,756	534,756	506,401	28,355
<u>Residential Substance Abuse Treatment</u>				
Contracted services	159,200	159,200	136,575	22,625
Total Residential Substance Abuse Treatment	159,200	159,200	136,575	22,625
<u>Liquor Board</u>				
Salaries	24,720	24,720	22,680	2,040
Operating expense	700	844	346	498
Contracted services	25,000	25,000	25,551	(551)
Total Liquor Board	50,420	50,564	48,577	1,987
<u>Department of Social Services</u>				
County contribution	64,982	64,982	64,982	-
<u>University of Maryland Extension</u>				
Operating expense	83,592	83,592	83,853	(261)
Contracted services	1,500	1,500	750	750
Total University of Maryland Service	85,092	85,092	84,603	489
<u>Soil Conservation District</u>				
Salaries	298,007	298,007	292,568	5,439
Operating expense	3,426	3,426	2,962	464
Total Soil Conservation District	301,433	301,433	295,530	5,903
<u>Forestry Service</u>				
Operating expense	20,785	20,785	20,785	-
<u>Housing Authority</u>				
Salaries	895,094	895,094	901,181	(6,087)
Benefits	420,694	420,694	408,720	11,974
Total Housing Authority	1,315,788	1,315,788	1,309,901	5,887
<u>Historical District Commission</u>				
Salaries	4,828	4,828	4,784	44
Operating expense	7,397	7,397	3,470	3,927
Contracted services	6,600	5,369	(95)	5,464
Capital outlay	-	1,231	1,231	-
Total Historical District Commission	18,825	18,825	9,390	9,435
<u>State/Other Agencies</u>				
Commission for Women	3,895	3,895	3,867	28
Environmental Commission	3,945	4,445	2,885	1,560
Ethics Commission	-	10,451	1,347	9,104
MD State Dept. of Assessments	380,000	380,000	379,326	674
Non-county agencies	1,100,873	1,096,272	1,096,700	(428)
Total State/Other Agencies	1,488,713	1,495,063	1,484,125	10,938
Total State Agencies & Independent Boards	6,615,891	6,648,637	6,477,123	171,514

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, 2014**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Pension and Insurance				
Pension contribution	\$ 10,021,846	\$ 10,050,461	\$ 9,295,701	\$ 754,760
Worker's compensation	1,374,554	1,114,567	1,778,621	(664,054)
General insurance	716,585	683,778	694,025	(10,247)
Health insurance	7,476,861	7,761,130	7,462,837	298,293
Other post employment benefits (OPEB)	-	-	-	-
Total Pension and Insurance	<u>19,589,846</u>	<u>19,609,936</u>	<u>19,231,184</u>	<u>378,752</u>
Debt service				
<u>Bond principal</u>				
General obligations	<u>12,065,173</u>	<u>12,065,173</u>	<u>12,113,675</u>	<u>(48,502)</u>
<u>Bond interest</u>				
General obligations	<u>4,525,004</u>	<u>4,525,004</u>	<u>4,530,901</u>	<u>(5,897)</u>
<u>Bond expense</u>				
Debt refunding expense	<u>-</u>	<u>-</u>	<u>9,367</u>	<u>(9,367)</u>
Total Debt Service	<u>16,590,177</u>	<u>16,590,177</u>	<u>16,653,943</u>	<u>(63,766)</u>
Total expenditures	<u>227,400,698</u>	<u>229,271,527</u>	<u>227,308,918</u>	<u>1,962,609</u>
Other financing uses				
<u>Operating transfers out</u>				
Transfer to Capital Projects Fund	2,615,150	2,990,429	2,840,429	150,000
Transfer to Grants Fund	1,902,480	1,939,875	1,403,880	535,995
Transfer to P&R Self-Sustaining	402,055	402,055	402,055	-
Transfer to Bar Library	-	24,850	22,941	1,909
Transfer to Chesapeake Hills Golf Course	166,200	166,200	108,287	57,913
Transfer to Solid Waste	65,000	65,000	65,000	-
Total other financing uses	<u>5,150,885</u>	<u>5,588,409</u>	<u>4,842,592</u>	<u>745,817</u>
Total expenditures and other financing uses	<u>\$ 232,551,583</u>	<u>\$ 234,859,936</u>	<u>\$ 232,151,510</u>	<u>\$ 2,708,426</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

STATEMENT OF NET POSITION

JUNE 30, 2014

	Operating Fund
ASSETS	
Cash, cash equivalents and investments	\$ 1,770,162
Notes receivable	29,809
Accrued interest receivable	311
Due from primary government	163,959
Capital assets (not being depreciated)	22,191
Total assets	<u>\$ 1,986,432</u>
LIABILITIES	
Account payable	\$ 32
Deferred revenue	-
Total liabilities	<u>32</u>
NET POSITION	
Invested in capital assets, net of related debt	22,191
Unrestricted	1,964,209
Total net position	<u>\$ 1,986,400</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, 2014

	<u>Operating Fund</u>
Operating revenue:	
Charges for services	\$ 1,070
Miscellaneous income	-
Total operating revenue	<u>1,070</u>
Operating expenses:	
Contracted services	417
Miscellaneous	-
Total operating expenses	<u>417</u>
Operating income (loss)	<u>653</u>
Non-operating revenue (expenses):	
Investment income	1,836
Investment expense	<u>(577)</u>
Total non-operating revenue (expenses)	<u>1,259</u>
Change in net position	1,912
Total net position - beginning	<u>1,984,488</u>
Total net position - ending	<u>\$ 1,986,400</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT
FUND PRESENTATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

	Operating Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Note receipts from customers	\$ 6,608
Interest receipts from customers	1,070
Payments from (to) primary government	(6,150)
Payments to suppliers	(385)
	<hr/>
Net cash provided by (used in) operating activities	1,143
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	4,239
Investment expenses	(577)
Adjustment to market value	-
	<hr/>
Net cash provided by (used in) investing activities	3,662
	<hr/>
Increase in cash and cash equivalents	4,805
	<hr/>
Cash and cash equivalents, beginning of year	1,765,357
	<hr/>
Cash and cash equivalents, end of year	\$ 1,770,162
	<hr/> <hr/>
PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ 653
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	6,608
Due from primary government	(6,150)
Deferred revenue	-
Accounts payable	32
	<hr/>
Net cash provided by (used in) operating activities	\$ 1,143
	<hr/> <hr/>
Reconciliation of cash and cash equivalents to the balance sheet:	
Cash and investments, unrestricted	\$ -
Cash and investments, restricted	1,770,162
	<hr/>
	1,770,162
Less - noncash equivalent investments	-
	<hr/>
Cash and cash equivalents	\$ 1,770,162
	<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, 2014**

