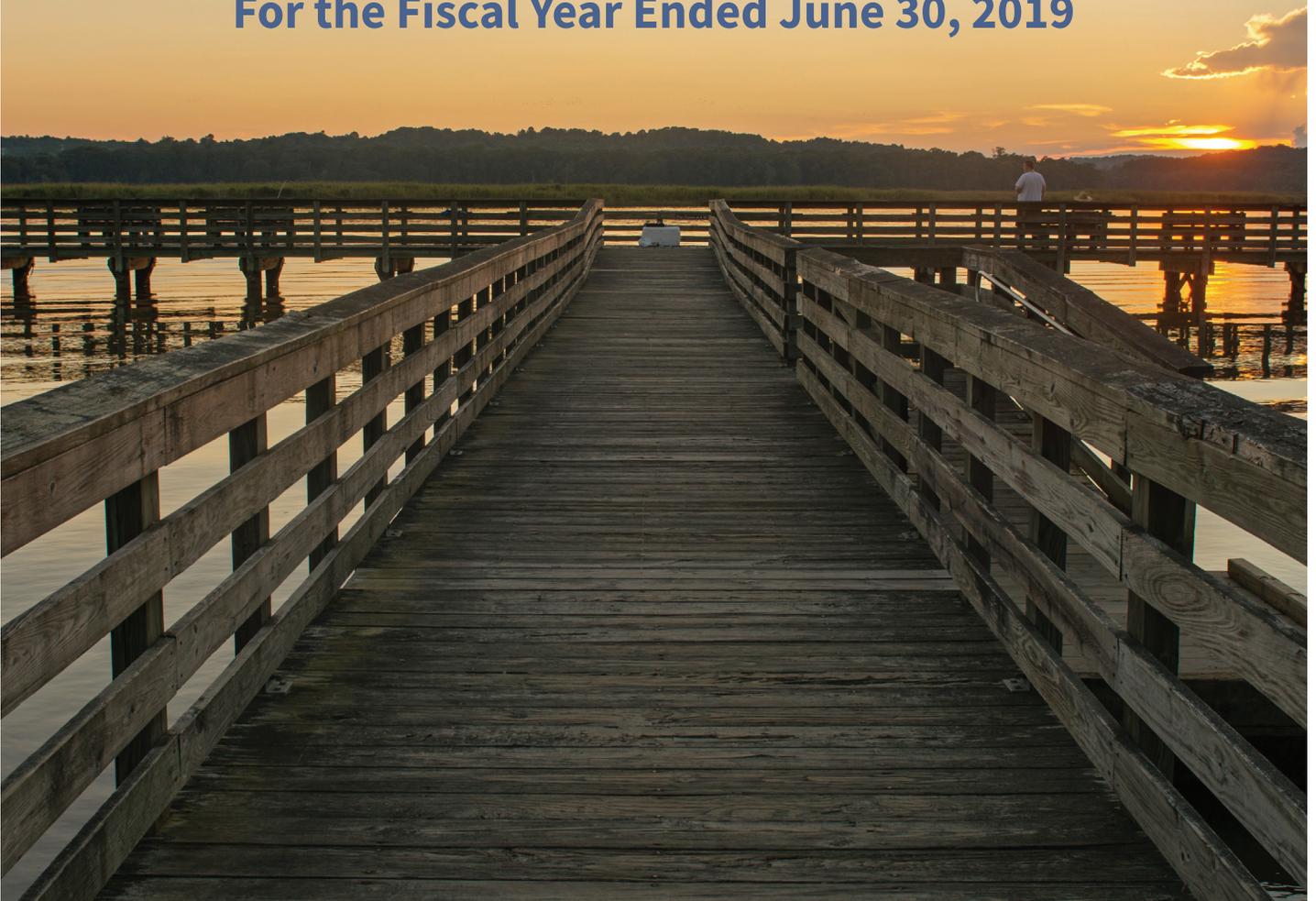




**CALVERT
COUNTY**
Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2019

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2019

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2019

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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

December 20, 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, 2019, 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 is 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, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the financial statements are fairly presented in conformity with GAAP. The auditor’s report is presented as the first component of the financial section of this report. Also prepared by the auditors is a “report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards”. This report is presented on pages 121 and 122.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Calvert County Government’s MD&A can be found immediately following the report of the independent auditors starting on page 4.

PROFILE OF THE GOVERNMENT

Calvert County, Maryland was formed as one of the original counties in Maryland in 1654 and has a Commissioner form of government. A board of five Commissioners governs the County and serves the executive and legislative functions. The Commissioners generally derive their authority from those powers and duties prescribed within the laws of the State of Maryland and the Code of Public Local Laws of Calvert County, Maryland. Election of the County Commissioners was amended by the Maryland General Assembly in 2013 so that “[b]eginning with the general election to be held in Calvert County in November 2014: (1) one county commissioner shall be a resident of and shall represent the first election district of the county; (2) one county commissioner shall be a resident of and shall represent the second election district of the county; (3) one county commissioner shall be a resident of and shall represent the third election district of the county; and (4) two county commissioners shall be residents of the county and shall represent the county at large.... Each candidate for the office of county commissioner shall specify at the time of filing a certificate of candidacy whether the candidate is seeking to represent the district in which the candidate resides or to represent the county at large” (2013 Laws of Maryland, Chapter 310).

There are several other elected officials in Calvert County that include: Register of Wills, Sheriff, States Attorney, Treasurer, Mayor of the Town of Chesapeake Beach, Mayor of the Town of North Beach, Clerk of the Circuit Court, and five members of the Board of Education.

The Commissioners appoint a County Administrator and Deputy County Administrator who are 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.calvertcountymd.gov.

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 2019) 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 2019 were slightly under projections. Future projections of income tax use an increasing trend of about 4%.

Property tax, the largest revenue source, represented 61% of the total General Fund revenue for fiscal year 2019. The number of residential building permits issued in fiscal year 2019 was 439, an increase of 142% or 253 permits from the 186 issued in FY 2018. The local public utility providers continue to add significantly to our property tax category of revenues.

Income tax revenue, at 23% of the total General Fund revenue for fiscal year 2019, 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 2020 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 2020 shows education and recreation resources receiving the largest allocations.

The County continues its policy of maintaining a reserve of 8% 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 2019, 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 2019 data, the County's current ratios are as follows: debt to assessed value is 1.14 percent and debt service to general fund revenue is at 6.8 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, 2018. 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, 2018 to June 30, 2019. 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 the Deputy County Administrator, for their leadership and support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tim Hayden". 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, 2018

Christopher P. Morill

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Kelly McConkey
President, Board of County Commissioners

Mike Hart
Vice President, Board of County Commissioners

Earl F. "Buddy" Hance
Commissioner

Thomas "Tim" Hutchins
Commissioner

Steven R. Weems
Commissioner

Novalea Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

J. Mark Willis
County Administrator

Wilson H. Parran
Deputy County Administrator

Timothy Hayden
Director of Finance and Budget

Mary Beth Cook
Director of Planning and Zoning

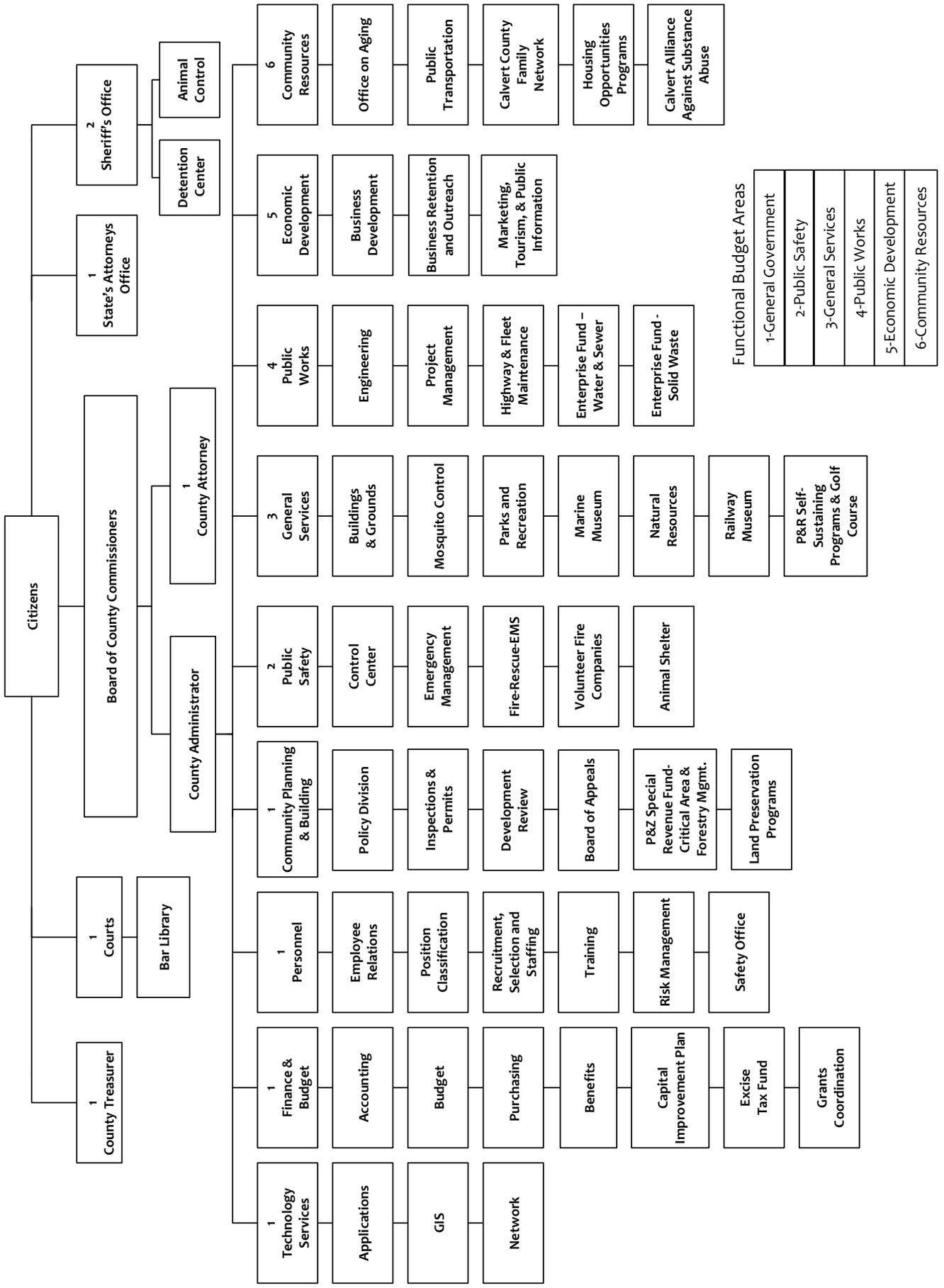
Linda Vassallo
Director of Communications and Media Relations

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, 2019, 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 controls 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 has been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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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, 2019, and the respective changes in financial position and, where applicable, cash flows and the respective budget and actual statements for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in County's net pension liability and related ratios, the schedules of County contributions, and schedules of investment returns for the Volunteer Fire and Rescue Pension fund, Sheriff's Department Pension Plan and Employees Retirement Plan, 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.

Other Information

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

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the County's internal controls 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls 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 controls over financial reporting and compliance.

Owings Mills, Maryland
December 20, 2019

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, 2019. 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 \$156.9 million (*net position*); 25.5 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, \$174.1 million is the net investment in capital assets, and \$16.5 million is restricted for specific purposes. The County's unrestricted net position is a negative \$33.8 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*, in fiscal year 2018, which required the County to record its net OPEB liability of \$40.1 million. The business-type activities ended with an unrestricted net position of \$5.9 million. Included as restricted cash, for the primary government, is \$34.6 million which represents bond proceeds.
- The government's total net position has increased by \$9.7 million; a \$7.9 million increase was related to the governmental activities and \$1.7 million was related to the business-type activities.

Fund Level:

- As of June 30, 2019, the County's governmental funds reported combined fund balances of \$135.3 million, an increase of \$39.9 million from the prior year. 86.0 percent of this total amount, \$116.4 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$94.1 million (prior year, \$56.6 million) has been dedicated for certain purposes, including, \$49.3 million for capital projects, \$6.8 million for purposes within special revenue funds and \$5.0 million for vacation and sick leave obligation payout.
- The proprietary funds revenue increased by \$1.7 million or 4.5 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$60.2 million (*committed, assigned and unassigned*), or 20.3 percent of total fiscal year

2019 General Fund budgetary expenditures and other financing uses. Nonspendable and restricted fund balance of the General Fund was \$9.6 million, or 13.7 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 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 69 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. Required supplementary information can be found beginning on page 70 of this report.

Government-wide Financial Analysis

This is the sixteenth 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 2019, assets and deferred outflows exceeded liabilities and deferred inflows by \$156.9 million (prior year, \$147.2 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 table on the following pages 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		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Current and other assets	\$ 199,611,279	\$ 143,344,135	\$ 56,267,144	\$ 5,247,942	\$ 5,376,393	\$ (128,451)	\$ 204,859,221	\$ 148,720,528	\$ 56,138,693
Capital assets	217,504,967	217,178,863	326,104	68,779,176	67,783,839	995,337	286,284,143	284,962,702	1,321,441
Total assets	417,116,246	360,522,998	56,593,248	74,027,118	73,160,232	866,886	491,143,364	433,683,230	57,460,134
Deferred outflows of resources	6,076,832	9,276,899	(3,200,067)	-	-	-	6,076,832	9,276,899	(3,200,067)
Long-term liabilities	214,545,070	181,467,724	33,077,346	31,308,995	31,108,645	200,350	245,854,065	212,576,369	33,277,696
Other liabilities	56,450,472	59,067,581	(2,617,109)	2,067,144	3,791,660	(1,724,516)	58,517,616	62,859,241	(4,341,625)
Total liabilities	270,995,542	240,535,305	30,460,237	33,376,139	34,900,305	(1,524,166)	304,371,681	275,435,610	28,936,071
Deferred inflows of resources	35,319,337	20,328,407	14,990,930	-	-	-	35,319,337	20,328,407	14,990,930
Net invested in capital assets	140,419,778	132,772,750	7,647,028	33,711,893	31,650,038	2,061,855	174,131,671	164,422,788	9,708,883
Restricted	16,118,280	15,331,779	786,501	416,794	3,865,757	(3,448,963)	16,535,074	19,197,536	(2,662,462)
Unrestricted	(39,659,857)	(39,168,344)	(491,513)	5,867,753	2,744,132	3,123,621	(33,792,104)	(36,424,212)	2,632,108
Total net position	\$ 116,878,201	\$ 108,936,185	\$ 7,942,016	\$ 39,996,440	\$ 38,259,927	\$ 1,736,513	\$ 156,874,641	\$ 147,196,112	\$ 9,678,529

Governmental activities: Net position of the Governmental Activities increased by \$7.9 million (prior year, a decrease of \$21.2 million). Fiscal year 2019's increase was due the bond sale of \$42.9 million offset by the debt associated with the sale.

Business-type activities: Business-type Activities increased Calvert County Government's net position by \$1.7 million (prior year, an increase of \$885,814). This result is primarily due to the Water and Sewer Fund increase in net position of \$1.2 million, mostly due to the completion of the water meter replacement project resulting in an increase in revenue. The Solid Waste Fund had an increase in net position of \$498,928, explained by increased service charges revenue.

The following chart 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

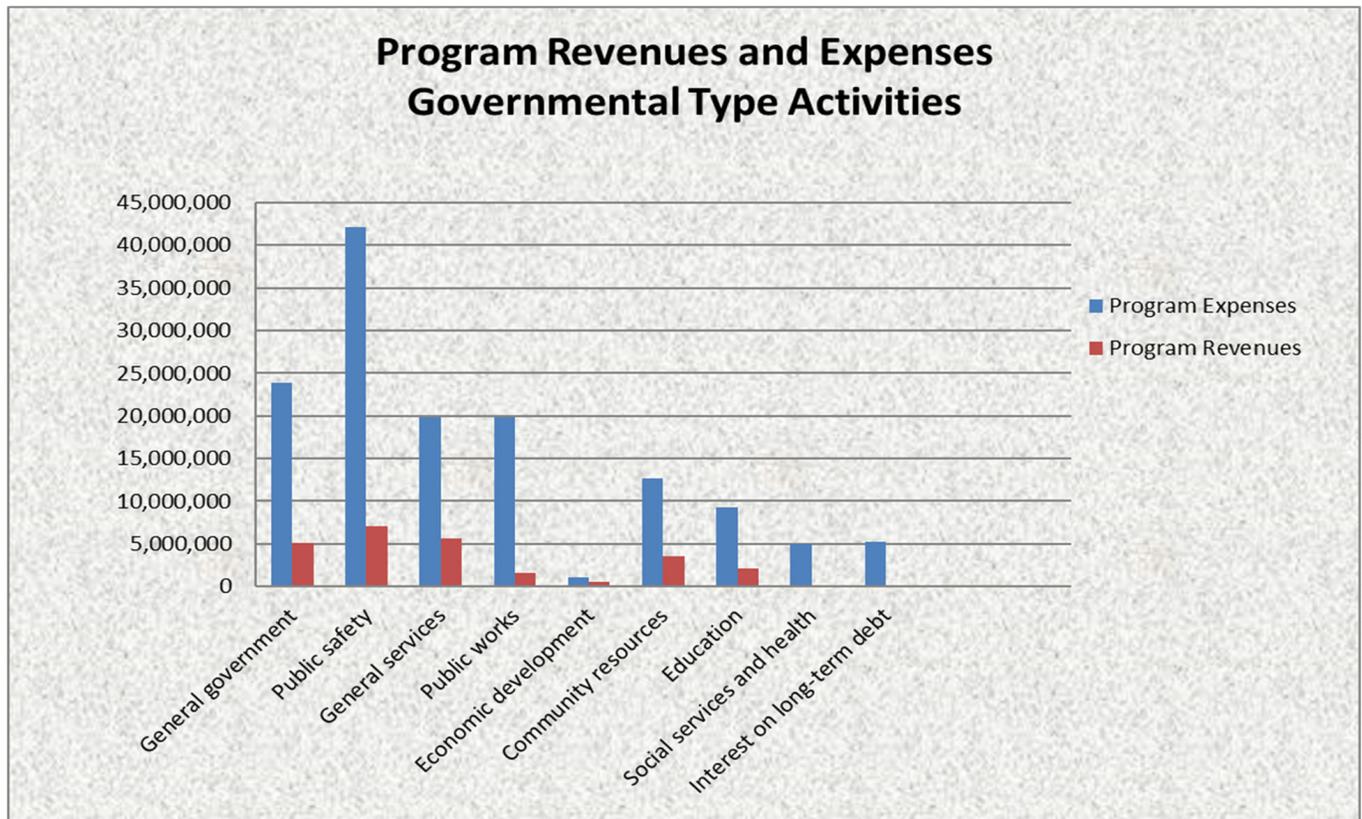
	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Revenues									
Program Revenues									
Charges for services	\$ 17,307,556	\$ 18,145,582	\$ (838,026)	\$ 22,666,555	\$ 21,375,111	\$ 1,291,444	\$ 39,974,111	\$ 39,520,693	\$ 453,418
Operating grants and contributions	5,310,191	6,606,400	(1,296,209)	-	-	-	5,310,191	6,606,400	(1,296,209)
Capital grants and contributions	8,390,440	919,531	7,470,909	566,304	351,686	214,618	8,956,744	1,271,217	7,685,527
General Revenues									
Property taxes	188,304,505	176,676,295	11,628,210	-	-	-	188,304,505	176,676,295	11,628,210
Income taxes	70,620,494	90,308,039	(19,687,545)	-	-	-	70,620,494	90,308,039	(19,687,545)
Other taxes	10,741,690	10,631,524	110,166	-	-	-	10,741,690	10,631,524	110,166
Investment earnings	8,422,396	3,294,570	5,127,826	159,857	315,923	(156,066)	8,582,253	3,610,493	4,971,760
Total revenues	309,097,272	306,581,941	2,515,331	23,392,716	22,042,720	1,349,996	332,489,988	328,624,661	3,865,327
Expenses									
Program Expenses									
General government	23,807,478	30,739,945	(6,932,467)	-	-	-	23,807,478	30,739,945	(6,932,467)
Public safety	42,136,984	29,456,415	12,680,569	-	-	-	42,136,984	29,456,415	12,680,569
General services	19,884,896	27,857,214	(7,972,318)	-	-	-	19,884,896	27,857,214	(7,972,318)
Public works	19,817,592	12,214,001	7,603,591	-	-	-	19,817,592	12,214,001	7,603,591
Economic development	1,117,913	889,360	228,553	-	-	-	1,117,913	889,360	228,553
Community resources	12,716,946	11,911,327	805,619	-	-	-	12,716,946	11,911,327	805,619
Education	9,305,257	11,342,121	(2,036,864)	-	-	-	9,305,257	11,342,121	(2,036,864)
Board of education	162,049,330	157,801,856	4,247,474	-	-	-	162,049,330	157,801,856	4,247,474
Social services and health	5,032,427	5,889,072	(856,645)	-	-	-	5,032,427	5,889,072	(856,645)
Interest on long-term debt	5,266,087	4,658,794	607,293	-	-	-	5,266,087	4,658,794	607,293
Water and sewer	-	-	-	9,025,746	9,077,073	(51,327)	9,025,746	9,077,073	(51,327)
Solid waste	-	-	-	12,650,803	12,111,485	539,318	12,650,803	12,111,485	539,318
Total expenses	301,134,910	292,760,105	8,374,805	21,676,549	21,188,558	487,991	322,811,459	313,948,663	8,862,796
Excess (Deficiency) of revenues over expenses	7,962,362	13,821,836	(5,859,474)	1,716,167	854,162	862,005	9,678,529	14,675,998	(4,997,469)
Transfers	(20,346)	(31,652)	11,306	20,346	31,652	(11,306)	-	-	-
Change in net position	7,942,016	13,790,184	(5,848,168)	1,736,513	885,814	850,699	9,678,529	14,675,998	(4,997,469)
Net position - beginning	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)
Restatement - GASB 75	-	(35,006,365)	35,006,365	-	-	-	-	(35,006,365)	35,006,365
Net position - ending	\$ 116,878,201	\$ 108,936,185	\$ 7,942,016	\$ 39,996,440	\$ 38,259,927	\$ 1,736,513	\$ 156,874,641	\$ 147,196,112	\$ 9,678,529

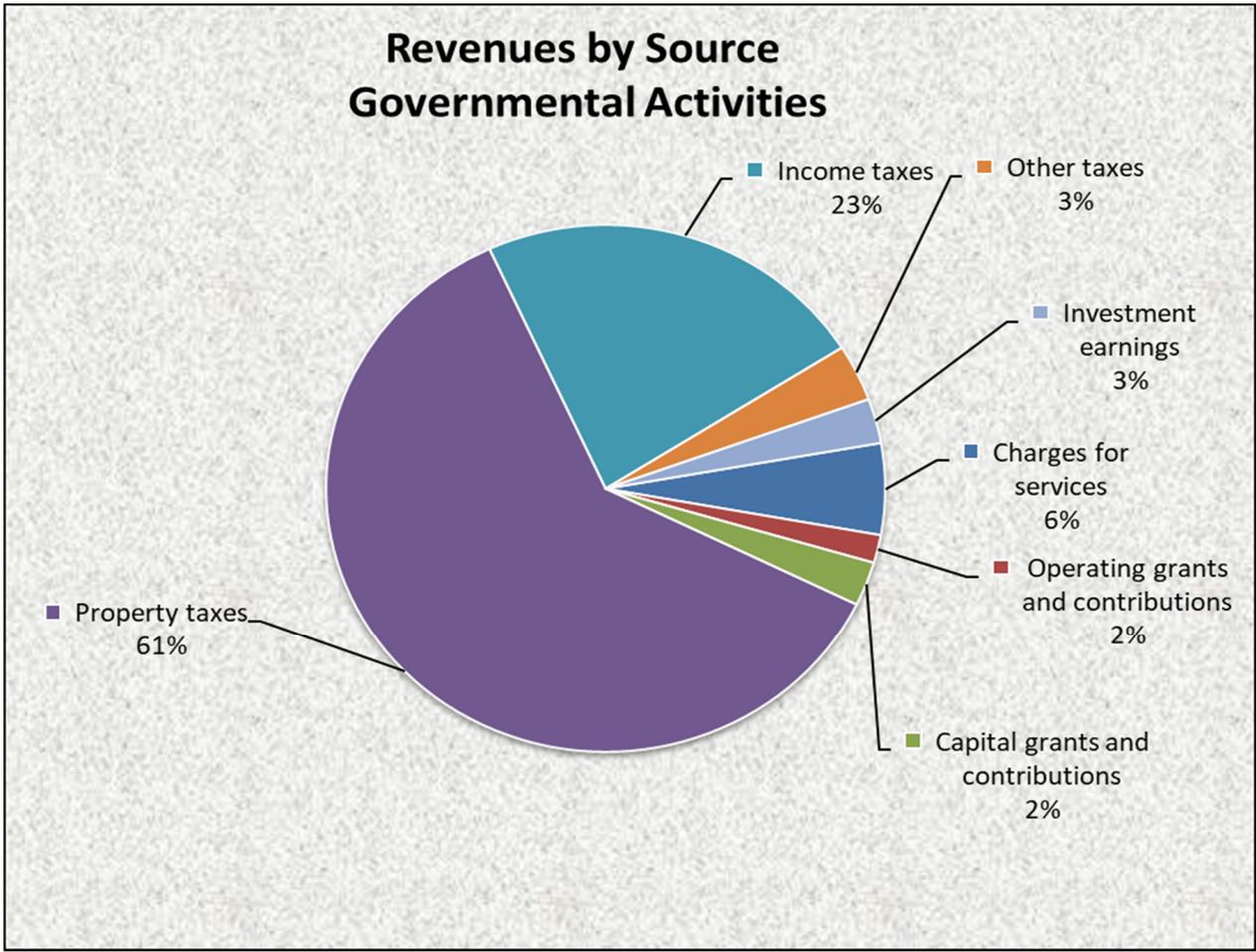
The most significant difference in the revenue section is related to property taxes with an \$11.6 increase this fiscal year. The property tax increase is due to the PILOT program with Dominion.

