



**CALVERT
COUNTY**
Maryland

Comprehensive Annual Financial Report

For the Fiscal Year
Ended June 30, 2017



Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Letter of Transmittal	i-v
Certificate of Achievement for Excellence in Financial Reporting	vi
Certain Elected and Appointed Officials	vii
Organizational Chart-Calvert County	viii
 FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements	
Statement of Net Position	15
Statement of Activities	16-17
Balance Sheet	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - General Fund	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	27-70
Required Supplementary Information	
Volunteer Fire and Rescue Pension Fund	
Schedule of Changes in County's Net Position Liability and Related Ratios	71
Schedule of County Contributions	72
Schedule of Investment Returns	73
Sheriff's Department Pension Plan	
Schedule of Changes in County's Net Position Liability and Related Ratios	74
Schedule of County Contributions	75
Schedule of Investment Returns	76
Calvert County Employees Retirement Plan	
Schedule of Changes in County's Net Position Liability and Related Ratios	77
Schedule of County Contributions	78
Schedule of Investment Returns	79
Other Post Employment Benefits (OPEB)	
Schedule of Changes in County's Net OPEB Liability and Related Ratios	80
Schedule of County Contributions	81
Schedule of Investment Returns	82
Schedule of Funding Progress	83
Schedule of Employer Contributions	84

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2017

TABLE OF CONTENTS (Continued)

Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	85-86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	87-88
Schedule of Revenues and Other Financing Sources - Budget and Actual (Budgetary Basis) - General Fund	89-91
Schedule of Expenditures and Other Financing Uses - Budget and Actual (Budgetary Basis) - General Fund	92-100
Component Unit Schedule of Net Position - Economic Development Authority	101
Component Unit Schedule of Revenues, Expenses and Changes in Fund Net Position - Economic Development Authority	102
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Capital Projects Fund	103

STATISTICAL SECTION

Financial Trend Data

Schedule 1	Net Position by Category	104
Schedule 2	Changes in Net Position	105-106
Schedule 3	General Tax Revenues	107
Schedule 4	Fund Balance of Governmental Funds	108
Schedule 5	Changes in Fund Balance of Governmental Funds	109

Revenue Capacity

Schedule 6	Assessed and Estimated Actual Value of Taxable Property	110
Schedule 7	Direct and Overlapping Real Property Tax Rates	111
Schedule 8	Principal Property Taxpayers	112
Schedule 9	Property Tax Levies and Collections Schedule	113

Debt Capacity

Schedule 10	Ratios of Outstanding Debt by Type	114
Schedule 11	Ratios of Net General Bonded Debt	115
Schedule 12	Pledged-Revenues Coverage	116

Demographic and Economic Information

Schedule 13	Demographic and Economic Statistics	117
Schedule 14	Principal Employers	118

Operating Information

Schedule 15	Full Time Equivalent Calvert County Employees by Function	119
Schedule 16	Operating Indicators by Function	120
Schedule 17	Capital Asset Statistics by Function	121

Other Supplemental Reports

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	122-123
Combining Schedule of Revenues, Expenses and Changes in Net Position - Water and Sewer Fund	124
Schedule of Real and Personal Taxes Receivable - General Fund	125

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 29, 2017

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, 2017, 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, 2017 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 122 and 123.

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. 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 xx 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 (90 percent, fiscal year 2017) of the revenue for the General Fund of the Calvert County Government. Property assessments are expected to continue with their recent, small increases. Actual

Income tax receipts in FY 2017 were slightly under projections. FY 2017 was impacted by an income tax rate increase from 2.8% to 3.0%. That rate was effective only for ½ of the fiscal year. Future projections of income tax use an increasing trend of about 4%.

Property tax, the largest revenue source, represented almost 60 percent of the total General Fund revenue for fiscal year 2017. The number of residential building permits issued in fiscal year 2017 was 275, an increase of about 28 percent or 60 permits from the 215 issued in FY 2016. Property taxes have been buoyed by public utility providers.

Income tax revenue, at 31 percent of the total General Fund revenue for fiscal year 2017, 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 2018 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 2018 shows the same with education and public safety 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 accrued leave. The County has experienced regular credit rating upgrades in recent years. The latest ratings, received during fiscal year 2017, were "Aaa" from Moody's Investors Service, Inc., "AAA" from Standard & Poor's, and "AAA" from Fitch Ratings. This is the County's second 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 2017 data, the County's current ratios are as follows: debt to assessed value is 1.10 percent and debt service to general fund revenue is steady from the prior two years 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, 2016. 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.

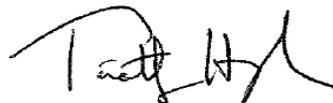
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA Award for Distinguished Budget Presentation for its annual budget dated July 1, 2016 to June 30, 2017. 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, the County Administrator and her Deputy, 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, 2016

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Thomas Hejl
President, Board of County Commissioners

Evan K. Slaughenhaupt Jr.
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

Wilson H. Parran
Deputy County Administrator

Timothy Hayden
Director of Finance and Budget

J. Mark Willis
Director of Planning and Zoning

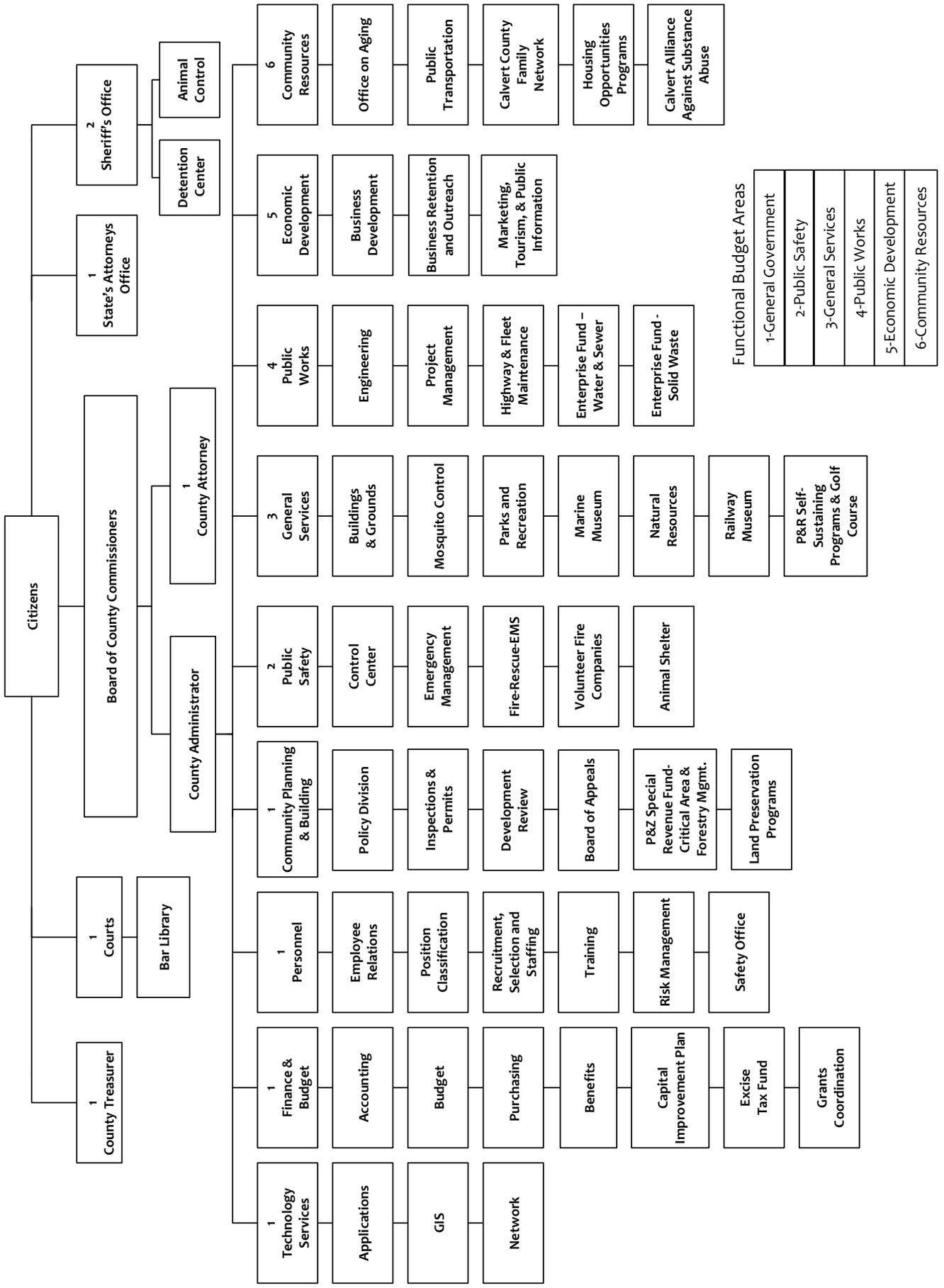
Linda Vassallo
Director of Communications and Media Relations

Kelly Slagle
Director of Economic Development

P. Rai Sharma
Director of Public Works

Shannon Nazzal
Director of Parks and Recreation

Jacqueline K. Vaughan
Director of Public Safety



Functional Budget Areas

1-General Government
2-Public Safety
3-General Services
4-Public Works
5-Economic Development
6-Community Resources

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, 2017, 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.



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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, 2017, 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, employer contributions, schedule of changes in the County's net OPEB liability and related ratios, schedule of County contributions, schedule of investment returns for the Other Post-Employment Benefits (OPEB) Plan, and budget and actual schedule for the capital projects fund 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.



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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.

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 29, 2017, 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 29, 2017

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, 2017. 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 \$167.5 million (*net position*); approximately 22.0 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, \$164.5 million is the net investment in capital assets, and \$20.1 million is restricted for specific purposes. The County's unrestricted net position is a negative \$17.0 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 \$14.5 million. The business-type activities ended with an unrestricted net position of \$5.8 million. Included as restricted cash, for the primary government, is \$20.7 million of which \$12.4 million represents bond proceeds.
- The government's total net position has increased by \$6.6 million; a \$6.3 million increase was related to the governmental activities and \$355,867 was related to the business-type activities.

Fund Level:

- As of June 30, 2017, the County's governmental funds reported combined fund balances of \$99.4 million, an increase of \$25.7 million from the prior year. Approximately 81.4 percent of this total amount, \$80.9 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$56.9 million (prior year, \$39.8 million) has been dedicated for certain purposes, including, \$21.9 million for capital projects, \$5.0 million for purposes within special revenue funds and \$5.0 million for vacation and sick leave obligation payout (*GASB 45*).
- The proprietary funds revenue increased by \$1.6 million or 7.4 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$54.1 million (*committed, assigned and unassigned*), or 22.2 percent of total fiscal year 2017 General Fund budgetary expenditures and other financing uses. Nonspendable and

restricted fund balance of the General Fund was \$6.8 million, or 11.2 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 27 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 fifteenth 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 2017, assets and deferred outflows exceeded liabilities and deferred inflows by \$167.5 million (prior year, \$160.9 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		
	2017	2016	Difference	2017	2016	Difference	2017	2016	Difference
Current and other assets	\$ 150,988,052	\$ 116,317,046	\$ 34,671,006	\$ 9,192,620	\$ 19,973,817	\$ (10,781,197)	\$ 160,180,672	\$ 136,290,863	\$ 23,889,809
Capital assets	191,415,967	189,948,473	1,467,494	62,210,013	48,458,455	13,751,558	253,625,980	238,406,928	15,219,052
Total assets	342,404,019	306,265,519	36,138,500	71,402,633	68,432,272	2,970,361	413,806,652	374,697,791	39,108,861
Deferred outflows of resources	2,557,381	13,396,451	(10,839,070)	12,556	25,111	(12,555)	2,569,937	13,421,562	(10,851,625)
Long-term liabilities	153,820,799	144,142,419	9,678,380	29,885,765	28,145,042	1,740,723	183,706,564	172,287,461	11,419,103
Other liabilities	54,363,711	45,033,738	9,329,973	4,154,509	3,292,491	862,018	58,518,220	48,326,229	10,191,991
Total liabilities	208,184,510	189,176,157	19,008,353	34,040,274	31,437,533	2,602,741	242,224,784	220,613,690	21,611,094
Deferred inflows of resources	6,624,524	6,602,793	21,731	802	1,604	(802)	6,625,326	6,604,397	20,929
Net invested in capital assets	136,372,796	137,904,262	(1,531,466)	28,076,563	26,802,823	1,273,740	164,449,359	164,707,085	(257,726)
Restricted	16,600,615	15,818,117	782,498	3,502,392	2,837,651	664,741	20,103,007	18,655,768	1,447,239
Unrestricted	(22,821,045)	(29,839,359)	7,018,314	5,795,158	7,377,772	(1,582,614)	(17,025,887)	(22,461,587)	5,435,700
Total net position	\$ 130,152,366	\$ 123,883,020	\$ 6,269,346	\$ 37,374,113	\$ 37,018,246	\$ 355,867	\$ 167,526,479	\$ 160,901,266	\$ 6,625,213

Governmental activities: Net position of the Governmental Activities increased by \$6.3 million (prior year, an increase of \$6.6 million). Fiscal year 2017'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 \$355,867 (prior year, an increase of \$387,678). This result is primarily due to the Solid Waste Fund increase in net position of \$605,260, mostly due to the completion of capital projects resulting in new capital assets. The Water and Sewer Fund had a decrease in net position of \$249,393, explained by lowered usage revenues due to the water meters reaching their useful life and needing replacement, which has begun.

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:

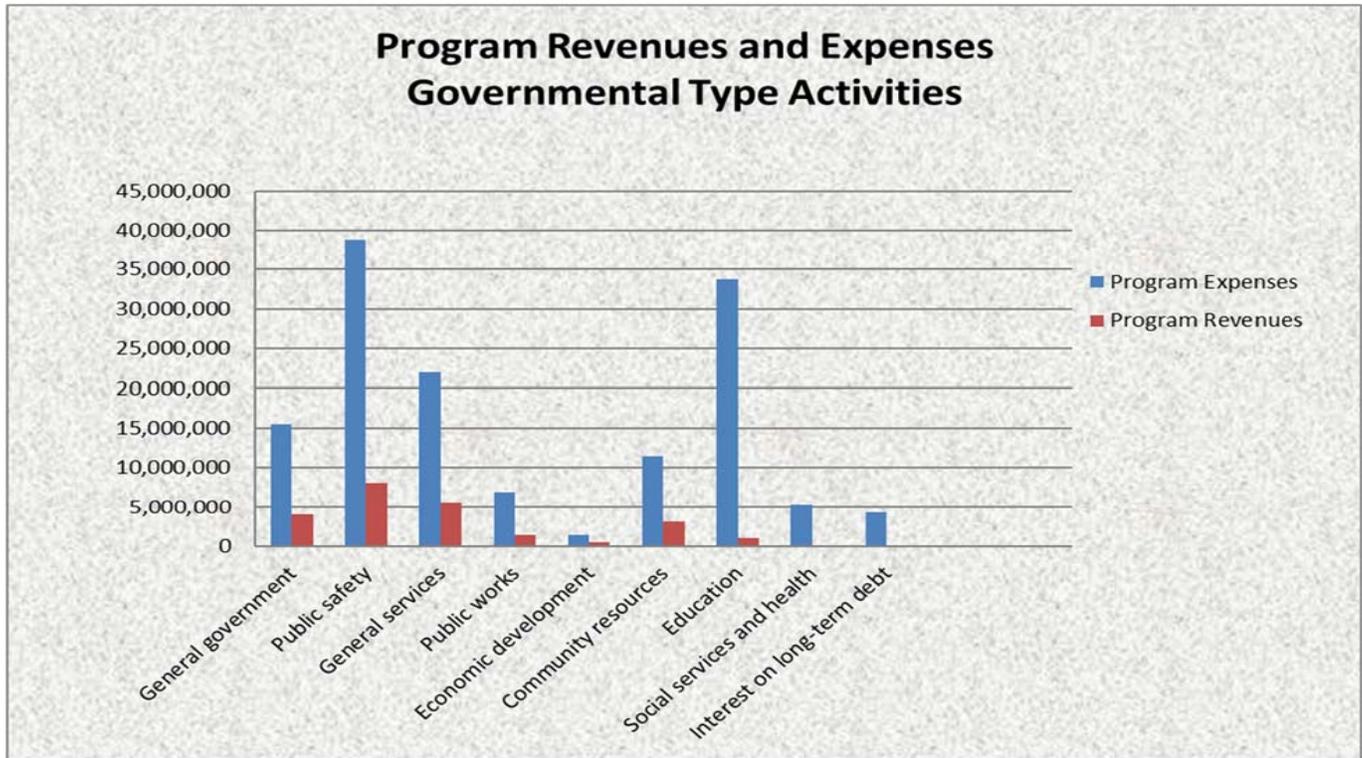
Calvert County Government Schedule of Activities and Changes in Net Position

	Governmental Activities			Business-type Activities			Total		
	2017	2016	Difference	2017	2016	Difference	2017	2016	Difference
Revenues									
Program Revenues									
Charges for services	\$ 16,497,597	\$ 16,284,561	\$ 213,036	\$ 19,605,315	\$ 18,044,125	\$ 1,561,190	36,102,912	\$ 34,328,686	\$ 1,774,226
Operating grants and contributions	6,318,307	5,784,989	533,318	-	-	-	6,318,307	5,784,989	533,318
Capital grants and contributions	844,958	1,620,645	(775,687)	173,768	1,165,629	(991,861)	1,018,726	2,786,274	(1,767,548)
General Revenues									
Property taxes	151,766,977	141,789,058	9,977,919	-	-	-	151,766,977	141,789,058	9,977,919
Income taxes	68,984,412	77,059,728	(8,075,316)	-	-	-	68,984,412	77,059,728	(8,075,316)
Other taxes	11,712,703	9,889,282	1,823,421	-	-	-	11,712,703	9,889,282	1,823,421
Investment earnings	4,136,322	374,256	3,762,066	110,781	-	110,781	4,247,103	374,256	3,872,847
Total revenues	260,261,276	252,802,519	7,458,757	19,889,864	19,209,754	680,110	280,151,140	272,012,273	8,138,867
Expenses									
Program Expenses									
General government	15,496,721	16,449,176	(952,455)	-	-	-	15,496,721	16,449,176	(952,455)
Public safety	38,808,220	33,179,360	5,628,860	-	-	-	38,808,220	33,179,360	5,628,860
General services	21,950,660	21,973,307	(22,647)	-	-	-	21,950,660	21,973,307	(22,647)
Public works	6,846,474	1,459,120	5,387,354	-	-	-	6,846,474	1,459,120	5,387,354
Economic development	1,415,620	1,358,480	57,140	-	-	-	1,415,620	1,358,480	57,140
Community resources	11,435,787	10,887,011	548,776	-	-	-	11,435,787	10,887,011	548,776
Education	33,704,639	36,990,519	(3,285,880)	-	-	-	33,704,639	36,990,519	(3,285,880)
Board of education	114,717,289	114,876,122	(158,833)	-	-	-	114,717,289	114,876,122	(158,833)
Social services and health	5,278,202	5,287,965	(9,763)	-	-	-	5,278,202	5,287,965	(9,763)
Interest on long-term debt	4,318,688	3,653,348	665,340	-	-	-	4,318,688	3,653,348	665,340
Water and sewer	-	-	-	8,685,726	7,839,247	846,479	8,685,726	7,839,247	846,479
Solid waste	-	-	-	10,867,901	11,034,789	(166,888)	10,867,901	11,034,789	(166,888)
Total expenses	253,972,300	246,114,408	7,857,892	19,553,627	18,874,036	679,591	273,525,927	264,988,444	8,537,483
Excess (Deficiency) of revenues over expenses	6,288,976	6,688,111	(399,135)	336,237	335,718	519	6,625,213	7,023,829	(398,616)
Transfers	(19,630)	(51,960)	32,330	19,630	51,960	(32,330)	-	-	-
Change in net position	6,269,346	6,636,151	(366,805)	355,867	387,678	(31,811)	6,625,213	7,023,829	(398,616)
Net position - beginning	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
Net position - ending	\$ 130,152,366	\$ 123,883,020	\$ 6,269,346	\$ 37,374,113	\$ 37,018,246	\$ 355,867	\$ 167,526,479	\$ 160,901,266	\$ 6,625,213

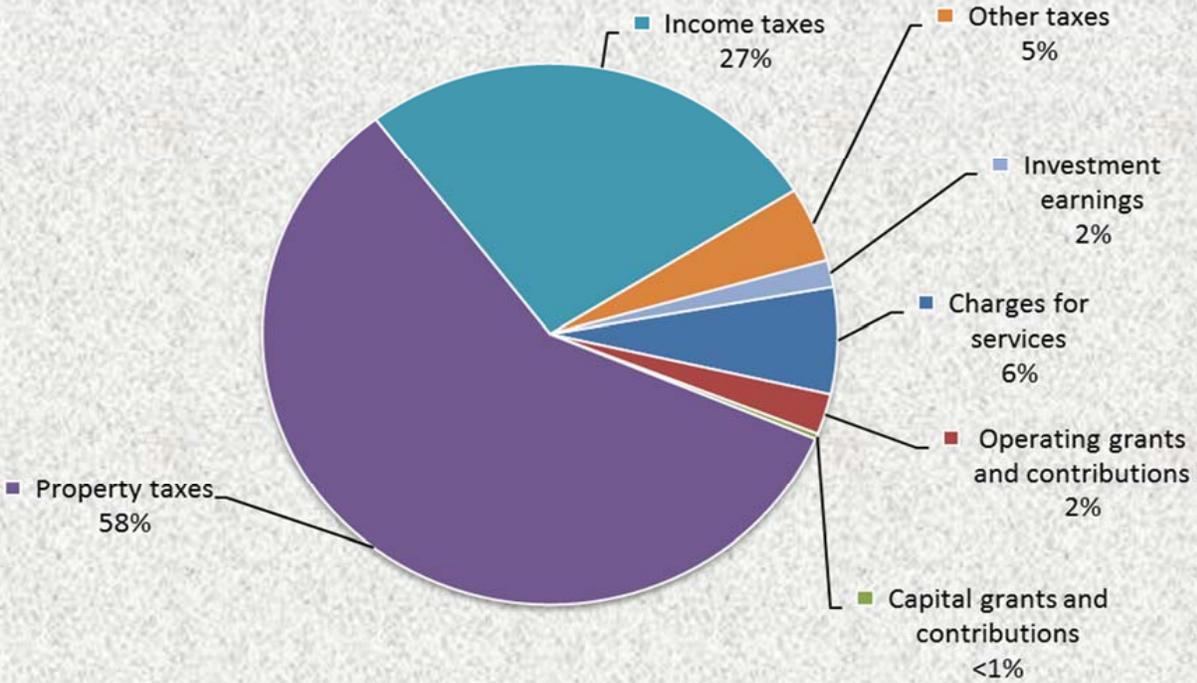
The most significant difference in the revenue section is related to property taxes with a \$10.0 million increase this fiscal year due to the increase in the County's increase in the real property tax rate from .892 to .952.

The significant differences noted in the program expenses section (e.g., General Services and Public Works) are related to capital expenses during the two years being compared. Public Works' in the government wide statement expenses recognized \$1.9 million for Dowell Newton Road. Likewise, Public Safety expenses recognized \$2.9 million for the purchase of the 800 Mhz system.

