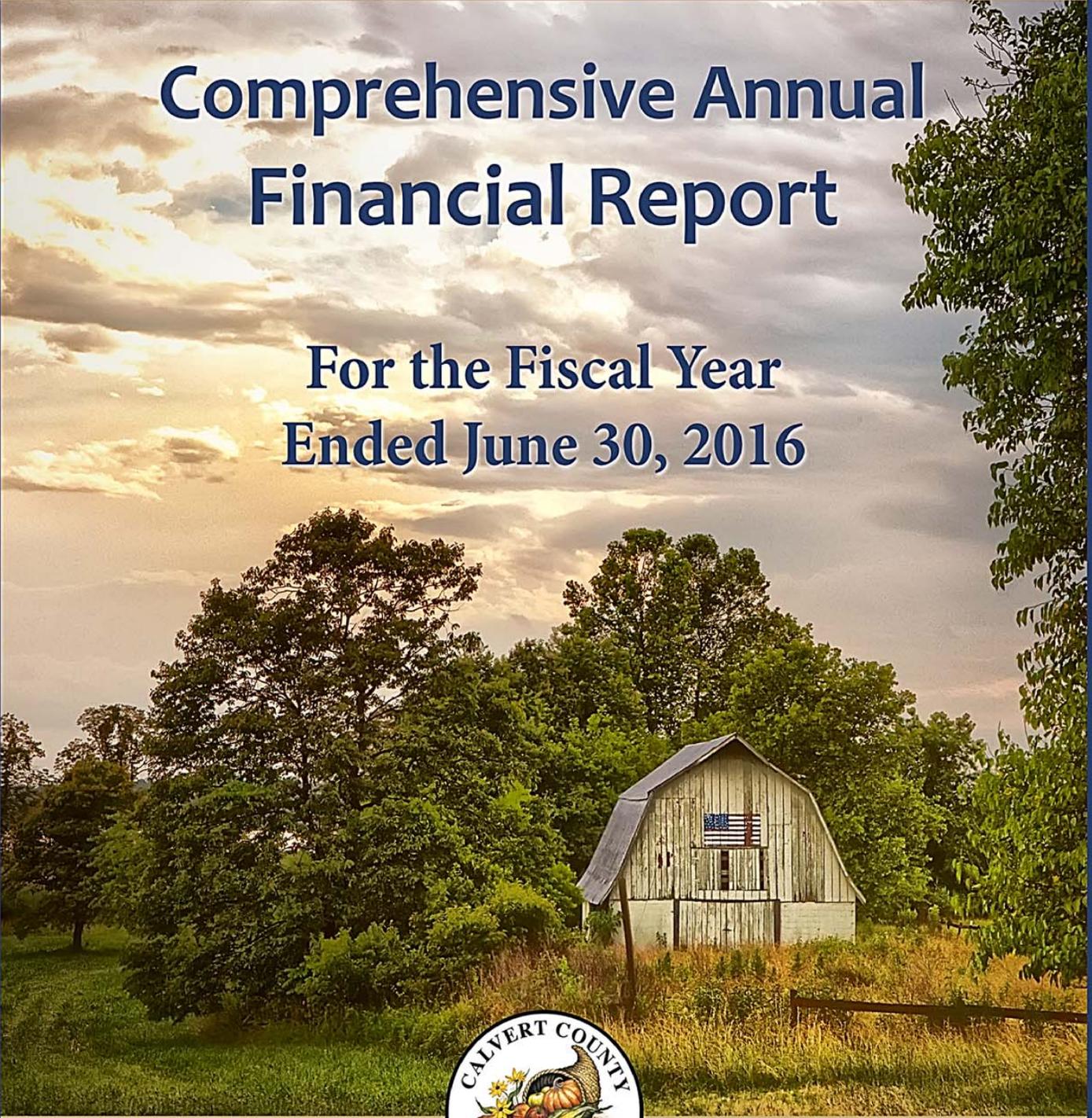




CALVERT
COUNTY
Maryland

Comprehensive Annual Financial Report

For the Fiscal Year
Ended June 30, 2016



Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2016

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2016

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Introductory Section



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CALVERT COUNTY GOVERNMENT

Board of County Commissioners

Evan K. Slaughenhaupt Jr., President

Thomas Hejl, Vice President

Mike Hart, Commissioner

Pat Nutter, Commissioner

Steven R. Weems, Commissioner

December 16, 2016

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, 2016, 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 Title 2 United States *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) 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 States 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.

SB & Company, 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, 2016 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 unmodified ("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 121 and 122.

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 22 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 (89 percent, fiscal year 2016 budget) of the revenue for the General Fund of the Calvert County Government. Property assessments have are expected to continue with their recent, small increases. Actual Income tax receipts in FY 2016 were in line with projections that use an increasing trend of about 4%.

Property tax, the largest revenue source, represented 60 percent of the total General Fund revenue for fiscal year 2016. The number of residential building permits issued in fiscal year 2016 was 215, a decrease of about 36 percent or 120 permits from the 335 issued in FY 2015. Note that FY 2015 permit issuance was positively impacted by changes in the building code. Property taxes have been buoyed by public utility providers.

Income tax revenue, at 32 percent of the total General Fund revenue for fiscal year 2016, 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.

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 2016 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 2016 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 2016, were "Aaa" from Moody's Investors Service, Inc., "AAA" from Standard & Poor's, and "AAA" from Fitch Ratings. This is the County's first rating cycle with three "AAA" 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, 2015. 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, 2015 to June 30, 2016. 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, 2015

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

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

Thomas Hejl
Vice President, Board of County Commissioners

Pat Nutter
Commissioner

Mike Hart
Commissioner

Steven R. Weems
Commissioner

Novalea Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

Terry L. Shannon
County Administrator

Timothy Hayden
Director of Finance and Budget

J. Mark Willis
Director of Planning and Zoning

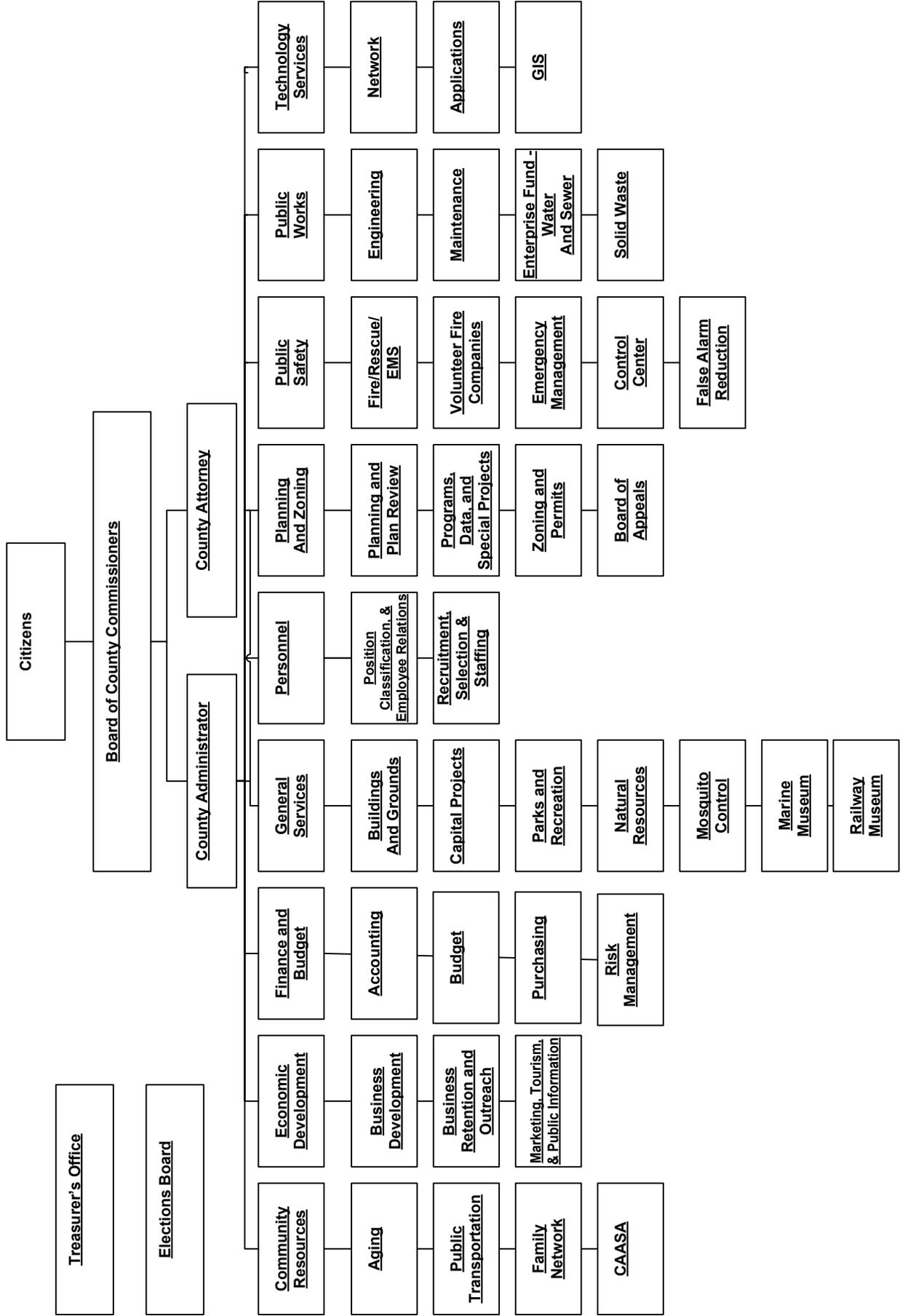
Linda Vassallo
Director of Economic Development

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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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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 (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 Board of Education of Calvert County, Maryland. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, are based on the reports 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 opinion.



Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows, and the respective budget and actual statements for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in County's net pension liability and related ratios, the schedules of County contributions, and schedules of investment returns for the Volunteer Fire and Rescue Pension fund, Sheriff's Department Pension Plan and Employees Retirement Plan and the schedules of funding progress and employer contributions for the Other Post-Employment Benefits (OPEB) Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, statistical tables and the combining and individual nonmajor funds and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the County's internal control over financial reporting and 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's internal control over financial reporting and compliance.

Hunt Valley, Maryland
December 19, 2016

SB & Company, LLC

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, 2016. 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 and deferred outflows of resources of Calvert County Government exceeded its liabilities and deferred inflows of resources at the close of this fiscal year by \$160.9 million (*net position*); approximately 23.0 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, \$164.7 million is the net investment in capital assets, and \$18.7 million is restricted for specific purposes. The County's unrestricted net position is a negative \$22.5 million. This deficit balance in unrestricted net position results primarily from the implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions, and related amendment Statement No.71, Pension Transition for Contributions Made Subsequent to Measurement Date*, which required the County to record its net pension liability of \$27.1 million. The business-type activities ended with an unrestricted net position of \$7.4 million. Included as restricted cash, for the primary government, is \$20.4 million of which \$13.3 million represents bond proceeds.
- The government's total net position has increased by \$7.0 million; a \$6.6 million increase was related to the governmental activities and \$387,678 was related to the business-type activities.

Fund Level:

- As of June 30, 2016, the County's governmental funds reported combined fund balances of \$73.7 million, a decrease of \$12.4 million from the prior year. Approximately 72.6 percent of this total amount, \$53.5 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$26.8 million (prior year, \$51.0 million) has been dedicated for certain purposes, including, \$6.4 million for approved capital projects, \$5.0 million for employee leave obligations payouts, \$3.9 million for purposes within special revenue funds and \$1.2 million for other post employment benefits (*GASB 45*).
- The proprietary funds revenue decreased by \$3.0 million or 15.6 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$43.3 million (*committed, assigned and unassigned*), or 18.1 percent of total fiscal year 2016 General Fund budgetary expenditures and other financing uses.

Nonspendable and restricted fund balance of the General Fund was \$8.2 million, or 15.9 percent of fund balance.

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 70 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 71 of this report.

Government-wide Financial Analysis

This is the fourteenth 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 2016, assets and deferred outflows exceeded liabilities and deferred inflows by \$160.9 million (prior year, \$153.9 million).

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

- *Net invested in capital assets*; it consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvements of those assets.
- *Restricted net position*; it consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- *Unrestricted net position*; it consists of the difference between total net position and its other two components.

Net investment in capital assets includes the County's purchases of land and easements, buildings, machinery, equipment, infrastructure and improvements, less any un-matured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Restricted net 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:

Calvert County's Government's Change in Net Position

| | Governmental Activities | | | Business-type Activities | | | Total | | |
|--------------------------------|-------------------------|----------------|-----------------|--------------------------|---------------|------------|----------------|----------------|-----------------|
| | 2016 | 2015 | Difference | 2016 | 2015 | Difference | 2016 | 2015 | Difference |
| Current and other assets | \$ 116,317,046 | \$ 131,006,832 | \$ (14,689,786) | \$ 19,973,817 | \$ 19,694,460 | \$ 279,357 | \$ 136,290,863 | \$ 150,701,292 | \$ (14,410,429) |
| Capital assets | 189,948,473 | 184,992,617 | 4,955,856 | 48,458,455 | 45,979,379 | 2,479,076 | 238,406,928 | 230,971,996 | 7,434,932 |
| Total assets | 306,265,519 | 315,999,449 | (9,733,930) | 68,432,272 | 65,673,839 | 2,758,433 | 374,697,791 | 381,673,288 | (6,975,497) |
| Deferred outflows of resources | 13,396,451 | 2,162,227 | 11,234,224 | 25,111 | 37,667 | (12,556) | 13,421,562 | 2,199,894 | 11,221,668 |
| Long-term liabilities | 144,142,419 | 146,934,635 | (2,792,216) | 28,145,042 | 25,894,642 | 2,250,400 | 172,287,461 | 172,829,277 | (541,816) |
| Other liabilities | 45,033,738 | 50,700,142 | (5,666,404) | 3,292,491 | 3,183,890 | 108,601 | 48,326,229 | 53,884,032 | (5,557,803) |
| Total liabilities | 189,176,157 | 197,634,777 | (8,458,620) | 31,437,533 | 29,078,532 | 2,359,001 | 220,613,690 | 226,713,309 | (6,099,619) |
| Deferred inflows of resources | 6,602,793 | 3,280,030 | 3,322,763 | 1,604 | 2,406 | (802) | 6,604,397 | 3,282,436 | 3,321,961 |
| Net invested in capital assets | 137,904,262 | 125,502,206 | 12,402,056 | 26,802,823 | 27,576,501 | (773,678) | 164,707,085 | 153,078,707 | 11,628,378 |
| Restricted | 15,818,117 | 16,490,109 | (671,992) | 2,837,651 | 2,729,885 | 107,766 | 18,655,768 | 19,219,994 | (564,226) |
| Unrestricted | (29,839,359) | (24,745,446) | (5,093,913) | 7,377,772 | 6,324,182 | 1,053,590 | (22,461,587) | (18,421,264) | (4,040,323) |
| Total net position | \$ 123,883,020 | \$ 117,246,869 | \$ 6,636,151 | \$ 37,018,246 | \$ 36,630,568 | \$ 387,678 | \$ 160,901,266 | \$ 153,877,437 | \$ 7,023,829 |

Governmental activities: Net position of the Governmental Activities increased by \$6.6 million (prior year, a decrease of \$16.1 million). Fiscal year 2016's increase was due mostly to the completion of capital projects resulting in new capital assets.

Business-type activities: Business-type Activities increased Calvert County Government's net position by \$387,678 (prior year, an increase of \$4.8 million). This result is primarily due to the Water and Sewer Fund increase in net position of \$913,047, due to a developer contribution for the Lusby Sewer Expansion project. The Solid Waste and Recycling Fund had a decrease in net position of \$525,369, explained by lowered revenues due to the economically sensitive waste stream.

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:

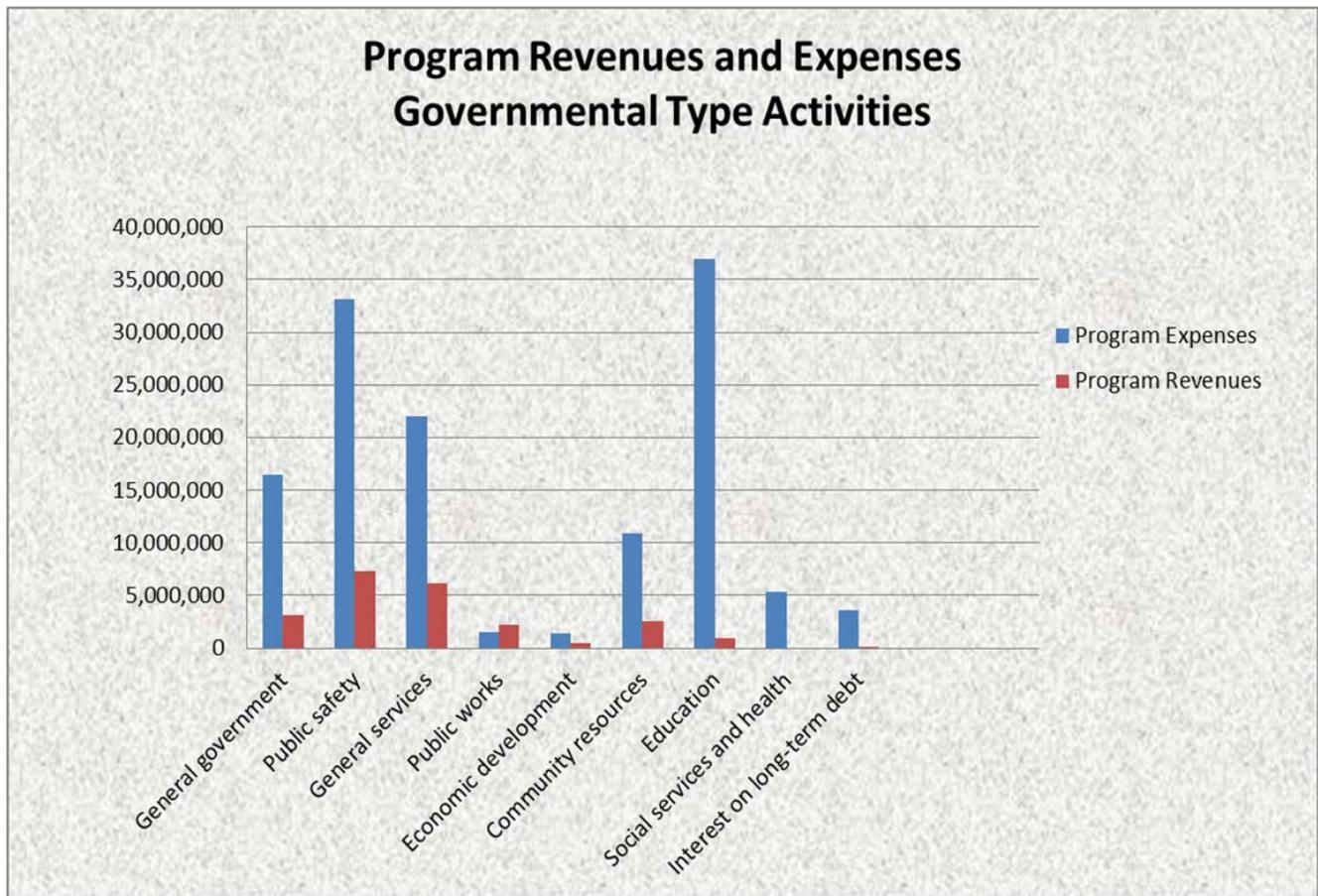
Calvert County Government Schedule of Activities and Changes in Net Position

| | Governmental Activities | | | Business-type Activities | | | Total | |
|---|-------------------------|----------------|--------------|--------------------------|---------------|--------------|----------------|--------------|
| | 2016 | 2015 | Difference | 2016 | 2015 | Difference | 2015 | Difference |
| Revenues | | | | | | | | |
| <u>Program Revenues</u> | | | | | | | | |
| Charges for services | \$ 16,284,561 | \$ 15,558,429 | \$ 726,132 | \$ 18,044,125 | \$ 18,745,116 | \$ (700,991) | \$ 34,303,545 | \$ 25,141 |
| Operating grants and contributions | 5,784,989 | 5,663,984 | 121,005 | - | - | - | 5,663,984 | 121,005 |
| Capital grants and contributions | 1,620,645 | 1,698,323 | (77,678) | 1,165,629 | 3,398,771 | (2,233,142) | 5,097,094 | (2,310,820) |
| <u>General Revenues</u> | | | | | | | | |
| Property taxes | 141,789,058 | 141,620,683 | 168,375 | - | - | - | 141,620,683 | 168,375 |
| Income taxes | 77,059,728 | 67,569,054 | 9,490,674 | - | - | - | 67,569,054 | 9,490,674 |
| Other taxes | 9,889,282 | 8,591,595 | 1,297,687 | - | - | - | 8,591,595 | 1,297,687 |
| Investment earnings | 374,256 | 208,890 | 165,366 | - | 64,547 | (64,547) | 273,437 | 100,819 |
| Total revenues | 252,802,519 | 240,910,958 | 11,891,561 | 19,209,754 | 22,208,434 | (2,998,680) | 263,119,392 | 8,892,881 |
| Expenses | | | | | | | | |
| <u>Program Expenses</u> | | | | | | | | |
| General government | 16,449,176 | 17,431,785 | (982,609) | - | - | - | 17,431,785 | (982,609) |
| Public safety | 33,179,360 | 33,357,949 | (178,589) | - | - | - | 33,357,949 | (178,589) |
| General services | 21,973,307 | 24,373,165 | (2,399,858) | - | - | - | 24,373,165 | (2,399,858) |
| Public works | 1,459,120 | 6,819,703 | (5,360,583) | - | - | - | 6,819,703 | (5,360,583) |
| Economic development | 1,358,480 | 1,476,461 | (117,981) | - | - | - | 1,476,461 | (117,981) |
| Community resources | 10,887,011 | 10,602,140 | 284,871 | - | - | - | 10,602,140 | 284,871 |
| Education | 36,990,519 | 36,938,686 | 51,833 | - | - | - | 36,938,686 | 51,833 |
| Board of education | 114,876,122 | 115,808,239 | (932,117) | - | - | - | 115,808,239 | (932,117) |
| Social services and health | 5,287,965 | 5,852,222 | (564,257) | - | - | - | 5,852,222 | (564,257) |
| Interest on long-term debt | 3,653,348 | 4,253,148 | (599,800) | - | - | - | 4,253,148 | (599,800) |
| Water and sewer | - | - | - | 7,839,247 | 7,540,595 | 298,652 | 7,540,595 | 298,652 |
| Solid waste | - | - | - | 11,034,789 | 9,919,346 | 1,115,443 | 9,919,346 | 1,115,443 |
| Total expenses | 246,114,408 | 256,913,498 | (10,799,090) | 18,874,036 | 17,459,941 | 1,414,095 | 274,373,439 | (9,384,995) |
| Excess (Deficiency) of revenues over expenses | 6,688,111 | (16,002,540) | 22,690,651 | 335,718 | 4,748,493 | (4,412,775) | (11,254,047) | 18,277,876 |
| Transfers | (51,960) | (53,630) | 1,670 | 51,960 | 53,630 | (1,670) | - | - |
| Change in net position | 6,636,151 | (16,056,170) | 22,692,321 | 387,678 | 4,802,123 | (4,414,445) | (11,254,047) | 18,277,876 |
| Net position - beginning | 117,246,869 | 133,303,039 | (16,056,170) | 36,630,568 | 31,828,445 | 4,802,123 | 165,131,484 | (11,254,047) |
| Net position - ending | \$ 123,883,020 | \$ 117,246,869 | \$ 6,636,151 | \$ 37,018,246 | \$ 36,630,568 | \$ 387,678 | \$ 153,877,437 | \$ 7,023,829 |

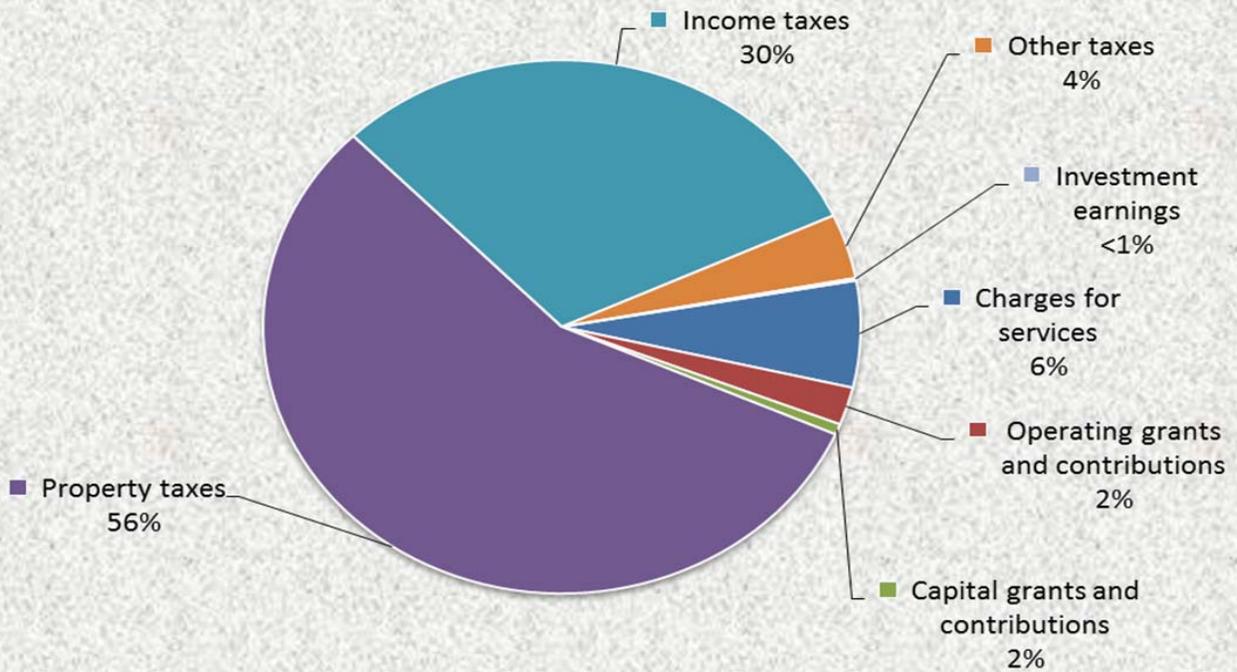
The most significant difference in the revenue section is related to income taxes with a \$14.7 million increase this fiscal year due to the increase in the State’s unallocated income tax calculation and increase in receipts as compared to prior year.

The significant differences noted in the program expenses section (e.g., General Services and Public Works) are related to capitalized expenses during the two years being compared. Public Works’ modified GAAP expenditures were adjusted down for the government wide statement expenses to recognize paving of county roads for \$6.2 million and \$1.3 Dowell Newton Road. Likewise, General Services’ expenses were adjusted down for the \$2.8 million for the purchase of the Harriet E. Brown Community Center.

The next two charts use data from the Statement of Activities that matches governmental program revenues and expenses by function. The operating funding for the Board of Education is not included because at 47 percent of the total program expenses the chart scale no longer functions for comparison purposes:



Revenues by Source Governmental Activities

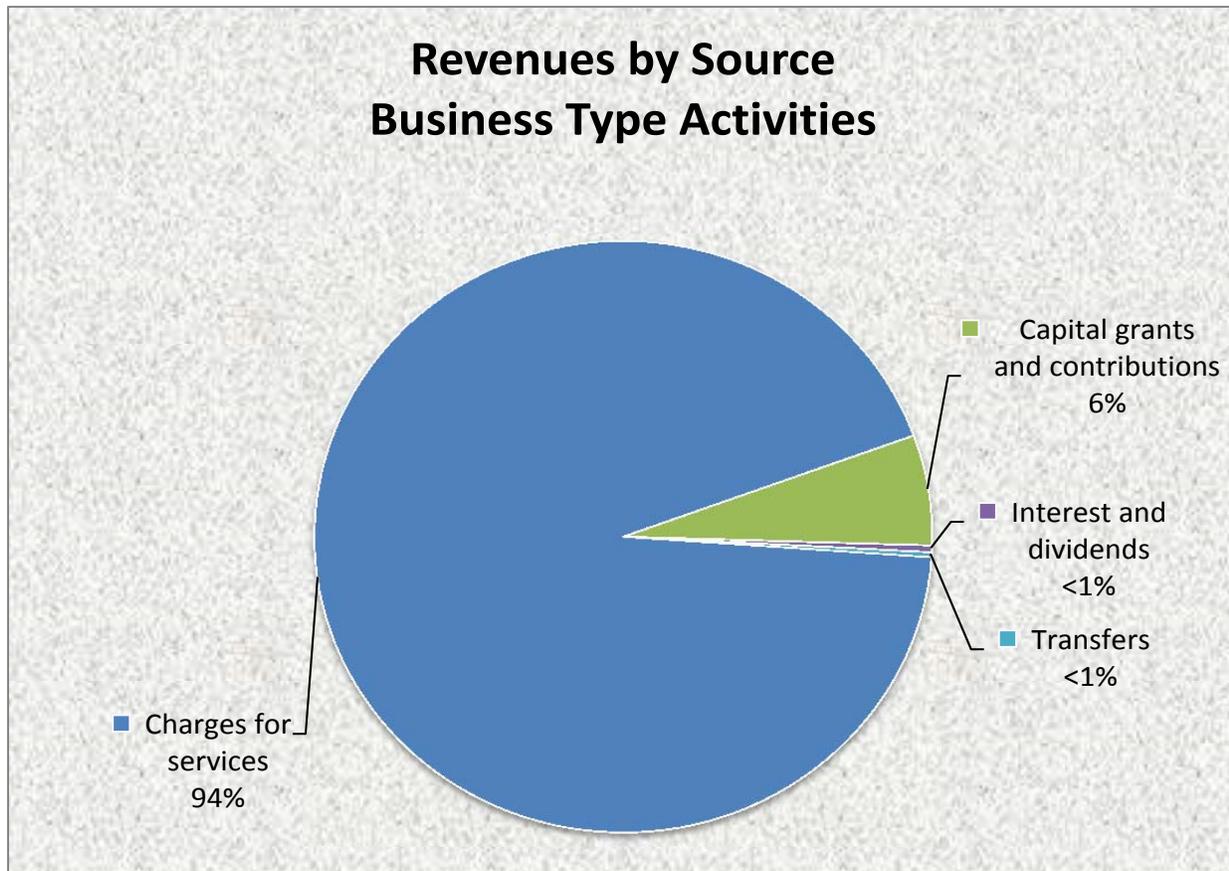


This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:

Program Revenues and Expenses Business Type Activities



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 \$73.7 million (prior year, \$86.1 million), a decrease of \$12.4 million (prior year, decrease of \$18.8 million).

