



# Comprehensive Annual Financial Report

For the Fiscal Year  
Ended June 30, 2018





# Calvert County Maryland

## Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2018

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



COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2018

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2018

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# Introductory Section



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**CALVERT COUNTY GOVERNMENT**

**Board of County Commissioners**  
**Thomas "Tim" Hutchins, President**  
**Kelly D. McConkey, Vice President**  
**Earl "Buddy" Hance, Commissioner**  
**Mike Hart, Commissioner**  
**Steven R. Weems, Commissioner**

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January 29, 2019

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, 2018, 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 is 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, 2018 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](http://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 21 of this report. The capital projects fund budget is prepared on a project length basis and, accordingly, annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

## **FACTORS AFFECTING FINANCIAL CONDITION**

**Local economy:** Conservative fiscal management has allowed the County to maintain a sound financial position. Property taxes and income taxes provide the majority (91 percent, fiscal year 2018) 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 2018 were slightly under projections. FY 2018 was impacted by an income tax rate increase from 2.8% to 3.0%. Because of the calendar year measurement period for income tax, the 3.0% rate was effective only for ½ of the fiscal year FY 2017. The 3.0% rate was effective for the entire FY 2018. Future projections of income tax use an increasing trend of about 4%.

Property tax, the largest revenue source, represented 62 percent of the total General Fund revenue for fiscal year 2018. The number of residential building permits issued in fiscal year 2018 was 186, a decrease of 32.36% percent or 89 permits from the 275 issued in FY 2017. The local public utility providers continue to add significantly to our property tax category of revenues.

Income tax revenue, at 30 percent of the total General Fund revenue for fiscal year 2018, 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 2019 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 2019 shows education and public facilities 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 AAA 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 latest ratings, received during fiscal year 2018, were "Aaa" from Moody's Investors Service, Inc., "AAA" from Standard & Poor's, and "AAA" from Fitch Ratings. This is the County's third 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 2018 data, the County's current ratios are as follows: debt to assessed value is 1.15 percent and debt service to general fund revenue is at 6.3 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, 2017. 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, 2017 to June 30, 2018. 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". The signature is fluid and cursive, with a large initial "T" and "H".

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, 2017**

*Christopher P. Morvill*

Executive Director/CEO

# COUNTY COMMISSIONERS OF CALVERT COUNTY

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## CERTAIN ELECTED OFFICIALS

Thomas “Tim” Hutchins  
President, Board of County Commissioners

Kelly McConkey  
Vice President, Board of County Commissioners

Earl F. “Buddy” Hance  
Commissioner

Mike Hart  
Commissioner

Steven R. Weems  
Commissioner

Novalea Tracy-Soper  
Treasurer

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## 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

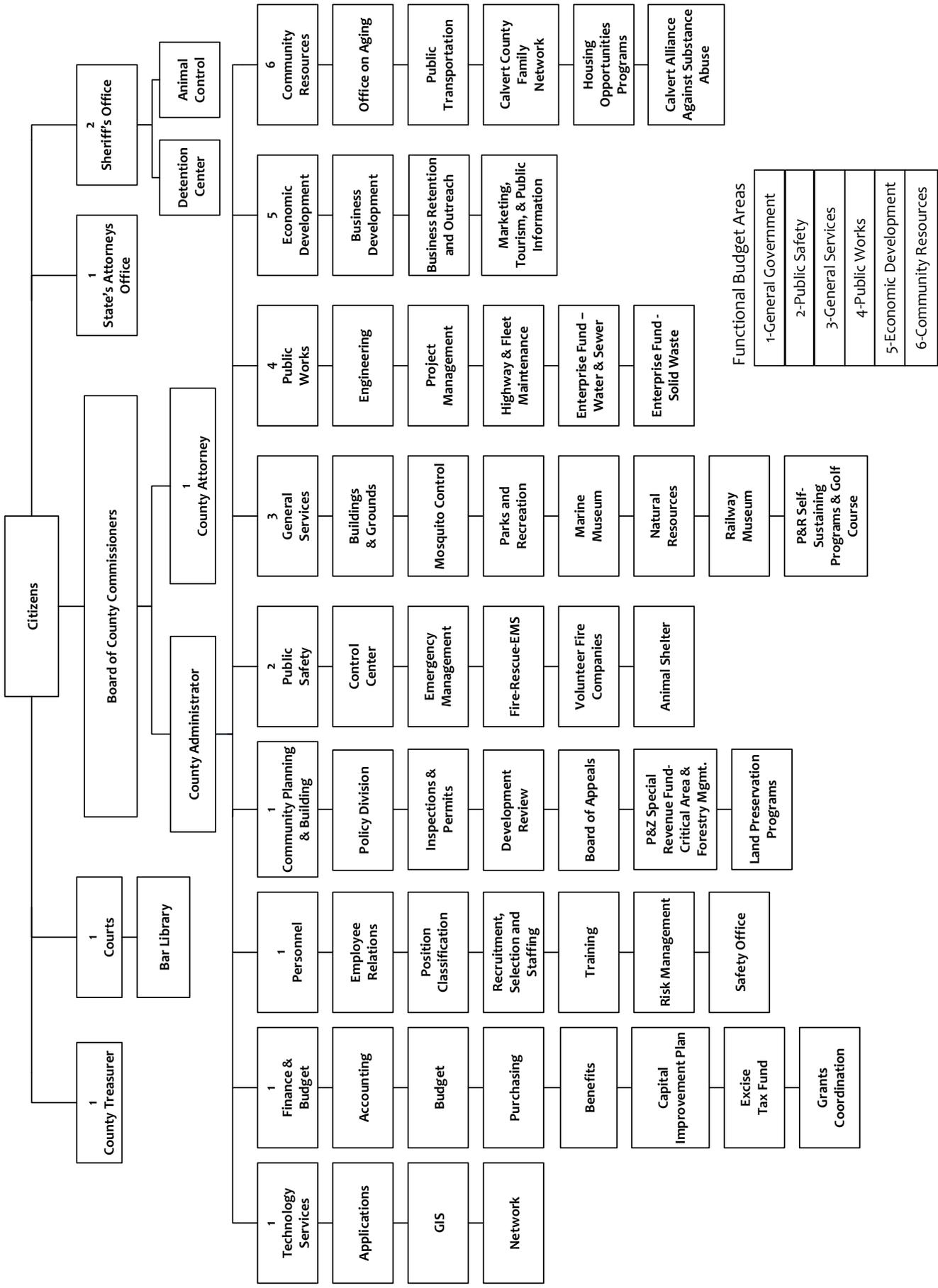
Linda Vassallo  
Director of Communications and Media Relations

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, 2018, 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 report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the entity, are based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.



**SBC & COMPANY, LLC**  
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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 report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, 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***

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, during the year ended June 30, 2018, the County adopted new accounting guidance from Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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



**SB & COMPANY, LLC**  
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*Other Information*

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

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

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 January 24, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Hunt Valley, Maryland  
January 24, 2019

A handwritten signature in black ink that reads "SB &amp; Company, LLC". The signature is written in a cursive, flowing style.

## 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, 2018. 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 \$147.2 million (*net position*); approximately 26.0 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, \$164.4 million is the net investment in capital assets, and \$21.5 million is restricted for specific purposes. The County's unrestricted net position is a negative \$38.8 million. This deficit balance in unrestricted net position results primarily from the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and related Statement No.74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which required the County to record its net OPEB liability of \$45.9 million. The business-type activities ended with an unrestricted net position of \$2.7 million. Included as restricted cash, for the primary government, is \$11.7 million which represents bond proceeds.
- The government's total net position has increased by \$14.7 million; a \$13.8 million increase was related to the governmental activities and \$885,814 was related to the business-type activities.

##### Fund Level:

- As of June 30, 2018, the County's governmental funds reported combined fund balances of \$95.4 million, a decrease of \$4.0 million from the prior year. Approximately 79.1 percent of this total amount, \$75.4 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$47.5 million (prior year, \$56.9 million) has been dedicated for certain purposes, including, \$18.0 million for capital projects, \$4.9 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 \$2.2 million or 9.8 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$52.5 million (*committed, assigned and unassigned*), or 18.5 percent of total fiscal year 2018 General Fund budgetary expenditures and other financing uses. Nonspendable and

restricted fund balance of the General Fund was \$9.6 million, or 15.4 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 15 to 17 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 21 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 22 to 24 of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Calvert County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 27 to 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 2018, assets and deferred outflows exceeded liabilities and deferred inflows by \$147.2 million (prior year, \$167.5 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. Note that school buildings become assets of the Board of Education but the debt stays on the County's books. This has a negative impact on Net Position. 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		
	2018	2017	Difference	2018	2017	Difference	2018	2017	Difference
Current and other assets	\$ 155,072,086	\$ 150,988,052	\$ 4,084,034	\$ 21,235,348	\$ 9,192,620	\$ 12,042,728	\$ 176,307,434	\$ 160,180,672	\$ 16,126,762
Capital assets	205,450,912	191,415,967	14,034,945	51,924,884	62,210,013	(10,285,129)	257,375,796	253,625,980	3,749,816
Total assets	360,522,998	342,404,019	18,118,979	73,160,232	71,402,633	1,757,599	433,683,230	413,806,652	19,876,578
Deferred outflows of resources	9,276,899	2,557,381	6,719,518	-	12,556	(12,556)	9,276,899	2,569,937	6,706,962
Long-term liabilities	181,467,724	153,820,799	27,646,925	31,108,645	29,885,765	1,222,880	212,576,369	183,706,564	28,869,805
Other liabilities	59,067,581	54,363,711	4,703,870	3,791,660	4,154,509	(362,849)	62,859,241	58,518,220	4,341,021
Total liabilities	240,535,305	208,184,510	32,350,795	34,900,305	34,040,274	860,031	275,435,610	242,224,784	33,210,826
Deferred inflows of resources	20,328,407	6,624,524	13,703,883	-	802	(802)	20,328,407	6,625,326	13,703,081
Net invested in capital assets	132,772,750	136,372,796	(3,600,046)	31,650,038	28,076,563	3,573,475	164,422,788	164,449,359	(26,571)
Restricted	15,331,779	16,600,615	(1,268,836)	3,865,757	3,502,392	363,365	19,197,536	20,103,007	(905,471)
Unrestricted	(39,168,344)	(22,821,045)	(16,347,299)	2,744,132	5,795,158	(3,051,026)	(36,424,212)	(17,025,887)	(19,398,325)
Total net position	\$ 108,936,185	\$ 130,152,366	\$ (21,216,181)	\$ 38,259,927	\$ 37,374,113	\$ 885,814	\$ 147,196,112	\$ 167,526,479	\$ (20,330,367)

**Governmental activities:** Net position of the Governmental Activities decreased by \$21.2 million (prior year, an increase of \$6.3 million). Fiscal year 2018's decrease was due mostly to the recognition of the OPEB liability of \$35.0 million.

**Business-type activities:** Business-type Activities increased Calvert County Government's net position by \$885,814 (prior year, an increase of \$355,867). This result is primarily due to the Solid Waste Fund increase in net position of \$583,497, mostly due to the completion of capital projects resulting in new capital assets. The Water and Sewer Fund had an increase in net position of \$302,317, explained by increased usage revenues due to a county wide water meter replacement project, which is scheduled to be completed in FY2019.

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:

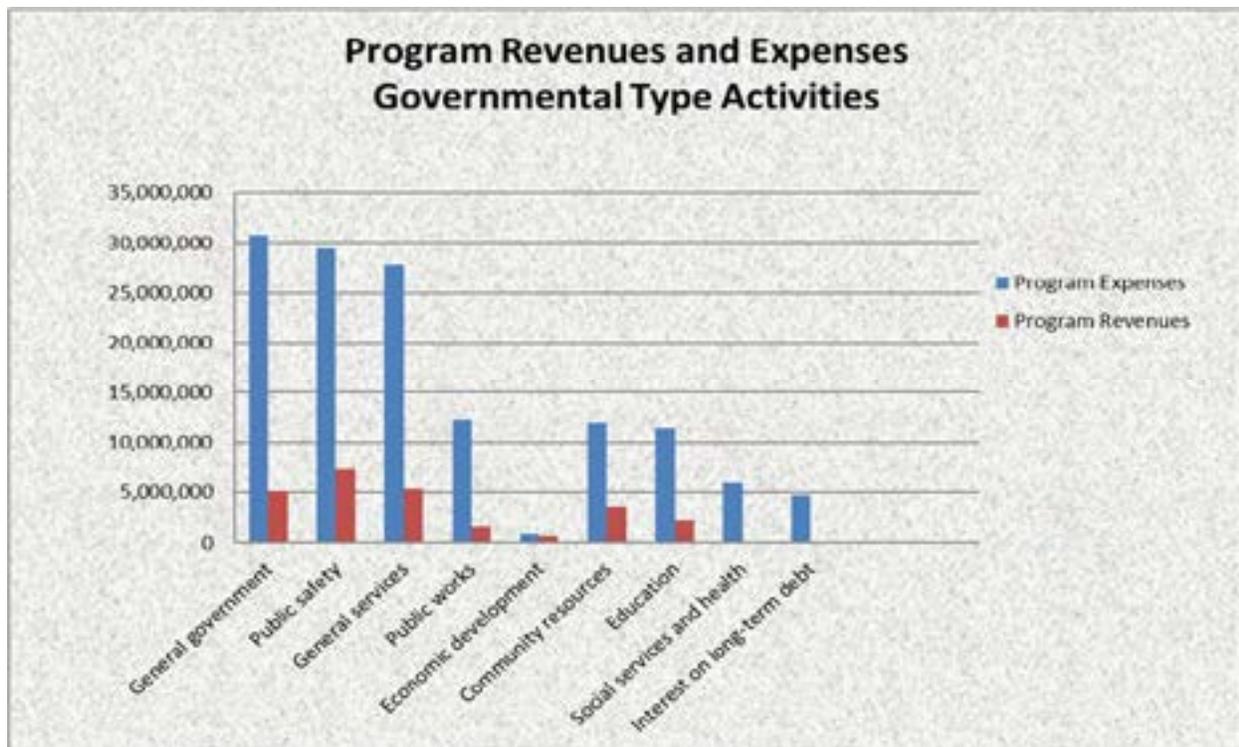
Calvert County Government Schedule of Activities and Changes in Net Position

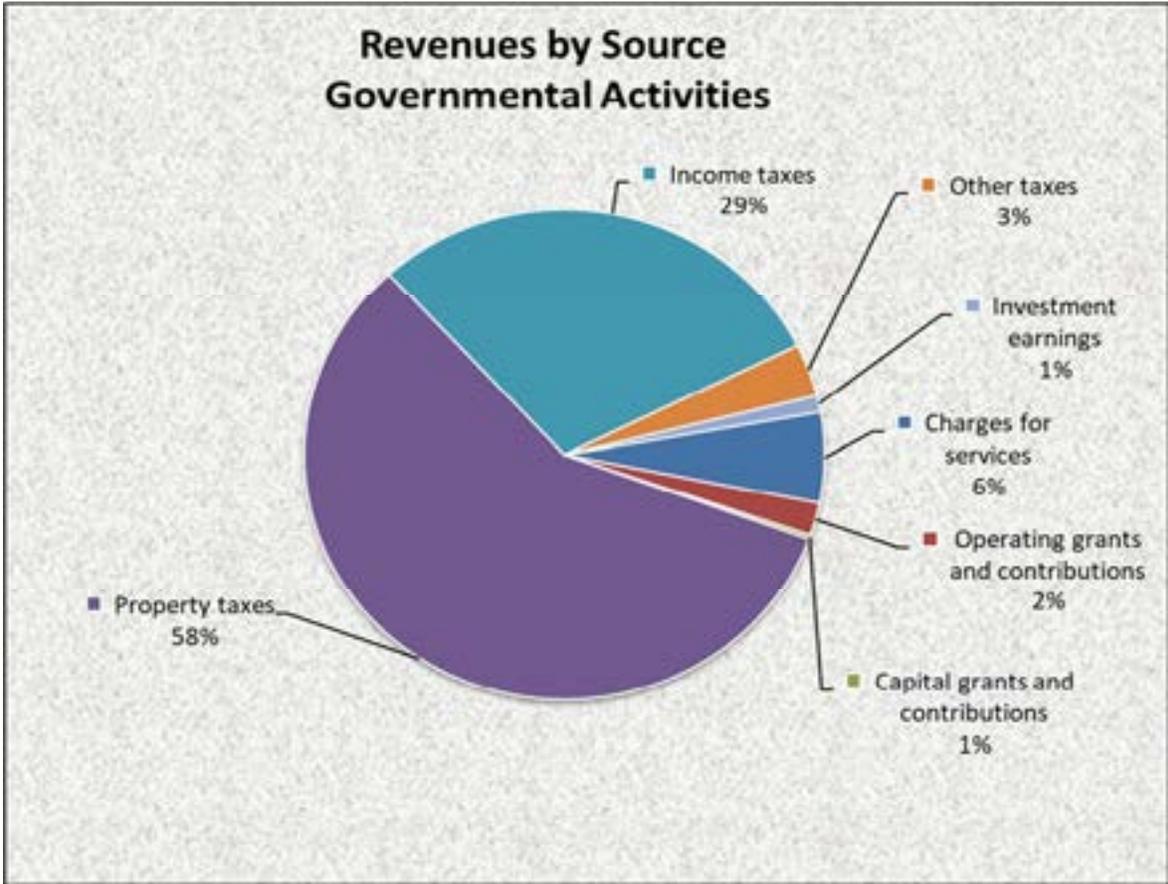
	Governmental Activities			Business-type Activities			Total		
	2018	2017	Difference	2018	2017	Difference	2018	2017	Difference
<b>Revenues</b>									
<b>Program Revenues</b>									
Charges for services	\$ 18,145,582	\$ 16,497,597	\$ 1,647,985	\$ 21,375,111	\$ 19,605,315	\$ 1,769,796	\$ 39,520,693	\$ 36,102,912	\$ 3,417,781
Operating grants and contributions	6,606,400	6,318,307	288,093	-	-	-	6,606,400	6,318,307	288,093
Capital grants and contributions	919,531	844,958	74,573	351,686	173,768	177,918	1,271,217	1,018,726	252,491
<b>General Revenues</b>									
Property taxes	176,676,295	151,766,977	24,909,318	-	-	-	176,676,295	151,766,977	24,909,318
Income taxes	90,308,039	68,984,412	21,323,627	-	-	-	90,308,039	68,984,412	21,323,627
Other taxes	10,631,524	11,712,703	(1,081,179)	-	-	-	10,631,524	11,712,703	(1,081,179)
Investment earnings	3,294,570	4,136,322	(841,752)	315,923	110,781	205,142	3,610,493	4,247,103	(636,610)
Total revenues	306,581,941	260,261,276	46,320,665	22,042,720	19,889,864	2,152,856	328,624,661	280,151,140	48,473,521
<b>Expenses</b>									
<b>Program Expenses</b>									
General government	30,739,945	15,496,721	15,243,224	-	-	-	30,739,945	15,496,721	15,243,224
Public safety	29,456,415	38,808,220	(9,351,805)	-	-	-	29,456,415	38,808,220	(9,351,805)
General services	27,857,214	21,950,660	5,906,554	-	-	-	27,857,214	21,950,660	5,906,554
Public works	12,214,001	6,846,474	5,367,527	-	-	-	12,214,001	6,846,474	5,367,527
Economic development	889,360	1,415,620	(526,260)	-	-	-	889,360	1,415,620	(526,260)
Community resources	11,911,327	11,435,787	475,540	-	-	-	11,911,327	11,435,787	475,540
Education	11,342,121	10,427,000	915,121	-	-	-	11,342,121	10,427,000	915,121
Board of education	157,801,856	137,994,928	19,806,928	-	-	-	157,801,856	137,994,928	19,806,928
Social services and health	5,889,072	5,278,202	610,870	-	-	-	5,889,072	5,278,202	610,870
Interest on long-term debt	4,658,794	4,318,688	340,106	-	-	-	4,658,794	4,318,688	340,106
Water and sewer	-	-	-	9,077,073	8,685,726	391,347	9,077,073	8,685,726	391,347
Solid waste	-	-	-	12,111,485	10,867,901	1,243,584	12,111,485	10,867,901	1,243,584
Total expenses	292,760,105	253,972,300	38,787,805	21,188,558	19,553,627	1,634,931	313,948,663	273,525,927	40,422,736
Excess (Deficiency) of revenues over expenses	13,821,836	6,288,976	7,532,860	854,162	336,237	517,925	14,675,998	6,625,213	8,050,785
Transfers	(31,652)	(19,630)	(12,022)	31,652	19,630	12,022	-	-	-
Change in net position	13,790,184	6,269,346	7,520,838	885,814	355,867	529,947	14,675,998	6,625,213	8,050,785
Net position - beginning	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
Restatement - GASB 75	(35,006,365)	-	(35,006,365)	-	-	-	(35,006,365)	-	(35,006,365)
Net position - ending	\$ 108,936,185	\$ 130,152,366	\$ (21,216,181)	\$ 38,259,927	\$ 37,374,113	\$ 885,814	\$ 147,196,112	\$ 167,526,479	\$ (20,330,367)

The most significant difference in the revenue section is related to property taxes with a \$25.0 million increase this fiscal year due to the new PILOT program with Dominion. Income Tax increased by \$21.4 million due mostly to a significant accrual by the State of Maryland for unallocated taxes. FY 2018 also includes the first full fiscal year of an income tax rate increase from 2.8% to 3.0%. The real property tax rate will be reduced from .952 to .937 in FY2019.

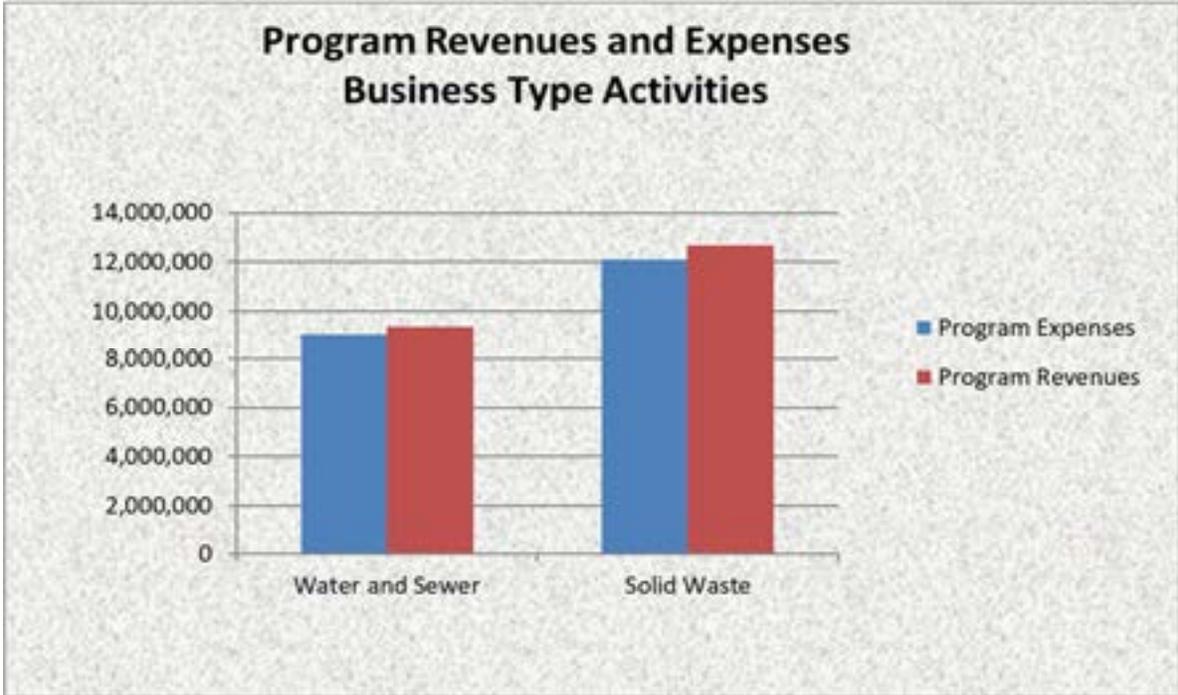
The significant differences noted in the program expenses section is related to capital expenses for the Board of Education for the two years being compared. Board of Education in the government wide statement expenses recognized \$19.8 million, of which \$8.9 million is for Northern High School replacement.

