# HOWARD COUNTY, MARYLAND

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED

# JUNE 30, 2019











# Howard County, Maryland

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Ellicott City, Maryland 21043
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## Certain Appointed Officials

Lonnie R. Robbins
*Chief Administrative Officer*
Janet R. Irvin
*Director of Finance*
James M. Irvin
*Director of Public Works*
Gary W. Kuc
*County Solicitor*
Holly Sun
*Budget Administrator*
Craig Glendenning
*County Auditor*

## Financial Advisor

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8600 LaSalle Road, Sute 324
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## Bond Counsel

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## Independent Auditor

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1966 Greenspring Drive, Suite 300
Timonium, MD 21093
Telephone (410) 453-0900
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## County Executive

Calvin Ball



## County Council

Christiana Mercer Rigby
*Chair and Councilwoman*
*District 3*



Opel Jones
*Vice Chair and*
*Councilman*
*District 2*



Liz Walsh
*Councilwoman*
*District 1*



Deb Jung
*Councilwoman*
*District 4*



David Yungmann
*Councilman*
*District 5*



# Comprehensive Annual Financial Report

**For the Fiscal Year Ended June 30, 2019**




**Prepared by the Department of Finance**

**Howard County, Maryland**

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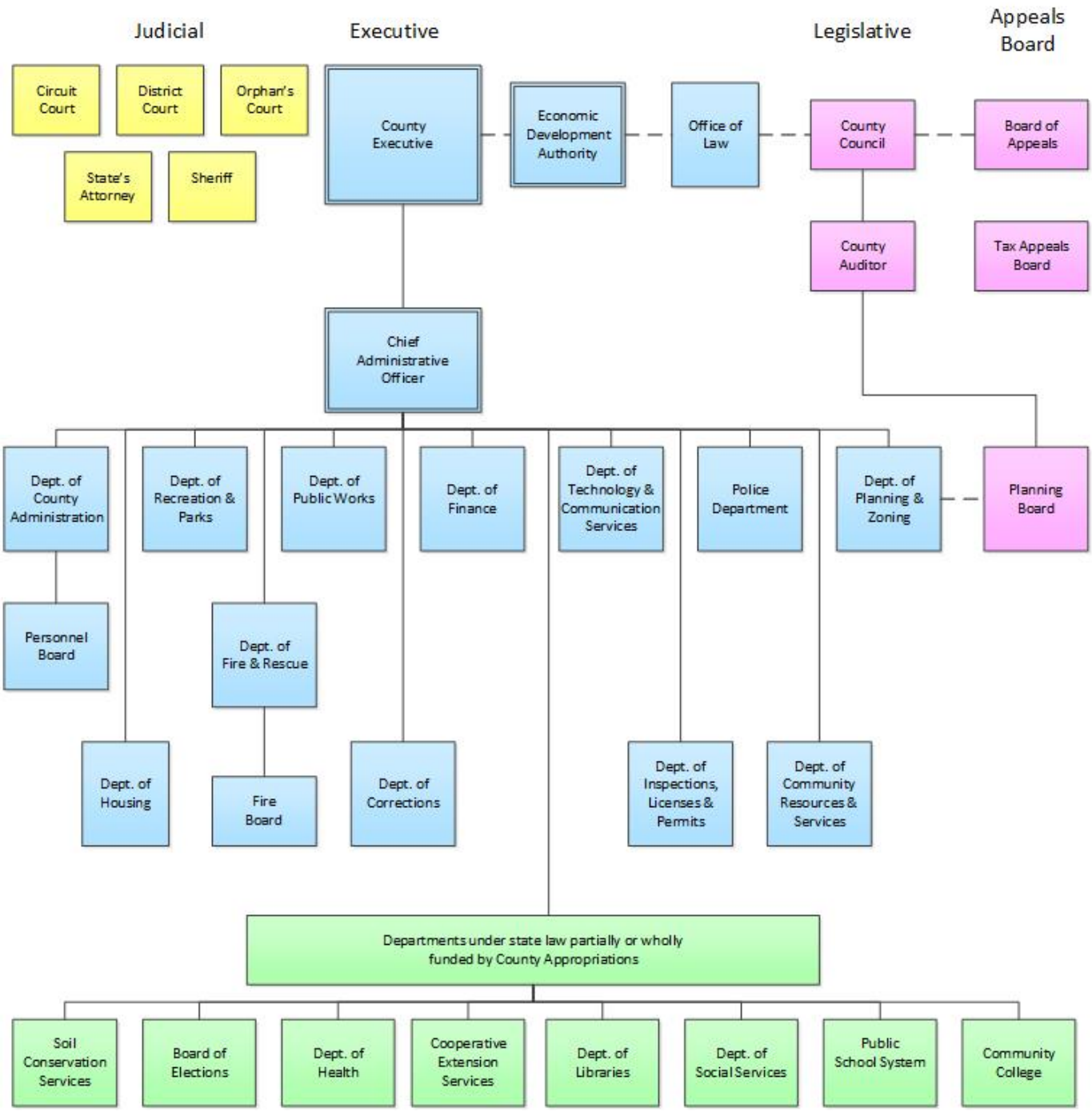
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# HOWARD COUNTY GOVERNMENT
# ORGANIZATIONAL CHART



HOWARD COUNTY DEPARTMENT OF FINANCE
3430 Court House Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2195

Janet R. Irvin, Director
jairvin@howardcountymd.gov

FAX 410-313-4433
TDD 410-313-2323

November 22, 2019

Honorable County Executive,
Honorable Members of the County Council and
Citizens of Howard County

Ladies and Gentlemen:

**FORMAL TRANSMITTAL OF THE CAFR**

The audited Comprehensive Annual Financial Report (CAFR) of Howard County, Maryland (the County) prepared by the Department of Finance for the fiscal year (FY) ended June 30, 2019, is hereby submitted in compliance with Howard County Charter, Section 212 and includes the auditor's opinion issued by the independent public accounting firm of CliftonLarsonAllen LLP hired by the County Council. The annual report was prepared by the Howard County Department of Finance in cooperation with the finance departments of the County's component units.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

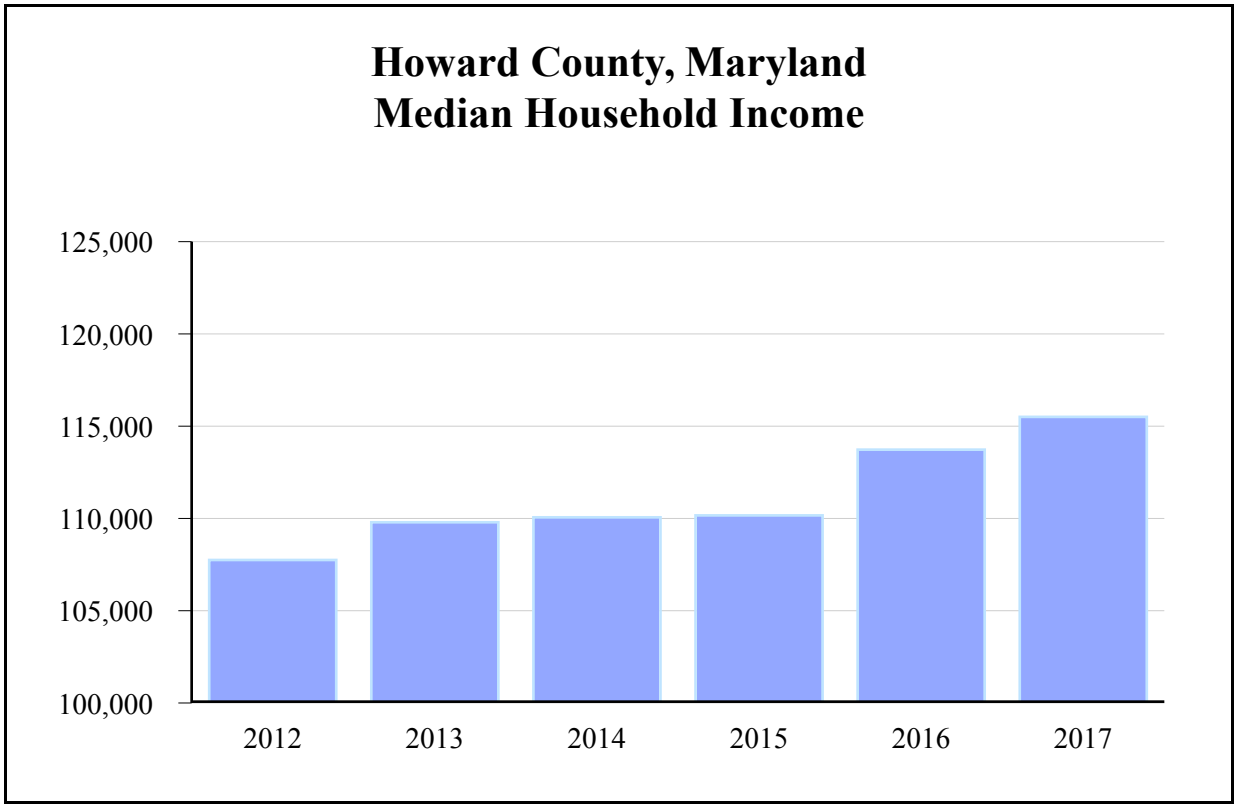
CliftonLarsonAllen LLP, licensed certified public accountants, performed an independent audit and issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2019. The Independent Auditor's Report is presented as the first element of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

**PROFILE OF THE GOVERNMENT**

Howard County, Maryland was formed in 1851 and was named for the fifth Governor of Maryland, Colonel John Eager Howard. Under a home rule charter adopted in 1968, the County's executive functions are vested in the elected County Executive. The County Council consists of five members elected by district.

Located directly between Baltimore, Maryland and Washington, D.C. and at its closest point is less than four miles from the former and 13 miles from the latter, the County is 251 square miles in area. The County was predominantly agricultural in character until 1966, when construction began on the planned community of Columbia. Columbia is unique for its purposeful goal to be an integrated community at a time before the Fair Housing Act of 1968 made it illegal to discriminate in housing based on race, color, national origin or religion. Howard County is home to approximately 323,293 residents based on 2018 estimates by the Howard County Department of Planning & Zoning. The Howard County Library System (HCLS) was named one of the best Library Systems in North America by the Library Journal Index of Public Service for five straight years. Columbia/Ellicott City was named by Money Magazine as the #1 best place to live in 2016 and ranked in the top ten for the fifth time in a row. According to the U.S. Census Bureau's American Community Survey in 2017, Howard County has both the highest median income in the State and the third highest in the nation.




Source: United States Department of Commerce, Bureau of the Census, State and County QuickFacts (5-year estimates)

## COMPONENT UNITS

The County government provides all the local government services as there are no incorporated cities or towns in Howard County. Services provided by the County include police, fire and rescue, sheriff, corrections, public works, planning and zoning, landfill, water and sewer, public housing, and recreation and parks. In addition to general government activities, the governing body has financial accountability for the Howard County Public School System, Howard Community College, the Howard County Library System, and the Howard County Housing Commission. Therefore, the activities of these entities are included in this annual report. Additional information on all four of these legally separate entities can

be found in Note 1A in the Notes to Basic Financial Statements. The financial activities of the Howard County Economic Development Authority, which is also a component unit of the County, are excluded due to immateriality. The Volunteer Fire Districts do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