Approximately 72.6 percent (prior year, 78.3 percent) of this amount, \$53.5 million (prior year, \$67.5 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$39.3 million (prior year, \$51.0 million) of this amount has been *committed or assigned* for certain purposes. The remainder of fund balance, \$20.2 million or 27.4 percent, is *nonspendable and restricted* to indicate that it is not available for new spending because it has already been dedicated: 1) for

inventories, or 2) 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 \$20.4 million (prior year, \$22.8 million), while total fund balance was \$51.5 million (prior year, \$52.2 million). As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 8.5 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 9.5 percent), while total fund balance represents 21.5 percent (prior year, 21.8 percent) of that same amount.

The fund balance of Calvert County Government's General Fund decreased by \$736,648 (prior year decrease of \$8.8 million). Staff had estimated fiscal year 2016 would have budgetary deficit of \$6.5 million. Many revenue and expense line item variances resulted in the County's budgetary loss of \$1,973,305.

The Capital Projects Fund has a total fund balance of \$6.4 million (prior year, \$17.4 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$9.4 million make up 100 percent of the fund balance reduced by outstanding payables (prior year, \$10.5 million, 60.5 percent).

Proprietary funds: Calvert County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Overall the net position of the proprietary funds increased by \$387,678 (prior year, increase of \$4.8 million). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to \$4.7 million (prior year, \$2.8 million). The Solid Waste and Recycling Fund reported \$2.7 million in unrestricted net position (prior year, \$3.5 million).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$1.8 million over the original budget (prior year, \$2.1 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 fiscal year 2016. Overall expenditures were less than the final budget by \$2.8 million. There are many variances within the 1,500 budgeted line items of the general fund. Several divisions experienced favorable base salary variances. Revenues were \$4.8 million less than the final budgetary estimates. \$6.5 million of this difference can be explained by a planned use of fund balance that would not impact actual revenues.

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, 2016, amounts to \$238.4 million (prior year, \$231.0 million). 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 | | |
|--------------------------|-------------------------|----------------|--------------|--------------------------|---------------|--------------|----------------|----------------|--------------|
| | 2016 | 2015 | Difference | 2016 | 2015 | Difference | 2016 | 2015 | Difference |
| Land | \$ 42,153,149 | \$ 39,553,149 | \$ 2,600,000 | \$ 2,483,591 | \$ 2,483,591 | \$ - | \$ 44,636,740 | \$ 42,036,740 | \$ 2,600,000 |
| Land development rights | 11,245,305 | 11,245,305 | - | - | - | - | 11,245,305 | 11,245,305 | - |
| Construction in progress | 6,211,814 | 4,823,785 | 1,388,029 | 3,862,644 | 7,383,538 | (3,520,894) | 10,074,458 | 12,207,323 | (2,132,865) |
| Buildings | 30,503,017 | 32,615,974 | (2,112,957) | 21,819,790 | 19,333,194 | 2,486,596 | 52,322,807 | 51,949,168 | 373,639 |
| Improvements | 23,049,254 | 21,829,401 | 1,219,853 | 13,417,912 | 10,720,672 | 2,697,240 | 36,467,166 | 32,550,073 | 3,917,093 |
| Machinery and equipment | 12,490,002 | 14,718,214 | (2,228,212) | 6,874,518 | 6,058,385 | 816,133 | 19,364,520 | 20,776,599 | (1,412,079) |
| Infrastructure | 64,295,932 | 60,206,789 | 4,089,143 | - | - | - | 64,295,932 | 60,206,789 | 4,089,143 |
| Total Capital Assets | \$ 189,948,473 | \$ 184,992,617 | \$ 4,955,856 | \$ 48,458,455 | \$ 45,979,380 | \$ 2,479,075 | \$ 238,406,928 | \$ 230,971,997 | \$ 7,434,931 |

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

- Completed the construction of the road improvements at Dowell Newton Road with a cost of \$2.7 million.
- Completed a portion of the countywide paving project with a cost of \$2.2 million.
- Capitalized \$1.3 million for the playground and parking upgrades at Hallowing Point Park.

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 \$123.0 million (prior year, \$135.6 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, \$25.8 million (prior year, \$24.7 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 \$5.6 million (prior year, \$7.8 million) in installment purchase agreements for the land preservation program. The principal amount is supported by US Treasury Strip securities that are owned and maintained in the County's account.

Calvert County's Government's Outstanding Debt

| | Governmental Activities | | | Business-type Activities | | | Total | | |
|---------------------------|-------------------------|----------------|-----------------|--------------------------|---------------|--------------|----------------|----------------|-----------------|
| | 2016 | 2015 | Difference | 2016 | 2015 | Difference | 2016 | 2015 | Difference |
| General obligation debt | \$ 97,093,567 | \$ 110,803,927 | \$ (13,710,360) | \$ 12,379,014 | \$ 13,011,719 | \$ (632,705) | \$ 109,472,581 | \$ 123,815,646 | \$ (14,343,065) |
| Notes payable | 87,843 | 105,581 | (17,738) | 13,451,305 | 11,689,646 | 1,761,659 | 13,539,148 | 11,795,227 | 1,743,921 |
| Land preservation program | 5,619,440 | 7,819,640 | (2,200,200) | - | - | - | 5,619,440 | 7,819,640 | (2,200,200) |
| Total Bonded Debt | \$ 102,800,850 | \$ 118,729,148 | \$ (15,928,298) | \$ 25,830,319 | \$ 24,701,365 | \$ 1,128,954 | \$ 128,631,169 | \$ 143,430,513 | \$ (14,799,344) |

Calvert County Government's total general obligation bonded debt decreased by \$14.3 million, (prior year, a decrease of \$14.1 million), or 11.6 percent during the current fiscal year (prior year, a decrease of 9.6 percent).

In June 2016, the County's credit ratings were reaffirmed by Standard & Poor's and Fitch and upgraded by Moody's Investors Service, Inc. The current ratings follow:

| | |
|---------------------------------|-------|
| Standard & Poor's | "AAA" |
| Fitch Ratings | "AAA" |
| Moody's Investors Service, Inc. | "Aaa" |

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 2016 data, the County's current ratios are as follows: debt to assessed value is 1.00 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 2017's Budgets and Rates

- The average per-capita personal income of County residents reported by the Maryland Department of Planning for 2011-2015 is \$50,066 (\$43,546 in 2010-2014), an increase of 15.0 percent.
- The unemployment rate for Calvert County was reported as 3.9% for 2015 by the Maryland Department of Labor Licensing and Regulation. This continues an improving trend.
- Real property tax assessments for the third of the County that was reassessed for fiscal year 2016 were increased an average of 3.9 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2017 fiscal year. Calvert County Government's adopted budget for fiscal year 2017 was a balanced budget as a result of the increase in property and income tax rates. The County projects a surplus budget in fiscal year 2019. These projections include the County's Payment in Lieu of Tax agreement with the Dominion Liquid Natural Gas Exporting facility which is projected to be in service by the end of calendar year 2017.

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, 2016

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
JUNE 30, 2016**

| | Primary Government | | | Component Units | |
|---|----------------------------|---------------------------------|-----------------------|-----------------------|--------------------------------------|
| | Governmental Activities | Business- Type Activities | Total | Board of Education | Economic Development Authority |
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 77,885,980 | \$ 368,911 | \$ 78,254,891 | \$ 22,946,366 | \$ 1,779,024 |
| Receivables | | | | | |
| Taxes | 7,843,030 | - | 7,843,030 | - | - |
| Special assessments | 1,073,180 | - | 1,073,180 | - | - |
| Accounts | 17,818,871 | 2,394,865 | 20,213,736 | - | - |
| Notes | 6,911,542 | 3,416 | 6,914,958 | - | - |
| Accrued interest | 13,178 | 9,874 | 23,052 | - | 1,121 |
| Other | - | - | - | 434,628 | - |
| Due from primary government | - | - | - | 10,942,655 | 190,222 |
| Internal balances | (6,145,115) | 6,145,115 | - | - | - |
| Due from other governments | - | - | - | 2,300,627 | - |
| Prepaid costs | - | - | - | 83,067 | - |
| Inventory | 1,514,570 | 88,870 | 1,603,440 | 76,612 | - |
| Restricted assets | | | | | |
| Cash | 9,401,810 | 10,962,766 | 20,364,576 | - | - |
| Capital assets not being depreciated | 59,610,268 | 6,346,235 | 65,956,503 | 8,205,568 | 22,191 |
| Depreciable capital assets - net | 130,338,205 | 42,112,220 | 172,450,425 | 211,565,335 | - |
| Total assets | <u>306,265,519</u> | <u>68,432,272</u> | <u>374,697,791</u> | <u>256,554,858</u> | <u>1,992,558</u> |
| Deferred Outflows of Resources | | | | | |
| Pension | 13,396,451 | - | 13,396,451 | 4,511,318 | - |
| Deferred loss on refunding | - | 25,111 | 25,111 | - | - |
| LIABILITIES | | | | | |
| Accounts payable | 2,664,876 | 931,291 | 3,596,167 | 2,767,602 | 32 |
| Notes payable | 32,503 | - | 32,503 | - | - |
| Accrued liabilities | 9,430,341 | 949,485 | 10,379,826 | 13,420,080 | - |
| Due to other governments | 3,661,736 | - | 3,661,736 | - | - |
| Due to component units | 11,132,877 | - | 11,132,877 | - | - |
| Compensated absences, current portion | 1,823,193 | 100,000 | 1,923,193 | 352,888 | - |
| Long-term debt, current portion | 13,697,339 | 1,286,593 | 14,983,932 | - | - |
| Estimated postclosure costs, current portion | 30,000 | 65,000 | 95,000 | - | - |
| Unearned revenue | 2,560,873 | - | 2,560,873 | 4,778,071 | - |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 27,147,716 | - | 27,147,716 | 14,329,572 | - |
| Net OPEB obligation | 19,694,421 | - | 19,694,421 | 75,936,239 | - |
| Compensated absences, net of current portion | 7,896,771 | 466,420 | 8,363,191 | 3,154,483 | - |
| Long-term debt, net of current portion | 89,103,511 | 24,543,726 | 113,647,237 | - | - |
| Estimated postclosure costs, net of current portion | 300,000 | 3,095,018 | 3,395,018 | - | - |
| Total liabilities | <u>189,176,157</u> | <u>31,437,533</u> | <u>220,613,690</u> | <u>114,738,935</u> | <u>32</u> |
| Deferred Inflows of Resources | | | | | |
| Pension | 5,946,943 | - | 5,946,943 | 1,222,034 | - |
| Deferred gain on refunding | 655,850 | 1,604 | 657,454 | - | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 137,904,262 | 26,802,823 | 164,707,085 | 219,770,903 | 22,191 |
| <u>Restricted for</u> | | | | | |
| Parks and recreation | 2,453,592 | - | 2,453,592 | - | - |
| Planning and zoning | 24,535 | - | 24,535 | - | - |
| Revolving loan | 312,100 | - | 312,100 | - | - |
| Economic Development Authority revolving loan | 281,791 | - | 281,791 | - | - |
| Grants | 229,123 | - | 229,123 | 34,173 | - |
| Economic Development incentive | 312,747 | - | 312,747 | - | - |
| Excise tax | 3,748,666 | - | 3,748,666 | - | - |
| Land preservation | 8,442,815 | - | 8,442,815 | - | - |
| Board of Library trustees | 12,748 | - | 12,748 | - | - |
| Restricted for capital connections | - | 2,837,651 | 2,837,651 | - | - |
| Unrestricted | (29,839,359) | 7,377,772 | (22,461,587) | (74,699,869) | 1,970,335 |
| Total net position | <u>\$ 123,883,020</u> | <u>\$ 37,018,246</u> | <u>\$ 160,901,266</u> | <u>\$ 145,105,207</u> | <u>\$ 1,992,526</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, 2016**

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|-----------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| <u>Governmental activities:</u> | | | | |
| General government | \$ 16,449,176 | \$ 2,588,854 | \$ 948,136 | \$ - |
| Public safety | 33,179,360 | 5,533,078 | 1,958,430 | 246,798 |
| General services | 21,973,307 | 4,881,409 | 412,503 | 1,367,138 |
| Public works | 1,459,120 | 1,317,581 | 49,907 | 6,709 |
| Economic development | 1,358,480 | 526,788 | - | - |
| Community resources | 10,887,011 | 1,430,552 | 1,435,037 | - |
| Education | 151,866,641 | - | 980,976 | - |
| Social services and health | 5,287,965 | - | - | - |
| Interest on long-term debt | 3,653,348 | 6,299 | - | - |
| Total governmental activities | 246,114,408 | 16,284,561 | 5,784,989 | 1,620,645 |
| <u>Business-Type activities:</u> | | | | |
| Water and sewer | 7,839,247 | 7,528,519 | - | 1,165,629 |
| Solid waste | 11,034,789 | 10,444,622 | - | - |
| Total business-type activities | 18,874,036 | 17,973,141 | - | 1,165,629 |
| Total primary government | \$ 264,988,444 | \$ 34,257,702 | \$ 5,784,989 | \$ 2,786,274 |
| Component Units: | | | | |
| Board of Education | \$ 247,897,341 | \$ 3,370,273 | \$ 50,376,009 | \$ 1,781,357 |
| Economic Development Authority | 3,225 | 551 | - | - |
| Total component units | \$ 247,900,566 | \$ 3,370,824 | \$ 50,376,009 | \$ 1,781,357 |

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, 2016**

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | | Component Units | |
|--------------------------------|---------------------------------|-------------------------|---------------------------|---------------------------------------|
| Governmental Activities | Business-type Activities | Total | Board of Education | Economic Development Authority |
| \$ (12,912,186) | \$ - | \$ (12,912,186) | \$ - | \$ - |
| (25,441,054) | - | (25,441,054) | - | - |
| (15,312,257) | - | (15,312,257) | - | - |
| (84,923) | - | (84,923) | - | - |
| (831,692) | - | (831,692) | - | - |
| (8,021,422) | - | (8,021,422) | - | - |
| (150,885,665) | - | (150,885,665) | - | - |
| (5,287,965) | - | (5,287,965) | - | - |
| (3,647,049) | - | (3,647,049) | - | - |
| <u>(222,424,213)</u> | <u>-</u> | <u>(222,424,213)</u> | <u>-</u> | <u>-</u> |
| - | 854,901 | 854,901 | - | - |
| - | (590,167) | (590,167) | - | - |
| <u>-</u> | <u>264,734</u> | <u>264,734</u> | <u>-</u> | <u>-</u> |
| <u>\$ (222,424,213)</u> | <u>\$ 264,734</u> | <u>\$ (222,159,479)</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ - | \$ (192,369,702) | \$ - |
| - | - | - | - | (2,674) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (192,369,702)</u> | <u>\$ (2,674)</u> |
| \$ 141,789,058 | \$ - | \$ 141,789,058 | \$ - | \$ - |
| 77,059,728 | - | 77,059,728 | - | - |
| 7,551,986 | - | 7,551,986 | - | - |
| 17,456 | - | 17,456 | - | - |
| 1,485,691 | - | 1,485,691 | - | - |
| 834,149 | - | 834,149 | - | - |
| 374,256 | 70,984 | 445,240 | 35,224 | 6,113 |
| - | - | - | 174,597,211 | - |
| (51,960) | 51,960 | - | - | - |
| <u>229,060,364</u> | <u>122,944</u> | <u>229,183,308</u> | <u>174,632,435</u> | <u>6,113</u> |
| 6,636,151 | 387,678 | 7,023,829 | (17,737,267) | 3,439 |
| <u>117,246,869</u> | <u>36,630,568</u> | <u>153,877,437</u> | <u>162,842,474</u> | <u>1,989,087</u> |
| <u>\$ 123,883,020</u> | <u>\$ 37,018,246</u> | <u>\$ 160,901,266</u> | <u>\$ 145,105,207</u> | <u>\$ 1,992,526</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, 2016**

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-----------------------|-----------------------------|--|---|
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 71,318,922 | \$ - | \$ 6,567,058 | \$ 77,885,980 |
| Receivables: | | | | |
| Taxes | 6,105,612 | - | 1,737,418 | 7,843,030 |
| Special assessments | 1,073,180 | - | - | 1,073,180 |
| Accounts | 16,557,411 | 125,250 | 1,136,210 | 17,818,871 |
| Notes | 6,761,676 | - | 149,866 | 6,911,542 |
| Accrued interest | 12,157 | 1,021 | - | 13,178 |
| Due from other funds | 2,423,050 | - | 10,506,333 | 12,929,383 |
| Inventory/Prepays | 1,428,645 | - | 85,925 | 1,514,570 |
| Restricted assets | | | | |
| Cash and investments | - | 9,401,810 | - | 9,401,810 |
| Total assets | <u>\$ 105,680,653</u> | <u>\$ 9,528,081</u> | <u>\$ 20,182,810</u> | <u>\$ 135,391,544</u> |
| LIABILITIES | | | | |
| Accounts payable | 724,997 | 191,163 | 1,748,716 | 2,664,876 |
| Notes payable | - | - | 32,503 | 32,503 |
| Accrued liabilities | 7,814,606 | 699,949 | - | 8,514,555 |
| Due to other funds | 16,956,301 | 2,095,596 | 22,601 | 19,074,498 |
| Due to component units | 11,000,222 | 132,655 | - | 11,132,877 |
| Due to other governments | 3,661,736 | - | - | 3,661,736 |
| Unearned revenue | - | - | 2,560,873 | 2,560,873 |
| Total liabilities | <u>40,157,862</u> | <u>3,119,363</u> | <u>4,364,693</u> | <u>47,641,918</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unavailable revenue | <u>14,029,509</u> | - | - | <u>14,029,509</u> |
| FUND BALANCE (DEFICITS) | | | | |
| Nonspendable | 8,181,368 | - | 79,653 | 8,261,021 |
| Restricted | 54,030 | - | 11,916,681 | 11,970,711 |
| Committed | 22,838,421 | - | 3,864,003 | 26,702,424 |
| Assigned | 6,218,619 | 6,408,718 | (42,220) | 12,585,117 |
| Unassigned | 14,200,844 | - | - | 14,200,844 |
| Total fund balances | <u>51,493,282</u> | <u>6,408,718</u> | <u>15,818,117</u> | <u>73,720,117</u> |
| Total liabilities, deferred inflow of resources, and fund balances | <u>\$ 105,680,653</u> | <u>\$ 9,528,081</u> | <u>\$ 20,182,810</u> | <u>\$ 135,391,544</u> |
| Fund balance (as reported above) | | | | 73,720,117 |
| 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. | | | | 189,948,473 |
| Some of the County's revenues are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the fund. | | | | 14,029,509 |
| Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. | | | | (113,506,664) |
| Net OPEB obligations are not due and payable in the current period, and, therefore, are not reported in the funds. | | | | (19,694,421) |
| Net pension liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. | | | | (27,147,716) |
| Deferred outflows of resources related to pensions | | | | 13,396,451 |
| Deferred inflows of resources related to pensions | | | | (5,946,943) |
| Accrued interest on long-term liabilities, including bonds payable are not reported in the funds. | | | | (915,786) |
| Net position of governmental activities | | | | <u>\$ 123,883,020</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, 2016**

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|-------------------------|--|---|
| REVENUES | | | | |
| Taxes | \$ 224,262,955 | \$ - | \$ 2,518,322 | \$ 226,781,277 |
| Licenses and permits | 325,668 | - | - | 325,668 |
| Intergovernmental | 4,015,252 | 1,483,771 | 6,145,390 | 11,644,413 |
| Charges for services | 4,086,576 | - | 1,793,138 | 5,879,714 |
| Fines and forfeitures | 380,090 | - | 156,864 | 536,954 |
| Other revenue | 1,209,871 | 671,731 | 3,215,124 | 5,096,726 |
| Total revenues | <u>234,280,412</u> | <u>2,155,502</u> | <u>13,828,838</u> | <u>250,264,752</u> |
| EXPENDITURES | | | | |
| General government | 15,220,497 | - | 3,072,989 | 18,293,486 |
| Public safety | 28,865,454 | - | - | 28,865,454 |
| General services | 9,121,960 | - | 6,977,908 | 16,099,868 |
| Public works | 6,073,958 | - | - | 6,073,958 |
| Economic development | 1,066,088 | - | - | 1,066,088 |
| Community resources | 1,922,766 | - | 6,571,315 | 8,494,081 |
| Education | 119,461,105 | - | 4,420,696 | 123,881,801 |
| Social services and health | 4,162,989 | - | - | 4,162,989 |
| Pensions and insurance | 22,072,681 | - | - | 22,072,681 |
| Capital projects | - | 16,524,137 | - | 16,524,137 |
| Debt service | | | | |
| Principal payments | 13,127,382 | - | - | 13,127,382 |
| Interest payments | 3,952,297 | - | - | 3,952,297 |
| Total expenditures | <u>225,047,177</u> | <u>16,524,137</u> | <u>21,042,908</u> | <u>262,614,222</u> |
| Excess (deficiency) of revenues over expenditures | <u>9,233,235</u> | <u>(14,368,635)</u> | <u>(7,214,070)</u> | <u>(12,349,470)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in - other | 1,000,000 | 3,426,674 | 8,591,080 | 13,017,754 |
| Transfers out - other | (10,969,883) | (50,831) | (2,049,000) | (13,069,714) |
| Total other financing sources (uses) | <u>(9,969,883)</u> | <u>3,375,843</u> | <u>6,542,080</u> | <u>(51,960)</u> |
| Net change in fund balance | (736,648) | (10,992,792) | (671,990) | (12,401,430) |
| Fund balance at beginning of year | <u>52,229,930</u> | <u>17,401,510</u> | <u>16,490,107</u> | <u>86,121,547</u> |
| Fund balance at end of year | <u>\$ 51,493,282</u> | <u>\$ 6,408,718</u> | <u>\$ 15,818,117</u> | <u>\$ 73,720,117</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, 2016**

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

| | | |
|--|--|---------------------|
| Net change in fund balances - total governmental funds | | \$ (12,401,430) |
| <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 | 18,255,862 |
| | Depreciation | <u>(13,221,715)</u> |
| | | 5,034,147 |
| The net effect of various transactions involving capital assets including, capitalized assets reclassified from construction in progress, sales, trade-ins, and donations. | | (78,291) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 2,196,796 |
| <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 | (791,726) |
| | Change in landfill postclosure liabilities | 30,000 |
| | Net OBEP obligation | (3,879,846) |
| | Principal payments | <u>13,728,098</u> |
| | Changes in long-term debt | 9,086,526 |
| Governmental funds report County pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense. | | 2,499,454 |
| <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>298,949</u> |
| Change in net position of governmental activities | | <u>\$ 6,636,151</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, 2016

| | Budget Original | Budget Final | Actual | Variance (Over) Under |
|---|----------------------|----------------------|----------------------|-----------------------------|
| REVENUES | | | | |
| Taxes | \$ 222,484,705 | \$ 222,491,791 | \$ 224,262,955 | \$ 1,771,164 |
| Licenses and permits | 299,400 | 299,400 | 325,668 | 26,268 |
| Intergovernmental | 4,087,149 | 4,473,488 | 4,424,884 | (48,604) |
| Charges for services | 4,115,262 | 4,136,319 | 4,165,296 | 28,977 |
| Fines and forfeitures | 415,551 | 474,214 | 486,477 | 12,263 |
| Miscellaneous | 6,177,710 | 7,498,730 | 964,004 | (6,534,726) |
| Total revenues | 237,579,777 | 239,373,942 | 234,629,284 | (4,744,658) |
| EXPENDITURES | | | | |
| General government | 15,959,220 | 15,783,978 | 15,358,141 | 425,837 |
| Public safety | 29,603,043 | 29,906,564 | 29,418,694 | 487,870 |
| General services | 13,023,253 | 13,241,430 | 12,036,904 | 1,204,526 |
| Public works | 6,149,102 | 6,950,669 | 6,251,145 | 699,524 |
| Economic development | 1,308,197 | 1,221,952 | 1,084,949 | 137,003 |
| Community resources | 2,160,196 | 2,209,669 | 1,922,547 | 287,122 |
| Education | 123,383,176 | 123,462,179 | 123,423,182 | 38,997 |
| Social services and health | 4,140,152 | 4,140,152 | 4,162,989 | (22,837) |
| Pensions and insurance | 21,058,249 | 21,373,839 | 22,072,681 | (698,842) |
| <u>Debt service</u> | | | | |
| Principal retirement | 13,127,374 | 13,127,374 | 13,127,382 | (8) |
| Interest | 3,957,871 | 3,957,871 | 3,952,297 | 5,574 |
| Bond refunding expense | - | - | - | - |
| Total expenditures | 233,869,833 | 235,375,677 | 232,810,911 | 2,564,766 |
| Excess (deficiency) of revenues over expenditures | 3,709,944 | 3,998,265 | 1,818,373 | (2,179,892) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 1,277,500 | 1,280,375 | 1,245,867 | (34,508) |
| Operating transfers out | (4,987,444) | (5,278,640) | (5,037,545) | 241,095 |
| Total other financing sources (uses) | (3,709,944) | (3,998,265) | (3,791,678) | 206,587 |
| Net change in fund balance | - | - | (1,973,305) | (1,973,305) |
| Fund balance - beginning | 60,200,842 | 60,200,842 | 52,498,331 | - |
| Fund balance - ending | <u>\$ 60,200,842</u> | <u>\$ 60,200,842</u> | <u>\$ 50,525,026</u> | <u>\$ (1,973,305)</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) | \$ 235,875,151 |
| Transfer adjustment (Library) | (594,739) |
| Revenue and transfers in (GAAP basis) | <u>\$ 235,280,412</u> |
| Expenditures and operating transfers out (budgetary basis) | \$ 237,848,456 |
| Encumbrance/accrual adjustment | (1,236,657) |
| Transfer adjustment (Library) | (594,739) |
| Expenditures and operating transfers out (GAAP basis) | <u>\$ 236,017,060</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, 2016**

| | <u>Water and Sewer Fund</u> | <u>Solid Waste and Recycling Fund</u> | <u>Total</u> |
|---|-------------------------------------|---|----------------------|
| ASSETS | | | |
| <u>Current assets:</u> | | | |
| Cash and cash equivalents | \$ 367,911 | \$ 1,000 | \$ 368,911 |
| Total cash, cash equivalents and investments | 367,911 | 1,000 | 368,911 |
| Accounts receivable | 1,800,837 | 594,028 | 2,394,865 |
| Notes receivable | 3,416 | - | 3,416 |
| Accrued interest receivable | 1,192 | 8,682 | 9,874 |
| Due from other funds | - | 6,449,968 | 6,449,968 |
| Inventory | 88,870 | - | 88,870 |
| Total current assets | <u>2,262,226</u> | <u>7,053,678</u> | <u>9,315,904</u> |
| <u>Non-current assets:</u> | | | |
| Restricted assets | | | |
| Cash and investments | 10,848,264 | 114,502 | 10,962,766 |
| Capital assets not being depreciated | 3,690,204 | 2,656,031 | 6,346,235 |
| Depreciable capital assets - net | 39,887,907 | 2,224,313 | 42,112,220 |
| Total non-current assets | <u>54,426,375</u> | <u>4,994,846</u> | <u>59,421,221</u> |
| Total assets | <u>56,688,601</u> | <u>12,048,524</u> | <u>68,737,125</u> |
| Deferred Outflows of Resources | | | |
| Deferred loss on refunding | 25,111 | - | 25,111 |
| Total assets and deferred outflows | <u>56,713,712</u> | <u>12,048,524</u> | <u>68,762,236</u> |
| LIABILITIES | | | |
| <u>Current liabilities:</u> | | | |
| Vouchers and accounts payable | 823,967 | 107,324 | 931,291 |
| Accrued liabilities | 272,593 | 676,892 | 949,485 |
| Due to other funds | 304,853 | - | 304,853 |
| 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 | 1,202,238 | 84,355 | 1,286,593 |
| Total current liabilities | <u>2,653,651</u> | <u>983,571</u> | <u>3,637,222</u> |
| <u>Noncurrent liabilities:</u> | | | |
| Compensated absences, net of current portion | 174,989 | 291,431 | 466,420 |
| Estimated post closure costs | - | 3,095,018 | 3,095,018 |
| Long-term debt, net of current portion | 23,639,396 | 904,330 | 24,543,726 |
| Total liabilities | <u>26,468,036</u> | <u>5,274,350</u> | <u>31,742,386</u> |
| Deferred Inflows of Resources | | | |
| Deferred gain on refunding | - | 1,604 | 1,604 |
| Total liabilities and deferred inflows | <u>26,468,036</u> | <u>5,275,954</u> | <u>31,743,990</u> |
| NET POSITION | | | |
| Net investment in capital assets | 22,742,638 | 4,060,185 | 26,802,823 |
| Restricted capital connection | 2,837,651 | - | 2,837,651 |
| Unrestricted | 4,665,387 | 2,712,385 | 7,377,772 |
| Total net position | <u>\$ 30,245,676</u> | <u>\$ 6,772,570</u> | <u>\$ 37,018,246</u> |