The significant differences noted in the program expenses section are related to capital expenses for Public Safety and the Board of Education for the two years being compared. Public Safety and Board of Education in the government wide statement expenses recognized \$12.9 million and \$4.3 million, respectively. Public Safety completed three capital projects; the Linda Kelly Animal Shelter building, \$6.4 million, Prince Frederick Volunteer Rescue Squad building, \$3.5 million, and the 800 MHZ system, \$5.3 million. The Board of Education project was for Northern High School replacement, \$6.3 million.

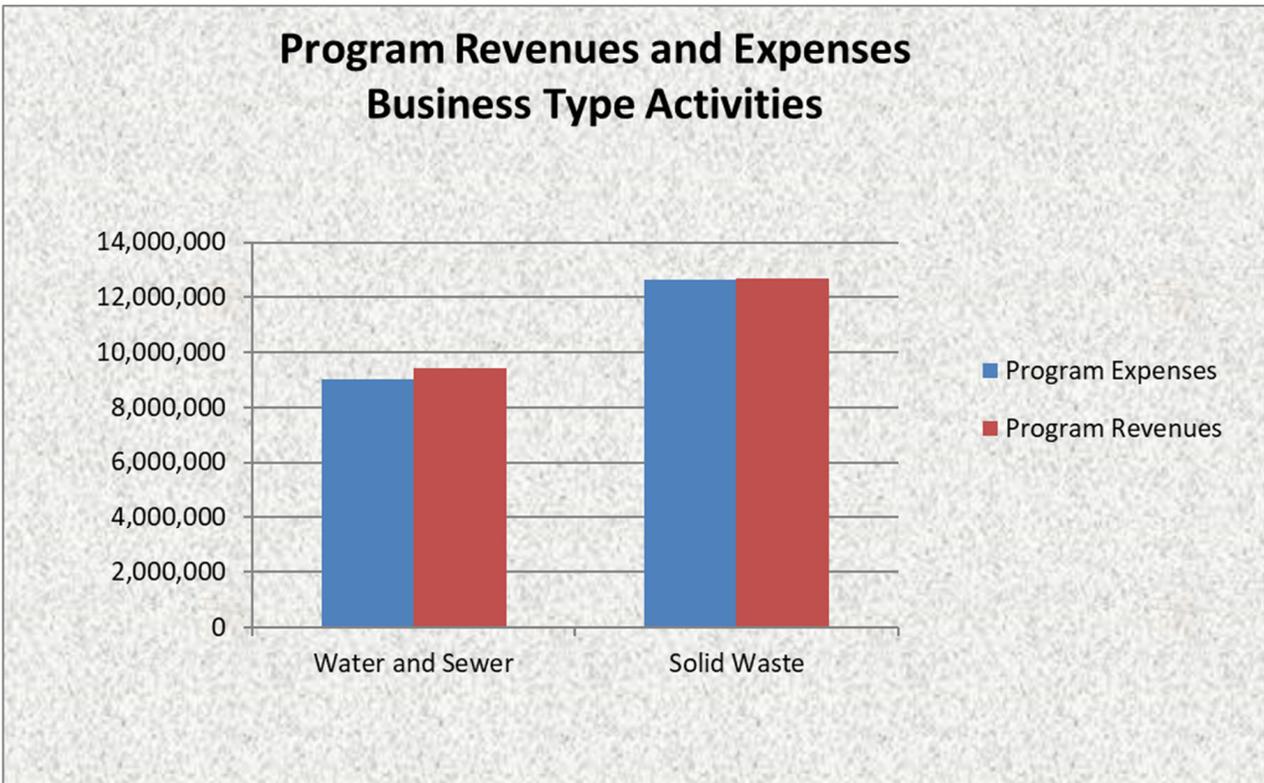
Statement of Activities charts

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:

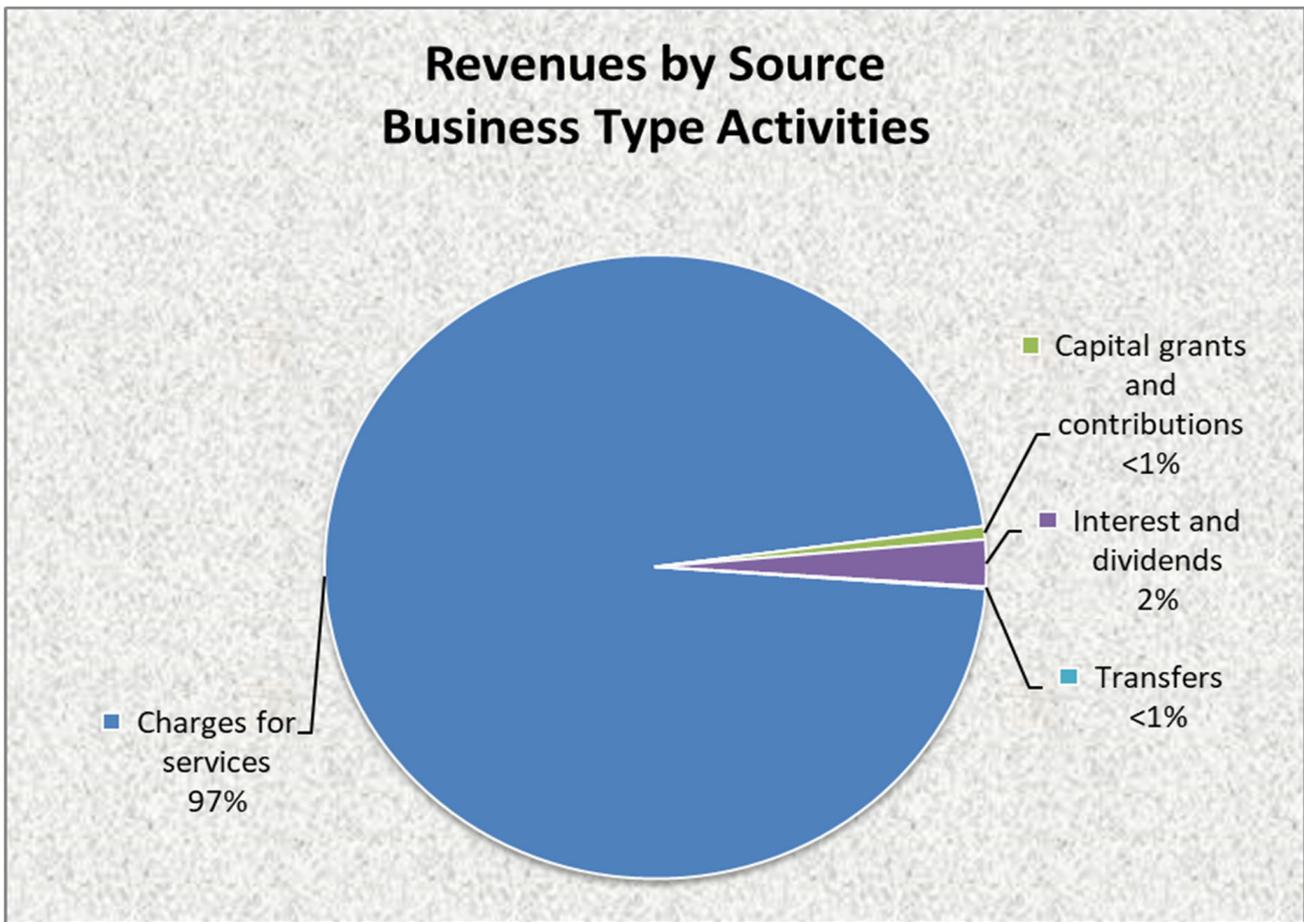




This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



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 \$135.3 million (prior year, \$95.4 million), an increase of \$39.9 million (prior year, a decrease of \$4.0 million).

Approximately 86.0 percent (prior year, 79.1 percent) of this amount, \$116.4 million (prior year, \$75.4 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$94.1 million (prior year, \$43.5 million) of this amount has been *committed or assigned* for certain purposes. The

remainder of fund balance, \$18.9 million or 14.0 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 \$27.3 million (prior year, \$23.8 million), while total fund balance was \$69.8 million (prior year, \$62.0 million). As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 18.6 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 16.8 percent), while total fund balance represents 23.6 percent (prior year, 21.9 percent) of that same amount.

The fund balance of Calvert County Government's General Fund increased by \$7.8 million (prior year decrease of \$4.0 million). Staff had estimated fiscal year 2019 would have a use of prior year fund balance of \$3.4 million. Many revenue and expense line item variances resulted in the County's budgetary increase of \$4.0 million.

The Capital Projects Fund has a total fund balance of \$49.3 million (prior year, \$18.0 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$34.7 million makes up 100 percent of the fund balance reduced by outstanding payables (prior year, \$11.7 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 \$1.7 million (prior year, increase of \$885,814). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to \$6.5 million (prior year, \$3.0 million). The Solid Waste and Recycling Fund reported a negative \$609,611 in unrestricted net position (prior year, a negative \$268,560).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$3.9 million over the original budget (prior year, \$6.3 million increase), which was related to emergency road repairs due to record rainfall. Overall expenditures were less than actual revenues by \$4.0 million. 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, 2019, amounts to \$269.7 million (prior year, \$257.4 million). This investment in capital assets includes: land, land development rights, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

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

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Land	\$ 46,055,981	\$ 43,985,536	\$ 2,070,445	\$ 2,483,591	\$ 2,483,591	\$ -	\$ 48,539,572	\$ 46,469,127	\$ 2,070,445
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	24,821,114	26,506,495	(1,685,381)	5,403,349	4,169,967	1,233,382	30,224,463	30,676,462	(451,999)
Buildings	31,349,198	26,791,400	4,557,798	18,571,492	20,018,708	(1,447,216)	49,920,690	46,810,108	3,110,582
Improvements	25,173,458	21,299,881	3,873,577	18,359,043	17,973,862	385,181	43,532,501	39,273,743	4,258,758
Machinery and equipment	12,216,379	12,395,036	(178,657)	7,317,254	7,278,756	38,498	19,533,633	19,673,792	(140,159)
Infrastructure	66,643,532	63,227,259	3,416,273	-	-	-	66,643,532	63,227,259	3,416,273
Total Capital Assets	\$ 217,504,967	\$ 205,450,912	\$ 12,054,055	\$ 52,134,729	\$ 51,924,884	\$ 209,845	\$ 269,639,696	\$ 257,375,796	\$ 12,263,900

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

- Completed a portion of the Dowell Newton road improvement, \$4.7 million.
- Completed the Linda Kelly Animal Shelter, \$6.2 million.

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 \$183.5 million (prior year, \$152.2 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, \$28.3 million (prior year, \$29.0 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 \$4.2 million (prior year, \$4.5 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		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
General obligation debt	\$ 155,103,366	\$ 123,086,114	\$ 32,017,252	\$ 16,481,192	\$ 16,316,502	\$ 164,690	\$ 171,584,558	\$ 139,402,616	\$ 32,181,942
Notes payable	47,684	52,368	(4,684)	11,967,312	12,732,464	(765,152)	12,014,996	12,784,832	(769,836)
Land preservation program	4,222,910	4,450,340	(227,430)	-	-	-	4,222,910	4,450,340	(227,430)
Total Bonded Debt	\$ 159,373,960	\$ 127,588,822	\$ 31,785,138	\$ 28,448,504	\$ 29,048,966	\$ (600,462)	\$ 187,822,464	\$ 156,637,788	\$ 31,184,676

Calvert County Government's total general obligation bonded debt increased by \$32.2 million, (prior year, an increase of \$11.5 million), or 23.1 percent during the current fiscal year (prior year, an increase of 8.98 percent).

In July 2019 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 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 2019 data, the County's current ratios are as follows: debt to assessed value is 1.104 percent and debt service to general fund revenue is 6.8 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 2019's Budgets and Rates

- The average per-capita personal income of County residents reported by the Maryland Department of Planning for 2017 is \$60,080 (\$58,176 in 2015), an increase of 3.3 percent.
- The average unemployment rate for Calvert County was reported as 3.6 percent 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 for fiscal year 2019, were increased an average of .0 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2020 fiscal year. Calvert County Government's adopted budget for fiscal year 2020 was a balanced budget as a result of the increase in property assessments and an increase in income tax rates. The County projects a surplus budget in fiscal year 2020. 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, 2019

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Board of Education	Economic Development Authority
ASSETS					
Cash, cash equivalents and investments	\$ 114,626,076	\$ 956,502	\$ 115,582,578	\$ 26,521,749	\$ 1,842,182
Receivables					
Taxes	10,218,196	-	10,218,196	-	-
Special assessments	1,186,515	-	1,186,515	-	-
Accounts	32,971,752	3,294,126	36,265,878	-	-
Notes	6,512,510	-	6,512,510	-	-
Accrued interest	89,974	16,216	106,190	-	1,410
Other	-	-	-	744,388	-
Due from primary government	-	-	-	12,963,805	450,116
Internal balances	(947,349)	947,349	-	-	-
Due from other governments	21,067	-	21,067	2,438,950	-
Inventory	364,148	33,749	397,897	97,112	-
Restricted assets					
Cash	34,568,392	16,644,447	51,212,839	-	-
Capital assets not being depreciated	82,122,400	7,886,940	90,009,340	12,079,021	22,191
Depreciable capital assets - net	135,382,567	44,247,789	179,630,356	258,345,950	-
Total assets	<u>417,116,248</u>	<u>74,027,118</u>	<u>491,143,366</u>	<u>313,190,975</u>	<u>2,315,899</u>
Deferred Outflows of Resources					
Pension	3,121,082	-	3,121,082	3,784,300	-
OPEB	2,955,750	-	2,955,750	12,199,228	-
Total outflows of resources	<u>6,076,832</u>	<u>-</u>	<u>6,076,832</u>	<u>15,983,528</u>	<u>-</u>
LIABILITIES					
Accounts payable	3,700,719	282,427	3,983,146	3,151,442	-
Accrued liabilities	12,296,193	1,317,005	13,613,198	15,222,681	-
Due to other governments	6,042,050	92,683	6,134,733	-	-
Due to component units	13,411,266	-	13,411,266	-	-
Unearned revenue	3,899,857	-	3,899,857	6,116,895	-
Noncurrent liabilities:					
Due within one year:					
Compensated absences, current portion	1,646,221	66,586	1,712,807	155,922	-
Long-term debt, current portion	15,424,166	1,635,010	17,059,176	-	-
Estimated postclosure costs, current portion	30,000	54,053	84,053	-	-
Due in more than one year:					
Net pension liability	20,275,874	-	20,275,874	13,413,936	-
Net OPEB liability	40,093,558	-	40,093,558	118,589,489	-
Compensated absences, net of current portion	10,015,844	593,776	10,609,620	3,788,702	-
Long-term debt, net of current portion	143,949,794	26,813,494	170,763,288	-	-
Estimated postclosure costs, net of current portion	210,000	3,175,644	3,385,644	-	-
Total liabilities	<u>270,995,542</u>	<u>34,030,678</u>	<u>305,026,220</u>	<u>160,439,067</u>	<u>-</u>
Deferred Inflows of Resources					
Pension	15,396,024	-	15,396,024	2,615,488	-
OPEB	18,977,502	-	18,977,502	4,993,648	-
Deferred gain on refunding	945,811	-	945,811	-	-
Total inflows of resources	<u>35,319,337</u>	<u>-</u>	<u>35,319,337</u>	<u>7,609,136</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	140,419,778	33,711,893	174,131,671	270,424,971	22,191
<u>Restricted for</u>					
Parks and recreation	2,598,249	-	2,598,249	-	-
Planning and zoning	39,583	-	39,583	-	-
Bar library	44,276	-	44,276	-	-
Revolving loan	312,100	-	312,100	-	-
Economic Development Authority revolving loan	299,355	-	299,355	-	-
Grants	249,945	-	249,945	1,333,476	-
Economic Development incentive	314,738	-	314,738	-	-
Excise tax	4,325,473	-	4,325,473	-	-
Land preservation	7,916,835	-	7,916,835	-	-
Board of Library trustees	17,726	-	17,726	-	-
Restricted for capital connections	-	416,794	416,794	-	-
Unrestricted	(39,659,857)	5,867,753	(33,792,104)	(110,632,147)	2,293,708
Total net position	<u>\$ 116,878,201</u>	<u>\$ 39,996,440</u>	<u>\$ 156,874,641</u>	<u>\$ 161,126,300</u>	<u>\$ 2,315,899</u>

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<u>Governmental activities:</u>				
General government	\$ 23,807,478	\$ 1,244,512	\$ 1,012,333	\$ -
Public safety	42,136,984	6,758,136	986,887	600,000
General services	19,884,896	4,000,693	432,534	7,790,440
Public works	19,817,592	3,438,319	-	-
Economic development	1,117,913	586,599	-	-
Community resources	12,716,946	1,273,003	2,286,412	-
Education	171,354,587	-	592,025	-
Social services and health	5,032,427	-	-	-
Interest on long-term debt	5,266,087	6,294	-	-
Total governmental activities	301,134,910	17,307,556	5,310,191	8,390,440
<u>Business-Type activities:</u>				
Water and sewer	9,025,746	9,584,903	-	159,857
Solid waste and recycling	12,650,803	13,081,652	-	-
Total business-type activities	21,676,549	22,666,555	-	159,857
Total primary government	\$ 322,811,459	\$ 39,974,111	\$ 5,310,191	\$ 8,550,297
Component Units:				
Board of Education	\$ 258,159,751	\$ 1,128,501	\$ 29,099,346	\$ 11,608,514
Economic Development Authority	242	-	-	-
Total component units	\$ 258,159,993	\$ 1,128,501	\$ 29,099,346	\$ 11,608,514

General Revenues:

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

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

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority	
(21,550,633)	\$ -	\$ (21,550,633)	\$ -	\$ -	
(33,791,961)	-	(33,791,961)	-	-	
(7,661,229)	-	(7,661,229)	-	-	
(16,379,273)	-	(16,379,273)	-	-	
(531,314)	-	(531,314)	-	-	
(9,157,531)	-	(9,157,531)	-	-	
(170,762,562)	-	(170,762,562)	-	-	
(5,032,427)	-	(5,032,427)	-	-	
(5,259,793)	-	(5,259,793)	-	-	
<u>(270,126,723)</u>	<u>-</u>	<u>(270,126,723)</u>	<u>-</u>	<u>-</u>	
-	719,014	719,014	-	-	
-	430,849	430,849	-	-	
<u>-</u>	<u>1,149,863</u>	<u>1,149,863</u>	<u>-</u>	<u>-</u>	
<u>(270,126,723)</u>	<u>\$ 1,149,863</u>	<u>\$ (268,976,860)</u>	<u>\$ -</u>	<u>\$ -</u>	
-	\$ -	\$ -	\$ (216,323,390)	\$ -	
-	-	-	-	(242)	
<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (216,323,390)</u>	<u>\$ (242)</u>	
188,304,505	\$ -	\$ 188,304,505	\$ -	\$ -	
70,620,494	-	70,620,494	-	-	
9,014,787	-	9,014,787	-	-	
23,566	-	23,566	-	-	
1,599,918	-	1,599,918	-	-	
103,419	-	103,419	-	-	
8,422,396	566,304	8,988,700	183,390	39,764	
-	-	-	230,519,780	-	
<u>(20,346)</u>	<u>20,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>278,068,739</u>	<u>586,650</u>	<u>278,655,389</u>	<u>230,703,170</u>	<u>39,764</u>	
7,942,016	1,736,513	9,678,529	14,379,780	39,522	
<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>	
<u>\$ 116,878,201</u>	<u>\$ 39,996,440</u>	<u>\$ 156,874,641</u>	<u>\$ 161,126,300</u>	<u>\$ 2,315,899</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, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 108,039,089	\$ -	\$ 6,586,987	\$ 114,626,076
Receivables:				
Taxes	7,730,679	-	2,487,517	10,218,196
Special assessments	1,186,515	-	-	1,186,515
Accounts	31,672,149	45,915	1,253,688	32,971,752
Notes	6,220,153	-	292,357	6,512,510
Accrued interest	9,690	80,284	-	89,974
Due from other funds	2,047,489	16,080,972	11,276,835	29,405,296
Due from other governments	21,067	-	-	21,067
Inventory/Prepays	297,844	-	66,304	364,148
Restricted assets				
Cash and investments	-	34,568,392	-	34,568,392
Total assets	<u>\$ 157,224,675</u>	<u>\$ 50,775,563</u>	<u>\$ 21,963,688</u>	<u>\$ 229,963,926</u>
LIABILITIES				
Accounts payable	1,449,760	323,753	1,927,206	3,700,719
Notes payable	-	-	-	-
Accrued liabilities	9,898,142	-	-	9,898,142
Due to other funds	30,334,300	-	18,345	30,352,645
Due to component units	12,300,116	1,111,150	-	13,411,266
Due to other governments	6,042,050	-	-	6,042,050
Unearned revenue	-	-	3,899,857	3,899,857
Total liabilities	<u>60,024,368</u>	<u>1,434,903</u>	<u>5,845,408</u>	<u>67,304,679</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	<u>27,398,083</u>	<u>-</u>	<u>-</u>	<u>27,398,083</u>
FUND BALANCE (DEFICITS)				
Nonspendable	9,587,329	-	66,304	9,653,633
Restricted	-	-	9,249,697	9,249,697
Committed	32,922,611	-	5,029,208	37,951,819
Assigned	5,000,000	49,340,660	1,773,071	56,113,731
Unassigned	<u>22,292,284</u>	<u>-</u>	<u>-</u>	<u>22,292,284</u>
Total fund balances	<u>69,802,224</u>	<u>49,340,660</u>	<u>16,118,280</u>	<u>135,261,164</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 157,224,675</u>	<u>\$ 50,775,563</u>	<u>\$ 21,963,688</u>	<u>\$ 229,963,926</u>
Fund balance (as reported above)				135,261,164
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.				217,504,967
Some of the County's revenues are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the fund.				27,398,083
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(171,276,025)
Net OPEB liability is not due and payable in the current period, and, therefore, are not reported in the funds.				(40,093,558)
Net pension asset/liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(20,275,874)
Deferred outflows of resources related to pensions				3,121,082
Deferred outflows of resources related to OPEB				2,955,750
Deferred gain on refunding				(945,811)
Deferred inflows of resources related to pensions				(15,396,024)
Deferred inflows of resources related to OPEB				(18,977,502)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				<u>(2,398,051)</u>
Net position of governmental activities				<u>\$ 116,878,201</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, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 286,302,925	\$ -	\$ 2,685,300	\$ 288,988,225
Licenses and permits	335,646	-	-	335,646
Intergovernmental	3,902,762	3,835,360	5,547,096	13,285,218
Charges for services	5,313,661	-	1,762,582	7,076,243
Fines and forfeitures	405,041	-	60,657	465,698
Miscellaneous revenue	3,339,483	4,256,445	2,716,908	10,312,836
Total revenues	<u>299,599,518</u>	<u>8,091,805</u>	<u>12,772,543</u>	<u>320,463,866</u>
EXPENDITURES				
General government	18,948,931	-	896,544	19,845,475
Public safety	36,727,583	-	-	36,727,583
General services	11,277,556	-	7,694,507	18,972,063
Public works	11,800,446	-	-	11,800,446
Economic development	771,596	-	-	771,596
Community resources	2,123,970	-	6,965,136	9,089,106
Education	131,014,609	-	5,032,655	136,047,264
Social services and health	4,124,716	-	-	4,124,716
Pensions and insurance	35,267,192	-	-	35,267,192
Capital projects	-	36,353,413	-	36,353,413
Debt service				
Principal payments	15,533,117	-	-	15,533,117
Interest payments	4,752,870	-	-	4,752,870
Total expenditures	<u>272,342,586</u>	<u>36,353,413</u>	<u>20,588,842</u>	<u>329,284,841</u>
Excess (deficiency) of revenues over expenditures	<u>27,256,932</u>	<u>(28,261,608)</u>	<u>(7,816,299)</u>	<u>(8,820,975)</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance	-	42,900,000	-	42,900,000
Premium on bonds issued	-	5,848,954	-	5,848,954
Transfers in - other	34,500	10,868,851	11,215,000	22,118,351
Transfers out - other	(19,491,997)	(34,500)	(2,612,200)	(22,138,697)
Total other financing sources (uses)	<u>(19,457,497)</u>	<u>59,583,305</u>	<u>8,602,800</u>	<u>48,728,608</u>
Net change in fund balance	7,799,435	31,321,697	786,501	39,907,633
Fund balance at beginning of year	62,002,789	18,018,963	15,331,779	95,353,531
Fund balance at end of year	<u>\$ 69,802,224</u>	<u>\$ 49,340,660</u>	<u>\$ 16,118,280</u>	<u>\$ 135,261,164</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, 2019**