## BUDGET

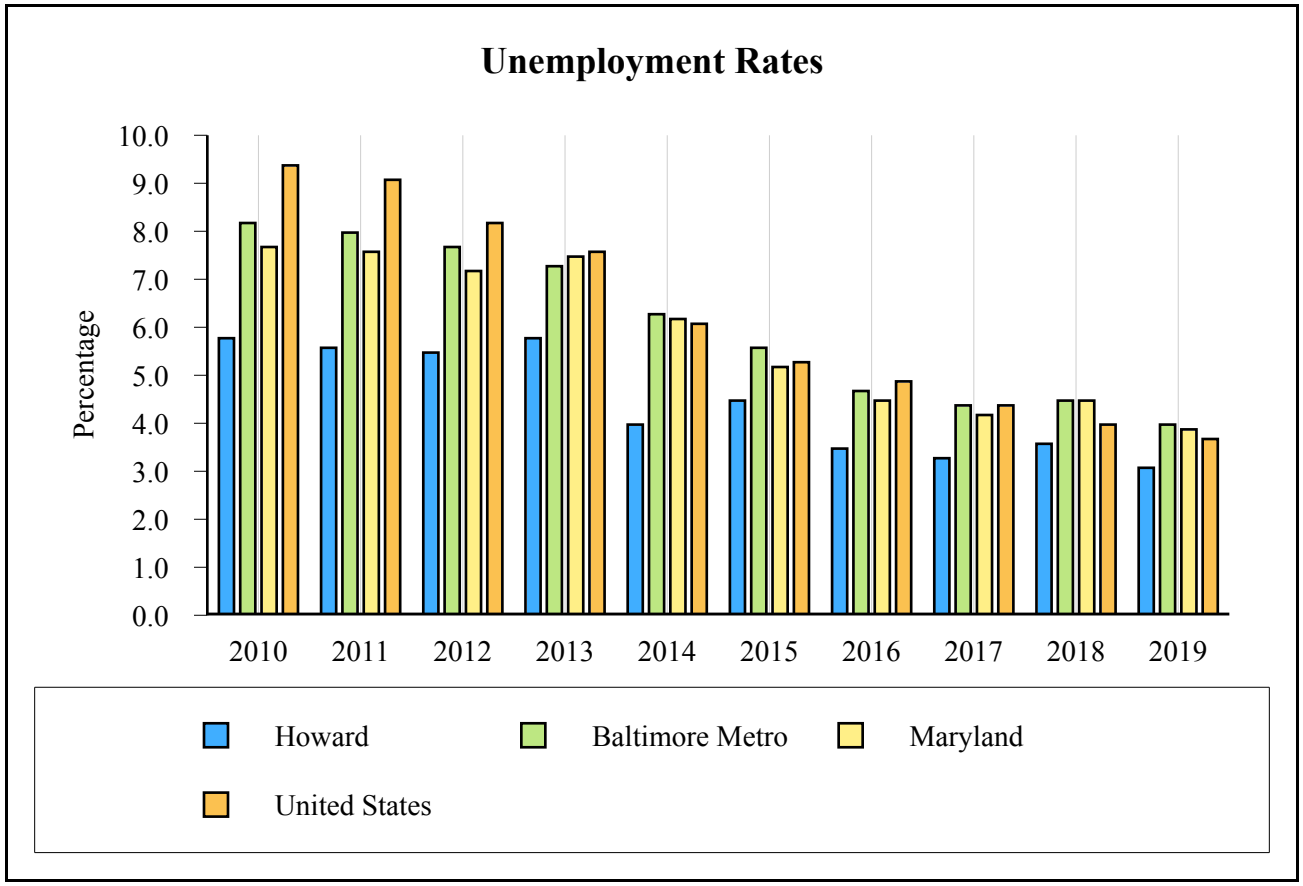
The Howard County budget is a comprehensive plan of all monies spent by County departments and agencies. As required by County law, the budget consists of the current operating expenditure and revenue budget (with five-year spending projections), the capital budget and capital program, and the budget message. The annual budget includes all revenues, all expenditures and the projected surplus or deficit in the general fund and all other funds. Funds in the operating budget include appropriations for the following functional areas: education, public safety, public works, community services, general government, legislative and judicial, and capital, debt and reserves. The capital budget includes funds to construct major government facilities such as roads, bridges, schools, libraries, water and sewer infrastructure and fire stations. Capital projects usually take more than a year to complete, unlike the operating budget which covers only one year.

The budget process begins each fall when the County Executive appoints a Spending Affordability Advisory Committee to establish guidelines for determining debt affordability levels for the upcoming year. County departments and agencies submit budget requests to the Executive in December. After a public process that involves two public hearings and a thorough review of departmental requests, the County Executive submits proposed capital and operating budgets to the County Council by April 1 and 21, respectively. The County Council then conducts a series of public hearings and work sessions in April and May to review the Executive's proposed budget. The County Council cannot change the form of the budget as submitted by the Executive to alter the revenue estimates or to increase any expenditure recommended by the Executive for current or capital purposes unless expressly provided for in State law or to correct mathematical errors. The County Council can reduce the Executive's budget, but not increase it, except in the case of the Public School's budget. The County Council may restore funds back to the level requested by the School Board. After its review, the County Council finalizes the entire budget and sets tax rates, fees and charges needed to generate enough revenue to balance the budget. The Annual Budget must be adopted by the County Council by the first day of the last month of the current fiscal year. Expenditure authority for the operating budget is at the fund and department level in major categories, including personnel costs, various operating expenses and capital cost. Appropriations in the capital budget are determined at the project level on an annual basis.

Once the budget is approved, the County Council can only amend it at the request of the County Executive. The operating budget is amended during the year through the use of supplemental budget appropriation ordinances (SAOs). The County Executive may request at any time during the fiscal year, the approval of an SAO by transferring funds from the County's budgeted contingency reserves. The capital budget may be amended through the use of Transfer Appropriation Ordinances (TAOs). The County Executive may request, at any time during the fiscal year that a TAO be approved by transferring funds from one capital project to another. At no time may the bottom line of the capital budget be increased. The County maintains an encumbrance system for budgetary control. All unencumbered appropriations of the operating budget lapse at year-end. Unencumbered capital appropriations continue until the specific capital project is closed.

## ECONOMIC CONDITION AND OUTLOOK

Howard County continues to have a diverse economic base, taking advantage of a friendly business climate, a highly educated workforce and superb quality of life. It is located in the heart of the corridor between Washington, D.C. and Baltimore. Employment is expected to remain stable and the unemployment rate is expected to remain below the state (3.9%) and national (3.7%) levels as evidenced by the June 2019 rate of 3.1%.




Source: Maryland Department of Labor, Licensing and Regulation

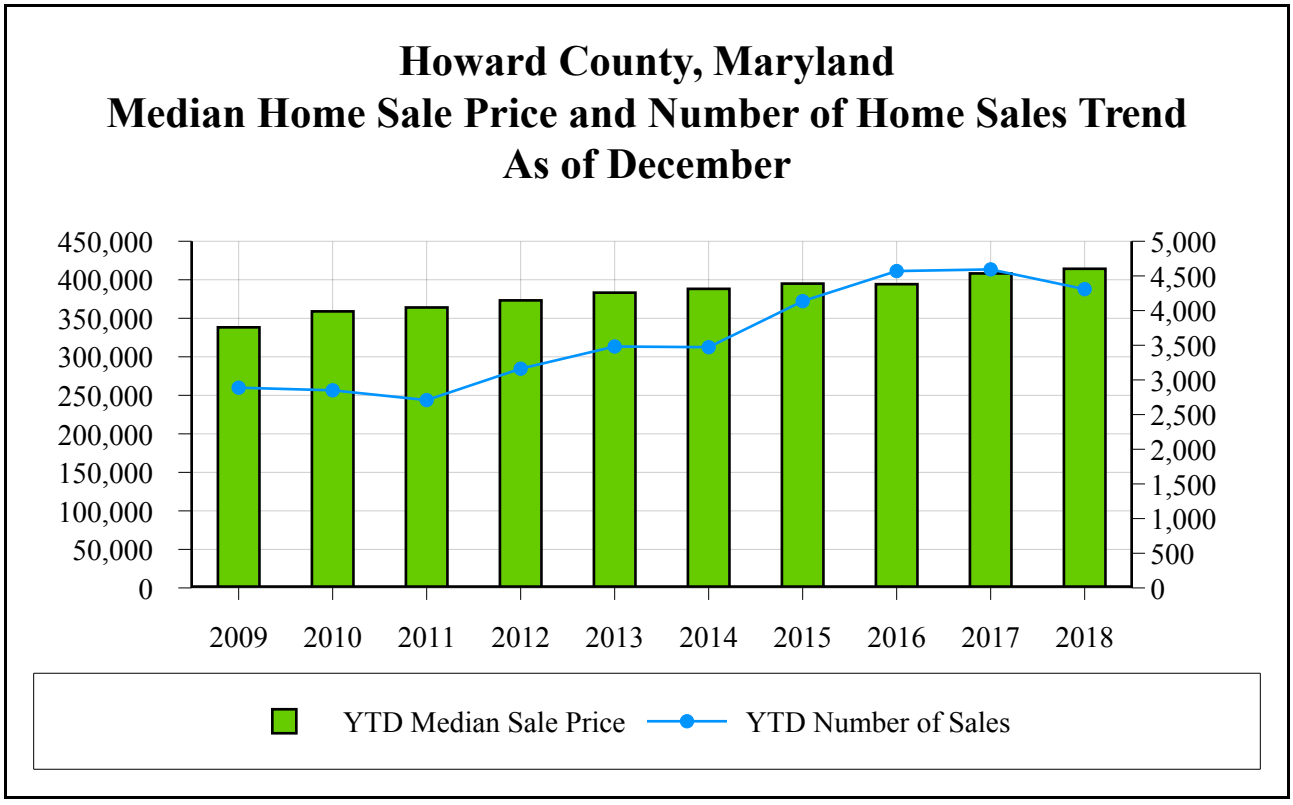
## LOCAL ECONOMY

Howard County's ideal geographic location is a major factor in the substantial economic growth across a wide variety of industry sectors. According to the Maryland Department of Labor Licensing and Regulation, over 10,161 businesses in Howard County employ 170,949 workers in industries such as information technology, telecommunications, biotechnology, research and development, wholesale distribution, manufacturing, agriculture and in multinational corporations. The service sector is the largest industry in the County, employing 88% of the workforce. In the service industry, government contracts support cybersecurity and information technology programs and will continue to do so with the growth projected at Fort George Meade, which is less than two miles outside the County border. Although BRAC (Base Realignment and Closure) officially ended in 2011, projections indicate that the on-base workforce could grow to a total of 64,000 by 2020.

Commercial real estate vacancy rates continue to decline and the average remains below 7% for flex, retail, industrial, and office space as reported by Costar. The year-to-date average vacancy rate for 2019 is 5.1%. FY 2019 property tax revenues increased 3.8% above the previous fiscal year. In its FY 2020 budget, Howard County projects a modest increase in property tax revenues. One-third of property in the County is assessed each year, with increases in assessed values phased in over 3 years. This triennial assessment of property, the phasing in of assessment increases, and the County's 5% Homestead Property Tax Credit rate help to stabilize the tax base and tax revenues.

Local income tax is the County's other main revenue source. Income tax collection increased by 6.4% when compared to the actual for FY 2018, partially due to increased capital gains. The FY 2020 projection for income tax collections represents a 2.5% increase from what was budgeted in FY 2019.

Recordation tax, a leading indicator of the health of the local real estate market, continues to fluctuate. FY 2019 revenue from recordation tax decreased 6.9% from the previous fiscal year. The FY 2020 budget projects a 6.6% decrease in recordation tax collections compared to FY 2019. The declining recordation tax is attributed to fewer refinancings. The average days on market increased to 62 days.




Source: Metropolitan Regional Information Systems Inc.

As a result of continued focus on opportunities to reduce spending and increase efficiencies, the County had a surplus at the end of FY 2019. Looking forward, overall economic performance is expected to improve slightly in FY 2020**.** The adopted budget projects the FY 2020 gross assessable base of Howard County will increase by 3.9% from FY 2019. Due to decreasing Homestead Tax Credits, the net taxable

assessment will increase by approximately 5.2%. This is because the Homestead Tax Credit limits taxable increases on homeowner occupied properties to 5% per year, and most residential properties have fully phased in the pre-2006 housing market increases. Approximately 13% of homeowner occupied properties in Howard County received this credit in FY 2019.

## MAJOR INITIATIVES

The County will continue the strong fiscal management policies which have led to AAA rating from all three major credit rating agencies. Consultants presented findings of The Fiscal Impact of New Development in Howard County, Maryland Under Two Scenarios in July 2019. The analysis compared the projected short-term and long-term fiscal impact of growth and development in the County both before and after the passage of Council Bill 1-2018, which amended the Adequate Public Facilities Ordinance. Under both scenarios, the revenues generated by the residential and non-residential development are estimated to exceed the cost to provide County services. Construction continues on the Howard County Circuit Courthouse, which will be the 1st on the East Coast to be delivered using a Public Private Partnership (P3) model. Upon expected occupancy in June 2021, the County will pay Edgemoor-StarAmerica Judicial Partners (ESJP) $78 million. The County will then make monthly payments to ESJP to operate and maintain the Courthouse for the next 30 years to the high standards established by the County. Howard County will focus on the following priority areas in the future: Ready and successful students; Safe and engaged communities; Clean and sustainable environment; Thriving and healthy residents; Reliable and accessible infrastructure; Strong and prosperous businesses and Innovative and efficient government.

## LONG TERM FINANCIAL PLANNING

### Rainy Day Fund

County voters approved an amendment to the County Charter to establish a budget stabilization account, also known as a Rainy Day Fund, to provide a financial safety net for the County effective December 3, 1992. The amendment requires all surplus funds in the County be placed in this fund until it reaches 7% of the prior year's audited expenditures. The funds may be used if an emergency exists pursuant to the County Charter, or if the County Executive determines that actual revenues will be substantially below the revenues budgeted and reasonable expenditure reduction will not offset the anticipated loss. See Note 1Q in the Notes to Basic Financial Statements for a discussion of the status of the Rainy Day Fund. The Rainy Day Fund's balance is currently at the target level.

### Capital Projects and Debt Administration

The County funds its capital programs based on the requirements of the General Plan and supporting master plans for schools, recreation and parks, human services, water and sewer, solid waste, libraries, fire stations and public facilities.

The County plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The County finances its capital needs on a regular basis dictated by its capital spending pattern. External financial specialists assist the County in developing a bond issuance strategy, preparing

bond documents, and marketing bonds to investors. Bonds issued by the County mature over a term that does not exceed the economic life of the improvements that they finance.

The County consolidates general County improvements into Consolidated Public Improvement bonds with a term of up to 20 years and water and sewer improvements into Metropolitan District Bonds with a term of up to 30 years. Debt obligations are generally issued through a competitive sale. However, the County has the option to use a negotiated sale process when it will provide significant savings and/or if the terms of the offering are sufficiently complex that a competitive sale may not be financially prudent.