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2016**

| | <u>Water and Sewer Fund</u> | <u>Solid Waste and Recycling Fund</u> | <u>Total</u> |
|--|-------------------------------------|---|----------------------|
| <u>Operating revenues:</u> | | | |
| Charges for services | \$ 6,938,031 | \$ 10,371,801 | \$ 17,309,832 |
| <u>Operating expenses:</u> | | | |
| Salaries & benefits | 2,650,976 | 2,590,992 | 5,241,968 |
| Contracted services | 663,870 | 6,346,866 | 7,010,736 |
| Supplies | 245,494 | 379,049 | 624,543 |
| Heat, light and power | 571,751 | 35,905 | 607,656 |
| Depreciation | 2,378,422 | 279,052 | 2,657,474 |
| Miscellaneous | 62,793 | 75,969 | 138,762 |
| Telephone | 18,611 | 10,170 | 28,781 |
| Compensated absences | 9,245 | 29,656 | 38,901 |
| Maintenance and repairs | 535,401 | 91,961 | 627,362 |
| Capital outlay | 97,113 | 1,159,898 | 1,257,011 |
| Total operating expenses | <u>7,233,676</u> | <u>10,999,518</u> | <u>18,233,194</u> |
| Operating income (loss) | <u>(295,645)</u> | <u>(627,717)</u> | <u>(923,362)</u> |
| <u>Non-operating revenues (expenses):</u> | | | |
| Grants | 750,000 | 7,515 | 757,515 |
| Deferred amount on refunding | - | (2,562) | (2,562) |
| Miscellaneous income | 50,282 | 34,335 | 84,617 |
| FEMA grant reimbursement | 2,715 | 4,617 | 7,332 |
| Tower revenue | 127,358 | 26,354 | 153,712 |
| Investment income | 49,578 | 21,406 | 70,984 |
| Interest expense | <u>(605,571)</u> | <u>(32,709)</u> | <u>(638,280)</u> |
| Total non-operating revenues (expenses) | <u>374,362</u> | <u>58,956</u> | <u>433,318</u> |
| Income (loss) before contributions and transfers | 78,717 | (568,761) | (490,044) |
| Transfers in (out) | 8,568 | 43,392 | 51,960 |
| Capital connection charges | 410,133 | - | 410,133 |
| Developer contribution | <u>415,629</u> | <u>-</u> | <u>415,629</u> |
| Change in net position | 913,047 | (525,369) | 387,678 |
| Total net position - beginning | <u>29,332,629</u> | <u>7,297,939</u> | <u>36,630,568</u> |
| Total net position - ending | <u>\$ 30,245,676</u> | <u>\$ 6,772,570</u> | <u>\$ 37,018,246</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, 2016**

| | Water and Sewer Fund | Solid Waste and Recycling Fund | Total |
|--|-------------------------------------|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 7,274,882 | \$ 10,456,544 | \$ 17,731,426 |
| Tower revenue | 127,358 | 26,354 | 153,712 |
| Other Receipts | 50,283 | 41,850 | 92,133 |
| Payments to suppliers | (4,730,149) | (9,586,181) | (14,316,330) |
| Payments to employees | (5,122) | 25,216 | 20,094 |
| Receipts from other funds | 477,949 | (552,298) | (74,349) |
| Net cash provided by (used in) operating activities | <u>3,195,201</u> | <u>411,485</u> | <u>3,606,686</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Transfers (to)/ from other funds | 8,568 | 43,392 | 51,960 |
| Contribution and fundraising receipts | 2,715 | 4,617 | 7,332 |
| Net cash provided by (used in) non-capital financing activities | <u>11,283</u> | <u>48,009</u> | <u>59,292</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Additions to capital assets and construction-in-progress | (3,985,275) | (1,151,275) | (5,136,550) |
| Proceeds from issuance of long term debt | 1,744,767 | - | 1,744,767 |
| Capital connection fees received | 410,133 | - | 410,133 |
| Developer contribution | 415,629 | - | 415,629 |
| Grants from State Government | 750,000 | - | 750,000 |
| Principal paid on long-term obligations | (494,775) | (83,690) | (578,465) |
| Interest paid on long-term obligations | (597,717) | (42,367) | (640,084) |
| Net cash provided by (used in) capital and related financing activities | <u>(1,757,238)</u> | <u>(1,277,332)</u> | <u>(3,034,570)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received on deposits | 16,891 | 21,073 | 37,964 |
| Purchase of investments | (1,477,682) | 796,765 | (680,917) |
| Net cash provided by (used in) investing activities | <u>(1,460,791)</u> | <u>817,838</u> | <u>(642,953)</u> |
| Increase (decrease) in cash and cash equivalents | (11,545) | - | (11,545) |
| Cash and cash equivalents, beginning of year | 379,456 | 1,000 | 380,456 |
| Cash and cash equivalents, end of year | <u>\$ 367,911</u> | <u>\$ 1,000</u> | <u>\$ 368,911</u> |
| PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Adjustments to reconcile operating income (loss) to | \$ (295,645) | \$ (627,717) | \$ (923,362) |
| <u>Net cash provided by (used in) operating activities</u> | | | |
| Depreciation | 2,378,422 | 279,052 | 2,657,474 |
| Landfill closure costs and other | - | 1,112,471 | 1,112,471 |
| Tower revenue | 127,358 | 26,354 | 153,712 |
| Other Receipts | 50,282 | 41,850 | 92,132 |
| <u>Changes in assets and liabilities</u> | | | |
| Inventory | 44,026 | - | 44,026 |
| Accounts receivable | 336,852 | 84,743 | 421,595 |
| Due from other funds | - | (552,298) | (552,298) |
| Accounts payable | 105,453 | (548,959) | (443,506) |
| Accrued expenses | (29,497) | 595,989 | 566,492 |
| Due to other funds | 477,950 | - | 477,950 |
| Net cash provided by (used in) operating activities | <u>\$ 3,195,201</u> | <u>\$ 411,485</u> | <u>\$ 3,606,686</u> |
| Reconciliation of cash and cash equivalents to the balance sheet: | | | |
| Cash and investments, unrestricted | \$ 367,911 | \$ 1,000 | \$ 368,911 |
| Cash and investments, restricted | 10,848,264 | 114,502 | 10,962,766 |
| | 11,216,175 | 115,502 | 11,331,677 |
| Less - noncash equivalent investments | 10,848,264 | 114,502 | 10,962,766 |
| Cash and cash equivalents | <u>\$ 367,911</u> | <u>\$ 1,000</u> | <u>\$ 368,911</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, 2016

| | Volunteer Fire and Rescue Pension Fund | Sheriff Pension Fund | Employee Retirement Fund | OPEB | Agency Fund |
|---|---|----------------------------|--------------------------------|----------------------|----------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 53,673 | \$ 1,439,742 | \$ 1,360,963 | \$ 558,481 | \$ 112,541 |
| Receivables and prepaid expenses: | | | | | |
| Accounts receivables | - | 25,000 | - | - | 7,308 |
| Investment income receivables | 1,564 | 15,730 | 14,662 | 33,030 | - |
| Total receivables | 1,564 | 40,730 | 14,662 | 33,030 | 7,308 |
| Investments: | | | | | |
| Fixed income | 515,715 | 16,889,286 | 14,745,052 | 11,070,896 | - |
| Common stocks | - | 15,469,865 | 14,789,444 | 4,459,640 | - |
| Equity funds | 2,448,953 | 23,836,589 | 22,480,306 | 30,073,522 | - |
| Foreign assets | 424,198 | 7,581,096 | 7,202,436 | 7,452,113 | - |
| Other assets | - | 2,563,898 | 2,727,076 | 1,384,451 | - |
| Total investments | 3,388,866 | 66,340,734 | 61,944,314 | 54,440,622 | - |
| Total assets | 3,444,103 | 67,821,206 | 63,319,939 | 55,032,133 | 119,849 |
| LIABILITIES AND FUND BALANCE | | | | | |
| Payables: | | | | | |
| Accounts payable | - | - | 25,000 | - | 119,849 |
| Accrued expenses and benefits payable | - | - | - | 26,445 | - |
| Total liabilities | - | - | 25,000 | 26,445 | \$ 119,849 |
| Net position restricted for pensions | <u>\$ 3,444,103</u> | <u>\$ 67,821,206</u> | <u>\$ 63,294,939</u> | <u>\$ 55,005,688</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, 2016**

| | Volunteer Fire and Rescue Pension Fund | Sheriff Pension Fund | Employees Retirement Fund | OPEB |
|---|---|---------------------------------|--|----------------------|
| ADDITIONS | | | | |
| Contributions: | | | | |
| Employer contributions | \$ 540,000 | \$ 3,050,000 | \$ 2,570,000 | \$ 1,200,000 |
| Member contributions | - | 918,783 | 130,509 | - |
| Total contributions | <u>540,000</u> | <u>3,968,783</u> | <u>2,700,509</u> | <u>1,200,000</u> |
| Investment income (loss): | | | | |
| Interest and dividends | 144,595 | 1,340,893 | 1,339,500 | 1,605,652 |
| Appreciation/(depreciation) of investments | (327,979) | (3,857,227) | (4,427,581) | (3,159,433) |
| Capital gains/(loss) | 88,333 | 1,906,043 | 2,429,170 | 900,052 |
| Less investment expenses: | | | | |
| Direct investment expense | <u>(43,953)</u> | <u>(471,304)</u> | <u>(410,335)</u> | <u>(147,931)</u> |
| Net investment income (loss) | <u>(139,004)</u> | <u>(1,081,595)</u> | <u>(1,069,246)</u> | <u>(801,660)</u> |
| Total additions | <u>400,996</u> | <u>2,887,188</u> | <u>1,631,263</u> | <u>398,340</u> |
| DEDUCTIONS | | | | |
| Distributions to participants | <u>665,220</u> | <u>2,429,089</u> | <u>3,462,242</u> | <u>-</u> |
| Total deductions | <u>665,220</u> | <u>2,429,089</u> | <u>3,462,242</u> | <u>-</u> |
| Net increase (decrease) in net position | (264,224) | 458,099 | (1,830,979) | 398,340 |
| NET POSITION RESTRICTED FOR PENSIONS | | | | |
| Beginning of year | <u>3,708,327</u> | <u>67,363,107</u> | <u>65,125,918</u> | <u>54,607,348</u> |
| End of year | <u>\$ 3,444,103</u> | <u>\$ 67,821,206</u> | <u>\$ 63,294,939</u> | <u>\$ 55,005,688</u> |

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. It is financially accountable to the Primary Government or has relationship with the County such that exclusion would cause the County's financial statements to be misleading or incomplete. For the discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the County as a result of the existence of the component unit.

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 and financially dependent upon the County. 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 99 and 100.

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, 2016

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 governmental funds. Proceeds of the County's general long-term debt are reported as other financing sources.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

Net Position

The government-wide and business-type fund financial statements utilize net position presentation. Net position is presented in three components – net investment in capital assets, restricted and unrestricted.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 “net investment in capital assets” 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 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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

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:

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

| | | | |
|-------------------------|-------------|-------------------------|------------|
| 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.

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.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 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 loss/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.

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 by the Board of County Commissioners. This formal action, set by resolution, defines the use of these as for contingency and emergency or catastrophic situations as determined by the County Commissioners.

E. Implementation of New Accounting Principles

The County has implemented the requirements of GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*. These statements did not have a material effect on the County's financial statements.

The GASB has also issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and GASB Statement No. 77, *Tax Abatement Disclosures*, which will require adoption in the future, if applicable. These statements may or will have a material effect on the County's financial statements one implemented. The County will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016, 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, 2016 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, 2016

Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2016, cash on hand for petty cash and change was \$11,383.

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, 2016 the net carrying amount and the bank balances of the County's deposits with financial institutions were \$29,662,933 and \$30,198,813, 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, 2016, 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.

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, 2017. The latest maturity date is May 15, 2026. This fund has no interest

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

Fair Value of Investments – The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and
- Level 3 – Unobservable inputs.

At June 30, 2016, the County had the following recurring fair value measurements.

| | 6/30/2016 | Fair Value Measurements Using | | |
|--|----------------------|-------------------------------|------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Investments by fair value level | | | | |
| Debt Securities | | | | |
| U.S. Treasury strips | \$ 5,341,299 | \$ 5,341,299 | - | - |
| U.S. Agencies | 23,113,203 | 23,113,203 | - | - |
| Corporate bonds and notes | 25,110,551 | - | 25,110,551 | - |
| Total debt securities | 53,565,053 | 28,454,502 | 25,110,551 | - |
| Equity Securities | | | | |
| Commons stock | 34,718,949 | 34,718,949 | - | - |
| Equity mutual funds | 101,499,213 | 101,499,213 | - | - |
| Total equity securities | 136,218,162 | 136,218,162 | - | - |
| Total investments by fair value level | 189,783,215 | 164,672,664 | 25,110,551 | - |
| Investments measured at net asset value (NAV) | | | | |
| Money market funds | 41,843,641 | | | |
| Fixed income mutual funds | 14,985,915 | | | |
| Private equity funds | 6,675,426 | | | |
| Total investments measured at the NAV | 63,504,982 | | | |
| Total investments measured at fair value | \$253,288,197 | | | |

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using quoted prices for similar securities in active markets. The County does not have any investments categorized as Level 3. Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values.

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.

| Maturities | |
|----------------------|----------------------|
| Cash and equivalents | \$ 18,363,926 |
| Less than 1 year | 24,037,760 |
| 1 - 5 years | 3,714,447 |
| 5 - 10 years | 1,479,447 |
| Total | <u>\$ 47,595,580</u> |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

| Country | | |
|----------------|----|------------|
| United Kingdom | \$ | 6,008,281 |
| France | | 5,260,701 |
| Japan | | 4,333,597 |
| Switzerland | | 4,168,573 |
| Germany | | 2,888,691 |
| Total | \$ | 22,659,843 |

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2016 is summarized in the following table:

| Cash, Cash Equivalent or Investment type | | Cash, Cash Equivalent or Investment type | |
|---|------------------|---|------------------|
| U.S. Agency obligations | \$ 19,988,720 | Unrestricted | \$ 267,895,237 |
| U.S. Treasury strips | 5,341,299 | Restricted | 20,364,576 |
| Common stock | 30,259,309 | Total | \$ 288,259,813 * |
| Fixed assets | 43,220,949 | | |
| Equity and bond funds | 105,958,852 | | |
| Money market mutual funds | 43,239,307 | | |
| Certificates of deposits | 3,901,635 | | |
| Cash in banks | 29,662,933 | | |
| Other special equity | 6,675,426 | | |
| Petty cash | 11,383 | | |
| Total | \$ 288,259,813 * | | |

*includes agency fund cash of \$112,541

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2016, totaled \$1,779,024 and consisted of money market mutual funds.

Board of Education

Cash on Hand - At June 30, 2016, cash on hand for petty cash and change funds was \$852.

Deposits - At June 30, 2016, the carrying amount of the Board's deposit was \$24,887,391 consisting of cash in the amount of \$21,021,159 in governmental activities, \$1,924,355 in the business-type activities and \$1,941,877 in the agency fund with corresponding bank balances of \$16,055,312. Of the bank balances, all deposits were covered by Federal Depository Insurance and collateral held in the Board's name. The Board has a contractual agreement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

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 MLGIP and requires that collateral securities underlying the repurchase agreements have a market value of at least 102 percent of the cost of the agreement. Interest income is reported as general revenue in the Calvert County Public School, Statement of Activities.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the Board will not be able to recover all or portion of its investments or collateral securities that are in the possession of an outside party. In this regard, the Board limits its investments to overnight deposits that are insured or collateralized with securities held by a custodian in the Board's name. Statutes require that deposits be in Maryland banks and that uninsured deposits be fully collateralized and authorize the Board to invest in obligations of the United States government, federal agency obligations and repurchase agreements secured by direct government or agency obligations.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016, \$8,953 is outstanding.

Chesapeake Hills Golf Course - The Chesapeake Hills Golf Course ratified a loan with the general fund in 2014. The note calls for annual payments of \$13,930, non-interest bearing, commencing September 16, 2014 through maturity in 2019. At June 30, 2016, outstanding principal amounted to \$32,503.

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, 2016, outstanding principal amounted to \$6,275,000 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, 2016, outstanding principal amounted to \$52,796 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, 2016, \$251,572 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, 2016, \$140,852 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

The Water and Sewer Fund has a note receivable for one Public Utility Payment Plans (PUPP) with a developer, of which the total amount outstanding at June 30, 2016 was \$3,416.

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, 2016, \$85,866 is outstanding.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Economic Development Authority Revolving Loan Fund

During fiscal year 2016 a five-year, \$68,000 loan was made to Tax Depot, LLC. The note bears interest at 5.25% per annum. Principal is payable monthly, beginning December 2015 through maturity in February 2021. At June 30, 2016, \$64,000 is outstanding.

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CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016 the interfund account balances were as shown below:

| | Due From | Due To |
|---|-----------------|---------------|
| Primary Government: | | |
| <u>General Fund</u> | | |
| Special revenue funds | \$ 22,601 | \$ 10,506,333 |
| Capital projects fund | 2,095,596 | - |
| Enterprise funds | 304,853 | 6,449,968 |
| | 2,423,050 | 16,956,301 |
| <u>Special Revenue Funds</u> | | |
| General fund | 10,506,333 | 22,601 |
| <u>Capital Projects Fund</u> | | |
| General fund | - | 2,095,596 |
| <u>Enterprise Funds</u> | | |
| General fund | 6,449,968 | 304,853 |
| | \$ 19,379,351 | \$ 19,379,351 |
| Component Units: | | |
| Primary government – General fund | \$ - | \$ 11,132,877 |
| Component unit – Board of Education | 10,942,655 | - |
| Component unit – Economic Development Authority | 190,222 | - |
| | \$ 11,132,877 | \$ 11,132,877 |

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, 2016, the interfund transfers were as follows:

| | Transfers in | Transfers out |
|----------------------------|---------------------|----------------------|
| Primary Government: | | |
| <u>Governmental Funds</u> | | |
| Special revenue funds | \$ 8,591,080 | \$ 2,049,000 |
| Capital projects fund | 3,426,674 | 50,831 |
| General fund | 1,000,000 | 10,969,883 |
| | 13,017,754 | 13,069,714 |
| <u>Proprietary Funds</u> | | |
| Water and sewer fund | 8,568 | - |
| Solid waste fund | 43,392 | - |
| | 51,960 | - |
| Total Transfers | \$ 13,069,714 | \$ 13,069,714 |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

| | <u>Balance</u> <u>June 30, 2015</u> | <u>Additions</u> | <u>Deductions/ Reclassifications</u> | <u>Balance</u> <u>June 30, 2016</u> |
|---|--|----------------------|--|--|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in Progress | \$ 4,823,785 | \$ 15,653,340 | \$ (14,265,311) ⁽¹⁾ | \$ 6,211,814 |
| Land Development Rights | 11,245,305 | - | - | 11,245,305 |
| Land | 39,553,149 | 2,600,000 | - | 42,153,149 |
| | <u>55,622,239</u> | <u>18,253,340</u> | <u>(14,265,311)</u> | <u>59,610,268</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 78,924,721 | 20,452 | - | 78,945,173 |
| Improvements | 42,189,687 | 3,419,817 | - | 45,609,504 |
| Machinery & Equipment | 48,008,292 | 1,342,171 | (1,148,673) | 48,201,790 |
| Infrastructure | 129,851,947 | 9,485,393 | - | 139,337,340 |
| | <u>298,974,647</u> | <u>14,267,833</u> | <u>(1,148,673)</u> | <u>312,093,807</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (46,308,747) | (2,133,409) | - | (48,442,156) |
| Improvements | (20,360,286) | (2,199,964) | - | (22,560,250) |
| Machinery & Equipment | (33,290,078) | (3,492,092) | 1,070,382 | (35,711,788) |
| Infrastructure | (69,645,158) | (5,396,250) | - | (75,041,408) |
| | <u>(169,604,269)</u> | <u>(13,221,715)</u> | <u>1,070,382</u> | <u>(181,755,602)</u> |
| Total capital assets, being depreciated, net | <u>129,370,378</u> | <u>1,046,118</u> | <u>(78,291)</u> | <u>130,338,205</u> |
| Governmental activities capital assets, net | <u>\$ 184,992,617</u> | <u>\$ 19,299,458</u> | <u>\$ (14,343,602)</u> | <u>\$ 189,948,473</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in Progress | \$ 7,383,538 | \$ 4,846,566 | \$ (8,367,460) | \$ 3,862,644 |
| Land | 2,483,591 | - | - | 2,483,591 |
| | <u>9,867,129</u> | <u>4,846,566</u> | <u>(8,367,460)</u> | <u>6,346,235</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 51,507,444 | 3,862,139 | - | 55,369,583 |
| Improvements | 14,919,615 | 3,201,193 | - | 18,120,808 |
| Machinery & Equipment | 11,569,393 | 1,594,111 | (157,768) | 13,005,736 |
| | <u>77,996,452</u> | <u>8,657,443</u> | <u>(157,768)</u> | <u>86,496,127</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (32,174,249) | (1,375,544) | - | (33,549,793) |
| Improvements | (4,198,944) | (503,952) | - | (4,702,896) |
| Machinery & Equipment | (5,511,008) | (777,978) | 157,768 | (6,131,218) |
| | <u>(41,884,201)</u> | <u>(2,657,474)</u> | <u>157,768</u> | <u>(44,383,907)</u> |
| Total capital assets, being depreciated, net | <u>36,112,251</u> | <u>5,999,969</u> | <u>-</u> | <u>42,112,220</u> |
| Business-type activities capital assets, net | <u>\$ 45,979,380</u> | <u>\$ 10,846,535</u> | <u>\$ (8,367,460)</u> | <u>\$ 48,458,455</u> |

(1) Includes assets of \$1,549,530 that were transferred to the Board of Education.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2016 as follows:

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Balance June 30, 2016</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, 2016 as follows:

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Balance June 30, 2016</u> |
|---|----------------------------------|-----------------------|---|----------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 3,849,196 | \$ - | \$ - | \$ 3,849,196 |
| Construction in progress | 3,709,438 | 1,850,302 | (1,203,638) | 4,356,102 |
| | <u>7,558,634</u> | <u>1,850,302</u> | <u>(1,203,638)</u> | <u>8,205,298</u> |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 313,677,547 | 380,440 | (197,036) | 313,860,951 |
| Land improvements | 4,963,462 | 861,018 | - | 5,824,480 |
| Equipment | 7,756,847 | 665,636 | (570,262) | 7,852,221 |
| | <u>326,397,856</u> | <u>1,907,094</u> | <u>(767,298)</u> | <u>327,537,652</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (99,642,620) | (6,858,601) | 60,694 | (106,440,527) |
| Land improvements | (3,268,951) | (283,016) | - | (3,551,967) |
| Equipment | (6,249,623) | (427,066) | 549,042 | (6,127,647) |
| | <u>(109,161,194)</u> | <u>(7,568,683)</u> | <u>609,736</u> | <u>(116,120,141)</u> |
| Total capital assets, being depreciated, net | <u>217,236,662</u> | <u>(5,661,589)</u> | <u>(157,562)</u> | <u>211,417,511</u> |
| Governmental activities capital assets, net | <u>\$ 224,795,296</u> | <u>\$ (3,811,287)</u> | <u>\$ (1,361,200)</u> | <u>\$ 219,622,809</u> |
| Business-type activities: | | | | |
| Equipment at historical cost | \$ 1,915,001 | \$ - | \$ - | \$ 1,915,001 |
| Less accumulated depreciation | (1,728,177) | (39,000) | - | (1,767,177) |
| Business-type activities capital assets, net | <u>\$ 186,824</u> | <u>\$ (39,000)</u> | <u>\$ -</u> | <u>\$ 147,824</u> |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2016 as follows:

| | <u>Spent to Date</u> | <u>Commitment</u> |
|----------------------|----------------------|---------------------|
| Northern High School | \$ 3,414,978 | \$ 8,753,821 |
| Total | <u>\$ 3,414,978</u> | <u>\$ 8,753,821</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, 2016 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

| | |
|---------------------------------|----------------------|
| General government | \$ 950,779 |
| Public safety | 1,965,990 |
| General services | 4,228,145 |
| Public works | 5,658,808 |
| Community resources | 360,276 |
| Education | 47,717 |
| State agencies and other boards | 10,000 |
| Total | <u>\$ 13,221,715</u> |

Business-type activities:

| | |
|---------------------------|---------------------|
| Water and Sewer | \$ 2,378,422 |
| Solid Waste and Recycling | 279,052 |
| Total | <u>\$ 2,657,474</u> |

Component Units:

Board of Education - governmental activities:

| | |
|----------------------------------|---------------------|
| <i>Instruction:</i> | |
| Regular education | \$ 100,175 |
| Special education | 10,662 |
| <i>Support services:</i> | |
| Administration | 234,156 |
| Mid-level administration | 373 |
| Transportation | 3,303 |
| Operation of plant and equipment | 7,165,024 |
| Maintenance of plant | 54,990 |
| Total | <u>\$ 7,568,683</u> |

Board of Education - business-type activities:

| | |
|---------------|------------------|
| Food services | <u>\$ 39,000</u> |
|---------------|------------------|

| | |
|------------------------------|-------------|
| <i>Economic Development:</i> | <u>\$ -</u> |
|------------------------------|-------------|

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016.

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.

| | <u>Balance</u> <u>June 30, 2015</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2016</u> | <u>Due Within</u> <u>One Year</u> |
|--|--|----------------------|------------------------|--|--------------------------------------|
| Governmental activities: | | | | | |
| Bonds and Notes Payable | | | | | |
| General Obligation Debt ⁽¹⁾ | \$ 110,803,927 | \$ - | \$ (13,710,360) | \$ 97,093,567 | \$ 15,309,837 |
| Notes Payable ⁽²⁾ | 105,581 | - | (17,738) | 87,843 | 17,737 |
| The Land Preservation Program | 7,819,640 | - | (2,200,200) | 5,619,440 | 148,500 |
| Other Liabilities: | | | | | |
| Landfill Closure Costs | 360,000 | - | (30,000) | 330,000 | 30,000 |
| Net Pension Liability | 22,197,663 | 18,810,099 | (13,860,046) | 27,147,716 | - |
| Net OPEB Obligation | 15,814,575 | 3,879,846 | - | 19,694,421 | - |
| Compensated Absences | 8,928,238 | 2,485,356 | (1,693,630) | 9,719,964 | 1,823,193 |
| Total | <u>\$ 166,029,624</u> | <u>\$ 25,175,301</u> | <u>\$ (31,511,974)</u> | <u>\$ 159,692,951</u> | <u>\$ 17,329,267</u> |
| Business-type activities: | | | | | |
| Bonds and Notes Payable | | | | | |
| General Obligation Debt ⁽¹⁾ | \$ 13,011,719 | \$ - | \$ (632,705) | \$ 12,379,014 | \$ 601,635 |
| Notes Payable ⁽¹⁾ | 11,689,646 | 1,942,851 | (181,192) | 13,451,305 | 684,958 |
| Other Liabilities: | | | | | |
| Landfill Closure Costs | 2,047,547 | 1,112,471 | - | 3,160,018 | 65,000 |
| Compensated Absences | 575,868 | 38,902 | (48,350) | 566,420 | 100,000 |
| Total | <u>\$ 27,324,780</u> | <u>\$ 3,094,224</u> | <u>\$ (862,247)</u> | <u>\$ 29,556,757</u> | <u>\$ 1,451,593</u> |

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

(2) Represents debt used for other governmental purposes.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2016, consist of the following:

| Bond Description and Year | Amount Borrowed | Rate | Due serially through | Governmental Activities Balance |
|--|-----------------------|-----------|-------------------------|---------------------------------------|
| <i>Governmental Activities</i> | | | | |
| <i>General Obligation Bonds</i> | | | | |
| Consolidated Public Improvement Project Bonds, 2007 Series | \$ 29,780,000 | 4% - 5% | April 1, 2022 | \$ 4,285,000 |
| Consolidated Public Improvement Project Bonds, 2008 Series | 22,250,000 | 3% - 5% | April 1, 2023 | 11,870,000 |
| Consolidated Public Improvement Project Bonds, 2009 Series | 18,485,000 | 2% - 3.5% | April 1, 2024 | 10,790,000 |
| Consolidated Public Improvement Project Bonds, 2010 Series | 13,921,232 | 3% - 5% | July 1, 2025 | 10,206,936 |
| Refunding Bonds, 2010 Series (replaced the 2002 Series bonds) | 4,900,000 | 3% - 4% | January 1, 2016 | 1,065,000 |
| Consolidated Public Improvement Project Bonds, 2011 Series | 19,256,271 | 2% - 5% | May 1, 2026 | 12,834,403 |
| Refunding Bonds, 2011 Series (replaced the 2003/2004 Series bonds) | 15,360,000 | 2% - 5% | July 15, 2018 | 9,670,000 |
| Consolidated Public Improvement Project Bonds, 2012 Series | 6,290,000 | 3% - 4% | April 1, 2027 | 4,236,203 |
| Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds) | 6,425,000 | 3% - 4% | April 1, 2027 | 5,975,000 |
| Consolidated Public Improvement Project Bonds, 2012 Series (CHGC) | 516,280 | 2% - 5% | April 1, 2027 | 378,797 |
| Consolidated Public Improvement Project Bonds, 2013 Series | 5,415,000 | 3% - 4% | April 1, 2028 | 4,565,000 |
| Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds) | 10,437,071 | 3% - 4% | April 1, 2028 | 9,838,848 |
| Consolidated Public Improvement Project Bonds, 2014 Series | 5,760,000 | 2% - 5% | May 1, 2029 | 5,120,000 |
| <i>Shore Erosion Control</i> | | | | |
| Western Shores (non-interest bearing) | 261,042 | n/a | July 1, 2017 | 26,104 |
| Solomons United Methodist Church (non-interest bearing) | 32,150 | n/a | July 1, 2026 | 14,146 |
| Our Lady Star of the Sea (non-interest bearing) | 84,987 | n/a | July 1, 2029 | 47,593 |
| <i>Other</i> | | | | |
| The Land Preservation Program | <u>10,611,555</u> | 3% - 5% | | <u>5,619,440</u> |
| Total General Obligation Bonds and Notes Receivables | 169,785,588 | | | 96,542,470 |
| Estimated Landfill Postclosure Costs | | | | 330,000 |
| Premium, 2009, 2010, 2011, 2012, 2013, 2014 Series | | | | 6,258,380 |
| Net Pension Liability | | | | 27,147,716 |
| Net OPEB Obligation | | | | 19,694,421 |
| Compensated Absences | | | | <u>9,719,964</u> |
| Total Governmental Activities | <u>\$ 169,785,588</u> | | | <u>\$ 159,692,951</u> |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2016, 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 | \$ 1,697,121 |
| Consolidated Public Improvement Project Bonds, 2011 Series | 2,769,000 | 2% - 5% | May 1, 2036 | 2,165,602 |
| Consolidated Public Improvement Project Bonds, 2012 Series | 3,065,000 | 3% - 4% | April 1, 2037 | 2,570,000 |
| Refunding Bonds, 2013 Series (replaced the 2003 Series bonds) | 225,330 | 3% - 4% | April 1, 2022 | 212,422 |
| Consolidated Public Improvement Project Bonds, 2013 Series | 1,180,000 | 3% - 4% | April 1, 2038 | 1,085,000 |
| Consolidated Public Improvement Project Bonds, 2014 Series | 3,275,000 | 2% - 5% | May 1, 2039 | 3,090,000 |
| <i>Notes Payable - Water and Sewer</i> | | | | |
| Water Supply Facilities Loan Note | 89,775 | 6.6% | November 1, 2019 | 24,304 |
| General Fund Note - Dares Beach Water Supply | 258,225 | 6.6% | June 30, 2019 | 52,796 |
| General Fund Note - Prince Frederick (non-interest bearing) | 863,254 | n/a | January 1, 2025 | 251,572 |
| General Fund Note - Shores of Calvert (interest bearing) | 171,127 | 1.50% | July 1, 2032 | 140,852 |
| General Fund Note - Water and Sewer | 7,000,000 | 0.00% | June 30, 2052 | 6,275,000 |
| Maryland Department of the Environment (MDE) Note - Kenwood Beach | 250,000 | 4.64% | February 1, 2033 | 186,839 |
| Maryland Water Quality Financing Admin Note - Dares Beach | 500,000 | 1.6% | August 1, 2020 | 146,232 |
| Maryland Water Quality Financing Admin Note - Prince Frederick | 6,300,000 | 1.5% | February 1, 2022 | 2,090,572 |
| Maryland Water Quality Financing Admin Note - Patuxent Business Park | 400,000 | 1% | February 1, 2024 | 177,233 |
| Maryland Water Quality Financing Admin Note - Chesapeake Beach | 1,071,036 | 1.1% | February 2, 2028 | 659,290 |
| Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP | 1,503,765 | 1.1% | February 1, 2036 | 1,503,765 |
| Maryland Water Quality Financing Admin Note - East PF Elevated Storage Tank | <u>1,942,851</u> | 0.9% | December 1, 2036 | <u>1,942,851</u> |
| Total General Obligation Bonds and Notes Receivables | 33,179,065 | | | 24,271,451 |
| Premium, 2010, 2011, 2012, 2013, 2014 Series | | | | 570,183 |
| Compensated Absences | | | | <u>224,989</u> |
| Total Water and Sewer | <u>\$ 33,179,065</u> | | | <u>\$ 25,066,623</u> |
| <i>General Obligation Bonds - Solid Waste</i> | | | | |
| Consolidated Public Improvement Project Bonds, 2010 Series | \$ 274,066 | 3% - 5% | July 1, 2025 | \$ 200,943 |
| Consolidated Public Improvement Project Bonds, 2011 Series | 1,000,000 | 2% - 5% | May 1, 2026 | 669,995 |
| Refunding Bonds, 2013 Series (replaced the 2003 Series bonds) | <u>67,599</u> | 2% - 5% | April 1, 2022 | <u>63,725</u> |
| Total General Obligation Bonds | 1,341,665 | | | 934,663 |
| Estimated Landfill Postclosure Costs | | | | 3,160,018 |
| Premium, 2010 & 2011 Series | | | | 54,022 |
| Compensated Absences | | | | <u>341,431</u> |
| Total Solid Waste | <u>\$ 1,341,665</u> | | | <u>\$ 4,490,134</u> |
| Total Business Type Activities | <u>\$ 34,520,730</u> | | | <u>\$ 29,556,757</u> |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Debt Requirements

The minimum annual requirements to amortize all outstanding debt, except compensated absences, estimated landfill postclosure costs, net pension liability, and net OPEB obligation as of June 30, 2016 are as follows:

| Governmental Activities | | | | |
|---------------------------------|------------------|-----------------|--------------|-------------|
| Years Ending June 30, | Principal | Interest | Total | |
| 2017 | \$ 13,709,602 | \$ 3,773,919 | \$ | 17,483,521 |
| 2018 | 13,881,078 | 3,223,123 | | 17,104,201 |
| 2019 | 13,430,828 | 2,622,067 | | 16,052,895 |
| 2020 | 10,117,181 | 2,150,875 | | 12,268,056 |
| 2021 | 12,271,461 | 1,749,806 | | 14,021,267 |
| 2022-2026 | 30,442,450 | 3,154,267 | | 33,596,717 |
| 2027-2031 | 2,689,870 | 135,600 | | 2,825,470 |
| Premium | 6,258,380 | - | | 6,258,380 |
| | \$ 102,800,850 | \$ 16,809,657 | \$ | 119,610,507 |
| Business-Type Activities | | | | |
| Years Ending June 30, | Principal | Interest | Total | |
| 2017 | \$ 1,461,593 | \$ 549,475 | \$ | 2,011,068 |
| 2018 | 1,481,296 | 514,795 | | 1,996,091 |
| 2019 | 1,559,614 | 478,853 | | 2,038,467 |
| 2020 | 1,570,967 | 440,255 | | 2,011,222 |
| 2021 | 1,580,466 | 398,582 | | 1,979,048 |
| 2022-2026 | 6,201,714 | 1,406,349 | | 7,608,063 |
| 2027-2031 | 4,065,534 | 812,298 | | 4,877,832 |
| 2032 - thereafter | 7,284,930 | 465,418 | | 7,750,348 |
| Premium | 624,205 | - | | 624,205 |
| | \$ 25,830,319 | \$ 5,066,025 | \$ | 30,896,344 |

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$330,000. The landfill is at 100% capacity with no remaining useful life. An amount is recorded in the general long-term debt for the estimated postclosure costs associated with the Barstow Landfill. This amount is required by state and federal regulations to provide for monitoring costs associated with the closed landfill. Therefore, the total estimated cost of postclosure care has been recorded.