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 45 percent of the total program expenses the chart scale no longer functions for comparison purposes:

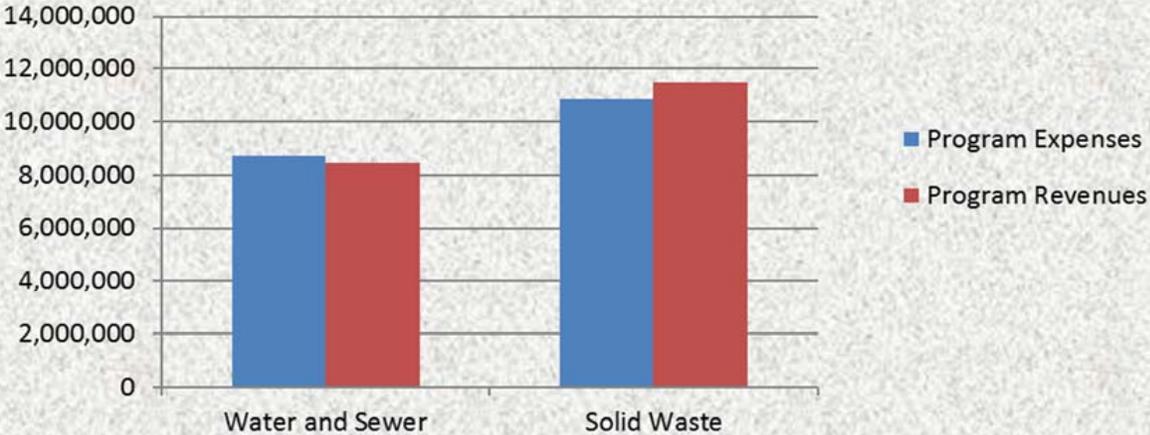


Revenues by Source Governmental Activities

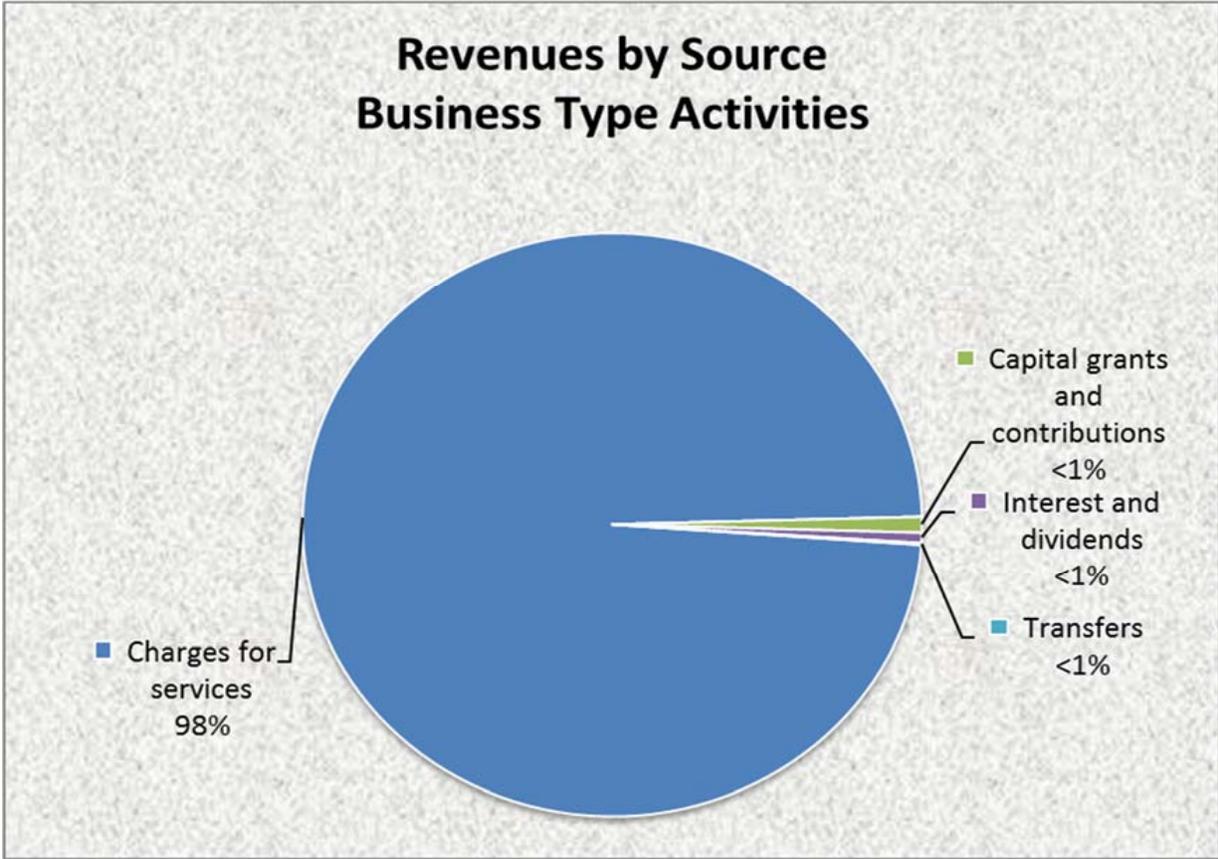


This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:

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 \$99.4 million (prior year, \$73.7 million), an increase of \$25.7 million (prior year, decrease of \$12.4 million).

Approximately 81.4 percent (prior year, 72.6 percent) of this amount, \$90.9 million (prior year, \$53.5 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government’s discretion. It should be noted that \$52.9 million (prior year, \$39.3 million) of this amount has been *committed or assigned* for certain purposes. The remainder of fund balance, \$6.9 million or 6.9 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 \$29.1 million (prior year, \$20.4 million), while total fund balance was \$60.9 million (prior year, \$51.5 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 11.9 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 8.5 percent), while total fund balance represents 25.0 percent (prior year, 21.5 percent) of that same amount.

The fund balance of Calvert County Government's General Fund increased by \$9.5 million (prior year decrease of \$736,648). Staff had estimated fiscal year 2017 would have budgetary surplus. Many revenue and expense line item variances resulted in the County's budgetary surplus of \$6,771,508.

The Capital Projects Fund has a total fund balance of \$21.5 million (prior year, \$6.4 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$20.7 million make up 100 percent of the fund balance reduced by outstanding payables (prior year, \$9.4 million).

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 \$355,867 (prior year, increase of \$387,678). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to \$3.6 million (prior year, \$4.7 million). The Solid Waste and Recycling Fund reported \$2.2 million in unrestricted net position (prior year, \$2.7 million).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$817,896 over the original budget (prior year, \$1.8 million increase). Overall expenditures were less than the final budget by \$3.9 million. There are many variances within the 1,500 budgeted line items of the general fund. Debt service had a savings of \$530,250, along with Pensions and Insurance savings of \$519,968. Several divisions experienced favorable base salary variances. Revenues were \$2.8 million more than the final budgetary estimates. \$1.9 million of this difference is due to better than expected Real Estate and Personal Property Taxes.

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, 2017, amounts to \$241.2 million (prior year, \$238.4 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		
	2017	2016	Difference	2017	2016	Difference	2017	2016	Difference
Land	\$ 42,224,074	\$ 42,153,149	\$ 70,925	\$ 2,483,591	\$ 2,483,591	\$ -	\$ 44,707,665	\$ 44,636,740	\$ 70,925
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	10,882,733	6,211,814	4,670,919	6,445,908	3,862,644	2,583,264	17,328,641	10,074,458	7,254,183
Buildings	28,471,942	30,503,017	(2,031,075)	21,231,051	21,819,790	(588,739)	49,702,993	52,322,807	(2,619,814)
Improvements	22,146,372	23,049,254	(902,882)	12,785,298	13,417,912	(632,614)	34,931,670	36,467,166	(1,535,496)
Machinery and equipment	13,207,930	12,490,002	717,928	6,852,249	6,874,518	(22,269)	20,060,179	19,364,520	695,659
Infrastructure	63,237,611	64,295,932	(1,058,321)	-	-	-	63,237,611	64,295,932	(1,058,321)
Total Capital Assets	\$ 191,415,967	\$ 189,948,473	\$ 1,467,494	\$ 49,798,097	\$ 48,458,455	\$ 1,339,642	\$ 241,214,064	\$ 238,406,928	\$ 2,807,136

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

- Completed the construction of the sidewalks in Solomons Island with a cost of \$771,954.
- Completed a portion of the countywide paving project with a cost of \$1.8 million.
- Capitalized \$220,012 for the renovation of the bunkers at the Golf Course.

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 \$141.2 million (prior year, \$123.0 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, \$27.9 million (prior year, \$25.8 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 \$5.5 million (prior year, \$5.6 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		
	2017	2016	Difference	2017	2016	Difference	2017	2016	Difference
General obligation debt	\$ 113,256,348	\$ 97,093,567	\$ 16,162,781	\$ 14,662,476	\$ 12,379,014	\$ 2,283,462	\$ 127,918,824	\$ 109,472,581	\$ 18,446,243
Notes payable	70,105	87,843	(17,738)	13,256,276	13,451,305	(195,029)	13,326,381	13,539,148	(212,767)
Land preservation program	5,470,940	5,619,440	(148,500)	-	-	-	5,470,940	5,619,440	(148,500)
Total Bonded Debt	\$ 118,797,393	\$ 102,800,850	\$ 15,996,543	\$ 27,918,752	\$ 25,830,319	\$ 2,088,433	\$ 146,716,145	\$ 128,631,169	\$ 18,084,976

Calvert County Government's total general obligation bonded debt increased by \$18.5 million, (prior year, a decrease of \$14.3 million), or 16.9 percent during the current fiscal year (prior year, a decrease of 11.6 percent).

In June 2017, 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 2017 data, the County's current ratios are as follows: debt to assessed value is 1.10 percent and debt service to general fund revenue is 7.3 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 2015 is \$56,018 (\$53,566 in 2014), an increase of 4.6 percent.
- The average unemployment rate for Calvert County was reported as 3.8% for 2016 by the Maryland Department of Labor Licensing and Regulation. This continues an improving trend.
- Real property tax assessments for the northern third of the County, reassessed for fiscal year 2017, were increased an average of 3.8 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2018 fiscal year. Calvert County Government's adopted budget for fiscal year 2018 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.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
JUNE 30, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Board of Education	Economic Development Authority
ASSETS					
Cash, cash equivalents and investments	\$ 100,635,352	\$ 363,987	\$ 100,999,339	\$ 25,764,507	\$ 1,785,423
Receivables					
Taxes	7,765,438	-	7,765,438	-	-
Special assessments	1,080,884	-	1,080,884	-	-
Accounts	18,980,941	2,737,995	21,718,936	-	-
Notes	6,635,885	-	6,635,885	-	-
Accrued interest	22,901	20,900	43,801	-	926
Other	-	-	-	625,018	-
Due from primary government	-	-	-	13,415,259	448,506
Internal balances	(5,174,482)	5,174,482	-	-	-
Due from other governments	-	-	-	2,307,259	-
Prepaid costs	-	-	-	67,137	-
Inventory	333,386	137,027	470,413	60,853	-
Restricted assets					
Cash	20,707,747	12,411,916	33,119,663	-	-
Capital assets not being depreciated	64,352,112	8,929,499	73,281,611	25,329,716	22,191
Depreciable capital assets - net	127,063,855	40,868,598	167,932,453	205,775,671	-
Total assets	342,404,019	70,644,404	413,048,423	273,345,420	2,257,046
Deferred Outflows of Resources					
Pension	2,557,381	-	2,557,381	4,611,667	-
Deferred loss on refunding	-	12,556	12,556	-	-
Total outflows of resources	2,557,381	12,556	2,569,937		
LIABILITIES					
Current liabilities:					
Accounts payable	3,983,652	1,179,477	5,163,129	4,226,276	366
Notes payable	18,573	-	18,573	-	-
Accrued liabilities	15,821,712	479,503	16,301,215	13,622,487	-
Due to other governments	4,946,538	-	4,946,538	-	-
Due to component units	11,248,506	-	11,248,506	-	-
Compensated absences, current portion	1,435,270	100,000	1,535,270	125,811	-
Long-term debt, current portion	14,262,362	1,572,300	15,834,662	-	-
Estimated postclosure costs, current portion	30,000	65,000	95,000	-	-
Unearned revenue	2,617,098	-	2,617,098	5,738,670	-
Noncurrent liabilities:					
Net pension liability	14,489,701	-	14,489,701	15,788,250	-
Net OPEB liability	23,768,259	-	23,768,259	92,213,239	-
Compensated absences, net of current portion	10,757,808	436,482	11,194,290	3,486,522	-
Long-term debt, net of current portion	104,535,031	26,346,452	130,881,483	-	-
Estimated postclosure costs, net of current portion	270,000	3,102,831	3,372,831	-	-
Total liabilities	208,184,510	33,282,045	241,466,555	135,201,255	366
Deferred Inflows of Resources					
Pension	5,038,449	-	5,038,449	744,761	-
Deferred gain on refunding	1,586,075	802	1,586,877	-	-
Total inflows of resources	6,624,524	802	6,625,326		
NET POSITION					
Net investment in capital assets	136,372,796	28,076,563	164,449,359	231,105,387	22,191
<u>Restricted for</u>					
Parks and recreation	2,689,948	-	2,689,948	-	-
Planning and zoning	25,000	-	25,000	-	-
Revolving loan	312,100	-	312,100	-	-
Economic Development Authority revolving loan	284,854	-	284,854	-	-
Grants	158,067	-	158,067	41,068	-
Economic Development incentive	313,543	-	313,543	-	-
Excise tax	5,546,155	-	5,546,155	-	-
Land preservation	7,261,183	-	7,261,183	-	-
Board of Library trustees	9,765	-	9,765	-	-
Restricted for capital connections	-	3,502,391	3,502,391	-	-
Unrestricted	(22,821,045)	5,795,159	(17,025,886)	(89,135,384)	2,234,489
Total net position	\$ 130,152,366	\$ 37,374,113	\$ 167,526,479	\$ 142,011,071	\$ 2,256,680

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, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<u>Governmental activities:</u>				
General government	\$ 15,496,721	\$ 2,798,447	\$ 1,226,361	\$ -
Public safety	38,808,220	5,594,998	1,967,270	530,901
General services	21,950,660	4,832,068	441,203	314,057
Public works	6,846,474	1,304,948	58,529	-
Economic development	1,415,620	503,014	-	-
Community resources	11,435,787	1,457,823	1,657,220	-
Education	148,421,928	-	967,724	-
Social services and health	5,278,202	-	-	-
Interest on long-term debt	4,318,688	6,299	-	-
Total governmental activities	253,972,300	16,497,597	6,318,307	844,958
<u>Business-Type activities:</u>				
Water and sewer	8,685,726	8,132,907	-	173,768
Solid waste	10,867,901	11,472,408	-	-
Total business-type activities	19,553,627	19,605,315	-	173,768
Total primary government	\$ 273,525,927	\$ 36,102,912	\$ 6,318,307	\$ 1,018,726
Component Units:				
Board of Education	\$ 251,071,482	\$ 3,347,575	\$ 51,704,527	\$ 17,181,264
Economic Development Authority	2,488	260,000	-	-
Total component units	\$ 251,073,970	\$ 3,607,575	\$ 51,704,527	\$ 17,181,264

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, 2017**

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
\$ (11,471,913)	\$ -	\$ (11,471,913)	\$ -	\$ -
(30,715,051)	-	(30,715,051)	-	-
(16,363,332)	-	(16,363,332)	-	-
(5,482,997)	-	(5,482,997)	-	-
(912,606)	-	(912,606)	-	-
(8,320,744)	-	(8,320,744)	-	-
(147,454,204)	-	(147,454,204)	-	-
(5,278,202)	-	(5,278,202)	-	-
(4,312,389)	-	(4,312,389)	-	-
<u>(230,311,438)</u>	<u>-</u>	<u>(230,311,438)</u>	<u>-</u>	<u>-</u>
-	(379,051)	(379,051)	-	-
-	604,507	604,507	-	-
<u>-</u>	<u>225,456</u>	<u>225,456</u>	<u>-</u>	<u>-</u>
<u>\$ (230,311,438)</u>	<u>\$ 225,456</u>	<u>\$ (230,085,982)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (178,838,116)	\$ -
-	-	-	-	257,512
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (178,838,116)</u>	<u>\$ 257,512</u>
\$ 151,766,977	\$ -	\$ 151,766,977	\$ -	\$ -
68,984,412	-	68,984,412	-	-
9,112,106	-	9,112,106	-	-
26,181	-	26,181	-	-
1,654,348	-	1,654,348	-	-
920,068	-	920,068	-	-
4,136,322	110,781	4,247,103	58,417	6,642
-	-	-	175,685,563	-
(19,630)	19,630	-	-	-
<u>236,580,784</u>	<u>130,411</u>	<u>236,711,195</u>	<u>175,743,980</u>	<u>6,642</u>
6,269,346	355,867	6,625,213	(3,094,136)	264,154
<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>
<u>\$ 130,152,366</u>	<u>\$ 37,374,113</u>	<u>\$ 167,526,479</u>	<u>\$ 142,011,071</u>	<u>\$ 2,256,680</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, 2017**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 94,263,342	\$ -	\$ 6,372,010	\$ 100,635,352
Receivables:				
Taxes	6,365,713	-	1,399,725	7,765,438
Special assessments	1,080,884	-	-	1,080,884
Accounts	18,025,257	-	955,684	18,980,941
Notes	6,512,016	-	123,869	6,635,885
Accrued interest	11,794	11,107	-	22,901
Due from other funds	764,551	7,945,166	12,241,455	20,951,172
Inventory/Prepays	266,077	-	67,309	333,386
Restricted assets				
Cash and investments	-	20,707,747	-	20,707,747
Total assets	<u>\$ 127,289,634</u>	<u>\$ 28,664,020</u>	<u>\$ 21,160,052</u>	<u>\$ 177,113,706</u>
LIABILITIES				
Accounts payable	829,804	1,236,404	1,917,444	3,983,652
Notes payable	-	-	18,573	18,573
Accrued liabilities	8,556,908	5,578,921	-	14,135,829
Due to other funds	26,119,332	-	6,322	26,125,654
Due to component units	11,248,506	-	-	11,248,506
Due to other governments	4,946,538	-	-	4,946,538
Unearned revenue	-	-	2,617,098	2,617,098
Total liabilities	<u>51,701,088</u>	<u>6,815,325</u>	<u>4,559,437</u>	<u>63,075,850</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	<u>14,649,049</u>	<u>-</u>	<u>-</u>	<u>14,649,049</u>
FUND BALANCE (DEFICITS)				
Nonspendable	6,778,094	-	67,309	6,845,403
Restricted	54,030	-	11,557,121	11,611,151
Committed	25,047,021	-	2,988,781	28,035,802
Assigned	5,000,000	21,848,695	2,037,793	28,886,488
Unassigned	24,060,353	-	(50,389)	24,009,964
Total fund balances	<u>60,939,498</u>	<u>21,848,695</u>	<u>16,600,615</u>	<u>99,388,808</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 127,289,635</u>	<u>\$ 28,664,020</u>	<u>\$ 21,160,052</u>	<u>\$ 177,113,707</u>
Fund balance (as reported above)				99,388,808
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.				191,415,967
Some of the County's revenues are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the fund.				14,649,049
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(132,876,547)
Net OPEB obligations are not due and payable in the current period, and, therefore, are not reported in the funds.				(23,768,259)
Net pension liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(14,489,701)
Deferred outflows of resources related to pensions				2,557,381
Deferred inflows of resources related to pensions				(5,038,449)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				<u>(1,685,883)</u>
Net position of governmental activities				<u>\$ 130,152,366</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, 2017**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 238,187,515	\$ -	\$ 3,127,142	\$ 241,314,657
Licenses and permits	340,437	-	-	340,437
Intergovernmental	4,013,389	952,021	5,850,227	10,815,637
Charges for services	4,122,211	-	1,731,304	5,853,515
Fines and forfeitures	659,664	-	166,663	826,327
Other revenue	2,544,977	343,036	2,894,499	5,782,512
Total revenues	<u>249,868,193</u>	<u>1,295,057</u>	<u>13,769,835</u>	<u>264,933,085</u>
EXPENDITURES				
General government	15,894,794	-	1,690,541	17,585,335
Public safety	31,568,314	-	-	31,568,314
General services	9,556,882	-	6,998,807	16,555,689
Public works	6,510,467	-	-	6,510,467
Economic development	1,113,222	-	-	1,113,222
Community resources	1,925,611	-	7,086,956	9,012,567
Education	119,259,481	-	4,626,934	123,886,415
Social services and health	4,121,080	-	-	4,121,080
Pensions and insurance	21,981,083	-	-	21,981,083
Capital projects	-	21,812,065	-	21,812,065
Debt service				
Principal payments	13,561,110	-	-	13,561,110
Interest payments	3,548,591	-	-	3,548,591
Total expenditures	<u>229,040,635</u>	<u>21,812,065</u>	<u>20,403,238</u>	<u>271,255,938</u>
Excess (deficiency) of revenues over expenditures	<u>20,827,558</u>	<u>(20,517,008)</u>	<u>(6,633,403)</u>	<u>(6,322,853)</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance	-	28,030,000	-	28,030,000
Premium on bonds issued	-	3,980,709	-	3,980,709
Transfers in - other	-	3,946,276	8,749,512	12,695,788
Transfers out - other	(11,381,342)	-	(1,334,076)	(12,715,418)
Total other financing sources (uses)	<u>(11,381,342)</u>	<u>35,956,985</u>	<u>7,415,436</u>	<u>31,991,079</u>
Net change in fund balance	9,446,216	15,439,977	782,033	25,668,226
Fund balance at beginning of year	<u>51,493,282</u>	<u>6,408,718</u>	<u>15,818,582</u>	<u>73,720,582</u>
Fund balance at end of year	<u>\$ 60,939,498</u>	<u>\$ 21,848,695</u>	<u>\$ 16,600,615</u>	<u>\$ 99,388,808</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, 2017**

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

Net change in fund balances - total governmental funds		\$ 25,668,226
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
	Capital outlays	15,000,473
	Depreciation	<u>(13,532,979)</u>
		1,467,494
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,524,041)
The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to government funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds.		
	Compensated absences	(2,473,114)
	Change in landfill postclosure liabilities	30,000
	Net OBEP obligation	(3,879,846)
	Bond Proceeds	(28,030,000)
	Premium on Bond Proceeds	(3,826,998)
	Principal payments	<u>14,930,229</u>
	Changes in long-term debt	(23,249,729)
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.		7,677,493
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Change in accrued interest	<u>(770,097)</u>
Change in net position of governmental activities		<u>\$ 6,269,346</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, 2017