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

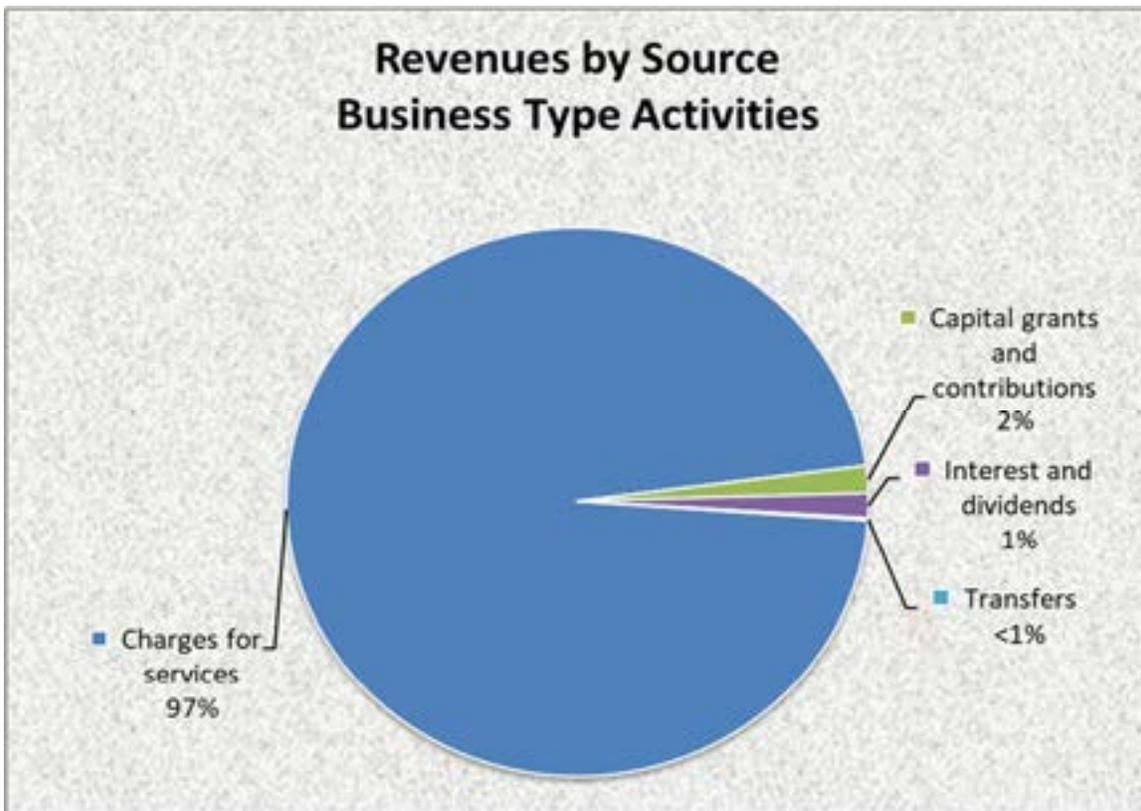




This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



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



### Financial Analysis of the Government's Funds

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

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

As reported on the balance sheet of the governmental funds, the total governmental funds combined fund balance is \$95.4 million (prior year, \$99.4 million), a decrease of \$4.0 million (prior year, increase of \$25.7 million).

Approximately 79.1 percent (prior year, 81.4 percent) of this amount, \$75.4 million (prior year, \$90.9 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$43.5 million (prior year, \$52.9 million) of this amount has been *committed or assigned* for certain purposes. The remainder of fund balance, \$20.0 million or 20.0 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 \$47.4 million (prior year, \$29.1 million), while total fund balance was \$62.0 million (prior year, \$60.9 million). As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 16.8 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 11.9 percent), while total fund balance represents 21.9 percent (prior year, 25.0 percent) of that same amount.

The fund balance of Calvert County Government's General Fund decreased by \$4.0 million (prior year increase of \$9.5 million). Staff had estimated fiscal year 2018 would have a use of prior year fund balance of \$6.0 million. Many revenue and expense line item variances resulted in the County's budgetary loss of \$258,202.

The Capital Projects Fund has a total fund balance of \$18.0 million (prior year, \$21.5 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$11.7 million make up 100 percent of the fund balance reduced by outstanding payables (prior year, \$20.7 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 \$885,814 (prior year, increase of \$355,867). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to \$3.0 million (prior year, \$3.6 million). The Solid Waste and Recycling Fund reported a negative \$268,560 in unrestricted net position (prior year, \$2.2 million).

### **General Fund Budgetary Highlights**

The final budget for the General Fund was increased by \$6.3 million over the original budget (prior year, \$817,896 increase). \$1.3 million was for PF Recreational Facility and \$2.0 was for School Safety Program. Overall expenditures were more than actual revenues by \$258,202. There are many variances within the 1,500 budgeted line items of the general fund.

### **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, 2018, amounts to \$257.4 million (prior year, \$241.2 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		
	2018	2017	Difference	2018	2017	Difference	2018	2017	Difference
Land	\$ 43,985,536	\$ 42,224,074	\$ 1,761,462	\$ 2,483,591	\$ 2,483,591	\$ -	\$ 46,469,127	\$ 44,707,665	\$ 1,761,462
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	26,506,495	10,882,733	15,623,762	4,169,967	6,445,908	(2,275,941)	30,676,462	17,328,641	13,347,821
Buildings	26,791,400	28,471,942	(1,680,542)	20,018,708	21,231,051	(1,212,343)	46,810,108	49,702,993	(2,892,885)
Improvements	21,299,881	22,146,372	(846,491)	17,973,862	12,785,298	5,188,564	39,273,743	34,931,670	4,342,073
Machinery and equipment	12,395,036	13,207,930	(812,894)	7,278,756	6,852,249	426,507	19,673,792	20,060,179	(386,387)
Infrastructure	63,227,259	63,237,611	(10,352)	-	-	-	63,227,259	63,237,611	(10,352)
Total Capital Assets	<u>\$ 205,450,912</u>	<u>\$ 191,415,967</u>	<u>\$ 14,034,945</u>	<u>\$ 51,924,884</u>	<u>\$ 49,798,097</u>	<u>\$ 2,126,787</u>	<u>\$ 257,375,796</u>	<u>\$ 241,214,064</u>	<u>\$ 16,161,732</u>

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

- Completed the installation of security fencing and roof repairs with a cost of \$251,836 at the Detention Center.
- Completed a portion of the countywide paving project with a cost of \$2.1 million.
- Capitalized \$621,956 for the renovation of the Exhibition Building at the Marine Museum.

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 \$152.2 million (prior year, \$141.2 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, \$29.0 million (prior year, \$27.9 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 \$4.5 million (prior year, \$5.5 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. Details are available in Note 7.

**Calvert County's Government's Outstanding Debt**

	Governmental Activities			Business-type Activities			Total		
	2018	2017	Difference	2018	2017	Difference	2018	2017	Difference
General obligation debt	\$ 123,086,114	\$ 113,256,348	\$ 9,829,766	\$ 16,316,502	\$ 14,662,476	\$ 1,654,026	\$ 139,402,616	\$ 127,918,824	\$ 11,483,792
Notes payable	52,368	70,105	(17,737)	12,732,464	13,256,276	(523,812)	12,784,832	13,326,381	(541,549)
Land preservation program	4,450,340	5,470,940	(1,020,600)	-	-	-	4,450,340	5,470,940	(1,020,600)
Total Bonded Debt	<u>\$ 127,588,822</u>	<u>\$ 118,797,393</u>	<u>\$ 8,791,429</u>	<u>\$ 29,048,966</u>	<u>\$ 27,918,752</u>	<u>\$ 1,130,214</u>	<u>\$ 156,637,788</u>	<u>\$ 146,716,145</u>	<u>\$ 9,921,643</u>

Calvert County Government's total general obligation bonded debt increased by \$11.5 million, (prior year, an increase of \$18.5 million), or 8.98 percent during the current fiscal year (prior year, an increase of 16.9 percent).

In July 2018, 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 2018 data, the County's current ratios are as follows: debt to assessed value is 1.15 percent and debt service to general fund revenue is 6.3 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 2018's Budgets and Rates**

- The average per-capita personal income of County residents reported by the Maryland Department of Planning for 2016 is \$57,688 (\$56,018 in 2015), an increase of 3.0 percent.
- The average unemployment rate for Calvert County was reported as 3.6% for 2017 by the Maryland Department of Labor Licensing and Regulation. This continues an improving trend.
- Real property tax assessments for the central part of the County, reassessed in calendar year 2018, were increased an average of 7.0 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2019 fiscal year. Calvert County Government's adopted budget for fiscal year 2019 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 was placed 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, 2018*

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**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**STATEMENT OF NET POSITION  
JUNE 30, 2018**

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Board of Education	Economic Development Authority
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 102,826,137	\$ 239,593	\$ 103,065,730	\$ 23,447,916	\$ 1,800,542
Receivables					
Taxes	7,890,395	-	7,890,395	-	-
Special assessments	1,138,389	-	1,138,389	-	-
Accounts	24,038,014	3,020,700	27,058,714	-	-
Notes	6,549,129	-	6,549,129	-	-
Accrued interest	61,367	10,343	71,710	-	2,686
Other	-	-	-	277,682	-
Due from primary government	-	-	-	18,331,089	450,988
Internal balances	(1,182,242)	1,182,242	-	-	-
Due from other governments	-	-	-	2,230,396	-
Prepaid costs	-	786,488	786,488	915,550	-
Inventory	394,608	137,027	531,635	76,088	-
Net pension asset	1,628,338	-	1,628,338	-	-
Restricted assets					
Cash	11,727,951	15,858,955	27,586,906	-	-
Capital assets not being depreciated	81,737,336	6,653,558	88,390,894	60,791,467	22,191
Depreciable capital assets - net	123,713,576	45,271,326	168,984,902	201,020,626	-
<b>Total assets</b>	<b>360,522,998</b>	<b>73,160,232</b>	<b>433,683,230</b>	<b>307,090,814</b>	<b>2,276,407</b>
<b>Deferred Outflows of Resources</b>					
Pension	9,276,899	-	9,276,899	3,424,973	-
OPEB	-	-	-	15,066,644	-
Deferred loss on refunding	-	-	-	-	-
<b>Total outflows of resources</b>	<b>9,276,899</b>	<b>-</b>	<b>9,276,899</b>	<b>18,491,617</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	4,036,396	578,134	4,614,530	14,117,208	30
Notes payable	4,643	-	4,643	-	-
Accrued liabilities	10,669,628	1,513,772	12,183,400	6,202,799	-
Due to other governments	6,499,152	-	6,499,152	-	-
Due to component units	17,260,454	-	17,260,454	-	-
Compensated absences, current portion	1,463,312	55,000	1,518,312	107,321	-
Long-term debt, current portion	15,993,303	1,636,941	17,630,244	-	-
Estimated postclosure costs, current portion	30,000	7,813	37,813	-	-
Unearned revenue	2,331,248	-	2,331,248	6,068,204	-
Noncurrent liabilities:					
Net pension liability	13,119,731	-	13,119,731	12,487,018	-
Net OPEB liability	45,859,174	-	45,859,174	130,684,290	-
Compensated absences, net of current portion	11,432,745	528,789	11,961,534	3,723,757	-
Long-term debt, net of current portion	111,595,519	27,412,025	139,007,544	-	-
Estimated postclosure costs, net of current portion	240,000	3,167,831	3,407,831	-	-
<b>Total liabilities</b>	<b>240,535,305</b>	<b>34,900,305</b>	<b>275,435,610</b>	<b>173,390,597</b>	<b>30</b>
<b>Deferred Inflows of Resources</b>					
Pension	6,660,134	-	6,660,134	2,915,116	-
OPEB	12,446,972	-	12,446,972	2,530,198	-
Deferred gain on refunding	1,221,301	-	1,221,301	-	-
<b>Total inflows of resources</b>	<b>20,328,407</b>	<b>-</b>	<b>20,328,407</b>	<b>5,445,314</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	132,772,750	31,650,038	164,422,788	261,812,093	22,191
<b>Restricted for</b>					
Parks and recreation	2,604,763	-	2,604,763	-	-
Planning and zoning	30,561	-	30,561	-	-
Bar library	26,597	-	26,597	-	-
Revolving loan	312,100	-	312,100	-	-
Economic Development Authority revolving loan	289,530	-	289,530	-	-
Grants	186,298	-	186,298	75,471	-
Economic Development incentive	314,203	-	314,203	-	-
Excise tax	4,243,103	-	4,243,103	-	-
Land preservation	7,314,243	-	7,314,243	-	-
Board of Library trustees	10,381	-	10,381	-	-
Restricted for capital connections	-	3,865,757	3,865,757	-	-
Unrestricted	(39,168,344)	2,744,132	(36,424,212)	(115,141,044)	2,254,186
<b>Total net position</b>	<b>\$ 108,936,185</b>	<b>\$ 38,259,927</b>	<b>\$ 147,196,112</b>	<b>\$ 146,746,520</b>	<b>\$ 2,276,377</b>

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, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
<u>Governmental activities:</u>				
General government	\$ 30,739,945	\$ 4,003,699	\$ 1,103,223	\$ -
Public safety	29,456,415	6,063,030	759,939	300,000
General services	27,857,214	4,530,729	449,859	619,531
Public works	12,214,001	1,526,886	31,210	-
Economic development	889,360	597,766	-	-
Community resources	11,911,327	1,417,181	2,124,170	-
Education	169,143,977	-	2,137,999	-
Social services and health	5,889,072	-	-	-
Interest on long-term debt	4,658,794	6,291	-	-
<b>Total governmental activities</b>	<b>292,760,105</b>	<b>18,145,582</b>	<b>6,606,400</b>	<b>919,531</b>
<u>Business-Type activities:</u>				
Water and sewer	9,077,073	8,751,467	-	351,686
Solid waste	12,111,485	12,623,644	-	-
<b>Total business-type activities</b>	<b>21,188,558</b>	<b>21,375,111</b>	<b>-</b>	<b>351,686</b>
<b>Total primary government</b>	<b>\$ 313,948,663</b>	<b>\$ 39,520,693</b>	<b>\$ 6,606,400</b>	<b>\$ 1,271,217</b>
<b>Component Units:</b>				
Board of Education	\$ 251,912,684	\$ 3,439,556	\$ 63,177,108	\$ 36,696,423
Economic Development Authority	758	-	-	-
<b>Total component units</b>	<b>\$ 251,913,442</b>	<b>\$ 3,439,556</b>	<b>\$ 63,177,108</b>	<b>\$ 36,696,423</b>

**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  
Restatement - GASB 75  
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, 2018**

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
\$ (25,633,023)	\$ -	\$ (25,633,023)	\$ -	\$ -
(22,333,446)	-	(22,333,446)	-	-
(22,257,095)	-	(22,257,095)	-	-
(10,655,905)	-	(10,655,905)	-	-
(291,594)	-	(291,594)	-	-
(8,369,976)	-	(8,369,976)	-	-
(167,005,978)	-	(167,005,978)	-	-
(5,889,072)	-	(5,889,072)	-	-
(4,652,503)	-	(4,652,503)	-	-
<u>(267,088,592)</u>	<u>-</u>	<u>(267,088,592)</u>	<u>-</u>	<u>-</u>
-	26,080	26,080	-	-
-	512,159	512,159	-	-
-	538,239	538,239	-	-
<u>\$ (267,088,592)</u>	<u>\$ 538,239</u>	<u>\$ (266,550,353)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (148,599,597)	\$ -
-	-	-	-	(758)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148,599,597)</u>	<u>\$ (758)</u>
\$ 176,676,295	\$ -	\$ 176,676,295	\$ -	\$ -
90,308,039	-	90,308,039	-	-
8,469,655	-	8,469,655	-	-
24,035	-	24,035	-	-
1,237,894	-	1,237,894	-	-
899,940	-	899,940	-	-
3,294,570	315,923	3,610,493	138,751	20,455
-	-	-	182,449,274	-
(31,652)	31,652	-	-	-
<u>280,878,776</u>	<u>347,575</u>	<u>281,226,351</u>	<u>182,588,025</u>	<u>20,455</u>
13,790,184	885,814	14,675,998	33,988,428	19,697
<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>
(35,006,365)	-	(35,006,365)	(29,252,979)	-
<u>\$ 108,936,185</u>	<u>\$ 38,259,927</u>	<u>\$ 147,196,112</u>	<u>\$ 146,746,520</u>	<u>\$ 2,276,377</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, 2018**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 96,577,952	\$ -	\$ 6,248,185	\$ 102,826,137
Receivables:				
Taxes	6,908,128	-	982,267	7,890,395
Special assessments	1,138,389	-	-	1,138,389
Accounts	22,830,539	-	1,207,475	24,038,014
Notes	6,452,061	-	97,068	6,549,129
Accrued interest	5,404	55,963	-	61,367
Due from other funds	2,892,402	13,026,776	10,746,852	26,666,030
Inventory/Prepays	278,229	-	116,379	394,608
Restricted assets				
Cash and investments	-	11,727,951	-	11,727,951
Total assets	<u>\$ 137,083,104</u>	<u>\$ 24,810,690</u>	<u>\$ 19,398,226</u>	<u>\$ 181,292,020</u>
<b>LIABILITIES</b>				
Accounts payable	1,033,579	1,272,261	1,730,556	4,036,396
Notes payable	-	-	4,643	4,643
Accrued liabilities	8,784,794	-	-	8,784,794
Due to other funds	27,848,272	-	-	27,848,272
Due to component units	11,740,988	5,519,466	-	17,260,454
Due to other governments	6,499,152	-	-	6,499,152
Unearned revenue	-	-	2,331,248	2,331,248
Total liabilities	<u>55,906,785</u>	<u>6,791,727</u>	<u>4,066,447</u>	<u>66,764,959</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	<u>19,173,530</u>	<u>-</u>	<u>-</u>	<u>19,173,530</u>
<b>FUND BALANCE (DEFICITS)</b>				
Nonspendable	9,567,714	-	68,729	9,636,443
Restricted	-	-	10,326,852	10,326,852
Committed	28,647,798	-	3,211,015	31,858,813
Assigned	5,000,000	18,018,963	1,725,183	24,744,146
Unassigned	18,787,277	-	-	18,787,277
Total fund balances	<u>62,002,789</u>	<u>18,018,963</u>	<u>15,331,779</u>	<u>95,353,531</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 137,083,104</u>	<u>\$ 24,810,690</u>	<u>\$ 19,398,226</u>	<u>\$ 181,292,020</u>
Fund balance (as reported above)				95,353,531
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.				205,450,912
Some of the County's revenues are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the fund.				19,173,530
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(141,976,180)
Net OPEB liability is not due and payable in the current period, and, therefore, are not reported in the funds.				(45,859,174)
Net pension asset/liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(11,491,393)
Deferred outflows of resources related to pensions				9,276,899
Deferred inflows of resources related to pensions				(6,660,134)
Deferred inflows of resources related to OPEB				(12,446,972)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				(1,884,834)
Net position of governmental activities				<u>\$ 108,936,185</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, 2018**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 269,401,087	\$ -	\$ 2,580,292	\$ 271,981,379
Licenses and permits	286,463	-	-	286,463
Intergovernmental	4,032,076	1,207,620	7,893,901	13,133,597
Charges for services	4,391,121	-	1,915,170	6,306,291
Fines and forfeitures	444,942	-	159,521	604,463
Miscellaneous revenue	2,797,363	142,626	2,459,628	5,399,617
Total revenues	<u>281,353,052</u>	<u>1,350,246</u>	<u>15,008,512</u>	<u>297,711,810</u>
<b>EXPENDITURES</b>				
General government	17,335,559	-	3,872,957	21,208,516
Public safety	33,086,614	-	-	33,086,614
General services	10,377,553	-	7,344,750	17,722,303
Public works	11,305,572	-	-	11,305,572
Economic development	689,604	-	-	689,604
Community resources	2,058,832	-	6,454,083	8,512,915
Education	125,809,681	-	4,682,205	130,491,886
Social services and health	4,184,306	-	-	4,184,306
Pensions and insurance	40,154,447	-	-	40,154,447
Capital projects	-	40,723,017	-	40,723,017
Debt service				
Principal payments	13,282,117	-	-	13,282,117
Interest payments	4,459,843	-	-	4,459,843
Total expenditures	<u>262,744,128</u>	<u>40,723,017</u>	<u>22,353,995</u>	<u>325,821,140</u>
Excess (deficiency) of revenues over expenditures	<u>18,608,924</u>	<u>(39,372,771)</u>	<u>(7,345,483)</u>	<u>(28,109,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	-	21,770,000	-	21,770,000
Premium on bonds issued	-	2,335,706	-	2,335,706
Transfers in - other	1,000,000	11,437,334	9,964,847	22,402,181
Transfers out - other	(18,545,633)	-	(3,888,200)	(22,433,833)
Total other financing sources (uses)	<u>(17,545,633)</u>	<u>35,543,040</u>	<u>6,076,647</u>	<u>24,074,054</u>
Net change in fund balance	1,063,291	(3,829,731)	(1,268,836)	(4,035,276)
Fund balance at beginning of year	60,939,498	21,848,694	16,600,615	99,388,807
Fund balance at end of year	<u>\$ 62,002,789</u>	<u>\$ 18,018,963</u>	<u>\$ 15,331,779</u>	<u>\$ 95,353,531</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, 2018**