Appeal Landfill - This is the County's current operating landfill. In 1998, the County entered into a long-term arrangement under which the County's waste is transferred out of the County, which has extended the life of the landfill. An accrual is recorded for the estimated closure and postclosure costs associated with the Appeal Landfill. The accrual is based upon the capacity used to date. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs 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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, \$3,160,018 represents the accrued reserve at June 30, 2016, which is reported in the Solid Waste and Recycling fund. The amount that has not yet been recognized in the County's financial statements is \$4,129,019. The accrued reserve will be increased with a contribution of \$7,813 for FY2017.

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, 2016:

| | <u>Balance June 30, 2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2017</u> | <u>Due Within One Year</u> |
|----------------------------------|----------------------------------|----------------------|-----------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 3,558,491 | \$ 2,152,045 | \$ (2,247,413) | \$ 3,463,123 | \$ 352,888 |
| Net OPEB Obligation | 60,273,609 | 14,438,775 | - | 74,712,384 | - |
| Total | <u>\$ 63,832,100</u> | <u>\$ 16,590,820</u> | <u>\$ (2,247,413)</u> | <u>\$ 78,175,507</u> | <u>\$ 352,888</u> |
| Business-type activities: | | | | | |
| Compensated Absences | \$ 40,780 | \$ 27,596 | \$ (24,128) | \$ 44,248 | \$ - |
| Net OPEB obligation | 984,630 | 239,225 | - | 1,223,855 | - |
| Total | <u>\$ 1,025,410</u> | <u>\$ 266,821</u> | <u>\$ (24,128)</u> | <u>\$ 1,268,103</u> | <u>\$ -</u> |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016

As of June 30, 2016, fund balances were reported as follows:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

GOVERNMENTAL FUNDS FUND BALANCES

JUNE 30, 2016

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------|----------------------|-----------------------------|--|---|
| Nonspendable: | | | | |
| Inventory | \$ 1,428,645 | \$ - | \$ 79,653 | \$ 1,508,298 |
| Long term receivables | 6,752,723 | - | - | 6,752,723 |
| Total Nonspendable | <u>8,181,368</u> | <u>-</u> | <u>79,653</u> | <u>8,261,021</u> |
| Restricted for: | | | | |
| Leveraging obligations | - | - | 7,354,629 | 7,354,629 |
| Other purposes | - | - | 4,519,518 | 4,519,518 |
| Endowments | 54,030 | - | 42,534 | 96,564 |
| Total Restricted for | <u>54,030</u> | <u>-</u> | <u>11,916,681</u> | <u>11,970,711</u> |
| Committed to: | | | | |
| Encumbrances: | | | | |
| General government | 474,861 | - | - | 474,861 |
| Public safety | 1,208,368 | - | - | 1,208,368 |
| General services | 702,764 | - | - | 702,764 |
| Public works | 931,340 | - | - | 931,340 |
| Economic development | 44,157 | - | - | 44,157 |
| Community resources | 7,346 | - | - | 7,346 |
| Education | 33,483 | - | - | 33,483 |
| Other purposes | 2,343 | - | - | 2,343 |
| Stabilization arrangement | 19,107,782 | - | - | 19,107,782 |
| Board of education | - | - | - | - |
| Other purposes | 325,977 | - | 3,864,003 | 4,189,980 |
| Total Committed to | <u>22,838,421</u> | <u>-</u> | <u>3,864,003</u> | <u>26,702,424</u> |
| Assigned to: | | | | |
| Vacation/sick leave | 5,000,000 | - | - | 5,000,000 |
| OPEB | 1,218,619 | - | - | 1,218,619 |
| Other purposes | - | - | (42,220) | (42,220) |
| Other capital projects | - | 6,408,718 | - | 6,408,718 |
| Total Assigned to | <u>6,218,619</u> | <u>6,408,718</u> | <u>(42,220)</u> | <u>12,585,117</u> |
| Unassigned: | <u>14,200,844</u> | <u>-</u> | <u>-</u> | <u>14,200,844</u> |
| Total fund balances: | <u>\$ 51,493,282</u> | <u>\$ 6,408,718</u> | <u>\$ 15,818,117</u> | <u>\$ 73,720,117</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, and one Parks and Recreation notes receivable at June 30, 2016.

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, 2016

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 – Length of Service Award Program, Calvert County Sheriff's Department Pension Plan, Calvert County Employees Retirement 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 page 63 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 Entry Age Normal Cost Method as a part of an actuarial valuation performed as of July 1, 2015.

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, 2016, the membership was as follows:

| | |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefits | 51 |
| Active employees currently receiving benefits | 43 |
| Active employees | 1,098 |

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.

Contribution – The contribution made by the County to the Plan for fiscal 2016 totaling \$540,000 were made in accordance with actuarial determined requirements computed through and actuarial valuation performed on July 1, 2015.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 |
|-----------------------|-------------------|
| Cash/Cash equivalents | 1.0% |
| Mutual funds equity | 81.1% |
| Fixed income | 17.9% |
| Total | 100.0% |

Rate of return – For the year ended June 30, 2016, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 3.20%. 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, for the measurement period of June 30, 2015 to June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods – The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| Funding method | Entry Age Normal |
|---------------------------|---|
| Inflation rate | 2.1% |
| 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, 2016 are summarized in the following table:

| Asset Classes | Long-term Expected Real Rate of Return |
|-------------------------|--|
| Domestic equity | 4.9% |
| International equity | 5.2% |
| Fixed income | 1.6% |
| Real estate | 3.8% |
| Cash | 0.5% |
| Alternative investments | 3.9% |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|---|--------------------------------|------------------------------------|------------------------------|
| Balance at 06/30/15 | \$7,422,118 | \$3,708,327 | \$3,713,791 |
| Changes for the year: | | | |
| Service cost | 111,495 | -0- | 111,495 |
| Interest on the total pension liability | 558,559 | -0- | 558,559 |
| Difference between expected and actual experience | -0- | -0- | 302,678 |
| Contributions - employer | -0- | 540,000 | (540,000) |
| Contributions – employee | -0- | -0- | -0- |
| Net investment income | -0- | (128,504) | (128,504) |
| Benefit payments | (665,220) | (665,220) | -0- |
| Administrative expense | -0- | (10,500) | 10,500 |
| Net changes | 4,834 | (264,224) | 269,058 |
| Balance at 06/30/16 | <u>\$7,426,952</u> | <u>\$3,444,103</u> | <u>\$3,982,849</u> |

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 | \$8,269,865 | \$7,426,952 | \$6,720,693 |
| Plan fiduciary net position | (3,444,103) | (3,444,103) | (3,444,103) |
| County’s net pension liability | <u>\$4,825,762</u> | <u>\$3,982,849</u> | <u>\$3,276,590</u> |

Pension plan fiduciary net position - For the year ended June 30, 2016, the County recognized pension expense of \$557,724. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Difference between expected and actual experience | \$181,607 | \$-0- |
| Changes of assumptions | -0- | -0- |
| Net difference between expected and actual earnings | 443,737 | -0- |
| Total | <u>\$625,344</u> | <u>\$-0-</u> |

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-----------|
| 2017 | (180,720) |
| 2018 | (180,720) |
| 2019 | (180,724) |
| 2020 | (83,180) |
| Thereafter | -0- |

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 Entry Age Normal Cost Method as a part of an actuarial valuation performed as of July 1, 2015.

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, 2016, the membership was as follows:

| | |
|--------------------|-----|
| Retired | 68 |
| Terminated, vested | 51 |
| Active, vested | 134 |
| Active, non-vested | 54 |
| Total active | 188 |

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.

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Contribution - The contributions made to the Plan for fiscal 2016 totaling \$3,050,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2015.

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> |
|-----------------------|--------------------------|
| Cash/Cash equivalents | 1.9% |
| Mutual funds equity | 56.4% |
| Common stock | 14.8% |
| Fixed Income | 23.7% |
| Alternate investments | 3.2% |
| Total | 100.0% |

Rate of return – For the year ended June 30, 2016, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was (1.56%). 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, for the measurement period of June 30, 2015 to June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods – The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|---------------------------|---|
| Funding method | Entry Age Normal |
| Inflation rate | 2.1% |
| Salary increases: | |
| Correctional Officers | 5.00% - 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, 2015 are summarized in the following table:

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| <u>Asset Classes</u> | <u>Long-term Expected Real Rate of Return</u> |
|-------------------------|---|
| Domestic equity | 4.8% |
| International equity | 5.3% |
| Fixed income | 1.6% |
| Real estate | 3.8% |
| Cash | 0.4% |
| Alternative investments | 3.8% |

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.

| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|---|--------------------------------|------------------------------------|------------------------------|
| Balance at 06/30/14 | \$75,931,310 | \$67,363,107 | \$8,568,203 |
| Changes for the year: | | | |
| Service cost | 3,400,300 | -0- | 3,400,300 |
| Interest on the total pension liability | 6,055,832 | -0- | 6,055,832 |
| Difference between expected and actual experience | (6,405,710) | -0- | (6,405,710) |
| Contributions - employer | -0- | 3,050,000 | (3,050,000) |
| Contributions – employee | -0- | 917,877 | (917,877) |
| Net investment income | -0- | (1,058,909) | 1,058,909 |
| Benefit payments | (2,428,998) | (2,428,998) | -0- |
| Administrative expense | -0- | (21,871) | 21,871 |
| Net changes | 621,424 | 458,099 | 163,325 |
| Balance at 06/30/15 | <u>\$76,552,734</u> | <u>\$67,821,206</u> | <u>\$8,731,528</u> |

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 | \$88,627,545 | \$76,552,734 | \$66,771,863 |
| Plan fiduciary net position | (67,821,206) | (67,821,206) | (67,821,206) |
| County’s net pension liability | <u>\$20,806,339</u> | <u>\$8,731,528</u> | <u>\$(1,049,343)</u> |

Pension plan fiduciary net position - For the year ended June 30, 2016, the County recognized pension expense of \$4,955,526. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$-0- | \$5,461,300 |
| Changes of assumptions | -0- | -0- |
| Net difference between expected and actual earnings | 6,558,210 | -0- |
| Total | \$6,558,210 | \$5,461,300 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-------------|
| 2017 | \$(850,293) |
| 2018 | (850,293) |
| 2019 | (850,293) |
| 2020 | (376,234) |
| 2021 | 915,101 |
| Thereafter | 915,102 |

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 Entry Age Normal Cost Method as a part of an actuarial valuation performed as of July 1, 2015.

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

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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, 2016, the membership was as follows:

| | |
|--------------------|-----|
| Retired | 170 |
| Terminated, vested | 23 |
| Active, vested | 95 |
| Active, non-vested | 0 |
| Total active | 95 |

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 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 2016 totaling \$2,570,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2015.

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> |
|-------------------------|--------------------------|
| Cash/Cash equivalents | 1.4% |
| Mutual funds equity | 57.5% |
| Common stock | 14.9% |
| Fixed income | 22.6% |
| Alternative investments | 3.6% |
| Total | 100.0% |

Rate of return – For the year ended June 30, 2016, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was (1.54%). 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, for the measurement period of June 30, 2015 to June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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Actuarial assumptions and methods – The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| Funding method | Entry Age Normal |
|---------------------------|---|
| Inflation rate | 2.1% |
| 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, 2015 are summarized in the following table:

| Asset Classes | Long-term Expected Real Rate of Return |
|-------------------------|--|
| Domestic equity | 4.8% |
| International equity | 5.3% |
| Fixed income | 1.6% |
| Real estate | 3.8% |
| Cash | 0.4% |
| Alternative investments | 3.8% |

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.

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|---|-------------------------|-----------------------------|-----------------------|
| Balance at 06/30/15 | \$75,041,587 | \$65,125,918 | \$9,915,669 |
| Changes for the year: | | | |
| Service cost | 799,446 | -0- | 799,446 |
| Interest on the total pension liability | 5,746,021 | -0- | 5,746,021 |
| Difference between expected and actual experience | (396,534) | -0- | (396,534) |
| Contributions - employer | -0- | 2,570,000 | (2,570,000) |
| Contributions – employee | -0- | 130,509 | (130,509) |
| Net investment income | -0- | (987,242) | 987,242 |
| Benefit payments | (3,462,242) | (3,462,242) | -0- |
| Administrative expense | -0- | (82,004) | 82,004 |
| Net changes | 2,686,691 | (1,830,979) | 4,517,670 |
| Balance at 06/30/16 | \$77,728,278 | \$63,294,939 | \$14,433,339 |

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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 | \$86,597,339 | \$77,728,278 | \$67,567,010 |
| Plan fiduciary net position | (63,294,939) | (63,294,939) | (63,294,939) |
| County’s net pension liability | \$23,302,400 | \$14,433,339 | \$6,906,816 |

Pension plan fiduciary net position - For the year ended June 30, 2016, the County recognized pension income of \$2,663,147. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$-0- | \$485,643 |
| Changes of assumptions | -0- | -0- |
| Net difference between expected and actual earnings | 6,212,897 | -0- |
| Total | \$6,212,897 | \$485,643 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|---------------|
| 2017 | \$(1,178,336) |
| 2018 | (1,663,977) |
| 2019 | (1,663,977) |
| 2020 | (1,220,964) |
| 2021 | -0- |
| Thereafter | -0- |

4. Calvert County Maryland Other Post-Employment Benefits Trust

Summary of Significant Accounting Policies

Plan Benefits - 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 Entry Age Normal Cost Method as a part of an actuarial valuation performed as of July 1, 2015.

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Plan Description

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, 2016 is as follows:

| | <u>County</u> | <u>Board of Education</u> |
|---------|---------------|---------------------------|
| Active | 657 | 1,606 |
| Retired | 178 | 731 |
| Total | 835 | 2,337 |

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, 2015 were actuarially determined, using the Projected Unit Credit Cost Method, through an actuarial valuation dated July 1, 2010 . The significant actuarial assumptions used in the valuation include; an inflation rate of 2.4%, a 7% investment rate of return (net of administrative expenses), a discount rate of 5%, 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 2015 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 |
|------|-----------|---|------------|
| 2016 | \$249,806 | \$950,194 | \$1,200,00 |
| 2015 | 679,392 | 2,820,608 | 3,500,000 |
| 2014 | -0- | -0- | -0- |

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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, 2016, 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 | \$14,992,808 | \$63,971,657 | \$48,978,849 | 23.4% | \$48,570,671 | 100.1% |
| Board of Education | 40,337,068 | 216,142,000 | 175,804,932 | 18.7% | 126,297,309 | 139.2% |
| Total | \$55,329,876 | \$280,113,657 | \$224,783,781 | 19.7% | \$174,867,980 | 128.6% |

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.

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

| Summary of GASB 45 Valuation Results | | | | | | | |
|--------------------------------------|------------------------------|------------------------------------|--|-------------------|---|---------------------------------|---------------------------------|
| Actuarial Valuation Date June 30, | Annual Required Contribution | Interest on net Pension Obligation | Adjustment to Annual Required Contribution | Annual OPEB Costs | Pay as You go Payments Plus Contributions | Increase in net OPEB Obligation | End of Year net OPEB Obligation |
| County | | | | | | | |
| 2016 | \$ 5,881,875 | \$ 790,729 | \$ 1,028,758 | \$ 5,643,846 | \$ 1,764,000 | \$ 3,879,846 | \$ 19,694,421 |
| 2015 | 6,128,384 | 591,308 | 769,306 | 5,950,386 | 1,961,973 | 3,988,413 | 15,814,575 |
| 2014 | 6,128,384 | 372,753 | 484,961 | 6,016,176 | 1,645,070 | 4,371,106 | 11,826,162 |
| Board of Education | | | | | | | |
| 2016 | \$ 22,373,000 | \$ 2,990,000 | \$ 4,443,000 | \$ 20,920,000 | \$ 6,256,194 | \$ 14,663,806 | \$ 74,455,653 |
| 2015 | 24,441,000 | 2,229,000 | 3,231,000 | 23,439,000 | 7,690,000 | 15,749,000 | 59,791,847 |
| 2014 | 23,136,000 | 1,301,000 | 1,847,000 | 22,590,000 | 4,576,000 | 18,014,000 | 44,042,847 |
| Total | | | | | | | |
| 2016 | \$ 28,254,875 | \$ 3,780,729 | \$ 5,471,758 | \$ 26,563,846 | \$ 8,020,194 | \$ 18,543,652 | \$ 94,150,074 |
| 2015 | 30,569,384 | 2,820,308 | 4,000,306 | 29,389,386 | 9,651,973 | 19,737,413 | 75,606,422 |
| 2014 | 29,264,384 | 1,673,753 | 2,331,961 | 28,606,176 | 6,221,070 | 22,385,106 | 55,869,009 |

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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, 2016 were \$1,098,529 and \$693,805, respectively.

6. Maryland State Retirement and Pension System

Plan Description - 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 at <http://www.sra.state.md.us> or by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by calling (800) 492-5909.

The computation of the pension contribution requirements for fiscal year 2015 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 \$378,395, \$372,665, and \$345,801, for the years ended June 30, 2016, 2015 and 2014. In accordance with GASB Statement Number 24, the State's 2016 contribution amount has been shown as State aid revenue and pension expenditure.

B. Component Unit – Board of Education

Plan description

Plan administration - The employees of the Board are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers' Retirement and Pension Systems or the Employees' Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System issues a publically available financial report that can be obtained at <http://www.sra.state.md.us>.

Benefits provided - The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers' Retirement and Pension Systems and the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers' Pension System and Employees' Pension System on or after July 1, 2011, pension allowances are computed

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using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

Contributions - The Board and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7% annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

The State makes a substantial portion of the Board's annual required contribution to the Teachers' Retirement and Pension Systems on behalf of the Board. The State's contributions on behalf of the Board for the year ended June 30, 2016, was \$14,089,439. The fiscal 2016 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

Beginning in FY 2013, the State of Maryland General Assembly passed a bill that required the Boards of Education in Maryland to begin paying the normal cost for their teachers into the Teachers' Retirement and Pension Systems. The legislation structured this as a four year phase in to the full normal cost so that 50% was paid in FY 2013. Full normal cost will be paid in FY2017 and

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

each year thereafter. The Board's required contribution to the Teachers' Retirement and Pension Systems for the year ended June 30, 2016 was \$4,598,758.

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2016, was 5.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2016 of \$1,303,584.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Employees Retirement and Pension Systems - At June 30, 2016, the Board reported a liability of \$14,329,572 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2015. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2015, the Board's proportionate share was 0.069%.

For the year ended June 30, 2016, the Board recognized pension expense of \$1,715,033. At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$-0- | \$293,457 |
| Changes of assumptions and proportions | 1,580,440 | -0- |
| Net difference between expected and actual earnings | 1,262,137 | 928,577 |
| Changes in proportionate share of contributions | 365,157 | -0- |
| Boards contribution subsequent to the measurement date | 1,303,584 | -0- |
| Total | \$4,511,318 | \$1,222,034 |

\$1,303,584 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-------------|
| 2017 | \$(390,114) |
| 2018 | (390,114) |
| 2019 | (390,114) |
| 2020 | (582,820) |
| 2021 | (232,538) |
| Thereafter | -0- |

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Teachers Retirement and Pension Systems - At June 30, 2016, the Board did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

| | |
|--|----------------------|
| State's proportionate share of the net pension liability | \$141,629,004 |
| Board's proportionate share of the net pension liability | -0- |
| Total | \$141,629,004 |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2016, the Board recognized pension expense of \$18,963,104 and revenue of \$14,364,346 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

Actuarial assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| Funding method | Entry Age Normal |
|---------------------------|---|
| Inflation rate | 2.9% general, 3.2% wage |
| Salary increases | 3.2% to 9.2%, including inflation |
| Investment rate of return | 7.55% |
| Mortality | RP-2014 combined healthy generational mortality table |

The economic and demographic actuarial assumptions used in the June 30, 2015 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2010-2014, which was completed during FY2014. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.90% were used in the June 30, 2015 valuation.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s).

For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

| <u>Asset Classes</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Public Equity | 35% | 6.3% |
| Fixed Income | 10% | 0.6% |
| Credit Opportunity | 10% | 3.2% |
| Real Return | 14% | 1.8% |
| Absolute Return | 10% | 4.2% |
| Private Equity | 10% | 7.2% |
| Real estate | 10% | 4.4% |
| Cash | 1% | 0.0% |
| Total | 100% | |

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2015.

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 2.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate - The single discount rate used to measure the total pension liability was 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability - Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board's net pension liability, calculated using a single discount rate of 7.55%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

| | 1% Decrease (6.55) | Current Discount Rate (7.55) | 1% Increase (8.55) |
|---|-------------------------------|---|-------------------------------|
| Boards proportionate share of the net pension liability | \$20,252,653 | \$14,329,572 | \$9,418,158 |

Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not record a net pension liability related to the Teachers Retirement and Pension Systems.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

In the decision on the case *Comptroller v. Wynne*, the US Supreme Court has ruled that Maryland's income tax system - specifically its application of county income taxes - is unconstitutional and must be altered to grant more credits for Maryland residents' out-of-state income. The tax law will allow a refund of overpayments. The State Comptroller has estimated Calvert County's liability to be about \$754,017. The County has elected to have this liability as a reduction to our income tax distribution and will begin in fiscal year 2019 through fiscal year 2024.

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 2016, the County paid premiums of \$719,437 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% in the current year. If the actual claims and expenses are less than the billed premium, the County would be entitled to a refund.

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 16, 2016, the date the financial statements were available to be issued.

On July 19, 2016, the County issued \$49,475,000 in general obligation bonds, \$3.1 million related to the Water and Sewer enterprise fund, with interest rates varying from 2.0% to 5.0% maturing on May 1, 2029 and December 1, 2039 for the enterprise portion.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016*

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
Last 3 Fiscal Years**

| | FY2016 | FY2015 | FY2014 |
|---|---------------------|---------------------|---------------------|
| Total pension liability | | | |
| Service costs | \$ 111,495 | \$ 122,128 | \$ 63,624 |
| Interest | 558,559 | 528,851 | 508,501 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | - | 302,678 | 37,692 |
| Benefit payments, including refunds of member contributions | (665,220) | (458,050) | (425,583) |
| Net change in total pension liability | <u>\$ 4,834</u> | <u>\$ 495,607</u> | <u>\$ 184,234</u> |
| Total pension liability - beginning | <u>7,422,118</u> | <u>6,926,511</u> | <u>6,742,277</u> |
| Total pension liability - ending | <u>\$ 7,426,952</u> | <u>\$ 7,422,118</u> | <u>\$ 6,926,511</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 540,000 | \$ 460,000 | \$ 490,000 |
| Contributions - member | - | - | - |
| Net investment income | (128,504) | 98,868 | 568,708 |
| Benefit payments, including refunds of member contributions | (665,220) | (458,050) | (425,583) |
| Administrative expense | (10,500) | (10,500) | - |
| Net change in plan fiduciary net position | <u>\$ (264,224)</u> | <u>\$ 90,318</u> | <u>\$ 633,125</u> |
| Plan fiduciary net position - beginning | <u>3,708,327</u> | <u>3,618,009</u> | <u>2,984,884</u> |
| Plan fiduciary net position - ending | <u>\$ 3,444,103</u> | <u>\$ 3,708,327</u> | <u>\$ 3,618,009</u> |
| County's net pension liability - ending | <u>\$ 3,982,849</u> | <u>\$ 3,713,791</u> | <u>\$ 3,308,502</u> |
| Plans fiduciary net position as a percentage of the total pension liability | 46.37% | 49.96% | 52.23% |
| Covered - employee payroll | N/A | N/A | N/A |
| County's net pension liability as a percentage of covered - employee payroll | N/A | N/A | N/A |

Notes to the schedule:
The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
 SCHEDULE OF COUNTY CONTRIBUTIONS
 Volunteer Fire and Rescue Pension Fund
 Last 3 Fiscal Years

| | FY2016 | FY2015 | FY2014 |
|--|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 577,476 | \$ 527,593 | \$ 517,903 |
| Contributions in relation to the actuarially determined contribution | 540,000 | 460,000 | 490,000 |
| Contribution deficiency (excess) | <u>\$ 37,476</u> | <u>\$ 67,593</u> | <u>\$ 27,903</u> |
| Covered - employee payroll | N/A | N/A | N/A |
| Contribution as a percentage of covered - employee payroll | N/A | N/A | N/A |

Notes to schedule:

Valuation date: 6/30/2016

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | N/A |
| Remaining amortization period | N/A |
| Asset valuation method | Assumed yield method with a market value adjustment |
| Inflation rate | 1.6% |
| 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 2016 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience. |
| Mortality | PR-2000 combined healthy generational table. |

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Volunteer Fire and Rescue Pension Fund
Last 3 Fiscal Years

| | <u>FY2016</u> | <u>FY2015</u> | <u>FY2014</u> |
|--|---------------|---------------|---------------|
| Annual money-weighted rate of return, net of investment expense | (3.20%) | 2.65% | 14.24% |

Notes to the schedule:
The prior year information is not available.