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
REVENUES				
Taxes	\$ 235,848,685	\$ 235,861,118	\$ 238,187,515	\$ 2,326,397
Licenses and permits	299,400	299,400	340,437	41,037
Intergovernmental	4,267,497	4,192,464	4,438,425	245,961
Charges for services	4,162,434	4,230,337	4,207,622	(22,715)
Fines and forfeitures	397,250	714,115	702,429	(11,686)
Miscellaneous	527,849	1,023,577	2,272,539	1,248,962
Total revenues	245,503,115	246,321,011	250,148,967	3,827,956
EXPENDITURES				
General government	16,804,514	16,579,299	15,824,544	754,755
Public safety	30,872,320	31,407,983	31,250,676	157,307
General services	13,231,005	13,306,504	12,449,508	856,996
Public works	9,556,745	9,511,687	8,855,673	656,014
Economic development	1,252,951	1,272,322	1,127,281	145,041
Community resources	2,033,936	2,071,965	1,932,129	139,836
Education	123,364,902	123,404,709	123,385,413	19,296
Social services and health	4,521,940	4,521,940	4,451,930	70,010
Pensions and insurance	22,154,155	22,501,051	21,981,083	519,968
<u>Debt service</u>				
Principal retirement	13,561,101	13,561,101	13,561,110	(9)
Interest	4,078,841	4,078,841	3,548,591	530,250
Total expenditures	241,432,410	242,217,402	238,367,938	3,849,464
Excess (deficiency) of revenues over expenditures	4,070,705	4,103,609	11,781,029	7,677,420
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,271,858	1,271,858	272,438	(999,420)
Operating transfers out	(5,342,563)	(5,375,467)	(5,281,959)	93,508
Total other financing sources (uses)	(4,070,705)	(4,103,609)	(5,009,521)	(905,912)
Net change in fund balance	-	-	6,771,508	6,771,508
Fund balance - beginning	50,525,026	50,525,026	50,525,026	-
Fund balance - ending	<u>\$ 50,525,026</u>	<u>\$ 50,525,026</u>	<u>\$ 57,296,534</u>	<u>\$ 6,771,508</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)	\$ 250,421,405
Transfer adjustment (Library)	(553,212)
Revenue and transfers in (GAAP basis)	<u>\$ 249,868,193</u>
Expenditures and operating transfers out (budgetary basis)	\$ 243,649,897
Encumbrance/accrual adjustment	(2,674,708)
Transfer adjustment (Library)	(553,212)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 240,421,977</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, 2017**

	<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	362,966	\$ 1,021	\$ 363,987
Total cash, cash equivalents and investments	362,966	1,021	363,987
Accounts receivable	2,000,108	737,887	2,737,995
Accrued interest receivable	10,156	10,744	20,900
Due from other funds	-	5,932,711	5,932,711
Inventory	137,027	-	137,027
Total current assets	<u>2,510,257</u>	<u>6,682,363</u>	<u>9,192,620</u>
<u>Non-current assets:</u>			
Restricted assets			
Cash and investments	11,625,969	785,947	12,411,916
Capital assets not being depreciated	4,622,084	4,307,415	8,929,499
Depreciable capital assets - net	38,945,243	1,923,355	40,868,598
Total non-current assets	<u>55,193,296</u>	<u>7,016,717</u>	<u>62,210,013</u>
Total assets	<u>57,703,553</u>	<u>13,699,080</u>	<u>71,402,633</u>
Deferred Outflows of Resources			
Deferred loss on refunding	12,556	-	12,556
Total assets and deferred outflows	57,716,109	13,699,080	71,415,189
LIABILITIES			
<u>Current liabilities:</u>			
Vouchers and accounts payable	437,929	741,548	1,179,477
Accrued liabilities	347,239	132,264	479,503
Due to other funds	758,229	-	758,229
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	1,438,118	134,182	1,572,300
Total current liabilities	<u>3,031,515</u>	<u>1,122,994</u>	<u>4,154,509</u>
<u>Noncurrent liabilities:</u>			
Compensated absences, net of current portion	120,684	315,798	436,482
Estimated post closure costs	-	3,102,831	3,102,831
Long-term debt, net of current portion	24,567,627	1,778,825	26,346,452
Total liabilities	<u>27,719,826</u>	<u>6,320,448</u>	<u>34,040,274</u>
Deferred Inflows of Resources			
Deferred gain on refunding	-	802	802
Total liabilities and deferred inflows	<u>27,719,826</u>	<u>6,321,250</u>	<u>34,041,076</u>
NET POSITION			
Net investment in capital assets	22,920,154	5,156,409	28,076,563
Restricted capital connection	3,502,391	-	3,502,391
Unrestricted	3,573,738	2,221,421	5,795,159
Total net position	<u>29,996,283</u>	<u>\$ 7,377,830</u>	<u>\$ 37,374,113</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, 2017**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<u>Operating revenues:</u>			
Charges for services	\$ 7,355,926	\$ 11,432,124	\$ 18,788,050
<u>Operating expenses:</u>			
Salaries & benefits	2,877,203	2,774,132	5,651,335
Contracted services	790,104	7,060,678	7,850,782
Supplies	269,921	411,248	681,169
Heat, light and power	638,440	38,998	677,438
Depreciation	2,609,218	335,116	2,944,334
Miscellaneous	39,155	45,532	84,687
Telephone	20,996	8,164	29,160
Compensated absences	(54,305)	24,367	(29,938)
Maintenance and repairs	426,196	69,889	496,085
Capital outlay	536,505	38,960	575,465
Total operating expenses	<u>8,153,433</u>	<u>10,807,084</u>	<u>18,960,517</u>
Operating income (loss)	<u>(797,507)</u>	<u>625,040</u>	<u>(172,467)</u>
<u>Non-operating revenues (expenses):</u>			
Grants	(317,500)	11,534	(305,966)
Deferred amount on refunding	-	802	802
Miscellaneous income	41,047	-	41,047
Tower revenue	128,324	28,750	157,074
Investment income	89,993	20,788	110,781
Interest expense	<u>(532,293)</u>	<u>(61,619)</u>	<u>(593,912)</u>
Total non-operating revenues (expenses)	<u>(590,429)</u>	<u>255</u>	<u>(590,174)</u>
Income (loss) before contributions and transfers	(1,387,936)	625,295	(762,641)
Transfers in (out)	39,665	(20,035)	19,630
Capital connection charges	607,610	-	607,610
Developer contribution	<u>491,268</u>	<u>-</u>	<u>491,268</u>
Change in net position	(249,393)	605,260	355,867
Total net position - beginning	<u>30,245,676</u>	<u>6,772,570</u>	<u>37,018,246</u>
Total net position - ending	<u>\$ 29,996,283</u>	<u>\$ 7,377,830</u>	<u>\$ 37,374,113</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, 2017**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 7,160,070	\$ 11,288,170	\$ 18,448,240
Tower revenue	128,324	28,750	157,074
Other Receipts	41,047	10,308	51,355
Payments to suppliers	(5,952,782)	(10,401,504)	(16,354,286)
Payments to employees	(42,679)	35,171	(7,508)
Receipts from other funds	453,376	517,256	970,632
Net cash provided by (used in) operating activities	<u>1,787,356</u>	<u>1,478,151</u>	<u>3,265,507</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/ from other funds	(317,500)	19,630	(297,870)
Net cash provided by (used in) non-capital financing activities	<u>(317,500)</u>	<u>19,630</u>	<u>(297,870)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets and construction-in-progress	(2,598,435)	(1,694,998)	(4,293,433)
Proceeds from issuance of long term debt	1,730,419	149,141	1,879,560
Capital connection fees received	607,610	-	607,610
Developer contribution	491,268	-	491,268
Grants from State Government	39,665	-	39,665
Principal paid on long-term obligations	(677,722)	776,504	98,782
Interest paid on long-term obligations	(333,206)	(72,735)	(405,941)
Net cash provided by (used in) capital and related financing activities	<u>(740,401)</u>	<u>(842,088)</u>	<u>(1,582,489)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on deposits	43,305	20,849	64,154
Purchase of investments	(777,705)	(671,445)	(1,449,150)
Net cash provided by (used in) investing activities	<u>(734,400)</u>	<u>(650,596)</u>	<u>(1,384,996)</u>
Increase (decrease) in cash and cash equivalents	(4,945)	21	(4,924)
Cash and cash equivalents, beginning of year	367,911	1,000	368,911
Cash and cash equivalents, end of year	<u>\$ 362,966</u>	<u>\$ 1,021</u>	<u>\$ 363,987</u>
PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Adjustments to reconcile operating income (loss) to	\$ (797,507)	\$ 625,040	\$ (172,467)
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	2,609,218	335,116	2,944,334
Landfill closure costs and other	-	7,813	7,813
Tower revenue	128,324	28,750	157,074
Other Receipts	41,047	11,534	52,581
<u>Changes in assets and liabilities</u>			
Inventory	(48,157)	-	(48,157)
Accounts receivable	(195,855)	(145,982)	(341,837)
Due from other funds	-	517,256	517,256
Accounts payable	(386,040)	634,224	248,184
Accrued expenses	(17,050)	(535,600)	(552,650)
Due to other funds	453,376	-	453,376
Net cash provided by (used in) operating activities	<u>\$ 1,787,356</u>	<u>\$ 1,478,151</u>	<u>\$ 3,265,507</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and investments, unrestricted	\$ 362,966	\$ 1,021	\$ 363,987
Cash and investments, restricted	11,625,969	785,947	12,411,916
	<u>11,988,935</u>	<u>786,968</u>	<u>12,775,903</u>
Less - noncash equivalent investments	11,625,969	785,947	12,411,916
Cash and cash equivalents	<u>\$ 362,966</u>	<u>\$ 1,021</u>	<u>\$ 363,987</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, 2017

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employee Retirement Fund	OPEB	Agency Fund
ASSETS					
Cash and cash equivalents	\$ 13,061	\$ 1,499,330	\$ 1,320,614	\$ 301,306	\$ 90,408
Receivables and prepaid expenses:					
Accounts receivables	-	-	-	-	7,308
Investment income receivables	1,190	18,426	16,651	11,158	-
Total receivables	1,190	18,426	16,651	11,158	7,308
Investments:					
Fixed income	695,595	18,787,161	16,070,639	11,207,626	-
Common stocks	-	19,074,799	18,162,727	5,824,940	-
Equity funds	2,565,956	28,709,091	25,478,489	35,315,892	-
Foreign assets	544,305	9,423,917	8,918,361	8,986,538	-
Other assets	-	2,293,738	2,391,613	1,605,443	-
Total investments	3,805,856	78,288,706	71,021,829	62,940,439	-
Total assets	3,820,107	79,806,462	72,359,094	63,252,903	97,716
LIABILITIES AND FUND BALANCE					
Payables:					
Accounts payable	-	-	-	-	97,716
Total liabilities	-	-	-	-	\$ 97,716
Net position restricted for pensions	<u>\$ 3,820,107</u>	<u>\$ 79,806,462</u>	<u>\$ 72,359,094</u>	<u>\$ 63,252,903</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, 2017**

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employees Retirement Fund	OPEB
ADDITIONS				
Contributions:				
Employer contributions	\$ 550,000	\$ 3,200,000	\$ 2,900,000	\$ -
Member contributions	-	942,266	116,704	-
Prior service contributions	-	88,345	-	-
Total contributions	550,000	4,230,611	3,016,704	-
Investment income (loss):				
Interest and dividends	153,055	2,087,886	2,031,302	1,680,117
Appreciation/(depreciation) of investments	350,656	7,737,368	6,637,327	7,246,267
Capital gains/(loss)	69,866	1,106,943	1,531,624	(517,296)
Less investment expenses:				
Direct investment expense	(34,397)	(486,533)	(415,429)	(161,873)
Net investment income (loss)	539,180	10,445,664	9,784,824	8,247,215
Total additions	1,089,180	14,676,275	12,801,528	8,247,215
DEDUCTIONS				
Distributions to participants	713,176	2,691,019	3,737,373	-
Total deductions	713,176	2,691,019	3,737,373	-
Net increase (decrease) in net position	376,004	11,985,256	9,064,155	8,247,215
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	3,444,103	67,821,206	63,294,939	55,005,688
End of year	\$ 3,820,107	\$ 79,806,462	\$ 72,359,094	\$ 63,252,903

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

INDEX

		<u>Page #</u>
Note 1	Summary of Significant Accounting Policies	
	A. Reporting Entity	27
	B. Government-wide and Fund Financial Statements	28
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	28
	D. Assets, Liabilities, and Net Position	31
	E. Implementation of New Accounting Principles	33
Note 2	Property Taxes	34
Note 3	Cash, Cash Equivalents and Investments	35
Note 4	Notes Receivable	39
Note 5	Interfund Accounts and Transfers	40
Note 6	Capital Assets	41
Note 7	Long-Term Obligations	44
Note 8	Fund Balances	49
Note 9	Retirement Systems	51
	Length of Service Award Program	51
	Calvert County Sheriff's Department Pension Plan	54
	Calvert County's Employee Retirement Plan	57
	Calvert County Maryland Other Post-Employment Benefit Trust	60
	Calvert County's Employee Retirement Savings Plan	64
	State Retirement Systems of Maryland	64
	Component Unit - Board of Education	64
Note 10	Commitment and Contingent Liabilities	69
Note 11	Risk Management	69
Note 12	Subsequent Events	70

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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:

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.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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. Upon separation from County service, employees who became eligible for sick leave prior to September 7, 2015, shall be paid for their unused accrued sick leave as follows: $\frac{1}{4}$ of the Employee's current hourly rate multiplied by the number of sick leave days up to and including 100, plus $\frac{1}{2}$ of the Employee's current hourly rate multiplied by the number of sick leave days in excess of 100. Upon separation from County service, employees who became eligible for sick leave on or after September 7, 2015, shall be paid for their unused accrued sick leave as follows: $\frac{1}{4}$ of the Employee's current hourly rate multiplied by the number of sick leave days.

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 2017 the County adopted, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which required that employers account for and report the net OPEB liability.

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.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 on 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; and GASB Statement No. 77, *Tax Abatement Disclosures*. These statements did not have a material effect on the County's financial statements.

The GASB has also issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and GASB Statement No. 87, *Leases*, which will require adoption in the future, if applicable. These statements are expected to have a material effect on the County's financial statements once implemented. The County will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, was \$.952 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 \$.616 per \$100 of assessed value based on the full valuation method. The personal property tax rate during the year ended June 30, 2017 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, 2017

Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2017, cash on hand for petty cash and change was \$13,194.

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, 2017, the net carrying amount and the bank balances of the County's deposits with financial institutions were \$45,476,386 and \$45,609,952, 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, 2017, 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, 2018. The latest maturity date is May 15, 2026. This fund has no interest rate risk because

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, the County had the following recurring fair value measurements.

	6/30/2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
Debt Securities				
U.S. Treasury strips	\$ 5,261,008	\$ 5,261,008	\$ -	\$ -
U.S. Agencies	13,935,748	13,935,748	-	-
Corporate bonds and notes	26,507,843	-	26,507,843	-
Total debt securities	45,704,599	19,196,756	26,507,843	-
Equity Securities				
Commons stock	40,970,378	40,970,378	-	-
Equity mutual funds	119,942,548	119,942,548	-	-
Total equity securities	160,912,926	160,912,926	-	-
Total investments by fair value level	206,617,525	180,109,682	26,507,843	-
Investments measured at net asset value (NAV)				
Money market funds	76,697,795			
Fixed income mutual funds	19,204,874			
Private equity funds	6,290,794			
Total investments measured at the NAV	102,193,463			
Total investments measured at fair value	\$ 308,810,988			

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	\$ 38,806,440
Less than 1 year	11,810,030
1 - 5 years	2,659,938
5 - 10 years	1,438,353
Total	<u>\$ 54,714,761</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	\$	3,589,031	
France		4,402,147	
Japan		1,834,228	
Switzerland		3,489,557	
Germany		2,577,016	
Netherlands		1,992,108	
China		1,467,382	
Ireland		1,327,464	
Belgium		917,114	
Columbia		917,113	
Total	\$	22,513,160	

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2017 are summarized in the following table:

Cash, Cash Equivalent or Investment type			Cash, Cash Equivalent or Investment type		
U.S. Agency obligations	\$	10,795,356	Unrestricted	\$	320,280,889
U.S. Treasury strips		5,112,966	Restricted		33,119,663
Common stock		43,062,466	Total	\$	353,400,553 *
Fixed assets		46,761,021			
Equity and bond funds		119,942,549			
Money market mutual funds		75,945,822			
Cash in banks		45,476,386			
Other special equity		6,290,794			
Petty cash		13,194			
Total	\$	353,400,553 *			

*includes agency fund cash of \$90,408.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2017, totaled \$1,785,423 and consisted of money market mutual funds.

Board of Education

Cash on Hand - At June 30, 2017, cash on hand for petty cash and change funds was \$806.

Deposits - At June 30, 2017, the carrying amount of the Board's deposit was \$27,683,467 consisting of cash in the amount of \$23,724,138 in governmental activities, \$2,039,563 in the business-type activities and \$1,919,766 in the agency fund with corresponding bank balances of \$19,797,951. 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, 2017

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, 2017, \$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, 2017, outstanding principal amounted to \$18,573.

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, 2017, outstanding principal amounted to \$6,100,000 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, 2017, outstanding principal amounted to \$36,308 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, 2017, \$224,137 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, 2017, \$132,998 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

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, 2017, \$72,298 is outstanding.

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, 2017, \$51,571 is outstanding.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 the interfund account balances were as shown below:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
<u>General Fund</u>		
Special revenue funds	\$ 6,322	\$ 12,241,455
Capital projects fund	-	7,945,166
Enterprise funds	758,229	5,932,711
	764,551	26,119,332
<u>Special Revenue Funds</u>		
General fund	12,241,455	6,322
<u>Capital Projects Fund</u>		
General fund	7,945,166	-
<u>Enterprise Funds</u>		
General fund	5,932,711	758,229
	\$ 26,883,883	\$ 26,883,883
Component Units:		
Primary government – General fund	\$ -	\$ 11,248,506
Component unit – Board of Education	10,800,000	-
Component unit – Economic Development Authority	448,506	-
	\$ 11,248,506	\$ 11,248,506

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, 2017, the interfund transfers were as follows:

Primary Government:	<u>Transfers in</u>	<u>Transfers out</u>
<u>Governmental Funds</u>		
Special revenue funds	\$ 8,749,512	\$ 1,334,076
Capital projects fund	3,946,276	-
General fund	-	11,381,342
	12,695,788	12,715,418
<u>Proprietary Funds</u>		
Water and sewer fund	-	-
Solid waste fund	19,630	-
	19,630	-
Total Transfers	\$ 12,715,418	\$ 12,715,418

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 6,211,814	\$ 9,475,423	\$ (4,804,504) ⁽¹⁾	\$ 10,882,733
Land Development Rights	11,245,305	-	-	11,245,305
Land	42,153,149	70,925	-	42,224,074
	<u>59,610,268</u>	<u>9,546,348</u>	<u>(4,804,504)</u>	<u>64,352,112</u>
Capital assets, being depreciated				
Buildings	78,945,173	-	(69,741)	78,875,432
Improvements	45,609,504	1,479,826	-	47,089,330
Machinery & Equipment	48,201,790	4,223,220	(977,702)	51,447,308
Infrastructure	139,337,340	4,555,583	-	143,892,923
	<u>312,093,807</u>	<u>10,258,629</u>	<u>(1,047,443)</u>	<u>321,304,993</u>
Less accumulated depreciation for:				
Buildings	(48,442,156)	(2,031,075)	69,741	(50,403,490)
Improvements	(22,560,250)	(2,382,708)	-	(24,942,958)
Machinery & Equipment	(35,711,788)	(3,505,292)	977,702	(38,239,378)
Infrastructure	(75,041,408)	(5,613,904)	-	(80,655,312)
	<u>(181,755,602)</u>	<u>(13,532,979)</u>	<u>1,047,443</u>	<u>(194,241,138)</u>
Total capital assets, being depreciated, net	<u>130,338,205</u>	<u>(3,274,350)</u>	<u>-</u>	<u>127,063,855</u>
Governmental activities capital assets, net	<u>\$ 189,948,473</u>	<u>\$ 6,271,998</u>	<u>\$ (4,804,504)</u>	<u>\$ 191,415,967</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 3,862,644	\$ 3,957,106	\$ (1,373,842)	\$ 6,445,908
Land	2,483,591	-	-	2,483,591
	<u>6,346,235</u>	<u>3,957,106</u>	<u>(1,373,842)</u>	<u>8,929,499</u>
Capital assets, being depreciated				
Buildings	55,369,583	891,143	-	56,260,726
Improvements	18,120,807	-	-	18,120,807
Machinery & Equipment	13,005,736	809,570	(19,600)	13,795,706
	<u>86,496,126</u>	<u>1,700,713</u>	<u>(19,600)</u>	<u>88,177,239</u>
Less accumulated depreciation for:				
Buildings	(33,549,793)	(1,479,882)	-	(35,029,675)
Improvements	(4,702,896)	(632,613)	-	(5,335,509)
Machinery & Equipment	(6,131,218)	(831,839)	19,600	(6,943,457)
	<u>(44,383,907)</u>	<u>(2,944,334)</u>	<u>19,600</u>	<u>(47,308,641)</u>
Total capital assets, being depreciated, net	<u>42,112,219</u>	<u>(1,243,621)</u>	<u>-</u>	<u>40,868,598</u>
Business-type activities capital assets, net	<u>\$ 48,458,454</u>	<u>\$ 2,713,485</u>	<u>\$ (1,373,842)</u>	<u>\$ 49,798,097</u>

(1) Excludes assets of \$7,009,356 that were transferred to the Board of Education

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2017 as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2017</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, 2017 as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance June 30, 2017</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,849,196	\$ -	\$ -	\$ 3,849,196
Construction in progress	4,356,372	17,504,352	(380,204)	21,480,520
Total capital assets, not being depreciated	8,205,568	17,504,352	(380,204)	25,329,716
Capital assets, being depreciated:				
Buildings and improvements	313,860,951	350,934	-	314,211,885
Land improvements	5,824,480	426,015	-	6,250,495
Equipment	7,852,221	1,011,169	(489,042)	8,374,348
Total capital assets, being depreciated	327,537,652	1,788,118	(489,042)	328,836,728
Less accumulated depreciation for				
Buildings and improvements	(106,440,527)	(6,824,099)	-	(113,264,626)
Land improvements	(3,551,967)	(306,287)	-	(3,858,254)
Equipment	(6,127,647)	(449,736)	485,095	(6,092,288)
Total accumulated depreciation	(116,120,141)	(7,580,122)	485,095	(123,215,168)
Total capital assets, being depreciated, net	211,417,511	(5,792,004)	(3,947)	205,621,560
Governmental activities capital assets, net	<u>\$ 219,623,079</u>	<u>\$ 11,712,348</u>	<u>\$ (384,151)</u>	<u>\$ 230,951,276</u>
Business-type Activities:				
Equipment at historical costs	\$ 1,915,001	\$ 44,879	\$ (7,950)	\$ 1,951,930
Less accumulated depreciation	(1,767,177)	(38,592)	7,950	(1,797,819)
Business-type activities capital assets, net	<u>\$ 147,824</u>	<u>\$ 6,287</u>	<u>\$ -</u>	<u>\$ 154,111</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2017 as follows:

	Spent to Date	Commitment
Northern High School	\$ 8,835,537	\$ 14,637,227
Total	\$ 8,835,537	\$ 14,637,227

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, 2017 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