**Spending Affordability Advisory Committee**

The Spending Affordability Advisory Committee was established by Executive Order in 1987 to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged to review in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; to evaluate future County revenue levels and consider the impact of economic indicators such as changes in residential personal income and assessable base growth; and to evaluate expenditure levels with consideration of County long-term obligations and the best way to pay for them.

The Committee recommends revenue projections and the amount of new County debt authorization for the upcoming fiscal year. The Committee report includes the effect its recommendations will have on future budgets. This Committee also assesses the County's ability to repay bond debt and issues an annual report defining debt capacity of the County.

## FINANCIAL POLICIES

The financial policies and management practices of Howard County were recognized by all three major rating agencies with a continued Triple-A credit rating, the highest possible rating.

**Debt Management Policy**

The County adopted an updated debt management policy on October 7, 2009 that establishes the processes employed to manage its debt. The policy sets the parameters for issuing debt and managing outstanding debt. It provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. By establishing a debt policy, the County has recognized the binding commitment to full and timely repayment of all debt. The policy ensures that the County maintains a sound debt position and that credit quality is protected.

**Investment Policy**

The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk while maintaining a competitive yield on the investment portfolio. Investment activities are governed by State laws. Accordingly, the County invests in: certificates of deposit (Maryland State banks only); repurchase agreements; banker's acceptances; commercial paper; U.S. Government and Federal agency obligations; Treasury and other government mutual funds; and the State of Maryland investment pool. Repurchase agreements and certificates of deposit are subject to the County's collateralization policy. The investment policy was updated and adopted by the County

Council on February 4, 2019. The Association of Public Treasurers of the United States and Canada presented the County with the Association's Investment Policy Certificate of Excellence Award in June 2019.

The investment policies for the two Howard County retirement plans establish asset allocation targets, investment manager selection, and investment performance guidelines.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Howard County, Maryland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 43rd consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2018. This was the 25th consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged as proficient in several categories, including as a policy document, a financial plan, an operations guide and a communication device.

A very special thank you to the Department of Finance, for their efforts in preparing and publishing this document. Credit also must be given to the County Executive and the County Council for their unwavering support for maintaining the highest standards of professionalism in the management of Howard County's finances.

Respectfully submitted,



Janet R. Irvin, CPFO
Director of Finance

# OFFICE OF THE COUNTY AUDITOR

Craig Glendenning, CPA
County Auditor

November 26, 2019

## CERTIFICATE OF THE COUNTY AUDITOR

Honorable Members of the County Council

Christiana Mercer Rigby, Chairperson
Opel Jones, Vice Chairperson
Deb Jung
Liz Walsh
David Yungmann

The Honorable Calvin Ball
County Executive

Article II, Section 212 of the Howard County Charter, requires that a complete audit of all offices, departments, institutions, boards, commissions, corporations, courts, and other agencies of the County Government be prepared for the preceding fiscal year, and submitted to the County Council and to the County Executive, no later than November 30th of each year.

The independent certified public accounting firm of CliftonLarsonAllen LLP has been retained by the County Council to assist the County Auditor in the discharge of this responsibility. I hereby certify that the auditing requirements of Article II, Section 212 of the Howard County Charter have been satisfied for the fiscal year ended June 30, 2019. Also, in accordance with the Charter Amendment approved by the voters of Howard County, I will make copies of this report available to the public at the County Auditor's Office and at the Howard County public libraries.

Respectfully submitted,

Craig Glendenning, CPA
County Auditor




**MLK celebration**

In 2019, Howard County's Martin Luther King, Jr. Holiday Commission honored the civil rights leader's dream with a keynote address from the first county executive of color, an awards presentation to community leaders, and countywide volunteer opportunities during a Day of Service.

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Howard County**

**Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2018**

Christopher P. Morrill

Executive Director/CEO

# Financial Section

- Basic Financial Statements
- Notes to Financial Statements
- Combining and Individual Fund Statements and Schedules



CliftonLarsonAllen LLP
CLAconnect.com

# INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the County Council
Howard County, 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 Howard 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Howard Community College, Howard County Public Schools, and Howard County Public Library, which represent 86 percent, 97 percent, and 96 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregately discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

A member of Nexia International

To the Honorable Members of the County Council
Howard County, Maryland

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

## Opinions

In our opinion, based on our audit and the report of the other auditors, which for the Board of Education provides an unmodified opinion for the governmental and business-type activities, 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 thereof and the respective budgetary comparison for the General and Agricultural Land Preservation Funds 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 on pages 5-17, and the required supplementary information on pages 102-109 as listed in the table of contents, 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, combining and individual fund statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

To the Honorable Members of the County Council
Howard County, Maryland

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Baltimore, Maryland
November 22, 2019

# Management's Discussion and Analysis

As management of Howard County, Maryland (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal (found on pages iii to x of this report). The discussion focuses on the County's primary government and, unless otherwise noted, does not include component units reported separately from the primary government.

## Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $612.0 million. That amount is net of a $850.9 million unrestricted deficit. The unrestricted deficit occurs because the County issues debt to fund construction costs for the Public School System and the Community College, two of its component units, but does not own the corresponding assets. Debt outstanding for education projects is $474.5 million and for college projects is $117.0 million. Public School System ownership of buildings transfers to the County if the assets are no longer needed for educational purposes. The current net book value of the Public School System's buildings and improvements and construction in progress is $1.19 billion. Additionally, the unrestricted deficit is caused by the net pension liability of $152.7 million and net OPEB liability of $376.3 million.

- The $41.4 million increase in the government's total net position is primarily due to an increase of $57.5 million in total general revenues.

- The County's property tax revenues increased this year by $24.0 million, or 3.8%, due to rising property values.

- Approximately 46.4% of the total governmental fund balance, $134.5 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and is properly designated as committed, assigned and unassigned. Available fund balance for the General Fund is $128.3 million, or 11.6% of total General Fund expenditures.

- At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of $289.7 million, a decrease of about $25.7 million in comparison with the prior year. Specifically, the fund balance of the General Fund decreased by $1.6 million primarily due to increases of $28.8 million and $12.0 million in the County's funding of educational and debt service expenditures, respectively, offset by an increase in revenue of $37.6 million.

- The reserve for the budget stabilization account balance is $74.0 million, an increase of $2.6 million million or 6.7% of fiscal year 2019 General Fund expenditures. That balance meets the target set by the County Charter (7% of fiscal year 2017 expenditures). We have reached that target and assigned $3.7 million for subsequent years' budget stabilization. The County is committed to meeting this mandated target in future years.

- The County's total long-term debt increased by $78.3 million, (4.5% during the current fiscal year). The major factors in this increase were the issuance of $133.6 million Consolidated Public Improvement (CPI) Project Bonds, $66.6 million in Metropolitan (Metro) District Project Bonds and $2.2 million of capital leases. The County refunded $23.6 million in CPI bonds and $6.1 million in Metro bonds

and retired $63.0 million, $11.5 million and $3.4 million of CPI, Metro, and Water Quality Bonds, respectively. The County also retired $497,000 of Special Facility Revenue bonds.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Howard County, Maryland's basic financial statements that include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The two government-wide statements are on a full accrual accounting basis, including the elimination and/or reclassification of internal activities.

The first government-wide statement is the *Statement of Net Position*. This is the Countywide statement presenting information that includes all County assets and deferred outflows of resources and County liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Evaluations of the overall health of the County would extend to other non-financial factors such as diversification of the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which presents information showing how the government's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or disbursed. An important purpose of the Statement of Activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish functions of the County 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 the County include general government, public safety, public works (roads, trash collection and disposal, planning and zoning, inspections and permits), legislative and judicial, education, community services (health, housing, aging, and consumer protection), recreation and parks, and capital improvements. The business-type activities of the County include the operations of water and sewer services, watershed restoration and protection services, broadband services, and a public golf course. Fiduciary activities, such as employee pension plans, are not included in the government-wide statements since these assets are not available to fund County programs.

The government-wide financial statements include not only the County, the *primary government*, but also a legally separate school system, community college, library system, and housing commission for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are located on pages 21-23 of this report.

**Fund financial statements.** A *fund* is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. State and local governments use fund accounting to ensure

and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregate presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in the latter section of this report.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, the focus is very different with fund statements focusing 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.

Since the government-wide focus includes the long-term view and the fund focus includes the short-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *government-wide activities*.

The County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general, agricultural land preservation, and general capital projects funds, all of which are major funds. Data from the other thirteen non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its non-capital governmental funds. Budgetary comparison statements are provided for the general and agricultural land preservation funds to demonstrate compliance with this budget. Budgetary statements for non-major special revenue and debt service funds are provided in the combining section of this report.

The basic governmental fund financial statements are located on pages 24-29 of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer infrastructure and operations, its watershed restoration and protection services, its broadband services, and for the operations of its public golf course. Internal service funds are an accounting structure used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, technology and communication systems, risk management self-insurance program, and employee benefits self-insurance. Because the internal service funds' services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide both long- and short-term financial information consistent with the focus provided by the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which is a major fund of the County, and combined fund information for the watershed restoration and protection services, broadband services, and

golf course operations, which are all non-major funds of the County. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary funds financial statements are located on pages 30-33 of this report.

*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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements are located on pages 34-35 of this report.

The component unit financial statements are located on pages 36-37 of this report.

**Notes to basic financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements are located immediately after the Basic Financial Statements on pages 41-99.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning management's discussion and analysis and the County's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information is located on pages 102-109 of this report.

The combining statements referred to earlier in connection with the general fund, non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions and are considered to be supplementary information. Combining and individual fund statements and schedules start on page 114 of this report.

Detailed capital asset schedules for governmental and proprietary funds are located on pages 162-166. Schedules providing additional long-term debt detail start on page 169. The Statistical Section begins on page 175.

**Government-Wide Financial Analysis**

Over time, changes in net position serve as a useful indicator of a government's financial position. Howard County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $612.0 million at the close of the most recent fiscal year.

The largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire or construct those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. It is important to note that although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Public School

System. Ownership reverts to the County if the local board determines a building is no longer needed. The County also funds projects for the Howard Community College and for intersection improvements to state-owned roads. As of June 30, 2019, debt outstanding for education projects is $474.5 million and for college projects is $117.0 million. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. The negative unrestricted governmental activities' net position of $997.5 million reflects the imbalance of liabilities without corresponding assets as well as the governmental activities' portion of the County's Net OPEB liability of $353.2 million and net pension liability of $150.7 million.

An additional portion of the County's net position ($164.1 million or 26.8%) represents resources subject to external restrictions on their usage.

**Summary of Net Position**

| | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | $ 574,494,784 | 570,256,100 | 261,977,435 | 254,410,191 | 836,472,219 | 824,666,291 |
| Capital assets | 1,519,048,191 | 1,471,809,169 | 805,427,740 | 732,651,692 | 2,324,475,931 | 2,204,460,861 |
| Total assets | 2,093,542,975 | 2,042,065,269 | 1,067,405,175 | 987,061,883 | 3,160,948,150 | 3,029,127,152 |
| Deferred outflows of resources | 129,499,985 | 133,975,754 | 11,034,327 | 7,950,943 | 140,534,312 | 141,926,697 |
| Total assets and deferred outflows | 2,223,042,960 | 2,176,041,023 | 1,078,439,502 | 995,012,826 | 3,301,482,462 | 3,171,053,849 |
| Long-term liabilities outstanding | 2,041,573,904 | 1,970,434,368 | 401,129,274 | 347,366,753 | 2,442,703,178 | 2,317,801,121 |
| Other liabilities | 117,523,265 | 133,064,667 | 47,555,964 | 48,446,726 | 165,079,229 | 181,511,393 |
| Total liabilities | 2,159,097,169 | 2,103,499,035 | 448,685,238 | 395,813,479 | 2,607,782,407 | 2,499,312,514 |
| Deferred inflows of resources | 77,223,192 | 96,775,805 | 4,516,165 | 4,424,258 | 81,739,357 | 101,200,063 |
| Total liabilities and deferred inflows | 2,236,320,361 | 2,200,274,840 | 453,201,403 | 400,237,737 | 2,689,521,764 | 2,600,512,577 |
| Net position | | | | | | |
| Invested in capital assets | 841,929,843 | 826,399,982 | 456,887,408 | 419,010,628 | 1,298,817,251 | 1,245,410,610 |
| Restricted | 142,249,607 | 153,326,501 | 21,823,966 | 24,709,724 | 164,073,573 | 178,036,225 |
| Unrestricted | (997,456,851) | (1,003,960,300) | 146,526,725 | 151,054,737 | (850,930,126) | (852,905,563) |
| Total net position | $ (13,277,401) | (24,233,817) | 625,238,099 | 594,775,089 | 611,960,698 | 570,541,272 |

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the government as a whole, as well as for its separate governmental activities. Business-type activities show positive balances in all three categories.