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

Net change in fund balances - total governmental funds		\$ 39,907,633
<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	26,307,135
	Depreciation	<u>(14,253,080)</u>
		12,054,055
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,835,704
<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	1,233,992
	Change in landfill postclosure liabilities	30,000
	Bond Proceeds	(42,900,000)
	Premium on Bond Proceeds	(5,848,954)
	Principal payments	<u>15,533,116</u>
	Changes in long-term debt	(31,951,846)
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.		(14,787,085)
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.		396,772
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>(513,217)</u>
Change in net position of governmental activities		<u>\$ 7,942,016</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, 2019

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
REVENUES				
Taxes	\$ 285,862,437	\$ 285,346,565	\$ 286,302,925	\$ 956,360
Licenses and permits	305,107	299,400	335,646	36,246
Intergovernmental	4,484,211	4,407,089	4,384,542	(22,547)
Charges for services	4,502,824	5,184,521	5,382,133	197,612
Fines and forfeitures	327,650	352,075	431,112	79,037
Miscellaneous	841,769	4,615,837	3,122,349	(1,493,488)
Total revenues	296,323,998	300,205,487	299,958,707	(246,780)
EXPENDITURES				
General government	20,807,195	20,372,606	18,926,804	1,445,802
Public safety	37,259,554	37,973,834	37,276,270	697,564
General services	15,532,068	15,988,582	14,753,890	1,234,692
Public works	13,030,503	14,364,876	13,981,617	383,259
Economic development	883,107	904,494	742,887	161,607
Community resources	2,277,778	2,277,778	2,141,986	135,792
Education	135,686,627	135,685,514	135,672,923	12,591
Social services and health	4,549,693	4,554,952	4,499,415	55,537
Pensions and insurance	36,816,099	36,358,094	35,268,562	1,089,532
<u>Debt service</u>				
Principal retirement	15,533,689	15,533,688	15,533,117	571
Interest	4,846,348	4,846,348	4,752,870	93,478
Total expenditures	287,222,661	288,860,766	283,550,341	5,310,425
Excess (deficiency) of revenues over expenditures	9,101,337	11,344,721	16,408,366	5,063,645
OTHER FINANCING SOURCES (USES)				
Transfers in	1,217,134	1,264,372	251,634	(1,012,738)
Transfers out	(10,318,471)	(12,609,093)	(12,670,597)	(61,504)
Total other financing sources (uses)	(9,101,337)	(11,344,721)	(12,418,963)	(1,074,242)
Net change in fund balance	-	-	3,989,403	3,989,403
Fund balance - beginning	57,038,332	57,038,332	57,038,332	-
Fund balance - ending	\$ 57,038,332	\$ 57,038,332	\$ 61,027,735	\$ 3,989,403

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)	\$ 300,210,341
Transfer adjustment (Library)	(576,323)
Revenue and transfers in (GAAP basis)	<u>\$ 299,634,018</u>
Expenditures and operating transfers out (budgetary basis)	\$ 296,220,938
Encumbrance/accrual adjustment	(3,810,032)
Transfer adjustment (Library)	(576,323)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 291,834,583</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, 2019**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
ASSETS			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 955,137	\$ 1,365	\$ 956,502
Total cash, cash equivalents and investments	955,137	1,365	956,502
Accounts receivable	2,134,235	1,159,891	3,294,126
Accrued interest receivable	12,690	3,526	16,216
Due from other funds	-	2,976,493	2,976,493
Prepaid expenses	-	-	-
Inventory	33,749	-	33,749
Total current assets	<u>3,135,811</u>	<u>4,141,275</u>	<u>7,277,086</u>
<u>Non-current assets:</u>			
Restricted assets			
Cash and investments	14,647,508	1,996,939	16,644,447
Capital assets not being depreciated	6,235,900	1,651,040	7,886,940
Depreciable capital assets - net	36,256,234	7,991,555	44,247,789
Total non-current assets	<u>57,139,642</u>	<u>11,639,534</u>	<u>68,779,176</u>
Total assets	<u>60,275,453</u>	<u>15,780,809</u>	<u>76,056,262</u>
Deferred Outflows of Resources			
Deferred loss on refunding	-	-	-
Total assets and deferred outflows	<u>60,275,453</u>	<u>15,780,809</u>	<u>76,056,262</u>
LIABILITIES			
<u>Current liabilities:</u>			
Vouchers and accounts payable	218,880	63,547	282,427
Accrued liabilities	403,175	913,830	1,317,005
Due to other funds	2,029,144	-	2,029,144
Due to other governments	92,683	-	92,683
Compensated absences, current portion	20,000	46,586	66,586
Estimated post closure costs, current portion	-	54,053	54,053
Long-term debt, current portion	1,427,058	207,952	1,635,010
Total current liabilities	<u>4,190,940</u>	<u>1,285,968</u>	<u>5,476,908</u>
<u>Noncurrent liabilities:</u>			
Compensated absences, net of current portion	235,394	358,382	593,776
Estimated post closure costs, net of current portion	-	3,175,644	3,175,644
Long-term debt, net of current portion	24,312,934	2,500,560	26,813,494
Total liabilities	<u>28,739,268</u>	<u>7,320,554</u>	<u>36,059,822</u>
NET POSITION			
Net investment in capital assets	24,642,027	9,069,866	33,711,893
Restricted capital connection	416,794	-	416,794
Unrestricted	6,477,364	(609,611)	5,867,753
Total net position	<u>\$ 31,536,185</u>	<u>\$ 8,460,255</u>	<u>\$ 39,996,440</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, 2019**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
<u>Operating revenues:</u>			
Charges for services	\$ 8,411,059	\$ 12,977,174	\$ 21,388,233
<u>Operating expenses:</u>			
Salaries & benefits	2,923,026	3,251,254	6,174,280
Contracted services	1,141,757	8,252,120	9,393,877
Supplies	303,412	205,646	509,058
Heat, light and power	632,313	45,210	677,523
Depreciation	2,711,371	494,322	3,205,693
Miscellaneous	99,825	12,045	111,870
Telephone	30,339	11,578	41,917
Compensated absences	49,049	27,523	76,572
Maintenance and repairs	558,429	238,904	797,333
Capital outlay	38,071	23,070	61,141
Total operating expenses	<u>8,487,592</u>	<u>12,561,672</u>	<u>21,049,264</u>
Operating income (loss)	<u>(76,533)</u>	<u>415,502</u>	<u>338,969</u>
<u>Non-operating revenues (expenses):</u>			
Miscellaneous income	142,148	75,728	217,876
Tower revenue	157,196	28,750	185,946
Investment income	489,257	77,047	566,304
Interest expense	<u>(538,154)</u>	<u>(89,131)</u>	<u>(627,285)</u>
Total non-operating revenues (expenses)	<u>250,447</u>	<u>92,394</u>	<u>342,841</u>
Income (loss) before contributions and transfers	173,914	507,896	681,810
Transfers in (out)	29,314	(8,968)	20,346
Capital connection charges	874,500	-	874,500
Developer contribution	<u>159,857</u>	<u>-</u>	<u>159,857</u>
Change in net position	1,237,585	498,928	1,736,513
Total net position - beginning	<u>30,298,600</u>	<u>7,961,327</u>	<u>38,259,927</u>
Total net position - ending	<u>\$ 31,536,185</u>	<u>\$ 8,460,255</u>	<u>\$ 39,996,440</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, 2019**

	<u>Water and Sewer Fund</u>	<u>Solid Waste and Recycling Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 9,194,733	\$ 12,716,376	\$ 21,911,109
Tower revenue	157,196	28,750	185,946
Other Receipts	111,776	75,728	187,504
Payments to suppliers	(5,503,904)	(12,678,911)	(18,182,815)
Payments to employees	124,736	118,249	242,985
Receipts from other funds	(869,973)	1,098,151	228,178
Net cash provided by (used in) operating activities	<u>3,214,564</u>	<u>1,358,343</u>	<u>4,572,907</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/ from other funds	29,314	20,346	49,660
Net cash provided by (used in) non-capital financing activities	<u>29,314</u>	<u>20,346</u>	<u>49,660</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets and construction-in-progress	(2,340,284)	(1,075,254)	(3,415,538)
Proceeds from issuance of long term debt	554,437	-	554,437
Capital connection fees received	874,500	-	874,500
Developer contribution	159,857	-	159,857
Grants from State Government	-	-	-
Principal paid on long-term obligations	(694,091)	(207,307)	(901,398)
Interest paid on long-term obligations	(493,390)	(90,308)	(583,698)
Net cash provided by (used in) capital and related financing activities	<u>(1,938,971)</u>	<u>(1,372,869)</u>	<u>(3,311,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on deposits	442,905	61,773	504,678
Purchase of investments	(1,030,755)	(38,427)	(1,069,182)
Net cash provided by (used in) investing activities	<u>(587,850)</u>	<u>23,346</u>	<u>(564,504)</u>
Increase (decrease) in cash and cash equivalents	717,057	(148)	716,909
Cash and cash equivalents, beginning of year	238,080	1,513	239,593
Cash and cash equivalents, end of year	<u>\$ 955,137</u>	<u>\$ 1,365</u>	<u>\$ 956,502</u>
PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Adjustments to reconcile operating income (loss) to	\$ (76,533)	\$ 415,502	\$ 338,969
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	2,711,371	494,322	3,205,693
Landfill closure costs and other	-	54,053	54,053
Tower revenue	157,196	28,750	185,946
Other Receipts	120,719	75,728	196,447
<u>Changes in assets and liabilities</u>			
Inventory	103,278	-	103,278
Accounts receivable	774,732	(260,796)	513,936
Due from other funds	-	1,098,151	1,098,151
Accounts payable	207,465	(407,360)	(199,895)
Accrued expenses	86,309	(140,007)	(53,698)
Due to other funds	(869,973)	-	(869,973)
Net cash provided by (used in) operating activities	<u>\$ 3,214,564</u>	<u>\$ 1,358,343</u>	<u>\$ 4,572,907</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and investments, unrestricted	\$ 955,137	\$ 1,365	\$ 956,502
Cash and investments, restricted	14,647,508	1,996,939	16,644,447
	<u>15,602,645</u>	<u>1,998,304</u>	<u>17,600,949</u>
Less - noncash equivalent investments	14,647,508	1,996,939	16,644,447
Cash and cash equivalents	<u>\$ 955,137</u>	<u>\$ 1,365</u>	<u>\$ 956,502</u>

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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CALVERT COUNTY, MARYLAND
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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 100 and 101.

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
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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.

CALVERT COUNTY, MARYLAND
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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 statement, unless, the interfund services provided and used then they are not eliminated in the process of consolidation.

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

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basic financial statements are prepared on the budgetary basis. Budgetary control is at the object level. The Capital Projects budget is prepared for the duration of the respective project and annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

D. Assets, Liabilities and Net Position

Cash, Cash Equivalents and Investments - For purposes of the statements of cash flows, cash equivalents are considered to be investments that are a) short-term, highly liquid investments which are readily convertible to known amounts of cash; and b) so near maturity that the investment presents insignificant risk of changes in value because of changes in interest rates.

Investments in certificates of deposit, U.S. government obligations, repurchase agreements and other investments are carried at fair value, which is determined on June 30 of each fiscal year.

Investments in the pension trust funds (Volunteer Fire and Rescue Squad Pension Fund and Calvert County Sheriff's Department Pension Plan, the Calvert County Employees Retirement Plan and the Calvert County Maryland Other Post-Employment Benefits Trust) are carried at fair value determined on June 30 of each year, based on appraisals or quotations by an independent investment counselor.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

Inventory - Inventory is valued at cost (first-in, first-out method) and consist of expendable supplies and vehicle repair parts. 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. Assets are depreciated using the straight-line method over the estimated useful life of the asset. The table on the next page is a general guideline for determining the estimated useful life of assets:

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

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

CALVERT COUNTY, MARYLAND
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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. Donated capital assets, donated works of art and similar items, and capital assets received in service concessions arrangements are reported at acquisition value rather than fair value.

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 into 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.

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

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

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

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

Equity - Detailed information on the presentation of net position for the government-wide and business-type funds is located 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 GASB has 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
NOTES TO FINANCIAL STATEMENTS
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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, 2019, was \$.937 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 \$.601 per \$100 of assessed value based on the full valuation method. The personal property tax rate during the year ended June 30, 2019 was \$2.23 per \$100 of assessed value except that within the two incorporated towns, North Beach and Chesapeake Beach, the rate was \$1.39. The County bills and collects all property taxes.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
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Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2019, cash on hand for petty cash and change was \$7,335.

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, 2019, the net carrying amount and the bank balances of the County's deposits with financial institutions were \$5,785,529 and \$5,497,610, 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, 2019, 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 25.

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 February 15, 2021. 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.

CALVERT COUNTY, MARYLAND
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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, 2019, the County had the following recurring fair value measurements.

<u>Investments by fair value level</u>	<u>6/30/2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities				
U.S. Treasury strips	\$ 4,035,384	\$ 4,035,384	\$ -	\$ -
U.S. Agencies	-	-	-	-
Corporate bonds and notes	-	-	-	-
Total debt securities	4,035,384	4,035,384	-	-
Equity Securities				
Commons stock	58,346,574	58,346,574	-	-
Equity mutual funds	72,671,402	72,671,402	-	-
Total equity securities	131,017,976	131,017,976	-	-
Total investments by fair value level	135,053,360	135,053,360	-	-
Investments measured at net asset value (NAV)				
Money market funds	180,235,625			
Fixed income mutual funds	60,472,893			
Private equity funds	71,222,733			
Total investments measured at the NAV	311,931,251			
Total investments measured at fair value	\$ 446,984,611			

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	\$ 94,926,808
Less than 1 year	-
1 - 5 years	3,869,293
5 - 10 years	165,371
Total	\$ 98,961,472

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	\$	8,866,589
Japan		7,920,223
Germany		2,245,009
Netherlands		1,991,251
Swiss		1,865,861
France		1,833,026
china		937,410
Russia		865,761
Hong Kong		841,878
Ireland		137,158
Scotland		39,491
Spain		19,746
Total	\$	27,563,403

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2019 are summarized in the following table:

Cash, Cash Equivalent or Investment type		Cash, Cash Equivalent or Investment type	
U.S. Agency obligations	\$	-	Unrestricted
U.S. Treasury strips	4,035,384		\$ 118,049,255
Common stock	51,706,708		Restricted
Fixed assets	60,472,892		335,162,174
Equity and bond funds	145,699,063		Total
Money market mutual funds	172,905,245		\$ 453,211,429 *
Certificates of deposits	443,038		
Cash in banks	5,785,529		
Other special equity	12,156,210		
Petty cash	7,360		
Total	\$	453,211,429 *	

*includes agency fund cash of \$95,903.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2019, totaled \$1,842,264 and consisted of money market mutual funds.

Board of Education

Cash on Hand - At June 30, 2019, cash on hand for petty cash and change funds was \$655.

Deposits - At June 30, 2019, the carrying amount of the Board's deposit was \$28,476,925 consisting of cash in the amount of \$26,521,749 in governmental activities, and \$1,955,176 in the agency fund with corresponding bank balances of \$32,501,468. Of the bank balances, all deposits were covered by Federal Depository Insurance and collateral held in the Board's name. The Board has a contractual agreement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

Investment Rate Risk - Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. To limit the Board's exposure to fair value losses arising from increasing interest rates, the Board's investment policy limits the term of investment maturities to overnight repurchase agreements and MLGIP and requires that collateral securities underlying the repurchase agreements have a market value of at least 102 percent of the cost of the agreement. Interest income is reported as general revenue in the Calvert County Public School, Statement of Activities.

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

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, \$8,953 is outstanding.

Water and Sewer Fund

The Water and Sewer Fund ratified a loan with the general fund in 2014. The note calls for annual payments of \$175,000, non-interest bearing, commencing June 30, 2013 through maturity in 2052. At June 30, 2019, outstanding principal amounted to \$5,925,000 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 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, 2019, \$169,266 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, 2019, \$112,418 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, 2019, \$44,765 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, 2019, \$23,489 is outstanding.

During fiscal year 2019 a seven-year, \$47,000 loan was made to Huntingtown Automotive, LLC. The note bears interest at 5.50% per annum. Principal is payable monthly, beginning October 2018 through maturity in September 2025. At June 30, 2019, \$44,103 is outstanding.

During fiscal year 2019 a five-year, \$100,000 loan was made to Chesapeake Plastic MFG. The note bears interest at 7.25% per annum. Interest is due monthly, principle is due at maturity of loan, beginning December 2018 through maturity in December 2019. At June 30, 2019, \$100,000 is outstanding.

During fiscal year 2019 a five-year, \$80,000 loan was made to Mully's Brewery, LLC. The note bears interest at 7.49% per annum. Principal is payable monthly, interest is due after first 60 days, beginning April 2019 through maturity in March 2025. At June 30, 2019, \$80,000 is outstanding.

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 the 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, 2019 the interfund account balances were as shown below:

	Due From	Due To
Primary Government:		
<u>General Fund</u>		
Special revenue funds	\$ 18,345	\$ 11,276,835
Capital projects fund	-	16,080,972
Enterprise funds	2,029,144	2,976,493
	2,047,489	30,334,300
<u>Special Revenue Funds</u>		
General fund	11,276,835	18,345
<u>Capital Projects Fund</u>		
General fund	-	-
<u>Enterprise Funds</u>		
General fund	2,976,493	2,029,144
	\$ 16,300,817	\$ 32,381,789
Component Units:		
Primary government – General fund	\$ -	\$ 13,411,266
Component unit – Board of Education	12,961,150	-
Component unit – Economic Development Authority	450,116	-
	\$ 13,411,266	\$ 13,411,266

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, 2019, the interfund transfers were as follows:

	Transfers in	Transfers out
Primary Government:		
<u>Governmental Funds</u>		
Special revenue funds	\$ 11,215,000	\$ 2,612,200
Capital projects fund	10,868,851	34,500
General fund	34,500	19,491,997
	22,118,351	22,138,697
<u>Proprietary Funds</u>		
Water and sewer fund	-	-
Solid waste fund	29,314	8,968
	29,314	8,968
Total Transfers	\$ 22,147,665	\$ 22,147,665

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 26,506,495	\$ 17,533,377	\$ (19,218,758) ⁽¹⁾	\$ 24,821,114
Land Development Rights	11,245,305	-	-	11,245,305
Land	43,985,536	2,070,445	-	46,055,981
	<u>81,737,336</u>	<u>19,603,822</u>	<u>(19,218,758)</u>	<u>82,122,400</u>
Capital assets, being depreciated				
Buildings	79,158,920	6,765,580	(213,615)	85,710,885
Improvements	48,735,317	6,730,875	-	55,466,192
Machinery & Equipment	52,684,188	3,321,078	(3,225,348)	52,779,918
Infrastructure	149,509,638	9,104,538	-	158,614,176
	<u>330,088,063</u>	<u>25,922,071</u>	<u>(3,438,963)</u>	<u>352,571,171</u>
Less accumulated depreciation for:				
Buildings	(52,367,520)	(2,207,782)	213,615	(54,361,687)
Improvements	(27,435,436)	(2,857,298)	-	(30,292,734)
Machinery & Equipment	(40,289,152)	(3,499,735)	3,225,348	(40,563,539)
Infrastructure	(86,282,379)	(5,688,265)	-	(91,970,644)
	<u>(206,374,487)</u>	<u>(14,253,080)</u>	<u>3,438,963</u>	<u>(217,188,604)</u>
Total capital assets, being depreciated, net	<u>123,713,576</u>	<u>11,668,991</u>	<u>-</u>	<u>135,382,567</u>
Governmental activities capital assets, net	<u>\$ 205,450,912</u>	<u>\$ 31,272,813</u>	<u>\$ (19,218,758)</u>	<u>\$ 217,504,967</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 4,169,967	\$ 1,233,382	\$ -	\$ 5,403,349
Land	2,483,591	-	-	2,483,591
	<u>6,653,558</u>	<u>1,233,382</u>	<u>-</u>	<u>7,886,940</u>
Capital assets, being depreciated				
Buildings	56,486,730	10,748	-	56,497,478
Improvements	23,955,289	1,245,726	-	25,201,015
Machinery & Equipment	14,969,649	925,682	(275,464)	15,619,867
	<u>95,411,668</u>	<u>2,182,156</u>	<u>(275,464)</u>	<u>97,318,360</u>
Less accumulated depreciation for:				
Buildings	(36,468,022)	(1,457,964)	-	(37,925,986)
Improvements	(5,981,427)	(860,545)	-	(6,841,972)
Machinery & Equipment	(7,690,893)	(887,184)	275,464	(8,302,613)
	<u>(50,140,342)</u>	<u>(3,205,693)</u>	<u>275,464</u>	<u>(53,070,571)</u>
Total capital assets, being depreciated, net	<u>45,271,326</u>	<u>(1,023,537)</u>	<u>-</u>	<u>44,247,789</u>
Business-type activities capital assets, net	<u>\$ 51,924,884</u>	<u>\$ 209,845</u>	<u>\$ -</u>	<u>\$ 52,134,729</u>

(1) Excludes assets of \$6,639,362 and \$9,993,912 that were transferred to the Board of Education and Fire Departments

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2019 as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 22,191	\$ -	\$ -	\$ 22,191
	<u>\$ 22,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,191</u>

Board of Education

A summary of changes in capital assets for the year ended June 30, 2019 as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance June 30, 2019</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,846,183	\$ -	\$ (4,102)	\$ 3,842,081
Construction in progress	56,945,284	15,543,057	(64,251,401)	8,236,940
Total capital assets, not being depreciated	60,791,467	15,543,057	(64,255,503)	12,079,021
Capital assets, being depreciated:				
Buildings and improvements	315,210,607	63,987,156	(4,306,005)	374,891,758
Land improvements	7,057,140	144,508	(154,000)	7,047,648
Equipment	9,241,909	1,002,665	(462,756)	9,781,818
Total capital assets, being depreciated	331,509,656	65,134,329	(4,922,761)	391,721,224
Less accumulated depreciation for				
Buildings and improvements	(120,011,146)	(7,126,346)	3,838,885	(123,298,607)
Land improvements	(4,187,842)	(32,683)	150,150	(4,070,375)
Equipment	(6,290,042)	(134,658)	418,408	(6,006,292)
Total accumulated depreciation	(130,489,030)	(7,293,687)	4,407,443	(133,375,274)
Total capital assets, being depreciated, net	201,020,626	57,840,642	(515,318)	258,345,950
Governmental activities capital assets, net	<u>\$ 261,812,093</u>	<u>\$ 73,383,699</u>	<u>\$ (64,770,821)</u>	<u>\$ 270,424,971</u>

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2019 as follows:

	Spent to Date
Beach Elementary	\$ 78,800
Calvert County HVAC	827,929
Mt. Harmony HVAC	80,250
Northern High	6,427,085
Northern Middle	23,459
Patuxent High HVAC	634,118
School Safety & Security	165,299
	\$ 8,236,940

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, 2019 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

General government	\$ 782,071
Public safety	1,905,915
General services	4,862,016
Public works	6,290,646
Community resources	346,457
Education	65,975
Total	\$ 14,253,080

Business-type activities:

Water and Sewer	\$ 2,711,371
Solid Waste and Recycling	494,322
	\$ 3,205,693

Component Units:

Board of Education - governmental activities:

<i>Instruction:</i>	
Regular education	\$ 139,341
Special education	10,592
<i>Support services:</i>	
Administration	(871,598)
Mid-level administration	9,265
Operation of plant and equipment	7,785,812
Maintenance of plant	177,536
Total	\$ 7,250,948

Economic Development:

\$ 19,700

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019.