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
Last 3 Fiscal Years**

| | FY2016 | FY2015 | FY2014 |
|---|----------------------|----------------------|----------------------|
| Total pension liability | | | |
| Service costs | \$ 3,400,300 | \$ 3,234,332 | \$ 1,429,134 |
| Interest | 6,055,832 | 5,534,365 | 5,419,116 |
| Changes in benefit terms | - | 48,849 | - |
| Difference between expected and actual experience | (6,405,710) | - | 148,423 |
| Benefit payments, including refunds of member contributions | (2,428,998) | (2,087,183) | (1,969,869) |
| Net change in total pension liability | <u>\$ 621,424</u> | <u>\$ 6,730,363</u> | <u>\$ 5,026,804</u> |
| Total pension liability - beginning | <u>75,931,310</u> | <u>69,200,947</u> | <u>64,174,143</u> |
| Total pension liability - ending | <u>\$ 76,552,734</u> | <u>\$ 75,931,310</u> | <u>\$ 69,200,947</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 3,050,000 | \$ 3,060,000 | \$ 2,960,000 |
| Contributions - member | 917,877 | 930,459 | 951,992 |
| Net investment income | (1,058,909) | 2,721,741 | 9,017,398 |
| Benefit payments, including refunds of member contributions | (2,428,998) | (2,087,183) | (1,969,869) |
| Administrative expense | (21,871) | (45,506) | - |
| Net change in plan fiduciary net position | <u>\$ 458,099</u> | <u>\$ 4,579,511</u> | <u>\$ 10,959,521</u> |
| Plan fiduciary net position - beginning | <u>67,363,107</u> | <u>62,783,596</u> | <u>51,824,075</u> |
| Plan fiduciary net position - ending | <u>\$ 67,821,206</u> | <u>\$ 67,363,107</u> | <u>\$ 62,783,596</u> |
| County's net pension liability - ending | <u>\$ 8,731,528</u> | <u>\$ 8,568,203</u> | <u>\$ 6,417,351</u> |
| Plans fiduciary net position as a percentage of the total pension liability | 88.59% | 88.72% | 90.73% |
| Covered - employee payroll | \$ 12,111,242 | \$ 12,111,242 | \$ 11,425,700 |
| County's net pension liability as a percentage of covered - employee payroll | 72.09% | 70.75% | 56.17% |

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Sheriff's Department Pension Plan
Last 3 Fiscal Years**

| | FY2016 | FY2015 | FY2014 |
|--|-----------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Actuarially determined contribution | \$ 3,065,888 | \$ 3,028,756 | \$ 2,957,525 |
| Contributions in relation to the actuarially determined contribution | 3,050,000 | 3,060,000 | 2,960,000 |
| Contribution deficiency (excess) | <u>\$ 15,888</u> | <u>\$ (31,244)</u> | <u>\$ (2,475)</u> |
| Covered - employee payroll | \$ 12,111,242 | \$ 11,425,700 | \$ 11,425,700 |
| Contribution as a percentage of covered - employee payroll | 25.18% | 26.78% | 25.91% |

Notes to schedule:

Valuation date: 6/30/2016

Methods and assumptions used to determine contribution rates:

| | | | | | |
|-------------------------------|---|-------------------|-----------------------|-----------------------|----------------------|
| Actuarial cost method | Entry age normal | | | | |
| Amortization method | Level percentage of payroll, closed | | | | |
| Remaining amortization period | 15 years | | | | |
| Asset valuation method | Assumed yield method with a market value adjustment | | | | |
| Inflation rate | 1.6% | | | | |
| Salary increases | | <u>To age 37:</u> | <u>Ages 38 to 42:</u> | <u>Ages 42 to 49:</u> | <u>After age 49:</u> |
| | | 7.25% | 6.00% | 5.00% | 4.00% |
| | | 7.25% | 5.00% | 5.00% | 5.00% |
| Correctional Officers | | | | | |
| Deputy Sheriffs | | | | | |

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 2016 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.

Mortality RP-2000 combined healthy generational mortality table.

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Sheriff's Department Pension Plan
Last 3 Fiscal Years

| | <u>FY2016</u> | <u>FY2015</u> | <u>FY2014</u> |
|--|---------------|---------------|---------------|
| Annual money-weighted rate of return, net of investment expense | (1.56%) | 4.27% | 13.99% |

Notes to the schedule:

The prior year information is not available.

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
Last 3 Fiscal Years**

| | FY2016 | FY2015 | FY2014 |
|---|-----------------------|----------------------|----------------------|
| Total pension liability | | | |
| Service costs | \$ 799,446 | \$ 878,256 | \$ 677,466 |
| Interest | 5,746,021 | 5,577,218 | 5,345,363 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | (396,534) | (862,126) | (432,297) |
| Benefit payments, including refunds of member contributions | (3,462,242) | (3,215,226) | (3,121,513) |
| Net change in total pension liability | <u>\$ 2,686,691</u> | <u>\$ 2,378,122</u> | <u>\$ 2,469,019</u> |
| Total pension liability - beginning | <u>75,041,587</u> | <u>72,663,465</u> | <u>70,194,446</u> |
| Total pension liability - ending | <u>\$ 77,728,278</u> | <u>\$ 75,041,587</u> | <u>\$ 72,663,465</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 2,570,000 | \$ 2,918,950 | \$ 2,890,000 |
| Contributions - member | 130,509 | 140,745 | 154,037 |
| Net investment income | (987,242) | 2,667,157 | 9,406,336 |
| Benefit payments, including refunds of member contributions | (3,462,242) | (3,215,226) | (3,121,513) |
| Administrative expense | (82,004) | (55,344) | - |
| Net change in plan fiduciary net position | <u>\$ (1,830,979)</u> | <u>\$ 2,456,282</u> | <u>\$ 9,328,860</u> |
| Plan fiduciary net position - beginning | <u>65,125,918</u> | <u>62,669,636</u> | <u>53,340,776</u> |
| Plan fiduciary net position - ending | <u>\$ 63,294,939</u> | <u>\$ 65,125,918</u> | <u>\$ 62,669,636</u> |
| County's net pension liability - ending | <u>\$ 14,433,339</u> | <u>\$ 9,915,669</u> | <u>\$ 9,993,829</u> |
| Plans fiduciary net position as a percentage of the total pension liability | 81.43% | 86.79% | 86.25% |
| Covered - employee payroll | \$ 6,010,496 | \$ 6,871,888 | \$ 7,078,232 |
| County's net pension liability as a percentage of covered - employee payroll | 240.14% | 144.29% | 141.19% |

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
 Calvert County Employees Retirement Plan
 Last 3 Fiscal Years

| | FY2016 | FY2015 | FY2014 |
|--|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 2,468,741 | \$ 2,593,069 | \$ 2,712,733 |
| Contributions in relation to the actuarially determined contribution | 2,570,000 | 2,918,950 | 2,890,000 |
| Contribution deficiency (excess) | <u>\$ (101,259)</u> | <u>\$ (325,881)</u> | <u>\$ (177,267)</u> |
| Covered - employee payroll | \$ 6,010,496 | \$ 6,871,888 | \$ 7,078,232 |
| Contribution as a percentage of covered - employee payroll | 42.76% | 42.48% | 40.83% |

Notes to schedule

Valuation date: 6/30/2016

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 15 years |
| Asset valuation method | Assumed yield method with a market value adjustment |
| Inflation rate | 2.1% |
| Salary increases | 6.00% , under age 46 |
| Salary increases | 5.00% , over age 46 |
| 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 2016 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience. |
| Mortality | RP-2000 combined healthy generational mortality table. |

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Calvert County Employees Retirement Plan
Last 3 Fiscal Years

| | <u>FY2016</u> | <u>FY2015</u> | <u>FY2014</u> |
|--|---------------|---------------|---------------|
| Annual money-weighted rate of return, net of investment expense | (1.54%) | 4.27% | 20.16% |

Notes to the schedule:

The prior year information is not available.

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, 2016**

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 |
|---|--|--|--------------------------------|---------------------|----------------------------|---|
| 2016 | \$ 14,992,808 | \$ 63,971,657 | \$ 48,978,849 | 23.44% | \$ 48,570,671 | 100.84% |
| 2015 | 13,875,050 | 65,381,130 | 51,506,080 | 21.22% | 46,890,265 | 109.84% |
| 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% |
| Board of Education | | | | | | |
| 2016 | \$ 40,337,000 | \$ 216,142,000 | \$ 175,805,000 | 18.66% | \$ 126,297,309 | 139.20% |
| 2015 | 18,519,000 | 230,571,000 | 212,052,000 | 8.03% | 128,500,000 | 165.02% |
| 2014 | 18,519,000 | 230,571,000 | 212,052,000 | 8.03% | 128,500,000 | 165.02% |
| 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% |
| Total | | | | | | |
| 2016 | \$ 55,329,808 | \$ 280,113,657 | \$ 224,783,849 | 19.75% | \$ 174,867,980 | 128.54% |
| 2015 | 32,394,050 | 295,952,130 | 263,558,080 | 10.95% | 175,390,265 | 150.27% |
| 2014 | 32,394,050 | 295,952,130 | 263,558,080 | 10.95% | 175,390,265 | 150.27% |
| 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% |

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, 2016

B. Schedule of Employer Contributions

| | Annual Required Contribution | Pay as You go Payments Plus Contributions | % Contributed | Net OPEB Obligation |
|----------------------------------|---|--|----------------------|--------------------------------|
| <i>Year ended June 30, 2016:</i> | | | | |
| County | \$ 5,881,875 | \$ 1,764,000 | 29.99% | \$ 19,694,421 |
| Board of Education | 20,920,000 | 6,242,000 | 29.84% | 75,936,239 |
| | <u>\$ 26,801,875</u> | <u>\$ 8,006,000</u> | 29.87% | <u>\$ 95,630,660</u> |
| <i>Year ended June 30, 2015:</i> | | | | |
| County | \$ 6,128,384 | \$ 1,961,973 | 32.01% | \$ 15,814,575 |
| Board of Education | 24,441,000 | 7,771,608 | 31.80% | 61,258,239 |
| | <u>\$ 30,569,384</u> | <u>\$ 9,733,581</u> | 31.84% | <u>\$ 77,072,814</u> |
| <i>Year ended June 30, 2014:</i> | | | | |
| County | \$ 6,128,384 | \$ 1,645,070 | 26.84% | \$ 11,826,162 |
| Board of Education | 23,136,000 | 4,576,000 | 19.78% | 44,588,847 |
| | <u>\$ 29,264,384</u> | <u>\$ 6,221,070</u> | 21.26% | <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> |

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*OTHER SUPPLEMENTAL INFORMATION
JUNE 30, 2016*

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

| | 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 | \$ 65,099 | \$ 49,966 | \$ 1,097,945 | \$ - | \$ - | \$ - |
| Taxes receivable | - | - | - | - | - | - |
| Accounts receivable | 43,983 | - | - | 25,000 | - | - |
| Notes receivable | - | - | - | - | - | - |
| Due from other funds | 1,830,755 | - | - | 574,226 | 15,557 | 312,100 |
| Prepaid items | - | - | 5,575 | - | - | - |
| Inventory | 23,600 | 14,742 | 41,310 | - | - | - |
| Total assets | <u>\$ 1,963,437</u> | <u>\$ 64,708</u> | <u>\$ 1,144,830</u> | <u>\$ 599,226</u> | <u>\$ 15,557</u> | <u>\$ 312,100</u> |
| LIABILITIES | | | | | | |
| Vouchers and accounts payable | 315,075 | 107,792 | 57,037 | 574,691 | 15,557 | - |
| Notes payable | - | 32,503 | - | - | - | - |
| Due to other funds | - | 11,185 | - | - | - | - |
| Unearned revenue | 128,293 | - | 67,498 | - | - | - |
| Total liabilities | <u>443,368</u> | <u>151,480</u> | <u>124,535</u> | <u>574,691</u> | <u>15,557</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | 23,600 | 14,743 | 41,310 | - | - | - |
| Restricted | 42,534 | - | 541,729 | - | - | - |
| Committed | 196,564 | - | - | 24,535 | - | 312,100 |
| Assigned | 1,257,371 | (101,515) | 437,256 | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | <u>1,520,069</u> | <u>(86,772)</u> | <u>1,020,295</u> | <u>24,535</u> | <u>-</u> | <u>312,100</u> |
| Total liabilities and fund balances | <u>\$ 1,963,437</u> | <u>\$ 64,708</u> | <u>\$ 1,144,830</u> | <u>\$ 599,226</u> | <u>\$ 15,557</u> | <u>\$ 312,100</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

| 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 |
|---|---|------------------------|--|----------------------------|---------------------------------------|---|-------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,341,300 | \$ 12,748 | \$ 6,567,058.00 |
| - | - | - | - | 1,737,418 | - | - | 1,737,418 |
| - | 68,008 | 999,219 | - | - | - | - | 1,136,210 |
| 64,000 | - | - | 85,866 | - | - | - | 149,866 |
| 219,082 | - | 272,451 | 226,881 | 3,953,766 | 3,101,515 | - | 10,506,333 |
| - | - | 698 | - | - | - | - | 6,273 |
| - | - | - | - | - | - | - | 79,652 |
| <u>\$ 283,082</u> | <u>\$ 68,008</u> | <u>\$ 1,272,368</u> | <u>\$ 312,747</u> | <u>\$ 5,691,184</u> | <u>\$ 8,442,815</u> | <u>\$ 12,748</u> | <u>\$ 20,182,810.00</u> |
| 1,291 | 47,444 | 629,829 | - | - | - | - | 1,748,716 |
| - | - | - | - | - | - | - | 32,503 |
| - | 11,416 | - | - | - | - | - | 22,601 |
| - | 9,148 | 413,416 | - | 1,942,518 | - | - | 2,560,873 |
| <u>1,291</u> | <u>68,008</u> | <u>1,043,245</u> | <u>-</u> | <u>1,942,518</u> | <u>-</u> | <u>-</u> | <u>4,364,693</u> |
| - | - | - | - | - | - | - | 79,653 |
| - | - | 229,123 | - | 3,748,666 | 7,354,629 | - | 11,916,681 |
| 281,791 | - | - | 312,747 | - | 2,736,266 | - | 3,864,003 |
| - | - | - | - | - | (1,648,080) | 12,748 | (42,220) |
| - | - | - | - | - | - | - | - |
| <u>281,791</u> | <u>-</u> | <u>229,123</u> | <u>312,747</u> | <u>3,748,666</u> | <u>8,442,815</u> | <u>12,748</u> | <u>15,818,117</u> |
| <u>\$ 283,082</u> | <u>\$ 68,008</u> | <u>\$ 1,272,368</u> | <u>\$ 312,747</u> | <u>\$ 5,691,184</u> | <u>\$ 8,442,815</u> | <u>\$ 12,748</u> | <u>\$ 20,182,810.00</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

| | Parks and Recreation Fund | Chesapeake Hills Golf Course Fund | Calvert Marine Museum | Planning and Zoning Special Revenue Fund | Bar Library Fund | Revolving Loan Fund |
|---|--|--|--------------------------------------|---|-----------------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | 876,246 | 688,479 | 228,413 | - | - | - |
| Fines and forfeitures | - | - | - | 13,217 | 37,260 | - |
| Other revenue | 1,547,072 | 229,175 | 764,279 | - | 8,540 | - |
| Total revenues | 2,423,318 | 917,654 | 992,692 | 13,217 | 45,800 | - |
| EXPENDITURES | | | | | | |
| Salaries and fringe benefits | 1,233,016 | 604,781 | 2,142,014 | - | 56,458 | - |
| Education and miscellaneous | 1,171,193 | 446,819 | 1,380,085 | 13,217 | 25,450 | - |
| Total expenditures | 2,404,209 | 1,051,600 | 3,522,099 | 13,217 | 81,908 | - |
| Excess (deficiency) of revenue over (under) expenditures | 19,109 | (133,946) | (2,529,407) | - | (36,108) | - |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfer in | 302,055 | 166,383 | 2,577,216 | - | 36,108 | - |
| Transfer out | - | - | - | - | - | - |
| Total other financing sources (uses) | 302,055 | 166,383 | 2,577,216 | - | 36,108 | - |
| Net change in fund balance | 321,164 | 32,437 | 47,809 | - | - | - |
| Fund balance - beginning of year | 1,198,905 | (119,209) | 972,486 | 24,535 | - | 312,100 |
| Fund balance - end of year | \$ 1,520,069 | \$ (86,772) | \$ 1,020,295 | \$ 24,535 | \$ - | \$ 312,100 |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

| 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 |
|---|---|------------------------|--|----------------------------|---------------------------------------|---|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 2,518,322 | \$ - | \$ - | \$ 2,518,322 |
| - | 526,788 | 4,128,353 | - | - | 702,222 | 788,027 | 6,145,390 |
| - | - | - | - | - | - | - | 1,793,138 |
| - | - | - | - | - | - | 106,387 | 156,864 |
| 1,844 | - | 279,135 | 932 | 3,123 | 294,462 | 86,562 | 3,215,124 |
| 1,844 | 526,788 | 4,407,488 | 932 | 2,521,445 | 996,684 | 980,976 | 13,828,838 |
| - | 61,418 | 3,010,792 | - | - | - | 3,767,549 | 10,876,028 |
| - | 465,370 | 3,033,735 | - | - | 3,059,772 | 571,239 | 10,166,880 |
| - | 526,788 | 6,044,527 | - | - | 3,059,772 | 4,338,788 | 21,042,908 |
| 1,844 | - | (1,637,039) | 932 | 2,521,445 | (2,063,088) | (3,357,812) | (7,214,070) |
| - | - | 1,699,420 | - | 50,831 | 403,945 | 3,355,122 | 8,591,080 |
| - | - | - | - | (2,049,000) | - | - | (2,049,000) |
| - | - | 1,699,420 | - | (1,998,169) | 403,945 | 3,355,122 | 6,542,080 |
| 1,844 | - | 62,381 | 932 | 523,276 | (1,659,143) | (2,690) | (671,990) |
| 279,947 | - | 166,742 | 311,815 | 3,225,390 | 10,101,958 | 15,438 | 16,490,107 |
| <u>\$ 281,791</u> | <u>\$ -</u> | <u>\$ 229,123</u> | <u>\$ 312,747</u> | <u>\$ 3,748,666</u> | <u>\$ 8,442,815</u> | <u>\$ 12,748</u> | <u>\$ 15,818,117</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, 2016**

| | Budgeted Amounts | | Actual | Variance Over (Under) |
|--|--------------------|--------------------|--------------------|-----------------------------|
| | Original | Final | | |
| <u>Taxes</u> | | | | |
| <u>Real Estate and Personal Property Taxes</u> | | | | |
| Real estate tax | \$ 98,000,000 | \$ 98,000,000 | \$ 97,687,252 | \$ (312,748) |
| Corporate and personal property tax | 2,420,000 | 2,420,000 | 2,701,941 | 281,941 |
| Payment in lieu of tax (PILOT) | 19,646,574 | 19,646,574 | 19,646,574 | - |
| Public utilities tax | 19,200,000 | 19,200,000 | 19,559,994 | 359,994 |
| Additions and abatements | 200,000 | 200,000 | (35,332) | (235,332) |
| Penalties and interest | 500,000 | 500,000 | 501,519 | 1,519 |
| Tax credit | (889,471) | (889,091) | (634,207) | 254,884 |
| Land preservation credit | (220,000) | (220,000) | (207,836) | 12,164 |
| Total Real Estate and Personal Property Taxes | <u>138,857,103</u> | <u>138,857,483</u> | <u>139,219,905</u> | <u>362,422</u> |
| <u>Other Local Taxes</u> | | | | |
| Income taxes | 74,550,000 | 74,556,706 | 74,566,392 | 9,686 |
| Franchise tax | 1,300,000 | 1,300,000 | 1,485,691 | 185,691 |
| Hotel tax | 800,000 | 800,000 | 719,467 | (80,533) |
| Admissions and amusement tax | 30,000 | 30,000 | 17,456 | (12,544) |
| Recordation taxes | 6,300,000 | 6,300,000 | 7,551,986 | 1,251,986 |
| Trailer parks | 120,000 | 120,000 | 114,682 | (5,318) |
| Total Other Local Taxes | <u>83,100,000</u> | <u>83,106,706</u> | <u>84,455,674</u> | <u>1,348,968</u> |
| <u>Shared State Taxes</u> | | | | |
| Highway user revenue | 527,602 | 527,602 | 587,376 | 59,774 |
| Total State Shared Taxes | <u>527,602</u> | <u>527,602</u> | <u>587,376</u> | <u>59,774</u> |
| Total Taxes | <u>222,484,705</u> | <u>222,491,791</u> | <u>224,262,955</u> | <u>1,771,164</u> |
| <u>Licenses and Permits</u> | | | | |
| <u>Business Licenses and Permits</u> | | | | |
| Builders' licenses | 25,000 | 25,000 | 36,040 | 11,040 |
| Beer, wine, and liquor licenses | 135,000 | 135,000 | 157,040 | 22,040 |
| Traders | 95,000 | 95,000 | 93,973 | (1,027) |
| Hawkers and peddlers | 2,000 | 2,000 | 2,897 | 897 |
| Total Business Licenses and Permits | <u>257,000</u> | <u>257,000</u> | <u>289,950</u> | <u>32,950</u> |
| <u>Other Permits</u> | | | | |
| Animal licenses | 25,000 | 25,000 | 18,736 | (6,264) |
| Code book sales | 700 | 700 | 992 | 292 |
| Marriage licenses | 3,700 | 3,700 | 2,840 | (860) |
| Gambling permits | 13,000 | 13,000 | 13,150 | 150 |
| Total Other Permits | <u>42,400</u> | <u>42,400</u> | <u>35,718</u> | <u>(6,682)</u> |
| Total Licenses and Permits | <u>299,400</u> | <u>299,400</u> | <u>325,668</u> | <u>26,268</u> |
| <u>Intergovernmental Revenue</u> | | | | |
| <u>Federal Grants</u> | | | | |
| Federal Emergency Management | 82,407 | 82,407 | 87,382 | 4,975 |
| Build America Bond Subsidy | 102,376 | 102,376 | 102,927 | 551 |
| Federal detention per diem | - | - | 13,575 | 13,575 |
| F.E.M.A. Reimbursement | - | 323,403 | 323,206 | (197) |
| Total Federal Grants | <u>184,783</u> | <u>508,186</u> | <u>527,090</u> | <u>18,904</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, 2016**

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|------------------|------------------|------------------|
| | Original | Final | | Over (Under) |
| <u>State Grants</u> | | | | |
| State police protection | \$ 740,000 | \$ 740,000 | \$ 671,653 | \$ (68,347) |
| State library | 409,632 | 433,837 | 409,632 | (24,205) |
| State soil conservation | 61,191 | 61,191 | 61,191 | - |
| State prisoner housing | 100,000 | 100,000 | 79,245 | (20,755) |
| State jury reimbursement | 30,000 | 30,000 | 26,640 | (3,360) |
| State misc. reimbursement | 28,000 | - | - | - |
| Other state reimbursement | - | 17,695 | 25,211 | 7,516 |
| St reim sex offender | - | 28,000 | - | (28,000) |
| CAASA payroll reimbursement | 54,710 | 54,710 | - | (54,710) |
| Total State Grants | <u>1,423,533</u> | <u>1,465,433</u> | <u>1,273,572</u> | <u>(191,861)</u> |
| <u>Other Intergovernmental</u> | | | | |
| 911 Grant | 590,000 | 610,286 | 588,041 | (22,245) |
| Shore Erosion | 21,000 | 21,000 | 16,962 | (4,038) |
| Housing Authority payroll reimbursement | 1,300,000 | 1,300,000 | 1,346,433 | 46,433 |
| CMM payroll reimbursement - CMM Board of Governors | 240,000 | 240,750 | 284,444 | 43,694 |
| CMM payroll reimbursement - CMM Society | 312,000 | 312,000 | 372,509 | 60,509 |
| SDAT costs paid by the towns | 15,833 | 15,833 | 15,833 | - |
| Total Other Intergovernmental | <u>2,478,833</u> | <u>2,499,869</u> | <u>2,624,222</u> | <u>124,353</u> |
| Total Intergovernmental Revenues | <u>4,087,149</u> | <u>4,473,488</u> | <u>4,424,884</u> | <u>(48,604)</u> |
| <u>Charges for services</u> | | | | |
| <u>Public Safety</u> | | | | |
| Sheriff's fees | 75,000 | 75,000 | 80,126 | 5,126 |
| Chesapeake Beach police reimbursement | 845,758 | 845,758 | 845,758 | - |
| North Beach police reimbursement | 399,922 | 399,922 | 396,286 | (3,636) |
| Dominion police reimbursement | 1,490,000 | 1,490,000 | 1,528,098 | 38,098 |
| Lab fees | 15,000 | 15,000 | 13,750 | (1,250) |
| Engineering inspections | 100,000 | 100,000 | 95,498 | (4,502) |
| DWI facility | 7,345 | 7,345 | 7,459 | 114 |
| Electronic monitor - detention center | 16,000 | 16,000 | 24,828 | 8,828 |
| Telephone commission - detention center | 100,000 | 100,000 | 85,647 | (14,353) |
| Live in/work out - detention center | 95,000 | 95,000 | 50,753 | (44,247) |
| Home study fee | - | - | - | - |
| Sick call - detention center | 5,000 | 5,000 | - | (5,000) |
| False alarm fees | 2,000 | 2,000 | 22,815 | 20,815 |
| False alarm registration | 3,800 | 3,800 | 4,375 | 575 |
| Protective inspections | 300,000 | 300,000 | 320,255 | 20,255 |
| Weekend inmate fee | 55,000 | 55,000 | 47,002 | (7,998) |
| Tower revenue | 70,000 | 70,000 | 111,371 | 41,371 |
| Total Public Safety | <u>3,579,825</u> | <u>3,579,825</u> | <u>3,634,021</u> | <u>54,196</u> |
| <u>General Services</u> | | | | |
| Waterman's Wharf slip fees | 4,200 | 4,200 | 4,100 | (100) |
| Tennison charters | 50,000 | 30,000 | 28,430 | (1,570) |
| Tennison special charters | - | 20,000 | 6,803 | (13,197) |
| Kings Landing camp fees | 10,000 | 10,000 | 21,648 | 11,648 |
| Flag Pond entrance fees | 40,000 | 40,000 | 63,387 | 23,387 |
| Cypress swamp fees | - | - | 1,075 | 1,075 |
| Tower revenue | 9,600 | 9,600 | 9,600 | - |
| Boat ramp fees | 6,000 | 6,000 | 1,586 | (4,414) |
| Total General Services | <u>119,800</u> | <u>119,800</u> | <u>136,629</u> | <u>16,829</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, 2016**

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|-----------|-----------|-----------------|
| | Original | Final | | Over (Under) |
| <u>Public Works</u> | | | | |
| Road tax districts | \$ 63,000 | \$ 63,000 | \$ 53,080 | \$ (9,920) |
| Developer street signs | 600 | 600 | 256 | (344) |
| Utility permit fee | 25,000 | 25,000 | 39,840 | 14,840 |
| Utility permit civil citation | - | - | 250 | 250 |
| Waterway improvements | 6,837 | 6,837 | 6,299 | (538) |
| Total Public Works | 95,437 | 95,437 | 99,725 | 4,288 |
| <u>Community Resources</u> | | | | |
| Library - copying and miscellaneous | 39,000 | 27,000 | 35,050 | 8,050 |
| Library - other sources | 10,500 | 23,957 | 13,724 | (10,233) |
| Library - other miscellaneous | - | 12,500 | 29,946 | 17,446 |
| Office on Aging - bus trip revenue | - | 42,000 | 25,977 | (16,023) |
| Office on Aging - program revenue | 78,000 | 7,000 | 7,523 | 523 |
| Office on Aging - senior class revenue | - | 35,000 | 34,848 | (152) |
| Total Community Resources | 127,500 | 147,457 | 147,068 | (389) |
| <u>Other Charges for Services</u> | | | | |
| Administration fees semi-annual service charges | 45,000 | 45,000 | - | (45,000) |
| Rents and concessions | 140,000 | 141,100 | 140,484 | (616) |
| Rent health dept - genoa | 7,200 | 7,200 | 7,278 | 78 |
| Map sales | 500 | 500 | 91 | (409) |
| Total Other Charges for Services | 192,700 | 193,800 | 147,853 | (45,947) |
| Total Charges for Services | 4,115,262 | 4,136,319 | 4,165,296 | 28,977 |
| <u>Fines, fees, and Forfeitures</u> | | | | |
| <u>General Government</u> | | | | |
| Soil Conservation grading fees | 30,000 | 30,000 | 33,375 | 3,375 |
| Administration planting bond - CP&B | 4,500 | 7,160 | 2,660 | (4,500) |
| Replatting fees - CP&B | 4,000 | 4,000 | 4,980 | 980 |
| Board of Appeals application fees | 20,000 | 20,000 | 7,070 | (12,930) |
| CP&B tower consultant fees | 500 | 500 | 3,750 | 3,250 |
| Total General Government | 59,000 | 61,660 | 51,835 | (9,825) |
| <u>Public Safety</u> | | | | |
| Domestic master fees | 800 | 800 | 2,091 | 1,291 |
| Community service programs | 25,000 | 25,000 | 32,650 | 7,650 |
| Criminal court fines | 9,000 | 9,000 | 7,635 | (1,365) |
| Home study fees | 2,000 | 2,000 | 9,547 | 7,547 |
| Animal citation fines | 7,000 | 7,000 | 1,850 | (5,150) |
| State's attorney fees | - | 196 | 196 | - |
| Forfeiture sheriff | - | 55,468 | 49,069 | (6,399) |
| Forfeiture State's attorney | - | 340 | 340 | - |
| Total public safety | 43,800 | 99,804 | 103,378 | 3,574 |
| <u>Other Fines, Fees, and Forfeitures</u> | | | | |
| Grant Coordinator administration fee | 160,000 | 160,000 | 209,513 | 49,513 |
| Auto license fees | 2,600 | 2,600 | 2,094 | (506) |
| Library fines | 130,000 | 130,000 | 106,387 | (23,613) |
| Zoning fees | 20,000 | 20,000 | 13,155 | (6,845) |
| Election Office filing fees | 151 | 150 | 115 | (35) |
| Total Other Fines, Fees, and Forfeitures | 312,751 | 312,750 | 331,264 | 18,514 |
| Total Fines, Fees, and Forfeitures | 415,551 | 474,214 | 486,477 | 12,263 |