	<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	\$ 2,148,088	\$ 4,530,010	\$ 128,812	\$ -	\$ 6,806,910
<u>Operating expenses</u>					
Salaries & benefits	652,525	710,287	82,003	839,465	2,284,280
Contracted services	91,278	406,452	4,082	35,626	537,438
Supplies	129,721	141,088	3,197	33,306	307,312
Heat, light and power	197,329	455,655	-	-	652,984
Depreciation	880,061	1,420,025	-	38,026	2,338,112
Miscellaneous	30,383	23,854	-	50,509	104,746
Telephone	2,018	5,627	841	5,592	14,078
Compensated absences	22,349	7,316	5,392	28,292	63,349
Maintenance and repairs	218,022	254,011	9,442	17,816	499,291
Capital outlay	30,290	153,855	50	2,750	186,945
Total operating expenses	<u>2,253,976</u>	<u>3,578,170</u>	<u>105,007</u>	<u>1,051,382</u>	<u>6,988,535</u>
Operating income (loss)	<u>(105,888)</u>	<u>951,840</u>	<u>23,805</u>	<u>(1,051,382)</u>	<u>(181,625)</u>
<u>Non-operating revenue (expenses)</u>					
Deferred amount on refunding	(1,075)	(19,223)	-	-	(20,298)
Miscellaneous income	33,326	32,430	-	27,209	92,965
Bond issuance costs	(2,960)	(29,040)	-	-	(32,000)
Tower revenue	145,029	-	-	-	145,029
Investment income	6,050	22,663	-	3,927	32,640
Interest expense	(142,028)	(329,300)	-	-	(471,328)
Administrative allocation	(614,484)	(398,862)	(6,900)	1,020,246	-
Total non-operating revenue (expenses)	<u>(576,142)</u>	<u>(721,332)</u>	<u>(6,900)</u>	<u>1,051,382</u>	<u>(252,992)</u>
Income (loss) before contributions and transfers	<u>(682,030)</u>	<u>230,508</u>	<u>16,905</u>	<u>-</u>	<u>(434,617)</u>
<u>Transfers</u>					
Transfers in (out)	-	-	-	-	-
Capital connection charges	111,848	298,621	-	-	410,469
Developer contribution	112,000	487,714	-	-	599,714
Change in net position	<u>(458,182)</u>	<u>1,016,843</u>	<u>16,905</u>	<u>-</u>	<u>575,566</u>
Total net position - beginning	<u>5,696,900</u>	<u>16,592,513</u>	<u>(16,905)</u>	<u>1,999,832</u>	<u>24,272,340</u>
Total net position - ending	<u>\$ 5,238,718</u>	<u>\$ 17,609,356</u>	<u>\$ -</u>	<u>\$ 1,999,832</u>	<u>\$ 24,847,906</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Tax Redemption Fund				
Assets				
Cash	\$ 86,212	\$ 467,746	\$ (451,342)	\$ 102,616
Accounts receivable	6,186	-	-	6,186
Total assets	<u>\$ 92,398</u>	<u>\$ 467,746</u>	<u>\$ (451,342)</u>	<u>\$ 108,802</u>
Liabilities				
Accounts payable	92,398	467,746	(451,342)	108,802
Total liabilities	<u>\$ 92,398</u>	<u>\$ 467,746</u>	<u>\$ (451,342)</u>	<u>\$ 108,802</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
SCHEDULE OF NOTES RECEIVABLE - VOLUNTEER FIRE DEPARTMENTS
AND RESCUE SQUADS - GENERAL FUND
JUNE 30, 2014

Volunteer Fire Departments and Rescue Squads	Term	Payment Period	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	
North Beach VFDRS	25 years	Semiannually	\$ 123,947	\$ -	\$ 10,329	\$ 113,618	
	12 years	Semiannually	1,304	-	1,304	-	
	8 years	Semiannually	47,870	-	15,957	31,913	
	8 years	Semiannually	130,814	-	20,124	110,690	
	24 years	Semiannually	77,033	-	9,630	67,403	
	9 years	Semiannually	-	50,000	2,500	47,500	
			<u>380,968</u>	<u>50,000</u>	<u>59,844</u>	<u>371,124</u>	
Prince Frederick VFD	25 years	Semiannually	284,700	-	14,600	270,100	
	19 years	Semiannually	6,975	-	6,975	-	
	25 years	Semiannually	390,000	-	26,000	364,000	
	12 years	Semiannually	6,656	-	3,328	3,328	
	25 years	Semiannually	437,950	-	23,050	414,900	
	25 years	Semiannually	364,800	-	15,200	349,600	
		Semiannually	-	50,000	2,500	47,500	
			<u>1,491,081</u>	<u>50,000</u>	<u>91,653</u>	<u>1,449,428</u>	
Solomons VFDRS	25 years	Semiannually	47,692	-	15,898	31,794	
	7 years	Semiannually	39,892	-	39,892	-	
	19 years	Semiannually	4,000	-	4,000	-	
	12 years	Semiannually	15,890	-	3,530	12,360	
	9 years	Semiannually	6,251	-	4,168	2,083	
	8 years	Semiannually	89,646	-	17,929	71,717	
	8 years	Semiannually	130,814	-	20,127	110,687	
	7 years	Semiannually	-	220,000	13,750	206,250	
	19 years	Semiannually	-	488,000	12,200	475,800	
	24 years	Semiannually	-	598,000	11,960	586,040	
	24 years	Semiannually	-	387,000	7,740	379,260	
	10 years	Semiannually	-	62,000	6,200	55,800	
				<u>334,185</u>	<u>1,755,000</u>	<u>157,394</u>	<u>1,931,791</u>
	Prince Frederick VRS	8 years	Semiannually	7,094	-	7,094	-
8 years		Semiannually	39,892	-	15,957	23,935	
8 years		Semiannually	171,000	-	21,375	149,625	
			<u>217,986</u>	<u>-</u>	<u>44,426</u>	<u>173,560</u>	
Dunkirk VFDRS	24 years	Semiannually	94,762	-	9,476	85,286	
	8 years	Semiannually	-	-	-	-	
	8 years	Semiannually	-	-	-	-	
	25 years	Semiannually	240,500	-	13,000	227,500	
	12 years	Semiannually	6,855	-	3,427	3,428	
	8 years	Semiannually	171,000	-	21,376	149,624	
	7 years	Semiannually	-	220,000	13,750	206,250	
	10 years	Semiannually	-	47,659	-	47,659	
			<u>513,117</u>	<u>267,659</u>	<u>61,029</u>	<u>719,747</u>	
Huntingtown VFDRS	25 years	Semiannually	23,520	-	23,520	-	
	24 years	Semiannually	68,400	-	7,200	61,200	
	24 years	Semiannually	73,158	-	9,144	64,014	
	24 years	Semiannually	-	-	-	-	
	12 years	Semiannually	30,670	-	4,090	26,580	
	25 years	Semiannually	282,490	-	13,780	268,710	
	8 years	Semiannually	-	181,000	-	181,000	
		Semiannually	-	518,000	-	518,000	
	9 years	Semiannually	50,000	-	2,500	47,500	
			<u>478,238</u>	<u>699,000</u>	<u>57,734</u>	<u>1,167,004</u>	
St. Leonard VFDRS	25 years	Semiannually	37,523	-	12,507	25,016	
	25 years	Semiannually	143,624	-	10,639	132,985	
	24 years	Semiannually	110,044	-	9,569	100,475	
	9 years	Semiannually	17,924	-	5,122	12,802	
	12 years	Semiannually	6,856	-	3,428	3,428	
	8 years	Semiannually	140,875	-	20,125	120,750	
	7 years	Semiannually	160,313	-	21,375	138,938	
			<u>617,159</u>	<u>-</u>	<u>82,765</u>	<u>534,394</u>	
Calvert Advanced Life Support Unit	2.5 years	Semiannually	27,643	-	27,643	-	
	3 years	Semiannually	93,000	-	31,000	62,000	
			<u>120,643</u>	<u>-</u>	<u>58,643</u>	<u>62,000</u>	
Dive Team	9 years	Semiannually	52,200	-	5,800	46,400	
			<u>\$ 4,205,577</u>	<u>\$ 2,821,659</u>	<u>\$ 619,288</u>	<u>\$ 6,455,448</u>	