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.

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 123,086,114	\$ 48,748,954	\$ (16,731,702)	\$ 155,103,366	\$ 14,501,827
Notes Payable ⁽²⁾	52,368	-	(4,684)	47,684	4,685
The Land Preservation Program	4,450,340	-	(227,430)	4,222,910	917,654
Other Liabilities:					
Landfill Closure Costs	270,000	-	(30,000)	240,000	30,000
Net Pension Liability	13,119,731	7,156,143	-	20,275,874	-
Net OPEB Liability	45,859,174	-	(5,765,616)	40,093,558	-
Compensated Absences	12,896,057	538,165	(1,772,157)	11,662,065	1,646,221
Total	<u>\$ 199,733,784</u>	<u>\$ 56,443,262</u>	<u>\$ (24,531,589)</u>	<u>\$ 231,645,457</u>	<u>\$ 17,100,387</u>
Business-type activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 16,316,502	\$ 1,073,166	\$ (908,476)	\$ 16,481,192	\$ 908,929
Notes Payable ⁽¹⁾	12,732,464	135,808	(900,960)	11,967,312	726,081
Other Liabilities:					
Landfill Closure Costs	3,175,644	54,053	-	3,229,697	54,053
Compensated Absences	583,789	76,573	-	660,362	66,586
Total	<u>\$ 32,808,399</u>	<u>\$ 1,339,600</u>	<u>\$ (1,809,436)</u>	<u>\$ 32,338,563</u>	<u>\$ 1,755,649</u>

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

(2) Represents debt used for other governmental purposes.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2019, 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	\$ 7,580,368
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	8,984,081
Consolidated Public Improvement Project Bonds, 2012 Series	6,290,000	3% - 4%	April 1, 2027	3,355,000
Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds)	6,425,000	3% - 4%	April 1, 2027	2,060,000
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2028	3,600,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	7,270,750
Consolidated Public Improvement Project Bonds, 2014 Series	5,760,000	2% - 5%	May 1, 2029	4,115,000
Consolidated Public Improvement Project Bonds, 2016 Series	28,030,000	2% - 5%	July 1, 2031	25,247,964
Refunding Bonds, 2016 Series (replaced the 2008/2009 Series bonds)	18,670,000	2% - 5%	July 1, 2032	14,080,000
Consolidated Public Improvement Project Bonds, 2017 Series - 15 year	21,760,000	3% - 5%	July 1, 2033	20,700,842
Consolidated Public Improvement Project Bonds, 2018 Series	23,210,000	2% - 5%	July 1, 2033	23,210,000
Consolidated Public Improvement Project Bonds, 2019 Series	19,690,000	2% - 5%	July 1, 2034	19,690,000
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	10,288
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	37,395
<i>Other</i>				
The Land Preservation Program	<u>10,611,555</u>	3% - 5%		<u>4,222,910</u>
Total General Obligation Bonds and Notes Receivables	189,603,266			144,174,598
Premium, 2009, 2010, 2011, 2012, 2013, 2014, 2016, 2017, 2018, 2019 Series				<u>15,199,362</u>
Total Governmental Activities	<u>\$ 189,603,266</u>			<u>\$ 159,373,960</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2019, 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	\$ 1,260,398
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	1,791,922
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,195,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	156,975
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	980,000
Consolidated Public Improvement Project Bonds, 2014 Series	3,275,000	2% - 5%	May 1, 2039	2,810,000
Consolidated Public Improvement Project Bonds, 2016 Series	1,765,000	2% - 5%	July 1, 2041	1,675,000
Consolidated Public Improvement Project Bonds, 2017 Series	1,195,000	3% - 5%	July 1, 2042	1,175,000
Consolidated Public Improvement Project Bonds, 2018 Series	1,035,000	3% - 5%	July 1, 2043	1,035,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	6,670
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	169,267
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	116,933
General Fund Note - Water and Sewer	7,000,000	0.00%	June 30, 2052	5,925,000
Maryland Department of the Environment (MDE) Note - Kenwood Beach	250,000	4.64%	February 1, 2033	163,402
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	59,889
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	1,068,627
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	112,418
Maryland Water Quality Financing Admin Note - Chesapeake Beach	1,071,036	1.1%	February 2, 2028	499,689
Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP	1,892,000	1.1%	February 1, 2036	1,633,904
Maryland Water Quality Financing Admin Note - East Prince Fred Tank	2,258,209	0.9%	December 1, 2036	2,211,513
Total General Obligation Bonds and Notes Receivables	37,619,433			25,046,607
Premium, 2010, 2011, 2012, 2013, 2014, 2016, 2017, 2018, 2019 Series				693,385
Total Water and Sewer	<u>\$ 37,619,433</u>			<u>\$ 25,739,992</u>
<i>General Obligation Bonds - Solid Waste</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 274,066	3% - 5%	July 1, 2025	\$ 149,234
Consolidated Public Improvement Project Bonds, 2011 Series	1,005,234	2% - 5%	May 1, 2026	468,996
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	67,599	2% - 5%	April 1, 2022	47,092
Consolidated Public Improvement Project Bonds, 2016 Series	1,010,000	2% - 5%	July 1, 2032	910,193
Consolidated Public Improvement Project Bonds, 2017 Series	1,045,000	3% - 5%	July 1, 2033	994,152
Total General Obligation Bonds	3,401,899			2,569,667
Premium, 2010, 2011, 2016, 2017 Series				138,845
Total Solid Waste	<u>\$ 3,401,899</u>			<u>\$ 2,708,512</u>
Total Business Type Activities	<u>\$ 41,021,332</u>			<u>\$ 28,448,504</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019 are as follows:

Years Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 13,690,754	\$ 5,468,583	\$ 19,159,337
2020	16,965,592	5,188,821	22,154,413
2021	14,197,680	4,388,515	18,586,195
2022	13,626,723	3,722,391	17,349,114
2023	10,632,337	3,195,384	13,827,721
2024-2028	41,924,063	9,814,212	51,738,275
2029-2033	33,137,449	2,687,859	35,825,308
Premium	15,199,362	-	15,199,362
	\$ 159,373,960	\$ 34,465,765	\$ 193,839,725

Years Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2019	\$ 1,801,223	\$ 670,850	\$ 2,472,073
2020	1,821,252	618,809	2,440,061
2021	1,820,252	568,156	2,388,408
2022	1,424,570	500,936	1,925,506
2023	1,445,993	462,191	1,908,184
2024-2028	6,353,893	1,724,416	8,078,309
2029-2033	5,657,729	1,014,058	6,671,787
2034 - thereafter	7,291,362	446,874	7,738,236
Premium	832,230	-	832,230
	\$ 28,448,504	\$ 6,006,290	\$ 34,454,794

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$240,000. 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 in FY2019 is 73.93%; therefore, \$3,229,697 represents the accrued reserve at June 30, 2019, 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 \$4,059,340. The accrued reserve will be increased with a contribution of \$4,358 for FY2020.

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, 2019:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 3,831,078	\$ 2,431,751	\$ (2,318,205)	\$ 3,944,624	\$ 155,922
Net Pension Liability	12,487,018	926,918	-	13,413,936	-
Net OPEB Liability - restated	130,684,290	-	(12,094,801)	118,589,489	-
Total	<u>\$ 147,002,386</u>	<u>\$ 3,358,669</u>	<u>\$ (14,413,006)</u>	<u>\$ 135,948,049</u>	<u>\$ 155,922</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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As of June 30, 2019, fund balances were reported as follows:

**COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
GOVERNMENTAL FUNDS FUND BALANCES
JUNE 30, 2019**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 297,844	\$ -	\$ 66,304	\$ 364,148
Long term receivables	9,289,485	-	-	9,289,485
Total Nonspendable	<u>9,587,329</u>	<u>-</u>	<u>66,304</u>	<u>9,653,633</u>
Restricted for:				
Leveraging obligations	-	-	4,035,384	4,035,384
Other purposes	-	-	5,168,125	5,168,125
Endowments	-	-	46,188	46,188
Total Restricted for	<u>-</u>	<u>-</u>	<u>9,249,697</u>	<u>9,249,697</u>
Committed to:				
Encumbrances:				
General government	1,151,308	-	-	1,151,308
Public safety	2,078,581	-	-	2,078,581
General services	1,144,949	-	-	1,144,949
Public works	4,313,589	-	-	4,313,589
Economic development	21,118	-	-	21,118
Community resources	48,451	-	-	48,451
Education	42,347	-	-	42,347
Stabilization arrangement	23,801,291	-	-	23,801,291
Other purposes	320,977	-	5,029,208	5,350,185
Total Committed to	<u>32,922,611</u>	<u>-</u>	<u>5,029,208</u>	<u>37,951,819</u>
Assigned to:				
Vacation/sick leave	5,000,000	-	-	5,000,000
Other purposes	-	-	1,773,071	1,773,071
Other capital projects	-	49,340,660	-	49,340,660
Total Assigned to	<u>5,000,000</u>	<u>49,340,660</u>	<u>1,773,071</u>	<u>56,113,731</u>
Unassigned:	<u>22,292,284</u>	<u>-</u>	<u>-</u>	<u>22,292,284</u>
Total fund balances:	<u>\$ 69,802,224</u>	<u>\$ 49,340,660</u>	<u>\$ 16,118,280</u>	<u>\$ 135,261,164</u>

Other long-term receivables - The amount of notes receivable advanced to Prince Frederick Water and Sewer, Shores of Calvert Water and Sewer System, and advances to the Water and Sewer fund notes receivable at June 30, 2019.

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). The County does not issue stand-alone financial reports for the plans, nor are they included in the report of any other entity. 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 Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2018.

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, 2019, the membership was as follows:

Inactive employees or beneficiaries currently receiving benefits	69
Active employees currently receiving benefits	66
Active employees	960

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 year 2019 totaling \$700,000 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
JUNE 30, 2019

Investments

Investment policy – The pension plan’s 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, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 2.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability, for the measurement period of June 30, 2018 to June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Funding method</u>	<u>Projected Unit Credit</u>
Inflation rate	2.2%
Salary increases	n/a
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

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 06/30/18	\$9,220,796	\$4,157,741	\$5,063,055
Changes for the year:			
Service cost	205,840	-0-	205,840
Interest on the total pension liability	641,994	-0-	641,994
Change in assumptions	1,330,806	-0-	1,330,806
Difference between expected and actual experience	1,538,889	-0-	1,538,889
Contributions - employer	-0-	700,000	(700,000)
Contributions - employee	-0-	-0-	-0-
Net investment income	-0-	89,957	(89,957)
Benefit payments	(731,411)	(731,411)	-0-
Administrative expense	-0-	(41,974)	41,974
Net changes	2,986,118	16,572	2,969,546
Balance at 06/30/19	\$12,206,914	\$4,174,313	\$8,032,601

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	\$13,727,775	\$12,206,914	\$10,944,619
Plan fiduciary net position	(4,174,313)	(4,174,313)	(4,174,313)
County’s net pension liability	\$9,553,462	\$8,032,601	\$6,770,306

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension expense of \$1,730,050. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$1,685,822	-0-
Changes of assumptions	1,339,198	-0-
Net difference between expected and actual earnings	96,062	-0-
Total	\$3,121,082	\$-0-

CALVERT COUNTY, MARYLAND
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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:	
2020	\$1,065,195
2021	966,195
2022	853,961
2023	90,549
2024	48,728
2025 and after	97,454
Total	<u>\$3,121,082</u>

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 Project Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2018.

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) who 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, 2019, the membership was as follows:

Active	196
Retirees and Beneficiaries	85
Inactive and deferred benefits	46
Total	327

Benefits provided - Benefits vest 50% after 5 years, increasing 5% a year to 100% after 15 years. County employees who retire at or after age 55 or after 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.4% of their final average earnings for each year of service up to 20, plus 2% of final average earnings for service over 20 years and up to 27 years. The Plan also provides for death and disability benefits to participating employees. Benefit provisions and all other requirements are established by a County-appointed Board of Trustees.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
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Contribution - The contributions made to the Plan for fiscal 2019 totaling \$2,500,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2018.

Investments

Investment policy – The pension plan’s 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, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 4.02%. 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, 2018 to June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Funding method</u>	<u>Projected Unit Credit</u>
Inflation rate	2.5%
Salary increases:	
Correctional Officers	4.00% - 7.25%, based on age
Deputy Sheriffs	5.00% - 7.25%, based on age
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

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 06/30/18	\$88,412,814	\$90,041,152	\$(1,628,338)
Changes for the year:			
Service cost	3,161,675	-0-	3,161,675
Interest on the total pension liability	6,298,609	-0-	6,298,609
Difference between expected and actual experience	(6,701,698)	-0-	(6,701,698)
Change of assumptions	(6,113,843)	-0-	(6,113,843)
Contributions - employer	-0-	2,500,000	(2,500,000)
Contributions – employee	-0-	1,059,021	(1,059,021)
Net investment income	-0-	4,068,463	(4,068,463)
Benefit payments	(3,070,906)	(3,070,906)	-0-
Administrative expense	-0-	(555,997)	555,997
Net changes	8,661,561	4,000,581	4,660,980
Balance at 06/30/19	\$97,074,375	\$94,071,733	\$3,032,642

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	\$112,418,958	\$97,074,375	\$84,252,287
Plan fiduciary net position	(94,041,733)	(94,041,733)	(94,041,733)
County’s net pension liability	\$18,377,225	\$3,032,642	\$(9,789,446)

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension income of \$14,767,580. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-0-	\$7,589,712
Changes of assumptions	-0-	6,878,914
Net difference between expected and actual earnings	-0-	478,044
Total	-0-	\$14,946,670

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:	
2020	\$(2,326,986)
2021	(3,552,947)
2022	(2,395,844)
2023	(1,008,854)
2024	(1,414,393)
2025 and after	(4,247,646)
Total	\$(14,946,670)

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, 2018.

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

CALVERT COUNTY, MARYLAND
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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.

Employees covered by benefit terms - At June 30, 2019, the membership was as follows:

Active	71
Retirees and beneficiaries	193
Inactive and deferred benefits	88
Total	283

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 2019 totaling \$2,800,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2018.

Investments

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

Asset Class	Target Allocation
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, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 3.89%. 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, 2018 to June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
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Actuarial assumptions and methods – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Entry Age Normal
Inflation rate	2.5%
Salary increases	2.5%
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

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:

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 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 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 06/30/18	\$87,842,224	\$79,785,548	\$8,056,676
Changes for the year:			
Service cost	497,957	-0-	497,957
Interest on the total pension liability	6,206,058	-0-	6,206,058
Difference between expected and actual experience	6,343,477	-0-	6,343,477
Contributions - employer	-0-	2,800,000	(2,800,000)
Contributions – employee	-0-	123,463	(123,463)
Net investment income	-0-	3,131,578	(3,131,578)
Change in assumptions	(4,805,771)	-0-	(4,805,771)
Benefit payments	(4,482,833)	(4,482,833)	-0-
Administrative expense	-0-	(47,911)	47,911
Net changes	2,580,310	1,426,355	1,153,955
Balance at 06/30/19	\$90,422,534	\$81,211,903	\$9,210,631

CALVERT COUNTY, MARYLAND
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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	\$100,453,470	\$90,422,534	\$81,993,585
Plan fiduciary net position	(81,211,903)	(81,211,903)	(81,211,903)
County’s net pension liability	\$19,241,567	\$9,210,631	\$781,682

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension expense of \$3,260,611. As of June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-0-	-0-
Changes of assumptions	-0-	-0-
Net difference between expected and actual earnings	-0-	449,354
Total	-0-	\$449,354

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:	
2020	\$168,423
2021	(1,052,539)
2022	(87,267)
2023	522,029
2024 and after	-0-
Total	\$(449,354)

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, 2019.

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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, 2019, the membership was as follows:

	<u>County</u>	<u>Board of Education</u>
Active	860	1,768
Retirees and spouses	242	793
Total	1,102	2,561

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 2019 totaled \$4,001,740.

Investments

Investment policy – The pension plan's 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%

CALVERT COUNTY, MARYLAND
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Rate of return – For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 2.73%. 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, 2018 to June 30, 2019, 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, 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	2.4%
Investment rate of return	5.50%
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, 2019 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 06/30/18	\$67,194,948	\$23,517,592	\$43,677,356
Changes for the year:			
Service cost	3,614,424	-0-	3,614,424
Interest on the total OPEB liability	4,254,375	-0-	4,254,375
Difference between expected and actual experience	10,649,334	-0-	10,649,334
Change in assumption	(17,428,036)	-0-	(17,428,036)
Contributions - employer	-0-	4,001,740	(4,001,740)
Contributions – employee	-0-	-0-	-0-

CALVERT COUNTY, MARYLAND
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Net investment income	-0-	672,155	(672,155)
Benefit payments	(1,655,095)	(1,655,095)	-0-
Administrative expense	-0-	-0-	-0-
Net changes	(564,998)	3,018,800	(3,583,798)
Balance at 06/30/19	\$66,629,950	\$26,536,392	\$40,093,558

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00)	Current Discount Rate (7.00)	1% Increase (8.00)
Total OPEB liability	\$77,548,493	\$68,383,724	\$57,866,616
Plan fiduciary net position	(26,536,392)	(26,536,392)	(26,536,392)
County’s net OPEB liability	\$51,012,101	\$40,093,558	\$31,330,224

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 6.00% decreasing to 3.00%, 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 (7.00% decreasing to 4.00%) or 1-percentage-point higher (8.00% decreasing to 5.00%) than the current healthcare trend rates:

	1% Decrease (6.00% decreasing to 3.00%)	Current Discount Rate (7.00% decreasing to 4.00%)	1% Increase (8.00% decreasing to 5.00%)
Total OPEB liability	\$56,910,841	\$68,383,724	\$79,027,247
Plan fiduciary net position	(26,536,392)	(26,536,392)	(26,536,392)
County’s net OPEB liability	\$30,374,449	\$40,093,558	\$52,490,855

OPEB plan fiduciary net position - For the year ended June 30, 2019, the County recognized OPEB income of \$3,967,742. At June 30, 2019, 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	\$2,571,984	-0-
Changes of assumptions	-0-	18,977,502
Net difference between expected and actual earnings	383,766	-0-
Total	\$2,995,750	\$18,977,502

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

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
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Year ended June 30:	
2020	\$(2,172,693)
2021	(2,172,693)
2022	(2,172,693)
2023	(2,018,961)
2024	(2,230,204)
2025 and after	(5,214,508)
Total	<u>\$(15,981,752)</u>

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, 2019 were \$1,456,905 and \$907,088, 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 \$373,453, \$449,770, and \$412,030, for the years ended June 30, 2019, 2018 and 2017. In accordance with GASB Statement Number 24, the State's 2019 contribution amount has been shown as State aid revenue and pension expenditure.

B. Component Unit – Board of Education

Teachers' Pension System

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

CALVERT COUNTY, MARYLAND
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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.

Beginning in FY2019, 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, 2019 was \$5,023,147. The State's contributions on behalf of the Board for the year ended June 30, 2019 was \$13,093,939. The FY2019 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

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Statement of Revenues, Expenditures and Changes in Fund Balance and is also included as revenues and expenses in the Statement of Activities.

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

Teacher's Retirement and Pension Systems - At June 30, 2019, the Calvert County Public Schools (CCPS) did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pay the unfunded liability for CCPS and CCPS pays the normal costs related to CCPS' members in the Teachers Retirement and Pension system; therefore, CCPS 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 CCPS 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 CCPS was as follows:

CCPS' proportionate share of the net pension liability	-0-
State's proportionate share of net pension liability of CCPS	137,773,982
Total	\$137,773,982

The net pension liability was measured as of 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.

For the year ended June 30, 2019, CCPS recognized pension expense of \$18,117,086 and revenue of \$13,093,939 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	2.60% general, 3.10% wage
Salary increases	3.1% to 9.1%, including inflation
Investment rate of return	7.45%
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, and investment return assumption of 7.45% and an inflation assumption of 2.60% were used in the June 30, 2018 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
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For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

<u>Asset Classes</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equity	37%	5.80%
Private equity	13%	6.70%
Rate sensitive	19%	1.10%
Credit opportunity	9%	3.60%
Real assets	14%	4.80%
Absolute return	8%	3.20%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2018.

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 8.08%. 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 7.45%. This single discount rate was based on the expected rate of return on pension plan investments of 7.45%. 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 – Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, CCPS 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.

Employees' Retirement and Pension Systems

Plan description

Plan administration - The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2019, was 6.75% 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 contribution during the year ended June 30, 2019 of \$1,377,248.

CALVERT COUNTY, MARYLAND
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JUNE 30, 2019

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, 2019, the Board reported a liability of \$13,413,936 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, 2019. 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 0.064%, which is an increase from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Board recognized pension expense of \$1,645,220. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-0-	\$1,047,051
Changes of assumptions	406,014	-0-
Change in proportion	1,354,246	1,567,955
Net difference between expected and actual earnings	568,874	-0-
Changes in proportionate share of contributions	77,918	482
Boards contribution subsequent to the measurement date	1,377,248	-0-
Total	<u>\$3,784,300</u>	<u>\$2,615,488</u>

\$1,377,248 was 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(409,956)
2021	(59,676)
2022	551,309
2023	339,517
2024	(212,758)

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 7.45%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	1% Decrease (6.45)	Current Discount Rate (7.45)	1% Increase (8.45)
CCPS proportionate share of the net pension liability	<u>\$19,320,670</u>	<u>\$13,413,936</u>	<u>\$8,511,770</u>

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, 2019

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 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 2019, the County paid premiums of \$802,802 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 2019, the County paid premiums for the coverage in the amount of \$2,071,293. 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.

Note 12 - Subsequent Events

In preparing these financial statements, the management of Calvert County, Maryland has evaluated events and transactions for potential recognition or disclosure through December 20, 2019, the date the financial statements were available to be issued.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019*

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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 205,840	\$ 120,419	\$ 128,219	\$ 111,495	\$ 122,128	\$ 63,624
Interest	641,994	657,575	559,036	558,559	528,851	508,501
Changes in benefit terms	-	-	91,320	-	-	-
Difference between expected and actual experience	1,538,889	-	1,202,456	-	302,678	37,692
Changes of assumption	1,330,806	438,550	-	-	-	-
Benefit payments, including refunds of member contributions	(731,411)	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
Net change in total pension liability	<u>\$ 2,986,118</u>	<u>\$ 509,408</u>	<u>\$ 1,284,436</u>	<u>\$ 4,834</u>	<u>\$ 495,607</u>	<u>\$ 184,234</u>
Total pension liability - beginning	<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>	<u>6,742,277</u>
Total pension liability - ending	<u>\$ 12,206,914</u>	<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>
Plan fiduciary net position						
Contributions - employer	\$ 700,000	\$ 655,000	\$ 550,000	\$ 540,000	\$ 460,000	\$ 490,000
Net investment income	89,957	457,631	533,099	(128,504)	98,868	568,708
Benefit payments, including refunds of member contributions	(731,411)	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
Administrative expense	(41,974)	(67,861)	(10,500)	(10,500)	(10,500)	-
Net change in plan fiduciary net position	<u>\$ 16,572</u>	<u>\$ 337,634</u>	<u>\$ 376,004</u>	<u>\$ (264,224)</u>	<u>\$ 90,318</u>	<u>\$ 633,125</u>
Plan fiduciary net position - beginning	<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>	<u>2,984,884</u>
Plan fiduciary net position - ending	<u>\$ 4,174,313</u>	<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>
County's net pension liability - ending	<u>\$ 8,032,601</u>	<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>
Plans fiduciary net position as a percentage of the total pension liability	34.20%	45.09%	43.85%	46.37%	49.96%	52.23%
Covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A
County's net pension liability as a percentage of covered - payroll	N/A	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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 758,355	\$ 758,355	\$ 588,817	\$ 577,476	\$ 527,593	\$ 517,903
Contributions in relation to the actuarially determined contribution	700,000	655,000	550,000	540,000	460,000	490,000
Contribution deficiency (excess)	<u>\$ 58,355</u>	<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	N/A
Contribution as a percentage of covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule:

Valuation date:

7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Projected Unit Credit

Amortization method

Level Dollar

Remaining amortization period

Closed level dollar 20-year of the UAAL

Asset valuation method

Smoothing gains and losses

Inflation rate

2.2%

Salary 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

RP-2006 with generational projection using scale MP-2017.