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, 2016**

| | Budgeted Amounts | | Actual | Variance Over (Under) |
|--|-----------------------|-----------------------|-----------------------|-----------------------------|
| | Original | Final | | |
| <u>Other Revenue Sources</u> | | | | |
| <u>Investment Revenue</u> | | | | |
| Interest and dividends | \$ 200,000 | \$ 200,000 | \$ 42,119 | \$ (157,881) |
| Interest on notes | - | - | 6,731 | 6,731 |
| Appreciation of investment | - | - | 31,776 | 31,776 |
| Total Investment Revenue | <u>200,000</u> | <u>200,000</u> | <u>80,626</u> | <u>(119,374)</u> |
| <u>Reimbursements</u> | | | | |
| Salary reimbursement | 35,000 | 71,646 | 70,062 | (1,584) |
| Cap equip payroll reimb | - | - | 93,822 | 93,822 |
| Battle Creek salary reimbursement | 7,418 | 7,418 | 6,702 | (716) |
| Heath insurance reimbursement | - | 333,937 | 386,140 | 52,203 |
| Circuit Ct. Clerks office reimbursements | 4,351 | 4,351 | 4,351 | - |
| Total Reimbursements | <u>46,769</u> | <u>417,352</u> | <u>561,077</u> | <u>143,725</u> |
| <u>Other Revenue</u> | | | | |
| Mosquito control | 31,080 | 31,080 | 18,058 | (13,022) |
| Small lot clearing | - | 100 | - | (100) |
| Appropriation of fund balance | 5,639,762 | 6,558,500 | - | (6,558,500) |
| Advertising revenue | - | 10,250 | 19,750 | 9,500 |
| Misc. income/transportation grant | 260,099 | 281,448 | 284,493 | 3,045 |
| Total Other Revenue | <u>5,930,941</u> | <u>6,881,378</u> | <u>322,301</u> | <u>(6,559,077)</u> |
| Total Other Revenue Sources | <u>6,177,710</u> | <u>7,498,730</u> | <u>964,004</u> | <u>(6,534,726)</u> |
| Total Revenue | <u>237,579,777</u> | <u>239,373,942</u> | <u>234,629,284</u> | <u>(4,744,658)</u> |
| <u>Other financing sources</u> | | | | |
| Transfer from BOE - Resident Trooper/Sheriff | 195,000 | 195,000 | 195,000 | - |
| Transfer from BOE | - | 2,875 | 2,875 | - |
| Transfer from St. Mary's - Academy director | 52,500 | 52,500 | 47,992 | (4,508) |
| Transfer from BOE - wireless | 30,000 | 30,000 | - | (30,000) |
| Transfer from Excise Tax Fund | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Total Other Financing Sources | <u>1,277,500</u> | <u>1,280,375</u> | <u>1,245,867</u> | <u>(34,508)</u> |
| Total Revenue and Other Financing Sources | <u>\$ 238,857,277</u> | <u>\$ 240,654,317</u> | <u>\$ 235,875,151</u> | <u>\$ (4,779,166)</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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--------------------------------------|-----------------|------------|------------|-----------------|
| | Original | Final | | (Over) Under |
| General Government | | | | |
| <u>Board of County Commissioners</u> | | | | |
| Salaries | \$ 257,654 | \$ 257,654 | \$ 261,563 | \$ (3,909) |
| Operating expense | 38,416 | 40,616 | 38,052 | 2,564 |
| Contracted services | 2,940 | 1,740 | 1,609 | 131 |
| Total Board of County Commissioners | 299,010 | 300,010 | 301,224 | (1,214) |
| <u>Contingency</u> | 300,000 | 127,913 | - | 127,913 |
| <u>Clerk to the Commissioners</u> | | | | |
| Salaries | 63,573 | 63,573 | 66,515 | (2,942) |
| Operating expense | 1,548 | 1,548 | 116 | 1,432 |
| Contracted services | 461 | 461 | - | 461 |
| Total Clerk to the Commissioners | 65,582 | 65,582 | 66,631 | (1,049) |
| <u>County Administrator</u> | | | | |
| Salaries | 233,747 | 233,747 | 244,811 | (11,064) |
| Operating expense | 9,535 | 10,035 | 7,498 | 2,537 |
| Contracted services | - | (10,000) | (10,000) | - |
| Total County Administrator | 243,282 | 233,782 | 242,309 | (8,527) |
| <u>Technology Services</u> | | | | |
| Salaries | 1,470,733 | 1,498,716 | 1,452,994 | 45,722 |
| Operating expense | 123,196 | 124,196 | 127,194 | (2,998) |
| Contracted services | 1,262,752 | 1,219,058 | 1,177,487 | 41,571 |
| Capital outlay | 227,475 | 227,475 | 211,278 | 16,197 |
| Total Technology Services | 3,084,156 | 3,069,445 | 2,968,953 | 100,492 |
| <u>Circuit Court</u> | | | | |
| Salaries | 655,995 | 655,995 | 655,815 | 180 |
| Operating expense | 95,000 | 99,785 | 86,289 | 13,496 |
| Contracted services | 64,100 | 55,472 | 25,830 | 29,642 |
| Capital outlay | - | 3,843 | 27,862 | (24,019) |
| Total Circuit Court | 815,095 | 815,095 | 795,796 | 19,299 |
| <u>Judge of Orphans' Court</u> | | | | |
| Salaries | 26,980 | 26,980 | 27,188 | (208) |
| Operating expense | 1,450 | 1,450 | 386 | 1,064 |
| Total Judge of Orphans' Court | 28,430 | 28,430 | 27,574 | 856 |
| <u>State's Attorney</u> | | | | |
| Salaries | 1,745,928 | 1,745,928 | 1,784,215 | (38,287) |
| Operating expense | 109,104 | 108,691 | 90,679 | 18,012 |
| Contracted services | 20,242 | 20,242 | 15,705 | 4,537 |
| Capital outlay | 5,429 | 6,378 | 5,560 | 818 |
| Total State's Attorney | 1,880,703 | 1,881,239 | 1,896,159 | (14,920) |
| <u>Grand Jury</u> | | | | |
| Salary and operating expense | 5,000 | 5,000 | 4,620 | 380 |
| <u>Personnel</u> | | | | |
| Salaries | 523,512 | 537,129 | 565,855 | (28,726) |
| Operating expense | 52,419 | 65,029 | 29,146 | 35,883 |
| Tuition program | 40,000 | - | - | - |
| Contracted services | 102,982 | 95,272 | 69,452 | 25,820 |
| Capital outlay | - | 2,535 | 2,535 | - |
| Total Personnel | 718,913 | 699,965 | 666,988 | 32,977 |

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, 2016**

| | Budgeted Amount | | Actual | Variance |
|---|------------------|------------------|------------------|-----------------|
| | Original | Final | | (Over) Under |
| <u>Finance and Budget</u> | | | | |
| Salaries | \$ 1,522,404 | \$ 1,514,677 | \$ 1,532,767 | \$ (18,090) |
| Operating expense | 103,600 | 99,780 | 84,257 | 15,523 |
| Contracted services | 145,000 | 139,190 | 139,689 | (499) |
| Capital outlay | - | 9,430 | 9,385 | 45 |
| Total Finance and Budget | <u>1,771,004</u> | <u>1,763,077</u> | <u>1,766,098</u> | <u>(3,021)</u> |
| <u>County Treasurer</u> | | | | |
| Salaries | 318,960 | 318,960 | 299,725 | 19,235 |
| Operating expense | 24,410 | 26,910 | 17,366 | 9,544 |
| Contracted services | 12,500 | 10,000 | (199) | 10,199 |
| Total County Treasurer | <u>355,870</u> | <u>355,870</u> | <u>316,892</u> | <u>38,978</u> |
| <u>Auditing and Related Services</u> | | | | |
| | <u>66,575</u> | <u>66,575</u> | <u>60,483</u> | <u>6,092</u> |
| <u>County Attorney</u> | | | | |
| Salaries | 309,640 | 333,640 | 338,202 | (4,562) |
| Operating expense | 25,235 | 16,335 | 13,743 | 2,592 |
| Contracted services | 75,000 | 83,900 | 82,710 | 1,190 |
| Total County Attorney | <u>409,875</u> | <u>433,875</u> | <u>434,655</u> | <u>(780)</u> |
| <u>Community Planning and Building</u> | | | | |
| Salaries | 2,025,401 | 2,022,401 | 2,010,914 | 11,487 |
| Operating expense | 64,175 | 65,175 | 54,438 | 10,737 |
| Contracted services | 52,850 | 70,850 | 51,974 | 18,876 |
| Capital outlay | 49,100 | 48,100 | 45,691 | 2,409 |
| Total Community Planning and Building | <u>2,191,526</u> | <u>2,206,526</u> | <u>2,163,017</u> | <u>43,509</u> |
| <u>Planning Commission</u> | | | | |
| Operating expense | 20,367 | 23,427 | 15,956 | 7,471 |
| Contracted services | 50,877 | 50,477 | 33,934 | 16,543 |
| Honorarium | 72,000 | 72,000 | 53,200 | 18,800 |
| Total Planning Commission | <u>143,244</u> | <u>145,904</u> | <u>103,090</u> | <u>24,014</u> |
| <u>Inspections and Permits</u> | | | | |
| Salaries | 824,904 | 824,904 | 818,515 | 6,389 |
| Operating expense | 54,400 | 46,730 | 33,521 | 13,209 |
| Vehicle supplies and repair | - | 6,200 | 6,211 | (11) |
| Contracted services | 8,500 | 4,170 | 4,169 | 1 |
| Capital outlay | 1,625 | 12,497 | 8,095 | 4,402 |
| Total Inspections and Permits | <u>889,429</u> | <u>894,501</u> | <u>870,511</u> | <u>23,990</u> |
| <u>Pauper's Burial</u> | | | | |
| | <u>1,000</u> | <u>1,000</u> | <u>650</u> | <u>350</u> |
| <u>Board of Appeals</u> | | | | |
| Operating expense | 8,100 | 6,363 | 2,346 | 4,017 |
| Contracted services | 24,000 | 23,850 | 6,372 | 17,478 |
| Honorarium | 24,000 | 24,000 | 19,100 | 4,900 |
| Capital outlay | - | 1,887 | 648 | - |
| Total Board of Appeals | <u>56,100</u> | <u>56,100</u> | <u>28,466</u> | <u>27,634</u> |
| <u>Election Board</u> | | | | |
| Salaries | 318,042 | 318,042 | 321,397 | (3,355) |
| Operating expense | 58,906 | 58,906 | 47,490 | 11,416 |
| Contracted services | 120,216 | 126,516 | 175,825 | (49,309) |
| Election judges | 63,550 | 57,250 | 57,375 | (125) |
| Total Election Board | <u>560,714</u> | <u>560,714</u> | <u>602,087</u> | <u>(41,373)</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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|-------------------|-------------------|-------------------|-----------------|
| | Original | Final | | (Over) Under |
| <u>Liquor Board</u> | | | | |
| Salaries | 24,720 | 24,720 | 21,300 | 3,420 |
| Operating expense | 700 | 1,304 | 685 | 619 |
| Contracted services | 25,000 | 24,396 | 10,658 | 13,738 |
| Total Liquor Board | 50,420 | 50,420 | 32,643 | 17,777 |
| <u>University of Maryland Extension</u> | | | | |
| Operating expense | 88,588 | 91,888 | 91,112 | 776 |
| Contracted services | 3,300 | - | - | - |
| Total University of Maryland Service | 91,888 | 91,888 | 91,112 | 776 |
| <u>Soil Conservation District</u> | | | | |
| Salaries | 296,223 | 296,223 | 303,984 | (7,761) |
| Operating expense | 38,782 | 38,782 | 38,517 | 265 |
| Total Soil Conservation District | 335,005 | 335,005 | 342,501 | (7,496) |
| <u>State/Other Agencies</u> | | | | |
| Commission for Women | 3,895 | 3,895 | 3,895 | - |
| Environmental Commission | 3,986 | 3,986 | 3,167 | 819 |
| Ethics Commission | 8,750 | 8,750 | 888 | 7,862 |
| MD State Dept. of Assessments | 413,452 | 413,452 | 414,095 | (643) |
| Non-county agencies | 1,149,316 | 1,148,979 | 1,136,650 | 12,329 |
| Total State/Other Agencies | 1,579,399 | 1,579,062 | 1,558,695 | 20,367 |
| <u>Maryland Association of Counties</u> | 17,000 | 17,000 | 16,987 | 13 |
| Total General Government | 15,959,220 | 15,783,978 | 15,358,141 | 407,037 |
| Public Safety | | | | |
| <u>Director of Public Safety</u> | | | | |
| Salaries | 142,878 | 143,147 | 142,645 | 502 |
| Operating expense | 182,840 | 182,945 | 138,499 | 44,446 |
| Contracted services | 21,000 | 20,600 | 22,833 | (2,233) |
| Capital outlay | - | 295 | 295 | - |
| Total Director of Public Safety | 346,718 | 346,987 | 304,272 | 42,715 |
| <u>Sheriff's Office</u> | | | | |
| Salaries | 10,873,170 | 10,931,754 | 11,691,588 | (759,834) |
| Operating expense | 1,295,348 | 1,310,071 | 1,292,140 | 17,931 |
| Vehicle supplies and repairs | 874,000 | 874,000 | 660,750 | 213,250 |
| Contracted services | 107,500 | 129,783 | 132,289 | (2,506) |
| Capital outlay | 699,200 | 812,488 | 801,432 | 11,056 |
| Total Sheriff's Office | 13,849,218 | 14,058,096 | 14,578,199 | (520,103) |
| <u>Control Center</u> | | | | |
| Salaries | 1,831,525 | 1,835,480 | 1,731,172 | 104,308 |
| Operating expense | 161,023 | 161,638 | 145,685 | 15,953 |
| Radio maintenance | 432,160 | 421,260 | 244,119 | 177,141 |
| Contracted services | 61,003 | 61,003 | 49,563 | 11,440 |
| Capital outlay | 12,164 | 32,733 | 21,325 | 11,408 |
| Total Control Center | 2,497,875 | 2,512,114 | 2,191,864 | 320,250 |
| <u>Volunteer Fire-Rescue-EMS Departments</u> | | | | |
| Operating expense | 2,522,235 | 2,547,235 | 2,491,225 | 56,010 |
| Insurance | 1,141,838 | 1,141,838 | 1,131,000 | 10,838 |
| Capital outlay | 519,500 | 544,500 | 537,751 | 6,749 |
| Total Volunteer Fire-Rescue-EMS Departments | 4,183,573 | 4,233,573 | 4,159,976 | 73,597 |

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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|-------------------|-------------------|-------------------|-----------------|
| | Original | Final | | (Over) Under |
| <u>Detention Center</u> | | | | |
| Salaries | 5,087,708 | 5,103,574 | 5,155,452 | (51,878) |
| Operating expense | 247,675 | 247,566 | 210,471 | 37,095 |
| Utilities | 445,000 | 445,000 | 316,832 | 128,168 |
| Inmate care | 114,100 | 114,100 | 20,415 | 93,685 |
| Food | 360,000 | 360,000 | 319,892 | 40,108 |
| Contracted services | 774,344 | 780,904 | 745,574 | 35,330 |
| Capital outlay | 83,725 | 83,934 | 46,973 | 36,961 |
| Total Detention Center | <u>7,112,552</u> | <u>7,135,078</u> | <u>6,815,609</u> | <u>319,469</u> |
| <u>Emergency Management</u> | | | | |
| Salaries | 211,648 | 198,031 | 110,134 | 87,897 |
| Operating expense | 69,370 | 55,692 | 41,262 | 14,430 |
| Contracted services | 60,500 | 57,500 | 46,335 | 11,165 |
| Capital outlay | - | 10,031 | 9,939 | 92 |
| Total Emergency Management | <u>341,518</u> | <u>321,254</u> | <u>207,670</u> | <u>113,584</u> |
| <u>Fire-Rescue-EMS</u> | | | | |
| Salaries | 300,896 | 303,591 | 314,848 | (11,257) |
| Operating expense | 189,362 | 179,320 | 127,408 | 51,912 |
| Contracted services | 62,000 | 87,000 | 83,543 | 3,457 |
| Capital outlay | - | 10,042 | 9,035 | 1,007 |
| Total Fire-Rescue-EMS | <u>552,258</u> | <u>579,953</u> | <u>534,834</u> | <u>45,119</u> |
| <u>Animal Control</u> | | | | |
| Salaries | 354,481 | 354,481 | 347,657 | 6,824 |
| Operating expense | 29,600 | 64,778 | 16,710 | 48,068 |
| Vehicle supplies and repairs | 46,500 | 11,500 | 29,778 | (18,278) |
| Contracted services | 230,750 | 230,750 | 178,735 | 52,015 |
| Capital outlay | 58,000 | 58,000 | 53,390 | 4,610 |
| Total Animal Control | <u>719,331</u> | <u>719,509</u> | <u>626,270</u> | <u>93,239</u> |
| Total Public Safety | <u>29,603,043</u> | <u>29,906,564</u> | <u>29,418,694</u> | <u>487,870</u> |
| <u>General Services</u> | | | | |
| <u>Director of General Services</u> | | | | |
| Salaries | 330,223 | 330,223 | 341,668 | (11,445) |
| Operating expense | 13,099 | 13,099 | 8,979 | 4,120 |
| Contracted services | 22,827 | 22,553 | 21,934 | 619 |
| Capital outlay | - | 274 | 274 | - |
| Total Director of General Services | <u>366,149</u> | <u>366,149</u> | <u>372,855</u> | <u>(6,706)</u> |
| <u>Buildings and Grounds</u> | | | | |
| Salaries | 1,285,022 | 1,289,389 | 1,271,400 | 17,989 |
| Operating expense | 1,268,621 | 1,318,312 | 1,172,856 | 145,456 |
| Utilities | 1,233,164 | 1,250,667 | 978,406 | 272,261 |
| Maintenance and repair projects | 382,400 | 392,400 | 362,686 | 29,714 |
| Contracted services | 630,963 | 649,676 | 627,157 | 22,519 |
| Capital outlay | 44,500 | 44,375 | 43,902 | 473 |
| Total Buildings and Grounds | <u>4,844,670</u> | <u>4,944,819</u> | <u>4,456,407</u> | <u>488,412</u> |
| <u>Mosquito Control</u> | | | | |
| Salaries | 144,895 | 144,895 | 118,177 | 26,718 |
| Operating expense | 27,056 | 31,106 | 22,463 | 8,643 |
| Chemicals | 24,156 | 21,356 | 21,344 | 12 |
| Contracted services | 625 | 625 | 240 | 385 |
| Capital outlay | 22,000 | 20,750 | 19,500 | 1,250 |
| Total Mosquito Control | <u>218,732</u> | <u>218,732</u> | <u>181,724</u> | <u>37,008</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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | (Over) Under |
| <u>Parks and Recreation</u> | | | | |
| Salaries | 3,033,521 | 3,118,050 | 2,690,674 | 427,376 |
| Operating expense | 447,788 | 461,172 | 428,894 | 32,278 |
| Utilities | 180,191 | 180,191 | 172,814 | 7,377 |
| Maintenance and repair projects | 85,000 | 80,708 | 47,206 | 33,502 |
| Contracted services | 104,357 | 96,707 | 43,408 | 53,299 |
| Capital outlay | 74,152 | 82,192 | 80,440 | 1,752 |
| Total Parks and Recreation | 3,925,009 | 4,019,020 | 3,463,436 | 555,584 |
| <u>Railway Museum</u> | | | | |
| Salaries | 106,834 | 106,834 | 119,637 | (12,803) |
| Operating expense | 13,130 | 10,330 | 10,155 | 175 |
| Utilities | 7,000 | 5,313 | 4,411 | 902 |
| Contracted services | 27,046 | 31,533 | 31,512 | 21 |
| Total Railway Museum | 154,010 | 154,010 | 165,715 | (11,705) |
| <u>Calvert Marine Museum</u> | | | | |
| Salaries | 2,173,349 | 2,174,904 | 2,142,014 | 32,890 |
| Operating expense | 211,160 | 227,436 | 201,927 | 25,509 |
| Utilities | 195,567 | 195,567 | 147,602 | 47,965 |
| Maintenance and repair projects | 25,237 | 21,737 | 20,533 | 1,204 |
| Contracted services | 50,070 | 51,170 | 43,458 | 7,712 |
| Capital outlay | 25,000 | 25,570 | 24,275 | 1,295 |
| Total Calvert Marine Museum | 2,680,383 | 2,696,384 | 2,579,809 | 116,575 |
| <u>Natural Resources Division</u> | | | | |
| Salaries | 628,106 | 638,338 | 640,366 | (2,028) |
| Operating expense | 78,825 | 76,458 | 74,145 | 2,313 |
| Utilities | 46,050 | 46,050 | 32,543 | 13,507 |
| Maintenance and repair projects | 7,500 | 8,900 | 6,015 | 2,885 |
| Contracted services | 7,500 | 5,670 | 4,894 | 776 |
| Capital outlay | 31,158 | 31,739 | 25,031 | 6,708 |
| Total Natural Resources Division | 799,139 | 807,155 | 782,994 | 24,161 |
| <u>Forestry Service</u> | | | | |
| Operating expense | 20,965 | 20,965 | 20,965 | - |
| <u>Historical District Commission</u> | | | | |
| Salaries | 4,953 | 4,953 | 5,746 | (793) |
| Operating expense | 2,643 | 2,532 | 478 | 2,054 |
| Contracted services | 6,600 | 6,600 | 6,665 | (65) |
| Capital outlay | - | 111 | 110 | 1 |
| Total Historical District Commission | 14,196 | 14,196 | 12,999 | 1,197 |
| Total General Services | 13,023,253 | 13,241,430 | 12,036,904 | 1,204,526 |
| <u>Public Works</u> | | | | |
| <u>Director of Public Works/Engineering</u> | | | | |
| Salaries | 1,121,498 | 1,121,498 | 964,627 | 156,871 |
| Operating expense | 71,749 | 44,933 | 46,705 | (1,772) |
| Contracted services | 52,497 | 11,400 | 11,400 | - |
| Capital outlay | 7,941 | 21,888 | 14,616 | 7,272 |
| Total Director of Public Works/Engineering | 1,253,685 | 1,199,719 | 1,037,348 | 162,371 |
| <u>Project Management and Inspections</u> | | | | |
| Salaries | 435,275 | 435,275 | 367,572 | 67,703 |
| Operating expense | 11,860 | 29,345 | 30,339 | (994) |
| Vehicle supplies and repairs | 24,360 | 6,875 | 13,317 | (6,442) |
| Capital outlay | 22,000 | 35,900 | 32,923 | 2,977 |
| Total Project Management and Inspections | 493,495 | 507,395 | 444,151 | 63,244 |

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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|------------------|------------------|------------------|-----------------|
| | Original | Final | | (Over) Under |
| <u>Highway Maintenance</u> | | | | |
| Salaries | 1,681,387 | 1,742,292 | 1,679,746 | 62,546 |
| Operating expense | 58,784 | 391,558 | 302,050 | 89,508 |
| Vehicle supplies and repairs | 352,154 | 244,154 | 245,240 | (1,086) |
| Utilities | 23,030 | 23,030 | 18,960 | 4,070 |
| Road maintenance and repairs | 478,717 | 743,450 | 671,077 | 72,373 |
| Snow removal contractors | 412,250 | 676,895 | 667,404 | 9,491 |
| Rental service contract | 180,000 | 180,000 | 133,464 | 46,536 |
| Contracted services | 201,400 | 211,025 | 131,146 | 79,879 |
| Capital outlay | 160,480 | 166,946 | 168,112 | (1,166) |
| Total Highway Maintenance | 3,548,202 | 4,379,350 | 4,017,199 | 362,151 |
| <u>Highway Lighting</u> | | | | |
| Operating expense | 261,250 | 261,250 | 268,305 | (7,055) |
| <u>Fleet Maintenance</u> | | | | |
| Salaries | 499,130 | 509,121 | 524,597 | (15,476) |
| Operating expense | 19,030 | 24,499 | 16,592 | 7,907 |
| Vehicle supplies and repairs | 27,450 | 16,350 | (106,397) | 122,747 |
| Utilities | 29,360 | 29,360 | 25,848 | 3,512 |
| Contracted services | 17,500 | 23,375 | 23,252 | 123 |
| Capital outlay | - | 250 | 250 | - |
| Total Fleet Maintenance | 592,470 | 602,955 | 484,142 | 118,813 |
| Total Public Works | 6,149,102 | 6,950,669 | 6,251,145 | 699,524 |
| Economic Development | | | | |
| <u>EDA/EDC/Tourism</u> | | | | |
| Salaries | 815,131 | 837,475 | 824,887 | 12,588 |
| Operating expense | 258,116 | 235,270 | 128,579 | 106,691 |
| Advertising | 52,500 | 52,500 | 34,814 | 17,686 |
| Chamber of Commerce | 99,284 | - | - | - |
| Small Business Development Center | 21,000 | 21,000 | 21,000 | - |
| Contracted services | 50,000 | 63,490 | 63,540 | (50) |
| Capital outlay | 12,166 | 12,217 | 12,129 | 88 |
| Total Economic Development | 1,308,197 | 1,221,952 | 1,084,949 | 137,003 |
| Community Resources | | | | |
| <u>Director of Community Resources</u> | | | | |
| Salaries | 341,523 | 341,523 | 312,984 | 28,539 |
| Operating expense | 50,865 | 51,865 | 28,937 | 22,928 |
| Contracted services | 1,866 | 1,141 | 275 | 866 |
| Total Director of Community Resources | 394,254 | 394,529 | 342,196 | 52,333 |
| <u>Affordable Housing</u> | | | | |
| Operating expense | - | 50,000 | 10,000 | 40,000 |
| Total Affordable Housing | 10,000 | 50,000 | 10,000 | 40,000 |
| <u>Office on Aging</u> | | | | |
| Salaries | 1,238,999 | 1,238,999 | 1,095,460 | 143,539 |
| Operating expense | 103,603 | 99,532 | 78,817 | 20,715 |
| Contracted services | 68,000 | 73,750 | 71,469 | 2,281 |
| Capital outlay | | 1,350 | 1,350 | - |
| Total Office on Aging | 1,410,602 | 1,413,631 | 1,247,096 | 166,535 |

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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|--------------------|--------------------|--------------------|------------------|
| | Original | Final | | (Over) Under |
| <u>Transportation</u> | | | | |
| Salaries | 193,845 | 193,845 | 189,224 | 4,621 |
| Operating expense | 66,725 | 66,350 | 51,172 | 15,178 |
| Transportation subsidy | 50,000 | 43,329 | 43,329 | - |
| Contracted services | 34,770 | 47,610 | 39,155 | 8,455 |
| Capital outlay | - | 375 | 375 | - |
| Total Transportation | 345,340 | 351,509 | 323,255 | 28,254 |
| Total Community Resources | 2,160,196 | 2,209,669 | 1,922,547 | 287,122 |
| Education | | | | |
| College of Southern Maryland | 4,542,192 | 4,582,192 | 4,585,223 | (3,031) |
| Board of Education | 114,875,742 | 114,876,122 | 114,876,122 | - |
| <u>Public Libraries</u> | | | | |
| Salaries | 2,601,895 | 2,601,895 | 2,593,509 | 8,386 |
| Operating expense | 1,240,692 | 1,274,516 | 1,254,581 | 19,935 |
| Contracted services | 96,665 | 101,464 | 88,247 | 13,217 |
| Capital outlay | 25,990 | 25,990 | 25,500 | 490 |
| Total Public Libraries | 3,965,242 | 4,003,865 | 3,961,837 | 42,028 |
| Total Education | 123,383,176 | 123,462,179 | 123,423,182 | 38,997 |
| Social Services & Health | | | | |
| <u>Health Department</u> | | | | |
| Salaries | 20,000 | 20,000 | 15,116 | 4,884 |
| Operating expense | 2,423,116 | 2,479,741 | 2,455,385 | 24,356 |
| Womens shelter subsidy | 56,625 | - | - | - |
| Total Health Department | 2,499,741 | 2,499,741 | 2,470,501 | 29,240 |
| <u>Residential Substance Abuse Treatment</u> | | | | |
| Contracted services | 159,200 | 159,200 | 159,200 | - |
| Total Residential Substance Abuse Treatment | 159,200 | 159,200 | 159,200 | - |
| <u>Department of Social Services</u> | | | | |
| County contribution | 76,392 | 76,392 | 74,500 | 1,892 |
| <u>Housing Authority</u> | | | | |
| Salaries | 912,220 | 912,220 | 963,900 | (51,680) |
| Benefits | 492,599 | 492,599 | 494,888 | (2,289) |
| Total Housing Authority | 1,404,819 | 1,404,819 | 1,458,788 | (53,969) |
| Total Social Services & Health | 4,140,152 | 4,140,152 | 4,162,989 | (22,837) |
| Pension and Insurance | | | | |
| Pension contribution | 9,476,075 | 9,490,313 | 9,241,349 | 248,964 |
| Worker's compensation | 1,222,143 | 1,227,276 | 1,444,211 | (216,935) |
| General insurance | 708,000 | 708,000 | 682,057 | 25,943 |
| Health insurance | 8,452,031 | 8,748,250 | 9,505,064 | (756,814) |
| Other post employment benefits (OPEB) | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Total Pension and Insurance | 21,058,249 | 21,373,839 | 22,072,681 | (698,842) |
| Debt service | | | | |
| <u>Bond principal</u> | | | | |
| General obligations | 13,127,374 | 13,127,374 | 13,127,382 | (8) |
| <u>Bond interest</u> | | | | |
| General obligations | 3,957,871 | 3,957,871 | 3,952,297 | 5,574 |
| Total Debt Service | 17,085,245 | 17,085,245 | 17,079,679 | 5,566 |
| Total expenditures | 233,869,833 | 235,375,677 | 232,810,911 | 2,545,966 |

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, 2016**

| | Budgeted Amount | | Actual | Variance |
|--|-----------------------|-----------------------|-----------------------|---------------------|
| | Original | Final | | (Over) Under |
| Other financing uses | | | | |
| <u>Operating transfers out</u> | | | | |
| Transfer to Capital Projects Fund | 2,271,900 | 2,377,674 | 2,377,674 | - |
| Transfer to Grants Fund | 1,766,203 | 1,941,482 | 1,699,420 | 242,062 |
| Transfer to P&R Self-Sustaining Fund | 302,055 | 302,055 | 302,055 | - |
| Transfer to Bar Library Fund | 35,141 | 35,141 | 36,108 | (967) |
| Transfer to Chesapeake Hills Golf Course Fund | 166,200 | 166,383 | 166,383 | - |
| Transfer to Solid Waste Fund | 42,000 | 43,392 | 43,392 | - |
| Transfer to Land Preservation Fund | 403,945 | 403,945 | 403,945 | - |
| Transfer to Water & Sewer | - | 8,568 | 8,568 | - |
| Transfer to Family Network Fund | - | - | - | - |
| Transfer to Planning & Zoning Fund | - | - | - | - |
| Total other financing uses | 4,987,444 | 5,278,640 | 5,037,545 | 241,095 |
| Total expenditures and other financing uses | \$ 238,857,277 | \$ 240,654,317 | \$ 237,848,456 | \$ 2,805,861 |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF NET POSITION