## Changes in Net Position

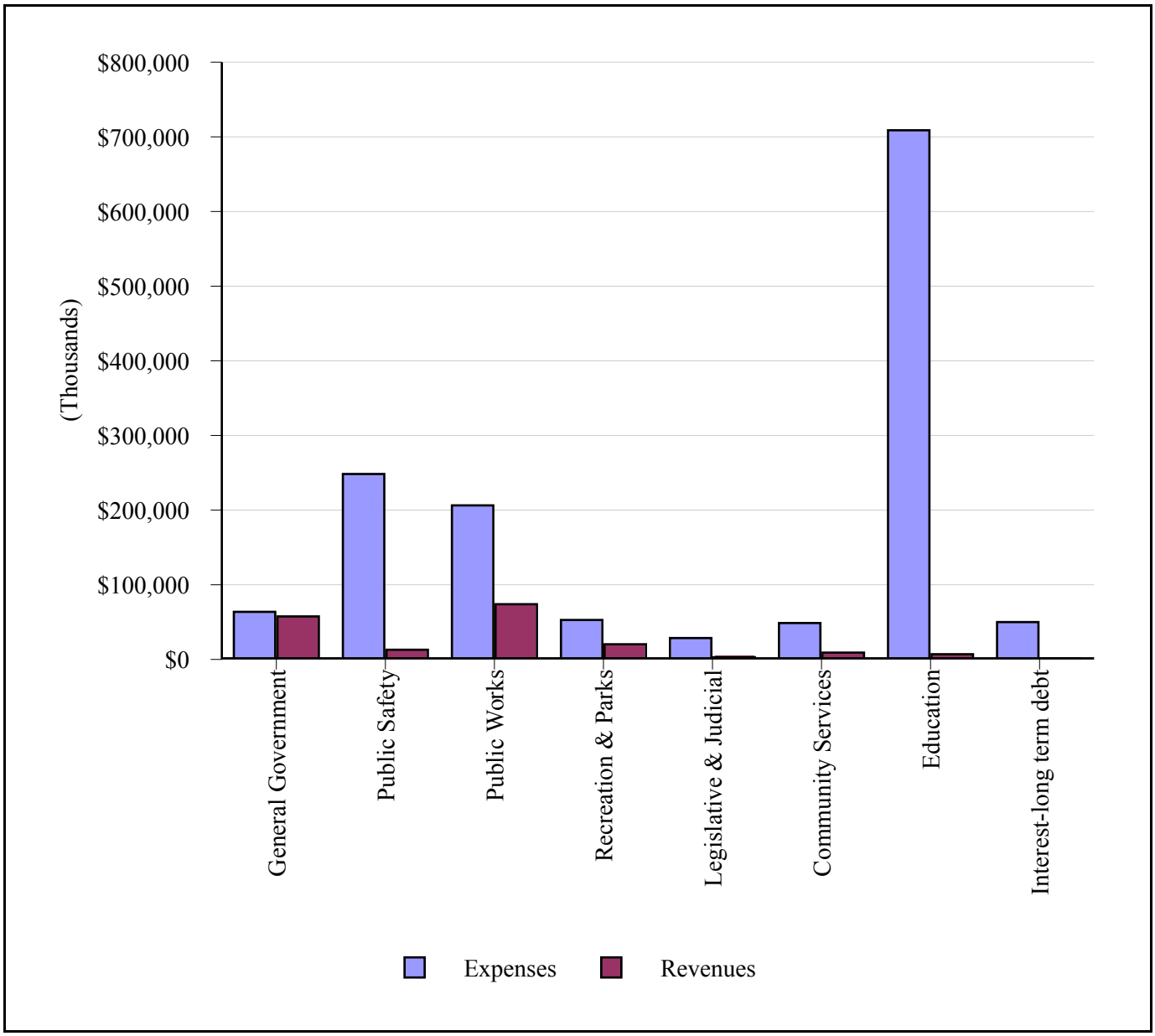
| | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 132,468,245 | 129,677,448 | 76,378,400 | 78,354,625 | 208,846,645 | 208,032,073 |
| Operating grants and contributions | 40,559,501 | 43,351,124 | 35,349,018 | 33,958,088 | 75,908,519 | 77,309,212 |
| Capital grants and contributions | 18,377,194 | 24,455,008 | 43,164,177 | 11,976,929 | 61,541,371 | 36,431,937 |
| General revenues | | | | | | |
| Property taxes | 654,794,565 | 630,762,037 | — | — | 654,794,565 | 630,762,037 |
| Local income taxes | 496,679,385 | 466,935,173 | — | — | 496,679,385 | 466,935,173 |
| Other taxes | 69,739,135 | 77,122,059 | — | — | 69,739,135 | 77,122,059 |
| Other | 17,772,744 | 9,289,565 | 5,204,513 | 2,488,271 | 22,977,257 | 11,777,836 |
| Total revenues | 1,430,390,769 | 1,381,592,414 | 160,096,108 | 126,777,913 | 1,590,486,877 | 1,508,370,327 |
| Expenses | | | | | | |
| General government | 65,241,233 | 58,020,097 | — | — | 65,241,233 | 58,020,097 |
| Public safety | 249,887,935 | 217,378,984 | — | — | 249,887,935 | 217,378,984 |
| Public works | 207,843,230 | 194,980,993 | — | — | 207,843,230 | 194,980,993 |
| Recreation and parks | 54,344,080 | 25,923,502 | — | — | 54,344,080 | 25,923,502 |
| Legislative and judicial | 30,139,996 | 27,484,681 | — | — | 30,139,996 | 27,484,681 |
| Community services | 50,250,870 | 47,215,901 | — | — | 50,250,870 | 47,215,901 |
| State highways | 9,286,446 | 4,934,098 | — | — | 9,286,446 | 4,934,098 |
| Education | 710,311,491 | 701,633,749 | — | — | 710,311,491 | 701,633,749 |
| Interest on long-term debt | 51,541,615 | 61,452,013 | — | — | 51,541,615 | 61,452,013 |
| Water & Sewer | — | — | 113,056,969 | 105,229,515 | 113,056,969 | 105,229,515 |
| Other | — | — | 7,163,586 | 6,585,542 | 7,163,586 | 6,585,542 |
| Total expenses | 1,428,846,896 | 1,339,024,018 | 120,220,555 | 111,815,057 | 1,549,067,451 | 1,450,839,075 |
| Increase (decrease) in net position | 1,543,873 | 42,568,396 | 39,875,553 | 14,962,856 | 41,419,426 | 57,531,252 |
| Transfers | 9,412,543 | 9,151,633 | (9,412,543) | (9,151,633) | — | — |
| Total Increase (decrease) in net position | 10,956,416 | 51,720,029 | 30,463,010 | 5,811,223 | 41,419,426 | 57,531,252 |
| Net position beginning | (24,233,817) | (198,072,383) | 594,775,089 | 599,911,965 | 570,541,272 | 401,839,582 |
| Adjustment to restate net position | — | 122,118,537 | — | (10,948,099) | — | 111,170,438 |
| Net position ending | $ (13,277,401) | (24,233,817) | 625,238,099 | 594,775,089 | 611,960,698 | 570,541,272 |

*FY18 amounts have been restated for GASB 75

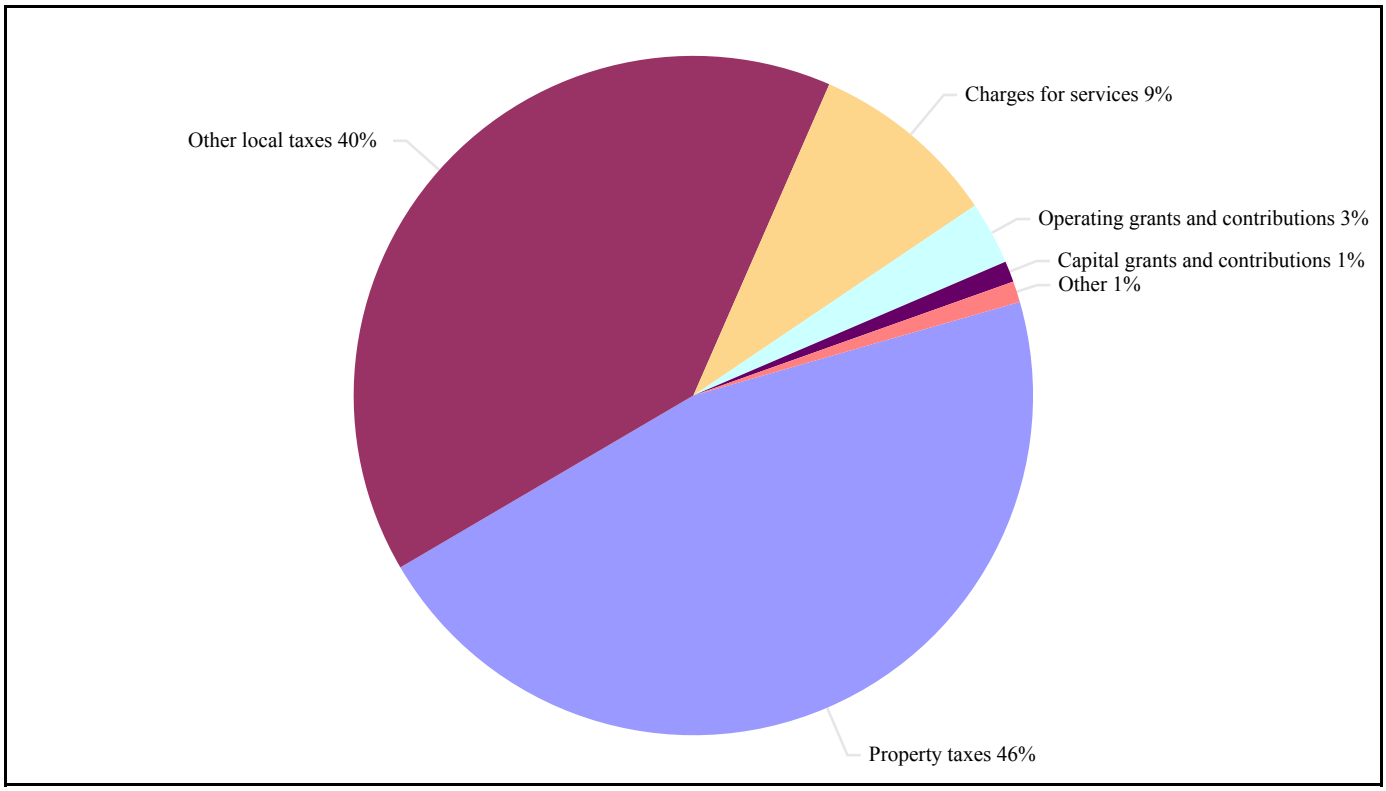
**Governmental activities**. Governmental activities increased the County's net position by $11.0 million. Key elements of this increase are as follows:

- Property tax revenues increased by $24.0 million due to rising property values.
- Income tax revenues increased by $29.7 million due to the continued recovery of the job market.
- Recordation tax revenues decreased by $1.6 million due to a decrease in property transfers and refinancings.
- Net OPEB liability increased by $31.7 million and and net pension liability decreased by $2.8 million.
- Education expenses increased by $8.7 million; $1.3 million for the Public School System, $5.5 million for the Community College, and $1.8 million for the Library.

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**

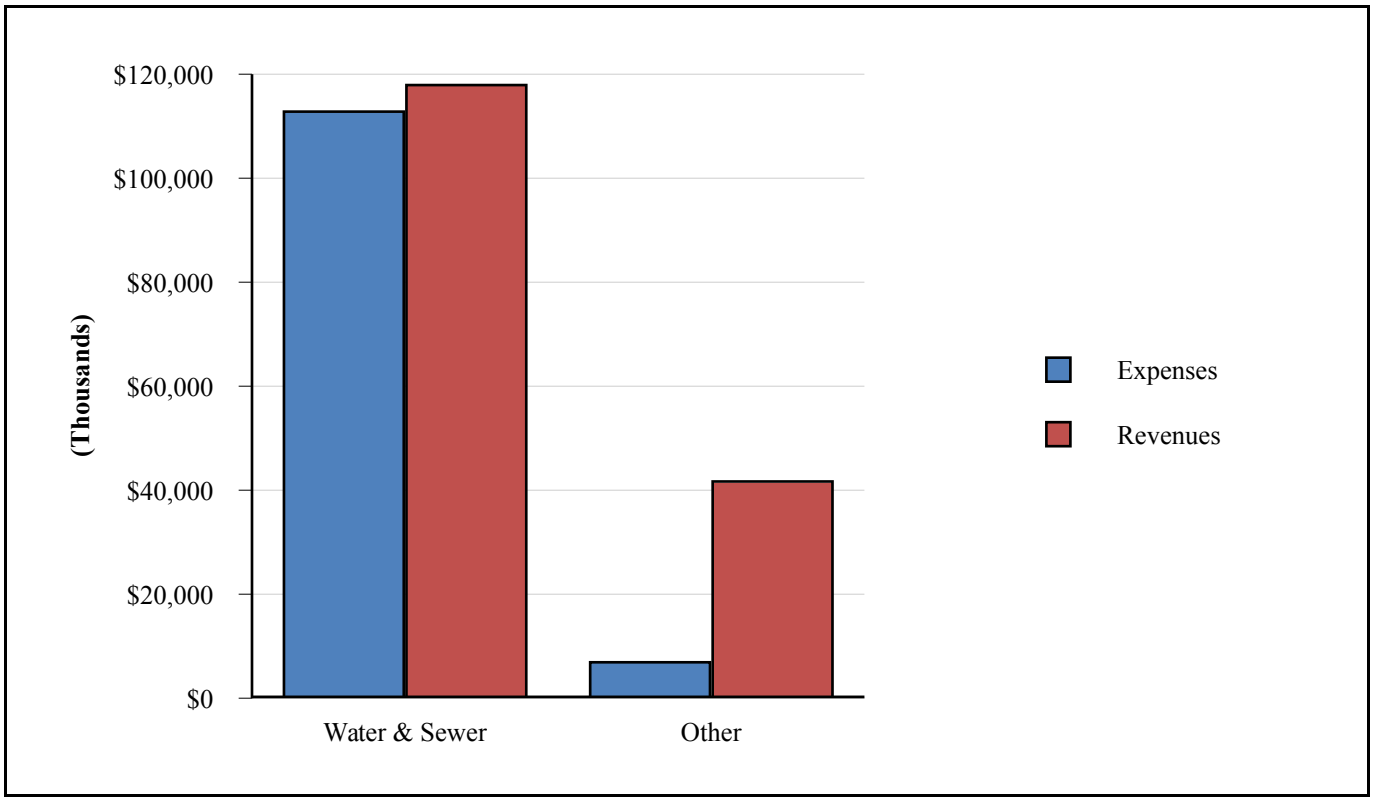



**Business-type activities.** Business-type activities increased the County's net position by $30.5 million. The components of this increase are as follows:

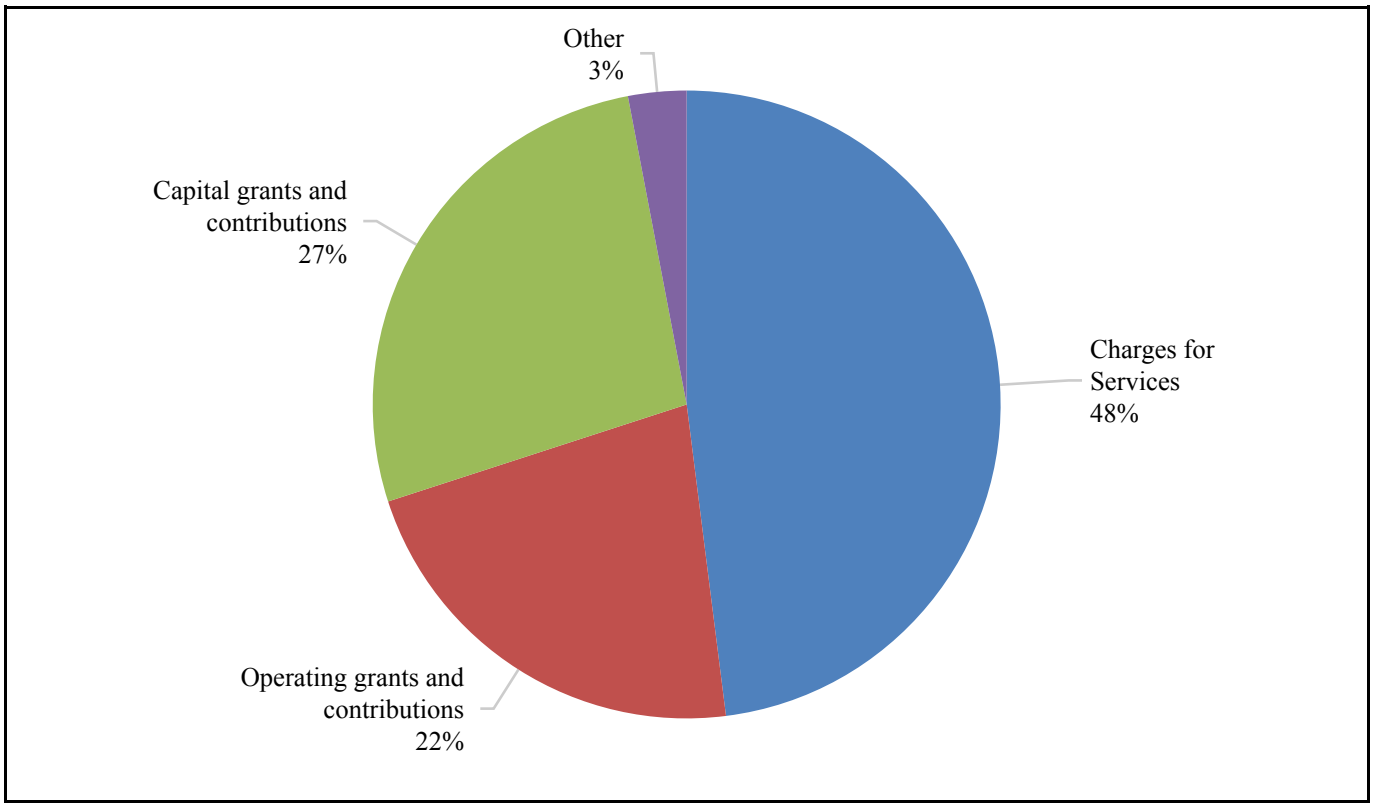
- Charges for services decreased by $2.0 million due to a decrease in water and sewer consumption.
- Operating grants and contributions, which totaled $35.3 million, represent an annual ad valorem fee levied on all properties within the water and sewer service district. This charge is used primarily to fund debt service payments and pay-as-you-go funding on capital projects.
- $43.2 million was received in capital contributions. This revenue includes the value of water and sewer lines constructed by developers and donated at no cost to the County. The County pays for additional water and sewer lines built by developers through a rebate process. Capital contributions also include front foot revenues assessed to properties connected to the water and sewer system. These front foot revenues fund the debt issued to pay developer rebates. Effective July 1, 2004, the County has not entered into any new rebate contracts. Developers pay for those improvements and are still required to donate the assets to the County. Overall, capital grants and contributions increased by $31.2 million from fiscal year 2018.

Business-type activities are shown comparing costs to revenues generated by related services. Both water and sewer and other activities, consisting of Golf Course, Broadband Services, and Watershed Protection and Restoration, are self-supporting.

**Expenses and Program Revenues - Business-type activities**




**Revenues by Source - Business-type Activities**



## Financial Analysis of the County's Funds

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

*Governmental funds.* The focus of Howard County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved 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 of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $289.7 million, a decrease of $25.7 million in comparison with the prior year. Of this fund balance, $12.9 million is nonspendable, $142.2 million is restricted by enabling legislation, $128.4 million is committed by the County, at the highest level of authority, $98.4 million is assigned by management, and $92.3 million is a deficit unassigned fund balance.

The general fund is the chief operating fund of the County. At fiscal year-end, the total General Fund fund balance was $140.6 million, $1.6 million or 1.2% less than the prior year primarily due to an increase of the County's funding of educational and debt service expenditures.

The $58.9 million total fund balance of the Agricultural Land Preservation Fund is a $0.1 million increase from the prior year. The increase is the result of a decrease in debt service expenditures.

The general capital projects fund is used to track the construction of general county buildings, as well as schools, libraries, and other buildings for the community college. The fund balance is a $33.4 million deficit. This is a timing issue due to capital project expenditures occurring before revenues from grants and bonds are recognized.

*Proprietary funds.* The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

All assets in the Water and Sewer Proprietary Fund, except those available to fund current liabilities, are considered restricted because a change in the County charter is required to allow these assets to be used for other purposes. Net position of the water and sewer operations at fiscal year-end was $561.1 million. Net position of the Water and Sewer Proprietary Fund increased $3.8 million due to the receipt of ad valorem fees and capital contributions.

## General Fund Budgetary Highlights

The County spent $8.1 million less than the budget as the County departments exercised caution with spending. The County experienced a favorable variance of $2.3 million budget versus actual due to lower than anticipated expenditures within General Government. Public Safety showed a favorable variance of budget versus actual expenditures of $2.5 million.

## Capital Assets and Debt Administration

**Capital assets** - The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019 is $2.3 billion (net of accumulated depreciation). Capital assets include land, easements, buildings, improvements, machinery and equipment, park facilities, sidewalks, roads, highways, bridges, water and sewer lines, and stormwater management systems. The total increase in the County's investment in capital assets for the current fiscal year was 5.4% (a 3.2% increase for governmental activities and a 9.9% increase for business-type activities).

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

- $17.2 Million for construction of US 29 Water Main
- $8.3 Million for various stream/pond renovations including Maple Dell Farm Stream and Red Cravat Pond
- $7.6 Million for completion of Composting Facility Phase 2A
- $5.3 Million for completion of Montevideo Rd Improvements Phase 1A
- $4.3 Million for completion of Crescent Neighborhood Road Segment 1A
- $4.2 Million for construction of Broken Land Parkway 30" Transmission Main
- $2.4 Million for completion of Old Stockbridge Rd Culvert Replacement
- $2.4 Million for completion of Mendenhall Interior Renovations Phase 2
- $2.0 Million for construction of Little Patuxent Water Reclamation Plant Effluent Pumping Station

**Capital Assets (net of depreciation)**

| | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land and land improvements | $ 602,390,872 | 594,852,144 | 12,202,828 | 11,753,538 | 614,593,700 | 606,605,682 |
| Construction in progress | 101,613,027 | 70,541,932 | 127,333,464 | 95,136,036 | 228,946,491 | 165,677,968 |
| Buildings and improvements | 443,851,768 | 430,869,137 | 181,453,447 | 186,164,811 | 625,305,215 | 617,033,948 |
| Machinery and equipment | 76,914,875 | 73,597,335 | 10,243,651 | 10,246,747 | 87,158,526 | 83,844,082 |
| Infrastructure | 294,277,649 | 301,948,621 | 474,194,350 | 429,350,560 | 768,471,999 | 731,299,181 |
| Total capital assets | $ 1,519,048,191 | 1,471,809,169 | 805,427,740 | 732,651,692 | 2,324,475,931 | 2,204,460,861 |

Additional information on the County's capital assets are located in Note 6 on pages 62-63 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total long-term debt outstanding of $1.8 billion. Of this amount, $1.7 billion comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

**Outstanding Debt**

| | Governmental activities | | Business-type activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bonds | $ 1,246,382,174 | 1,203,277,708 | 351,004,168 | 304,153,642 | 1,597,386,342 | 1,507,431,350 |
| State water quality loan | — | | 14,572,847 | 17,956,260 | 14,572,847 | 17,956,260 |
| Tax increment financing bonds | 65,100,000 | 65,165,000 | — | — | 65,100,000 | 65,165,000 |
| Agricultural land preservation program | 93,483,238 | 97,715,767 | — | — | 93,483,238 | 97,715,767 |
| Special facility revenue bonds | — | — | 2,217,000 | 2,714,000 | 2,217,000 | 2,714,000 |
| Other | 31,603,394 | 35,011,551 | 874,412 | 922,923 | 32,477,806 | 35,934,474 |
| Total outstanding debt | $ 1,436,568,806 | 1,401,170,026 | 368,668,427 | 325,746,825 | 1,805,237,233 | 1,726,916,851 |

The County's total long-term debt increased by $78.3 million, (4.5% during the current fiscal year). The major factors in this increase were the issuance of $133.6 million Consolidated Public Improvement (CPI) Project Bonds, and $66.6 million in Metropolitan (Metro) District Project Bonds. The County refunded $23.6 million in CPI bonds and $6.1 million in Metro bonds and retired $63.0 million, $11.5 million and $3.4 million of CPI, Metro, and Water Quality Bonds, respectively. The County also retired $497,000 of Special Facility Revenue bonds. The County maintains an "AAA" rating from both Standard & Poor's and Fitch Ratings, and an "Aaa" rating from Moody's Investors Service for general obligation debt.

Local statutes limit the amount of general obligation debt a governmental entity may issue to 4.8% of its total assessed valuation. The current debt limitation for the County is $2.6 billion, which is significantly more than the County's outstanding general obligation debt at fiscal year-end.

Additional information on the County's long-term debt is located in Note 7 starting on page 64 of this report.

## Economic Factors and Next Year's Budgets and Rates

Howard County has a relatively low unemployment rate as evidenced by the following:

- The June 2019 unemployment rate for the County was 3.1%. This compares favorably to the state's unemployment rate of 3.9% and the national rate of 3.7% for the same period.
- The occupancy rate for commercial space as of June 2019 was 94.9% which is the same as a year ago. Howard County had an increase of 1,084,843 total rentable building area (RBA) during this fiscal year.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2020 fiscal year.

The fiscal year 2020 general fund budget is $22.6 million or 2% more than the fiscal year 2019 budget. This increase is primarily the result of an $8.9 million increase in funding of education, a $4.1 million increase for public safety, and a $3.1 million increase for public works.

The County's property tax and income tax rates remained the same for fiscal year 2020. There were also no changes to the Building Excise Tax (used to fund road expansion), Water and Sewer charges, recycling fees or the water and sewer ad valorem. The annual refuse fee was increased by $100 per year for residential property and the Fire and Rescue tax increased by 6 cents per $100 assessed value.

**Currently Known Facts, Decisions and Conditions**

The County is anticipating a modest surplus in fiscal year 2020 based on year-to-date performance. All other major revenue sources are on budget for fiscal year 2020.

**Requests for Information**

This financial report is designed to provide a general overview of Howard County'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 can be addressed to the:

Department of Finance
3430 Court House Drive
Ellicott City, Maryland 21043
(410) 313-2195
jairvin@howardcountymd.gov.

Complete financial reports are also available on our website: www.howardcountymd.gov.




**50th Anniversary of the County Charter**

In January of 2019, Former County Executives Ken Ulman, James Robey and Ed Cochran joined with County Executive Calvin Ball to mark the 50th anniversary of Charter Government and shared their reflections and advice.