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

Net change in fund balances - total governmental funds		\$ (4,035,276)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
	Capital outlays	27,850,589
	Depreciation	<u>(13,815,644)</u>
		14,034,945
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,858,572
<p>The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to government funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds.</p>		
	Compensated absences	(702,979)
	Change in landfill postclosure liabilities	30,000
	Bond Proceeds	(21,770,000)
	Premium on Bond Proceeds	(2,335,706)
	Principal payments	<u>13,282,117</u>
	Changes in long-term debt	(11,496,568)
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.		8,096,140
Governmental funds report County OPEB contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits earned net of employer contributions is reported as OPEB expense.		(468,678)
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>(198,951)</u>
Change in net position of governmental activities		<u>\$ 13,790,184</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, 2018**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
<b>REVENUES</b>				
Taxes	\$ 271,358,804	\$ 271,404,014	\$ 269,401,087	\$ (2,002,927)
Licenses and permits	299,400	299,400	286,463	(12,937)
Intergovernmental	4,534,772	4,470,584	4,481,846	11,262
Charges for services	4,454,596	4,506,160	4,460,663	(45,497)
Fines and forfeitures	327,650	398,090	487,121	89,031
Miscellaneous	562,151	6,735,032	1,347,890	(5,387,142)
<b>Total revenues</b>	<b>281,537,373</b>	<b>287,813,280</b>	<b>280,465,070</b>	<b>(7,348,210)</b>
<b>EXPENDITURES</b>				
General government	19,109,830	18,566,073	17,300,102	1,265,971
Public safety	34,219,499	34,388,866	33,533,759	855,107
General services	14,233,119	14,580,901	13,576,533	1,004,368
Public works	11,985,525	12,011,548	11,349,916	661,632
Economic development	898,285	909,397	698,138	211,259
Community resources	2,190,471	2,227,137	2,103,394	123,743
Education	129,603,927	130,198,832	130,104,834	93,998
Social services and health	4,554,810	4,554,810	4,535,729	19,081
Pensions and insurance	41,482,286	41,536,593	40,154,447	1,382,146
<u>Debt service</u>				
Principal retirement	13,283,027	13,283,027	13,282,117	910
Interest	4,538,785	4,538,785	4,459,843	78,942
<b>Total expenditures</b>	<b>276,099,564</b>	<b>276,795,969</b>	<b>271,098,812</b>	<b>5,697,157</b>
Excess (deficiency) of revenues over expenditures	5,437,809	11,017,311	9,366,258	(1,651,053)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,263,165	1,263,165	2,449,473	1,186,308
Transfers out	(6,700,974)	(12,280,476)	(12,073,933)	206,543
<b>Total other financing sources (uses)</b>	<b>(5,437,809)</b>	<b>(11,017,311)</b>	<b>(9,624,460)</b>	<b>1,392,851</b>
Net change in fund balance	-	-	(258,202)	(258,202)
Fund balance - beginning	60,200,842	60,200,842	57,296,534	-
Fund balance - ending	<u>\$ 60,200,842</u>	<u>\$ 60,200,842</u>	<u>\$ 57,038,332</u>	<u>\$ (258,202)</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)	\$ 282,914,543
Transfer adjustment (Library)	(561,491)
Revenue and transfers in (GAAP basis)	<u>\$ 282,353,052</u>
Expenditures and operating transfers out (budgetary basis)	\$ 283,172,745
Encumbrance/accrual adjustment	(1,321,493)
Transfer adjustment (Library)	(561,491)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 281,289,761</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, 2018**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<b>ASSETS</b>			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 238,080	\$ 1,513	\$ 239,593
Total cash, cash equivalents and investments	238,080	1,513	239,593
Accounts receivable	2,122,478	898,222	3,020,700
Accrued interest receivable	7,791	2,552	10,343
Due from other funds	-	4,074,644	4,074,644
Prepaid expenses	786,488	-	786,488
Inventory	137,027	-	137,027
Total current assets	<u>3,291,864</u>	<u>4,976,931</u>	<u>8,268,795</u>
<u>Non-current assets:</u>			
Restricted assets			
Cash and investments	13,900,444	1,958,511	15,858,955
Capital assets not being depreciated	5,034,067	1,619,491	6,653,558
Depreciable capital assets - net	37,829,153	7,442,173	45,271,326
Total non-current assets	<u>56,763,664</u>	<u>11,020,175</u>	<u>67,783,839</u>
Total assets	<u>60,055,528</u>	<u>15,997,106</u>	<u>76,052,634</u>
<b>LIABILITIES</b>			
<u>Current liabilities:</u>			
Vouchers and accounts payable	190,788	387,346	578,134
Accrued liabilities	347,672	1,166,100	1,513,772
Due to other funds	2,892,402	-	2,892,402
Compensated absences, current portion	25,000	30,000	55,000
Estimated post closure costs, current portion	-	7,813	7,813
Long-term debt, current portion	1,422,029	214,912	1,636,941
Total current liabilities	<u>4,877,891</u>	<u>1,806,171</u>	<u>6,684,062</u>
<u>Noncurrent liabilities:</u>			
Compensated absences, net of current portion	181,344	347,445	528,789
Estimated post closure costs, net of current portion	-	3,167,831	3,167,831
Long-term debt, net of current portion	24,697,693	2,714,332	27,412,025
Total liabilities	<u>29,756,928</u>	<u>8,035,779</u>	<u>37,792,707</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,420,151	8,229,887	31,650,038
Restricted capital connection	3,865,757	-	3,865,757
Unrestricted	3,012,692	(268,560)	2,744,132
Total net position	<u>\$ 30,298,600</u>	<u>\$ 7,961,327</u>	<u>\$ 38,259,927</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, 2018**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<u>Operating revenues:</u>			
Charges for services	\$ 8,047,029	\$ 12,559,542	\$ 20,606,571
<u>Operating expenses:</u>			
Salaries & benefits	2,891,550	2,971,408	5,862,958
Contracted services	897,812	7,925,023	8,822,835
Supplies	267,608	202,571	470,179
Heat, light and power	637,572	44,038	681,610
Depreciation	2,683,565	333,598	3,017,163
Miscellaneous	34,351	14,583	48,934
Telephone	29,890	11,594	41,484
Compensated absences	35,660	11,647	47,307
Maintenance and repairs	468,543	200,108	668,651
Capital outlay	465,271	293,628	758,899
Total operating expenses	<u>8,411,822</u>	<u>12,008,198</u>	<u>20,420,020</u>
Operating income (loss)	<u>(364,793)</u>	<u>551,344</u>	<u>186,551</u>
<u>Non-operating revenues (expenses):</u>			
Miscellaneous income	74,112	35,352	109,464
Tower revenue	148,326	28,750	177,076
Investment income	229,070	86,853	315,923
Interest expense	<u>(665,251)</u>	<u>(103,287)</u>	<u>(768,538)</u>
Total non-operating revenues (expenses)	<u>(213,743)</u>	<u>47,668</u>	<u>(166,075)</u>
Income (loss) before contributions and transfers	<u>(578,536)</u>	599,012	20,476
Transfers in (out)	47,167	(15,515)	31,652
Capital connection charges	482,000	-	482,000
Developer contribution	<u>351,686</u>	-	<u>351,686</u>
Change in net position	302,317	583,497	885,814
Total net position - beginning	<u>29,996,283</u>	<u>7,377,830</u>	<u>37,374,113</u>
Total net position - ending	<u>\$ 30,298,600</u>	<u>\$ 7,961,327</u>	<u>\$ 38,259,927</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, 2018**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 7,138,171	\$ 12,410,105	\$ 19,548,276
Tower revenue	148,326	28,750	177,076
Other Receipts	56,191	35,352	91,543
Payments to suppliers	(5,980,609)	(10,988,082)	(16,968,691)
Payments to employees	48,119	(52,909)	(4,790)
Receipts from other funds	2,145,278	1,858,068	4,003,346
Net cash provided by (used in) operating activities	<u>3,555,476</u>	<u>3,291,284</u>	<u>6,846,760</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers (to)/ from other funds	47,167	31,652	78,819
Net cash provided by (used in) non-capital financing activities	<u>47,167</u>	<u>31,652</u>	<u>78,819</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Additions to capital assets and construction-in-progress	(1,979,457)	(3,164,493)	(5,143,950)
Proceeds from issuance of long term debt	609,886	1,045,000	1,654,886
Capital connection fees received	482,000	-	482,000
Developer contribution	351,686	-	351,686
Grants from State Government	(38,385)	-	(38,385)
Principal paid on long-term obligations	(510,983)	(128,336)	(639,319)
Interest paid on long-term obligations	(599,236)	27,228	(572,008)
Net cash provided by (used in) capital and related financing activities	<u>(1,684,489)</u>	<u>(2,220,601)</u>	<u>(3,905,090)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on deposits	231,435	70,722	302,157
Purchase of investments	(2,274,475)	(1,172,564)	(3,447,039)
Net cash provided by (used in) investing activities	<u>(2,043,040)</u>	<u>(1,101,842)</u>	<u>(3,144,882)</u>
Increase (decrease) in cash and cash equivalents	(124,886)	492	(124,394)
Cash and cash equivalents, beginning of year	362,966	1,021	363,987
Cash and cash equivalents, end of year	<u>\$ 238,080</u>	<u>\$ 1,513</u>	<u>\$ 239,593</u>
<b>PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Adjustments to reconcile operating income (loss) to	\$ (364,793)	\$ 551,344	\$ 186,551
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	2,683,565	333,598	3,017,163
Landfill closure costs and other	-	7,813	7,813
Tower revenue	148,326	28,750	177,076
Other Receipts	140,902	35,352	176,254
<u>Changes in assets and liabilities</u>			
Inventory	-	-	-
Accounts receivable	(908,859)	(149,437)	(1,058,296)
Due from other funds	-	1,858,068	1,858,068
Accounts payable	(275,646)	(270,641)	(546,287)
Accrued expenses	(13,297)	896,437	883,140
Due to other funds	2,145,278	-	2,145,278
Net cash provided by (used in) operating activities	<u>\$ 3,555,476</u>	<u>\$ 3,291,284</u>	<u>\$ 6,846,760</u>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>			
Cash and investments, unrestricted	\$ 238,080	\$ 1,513	\$ 239,593
Cash and investments, restricted	13,900,444	1,958,511	15,858,955
	<u>14,138,524</u>	<u>1,960,024</u>	<u>16,098,548</u>
Less - noncash equivalent investments	13,900,444	1,958,511	15,858,955
Cash and cash equivalents	<u>\$ 238,080</u>	<u>\$ 1,513</u>	<u>\$ 239,593</u>

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



**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Pension (and Other Post Employee Benefits) Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 24,796,224
Member contributions	1,140,723
Prior service contributions	24,506
Total contributions	<u>25,961,453</u>
Investment income (loss):	
Interest and dividends	7,233,492
Appreciation/(depreciation) of investments	12,517,802
Capital gains/(loss)	7,608,109
Less investment expenses:	
Direct investment expense	<u>(1,285,534)</u>
Net investment income (loss)	<u>26,073,869</u>
Total additions	<u>52,035,322</u>
<b>DEDUCTIONS</b>	
Distributions to participants	<u>7,428,092</u>
Total deductions	<u>7,428,092</u>
Net increase (decrease) in fiduciary net position	44,607,230
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	
Net position - beginning	<u>219,238,566</u>
Net position - ending	<u><u>\$ 263,845,796</u></u>

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

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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**  
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**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**  
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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.

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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 \$150,000 can be approved by the Board of County Commissioners without passage of a resolution. Any change totaling more than \$150,000 may only be made by resolution approved by the Commissioners after compliance with certain public hearing requirements.

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

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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.

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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 2018 the County adopted, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

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**  
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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 lose/gain on refunding reported in the government-wide statement of net position. A deferred loss/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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. This amount is intended to be used only after all other available fund balances are exhausted.

**E. Implementation of New Accounting Principles**

The County has implemented the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement did have a material effect on the County's financial statements.

The GASB has also issued GASB Statement No. 87, *Leases*, which will require adoption in the future, if applicable. The County will be analyzing the effects of this pronouncement and plans to adopt as applicable by the effective date.

**CALVERT COUNTY, MARYLAND**  
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**Note 2 - Property Taxes**

**A. 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, 2018, 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**  
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**Note 3 - Cash, Cash Equivalents and Investments**

**A. Primary Government**

Cash on Hand

At June 30, 2018, cash on hand for petty cash and change was \$7,112.

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, 2018, the net carrying amount and the bank balances of the County's deposits with financial institutions were \$21,796,395 and \$22,738,618, 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, 2018, 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 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.

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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, 2018, the County had the following recurring fair value measurements.

<u>Investments by fair value level</u>	<u>6/30/2018</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Debt Securities</b>				
U.S. Treasury strips	\$ 5,240,625	\$ 5,240,625	\$ -	\$ -
U.S. Agencies	10,989,715	10,989,715	-	-
Corporate bonds and notes	-	-	-	-
Total debt securities	<u>16,230,340</u>	<u>16,230,340</u>	-	-
<b>Equity Securities</b>				
Commons stock	52,845,749	52,845,749	-	-
Equity mutual funds	136,608,869	136,608,869	-	-
Total equity securities	<u>189,454,618</u>	<u>189,454,618</u>	-	-
Total investments by fair value level	<u>205,684,958</u>	<u>205,684,958</u>	-	-
<b>Investments measured at net asset value (NAV)</b>				
Money market funds	83,758,159			
Fixed income mutual funds	55,260,238			
Private equity funds	29,698,589			
Total investments measured at the NAV	<u>168,716,986</u>			
<b>Total investments measured at fair value</b>	<u>\$ 374,401,944</u>			

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.

The majority of our investment in debt securities is in the Loomis Sayles Core fixed income fund. Approximately 74% of those securities are rated A or better. Approximately 20% of the investment in debt securities is in the Loomis Sayles High Income Fund. Approximately 66% of that fund is rated B or BA

Interest Rate Risk

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

<u>Maturities</u>	
Cash and equivalents	\$ 44,616,351
Less than 1 year	11,216,182
1 - 5 years	3,689,187
5 - 10 years	150,729
Total	<u>\$ 59,672,449</u>

**CALVERT COUNTY, MARYLAND**  
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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	\$	3,700,510
Netherlands		616,752
Germany		2,467,007
Swiss		4,728,429
Japan		2,467,006
Belgium		411,168
Denmark		822,335
Curacao		1,233,503
Columbia		1,233,503
Israel		411,168
Spain		822,336
Mexico		411,168
France		1,233,503
Total	\$	20,558,388

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2018 are summarized in the following table:

Cash, Cash Equivalent or Investment type			Cash, Cash Equivalent or Investment type		
U.S. Agency obligations	\$	10,989,715	Unrestricted		\$ 105,704,054
U.S. Treasury strips		5,240,625	Restricted		290,494,285
Common stock		52,845,749		Total	\$ 396,198,339 *
Fixed assets		55,260,238			
Equity and bond funds		136,608,869			
Money market mutual funds		83,758,159			
Certificates of deposits		73,364			
Cash in banks		21,715,919			
Other special equity		29,698,589			
Petty cash		7,112			
Total	\$	396,198,339 *			

\*includes agency fund cash of \$93,830.

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**B. Component Units**

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2018, totaled \$1,800,542 and consisted of money market mutual funds.

Board of Education

Cash on Hand - At June 30, 2018, cash on hand for petty cash and change funds was \$805.

Deposits - At June 30, 2018, the carrying amount of the Board's deposit was \$25,367,734 consisting of cash in the amount of \$23,447,111 in governmental activities, \$2,069,986 in the business-type activities and \$1,919,766 in the agency fund with corresponding bank balances of \$16,807,352. 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**  
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**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, 2018, \$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, 2018, outstanding principal amounted to \$4,643.

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, 2018, 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, 2018, outstanding principal amounted to \$18,733 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, 2018, \$196,702 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, 2018, \$124,906 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, 2018, \$58,595 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, 2018, \$42,916 is outstanding.

**CALVERT COUNTY, MARYLAND**  
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**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, 2018 the interfund account balances were as shown below:

	<u>Due From</u>	<u>Due To</u>
<b>Primary Government:</b>		
<u>General Fund</u>		
Special revenue funds	\$ -	\$ 10,746,852
Capital projects fund	-	13,026,776
Enterprise funds	2,892,402	4,074,644
	2,892,402	27,848,272
<u>Special Revenue Funds</u>		
General fund	10,746,852	-
<u>Capital Projects Fund</u>		
General fund	13,026,776	-
<u>Enterprise Funds</u>		
General fund	4,074,644	2,892,402
	\$ 30,740,674	\$ 30,740,674
<b>Component Units:</b>		
Primary government – General fund	\$ -	\$ 17,260,454
Component unit – Board of Education	16,809,466	-
Component unit – Economic Development Authority	450,988	-
	\$ 17,260,454	\$ 17,260,454

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, 2018, the interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
<b>Primary Government:</b>		
<u>Governmental Funds</u>		
Special revenue funds	\$ 9,964,848	\$ 3,888,200
Capital projects fund	11,437,334	-
General fund	1,000,000	18,545,634
	22,402,182	22,433,834
<u>Proprietary Funds</u>		
Water and sewer fund	47,167	-
Solid waste fund	-	15,515
	47,167	15,515
Total Transfers	\$ 22,449,349	\$ 22,449,349

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 6 - Capital Assets**

**A. Primary Government**

A summary of changes in capital assets are as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Construction in Progress	\$ 10,882,733	\$ 21,287,984	\$ (5,664,222) <sup>(1)</sup>	\$ 26,506,495
Land Development Rights	11,245,305	-	-	11,245,305
Land	42,224,074	1,761,462	-	43,985,536
	<u>64,352,112</u>	<u>23,049,446</u>	<u>(5,664,222)</u>	<u>81,737,336</u>
Capital assets, being depreciated				
Buildings	78,875,432	283,488	-	79,158,920
Improvements	47,089,330	1,718,487	(72,500)	48,735,317
Machinery & Equipment	51,447,308	2,846,675	(1,609,795)	52,684,188
Infrastructure	143,892,923	5,616,715	-	149,509,638
	<u>321,304,993</u>	<u>10,465,365</u>	<u>(1,682,295)</u>	<u>330,088,063</u>
Less accumulated depreciation for:				
Buildings	(50,403,490)	(1,964,030)	-	(52,367,520)
Improvements	(24,942,958)	(2,564,978)	72,500	(27,435,436)
Machinery & Equipment	(38,239,378)	(3,659,569)	1,609,795	(40,289,152)
Infrastructure	(80,655,312)	(5,627,067)	-	(86,282,379)
	<u>(194,241,138)</u>	<u>(13,815,644)</u>	<u>1,682,295</u>	<u>(206,374,487)</u>
Total capital assets, being depreciated, net	<u>127,063,855</u>	<u>(3,350,279)</u>	<u>-</u>	<u>123,713,576</u>
Governmental activities capital assets, net	<u>\$ 191,415,967</u>	<u>\$ 19,699,167</u>	<u>\$ (5,664,222)</u>	<u>\$ 205,450,912</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Construction in Progress	\$ 6,445,908	\$ 1,780,343	\$ (4,056,284)	\$ 4,169,967
Land	2,483,591	-	-	2,483,591
	<u>8,929,499</u>	<u>1,780,343</u>	<u>(4,056,284)</u>	<u>6,653,558</u>
Capital assets, being depreciated				
Buildings	56,260,726	296,752	(70,748)	56,486,730
Improvements	18,120,807	5,834,482	-	23,955,289
Machinery & Equipment	13,795,706	1,299,406	(125,463)	14,969,649
	<u>88,177,239</u>	<u>7,430,640</u>	<u>(196,211)</u>	<u>95,411,668</u>
Less accumulated depreciation for:				
Buildings	(35,029,675)	(1,497,347)	59,000	(36,468,022)
Improvements	(5,335,509)	(645,918)	-	(5,981,427)
Machinery & Equipment	(6,943,457)	(872,898)	125,462	(7,690,893)
	<u>(47,308,641)</u>	<u>(3,016,163)</u>	<u>184,462</u>	<u>(50,140,342)</u>
Total capital assets, being depreciated, net	<u>40,868,598</u>	<u>4,414,477</u>	<u>(11,749)</u>	<u>45,271,326</u>
Business-type activities capital assets, net	<u>\$ 49,798,097</u>	<u>\$ 6,194,820</u>	<u>\$ (4,068,033)</u>	<u>\$ 51,924,884</u>

(1) Excludes assets of \$9,700,028 and \$2,303,303 that were transferred to the Board of Education and Fire Departments

**CALVERT COUNTY, MARYLAND**  
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**B. Component Units:**

*Economic Development Authority*

A summary of changes in capital assets for the year ended June 30, 2018 as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2018</u>
<b>Governmental activities:</b>				
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, 2018 as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance June 30, 2018</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,849,196	\$ -	\$ (3,013)	\$ 3,846,183
Construction in progress	21,480,520	36,409,140	(944,376)	56,945,284
Total capital assets, not being depreciated	25,329,716	36,409,140	(947,389)	60,791,467
Capital assets, being depreciated:				
Buildings and improvements	314,211,885	1,005,806	(7,084)	315,210,607
Land improvements	6,250,495	806,645	-	7,057,140
Equipment	10,326,278	1,157,541	(2,241,910)	9,241,909
Total capital assets, being depreciated	330,788,658	2,969,992	(2,248,994)	331,509,656
Less accumulated depreciation for				
Buildings and improvements	(113,264,626)	(6,753,604)	7,084	(120,011,146)
Land improvements	(3,858,254)	(329,588)	-	(4,187,842)
Equipment	(7,890,107)	(465,206)	2,065,271	(6,290,042)
Total accumulated depreciation	(125,012,987)	(7,548,398)	2,072,355	(130,489,030)
Total capital assets, being depreciated, net	205,775,671	(4,578,406)	(176,639)	201,020,626
Governmental activities capital assets, net	<u>\$ 231,105,387</u>	<u>\$ 31,830,734</u>	<u>\$ (1,124,028)</u>	<u>\$ 261,812,093</u>

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Component Units, continued**

*Board of Education*

The Board's active school construction projects as of June 30, 2018 as follows:

	<u>Spent to Date</u>	<u>Commitment</u>
Northern High School	\$ 25,552,603	\$ 28,493,690
Total	<u>\$ 25,552,603</u>	<u>\$ 28,493,690</u>

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

Depreciation expense for the year ended June 30, 2018 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

**Primary Government:**

*Governmental activities:*

General government	\$ 474,396
Public safety	1,281,718
General services	5,470,082
Public works	6,499,439
Community resources	90,009
Education	-
Total	<u>\$ 13,815,644</u>

<i>Business-type</i> Water and Sewer	\$ 2,683,565
Solid Waste and Recycling	<u>332,598</u>
	<u>\$ 3,016,163</u>

**Component Units:**

*Board of Education - governmental activities:*

<i>Instruction:</i>	
Regular education	\$ 120,733
Special education	12,840
<i>Support services:</i>	
Administration	76,094
Mid-level administration	9,265
Transportation	-
Operation of plant and equipment	7,126,460
Maintenance of plant	<u>159,966</u>
Total	<u>\$ 7,505,358</u>

*Board of Education - business-type activities:*

Food services	<u>\$ 43,040</u>
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<i>Economic Development:</i>	<u>\$ 19,700</u>
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**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2018.

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.

The liability for Net Pension Liability and Net OPEB Liability, under governmental activities, the general fund normally liquidates by annual funding these items based on the actuarial contribution calculation.

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Due Within One Year
<b>Governmental activities:</b>					
Bonds and Notes Payable					
General Obligation Debt <sup>(1)</sup>	\$ 113,256,348	\$ 24,105,706	\$ (14,275,940)	\$ 123,086,114	\$ 15,761,118
Notes Payable <sup>(2)</sup>	70,105	-	(17,737)	52,368	4,685
The Land Preservation Program	5,470,940	-	(1,020,600)	4,450,340	227,500
Other Liabilities:					
Landfill Closure Costs	300,000	-	(30,000)	270,000	30,000
Net Pension Liability	14,489,701	-	(1,369,970)	13,119,731	-
Net OPEB Liability	58,774,624	-	(12,915,450)	45,859,174	-
Compensated Absences	12,193,078	2,062,302	(1,359,323)	12,896,057	1,463,312
Total	<u>\$ 204,554,796</u>	<u>\$ 26,168,008</u>	<u>\$ (30,989,020)</u>	<u>\$ 199,733,784</u>	<u>\$ 17,486,615</u>
<b>Business-type activities:</b>					
Bonds and Notes Payable					
General Obligation Debt <sup>(1)</sup>	\$ 14,662,476	\$ 2,408,000	\$ (753,974)	\$ 16,316,502	\$ 857,507
Notes Payable <sup>(1)</sup>	13,256,276	-	(523,812)	12,732,464	726,081
Other Liabilities:					
Landfill Closure Costs	3,167,831	7,813	-	3,175,644	7,813
Compensated Absences	536,482	170,804	(123,497)	583,789	55,000
Total	<u>\$ 31,623,065</u>	<u>\$ 2,586,617</u>	<u>\$ (1,401,283)</u>	<u>\$ 32,808,399</u>	<u>\$ 1,646,401</u>

(1) Indicates debt issued for the purpose of acquiring capital assets.  
(2) Represents debt used for other governmental purposes.

**CALVERT COUNTY, MARYLAND**  
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**Obligation Balances and Terms – Governmental Activities**

Long-term obligations as of June 30, 2018, 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, 2010 Series	\$ 13,921,232	3% - 5%	July 1, 2025	\$ 8,491,024
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	10,267,522
Refunding Bonds, 2011 Series (replaced the 2003/2004 Series bonds)	15,360,000	2% - 5%	July 15, 2018	3,365,000
Consolidated Public Improvement Project Bonds, 2012 Series	6,290,000	3% - 4%	April 1, 2027	3,775,000
Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds)	6,425,000	3% - 4%	April 1, 2027	3,385,000
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2028	3,930,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	9,600,521
Consolidated Public Improvement Project Bonds, 2014 Series	5,760,000	2% - 5%	May 1, 2029	4,460,000
Consolidated Public Improvement Project Bonds, 2016 Series	28,030,000	2% - 5%	July 1, 2031	26,658,369
Refunding Bonds, 2016 Series (replaced the 2008/2009 Series bonds)	18,670,000	2% - 5%	July 1, 2032	16,830,000
Consolidated Public Improvement Project Bonds, 2017 Series - 15 year	21,760,000	3% - 5%	July 1, 2033	21,760,000
Consolidated Public Improvement Project Bonds, 2017 Series - 25 year	10,000	3% - 5%	July 1, 2033	10,000
<i>Shore Erosion Control</i>				
Solomons United Methodist Church (non-interest bearing)	32,150	n/a	July 1, 2026	11,574
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	40,794
<i>Other</i>				
The Land Preservation Program	<u>10,611,555</u>	3% - 5%		<u>4,450,340</u>
Total General Obligation Bonds and Notes Receivables	162,063,266			117,035,144
Premium, 2009, 2010, 2011, 2012, 2013, 2014, 2016, 2017 Series				<u>10,553,678</u>
Total Governmental Activities	<u>\$ 162,063,266</u>			<u>\$ 127,588,822</u>

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Obligation Balances and Terms – Business-Type Activities**

Long-term obligations as of June 30, 2018, 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	\$ 1,411,814
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	1,916,482
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,320,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	207,284
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	1,015,000
Consolidated Public Improvement Project Bonds, 2014 Series	3,275,000	2% - 5%	May 1, 2039	2,905,000
Consolidated Public Improvement Project Bonds, 2016 Series	1,765,000	2% - 5%	July 1, 2041	1,720,000
Consolidated Public Improvement Project Bonds, 2017 Series	1,195,000	3% - 5%	July 1, 2042	1,195,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	12,927
General Fund Note - Dares Beach Water Supply	258,225	6.6%	June 30, 2019	18,733
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	196,702
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	124,906
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	171,571
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	89,128
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	1,414,359
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	134,239
Maryland Water Quality Financing Admin Note - Chesapeake Beach	1,071,036	1.1%	February 2, 2028	553,420
Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP	1,892,000	1.1%	February 1, 2036	1,585,077
Maryland Water Quality Financing Admin Note - East Prince Fred Tank	<u>2,258,209</u>	0.9%	December 1, 2036	<u>2,331,408</u>
Total General Obligation Bonds and Notes Receivables	36,842,658			25,423,050
Premium, 2010, 2011, 2012, 2013, 2014, 2016, 2017 Series				<u>696,672</u>
Total Water and Sewer	<u>\$ 36,842,658</u>			<u>\$ 26,119,722</u>
<i>General Obligation Bonds - Solid Waste</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 274,066	3% - 5%	July 1, 2025	\$ 167,162
Consolidated Public Improvement Project Bonds, 2011 Series	1,000,000	2% - 5%	May 1, 2026	535,997
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	67,599	2% - 5%	April 1, 2022	62,182
Consolidated Public Improvement Project Bonds, 2016 Series	1,010,000	2% - 5%	July 1, 2032	966,631
Consolidated Public Improvement Project Bonds, 2017 Series	<u>1,045,000</u>	3% - 5%	July 1, 2033	<u>1,045,000</u>
Total General Obligation Bonds	3,396,665			2,776,972
Premium, 2010, 2011, 2016, 2017 Series				<u>152,272</u>
Total Solid Waste	<u>\$ 3,396,665</u>			<u>\$ 2,929,244</u>
Total Business Type Activities	<u>\$ 40,239,323</u>			<u>\$ 29,048,966</u>

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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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, 2018 are as follows:

<b>Governmental Activities</b>			
<b>Years Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 15,761,118	\$ 4,581,680	\$ 20,342,798
2020	12,592,841	3,966,796	16,559,637
2021	14,898,031	3,409,265	18,307,296
2022	12,025,518	2,714,947	14,740,465
2023	11,364,958	2,140,696	13,505,654
2024-2028	32,111,008	5,594,483	37,705,491
2029-2033	18,281,670	1,141,413	19,423,083
Premium	10,553,678	-	10,553,678
	\$ 127,588,822	\$ 23,549,280	\$ 151,138,102
<b>Business-Type Activities</b>			
<b>Years Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 1,583,588	\$ 682,982	\$ 2,266,570
2020	1,600,974	632,595	2,233,569
2021	1,621,003	581,814	2,202,817
2022	1,619,962	532,420	2,152,382
2023	1,219,279	466,138	1,685,417
2024-2028	5,629,136	1,754,385	7,383,521
2029-2033	4,685,205	1,029,302	5,714,507
2034 - thereafter	10,240,875	488,424	10,729,299
Premium	848,944	-	848,944
	\$ 29,048,966	\$ 6,168,060	\$ 35,217,026

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 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.