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2014**

	<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>					
<u>Current year property - locally assessed</u>					
Real property:					
For full year levy	\$ 10,329,321,767	\$ 0.892	\$ 92,137,550	\$ 90,200,408	\$ 1,937,142
For half year levy	42,011,920	0.446	187,373	187,373	-
North Beach	243,599,677	0.556	1,354,414	1,354,414	-
Chesapeake Beach	745,670,700	0.556	4,145,929	4,145,929	-
Total real property	<u>11,360,604,064</u>		<u>97,825,266</u>	<u>95,888,124</u>	<u>1,937,142</u>
Personal property, including corporations and banks	101,281,390	2.230	2,258,575	1,962,318	296,257
Public utilities operating and personal property	<u>855,709,234</u>	2.230	<u>19,082,316</u>	<u>18,885,118</u>	<u>197,198</u>
Total current year	<u>\$ 12,317,594,688</u>		<u>\$ 119,166,157</u>	<u>\$ 116,735,560</u>	<u>\$ 2,430,597</u>
Prior years, real, personal, and corporate property					1,700,405
Accrued interest receivable and service charge					<u>1,287,693</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>2,988,098</u>
Total taxes receivable - county portion					5,418,695
Taxes receivable - state portion, net of tax credits					416,088
Taxes receivable - towns portion, net of tax credits					315,077
Bay Restoration fee due to state - billed with Real estate taxes					<u>31,352</u>
Total taxes receivable					<u>\$ 6,181,212</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, 2014**

	<u>Healthy Families</u>	<u>YSB</u>	<u>LAM</u>	<u>CCFN Administrative</u>	<u>Total</u>
REVENUES					
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	253,780	53,256	131,166	80,511	518,713
Total revenues	253,780	53,256	131,166	80,511	518,713
EXPENDITURES					
Salaries	8,163	-	-	53,824	61,987
Postage	-	-	-	85	85
Mileage allowance	-	-	-	263	263
Board of Education	241,780	-	-	-	241,780
Contracted services	-	53,256	131,166	493	184,915
Telephone/comm	-	-	-	549	549
Benefits	3,837	-	-	25,297	29,134
Total expenditures	253,780	53,256	131,166	80,511	518,713
Excess (deficiency) of revenue over expenditures	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2014, 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 19, 2014. 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.

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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 19, 2014

Statistical Section



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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

FINANCIAL TREND DATA
JUNE 30, 2014

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 126,029,053
Restricted	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	17,696,426
Unrestricted	63,168,041	67,514,862	69,049,348	78,491,069	49,470,223	33,885,557	43,142,024	36,289,294	19,741,178	9,297,242
Total governmental activities net position	\$ 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	\$ 153,022,721
Business-type activities										
Net investment in capital assets	\$ 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	\$ 15,498,941
Restricted	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	1,979,832
Unrestricted	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	14,349,672
Total business-type activities net position	\$ 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	\$ 31,828,445
Primary government										
Net investment in capital assets	\$ 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	\$ 141,527,994
Restricted	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	19,676,258
Unrestricted	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	23,646,914
Total primary government net position	\$ 166,108,688	\$ 185,805,729	\$ 208,858,052	\$ 221,679,712	\$ 209,821,364	\$ 195,874,609	\$ 208,006,515	\$ 207,903,014	\$ 193,643,900	\$ 184,851,166

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.

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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