# Basic Financial Statements

**Government-wide financial statements combine all of Howard County's governmental and business-type activities, as well as its discretely presented component units.**

**Fund financial statements show the financial position and the operating results by fund.**

## Howard County, Maryland
## Statement of Net Position
## June 30, 2019

| | Primary Government | | | Component Units |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | |
| **ASSETS** | | | | |
| Equity in pooled cash | $ 287,339,777 | 58,175,522 | 345,515,299 | 62,784,448 |
| Cash and securities with fiscal agents | 20,410,337 | — | 20,410,337 | — |
| Investments | 42,810,778 | — | 42,810,778 | 85,609,970 |
| Receivables: | | | | |
| Property taxes, net | 5,376,769 | 341,177 | 5,717,946 | — |
| Due from other governments | 169,095,033 | 93,497 | 169,188,530 | 39,811,986 |
| Service billings | — | 11,917,268 | 11,917,268 | — |
| Due from component units | 26,583,676 | — | 26,583,676 | — |
| Other | 18,308,784 | 674,241 | 18,983,025 | 3,008,999 |
| Materials and supplies | 2,760,221 | 1,293,239 | 4,053,460 | 1,313,579 |
| Prepaids | 17,882 | — | 17,882 | 2,089,697 |
| Restricted assets: | | | | |
| Cash and cash equivalent and equity in pooled cash | — | 167,524,190 | 167,524,190 | 7,809,892 |
| Investments | — | — | — | 8,636,903 |
| Water and sewer assessments receivable | — | 3,561,977 | 3,561,977 | — |
| Other receivables | — | — | — | 6,573,992 |
| Internal balances | (568,864) | 568,864 | — | — |
| Other non-current receivables | 2,360,391 | 17,827,460 | 20,187,851 | — |
| Capital Assets: | | | | |
| Land and land improvements | 602,390,872 | 12,202,828 | 614,593,700 | 117,860,689 |
| Construction in progress | 101,613,027 | 127,333,464 | 228,946,491 | 51,835,597 |
| Buildings and improvements, net | 443,851,768 | 181,453,447 | 625,305,215 | 1,593,081,998 |
| Machinery and equipment, net | 76,914,875 | 10,243,651 | 87,158,526 | 11,804,896 |
| Infrastructure, net | 294,277,649 | 474,194,350 | 768,471,999 | — |
| Other capital assets | — | — | — | 2,890,977 |
| Other non-current assets | — | — | — | 186,923 |
| Total assets | 2,093,542,975 | 1,067,405,175 | 3,160,948,150 | 1,995,300,546 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred refunding amount | 2,176,511 | 4,418,962 | 6,595,473 | — |
| Retirement plans | 82,622,915 | 1,213,221 | 83,836,136 | 17,005,235 |
| Other post employment benefits | 43,942,015 | 5,402,144 | 49,344,159 | 73,415,144 |
| Length of service award program | 758,544 | — | 758,544 | — |
| Derivative instruments - interest rate swap | — | — | — | 624,012 |
| Total deferred outflows of resources | 129,499,985 | 11,034,327 | 140,534,312 | 91,044,391 |
| Total assets and deferred outflows of resources | 2,223,042,960 | 1,078,439,502 | 3,301,482,462 | 2,086,344,937 |
| **LIABILITIES** | | | | |
| Accounts payable and other current liabilities | 31,965,455 | 24,086,312 | 56,051,767 | 103,166,500 |
| Accrued interest payable | 19,348,004 | 4,484,828 | 23,832,832 | — |
| Accrued wages and benefits | 17,782,956 | 715,097 | 18,498,053 | 2,613,891 |
| Deposits | 7,381,157 | 1,607,739 | 8,988,896 | 851,955 |
| Short-term loans and notes payable | 29,798,579 | 15,677,570 | 45,476,149 | — |
| Due to primary government | — | — | — | 26,583,676 |
| Unearned revenues | 11,247,114 | 984,418 | 12,231,532 | 10,954,342 |

(Continued)

## Howard County, Maryland
## Statement of Net Position
## June 30, 2019

| | Primary Government | | | Component |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Units |
| **Noncurrent liabilities:** | | | | |
| Due within one year | 105,227,935 | 17,365,827 | 122,593,762 | 8,581,429 |
| Due in more than one year, net | 1,936,345,969 | 383,763,447 | 2,320,109,416 | 1,106,325,966 |
| Total liabilities | 2,159,097,169 | 448,685,238 | 2,607,782,407 | 1,259,077,759 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Retirement plans | 15,925,132 | 748,098 | 16,673,230 | 4,104,740 |
| Other post employment benefits | 57,611,261 | 3,768,067 | 61,379,328 | 145,832,335 |
| Length of service award program | 3,686,799 | — | 3,686,799 | — |
| Total deferred inflows of resources | 77,223,192 | 4,516,165 | 81,739,357 | 149,937,075 |
| Total liabilities and deferred inflows of resources | 2,236,320,361 | 453,201,403 | 2,689,521,764 | 1,409,014,834 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 841,929,843 | 456,887,408 | 1,298,817,251 | 1,507,176,298 |
| Restricted: | | | | |
| Business-type operations | — | — | — | 15,796,103 |
| Catalyst loan program | 1,024,177 | — | 1,024,177 | — |
| Economic development initiatives | 741,484 | — | 741,484 | — |
| Fee in lieu | 469,647 | — | 469,647 | — |
| Fire & rescue services | 11,927,046 | — | 11,927,046 | — |
| Forest conservation | 1,964,542 | — | 1,964,542 | — |
| Middle Patuxent environmental area program | 44,511 | — | 44,511 | — |
| Open space | 576,876 | — | 576,876 | — |
| Parkland watershed facilities | 13,602,040 | — | 13,602,040 | — |
| Permanent public improvement | 1,157,451 | — | 1,157,451 | — |
| Program revenue | 568,509 | — | 568,509 | — |
| Public road facilities | 61,223,169 | — | 61,223,169 | — |
| Public school facilities | 20,944,530 | — | 20,944,530 | 12,987,811 |
| Speed enforcement | 805,201 | — | 805,201 | — |
| Tax increment financing project | 27,200,424 | — | 27,200,424 | — |
| Debt Services | — | 21,823,966 | 21,823,966 | — |
| Unrestricted | (997,456,851) | 146,526,725 | (850,930,126) | (858,630,109) |
| Total net position | $ (13,277,401) | 625,238,099 | 611,960,698 | 677,330,103 |

**The accompanying notes are an integral part of these financial statements.**

# Howard County, Maryland
## Statement of Activities
## For the Year Ended June 30, 2019

| Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Primary Government: Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Primary Government: Net (Expense) Revenue and Changes in Net Position: Business-Type Activities | Primary Government: Net (Expense) Revenue and Changes in Net Position: Total | Component Units |
|---|---|---|---|---|---|---|---|---|
| **Primary government:** | | | | | | | | |
| **Governmental activities:** | | | | | | | | |
| General government | $ 65,241,233 | 48,266,394 | 10,666,705 | 168,700 | (6,139,434) | — | (6,139,434) | — |
| Public safety | 249,887,935 | 8,285,012 | 6,190,580 | — | (235,412,343) | — | (235,412,343) | — |
| Public works | 207,843,230 | 49,166,390 | 16,826,813 | 9,476,991 | (132,373,036) | — | (132,373,036) | — |
| Recreation and parks | 54,344,080 | 20,905,820 | 652,004 | 255,730 | (32,530,526) | — | (32,530,526) | — |
| Legislative and judicial | 30,139,996 | 868,699 | 586,545 | — | (28,684,752) | — | (28,684,752) | — |
| Community services | 50,250,870 | 4,975,930 | 5,636,854 | — | (39,638,086) | — | (39,638,086) | — |
| State highways | 9,286,446 | — | — | — | (9,286,446) | — | (9,286,446) | — |
| Education | 710,311,491 | — | — | 8,475,773 | (701,835,718) | — | (701,835,718) | — |
| Interest on long-term debt | 51,541,615 | — | — | — | (51,541,615) | — | (51,541,615) | — |
| Total governmental activities | 1,428,846,896 | 132,468,245 | 40,559,501 | 18,377,194 | (1,237,441,956) | — | (1,237,441,956) | — |
| **Business-type activities:** | | | | | | | | |
| Water and sewer | 113,056,969 | 64,833,505 | 35,349,018 | 12,779,321 | — | (95,125) | (95,125) | — |
| Other | 7,163,586 | 11,544,895 | — | 30,384,856 | — | 34,766,165 | 34,766,165 | — |
| Total business-type activities | 120,220,555 | 76,378,400 | 35,349,018 | 43,164,177 | — | 34,671,040 | 34,671,040 | — |
| Total primary government | 1,549,067,451 | 208,846,645 | 75,908,519 | 61,541,371 | (1,237,441,956) | 34,671,040 | (1,202,770,916) | — |
| **Component units:** | | | | | | | | |
| Housing commission | 49,078,184 | 21,860,202 | 763,968 | 11,180,962 | — | — | — | (15,273,052) |
| Public school system | 1,085,224,351 | 21,997,083 | 175,495,114 | 42,744,155 | — | — | — | (844,987,999) |
| Library | 25,850,569 | 817,278 | — | — | — | — | — | (25,033,291) |
| Community college | 121,417,907 | 36,666,657 | 516,596 | 21,990,363 | — | — | — | (62,244,291) |
| Total component units | $ 1,281,571,011 | 81,341,220 | 176,775,678 | 75,915,480 | — | — | — | (947,538,633) |
| | **General revenues:** | | | | | | | |
| | Property taxes | | | | $ 654,794,565 | — | 654,794,565 | — |
| | Local income taxes | | | | 496,679,385 | — | 496,679,385 | — |
| | Transfer tax | | | | 31,367,019 | — | 31,367,019 | — |
| | Recordation tax | | | | 21,142,956 | — | 21,142,956 | — |
| | Building excise tax | | | | 7,328,571 | — | 7,328,571 | — |
| | Hotel / motel tax | | | | 5,538,425 | — | 5,538,425 | — |
| | Admission tax | | | | 3,361,722 | — | 3,361,722 | — |
| | County development tax | | | | 314,891 | — | 314,891 | — |
| | Mobile home tax | | | | 685,551 | — | 685,551 | — |
| | Appropriations from primary government | | | | — | — | — | 657,135,569 |
| | Intergovernmental, unrestricted | | | | 1,673,415 | — | 1,673,415 | 265,944,561 |
| | Unrestricted investment income | | | | 13,585,602 | 5,998,775 | 19,584,377 | 3,534,259 |
| | Miscellaneous | | | | 2,513,727 | (794,262) | 1,719,465 | 23,835,463 |
| | Transfers | | | | 9,412,543 | (9,412,543) | — | — |
| | Total general revenues | | | | 1,248,398,372 | (4,208,030) | 1,244,190,342 | 950,449,852 |
| | Change in net position | | | | 10,956,416 | 30,463,010 | 41,419,426 | 2,911,219 |
| | Net position - beginning | | | | (24,233,817) | 594,775,089 | 570,541,272 | 675,831,166 |
| | Adjustment to restate beginning net position | | | | — | — | — | (1,412,282) |
| | Net position - beginning of year, as restated | | | | (24,233,817) | 594,775,089 | 570,541,272 | 674,418,884 |
| | Net position - ending | | | | $ (13,277,401) | 625,238,099 | 611,960,698 | 677,330,103 |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Balance Sheet
## Governmental Funds
## June 30, 2019