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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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, \$3,175,644 represents the accrued reserve at June 30, 2018, 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 \$4,113,393. The accrued reserve will be increased with a contribution of \$7,813 for FY2019.

**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, 2018:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 3,612,333	\$ 2,255,961	\$ (2,037,216)	\$ 3,831,078	\$ 107,321
Net Pension Liability	15,788,242	-	(3,301,224)	12,487,018	-
Net OPEB Liability - restated	127,241,218	3,443,072	-	130,684,290	-
Total	<u>\$ 146,641,793</u>	<u>\$ 5,699,033</u>	<u>\$ (5,338,440)</u>	<u>\$ 147,002,386</u>	<u>\$ 107,321</u>

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, then assigned, and then unassigned as they are needed.

**CALVERT COUNTY, MARYLAND**  
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As of June 30, 2018, fund balances were reported as follows:

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**  
**GOVERNMENTAL FUNDS FUND BALANCES**  
**JUNE 30, 2018**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 278,229	\$ -	\$ 68,729	\$ 346,958
Long term receivables	9,289,485	-	-	9,289,485
Total Nonspendable	<u>9,567,714</u>	<u>-</u>	<u>68,729</u>	<u>9,636,443</u>
Restricted for:				
Leveraging obligations	-	-	5,240,625	5,240,625
Other purposes	-	-	5,038,449	5,038,449
Endowments	-	-	47,778	47,778
Total Restricted for	<u>-</u>	<u>-</u>	<u>10,326,852</u>	<u>10,326,852</u>
Committed to:				
Encumbrances:				
General government	854,756	-	-	854,756
Public safety	1,512,131	-	-	1,512,131
General services	766,344	-	-	766,344
Public works	2,431,267	-	-	2,431,267
Economic development	52,365	-	-	52,365
Community resources	45,755	-	-	45,755
Education	40,160	-	-	40,160
Other purposes	-	-	-	-
Stabilization arrangement	22,624,043	-	-	22,624,043
Board of education	-	-	-	-
Other purposes	320,977	-	3,211,015	3,531,992
Total Committed to	<u>28,647,798</u>	<u>-</u>	<u>3,211,015</u>	<u>31,858,813</u>
Assigned to:				
Vacation/sick leave	-	-	-	-
OPEB	5,000,000	-	-	5,000,000
Other purposes	-	-	1,725,183	1,725,183
Other capital projects	-	18,018,963	-	18,018,963
Total Assigned to	<u>5,000,000</u>	<u>18,018,963</u>	<u>1,725,183</u>	<u>24,744,146</u>
Unassigned:	<u>18,787,277</u>	<u>-</u>	<u>-</u>	<u>18,787,277</u>
Total fund balances:	<u>\$ 62,002,789</u>	<u>\$ 18,018,963</u>	<u>\$ 15,331,779</u>	<u>\$ 95,353,531</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.

Stabilization Arrangement – This amount, set by resolution, defines the use of these as for contingency and emergency or catastrophic situations as determined by the County Commissioners. This amount is intended to be used only after all other available fund balances are exhausted.

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2018, the membership was as follows:

Inactive employees or beneficiaries currently receiving benefits	53
Active employees currently receiving benefits	80
Active employees	1,093

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 2018 totaling \$655,000 were made in accordance with actuarial determined requirements computed through and actuarial valuation performed on July 1, 2018.

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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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, 2018, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 10.98%. 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, 2017 to June 30, 2018, 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, 2018, 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	n/a
Investment rate of return	7.25%
Mortality	RP-2014 fully 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, 2018 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core U.S. fixed income	3.50%
Cash	2.60%

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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Discount rate – The discount rate of 7.25% 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 06/30/17	\$8,711,388	\$3,820,107	\$4,891,281
Changes for the year:			
Service cost	120,419	-0-	120,419
Interest on the total pension liability	657,575	-0-	657,575
Change in assumptions	438,550	-0-	438,550
Difference between expected and actual experience	-0-	-0-	-0-
Contributions – employer	-0-	655,000	(655,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	457,631	(457,631)
Benefit payments	(707,136)	(707,136)	-0-
Administrative expense	-0-	(67,861)	67,861
Net changes	509,408	337,634	171,774
Balance at 06/30/18	\$9,220,796	\$4,157,741	\$5,063,055

Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25)	Current Discount Rate (7.25)	1% Increase (8.25)
Total pension liability	\$10,301,332	\$9,220,796	\$8,325,348
Plan fiduciary net position	(4,157,741)	(4,157,741)	(4,157,741)
County’s net pension liability	\$6,143,591	\$5,063,055	\$4,167,607

Pension plan fiduciary net position - For the year ended June 30, 2018, the County recognized pension expense of \$808,260. At June 30, 2018, 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	\$782,008	\$-0-
Changes of assumptions	389,822	-0-
Net difference between expected and actual earnings	-0-	23,510
Total	\$1,171,830	\$23,510

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$400,698
2020	303,158
2021	219,979
2022	29,576
2023	48,728
2024 and after	146,181

**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, 2018, the membership was as follows:

Retired	68
Terminated, vested	48
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**  
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Contribution - The contributions made to the Plan for fiscal 2018 totaling \$2,290,000 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	42.5%-61.5%
International equity	10.5%-15.5%
Fixed income	20.0%-40.0%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 11.82%. 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, 2017 to June 30, 2018, 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, 2018, 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:	
Correctional Officers	5.00% - 7.25%, based on age
Deputy Sheriffs	5.00% - 7.25%, based on age
Investment rate of return	7.25%
Mortality	RP-2014 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, 2018 are summarized in the following table:

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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Asset Classes	Long-term Expected Real Rate of Return
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core U.S. fixed income	3.50%
Private equity	8.60%

**Discount rate** – The discount rate of 7.25% 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 06/30/17	\$82,104,943	\$79,862,462	\$2,298,481
Changes for the year:			
Service cost	2,419,006	-0-	2,419,006
Interest on the total pension liability	6,449,759	-0-	6,449,759
Difference between expected and actual experience	1,919,014	-0-	1,919,014
Change of assumptions	(1,827,921)	-0-	(1,827,921)
Contributions - employer	-0-	2,290,000	(2,290,000)
Contributions – employee	-0-	1,046,498	(1,046,498)
Net investment income	-0-	9,586,743	(9,586,743)
Benefit payments	(2,651,987)	(2,651,987)	-0-
Administrative expense	-0-	(36,564)	36,564
Net changes	6,307,871	10,234,690	(3,926,819)
Balance at 06/30/18	\$88,412,814	\$90,041,152	\$(1,628,338)

**Sensitivity of the net pension liability** – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25)	Current Discount Rate (7.25)	1% Increase (8.25)
Total pension liability	\$102,632,843	\$88,412,814	\$76,975,057
Plan fiduciary net position	(90,041,152)	(90,041,152)	(90,041,152)
County’s net pension liability	\$12,591,691	\$(1,628,338)	\$(13,066,095)

**Pension plan fiduciary net position** - For the year ended June 30, 2018, the County recognized pension expense of \$636,442. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$5,356,431	-0-
Changes of assumptions	-0-	1,624,813
Net difference between expected and actual earnings	-0-	2,580,124
<b>Total</b>	<b>\$5,356,431</b>	<b>\$4,204,937</b>

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:	
2019	\$(464,759)
2020	9,301
2021	1,300,636
2022	265,823
2023	10,122
2024 and after	30,361

**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.

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Employees covered by benefit terms - At June 30, 2018, 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 2018 totaling \$2,710,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2018.

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	42.50% - 61.50%
International equity	10.50% - 15.50%
US fixed income	20.0% - 40.00%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 10.98%. 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, 2017 to June 30, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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Funding method	Entry Age Normal
Inflation rate	2.2%
Salary increases	6.0% under 46, 5.0% 46 and older
Investment rate of return	7.25%
Mortality	RP-2014 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	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core US fixed income	3.50%
Private equity	8.60%

Discount rate – The discount rate of 7.25% 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 06/30/17	\$79,659,032	\$72,359,094	\$7,299,938
Changes for the year:			
Service cost	683,100	-0-	683,100
Interest on the total pension liability	6,071,785	-0-	6,071,785
Difference between expected and actual experience	1,593,955	-0-	1,593,955
Contributions - employer	-0-	2,710,000	(2,710,000)
Contributions – employee	-0-	118,731	(118,731)
Net investment income	-0-	9,127,100	(9,127,100)
Change in assumptions	3,903,321	-0-	3,903,321
Benefit payments	(4,068,969)	(4,068,969)	-0-
Administrative expense	-0-	(460,408)	460,408
Net changes	8,183,192	7,426,454	756,738
Balance at 06/30/18	\$87,842,224	\$79,785,548	\$8,056,676

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Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25)	Current Discount Rate (7.25)	1% Increase (8.25)
Total pension liability	\$98,377,583	\$87,842,224	\$79,015,723
Plan fiduciary net position	(79,785,548)	(79,785,548)	(79,785,548)
County’s net pension liability	\$18,592,035	\$8,056,676	\$(769,825)

Pension plan fiduciary net position - For the year ended June 30, 2018, the County recognized pension expense of \$3,387,930. At June 30, 2018, 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	\$796,978	-0-
Changes of assumptions	1,951,600	-0-
Net difference between expected and actual earnings	-0-	2,431,687
Total	\$2,748,578	\$2,431,687

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:	
2019	\$2,854,417
2020	(353,604)
2021	(1,574,568)
2022	(609,294)
2023	-0-
2024 and after	-0-

**4. Calvert County Maryland Other Post-Employment Benefits Trust**

Summary of Significant Accounting Policies

OPEB – Calvert County Government has established an irrevocable trust with Calvert County Public Schools (CCPS). Approximately, 28% of the assets are related to Calvert County Government and 72% is related to the CCPS. The percentage is reviewed annually. The CCPS issues separate financial statements in which portions have been included. 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.

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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 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, 2018, the membership was as follows:

	<u>County</u>	<u>Board of Education</u>
Active	687	1,743
Retired	218	793
Total	905	2,536

*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 2018 totaled \$3,737,712.

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

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Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 9.72%. 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, 2017 to June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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-2014 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, 2018 are summarized in the following table:

Asset Classes	Long-term Expected Real Rate of Return
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
US fixed income	3.50%
Private equity	8.60%

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.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at 06/30/17	\$76,101,186	\$17,326,562	\$58,774,624
Changes for the year:			
Service cost	2,483,919	-0-	2,483,919
Interest on the total opeb liability	3,885,946	-0-	3,885,946
Difference between expected and actual experience	(9,539,547)	-0-	(9,539,547)
Change in assumption	(3,982,782)	-0-	(3,982,782)
Contributions - employer	-0-	3,717,712	(3,717,712)

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Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	2,109,725	(2,109,725)
Benefit payments	-0-	-0-	-0-
Administrative expense	-0-	(64,451)	64,451
Net changes	(7,152,464)	5,762,986	(12,915,450)
Balance at 06/30/18	\$68,948,722	\$23,089,548	\$45,859,174

*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	\$81,068,303	\$68,948,722	\$56,470,974
Plan fiduciary net position	(23,089,548)	(23,089,548)	(23,089,548)
County’s net OPEB liability	\$57,978,755	\$45,859,174	\$33,381,426

*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	\$55,006,197	\$68,948,722	\$83,407,799
Plan fiduciary net position	(23,089,548)	(23,089,548)	(23,089,548)
County’s net OPEB liability	\$31,916,649	\$45,859,174	\$60,318,251

*OPEB plan fiduciary net position* - For the year ended June 30, 2018, the County recognized OPEB income of \$12,446,972. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-0-	\$8,347,104
Changes of assumptions	-0-	3,484,934
Net difference between expected and actual earnings	-0-	614,934
Total	\$-0-	\$12,446,972

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

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Year ended June 30:	
2019	\$(1,844,024)
2020	(1,844,024)
2021	(1,844,024)
2022	(1,844,026)
2023	(1,690,291)
2024 and after	(3,380,583)

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 \$1,173,085 and \$826,861, 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 \$449,770, \$412,030, and \$378,395, for the years ended June 30, 2018, 2017 and 2016. 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 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

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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 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.

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Beginning in FY2018, 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, 2018 was \$4,994,291. The State's contributions on behalf of the Board for the year ended June 30, 2018 was \$12,558,351. The FY2018 contribution made by the State on behalf of the Board was been 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, 2018, was 5.03% 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, 2018 of \$1,274,850.

**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 \$12,487,018 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of 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. 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, 2017. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2018, the Board's proportionate share was 0.057%.

For the year ended June 30, 2018, the Board recognized pension expense of \$2,026,382. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$-0-	\$915,401
Changes of assumptions	525,797	-0-
Change in proportion	436,341	1,999,715
Net difference between expected and actual earnings	997,220	-0-
Changes in proportionate share of contributions	190,765	-0-
Boards contribution subsequent to the measurement date	1,274,850	-0-
<b>Total</b>	<b>\$3,424,973</b>	<b>\$2,915,116</b>

\$1,274,850 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 resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2019	\$(105,041)
2020	(297,746)

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2021	52,534
2022	663,519
2023	451,727

Teachers Retirement and Pension Systems - At June 30, 2018, 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	\$133,421,391
Board's proportionate share of the net pension liability	-0-
Total	<u>\$133,421,391</u>

The net pension liability was measured as of 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.

For the year ended June 30, 2018, the Board recognized pension expense of \$12,558,351 and revenue of \$12,558,351 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, 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	2.65% general, 3.15% wage
Salary increases	3.3% to 9.2%, including inflation
Investment rate of return	7.50%
Mortality	RP-2014 combined healthy generational mortality table

The economic and demographic actuarial assumptions used in the June 30, 2017 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, an investment return assumption of 7.50% and an inflation assumption of 2.65% were used in the June 30, 2017 valuation.

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

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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	36%	5.30%
Private equity	11%	7.00%
Rate sensitive	21%	1.20%
Credit opportunity	9%	3.60%
Real assets	15%	5.70%
Absolute return	8%	3.10%
<b>Total</b>	<b>100%</b>	

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, 2017.

For the year ended June 30, 2018, 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 7.50%. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. 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 7.50%, 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:

	<b>1% Decrease (6.50)</b>	<b>Current Discount Rate (7.50)</b>	<b>1% Increase (8.50)</b>
Boards proportionate share of the net pension liability	\$17,696,576	\$12,487,018	\$8,164,556

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

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

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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 \$800k. 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 2018, the County paid premiums of \$750,885 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 2018, the County paid premiums for the coverage in the amount of \$2,194,612. In addition to coverage through LGIT and Chesapeake, the County procures numerous specialty insurance policies, which include but are not limited to Inland Marine through Travelers, 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 the current year. If the actual claims and expenses are less than the billed premium, the County would be entitled to a refund.

**CALVERT COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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 January 29, 2019, the date the financial statements were available to be issued.

On July 24, 2018, the County issued \$24,245,000 in general obligation bonds, \$1.1 million related to the Water and Sewer enterprise fund, with interest rates varying from 2.0% to 5.0% maturing on July 1, 2033 and July 1, 2043 for the enterprise portion.

**Note 13 – New Accounting Pronouncement**

The County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Other Pension Employment Benefits (an amendment of GASB Statement No. 45)* during fiscal year June 30, 2018, which improves the accounting and financial reporting by the state and local government employers that provide OPEB benefits. The County is now required to record a liability for future OPEB benefits in excess of the accumulated plan contributions.

This pronouncement requires a restatement of the June 30, 2017 net position of governmental activities as follows:

	Governmental Activities
Net position/fund balance, June 30, 2017	\$ 130,152,366
Cummulative affect of application of GASB 75, net OPEB liability	(35,006,365)
Restated net position/fund balance, June 30, 2017	\$ 95,146,001

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*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND*

*REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018*

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 5 Fiscal Years

	FY2018	FY2017	FY2016	FY2015	FY2014
<b>Total pension liability</b>					
Service costs	\$ 120,419	\$ 128,219	\$ 111,495	\$ 122,128	\$ 63,624
Interest	657,575	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
Changes of assumption	438,550	- #	-	-	-
Benefit payments, including refunds of member contributions	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
<b>Net change in total pension liability</b>	<u>\$ 509,408</u>	<u>\$ 1,284,436</u>	<u>\$ 4,834</u>	<u>\$ 495,607</u>	<u>\$ 184,234</u>
<b>Total pension liability - beginning</b>	<u>8,711,388</u>	<u>7,426,952</u>	<u>7,422,118</u>	<u>6,926,511</u>	<u>6,742,277</u>
<b>Total pension liability - ending</b>	<u>\$ 9,220,796</u>	<u>\$ 8,711,388</u>	<u>\$ 7,426,952</u>	<u>\$ 7,422,118</u>	<u>\$ 6,926,511</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 655,000	\$ 550,000	\$ 540,000	\$ 460,000	\$ 490,000
Net investment income	457,631	533,099	(128,504)	98,868	568,708
Benefit payments, including refunds of member contributions	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
Administrative expense	(67,861)	(10,500)	(10,500)	(10,500)	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 337,634</u>	<u>\$ 376,004</u>	<u>\$ (264,224)</u>	<u>\$ 90,318</u>	<u>\$ 633,125</u>
<b>Plan fiduciary net position - beginning</b>	<u>3,820,107</u>	<u>3,444,103</u>	<u>3,708,327</u>	<u>3,618,009</u>	<u>2,984,884</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 4,157,741</u>	<u>\$ 3,820,107</u>	<u>\$ 3,444,103</u>	<u>\$ 3,708,327</u>	<u>\$ 3,618,009</u>
<b>County's net pension liability - ending</b>	<u>\$ 5,063,055</u>	<u>\$ 4,891,281</u>	<u>\$ 3,982,849</u>	<u>\$ 3,713,791</u>	<u>\$ 3,308,502</u>
<b>Plans fiduciary net position as a percentage of the total pension liability</b>	45.09%	43.85%	46.37%	49.96%	52.23%
<b>Covered - payroll</b>	N/A	N/A	N/A	N/A	N/A
<b>County's net pension liability as a percentage of covered - payroll</b>	N/A	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 5 Fiscal Years**

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Actuarially determined contribution	\$ 758,355	\$ 588,817	\$ 577,476	\$ 527,593	\$ 517,903
Contributions in relation to the actuarially determined contribution	655,000	550,000	540,000	460,000	490,000
Contribution deficiency (excess)	<u>\$ 103,355</u>	<u>\$ 38,817</u>	<u>\$ 37,476</u>	<u>\$ 67,593</u>	<u>\$ 27,903</u>
Covered - payroll	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered - payroll	N/A	N/A	N/A	N/A	N/A

**Notes to schedule:**

Valuation date: 6/30/2018

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	7.25% , net of pension plan investment expense, including inflation.
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.
Mortality	PR-2014 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 5 Fiscal Years

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	10.98%	15.75%	-2.90%	2.50%	18.21%

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 5 Fiscal Years

	FY2018	FY2017	FY2016	FY2015	FY2014
<b>Total pension liability</b>					
Service costs	\$ 2,419,006	\$ 2,239,796	\$ 3,400,300	\$ 3,234,332	\$ 1,429,134
Interest	6,449,759	6,004,066	6,055,832	5,534,365	5,419,116
Changes in benefit terms	-	-	-	48,849	-
Difference between expected and actual experience	1,919,014	-	(6,405,710)	-	148,423
Changes of assumptions	(1,827,921)	-	-	-	-
Benefit payments, including refunds of member contributions	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
<b>Net change in total pension liability</b>	<u>\$ 6,307,871</u>	<u>\$ 5,552,209</u>	<u>\$ 621,424</u>	<u>\$ 6,730,363</u>	<u>\$ 5,026,804</u>
<b>Total pension liability - beginning</b>	<u>82,104,943</u>	<u>76,552,734</u>	<u>75,931,310</u>	<u>69,200,947</u>	<u>64,174,143</u>
<b>Total pension liability - ending</b>	<u>\$ 88,412,814</u>	<u>\$ 82,104,943</u>	<u>\$ 76,552,734</u>	<u>\$ 75,931,310</u>	<u>\$ 69,200,947</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 2,290,000	\$ 3,200,000	\$ 3,050,000	\$ 3,060,000	\$ 2,960,000
Contributions - member	1,046,498	942,266	917,877	930,459	951,992
Net investment income	9,586,743	10,607,920	(1,058,909)	2,721,741	9,017,398
Benefit payments, including refunds of member contributions	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Administrative expense	(36,564)	(73,277)	(21,871)	(45,506)	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 10,234,690</u>	<u>\$ 11,985,256</u>	<u>\$ 458,099</u>	<u>\$ 4,579,511</u>	<u>\$ 10,959,521</u>
<b>Plan fiduciary net position - beginning</b>	<u>79,806,462</u>	<u>67,821,206</u>	<u>67,363,107</u>	<u>62,783,596</u>	<u>51,824,075</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 90,041,152</u>	<u>\$ 79,806,462</u>	<u>\$ 67,821,206</u>	<u>\$ 67,363,107</u>	<u>\$ 62,783,596</u>
<b>County's net pension liability (asset) - ending</b>	<u>\$ (1,628,338)</u>	<u>\$ 2,298,481</u>	<u>\$ 8,731,528</u>	<u>\$ 8,568,203</u>	<u>\$ 6,417,351</u>
<b>Plans fiduciary net position as a percentage of the total pension liability</b>	101.84%	97.20%	88.59%	88.72%	90.73%
<b>Covered - payroll</b>	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
<b>County's net pension liability as a percentage of covered - payroll</b>	-12.50%	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 5 Fiscal Years**

	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,287,897	\$ 2,721,830	\$ 3,065,888	\$ 3,028,756	\$ 2,957,525
Contributions in relation to the actuarially determined contribution	2,290,000	3,200,000	3,050,000	3,060,000	2,960,000
Contribution deficiency (excess)	<u>\$ (2,103)</u>	<u>\$ (478,170)</u>	<u>\$ 15,888</u>	<u>\$ (31,244)</u>	<u>\$ (2,475)</u>
Covered payroll	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
Contribution as a percentage of covered payroll	17.58%	26.59%	26.86%	25.27%	25.91%

**Notes to schedule:**

Valuation date: 6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost 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%															
Salary increases	<table border="0"> <thead> <tr> <th></th> <th align="center"><u>To age 37:</u></th> <th align="center"><u>Ages 38 to 42:</u></th> <th align="center"><u>Ages 42 to 49:</u></th> <th align="center"><u>After age 49:</u></th> </tr> </thead> <tbody> <tr> <td>Correctional Officers</td> <td align="center">7.25%</td> <td align="center">6.00%</td> <td align="center">5.00%</td> <td align="center">4.00%</td> </tr> <tr> <td>Deputy Sheriffs</td> <td align="center">7.25%</td> <td align="center">5.00%</td> <td align="center">5.00%</td> <td align="center">5.00%</td> </tr> </tbody> </table>		<u>To age 37:</u>	<u>Ages 38 to 42:</u>	<u>Ages 42 to 49:</u>	<u>After age 49:</u>	Correctional Officers	7.25%	6.00%	5.00%	4.00%	Deputy Sheriffs	7.25%	5.00%	5.00%	5.00%
	<u>To age 37:</u>	<u>Ages 38 to 42:</u>	<u>Ages 42 to 49:</u>	<u>After age 49:</u>												
Correctional Officers	7.25%	6.00%	5.00%	4.00%												
Deputy Sheriffs	7.25%	5.00%	5.00%	5.00%												
Cost of living increases	3.00% , per year calculated on a compound interest basis.															
Investment rate of return	7.25% , net of pension plan investment expense, including inflation.															
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.															
Mortality	RP-2014 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 5 Fiscal Years