General government	\$ 1,492,007
Public safety	3,938,766
General services	2,336,938
Public works	5,624,912
Community resources	140,356
Education	-
Total	\$ 13,532,979

<i>Busi.</i> Water and Sewer	\$ 2,609,218
Solid Waste and Recycling	335,116
	\$ 2,944,334

Component Units:

Board of Education - governmental activities:

<i>Instruction:</i>	
Regular education	\$ 107,922
Special education	11,255
<i>Support services:</i>	
Administration	156,441
Mid-level administration	7,783
Transportation	2,345
Operation of plant and equipment	7,161,820
Maintenance of plant	132,556
Total	\$ 7,580,122

Board of Education - business-type activities:

Food services	\$ -
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<i>Economic Development:</i>	\$ 19,700
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CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 97,093,567	\$ 50,526,998	\$ (34,364,217)	\$ 113,256,348	\$ 14,089,051
Notes Payable ⁽²⁾	87,843	-	(17,738)	70,105	17,737
The Land Preservation Program	5,619,440	-	(148,500)	5,470,940	1,020,600
Other Liabilities:					
Landfill Closure Costs	330,000	-	(30,000)	300,000	30,000
Net Pension Liability	27,147,716	-	(12,658,015)	14,489,701	-
Net OPEB Obligation	19,694,421	4,073,838	-	23,768,259	-
Compensated Absences	9,719,964	3,806,388	(1,333,274)	12,193,078	1,435,270
Total	<u>\$ 159,692,951</u>	<u>\$ 58,407,224</u>	<u>\$ (48,551,744)</u>	<u>\$ 169,548,431</u>	<u>\$ 16,592,658</u>
Business-type activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 12,379,014	\$ 2,928,711	\$ (645,249)	\$ 14,662,476	\$ 706,475
Notes Payable ⁽¹⁾	13,451,305	685,551	(880,580)	13,256,276	865,825
Other Liabilities:					
Landfill Closure Costs	3,160,018	7,813	-	3,167,831	65,000
Compensated Absences	566,420	93,559	(123,497)	536,482	100,000
Total	<u>\$ 29,556,757</u>	<u>\$ 3,715,634</u>	<u>\$ (1,649,326)</u>	<u>\$ 31,623,065</u>	<u>\$ 1,737,300</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, 2017

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2017, 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	\$ 2,180,000
Consolidated Public Improvement Project Bonds, 2010 Series	13,921,232	3% - 5%	July 1, 2025	9,363,736
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	11,550,962
Refunding Bonds, 2011 Series (replaced the 2003/2004 Series bonds)	15,360,000	2% - 5%	July 15, 2018	6,580,000
Consolidated Public Improvement Project Bonds, 2012 Series	6,290,000	3% - 4%	April 1, 2027	4,195,001
Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds)	6,425,000	3% - 4%	April 1, 2027	4,690,000
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2028	4,250,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	9,722,117
Consolidated Public Improvement Project Bonds, 2014 Series	5,760,000	2% - 5%	May 1, 2029	4,795,000
Consolidated Public Improvement Project Bonds, 2016 Series	28,030,000	2% - 5%	July 1, 2031	28,030,000
Refunding Bonds, 2016 Series (replaced the 2008/2009 Series bonds)	18,670,000	2% - 5%	July 1, 2032	18,670,000
<i>Shore Erosion Control</i>				
Western Shores (non-interest bearing)	261,042	n/a	July 1, 2017	13,052
Solomons United Methodist Church (non-interest bearing)	32,150	n/a	July 1, 2026	12,860
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	44,193
<i>Other</i>				
The Land Preservation Program	<u>10,611,555</u>	3% - 5%		<u>5,470,940</u>
Total General Obligation Bonds and Notes Receivables	170,334,308			109,567,861
Premium, 2009, 2010, 2011, 2012, 2013, 2014, 2016 Series				<u>9,229,532</u>
Total Governmental Activities	<u>\$ 170,334,308</u>			<u>\$ 118,797,393</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2017, 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	\$ 1,556,921
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	2,041,041
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,445,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	209,902
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	1,050,000
Consolidated Public Improvement Project Bonds, 2014 Series	3,275,000	2% - 5%	May 1, 2039	3,000,000
Consolidated Public Improvement Project Bonds, 2016 Series	1,765,000	2% - 5%	July 1, 2041	1,765,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	18,797
General Fund Note - Dares Beach Water Supply	258,225	6.6%	June 30, 2019	36,308
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	224,137
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	132,997
General Fund Note - Water and Sewer	7,000,000	0.00%	June 30, 2052	6,100,000
Maryland Department of the Environment (MDE) Note - Kenwood Beach	250,000	4.64%	February 1, 2033	179,378
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	117,907
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	1,754,982
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	155,843
Maryland Water Quality Financing Admin Note - Chesapeake Beach	1,071,036	1.1%	February 2, 2028	606,618
Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP	1,671,099	1.1%	February 1, 2036	1,671,099
Maryland Water Quality Financing Admin Note - East Prince Fred Tank	<u>2,258,209</u>	0.9%	December 1, 2036	<u>2,258,218</u>
Total General Obligation Bonds and Notes Receivables	35,426,757			25,324,148
Premium, 2010, 2011, 2012, 2013, 2014, 2016 Series				<u>681,597</u>
Total Water and Sewer	<u>\$ 35,426,757</u>			<u>\$ 26,005,745</u>
<i>General Obligation Bonds - Solid Waste</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 274,066	3% - 5%	July 1, 2025	\$ 184,343
Consolidated Public Improvement Project Bonds, 2011 Series	1,000,000	2% - 5%	May 1, 2026	602,996
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	67,599	2% - 5%	April 1, 2022	62,969
Consolidated Public Improvement Project Bonds, 2016 Series	1,010,000	2% - 5%	July 1, 2031	<u>1,010,000</u>
Total General Obligation Bonds	1,341,665			1,860,308
Premium, 2010, 2011, 2016 Series				<u>52,699</u>
Total Solid Waste	<u>\$ 1,341,665</u>			<u>\$ 1,913,007</u>
Total Business Type Activities	<u>\$ 36,768,422</u>			<u>\$ 27,918,752</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 are as follows:

Governmental Activities				
Years Ending June 30,	Principal	Interest	Total	
2018	\$ 14,296,835	\$ 4,354,823	\$	18,651,658
2019	14,695,194	3,753,422		18,448,616
2020	11,474,111	3,193,119		14,667,230
2021	13,740,781	2,675,244		16,416,025
2022	10,824,930	2,022,629		12,847,559
2023-2027	31,915,311	4,596,511		36,511,822
2028-2032	12,620,699	824,494		13,445,193
Premium	9,358,045	-		9,358,045
	\$ 118,925,906	\$ 21,420,242	\$	140,346,148

Business-Type Activities				
Years Ending June 30,	Principal	Interest	Total	
2018	\$ 1,597,193	\$ 611,149	\$	2,208,342
2019	1,677,971	572,352		2,250,323
2020	1,692,838	529,392		2,222,230
2021	1,711,034	482,626		2,193,660
2022	1,702,972	437,481		2,140,453
2023-2027	6,249,461	1,550,504		7,799,965
2028-2032	4,982,125	918,111		5,900,236
2033 - thereafter	7,710,853	488,380		-
Premium	599,896	-		599,896
	\$ 27,924,343	\$ 5,589,995	\$	25,315,105

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$300,000. 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 state and federal regulations to provide for

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, \$3,167,831 represents the accrued reserve at June 30, 2017, 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 \$4,121,206. The accrued reserve will be increased with a contribution of \$7,813 for FY2018.

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, 2017:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 3,463,123	\$ 2,227,925	\$ (2,128,967)	\$ 3,562,081	\$ 125,811
Net OPEB Obligation	74,712,384	16,027,330	-	90,739,714	-
Total	<u>\$ 78,175,507</u>	<u>\$ 18,255,255</u>	<u>\$ (2,128,967)</u>	<u>\$ 94,301,795</u>	<u>\$ 125,811</u>
Business-type activities:					
Compensated Absences	\$ 44,248	\$ 35,681	\$ (29,677)	\$ 50,252	\$ -
Net OPEB obligation	1,223,855	249,670	-	1,473,525	-
Total	<u>\$ 1,268,103</u>	<u>\$ 285,351</u>	<u>\$ (29,677)</u>	<u>\$ 1,523,777</u>	<u>\$ -</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 is expressed by the BOCC or the Director of Finance and Budget as established in the County's Fund Balance Policy.
5. Unassigned: Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

As of June 30, 2017, fund balances were reported as follows:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
GOVERNMENTAL FUNDS FUND BALANCES
JUNE 30, 2017

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventory	\$ 266,078	\$ -	\$ 67,309	\$ 333,387
Long term receivables	6,512,016	-	-	6,512,016
Total Nonspendable	<u>6,778,094</u>	-	<u>67,309</u>	<u>6,845,403</u>
Restricted for:				
Leveraging obligations	-	-	5,261,008	5,261,008
Other purposes	-	-	6,254,267	6,254,267
Endowments	54,030	-	41,846	95,876
Total Restricted for	<u>54,030</u>	-	<u>11,557,121</u>	<u>11,611,151</u>
Committed to:				
Encumbrances:				
General government	636,580	-	-	636,580
Public safety	900,841	-	-	900,841
General services	638,689	-	-	638,689
Public works	2,739,467	-	-	2,739,467
Economic development	52,410	-	-	52,410
Community resources	7,683	-	-	7,683
Education	8,376	-	-	8,376
Other purposes	-	-	-	-
Stabilization arrangement	19,741,998	-	-	19,741,998
Board of education	-	-	-	-
Other purposes	320,977	-	2,988,781	3,309,758
Total Committed to	<u>25,047,021</u>	-	<u>2,988,781</u>	<u>28,035,802</u>
Assigned to:				
Vacation/sick leave	5,000,000	-	-	5,000,000
OPEB	-	-	-	-
Other purposes	-	-	1,987,404	1,987,404
Other capital projects	-	21,848,695	-	21,848,695
Total Assigned to	<u>5,000,000</u>	<u>21,848,695</u>	<u>1,987,404</u>	<u>28,836,099</u>
Unassigned:	<u>24,060,353</u>	-	-	<u>24,060,353</u>
Total fund balances:	<u>\$ 60,939,498</u>	<u>\$ 21,848,695</u>	<u>\$ 16,600,615</u>	<u>\$ 99,388,808</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, 2017.

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, 2017

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 64 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, 2017.

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, 2017, the membership was as follows:

Inactive employees or beneficiaries currently receiving benefits	67
Active employees currently receiving benefits	64
Active employees	1,109

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 \$6,000 burial benefit.

Contribution – The contribution made by the County to the Plan for fiscal 2017 totaling \$550,000 were made in accordance with actuarial determined requirements computed through and actuarial valuation performed on July 1, 2017.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	5.0%
Domestic equity	55.0%
International equity	15.0%
Fixed income	25.0%
Total	100.0%

Rate of return – For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 15.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability, for the measurement period of June 30, 2016 to June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Entry Age Normal
Inflation rate	2.2%
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, 2017 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	4.20%
Small Cap U.S. equity	4.70%
International equity	4.79%
Emerging Markets equity	5.19%
Core U.S. fixed income	1.47%
Private equity	6.26%

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 average 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 06/30/16	\$7,426,952	\$3,444,103	\$3,982,850
Changes for the year:			
Service cost	128,219	-0-	129,219
Interest on the total pension liability	559,036	-0-	559,036
Change in benefit terms	91,320	-0-	91,320
Difference between expected and actual experience	1,202,456	-0-	1,202,456
Contributions - employer	-0-	550,000	(550,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	533,099	(533,100)
Benefit payments	(696,595)	(696,595)	-0-
Administrative expense	-0-	(10,500)	10,500
Net changes	1,284,436	376,005	908,431
Balance at 06/30/17	\$8,711,388	\$3,820,107	\$4,891,281

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	\$9,655,529	\$8,711,388	\$7,919,057
Plan fiduciary net position	(3,820,107)	(3,820,107)	(3,820,107)
County’s net pension liability	\$5,835,422	\$4,891,281	\$4,098,950

Pension plan fiduciary net position - For the year ended June 30, 2017, the County recognized pension expense of \$804,615. At June 30, 2017, 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	\$1,083,035	\$-0-
Changes of assumptions	-0-	-0-
Net difference between expected and actual earnings	123,194	-0-
Total	\$1,206,229	\$-0-

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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:	
2018	\$371,122
2019	371,122
2020	273,582
2021	190,403

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, 2017.

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, 2017, 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.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Contribution - The contributions made to the Plan for fiscal 2017 totaling \$3,200,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2017.

Investments

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50.0%
International equity	15.0%
Fixed income	30.0%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 15.49%. 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, 2016 to June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Funding method</u>	<u>Entry Age Normal</u>
Inflation rate	2.2%
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, 2017 are summarized in the following table:

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Asset Classes	Long-term Expected Real Rate of Return
Large Cap U.S. equity	4.20%
Small Cap U.S. equity	4.70%
International equity	4.79%
Emerging Markets equity	5.19%
Core U.S. fixed income	1.47%
Private equity	6.26%

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 average less than this return over the next 30 years.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 06/30/16	\$76,552,734	\$67,821,206	\$8,731,528
Changes for the year:			
Service cost	2,239,796	-0-	2,239,796
Interest on the total pension liability	6,004,066	-0-	6,004,066
Difference between expected and actual experience	-0-	-0-	-0-
Contributions - employer	-0-	3,200,000	(3,200,000)
Contributions – employee	-0-	942,266	(942,266)
Net investment income	-0-	10,607,920	(10,607,920)
Benefit payments	(2,691,653)	(2,691,653)	-0-
Administrative expense	-0-	(73,277)	73,277
Net changes	5,552,209	11,985,256	(6,433,047)
Balance at 06/30/17	<u>\$82,104,943</u>	<u>\$79,806,462</u>	<u>\$2,298,481</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	\$94,991,270	\$82,104,943	\$71,653,356
Plan fiduciary net position	(79,806,462)	(79,806,462)	(79,806,462)
County’s net pension liability	<u>\$15,184,808</u>	<u>\$2,298,481</u>	<u>\$(8,153,106)</u>

Pension plan fiduciary net position - For the year ended June 30, 2017, the County recognized pension expense of \$1,538,311. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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-	\$4,555,968
Changes of assumptions	-0-	-0-
Net difference between expected and actual earnings	663,325	-0-
Total	\$663,325	\$4,555,968

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:	
2018	\$(184,521)
2019	(184,521)
2020	(658,581)
2021	(1,949,916)
Thereafter	(915,104)

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, 2017.

Plan Description

Plan administration -The County contributes to the Calvert County Employees Retirement Plan (the Plan), a single employer defined benefit pension plan that provides retirement benefits and death and disability benefits to participating employees and their beneficiaries. All full-time employees of the County plus part-time employees working at least 50% of a regular work week and employees of the office of the State's Attorney and the Calvert County Housing Authority were eligible to participate in the Plan. If hired before July 1, 1996, benefits vest 100% for service greater or equal to 5 years, or if hired on or after July 1, 1996, benefits vest 100% for service greater or equal to seven years. No new participants were added to this plan after the adoption of the Calvert County Employee Retirement Savings Plan.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Employees covered by benefit terms - At June 30, 2017, the membership was as follows:

Retired	177
Terminated, vested	20
Active, vested	88

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 2017 totaling \$2,900,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2017.

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>
US equity	55.0%
International equity	20.0%
US fixed income	20.0%
Private equity	5.0%
Total	<u>100.0%</u>

Rate of return – For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 15.61%. 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, 2016 to June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Funding method	Entry Age Normal
Inflation rate	2.2%
Salary increases	6.0% 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, 2017 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	4.20%
Small Cap U.S. equity	4.70%
Global equity	4.99%
International equity	4.79%
Emerging Markets equity	5.19%

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 average 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 06/30/16	\$77,728,278	\$63,294,939	\$14,433,339
Changes for the year:			
Service cost	697,192	-0-	697,192
Interest on the total pension liability	5,935,855	-0-	5,935,855
Difference between expected and actual experience	(964,962)	-0-	(964,962)
Contributions - employer	-0-	2,900,000	(2,900,000)
Contributions – employee	-0-	116,704	(116,704)
Net investment income	-0-	9,818,496	(9,818,496)
Benefit payments	(3,737,331)	(3,737,331)	-0-
Administrative expense	-0-	(33,714)	33,714
Net changes	1,930,754	9,064,155	(7,133,401)
Balance at 06/30/17	\$79,659,032	\$72,359,094	\$7,299,938

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

	1% Decrease (6.75)	Current Discount Rate (7.75)	1% Increase (8.75)
Total pension liability	\$88,550,643	\$79,659,032	\$72,091,120
Plan fiduciary net position	(72,359,094)	(72,359,094)	(72,359,094)
County's net pension liability	\$16,191,549	\$7,299,938	\$(267,974)

Pension plan fiduciary net position - For the year ended June 30, 2017, the County recognized pension income of \$545,391. At June 30, 2017, 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-	\$482,481
Changes of assumptions	-0-	-0-
Net difference between expected and actual earnings	687,827	-0-
Total	\$687,827	\$482,481

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:	
2018	\$216,224
2019	698,704
2020	255,691
2021	(965,273)

4. Calvert County Maryland Other Post-Employment Benefits Trust

Summary of Significant Accounting Policies

OPEB – 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 OPEB liability was computed using the Entry Age Normal Cost Method as a part of an actuarial valuation performed as of June 30, 2017.

Plan Description

Plan administration - 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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

Management of the Other Post-Employment Benefit Trust (Plan), is vested in the Board of Trustees, which consists of nine members. The Trustee officer's include three Calvert County Public School (CCPS) employees, who are appointed by the Board of Education. The other six consist of three County employees and three citizens with expertise in either funding retiree health care benefits, in health benefits administration, in the economics of affordable retiree health care programs, or in investing pension fund assets, or in finance, who are residents of the county and who are not County or CCPS employees of either entity or participants in any County or CCPS retirement plan.

Employees covered by benefit terms - At June 30, 2017, the membership was as follows:

	<u>County</u>	<u>Board of Education</u>
Active	692	1,606
Retired	190	805
Total	882	2,411

Benefits provided - 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 - The pay-as-you-go contribution made to the plan for fiscal year 2017 totaled \$1,360,461.

Annual OPEB cost and Net OPEB obligation - the following schedule gives information on the County's and the Board of Education:

	<u>County</u>	<u>Board of Education</u>	<u>Total</u>
Annual required contribution	\$5,881,875	\$23,985,000	\$29,866,875
Interest on net OPEB obligation	984,721	3,723,000	4,707,721
Adjustment to ARC	(1,028,758)	(5,656,000)	(6,684,758)
Annual OPEB cost	\$5,837,838	\$22,052,000	\$27,889,838
Contribution made	1,764,000	5,775,000	7,539,000
Increase in net OPEB obligation	\$4,073,838	\$16,277,000	\$20,350,838
Net OPEB obligation, beginning of year	19,694,421	75,936,239	95,630,660
Net OPEB obligation, end of year	\$23,768,259	\$92,213,239	\$115,981,498

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The County's Annual OPEB Costs, Percentage of OPEB Costs contributed, and Net OPEB Obligation for the plan for the current year and each of the two preceding years were as follows:

Valuation Date June 30,	Annual OPEB Costs	Percentage Of OPEB Costs Contributed	Net OPEB Obligation (Asset)
2017	\$5,837,838	24.6%	\$23,768,259
2016	5,643,846	31.3%	19,694,421
2015	6,128,384	33.0%	15,814,575

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							
2017	\$ 5,881,875	\$ 984,721	\$ 1,028,758	\$ 5,837,838	\$ 1,360,461	\$ 4,477,377	\$ 24,171,798
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
Board of Education							
2017	\$ 23,985,000	\$ 3,723,000	\$ 5,656,000	\$ 22,052,000	\$ 5,775,000	\$ 16,277,000	\$ 92,213,239
2016	22,373,000	2,990,000	4,443,000	20,920,000	6,242,000	14,678,000	75,936,239
2015	24,441,000	2,229,000	3,231,000	23,439,000	6,769,608	16,669,392	61,258,239
Total							
2017	\$ 29,866,875	\$ 4,707,721	\$ 6,684,758	\$ 27,889,838	\$ 7,135,461	\$ 20,754,377	\$ 116,385,037
2016	28,254,875	3,780,729	5,471,758	26,563,846	8,006,000	18,557,846	95,630,660
2015	30,569,384	2,820,308	4,000,306	29,389,386	8,731,581	20,657,805	77,072,814

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
U.S. equity	56.0%
International equity	19.0%
U.S. fixed income	20.0%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 13.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County's net OPEB liability, for the measurement period of June 30, 2016 to June 30, 2017, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Total OPEB liability	\$76,101,186
Plan fiduciary net position	17,326,562
County's net OPEB liability	<u>\$58,774,624</u>

Plan fiduciary net position as a percentage of the total pension liability	22.77%
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Note: The above information was not available for the Board of Education as of June 30, 2017.

Actuarial assumptions and methods – The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Entry Age Normal
Inflation rate	2.2%
Investment rate of return	5.00%
Mortality	RP-2000 combined healthy generational mortality table

Long-term rate of return – The long-term rate of return on the OPEB 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, 2017 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	4.20%
Small Cap U.S. equity	4.70%
Global equity	4.99%
International equity	4.79%
Emerging Markets equity	5.19%

Discount rate – The discount rate of 5.00% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will less than this return over the next 30 years.

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the County, calculated using the discount rate of 5.00%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00)	Current Discount Rate (5.00)	1% Increase (6.00)
Total OPEB liability	\$91,343,374	\$76,101,186	\$64,251,017
Plan fiduciary net position	(17,326,562)	(17,326,562)	(17,326,562)
County's net OPEB liability	<u>\$74,016,812</u>	<u>\$58,774,624</u>	<u>\$46,924,455</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rates 8.50% decreasing to 4.50%, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50% decreasing to 3.50%) or 1-percentage-point higher (9.50% decreasing to 5.50%) than the current healthcare trend rates:

	1% Decrease (7.50% decreasing to 3.50%)	Current Discount Rate (8.50% decreasing to 4.50%)	1% Increase (9.50% decreasing to 5.50%)
Total OPEB liability	\$63,075,484	\$76,101,186	\$93,049,801
Plan fiduciary net position	(17,326,562)	(17,326,562)	(17,326,562)
County’s net OPEB liability	\$45,748,922	\$58,774,624	\$75,723,239

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, 2017 were \$1,131,557 and \$832,402, 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 \$412,030, \$378,395, and \$372,665, for the years ended June 30, 2017, 2016 and 2015. In accordance with GASB Statement Number 24, the State’s 2017 contribution amount has been shown as State aid revenue and pension expenditure.

B. Component Unit – Board of Education

Retirement and Pension System of the State of Maryland

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 FY2017, the Board pays the normal cost for their employees in the Teachers' Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers' Retirement and Pension System. The Board's normal cost for the year ended June 30, 2017 was \$5,910,295. The State's contributions on behalf of the Board for the year ended June 30, 2017 was \$14,995,205. The FY2017 contribution made by the State on behalf of the Board was included as both revenue and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balance and is also included as revenues and expenses in the Statement of Activities.

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2017, was 6.73% 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, 2017 of \$1,175,347.