JUNE 30, 2016

| | Operating Fund |
|---|---------------------------|
| ASSETS | |
| Cash, cash equivalents and investments | \$ 1,779,024 |
| Notes receivable | - |
| Accrued interest receivable | 1,121 |
| Due from primary government | 190,222 |
| Capital assets (not being depreciated) | 22,191 |
| Total assets | <u>\$ 1,992,558</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 | 1,970,335 |
| Total net position | <u>\$ 1,992,526</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2016

| | <u>Operating Fund</u> |
|---|---------------------------|
| Operating revenues: | |
| Charges for services | \$ 551 |
| Miscellaneous income | - |
| Total operating revenues | <u>551</u> |
| Operating expenses: | |
| Contracted services | 1,298 |
| Miscellaneous | 907 |
| Total operating expenses | <u>2,205</u> |
| Operating income (loss) | <u>(1,654)</u> |
| Non-operating revenues (expenses): | |
| Investment income | 6,113 |
| Investment expense | <u>(1,020)</u> |
| Total non-operating revenues (expenses) | <u>5,093</u> |
| Change in net position | 3,439 |
| Total net position - beginning | <u>1,989,087</u> |
| Total net position - ending | <u>\$ 1,992,526</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2016**

| | <u>Water Systems</u> | <u>Sewer Systems</u> | <u>Contracted Systems</u> | <u>Administrative and Shared Costs</u> | <u>Total</u> |
|--|--------------------------|--------------------------|-------------------------------|--|----------------------|
| <u>Operating revenues</u> | | | | | |
| Charges for services | \$ 2,533,698 | \$ 4,302,803 | \$ 101,530 | \$ - | \$ 6,938,031 |
| <u>Operating expenses</u> | | | | | |
| Salaries & benefits | 472,285 | 856,329 | 87,714 | 1,234,648 | 2,650,976 |
| Contracted services | 98,033 | 536,691 | 1,202 | 27,944 | 663,870 |
| Supplies | 72,552 | 138,354 | 2,523 | 32,065 | 245,494 |
| Heat, light and power | 180,157 | 391,594 | - | - | 571,751 |
| Depreciation | 815,181 | 1,469,757 | - | 93,484 | 2,378,422 |
| Miscellaneous | 11,780 | 413 | 154 | 50,446 | 62,793 |
| Telephone | 406 | 3,429 | 344 | 14,432 | 18,611 |
| Compensated absences | 7,546 | 12,038 | 832 | (11,171) | 9,245 |
| Maintenance and repairs | 266,652 | 187,598 | 2,922 | 78,229 | 535,401 |
| Capital outlay | 41,512 | 47,704 | 85 | 7,812 | 97,113 |
| Total operating expenses | <u>1,966,104</u> | <u>3,643,907</u> | <u>95,776</u> | <u>1,527,889</u> | <u>7,233,676</u> |
| Operating income (loss) | <u>567,594</u> | <u>658,896</u> | <u>5,754</u> | <u>(1,527,889)</u> | <u>(295,645)</u> |
| <u>Non-operating revenues (expenses)</u> | | | | | |
| Grants | 750,000 | - | - | - | 750,000 |
| Deferred amount on refunding | - | - | - | - | - |
| Miscellaneous income | 31,849 | 3,899 | - | 14,534 | 50,282 |
| FEMA grant reimbursement | - | - | - | 2,715 | 2,715 |
| Tower revenue | 127,358 | - | - | - | 127,358 |
| Investment income | 5,770 | 28,596 | - | 15,212 | 49,578 |
| Interest expense | (150,370) | (455,201) | - | - | (605,571) |
| Administrative allocation | (890,117) | (590,989) | (5,754) | 1,486,860 | - |
| Total non-operating revenues (expenses) | <u>(125,510)</u> | <u>(1,013,695)</u> | <u>(5,754)</u> | <u>1,519,321</u> | <u>374,362</u> |
| Income (loss) before contributions and transfers | 442,084 | (354,799) | - | (8,568) | 78,717 |
| <u>Transfers</u> | | | | | |
| Transfers in (out) | - | - | - | 8,568 | 8,568 |
| Capital connection charges | 142,483 | 267,650 | - | - | 410,133 |
| Developer contribution | - | 415,629 | - | - | 415,629 |
| Change in net position | 584,567 | 328,480 | - | - | 913,047 |
| Total net position - beginning | <u>6,179,337</u> | <u>21,153,460</u> | <u>-</u> | <u>1,999,832</u> | <u>29,332,629</u> |
| Total net position - ending | <u>\$ 6,763,904</u> | <u>\$ 21,481,940</u> | <u>\$ -</u> | <u>\$ 1,999,832</u> | <u>\$ 30,245,676</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2016**

| | <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 | \$ 10,366,164,334 | \$ 0.892 | \$ 92,466,186 | \$ 90,360,373 | \$ 2,105,813 |
| For half year levy | 47,482,560 | 0.446 | 211,772 | 211,772 | - |
| North Beach | 237,230,967 | 0.556 | 1,319,004 | 1,319,004 | - |
| Chesapeake Beach | 754,249,032 | 0.556 | 4,193,625 | 4,193,625 | - |
| Total real property | <u>11,405,126,893</u> | | <u>98,190,587</u> | <u>96,084,774</u> | <u>2,105,813</u> |
| Personal property, including corporations and banks | 127,322,557 | 2.230 | 2,839,293 | 2,548,489 | 290,804 |
| Public utilities operating and personal property | <u>878,734,490</u> | 2.230 | <u>19,595,779</u> | <u>19,595,779</u> | <u>-</u> |
| Total current year | <u>\$ 12,411,183,940</u> | | <u>\$ 120,625,659</u> | <u>\$ 118,229,042</u> | <u>\$ 2,396,617</u> |
| Prior years, real, personal, and corporate property | | | | | |
| | | | | | 1,504,477 |
| Accrued interest receivable and service charge | | | | | |
| | | | | | <u>1,395,837</u> |
| Total prior years, accrued interest and interest and outstanding tax credit | | | | | |
| | | | | | <u>2,900,314</u> |
| Total taxes receivable - county portion | | | | | |
| | | | | | 5,296,931 |
| Taxes receivable - state portion, net of tax credits | | | | | |
| | | | | | 486,667 |
| Taxes receivable - towns portion, net of tax credits | | | | | |
| | | | | | 289,768 |
| Bay Restoration fee due to state - billed with Real estate taxes | | | | | |
| | | | | | <u>32,246</u> |
| Total taxes receivable | | | | | |
| | | | | | <u>\$ 6,105,612</u> |

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
CALVERT COUNTY FAMILY NETWORK
FOR THE YEAR ENDED JUNE 30, 2016**

| | Healthy Families | YSB | LAM | Resource Development | CCFN Administrative Healthy Fam | CCFN Administrative GOC | Total |
|--|-----------------------------|---------------|----------------|---------------------------------|--|--|----------------|
| REVENUES | | | | | | | |
| Federal revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State revenue | 246,780 | 53,256 | 131,166 | 25,000 | 5,793 | 64,793 | 526,788 |
| Total revenues | 246,780 | 53,256 | 131,166 | 25,000 | 5,793 | 64,793 | 526,788 |
| EXPENDITURES | | | | | | | |
| Salaries | - | - | - | - | - | 39,882 | 39,882 |
| Printing & office supp | - | - | - | - | 1,288 | - | 1,288 |
| Postage | - | - | - | - | 152 | - | 152 |
| Mileage allowance | - | - | - | - | 1,419 | - | 1,419 |
| Conferences/Training | - | - | - | - | 899 | 375 | 1,274 |
| Board of Education | 246,780 | - | - | - | - | - | 246,780 |
| Contracted services | - | 53,256 | 131,166 | 25,000 | 85 | 3,000 | 212,507 |
| Telephone/comm | - | - | - | - | 555 | - | 555 |
| Computer hardware | - | - | - | - | 1,395 | - | 1,395 |
| Benefits | - | - | - | - | - | 21,536 | 21,536 |
| Total expenditures | 246,780 | 53,256 | 131,166 | 25,000 | 5,793 | 64,793 | 526,788 |
| Excess (deficiency) of revenues over expenditures | - | - | - | - | - | - | - |
| Fund balance - beginning of year | - | - | - | - | - | - | - |
| Fund balance - end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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

Statistical Section



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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*FINANCIAL TREND DATA
JUNE 30, 2016*

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
(acrual basis of accounting)
(unaudited, see related notes below)
Schedule 1

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 96,731,172 | \$ 100,994,016 | \$ 109,942,360 | \$ 110,447,873 | \$ 109,943,246 | \$ 119,780,770 | \$ 123,176,653 | \$ 126,029,053 | \$ 125,502,206 | \$ 137,904,262 |
| Restricted | 9,246,067 | 7,763,481 | 11,968,498 | 13,275,882 | 17,137,497 | 18,047,917 | 15,851,897 | 17,696,426 | 16,490,109 | 15,848,117 |
| Unrestricted | 69,049,348 | 78,491,069 | 49,470,223 | 33,885,557 | 43,142,024 | 36,289,294 | 19,741,178 | 9,297,242 | (24,745,446) | (29,839,359) |
| Total governmental activities net position | \$ 175,026,587 | \$ 187,248,566 | \$ 171,381,081 | \$ 157,609,312 | \$ 170,222,767 | \$ 174,117,981 | \$ 158,769,728 | \$ 153,022,721 | \$ 117,246,869 | \$ 123,883,020 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 32,980,825 | \$ 34,722,581 | \$ 38,558,942 | \$ 34,365,814 | \$ 34,549,717 | \$ 29,333,105 | \$ 28,900,840 | \$ 15,498,941 | \$ 27,576,501 | \$ 26,802,823 |
| Restricted | 4,386,023 | 5,674,336 | 2,704,915 | 2,359,895 | 2,336,457 | 2,130,523 | 2,187,836 | 1,979,832 | 2,729,885 | 2,837,651 |
| Unrestricted | (3,535,383) | (5,965,771) | (2,823,574) | 1,539,588 | 897,574 | 2,321,405 | 3,785,496 | 14,349,672 | 6,324,182 | 7,377,772 |
| Total business-type activities net position | \$ 33,831,465 | \$ 34,431,146 | \$ 38,440,283 | \$ 38,265,297 | \$ 37,783,748 | \$ 33,785,033 | \$ 34,874,172 | \$ 31,828,445 | \$ 36,630,568 | \$ 37,018,246 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 129,711,997 | \$ 135,716,597 | \$ 148,501,302 | \$ 144,813,687 | \$ 144,492,963 | \$ 149,113,875 | \$ 152,077,493 | \$ 141,527,994 | \$ 153,078,707 | \$ 164,707,085 |
| Restricted | 13,632,090 | 13,437,817 | 14,673,413 | 15,635,777 | 19,473,954 | 20,178,440 | 18,039,733 | 19,676,258 | 19,219,994 | 18,655,768 |
| Unrestricted | 65,513,965 | 72,525,298 | 46,646,649 | 35,425,145 | 44,039,598 | 38,610,699 | 23,526,674 | 23,646,914 | (18,421,264) | (22,461,587) |
| Total primary government net position | \$ 208,858,052 | \$ 221,679,712 | \$ 209,821,364 | \$ 195,874,609 | \$ 208,006,515 | \$ 207,903,014 | \$ 193,643,900 | \$ 184,851,166 | \$ 153,877,437 | \$ 160,901,266 |

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 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 19,378,201 | \$ 21,118,928 | \$ 19,068,759 | \$ 10,729,459 | \$ 20,454,675 | \$ 20,481,137 | \$ 10,872,517 | \$ 16,415,357 | \$ 14,936,264 | \$ 16,449,176 |
| Public safety | 25,832,813 | 28,440,488 | 31,997,935 | 31,297,136 | 28,670,766 | 31,706,576 | 33,874,212 | 35,084,015 | 33,357,949 | 33,179,360 |
| Public works | 16,294,562 | 12,747,610 | 18,172,391 | 24,131,844 | 15,059,870 | 17,878,045 | 14,672,326 | 16,435,645 | 6,819,703 | 1,459,120 |
| General services | (3) | - | - | - | - | - | - | 15,124,898 | 24,336,696 | 21,973,307 |
| Health and hospitals | 3,091,069 | 3,059,513 | 3,451,586 | 2,128,412 | 3,407,428 | 3,408,940 | 3,670,682 | - | - | - |
| Social services and health | 9,205,328 | 9,674,760 | 10,721,194 | 11,660,259 | 10,931,198 | 10,645,671 | 11,925,326 | 7,839,422 | 8,384,212 | 5,287,965 |
| Education | 2,991,382 | 3,048,939 | 3,478,087 | 4,614,647 | 4,263,196 | 4,405,156 | 5,278,673 | 143,384,137 | 152,746,925 | 151,866,641 |
| Board of Education | 90,378,744 | 108,689,460 | 122,637,685 | 133,561,524 | 128,257,599 | 129,427,039 | 141,921,641 | - | - | - |
| Recreation and culture | 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 | 10,602,140 | 10,887,011 |
| Conservation of natural resources | 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 | 1,326,831 | 1,378,660 | 2,603,275 | 2,643,490 | 2,521,746 | 2,170,117 | 2,050,230 | - | - | - |
| Economic development | 1,430,435 | 1,209,545 | 1,465,651 | 1,852,710 | 1,580,260 | 1,592,887 | 1,465,743 | 1,440,317 | 1,476,461 | 1,358,480 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Capital projects | 2,034,100 | - | - | - | - | - | - | - | - | - |
| Interest on long-term debt | - | - | - | - | - | - | - | - | - | - |
| Debt service | 3,640,050 | 4,180,761 | 4,822,828 | 4,726,867 | 4,859,414 | 4,980,102 | 4,784,558 | 4,459,599 | 4,253,148 | 3,653,348 |
| Subtotal governmental activities expenses | 187,634,990 | 206,595,806 | 229,582,306 | 233,913,099 | 233,829,920 | 248,022,612 | 249,152,006 | 251,780,740 | 256,913,498 | 246,114,408 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 5,782,763 | 6,063,824 | 6,383,249 | 6,955,914 | 6,595,252 | 6,707,332 | 7,101,088 | 7,512,161 | 7,540,595 | 7,839,247 |
| Solid waste | 11,588,833 | 11,110,091 | 10,848,552 | 10,101,302 | 9,877,661 | 10,717,986 | 9,285,367 | 9,272,715 | 9,919,346 | 11,034,789 |
| Culture | 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 | 20,670,251 | 20,569,489 | 21,244,487 | 21,408,033 | 21,012,463 | 21,009,262 | 19,933,469 | 16,784,876 | 17,459,941 | 18,874,036 |
| Total primary government expenses | \$ 208,305,241 | \$ 227,165,295 | \$ 250,826,793 | \$ 255,321,132 | \$ 254,842,383 | \$ 269,031,874 | \$ 269,085,475 | \$ 268,565,616 | \$ 274,373,439 | \$ 264,988,444 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,733,752 | \$ 4,234,723 | \$ 4,595,411 | \$ 4,985,993 | \$ 4,851,711 | \$ 4,268,793 | \$ 1,276,505 | \$ 3,863,865 | \$ 3,123,014 | \$ 3,536,990 |
| Public safety | 6,925,881 | 7,166,206 | 7,364,299 | 7,713,006 | 7,107,185 | 8,611,189 | 6,861,256 | 7,575,374 | 7,318,474 | 7,738,306 |
| Public works | 7,282,186 | 6,388,285 | 6,434,341 | 1,642,677 | 2,799,539 | 1,852,926 | 984,717 | 4,736,720 | 2,259,791 | 1,374,197 |
| General services | (3) | - | - | - | - | - | - | 9,252,611 | 6,112,661 | 6,661,050 |
| Health and hospitals | 70,687 | 58,399 | 38,737 | 47,213 | 52,958 | 288,278 | 155,481 | - | - | - |
| Social services and health | 1,014,712 | 797,476 | 1,049,527 | 698,277 | 1,239,016 | 1,761,833 | 1,819,987 | - | - | - |
| Education | 8,299 | 4,000 | - | 107,940 | - | 155,680 | - | 927,936 | 975,595 | 980,976 |
| Board of Education | 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 | 2,615,570 | 2,865,589 |
| Conservation of natural resources | 744,522 | 336,473 | 1,330,446 | 184,610 | 248,853 | 368,640 | 1,623,509 | - | - | - |
| Urban development and housing | 997,111 | 961,195 | 1,022,376 | 1,071,636 | 1,109,510 | 1,223,258 | 1,133,168 | - | - | - |
| Economic development | 1,058,562 | 929,119 | 838,483 | 698,198 | 591,273 | 615,199 | 508,714 | 519,213 | 509,332 | 526,788 |
| Miscellaneous | - | - | - | - | - | - | 1,059,594 | - | - | - |
| Capital projects | 1,707,441 | 1,356,301 | 2,334,409 | - | - | - | 2,009,948 | 6,300 | 6,299 | 6,299 |
| Interest on long-term debt | - | - | - | - | - | - | - | - | - | - |
| Debt service | 636,098 | 639,458 | 636,352 | 636,802 | 7,441 | 7,441 | 6,299 | - | - | - |
| Subtotal governmental activities revenues | 26,728,996 | 26,225,301 | 29,030,373 | 22,336,907 | 22,281,348 | 28,870,232 | 22,166,273 | 29,793,022 | 22,920,736 | 23,690,195 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 4,696,931 | 5,529,760 | 6,197,143 | 6,051,786 | 6,132,568 | 6,777,888 | 7,569,754 | 8,055,087 | 11,981,872 | 8,694,148 |
| Solid waste | 12,524,486 | 11,626,494 | 11,238,260 | 10,235,471 | 10,100,142 | 10,666,677 | 9,486,553 | 9,343,991 | 10,162,015 | 10,444,622 |
| Culture | 732,755 | 837,528 | 1,201,750 | 1,750,751 | 1,488,473 | 1,300,918 | 1,358,582 | - | - | - |
| Subtotal business-type activities revenues | 17,954,172 | 17,993,782 | 18,637,153 | 18,038,008 | 17,721,183 | 18,745,483 | 18,414,889 | 17,399,078 | 22,143,887 | 19,138,770 |
| Total primary government revenues | \$ 44,683,168 | \$ 44,219,083 | \$ 47,667,526 | \$ 40,374,915 | \$ 40,002,531 | \$ 47,615,715 | \$ 40,581,162 | \$ 47,192,100 | \$ 45,064,623 | \$ 42,828,965 |

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

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ (16,644,449) | \$ (16,884,205) | \$ (14,473,348) | \$ (5,743,466) | \$ (15,602,964) | \$ (16,212,344) | \$ (9,596,012) | \$ (12,551,492) | \$ (11,813,250) | \$ (12,912,186) |
| Public safety | (18,906,932) | (21,274,282) | (24,633,636) | (23,584,130) | (21,563,581) | (23,095,387) | (27,012,956) | (27,508,641) | (26,039,475) | (25,441,054) |
| Public works | (9,012,376) | (6,359,325) | (11,738,050) | (22,489,167) | (12,260,331) | (16,025,119) | (13,687,609) | (11,698,925) | (4,559,912) | (84,923) |
| (3) | - | - | - | - | - | - | - | (5,872,287) | (18,224,035) | (15,312,257) |
| General Services | (3,020,382) | (3,001,114) | (3,412,849) | (2,081,199) | (3,354,470) | (3,120,662) | (3,515,201) | - | - | - |
| Health and hospitals | (8,190,616) | (8,877,284) | (9,671,667) | (10,961,982) | (9,692,182) | (8,883,838) | (10,105,339) | (7,839,422) | (8,384,212) | (5,287,965) |
| Social services and health | (2,983,083) | (3,044,939) | (3,478,087) | (4,506,707) | (4,249,476) | (4,249,476) | (5,278,673) | (142,456,201) | (151,771,330) | (150,885,665) |
| Education | (90,378,744) | (108,689,460) | (122,637,685) | (132,595,737) | (128,117,396) | (124,853,045) | (141,921,641) | - | - | - |
| Board of Education | (7,058,932) | (7,876,998) | (6,175,072) | (1,408,273) | (6,296,547) | (11,640,197) | (10,974,005) | (8,686,347) | (7,986,570) | (8,021,422) |
| Community resources | (678,276) | (1,480,005) | (271,405) | (1,389,100) | (3,144,709) | (4,175,104) | (1,311,489) | - | - | - |
| Conservation of natural resources | (329,720) | (417,465) | (1,580,899) | (1,571,854) | (1,412,236) | (946,859) | (917,062) | - | - | - |
| Urban development and housing | (371,873) | (280,426) | (627,168) | (1,154,512) | (988,987) | (977,688) | (957,029) | (921,104) | (967,129) | (831,692) |
| Economic development | (326,659) | 1,356,301 | 2,334,409 | - | - | - | 1,059,594 | - | - | - |
| Miscellaneous | (3,003,952) | (3,541,303) | (4,186,476) | (4,090,065) | (4,851,973) | (4,972,661) | (4,778,259) | (4,453,299) | (4,246,849) | (3,647,049) |
| Capital projects | (160,905,994) | (180,370,505) | (200,551,933) | (211,576,192) | (211,548,572) | (219,152,380) | (226,985,733) | (221,987,718) | (233,992,762) | (222,424,213) |
| Debt service | (1,085,832) | (534,064) | (186,106) | (904,128) | (462,684) | 70,556 | 468,666 | 542,926 | 4,441,277 | 854,901 |
| Interest on long-term debt | 935,653 | 516,403 | 389,708 | 134,160 | 222,481 | (51,309) | 201,186 | 71,276 | 242,669 | (590,167) |
| Subtotal governmental activities expenses | (2,565,900) | (2,558,046) | (2,810,936) | (2,600,066) | (3,051,077) | (2,289,026) | (2,188,432) | - | - | - |
| Business-type activities: | (2,716,079) | (2,575,707) | (2,607,334) | (3,370,025) | (3,291,580) | (2,263,779) | (1,518,580) | 614,202 | 4,683,946 | 264,734 |
| Water and sewer | (163,622,073) | (182,946,212) | (203,159,267) | (214,946,217) | (214,839,852) | (221,416,159) | (228,504,313) | (221,373,516) | (229,308,816) | (222,159,479) |
| Solid waste | 11,886,520 | 63,477,715 | 54,280,021 | 55,475,403 | 69,711,237 | 63,576,777 | 60,726,847 | 62,141,903 | 67,569,054 | 77,059,728 |
| Culture | 107,310 | 23,377 | 30,212 | 25,009 | 25,803 | 30,938 | 29,720 | 14,776 | 17,598 | 17,456 |
| Subtotal business-type activities expenses | 892,707 | 984,342 | 1,078,080 | 1,110,311 | 1,169,776 | 1,192,010 | 1,274,815 | 1,366,119 | 1,404,676 | 1,485,691 |
| Total primary government expenses | 157,516 | 148,115 | 119,546 | 114,013 | 113,753 | 127,458 | 237,928 | 687,334 | 861,256 | 834,149 |
| State reimbursement of electricity deregulation | 6,096,574 | 5,897,437 | - | - | - | - | - | - | - | - |
| Interest and dividends | 6,358,189 | 5,871,258 | 3,362,353 | 933,632 | 442,937 | 1,132,781 | 367,372 | 493,295 | 208,890 | 374,256 |
| Miscellaneous | (2,491,052) | (2,832,139) | (6,488,195) | (3,103,889) | (2,675,232) | (2,767,232) | (2,492,607) | (53,000) | (53,630) | (51,960) |
| Subtotal governmental activities revenues | 183,666,698 | 192,592,484 | 184,684,448 | 197,804,423 | 224,162,027 | 218,474,150 | 211,637,480 | 212,570,066 | 217,936,592 | 229,060,364 |
| Business-type activities: | | | | | | | | | | |
| Interest and dividends | 3,007,698 | 3,175,388 | 6,616,470 | 3,195,039 | 2,809,731 | 3,022,097 | 2,607,719 | 120,201 | 118,177 | 70,984 |
| Miscellaneous | 3,007,698 | 3,175,388 | 6,616,470 | 3,195,039 | 2,809,731 | 3,022,097 | 2,607,719 | 120,201 | 118,177 | 51,960 |
| Subtotal business-type activities revenues | 186,674,396 | 195,767,872 | 191,300,918 | 200,999,462 | 226,971,758 | 221,496,247 | 214,245,199 | 212,690,267 | 218,054,769 | 229,183,308 |
| Total primary government revenues | \$ 22,760,704 | \$ 12,221,979 | \$ (15,867,485) | \$ (13,771,769) | \$ 12,613,455 | \$ (678,230) | \$ (15,348,253) | \$ (9,417,652) | \$ (16,056,170) | \$ 6,636,151 |
| Governmental activities | 291,619 | 599,681 | 4,009,136 | (174,986) | (481,549) | 758,318 | 1,089,139 | 734,403 | 4,802,123 | 387,678 |
| Business-type activities | \$ 23,052,323 | \$ 12,821,660 | \$ (11,858,349) | \$ (13,946,755) | \$ 12,131,906 | \$ 80,088 | \$ (14,259,114) | \$ (8,683,249) | \$ (11,254,047) | \$ 7,023,829 |

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

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Real and personal property taxes | \$ 94,728,796 | \$ 106,121,819 | \$ 122,918,020 | \$ 133,981,114 | \$ 146,790,799 | \$ 146,449,619 | \$ 141,281,902 | \$ 138,767,620 | \$ 138,193,758 | \$ 139,219,905 |
| Income taxes | 59,064,889 | 62,153,000 | 58,370,205 | 56,136,128 | 62,668,488 | 64,199,044 | 64,127,088 | 66,768,748 | 71,289,228 | 74,566,392 |
| Admission and amusements | 107,310 | 23,377 | 30,212 | 25,009 | 25,803 | 30,938 | 29,720 | 14,776 | 17,598 | 17,456 |
| Recordation | 11,664,698 | 9,114,661 | 5,799,985 | 5,690,348 | 5,330,746 | 5,180,576 | 5,909,376 | 6,170,922 | 6,308,065 | 7,551,986 |
| Trailer parks | 157,516 | 148,115 | 119,546 | 114,013 | 113,753 | 127,458 | 237,928 | 127,186 | 142,449 | 114,682 |
| Hotel (2) | 644,328 | 785,519 | 763,877 | 693,265 | 815,416 | 753,981 | 634,973 | 560,148 | 718,807 | 719,467 |
| Highway user revenue (3) | 5,947,234 | 5,701,044 | 5,077,195 | 256,759 | 410,452 | 281,653 | 513,103 | 541,727 | 570,547 | 587,376 |
| Franchise | 892,707 | 984,342 | 1,078,080 | 1,110,311 | 1,169,776 | 1,192,010 | 1,274,815 | 1,366,119 | 1,404,676 | 1,485,691 |
| Total Taxes | \$ 173,207,478 | \$ 185,031,877 | \$ 194,157,120 | \$ 198,006,947 | \$ 217,325,233 | \$ 218,215,279 | \$ 214,008,905 | \$ 214,317,246 | \$ 218,645,128 | \$ 224,262,955 |

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 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011(2) | FY2012(2) | FY2013(2) | FY2014(2) | FY2015(2) | FY2016(2) |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <i>(prior to GASB 54)</i> | | | | | | | | | | |
| Reserved | \$ 9,195,518 | \$ 12,562,828 | \$ 11,452,788 | \$ 10,438,949 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved Undesignated | 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 | 7,288,398 | 8,181,368 |
| Restricted | - | - | - | - | 64,861 | - | - | - | - | 54,030 |
| Committed | - | - | - | - | 20,913,418 | 21,430,248 | 21,983,132 | 21,943,607 | 22,100,797 | 22,838,421 |
| Assigned | - | - | - | - | 9,246,000 | 8,218,619 | 9,718,619 | 9,718,619 | 6,218,619 | 6,218,619 |
| Unassigned | - | - | - | - | 26,763,823 | 27,321,625 | 27,228,179 | 20,212,026 | 16,622,116 | 14,200,844 |
| Total General Fund | \$ 63,418,813 | \$ 68,241,924 | \$ 59,775,985 | \$ 57,249,554 | \$ 66,543,067 | \$ 66,515,686 | \$ 67,028,204 | \$ 60,191,628 | \$ 52,229,930 | \$ 51,493,282 |
| All other governmental funds | | | | | | | | | | |
| <i>(prior to GASB 54)</i> | | | | | | | | | | |
| Reserved | \$ 50,549 | \$ 7,763,481 | \$ 11,968,498 | \$ 13,099,967 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 17,170,651 | 12,666,097 | 6,740,235 | 6,348,586 | - | - | - | - | - | - |
| Capital projects funds | 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 | 36,639 | 79,653 |
| Restricted | - | - | - | - | 3,750 | 2,114,579 | 586,267 | 847,698 | 11,346,283 | 11,916,681 |
| Committed | - | - | - | - | 6,768,471 | 9,605,033 | 6,199,410 | 8,838,839 | 5,114,088 | 3,864,003 |
| Assigned | - | - | - | - | 44,721,770 | 34,586,829 | 30,329,564 | 27,941,051 | 17,532,230 | 6,366,498 |
| Unassigned | - | - | - | - | - | - | (60,100) | (75,287) | (137,623) | - |
| Total all other governmental funds | \$ 62,776,472 | \$ 71,929,632 | \$ 62,776,080 | \$ 53,778,639 | \$ 61,848,751 | \$ 53,476,498 | \$ 46,319,947 | \$ 44,745,115 | \$ 33,891,617 | \$ 22,226,835 |