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	11.82%	15.75%	-2.90%	2.50%	18.21%

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 5 Fiscal Years**

	FY2018	FY2017	FY2016	FY2015	FY2014
<b>Total pension liability</b>					
Service costs	\$ 683,100	\$ 697,192	\$ 799,446	\$ 878,256	\$ 677,466
Interest	6,071,785	5,935,855	5,746,021	5,577,218	5,345,363
Difference between expected and actual experience	1,593,955	(964,962)	(396,534)	(862,126)	(432,297)
Change in assumptions	3,903,321	-	-	-	-
Benefit payments, including refunds of member contributions	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
<b>Net change in total pension liability</b>	<u>\$ 8,183,192</u>	<u>\$ 1,930,754</u>	<u>\$ 2,686,691</u>	<u>\$ 2,378,122</u>	<u>\$ 2,469,019</u>
<b>Total pension liability - beginning</b>	79,659,032	77,728,278	75,041,587	72,663,465	70,194,446
<b>Total pension liability - ending</b>	<u>\$ 87,842,224</u>	<u>\$ 79,659,032</u>	<u>\$ 77,728,278</u>	<u>\$ 75,041,587</u>	<u>\$ 72,663,465</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 2,710,000	\$ 2,900,000	\$ 2,570,000	\$ 2,918,950	\$ 2,890,000
Contributions - member	118,731	116,704	130,509	140,745	154,037
Net investment income	9,127,100	9,818,496	(987,242)	2,667,157	9,406,336
Benefit payments, including refunds of member contributions	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Administrative expense	(460,408)	(33,714)	(82,004)	(55,344)	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 7,426,454</u>	<u>\$ 9,064,155</u>	<u>\$ (1,830,979)</u>	<u>\$ 2,456,282</u>	<u>\$ 9,328,860</u>
<b>Plan fiduciary net position - beginning</b>	72,359,094	63,294,939	65,125,918	62,669,636	53,340,776
<b>Plan fiduciary net position - ending</b>	<u>\$ 79,785,548</u>	<u>\$ 72,359,094</u>	<u>\$ 63,294,939</u>	<u>\$ 65,125,918</u>	<u>\$ 62,669,636</u>
<b>County's net pension liability - ending</b>	<u>\$ 8,056,676</u>	<u>\$ 7,299,938</u>	<u>\$ 14,433,339</u>	<u>\$ 9,915,669</u>	<u>\$ 9,993,829</u>
<b>Plans fiduciary net position as a percentage of the total pension liability</b>	90.83%	90.84%	81.43%	86.79%	86.25%
<b>Covered - payroll</b>	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
<b>County's net pension liability as a percentage of covered - payroll</b>	170.29%	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 5 Fiscal Years**

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Actuarially determined contribution	\$ 2,506,054	\$ 2,410,212	\$ 2,468,741	\$ 2,593,069	\$ 2,712,733
Contributions in relation to the actuarially determined contribution	2,710,000	2,900,000	2,570,000	2,918,950	2,890,000
Contribution deficiency (excess)	<u>\$ (203,946)</u>	<u>\$ (489,788)</u>	<u>\$ (101,259)</u>	<u>\$ (325,881)</u>	<u>\$ (177,267)</u>
Covered - payroll	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
Contribution as a percentage of covered - payroll	57.28%	49.29%	42.76%	42.48%	40.83%

**Notes to schedule**

Valuation date: 6/30/2018

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	7.25% , net of pension plan investment expense, including inflation.
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.
Mortality	RP-2014 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 5 Fiscal Years

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Annual money-weighted rate of return, net of investment expense	10.98%	15.75%	-2.90%	2.50%	18.21%

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 2 Fiscal Years**

	<u>FY2018</u>	<u>FY2017</u>
<b>Total OPEB liability</b>		
Service costs	\$ 2,483,919	\$ 2,358,717
Interest	3,885,946	984,721
Changes in benefit terms	-	-
Difference between expected and actual experience	(9,539,547)	-
Change in assumptions	(3,982,782)	-
Benefit payments, including refunds of member contributions	-	-
<b>Net change in total OPEB liability</b>	<u>\$ (7,152,464)</u>	<u>\$ 3,343,438</u>
<b>Total OPEB liability - beginning</b>	<u>76,101,186</u>	<u>72,757,748</u>
<b>Total OPEB liability - ending</b>	<u>\$ 68,948,722</u>	<u>\$ 76,101,186</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 3,717,712	\$ -
Contributions - member	-	-
Net investment income	2,109,725	2,408,736
Benefit payments, including refunds of member contributions	-	-
Administrative expense	(64,451)	(156,887)
<b>Net change in plan fiduciary net position</b>	<u>\$ 5,762,986</u>	<u>\$ 2,251,849</u>
<b>Plan fiduciary net position - beginning</b>	<u>17,326,562</u>	<u>15,074,713</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 23,089,548</u>	<u>\$ 17,326,562</u>
<b>County's net pension liability - ending</b>	<u>\$ 45,859,174</u>	<u>\$ 58,774,624</u>
<b>Plans fiduciary net position as a percentage of the total OPEB liability</b>	33.49%	22.77%
<b>Covered - payroll</b>	\$ 50,268,558	\$ 50,268,558
<b>County's net OPEB liability as a percentage of covered - payroll</b>	91.23%	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 2 Fiscal Years**

	<u>FY2018</u>	<u>FY2017</u>
Actuarially determined contribution	\$ 5,881,875	\$ 5,881,875
Contributions in relation to the actuarially determined contribution	3,717,712	-
Contribution deficiency (excess)	<u>\$ 2,164,163</u>	<u>\$ 5,881,875</u>
Covered - payroll	\$ 50,268,558	\$ 50,268,558
Contribution as a percentage of covered - payroll	7.40%	0.00%

**Notes to schedule**

Valuation date: 6/30/2018

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	5.50%
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.
Mortality	RP-2014 combined healthy generational mortality table.

Notes to the schedule:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information  
SCHEDULE OF INVESTMENT RETURNS  
Calvert County Maryland Post-Employment Benefit Plan  
Last 2 Fiscal Years

	<u>FY2018</u>	<u>FY2017</u>
Annual money-weighted rate of return, net of investment expense	9.72%	13.07%

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

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*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND*

*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES  
JUNE 30, 2018*

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<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>
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 26,187	\$ 49,612	\$ 1,011,294	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	5,226	25,000	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	2,097,497	568	-	615,421	37,930	312,100
Prepaid items	-	-	138	-	-	-
Inventory	12,240	19,127	37,362	-	-	-
Total assets	<u>\$ 2,135,924</u>	<u>\$ 69,307</u>	<u>\$ 1,054,020</u>	<u>\$ 640,421</u>	<u>\$ 37,930</u>	<u>\$ 312,100</u>
<b>LIABILITIES</b>						
Vouchers and accounts payable	388,165	92,651	27,890	609,860	11,333	-
Notes payable	-	4,643	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	133,394	-	7,745	-	-	-
Total liabilities	<u>521,559</u>	<u>97,294</u>	<u>35,635</u>	<u>609,860</u>	<u>11,333</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	12,240	19,127	37,362	-	-	-
Restricted	47,778	-	609,048	-	-	-
Committed	196,564	-	-	25,000	-	312,100
Assigned	1,357,783	(47,114)	371,975	5,561	26,597	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,614,365</u>	<u>(27,987)</u>	<u>1,018,385</u>	<u>30,561</u>	<u>26,597</u>	<u>312,100</u>
Total liabilities and fund balances	<u>\$ 2,135,924</u>	<u>\$ 69,307</u>	<u>\$ 1,054,020</u>	<u>\$ 640,421</u>	<u>\$ 37,930</u>	<u>\$ 312,100</u>

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

<b>Economic Development Authority Revolving Loan Fund</b>	<b>Calvert Co. Family Network</b>	<b>Grants Fund</b>	<b>Economic Development Incentive Fund</b>	<b>Excise Tax Fund</b>	<b>Land Preservation Fund</b>	<b>Board of Library Trustees for Calvert County</b>	<b>Total</b>
\$ -	\$ (3,363)	\$ (86,551)	\$ -	\$ -	\$ 5,240,625	\$ 10,381	\$ 6,248,185
-	-	-	-	982,267	-	-	982,267
-	218,425	957,294	-	-	1,530	-	1,207,475
38,474	-	-	58,594	-	-	-	97,068
252,347	2,391	63,966	255,609	5,036,935	2,072,088	-	10,746,852
-	-	47,512	-	-	-	-	47,650
-	-	-	-	-	-	-	68,729
<u>\$ 290,821</u>	<u>\$ 217,453</u>	<u>\$ 982,221</u>	<u>\$ 314,203</u>	<u>\$ 6,019,202</u>	<u>\$ 7,314,243</u>	<u>\$ 10,381</u>	<u>\$ 19,398,226</u>
-	134,244	466,413	-	-	-	-	1,730,556
-	-	-	-	-	-	-	4,643
-	-	-	-	-	-	-	-
1,291	83,209	329,510	-	1,776,099	-	-	2,331,248
<u>1,291</u>	<u>217,453</u>	<u>795,923</u>	<u>-</u>	<u>1,776,099</u>	<u>-</u>	<u>-</u>	<u>4,066,447</u>
-	-	-	-	-	-	-	68,729
-	-	186,298	-	4,243,103	5,240,625	-	10,326,852
289,530	-	-	314,203	-	2,073,618	-	3,211,015
-	-	-	-	-	-	10,381	1,725,183
-	-	-	-	-	-	-	-
<u>289,530</u>	<u>-</u>	<u>186,298</u>	<u>314,203</u>	<u>4,243,103</u>	<u>7,314,243</u>	<u>10,381</u>	<u>15,331,779</u>
<u>\$ 290,821</u>	<u>\$ 217,453</u>	<u>\$ 982,221</u>	<u>\$ 314,203</u>	<u>\$ 6,019,202</u>	<u>\$ 7,314,243</u>	<u>\$ 10,381</u>	<u>\$ 19,398,226</u>

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018**

	<b>Parks and Recreation Fund</b>	<b>Chesapeake Hills Golf Course Fund</b>	<b>Calvert Marine Museum</b>	<b>Planning and Zoning Special Revenue Fund</b>	<b>Bar Library Fund</b>	<b>Revolving Loan Fund</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	1,019,304	655,781	240,085	-	-	-
Fines and forfeitures	-	-	-	57,286	40,337	-
Other revenue	1,288,931	63,253	535,202	5,561	20,004	-
<b>Total revenues</b>	<b>2,308,235</b>	<b>719,034</b>	<b>775,287</b>	<b>62,847</b>	<b>60,341</b>	<b>-</b>
<b>EXPENDITURES</b>						
Salaries and fringe benefits	1,591,555	601,140	2,339,566	-	-	-
Education and miscellaneous	1,253,562	283,493	1,220,120	57,286	33,744	-
<b>Total expenditures</b>	<b>2,845,117</b>	<b>884,633</b>	<b>3,559,686</b>	<b>57,286</b>	<b>33,744</b>	<b>-</b>
Excess (deficiency) of revenue over (under) expenditures	(536,882)	(165,599)	(2,784,399)	5,561	26,597	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	453,234	174,148	2,774,313	-	-	-
Transfer out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>453,234</b>	<b>174,148</b>	<b>2,774,313</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(83,648)</b>	<b>8,549</b>	<b>(10,086)</b>	<b>5,561</b>	<b>26,597</b>	<b>-</b>
Fund balance - beginning of year	1,698,013	(36,536)	1,028,471	25,000	-	312,100
<b>Fund balance - end of year</b>	<b>\$ 1,614,365</b>	<b>\$ (27,987)</b>	<b>\$ 1,018,385</b>	<b>\$ 30,561</b>	<b>\$ 26,597</b>	<b>\$ 312,100</b>

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018**

<b>Economic Development Authority Revolving Loan Fund</b>	<b>Calvert Co. Family Network</b>	<b>Grants Fund</b>	<b>Economic Development Incentive Fund</b>	<b>Excise Tax Fund</b>	<b>Land Preservation Fund</b>	<b>Board of Library Trustees for Calvert County</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,580,292	\$ -	\$ -	\$ 2,580,292
-	597,766	3,618,379	-	-	2,843,731	834,025	7,893,901
-	-	-	-	-	-	-	1,915,170
-	-	19,719	-	-	-	42,179	159,521
4,676	-	405,684	660	60,170	-	75,487	2,459,628
4,676	597,766	4,043,782	660	2,640,462	2,843,731	951,691	15,008,512
-	74,211	3,357,184	-	-	-	4,057,836	12,021,492
-	535,568	2,487,120	-	55,314	3,815,671	590,625	10,332,503
-	609,779	5,844,304	-	55,314	3,815,671	4,648,461	22,353,995
4,676	(12,013)	(1,800,522)	660	2,585,148	(971,940)	(3,696,770)	(7,345,483)
-	12,013	1,828,753	-	-	1,025,000	3,697,386	9,964,847
-	-	-	-	(3,888,200)	-	-	(3,888,200)
-	12,013	1,828,753	-	(3,888,200)	1,025,000	3,697,386	6,076,647
4,676	-	28,231	660	(1,303,052)	53,060	616	(1,268,836)
284,854	-	158,067	313,543	5,546,155	7,261,183	9,765	16,600,615
<u>\$ 289,530</u>	<u>\$ -</u>	<u>\$ 186,298</u>	<u>\$ 314,203</u>	<u>\$ 4,243,103</u>	<u>\$ 7,314,243</u>	<u>\$ 10,381</u>	<u>\$ 15,331,779</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employee Retirement Fund	OPEB
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,835	\$ 1,824,586	\$ 2,054,041	\$ 7,226,864
Investments:				
Fixed income	616,787	21,521,494	17,651,890	15,470,066
Common stocks	-	22,507,091	20,559,678	9,778,980
Equity funds	2,931,102	30,560,612	26,923,901	43,573,426
Foreign assets	605,189	10,823,794	9,734,594	11,456,252
Other assets	-	2,763,152	2,836,011	2,227,987
Total investments	<u>4,153,078</u>	<u>88,176,143</u>	<u>77,706,074</u>	<u>82,506,711</u>
Receivables and prepaid expenses:				
Accounts receivables	-	23,123	10,936	-
Investment income receivables	828	24,171	20,625	133,647
Total receivables	<u>828</u>	<u>47,294</u>	<u>31,561</u>	<u>133,647</u>
Total assets	<u>4,157,741</u>	<u>90,048,023</u>	<u>79,791,676</u>	<u>89,867,222</u>
<b>LIABILITIES</b>				
Payables:				
Accounts payable	-	6,871	6,128	5,867
Total liabilities	<u>-</u>	<u>6,871</u>	<u>6,128</u>	<u>5,867</u>
<b>Net position restricted for pensions</b>	<u>\$ 4,157,741</u>	<u>\$ 90,041,152</u>	<u>\$ 79,785,548</u>	<u>\$ 89,861,355</u>

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Volunteer Fire and Rescue Pension Fund</b>	<b>Sheriff Pension Fund</b>	<b>Employees Retirement Fund</b>	<b>OPEB</b>
<b>ADDITIONS</b>				
Contributions:				
Employer contributions	\$ 655,000	\$ 2,290,000	\$ 2,710,000	\$ 19,141,224
Member contributions	-	1,021,992	118,731	-
Prior service contributions	-	24,506	-	-
Total contributions	<u>655,000</u>	<u>3,336,498</u>	<u>2,828,731</u>	<u>19,141,224</u>
Investment income (loss):				
Interest and dividends	227,042	2,390,981	2,172,018	2,443,451
Appreciation/(depreciation) of investments	175,786	4,480,732	3,251,899	4,609,385
Capital gains/(loss)	54,803	3,200,423	3,703,183	649,700
Less investment expenses:				
Direct investment expense	<u>(67,861)</u>	<u>(521,957)</u>	<u>(460,408)</u>	<u>(235,308)</u>
Net investment income (loss)	<u>389,770</u>	<u>9,550,179</u>	<u>8,666,692</u>	<u>7,467,228</u>
Total additions	<u>1,044,770</u>	<u>12,886,677</u>	<u>11,495,423</u>	<u>26,608,452</u>
<b>DEDUCTIONS</b>				
Distributions to participants	<u>707,136</u>	<u>2,651,987</u>	<u>4,068,969</u>	<u>-</u>
Total deductions	<u>707,136</u>	<u>2,651,987</u>	<u>4,068,969</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	337,634	10,234,690	7,426,454	26,608,452
<b>NET POSITION</b>				
Net position - beginning	<u>3,820,107</u>	<u>79,806,462</u>	<u>72,359,094</u>	<u>63,252,903</u>
Net position - ending	<u>\$ 4,157,741</u>	<u>\$ 90,041,152</u>	<u>\$ 79,785,548</u>	<u>\$ 89,861,355</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, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate tax	\$ 107,890,000	\$ 107,890,000	\$ 107,935,323	\$ 45,323
Corporate and personal property tax	3,000,000	3,000,000	3,397,981	397,981
Payment in lieu of tax (PILOT)	19,646,574	19,646,574	19,646,574	-
Payment in lieu of tax Dominion	40,100,000	40,100,000	40,100,000	-
Public utilities tax	3,800,000	3,800,000	3,570,922	(229,078)
Additions and abatements	200,000	200,000	(121,616)	(321,616)
Penalties and interest	500,000	500,000	490,321	(9,679)
Tax credit	(889,471)	(889,471)	(655,658)	233,813
Land preservation credit	(220,000)	(220,000)	(267,845)	(47,845)
Total Real Estate and Personal Property Taxes	<u>174,027,103</u>	<u>174,027,103</u>	<u>174,096,002</u>	<u>68,899</u>
<u>Other Local Taxes</u>				
Income taxes	87,500,000	87,500,000	83,786,433	(3,713,567)
Franchise tax	1,250,000	1,250,000	1,237,894	(12,106)
Hotel tax	750,000	750,000	772,359	22,359
Admissions and amusement tax	30,000	30,000	24,035	(5,965)
Recordation taxes	6,800,000	6,845,210	8,469,655	1,624,445
Trailer parks	120,000	120,000	127,582	7,582
Total Other Local Taxes	<u>96,450,000</u>	<u>96,495,210</u>	<u>94,417,958</u>	<u>(2,077,252)</u>
<u>Shared State Taxes</u>				
Highway user revenue	881,701	881,701	887,127	5,426
Total State Shared Taxes	<u>881,701</u>	<u>881,701</u>	<u>887,127</u>	<u>5,426</u>
Total Taxes	<u>271,358,804</u>	<u>271,404,014</u>	<u>269,401,087</u>	<u>(2,002,927)</u>
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	25,000	25,000	40,866	15,866
Beer, wine, and liquor licenses	135,000	135,000	110,870	(24,130)
Traders	95,000	95,000	102,161	7,161
Hawkers and peddlers	2,000	2,000	2,755	755
Total Business Licenses and Permits	<u>257,000</u>	<u>257,000</u>	<u>256,652</u>	<u>(348)</u>
<u>Other Permits</u>				
Animal licenses	25,000	25,000	13,748	(11,252)
Code book sales	700	700	353	(347)
Marriage licenses	3,700	3,700	2,600	(1,100)
Gambling permits	13,000	13,000	13,110	110
Total Other Permits	<u>42,400</u>	<u>42,400</u>	<u>29,811</u>	<u>(12,589)</u>
Total Licenses and Permits	<u>299,400</u>	<u>299,400</u>	<u>286,463</u>	<u>(12,937)</u>
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	84,985	2,578
Build America Bond Subsidy	100,000	100,000	103,148	3,148
Federal detention per diem	-	-	21,655	21,655
Total Federal Grants	<u>182,407</u>	<u>182,407</u>	<u>209,788</u>	<u>27,381</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, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>State Grants</u>				
State police protection	\$ 790,877	\$ 790,877	\$ 712,042	\$ (78,835)
State library	449,770	449,770	449,770	-
State soil conservation	61,191	61,191	61,420	229
State prisoner housing	100,000	100,000	90,015	(9,985)
State jury reimbursement	30,000	30,000	10,065	(19,935)
State misc. reimbursement	9,576	-	-	-
Other state reimbursement	-	1,174	10,750	9,576
Grants from state government	-	20,000	-	(20,000)
State reim sex offender	-	9,576	-	(9,576)
Criminal Justice Academy Director Reimbursement	71,000	71,000	60,853	(10,147)
Total State Grants	<u>1,512,414</u>	<u>1,533,588</u>	<u>1,394,915</u>	<u>(138,673)</u>
<u>Other Intergovernmental</u>				
911 fees	590,000	590,000	623,205	33,205
Bus maintenance payroll reimbursement	85,363	-	-	-
Housing Authority payroll reimbursement	1,383,177	1,383,178	1,354,082	(29,096)
Shore Erosion	21,000	21,000	17,542	(3,458)
CMM payroll reimbursement - CMM Board of Governors	313,744	313,744	352,291	38,547
CMM payroll reimbursement - CMM Society	430,834	430,834	514,190	83,356
SDAT costs paid by the towns	15,833	15,833	15,833	-
Total Other Intergovernmental	<u>2,839,951</u>	<u>2,754,589</u>	<u>2,877,143</u>	<u>122,554</u>
Total Intergovernmental Revenues	<u>4,534,772</u>	<u>4,470,584</u>	<u>4,481,846</u>	<u>11,262</u>
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	75,000	75,000	54,848	(20,152)
Chesapeake Beach police reimbursement	976,439	976,439	976,439	-
North Beach police reimbursement	454,242	454,242	454,242	-
Dominion police reimbursement	1,490,000	1,490,000	1,597,221	107,221
Lab fees	15,000	15,000	13,840	(1,160)
Engineering inspections	100,000	100,000	67,250	(32,750)
DWI facility	7,345	7,345	2,451	(4,894)
Electronic monitor - detention center	16,000	16,000	17,765	1,765
Telephone commission - detention center	100,000	100,000	117,880	17,880
Live in/work out - detention center	95,000	95,000	43,680	(51,320)
False alarm fees	2,000	2,000	26,525	24,525
False alarm registration	3,800	3,800	4,325	525
Protective inspections	300,000	300,000	328,934	28,934
Safety for Students Speed Camera	202,783	240,569	125,125	(115,444)
Weekend Inmate fee	55,000	55,000	31,035	(23,965)
Tower revenue	70,000	70,000	114,491	44,491
Total Public Safety	<u>3,962,609</u>	<u>4,000,395</u>	<u>3,976,051</u>	<u>(24,344)</u>
<u>General Services</u>				
Waterman's Wharf slip fees	4,200	4,200	-	(4,200)
Tennison charters	50,000	30,000	26,858	(3,142)
Tennison special charters	-	20,000	11,959	(8,041)
Kings Landing camp fees	10,000	10,000	22,326	12,326
Flag Pond entrance fees	40,000	40,000	70,468	30,468
Cypress swamp fees	-	-	6,413	6,413
Tower revenue	9,600	9,600	10,238	638
Boat ramp fees	6,000	6,000	3,173	(2,827)
Total General Services	<u>119,800</u>	<u>119,800</u>	<u>151,435</u>	<u>31,635</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, 2018**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Public Works</u>				
Road tax districts	\$ 63,000	\$ 63,000	\$ 36,400	\$ (26,600)
Developer street signs	600	600	263	(337)
Utility permit fee	25,000	25,000	54,720	29,720
Erosion sed contr penalt	-	-	250	250
Waterway improvements	6,387	6,387	6,291	(96)
Total Public Works	94,987	94,987	97,924	2,937
<u>Community Resources</u>				
Library - copying and miscellaneous	41,500	28,000	34,603	6,603
Library - other sources	-	27,278	34,939	7,661
Library - e rate	4,000	4,000	-	(4,000)
Office on Aging - bus trip revenue	-	42,000	29,661	(12,339)
Office on Aging - program revenue	84,000	7,000	5,209	(1,791)
Office on Aging - senior class revenue	-	35,000	28,229	(6,771)
Total Community Resources	129,500	143,278	132,641	(10,637)
<u>Other Charges for Services</u>				
Rents and concessions	20,000	20,000	18,378	(1,622)
Land lease dominion	120,000	120,000	75,644	(44,356)
Rent health dept - genoa	7,200	7,200	8,339	1,139
Map sales	500	500	251	(249)
Total Other Charges for Services	147,700	147,700	102,612	(45,088)
Total Charges for Services	4,454,596	4,506,160	4,460,663	(45,497)
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	30,000	30,000	32,375	2,375
P&Z - administration planting bond	4,500	5,764	1,411	(4,353)
P&Z - replatting fees	4,000	4,000	4,080	80
Board of Appeals application fees	20,000	20,000	7,125	(12,875)
P&Z - tower consultant fees	500	500	4,050	3,550
Total General Government	59,000	60,264	49,041	(11,223)
<u>Public Safety</u>				
Domestic master fees	800	800	1,515	715
Community service programs	25,000	25,000	24,675	(325)
Criminal court fines	9,000	9,000	4,432	(4,568)
Home study fees	2,000	2,000	5,921	3,921
Animal citation fines	7,000	7,000	850	(6,150)
State's attorney fees	-	7,033	9,450	2,417
Forfeiture sheriff	-	60,361	60,361	-
Forfeiture State's attorney	-	1,782	1,782	-
Total public safety	43,800	112,976	108,986	(3,990)
<u>Other Fines, Fees, and Forfeitures</u>				
Grant Coordinator administration fee	160,000	160,000	263,533	103,533
Auto license fees	2,600	2,600	1,861	(739)
Library fines	42,000	42,000	42,179	179
Zoning fees	20,000	20,000	21,531	1,531
Small lot clearing fees	100	100	-	(100)
Election Office filing fees	150	150	(10)	(160)
Total Other Fines, Fees, and Forfeitures	224,850	224,850	329,094	104,244
Total Fines, Fees, and Forfeitures	327,650	398,090	487,121	89,031