Expenses	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Governmental activities:										
General government	\$ 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	\$ 16,415,357
Public safety	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	35,084,015
Public works	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	16,435,645
General Services	(3)									15,124,898
Health and hospitals	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	7,671,901	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	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	143,384,137
Board of Education	87,372,370	85,712,612	90,378,744	108,689,460	122,637,685	133,561,524	128,257,599	129,427,039	141,921,641	-
Recreation and culture	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	-
Community resources	(3)									11,597,350
Conservation of natural resources	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	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	1,179,816	1,204,049	1,430,435	1,209,545	1,465,651	1,852,710	1,580,260	1,592,887	1,465,743	-
State agencies & independent boards	(3)									1,440,317
Miscellaneous	10,455,449	12,480,849	-	-	-	-	-	-	-	-
Capital projects	4,769,708	13,792,519	2,034,100	-	-	-	-	-	-	-
Interest on long-term debt	(3)									4,459,599
Debt service	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	166,353,795	178,527,040	187,634,990	206,595,806	229,582,306	233,913,099	233,829,920	248,022,612	249,152,006	251,780,740
Business-type activities:										
Water and sewer	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	7,512,161
Solid waste	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	9,272,715
Culture	2,942,141	2,943,972	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	20,163,474	21,037,931	20,670,251	20,569,489	21,244,487	21,408,033	21,012,463	21,009,262	19,933,469	16,784,876
Total primary government expenses	\$ 186,517,269	\$ 199,564,971	\$ 208,305,241	\$ 227,165,295	\$ 250,826,793	\$ 255,321,132	\$ 254,842,383	\$ 269,031,874	\$ 269,085,475	\$ 268,565,616
Program Revenues										
Governmental activities:										
General government	\$ 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	\$ 3,863,865
Public safety	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	7,575,374
Public works	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	4,736,720
General Services	(3)									9,252,611
Health and hospitals	54,343	58,187	70,687	58,399	38,737	47,213	52,958	288,278	155,481	-
Social services	753,748	754,048	1,014,712	797,476	1,049,527	698,277	1,239,016	1,761,833	1,819,987	-
Education	34,193	34,193	8,299	4,000	-	107,940	-	155,680	-	927,936
Board of Education	(3)									-
Recreation and culture	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	-
Community resources	(3)									2,911,003
Conservation of natural resources	166,768	143,702	744,522	336,473	1,330,446	184,610	248,853	368,640	1,623,509	-
Urban development and housing	845,954	1,018,478	997,111	961,195	1,022,376	1,071,636	1,109,510	1,232,258	1,133,168	-
Economic development	989,167	1,007,398	1,058,562	929,119	838,483	698,198	591,273	615,199	508,714	519,213
State agencies & independent boards	(3)									-
Miscellaneous	2,097,004	1,730,581	-	-	-	-	-	-	-	-
Capital projects	838,894	1,823,092	1,707,441	1,356,301	2,334,409	-	-	-	1,059,594	-
Interest on long-term debt	(3)									2,009,948
Debt service	640,651	641,346	636,098	639,458	636,352	636,802	7,441	7,441	6,299	6,300
Subtotal governmental activities revenues	22,746,543	25,816,485	26,728,996	26,225,301	29,030,373	22,336,907	22,281,348	28,870,232	22,166,273	29,793,022
Business-type activities:										
Water and sewer	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	8,055,087
Solid waste	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	9,343,991
Culture	607,406	668,812	732,755	837,528	1,201,750	1,750,571	1,488,473	1,300,918	1,358,582	-
Subtotal business-type activities revenues	17,444,136	17,743,707	17,954,172	17,993,782	18,637,153	18,038,008	17,721,183	18,745,483	18,414,889	17,399,078
Total primary government revenues	\$ 40,190,679	\$ 43,560,192	\$ 44,683,168	\$ 44,219,083	\$ 47,667,526	\$ 40,374,915	\$ 40,002,531	\$ 47,615,715	\$ 40,581,162	\$ 47,192,100

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Net (Expense)/Revenue										
Governmental activities:										
General government	\$ (12,661,601)	\$ (12,752,991)	\$ (16,644,449)	\$ (16,884,205)	\$ (14,473,348)	\$ (5,743,466)	\$ (15,602,964)	\$ (16,212,344)	\$ (9,596,012)	\$ (12,551,492)
Public safety	(12,450,563)	(12,256,990)	(18,906,932)	(21,274,282)	(24,633,636)	(23,584,130)	(21,563,581)	(23,095,387)	(27,012,956)	(27,508,641)
Public works	484,860	(2,209,721)	(9,012,376)	(6,359,325)	(11,738,050)	(22,489,167)	(12,260,331)	(16,025,119)	(13,687,609)	(11,698,925)
General Services	(2,384,826)	(2,489,384)	(3,020,382)	(3,001,114)	(3,412,849)	(2,081,199)	(3,354,470)	(3,120,662)	(3,515,201)	(5,872,287)
Health and hospitals	(6,918,153)	(6,935,119)	(8,190,616)	(8,877,284)	(9,671,667)	(10,961,982)	(9,692,182)	(8,883,838)	(10,105,339)	-
Social services	(1,986,001)	(2,357,167)	(2,983,083)	(3,044,939)	(3,478,087)	(4,506,707)	(4,263,196)	(4,249,476)	(5,278,673)	(142,456,201)
Education	(87,372,370)	(85,712,612)	(90,378,744)	(108,689,460)	(122,637,685)	(132,595,737)	(128,117,396)	(124,853,045)	(141,921,641)	-
Board of Education	(4,267,598)	678,395	(7,058,932)	(7,876,998)	(6,175,072)	(1,408,273)	(6,296,547)	(11,640,197)	(10,974,005)	-
Recreation and culture	(8358,445)	(10,750,268)	(326,659)	1,356,301	2,334,409	-	-	-	1,059,594	-
Community resources	(3,930,814)	(11,969,427)	-	-	-	-	-	-	2,009,948	-
Conservation of natural resources	(883,589)	(3,057,977)	(678,276)	(1,480,005)	(271,405)	(1,389,100)	(3,144,709)	(4,175,104)	(1,311,489)	(8,686,347)
Urban development and housing	(124,334)	(57,624)	(329,720)	(417,465)	(1,580,899)	(1,571,854)	(1,412,236)	(946,859)	(917,062)	-
Economic development	(190,649)	(196,651)	(371,873)	(280,426)	(627,168)	(1,154,512)	(988,987)	(977,688)	(957,029)	(921,104)
State agencies & independent boards	(3)	-	-	-	-	-	-	-	-	-
Miscellaneous	(3)	-	-	-	-	-	-	-	-	-
Capital projects	(3)	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(3)	-	-	-	-	-	-	-	-	-
Debt service	(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)	(4,453,299)
Subtotal governmental activities expenses	(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)	(221,987,718)
Business-type activities:										
Water and sewer	(661,595)	(1,308,122)	(1,085,832)	(534,064)	(186,106)	(904,128)	(462,684)	70,556	468,666	542,926
Solid waste	276,992	289,058	935,653	516,403	389,708	134,169	222,481	(51,309)	201,186	71,276
Culture	(2,334,735)	(2,275,160)	(2,565,900)	(2,558,900)	(2,810,936)	(2,600,066)	(3,051,077)	(2,283,432)	(2,188,432)	-
Subtotal business-type activities expenses	(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)	614,202
Total primary government expenses	\$ (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)	\$ (221,373,516)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 85,133,607	\$ 90,833,150	\$ 98,994,236	\$ 109,907,718	\$ 126,502,446	\$ 137,559,596	\$ 150,043,755	\$ 150,004,842	\$ 145,034,029	\$ 141,760,716
Income taxes	56,880,109	58,647,605	61,886,520	63,477,715	54,280,021	55,475,403	69,711,237	63,576,777	60,726,847	70,581,735
Recordation taxes	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	6,170,923
Admission and amusement taxes	269,049	293,735	107,310	23,377	30,212	25,009	25,803	30,938	29,720	14,776
Franchise taxes	714,446	778,416	892,707	984,342	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119
Other miscellaneous taxes	182,573	132,064	157,516	148,115	119,546	114,013	113,753	127,458	237,928	687,334
State reimbursement of electricity deregulation	6,096,574	6,096,574	6,096,574	5,897,437	-	-	-	-	-	-
Interest and dividends	2,366,403	4,066,075	6,358,189	5,871,258	3,362,353	933,632	442,937	1,132,781	367,372	493,295
Miscellaneous	(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)	(65,000)
Subtotal governmental activities revenues	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	221,009,898
Business-type activities:										
State reimbursement of electric deregulation	192,315	372,382	-	-	-	-	-	-	-	-
Miscellaneous	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	120,201
Subtotal business-type activities revenues	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	120,201
Total primary government revenues	\$ 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	\$ 221,130,099
Change in net position										
Governmental activities	\$ 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)	\$ (977,820)
Business-type activities	(482,820)	(755,352)	291,619	599,681	4,009,136	(174,986)	(481,549)	758,318	1,089,139	734,403
Total primary government	\$ 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)	\$ (243,417)