| | General Fund | Agricultural Land Preservation Fund | General Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Equity in pooled cash | $ 93,323,456 | 15,262,349 | — | 125,943,374 | 234,529,179 |
| Cash with fiscal agent | — | — | 14,667,797 | 5,742,540 | 20,410,337 |
| Investments | — | 42,810,778 | — | — | 42,810,778 |
| Receivables: | | | | | |
| Property taxes, net | 4,518,964 | — | — | 857,805 | 5,376,769 |
| Due from other governments | 151,072,305 | 829,492 | 1,153,110 | 16,040,126 | 169,095,033 |
| Due from other funds | 19,821,488 | — | — | 22,862,545 | 42,684,033 |
| Due from component units | 11,632,263 | — | 9,268,869 | 5,682,544 | 26,583,676 |
| Housing loans | — | — | — | 13,588,326 | 13,588,326 |
| Other | 1,570,361 | — | — | 838,023 | 2,408,384 |
| Prepaid Items | 8,104 | — | — | 2,704 | 10,808 |
| Economic development loans | — | — | — | 351,633 | 351,633 |
| Materials and supplies | 624,672 | — | — | 668,338 | 1,293,010 |
| Total assets | 282,571,613 | 58,902,619 | 25,089,776 | 192,577,958 | 559,141,966 |
| **LIABILITIES** | | | | | |
| Due to other funds | — | — | 16,478,013 | 22,440,545 | 38,918,558 |
| Accounts payable / accrued liabilities | 5,543,928 | 7,361 | 8,156,487 | 13,298,302 | 27,006,078 |
| Accrued wages and benefits | 11,677,071 | 6,221 | 63,650 | 5,327,086 | 17,074,028 |
| Short-term loans and notes payable | — | — | 23,259,381 | 6,539,198 | 29,798,579 |
| Deposits and connection fees | 7,033,645 | — | — | 256,072 | 7,289,717 |
| Unearned revenue | 85,943 | — | 995,362 | 10,165,809 | 11,247,114 |
| Total liabilities | 24,340,587 | 13,582 | 48,952,893 | 58,027,012 | 131,334,074 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable income taxes | 112,047,048 | — | — | — | 112,047,048 |
| Unavailable property taxes | 3,299,267 | — | — | 711,410 | 4,010,677 |
| Unavailable fees | 2,219,049 | — | — | 7,167,322 | 9,386,371 |
| Unavailable grant revenues | 57,745 | — | 9,583,906 | 3,004,592 | 12,646,243 |
| Total deferred inflows | 117,623,109 | — | 9,583,906 | 10,883,324 | 138,090,339 |
| Total liabilities and deferred inflows | 141,963,696 | 13,582 | 58,536,799 | 68,910,336 | 269,424,413 |
| **FUND BALANCES** | | | | | |
| Nonspendable | 12,265,039 | — | — | 671,042 | 12,936,081 |
| Restricted | — | — | 36,769,778 | 105,479,829 | 142,249,607 |
| Committed | 73,958,202 | 1,162,093 | — | 53,312,092 | 128,432,387 |
| Assigned | 35,997,183 | 57,726,944 | — | 4,660,775 | 98,384,902 |
| Unassigned | 18,387,493 | — | (70,216,801) | (40,456,116) | (92,285,424) |
| Total fund balances (deficits) | 140,607,917 | 58,889,037 | (33,447,023) | 123,667,622 | 289,717,553 |
| Total liabilities, deferred inflows and fund balances | $ 282,571,613 | 58,902,619 | 25,089,776 | 192,577,958 | 559,141,966 |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Reconciliation of the Balance Sheet of Governmental Funds**
**to the Statement of Net Position**
**June 30, 2019**

| | | |
|---|---|---|
| **Amounts reported for governmental activities in the statement of net position (page 22) are different because:** | | |
| **Total fund balances - governmental funds (page 24)** | | **$ 289,717,553** |
| **Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.** | | **60,380,107** |
| **Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:** | | |
| **Bonds and notes payable** | **$ (1,265,608,716)** | |
| **Capital leases** | **(21,216,421)** | |
| **Deferred refunding gain/loss and premium** | **(137,155,669)** | |
| **Other noncurrent liabilities** | **(9,132,931)** | |
| **Accrued interest payable** | **(19,348,003)** | |
| **Compensated absences** | **(25,454,432)** | |
| **Landfill closure and post-closure** | **(23,430,000)** | **(1,501,346,172)** |
| **Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.** | | **1,473,344,886** |
| **The net pension, LOSAP and OPEB liabilities are not due and payable in the current period and related deferred inflows and outflows are not an available resource and, therefore, are not reported in the funds.** | | **(475,707,226)** |
| **Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows in the funds.** | | **140,333,451** |
| **Net position of governmental activities (page 22)** | | **$ (13,277,401)** |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Statement of Revenues, Expenditures and Changes in Fund Balances
## Governmental Funds
## For the Year Ended June 30, 2019

| | General Fund | Agricultural Land Preservation Fund | General Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Property taxes | $ 552,123,621 | — | — | 102,102,956 | 654,226,577 |
| Other local taxes | 494,141,081 | 8,156,646 | 7,841,755 | 23,012,081 | 533,151,563 |
| State shared taxes | 1,673,415 | — | — | — | 1,673,415 |
| Revenues from other governments | 9,666,904 | — | 10,774,536 | 23,049,357 | 43,490,797 |
| Charges for services | 13,775,589 | — | — | 45,762,142 | 59,537,731 |
| Investment income: | | | | | |
| Interest on investments | 5,427,798 | 3,002,004 | 491,736 | 4,645,767 | 13,567,305 |
| Decrease in fair value of investments | — | (496,321) | — | — | (496,321) |
| Installment interest from housing loans | — | — | — | 60,540 | 60,540 |
| Licenses and permits | 6,641,437 | — | — | — | 6,641,437 |
| Fines and forfeitures | 3,018,280 | — | — | 1,053,027 | 4,071,307 |
| Developer fees | — | — | — | 852,987 | 852,987 |
| Payments from component units | 1,546,337 | — | — | — | 1,546,337 |
| Miscellaneous program revenues | 2,139,487 | 6,000 | 6,778,364 | 7,956,241 | 16,880,092 |
| Total revenues | 1,090,153,949 | 10,668,329 | 25,886,391 | 208,495,098 | 1,335,203,767 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General government | 46,348,699 | — | 10,363,285 | 3,917,786 | 60,629,770 |
| Legislative & judicial | 27,881,384 | — | — | 639,007 | 28,520,391 |
| Public works | 74,745,429 | 1,013,484 | 2,984,222 | 34,693,526 | 113,436,661 |
| Public safety | 129,734,600 | — | — | 106,217,400 | 235,952,000 |
| Recreation and parks | 22,773,852 | — | — | 20,397,611 | 43,171,463 |
| Community services | 37,380,452 | — | — | 10,011,335 | 47,391,787 |
| Education | 655,977,569 | — | 51,268,431 | — | 707,246,000 |
| Capital improvements | — | — | 76,358,310 | 64,102,437 | 140,460,747 |
| Debt service: | | | | | |
| Principal | 65,121,048 | 4,232,529 | — | 374,920 | 69,728,497 |
| Interest | 46,853,007 | 5,077,092 | 2,102,219 | 3,023,665 | 57,055,983 |
| Total expenditures | 1,106,816,040 | 10,323,105 | 143,076,467 | 243,377,687 | 1,503,593,299 |
| Excess (deficiency) of revenues over expenditures | (16,662,091) | 345,224 | (117,190,076) | (34,882,589) | (168,389,532) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Bond premium | — | — | 10,165,667 | 2,054,325 | 12,219,992 |
| Capital lease | — | — | — | 2,223,000 | 2,223,000 |
| Capital-related issuance of debt | 793,086 | — | 88,394,770 | 19,522,621 | 108,710,477 |
| Refunding bonds issued | — | — | 20,272,862 | 2,312,138 | 22,585,000 |
| Payment to bond refunding escrow agent | — | — | (21,617,153) | (2,407,405) | (24,024,558) |
| Transfers in | 26,946,081 | — | 13,203,236 | 24,657,113 | 64,806,430 |
| Transfers out | (12,713,690) | (203,633) | (10,741,677) | (20,201,518) | (43,860,518) |
| Total other financing sources (uses) | 15,025,477 | (203,633) | 99,677,705 | 28,160,274 | 142,659,823 |
| Net change in fund balances | (1,636,614) | 141,591 | (17,512,371) | (6,722,315) | (25,729,709) |
| Fund balances (deficit) - beginning | 142,244,531 | 58,747,446 | (15,934,652) | 130,389,937 | 315,447,262 |
| Fund balances (deficit) - ending | $ 140,607,917 | 58,889,037 | (33,447,023) | 123,667,622 | 289,717,553 |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
## For the Year Ended June 30, 2019

| | | |
|---|---|---|
| **Amounts reported for governmental activities in the statement of activities (page 23) are different because:** | | |
| **Net change in fund balances - total governmental funds (page 26)** | | **$ (25,729,709)** |
| **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. The details of the amount by which capital outlays exceed depreciation in the current period is as follows:** | | |
| **Capital outlays** | **$ 109,726,546** | |
| **Less: Depreciation expense** | **(46,826,274)** | **62,900,272** |
| **In the statement of activities, only the gain on the sale of land and buildings is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the land and buildings sold.** | | **(3,097,920)** |
| **Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.** | | **11,600,114** |
| **Revenues to governmental funds that relate to prior periods are not reported in the statement of activities. Similarly, revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. The details are as follows:** | | |
| **Revenues related to prior periods** | **(96,672,185)** | |
| **Revenues that do not provide current financial resources** | **138,090,339** | **41,418,154** |
| **Long-term debt proceeds (i.e., bonds, leases, installment purchase agreements) provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.** | | **(40,689,097)** |
| **In the statement of activities, some expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.** | | **(31,600,473)** |
| **Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The new revenue (expense) of certain internal service funds is reported with governmental activities.** | | **(3,844,925)** |
| **Change in net position of governmental activities (page 23)** | | **$ 10,956,416** |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Statement of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis
## General Fund
## For the Year Ended June 30, 2019

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| REVENUES | Original | Final | Actual | Final Budget |
| Property taxes | $ 550,177,993 | 550,177,993 | 552,098,523 | 1,920,530 |
| Other local taxes | 486,547,544 | 486,547,544 | 494,141,082 | 7,593,538 |
| State shared taxes | 1,620,478 | 1,620,478 | 1,673,415 | 52,937 |
| Revenues from other governments | 8,370,696 | 8,370,696 | 9,666,906 | 1,296,210 |
| Charges for services | 14,794,584 | 14,794,584 | 13,775,591 | (1,018,993) |
| Interest on investments | 2,020,000 | 2,020,000 | 7,262,415 | 5,242,415 |
| Licenses and permits | 7,177,314 | 7,177,314 | 6,662,734 | (514,580) |
| Recoveries for inter-fund services | 16,903,716 | 16,703,716 | 16,520,981 | (182,735) |
| Fines and forfeitures | 3,108,514 | 3,108,514 | 3,018,279 | (90,235) |
| Component units return of funding | 2,861,374 | 2,861,374 | 1,546,337 | (1,315,037) |
| Miscellaneous | 16,596,833 | 1,951,761 | 2,293,758 | 341,997 |
| Total revenues | 1,110,179,046 | 1,095,333,974 | 1,108,660,021 | 13,326,047 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 48,927,267 | 49,782,345 | 47,482,351 | 2,299,994 |
| Legislative & judicial | 28,869,795 | 28,869,795 | 27,944,728 | 925,067 |
| Public works | 82,689,684 | 83,854,037 | 83,091,822 | 762,215 |
| Public safety | 138,183,479 | 138,183,479 | 135,696,195 | 2,487,284 |
| Recreation and parks | 24,550,738 | 24,550,738 | 24,547,220 | 3,518 |
| Community services | 37,842,319 | 26,380,821 | 25,709,591 | 671,230 |
| Education | 655,977,569 | 655,977,569 | 655,977,569 | — |
| Health Department | 13,211,498 | 12,920,789 | 11,930,892 | 989,897 |
| Debt service: | | | | |
| Principal | 65,386,547 | 65,121,056 | 65,121,048 | 8 |
| Interest | 46,837,027 | 46,853,005 | 46,853,007 | (2) |
| Total expenditures | 1,142,475,923 | 1,132,493,634 | 1,124,354,423 | 8,139,211 |
| Excess (deficiency) of revenues over expenditures | (32,296,877) | (37,159,660) | (15,694,402) | (21,465,258) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Appropriation from fund balance | 24,132,758 | 24,132,758 | 1,128,017 | (23,004,741) |
| Capital related debt issued | — | — | 793,086 | 793,086 |
| Transfers in | 19,507,515 | 34,061,878 | 33,918,275 | (143,603) |
| Transfers out | (11,343,396) | (21,034,976) | (20,144,976) | 890,000 |
| Total other financing sources (uses) | 32,296,877 | 37,159,660 | 15,694,402 | (21,465,258) |
| Net change in fund balance | — | — | — | — |
| Plus prior year encumbrances lapsed | | | 2,510,564 | |
| Less appropriation from fund balance | | | (1,128,017) | |
| Fund balances - beginning | | | 126,430,852 | |
| Fund balances - ending | | | $ 127,813,399 | |

Health Department's fund balance is combined with the General Fund for the budgetary basis statement only.