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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Annual money-weighted rate of return, net of investment expense	2.16%	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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 3,161,675	\$ 2,419,006	\$ 2,239,796	\$ 3,400,300	\$ 3,234,332	\$ 1,429,134
Interest	6,298,609	6,449,759	6,004,066	6,055,832	5,534,365	5,419,116
Changes in benefit terms	15,087,724	-	-	-	48,849	-
Difference between expected and actual experience	(6,701,698)	1,919,014	-	(6,405,710)	-	148,423
Changes of assumptions	(6,113,843)	(1,827,921)	-	-	-	-
Benefit payments, including refunds of member contributions	(3,070,906)	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Net change in total pension liability	\$ 8,661,561	\$ 6,307,871	\$ 5,552,209	\$ 6,214,244	\$ 6,730,363	\$ 5,026,804
Total pension liability - beginning	88,412,814	82,104,943	76,552,734	75,931,310	69,200,947	64,174,143
Total pension liability - ending	\$ 97,074,375	\$ 88,412,814	\$ 82,104,943	\$ 76,552,734	\$ 75,931,310	\$ 69,200,947
Plan fiduciary net position						
Contributions - employer	\$ 2,500,000	\$ 2,290,000	\$ 3,200,000	\$ 3,050,000	\$ 3,060,000	\$ 2,960,000
Contributions - member	1,059,021	1,046,498	942,266	917,877	930,459	951,992
Net investment income	4,068,463	9,586,743	10,607,920	(1,058,909)	2,721,741	9,017,398
Benefit payments, including refunds of member contributions	(3,070,906)	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Administrative expense	(555,997)	(36,564)	(73,277)	(21,871)	(45,506)	-
Net change in plan fiduciary net position	\$ 4,000,581	\$ 10,234,690	\$ 11,985,256	\$ 458,099	\$ 4,579,511	\$ 10,959,521
Plan fiduciary net position - beginning	90,041,152	79,806,462	67,821,206	67,363,107	62,783,596	51,824,075
Plan fiduciary net position - ending	\$ 94,041,733	\$ 90,041,152	\$ 79,806,462	\$ 67,821,206	\$ 67,363,107	\$ 62,783,596
County's net pension liability (asset) - ending	\$ 3,032,642	\$ (1,628,338)	\$ 2,298,481	\$ 8,731,528	\$ 8,568,203	\$ 6,417,351
Plans fiduciary net position as a percentage of the total pension liability	96.88%	101.84%	97.20%	88.59%	88.72%	90.73%
Covered - payroll	\$ 13,002,472	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
County's net pension liability as a percentage of covered - payroll	23.32%	-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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,768,988	\$ 2,287,897	\$ 2,721,830	\$ 3,065,888	\$ 3,028,756	\$ 2,957,525
Contributions in relation to the actuarially determined contribution	2,500,000	2,290,000	3,200,000	3,050,000	3,060,000	2,960,000
Contribution deficiency (excess)	<u>\$ 268,988</u>	<u>\$ (2,103)</u>	<u>\$ (478,170)</u>	<u>\$ 15,888</u>	<u>\$ (31,244)</u>	<u>\$ (2,475)</u>
Covered payroll	\$ 13,002,472	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
Contribution as a percentage of covered payroll	19.23%	17.58%	26.59%	26.86%	25.27%	25.91%

Notes to schedule:

Valuation date:

7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Projected unit credit

Amortization method

Level dollar

Remaining amortization period

Remaining amortization periods range from 1-20 years

Asset valuation method

Smoothing gains and losses

Inflation rate

2.5%

Salary increases

	To age 37:	Ages 38 to 42:	Ages 42 to 49:	After age 49:
Correctional Officers	7.25%	6.00%	5.00%	4.00%
Deputy Sheriffs	7.25%	5.00%	5.00%	5.00%

Investment rate of return

7.25% , net of pension plan investment expense.

Retirement age

Rates vary by age until 100% retirement at the age earlier of age 59 or completion of 31 years of service.

Mortality

RP-2006 with generational projection using scale MP-2017.

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 6 Fiscal Years

	<u>FY2019</u>	<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	4.42%	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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 497,957	\$ 683,100	\$ 697,192	\$ 799,446	\$ 878,256	\$ 677,466
Interest	6,206,058	6,071,785	5,935,855	5,746,021	5,577,218	5,345,363
Changes in benefit terms	(1,178,578)	-	-	-	-	-
Difference between expected and actual experience	6,343,477	1,593,955	(964,962)	(396,534)	(862,126)	(432,297)
Change in assumptions	(4,805,771)	3,903,321	-	-	-	-
Benefit payments, including refunds of member contributions	(4,482,833)	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Net change in total pension liability	<u>\$ 2,580,310</u>	<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>
Total pension liability - beginning	<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>	<u>70,194,446</u>
Total pension liability - ending	<u>\$ 90,422,534</u>	<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>
Plan fiduciary net position						
Contributions - employer	\$ 2,800,000	\$ 2,710,000	\$ 2,900,000	\$ 2,570,000	\$ 2,918,950	\$ 2,890,000
Contributions - member	123,463	118,731	116,704	130,509	140,745	154,037
Net investment income	3,448,805	9,127,100	9,818,496	(987,242)	2,667,157	9,406,336
Benefit payments, including refunds of member contributions	(4,482,833)	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Administrative expense	(463,080)	(460,408)	(33,714)	(82,004)	(55,344)	-
Net change in plan fiduciary net position	<u>\$ 1,426,355</u>	<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>
Plan fiduciary net position - beginning	<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>	<u>53,340,776</u>
Plan fiduciary net position - ending	<u>\$ 81,211,903</u>	<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>
County's net pension liability - ending	<u>\$ 9,210,631</u>	<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>
Plans fiduciary net position as a percentage of the total pension liability	89.81%	90.83%	90.84%	81.43%	86.79%	86.25%
Covered - payroll	\$ 4,156,676	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
County's net pension liability as a percentage of covered - payroll	221.59%	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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,634,078	\$ 2,506,054	\$ 2,410,212	\$ 2,468,741	\$ 2,593,069	\$ 2,712,733
Contributions in relation to the actuarially determined contribution	2,800,000	2,710,000	2,900,000	2,570,000	2,918,950	2,890,000
Contribution deficiency (excess)	\$ (165,922)	\$ (203,946)	\$ (489,788)	\$ (101,259)	\$ (325,881)	\$ (177,267)
Covered - payroll	\$ 4,156,676	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
Contribution as a percentage of covered - payroll	67.36%	57.28%	49.29%	42.76%	42.48%	40.83%

Notes to schedule

Valuation date: 7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Remaining amortization periods range from 1-20 years
Asset valuation method	Smoothing gains and losses
Inflation rate	2.5%
Salary increases	2.5%
Investment rate of return	7.25% , net of pension plan investment expense, including inflation.
Retirement age	In the 2019 actuarial valuation, rates vary by age until 100% retirement assumed at age 70.
Mortality	RP-2006 with generational projection using scale MP-2017.

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 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Annual money-weighted rate of return, net of investment expense	3.89%	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 3 Fiscal Years

	FY2019	FY2018	FY2017
Total OPEB liability			
Service costs	\$ 3,614,424	\$ 2,483,919	\$ 2,358,717
Interest	4,254,375	3,885,946	984,721
Changes in benefit terms	-	-	-
Difference between expected and actual experience	10,649,334	(9,539,547)	-
Change in assumptions	(17,428,036)	(3,982,782)	-
Benefit payments, including refunds of member contributions	(1,655,095)	(1,753,774)	-
Net change in total OPEB liability	<u>\$ (564,998)</u>	<u>\$ (8,906,238)</u>	<u>\$ 3,343,438</u>
Total OPEB liability - beginning	<u>67,194,948</u>	<u>76,101,186</u>	<u>72,757,748</u>
Total OPEB liability - ending	<u>\$ 66,629,950</u>	<u>\$ 67,194,948</u>	<u>\$ 76,101,186</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,001,740	\$ 5,828,354	\$ -
Contributions - member	-	-	-
Net investment income	672,155	2,121,549	2,408,736
Benefit payments, including refunds of member contributions	(1,655,095)	(1,753,774)	-
Administrative expense	-	(5,099)	(156,887)
Net change in plan fiduciary net position	<u>\$ 3,018,800</u>	<u>\$ 6,191,030</u>	<u>\$ 2,251,849</u>
Plan fiduciary net position - beginning	<u>23,517,592</u>	<u>17,326,562</u>	<u>15,074,713</u>
Plan fiduciary net position - ending ⁽¹⁾	<u>\$ 26,536,392</u>	<u>\$ 23,517,592</u>	<u>\$ 17,326,562</u>
County's net pension liability - ending	<u>\$ 40,093,558</u>	<u>\$ 43,677,356</u>	<u>\$ 58,774,624</u>
Plans fiduciary net position as a percentage of the total OPEB liability	39.83%	35.00%	22.77%
Covered - payroll	\$ 64,686,224	\$ 59,953,911	\$ 55,774,906
County's net OPEB liability as a percentage of covered - payroll	61.98%	72.85%	105.38%

Notes to the schedule:

The prior year information is not available.

OPEB net position does not include the Board of Education, \$78,473,689.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Calvert County Maryland Post-Employment Benefit Plan
Last 3 Fiscal Years**

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Actuarially determined contribution	\$ 5,699,474	\$ 5,881,875	\$ 5,881,875
Contributions in relation to the actuarially determined contribution	4,001,740	3,717,712	-
Contribution deficiency (excess)	<u>\$ 1,697,734</u>	<u>\$ 2,164,163</u>	<u>\$ 5,881,875</u>
Covered - payroll	\$ 64,686,224	\$ 59,953,911	\$ 55,774,906
Contribution as a percentage of covered - payroll	6.19%	6.20%	0.00%

Notes to schedule

Valuation date: 7/1/2018

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	2.4%
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:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
Calvert County Maryland Post-Employment Benefit Plan
Last 3 Fiscal Years

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Annual money-weighted rate of return, net of investment expense	2.73%	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, 2019*

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Parks and Recreation Fund</u>	<u>Chesapeake Hills Golf Course Fund</u>	<u>Calvert Marine Museum</u>	<u>Planning and Zoning Special Revenue Fund</u>	<u>Bar Library Fund</u>	<u>Revolving Loan Fund</u>
ASSETS						
Cash, cash equivalents and investments	\$ 1,414,115	\$ 78,660	\$ 1,041,101	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	3,842	25,000	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	698,129	-	-	634,297	45,454	312,100
Prepaid items	-	-	969	-	-	-
Inventory	10,432	19,450	35,453	-	-	-
Total assets	<u>\$ 2,122,676</u>	<u>\$ 98,110</u>	<u>\$ 1,081,365</u>	<u>\$ 659,297</u>	<u>\$ 45,454</u>	<u>\$ 312,100</u>
LIABILITIES						
Vouchers and accounts payable	380,068	107,752	60,217	619,714	1,178	-
Notes payable	-	-	-	-	-	-
Due to other funds	-	18,345	-	-	-	-
Unearned revenue	131,138	-	6,382	-	-	-
Total liabilities	<u>511,206</u>	<u>126,097</u>	<u>66,599</u>	<u>619,714</u>	<u>1,178</u>	<u>-</u>
FUND BALANCES						
Nonspendable	10,432	19,450	35,453	-	-	-
Restricted	46,188	-	593,676	-	-	-
Committed	196,564	-	-	25,000	-	312,100
Assigned	1,358,286	(47,437)	385,637	14,583	44,276	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,611,470</u>	<u>(27,987)</u>	<u>1,014,766</u>	<u>39,583</u>	<u>44,276</u>	<u>312,100</u>
Total liabilities and fund balances	<u>\$ 2,122,676</u>	<u>\$ 98,110</u>	<u>\$ 1,081,365</u>	<u>\$ 659,297</u>	<u>\$ 45,454</u>	<u>\$ 312,100</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,035,385	\$ 17,726	\$ 6,586,987
-	-	-	-	2,487,517	-	-	2,487,517
-	77,814	1,147,032	-	-	-	-	1,253,688
247,592	-	-	44,765	-	-	-	292,357
51,763	193,028	95,079	269,973	5,095,562	3,881,450	-	11,276,835
-	-	-	-	-	-	-	969
-	-	-	-	-	-	-	65,335
<u>\$ 299,355</u>	<u>\$ 270,842</u>	<u>\$ 1,242,111</u>	<u>\$ 314,738</u>	<u>\$ 7,583,079</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 21,963,688</u>
-	147,960	610,317	-	-	-	-	1,927,206
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,345
-	122,882	381,849	-	3,257,606	-	-	3,899,857
<u>-</u>	<u>270,842</u>	<u>992,166</u>	<u>-</u>	<u>3,257,606</u>	<u>-</u>	<u>-</u>	<u>5,845,408</u>
-	-	-	-	-	-	-	65,335
-	-	249,945	-	4,325,473	4,035,384	-	9,250,666
299,355	-	-	314,738	-	3,881,451	-	5,029,208
-	-	-	-	-	-	17,726	1,773,071
-	-	-	-	-	-	-	-
<u>299,355</u>	<u>-</u>	<u>249,945</u>	<u>314,738</u>	<u>4,325,473</u>	<u>7,916,835</u>	<u>17,726</u>	<u>16,118,280</u>
<u>\$ 299,355</u>	<u>\$ 270,842</u>	<u>\$ 1,242,111</u>	<u>\$ 314,738</u>	<u>\$ 7,583,079</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 21,963,688</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Calvert Marine Museum	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	1,021,405	518,269	221,160	-	-	-
Fines and forfeitures	-	-	-	-	34,586	-
Other revenue	1,418,814	78,442	489,129	48,098	4,219	-
Total revenues	2,440,219	596,711	710,289	48,098	38,805	-
EXPENDITURES						
Salaries and fringe benefits	1,832,636	681,088	2,661,851	-	-	-
Education and miscellaneous	1,347,442	352,048	819,442	39,076	21,126	-
Total expenditures	3,180,078	1,033,136	3,481,293	39,076	21,126	-
Excess (deficiency) of revenue over (under) expenditures	(739,859)	(436,425)	(2,771,004)	9,022	17,679	-
OTHER FINANCING SOURCES (USES)						
Transfer in	736,964	436,425	2,767,385	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	736,964	436,425	2,767,385	-	-	-
Net change in fund balance	(2,895)	-	(3,619)	9,022	17,679	-
Fund balance - beginning of year	1,614,365	(27,987)	1,018,385	30,561	26,597	312,100
Fund balance - end of year	\$ 1,611,470	\$ (27,987)	\$ 1,014,766	\$ 39,583	\$ 44,276	\$ 312,100

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,685,300	\$ -	\$ -	\$ 2,685,300
-	586,443	3,867,339	-	6,498	231,583	855,233	5,547,096
-	-	1,748	-	-	-	-	1,762,582
-	-	-	-	-	-	26,071	60,657
9,825	2,655	375,387	535	2,772	203,477	83,555	2,716,908
9,825	589,098	4,244,474	535	2,694,570	435,060	964,859	12,772,543
-	139,132	3,699,887	-	-	-	4,347,416	13,362,010
-	464,201	2,661,916	-	-	857,468	664,113	7,226,832
-	603,333	6,361,803	-	-	857,468	5,011,529	20,588,842
9,825	(14,235)	(2,117,329)	535	2,694,570	(422,408)	(4,046,670)	(7,816,299)
-	14,235	2,180,976	-	-	1,025,000	4,054,015	11,215,000
-	-	-	-	(2,612,200)	-	-	(2,612,200)
-	14,235	2,180,976	-	(2,612,200)	1,025,000	4,054,015	8,602,800
9,825	-	63,647	535	82,370	602,592	7,345	786,501
289,530	-	186,298	314,203	4,243,103	7,314,243	10,381	15,331,779
<u>\$ 299,355</u>	<u>\$ -</u>	<u>\$ 249,945</u>	<u>\$ 314,738</u>	<u>\$ 4,325,473</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 16,118,280</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employee Retirement Fund	OPEB (1)	Total
ASSETS					
Cash and cash equivalents	\$ 67,667	\$ 1,945,199	\$ 1,876,940	\$ 10,553,248	\$ 14,443,054
Investments:					
Fixed income	594,893	22,606,169	18,801,024	18,470,807	60,472,893
Common stocks	-	24,413,181	22,258,836	10,680,982	57,352,999
Equity funds	2,618,241	28,059,766	20,503,170	44,998,971	96,180,148
Foreign assets	450,000	9,846,292	11,193,933	11,982,397	33,472,622
Other assets	450,000	7,197,961	6,593,402	8,314,848	22,556,211
Total investments	4,113,134	92,123,369	79,350,365	94,448,005	270,034,873
Receivables and prepaid expenses:					
Accounts receivables	-	-	-	-	-
Investment income receivables	1,413	31,739	27,701	45,338	106,191
Total receivables	1,413	31,739	27,701	45,338	106,191
Total assets	4,182,214	94,100,307	81,255,006	105,046,591	284,584,118
LIABILITIES					
Payables:					
Accounts payable	7,452	51,134	36,089	30,346	125,021
Due from local government	449	7,440	7,014	6,164	21,067
Total liabilities	7,901	58,574	43,103	36,510	146,088
Net position restricted for pensions	\$ 4,174,313	\$ 94,041,733	\$ 81,211,903	\$ 105,010,081	\$ 284,438,030

(1) OPEB net position includes the Board of Education, \$78,473,689.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employees Retirement Fund	OPEB	Total
ADDITIONS					
Contributions:					
Employer contributions	\$ 700,000	\$ 2,500,000	\$ 2,800,000	\$ 12,099,499	\$ 18,099,499
Member contributions	-	1,059,021	123,463	-	1,182,484
Prior service contributions	-	-	-	-	-
Total contributions	700,000	3,559,021	2,923,463	12,099,499	19,281,983
Investment income (loss):					
Interest and dividends	503,178	4,842,520	4,240,145	6,839,605	16,425,448
Appreciation/(depreciation) of investments	(125,124)	1,559,024	339,142	1,288,712	3,061,754
Capital gains/(loss)	(278,647)	(2,333,081)	(1,130,482)	(4,759,222)	(8,501,432)
Less investment expenses:					
Direct investment expense	(51,424)	(555,997)	(463,080)	(319,868)	(1,390,369)
Net investment income (loss)	47,983	3,512,466	2,985,725	3,049,227	9,595,401
Total additions	747,983	7,071,487	5,909,188	15,148,726	28,877,384
DEDUCTIONS					
Distributions to participants	731,411	3,070,906	4,482,833	-	8,285,150
Total deductions	731,411	3,070,906	4,482,833	-	8,285,150
Net increase (decrease) in fiduciary net position	16,572	4,000,581	1,426,355	15,148,726	20,592,234
NET POSITION					
Net position - beginning	4,157,741	90,041,152	79,785,548	89,861,355	263,845,796
Net position - ending	\$ 4,174,313	\$ 94,041,733	\$ 81,211,903	\$ 105,010,081	\$ 284,438,030

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, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate tax	\$ 107,600,000	\$ 107,600,000	\$ 108,055,737	\$ 455,737
Corporate and personal property tax	3,400,000	3,400,000	3,437,309	37,309
Payment in lieu of tax Exelon	19,646,574	19,646,574	19,646,574	-
Payment in lieu of tax Dominion	50,905,000	50,905,000	50,905,000	-
Public utilities tax	3,650,000	3,650,000	3,701,964	51,964
Additions and abatements	200,000	200,000	(32,136)	(232,136)
Penalties and interest	500,000	500,000	603,834	103,834
Tax credit	(887,727)	(1,439,471)	(1,183,843)	255,628
Land preservation credit	(220,000)	(220,000)	(274,158)	(54,158)
Total Real Estate and Personal Property Taxes	<u>184,793,847</u>	<u>184,242,103</u>	<u>184,860,281</u>	<u>618,178</u>
<u>Other Local Taxes</u>				
Income taxes	90,700,000	90,700,000	88,732,813	(1,967,187)
Franchise tax	1,250,000	1,250,000	1,599,918	349,918
Hotel tax	750,000	750,000	752,428	2,428
Admissions and amusement tax	30,000	30,000	23,566	(6,434)
Recordation taxes	6,936,000	6,971,872	9,014,787	2,042,915
Trailer parks	120,000	120,000	103,419	(16,581)
Total Other Local Taxes	<u>99,786,000</u>	<u>99,821,872</u>	<u>100,226,931</u>	<u>405,059</u>
<u>Shared State Taxes</u>				
Highway user revenue	1,282,590	1,282,590	1,215,713	(66,877)
Total State Shared Taxes	<u>1,282,590</u>	<u>1,282,590</u>	<u>1,215,713</u>	<u>(66,877)</u>
Total Taxes	<u>285,862,437</u>	<u>285,346,565</u>	<u>286,302,925</u>	<u>956,360</u>
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	25,000	25,000	35,570	10,570
Beer, wine, and liquor licenses	135,000	135,000	169,520	34,520
Traders	95,000	95,000	95,012	12
Hawkers and peddlers	2,000	2,000	3,325	1,325
Total Business Licenses and Permits	<u>257,000</u>	<u>257,000</u>	<u>303,427</u>	<u>46,427</u>
<u>Other Permits</u>				
Animal licenses	30,707	25,000	14,575	(10,425)
Code book sales	700	700	382	(318)
Marriage licenses	3,700	3,700	4,152	452
Gambling permits	13,000	13,000	13,110	110
Total Other Permits	<u>48,107</u>	<u>42,400</u>	<u>32,219</u>	<u>(10,181)</u>
Total Licenses and Permits	<u>305,107</u>	<u>299,400</u>	<u>335,646</u>	<u>36,246</u>
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	109,104	26,697
Build America Bond Subsidy	100,000	100,000	103,590	3,590
Federal detention per diem	-	-	13,966	13,966
Total Federal Grants	<u>182,407</u>	<u>182,407</u>	<u>226,660</u>	<u>44,253</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, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>State Grants</u>				
State police protection	\$ 700,000	\$ 700,000	\$ 718,692	\$ 18,692
State library	481,780	481,780	481,780	-
State soil conservation	61,191	61,191	52,682	(8,509)
State prisoner housing	100,000	100,000	55,305	(44,695)
State jury reimbursement	30,000	30,000	19,240	(10,760)
State misc. reimbursement	-	-	-	-
Other state reimbursement	-	8,239	13,950	5,711
Grants from state government	-	-	-	-
State reim sex offender	8,255	8,255	-	(8,255)
Criminal Justice Academy Director Reimbursement	-	71,000	37,519	(33,481)
Total State Grants	<u>1,381,226</u>	<u>1,460,465</u>	<u>1,379,168</u>	<u>(81,297)</u>
<u>Other Intergovernmental</u>				
911 fees	590,000	590,000	645,209	55,209
Bus maintenance payroll reimbursement	85,363	-	-	-
Housing Authority payroll reimbursement	1,383,177	1,383,178	1,218,275	(164,903)
Shore Erosion	21,000	21,000	4,733	(16,267)
CMM payroll reimbursement - CMM Board of Governors	292,078	292,078	335,474	43,396
CMM payroll reimbursement - CMM Society	462,127	462,127	559,189	97,062
Criminal Justice Academy Director Reimbursement	71,000	-	-	-
SDAT costs paid by the towns	15,833	15,834	15,834	-
Total Other Intergovernmental	<u>2,920,578</u>	<u>2,764,217</u>	<u>2,778,714</u>	<u>14,497</u>
Total Intergovernmental Revenues	<u>4,484,211</u>	<u>4,407,089</u>	<u>4,384,542</u>	<u>(22,547)</u>
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	75,000	75,000	61,080	(13,920)
Chesapeake Beach police reimbursement	1,017,420	1,017,420	1,017,420	-
North Beach police reimbursement	472,872	472,872	472,872	-
Dominion police reimbursement	1,490,000	1,595,081	1,968,441	373,360
Lab fees	15,000	15,000	12,400	(2,600)
Engineering inspections	100,000	100,000	42,799	(57,201)
DWI facility	7,345	7,345	4,908	(2,437)
Animal shelter fees	-	-	15,490	15,490
Electronic monitor - detention center	16,000	16,000	20,497	4,497
Telephone commission - detention center	100,000	100,000	73,039	(26,961)
Live in/work out - detention center	95,000	95,000	76,084	(18,916)
False alarm fees	2,000	2,000	19,500	17,500
False alarm registration	3,800	3,800	4,025	225
E-cigarette citation	-	-	3,600	3,600
Protective inspections	300,000	300,000	341,413	41,413
Safety for Students Speed Camera	200,000	760,279	681,467	(78,812)
Weekend Inmate fee	55,000	55,000	38,850	(16,150)
Sick Call Detention Center	-	5,000	-	(5,000)
Tower revenue	70,000	70,000	134,605	64,605
Total Public Safety	<u>4,019,437</u>	<u>4,689,797</u>	<u>4,988,490</u>	<u>298,693</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, 2019**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<u>General Services</u>				
Waterman's Wharf slip fees	\$ 4,200	\$ 4,200	\$ 8,625	\$ 4,425
Tennison charters	50,000	30,000	29,196	(804)
Tennison special charters	-	20,000	22,403	2,403
Kings Landing camp fees	10,000	10,000	22,272	12,272
Flag Pond entrance fees	40,000	40,000	74,490	34,490
Cypress swamp fees	-	-	4,385	4,385
Tower revenue	-	-	9,695	9,695
Boat ramp fees	6,000	6,000	4,500	(1,500)
Total General Services	110,200	110,200	175,566	65,366
<u>Public Works</u>				
Road tax districts	63,000	63,000	27,241	(35,759)
Developer street signs	600	600	-	(600)
Utility permit fee	25,000	25,000	41,520	16,520
Erosion sediment control penalty	-	-	-	-
Waterway improvements	6,387	6,837	6,294	(543)
Total Public Works	94,987	95,437	75,055	(20,382)
<u>Community Resources</u>				
Library - copying and miscellaneous	28,000	28,000	33,595	5,595
Library - other sources	13,500	24,387	31,517	7,130
Library - e rate	5,000	5,000	3,360	(1,640)
Office on Aging - bus trip revenue	-	42,000	17,985	(24,015)
Office on Aging - program revenue	84,000	7,000	6,605	(395)
Office on Aging - senior class revenue	-	35,000	30,139	(4,861)
Total Community Resources	130,500	141,387	123,201	(18,186)
<u>Other Charges for Services</u>				
Rents and concessions	20,000	20,000	12,148	(7,852)
Land lease dominion	120,000	120,000	-	(120,000)
Rent - health dept	7,200	7,200	7,673	473
Map sales	500	500	-	(500)
Total Other Charges for Services	147,700	147,700	19,821	(127,879)
Total Charges for Services	4,502,824	5,184,521	5,382,133	197,612
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	30,000	30,000	30,000	-
P&Z - administration planting bond	4,500	4,500	(367)	(4,867)
P&Z - replatting fees	4,000	4,000	3,240	(760)
Board of Appeals application fees	20,000	20,000	10,140	(9,860)
P&Z - tower consultant fees	500	500	2,100	1,600
Total General Government	59,000	59,000	45,113	(13,887)
<u>Public Safety</u>				
Domestic master fees	800	800	2,035	1,235
Community service programs	25,000	25,000	17,850	(7,150)
Criminal court fines	9,000	9,000	5,143	(3,857)
Home study fees	2,000	2,000	2,010	10
Animal citation fines	7,000	7,000	1,557	(5,443)
State's attorney fees	-	3,190	6,563	3,373
Forfeiture sheriff	-	20,862	20,862	-
Forfeiture State's attorney	-	373	373	-
Total public safety	43,800	68,225	56,393	(11,832)