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.
- (3) Beginning in FY14, the financial statements have been re-classified by category to match the budgetary document.

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Real and personal property taxes	\$ 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	\$ 138,767,620
Income taxes	54,386,967	55,625,569	59,064,889	62,153,000	58,370,205	56,136,128	62,668,488	64,199,044	64,127,088	66,768,748
Admission and amusements	269,049	293,735	107,310	23,377	30,212	25,009	25,803	30,938	29,720	14,776
Recordation	13,630,156	14,481,819	11,664,698	9,114,661	5,799,985	5,690,348	5,330,746	5,180,576	5,909,376	6,170,922
Trailer parks	149,036	132,063	157,516	148,115	119,546	114,013	113,753	127,458	237,928	127,186
Hotel (2)	498,039	519,919	644,328	785,519	763,877	693,265	815,416	753,981	634,973	560,148
Highway user revenue (3)	4,611,142	5,683,147	5,947,234	5,701,044	5,077,195	256,759	410,452	281,653	513,103	541,727
Franchise	714,446	778,416	892,707	984,342	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119
Total Taxes	\$ 153,049,038	\$ 163,565,885	\$ 173,207,478	\$ 185,031,877	\$ 194,157,120	\$ 198,006,947	\$ 217,325,233	\$ 218,215,279	\$ 214,008,905	\$ 214,317,246

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

General Fund	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011(2)	FY2012(2)	FY2013(2)	FY2014(2)
<i>(prior to GASB 54)</i>										
Reserved	\$ 5,383,571	\$ 5,839,319	\$ 9,195,518	\$ 12,562,828	\$ 11,452,788	\$ 10,438,949	\$ -	\$ -	\$ -	\$ -
Unreserved Undesignated	47,719,807	56,039,767	37,671,295	37,969,096	30,703,197	28,650,914	-	-	-	-
Undesignated	-	-	16,552,000	17,710,000	17,620,000	18,159,691	-	-	-	-
<i>(post GASB 54)</i>										
Non-spendable	-	-	-	-	-	-	9,554,965	9,545,194	8,098,274	8,317,376
Restricted	-	-	-	-	-	-	64,861	-	-	-
Committed	-	-	-	-	-	-	20,913,418	21,430,248	21,983,132	21,943,607
Assigned	-	-	-	-	-	-	9,246,000	8,218,619	9,718,619	9,718,619
Unassigned	-	-	-	-	-	-	26,763,823	27,321,625	27,228,179	20,212,026
Total General Fund	\$ 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	\$ 60,191,628
All other governmental funds										
<i>(prior to GASB 54)</i>										
Reserved	\$ 132,545	\$ 45,190	\$ 50,549	\$ 7,763,481	\$ 11,968,498	\$ 13,099,967	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	15,717,939	13,174,434	17,170,651	12,666,097	6,740,235	6,348,586	-	-	-	-
Capital projects funds	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	7,192,814
Restricted	-	-	-	-	-	-	3,750	2,114,579	586,267	847,698
Committed	-	-	-	-	-	-	6,768,471	9,605,033	6,199,410	8,838,839
Assigned	-	-	-	-	-	-	44,721,770	34,586,829	30,329,564	27,941,051
Unassigned	-	-	-	-	-	-	-	-	(60,100)	(75,287)
Total all other governmental funds	\$ 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	\$ 44,745,115

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
REVENUES										
Taxes	\$ 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	\$ 217,073,039
Licenses and permits	216,014	232,123	257,518	281,443	238,143	328,671	292,301	304,571	307,533	336,520
Intergovernmental	15,758,563	18,350,527	16,779,720	15,069,474	12,250,124	10,635,443	10,939,016	10,137,812	12,204,498	15,528,056
Charges for services	3,294,505	2,900,487	3,207,758	3,670,167	3,768,064	3,585,775	3,337,111	3,303,365	4,067,291	5,474,201
Fines and forfeitures	252,017	328,280	289,052	356,049	319,280	340,061	598,175	477,806	550,153	654,560
Miscellaneous	7,110,816	8,479,435	12,016,603	12,625,951	10,739,918	8,123,831	7,147,229	15,496,237	4,442,587	5,095,650
Total revenues	185,702,601	199,159,026	209,747,317	220,243,963	224,293,199	223,905,944	242,076,605	250,543,779	240,401,141	244,162,026
EXPENDITURES										
General government	12,764,613	14,970,798	15,349,833	16,736,565	16,078,913	15,189,984	15,511,172	16,164,778	17,375,391	12,050,068
Public safety	17,999,869	19,319,261	21,663,919	24,008,176	26,237,282	25,987,152	26,616,262	27,372,685	27,785,783	16,357,060
General services	6,917,035	7,715,592	10,599,520	7,656,572	11,224,901	10,984,725	9,103,252	9,758,188	7,826,158	9,510,233
Health and hospitals	2,556,877	2,539,528	2,600,707	2,667,985	2,819,937	2,774,768	2,627,530	2,767,520	2,758,231	-
Social services	7,184,652	7,746,183	7,672,234	8,347,844	8,765,417	8,957,279	8,314,076	8,351,728	8,942,207	-
Education - other	2,020,194	2,391,360	2,521,895	2,660,762	2,856,298	3,031,586	3,268,987	3,490,522	3,993,701	121,773,990
Board of Education	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	-
State and independent boards	-	-	-	-	-	-	-	-	-	6,468,234
Recreation and culture	6,817,349	7,488,244	8,266,634	8,900,443	9,783,163	9,916,945	10,987,198	11,202,674	11,716,965	-
Conservation of natural resources	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	948,487	1,083,349	1,124,533	1,239,214	1,978,608	1,982,486	1,914,857	2,003,182	1,519,637	-
Economic development	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	1,130,190
Community resources	-	-	-	-	-	-	-	-	-	8,952,113
Miscellaneous	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	-
Pension and insurance	-	-	-	-	-	-	-	-	-	19,231,184
Capital projects	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	19,443,595
Debt service	6,920,962	7,940,391	8,724,561	9,967,111	11,513,920	12,024,609	11,233,501	10,971,736	11,654,816	12,113,675
Interest	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	4,530,901
Principal retirement	178,548,916	202,088,655	218,607,711	226,005,601	253,879,494	252,223,009	242,619,199	262,336,752	251,013,966	259,311,046
Refunding expense	-	-	-	-	-	-	-	-	-	86,574
Total expenditures	7,153,685	(2,929,639)	(8,860,394)	(5,761,638)	(29,586,295)	(28,317,065)	(542,594)	(11,792,973)	(10,612,825)	(15,149,020)
Excess (deficiency) of revenues over expenditures	6,995,000	10,885,000	29,780,000	22,250,000	18,485,000	24,344,988	19,256,000	5,773,720	5,415,000	5,760,000
OTHER FINANCING SOURCES (USES)										
Proceeds from bond issuance	-	-	692,322	290,047	50,806	(5,191,344)	1,326,199	568,872	448,460	281,302
Amount deposited in refunding escrow	-	-	-	-	-	743,436	-	21,785,000	10,437,071	-
Refunding bonds issued	-	-	-	-	-	-	-	2,422,139	1,591,835	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	(24,207,139)	(12,028,906)	-
Amount deposited in refunding escrow	-	-	-	-	-	-	-	-	-	-
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers in - other	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	12,975,736
Transfers out - other	(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)	(13,040,736)
Total other financing sources (uses)	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	5,976,302
Net change in fund balances	\$ 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)	\$ (9,172,718)
Debt service as a percentage of noncapital expenditures	(3)	6.32%	(3)	6.93%	(3)	7.18%	(3)	7.64%	(3)	8.80%
										8.76%
										7.50%
										6.86%
										7.54%
										7.35%