**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, 2018**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>Other Revenue Sources</u>				
<u>Investment Revenue</u>				
Interest and dividends	\$ 245,000	\$ 276,123	\$ 834,606	\$ 558,483
Appreciation of investment	-	-	57,829	57,829
Total Investment Revenue	<u>245,000</u>	<u>276,123</u>	<u>892,435</u>	<u>616,312</u>
<u>Reimbursements</u>				
Salary reimbursement	35,000	51,532	34,541	(16,991)
Cap equip payroll reimb	-	85,363	80,487	(4,876)
Battle Creek salary reimbursement	7,800	7,800	3,222	(4,578)
Heath insurance reimbursement	-	-	172,717	172,717
Circuit Ct. Clerks office reimbursements	4,351	4,351	4,351	-
Total Reimbursements	<u>47,151</u>	<u>149,046</u>	<u>295,318</u>	<u>146,272</u>
<u>Other Revenue</u>				
Mosquito control	20,000	20,000	15,385	(4,615)
Advertising revenue	-	-	14,000	14,000
Private contributions	-	1,000	-	(1,000)
Merchandise sales	-	-	876	876
Use of pr yrs fund bal	-	6,050,977	-	(6,050,977)
Misc. income/transportation grant	250,000	237,886	129,876	(108,010)
Total Other Revenue	<u>270,000</u>	<u>6,309,863</u>	<u>160,137</u>	<u>(6,149,726)</u>
Total Other Revenue Sources	<u>562,151</u>	<u>6,735,032</u>	<u>1,347,890</u>	<u>(5,387,142)</u>
Total Revenue	<u>281,537,373</u>	<u>287,813,280</u>	<u>280,465,070</u>	<u>(7,348,210)</u>
<u>Other financing sources</u>				
Transfer from BOE - Resident Trooper/Sheriff	263,165	263,165	263,165	-
Transfer from BOE - Opeb	-	-	1,186,308	1,186,308
Transfer from Excise Tax Fund	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	<u>1,263,165</u>	<u>1,263,165</u>	<u>2,449,473</u>	<u>1,186,308</u>
Total Revenue and Other Financing Sources	<u>\$ 282,800,538</u>	<u>\$ 289,076,445</u>	<u>\$ 282,914,543</u>	<u>\$ (6,161,902)</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, 2018**

	Budgeted Amount		Actual	Variance (Over) Under
	Original	Final		
<b>General Government</b>				
<u>Board of County Commissioners</u>				
Salaries	\$ 261,640	\$ 261,640	\$ 261,742	\$ (102)
Operating expense	40,820	39,420	39,557	(137)
Contracted services	-	2,900	1,713	1,187
Capital outlay		13,678	13,677	1
Total Board of County Commissioners	<u>302,460</u>	<u>317,638</u>	<u>316,689</u>	<u>948</u>
<u>Contingency</u>	<u>600,000</u>	<u>177,382</u>	<u>-</u>	<u>177,382</u>
<u>Clerk to the Commissioners</u>				
Salaries	66,976	73,254	70,671	2,583
Operating expense	7,009	3,009	3,563	(554)
Total Clerk to the Commissioners	<u>73,985</u>	<u>76,263</u>	<u>74,234</u>	<u>2,029</u>
<u>County Administrator</u>				
Salaries	385,423	388,854	404,219	(15,365)
Operating expense	14,395	11,676	9,272	2,404
Capital outlay	-	719	718	1
Total County Administrator	<u>399,818</u>	<u>401,249</u>	<u>414,209</u>	<u>(12,960)</u>
<u>Communication &amp; Media Relations</u>				
Salaries	541,914	590,653	541,538	49,115
Operating expense	243,513	222,920	150,262	72,658
Contracted services	20,000	23,500	16,479	7,021
Capital outlay	14,241	63,751	57,716	6,035
Total Communications & Media	<u>819,668</u>	<u>900,824</u>	<u>765,995</u>	<u>134,829</u>
<u>Technology Services</u>				
Salaries	1,729,852	1,761,108	1,717,450	43,658
Operating expense	139,251	140,751	128,815	11,936
Contracted services	1,343,301	1,343,301	1,134,891	208,410
Capital outlay	504,386	500,976	451,998	48,978
Total Technology Services	<u>3,716,790</u>	<u>3,746,136</u>	<u>3,433,154</u>	<u>312,982</u>
<u>Circuit Court</u>				
Salaries	722,432	701,114	683,310	17,804
Operating expense	100,230	104,625	97,225	7,400
Contracted services	58,900	40,643	40,602	41
Capital outlay	-	13,020	13,020	-
Total Circuit Court	<u>881,562</u>	<u>859,402</u>	<u>834,157</u>	<u>25,245</u>
<u>Judge of Orphans' Court</u>				
Salaries	26,980	26,980	26,980	-
Operating expense	1,450	1,450	388	1,062
Total Judge of Orphans' Court	<u>28,430</u>	<u>28,430</u>	<u>27,368</u>	<u>1,062</u>
<u>State's Attorney</u>				
Salaries	1,884,918	1,901,827	1,922,285	(20,458)
Operating expense	123,832	126,234	99,296	26,938
Contracted services	20,242	20,242	19,523	719
Capital outlay	1,625	15,824	13,660	2,164
Total State's Attorney	<u>2,030,617</u>	<u>2,064,127</u>	<u>2,054,764</u>	<u>9,363</u>
<u>Grand Jury</u>				
Salary and operating expense	<u>5,000</u>	<u>5,000</u>	<u>5,220</u>	<u>(220)</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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Human Resources</u>				
Salaries	\$ 902,175	\$ 967,125	\$ 965,210	\$ 1,915
Operating expense	57,159	58,678	53,602	5,076
Tuition program	55,000	55,000	36,876	18,124
Contracted services	163,331	162,831	149,015	13,816
Capital outlay	29,113	36,009	35,828	181
Total Human Resources	<u>1,206,778</u>	<u>1,279,643</u>	<u>1,240,531</u>	<u>39,112</u>
<u>Finance and Budget</u>				
Salaries	1,478,771	1,476,950	1,430,062	46,888
Operating expense	114,400	149,047	119,056	29,991
Contracted services	162,000	160,604	174,778	(14,174)
Capital outlay	13,605	4,001	3,542	459
Total Finance and Budget	<u>1,768,776</u>	<u>1,790,602</u>	<u>1,727,438</u>	<u>63,164</u>
<u>County Treasurer</u>				
Salaries	341,032	341,032	296,188	44,844
Operating expense	24,910	24,910	(6,791)	31,701
Contracted services	12,000	12,000	(355)	12,355
Capital outlay	-	-	4,161	(4,161)
Total County Treasurer	<u>377,942</u>	<u>377,942</u>	<u>293,203</u>	<u>84,739</u>
<u>Auditing and Related Services</u>				
	<u>65,000</u>	<u>65,000</u>	<u>61,254</u>	<u>3,746</u>
<u>County Attorney</u>				
Salaries	445,596	464,292	469,371	(5,079)
Operating expense	28,015	28,015	19,005	9,010
Contracted services	165,500	165,500	92,349	73,151
Total County Attorney	<u>639,111</u>	<u>657,807</u>	<u>580,725</u>	<u>77,082</u>
<u>Community Planning and Building</u>				
Salaries	2,279,738	2,271,242	2,128,863	142,379
Operating expense	78,850	79,852	64,489	15,363
Contracted services	76,850	52,201	36,120	16,081
Capital outlay	24,415	38,361	38,648	(287)
Total Planning and Zoning	<u>2,459,853</u>	<u>2,441,656</u>	<u>2,268,120</u>	<u>173,536</u>
<u>Planning Commission</u>				
Operating expense	24,180	25,444	19,881	5,563
Honorarium	72,000	76,200	75,700	500
Capital outlay	1,200	1,200	(1,094)	2,294
Total Planning Commission	<u>97,380</u>	<u>102,844</u>	<u>94,487</u>	<u>8,357</u>
<u>Inspections and Permits</u>				
Salaries	948,882	948,882	887,053	61,829
Operating expense	57,800	54,450	45,015	9,435
Vehicle supplies and repair	-	7,000	6,071	929
Contracted services	1,000	1,000	900	100
Capital outlay	15,910	17,760	15,405	2,355
Total Inspections and Permits	<u>1,023,592</u>	<u>1,029,092</u>	<u>954,444</u>	<u>74,648</u>
<u>Pauper's Burial</u>				
	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<u>Board of Appeals</u>				
Operating expense	7,175	8,475	3,722	4,753
Contracted services	24,000	22,700	9,200	13,500
Honorarium	24,000	24,000	20,700	3,300
Total Board of Appeals	<u>55,175</u>	<u>55,175</u>	<u>33,622</u>	<u>21,553</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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Election Board</u>				
Salaries	\$ 340,963	\$ 340,963	\$ 347,027	\$ (6,064)
Operating expense	67,516	66,816	59,796	7,020
Contracted services	209,327	210,027	194,846	15,181
Election judges	63,550	63,550	57,300	6,250
Total Election Board	<u>681,356</u>	<u>681,356</u>	<u>658,969</u>	<u>22,387</u>
<u>Liquor Board</u>				
Salaries	25,206	26,720	23,440	3,280
Operating expense	700	800	2,191	(1,391)
Contracted services	25,000	24,900	5,811	19,089
Total Liquor Board	<u>50,906</u>	<u>52,420</u>	<u>31,442</u>	<u>20,978</u>
<u>University of Maryland Extension</u>				
Operating expense	13,447	13,447	11,342	2,105
County Contribution	129,675	129,675	132,778	(3,103)
Total University of Maryland Service	<u>143,122</u>	<u>143,122</u>	<u>144,120</u>	<u>(998)</u>
Commission for Women	3,895	3,895	3,818	77
Environmental Commission	4,113	5,613	4,771	842
Ethics Commission	8,000	8,000	1,483	6,517
MD State Dept. of Assessments	430,000	430,000	421,652	8,348
Non-county agencies	1,218,501	847,455	837,246	10,209
Total State/Other Agencies	<u>1,664,509</u>	<u>1,294,963</u>	<u>1,268,970</u>	<u>25,993</u>
<u>Maryland Association of Counties</u>	<u>17,000</u>	<u>17,000</u>	<u>16,987</u>	<u>13</u>
<b>Total General Government</b>	<b>19,109,830</b>	<b>18,566,073</b>	<b>17,300,102</b>	<b>1,265,970</b>
<b>Public Safety</b>				
<u>Director of Public Safety</u>				
Salaries	210,338	223,353	212,335	11,018
Operating expense	97,596	104,976	80,872	24,104
Contracted services	20,900	25,401	20,067	5,334
Capital outlay	31,855	29,974	29,012	962
Total Director of Public Safety	<u>360,689</u>	<u>383,704</u>	<u>342,286</u>	<u>41,418</u>
<u>Sheriff's Office</u>				
Salaries	12,404,185	12,444,821	12,836,623	(391,802)
Operating expense	1,303,844	1,410,638	1,428,020	(17,382)
Vehicle supplies and repairs	913,467	911,515	956,926	(45,411)
Contracted services	273,921	263,383	247,604	15,779
Capital outlay	1,028,995	1,051,092	1,160,400	(109,308)
Total Sheriff's Office	<u>15,924,412</u>	<u>16,081,449</u>	<u>16,629,573</u>	<u>(548,124)</u>
<u>Control Center</u>				
Salaries	2,179,690	2,179,690	2,004,593	175,097
Operating expense	172,480	172,480	177,914	(5,434)
Radio maintenance	501,285	502,375	502,374	1
Contracted services	65,856	64,242	54,323	9,919
Capital outlay	318,547	319,071	287,782	31,289
Total Control Center	<u>3,237,858</u>	<u>3,237,858</u>	<u>3,026,986</u>	<u>210,872</u>
<u>Volunteer Fire-Rescue-EMS Departments</u>				
Operating expense	2,718,045	2,718,045	2,666,800	51,245
Insurance	1,319,000	1,319,000	1,096,026	222,974
Capital outlay	710,000	710,000	692,727	17,273
Total Volunteer Fire-Rescue-EMS Departments	<u>4,747,045</u>	<u>4,747,045</u>	<u>4,455,553</u>	<u>291,492</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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<b><u>Detention Center</u></b>				
Salaries	\$ 5,920,911	\$ 5,920,911	\$ 5,566,063	\$ 354,848
Operating expense	256,113	256,113	230,411	25,702
Utilities	473,000	473,000	281,396	191,604
Inmate care	70,700	70,700	41,679	29,021
Food	360,000	360,000	361,476	(1,476)
Contracted services	805,000	805,000	791,781	13,219
Capital outlay	109,820	123,135	122,542	593
<b>Total Detention Center</b>	<b>7,995,544</b>	<b>8,008,859</b>	<b>7,395,348</b>	<b>613,511</b>
<b><u>Emergency Management</u></b>				
Salaries	169,315	169,315	171,815	(2,500)
Operating expense	45,400	45,400	19,573	25,827
Contracted services	57,000	57,000	54,485	2,515
Capital outlay	3,750	3,750	170	3,580
<b>Total Emergency Management</b>	<b>275,465</b>	<b>275,465</b>	<b>246,043</b>	<b>29,422</b>
<b><u>Fire-Rescue-EMS</u></b>				
Salaries	328,956	328,956	342,325	(13,369)
Operating expense	197,402	200,972	162,782	38,190
Contracted services	62,000	58,500	45,117	13,383
Capital outlay	-	930	926	4
<b>Total Fire-Rescue-EMS</b>	<b>588,358</b>	<b>589,358</b>	<b>551,150</b>	<b>38,208</b>
<b><u>Animal shelter</u></b>				
Salaries	127,033	127,033	72,377	54,656
Operating expense	174,550	60,655	14,521	46,134
Contracted services	12,500	12,500	12,002	498
Capital outlay	-	88,895	88,467	428
<b>Total Animal shelter</b>	<b>314,083</b>	<b>289,083</b>	<b>187,367</b>	<b>54,656</b>
<b><u>Animal Control</u></b>				
Salaries	382,145	382,145	365,759	16,386
Operating expense	39,225	72,142	60,086	12,056
Vehicle supplies and repairs	38,250	12,000	6,918	5,082
Contracted services	283,425	280,425	237,388	43,037
Capital outlay	33,000	29,333	29,302	31
<b>Total Animal Control</b>	<b>776,045</b>	<b>776,045</b>	<b>699,453</b>	<b>76,592</b>
<b>Total Public Safety</b>	<b>34,219,499</b>	<b>34,388,866</b>	<b>33,533,759</b>	<b>808,047</b>
<b><u>General Services</u></b>				
<b><u>Director of General Services</u></b>				
Salaries	348,166	344,787	360,352	(15,565)
Operating expense	15,899	22,067	19,117	2,950
Contracted services	48,522	47,354	43,457	3,897
Capital outlay	26,625	24,760	24,377	
<b>Total Director of General Services</b>	<b>439,212</b>	<b>438,968</b>	<b>447,303</b>	<b>(8,718)</b>
<b><u>Buildings and Grounds</u></b>				
Salaries	1,558,798	1,558,798	1,375,482	183,316
Operating expense	789,738	788,220	774,161	14,059
Utilities	1,282,594	1,282,594	1,010,638	271,956
Rent	564,201	564,201	530,367	33,834
Maintenance and repair projects	434,100	420,422	370,526	49,896
Contracted services	675,528	675,528	661,199	14,329
Capital outlay	135,830	135,830	99,950	35,880
<b>Total Buildings and Grounds</b>	<b>5,440,789</b>	<b>5,425,593</b>	<b>4,822,323</b>	<b>603,270</b>

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, 2018

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Mosquito Control</u>				
Salaries	\$ 183,735	\$ 183,735	\$ 144,018	\$ 39,717
Operating expense	24,296	24,646	17,630	7,016
Chemicals	24,156	23,806	23,649	157
Contracted services	4,160	4,160	4,023	137
Capital outlay	32,185	32,185	30,494	1,691
Total Mosquito Control	268,532	268,532	219,814	48,718
<u>Parks and Recreation</u>				
Salaries	3,261,351	3,236,051	2,977,663	258,388
Operating expense	461,637	447,567	421,323	26,244
Utilities	196,975	200,575	200,438	137
Maintenance and repair projects	85,000	101,600	101,233	367
Contracted services	70,678	69,148	62,092	7,056
Capital outlay	138,255	138,655	136,681	1,974
Total Parks and Recreation	4,213,896	4,193,596	3,899,430	294,166
<u>Railway Museum</u>				
Salaries	84,132	96,036	94,742	1,294
Operating expense	16,180	13,126	12,744	382
Utilities	7,000	6,299	5,124	1,175
Contracted services	30,000	19,946	19,934	12
Total Railway Museum	137,312	135,407	132,544	2,863
<u>Calvert Marine Museum</u>				
Salaries	2,325,204	2,317,510	2,344,725	(27,215)
Operating expense	208,760	221,498	194,338	27,160
Utilities	183,050	183,050	146,280	36,770
Maintenance and repair projects	14,000	15,616	12,948	2,668
Contracted services	52,218	51,272	50,120	1,152
Capital outlay	48,709	50,472	48,068	2,404
Total Calvert Marine Museum	2,831,941	2,839,418	2,796,479	42,939
<u>Natural Resources Division</u>				
Salaries	698,624	698,624	718,814	(20,190)
Operating expense	78,385	76,049	64,116	11,933
Utilities	45,700	36,700	34,197	2,503
Maintenance and repair projects	20,500	17,661	16,598	1,063
Contracted services	6,540	10,715	10,228	487
Capital outlay	21,000	51,000	50,910	90
Total Natural Resources Division	870,749	890,749	894,863	(4,114)
<u>Forestry Service</u>				
Operating expense	20,965	20,965	20,965	-
<u>Annmarie Garden</u>				
Utilities	-	43,400	36,635	6,765
Operating expense	-	13,400	6,599	6,801
Contracted services	-	11,400	5,428	5,972
County Contribution	-	289,750	289,750	-
Total Annmarie Garden	-	357,950	338,412	19,538
<u>Historical District Commission</u>				
Salaries	-	-	-	-
Operating expense	3,123	3,123	446	2,677
Contracted services	6,600	6,600	3,954	2,646
Total Historical District Commission	9,723	9,723	4,400	5,323
<b>Total General Services</b>	<b>14,233,119</b>	<b>14,580,901</b>	<b>13,576,533</b>	<b>984,447</b>

**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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<b>Public Works</b>				
<u>Director of Public Works/Engineering</u>				
Salaries	\$ 1,370,880	\$ 1,369,303	\$ 1,202,679	\$ 166,624
Operating expense	70,608	87,105	79,635	7,470
Contracted services	50,497	38,646	20,886	17,760
Capital outlay	3,605	18,959	18,110	849
Total Director of Public Works/Engineering	1,495,590	1,514,013	1,321,310	192,703
<u>Project Management and Inspections</u>				
Salaries	464,978	464,978	533,828	(68,850)
Operating expense	18,219	31,464	30,484	980
Vehicle supplies and repairs	20,120	6,875	7,887	(1,012)
Total Project Management and Inspections	503,317	503,317	572,199	(68,882)
<u>Highway Maintenance</u>				
Salaries	1,793,595	1,793,595	1,794,248	(653)
Operating expense	167,784	658,101	603,087	55,014
Vehicle supplies and repairs	244,154	344,154	254,111	90,043
Utilities	23,030	23,030	14,454	8,576
Road maintenance and repairs	478,717	607,450	476,220	131,230
Paving	4,000,000	4,000,000	3,889,705	110,295
Snow removal contractors	1,064,054	532,604	640,192	(107,588)
Rental Service Contract	180,000	-	-	-
Contracted services	201,400	201,400	140,579	60,821
Capital outlay	968,034	968,034	851,337	116,697
Total Highway Maintenance	9,120,768	9,128,368	8,663,933	464,435
<u>Highway Lighting</u>				
Operating expense	213,752	213,752	258,696	(44,944)
<u>Fleet Maintenance</u>				
Salaries	512,437	512,437	483,309	29,128
Operating expense	19,630	29,532	21,569	7,963
Vehicle supplies and repairs	33,171	22,769	(55,717)	78,486
Utilities	29,360	29,360	26,905	2,455
Contracted services	17,500	18,000	17,920	80
Capital outlay	40,000	40,000	39,792	208
Total Fleet Maintenance	652,098	652,098	533,778	118,320
<b>Total Public Works</b>	<b>11,985,525</b>	<b>12,011,548</b>	<b>11,349,916</b>	<b>661,632</b>
<b>Economic Development</b>				
<u>EDA/EDC/Tourism</u>				
Salaries	597,472	597,472	472,681	124,791
Operating expense	159,027	155,465	102,098	53,367
Advertising	-	-	57	(57)
Small Business Development Center	38,900	38,900	38,900	-
Contracted services	102,886	110,275	77,118	33,157
Capital outlay	-	7,285	7,284	1
Total Economic Development	898,285	909,397	698,138	211,259
<b>Community Resources</b>				
<u>Director of Community Resources</u>				
Salaries	324,221	300,221	311,442	(11,221)
Operating expense	31,680	34,382	32,519	1,863
Contracted services	1,766	866	-	866
Capital outlay	-	198	198	-
Total Director of Community Resources	357,667	335,667	344,159	(8,492)

**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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Affordable Housing</u>				
Operating expense	\$ -	\$ 25,000	\$ -	\$ 25,000
Total Affordable Housing	-	25,000	-	25,000
<u>Office on Aging</u>				
Salaries	1,238,400	1,239,066	1,187,965	51,101
Operating expense	108,216	107,316	81,756	25,560
Contracted services	74,300	107,300	96,966	10,334
Capital outlay	51,417	52,317	42,768	9,549
Total Office on Aging	1,472,333	1,505,999	1,409,455	96,544
<u>Transportation</u>				
Salaries	211,747	211,747	208,126	3,621
Operating expense	64,100	42,463	39,265	3,198
Transportation subsidy	50,000	50,000	46,162	3,838
Contracted services	34,624	56,261	56,227	34
Total Transportation	360,471	360,471	349,780	10,691
<b>Total Community Resources</b>	<b>2,190,471</b>	<b>2,227,137</b>	<b>2,103,394</b>	<b>123,743</b>
<b>Education</b>				
College of Southern Maryland	4,542,192	4,542,192	4,542,192	-
Board of Education	120,670,112	121,267,489	121,267,489	-
<u>Public Libraries</u>				
Salaries	2,825,136	2,825,136	2,770,154	54,982
Operating expense	1,422,609	1,428,887	1,397,968	30,919
Contracted services	108,878	92,961	86,874	6,087
Capital outlay	35,000	42,167	40,157	2,010
Total Public Libraries	4,391,623	4,389,151	4,295,153	93,998
<b>Total Education</b>	<b>129,603,927</b>	<b>130,198,832</b>	<b>130,104,834</b>	<b>93,998</b>
<b>Social Services &amp; Health</b>				
<u>Health Department</u>				
Salaries	15,000	15,000	15,000	-
Operating expense	2,201,360	2,201,360	2,201,495	(135)
Womens shelter subsidy	277,898	277,898	272,880	5,018
Total Health Department	2,494,258	2,494,258	2,489,375	4,883
<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	76,385	7
<u>Soil Conservation District</u>				
Salaries	297,097	297,097	297,531	(434)
Operating expense	40,940	40,940	53,892	(12,952)
Total Soil Conservation District	338,037	338,037	351,423	(13,386)
<u>Housing Authority</u>				
Salaries	929,327	929,327	918,058	11,269
Benefits	557,596	557,596	541,288	16,308
Total Housing Authority	1,486,923	1,486,923	1,459,346	27,577
<b>Total Social Services &amp; Health</b>	<b>4,554,810</b>	<b>4,554,810</b>	<b>4,535,729</b>	<b>19,081</b>