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, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Other Fines, Fees, and Forfeitures</u>				
Grant Coordinator administration fee	\$ 160,000	\$ 160,000	\$ 278,883	\$ 118,883
Auto license fees	2,600	2,600	2,003	(597)
Library fines	42,000	42,000	26,071	(15,929)
Zoning fees	20,000	20,000	22,649	2,649
Small lot clearing fees	100	100	-	(100)
Election Office filing fees	150	150	-	(150)
Total Other Fines, Fees, and Forfeitures	224,850	224,850	329,606	104,756
Total Fines, Fees, and Forfeitures	327,650	352,075	431,112	79,037
<u>Other Revenue Sources</u>				
<u>Investment Revenue</u>				
Interest and dividends	500,000	787,668	2,739,655	1,951,987
Appreciation of investment	-	-	(32,373)	(32,373)
Total Investment Revenue	500,000	787,668	2,707,282	1,919,614
<u>Reimbursements</u>				
Salary reimbursement	35,000	40,230	6,852	(33,378)
Cap equip payroll reimbursement	-	85,363	90,611	5,248
Battle Creek salary reimbursement	7,418	7,418	-	(7,418)
Heath insurance reimbursement	-	9,025	135,528	126,503
Circuit court clerks office reimbursement	4,351	4,351	4,351	-
Total Reimbursements	46,769	146,387	237,342	90,955
<u>Other Revenue</u>				
Mosquito control	20,000	20,000	15,989	(4,011)
Advertising revenue	-	16,250	16,250	-
Private contributions	-	-	156	156
Merchandise sales	-	-	1,257	1,257
Keys for employee program	25,000	25,000	-	(25,000)
Use of pr yrs fund balance	-	3,377,851	-	(3,377,851)
Misc. income/transportation grant	250,000	242,681	144,073	(98,608)
Total Other Revenue	295,000	3,681,782	177,725	(3,504,057)
Total Other Revenue Sources	841,769	4,615,837	3,122,349	(1,493,488)
Total Revenue	296,323,998	300,205,487	299,958,707	(246,780)
<u>Other financing sources</u>				
Transfer from BOE - Resident Trooper/Sheriff	217,134	217,134	217,134	-
Transfer from BOE - OPEB	-	-	-	-
Transfer from Parks and Recreation	-	7,168	-	(7,168)
Transfer from Chesapeake Hills Golf course	-	5,570	-	(5,570)
Transfer from Capital Fund	-	34,500	34,500	-
Transfer from Excise Tax Fund	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources	1,217,134	1,264,372	251,634	(1,012,738)
Total Revenue and Other Financing Sources	\$ 297,541,132	\$ 301,469,859	\$ 300,210,341	\$ (1,259,518)

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
General Government				
<u>Board of County Commissioners</u>				
Salaries	\$ 270,723	\$ 270,723	\$ 259,564	\$ 11,159
Operating expense	49,340	53,160	44,365	8,795
Contracted services	2,900	2,900	1,691	1,209
Total Board of County Commissioners	322,963	326,783	305,620	21,163
<u>Contingency</u>	600,000	502,132	-	502,132
<u>Clerk to the Commissioners</u>				
Salaries	71,526	71,526	54,939	16,587
Operating expense	3,009	3,009	1,439	1,570
Total Clerk to the Commissioners	74,535	74,535	56,378	18,157
<u>County Administrator</u>				
Salaries	409,968	409,968	440,451	(30,483)
Operating expense	14,395	14,395	7,385	7,010
Total County Administrator	424,363	424,363	447,836	(23,473)
<u>Communication & Media Relations</u>				
Salaries	616,566	616,566	671,947	(55,381)
Operating expense	346,510	327,896	219,800	108,096
Contracted services	45,000	45,486	42,966	2,520
Capital outlay	80,420	91,777	89,825	1,952
Total Communications & Media	1,088,496	1,081,725	1,024,538	57,187
<u>Technology Services</u>				
Salaries	1,910,531	1,910,531	1,830,180	80,351
Operating expense	139,251	139,251	136,277	2,974
Contracted services	1,376,816	1,376,816	1,338,163	38,653
Capital outlay	580,909	580,909	576,349	4,560
Total Technology Services	4,007,507	4,007,507	3,880,969	126,538
<u>Circuit Court</u>				
Salaries	818,590	810,326	757,966	52,360
Operating expense	103,805	97,761	94,072	3,689
Contracted services	58,900	43,378	38,456	4,922
Capital outlay	5,450	49,329	48,537	792
Total Circuit Court	986,745	1,000,794	939,031	61,763
<u>Judge of Orphans' Court</u>				
Salaries	26,980	26,980	26,980	-
Operating expense	1,450	1,450	247	1,203
Total Judge of Orphans' Court	28,430	28,430	27,227	1,203
<u>State's Attorney</u>				
Salaries	2,002,122	2,040,033	2,090,888	(50,855)
Operating expense	116,322	118,680	109,463	9,217
Contracted services	20,242	20,734	20,893	(159)
Capital outlay	-	6,200	6,200	-
Total State's Attorney	2,138,686	2,185,647	2,227,444	(41,797)
<u>Grand Jury</u>				
Salary and operating expense	5,000	5,000	5,220	(220)

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Human Resources</u>				
Salaries	\$ 1,053,168	\$ 1,053,168	\$ 1,101,865	\$ (48,697)
Operating expense	63,604	56,273	49,789	6,484
Tuition program	55,000	55,000	37,123	17,877
Contracted services	236,431	225,056	158,189	66,867
Capital outlay	1,200	20,566	20,231	335
Total Human Resources	1,409,403	1,410,063	1,367,197	42,866
<u>Finance and Budget</u>				
Salaries	1,599,049	1,557,906	1,386,436	171,470
Operating expense	130,701	117,851	129,274	(11,423)
Contracted services	165,800	171,550	171,546	4
Capital outlay	6,369	18,817	1,822	16,995
Total Finance and Budget	1,901,919	1,866,124	1,689,078	177,046
<u>County Treasurer</u>				
Salaries	341,593	341,593	321,214	20,379
Operating expense	27,610	27,432	28,542	(1,110)
Contracted services	10,000	10,000	(257)	10,257
Capital outlay	-	178	709	(531)
Total County Treasurer	379,203	379,203	350,208	28,995
<u>Auditing and Related Services</u>	71,050	71,050	62,498	8,552
<u>County Attorney</u>				
Salaries	541,575	541,575	500,310	41,265
Operating expense	29,165	30,665	27,115	3,550
Contracted services	100,000	98,500	59,889	38,611
Capital outlay	3,625	3,625	137	3,488
Total County Attorney	674,365	674,365	587,451	83,426
<u>Planning and Zoning</u>				
Salaries	2,338,743	2,338,743	2,329,799	8,944
Operating expense	86,372	98,872	82,905	15,967
Contracted services	76,850	56,200	56,171	29
Capital outlay	83,000	85,120	69,097	16,023
Total Planning and Zoning	2,584,965	2,578,935	2,537,972	40,963
<u>Planning Commission</u>				
Operating expense	166,827	165,627	163,622	2,005
Honorarium	92,500	92,500	55,600	36,900
Capital outlay	1,200	9,400	9,350	50
Total Planning Commission	260,527	267,527	228,572	38,955
<u>Inspections and Permits</u>				
Salaries	1,003,489	1,003,489	901,879	101,610
Operating expense	77,100	54,100	27,719	26,381
Vehicle supplies and repair	-	23,000	18,681	4,319
Contracted services	2,000	2,000	900	1,100
Capital outlay	57,204	57,204	55,646	1,558
Total Inspections and Permits	1,139,793	1,139,793	1,004,825	134,968
<u>Pauper's Burial</u>	1,000	1,000	650	350
<u>Board of Appeals</u>				
Operating expense	7,175	7,175	2,594	4,581
Contracted services	24,000	24,000	9,300	14,700
Honorarium	24,000	24,000	22,055	1,945
Total Board of Appeals	55,175	55,175	33,949	21,226

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Election Board</u>				
Salaries	\$ 381,696	\$ 410,561	\$ 364,996	\$ 45,565
Operating expense	62,426	68,244	66,636	1,608
Contracted services	251,205	251,205	222,557	28,648
Election judges	63,550	58,200	58,200	-
Capital outlay	-	2,232	2,140	92
Total Election Board	<u>758,877</u>	<u>790,442</u>	<u>714,529</u>	<u>75,913</u>
<u>Liquor Board</u>				
Salaries	26,720	26,720	23,980	2,740
Operating expense	700	700	490	210
Contracted services	25,000	25,000	3,540	21,460
Total Liquor Board	<u>52,420</u>	<u>52,420</u>	<u>28,010</u>	<u>24,410</u>
<u>University of Maryland Extension</u>				
Operating expense	4,863	11,122	9,403	1,719
County contribution	135,934	129,675	194,512	(64,837)
Total University of Maryland Extension	<u>140,797</u>	<u>140,797</u>	<u>203,915</u>	<u>(63,118)</u>
<u>State/Other Agencies</u>				
Commission for Women	3,895	3,895	3,835	60
Environmental Commission	4,213	4,213	4,139	74
Ethics Commission	8,000	8,000	6,438	1,562
MD State Dept. of Assessments	430,000	430,000	340,247	89,753
Non-county agencies	1,237,868	845,688	832,041	13,647
Total State/Other Agencies	<u>1,683,976</u>	<u>1,291,796</u>	<u>1,186,700</u>	<u>105,096</u>
Maryland Association of Counties	<u>17,000</u>	<u>17,000</u>	<u>16,987</u>	<u>13</u>
Total General Government	<u>20,807,195</u>	<u>20,372,606</u>	<u>18,926,804</u>	<u>1,442,314</u>
Public Safety				
<u>Director of Public Safety</u>				
Salaries	249,113	297,771	277,953	19,818
Operating expense	174,030	188,355	61,274	127,081
Contracted services	20,500	20,500	15,774	4,726
Capital outlay	45,000	33,125	19,023	14,102
Total Director of Public Safety	<u>488,643</u>	<u>539,751</u>	<u>374,024</u>	<u>165,727</u>
<u>Sheriff's Office</u>				
Salaries	13,028,875	13,031,930	13,669,063	(637,133)
Operating expense	1,351,663	1,405,951	2,030,489	(624,538)
Vehicle supplies and repairs	926,271	930,644	980,903	(50,259)
Contracted services	273,921	412,036	404,792	7,244
Capital outlay	836,121	1,262,763	1,253,202	9,561
Total Sheriff's Office	<u>16,416,851</u>	<u>17,043,324</u>	<u>18,338,449</u>	<u>(1,295,125)</u>
<u>Control Center</u>				
Salaries	2,172,086	2,172,086	2,218,005	(45,919)
Operating expense	374,070	374,070	229,819	144,251
Radio maintenance	649,611	623,933	623,923	10
Contracted services	123,002	147,790	141,749	6,041
Capital outlay	291,430	292,320	289,650	2,670
Total Control Center	<u>3,610,199</u>	<u>3,610,199</u>	<u>3,503,146</u>	<u>107,053</u>
<u>Volunteer Fire-Rescue-EMS Departments</u>				
Operating expense	3,033,285	3,033,285	2,979,767	53,518
Insurance	1,319,000	1,319,000	993,003	325,997
Capital outlay	746,400	746,400	718,163	28,237
Total Volunteer Fire-Rescue-EMS Departments	<u>5,098,685</u>	<u>5,098,685</u>	<u>4,690,933</u>	<u>407,752</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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Detention Center</u>				
Salaries	\$ 6,160,776	\$ 6,224,675	\$ 5,781,299	\$ 443,376
Operating expense	277,985	257,835	230,009	27,826
Utilities	460,000	460,000	355,518	104,482
Inmate care	23,200	23,200	24,292	(1,092)
Food	360,000	360,000	289,500	70,500
Contracted services	814,000	814,000	802,967	11,033
Capital outlay	160,560	181,510	175,302	6,208
Total Detention Center	<u>8,256,521</u>	<u>8,321,220</u>	<u>7,658,887</u>	<u>662,333</u>
<u>Emergency Management</u>				
Salaries	176,994	176,994	167,762	9,232
Operating expense	55,800	53,629	30,490	23,139
Contracted services	57,400	57,400	54,343	3,057
Capital outlay	5,000	7,171	7,067	104
Total Emergency Management	<u>295,194</u>	<u>295,194</u>	<u>259,662</u>	<u>35,532</u>
<u>Fire-Rescue-EMS</u>				
Salaries	438,897	364,714	390,861	(26,147)
Operating expense	204,647	271,397	228,245	43,152
Contracted services	62,000	41,891	24,042	17,849
Capital outlay	4,450	9,809	8,420	1,389
Total Fire-Rescue-EMS	<u>709,994</u>	<u>687,811</u>	<u>651,568</u>	<u>36,243</u>
<u>Career-EMS</u>				
Salaries	-	74,183	27,287	46,896
Operating expense	-	-	188	(188)
Total Career EMS	<u>-</u>	<u>74,183</u>	<u>27,475</u>	<u>46,708</u>
<u>Animal Shelter</u>				
Salaries	702,864	702,864	410,541	292,323
Operating expense	382,343	352,335	282,064	70,271
Contracted services	142,775	114,125	59,864	54,261
Capital outlay	437,493	416,151	368,801	47,350
Total Animal shelter	<u>1,665,475</u>	<u>1,585,475</u>	<u>1,121,270</u>	<u>464,205</u>
<u>Animal Control</u>				
Salaries	397,132	397,132	380,355	16,777
Operating expense	52,360	71,404	63,000	8,404
Vehicle supplies and repairs	43,500	45,220	37,800	7,420
Contracted services	120,000	104,496	87,493	17,003
Capital outlay	105,000	99,740	82,208	17,532
Total Animal Control	<u>717,992</u>	<u>717,992</u>	<u>650,856</u>	<u>67,136</u>
Total Public Safety	<u>37,259,554</u>	<u>37,973,834</u>	<u>37,276,270</u>	<u>697,564</u>
<u>General Services</u>				
<u>Director of General Services</u>				
Salaries	352,319	352,559	360,036	(7,477)
Operating expense	25,121	24,881	18,542	6,339
Contracted services	41,500	41,069	34,889	6,180
Capital outlay	-	431	431	-
Total Director of General Services	<u>418,940</u>	<u>418,940</u>	<u>413,898</u>	<u>5,042</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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Buildings and Grounds</u>				
Salaries	\$ 1,488,608	\$ 1,488,608	\$ 1,421,171	\$ 67,437
Operating expense	633,878	972,343	800,329	172,014
Utilities	1,330,534	1,228,914	1,031,154	197,760
Rent	877,327	877,327	594,882	282,445
Maintenance and repair projects	664,550	448,500	440,229	8,271
Contracted services	715,800	717,505	666,640	50,865
Capital outlay	276,981	261,006	264,020	(3,014)
Total Buildings and Grounds	5,987,678	5,994,203	5,218,425	775,778
<u>Mosquito Control</u>				
Salaries	208,208	205,208	140,463	64,745
Operating expense	23,215	24,874	19,093	5,781
Chemicals	24,881	19,723	19,723	-
Contracted services	2,975	2,975	2,630	345
Capital outlay	34,915	41,415	41,511	(96)
Total Mosquito Control	294,194	294,195	223,420	70,775
<u>Parks and Recreation</u>				
Salaries	3,410,928	3,410,928	3,219,079	191,849
Operating expense	498,102	655,742	478,628	177,114
Utilities	205,275	208,875	219,075	(10,200)
Maintenance and repair projects	99,000	96,000	71,848	24,152
Contracted services	100,000	134,500	135,146	(646)
Capital outlay	507,100	371,162	502,944	(131,782)
Total Parks and Recreation	4,820,405	4,877,207	4,626,720	250,487
<u>Railway Museum</u>				
Salaries	99,447	103,203	104,871	(1,668)
Operating expense	16,580	16,080	13,873	2,207
Utilities	7,000	7,000	4,867	2,133
Contracted services	31,992	26,999	26,649	350
Capital outlay	-	1,737	1,344	393
Total Railway Museum	155,019	155,019	151,604	3,415
<u>Calvert Marine Museum</u>				
Salaries	2,378,039	2,380,289	2,365,594	14,695
Operating expense	228,627	224,311	212,348	11,963
Utilities	182,825	170,495	134,652	35,843
Maintenance and repair projects	39,084	38,333	38,333	-
Contracted services	60,093	75,584	75,043	541
Capital outlay	-	156	156	-
Total Calvert Marine Museum	2,888,668	2,889,168	2,826,126	63,042
<u>Natural Resources Division</u>				
Salaries	725,474	725,474	715,011	10,463
Operating expense	77,825	76,915	65,304	11,611
Utilities	41,300	41,300	34,218	7,082
Maintenance and repair projects	34,000	34,000	26,588	7,412
Contracted services	6,600	12,190	11,746	444
Capital outlay	61,000	63,833	50,445	13,388
Total Natural Resources Division	946,199	953,712	903,312	50,400
<u>Forestry Service</u>				
Operating expense	20,965	20,965	20,965	-

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<u>Annmarie Garden</u>				
Operating expense	\$ -	\$ 13,400	\$ 6,494	\$ 6,906
Utilities	-	43,400	39,688	3,712
Contracted services	-	3,900	5,033	(1,133)
County contribution	-	314,750	314,750	-
Total Annmarie Garden	-	375,450	365,965	9,485
<u>Historical District Commission</u>				
Salaries	-	-	-	-
Operating expense	-	3,123	1,061	2,062
Contracted services	-	6,600	2,394	4,206
Total Historical District Commission	-	9,723	3,455	6,268
Total General Services	15,532,068	15,988,582	14,753,890	1,234,692
Public Works				
<u>Director of Public Works/Engineering</u>				
Salaries	1,455,735	1,434,414	1,320,769	113,645
Operating expense	74,708	91,144	75,049	16,095
Contracted services	51,000	41,225	41,208	17
Capital outlay	89,113	96,682	91,391	5,291
Total Director of Public Works/Engineering	1,670,556	1,663,465	1,528,417	135,048
<u>Project Management and Inspections</u>				
Salaries	478,137	533,501	485,836	47,665
Operating expense	31,464	42,506	41,021	1,485
Vehicle supplies and repairs	6,875	6,875	12,542	(5,667)
Capital outlay	134,000	128,758	132,335	(3,577)
Total Project Management and Inspections	650,476	711,640	671,734	39,906
<u>Highway Maintenance</u>				
Salaries	1,884,303	1,884,303	1,896,753	(12,450)
Operating expense	69,184	670,701	649,961	20,740
Vehicle supplies and repairs	352,154	452,154	330,368	121,786
Utilities	23,030	23,030	10,512	12,518
Road maintenance and repairs	486,717	493,950	453,382	40,568
Paving	5,500,000	6,780,000	6,778,858	1,142
Snow removal contractors	1,064,054	532,604	582,611	(50,007)
Contracted services	381,400	152,622	152,879	(257)
Capital outlay	92,200	143,978	137,466	6,512
Total Highway Maintenance	9,853,042	11,133,342	10,992,790	140,552
<u>Highway Lighting</u>				
Operating expense	213,752	213,752	238,433	(24,681)
<u>Fleet Maintenance</u>				
Salaries	538,516	538,516	529,492	9,024
Operating expense	19,630	19,630	14,115	5,515
Vehicle supplies and repairs	33,171	33,171	(35,627)	68,798
Utilities	29,360	29,360	21,923	7,437
Contracted services	22,000	22,000	20,340	1,660
Total Fleet Maintenance	642,677	642,677	550,243	92,434
Total Public Works	13,030,503	14,364,876	13,981,617	383,259