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).
(5) Beginning in FY14, expenditures were re-classified in the financial statements to match the budgetary document.

COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

REVENUE CAPACITY
JUNE 30, 2014

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			
	Assessed Value	Exempt Property	Taxable Assessed Value	Direct Rate	Assessed Value	Assessed Value	Direct Rate	Assessed Value	Taxable Assessed Value	Estimated Actual Value	% Taxable Assessed to total	Estimated Actual Value
2005	7,093,440,835	570,848,991	6,522,591,844	0.892	1,026,470,460	8,119,911,295	2.23	7,549,062,304	92.97%	8,119,911,295		
2006	7,950,408,153	594,754,848	7,355,653,305	0.892	1,087,505,840	9,037,913,993	2.23	8,443,159,145	93.42%	9,037,913,993		
2007	9,286,512,820	656,267,485	8,630,245,335	0.892	1,123,614,063	10,410,126,883	2.23	9,753,859,398	93.70%	10,410,126,883		
2008	11,464,556,220	788,968,756	10,675,587,464	0.892	1,052,405,750	12,516,961,970	2.23	11,727,993,214	93.70%	12,516,961,970		
2009 ⁽¹⁾	14,223,348,981	888,112,994	13,335,235,987	0.892 ⁽¹⁾	470,449,610	14,693,798,591	2.23	13,805,685,597	93.96%	14,693,798,591		
2010	15,571,990,076	987,183,072	14,584,807,004	0.892	504,475,135	16,076,465,211	2.23	15,089,282,139	93.86%	16,076,465,211		
2011	14,334,949,486	1,022,420,831	13,312,528,655	0.892	874,351,230	15,209,300,716	2.23	14,186,879,885	93.28%	15,209,300,716		
2012	13,473,142,494	1,030,936,269	12,442,206,225	0.892	921,126,040	14,394,268,534	2.23	13,363,332,265	92.84%	14,394,268,534		
2013	12,717,190,774	992,111,598	11,725,079,176	0.892	950,398,120	13,667,588,894	2.23	12,675,477,296	92.74%	13,667,588,894		
2014	12,353,843,462	993,239,398	11,360,604,064	0.892	956,990,624	13,310,834,086	2.23	12,317,594,688	92.54%	13,310,834,086		

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	(1) Town Rate
	Calvert County	Town of North Beach	Town of North Beach
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
2014	0.892	0.556	0.63

Fiscal Year	Direct	Overlapping Rates	
		County Rate	(1) Town Rate
	Calvert County	Town of Chesapeake Beach	Town of Chesapeake Beach
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
2014	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	Fiscal Year 2014				Fiscal Year 2005			
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Constellation Energy Group	\$ 1,286,711,557	(3)	10.15%	\$ 685,056,820	1	9.07%		
Dominion (Cove Point)	735,647,410	2	5.80%	165,829,530	2	2.20%		
Southern Maryland Electric Co.	57,819,210	3	0.46%	38,978,460	3	0.52%		
Asbury-Solomons	33,455,408	4	0.26%	31,768,632	5	0.42%		
Fox Run Ltd. Partnership	28,652,800	5	0.23%	22,091,866	7	0.29%		
Dunkirk Gateway	24,077,500	6	0.19%			0.00%		
Holiday Inn - Solomons	22,820,000	7	0.18%	17,542,666	8	0.23%		
Verizon	19,260,410	8	0.15%	32,105,640	4	0.43%		
Market Square Shopping Center	17,871,533	9	0.14%			0.00%		
Dunkirk Market Place	10,050,600	10	0.08%	8,527,800	10	0.11%		
Town Square Shopping Center				9,018,600	9	0.12%		
Horizons on the Bay				23,636,400	6	0.31%		
	\$ 2,236,366,428		17.64%	\$ 1,034,556,414		13.70%		

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
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%
2014	119,166,157	116,735,560	97.96%	2,430,597	119,166,157	100.00%