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, 2017, the Board reported a liability of \$15,788,250 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2016, 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, 2016. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2017, the Board's proportionate share was 0.67%.

For the year ended June 30, 2017, the Board recognized pension expense of \$2,056,405. At June 30, 2017, 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-	\$406,186
Changes of assumptions and proportions	651,831	-0-
Change in proportion	588,376	338,575
Net difference between expected and actual earnings	1,893,636	-0-
Changes in proportionate share of contributions	302,477	-0-
Boards contribution subsequent to the measurement date	1,175,347	-0-
Total	\$4,611,667	\$744,761

\$1,175,347 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, 2018. Other amounts reported as deferred outflows of

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

Year ended June 30:	
2018	\$(684,997)
2019	(684,998)
2020	(877,703)
2021	(527,423)
2022	83,562

Teachers Retirement and Pension Systems - At June 30, 2017, 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	\$170,642,937
Board's proportionate share of the net pension liability	-0-
Total	\$170,642,937

The net pension liability was measured as of June 30, 2016, 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, 2017, the Board recognized pension expense of \$18,963,104 and revenue of \$14,089,439 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Funding method	Entry Age Normal
Inflation rate	2.7% general, 3.2% wage
Salary increases	3.3% 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, 2016 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2010-2014, after completion of the June 30, 2014 valuations. 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, and investment return assumption of 7.55% and an inflation assumption of 2.70% were used in the June 30, 2016 valuation.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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:

<u>Asset Classes</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equity	37%	6.60%
Private equity	10%	7.40%
Rate sensitive	20%	1.30%
Credit opportunity	9%	4.20%
Real assets	15%	4.70%
Absolute return	9%	3.70%
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, 2016.

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 1.10%. 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	\$21,686,531	\$15,788,250	\$10,879,997

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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. 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 2017, the County paid premiums of \$855,022 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 five fiscal years.

The County procures workers' compensation coverage per Maryland Statute through Chesapeake Employers' Insurance Company. During fiscal year 2017, the County paid premiums for the coverage in the amount of \$2,190,134. In addition to coverage through LGIT and Chesapeake, the County procures numerous specialty insurance policies, which include but are not limited to Equipment Breakdown through The Hartford Steam Boiler, Hull and P&I through Navigators Insurance Company, and Fiduciary Coverage through Chubb Group.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 29, 2017, the date the financial statements were available to be issued.

On July 18, 2017, the County issued \$24,010,000 in general obligation bonds, \$1.2 million related to the Water and Sewer enterprise fund, with interest rates varying from 2.0% to 5.0% maturing on July 1, 2032 and July 1, 2042 for the enterprise portion.

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017*

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 4 Fiscal Years

	FY2017	FY2016	FY2015	FY2014
Total pension liability				
Service costs	\$ 128,219	\$ 111,495	\$ 122,128	\$ 63,624
Interest	559,036	558,559	528,851	508,501
Changes in benefit terms	91,320	-	-	-
Difference between expected and actual experience	1,202,456	-	302,678	37,692
Benefit payments, including refunds of member contributions	(696,595)	(665,220)	(458,050)	(425,583)
Net change in total pension liability	<u>\$ 1,284,436</u>	<u>\$ 4,834</u>	<u>\$ 495,607</u>	<u>\$ 184,234</u>
Total pension liability - beginning	<u>7,426,952</u>	<u>7,422,118</u>	<u>6,926,511</u>	<u>6,742,277</u>
Total pension liability - ending	<u>\$ 8,711,388</u>	<u>\$ 7,426,952</u>	<u>\$ 7,422,118</u>	<u>\$ 6,926,511</u>
Plan fiduciary net position				
Contributions - employer	\$ 550,000	\$ 540,000	\$ 460,000	\$ 490,000
Net investment income	533,099	(128,504)	98,868	568,708
Benefit payments, including refunds of member contributions	(696,595)	(665,220)	(458,050)	(425,583)
Administrative expense	(10,500)	(10,500)	(10,500)	-
Net change in plan fiduciary net position	<u>\$ 376,004</u>	<u>\$ (264,224)</u>	<u>\$ 90,318</u>	<u>\$ 633,125</u>
Plan fiduciary net position - beginning	<u>3,444,103</u>	<u>3,708,327</u>	<u>3,618,009</u>	<u>2,984,884</u>
Plan fiduciary net position - ending	<u>\$ 3,820,107</u>	<u>\$ 3,444,103</u>	<u>\$ 3,708,327</u>	<u>\$ 3,618,009</u>
County's net pension liability - ending	<u>\$ 4,891,281</u>	<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	43.85%	46.37%	49.96%	52.23%
Covered - employee payroll	N/A	N/A	N/A	N/A
County's net pension liability as a percentage of covered - employee payroll	N/A	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 4 Fiscal Years**

	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 588,817	\$ 577,476	\$ 527,593	\$ 517,903
Contributions in relation to the actuarially determined contribution	550,000	540,000	460,000	490,000
Contribution deficiency (excess)	<u>\$ 38,817</u>	<u>\$ 37,476</u>	<u>\$ 67,593</u>	<u>\$ 27,903</u>
Covered - employee payroll	N/A	N/A	N/A	N/A
Contribution as a percentage of covered - employee payroll	N/A	N/A	N/A	N/A

Notes to schedule:

Valuation date: 6/30/2017

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	2.2%
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 4 Fiscal Years

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	15.99%	(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 4 Fiscal Years

	FY2017	FY2016	FY2015	FY2014
Total pension liability				
Service costs	\$ 2,239,796	\$ 3,400,300	\$ 3,234,332	\$ 1,429,134
Interest	6,004,066	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	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Net change in total pension liability	<u>\$ 5,552,209</u>	<u>\$ 621,424</u>	<u>\$ 6,730,363</u>	<u>\$ 5,026,804</u>
Total pension liability - beginning	<u>76,552,734</u>	<u>75,931,310</u>	<u>69,200,947</u>	<u>64,174,143</u>
Total pension liability - ending	<u>\$ 82,104,943</u>	<u>\$ 76,552,734</u>	<u>\$ 75,931,310</u>	<u>\$ 69,200,947</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,200,000	\$ 3,050,000	\$ 3,060,000	\$ 2,960,000
Contributions - member	942,266	917,877	930,459	951,992
Net investment income	10,607,920	(1,058,909)	2,721,741	9,017,398
Benefit payments, including refunds of member contributions	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Administrative expense	(73,277)	(21,871)	(45,506)	-
Net change in plan fiduciary net position	<u>\$ 11,985,256</u>	<u>\$ 458,099</u>	<u>\$ 4,579,511</u>	<u>\$ 10,959,521</u>
Plan fiduciary net position - beginning	<u>67,821,206</u>	<u>67,363,107</u>	<u>62,783,596</u>	<u>51,824,075</u>
Plan fiduciary net position - ending	<u>\$ 79,806,462</u>	<u>\$ 67,821,206</u>	<u>\$ 67,363,107</u>	<u>\$ 62,783,596</u>
County's net pension liability - ending	<u>\$ 2,298,481</u>	<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	97.20%	88.59%	88.72%	90.73%
Covered - employee payroll	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
County's net pension liability as a percentage of covered - employee payroll	19.10%	76.90%	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 4 Fiscal Years

	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,721,830	\$ 3,065,888	\$ 3,028,756	\$ 2,957,525
Contributions in relation to the actuarially determined contribution	3,200,000	3,050,000	3,060,000	2,960,000
Contribution deficiency (excess)	<u>\$ (478,170)</u>	<u>\$ 15,888</u>	<u>\$ (31,244)</u>	<u>\$ (2,475)</u>
Covered - employee payroll	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
Contribution as a percentage of covered - employee payroll	26.59%	26.86%	25.27%	25.91%

Notes to schedule:

Valuation date: 6/30/2017

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	2.2%				
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%
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 4 Fiscal Years

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	15.49%	(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 4 Fiscal Years**

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Total pension liability				
Service costs	\$ 697,192	\$ 799,446	\$ 878,256	\$ 677,466
Interest	5,935,855	5,746,021	5,577,218	5,345,363
Difference between expected and actual experience	(964,962)	(396,534)	(862,126)	(432,297)
Benefit payments, including refunds of member contributions	<u>(3,737,331)</u>	<u>(3,462,242)</u>	<u>(3,215,226)</u>	<u>(3,121,513)</u>
Net change in total pension liability	<u>\$ 1,930,754</u>	<u>\$ 2,686,691</u>	<u>\$ 2,378,122</u>	<u>\$ 2,469,019</u>
Total pension liability - beginning	<u>77,728,278</u>	<u>75,041,587</u>	<u>72,663,465</u>	<u>70,194,446</u>
Total pension liability - ending	<u>\$ 79,659,032</u>	<u>\$ 77,728,278</u>	<u>\$ 75,041,587</u>	<u>\$ 72,663,465</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,900,000	\$ 2,570,000	\$ 2,918,950	\$ 2,890,000
Contributions - member	116,704	130,509	140,745	154,037
Net investment income	9,818,496	(987,242)	2,667,157	9,406,336
Benefit payments, including refunds of member contributions	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Administrative expense	<u>(33,714)</u>	<u>(82,004)</u>	<u>(55,344)</u>	<u>-</u>
Net change in plan fiduciary net position	<u>\$ 9,064,155</u>	<u>\$ (1,830,979)</u>	<u>\$ 2,456,282</u>	<u>\$ 9,328,860</u>
Plan fiduciary net position - beginning	<u>63,294,939</u>	<u>65,125,918</u>	<u>62,669,636</u>	<u>53,340,776</u>
Plan fiduciary net position - ending	<u>\$ 72,359,094</u>	<u>\$ 63,294,939</u>	<u>\$ 65,125,918</u>	<u>\$ 62,669,636</u>
County's net pension liability - ending	<u>\$ 7,299,938</u>	<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	90.84%	81.43%	86.79%	86.25%
Covered - employee payroll	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
County's net pension liability as a percentage of covered - employee payroll	124.08%	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 4 Fiscal Years**

	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,410,212	\$ 2,468,741	\$ 2,593,069	\$ 2,712,733
Contributions in relation to the actuarially determined contribution	2,900,000	2,570,000	2,918,950	2,890,000
Contribution deficiency (excess)	<u>\$ (489,788)</u>	<u>\$ (101,259)</u>	<u>\$ (325,881)</u>	<u>\$ (177,267)</u>
Covered - employee payroll	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
Contribution as a percentage of covered - employee payroll	49.29%	42.76%	42.48%	40.83%

Notes to schedule

Valuation date: 6/30/2017

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	2.2%
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 4 Fiscal Years

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	15.61%	(1.54%)	4.27%	20.16%

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 OPEB LIABILITY AND RELATED RATIOS
Calvert County Maryland Post-Employment Benefit Plan
Last Fiscal Year**

	<u>FY2017</u>
Total OPEB liability	
Service costs	\$ 2,358,717
Interest	984,721
Changes in benefit terms	-
Difference between expected and actual experience	-
Benefit payments, including refunds of member contributions	-
Net change in total OPEB liability	<u>\$ 3,343,438</u>
Total OPEB liability - beginning	<u>72,757,748</u>
Total OPEB liability - ending	<u>\$ 76,101,186</u>
 Plan fiduciary net position	
Contributions - employer	\$ -
Contributions - member	-
Net investment income	2,408,736
Benefit payments, including refunds of member contributions	-
Administrative expense	(156,887)
Net change in plan fiduciary net position	<u>\$ 2,251,849</u>
Plan fiduciary net position - beginning	<u>15,074,713</u>
Plan fiduciary net position - ending	<u>\$ 17,326,562</u>
 County's net pension liability - ending	<u>\$ 58,774,624</u>
 Plans fiduciary net position as a percentage of the total OPEB liability	22.77%
 Covered - employee payroll	\$ 50,268,558
 County's net OPEB liability as a percentage of covered - employee payroll	116.92%

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 Maryland Post-Employment Benefit Plan
Last Fiscal Year**

	<u>FY2017</u>
Actuarially determined contribution	\$ 5,881,875
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	<u>\$ 5,881,875</u>
Covered - employee payroll	\$ 50,268,558
Contribution as a percentage of covered - employee payroll	0.00%

Notes to schedule

Valuation date: 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
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	2.2%
Investment rate of return	5.00%
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 Maryland Post-Employment Benefit Plan
Last Fiscal Year**

FY2017

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

15.61%

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, 2017**

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
2017	\$ 14,992,808	\$ 63,971,657	\$ 48,978,849	23.44%	\$ 50,268,558	97.43%
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						
2017	\$ 43,362,000	\$ 230,850,000	\$ 187,488,000	18.78%	\$ 127,500,000	147.05%
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						
2017	\$ 58,354,808	\$ 294,821,657	\$ 236,466,849	19.79%	\$ 177,768,558	133.02%
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, 2017

B. Schedule of Employer Contributions

	Annual Required Contribution	Pay as You go Payments Plus Contributions	% Contributed	Net OPEB Obligation
<i>Year ended June 30, 2017</i>				
County	\$ 5,881,875	\$ 1,360,461	23.13%	\$ 24,171,798
Board of Education	22,052,000	5,775,000	26.19%	92,213,239
	<u>\$ 27,933,875</u>	<u>\$ 7,135,461</u>	25.54%	<u>\$ 116,385,037</u>
<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>

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES
JUNE 30, 2017*

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>Parks and Recreation Fund</u>	<u>Chesapeake Hills Golf Course Fund</u>	<u>Calvert Marine Museum</u>	<u>Planning and Zoning Special Revenue Fund</u>	<u>Bar Library Fund</u>	<u>Revolving Loan Fund</u>
ASSETS						
Cash, cash equivalents and investments	\$ 28,655	\$ 26,868	\$ 1,045,714	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	3,679	25,000	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	2,139,802	63,585	-	605,557	15,397	312,100
Prepaid items	-	-	-	-	-	-
Inventory	12,849	13,853	40,607	-	-	-
Total assets	<u>\$ 2,181,306</u>	<u>\$ 104,306</u>	<u>\$ 1,090,000</u>	<u>\$ 630,557</u>	<u>\$ 15,397</u>	<u>\$ 312,100</u>
LIABILITIES						
Vouchers and accounts payable	326,849	122,269	56,759	605,557	15,397	-
Notes payable	-	18,573	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	156,444	-	4,770	-	-	-
Total liabilities	<u>483,293</u>	<u>140,842</u>	<u>61,529</u>	<u>605,557</u>	<u>15,397</u>	<u>-</u>
FUND BALANCES						
Nonspendable	12,849	13,853	40,607	-	-	-
Restricted	41,846	-	550,045	-	-	-
Committed	196,564	-	-	25,000	-	312,100
Assigned	1,446,754	(50,389)	437,819	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,698,013</u>	<u>(36,536)</u>	<u>1,028,471</u>	<u>25,000</u>	<u>-</u>	<u>312,100</u>
Total liabilities and fund balances	<u>\$ 2,181,306</u>	<u>\$ 104,306</u>	<u>\$ 1,090,000</u>	<u>\$ 630,557</u>	<u>\$ 15,397</u>	<u>\$ 312,100</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,261,008	\$ 9,765	\$ 6,372,010
-	-	-	-	1,399,725	-	-	1,399,725
-	100,503	826,425	-	-	77	-	955,684
51,571	-	-	72,298	-	-	-	123,869
233,283	-	320,191	241,245	6,310,197	2,000,098	-	12,241,455
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	67,309
<u>\$ 284,854</u>	<u>\$ 100,503</u>	<u>\$ 1,146,616</u>	<u>\$ 313,543</u>	<u>\$ 7,709,922</u>	<u>\$ 7,261,183</u>	<u>\$ 9,765</u>	<u>\$ 21,160,052</u>
-	84,846	705,767	-	-	-	-	1,917,444
-	-	-	-	-	-	-	18,573
-	6,322	-	-	-	-	-	6,322
-	9,335	282,782	-	2,163,767	-	-	2,617,098
-	<u>100,503</u>	<u>988,549</u>	<u>-</u>	<u>2,163,767</u>	<u>-</u>	<u>-</u>	<u>4,559,437</u>
-	-	-	-	-	-	-	67,309
-	-	158,067	-	5,546,155	5,261,008	-	11,557,121
284,854	-	-	313,543	-	1,856,720	-	2,988,781
-	-	-	-	-	143,455	9,765	1,987,404
-	-	-	-	-	-	-	-
<u>284,854</u>	<u>-</u>	<u>158,067</u>	<u>313,543</u>	<u>5,546,155</u>	<u>7,261,183</u>	<u>9,765</u>	<u>16,600,615</u>
<u>\$ 284,854</u>	<u>\$ 100,503</u>	<u>\$ 1,146,616</u>	<u>\$ 313,543</u>	<u>\$ 7,709,922</u>	<u>\$ 7,261,183</u>	<u>\$ 9,765</u>	<u>\$ 21,160,052</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	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	3,750	-	-	-	-	-
Charges for services	781,274	704,407	245,623	-	-	-
Fines and forfeitures	-	-	-	86,099	37,799	-
Other revenue	1,617,631	240,213	542,482	-	15,010	-
Total revenues	2,402,655	944,620	788,105	86,099	52,809	-
EXPENDITURES						
Salaries and fringe benefits	1,387,588	639,366	2,142,014	-	58,546	-
Education and miscellaneous	1,239,178	421,218	1,169,443	86,099	29,827	-
Total expenditures	2,626,766	1,060,584	3,311,457	86,099	88,373	-
Excess (deficiency) of revenue over (under) expenditures	(224,111)	(115,964)	(2,523,352)	-	(35,564)	-
OTHER FINANCING SOURCES (USES)						
Transfer in	402,055	166,200	2,531,528	-	35,564	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	402,055	166,200	2,531,528	-	35,564	-
Net change in fund balance	177,944	50,236	8,176	-	-	-
Fund balance - beginning of year	1,520,069	(86,772)	1,020,295	25,000	-	312,100
Fund balance - end of year	\$ 1,698,013	\$ (36,536)	\$ 1,028,471	\$ 25,000	\$ -	\$ 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, 2017**