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

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|---|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 177,201,666 | \$ 188,241,056 | \$ 196,977,670 | \$ 200,892,163 | \$ 219,762,773 | \$ 220,823,988 | \$ 218,829,059 | \$ 217,073,039 | \$ 221,813,316 | \$ 226,781,277 |
| Licenses and permits | 257,518 | 281,266 | 238,143 | 328,671 | 292,301 | 304,571 | 307,553 | 336,520 | 288,914 | 325,668 |
| Intergovernmental | 16,779,720 | 15,069,474 | 12,250,124 | 10,635,443 | 10,939,016 | 10,137,812 | 12,204,498 | 15,528,056 | 11,700,996 | 11,644,413 |
| Charges for services | 3,202,758 | 3,670,167 | 3,768,064 | 3,585,775 | 3,337,111 | 3,303,365 | 4,067,291 | 5,474,201 | 5,886,992 | 5,879,714 |
| Fines and forfeitures | 289,052 | 356,049 | 319,280 | 340,061 | 598,175 | 477,806 | 550,153 | 654,540 | 657,909 | 536,954 |
| Miscellaneous | 12,016,603 | 12,625,951 | 10,739,918 | 8,123,831 | 7,147,229 | 15,496,237 | 4,442,587 | 5,095,650 | 4,283,003 | 5,096,726 |
| Total revenues | 209,747,317 | 220,243,963 | 224,293,199 | 223,905,944 | 242,076,605 | 250,543,779 | 240,401,141 | 244,162,026 | 244,631,132 | 250,264,752 |
| EXPENDITURES | | | | | | | | | | |
| General government | 15,349,833 | 16,736,565 | 16,078,913 | 15,189,984 | 15,511,172 | 16,164,778 | 17,375,391 | 12,050,068 | 13,664,930 | 18,293,486 |
| Public safety | 21,663,919 | 24,008,176 | 26,237,282 | 25,987,152 | 26,616,262 | 27,372,685 | 27,785,783 | 27,740,436 | 28,642,775 | 28,865,454 |
| General services | - | - | - | - | - | - | (h) | 16,357,060 | 16,101,033 | 16,099,868 |
| Public works | 10,599,520 | 7,656,572 | 11,224,501 | 10,984,725 | 9,103,252 | 9,758,758 | 7,826,188 | 9,510,233 | 8,163,402 | 6,073,958 |
| Health and hospitals | 2,600,707 | 2,667,985 | 2,819,937 | 2,774,768 | 2,627,530 | 2,767,520 | 2,758,231 | 2,758,231 | - | - |
| Social services and health | 7,672,234 | 8,347,844 | 8,765,417 | 8,957,279 | 8,314,076 | 8,351,728 | 8,942,207 | 6,468,234 | 6,589,566 | 4,162,989 |
| Education - other | 2,521,895 | 2,660,762 | 2,856,298 | 3,031,586 | 3,268,987 | 3,490,522 | 3,992,701 | 7,929,833 | 8,071,526 | 8,547,060 |
| Board of Education | 95,104,149 | 97,782,359 | 110,611,519 | 114,137,687 | 105,010,110 | 109,059,947 | 110,284,424 | 113,844,157 | 116,258,108 | 115,334,741 |
| Recreation and culture | 8,286,634 | 8,900,443 | 9,783,163 | 9,916,945 | 10,987,198 | 11,202,674 | 11,716,965 | - | - | - |
| Conservation of natural resources | 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 | 1,124,533 | 1,239,214 | 1,978,608 | 1,982,486 | 1,914,857 | 2,003,182 | 1,519,637 | - | - | - |
| Economic development | 1,215,905 | 1,062,995 | 1,205,616 | 1,209,744 | 1,234,891 | 1,273,769 | 1,099,378 | 1,130,190 | 1,167,949 | 1,066,088 |
| Community resources | - | - | - | - | - | - | (h) | 8,952,113 | 8,254,333 | 8,494,081 |
| Miscellaneous | 14,370,535 | 18,279,910 | 19,880,661 | 18,890,672 | 23,205,341 | 29,522,254 | 21,290,423 | - | - | - |
| Pension and insurance | - | - | - | - | - | - | - | - | 23,367,037 | 22,072,681 |
| Capital projects | 24,649,617 | 20,687,852 | 24,807,060 | 21,249,637 | 16,350,785 | 21,690,541 | 17,664,025 | 19,443,595 | 15,816,466 | 16,524,137 |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Principal retirement | 8,724,561 | 9,967,111 | 11,513,920 | 12,024,609 | 11,233,501 | 10,971,736 | 11,654,816 | 12,113,675 | 12,910,722 | 13,127,382 |
| Interest | 3,441,562 | 4,326,306 | 4,807,328 | 4,851,414 | 4,631,143 | 5,108,954 | 4,805,625 | 4,530,901 | 4,384,851 | 3,952,297 |
| Refunding expense | - | - | - | - | - | - | - | 9,367 | - | - |
| Total expenditures | 218,607,711 | 226,005,601 | 253,879,494 | 252,223,009 | 242,619,199 | 262,336,752 | 251,013,966 | 259,311,046 | 263,392,698 | 262,614,222 |
| Excess (deficiency) of revenues over expenditures | (8,860,394) | (5,761,638) | (29,586,295) | (28,317,065) | (542,594) | (11,792,973) | (10,612,825) | (15,149,020) | (18,761,566) | (12,349,470) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from bond issuance | 29,780,000 | 22,250,000 | 18,485,000 | 24,344,988 | 19,256,000 | 5,773,720 | 5,415,000 | 5,760,000 | - | - |
| Amount deposited in refunding escrow | - | - | - | (5,191,344) | - | - | - | - | - | - |
| Premium of issuance of debt | 692,322 | 290,047 | 50,806 | 743,436 | 1,326,199 | 568,872 | 448,460 | 281,302 | - | - |
| Refunding bonds issued | - | - | - | - | - | 21,785,000 | 10,437,071 | - | - | - |
| Premium on refunding bonds issued | - | - | - | - | - | 2,422,139 | 1,591,835 | - | - | - |
| Amount deposited in refunding escrow | - | - | - | - | - | (24,207,139) | (12,028,906) | - | - | - |
| Forgiveness of debt | - | - | - | - | - | - | - | - | - | - |
| Transfers in - other | 15,920,176 | 10,180,740 | 14,092,643 | 10,296,056 | 11,355,542 | 11,966,387 | 11,216,313 | 12,975,736 | 14,872,453 | 13,017,754 |
| Transfers out - other | (18,411,229) | (13,012,879) | (20,631,644) | (13,399,945) | (14,031,522) | (14,915,640) | (13,708,920) | (13,040,736) | (14,926,083) | (13,069,714) |
| Total other financing sources (uses) | 27,981,269 | 19,707,908 | 11,996,805 | 16,793,191 | 17,906,219 | 3,393,339 | 3,370,853 | 5,976,302 | (53,630) | (51,960) |
| Net change in fund balances | \$ 19,120,875 | \$ 13,946,270 | \$ (17,589,490) | \$ (11,523,872) | \$ 17,363,625 | \$ (8,399,634) | \$ (7,241,972) | \$ (9,172,718) | \$ (18,815,196) | \$ (12,401,430) |
| Debt service as a percentage of noncapital expenditures | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) |
| | 7.18% | 7.64% | 8.80% | 8.76% | 7.50% | 6.86% | 7.54% | 7.35% | 6.80% | 6.99% |

NOTES:
(1) Governmental fund information is reported on the modified accrual basis of accounting.
(1) Debt service represents debt service principal, interest and any proceeds of bond issuance.
(2) 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.
(3) Calculation based on Debt Service divided by Expenditures minus Capital Outlays (pg. 21).
(4) 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, 2016*

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

The revenue capacity schedules are:

- Assessed and estimated actual value of taxable property
- Direct and overlapping real property tax rates
- Principal property taxpayers
- Summary of property tax levies and collections

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

| Fiscal Year | Real Property | | | | | Personal Property | | | Total | | | % Taxable Assessed to total | |
|-------------|------------------|-----------------|------------------------|-------------|------------------|-------------------|-------------|------------------|------------------------|------------------------|------------------------|-----------------------------|------------------------|
| | Assessed Value | Exempt Property | Taxable Assessed Value | Direct Rate | Assessed Value | Assessed Value | Direct Rate | Assessed Value | Taxable Assessed Value | Estimated Actual Value | Estimated Actual Value | Estimated Actual Value | Estimated Actual Value |
| 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 | \$ 9,753,859,398 | 93.70% | \$ 10,410,126,883 | 93.70% | |
| 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 | 11,727,993,214 | 93.70% | 12,516,961,970 | 93.70% | |
| 2009 | 14,223,348,981 | 888,112,994 | 13,335,235,987 | 0.892 | 470,449,610 | 14,693,798,591 | 2.23 | 13,805,685,597 | 13,805,685,597 | 93.96% | 14,693,798,591 | 93.96% | |
| 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 | 15,089,282,139 | 93.86% | 16,076,465,211 | 93.86% | |
| 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 | 14,186,879,885 | 93.28% | 15,209,300,716 | 93.28% | |
| 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 | 13,363,332,265 | 92.84% | 14,394,268,534 | 92.84% | |
| 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 | 12,675,477,296 | 92.74% | 13,667,588,894 | 92.74% | |
| 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 | 12,317,594,688 | 92.54% | 13,310,834,086 | 92.54% | |
| 2015 | 12,379,649,469 | 984,185,935 | 11,395,463,534 | 0.892 | 994,496,590 | 13,374,146,059 | 2.23 | 12,389,960,124 | 12,389,960,124 | 92.64% | 13,374,146,059 | 92.64% | |
| 2016 | 12,430,209,777 | 1,025,082,884 | 11,405,126,893 | 0.892 | 1,006,057,047 | 13,436,266,824 | 2.23 | 12,411,183,940 | 12,411,183,940 | 92.37% | 13,436,266,824 | 92.37% | |

NOTES:

(1) A significant portion of Constellation Energy's assessable base was reclassified from personal property to real property.

Source: State of Maryland, Department of Assessments and Taxation

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

| Fiscal Year | Direct | Overlapping Rates | |
|-------------|----------------|---------------------|---------------------|
| | | County Rate | Town Rate |
| | Calvert County | Town of North Beach | Town of North Beach |
| 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 |
| 2015 | 0.892 | 0.556 | 0.63 |
| 2016 | 0.892 | 0.556 | 0.63 |

| Fiscal Year | Direct | Overlapping Rates | |
|-------------|----------------|--------------------------|--------------------------|
| | | County Rate | Town Rate |
| | Calvert County | Town of Chesapeake Beach | Town of Chesapeake Beach |
| 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 |
| 2015 | 0.892 | 0.556 | 0.36 |
| 2016 | 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 2016 | | | | Fiscal Year 2006 | | | |
|--------------------------------|----------------------------|------|--|----------------------------|------------------|--|------------------------|--|
| | 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 | \$ 1,300,000,000 (3) | 1 | 10.47% | \$ 699,289,050 | 1 | 6.72% | | |
| Dominion (Cove Point) | 724,767,930 | 2 | 5.84% | 195,235,800 | 2 | 1.88% | | |
| Southern Maryland Electric Co. | 80,605,250 | 3 | 0.65% | 41,834,270 | 3 | 0.40% | | |
| Asbury-Solomons | 34,475,823 | 4 | 0.28% | 22,767,733 | 6 | 0.22% | | |
| Fox Run Ltd. Partnership | 26,966,700 | 5 | 0.22% | 23,579,200 | 5 | 0.23% | | |
| Dunkirk Gateway | 25,775,000 | 6 | 0.21% | | | | | |
| Market Square Shopping Center | 20,394,200 | 7 | 0.16% | | | | | |
| Holiday Inn - Solomons | 17,227,400 | 8 | 0.14% | 20,094,766 | 7 | 0.19% | | |
| Verizon | 15,660,000 | 9 | 0.13% | 34,755,490 | 4 | 0.33% | | |
| Dunkirk Market Place | 12,933,900 | 10 | 0.10% | 10,428,200 | 8 | 0.10% | | |
| Solomons Town Center | | | | 8,593,300 | 9 | 0.08% | | |
| Calvert Hospital | | | | 7,901,000 | 10 | 0.08% | | |
| | \$ 2,258,806,203 | | 18.20% | \$ 1,064,478,809 | | 10.23% | | |

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 tax calculation.

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 |
| 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% |
| 2015 | 120,279,310 | 117,943,835 | 98.06% | 2,335,475 | 120,279,310 | 100.00% |
| 2016 | 120,625,659 | 118,229,042 | 98.01% | 2,396,617 | 120,625,659 | 100.00% |

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEBT CAPACITY
JUNE 30, 2016*

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 | Notes Payable | Misc. | General Obligation Bonds | | | | |
| 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) | 1,559 | |
| 2015 | 110,804 | - | 7,820 | 106 | 11,690 | 13,012 | | | | 143,432 | N/A (2) | 1,413 | |
| 2016 | 103,127 | - | 5,619 | 88 | 11,508 | 12,379 | | | | 132,721 | N/A (2) | 1,794 | |

NOTES:

- (1) See the Demographic and Economic Statistics schedule for personal income.
- (2) N/A - current data is not available at this time.

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

| Fiscal Year | Population | Taxable Assessed Value | | Gross Bonded Debt | Self Supporting Debt (1) | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita | Taxable Assessed Value Real & Personal Property Per Capita |
|-------------|------------|--------------------------|----------------|-------------------|--------------------------|-----------------|--|----------------------------|--|
| | | Real & Personal Property | Property | | | | | | |
| 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 | 89,288 | 14,186,879,885 | 141,785,916 | 184,325 | 141,601,591 | 1.00% | 1,586 | 158,889 | |
| 2012 | 89,665 | 13,363,332,265 | 140,384,495 | 158,794 | 140,225,701 | 1.05% | 1,564 | 149,036 | |
| 2013 | 90,458 | 12,675,477,296 | 141,187,239 | 141,056 | 141,046,183 | 1.11% | 1,559 | 140,126 | |
| 2014 | 90,562 | 13,363,332,265 | 140,384,495 | 158,794 | 140,225,701 | 1.05% | 1,548 | 147,560 | |
| 2015 | 90,595 | 12,389,960,124 | 123,815,646 | 105,581 | 123,710,065 | 1.00% | 1,366 | 136,762 | |
| 2016 | 91,000 | 12,411,183,940 | 109,472,581 | 87,843 | 109,384,738 | 0.88% | 1,202 | 136,387 | |

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 | | | |
|-------------|--------------------------------|------------------------|-----------------------|----------|----------------------|------------------------|-----------------------|----------|
| | State Office Building Receipts | Debt Service Principal | Debt Service Interest | Coverage | Shore Erosion Billed | Debt Service Principal | Debt Service Interest | Coverage |
| 2007 | \$ 629,261 | \$ 520,000 | \$ 109,261 | 1.00 | 26,258 | \$ 23,322 | \$ - | 1.13 |
| 2008 | 632,621 | 545,000 | 87,621 | 1.00 | 26,258 | 23,322 | - | 1.13 |
| 2009 | 629,515 | 565,000 | 64,515 | 1.00 | 26,258 | 23,322 | - | 1.13 |
| 2010 | 629,965 | 590,000 | 39,965 | 1.00 | 26,258 | 23,322 | - | 1.13 |
| 2011 | - | - | - | - | 26,258 | 23,322 | - | 1.13 |
| 2012 | - | - | - | - | 26,258 | 23,322 | - | 1.13 |
| 2013 | - | - | - | - | 20,395 | 17,738 | - | 1.15 |
| 2014 | - | - | - | - | 20,395 | 17,738 | - | 1.15 |
| 2015 | - | - | - | - | 20,395 | 17,738 | - | 1.15 |
| 2016 | - | - | - | - | 20,395 | 17,738 | - | 1.15 |

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

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2016*

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> |
|--------------------|-----------------------|--|------------------------------|---------------------------------|--------------------------------------|-------------------------------------|
| 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 | 3,944,473 | 44,700 | 47,347 | 6.40% | 16,729 |
| 2010 | 88,737 | 4,060,283 | 45,666 | 48,220 | 6.80% | 16,406 |
| 2011 | 89,288 | 4,238,187 | 49,374 | 48,070 | 6.40% | 16,305 |
| 2012 | 89,665 | 4,524,583 | 50,824 | 47,997 | 6.20% | 16,136 |
| 2013 | 90,458 | 4,581,341 | 50,632 | 48,163 | 6.70% | 15,818 |
| 2014 | 90,562 | N/A | N/A | 47,889 | 5.50% | 15,642 |
| 2015 | 90,595 | N/A | N/A | 48,509 | 5.10% | 15,594 |
| 2016 | 91,000 | N/A | N/A | 48,171 | 4.10% | 15,611 |

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 2016 | | | Fiscal Year 2007 | | |
|--------------------------------|------------------|------|---------------------------------------|------------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Calvert County Public Schools | 2,224 | 1 | 4.78% | 2456 | 1 | 5.18% |
| Calvert Memorial Hospital | 1,200 | 2 | 2.58% | 1040 | 2 | 2.19% |
| Calvert County Government | 1,260 | 3 | 2.71% | 975 | 3 | 2.06% |
| Constellation Energy Group (1) | 800 | 4 | 1.72% | 800 | 4 | 1.69% |
| Wal-Mart | 420 | 5 | 0.90% | 305 | 7 | 0.64% |
| Giant | 360 | 6 | 0.77% | | | |
| Safeway | 340 | 7 | 0.73% | 302 | 8 | 0.64% |
| Chesapeake Beach Resort/Spa | 300 | 8 | 0.65% | | | |
| Asbury Solomons Island | 250 | 9 | 0.54% | | | |
| ARC of Southern Maryland | 201 | 10 | 0.43% | 344 | 6 | 0.73% |
| DynCorp | | | | 450 | 5 | 0.95% |
| Recorded Books | | | | 251 | 9 | 0.53% |
| Direct Mail | | | | 250 | 10 | 0.53% |

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2016*

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: | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| Commissioners | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Clerk of the commissioners | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County administration | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| Technology services | 18.6 | 19.6 | 21.8 | 21.8 | 21.8 | 22.8 | 22.8 | 23 | 23.6 | 23 |
| Circuit court | 10.7 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 13.9 | 13.9 | 13.9 |
| Orphans court | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| States attorney | 20.1 | 20.1 | 20.1 | 21.1 | 22.1 | 22.1 | 22.1 | 26 | 26 | 27 |
| Personnel | 7.6 | 7.6 | 8.6 | 8.6 | 8.6 | 8.6 | 8.6 | 8.6 | 8.6 | 8.6 |
| Finance | 22.6 | 22.6 | 23.6 | 23.6 | 23.6 | 25.6 | 25.6 | 25.5 | 25.5 | 26.5 |
| Treasurers | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 | 7.4 | 7.4 | 7.4 |
| County attorney | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Community Planning and Building | 28.1 | 27.1 | 27.1 | 26.2 | 26.1 | 26.1 | 29.4 | 29.4 | 28.9 | 29.4 |
| Inspections and permits | 14.2 | 14.2 | 14.2 | 14.2 | 14.2 | 14.2 | 14.2 | 13.2 | 14.2 | 14.2 |
| Public Safety | | | | | | | | | | |
| Public safety | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sheriffs office | 131.2 | 134.2 | 139.2 | 139.2 | 142.2 | 146.2 | 146.4 | 151.4 | 154.6 | 150.9 |
| Control center | 30 | 30 | 30 | 30 | 30 | 34 | 34 | 34 | 34 | 34 |
| Detention center | 67 | 77.6 | 81.6 | 81.6 | 85.6 | 88.6 | 88.6 | 87.6 | 87.6 | 87.5 |
| Emergency management | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire and rescue | 4 | 4 | 4 | 4.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 6.5 |
| Animal control | 5 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| General Services | | | | | | | | | | |
| Director of General services | 2 | 2 | 2 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Buildings and grounds | 31.7 | 32.7 | 32.7 | 32.7 | 32.7 | 31.7 | 31.7 | 29.7 | 30 | 30 |
| Mosquito control | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 |
| Parks and Recreation | 68.7 | 69.7 | 70 | 70.7 | 68.6 | 69.2 | 69.2 | 69.2 | 69.2 | 69.2 |
| Railway museum | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Marine museum | 40.2 | 40.2 | 40.2 | 40.2 | 40.2 | 40.2 | 40.2 | 40.2 | 42.5 | 42.3 |
| Natural Resources | 13.2 | 13.2 | 13.2 | 13.2 | 13.2 | 13.7 | 13.7 | 13.7 | 14.7 | 13.9 |
| Public Works | | | | | | | | | | |
| Director of Public works | 16.6 | 16.6 | 16.6 | 14.6 | 15.2 | 15.2 | 15.2 | 14.6 | 14.6 | 14.6 |
| Project Management | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Highway maintenance | 33.6 | 33.6 | 36.6 | 36.6 | 36 | 36 | 36 | 36 | 35 | 35 |
| Fleet maintenance | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 |
| Economic Development | | | | | | | | | | |
| | 9.1 | 10.1 | 12.1 | 12.1 | 12.5 | 12.5 | 12.5 | 12.4 | 12.4 | 12.4 |
| Community Resources | | | | | | | | | | |
| Director of Community resources | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 5 | 5 | 5 | 5 | 4.5 |
| Office on aging | 23.5 | 24.6 | 24.6 | 24.6 | 24.6 | 24.6 | 24.6 | 23.6 | 23.3 | 23.3 |
| Transportation | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 3.8 | 4 |
| Education | | | | | | | | | | |
| Library | 50.2 | 52.2 | 52.2 | 52.8 | 52.8 | 52.8 | 52.8 | 54.7 | 54.4 | 54.8 |
| State Agencies and Independent Boards | | | | | | | | | | |
| Election | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Liquor board | 3 | 3 | 3 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 |
| Soil Conservation | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Water and Sewer | | | | | | | | | | |
| | 30 | 33 | 34 | 33 | 33 | 32 | 32 | 30.7 | 32.7 | 33.7 |
| Solid Waste | | | | | | | | | | |
| | 36.8 | 37.8 | 37.8 | 38.8 | 38.8 | 41.3 | 41.3 | 42.6 | 42.6 | 44.6 |
| Chesapeake Hills Golf Course | | | | | | | | | | |
| | - | - | - | 10.9 | 10.9 | 10.9 | 11 | 11 | 13.2 | 13.3 |
| Total | 791.7 | 815.6 | 837.1 | 850.1 | 858.3 | 873.4 | 877 | 885 | 895.5 | 896.8 |

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

| Function: | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Actual |
| General Government | | | | | | | | | | |
| Technology services | | | | | | | | | | |
| Work orders completed | 4,348 | 4,124 | 4,050 | 3,375 | 4,209 | 4,413 | 4,799 | 4,732 | 5,230 | 5,250 |
| Support to desktop/laptop computers | 665 | 750 | 795 | 835 | 875 | 726 | 853 | 899 | 938 | 988 |
| Finance and budget | | | | | | | | | | |
| Purchase orders processed | 7,046 | 7,291 | 7,273 | 6,717 | 6,759 | 5,953 | 5,964 | 6,017 | 6,070 | 6,123 |
| Accounts payable checks | 17,050 | 16,349 | 15,693 | 14,852 | 15,334 | 15,834 | 15,100 | 15,600 | 15,600 | - |
| Average number of employees per pay | 945 | 992 | 1,017 | 1,049 | 1,112 | 1,117 | 1,091 | 1,085 | 1,094 | 1,100 |
| Fixed assets maintained | 15,973 | 14,503 | 15,255 | 15,804 | 13,352 | 13,687 | 14,037 | 14,387 | N/A | N/A |
| Health care benefits managed | 935 | 958 | 997 | 1,021 | 1,020 | 1,030 | 1,030 | 1,040 | 845 | 845 |
| Credit card dollars collected | 283,659 | 480,062 | 466,182 | 537,611 | 598,705 | 630,000 | 661,500 | 609,428 | N/A | N/A |
| Credit card transactions | 247 | 323 | 291 | 346 | 363 | 380 | 399 | 197 | N/A | N/A |
| Real estate tax bills | 41,265 | 41,390 | 41,757 | 42,236 | 42,297 | 42,349 | 42,419 | 42,469 | 42,650 | 42,650 |
| Treasury | | | | | | | | | | |
| Tax credits issued | 1,574 | 1,579 | 1,582 | 1,633 | 1,822 | 1,625 | 1,664 | 1,648 | 1,652 | 1,652 |
| Community Planning and Building | | | | | | | | | | |
| Major and minor subdivisions (new applications) | 63 | 40 | 21 | 34 | 21 | 61 | 30 | 65 | 65 | 10 |
| Inspections and permits | | | | | | | | | | |
| Building permits issued | 2,098 | 1,812 | 1,428 | 1,472 | 1,492 | 1,613 | 1,421 | 1,455 | 1,570 | 1,650 |
| Grading permits issued | 717 | 672 | 707 | 672 | 783 | 734 | 678 | 687 | 675 | 640 |
| Electrical permits issued | 1,986 | 1,666 | 1,425 | 1,471 | 1,437 | 1,735 | 1,580 | 1,489 | 1,605 | 1,685 |
| Plumbing permits issued | 1,074 | 943 | 757 | 744 | 873 | 897 | 877 | 834 | 1,015 | 1,120 |
| Public Safety | | | | | | | | | | |
| Control center | | | | | | | | | | |
| Number of incidents handled | 148,947 | 160,063 | 164,807 | 151,224 | 138,437 | 145,358 | 152,626 | 131,937 | 131,937 | 199,360 |
| Detention center | | | | | | | | | | |
| Average daily population | 238 | 228 | 237 | 288 | 233 | 212 | 241 | 249 | 266 | 278 |
| Work release (adp) | 75 | 85 | 67 | 39 | 32 | 28 | 25 | 84 | 90 | 94 |
| Sheriff's office | | | | | | | | | | |
| Calls for service | 76,223 | 85,941 | 83,062 | 84,513 | 87,045 | 89,659 | 89,659 | 108,220 | 108,220 | - |
| Murder cases | 2 | 1 | - | - | - | - | 3 | 2 | 2 | - |
| Rape cases | - | 6 | 10 | 17 | 10 | 10 | 14 | 11 | 11 | - |
| Robbery cases | 16 | 15 | 27 | 26 | 27 | 29 | 26 | 24 | 24 | - |
| Aggravated assault cases | 173 | 272 | 187 | 123 | 56 | 56 | 56 | 79 | 79 | - |
| Theft cases | 947 | 1,051 | 1,067 | 1,204 | 1,100 | 1,100 | 1,392 | 1,436 | 1,436 | - |
| Auto theft cases | 92 | 92 | 82 | 92 | 55 | 55 | 60 | 48 | 48 | - |
| Domestic violence incidents responded to | 1,189 | 1,231 | 1,203 | 1,287 | 1,325 | 1,364 | 1,364 | 1,213 | 1,213 | - |
| Business & community patrol checks | 30,419 | 38,032 | 35,538 | 33,977 | 29,724 | 30,615 | 30,615 | 47,965 | 47,965 | - |
| Sex offenders registered in Calvert County | 108 | 110 | 103 | 107 | 109 | 112 | 112 | 114 | 114 | - |
| School related incidents/investigations | 403 | 293 | 333 | 1,574 | 1,621 | 1,669 | 1,900 | 1,000 | 1,900 | 2,000 |
| Fire and rescue | | | | | | | | | | |
| Total calls responded | 19,747 | 20,743 | 20,021 | 19,708 | 21,240 | 21,000 | 20,306 | 20,000 | 20,000 | 20,000 |
| Animal control | | | | | | | | | | |
| Calls for service | 7,506 | 8,139 | 8,063 | 5,601 | 6,129 | 5,000 | 4,900 | 5,400 | 5,200 | - |
| General Services | | | | | | | | | | |
| Railway museum | | | | | | | | | | |
| Outreach participants | 3,900 | 4,000 | 4,100 | 4,150 | 4,200 | 4,200 | 4,200 | 5,204 | 5,204 | 5,204 |
| Participants in programs | 2,547 | 2,434 | 3,569 | 5,118 | 6,197 | 8,298 | 7,521 | 6,822 | 5,000 | 5,000 |
| Public Works | | | | | | | | | | |
| Major and minor subdivisions | | | | | | | | | | |
| Road plans | 227 | 175 | 143 | 149 | 54 | 51 | 36 | 25 | 26 | 26 |
| | 33 | 41 | 17 | 24 | 9 | 13 | 18 | 2 | 5 | 8 |
| Project management | | | | | | | | | | |
| Miles of roadway resurfaced | 13 | 15 | 14 | 12 | 8 | 8 | 13 | 8 | 8 | 8 |
| Fleet maintenance | | | | | | | | | | |
| Work orders | 2,211 | 2,371 | 3,529 | 2,837 | 2,361 | 2,283 | 2,082 | 2,042 | 2,150 | 2,200 |
| Community Resources | | | | | | | | | | |
| Transportation | | | | | | | | | | |
| Yearly ridership | 132,728 | 133,270 | 134,786 | 109,705 | 108,875 | 109,658 | 112,874 | 112,900 | 113,000 | 113,300 |
| Education | | | | | | | | | | |
| Public library | | | | | | | | | | |
| Circulation of materials | 962,546 | 1,035,223 | 1,114,737 | 1,154,634 | 1,153,773 | 1,142,301 | 1,121,505 | 1,122,168 | 1,122,168 | 1,122,500 |
| Reference questions | 7,930 | 79,779 | 96,381 | 120,646 | 121,536 | 137,519 | 145,954 | 154,014 | 154,014 | - |
| Program attendance | 58,130 | 55,478 | 52,132 | 46,738 | 51,196 | 53,907 | 57,109 | 60,224 | 60,224 | - |
| In-person visits | 521,845 | 554,392 | 606,932 | 602,683 | 600,371 | 609,958 | 586,710 | 548,444 | 548,444 | - |
| Computer uses | 65,114 | 89,162 | 127,319 | 145,278 | 152,831 | 151,002 | 141,507 | 140,275 | 140,275 | - |
| Registered borrowers | 52,736 | 55,347 | 59,404 | 57,549 | 60,574 | 61,895 | 65,631 | 63,861 | 63,861 | - |
| Water and Sewer | | | | | | | | | | |
| Number of customers | 4,788 | 4,799 | 5,037 | 5,076 | 5,104 | 5,153 | 5,190 | 5,267 | 5,267 | 5,389 |

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: | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Public Safety | | | | | | | | | |
| Police: | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 115 | 120 | 141 | 140 | 141 | 141 | 125 | 127 | 127 |
| Special purpose units | 0 | 0 | 0 | 5 | 6 | 6 | 6 | 7 | 7 |
| Fire protection: | | | | | | | | | |
| Fire stations | 7 | 7 | 7 | 5 | 6 | 6 | 6 | 6 | 6 |
| Pumpers | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Ambulances | 15 | 15 | 15 | 14 | 14 | 14 | 14 | 14 | 14 |
| Rescue trucks | 6 | 6 | 6 | 7 | 7 | 6 | 6 | 6 | 6 |
| Aerial trucks/towers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Brush units | 12 | 12 | 12 | 13 | 13 | 13 | 13 | 13 | 13 |
| Tankers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Jet skis | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Dive rescue van | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire-rescue boats | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Mass casualty unit/trailer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Inflatable boats | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Paramedic units | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Air cascade units | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Other utility types | 24 | 24 | 24 | 25 | 25 | 25 | 25 | 25 | 25 |
| Community Resources | | | | | | | | | |
| Transportation: | | | | | | | | | |
| Passenger buses | 18 | 18 | 17 | 17 | 17 | 17 | 19 | 19 | 19 |
| Public Works | | | | | | | | | |
| County owned streets in miles | 446 | 446 | 446 | 452 | 452 | 452 | 462 | 462 | 462 |
| Recreation | | | | | | | | | |
| Baseball fields | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Football fields | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Basketball courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 8 |
| Tennis courts | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 12 | 14 |
| Pools | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Golf course | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Playgrounds and parks in acres | 360 | 360 | 360 | 360 | 375 | 375 | 580 | 580 | 580 |
| Water and Sewer | | | | | | | | | |
| Water mains in miles | 75 | 75 | 75 | 77 | 77 | 77 | 79 | 80 | 85 |
| Water systems | 21 | 21 | 21 | 21 | 21 | 20 | 21 | 19 | 19 |
| Storage tanks | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 13 | 13 |
| Sewer mains in miles | 66 | 66 | 66 | 66 | 66 | 66 | 68 | 69 | 77 |
| Sewer treatment plants | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 6 |
| Sewer pumping stations | 27 | 27 | 39 | 39 | 39 | 39 | 39 | 37 | 43 |

NOTES:
(1) Source: Various county departments



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 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 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 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 (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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.

Hunt Valley, Maryland
December 19, 2016

SB & Company, LLC