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
Economic Development				
<u>EDA/EDC/Tourism</u>				
Salaries	\$ 578,067	\$ 578,067	\$ 529,956	\$ 48,111
Operating expense	213,127	216,109	105,391	110,718
Advertising	-	500	448	52
Small Business Development Center	38,900	38,900	38,900	-
Contracted services	53,013	61,600	58,909	2,691
Capital outlay	-	9,318	9,283	35
Total Economic Development	883,107	904,494	742,887	161,607
Community Resources				
<u>Director of Community Resources</u>				
Salaries	313,780	313,780	338,747	(24,967)
Operating expense	32,255	31,624	30,009	1,615
Contracted services	1,791	2,066	1,120	946
Capital outlay	-	356	356	-
Total Director of Community Resources	347,826	347,826	370,232	(22,406)
<u>Affordable Housing</u>				
Operating expense	25,000	25,000	-	25,000
Total Affordable Housing	25,000	25,000	-	25,000
<u>Office on Aging</u>				
Salaries	1,248,200	1,248,200	1,207,954	40,246
Operating expense	110,416	110,137	79,849	30,288
Contracted services	127,000	127,000	98,474	28,526
Capital outlay	40,955	41,234	35,652	5,582
Total Office on Aging	1,526,571	1,526,571	1,421,929	104,642
<u>Transportation</u>				
Salaries	230,610	230,610	225,825	4,785
Operating expense	61,300	55,800	32,156	23,644
Transportation subsidy	50,000	50,000	51,441	(1,441)
Contracted services	36,471	41,971	40,403	1,568
Total Transportation	378,381	378,381	349,825	28,556
Total Community Resources	2,277,778	2,277,778	2,141,986	135,792
Education				
College of Southern Maryland	4,646,943	4,646,943	4,646,943	-
Board of Education	126,377,666	126,367,666	126,367,666	-
<u>Public Libraries</u>				
Salaries	3,948,190	2,958,482	3,972,432	(1,013,950)
Operating expense	524,440	1,524,246	513,736	1,010,510
Contracted services	143,888	142,677	126,648	16,029
Capital outlay	45,500	45,500	45,498	2
Total Public Libraries	4,662,018	4,670,905	4,658,314	12,591
Total Education	135,686,627	135,685,514	135,672,923	12,591
Social Services & Health				
<u>Health Department</u>				
Salaries	15,000	15,000	15,000	-
Operating expense	2,201,360	2,201,360	2,201,461	(101)
Womens shelter subsidy	277,898	277,898	273,695	4,203
Total Health Department	2,494,258	2,494,258	2,490,156	4,102

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final		(Over) Under
<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	76,294	98
<u>Soil Conservation District</u>				
Salaries	321,683	321,683	327,671	(5,988)
Operating expense	42,067	47,326	47,028	298
Total Soil Conservation District	363,750	369,009	374,699	(5,690)
<u>Housing Authority</u>				
Salaries	1,456,093	1,456,093	1,399,066	57,027
Total Housing Authority	1,456,093	1,456,093	1,399,066	57,027
Total Social Services & Health	4,549,693	4,554,952	4,499,415	55,537
Pension and Insurance				
Pension contribution	10,013,600	10,063,351	9,694,621	368,730
Worker's compensation	1,100,000	1,106,742	1,997,716	(890,974)
General insurance	873,000	793,000	802,224	(9,224)
OPEB	12,649,499	12,099,499	12,099,499	-
Health insurance	12,180,000	12,295,502	10,674,502	1,621,000
Total Pension and Insurance	36,816,099	36,358,094	35,268,562	1,089,532
Debt service				
<u>Bond principal</u>				
General obligations	15,533,689	15,533,688	15,533,117	571
<u>Bond interest</u>				
General obligations	4,846,348	4,846,348	4,752,870	93,478
Total Debt Service	20,380,037	20,380,036	20,285,987	94,049
Total expenditures	287,222,661	288,860,766	283,550,341	5,306,937
Other financing uses				
Transfer to Capital Projects Fund	6,155,100	8,276,651	8,256,651	20,000
Transfer to Grants Fund	2,200,496	2,324,692	2,180,976	143,716
Transfer to P&R Self-Sustaining Fund	641,800	679,894	736,964	(57,070)
Transfer to Revolving Loan fund	5,000	5,000	-	5,000
Transfer to Chesapeake Hills Golf Course Fund	246,840	246,840	436,425	(189,585)
Transfer to Solid Waste Fund	30,000	30,390	20,346	10,044
Transfer to Land Preservation Fund	1,025,000	1,025,000	1,025,000	-
Transfer to Family Network Fund	14,235	20,626	14,235	6,391
Total other financing uses	10,318,471	12,609,093	12,670,597	(61,504)
Total expenditures and other financing uses	\$ 297,541,132	\$ 301,469,859	\$ 296,220,938	\$ 5,248,921

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF NET POSITION

JUNE 30, 2019

	<u>Operating Fund</u>
ASSETS	
Cash, cash equivalents and investments	\$ 1,842,182
Notes receivable	-
Accrued interest receivable	1,410
Due from primary government	450,116
Capital assets (not being depreciated)	<u>22,191</u>
Total assets	<u>\$ 2,315,899</u>
LIABILITIES	
Account payable	\$ -
Deferred revenue	-
Total liabilities	<u>-</u>
NET POSITION	
Invested in capital assets, net of related debt	22,191
Unrestricted	<u>2,293,708</u>
Total net position	<u>\$ 2,315,899</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, 2019

	Operating Fund
Operating revenues:	
Charges for services	\$ -
Miscellaneous income	-
Total operating revenues	<u>-</u>
Operating expenses:	
Contracted services	-
Miscellaneous	242
Total operating expenses	<u>242</u>
Operating income (loss)	<u>(242)</u>
Non-operating revenues (expenses):	
Investment income	39,764
Investment expense	-
Total non-operating revenues (expenses)	<u>39,764</u>
Change in net position	39,522
Total net position - beginning	<u>2,276,377</u>
Total net position - ending	<u>\$ 2,315,899</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, 2019

	Budget Original	Budget Final	Actual	Variance (Over) Under
REVENUES				
Intergovernmental	\$ 18,370,750	\$ 28,968,038	\$ 3,835,360	\$ (25,132,678)
Miscellaneous	-	-	-	-
Total revenues	18,370,750	28,968,038	3,835,360	(25,132,678)
EXPENDITURES				
General government	1,870,600	3,201,666	2,122,583	1,079,083
Public safety	9,180,000	27,220,140	17,656,834	9,563,306
General services	17,641,200	19,285,442	3,262,270	16,023,172
Public works	3,909,250	10,122,732	5,542,715	4,580,017
Community resources	-	738,243	13,649	724,594
Education	22,365,000	9,753,165	7,750,513	2,002,652
Social services and health	-	-	-	-
Total expenditures	54,966,050	70,321,388	36,348,564	33,972,824
Excess (deficiency) of revenues over expenditures	(36,595,300)	(41,353,350)	(32,513,204)	8,840,146
OTHER FINANCING SOURCES (USES)				
Bond proceeds	27,778,000	28,208,925	42,900,000	14,691,075
Bond premium	-	-	5,848,954	5,848,954
Developer contribution	-	2,305,217	4,256,445	1,951,228
Transfers in	8,817,300	10,839,208	10,864,002	24,794
Transfers out	-	-	(34,500)	(34,500)
Total other financing sources (uses)	36,595,300	41,353,350	63,834,901	22,481,551
Net change in fund balance	-	-	31,321,697	31,321,697
Fund balance - beginning	18,018,963	18,018,963	18,018,963	-
Fund balance - ending	<u>\$ 18,018,963</u>	<u>\$ 18,018,963</u>	<u>\$ 49,340,660</u>	<u>\$ 31,321,697</u>

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, 2019*

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

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities										
Net investment in capital assets	\$ 110,447,873	\$ 109,943,246	\$ 119,780,770	\$ 123,176,653	\$ 126,029,053	\$ 125,502,206	\$ 137,904,262	\$ 136,372,796	\$ 132,772,750	\$ 140,419,778
Restricted	13,275,882	17,137,497	18,047,917	15,851,897	17,696,426	16,490,109	15,818,117	16,600,615	15,331,779	16,118,280
Unrestricted	33,885,557	43,142,024	36,289,294	19,741,178	9,297,242	(24,745,446)	(29,839,359)	(22,821,045)	(39,168,344)	(39,659,857)
Total governmental activities net position	\$ 157,609,312	\$ 170,222,767	\$ 174,117,981	\$ 158,769,728	\$ 153,022,721	\$ 117,246,869	\$ 123,883,020	\$ 130,152,366	\$ 108,936,185	\$ 116,878,201
Business-type activities										
Net investment in capital assets	\$ 34,365,814	\$ 34,549,717	\$ 29,333,105	\$ 28,900,840	\$ 15,498,941	\$ 27,576,501	\$ 26,802,823	\$ 28,076,563	\$ 31,650,038	\$ 33,711,893
Restricted	2,359,895	2,336,457	2,130,523	2,187,836	1,979,832	2,729,885	2,837,651	3,502,392	3,865,757	416,794
Unrestricted	1,539,588	897,574	2,321,405	3,785,496	14,349,672	6,324,182	7,377,772	5,795,158	2,744,132	5,867,753
Total business-type activities net position	\$ 38,265,297	\$ 37,783,748	\$ 33,785,033	\$ 34,874,172	\$ 31,828,445	\$ 36,630,568	\$ 37,018,246	\$ 37,374,113	\$ 38,259,927	\$ 39,996,440
Primary government										
Net investment in capital assets	\$ 144,813,687	\$ 144,492,963	\$ 149,113,875	\$ 152,077,493	\$ 141,527,994	\$ 153,078,707	\$ 164,707,085	\$ 164,449,359	\$ 164,422,788	\$ 174,131,671
Restricted	15,635,777	19,473,954	20,178,440	18,039,733	19,676,258	19,219,994	18,655,768	20,103,007	19,197,536	16,535,074
Unrestricted	35,425,145	44,039,598	38,610,699	23,526,674	23,646,914	(18,421,264)	(22,461,587)	(17,025,887)	(36,424,212)	(33,792,104)
Total primary government net position	\$ 195,874,609	\$ 208,006,515	\$ 207,903,014	\$ 193,643,900	\$ 184,851,166	\$ 153,877,437	\$ 160,901,266	\$ 167,526,479	\$ 147,196,112	\$ 156,874,641

NOTES:

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

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

Expenses	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities:										
General government	\$ 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	\$ 23,807,478
Public safety	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	42,136,984
Public works	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	19,884,896
General services	(3)	-	-	-	15,124,898	24,336,696	21,973,307	21,950,660	27,857,214	19,817,592
Health and hospitals	2,128,412	3,407,428	3,408,940	3,670,682	-	-	-	-	-	-
Social services and health	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	5,032,427
Education	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	171,354,587
Board of Education	133,561,524	128,257,599	129,427,039	141,921,641	-	-	-	-	-	-
Recreation and culture	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	12,716,946
Conservation of natural resources	1,573,710	3,393,562	4,543,744	2,934,998	-	-	-	-	-	-
Urban development and housing	2,643,490	2,521,746	2,170,117	2,050,230	-	-	-	-	-	-
Economic development	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	1,117,913
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	4,459,599	4,253,148	3,653,348	4,318,688	4,658,794	5,266,087
Debt service	4,726,867	4,859,414	4,980,102	4,784,558	-	-	-	-	-	-
Subtotal governmental activities expenses	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	301,134,910
Business-type activities:										
Water and sewer	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	9,025,746
Solid waste	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	12,650,803
Culture	4,350,817	4,539,550	3,583,944	3,547,014	-	-	-	-	-	-
Subtotal business-type activities expenses	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	21,676,549
Total primary government expenses	\$ 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	\$ 322,811,459
Program Revenues										
Governmental activities:										
General government	\$ 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	\$ 2,256,845
Public safety	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	8,345,023
Public works	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	3,438,319
General services	(3)	-	-	-	-	9,252,611	6,112,661	5,587,328	5,600,119	12,223,667
Health and hospitals	38,737	47,213	52,958	288,278	155,481	-	-	-	-	-
Social services and health	1,049,527	698,277	1,239,016	1,761,833	1,819,987	-	-	-	-	-
Education	-	107,940	-	155,680	-	927,936	975,595	967,724	2,137,999	592,025
Board of Education	-	965,787	140,203	4,573,994	-	-	-	-	-	-
Recreation and culture	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	3,559,415
Conservation of natural resources	1,330,446	184,610	248,853	368,640	1,623,509	-	-	-	-	-
Urban development and housing	1,022,376	1,071,636	1,109,510	1,223,258	1,133,168	-	-	-	-	-
Economic development	838,483	698,198	591,273	615,199	508,714	519,213	509,332	503,014	597,766	586,599
Miscellaneous	-	-	-	-	1,059,594	-	-	-	-	-
Capital projects	2,334,409	-	-	-	2,009,948	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	6,300	6,299	6,299	6,291	6,294
Debt service	636,352	636,802	7,441	7,441	6,299	-	-	-	-	-
Subtotal governmental activities revenues	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	31,008,187
Business-type activities:										
Water and sewer	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	9,744,760
Solid waste	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	13,081,652
Culture	1,201,750	1,750,751	1,488,473	1,300,918	1,358,582	-	-	-	-	-
Subtotal business-type activities revenues	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	22,826,412
Total primary government revenues	\$ 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	\$ 53,834,599

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

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net (Expense)/Revenue										
Governmental activities:										
General government	\$ (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)	\$ (21,550,633)
Public safety	(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)	(33,791,961)
Public works	(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)	(16,446,577)
General Services	-	-	-	-	-	(15,084,085)	(15,860,646)	(16,363,332)	(22,257,095)	(7,593,925)
Health and hospitals	(2,089,675)	(3,360,215)	(3,355,982)	(3,382,404)	155,481	-	-	-	-	-
Social services and health	(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)	(5,032,427)
Education	(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)	(170,762,562)
Board of Education	(133,561,524)	(127,291,812)	(129,286,836)	(137,347,647)	-	-	-	-	-	-
Recreation and culture	(1,607,049)	(6,845,438)	(12,649,539)	(10,588,099)	4,727,095	-	-	-	-	-
Community resources	(243,264)	(3,208,952)	(4,294,891)	(2,566,358)	1,623,509	(7,691,137)	(8,271,441)	(8,320,744)	(8,369,976)	(9,157,531)
Conservation of natural resources	(1,621,114)	(1,450,110)	(1,060,607)	(826,972)	1,133,168	-	-	-	-	-
Urban development and housing	(1,014,227)	(882,062)	(1,001,614)	(850,544)	(931,603)	(957,248)	(849,148)	(912,606)	(291,594)	(531,314)
Economic development	-	-	-	-	1,059,594	-	-	-	-	-
Miscellaneous	2,334,409	-	-	-	2,009,948	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	(4,246,848)	(3,647,049)	(4,312,389)	(4,652,503)	(5,259,793)
Debt service	(4,090,515)	(4,222,612)	(4,972,661)	(4,777,117)	6,299	(227,120,476)	(223,193,672)	(230,311,438)	(267,088,592)	(270,126,723)
Subtotal governmental activities expenses	(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)	(270,126,723)
Business-type activities:										
Water and sewer	(758,771)	(543,466)	(574,764)	(323,200)	57,593	514,492	4,142,625	(379,051)	26,080	719,014
Solid waste	1,136,958	357,810	(617,844)	1,381,310	213,838	(575,355)	(872,774)	604,507	512,159	430,849
Culture	(3,149,067)	(2,788,799)	(2,095,471)	(2,246,096)	1,358,582	-	-	-	-	-
Subtotal business-type activities expenses	(2,770,880)	(2,974,455)	(3,288,079)	(1,187,986)	1,630,013	(60,863)	3,269,851	225,456	538,239	1,149,863
Total primary government expenses	\$ (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)	\$ (268,976,860)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 188,304,505
Income taxes	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	70,620,494
Recordation taxes	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	9,014,787
Admission and amusement taxes	30,212	25,009	25,803	30,938	29,720	14,776	17,456	26,181	24,035	23,566
Franchise taxes	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	1,599,918
Other miscellaneous taxes	119,546	114,013	113,753	127,458	237,928	687,334	834,149	920,068	899,940	103,419
State reimbursement of electricity deregulation	-	-	-	-	-	-	-	-	-	-
Interest and dividends	3,362,353	933,632	442,937	1,132,781	367,372	493,295	374,256	4,136,322	3,294,570	8,422,396
Miscellaneous	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)	(65,000)	(51,960)	(19,630)	(31,652)	(20,346)
Subtotal governmental activities revenues	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	278,068,739
Business-type activities:										
Interest and dividends	-	-	-	-	-	-	70,984	110,781	315,923	566,304
Miscellaneous	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	51,960	19,630	31,652	20,346
Subtotal business-type activities revenues	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	122,944	130,411	347,575	586,650
Total primary government revenues	\$ 191,300,918	\$ 200,999,462	\$ 226,971,758	\$ 221,496,247	\$ 214,245,199	\$ 212,690,267	\$ 229,183,308	\$ 236,711,195	\$ 281,226,351	\$ 278,655,389
Change in net position										
Governmental activities	\$ (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	\$ 7,942,016
Business-type activities	3,845,590	220,584	(478,348)	1,834,111	4,237,732	59,338	3,392,795	355,867	885,814	1,736,513
Total primary government	\$ (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	\$ 9,678,529

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

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Real and personal property taxes	\$ 133,981,114	\$ 146,790,799	\$ 146,449,619	\$ 141,281,902	\$ 138,767,620	\$ 138,193,758	\$ 139,219,905	\$ 148,639,839	\$ 174,096,002	\$ 184,860,281
Income taxes	56,136,128	62,668,488	64,199,044	64,127,088	66,768,748	71,289,228	74,566,392	77,251,931	83,786,433	88,732,813
Admission and amusements	25,009	25,803	30,938	29,720	14,776	17,598	17,456	26,181	24,035	23,566
Recordation	5,690,348	5,330,746	5,180,576	5,909,376	6,170,922	6,308,065	7,551,986	9,112,106	8,469,655	9,014,787
Trailer parks	114,013	113,753	127,458	237,928	127,186	142,449	114,682	116,740	127,582	103,419
Hotel (2)	693,265	815,416	753,981	634,973	560,148	718,807	719,467	803,327	772,359	752,428
Highway user revenue (3)	256,759	410,452	281,653	513,103	541,727	570,547	587,376	583,043	887,127	1,215,713
Franchise	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119	1,404,676	1,485,691	1,654,348	1,237,894	1,599,918
Total Taxes	\$ 198,006,947	\$ 217,325,233	\$ 218,215,279	\$ 214,008,905	\$ 214,317,246	\$ 218,645,128	\$ 224,262,955	\$ 238,187,515	\$ 269,401,087	\$ 286,302,925

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

	FY2010	FY2011(2)	FY2012(2)	FY2013(2)	FY2014(2)	FY2015(2)	FY2016(2)	FY2017(2)	FY2018(2)	FY2019(2)
General Fund										
<i>(prior to GASB 54)</i>										
Reserved	\$ 10,438,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Undesignated	28,650,914	-	-	-	-	-	-	-	-	-
Undesignated	18,159,691	-	-	-	-	-	-	-	-	-
<i>(post GASB 54)</i>										
Non-spendable	-	9,554,965	9,545,194	8,098,274	8,317,376	7,288,398	8,181,368	6,778,094	9,567,714	9,587,329
Restricted	-	64,861	-	-	-	-	54,030	54,030	-	-
Committed	-	20,913,418	21,430,248	21,983,132	21,943,607	22,100,797	22,838,421	25,047,021	28,647,798	32,922,611
Assigned	-	9,246,000	8,218,619	9,718,619	9,718,619	6,218,619	6,218,619	5,000,000	5,000,000	5,000,000
Unassigned	-	26,763,823	27,321,625	27,228,179	20,212,026	16,622,116	14,200,844	24,060,353	18,787,277	22,292,284
Total General Fund	\$ 57,249,554	\$ 66,543,067	\$ 66,515,686	\$ 67,028,204	\$ 60,191,628	\$ 52,229,930	\$ 51,493,282	\$ 60,939,498	\$ 62,002,789	\$ 69,802,224
All other governmental funds										
<i>(prior to GASB 54)</i>										
Reserved	\$ 13,099,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,348,586	-	-	-	-	-	-	-	-	-
Capital projects funds	34,330,086	-	-	-	-	-	-	-	-	-
<i>(post GASB 54)</i>										
Non-spendable	-	10,354,760	7,170,057	9,264,806	7,192,814	36,639	79,653	67,309	68,729	65,335
Restricted	-	3,750	2,114,579	586,267	847,698	11,346,283	11,916,681	11,557,121	10,326,852	9,250,666
Committed	-	6,768,471	9,605,033	6,199,410	8,838,839	5,114,088	3,864,003	2,988,781	3,211,015	5,029,208
Assigned	-	44,721,770	34,586,829	30,329,564	27,941,051	17,532,230	6,366,498	23,886,488	19,744,146	51,113,731
Unassigned	-	-	-	(60,100)	(75,287)	(137,623)	-	(50,389)	-	-
Total all other governmental funds	\$ 53,778,639	\$ 61,848,751	\$ 53,476,498	\$ 46,319,947	\$ 44,745,115	\$ 33,891,617	\$ 22,226,835	\$ 38,449,310	\$ 33,350,742	\$ 65,458,940

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

	FY2010	FY2011	FY2012	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
REVENUES									
Taxes	\$ 200,892,163	\$ 219,762,773	\$ 220,823,988	\$ 217,073,039	\$ 221,813,316	\$ 226,781,277	\$ 241,314,657	\$ 271,981,379	\$ 288,988,225
Licenses and permits	328,671	292,301	304,571	336,520	288,914	325,668	340,437	286,463	335,646
Intergovernmental	10,635,443	10,939,016	10,137,812	15,528,056	11,700,996	11,644,413	10,815,637	13,133,597	13,285,218
Charges for services	3,585,775	3,337,111	3,303,365	5,474,201	5,886,992	5,879,714	5,853,515	6,306,291	7,076,243
Fines and forfeitures	340,061	598,175	477,806	654,560	657,909	536,954	826,327	604,463	465,698
Miscellaneous	8,123,831	7,147,229	15,496,237	5,095,650	4,283,005	5,096,726	5,782,512	5,399,617	10,312,836
Total revenues	223,905,944	242,076,605	250,543,779	244,162,026	244,631,132	250,264,752	264,933,085	297,711,810	320,463,866
EXPENDITURES									
General government	15,189,984	15,511,172	16,164,778	12,050,068	13,664,930	18,293,486	17,585,335	21,208,516	19,845,475
Public safety	25,987,152	26,616,262	27,372,685	27,740,436	28,647,775	28,865,454	31,568,314	33,086,614	36,727,583
General services	-	-	-	16,357,060 ⁽⁴⁾	16,101,033	16,099,868	16,555,689	17,722,303	18,972,063
Public works	10,984,725	9,103,252	9,758,758	9,510,233	8,163,402	6,073,958	6,510,467	11,305,572	11,800,446
Health and hospitals	2,774,768	2,627,530	2,767,520	-	-	-	-	-	-
Social services and health	8,957,279	8,314,076	8,351,728	6,468,234	6,589,566	4,162,989	4,121,080	4,184,306	4,124,716
Education - other	3,031,586	3,268,987	3,490,522	7,929,833	8,071,526	8,547,060	8,668,124	8,837,345	9,679,598
Board of Education	114,137,687	105,010,110	109,059,947	113,844,157	116,258,108	115,334,741	115,218,291	121,654,541	126,367,666
Recreation and culture	9,916,945	10,987,198	11,202,674	-	-	-	-	-	-
Conservation of natural resources	1,034,321	2,610,094	3,597,704	-	-	-	-	-	-
Urban development and housing	1,982,486	1,914,857	2,003,182	-	-	-	-	-	-
Economic development	1,209,744	1,234,891	1,273,769	1,130,190	1,167,949	1,066,088	1,113,222	689,604	771,596
Community resources	-	-	29,522,254	8,952,113 ⁽⁴⁾	8,254,333	8,494,081	9,012,567	8,512,915	9,089,106
Miscellaneous	18,890,672	23,205,341	29,522,254	19,231,184 ⁽⁴⁾	23,367,037	22,072,681	21,981,083	40,154,447	35,267,192
Pension and insurance	21,249,637	16,350,785	21,690,541	19,443,595	15,816,466	16,524,137	21,812,065	40,723,017	36,353,413
Capital projects	-	-	-	-	-	-	-	-	-
Debt service	12,024,609	11,233,501	10,971,736	12,113,675	12,910,722	13,127,382	13,561,110	13,282,117	15,533,117
Interest	4,851,414	4,631,143	5,108,954	4,530,901	4,384,851	3,952,297	3,548,591	4,459,843	4,752,870
Refunding expense	-	-	-	9,367	-	-	-	-	-
Total expenditures	252,223,009	242,619,199	262,336,752	259,311,046	263,392,698	262,614,222	271,255,938	325,821,140	329,284,841
Excess (deficiency) of revenues over expenditures	(28,317,065)	(542,594)	(11,792,973)	(15,149,020)	(18,761,566)	(12,349,470)	(6,322,853)	(28,109,330)	(8,820,975)
OTHER FINANCING SOURCES (USES)									
Proceeds from bond issuance	24,344,988	19,256,000	5,773,720	5,760,000	-	-	28,030,000	21,770,000	42,900,000
Amount deposited in refunding escrow	(5,191,344)	-	-	-	-	-	-	-	-
Premium of issuance of debt	743,436	1,326,199	568,872	281,302	-	-	3,980,709	2,335,706	5,848,954
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	10,296,056	11,355,542	11,966,387	12,975,736	14,872,453	13,017,754	12,695,788	22,402,181	22,118,351
Transfers out - other	(13,399,945)	(14,031,522)	(14,915,640)	(13,040,736)	(14,926,083)	(13,069,714)	(12,715,418)	(22,433,833)	(22,138,697)
Total other financing sources (uses)	16,793,191	17,906,219	3,393,339	5,976,302	(53,630)	(51,960)	31,991,079	24,074,054	48,728,608
Net change in fund balances	(11,523,872)	17,363,625	(8,399,634)	(9,172,718)	(18,815,196)	(12,401,430)	25,668,226	(4,035,276)	39,907,633
Debt service as a percentage of noncapital expenditures	(3)	8.76%	(3)	7.50%	6.86%	(3)	7.34%	7.50%	6.74%
		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