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
\$ -	\$ -	\$ -	\$ -	\$ 3,127,142	\$ -	\$ -	\$ 3,127,142
-	503,014	4,487,532	-	-	18,865	837,066	5,850,227
-	-	-	-	-	-	-	1,731,304
-	-	-	-	-	-	42,765	166,663
3,063	-	382,988	796	4,423	-	87,893	2,894,499
3,063	503,014	4,870,520	796	3,131,565	18,865	967,724	13,769,835
-	60,180	3,165,770	-	-	-	3,935,936	11,389,400
-	448,876	3,412,130	-	-	1,604,442	602,625	9,013,838
-	509,056	6,577,900	-	-	1,604,442	4,538,561	20,403,238
3,063	(6,042)	(1,707,380)	796	3,131,565	(1,585,577)	(3,570,837)	(6,633,403)
-	6,042	1,636,324	-	-	403,945	3,567,854	8,749,512
-	-	-	-	(1,334,076)	-	-	(1,334,076)
-	6,042	1,636,324	-	(1,334,076)	403,945	3,567,854	7,415,436
3,063	-	(71,056)	796	1,797,489	(1,181,632)	(2,983)	782,033
281,791	-	229,123	312,747	3,748,666	8,442,815	12,748	15,818,582
<u>\$ 284,854</u>	<u>\$ -</u>	<u>\$ 158,067</u>	<u>\$ 313,543</u>	<u>\$ 5,546,155</u>	<u>\$ 7,261,183</u>	<u>\$ 9,765</u>	<u>\$ 16,600,615</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, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate tax	\$ 105,600,000	\$ 105,600,000	\$ 106,116,699	\$ 516,699
Corporate and personal property tax	2,570,000	2,570,000	3,423,280	853,280
Payment in lieu of tax (PILOT)	19,646,574	19,646,574	19,646,574	-
Public utilities tax	19,300,000	19,300,000	19,936,185	636,185
Additions and abatements	200,000	200,000	(39,365)	(239,365)
Penalties and interest	500,000	500,000	506,867	6,867
Tax credit	(889,471)	(889,471)	(665,799)	223,672
Land preservation credit	(220,000)	(220,000)	(284,602)	(64,602)
Total Real Estate and Personal Property Taxes	<u>146,707,103</u>	<u>146,707,103</u>	<u>148,639,839</u>	<u>1,932,736</u>
<u>Other Local Taxes</u>				
Income taxes	80,000,000	80,000,000	77,251,931	(2,748,069)
Franchise tax	1,250,000	1,250,000	1,654,348	404,348
Hotel tax	750,000	750,000	803,327	53,327
Admissions and amusement tax	30,000	30,000	26,181	(3,819)
Recordation taxes	6,426,000	6,438,433	9,112,106	2,673,673
Trailer parks	120,000	120,000	116,740	(3,260)
Total Other Local Taxes	<u>88,576,000</u>	<u>88,588,433</u>	<u>88,964,633</u>	<u>376,200</u>
<u>Shared State Taxes</u>				
Highway user revenue	565,582	565,582	583,043	17,461
Total State Shared Taxes	<u>565,582</u>	<u>565,582</u>	<u>583,043</u>	<u>17,461</u>
Total Taxes	<u>235,848,685</u>	<u>235,861,118</u>	<u>238,187,515</u>	<u>2,326,397</u>
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	25,000	25,000	26,407	1,407
Beer, wine, and liquor licenses	135,000	135,000	178,740	43,740
Traders	95,000	95,000	94,608	(392)
Hawkers and peddlers	2,000	2,000	2,138	138
Total Business Licenses and Permits	<u>257,000</u>	<u>257,000</u>	<u>301,893</u>	<u>44,893</u>
<u>Other Permits</u>				
Animal licenses	25,000	25,000	17,231	(7,769)
Code book sales	700	700	348	(352)
Marriage licenses	3,700	3,700	2,845	(855)
Gambling permits	13,000	13,000	18,120	5,120
Total Other Permits	<u>42,400</u>	<u>42,400</u>	<u>38,544</u>	<u>(3,856)</u>
Total Licenses and Permits	<u>299,400</u>	<u>299,400</u>	<u>340,437</u>	<u>41,037</u>
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	67,195	(15,212)
Build America Bond Subsidy	100,000	100,000	102,817	2,817
Federal detention per diem	-	-	23,104	23,104
Total Federal Grants	<u>182,407</u>	<u>182,407</u>	<u>193,116</u>	<u>10,709</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, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>State Grants</u>				
State police protection	\$ 775,000	\$ 775,000	\$ 712,402	\$ (62,598)
State library	425,036	425,036	425,036	-
State soil conservation	61,191	61,191	61,420	229
State prisoner housing	100,000	100,000	108,720	8,720
State jury reimbursement	30,000	30,000	17,295	(12,705)
State misc. reimbursement	8,255	-	-	-
Other state reimbursement	-	7,468	15,723	8,255
State reim sex offender	-	8,255	-	(8,255)
State 911 Grant	590,000	590,000	616,772	26,772
State Shore Erosion	21,000	21,000	20,395	(605)
Shur transportation grant	-	-	91,983	91,983
Total State Grants	<u>2,010,482</u>	<u>2,017,950</u>	<u>2,069,746</u>	<u>51,796</u>
<u>Other Intergovernmental</u>				
Bus maintenance payroll reimbursement	82,501	-	-	-
Housing Authority payroll reimbursement	1,347,011	1,347,011	1,396,073	49,062
CMM payroll reimbursement - CMM Board of Governors	229,898	229,898	336,091	106,193
CMM payroll reimbursement - CMM Society	399,365	399,365	427,566	28,201
SDAT costs paid by the towns	15,833	15,833	15,833	-
Total Other Intergovernmental	<u>2,074,608</u>	<u>1,992,107</u>	<u>2,175,563</u>	<u>183,456</u>
Total Intergovernmental Revenues	<u>4,267,497</u>	<u>4,192,464</u>	<u>4,438,425</u>	<u>245,961</u>
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	75,000	75,000	89,586	14,586
Chesapeake Beach police reimbursement	883,504	891,565	891,565	-
North Beach police reimbursement	413,848	418,189	415,241	(2,948)
Dominion police reimbursement	1,490,000	1,526,725	1,423,568	(103,157)
Lab fees	15,000	15,000	14,223	(777)
Engineering inspections	100,000	100,000	50,036	(49,964)
DWI facility	7,345	7,345	1,212	(6,133)
Electronic monitor - detention center	16,000	16,000	27,284	11,284
Telephone commission - detention center	100,000	100,000	105,265	5,265
Live in/work out - detention center	95,000	95,000	53,342	(41,658)
Sick call - detention center	5,000	5,000	-	(5,000)
False alarm fees	2,000	2,000	29,200	27,200
False alarm registration	3,800	3,800	5,225	1,425
Protective inspections	300,000	300,000	328,797	28,797
Weekend inmate fee	55,000	55,000	47,346	(7,654)
Tower revenue	70,000	70,000	106,609	36,609
Total Public Safety	<u>3,631,497</u>	<u>3,680,624</u>	<u>3,588,499</u>	<u>(92,125)</u>
<u>General Services</u>				
Waterman's Wharf slip fees	4,200	4,200	4,600	400
Tennison charters	50,000	30,000	25,799	(4,201)
Tennison special charters	-	20,000	10,942	(9,058)
Kings Landing camp fees	10,000	10,000	29,365	19,365
Flag Pond entrance fees	40,000	40,000	70,305	30,305
Calvert cliffs state park	-	-	26,339	26,339
Cypress swamp fees	-	-	5,410	5,410
Tower revenue	9,600	9,600	10,083	483
Boat ramp fees	6,000	6,000	7,933	1,933
Total General Services	<u>119,800</u>	<u>119,800</u>	<u>190,776</u>	<u>70,976</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, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Public Works</u>				
Road tax districts	\$ 63,000	\$ 63,000	\$ 49,656	\$ (13,344)
Developer street signs	600	600	393	(207)
Utility permit fee	25,000	25,000	67,440	42,440
Erosion sed contr penalt	-	-	1,250	1,250
Waterway improvements	6,837	6,837	6,299	(538)
Total Public Works	95,437	95,437	125,038	29,601
<u>Community Resources</u>				
Library - copying and miscellaneous	39,000	27,000	33,560	6,560
Library - other sources	2,000	30,356	43,367	13,011
Library - e rate	4,000	4,000	8,485	4,485
Office on Aging - bus trip revenue	-	42,000	25,286	(16,714)
Office on Aging - program revenue	78,000	9,420	5,650	(3,770)
Office on Aging - senior class revenue	-	29,000	30,814	1,814
Total Community Resources	123,000	141,776	147,162	5,386
<u>Other Charges for Services</u>				
Administration fees semi-annual service charges	45,000	45,000	18,700	(26,300)
Rents and concessions	140,000	20,000	9,600	(10,400)
Land lease dominion	-	120,000	120,254	254
Rent health dept - genoa	7,200	7,200	7,369	169
Map sales	500	500	224	(276)
Total Other Charges for Services	192,700	192,700	156,147	(36,553)
Total Charges for Services	4,162,434	4,230,337	4,207,622	(22,715)
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	30,000	30,000	34,500	4,500
Administration planting bond - CP&B	4,500	5,340	1,492	(3,848)
Replatting fees - CP&B	4,000	4,000	7,700	3,700
Board of Appeals application fees	20,000	20,000	8,800	(11,200)
CP&B tower consultant fees	500	500	4,200	3,700
Total General Government	59,000	59,840	56,692	(3,148)
<u>Public Safety</u>				
Domestic master fees	800	800	2,244	1,444
Community service programs	25,000	25,000	28,399	3,399
Criminal court fines	9,000	9,000	5,171	(3,829)
Home study fees	2,000	2,000	5,284	3,284
Safety for student program	-	224,470	224,470	-
Animal citation fines	7,000	7,000	1,450	(5,550)
State's attorney fees	-	2,230	2,230	-
Forfeiture sheriff	-	87,534	87,534	-
Forfeiture State's attorney	-	1,791	1,791	-
Total public safety	43,800	359,825	358,573	(1,252)
<u>Other Fines, Fees, and Forfeitures</u>				
Grant Coordinator administration fee	160,000	160,000	233,948	73,948
Auto license fees	2,600	2,600	2,021	(579)
Library fines	111,600	111,600	42,765	(68,835)
Zoning fees	20,000	20,000	8,380	(11,620)
Small lot clearing fees	100	100	-	(100)
Election Office filing fees	150	150	50	(100)
Total Other Fines, Fees, and Forfeitures	294,450	294,450	287,164	(7,286)
Total Fines, Fees, and Forfeitures	397,250	714,115	702,429	(11,686)

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, 2017**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Other Revenue Sources</u>				
<u>Investment Revenue</u>				
Interest and dividends	\$ 200,000	\$ 200,000	\$ 243,110	\$ 43,110
Interest on notes	-	-	5,595	5,595
Appreciation of investment	-	-	(15,559)	(15,559)
Total Investment Revenue	<u>200,000</u>	<u>200,000</u>	<u>233,146</u>	<u>33,146</u>
<u>Reimbursements</u>				
Salary reimbursement	35,000	85,737	115,378	29,641
Cap equip payroll reimb	-	82,501	85,228	2,727
Battle Creek salary reimbursement	7,418	7,418	8,455	1,037
Heath insurance reimbursement	-	295,000	1,462,998	1,167,998
Circuit Ct. Clerks office reimbursements	4,351	4,351	4,351	-
Total Reimbursements	<u>46,769</u>	<u>475,007</u>	<u>1,676,410</u>	<u>1,201,403</u>
<u>Other Revenue</u>				
Mosquito control	31,080	31,080	18,559	(12,521)
Advertising revenue	-	8,750	8,750	-
Use of pr yrs fund bal	-	25,000	-	(25,000)
Misc. income/transportation grant	250,000	283,740	335,674	51,934
Total Other Revenue	<u>281,080</u>	<u>348,570</u>	<u>362,983</u>	<u>14,413</u>
Total Other Revenue Sources	<u>527,849</u>	<u>1,023,577</u>	<u>2,272,539</u>	<u>1,248,962</u>
Total Revenue	<u>245,503,115</u>	<u>246,321,011</u>	<u>250,148,967</u>	<u>3,827,956</u>
<u>Other financing sources</u>				
Transfer from BOE - Resident Trooper/Sheriff	201,858	201,858	201,858	-
Transfer from St- Academy director	70,000	70,000	70,580	580
Transfer from Excise Tax Fund	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources	<u>1,271,858</u>	<u>1,271,858</u>	<u>272,438</u>	<u>(999,420)</u>
Total Revenue and Other Financing Sources	<u>\$ 246,774,973</u>	<u>\$ 247,592,869</u>	<u>\$ 250,421,405</u>	<u>\$ 2,828,536</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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
General Government				
<u>Board of County Commissioners</u>				
Salaries	\$ 258,801	\$ 258,801	\$ 261,809	\$ (3,008)
Operating expense	42,259	42,259	39,546	2,713
Contracted services	2,900	2,900	1,623	1,277
Total Board of County Commissioners	<u>303,960</u>	<u>303,960</u>	<u>302,978</u>	<u>982</u>
<u>Contingency</u>	<u>600,000</u>	<u>169,268</u>	<u>-</u>	<u>169,268</u>
<u>Clerk to the Commissioners</u>				
Salaries	64,483	64,483	64,775	(292)
Operating expense	2,009	4,509	4,255	254
Total Clerk to the Commissioners	<u>66,492</u>	<u>68,992</u>	<u>69,030</u>	<u>(38)</u>
<u>County Administrator</u>				
Salaries	319,096	319,096	297,949	21,147
Operating expense	14,972	14,203	11,185	3,018
Capital outlay	4,367	5,136	4,793	343
Total County Administrator	<u>338,435</u>	<u>338,435</u>	<u>313,927</u>	<u>24,508</u>
<u>Technology Services</u>				
Salaries	1,595,564	1,618,155	1,566,133	52,022
Operating expense	130,876	130,876	131,879	(1,003)
Contracted services	1,173,188	1,225,747	1,217,066	8,681
Capital outlay	516,364	463,805	431,418	32,387
Total Technology Services	<u>3,415,992</u>	<u>3,438,583</u>	<u>3,346,496</u>	<u>92,087</u>
<u>Circuit Court</u>				
Salaries	668,284	668,284	636,469	31,815
Operating expense	98,000	89,437	81,704	7,733
Contracted services	61,100	46,511	46,337	174
Capital outlay	-	23,152	23,025	127
Total Circuit Court	<u>827,384</u>	<u>827,384</u>	<u>787,535</u>	<u>39,849</u>
<u>Judge of Orphans' Court</u>				
Salaries	26,980	26,980	27,084	(104)
Operating expense	1,450	1,450	165	1,285
Total Judge of Orphans' Court	<u>28,430</u>	<u>28,430</u>	<u>27,249</u>	<u>1,181</u>
<u>State's Attorney</u>				
Salaries	1,740,864	1,788,266	1,820,137	(31,871)
Operating expense	110,436	112,589	85,574	27,015
Contracted services	20,242	20,242	17,091	3,151
Capital outlay	1,000	6,897	4,092	2,805
Total State's Attorney	<u>1,872,542</u>	<u>1,927,994</u>	<u>1,926,894</u>	<u>1,100</u>
<u>Grand Jury</u>				
Salary and operating expense	<u>5,000</u>	<u>5,000</u>	<u>5,100</u>	<u>(100)</u>
<u>Personnel</u>				
Salaries	656,757	680,425	670,129	10,296
Operating expense	54,834	51,599	41,785	9,814
Tuition program	40,000	40,000	37,858	2,142
Contracted services	130,982	109,259	76,592	32,667
Capital outlay	-	3,360	3,334	26
Total Personnel	<u>882,573</u>	<u>884,643</u>	<u>829,698</u>	<u>54,945</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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Finance and Budget</u>				
Salaries	\$ 1,534,981	\$ 1,519,503	\$ 1,468,231	\$ 51,272
Operating expense	104,940	105,295	100,175	5,120
Contracted services	151,264	151,264	152,498	(1,234)
Capital outlay	4,260	4,405	3,527	878
Total Finance and Budget	1,795,445	1,780,467	1,724,431	56,036
<u>County Treasurer</u>				
Salaries	320,581	320,581	313,131	7,450
Operating expense	27,410	27,115	26,547	568
Contracted services	9,500	9,500	9,108	392
	-	295	295	-
Total County Treasurer	357,491	357,491	349,081	8,410
<u>Auditing and Related Services</u>				
	60,750	60,750	59,753	997
<u>County Attorney</u>				
Salaries	386,518	388,930	360,477	28,453
Operating expense	25,965	28,512	24,737	3,775
Contracted services	75,000	220,757	201,731	19,026
Capital outlay	4,515	4,568	4,343	225
Total County Attorney	491,998	642,767	591,288	51,479
<u>Community Planning and Building</u>				
Salaries	2,052,116	2,052,377	1,975,356	77,021
Operating expense	62,675	64,002	60,111	3,891
Contracted services	52,850	48,320	52,352	(4,032)
Capital outlay	38,600	62,572	62,011	561
Total Community Planning and Building	2,206,241	2,227,271	2,149,830	77,441
<u>Planning Commission</u>				
Operating expense	20,367	21,007	15,027	5,980
Contracted services	50,877	10,120	10,120	10,887
Honorarium	72,000	72,000	63,800	8,200
Capital outlay	1,200	1,400	1,393	7
Total Planning Commission	144,444	104,527	90,340	25,074
<u>Inspections and Permits</u>				
Salaries	867,956	867,956	865,982	1,974
Operating expense	52,625	45,970	34,361	11,609
Vehicle supplies and repair	-	5,000	8,198	(3,198)
Contracted services	-	900	900	-
Capital outlay	8,500	29,255	27,315	1,940
Total Inspections and Permits	929,081	949,081	936,756	12,325
<u>Pauper's Burial</u>				
	1,000	1,000	-	1,000
<u>Board of Appeals</u>				
Operating expense	7,475	7,475	2,585	4,890
Contracted services	24,000	24,000	14,513	9,487
Honorarium	24,000	24,000	24,000	-
Total Board of Appeals	55,475	55,475	41,098	14,377
<u>Election Board</u>				
Salaries	326,275	326,275	331,360	(5,085)
Operating expense	61,346	62,156	55,112	7,044
Contracted services	199,298	199,298	153,785	45,513
Election judges	63,550	62,740	60,790	1,950
Total Election Board	650,469	650,469	601,047	49,422

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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Liquor Board</u>				
Salaries	24,720	24,720	23,820	900
Operating expense	700	1,827	1,111	716
Contracted services	25,000	23,873	3,676	20,197
Total Liquor Board	50,420	50,420	28,607	21,813
<u>University of Maryland Extension</u>				
Operating expense	88,388	88,388	87,746	642
Contracted services	3,300	3,300	2,421	879
Total University of Maryland Service	91,688	91,688	90,167	1,521
Commission for Women	3,895	3,895	3,848	47
Environmental Commission	4,019	4,019	3,766	253
Ethics Commission	8,000	8,000	2,092	5,908
MD State Dept. of Assessments	430,089	430,089	387,327	42,762
Non-county agencies	1,166,201	1,152,201	1,139,219	12,982
Total State/Other Agencies	1,612,204	1,598,204	1,536,252	61,952
<u>Maryland Association of Counties</u>	17,000	17,000	16,987	13
Total General Government	16,804,514	16,579,299	15,824,544	765,642
Public Safety				
<u>Director of Public Safety</u>				
Salaries	147,044	153,621	158,759	(5,138)
Operating expense	139,694	115,705	72,965	42,740
Contracted services	13,900	10,990	19,183	(8,193)
Capital outlay	-	19,271	19,270	1
Total Director of Public Safety	300,638	299,587	270,177	29,410
<u>Sheriff's Office</u>				
Salaries	11,218,886	11,359,284	11,762,831	(403,547)
Operating expense	1,093,702	1,583,067	1,541,902	41,165
Vehicle supplies and repairs	1,102,363	676,383	685,895	(9,512)
Contracted services	163,598	160,519	160,420	99
Capital outlay	1,000,394	1,297,369	1,280,442	16,927
Total Sheriff's Office	14,578,943	15,076,622	15,431,490	(354,868)
<u>Control Center</u>				
Salaries	1,840,564	1,839,133	1,940,882	(101,749)
Operating expense	166,950	167,955	165,495	2,460
Radio maintenance	458,160	456,541	353,940	102,601
Contracted services	61,003	61,003	54,248	6,755
Capital outlay	-	614	614	-
Total Control Center	2,526,677	2,525,246	2,515,179	10,067
<u>Volunteer Fire-Rescue-EMS Departments</u>				
Operating expense	2,642,405	2,783,532	2,713,915	69,617
Insurance	1,256,021	1,114,894	1,059,442	55,452
Capital outlay	582,600	582,600	573,587	9,013
Total Volunteer Fire-Rescue-EMS Departments	4,481,026	4,481,026	4,346,944	134,082

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Detention Center</u>				
Salaries	5,364,185	5,395,958	5,402,503	(6,545)
Operating expense	245,300	291,548	223,603	67,945
Utilities	461,000	461,000	334,853	126,147
Inmate care	86,775	10,527	10,662	(135)
Food	358,000	358,000	344,667	13,333
Contracted services	787,998	787,998	774,782	13,216
Capital outlay	79,400	109,400	104,665	4,735
Total Detention Center	7,382,658	7,414,431	7,195,735	218,696
<u>Emergency Management</u>				
Salaries	158,267	158,267	162,430	(4,163)
Operating expense	41,725	35,725	22,131	13,594
Contracted services	50,000	50,000	42,945	7,055
Total Emergency Management	249,992	243,992	227,506	16,486
<u>Fire-Rescue-EMS</u>				
Salaries	312,102	312,102	308,636	3,466
Operating expense	188,862	185,972	164,570	21,402
Contracted services	62,000	62,000	59,351	2,649
Capital outlay	-	2,890	2,830	60
Total Fire-Rescue-EMS	562,964	562,964	535,387	27,577
<u>Animal shelter</u>				
Salaries	-	14,693	-	14,693
Total Animal shelter	-	14,693	-	14,693
<u>Animal Control</u>				
Salaries	363,572	363,572	361,593	1,979
Operating expense	29,600	53,150	38,431	14,719
Vehicle supplies and repairs	38,250	12,000	8,400	3,600
Contracted services	242,000	242,000	208,374	33,626
Capital outlay	116,000	118,700	111,460	7,240
Total Animal Control	789,422	789,422	728,258	61,164
Total Public Safety	30,872,320	31,407,983	31,250,676	157,307
<u>General Services</u>				
<u>Director of General Services</u>				
Salaries	341,153	342,706	345,462	(2,756)
Operating expense	15,599	19,473	15,001	4,472
Contracted services	33,573	34,038	33,656	382
Total Director of General Services	390,325	396,217	394,119	2,098
<u>Buildings and Grounds</u>				
Salaries	1,298,090	1,298,090	1,359,502	(61,412)
Operating expense	769,918	777,815	728,716	49,099
Utilities	1,283,344	1,282,544	1,038,211	244,333
Rent	544,090	544,090	518,134	25,956
Maintenance and repair projects	417,320	414,802	342,949	71,853
Contracted services	671,528	693,010	629,969	63,041
Capital outlay	152,000	181,100	163,299	17,801
Total Buildings and Grounds	5,136,290	5,191,451	4,780,780	410,671

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, 2017

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Mosquito Control</u>				
Salaries	144,338	144,338	135,614	8,724
Operating expense	23,796	23,796	18,231	5,565
Chemicals	24,156	23,606	23,441	165
Contracted services	2,925	2,925	2,778	147
Capital outlay	27,100	27,650	27,338	312
Total Mosquito Control	222,315	222,315	207,402	14,913
<u>Parks and Recreation</u>				
Salaries	2,994,503	2,994,503	2,774,973	219,530
Operating expense	453,539	457,914	372,788	85,126
Utilities	194,604	194,604	190,267	4,337
Maintenance and repair projects	85,000	99,090	98,439	651
Contracted services	76,000	57,535	59,005	(1,470)
Capital outlay	55,100	55,100	45,798	9,302
Total Parks and Recreation	3,858,746	3,858,746	3,541,270	317,476
<u>Railway Museum</u>				
Salaries	108,891	92,081	73,735	18,346
Operating expense	13,830	11,380	10,522	858
Utilities	6,000	5,550	4,423	1,127
Contracted services	28,246	30,246	30,244	2
Capital outlay	-	900	865	35
Total Railway Museum	156,967	140,157	119,789	20,368
<u>Calvert Marine Museum</u>				
Salaries	2,113,560	2,125,370	2,117,635	7,735
Operating expense	207,800	211,331	198,045	13,286
Utilities	194,750	194,750	151,649	43,101
Maintenance and repair projects	31,200	31,200	27,726	3,474
Contracted services	49,650	59,177	58,903	274
Capital outlay	5,000	11,388	11,208	180
Total Calvert Marine Museum	2,601,960	2,633,216	2,565,166	68,050
<u>Natural Resources Division</u>				
Salaries	655,819	655,819	664,371	(8,552)
Operating expense	75,675	75,945	68,475	7,470
Utilities	49,250	49,250	33,514	15,736
Maintenance and repair projects	12,500	12,500	10,064	2,436
Contracted services	7,500	7,130	7,128	2
Capital outlay	33,000	33,100	33,072	28
Total Natural Resources Division	833,744	833,744	816,624	17,120
<u>Forestry Service</u>				
Operating expense	20,965	20,965	20,965	-
<u>Historical District Commission</u>				
Salaries	-	-	-	-
Operating expense	3,093	3,093	530	2,563
Contracted services	6,600	6,600	2,863	3,737
Total Historical District Commission	9,693	9,693	3,393	6,300
Total General Services	13,231,005	13,306,504	12,449,508	856,996