**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, 2018**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<b>Pension and Insurance</b>				
Pension contribution	\$ 9,467,177	\$ 9,497,662	\$ 9,129,993	\$ 367,669
Worker's compensation	1,662,090	1,667,140	1,658,137	9,003
General insurance	935,116	813,000	783,059	29,941
OPEB	17,954,916	17,954,916	19,141,224	(1,186,308)
Health insurance	11,462,987	11,603,875	9,442,034	2,161,841
Total Pension and Insurance	<u>41,482,286</u>	<u>41,536,593</u>	<u>40,154,447</u>	<u>1,382,146</u>
<b>Debt service</b>				
<u>Bond principal</u>				
General obligations	<u>13,283,027</u>	<u>13,283,027</u>	<u>13,282,117</u>	<u>910</u>
<u>Bond interest</u>				
General obligations	<u>4,538,785</u>	<u>4,538,785</u>	<u>4,459,843</u>	<u>78,942</u>
Total Debt Service	<u>17,821,812</u>	<u>17,821,812</u>	<u>17,741,960</u>	<u>79,852</u>
<b>Total expenditures</b>	<u>276,099,564</u>	<u>276,795,969</u>	<u>271,098,812</u>	<u>5,630,175</u>
<b>Other financing uses</b>				
Transfer to Capital Projects Fund	3,041,300	8,549,134	8,549,134	-
Transfer to Grants Fund	1,971,818	2,030,329	1,828,752	201,577
Transfer to P&R Self-Sustaining Fund	445,681	453,234	453,234	-
Transfer to Revolving Loan fund	-	5,000	-	5,000
Transfer to Bar Library	-	604	-	604
Transfer to Chesapeake Hills Golf Course Fund	174,148	174,148	174,148	-
Transfer to Solid Waste Fund	30,300	30,300	31,652	(1,352)
Transfer to Land Preservation Fund	1,025,000	1,025,000	1,025,000	-
Transfer to Family Network Fund	12,727	12,727	12,013	714
Total other financing uses	<u>6,700,974</u>	<u>12,280,476</u>	<u>12,073,933</u>	<u>206,543</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 282,800,538</u>	<u>\$ 289,076,445</u>	<u>\$ 283,172,745</u>	<u>\$ 5,903,700</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF NET POSITION

JUNE 30, 2018

	<u>Operating Fund</u>
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 1,800,542
Notes receivable	-
Accrued interest receivable	2,686
Due from primary government	450,988
Capital assets (not being depreciated)	22,191
Total assets	<u>\$ 2,276,407</u>
<b>LIABILITIES</b>	
Account payable	\$ 30
Deferred revenue	-
Total liabilities	<u>30</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	22,191
Unrestricted	2,254,186
Total net position	<u>\$ 2,276,377</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, 2018**

	<b>Operating Fund</b>
Operating revenues:	
Charges for services	\$ -
Miscellaneous income	-
Total operating revenues	<u>-</u>
Operating expenses:	
Contracted services	-
Miscellaneous	251
Total operating expenses	<u>251</u>
Operating income (loss)	<u>(251)</u>
Non-operating revenues (expenses):	
Investment income	20,455
Investment expense	(507)
Total non-operating revenues (expenses)	<u>19,948</u>
Change in net position	19,697
Total net position - beginning	<u>2,256,680</u>
Total net position - ending	<u>\$ 2,276,377</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, 2018**

	<b>Budget Original</b>	<b>Budget Final</b>	<b>Actual</b>	<b>Variance (Over) Under</b>
<b>REVENUES</b>				
Intergovernmental	\$ 21,669,700	\$ 8,855,700	\$ 1,207,621	\$ (7,648,079)
Miscellaneous	-	30,484,585	89,425	(30,395,160)
Total revenues	21,669,700	39,340,285	1,297,046	(38,043,239)
<b>EXPENDITURES</b>				
General government	1,920,600	1,151,531	756,259	395,272
Public safety	8,592,000	31,816,958	13,613,743	18,203,215
General services	9,125,800	11,872,092	4,805,761	7,066,331
Public works	1,530,000	8,969,375	6,496,279	2,473,096
Economic development	-	-	-	-
Community resources	16,000	1,950,000	13,000	1,937,000
Education	29,338,600	16,771,463	15,037,975	1,733,488
Social services and health	-	-	-	-
Total expenditures	50,523,000	72,531,419	40,723,017	31,808,402
Excess (deficiency) of revenues over expenditures	(28,853,300)	(33,191,134)	(39,425,971)	(6,234,837)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	25,812,000	22,306,294	21,770,000	(536,294)
Bond premium	-	2,335,706	2,335,706	-
Developer contribution	-	-	53,200	53,200
Transfers in	3,041,300	8,549,134	11,437,334	2,888,200
Total other financing sources (uses)	28,853,300	33,191,134	35,596,240	2,405,106
Net change in fund balance	-	-	(3,829,731)	(3,829,731)
Fund balance - beginning	21,848,694	21,848,694	21,848,694	-
Fund balance - ending	\$ 21,848,694	\$ 21,848,694	\$ 18,018,963	\$ (3,829,731)

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

# Statistical Section



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*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND*

*FINANCIAL TREND DATA  
JUNE 30, 2018*

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	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 100,994,016	\$ 109,942,360	\$ 110,447,873	\$ 109,943,246	\$ 123,176,653	\$ 126,029,053	\$ 125,502,206	\$ 137,904,262	\$ 136,372,796	\$ 132,772,750
Restricted	7,763,481	11,968,498	13,275,882	17,137,497	15,851,897	17,696,426	16,490,109	15,818,117	16,600,615	15,331,779
Unrestricted	78,491,069	49,470,223	33,885,557	43,142,024	19,741,178	9,297,242	(24,745,446)	(29,839,359)	(22,821,045)	(39,168,344)
Total governmental activities net position	\$ 187,248,566	\$ 171,381,081	\$ 157,609,312	\$ 170,222,767	\$ 158,769,728	\$ 153,022,721	\$ 117,246,869	\$ 123,883,020	\$ 130,152,366	\$ 108,936,185
<b>Business-type activities</b>										
Net investment in capital assets	\$ 34,722,581	\$ 38,558,942	\$ 34,365,814	\$ 34,549,717	\$ 28,900,840	\$ 15,498,941	\$ 27,576,501	\$ 26,802,823	\$ 28,076,563	\$ 31,650,038
Restricted	5,674,336	2,704,915	2,359,895	2,336,457	2,187,836	1,979,832	2,729,885	2,837,651	3,502,392	3,865,757
Unrestricted	(5,965,771)	(2,823,574)	1,539,588	897,574	3,785,496	14,349,672	6,324,182	7,377,772	5,795,158	2,744,132
Total business-type activities net position	\$ 34,431,146	\$ 38,440,283	\$ 38,265,297	\$ 37,783,748	\$ 34,874,172	\$ 31,828,445	\$ 36,630,568	\$ 37,018,246	\$ 37,374,113	\$ 38,259,927
<b>Primary government</b>										
Net investment in capital assets	\$ 135,716,597	\$ 148,501,302	\$ 144,813,687	\$ 144,492,963	\$ 152,077,493	\$ 141,527,994	\$ 153,078,707	\$ 164,707,085	\$ 164,449,359	\$ 164,422,788
Restricted	13,437,817	14,673,413	15,635,777	19,473,954	18,039,733	19,676,258	19,219,994	18,655,768	20,103,007	19,197,536
Unrestricted	72,525,298	46,646,649	35,425,145	44,039,598	23,526,674	23,646,914	(18,421,264)	(22,461,587)	(17,025,887)	(36,424,212)
Total primary government net position	\$ 221,679,712	\$ 209,821,364	\$ 195,874,609	\$ 208,006,515	\$ 193,643,900	\$ 184,851,166	\$ 153,877,437	\$ 160,901,266	\$ 167,526,479	\$ 147,196,112

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

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 30,739,945
Public safety	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	29,456,415
Public works	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	12,214,001
General services	(3)	-	-	-	-	15,124,898	24,336,696	21,973,307	21,950,660	27,857,214
Health and hospitals	3,451,586	2,128,412	3,407,428	3,408,940	3,670,682	-	-	-	-	-
Social services and health	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	5,889,072
Education	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	169,143,977
Board of Education	122,637,685	133,561,524	128,257,599	129,427,059	141,921,641	-	-	-	-	-
Recreation and culture	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	11,911,327
Conservation of natural resources	1,601,851	1,573,710	3,393,562	4,543,744	2,934,998	-	-	-	-	-
Urban development and housing	2,603,275	2,643,490	2,521,746	2,170,117	2,050,230	-	-	-	-	-
Economic development	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	889,360
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(3)	-	-	-	-	4,459,599	4,253,148	3,653,348	4,318,688	4,658,794
Debt service	4,822,828	4,726,867	4,859,414	4,980,102	4,784,558	-	-	-	-	-
Subtotal governmental activities expenses	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	292,760,105
<b>Business-type activities:</b>										
Water and sewer	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	9,077,073
Solid waste	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	12,111,485
Culture	4,012,686	4,350,817	4,539,550	3,583,944	3,547,014	-	-	-	-	-
Subtotal business-type activities expenses	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	21,188,558
Total primary government expenses	\$ 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	\$ 313,948,663
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 5,106,922
Public safety	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	7,122,969
Public works	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	1,558,096
General services	(3)	-	-	-	-	-	9,252,611	6,112,661	5,587,328	5,600,119
Health and hospitals	58,399	38,737	47,213	52,958	288,278	155,481	-	-	-	-
Social services and health	797,476	1,049,527	698,277	1,239,016	1,761,833	1,819,987	-	-	-	-
Education	4,000	-	107,940	-	155,680	-	927,936	975,595	967,724	2,137,999
Board of Education	-	-	965,787	140,203	4,573,994	-	-	-	-	-
Recreation and culture	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	3,541,351
Conservation of natural resources	336,473	1,330,446	184,610	248,853	368,640	1,623,509	-	-	-	-
Urban development and housing	961,195	1,022,376	1,071,636	1,109,510	1,223,258	1,133,168	-	-	-	-
Economic development	929,119	838,483	698,198	591,273	615,199	508,714	519,213	509,332	503,014	597,766
Miscellaneous	-	-	-	-	-	1,059,594	-	-	-	-
Capital projects	1,356,301	2,334,409	-	-	2,009,948	-	-	-	-	-
Interest on long-term debt	(3)	-	-	-	-	6,300	6,300	6,299	6,299	6,291
Debt service	639,458	636,352	636,802	7,441	7,441	6,299	-	-	-	-
Subtotal governmental activities revenues	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	25,671,513
<b>Business-type activities:</b>										
Water and sewer	5,529,760	6,197,143	6,051,786	6,132,568	6,777,888	7,569,754	8,055,087	11,981,872	8,306,675	9,103,153
Solid waste	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	12,623,644
Culture	837,528	1,201,750	1,750,751	1,488,473	1,300,918	1,358,582	-	-	-	-
Subtotal business-type activities revenues	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	21,726,797
Total primary government revenues	\$ 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	\$ 47,398,310

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

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Net (Expense)/Revenue</b>										
Governmental activities:										
General government	\$ (4,834,036)	\$ (6,134,048)	\$ (15,468,682)	\$ (15,629,426)	\$ (6,603,724)	\$ (15,138,852)	\$ (11,072,399)	\$ (13,326,162)	\$ (11,471,913)	\$ (25,633,023)
Public safety	(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)	(22,333,446)
Public works	(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)	(10,655,905)
General Services	-	-	-	-	-	-	(15,084,085)	(15,860,646)	(16,363,332)	(22,257,095)
Health and hospitals	(3,393,187)	(2,089,675)	(3,360,215)	(3,355,982)	(3,382,404)	155,481	-	-	-	-
Social services and health	(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)	(5,889,072)
Education	(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)	(167,005,978)
Board of Education	(122,637,685)	(133,561,524)	(127,291,812)	(129,286,836)	(137,347,647)	-	-	-	-	-
Recreation and culture	(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)	(8,369,976)
Conservation of natural resources	(1,265,378)	(243,264)	(3,208,952)	(4,294,891)	(2,566,358)	1,623,509	-	-	-	-
Urban development and housing	(1,642,080)	(1,621,114)	(1,450,110)	(1,060,607)	(826,972)	1,133,168	-	-	-	-
Economic development	(536,532)	(1,014,227)	(882,062)	(1,001,614)	(850,544)	(931,603)	(957,248)	(849,148)	(912,606)	(291,594)
Miscellaneous	-	-	-	-	-	1,059,594	-	-	-	-
Capital projects	1,356,301	2,334,409	-	-	-	2,009,948	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	(4,246,848)	(3,647,049)	(4,312,389)	(4,652,503)
Debt service	(4,183,370)	(4,090,515)	(4,222,612)	(4,972,661)	(4,777,117)	6,299	-	-	-	-
Subtotal governmental activities expenses	(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)	(267,088,592)
Business-type activities:										
Water and sewer	(853,489)	(758,771)	(543,466)	(574,764)	(323,200)	57,593	514,492	4,142,625	(379,051)	26,080
Solid waste	777,942	1,136,958	357,810	(617,844)	1,381,310	213,838	(575,355)	(872,774)	604,507	512,159
Culture	(3,175,158)	(3,149,067)	(2,788,799)	(2,095,471)	(2,246,096)	1,358,582	-	-	-	-
Subtotal business-type activities expenses	(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	538,239
Total primary government expenses	\$ (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)	\$ (266,550,353)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 109,907,718	\$ 126,502,446	\$ 137,559,596	\$ 150,043,755	\$ 150,000,842	\$ 145,034,029	\$ 141,760,716	\$ 141,789,058	\$ 151,766,977	\$ 176,676,295
Income taxes	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	90,308,039
Recordation taxes	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	8,469,655
Admission and amusement taxes	23,377	30,212	25,009	25,803	30,938	29,720	14,776	17,456	26,181	24,035
Franchise taxes	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	1,237,894
Other miscellaneous taxes	148,115	119,546	114,013	113,753	127,458	237,928	687,334	834,149	920,068	899,940
State reimbursement of electricity deregulation	5,897,437	-	-	-	-	-	-	-	-	-
Interest and dividends	5,871,258	3,362,353	933,632	442,937	1,132,781	367,372	493,295	374,256	4,136,322	3,294,570
Miscellaneous	(2,832,139)	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)	(65,000)	(51,960)	(19,630)	(31,652)
Subtotal governmental activities revenues	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	280,878,776
Business-type activities:										
Interest and dividends	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	70,984	110,781	315,923
Subtotal business-type activities revenues	3,175,388	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	70,984	110,781	315,923
Total primary government revenues	\$ 195,767,872	\$ 191,300,918	\$ 200,999,462	\$ 226,971,758	\$ 221,496,247	\$ 214,245,199	\$ 212,690,267	\$ 229,133,308	\$ 236,711,195	\$ 281,226,351
<b>Change in net position</b>										
Governmental activities	\$ (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	\$ 13,790,184
Business-type activities	(75,317)	3,845,590	220,584	(478,348)	1,834,111	4,237,732	59,338	3,392,795	355,867	885,814
Total primary government	\$ (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	\$ 14,675,998

NOTES:

- (1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and greater than program revenues and therefore general revenues other general revenues. Numbers in parentheses indicate that expenses were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- (2) Government-wide net asset information is reported on the accrual basis of accounting.
- (3) Beginning in FY14, the financial statements have been re-classified by category to match the budgetary document.

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

	FY2008	FY2009	FY2010	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Real and personal property taxes	\$ 106,121,819	\$ 122,918,020	\$ 133,981,114	\$ 146,449,619	\$ 141,281,902	\$ 138,767,620	\$ 138,193,758	\$ 139,219,905	\$ 148,639,839	\$ 174,096,002
Income taxes	62,153,000	58,370,205	56,136,128	64,199,044	64,127,088	66,768,748	71,289,228	74,566,392	77,251,931	83,786,433
Admission and amusements	23,377	30,212	25,009	30,938	29,720	14,776	17,598	17,456	26,181	24,035
Recordation	9,114,661	5,799,985	5,690,348	5,180,576	5,909,376	6,170,922	6,308,065	7,551,986	9,112,106	8,469,655
Trailer parks	148,115	119,546	114,013	127,458	237,928	127,186	142,449	114,682	116,740	127,582
Hotel (2)	785,519	763,877	693,265	753,981	634,973	560,148	718,807	719,467	803,327	772,359
Highway user revenue (3)	5,701,044	5,077,195	256,759	281,653	513,103	541,727	570,547	587,376	583,043	887,127
Franchise	984,342	1,078,080	1,110,311	1,192,010	1,274,815	1,366,119	1,404,676	1,485,691	1,654,348	1,237,894
Total Taxes	\$ 185,031,877	\$ 194,157,120	\$ 198,006,947	\$ 218,215,279	\$ 214,008,905	\$ 214,317,246	\$ 218,645,128	\$ 224,262,955	\$ 238,187,515	\$ 269,401,087

NOTES:

- (1) Government-wide general tax revenue information is reported on the accrual basis of accounting.
- (2) Calvert County began collecting hotel tax in FY2004.
- (3) Significant Highway User revenue decreases by the state starting in FY2010.

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

General Fund	FY2008	FY2009	FY2010	FY2012(2)	FY2013(2)	FY2014(2)	FY2015(2)	FY2016(2)	FY2017(2)	FY2018(2)
<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	-	-	-	9,545,194	8,098,274	8,317,376	7,288,398	8,181,368	6,778,094	9,567,714
Restricted	-	-	-	-	-	-	-	54,030	54,030	-
Committed	-	-	-	21,430,248	21,983,132	21,943,607	22,100,797	22,838,421	25,047,021	28,647,798
Assigned	-	-	-	8,218,619	9,718,619	9,718,619	6,218,619	6,218,619	5,000,000	5,000,000
Unassigned	-	-	-	27,321,625	27,228,179	20,212,026	16,622,116	14,200,844	24,060,353	18,787,277
Total General Fund	\$ 68,241,924	\$ 59,775,985	\$ 57,249,554	\$ 66,515,686	\$ 67,028,204	\$ 60,191,628	\$ 52,229,930	\$ 51,493,282	\$ 60,939,498	\$ 62,002,789
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	-	-	-	7,170,057	9,264,806	7,192,814	36,639	79,653	67,309	68,729
Restricted	-	-	-	2,114,579	586,267	847,698	11,346,283	11,916,681	11,557,121	10,326,852
Committed	-	-	-	9,605,033	6,199,410	8,838,839	5,114,088	3,864,003	2,988,781	3,211,015
Assigned	-	-	-	34,586,829	30,329,564	27,941,051	17,532,230	6,366,498	23,886,488	19,744,146
Unassigned	-	-	-	-	(60,100)	(75,287)	(137,623)	-	(50,389)	-
Total all other governmental funds	\$ 71,929,632	\$ 62,776,080	\$ 53,778,639	\$ 53,476,498	\$ 46,319,947	\$ 44,745,115	\$ 33,891,617	\$ 22,226,835	\$ 38,449,310	\$ 33,350,742

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	FY2014	FY2015	FY2016	FY2017	FY2018
<b>REVENUES</b>										
Taxes	\$ 188,241,056	\$ 196,977,670	\$ 200,892,163	\$ 219,762,773	\$ 220,823,988	\$ 217,073,039	\$ 221,813,316	\$ 226,781,277	\$ 241,314,657	\$ 271,981,379
Licenses and permits	281,266	238,143	328,671	292,301	304,571	336,520	288,914	325,668	340,437	286,463
Intergovernmental	15,069,474	12,250,124	10,635,443	10,939,016	10,137,812	15,528,056	11,700,996	11,644,413	10,815,637	13,133,597
Charges for services	3,670,167	3,768,064	3,585,775	3,337,111	3,303,365	5,474,201	5,886,992	5,879,714	5,853,515	6,306,291
Fines and forfeitures	356,049	319,280	340,061	598,175	477,806	654,560	657,909	536,954	826,327	604,463
Miscellaneous	12,625,951	10,739,918	8,123,831	7,147,229	15,496,237	5,095,650	4,283,005	5,096,726	5,782,512	5,399,617
Total revenues	220,243,963	224,293,199	223,905,944	242,076,605	250,543,779	244,162,026	244,631,132	250,264,752	264,933,085	297,711,810
<b>EXPENDITURES</b>										
General Government	16,736,565	16,078,913	15,189,984	15,511,172	16,164,778	12,050,068	13,664,930	18,293,486	17,585,335	21,208,516
Public safety	24,008,176	26,237,282	25,987,152	26,616,262	27,372,685	27,740,436	28,642,775	28,865,454	31,568,314	33,086,614
General services	-	-	-	-	-	16,357,060 <sup>(a)</sup>	16,101,033	16,099,868	16,555,689	17,722,303
Public works	7,656,572	11,224,901	10,984,725	9,103,252	9,758,758	9,510,233	8,163,402	6,073,958	6,510,467	11,305,572
Health and hospitals	2,667,985	2,819,937	2,774,768	2,627,530	2,767,520	-	-	-	-	-
Social services and health	8,347,844	8,765,417	8,957,279	8,314,076	8,351,728	6,468,234	6,589,566	4,162,989	4,121,080	4,184,306
Education - other	2,660,762	2,856,298	3,031,586	3,268,987	3,490,522	7,929,833	8,071,526	8,547,060	8,668,124	8,837,345
Board of Education	97,782,359	110,611,519	114,137,687	105,010,110	109,059,947	113,844,157	116,258,108	115,334,741	115,218,291	121,654,541
Recreation and culture	8,900,443	9,783,163	9,916,945	10,987,198	11,202,674	-	-	-	-	-
Conservation of natural resources	1,681,507	1,308,871	1,034,321	2,610,094	3,597,704	-	-	-	-	-
Urban development and housing	1,239,214	1,978,608	1,982,486	1,914,857	2,003,182	-	-	-	-	-
Economic development	1,062,995	1,205,616	1,209,744	1,234,891	1,273,769	1,130,190	1,167,949	1,066,088	1,113,222	689,604
Community resources	-	-	-	-	-	8,952,113 <sup>(a)</sup>	8,254,333	8,494,081	9,012,567	8,512,915
Miscellaneous	18,279,910	19,880,661	18,890,672	23,205,341	29,522,254	19,231,184 <sup>(a)</sup>	23,367,037	22,072,681	21,981,083	40,154,447
Pension and insurance	20,687,852	24,807,060	21,249,637	16,350,785	21,690,541	19,443,595	15,816,466	16,524,137	21,812,065	40,723,017
Capital projects	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	9,967,111	11,513,920	12,024,609	11,233,501	10,971,796	12,113,675	12,910,722	13,127,382	13,561,110	13,282,117
Interest	4,326,306	4,807,328	4,851,414	4,631,143	5,108,954	4,590,901	4,384,851	3,952,297	3,548,591	4,459,843
Refunding expense	-	-	-	-	-	9,367	-	-	-	-
Total expenditures	226,005,601	253,879,494	252,223,009	242,619,199	262,336,752	259,311,046	263,392,698	262,614,222	271,255,938	325,821,140
Excess (deficiency) of revenues over expenditures	(5,761,638)	(29,586,295)	(28,317,065)	(542,594)	(11,792,973)	(15,149,020)	(18,761,566)	(12,349,470)	(6,322,853)	(28,109,330)
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from bond issuance	22,250,000	18,485,000	24,344,988	19,256,000	5,773,720	5,760,000	-	-	28,030,000	21,770,000
Amount deposited in refunding escrow	-	-	(5,191,344)	-	-	-	-	-	-	-
Premium of issuance of debt	290,047	50,806	743,436	1,326,199	568,872	281,302	-	-	3,980,709	2,335,706
Refunding bonds issued	-	-	-	-	21,785,000	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	2,422,139	-	-	-	-	-
Amount deposited in refunding escrow	-	-	-	-	(24,207,139)	-	-	-	-	-
Transfers in - other	10,180,740	14,092,643	10,296,056	11,355,542	11,966,387	12,975,736	14,872,453	13,017,754	12,695,788	22,402,181
Transfers out - other	(13,012,879)	(20,631,644)	(13,399,945)	(14,031,522)	(14,915,640)	(13,040,736)	(14,926,083)	(13,069,714)	(12,715,418)	(22,433,833)
Total other financing sources (uses)	19,707,908	11,996,805	16,793,191	17,906,219	3,393,339	5,976,302	(53,630)	(51,960)	31,991,079	24,074,054
Net change in fund balances	\$ 13,946,270	\$ (17,589,490)	\$ (11,523,872)	\$ 17,363,625	\$ (8,399,634)	\$ (9,172,718)	\$ (18,815,196)	\$ (12,401,430)	\$ 25,668,226	\$ (4,035,276)
Debt service as a percentage of noncapital expenditures	(3)	7.64%	(3)	8.80%	(3)	8.76%	(3)	8.76%	(3)	6.76%
				(3)	7.50%	(3)	7.50%	(3)	6.74%	(3)
				(3)	7.34%	(3)	7.34%	(3)	6.76%	(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, 2018*