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND

DEBT CAPACITY
JUNE 30, 2014

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				Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Office Building	Leveraging	Misc.	Notes Payable	General Obligation Bonds					
2005	76,178	3,345	5,931	2,528	9,461	6,055	103,498	3.15%	1,219		
2006	79,973	2,840	6,882	2,170	8,841	5,169	105,875	3.03%	1,228		
2007	101,907	2,320	7,961	1,800	8,248	4,057	126,293	3.40%	1,450		
2008	115,099	1,775	10,414	1,421	8,176	3,018	139,903	3.55%	1,595		
2009	123,013	1,210	10,414	1,029	8,152	1,927	145,745	3.68%	1,654		
2010	126,019	620	10,414	621	7,612	3,871	149,157	3.63%	1,681		
2011	134,451	-	10,612	198	6,934	7,335	159,530	N/A (2)	1,792		
2012	129,402	-	7,933	159	6,413	10,823	154,730	N/A (2)	1,694		
2013	130,246	-	7,933	141	5,699	10,800	154,819	N/A (2)	1,602		
2014	123,661	-	7,820	123	11,937	13,604	157,145	N/A (2)	1,499		

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 Real & Personal Property	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
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
2014	94,200	12,317,594,688	137,387,972	123,319	137,264,653	1.11%	1,457	130,760

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		Coverage	Shore Erosion Billed	Debt Service		Coverage	Waterway Improvement Billed	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
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
2014	-	-	-	-	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, 2014

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>
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
2014	94,200	N/A	N/A	47,889	5.50%	15,642

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 2014			Fiscal Year 2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,109	1	4.66%	2205	1	4.69%
Calvert Memorial Hospital	1,200	2	2.65%	915	3	2.17%
Calvert County Government	1,098	3	2.43%	875	4	2.18%
Constellation Energy Group (1)	900	4	1.99%	998	2	2.11%
Wal-Mart	455	5	1.01%	310	6	0.65%
Giant Food	356	6	0.79%			
Safeway	340	7	0.75%			
Navy Recreation Center	289	8	0.64%			
Chesapeake Beach Resort/Spa	267	9	0.59%			
ARC of Southern Maryland	250	10	0.55%	369	5	0.78%
DynCorp				296	7	0.63%
Recorded Books				291	8	0.61%
DM Group				250	9	0.53%
Calvert Nursing Center				203	10	0.43%

NOTES:

(1) Employees of Calvert Cliffs Nuclear Power Plant - Corporate owner was Baltimore Gas and Electric (1997), and is now Exelon (2014).

(2) Source: Calvert County Department of Economic Development

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COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2014

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 Ten Fiscal Years
(see related notes below)
Schedule 15

Function:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
General Government										
Commissioners	7	7	7	6	6	6	6	6	6	6
Clerk of the commissioners	1	1	1	1	1	1	1	1	1	1
County administration	2	2	3	3	3	3	3	2	2	2
Technology services	17	17	18.6	19.6	21.8	21.8	21.8	22.8	22.8	23
Circuit court	10	10	10.7	10.9	10.9	10.9	10.9	10.9	10.9	10.9
Orphans court	3	3	3	3	3	3	3	3	3	3
States attorney	18	18	20.1	20.1	20.1	21.1	22.1	22.1	22.1	25
Personnel	5	6	7.6	7.6	8.6	8.6	8.6	8.6	8.6	8.6
Finance	20	22	22.6	22.6	23.6	23.6	23.6	25.6	25.6	25.5
Treasurers	6	6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
County attorney	3	3	4	4	4	4	4	4	4	4
Community Planning and Building	21	21	26.1	26.1	16.1	16.1	16.1	16.1	16.1	18.4
Planning commission	1	1	2	1	1	10.1	10	10	10	9
Inspections and permits	13	13	14.2	14.2	14.2	14.2	14.2	14.2	14.2	13.2
Public Safety										
Public safety	2	2	2	2	2	2	2	2	2	2
Sheriffs office	105	115	131.2	134.2	139.2	139.2	142.2	146.2	146.2	151.2
Control center	25	29	30	30	30	30	30	34	34	34
Detention center	64	65	67	77.6	81.6	81.6	85.6	88.6	88.6	87.6
Emergency management	2	2	3	3	3	3	3	3	3	3
Fire and rescue	3	4	4	4	4	4.5	5.5	5.5	5.5	5.5
Animal control	5	5	5	6	7	7	7	7	7	7
General Services										
Director of General services	2	2	2	2	2	4	5	5	5	5
Buildings and grounds	26	28	31.7	32.7	32.7	32.7	32.7	31.7	31.7	29.7
Mosquito control	1	1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Parks and Recreation	59	62	68.7	69.7	70	70.7	68.6	69.2	69.2	69.2
Railway museum	1	1	2	2	2	2	2	2	2	2
Marine museum	36	36	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2
Natural Resources	12	13.2	13.2	13.2	13.2	13.2	13.2	13.7	13.7	13.7
Public Works										
Director of Public works	14	14	16.6	16.6	16.6	14.6	15.2	15.2	15.2	15.2
Project Management	8	8	8	8	7	7	7	7	7	7
Highway maintenance	33	33	33.6	33.6	36.6	36.6	36	36	36	36
Fleet maintenance	7	8	9	9	10	10	10	10	10	10
Economic Development										
	8	9	9.1	10.1	12.1	12.1	12.5	12.5	12.5	12.4
Community Resources										
Director of Community resources	4	4	4.5	4.5	4.5	4.5	4.5	5	5	5
Office on aging	23	23	23.5	24.6	24.6	24.6	24.6	24.6	24.6	24.6
Transportation	1	2	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Education										
Library	45.3	45.3	50.2	52.2	52.2	52.8	52.8	62	52.8	54.7
State Agencies and Independent Boards										
Election	8	9	9	9	9	9	9	9	9	9
Liquor board	3	3	3	3	3	3.2	3.2	5	3.2	3.2
Soil Conservation	4	4	4	4	5	5	5	5	5	5
Water and Sewer										
	30	30	30	33	34	33	33	32	32	30.7
Solid Waste										
	32	33	36.8	37.8	37.8	38.8	38.8	41.3	41.3	42.6
Chesapeake Hills Golf Course										
	-	-	-	-	-	10.9	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	880.5

NOTES:
(1) Source: Calvert County's Adopted Operating and Capital Budgets FY2005-FY2015