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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Public Works				
<u>Director of Public Works/Engineering</u>				
Salaries	1,120,349	1,120,660	1,059,010	61,650
Operating expense	66,158	51,129	43,564	7,565
Contracted services	52,400	42,220	39,443	2,777
Capital outlay	32,490	47,946	46,181	1,765
Total Director of Public Works/Engineering	<u>1,271,397</u>	<u>1,261,955</u>	<u>1,188,198</u>	<u>73,757</u>
<u>Project Management and Inspections</u>				
Salaries	437,777	437,777	403,830	33,947
Operating expense	14,596	29,676	26,956	2,720
Vehicle supplies and repairs	20,120	6,910	7,053	(143)
Capital outlay	-	7,883	7,855	28
Total Project Management and Inspections	<u>472,493</u>	<u>482,246</u>	<u>445,694</u>	<u>36,552</u>
<u>Highway Maintenance</u>				
Salaries	1,726,840	1,726,840	1,636,476	90,364
Operating expense	63,784	67,784	54,233	13,551
Vehicle supplies and repairs	332,154	369,154	344,432	24,722
Utilities	23,030	23,030	16,427	6,603
Road maintenance and repairs	478,717	518,717	451,401	67,316
Paving	2,000,000	2,000,000	1,999,984	16
Snow removal contractors	1,059,054	479,654	473,349	6,305
Special projects	180,000	270,000	269,923	77
Contracted services	201,400	201,400	98,772	102,628
Capital outlay	856,737	1,222,368	1,188,172	34,196
Total Highway Maintenance	<u>6,921,716</u>	<u>6,878,947</u>	<u>6,533,169</u>	<u>345,778</u>
<u>Highway Lighting</u>				
Operating expense	<u>275,000</u>	<u>275,000</u>	<u>263,860</u>	<u>11,140</u>
<u>Fleet Maintenance</u>				
Salaries	517,078	517,078	482,496	34,582
Operating expense	27,101	29,229	22,689	6,540
Vehicle supplies and repairs	25,100	20,000	(121,202)	141,202
Utilities	29,360	26,960	21,688	5,272
Contracted services	17,500	19,900	18,724	1,176
Capital outlay	-	372	357	15
Total Fleet Maintenance	<u>616,139</u>	<u>613,539</u>	<u>424,752</u>	<u>188,787</u>
Total Public Works	<u>9,556,745</u>	<u>9,511,687</u>	<u>8,855,673</u>	<u>656,014</u>
Economic Development				
<u>EDA/EDC/Tourism</u>				
Salaries	858,966	860,087	807,347	52,740
Operating expense	261,000	272,812	187,276	85,536
Advertising	46,000	46,000	42,241	3,759
Small Business Development Center	21,000	21,000	21,000	-
Contracted services	55,000	58,166	56,682	1,484
Capital outlay	10,985	14,257	12,735	1,522
Total Economic Development	<u>1,252,951</u>	<u>1,272,322</u>	<u>1,127,281</u>	<u>145,041</u>
Community Resources				
<u>Director of Community Resources</u>				
Salaries	310,758	321,095	326,132	(5,037)
Operating expense	31,580	31,580	28,835	2,745
Contracted services	1,866	1,866	92	1,774
Total Director of Community Resources	<u>344,204</u>	<u>354,541</u>	<u>355,059</u>	<u>(518)</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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Affordable Housing</u>				
Operating expense	-	25,000	5,000	20,000
Total Affordable Housing	-	25,000	5,000	20,000
<u>Office on Aging</u>				
Salaries	1,161,747	1,162,043	1,114,960	47,083
Operating expense	104,303	106,723	77,835	28,888
Contracted services	68,000	68,000	67,755	245
Capital outlay	7,863	7,839	6,880	959
Total Office on Aging	1,341,913	1,344,605	1,267,430	77,175
<u>Transportation</u>				
Salaries	198,320	198,320	192,935	5,385
Operating expense	65,000	65,000	32,142	32,858
Transportation subsidy	50,000	50,000	46,300	3,700
Contracted services	34,499	34,499	33,263	1,236
Total Transportation	347,819	347,819	304,640	43,179
Total Community Resources	2,033,936	2,071,965	1,932,129	139,836
Education				
College of Southern Maryland	4,542,192	4,542,192	4,542,192	-
Board of Education	114,693,838	114,717,289	114,717,289	-
<u>Public Libraries</u>				
Salaries	2,675,101	2,675,101	2,658,629	16,472
Operating expense	1,316,868	1,359,924	1,356,508	3,416
Contracted services	110,913	82,823	83,416	(593)
Capital outlay	25,990	27,380	27,379	1
Total Public Libraries	4,128,872	4,145,228	4,125,932	19,296
Total Education	123,364,902	123,404,709	123,385,413	19,296
Social Services & Health				
<u>Health Department</u>				
Salaries	15,000	15,000	15,058	(58)
Operating expense	2,201,756	2,201,756	2,202,015	(259)
Womens shelter subsidy	277,502	277,502	254,496	23,006
Total Health Department	2,494,258	2,494,258	2,471,569	22,689
<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	59,311	17,081
<u>Soil Conservation District</u>				
Salaries	301,488	301,488	291,019	10,469
Operating expense	39,845	39,845	39,831	14
Total Soil Conservation District	341,333	341,333	330,850	10,483
<u>Housing Authority</u>				
Salaries	906,723	906,723	903,036	3,687
Benefits	544,034	544,034	527,964	16,070
Total Housing Authority	1,450,757	1,450,757	1,431,000	19,757
Total Social Services & Health	4,521,940	4,521,940	4,451,930	70,010

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, 2017**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Pension and Insurance				
Pension contribution	10,677,004	10,706,722	9,736,142	970,580
Worker's compensation	1,123,771	1,127,016	1,586,788	(459,772)
General insurance	928,624	948,000	767,174	180,826
Health insurance	9,424,756	9,719,313	9,890,979	(171,666)
Total Pension and Insurance	<u>22,154,155</u>	<u>22,501,051</u>	<u>21,981,083</u>	<u>519,968</u>
Debt service				
<u>Bond principal</u>				
General obligations	<u>13,561,101</u>	<u>13,561,101</u>	<u>13,561,110</u>	<u>(9)</u>
<u>Bond interest</u>				
General obligations	<u>4,078,841</u>	<u>4,078,841</u>	<u>3,548,591</u>	<u>530,250</u>
Total Debt Service	<u>17,639,942</u>	<u>17,639,942</u>	<u>17,109,701</u>	<u>530,241</u>
Total expenditures	<u>241,432,410</u>	<u>242,217,402</u>	<u>238,367,938</u>	<u>3,860,351</u>
Other financing uses				
<u>Operating transfers out</u>				
Transfer to Capital Projects Fund	2,612,200	2,612,200	2,612,200	-
Transfer to Grants Fund	1,683,582	1,700,710	1,636,323	64,387
Transfer to P&R Self-Sustaining Fund	402,055	402,055	402,055	-
Transfer to Bar Library Fund	32,581	32,581	35,564	(2,983)
Transfer to Chesapeake Hills Golf Course Fund	166,200	166,200	166,200	-
Transfer to Solid Waste Fund	42,000	45,343	19,630	25,713
Transfer to Land Preservation Fund	403,945	403,945	403,945	-
Transfer to Family Network Fund	-	12,433	6,042	6,391
Total other financing uses	<u>5,342,563</u>	<u>5,375,467</u>	<u>5,281,959</u>	<u>93,508</u>
Total expenditures and other financing uses	<u>\$ 246,774,973</u>	<u>\$ 247,592,869</u>	<u>\$ 243,649,897</u>	<u>\$ 3,942,972</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF NET POSITION

JUNE 30, 2017

	Operating Fund
ASSETS	
Cash, cash equivalents and investments	\$ 1,785,423
Notes receivable	-
Accrued interest receivable	926
Due from primary government	448,506
Capital assets (not being depreciated)	22,191
Total assets	<u>\$ 2,257,046</u>
LIABILITIES	
Account payable	\$ 366
Deferred revenue	-
Total liabilities	<u>366</u>
NET POSITION	
Invested in capital assets, net of related debt	22,191
Unrestricted	2,234,489
Total net position	<u>\$ 2,256,680</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, 2017

	<u>Operating Fund</u>
Operating revenues:	
Charges for services	\$ -
Miscellaneous income	260,000
Total operating revenues	<u>260,000</u>
Operating expenses:	
Contracted services	-
Miscellaneous	819
Total operating expenses	<u>819</u>
Operating income	<u>259,181</u>
Non-operating revenues (expenses):	
Investment income	6,642
Investment expense	<u>(1,669)</u>
Total non-operating revenues (expenses)	<u>4,973</u>
Change in net position	264,154
Total net position - beginning	<u>1,992,526</u>
Total net position - ending	<u>\$ 2,256,680</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
REVENUES				
Intergovernmental	\$ 11,763,500	\$ 2,198,864	\$ 952,022	\$ (1,246,842)
Miscellaneous	65,000	26,998,392	320,235	(26,678,157)
Total revenues	<u>11,828,500</u>	<u>29,197,256</u>	<u>1,272,257</u>	<u>(27,924,999)</u>
EXPENDITURES				
General government	954,600	543,785	201,714	342,071
Public safety	5,926,000	31,169,806	6,435,603	24,734,203
General services	2,460,300	2,212,976	891,644	1,321,332
Public works	3,979,000	8,335,343	5,942,091	2,393,252
Economic development	-	-	-	-
Community resources	66,000	16,950	16,950	-
Education	15,948,000	8,504,141	8,323,343	180,798
Social services and health	-	720	720	-
	-	-	-	-
Total expenditures	<u>29,333,900</u>	<u>50,783,721</u>	<u>21,812,065</u>	<u>28,971,656</u>
Excess (deficiency) of revenues over expenditures	<u>(17,505,400)</u>	<u>(21,586,465)</u>	<u>(20,539,808)</u>	<u>1,046,657</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	13,205,000	13,342,980	28,030,000	14,687,020
Bond premium	-	3,980,709	3,980,709	-
Developer contribution	1,370,700	1,333,076	22,800	(1,310,276)
Operating transfers in	2,929,700	2,929,700	3,946,276	1,016,576
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>17,505,400</u>	<u>21,586,465</u>	<u>35,979,785</u>	<u>14,393,320</u>
Net change in fund balance	-	-	15,439,977	15,439,977
Fund balance - beginning	<u>6,408,718</u>	<u>6,408,718</u>	<u>6,408,718</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,408,718</u>	<u>\$ 6,408,718</u>	<u>\$ 21,848,695</u>	<u>\$ 15,439,977</u>

Statistical Section



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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*FINANCIAL TREND DATA
JUNE 30, 2017*

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

The financial trend data schedules are:

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

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

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 136,372,796
Restricted	7,763,481	11,968,498	13,275,882	17,137,497	18,047,917	15,851,897	17,696,426	16,490,109	15,818,117	16,600,615
Unrestricted	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)	(22,821,045)
Total governmental activities net position	\$ 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	\$ 130,152,366
Business-type activities										
Net investment in capital assets	\$ 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	\$ 28,076,563
Restricted	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	3,502,392
Unrestricted	(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	5,795,158
Total business-type activities net position	\$ 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	\$ 37,374,113
Primary government										
Net investment in capital assets	\$ 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	\$ 164,449,359
Restricted	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	20,103,007
Unrestricted	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)	(17,025,887)
Total primary government net position	\$ 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	\$ 167,526,479

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	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Governmental activities:										
General government	\$ 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	\$ 15,496,721
Public safety	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	38,808,220
Public works	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	6,846,474
General services	(3)	-	-	-	-	-	15,124,898	24,336,696	21,973,307	21,950,660
Health and hospitals	3,059,513	3,451,586	2,128,412	3,407,428	3,408,940	3,670,682	-	-	-	-
Social services and health	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	5,278,202
Education	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	148,421,928
Board of Education	108,689,460	122,637,685	133,561,524	128,257,599	129,427,039	141,921,641	-	-	-	-
Recreation and culture	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	11,435,787
Conservation of natural resources	1,816,478	1,601,851	1,573,710	3,393,562	4,543,744	2,934,998	-	-	-	-
Urban development and housing	1,378,660	2,603,275	2,643,490	2,521,746	2,170,117	2,050,230	-	-	-	-
Economic development	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	1,415,620
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(3)	-	-	-	-	-	4,459,599	4,253,148	3,653,348	4,318,688
Debt service	4,180,761	4,822,828	4,726,867	4,859,414	4,980,102	4,784,558	-	-	-	-
Subtotal governmental activities expenses	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	253,972,300
Business-type activities:										
Water and sewer	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	8,685,726
Solid waste	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	10,867,901
Culture	3,395,574	4,012,686	4,350,817	4,539,550	3,583,944	3,547,014	-	-	-	-
Subtotal business-type activities expenses	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	19,553,627
Total primary government expenses	\$ 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	\$ 273,525,927
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	\$ 4,024,808
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	8,093,169
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	1,363,477
General services	(3)	-	-	-	-	-	-	9,252,611	6,112,661	5,587,328
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	967,724
Board of Education	-	-	-	965,787	140,203	4,573,994	-	-	-	-
Recreation and culture	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	3,115,043
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	503,014
Miscellaneous	-	-	-	-	-	-	1,059,594	-	-	-
Capital projects	1,707,441	1,356,301	2,334,409	-	-	-	2,009,948	-	-	-
Interest on long-term debt	(3)	-	-	-	-	-	-	6,300	6,299	6,299
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	23,660,862
Business-type activities:										
Water and sewer	4,696,931	5,529,760	6,197,143	6,051,786	6,132,568	6,777,988	7,569,754	8,055,087	11,981,872	8,306,675
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	11,472,408
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	19,779,083
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	\$ 43,439,945

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

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Net (Expense)/Revenue										
Governmental activities:										
General government	\$ (18,385,176)	\$ (14,834,036)	\$ (6,134,048)	\$ (15,468,682)	\$ (15,629,426)	\$ (6,603,724)	\$ (15,138,852)	\$ (11,072,399)	\$ (13,326,162)	\$ (11,471,913)
Public safety	(21,514,607)	(24,831,729)	(23,932,837)	(20,957,760)	(24,599,391)	(25,263,023)	(28,222,759)	(25,782,575)	(25,860,886)	(30,715,051)
Public works	(5,465,424)	(11,784,106)	(17,697,503)	(13,417,193)	(15,078,506)	(12,819,400)	(15,450,928)	(2,082,983)	800,671	(5,482,997)
General Services	-	-	-	-	-	-	-	(15,084,085)	(15,860,646)	(16,363,332)
Health and hospitals	(2,988,826)	(3,393,187)	(2,089,675)	(3,360,215)	(3,355,982)	(3,382,404)	155,481	-	-	-
Social services and health	(8,660,048)	(9,923,718)	(10,610,732)	(10,232,921)	(9,406,655)	(10,163,493)	(6,019,435)	(8,384,212)	(5,287,965)	(5,278,202)
Education	(3,040,640)	(3,474,087)	(4,614,647)	(4,155,256)	(4,405,156)	(5,122,993)	(143,384,137)	(151,818,989)	(150,891,046)	(147,454,204)
Board of Education	(108,689,460)	(122,637,685)	(133,561,524)	(127,291,812)	(129,286,836)	(137,347,647)	-	-	-	-
Recreation and culture	(7,680,919)	(6,207,398)	(1,607,049)	(6,845,438)	(12,649,539)	(10,558,099)	4,727,095	-	-	-
Community resources	-	-	-	-	-	-	-	(7,691,137)	(8,271,441)	(8,320,744)
Conservation of natural resources	(1,071,956)	(1,265,378)	(243,264)	(3,208,952)	(4,294,891)	(2,566,358)	1,623,509	-	-	-
Urban development and housing	(381,549)	(1,642,080)	(1,621,114)	(1,450,110)	(1,060,607)	(826,972)	1,133,168	-	-	-
Economic development	(150,983)	(536,532)	(1,014,227)	(882,062)	(1,001,614)	(850,544)	(931,603)	(957,248)	(849,148)	(912,606)
Miscellaneous	-	-	-	-	-	-	1,059,594	-	-	-
Capital projects	1,707,441	1,356,301	2,334,409	-	-	-	2,009,948	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	(4,246,848)	(3,647,049)	(4,312,389)
Debt service	(3,544,663)	(4,183,370)	(4,090,515)	(4,222,612)	(4,972,661)	(4,777,117)	6,299	-	-	-
Subtotal governmental activities expenses	(179,866,810)	(203,357,005)	(204,882,726)	(211,493,013)	(225,741,264)	(220,281,774)	(198,432,620)	(227,120,476)	(223,193,672)	(230,311,438)
Business-type activities:										
Water and sewer	(1,366,893)	(853,489)	(758,771)	(543,466)	(574,764)	(323,200)	57,593	514,492	4,142,625	(379,051)
Solid waste	1,414,395	777,942	1,136,958	357,810	(617,844)	1,381,310	213,838	(575,355)	(872,774)	604,507
Culture	(2,662,819)	(3,175,158)	(3,149,067)	(2,788,799)	(2,095,471)	(2,246,096)	1,358,582	-	-	-
Subtotal business-type activities expenses	(2,615,317)	(3,250,705)	(2,770,880)	(2,974,455)	(3,288,079)	(1,187,986)	1,630,013	(60,863)	3,269,851	225,456
Total primary government expenses	\$ (182,482,127)	\$ (206,607,710)	\$ (207,653,606)	\$ (214,467,468)	\$ (229,029,343)	\$ (221,469,760)	\$ (196,802,607)	\$ (227,181,339)	\$ (219,923,821)	\$ (230,085,982)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 98,994,236	\$ 109,907,718	\$ 126,502,446	\$ 137,559,596	\$ 150,043,755	\$ 150,000,842	\$ 145,034,827	\$ 141,760,716	\$ 141,789,058	\$ 151,766,977
Income taxes	61,886,520	63,477,715	54,280,021	55,475,403	69,711,237	63,576,777	60,726,847	62,141,903	77,059,728	68,984,412
Recordation taxes	11,664,698	9,114,661	5,799,985	5,690,348	5,330,746	5,180,576	6,459,376	6,170,923	7,551,986	9,112,106
Admission and amusement taxes	107,310	23,377	30,212	25,009	25,803	30,938	29,720	14,776	17,456	26,181
Franchise taxes	892,707	984,342	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119	1,485,691	1,654,348
Other miscellaneous taxes	157,516	148,115	119,546	114,013	113,753	127,458	237,928	687,334	834,149	920,068
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	374,256	4,136,322
Miscellaneous	(2,491,052)	(2,832,139)	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)	(65,000)	(51,960)	(19,630)
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	229,060,364	236,580,784
Business-type activities:										
Interest and dividends	-	-	-	-	-	-	-	-	70,984	110,781
Miscellaneous	3,007,698	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	51,960	19,630
Subtotal business-type activities revenues	3,007,698	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	122,944	130,411
Total primary government 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	\$ 229,183,308	\$ 236,711,195
Change in net position										
Governmental activities	\$ 3,799,888	\$ (10,764,521)	\$ (20,198,278)	\$ (13,688,590)	\$ (1,579,237)	\$ (1,807,624)	\$ 13,204,860	\$ (14,550,410)	\$ 5,866,692	\$ 6,269,346
Business-type activities	392,381	(75,317)	3,845,590	220,584	(478,348)	1,834,111	4,237,732	59,338	3,392,795	355,867
Total primary government	\$ 4,192,269	\$ (10,839,838)	\$ (16,352,688)	\$ (13,468,006)	\$ (2,057,585)	\$ 26,487	\$ 17,442,592	\$ (14,491,072)	\$ 9,259,487	\$ 6,625,213

NOTES:

- (1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and greater than program revenues and therefore general revenues. Numbers in parentheses indicate that expenses were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- (2) Government-wide net asset information is reported on the accrual basis of accounting.
- (3) 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

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Real and personal property taxes	\$ 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	\$ 148,639,839
Income taxes	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	77,251,931
Admission and amusements	23,377	30,212	25,009	25,803	30,938	29,720	14,776	17,598	17,456	26,181
Recordation	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	9,112,106
Trailer parks	148,115	119,546	114,013	113,753	127,458	237,928	127,186	142,449	114,682	116,740
Hotel (2)	785,519	763,877	693,265	815,416	753,981	634,973	560,148	718,807	719,467	803,327
Highway user revenue (3)	5,701,044	5,077,195	256,759	410,452	281,653	513,103	541,727	570,547	587,376	583,043
Franchise	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	1,654,348
Total Taxes	\$ 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	\$ 238,187,515

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

	FY2008	FY2009	FY2010	FY2011(2)	FY2012(2)	FY2013(2)	FY2014(2)	FY2015(2)	FY2016(2)	FY2017(2)
General Fund										
<i>(prior to GASB 54)</i>										
Reserved	\$ 12,562,828	\$ 11,452,788	\$ 10,438,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Undesignated	37,969,096	30,703,197	28,650,914	-	-	-	-	-	-	-
Undesignated	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	6,778,094
Restricted	-	-	-	64,861	-	-	-	-	54,030	54,030
Committed	-	-	-	20,913,418	21,430,248	21,983,132	21,943,607	22,100,797	22,838,421	25,047,021
Assigned	-	-	-	9,246,000	8,218,619	9,718,619	9,718,619	6,218,619	6,218,619	5,000,000
Unassigned	-	-	-	26,763,823	27,321,625	27,228,179	20,212,026	16,622,116	14,200,844	24,060,353
Total General Fund	\$ 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	\$ 60,939,498
All other governmental funds										
<i>(prior to GASB 54)</i>										
Reserved	\$ 7,763,481	\$ 11,968,498	\$ 13,099,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	12,666,097	6,740,235	6,348,586	-	-	-	-	-	-	-
Capital projects funds	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	67,309
Restricted	-	-	-	3,750	2,114,579	586,267	847,698	11,346,283	11,916,681	11,557,121
Committed	-	-	-	6,768,471	9,605,033	6,199,410	8,838,839	5,114,088	3,864,003	2,988,781
Assigned	-	-	-	44,721,770	34,586,829	30,329,564	27,941,051	17,532,230	6,366,498	23,836,099
Unassigned	-	-	-	-	-	(60,100)	(75,287)	(137,623)	-	-
Total all other governmental funds	\$ 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	\$ 38,449,310

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

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
REVENUES										
Taxes	\$ 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	\$ 241,314,657
Licenses and permits	281,266	238,143	328,671	292,301	304,571	307,553	336,520	288,914	325,668	340,437
Intergovernmental	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	10,815,637
Charges for services	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	5,853,515
Fines and forfeitures	356,049	319,280	340,061	598,175	477,806	550,153	654,560	657,909	536,954	826,327
Miscellaneous	12,625,951	10,739,918	8,123,831	7,147,229	15,496,237	4,442,587	5,095,650	4,283,008	5,096,726	5,782,512
Total revenues	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	264,933,085
EXPENDITURES										
General government	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	17,585,335
Public safety	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	31,568,314
General services	-	-	-	-	-	(4)	-	16,357,060	16,099,868	16,555,689
Public works	7,656,572	11,224,901	10,984,725	9,103,252	9,758,758	7,826,188	9,510,233	8,165,402	6,073,958	6,510,467
Health and hospitals	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	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	4,121,080
Education - other	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	8,668,124
Board of Education	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	115,218,291
Recreation and culture	8,900,443	9,783,163	9,916,945	10,987,198	11,202,674	11,716,965	-	-	-	-
Conservation of natural resources	1,681,507	1,308,871	1,034,321	2,610,594	3,597,704	2,211,598	-	-	-	-
Urban development and housing	1,239,214	1,978,608	1,982,486	1,914,857	2,003,182	1,519,637	-	-	-	-
Economic development	1,062,995	1,205,616	1,209,744	1,234,891	1,275,769	1,099,378	1,130,190	1,167,949	1,066,088	1,113,222
Community resources	-	-	-	-	-	-	8,952,113	8,254,333	8,494,081	9,012,567
Miscellaneous	18,279,910	19,880,661	18,890,672	23,205,341	29,522,254	21,290,423	19,231,184	23,367,037	22,072,681	21,981,083
Pension and insurance	-	-	-	-	-	-	19,443,595	15,816,466	16,524,137	21,812,065
Capital projects	20,687,852	24,807,060	21,249,637	16,350,785	21,690,541	17,664,025	-	-	-	-
Debt service	9,967,111	11,513,920	12,024,609	11,233,501	10,971,736	11,654,836	12,113,675	12,910,722	13,127,382	13,561,110
Principal retirement	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	3,548,591
Interest	-	-	-	-	-	86,574	9,367	-	-	-
Refunding expense	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	271,255,938
Excess (deficiency) of revenues over expenditures	(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)	(6,322,853)
OTHER FINANCING SOURCES (USES)										
Proceeds from bond issuance	22,250,000	18,485,000	24,344,988	19,256,000	5,773,720	5,415,000	5,760,000	-	-	28,030,000
Amount deposited in refunding escrow	-	-	(5,191,344)	-	-	-	-	-	-	-
Premium of issuance of debt	290,047	50,806	743,436	1,326,199	568,872	448,460	281,302	-	-	3,980,709
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)	-	-	-	-
Transfers in - other	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	12,695,788
Transfers out - other	(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)	(12,715,418)
Total other financing sources (uses)	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)	31,991,079
Net change in fund balances	\$ 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)	\$ 25,668,226
Debt service as a percentage of noncapital expenditures	7.64%	8.80%	8.76%	7.50%	6.86%	7.54%	7.35%	6.80%	6.99%	6.68%
	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