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

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REVENUE CAPACITY
JUNE 30, 2019*

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

The revenue capacity schedules are:

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

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

Fiscal Year	Real Property				Personal Property			Total		
	Assessed Value	Exempt Property	Taxable Assessed Value	Direct Rate	Assessed Value	Direct Rate	Assessed Value	Taxable Assessed Value	Assessed to total Estimated Actual Value	Estimated Actual Taxable Value
2010	15,571,990,076	987,183,072	14,584,807,004	0.892	504,475,135	2.23	16,076,465,211	15,089,282,139	93.86%	16,076,465,211
2011	14,334,949,486	1,022,420,831	13,312,528,655	0.892	874,351,230	2.23	15,209,300,716	14,186,879,885	93.28%	15,209,300,716
2012	13,473,142,494	1,030,936,269	12,442,206,225	0.892	921,126,040	2.23	14,394,268,534	13,363,332,265	92.84%	14,394,268,534
2013	12,717,190,774	992,111,598	11,725,079,176	0.892	950,398,120	2.23	13,667,588,894	12,675,477,296	92.74%	13,667,588,894
2014	12,353,843,462	993,239,398	11,360,604,064	0.892	956,990,624	2.23	13,310,834,086	12,317,594,688	92.54%	13,310,834,086
2015	12,379,649,469	984,185,935	11,395,463,534	0.892	994,496,590	2.23	13,374,146,059	12,389,960,124	92.64%	13,374,146,059
2016	12,430,209,777	1,025,082,884	11,405,126,893	0.892	1,006,057,047	2.23	13,436,266,824	12,411,183,940	92.37%	13,436,266,824
2017	12,692,489,553	1,066,023,322	11,626,466,231	0.952	1,054,509,666	2.23	13,746,999,219	12,680,975,897	92.25%	13,746,999,219
2018	13,177,150,888	1,075,807,026	12,101,343,862	0.937	321,317,861	2.23	13,498,468,749	12,422,661,723	92.03%	13,498,468,749
2019	12,932,166,837	1,089,171,106	11,842,995,731	0.937	329,743,350	2.23	13,261,910,187	12,172,739,081	91.79%	13,261,910,187

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 Calvert County	Overlapping Rates	
		County Rate	Town Rate ⁽¹⁾
		Town of North Beach	Town of North Beach
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
2019	0.937	0.601	0.6329

Fiscal Year	Direct Calvert County	Overlapping Rates	
		County Rate	Town Rate ⁽¹⁾
		Town of Chesapeake Beach	Town of Chesapeake Beach
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
2019	0.937	0.601	0.3442

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 2019			Fiscal Year 2010		
	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Dominion (1)	\$ 4,000,000,000	1	23.27%	\$ 670,823,600	1	5.40%
Exelon (2)	1,200,000,000	2	6.98%	406,728,590	2	3.27%
Southern Maryland Electric Co.	80,701,070	3	0.47%	36,344,600	3	0.29%
Asbury-Solomons	35,466,714	4	0.21%	29,864,851	5	0.24%
Dunkirk Gateway	28,682,634	5	0.17%	26,468,300	7	0.21%
Fox Run Ltd. Partnership	27,005,300	6	0.16%	32,376,833	4	0.26%
Market Square Shopping Center	26,250,600	7	0.15%	15,625,266	9	0.13%
Verizon	15,621,400	8	0.09%	27,532,170	6	0.22%
Pepco	11,880,910	9	0.07%			
Calvert Memorial Hospital	11,177,600	10	0.07%			
Holiday Inn Solomons				25,875,232	8	0.21%
Dunkirk Marketplace				11,342,900	10	0.09%
	<u>\$ 5,436,786,228</u>		<u>31.63%</u>	<u>1,282,982,342</u>		<u>6.27%</u>

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
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, 2019*

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			
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			
2019	155,103	-	4,223	48	11,831	16,481	187,686	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
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
2019	92,680	11,842,995,731	171,584,558	47,684	171,536,874	1.45%	1,851	127,784

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
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
2019	-	-	-	-	4,732	4,685	-	1.01

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

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2019*

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>
2010	88,737	4,060,283	45,666	48,220	6.80%	16,627
2011	89,288	4,594,276	51,464	48,070	6.40%	16,373
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%	15,886
2014	90,562	4,853,808	53,995	47,889	5.30%	15,823
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%	15,568
2017	91,620	N/A	N/A	49,327	3.90%	15,512
2018	91,940	N/A	N/A	50,034	4.30%	15,433
2019	92,680	N/A	N/A	49,892	3.70%	15,475

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 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,147	1	4.35%	1,872	1	4.82%
Calvert County Government	1,269	2	2.57%	840	3	2.16%
Calvert Memorial Hospital	1,225	3	2.48%	855	4	2.20%
Constellation Energy Group (1)	822	4	1.67%	1,227	2	3.16%
Wal-Mart	460	5	0.93%			
Giant Food	378	6	0.77%			
ARC of Southern Maryland	375	7	0.76%	355	5	0.91%
Chesapeake Beach Resort & Spa	239	8	0.48%			
Safeway	231	9	0.47%			
DynCorp				233	6	0.60%
Recorded Books				228	7	0.59%
Calvert Nursing Center				203	8	0.52%
The Gott Company				200	9	0.51%
Chesapeake Biological Laboratory				150	10	0.39%

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, 2019*

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

The operating information schedules are:

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

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

Function:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
General Government										
Commissioners	6	6	6	6	6	6	6	6	6	6
Clerk of the commissioners	1	1	1	1	1	1	1	1	1	1
County administration	3	3	2	2	2	2	2	3	3	3
Technology services	21.8	21.8	22.8	22.8	23	23.6	23	25	26.3	27.3
Circuit court	10.9	10.9	10.9	10.9	13.9	13.9	13.9	13.9	14.6	14.6
Orphans court	3	3	3	3	3	3	3	3	3	3
States attorney	21.1	22.1	22.1	22.1	26	26	27	27	28	28.6
Human resources	8.6	8.6	8.6	8.6	8.6	8.6	8.6	12	16.3	17.3
Finance and budget	23.6	23.6	25.6	25.6	25.5	25.5	26.5	25.5	22.8	22.8
County treasurer	7.6	7.6	7.6	7.6	7.4	7.4	7.4	7.4	7.5	7.5
County attorney	4	4	4	4	4	4	4	5	5	6
Planning and zoning	26.2	26.1	26.1	29.4	29.4	28.9	29.4	29.5	32.8	32.3
Inspections and permits	14.2	14.2	14.2	14.2	13.2	14.2	14.2	14.2	16.2	16.7
Public Safety										
Public safety	2	2	2	2	2	2	2	2	3	3
Sheriffs office	139.2	142.2	146.2	146.4	151.4	154.6	150.9	162.4	168.9	173
Emergency communications	30	30	34	34	34	34	34	34	37	37.5
Detention center	81.6	85.6	88.6	88.6	87.6	87.6	87.5	87.5	90.5	90.5
Emergency management	3	3	3	3	3	3	3	3	3	3
Fire-rescue-EMS	4.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	7.5
Animal Shelter	0	0	0	0	0	0	0	0	15	15
Animal control	7	7	7	7	7	7	7	7	7	7
General Services										
Director of General services	4	5	5	5	5	5	5	5	5	5
Buildings and grounds	32.7	32.7	31.7	31.7	29.7	30	30	30	31	31
Mosquito control	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.5	5.5
Parks and recreation	70.7	68.6	69.2	69.2	69.2	69.2	69.2	73	75	75.5
Railway museum	2	2	2	2	2	2	2	2	1.8	2.1
Marine museum	40.2	40.2	40.2	40.2	40.2	42.5	42.3	40.4	42.6	42.6
Natural resources	13.2	13.2	13.7	13.7	13.7	14.7	13.9	14.7	14.9	14.9
Public Works										
Public works/engineering	14.6	15.2	15.2	15.2	14.6	14.6	14.6	14.6	17.9	18.3
Project management	7	7	7	7	7	7	7	7	7	7
Highway maintenance	36.6	36	36	36	36	35	35	35	35	35
Fleet maintenance	10	10	10	10	10	9	9	9	9	9
Economic Development										
	12.1	12.5	12.5	12.5	12.4	12.4	12.4	13.8	9.3	9.3
Community and Media Relations										
	0	0	0	0	0	0	0	0	8.5	11.8
Community Resources										
Director of Community resources	4.5	4.5	5	5	5	5	4.5	4.5	4.5	4.5
Office on aging	24.6	24.6	24.6	24.6	23.6	23.3	23.3	24.3	24.8	24.8
Transportation	2.8	2.8	2.8	2.8	2.8	3.8	4	4	4	4
State Agencies and Independent Boards										
Election	9	9	9	9	9	9	9	9	9	9
Liquor board	3.2	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
Environmental commission					0.1	0.1	0.1	0.1	0.1	0.1
Water and Sewer										
	33	33	32	32	30.7	32.7	33.7	36.2	36.2	36.4
Solid Waste										
	38.8	38.8	41.3	41.3	42.6	42.6	44.6	45.5	46.5	48.8
Chesapeake Hills Golf Course										
	10.9	10.9	10.9	11	11	13.2	13.3	13.3	13.3	14.3
Total	797.3	805.5	820.6	824.2	830.4	841.2	842.1	868.6	922.5	932.7

NOTES:
(1) Source: Calvert County's Adopted Operating and Capital Budgets FY2010-FY2019

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

Function:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	Actual									
General Government										
Technology services										
Work orders completed	3,375	4,209	4,413	4,799	4,732	5,230	5,250	4,216	4,517	4,216
Support to desktop/laptop computers	835	875	726	853	899	938	988	975	1,148	975
Finance and budget										
Purchase orders processed	6,717	6,759	5,953	5,964	6,017	6,070	6,123	6,141	6,400	6,300
Accounts payable checks	14,852	15,334	15,834	15,100	15,600	15,600	15,555	15,533	14,320	17,070
Average number of employees per pay	1,049	1,112	1,117	1,091	1,085	1,094	1,100	1,105	1,110	1,154
Fixed assets maintained	15,804	13,352	13,687	14,037	14,387	14,421	14,853	14,565	15,630	15,965
Health care benefits managed	1,021	1,020	1,030	1,030	1,040	845	845	890	890	903
Credit card dollars collected	537,611	598,705	630,000	661,500	609,428	610,353	611,250	615,365	617,546	619,823
Credit card transactions	346	363	380	399	197	240	321	397	4,412	4,521
Real estate tax bills	42,236	42,297	42,349	42,419	42,469	42,650	42,650	42,860	43,862	42,435
Treasury										
Tax credits issued	1,633	1,822	1,625	1,664	1,648	1,652	1,652	1,711	1,785	1,802
Planning and zoning										
Major and minor subdivisions (new applications)	34	21	61	30	65	65	10	30	30	27
Inspections and permits										
Building/Home/Signs/demo permits issued	1,472	1,492	1,613	1,421	1,455	1,570	1,650	2,100	1,500	1,800
Grading permits issued	672	783	734	678	687	675	640	900	600	623
Electrical permits issued	1,471	1,437	1,735	1,580	1,489	1,605	1,685	2,000	1,500	1,612
Plumbing permits issued	744	873	897	877	834	1,015	1,120	1,200	750	618
Public Safety										
Control center										
Number of incidents handled	151,224	138,437	145,358	152,626	89,492	73,018	90,436	104,758	208,834	208,834
Detention center										
Average daily population	288	233	212	241	249	266	240	250	250	252
Work release (adp)	39	32	28	25	84	90	94	91	88	91
Sheriff's office										
Calls for service	84,513	87,045	89,659	89,659	108,220	108,220	71,421	95,623	71,321	73,900
Murder cases	-	-	-	3	2	2	2	2	1	2
Rape cases	17	10	10	14	11	11	11	15	12	11
Robbery cases	26	27	29	26	24	24	27	30	16	13
Aggravated assault cases	123	56	56	56	79	79	81	85	65	60
Theft cases	1,204	1,100	1,100	1,392	1,436	1,436	794	807	651	661
Auto theft cases	92	55	55	60	48	48	40	46	43	31
Domestic violence incidents responded to	1,287	1,325	1,364	1,364	1,213	1,213	1,144	1,169	1,170	1,215
Business & community patrol checks	33,977	29,724	30,615	30,615	47,965	47,965	14,224	44,658	45,248	11,214
Sex offenders registered in Calvert County	107	109	112	112	114	114	91	102	105	113
School related incidents/investigations	1,574	1,621	1,669	1,900	1,000	1,900	1,979	1,864	1,868	1,852
Fire and rescue										
Total calls responded	19,708	21,240	21,000	20,306	20,000	20,000	22,000	21,000	21,500	22,000
Animal control										
Calls for service	5,601	6,129	5,000	4,900	5,400	5,200	4,365	4,800	4,450	5,050
General Services										
Railway museum										
Outreach participants	4,150	4,200	4,200	4,200	5,204	5,204	5,204	5,000	6,500	6,721
Participants in programs	5,118	6,197	8,298	7,521	6,822	5,000	5,000	5,000	6,500	6,721
Public Works										
Major and minor subdivisions	149	54	51	36	25	26	26	22	25	26
Road plans	24	9	13	18	2	5	8	6	10	7
Project management										
Miles of roadway resurfaced	12	8	8	13	8	8	8	1	13	17
Fleet maintenance										
Work orders	2,837	2,361	2,283	2,082	2,042	2,150	2,200	2,400	2,600	2,650
Community Resources										
Transportation										
Yearly ridership	109,705	108,875	109,658	112,874	112,900	113,000	113,300	117,000	130,000	119,664
Education										
Public library										
Circulation of materials	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	1,095,094
Reference questions	120,646	121,536	137,519	145,954	154,014	154,014	155,224	162,456	186,108	214,045
Program attendance	46,738	51,196	53,907	57,109	60,224	60,224	60,351	61,487	56,349	54,837
In-person visits	602,683	600,371	609,958	586,710	548,444	548,444	548,621	549,368	432,927	445,380
Digital Visits	not tracked	430,734	262,073	346,000	347,045					
Computer uses	145,278	152,831	151,002	141,507	140,275	140,275	141,200	143,850	134,942	137,527
Registered borrowers	57,549	60,574	61,895	65,631	63,861	63,861	63,958	64,215	70,227	58,366
Water and Sewer										
Number of customers	5,076	5,104	5,153	5,190	5,267	5,267	5,389	5,400	5,519	5,658

NOTES:
(1) Source: Calvert County's Adopted Operating and Capital Budget FY2010-2019
(2) Source: Calvert County Sheriff's Office
*projected

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

Function:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	141	141	125	141	127	127	127	130	133
Special purpose units	5	6	6	6	6	7	7	9	9	9
Fire protection:										
Fire stations	5	6	6	6	6	6	6	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12	12
Ambulances	14	14	14	14	14	14	14	15	15	15
Rescue trucks	7	7	6	6	7	6	6	6	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	4	4
Brush units	13	13	13	13	13	13	13	14	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	2	2	4
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	6	6	6
Air cascade units	2	2	2	2	2	2	2	1	0	0
Other utility types	25	25	25	25	25	25	25	31	31	31
Community Resources										
Transportation:										
Passenger buses	17	17	17	19	17	19	19	16	19	20
Public Works										
County owned streets in miles	452	452	452	462	452	462	462	464	466	470
Recreation										
Multi-use fields with baseball/softball	n/a	19	19							
Multi-use fields without baseball/softball	n/a	29	29							
Baseball fields	20	20	20	20	20	20	20	20	20	20
Football fields	7	7	7	7	7	7	7	7	7	7
Basketball courts	6	6	6	6	6	8	8	8	9	9
Tennis courts	10	10	12	12	12	14	14	14	12	12
Picnic area/pavillions	n/a	12	12							
Bathrooms	n/a	12	12							
Playgrounds	n/a	12	12							
Skate park	n/a	1	1							
Dog park	n/a	2	3							
Pickleball court	n/a	10	12							
Public beach	n/a	1	1							
Porta-johns parks	n/a	17	17							
Porta-johns school fields	n/a	24	24							
Pools	3	3	3	3	3	3	3	3	3	3
Golf course	1	1	1	1	1	1	1	1	1	1
Playgrounds and parks in acres	360	375	375	580	360	580	580	580	676	676
Highly maintained turf acres	n/a	56	56							
General turf covered open space acres	n/a	135	135							
Water and Sewer										
Water mains in miles	77	77	77	79	77	85	85	85	85	85
Water systems	21	21	20	21	20	19	19	19	19	19
Storage tanks	14	14	14	14	14	13	13	14	14	14
Sewer mains in miles	66	66	66	68	66	77	77	77	77	77
Sewer treatment plants	9	9	8	8	8	6	6	5	5	5
Sewer pumping stations	39	39	39	39	39	43	43	45	45	45

NOTES:

(1) Source: Various county departments



S B & C O M P A N Y, L L C
KNOWLEDGE • QUALITY • CLIENT SERVICE

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Controls 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 controls* 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 controls, 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 controls 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
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal 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.

Owings Mills, Maryland
December 20, 2019

SB & Company, LLC

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2019**

	<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	\$ 2,915,040	\$ 5,376,209	\$ 119,810	\$ -	\$ 8,411,059
<u>Operating expenses</u>					
Salaries & benefits	537,520	833,768	100,126	1,451,612	2,923,026
Contracted services	81,530	1,013,858	3,267	43,102	1,141,757
Supplies	115,856	154,753	2,928	29,875	303,412
Heat, light and power	211,889	419,662	-	762	632,313
Depreciation	906,222	1,490,140	-	315,009	2,711,371
Miscellaneous	-	1,076	35	98,714	99,825
Telephone	-	3,936	353	26,050	30,339
Compensated absences	13,920	15,015	468	19,646	49,049
Maintenance and repairs	303,413	185,436	4,276	65,304	558,429
Capital outlay	2,092	29,358	100	6,521	38,071
Total operating expenses	<u>2,172,442</u>	<u>4,147,002</u>	<u>111,553</u>	<u>2,056,595</u>	<u>8,487,592</u>
Operating income (loss)	<u>742,598</u>	<u>1,229,207</u>	<u>8,257</u>	<u>(2,056,595)</u>	<u>(76,533)</u>
<u>Non-operating revenues (expenses)</u>					
Grants	-	-	-	-	-
Deferred amount on refunding	-	-	-	-	-
Miscellaneous income	28,235	41,509	-	72,404	142,148
FEMA grant reimbursement	-	-	-	-	-
Tower revenue	157,196	-	-	-	157,196
Investment income	11,903	32,987	-	444,367	489,257
Interest expense	(155,414)	(366,982)	-	(15,758)	(538,154)
Administrative allocation	(855,790)	(691,535)	(8,257)	1,555,582	-
Total non-operating revenues (expenses)	<u>(813,870)</u>	<u>(984,021)</u>	<u>(8,257)</u>	<u>2,056,595</u>	<u>250,447</u>
Income (loss) before contributions and transfers	<u>(71,272)</u>	<u>245,186</u>	<u>-</u>	<u>-</u>	<u>173,914</u>
<u>Transfers</u>					
Transfers in (out)	-	29,314	-	-	29,314
Capital connection charges	312,037	562,463	-	-	874,500
Developer contribution	-	159,857	-	-	159,857
Change in net position	240,765	996,820	-	-	1,237,585
Total net position - beginning	<u>5,854,553</u>	<u>22,444,215</u>	<u>-</u>	<u>1,999,832</u>	<u>30,298,600</u>
Total net position - ending	<u>\$ 6,095,318</u>	<u>\$ 23,441,035</u>	<u>\$ -</u>	<u>\$ 1,999,832</u>	<u>\$ 31,536,185</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2019**

	Total Assessed Value of Taxable Property	Tax Rate Per \$100 of Assessed Value	Actual Tax Levy	Amount Collected	Balance of Taxes Receivable
<u>County Portion</u>					
<u>Current year property - locally assessed</u>					
Real property:					
For full year levy	\$ 10,764,527,819	\$ 0.937	\$ 100,863,626	\$ 98,399,873	\$ 2,463,753
For half year levy	52,954,570	0.469	248,092	248,092	-
North Beach	245,941,741	0.601	1,478,110	1,478,110	-
Chesapeake Beach	779,571,601	0.601	4,685,225	4,685,225	-
Total real property	<u>11,842,995,731</u>		<u>107,275,053</u>	<u>104,811,300</u>	<u>2,463,753</u>
Personal property, including corporations and banks	161,977,440	2.230	3,612,097	2,873,339	738,758
Public utilities operating and personal property	<u>167,765,910</u>	2.230	<u>3,741,180</u>	<u>3,741,180</u>	-
Total current year	<u>\$ 12,172,739,081</u>		<u>\$ 114,628,330</u>	<u>\$ 111,425,819</u>	<u>\$ 3,202,511</u>
Prior years, real, personal, and corporate property					1,866,467
Accrued interest receivable and service charge					<u>1,714,067</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>3,580,534</u>
Total taxes receivable - county portion					6,783,045
Taxes receivable - state portion, net of tax credits					556,851
Taxes receivable - towns portion, net of tax credits					358,862
Bay Restoration fee due to state - billed with Real estate taxes					<u>31,921</u>
Total taxes receivable					<u>\$ 7,730,679</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, 2019

	CCFN Administrative GOC	CCFN Administrative Healthy Fam	Healthy Families	Reentry Case Management	LCT Coordinator	Resource Development	Home Visit Hybrid	No Kid Hungry	Growing Food Matters	Youth & Young Adult Initiative	Total
REVENUES											
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	78,309	6,405	234,361	84,750	69,856	24,711	67,177	-	11,352	266	577,187
Other revenue	-	-	-	-	-	-	-	2,655	-	-	2,655
Reinvestment Funds	9,256	-	-	-	-	-	-	-	-	-	9,256
Transfer In	14,235	-	-	-	-	-	-	-	-	-	14,235
Total revenues	101,800	6,405	234,361	84,750	69,856	24,711	67,177	2,655	11,352	266	603,333
EXPENDITURES											
Salaries	43,298	-	-	-	43,888	-	-	-	-	-	87,186
Printing & Office Supplies	961	264	-	-	-	-	-	-	-	-	1,225
Promotional Items	-	2,137	-	-	-	-	-	-	-	-	2,137
Advertising	-	2,018	-	-	-	-	-	-	-	-	2,018
Postage	120	27	-	-	-	-	-	-	-	-	147
Mileage allowance	678	-	-	-	-	-	-	-	-	-	678
Conferences & Training	336	150	-	-	-	-	-	-	-	-	486
Board of Education	-	-	234,361	-	-	-	-	-	-	-	234,361
Contracted services	20,444	1,215	-	84,750	-	24,150	67,177	2,655	11,352	266	212,009
Reinvestment Funds Expense	9,256	-	-	-	-	-	-	-	-	-	9,256
Food	-	594	-	-	-	561	-	-	-	-	1,155
Telephone	728	-	-	-	-	-	-	-	-	-	728
Benefits	25,979	-	-	-	25,968	-	-	-	-	-	51,947
Total expenditures	101,800	6,405	234,361	84,750	69,856	24,711	67,177	2,655	11,352	266	603,333
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.