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

Function:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
	Actual									
General Government										
Technology services										
Work orders completed	N/A	3,945	4,348	4,124	4,050	3,375	4,209	4,413	4,799	4,513
Support to desktop/laptop computers	N/A	512	665	750	795	835	875	726	853	1,000
Finance and budget										
Purchase orders processed	5,641	6,705	7,046	7,291	7,273	6,717	6,759	5,953	6,139	6,329
Accounts payable checks	15,493	15,015	17,050	16,349	15,693	14,852	15,334	15,834	15,100	15,600
Average number of employees per pay	930	936	945	992	1,017	1,049	1,112	1,117	1,120	1,110
Fixed assets maintained	14,551	15,364	15,973	14,503	15,255	15,804	13,352	13,687	14,037	14,387
Health care benefits managed	717	738	935	958	997	1,021	1,020	1,030	1,030	1,040
Credit card dollars collected	182,444	300,051	283,659	480,062	466,182	537,611	598,705	630,000	661,500	609,428
Credit card transactions	168	287	247	323	291	346	363	380	399	197
Real estate tax bills	40,468	40,988	41,265	41,390	41,757	42,236	42,297	42,349	42,419	42,469
Treasury										
Tax credits issued	1,500	1,551	1,574	1,579	1,582	1,633	1,822	1,625	1,664	1,654
Community Planning and Building										
Major and minor subdivisions (new applications)	47	47	63	40	21	34	21	61	30	65
Inspections and permits										
Building permits issued	2,425	2,504	2,098	1,812	1,428	1,472	1,492	1,613	1,338	1,425
Grading permits issued	855	820	717	672	707	672	783	734	633	665
Electrical permits issued	2,424	2,438	1,986	1,666	1,425	1,471	1,437	1,735	1,525	1,600
Plumbing permits issued	1,667	1,279	1,074	943	757	744	873	897	850	875
Public Safety										
Control center										
Number of incidents handled	117,936	130,478	148,947	160,063	164,807	151,224	138,437	145,358	152,626	131,937
Detention center										
Average daily population	227	212	238	228	237	288	233	212	220	225
Work release (adp)	73	68	75	85	67	39	32	28	27	23
Sheriff's office										
Calls for service	71,959	65,454	76,223	85,941	83,062	84,513	87,045	89,659	89,659	108,220
Murder cases	1	-	2	1	-	-	-	-	3	2
Rape cases	11	4	-	6	10	17	10	10	14	11
Robbery cases	20	9	16	15	27	26	27	29	26	24
Aggravated assault cases	121	171	173	272	187	123	56	56	56	79
Theft cases	899	935	947	1,051	1,067	1,204	1,100	1,100	1,392	1,436
Auto theft cases	65	77	92	92	82	92	55	55	60	48
Domestic violence incidents responded to	N/A	1,103	1,189	1,231	1,203	1,287	1,325	1,364	1,364	1,213
Business & community patrol checks	N/A	23,414	30,419	38,032	35,538	33,977	29,724	30,615	30,615	47,965
Sex offenders registered in Calvert County	N/A	99	108	110	103	107	109	112	112	114
School related incidents/investigations	N/A	351	403	293	333	1,574	1,621	1,669	1,669	1,669
Fire and rescue										
Total calls responded	16,900	17,560	19,747	20,743	20,021	19,708	21,240	21,000	21,000	23,006
Animal control										
Calls for service	5,354	7,377	7,506	8,139	8,063	5,601	6,129	5,000	5,075	5,213
General Services										
Railway museum										
Outreach participants	3,924	3,621	3,900	4,000	4,100	4,150	4,200	4,200	4,200	5,204
Participants in programs	N/A	N/A	2,547	2,434	3,569	5,118	6,197	8,298	5,000	6,822
Public Works										
Major and minor subdivisions	1,040	205	227	175	143	149	54	51	52	51
Road plans	120	32	33	41	17	24	9	13	17	18
Project management										
Miles of roadway resurfaced	13	11	13	15	14	12	8	8	13	8
Fleet maintenance										
Work orders	2,600	2,226	2,211	2,371	3,529	2,837	2,361	2,283	2,082	2,100
Community Resources										
Transportation										
Yearly ridership	113,354	132,648	132,728	133,270	134,786	109,705	108,875	109,658	110,000	111,000
Education										
Public library										
Circulation of materials	929,828	920,727	962,546	1,035,223	1,114,737	1,154,634	1,153,773	1,142,301	1,121,505	1,122,168
Reference questions	59,436	66,255	7,930	79,779	96,381	120,646	121,536	137,519	145,954	154,014
Program attendance	50,303	51,632	58,130	55,478	52,132	46,738	51,196	53,907	57,109	60,224
In-person visits	490,387	509,732	521,845	554,392	606,932	602,683	600,371	609,958	586,710	548,444
Computer uses	39,531	42,325	65,114	89,162	127,319	145,278	152,831	151,002	141,507	140,275
Registered borrowers	48,534	53,013	52,736	55,347	59,404	57,549	60,574	61,895	65,631	63,861
Water and Sewer										
Number of customers	N/A	4,587	4,788	4,799	5,037	5,076	5,104	5,153	5,190	5,267

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

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	FY2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	89	115	115	120	141	140	141	141	125	127
Special purpose units	0	0	0	0	0	5	6	6	6	7
Fire protection:										
Fire stations	7	7	7	7	7	5	6	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12	12
Ambulances	15	15	15	15	15	14	14	14	14	14
Rescue trucks	6	6	6	6	6	7	7	6	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	3	3
Brush units	12	12	12	12	12	13	13	13	13	13
Tankers	5	5	5	5	5	5	5	5	5	5
Jet skis	2	2	2	2	2	2	2	2	2	2
Dive rescue van	1	1	1	1	1	1	1	1	1	1
Fire-rescue boats	3	3	3	3	3	3	3	3	3	3
Mass casualty unit/trailer	1	1	1	1	1	1	1	1	1	1
Inflatable boats	6	6	6	6	6	6	6	6	6	6
Paramedic units	5	5	5	5	5	5	5	5	5	5
Air cascade units	0	0	1	1	1	2	2	2	2	2
Other utility types	24	24	24	24	24	25	25	25	25	25
Community Resources										
Transportation:										
Passenger buses	17	17	18	18	17	17	17	17	19	19
Public Works										
County owned streets in miles	435	446	446	446	446	452	452	452	462	462
Recreation										
Baseball fields	20	20	20	20	20	20	20	20	20	20
Football fields	7	7	7	7	7	7	7	7	7	7
Basketball courts	6	6	6	6	6	6	6	6	6	6
Tennis courts	10	10	10	10	10	10	10	12	12	12
Pools	1	2	2	2	2	3	3	3	3	3
Golf course	0	0	0	0	0	1	1	1	1	1
Playgrounds and parks in acres	360	360	360	360	360	360	375	375	580	580
Water and Sewer										
Water mains in miles	75	75	75	75	75	77	77	77	79	80
Water systems	21	21	21	21	21	21	21	20	21	19
Storage tanks	14	14	14	14	14	14	14	14	14	13
Sewer mains in miles	66	66	66	66	66	66	66	66	68	69
Sewer treatment plants	9	9	9	9	9	9	9	8	8	8
Sewer pumping stations	27	27	27	27	39	39	39	39	39	37

NOTES:

(1) Source: Various county departments