NOTES:
(1) Governmental fund information is reported on the modified accrual basis of accounting.
(2) Debt service represents debt service principal, interest and any proceeds of bond issuance.
(3) Noncapital expenditures comes from the reconciliation of the statement of revenues, expenditures and changes in fund balance of the governmental funds to the statement of activities.
(4) Calculation based on Debt Service divided by Expenditures minus Capital Outlays (pg. 21).
(5) Beginning in FY14, expenditures were re classed in the financial statements to match the budgetary document.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REVENUE CAPACITY
JUNE 30, 2017*

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

The revenue capacity schedules are:

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

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

Fiscal Year	Real Property				Personal Property				Total			
	Assessed Value	Exempt Property	Taxable Assessed Value	Direct Rate	Assessed Value	Direct Rate	Assessed Value	Direct Rate	Assessed Value	Taxable Assessed Value	Estimated Actual Value	% Taxable Assessed to total
2008	\$ 11,464,556,220	\$ 788,968,756	\$ 10,675,587,464	0.892	\$ 1,052,405,750	2.23	\$ 12,516,961,970	2.23	\$ 11,727,993,214	93.70%	\$ 12,516,961,970	
2009	(1) 14,223,348,981	888,112,994	13,335,235,987	0.892	(1) 470,449,610	2.23	14,693,798,591	2.23	13,805,685,597	93.96%	14,693,798,591	
2010	15,571,990,076	987,183,072	14,584,807,004	0.892	504,475,135	2.23	16,076,465,211	2.23	15,089,282,139	93.86%	16,076,465,211	
2011	14,334,949,486	1,022,420,831	13,312,528,655	0.892	874,351,230	2.23	15,209,300,716	2.23	14,186,879,885	93.28%	15,209,300,716	
2012	13,473,142,494	1,030,936,269	12,442,206,225	0.892	921,126,040	2.23	14,394,268,534	2.23	13,363,332,265	92.84%	14,394,268,534	
2013	12,717,190,774	992,111,598	11,725,079,176	0.892	950,398,120	2.23	13,667,588,894	2.23	12,675,477,296	92.74%	13,667,588,894	
2014	12,353,843,462	993,239,398	11,360,604,064	0.892	956,990,624	2.23	13,310,834,086	2.23	12,317,594,688	92.54%	13,310,834,086	
2015	12,379,649,469	984,185,935	11,395,463,534	0.892	994,496,590	2.23	13,374,146,059	2.23	12,389,960,124	92.64%	13,374,146,059	
2016	12,430,209,777	1,025,082,884	11,405,126,893	0.892	1,006,057,047	2.23	13,436,266,824	2.23	12,411,183,940	92.37%	13,436,266,824	
2017	12,692,489,553	1,066,023,322	11,626,466,231	0.952	1,054,509,666	2.23	13,746,999,219	2.23	12,680,975,897	92.25%	13,746,999,219	

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
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
2017	0.952	0.616	0.63

Fiscal Year	Direct	Overlapping Rates	
		County Rate	Town Rate
	Calvert County	Town of Chesapeake Beach	Town of Chesapeake Beach
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
2017	0.952	0.616	0.35

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 2017			Fiscal Year 2008		
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total Taxable Assessed Value
Exelon	\$ 1,200,000,000	(3)	9.67%	\$ 725,910,620	1	6.97%
Dominion (Cove Point)	744,034,070	2	5.99%	193,668,870	2	1.86%
Southern Maryland Electric Co.	75,264,530	3	0.61%	42,048,630	3	0.40%
Asbury-Solomons	35,098,254	4	0.28%	22,767,733	6	0.22%
Fox Run Ltd. Partnership	26,979,567	5	0.22%	23,579,200	5	0.23%
Dunkirk Gateway	25,775,000	6	0.21%			
Market Square Shopping Center	24,983,267	7	0.20%			
Holiday Inn - Solomons	17,227,400	8	0.14%	20,094,766	7	0.19%
Verizon	14,911,970	9	0.12%	34,361,670	4	0.33%
Dunkirk Market Place	12,933,900	10	0.10%	10,428,200	8	0.10%
Solomons Town Center				8,747,160	9	0.08%
Calvert Marina				6,980,833	10	0.07%
	\$ 2,177,207,958		17.54%	\$ 1,088,587,682		10.46%

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
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%
2017	130,552,865	128,249,125	98.24%	2,303,740	130,552,865	100.00%

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEBT CAPACITY
JUNE 30, 2017*

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	Debt Per Capita		
	General Obligation Bonds		Office Building		Leveraging		Misc.				Notes Payable	General Obligation Bonds
2008	115,099	1,775	10,414	1,421	8,176	3,018	139,903	1,595				
2009	123,013	1,210	10,414	1,029	8,152	1,927	145,745	1,654				
2010	126,019	620	10,414	621	7,612	3,871	149,157	1,681				
2011	134,451	-	10,612	198	6,934	7,335	159,530	1,792				
2012	129,402	-	7,933	159	6,413	10,823	154,730	1,694				
2013	130,246	-	7,933	141	5,699	10,800	154,819	1,602				
2014	123,661	-	7,820	123	11,937	13,604	157,145	1,559				
2015	110,804	-	7,820	106	11,690	13,012	143,432	1,413				
2016	97,094	-	5,619	88	13,451	12,379	128,631	1,789				
2017	113,256	-	5,471	70	13,256	14,662	146,715	1,782				

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 Property	Other						
2008	87,700	10,675,587,464		129,311,374	2,035,916	127,275,458	1.19%	1,451	121,728
2009	88,100	11,335,235,987		135,338,426	1,456,138	133,882,288	1.18%	1,520	128,663
2010	88,737	14,584,807,004		131,131,135	829,856	130,301,279	0.89%	1,468	164,360
2011	89,288	13,312,528,655		141,785,916	184,325	141,601,591	1.06%	1,586	149,097
2012	89,665	12,442,206,225		140,384,495	158,794	140,225,701	1.13%	1,564	138,763
2013	90,458	11,725,079,176		141,187,239	141,056	141,046,183	1.20%	1,559	129,619
2014	90,562	11,360,604,064		140,384,495	158,794	140,225,701	1.23%	1,548	125,446
2015	90,595	11,395,463,534		123,815,646	105,581	123,710,065	1.09%	1,366	125,785
2016	91,251	11,405,126,893		109,472,581	87,843	109,384,738	0.96%	1,199	124,986
2017	91,620	11,626,466,231		127,918,824	70,105	127,848,719	1.10%	1,395	126,899

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
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
2017	-	-	-	-	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>
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	4,594,276	51,464	48,070	6.40%	16,305
2012	89,665	4,706,731	52,495	47,997	6.30%	16,136
2013	90,458	4,703,325	51,982	48,163	6.00%	15,818
2014	90,562	4,853,808	53,566	47,889	5.30%	15,642
2015	90,595	5,074,942	56,018	48,509	4.60%	15,594
2016	91,251	N/A	N/A	48,171	3.80%	15,611
2017	91,620	N/A	N/A	49,327	3.90%	15,510

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 2017			Fiscal Year 2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,125	1	4.31%	2308	1	4.78%
Calvert Memorial Hospital	1,314	2	2.66%	1040	3	2.15%
Calvert County Government	1,252	3	2.54%	1117	2	2.31%
Exelon/Calvert Cliffs	825	4	1.67%	800	4	1.66%
ARC of Southern Maryland	460	5	0.93%	350	7	0.73%
Safeway	340	6	0.69%	302	8	0.63%
Walmart	340	7	0.69%	571	5	1.18%
Chesapeake Beach Resort/Spa	300	8	0.61%			
Giant	230	9	0.47%	397	6	0.82%
Direct Mail	230	10	0.47%	250	9	0.52%
Recorded Books				226	10	0.47%

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2017*

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:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
General Government										
Commissioners	6	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	2	2	2	2	2	3
Technology services	19.6	21.8	21.8	21.8	22.8	22.8	23	23.6	23	25
Circuit court	10.9	10.9	10.9	10.9	10.9	10.9	13.9	13.9	13.9	13.9
Orphans court	3	3	3	3	3	3	3	3	3	3
States attorney	20.1	20.1	21.1	22.1	22.1	22.1	26	26	27	27
Personnel	7.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	12
Finance	22.6	23.6	23.6	23.6	25.6	25.6	25.5	25.5	26.5	25.5
Treasurers	7.6	7.6	7.6	7.6	7.6	7.6	7.4	7.4	7.4	7.4
County attorney	4	4	4	4	4	4	4	4	4	5
Community Planning and Building	27.1	27.1	26.2	26.1	26.1	29.4	29.4	28.9	29.4	29.5
Inspections and permits	14.2	14.2	14.2	14.2	14.2	14.2	13.2	14.2	14.2	14.2
Public Safety										
Public safety	2	2	2	2	2	2	2	2	2	2
Sheriffs office	134.2	139.2	139.2	142.2	146.2	146.4	151.4	154.6	150.9	162.4
Control center	30	30	30	30	34	34	34	34	34	34
Detention center	77.6	81.6	81.6	85.6	88.6	88.6	87.6	87.6	87.5	87.5
Emergency management	3	3	3	3	3	3	3	3	3	3
Fire and rescue	4	4	4.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5
Animal control	6	7	7	7	7	7	7	7	7	7
General Services										
Director of General services	2	2	4	5	5	5	5	5	5	5
Buildings and grounds	32.7	32.7	32.7	32.7	31.7	31.7	29.7	30	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	69.7	70	70.7	68.6	69.2	69.2	69.2	69.2	69.2	73
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	42.5	42.3	40.4
Natural Resources	13.2	13.2	13.2	13.2	13.7	13.7	13.7	14.7	13.9	14.7
Public Works										
Director of Public works	16.6	16.6	14.6	15.2	15.2	15.2	14.6	14.6	14.6	14.6
Project Management	8	7	7	7	7	7	7	7	7	7
Highway maintenance	33.6	36.6	36.6	36	36	36	36	35	35	35
Fleet maintenance	9	10	10	10	10	10	10	9	9	9
Economic Development										
	10.1	12.1	12.1	12.5	12.5	12.5	12.4	12.4	12.4	13.8
Community Resources										
Director of Community resources	4.5	4.5	4.5	4.5	5	5	5	5	4.5	4.5
Office on aging	24.6	24.6	24.6	24.6	24.6	24.6	23.6	23.3	23.3	24.3
Transportation	2.8	2.8	2.8	2.8	2.8	2.8	2.8	3.8	4	4
Education										
Library	52.2	52.2	52.8	52.8	52.8	52.8	54.7	54.4	54.8	55.3
State Agencies and Independent Boards										
Election	9	9	9	9	9	9	9	9	9	9
Liquor board	3	3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Soil Conservation	4	5	5	5	5	5	5	5	5	5
Water and Sewer										
	33	34	33	33	32	32	30.7	32.7	33.7	36.2
Solid Waste										
	37.8	37.8	38.8	38.8	41.3	41.3	42.6	42.6	44.6	45.5
Chesapeake Hills Golf Course										
	-	-	10.9	10.9	10.9	11	11	13.2	13.3	13.3
Total	815.6	837.1	850.1	858.3	873.4	877	885	895.5	896.8	923.8

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

Function:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Actual									
General Government										
Technology services										
Work orders completed	4,124	4,050	3,375	4,209	4,413	4,799	4,732	5,230	5,250	4,216
Support to desktop/laptop computers	750	795	835	875	726	853	899	938	988	975
Finance and budget										
Purchase orders processed	7,291	7,273	6,717	6,759	5,953	5,964	6,017	6,070	6,123	6,141
Accounts payable checks	16,349	15,693	14,852	15,334	15,834	15,100	15,600	15,600	15,555	15,533
Average number of employees per pay	992	1,017	1,049	1,112	1,117	1,091	1,085	1,094	1,100	1,105
Fixed assets maintained	14,503	15,255	15,804	13,352	13,687	14,037	14,387	14,421	14,853	14,565
Health care benefits managed	958	997	1,021	1,020	1,030	1,030	1,040	845	845	890
Credit card dollars collected	480,062	466,182	537,611	598,705	630,000	661,500	609,428	610,353	611,250	615,365
Credit card transactions	323	291	346	363	380	399	197	240	321	397
Real estate tax bills	41,390	41,757	42,236	42,297	42,349	42,419	42,469	42,650	42,650	42,860
Treasury										
Tax credits issued	1,579	1,582	1,633	1,822	1,625	1,664	1,648	1,652	1,652	1,711
Community Planning and Building										
Major and minor subdivisions (new applications)	40	21	34	21	61	30	65	65	10	30
Inspections and permits										
Building/Home/Signs/demo permits issued	1,812	1,428	1,472	1,492	1,613	1,421	1,455	1,570	1,650	2,100
Grading permits issued	672	707	672	783	734	678	687	675	640	900
Electrical permits issued	1,666	1,425	1,471	1,437	1,735	1,580	1,489	1,605	1,685	2,000
Plumbing permits issued	943	757	744	873	897	877	834	1,015	1,120	1,200
Public Safety										
Control center										
Number of incidents handled	160,063	164,807	151,224	138,437	145,358	152,626	89,492	73,018	90,436	104,758
Detention center										
Average daily population	228	237	288	233	212	241	249	266	240	250
Work release (adp)	85	67	39	32	28	25	84	90	94	91
Sheriff's office										
Calls for service	85,941	83,062	84,513	87,045	89,659	89,659	108,220	108,220	71,421	95,623
Murder cases	1	-	-	-	-	3	2	2	2	2
Rape cases	6	10	17	10	10	14	11	11	11	15
Robbery cases	15	27	26	27	29	26	24	24	27	30
Aggravated assault cases	272	187	123	56	56	56	79	79	81	85
Theft cases	1,051	1,067	1,204	1,100	1,100	1,392	1,436	1,436	794	807
Auto theft cases	92	82	92	55	55	60	48	48	40	46
Domestic violence incidents responded to	1,231	1,203	1,287	1,325	1,364	1,364	1,213	1,213	1,144	1,169
Business & community patrol checks	38,032	35,538	33,977	29,724	30,615	30,615	47,965	47,965	14,224	44,658
Sex offenders registered in Calvert County	110	103	107	109	112	112	114	114	91	102
School related incidents/investigations	293	333	1,574	1,621	1,669	1,900	1,000	1,900	1,979	1,864
Fire and rescue										
Total calls responded	20,743	20,021	19,708	21,240	21,000	20,306	20,000	20,000	22,000	21,000
Animal control										
Calls for service	8,139	8,063	5,601	6,129	5,000	4,900	5,400	5,200	4,365	4,800
General Services										
Railway museum										
Outreach participants	4,000	4,100	4,150	4,200	4,200	4,200	5,204	5,204	5,204	5,000
Participants in programs	2,434	3,569	5,118	6,197	8,298	7,521	6,822	5,000	5,000	5,000
Public Works										
Major and minor subdivisions	175	143	149	54	51	36	25	26	26	22
Road plans	41	17	24	9	13	18	2	5	8	6
Project management										
Miles of roadway resurfaced	15	14	12	8	8	13	8	8	8	1
Fleet maintenance										
Work orders	2,371	3,529	2,837	2,361	2,283	2,082	2,042	2,150	2,200	2,400
Community Resources										
Transportation										
Yearly ridership	133,270	134,786	109,705	108,875	109,658	112,874	112,900	113,000	113,300	117,000
Education										
Public library										
Circulation of materials	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	1,123,400
Reference questions	79,779	96,381	120,646	121,536	137,519	145,954	154,014	154,014	155,224	162,456
Program attendance	55,478	52,132	46,738	51,196	53,907	57,109	60,224	60,224	60,351	61,487
In-person visits	554,392	606,932	602,683	600,371	609,958	586,710	548,444	548,444	548,621	549,368
Computer uses	89,162	127,319	145,278	152,831	151,002	141,507	140,275	140,275	141,200	143,850
Registered borrowers	55,347	59,404	57,549	60,574	61,895	65,631	63,861	63,861	63,958	64,215
Water and Sewer										
Number of customers	4,799	5,037	5,076	5,104	5,153	5,190	5,267	5,267	5,389	5,400

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:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2013	FY2015	FY2016	FY2017
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	120	141	140	141	141	125	141	127	127	67
Special purpose units	0	0	5	6	6	6	6	7	7	9
Fire protection:										
Fire stations	7	7	5	6	6	6	6	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12	12
Ambulances	15	15	14	14	14	14	14	14	14	15
Rescue trucks	6	6	7	7	6	6	7	6	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	3	3
Brush units	12	12	13	13	13	13	13	13	13	14
Tankers	5	5	5	5	5	5	5	5	5	5
Jet skis	2	2	2	2	2	2	2	2	2	2
Dive rescue van	1	1	1	1	1	1	1	1	1	1
Fire-rescue boats	3	3	3	3	3	3	3	3	3	2
Mass casualty unit/trailer	1	1	1	1	1	1	1	1	1	1
Inflatable boats	6	6	6	6	6	6	6	6	6	6
Paramedic units	5	5	5	5	5	5	5	5	5	6
Air cascade units	1	1	2	2	2	2	2	2	2	1
Other utility types	24	24	25	25	25	25	25	25	25	31
Community Resources										
Transportation:										
Passenger buses	18	17	17	17	17	19	17	19	19	16
Public Works										
County owned streets in miles	446	446	452	452	452	462	452	462	462	464
Recreation										
Baseball fields	20	20	20	20	20	20	20	20	20	20
Football fields	7	7	7	7	7	7	7	7	7	7
Basketball courts	6	6	6	6	6	6	6	8	8	8
Tennis courts	10	10	10	10	12	12	12	14	14	14
Pools	2	2	3	3	3	3	3	3	3	3
Golf course	0	0	1	1	1	1	1	1	1	1
Playgrounds and parks in acres	360	360	360	375	375	580	360	580	580	580
Water and Sewer										
Water mains in miles	75	75	77	77	77	79	77	85	85	85
Water systems	21	21	21	21	20	21	20	19	19	19
Storage tanks	14	14	14	14	14	14	14	13	13	14
Sewer mains in miles	66	66	66	66	66	68	66	77	77	77
Sewer treatment plants	9	9	9	9	8	8	8	6	6	5
Sewer pumping stations	27	39	39	39	39	39	39	43	43	45

NOTES:
(1) Source: Various county departments



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

**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, 2017, 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 29, 2017.

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.



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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.

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 29, 2017

SB & Company, LLC

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, 2017**

	<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	\$ 2,560,949	\$ 4,686,359	\$ 108,618	\$ -	\$ 7,355,926
<u>Operating expenses</u>					
Salaries & benefits	515,297	912,052	93,054	1,356,800	2,877,203
Contracted services	69,604	659,204	1,668	59,628	790,104
Supplies	79,245	160,922	3,243	26,511	269,921
Heat, light and power	216,314	422,126	-	-	638,440
Depreciation	925,830	1,468,829	-	214,559	2,609,218
Miscellaneous	-	273	10	38,872	39,155
Telephone	-	3,887	344	16,765	20,996
Compensated absences	4,843	(681)	(1,149)	(57,318)	(54,305)
Maintenance and repairs	187,347	189,191	5,454	44,204	426,196
Capital outlay	193,664	335,206	-	7,635	536,505
Total operating expenses	<u>2,192,144</u>	<u>4,151,009</u>	<u>102,624</u>	<u>1,707,656</u>	<u>8,153,433</u>
Operating income (loss)	<u>368,805</u>	<u>535,350</u>	<u>5,994</u>	<u>(1,707,656)</u>	<u>(797,507)</u>
<u>Non-operating revenues (expenses)</u>					
Grants	(317,500)	-	-	-	(317,500)
Miscellaneous income	17,334	567	-	23,146	41,047
Tower revenue	128,324	-	-	-	128,324
Investment income	11,724	27,969	-	50,300	89,993
Interest expense	(172,114)	(360,179)	-	-	(532,293)
Administrative allocation	(1,009,291)	(618,925)	(5,994)	1,634,210	-
Total non-operating revenues (expenses)	<u>(1,341,523)</u>	<u>(950,568)</u>	<u>(5,994)</u>	<u>1,707,656</u>	<u>(590,429)</u>
Income (loss) before contributions and transfers	<u>(972,718)</u>	<u>(415,218)</u>	<u>-</u>	<u>-</u>	<u>(1,387,936)</u>
<u>Transfers</u>					
Transfers in (out)	-	39,665	-	-	39,665
Capital connection charges	211,485	396,125	-	-	607,610
Developer contribution	124,764	366,504	-	-	491,268
Change in net position	<u>(636,469)</u>	<u>387,076</u>	<u>-</u>	<u>-</u>	<u>(249,393)</u>
Total net position - beginning	<u>6,763,904</u>	<u>21,481,940</u>	<u>-</u>	<u>1,999,832</u>	<u>30,245,676</u>
Total net position - ending	<u>\$ 6,127,435</u>	<u>\$ 21,869,016</u>	<u>\$ -</u>	<u>\$ 1,999,832</u>	<u>\$ 29,996,283</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2017**

	Total Assessed Value of Taxable Property	Tax Rate Per \$100 of Assessed Value	Actual Tax Levy	Amount Collected	Balance of Taxes Receivable
<u>County Portion</u>					
<u>Current year property - locally assessed</u>					
Real property:					
For full year levy	\$ 10,564,610,215	\$ 0.952	\$ 100,575,089	\$ 98,433,016	\$ 2,142,073
For half year levy	56,301,899	0.476	267,997	267,997	-
North Beach	240,110,885	0.616	1,479,083	1,479,083	-
Chesapeake Beach	765,443,232	0.616	4,715,130	4,715,130	-
Total real property	<u>11,626,466,231</u>		<u>107,037,299</u>	<u>104,895,226</u>	<u>2,142,073</u>
Personal property, including corporations and banks	158,920,896	2.230	3,543,936	3,382,268	161,668
Public utilities operating and personal property	895,588,770	2.230	19,971,630	19,971,630	-
Total current year	<u>\$ 12,680,975,897</u>		<u>\$ 130,552,865</u>	<u>\$ 128,249,125</u>	<u>\$ 2,303,740</u>
Prior years, real, personal, and corporate property					1,671,854
Accrued interest receivable and service charge					<u>1,572,386</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>3,244,240</u>
Total taxes receivable - county portion					5,547,980
Taxes receivable - state portion, net of tax credits					485,544
Taxes receivable - towns portion, net of tax credits					306,094
Bay Restoration fee due to state - billed with Real estate taxes					<u>26,096</u>
Total taxes receivable					<u>\$ 6,365,713</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, 2017**

	Healthy Families	YSB	Reentry Case Management	CCFN Administrative Healthy Fam	CCFN Administrative GOC	Total
REVENUES						
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	246,780	118,839	65,397	6,998	65,000	503,014
Transfer In	-	-	-	-	6,042	6,042
Total revenues	246,780	118,839	65,397	6,998	71,042	509,056
EXPENDITURES						
Salaries	-	-	-	-	36,594	36,594
Printing & office supp	-	-	-	799	84	883
Advertising	-	-	-	515	50	565
Postage	-	-	-	-	117	117
Mileage allowance	-	-	-	500	621	1,121
Conferences/Training	-	-	-	-	80	80
Board of Education	246,780	-	-	-	-	246,780
Contracted services	-	118,839	64,452	4,650	9,340	197,281
Food	-	-	945	534	-	1,479
Telephone/comm	-	-	-	-	570	570
Benefits	-	-	-	-	23,586	23,586
Total expenditures	246,780	118,839	65,397	6,998	71,042	509,056
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