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	Direct Rate	Assessed Value	Assessed Value	Direct Rate	Assessed Value	Taxable Assessed Value	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value	% Taxable Assessed to total	
														Estimated Actual Value	Estimated Actual Value
2009 <sup>(1)</sup>	14,223,348,981	888,112,994	13,335,235,987	0.892	0.892 <sup>(1)</sup>	470,449,610	14,693,798,591	2.23	13,805,685,597	13,805,685,597	14,693,798,591	14,693,798,591	93.96%		
2010	15,571,990,076	987,183,072	14,584,807,004	0.892	0.892	504,475,135	16,076,465,211	2.23	15,089,282,139	15,089,282,139	16,076,465,211	16,076,465,211	93.86%		
2011	14,334,949,486	1,022,420,831	13,312,528,655	0.892	0.892	874,351,230	15,209,300,716	2.23	14,186,879,885	14,186,879,885	15,209,300,716	15,209,300,716	93.28%		
2012	13,473,142,494	1,030,936,269	12,442,206,225	0.892	0.892	921,126,040	14,394,268,534	2.23	13,363,332,265	13,363,332,265	14,394,268,534	14,394,268,534	92.84%		
2013	12,717,190,774	992,111,598	11,725,079,176	0.892	0.892	950,398,120	13,667,588,894	2.23	12,675,477,296	12,675,477,296	13,667,588,894	13,667,588,894	92.74%		
2014	12,353,843,462	993,239,398	11,360,604,064	0.892	0.892	956,990,624	13,310,834,086	2.23	12,317,594,688	12,317,594,688	13,310,834,086	13,310,834,086	92.54%		
2015	12,379,649,469	984,185,935	11,395,463,534	0.892	0.892	994,496,590	13,374,146,059	2.23	12,389,960,124	12,389,960,124	13,374,146,059	13,374,146,059	92.64%		
2016	12,430,209,777	1,025,082,884	11,405,126,893	0.892	0.892	1,006,057,047	13,436,266,824	2.23	12,411,183,940	12,411,183,940	13,436,266,824	13,436,266,824	92.37%		
2017	12,692,489,553	1,066,023,322	11,626,466,231	0.952	0.952	1,054,509,666	13,746,999,219	2.23	12,680,975,897	12,680,975,897	13,746,999,219	13,746,999,219	92.25%		
2018	13,190,514,968	1,089,171,106	12,101,343,862	0.952	0.952	321,317,861	13,511,832,829	2.23	12,422,661,723	12,422,661,723	13,511,832,829	13,511,832,829	91.94%		

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
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
2018	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
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
2018	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 2018			Fiscal Year 2009		
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total Taxable Assessed Value
Dominion (1)	\$ 4,000,000,000	1	23.27%	\$ 219,747,410	2	2.11%
Exelon (2)	1,200,000,000	2	6.98%	1,142,159,760	1	10.97%
Southern Maryland Electric Co.	79,714,790	3	0.46%	40,096,280	3	0.39%
Asbury-Solomons	35,409,469	4	0.21%	26,236,200	6	0.25%
Fox Run Ltd. Partnership	26,992,433	5	0.16%	29,347,732	5	0.28%
Dunkirk Gateway	26,061,533	6	0.15%	16,795,833	8	0.16%
Market Square Shopping Center	21,110,300	7	0.12%	13,694,366	9	0.13%
Verizon	15,395,590	8	0.09%	31,407,290	4	0.30%
Pepco	11,159,390	9	0.06%	-		
Calvert Memorial Hospital	10,881,533	10	0.06%	7,091,885	7	0.07%
Holiday Inn - Solomons				12,102,066	10	0.12%
Dunkirk Market Place				\$ 1,538,678,822		14.78%
	\$ 5,426,725,038		31.57%			

**NOTES:**

Source: Maryland State Department of Assessments and Taxation.

(1) Dominion is currently under construction and due to a pilot agreement we do not receive an assessment and this is an estimate.

(2) Due to the change in Maryland property tax law in FY08 a PILOT (payment in lieu of taxes) agreement was entered into with Constellation which changed the taxable assessment. Amount reported here is estimated.

**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
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%
2018	118,613,338	116,144,154	97.92%	2,469,184	118,613,338	100.00%

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*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND*

*DEBT CAPACITY  
JUNE 30, 2018*

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			
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	1,851			
2018	123,086	-	4,450	52	12,732	16,316	156,636	2,155			

**NOTES:**

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

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

Fiscal Year	Population	Taxable Assessed Value Real Property	Gross Bonded Debt	Self Supporting Debt (1)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Taxable Assessed Value Real & Personal Property Per Capita
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
2018	91,940	12,101,343,862	139,402,616	52,368	139,350,248	1.15%	1,516	131,622

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
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
2018	-	-	-	-	17,542	17,738	-	0.99

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

*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND*

*DEMOGRAPHIC AND ECONOMIC INFORMATION  
JUNE 30, 2018*

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>
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	53,142	47,997	6.30%	16,136
2013	90,458	4,703,325	52,594	48,163	6.00%	15,818
2014	90,562	4,853,808	53,995	47,889	5.30%	15,642
2015	90,595	5,074,942	56,232	48,509	4.60%	15,594
2016	91,251	N/A	57,688	48,171	3.80%	15,611
2017	91,620	N/A	N/A	49,327	3.90%	15,510
2018	91,940	N/A	N/A	48,012	3.60%	15,936

**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 2018			Fiscal Year 2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,147	1	4.35%	2,264	1	4.78%
Calvert County Government	1,269	2	2.57%	1,257	2	2.65%
Calvert Memorial Hospital	1,225	3	2.48%	1,057	3	2.23%
Constellation Energy Group (1)	822	4	1.67%	800	4	1.69%
Wal-Mart	460	5	0.93%	500	5	1.06%
Giant Food	378	6	0.77%	385	7	0.81%
ARC of Southern Maryland	375	7	0.76%	455	6	0.96%
Chesapeake Beach Resort & Spa	239	8	0.48%	230	9	0.49%
Safeway	231	9	0.47%	290	8	0.61%
Recorded Books			0.00%	230	10	0.49%
The Gott Company	205	10				

NOTES:

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

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*COUNTY COMMISSIONERS OF CALVERT COUNTY  
CALVERT COUNTY, MARYLAND  
OPERATING INFORMATION  
JUNE 30, 2018*

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**

<b>Function:</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>General Government</b>										
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	2	2	2	2	2	3	3
Technology services	21.8	21.8	21.8	22.8	22.8	23	23.6	23	25	26.3
Circuit court	10.9	10.9	10.9	10.9	10.9	13.9	13.9	13.9	13.9	14.6
Orphans court	3	3	3	3	3	3	3	3	3	3
States attorney	20.1	21.1	22.1	22.1	22.1	26	26	27	27	28
Human Resources	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	12	16.3
Finance	23.6	23.6	23.6	25.6	25.6	25.5	25.5	26.5	25.5	22.8
Treasurers	7.6	7.6	7.6	7.6	7.6	7.4	7.4	7.4	7.4	7.5
County attorney	4	4	4	4	4	4	4	4	5	5
Planning and zoning	27.1	26.2	26.1	26.1	29.4	29.4	28.9	29.4	29.5	32.8
Inspections and permits	14.2	14.2	14.2	14.2	14.2	13.2	14.2	14.2	14.2	16.2
<b>Public Safety</b>										
Public safety	2	2	2	2	2	2	2	2	2	3
Sheriffs office	139.2	139.2	142.2	146.2	146.4	151.4	154.6	150.9	162.4	168.9
Control center	30	30	30	34	34	34	34	34	34	37
Detention center	81.6	81.6	85.6	88.6	88.6	87.6	87.6	87.5	87.5	90.5
Emergency management	3	3	3	3	3	3	3	3	3	3
Fire and rescue	4	4.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5
Animal Shelter	0	0	0	0	0	0	0	0	0	15
Animal control	7	7	7	7	7	7	7	7	7	7
<b>General Services</b>										
Director of General services	2	4	5	5	5	5	5	5	5	5
Buildings and grounds	32.7	32.7	32.7	31.7	31.7	29.7	30	30	30	31
Mosquito control	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.5
Parks and Recreation	70	70.7	68.6	69.2	69.2	69.2	69.2	69.2	73	75
Railway museum	2	2	2	2	2	2	2	2	2	1.8
Marine museum	40.2	40.2	40.2	40.2	40.2	40.2	42.5	42.3	40.4	42.6
Natural Resources	13.2	13.2	13.2	13.7	13.7	13.7	14.7	13.9	14.7	14.9
<b>Public Works</b>										
Director of Public works	16.6	14.6	15.2	15.2	15.2	14.6	14.6	14.6	14.6	17.9
Project Management	7	7	7	7	7	7	7	7	7	7
Highway maintenance	36.6	36.6	36	36	36	36	35	35	35	35
Fleet maintenance	10	10	10	10	10	10	9	9	9	9
<b>Economic Development</b>										
	12.1	12.1	12.5	12.5	12.5	12.4	12.4	12.4	13.8	9.3
<b>Community and Media Relations</b>										
	0	0	0	0	0	0	0	0	0	8.5
<b>Community Resources</b>										
Director of Community resources	4.5	4.5	4.5	5	5	5	5	4.5	4.5	4.5
Office on aging	24.6	24.6	24.6	24.6	24.6	23.6	23.3	23.3	24.3	24.8
Transportation	2.8	2.8	2.8	2.8	2.8	2.8	3.8	4	4	4
<b>Education</b>										
Library	52.2	52.8	52.8	52.8	52.8	54.7	54.4	54.8	55.3	56.3
<b>State Agencies and Independent Boards</b>										
Election	9	9	9	9	9	9	9	9	9	9
Liquor board	3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Soil Conservation	5	5	5	5	5	5	5	5	5	5
<b>Water and Sewer</b>										
	34	33	33	32	32	30.7	32.7	33.7	36.2	36.2
<b>Solid Waste</b>										
	37.8	38.8	38.8	41.3	41.3	42.6	42.6	44.6	45.5	46.5
<b>Chesapeake Hills Golf Course</b>										
	-	10.9	10.9	10.9	11	11	13.2	13.3	13.3	13.3
<b>Total</b>	<b>837.1</b>	<b>850.1</b>	<b>858.3</b>	<b>873.4</b>	<b>877</b>	<b>885</b>	<b>895.5</b>	<b>896.8</b>	<b>923.8</b>	<b>978.7</b>

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budgets FY2009-FY2018

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

<b>Function:</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
	<b>Actual</b>									
<b>General Government</b>										
Technology services										
Work orders completed	4,050	3,375	4,209	4,413	4,799	4,732	5,230	5,250	4,216	4,517
Support to desktop/laptop computers	795	835	875	726	853	899	938	988	975	1,148
Finance and budget										
Purchase orders processed	7,273	6,717	6,759	5,953	5,964	6,017	6,070	6,123	6,141	6,400
Accounts payable checks	15,693	14,852	15,334	15,834	15,100	15,600	15,600	15,555	15,533	14,320
Average number of employees per pay	1,017	1,049	1,112	1,117	1,091	1,085	1,094	1,100	1,105	1,110
Fixed assets maintained	15,255	15,804	13,352	13,687	14,037	14,387	14,421	14,853	14,565	15,630
Health care benefits managed	997	1,021	1,020	1,030	1,030	1,040	845	845	890	890
Credit card dollars collected	466,182	537,611	598,705	630,000	661,500	609,428	610,353	611,250	615,365	617,546
Credit card transactions	291	346	363	380	399	197	240	321	397	4,412
Real estate tax bills	41,757	42,236	42,297	42,349	42,419	42,469	42,650	42,650	42,860	43,862
Treasury										
Tax credits issued	1,582	1,633	1,822	1,625	1,664	1,648	1,652	1,652	1,711	1,785
Planning and zoning										
Major and minor subdivisions (new applications)	21	34	21	61	30	65	65	10	30	30
Inspections and permits										
Building/Home/Signs/demo permits issued	1,428	1,472	1,492	1,613	1,421	1,455	1,570	1,650	2,100	1,500
Grading permits issued	707	672	783	734	678	687	675	640	900	600
Electrical permits issued	1,425	1,471	1,437	1,735	1,580	1,489	1,605	1,685	2,000	1,500
Plumbing permits issued	757	744	873	897	877	834	1,015	1,120	1,200	750
<b>Public Safety</b>										
Control center										
Number of incidents handled	164,807	151,224	138,437	145,358	152,626	89,492	73,018	90,436	104,758	208,834
Detention center										
Average daily population	237	288	233	212	241	249	266	240	250	250
Work release (adp)	67	39	32	28	25	84	90	94	91	88
Sheriff's office										
Calls for service	83,062	84,513	87,045	89,659	89,659	108,220	108,220	71,421	95,623	71,321
Murder cases	-	-	-	-	3	2	2	2	2	1
Rape cases	10	17	10	10	14	11	11	11	15	12
Robbery cases	27	26	27	29	26	24	24	27	30	16
Aggravated assault cases	187	123	56	56	56	79	79	81	85	65
Theft cases	1,067	1,204	1,100	1,100	1,392	1,436	1,436	794	807	651
Auto theft cases	82	92	55	55	60	48	48	40	46	43
Domestic violence incidents responded to	1,203	1,287	1,325	1,364	1,364	1,213	1,213	1,144	1,169	1,170
Business & community patrol checks	35,538	33,977	29,724	30,615	30,615	47,965	47,965	14,224	44,658	45,248
Sex offenders registered in Calvert County	103	107	109	112	112	114	114	91	102	105
School related incidents/investigations	333	1,574	1,621	1,669	1,900	1,000	1,900	1,979	1,864	1,868
Fire and rescue										
Total calls responded	20,021	19,708	21,240	21,000	20,306	20,000	20,000	22,000	21,000	21,500
Animal control										
Calls for service	8,063	5,601	6,129	5,000	4,900	5,400	5,200	4,365	4,800	4,450
<b>General Services</b>										
Railway museum										
Outreach participants	4,100	4,150	4,200	4,200	4,200	5,204	5,204	5,204	5,000	6,500
Participants in programs	3,569	5,118	6,197	8,298	7,521	6,822	5,000	5,000	5,000	6,500
<b>Public Works</b>										
Major and minor subdivisions	143	149	54	51	36	25	26	26	22	25
Road plans	17	24	9	13	18	2	5	8	6	10
Project management										
Miles of roadway resurfaced	14	12	8	8	13	8	8	8	1	13
Fleet maintenance										
Work orders	3,529	2,837	2,361	2,283	2,082	2,042	2,150	2,200	2,400	2,600
<b>Community Resources</b>										
Transportation										
Yearly ridership	134,786	109,705	108,875	109,658	112,874	112,900	113,000	113,300	117,000	130,000
<b>Education</b>										
Public library										
Circulation of materials	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	1,159,131
Reference questions	96,381	120,646	121,536	137,519	145,954	154,014	154,014	155,224	162,456	186,108
Program attendance	52,132	46,738	51,196	53,907	57,109	60,224	60,224	60,351	61,487	56,349
In-person visits	606,932	602,683	600,371	609,958	586,710	548,444	548,444	548,621	549,368	432,927
Computer uses	127,319	145,278	152,831	151,002	141,507	140,275	140,275	141,200	143,850	134,942
Registered borrowers	59,404	57,549	60,574	61,895	65,631	63,861	63,861	63,958	64,215	70,227
<b>Water and Sewer</b>										
Number of customers	5,037	5,076	5,104	5,153	5,190	5,267	5,267	5,389	5,400	5,519

**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**

<b>Function:</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2013</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	141	140	141	141	125	141	127	127	67	67
Special purpose units	0	5	6	6	6	6	7	7	9	9
Fire protection:										
Fire stations	7	5	6	6	6	6	6	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12	12
Ambulances	15	14	14	14	14	14	14	14	15	15
Rescue trucks	6	7	7	6	6	7	6	6	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	3	4
Brush units	12	13	13	13	13	13	13	13	14	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	2	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	6	6
Air cascade units	1	2	2	2	2	2	2	2	1	0
Other utility types	24	25	25	25	25	25	25	25	31	31
<b>Community Resources</b>										
Transportation:										
Passenger buses	17	17	17	17	19	17	19	19	16	19
<b>Public Works</b>										
County owned streets in miles	446	452	452	452	462	452	462	462	464	466
<b>Recreation</b>										
Multi-use fields with baseball/softball	n/a	19								
Multi-use fields without baseball/softball	n/a	29								
Baseball fields	20	20	20	20	20	20	20	20	20	n/a
Football fields	7	7	7	7	7	7	7	7	7	n/a
Basketball courts	6	6	6	6	6	6	8	8	8	9
Tennis courts	10	10	10	12	12	12	14	14	14	12
Picnic area/pavillions	n/a	12								
Bathrooms	n/a	12								
Playgrounds	n/a	12								
Skate park	n/a	1								
Dog park	n/a	2								
Pickleball court	n/a	10								
Public beach	n/a	1								
Porta-johns parks	n/a	17								
Porta-johns school fields	n/a	24								
Pools	2	3	3	3	3	3	3	3	3	n/a
Golf course	0	1	1	1	1	1	1	1	1	n/a
Playgrounds and parks in acres	360	360	375	375	580	360	580	580	580	676.15
Highly maintained turf acres	n/a	56.07								
General turf covered open space acres	n/a	135.4								
<b>Water and Sewer</b>										
Water mains in miles	75	77	77	77	79	77	85	85	85	85
Water systems	21	21	21	20	21	20	19	19	19	19
Storage tanks	14	14	14	14	14	14	13	13	14	14
Sewer mains in miles	66	66	66	66	68	66	77	77	77	77
Sewer treatment plants	9	9	9	8	8	8	6	6	5	5
Sewer pumping stations	39	39	39	39	39	39	43	43	45	45

NOTES:  
(1) Source: Various county departments



**SB & COMPANY, LLC**  
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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 24, 2019.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal controls 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 controls 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 controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**SB & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

### ***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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland  
January 24, 2019

A handwritten signature in black ink that reads "SB &amp; Company, LLC". The signature is written in a cursive, flowing style.

**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, 2018**

	<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	\$ 2,789,878	\$ 5,135,383	\$ 121,768	\$ -	\$ 8,047,029
<u>Operating expenses</u>					
Salaries & benefits	493,771	936,064	98,809	1,362,906	2,891,550
Contracted services	163,171	689,532	4,157	40,952	897,812
Supplies	99,593	129,997	3,047	34,971	267,608
Heat, light and power	216,026	421,546	-	-	637,572
Depreciation	968,129	1,469,151	-	246,285	2,683,565
Miscellaneous	-	229	-	34,122	34,351
Telephone	-	3,991	334	25,565	29,890
Compensated absences	10,790	9,275	3,005	12,590	35,660
Maintenance and repairs	233,243	192,442	3,657	39,201	468,543
Capital outlay	167,474	289,703	50	8,044	465,271
Total operating expenses	<u>2,352,197</u>	<u>4,141,930</u>	<u>113,059</u>	<u>1,804,636</u>	<u>8,411,822</u>
Operating income (loss)	<u>437,681</u>	<u>993,453</u>	<u>8,709</u>	<u>(1,804,636)</u>	<u>(364,793)</u>
<u>Non-operating revenues (expenses)</u>					
Grants	-	-	-	-	-
Deferred amount on refunding	-	-	-	-	-
Miscellaneous income	30,583	600	-	42,929	74,112
FEMA grant reimbursement	-	-	-	-	-
Tower revenue	148,326	-	-	-	148,326
Investment income	13,869	29,875	-	185,326	229,070
Interest expense	(187,312)	(463,105)	-	(14,834)	(665,251)
Administrative allocation	(923,874)	(658,632)	(8,709)	1,591,215	-
Total non-operating revenues (expenses)	<u>(918,408)</u>	<u>(1,091,262)</u>	<u>(8,709)</u>	<u>1,804,636</u>	<u>(213,743)</u>
Income (loss) before contributions and transfers	<u>(480,727)</u>	<u>(97,809)</u>	<u>-</u>	<u>-</u>	<u>(578,536)</u>
<u>Transfers</u>					
Transfers in (out)	-	47,167	-	-	47,167
Capital connection charges	207,845	274,155	-	-	482,000
Developer contribution	-	351,686	-	-	351,686
Change in net position	<u>(272,882)</u>	<u>575,199</u>	<u>-</u>	<u>-</u>	<u>302,317</u>
Total net position - beginning	<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, 2018**

	<b>Total Assessed Value of Taxable Property</b>	<b>Tax Rate Per \$100 of Assessed Value</b>	<b>Actual Tax Levy</b>	<b>Amount Collected</b>	<b>Balance of Taxes Receivable</b>
<u>County Portion</u>					
<u>Current year property - locally assessed</u>					
Real property:					
For full year levy	\$ 11,010,469,660	\$ 0.952	\$ 104,819,671	\$ 102,509,970	\$ 2,309,701
For half year levy	65,360,960	0.476	311,118	311,118	-
North Beach	245,941,741	0.616	1,515,001	1,515,001	-
Chesapeake Beach	779,571,501	0.616	4,802,160	4,802,160	-
Total real property	<u>12,101,343,862</u>		<u>111,447,950</u>	<u>109,138,249</u>	<u>2,309,701</u>
Personal property, including corporations and banks	159,570,541	2.230	3,558,423	3,398,940	159,483
Public utilities operating and personal property	<u>161,747,320</u>	2.230	<u>3,606,965</u>	<u>3,606,965</u>	-
Total current year	<u>\$ 12,422,661,723</u>		<u>\$ 118,613,338</u>	<u>\$ 116,144,154</u>	<u>\$ 2,469,184</u>
Prior years, real, personal, and corporate property					1,798,485
Accrued interest receivable and service charge					<u>1,754,905</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>3,553,390</u>
Total taxes receivable - county portion					6,022,574
Taxes receivable - state portion, net of tax credits					537,581
Taxes receivable - towns portion, net of tax credits					319,147
Bay Restoration fee due to state - billed with Real estate taxes					<u>28,826</u>
Total taxes receivable					<u>\$ 6,908,127</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, 2018

	CCFN Administrative GOC	CCFN Administrative Healthy Fam	Healthy Families	Reentry Case Management	LCT Coordinator	YSB- Youth Intervention	YSB- Youth Engagement	Resource Development	Home Visit Hybrid	Total
<b>REVENUES</b>										
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	92,019	7,000	246,780	65,583	13,073	53,256	65,583	286	50,786	594,366
Reinvestment Funds	3,400	-	-	-	-	-	-	-	-	3,400
Transfer In	12,013	-	-	-	-	-	-	-	-	12,013
<b>Total revenues</b>	<b>107,432</b>	<b>7,000</b>	<b>246,780</b>	<b>65,583</b>	<b>13,073</b>	<b>53,256</b>	<b>65,583</b>	<b>286</b>	<b>50,786</b>	<b>609,779</b>
<b>EXPENDITURES</b>										
Salaries	40,086	-	-	-	6,296	-	-	-	-	46,382
Printing & Office Supplies	387	17	-	-	55	-	-	-	-	459
Promotional Items	-	240	-	-	-	-	-	-	-	240
Advertising	782	-	-	-	-	-	-	-	-	782
Postage	118	38	-	-	-	-	-	-	-	156
Mileage allowance	1,109	-	-	-	-	-	-	-	-	1,109
Conferences & Training	2,430	-	-	-	-	-	-	-	-	2,430
Board of Education	-	-	246,780	-	-	-	-	-	-	246,780
Contracted services	32,564	6,000	-	65,583	-	53,256	65,583	150	50,786	273,922
Reinvestment Funds Expense	3,400	-	-	-	-	-	-	-	-	3,400
Food	90	705	-	-	-	-	-	136	-	931
Telephone	673	-	-	-	-	-	-	-	-	673
Electric	-	-	-	-	-	-	-	-	-	-
Furniture & Office Equipment	381	-	-	-	-	-	-	-	-	381
Computer Hardware	1,360	-	-	-	1,915	-	-	-	-	3,275
Computer Software	-	-	-	-	1,030	-	-	-	-	1,030
Benefits	24,052	-	-	-	3,777	-	-	-	-	27,829
<b>Total expenditures</b>	<b>107,432</b>	<b>7,000</b>	<b>246,780</b>	<b>65,583</b>	<b>13,073</b>	<b>53,256</b>	<b>65,583</b>	<b>286</b>	<b>50,786</b>	<b>609,779</b>
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.