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Agricultural Land Preservation Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Local taxes | $ 7,150,000 | 7,150,000 | 8,156,646 | 1,006,646 |
| Investment income | 1,500,000 | 1,500,000 | 2,502,050 | 1,002,050 |
| Miscellaneous | 5,000 | 5,000 | 6,000 | 1,000 |
| Total revenues | 8,655,000 | 8,655,000 | 10,664,696 | 2,009,696 |
| **EXPENDITURES** | | | | |
| Public works: | | | | |
| Agricultural land preservation program administration | 858,369 | 859,669 | 855,414 | 4,255 |
| Agricultural land preservation board | 1,300 | — | — | — |
| Debt service: | | | | |
| Principal | 4,232,529 | 4,232,529 | 4,232,529 | — |
| Interest | 5,077,092 | 5,077,092 | 5,077,092 | — |
| Total expenditures | 10,169,290 | 10,169,290 | 10,165,035 | 4,255 |
| Excess (deficiency) of revenues over expenditures | (1,514,290) | (1,514,290) | 499,661 | 2,013,951 |
| **OTHER FINANCING SOURCES** | | | | |
| Appropriation from fund balance | 1,714,290 | 1,714,290 | — | (1,714,290) |
| Transfers out | (200,000) | (200,000) | (200,000) | — |
| Total other financing sources | 1,514,290 | 1,514,290 | (200,000) | (1,714,290) |
| Net change in fund balance | — | — | 299,661 | 299,661 |
| Fund balance - beginning | | | 58,747,446 | |
| Fund balance - ending | | | $ 59,047,107 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2019**

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water and Sewer Fund | Other Enterprise Funds | Total | Internal Services Funds |
| **ASSETS** | | | | |
| **Current assets:** | | | | |
| Equity in pooled cash | $ 40,176,845 | 17,998,677 | 58,175,522 | 52,810,598 |
| **Receivables:** | | | | |
| Property taxes | 341,177 | — | 341,177 | — |
| Due from other governments | 93,497 | — | 93,497 | — |
| Service billings | 11,760,834 | 156,434 | 11,917,268 | — |
| Other receivables | 674,241 | — | 674,241 | 2,077,717 |
| **Prepaid Expenses** | — | — | — | 7,074 |
| **Materials and supplies** | 1,293,239 | — | 1,293,239 | 1,467,211 |
| **Restricted assets:** | | | | |
| Equity in pooled cash and cash equivalents | 166,964,190 | 560,000 | 167,524,190 | — |
| Water and sewer assessments | 3,561,977 | — | 3,561,977 | — |
| Total current assets | 224,866,000 | 18,715,111 | 243,581,111 | 56,362,600 |
| **Noncurrent assets:** | | | | |
| **Restricted assets:** | | | | |
| Receivables: | | | | |
| Water and sewer assessments | 17,701,989 | — | 17,701,989 | — |
| Other receivables | — | 125,471 | 125,471 | — |
| Capital assets: | | | | |
| Land and land improvements | 3,068,642 | 9,134,186 | 12,202,828 | — |
| Construction in progress | 127,333,464 | — | 127,333,464 | — |
| Buildings and improvements, net | 177,622,414 | 3,831,033 | 181,453,447 | 1,968,153 |
| Machinery and equipment, net | 8,795,219 | 1,448,432 | 10,243,651 | 43,735,152 |
| Infrastructure, net | 434,584,890 | 39,609,460 | 474,194,350 | — |
| Total noncurrent assets | 769,106,618 | 54,148,582 | 823,255,200 | 45,703,305 |
| **Total assets** | 993,972,618 | 72,863,693 | 1,066,836,311 | 102,065,905 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred refunding amount | 4,407,029 | 11,933 | 4,418,962 | — |
| Retirement plans | 1,213,221 | — | 1,213,221 | — |
| Other post employment benefits | 5,402,144 | — | 5,402,144 | — |
| Total deferred outflows of resources | 11,022,394 | 11,933 | 11,034,327 | — |
| **Total assets and deferred outflows of resources** | 1,004,995,012 | 72,875,626 | 1,077,870,638 | 102,065,905 |
| **LIABILITIES** | | | | |
| **Current liabilities:** | | | | |
| Due to other funds | — | 3,765,475 | 3,765,475 | — |
| Accounts payable | 23,839,978 | 246,334 | 24,086,312 | 4,959,377 |
| Accrued wages and benefits | 639,493 | 75,604 | 715,097 | 708,928 |
| Compensated absences | 19,804 | — | 19,804 | 12,733 |
| Short-term loans and notes payable | 15,677,570 | — | 15,677,570 | — |
| Deposits and connection fees | — | — | — | 91,440 |
| Unpaid insurance claims | — | — | — | 7,518,251 |
| Current portion capital lease obligation | — | — | — | 1,643,192 |
| Current liabilities | 40,176,845 | 4,087,413 | 44,264,258 | 14,933,921 |

(Continued)

## Howard County, Maryland
## Statement of Net Position
## Proprietary Funds
## June 30, 2019

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Services Funds |
| **Current liabilities payable from restricted assets:** | | | | |
| Deposits and connection fees | 1,607,739 | — | 1,607,739 | — |
| Developer agreement rebates and deposits | 49,000 | — | 49,000 | — |
| Other debt payable | 3,457,397 | — | 3,457,397 | — |
| Bonds and note payable | 13,085,000 | 608,400 | 13,693,400 | — |
| Loan payable | — | 146,226 | 146,226 | — |
| Interest payable | 4,484,828 | — | 4,484,828 | — |
| Current liabilities payable from restricted assets | 22,683,964 | 754,626 | 23,438,590 | — |
| **Total current liabilities** | 62,860,809 | 4,842,039 | 67,702,848 | 14,933,921 |
| **Noncurrent liabilities:** | | | | |
| Developer agreement rebates and deposits | 825,412 | — | 825,412 | — |
| Net OPEB liability | 23,102,908 | — | 23,102,908 | — |
| Net pension liability | 2,037,339 | — | 2,037,339 | — |
| Compensated absences | 796,429 | 74,960 | 871,389 | 976,158 |
| Unpaid insurance claims | — | — | — | 12,697,599 |
| Long-term capital lease obligation | — | — | — | 8,743,781 |
| Refunding revenue note payable | — | 1,707,000 | 1,707,000 | — |
| Metropolitan district bonds payable | 337,682,647 | — | 337,682,647 | — |
| Long-term bonds payable | — | 5,007,644 | 5,007,644 | — |
| Loans payable | — | 1,413,658 | 1,413,658 | — |
| Unearned revenue | 984,418 | — | 984,418 | — |
| Other long-term debt | 11,115,450 | — | 11,115,450 | — |
| Total noncurrent liabilities | 376,544,603 | 8,203,262 | 384,747,865 | 22,417,538 |
| **Total liabilities** | 439,405,412 | 13,045,301 | 452,450,713 | 37,351,459 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Retirement plans | 748,098 | — | 748,098 | — |
| OPEB | 3,768,067 | — | 3,768,067 | — |
| Total deferred inflows of resources | 4,516,165 | — | 4,516,165 | — |
| **Total liabilities and deferred inflows of resources** | 443,921,577 | 13,045,301 | 456,966,878 | 37,351,459 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 411,735,292 | 45,152,116 | 456,887,408 | 35,316,332 |
| Restricted: | | | | |
| For debt service | 21,263,966 | 560,000 | 21,823,966 | — |
| Unrestricted | 128,074,177 | 14,118,209 | 142,192,386 | 29,398,114 |
| **Total net position** | 561,073,435 | 59,830,325 | 620,903,760 | 64,714,446 |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | | | 4,334,339 | |
| Net position of business-type activities | | | $ 625,238,099 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Year Ended June 30, 2019**

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Service Funds |
| **Operating revenues:** | | | | |
| User charges | $ 60,910,861 | 11,217,442 | 72,128,303 | 114,066,093 |
| Insurance recoveries | — | — | — | 306,224 |
| Miscellaneous sales and services | 2,004,526 | 327,453 | 2,331,979 | 1,947,398 |
| Total operating revenues | 62,915,387 | 11,544,895 | 74,460,282 | 116,319,715 |
| **Operating expenses:** | | | | |
| Salaries and employee benefits | 13,651,019 | 1,545,551 | 15,196,570 | 14,353,343 |
| Contractual services | 16,508,475 | 2,717,779 | 19,226,254 | 13,685,565 |
| Supplies and materials | 3,323,452 | 358,470 | 3,681,922 | 3,714,971 |
| Business and travel | 94,155 | 2,022 | 96,177 | 626,988 |
| Vehicle fuels and supplies | 1,879,978 | — | 1,879,978 | 3,786,519 |
| Purchased water and transmission charges | 30,403,169 | — | 30,403,169 | — |
| Sewage treatment charges | 8,032,473 | — | 8,032,473 | — |
| Share of county administrative expenses | 5,681,387 | 1,095,684 | 6,777,071 | 831,049 |
| Insurance claims | 1,219,571 | — | 1,219,571 | 62,304,714 |
| Other administrative | — | 82,293 | 82,293 | 2,395,772 |
| Depreciation expense | 23,014,627 | 1,136,282 | 24,150,909 | 8,880,414 |
| Less: house connection and capitalized overhead costs | (9,000) | — | (9,000) | — |
| Total operating expenses | 103,799,306 | 6,938,081 | 110,737,387 | 110,579,335 |
| **Operating income (loss)** | (40,883,919) | 4,606,814 | (36,277,105) | 5,740,380 |
| **Nonoperating revenues (expenses):** | | | | |
| Ad valorem charges | 35,349,018 | — | 35,349,018 | — |
| Water and sewer assessment charges | 1,123,856 | — | 1,123,856 | — |
| Interest on investments | 5,341,200 | 657,575 | 5,998,775 | 1,235,399 |
| Interest expense | (9,038,792) | (202,590) | (9,241,382) | (194,957) |
| Gain (loss) on sale of capital assets | (794,262) | — | (794,262) | — |
| Grant | 1,298,667 | — | 1,298,667 | — |
| Revenue from other government | — | — | — | 34,944 |
| Other, net | (31,609) | (22,915) | (54,524) | — |
| Total nonoperating revenues (expenses) | 33,248,078 | 432,070 | 33,680,148 | 1,075,386 |
| Net income (loss) before contributions and transfers | (7,635,841) | 5,038,884 | (2,596,957) | 6,815,766 |
| **Capital contributions** | 11,480,654 | 30,384,856 | 41,865,510 | 1,479,682 |
| **Transfers in** | — | 556,841 | 556,841 | — |
| **Transfers out** | — | (9,969,384) | (9,969,384) | (11,533,369) |
| Change in net position | 3,844,813 | 26,011,197 | 29,856,010 | (3,237,921) |
| **Net position - beginning of year, as restated** | 557,228,622 | 33,819,128 | — | 67,952,367 |
| **Net position - ending** | 561,073,435 | 59,830,325 | 620,903,760 | 64,714,446 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 607,000 | |
| Change in net position of business - type activities | | | $ 30,463,010 | |

**The accompanying notes are an integral part of these financial statements.**

# Howard County, Maryland
## Statement of Cash Flows
## Proprietary Funds
## For the Year Ended June 30, 2019

| | Business-Type Activities | | | Governmental Activities |
|---|---|---|---|---|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Service Funds |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 65,701,165 | 11,245,804 | 76,946,969 | 116,707,273 |
| Cash paid to suppliers | (53,088,250) | (2,875,500) | (55,963,750) | (73,112,497) |
| Cash paid to / for employees | (13,824,275) | (1,503,266) | (15,327,541) | (15,051,619) |
| Cash paid for inter-fund services used | (6,434,111) | (487,834) | (6,921,945) | (10,716,612) |
| Other operating cash receipts | 110,000 | — | 110,000 | — |
| Other operating disbursements | — | (480,630) | (480,630) | (515,474) |
| Net cash provided by (used for) operating activities | (7,535,471) | 5,898,574 | (1,636,897) | 17,311,071 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Inter-fund payable | — | 1,051,578 | 1,051,578 | — |
| Inter-fund operating transfers in (out) | — | (9,412,543) | (9,412,543) | (10,886,865) |
| Net cash (used for) noncapital financing activities | — | (8,360,965) | (8,360,965) | (10,886,865) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Proceeds from sale of county bonds | 58,697,746 | 2,563,999 | 61,261,745 | — |
| Cash receipts from assessments & connection charges | 36,542,396 | 1,646,000 | 38,188,396 | — |
| Proceeds from grant | 2,114,791 | — | 2,114,791 | — |
| Proceeds from capital lease | — | — | — | 9,716,783 |
| Acquisition and construction of capital assets | (57,733,664) | (49,900) | (57,783,564) | (10,025,088) |
| Capital contribution | 1,925,957 | — | 1,925,957 | — |
| Payment of long-term debt principal | (21,008,413) | (583,116) | (21,591,529) | (906,225) |
| Interest paid on long-term debt | (8,296,751) | (146,413) | (8,443,164) | (216,157) |
| Net cash provided by (used for) capital and related financing activities | 12,242,062 | 3,430,570 | 15,672,632 | (1,430,687) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | 4,736,759 | 484,041 | 5,220,800 | 1,270,344 |
| Net cash provided by investing activities | 4,736,759 | 484,041 | 5,220,800 | 1,270,344 |
| Net increase (decrease) in cash and cash equivalents | 9,443,350 | 1,452,220 | 10,895,570 | 6,263,863 |
| Cash and cash equivalents -beginning of the year | 197,697,685 | 17,106,457 | 214,804,142 | 46,546,735 |
| Cash and cash equivalents - end of the year | 207,141,035 | 18,558,677 | 225,699,712 | 52,810,598 |
| **Reconciliation of operating (loss) income to net cash (used for) provided by operating activities** | | | | |
| Operating (loss) income | (40,883,919) | 4,606,814 | -36,277,105 | 5,740,380 |
| **Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:** | | | | |
| Depreciation expense | 23,014,627 | 1,136,282 | 24,150,909 | 8,880,414 |
| Effect of changes in operating assets and liabilities: | | | | |
| Accounts and other receivables | (1,160,815) | 92,441 | (1,068,374) | 312,555 |
| Prepaid expenses | — | — | — | (2,029) |
| Inventories | (271,429) | — | (271,429) | (59,615) |
| Accounts payable | 6,520,179 | 18,597 | 6,538,776 | 790,532 |
| Accrued wages and benefits | — | 5,526 | 5,526 | (37,306) |
| Compensated absences | (37,360) | 38,914 | 1,554 | (34,085) |
| Deposits and connection fees | — | — | — | 23,200 |
| Unpaid insurance claims | — | — | — | 1,704,527 |
| Unearned revenue | | — | — | (7,502) |
| Increase in net OPEB obligation and net pension liability | 5,283,246 | — | 5,283,246 | — |
| Total adjustments | 33,348,448 | 1,291,760 | 34,640,208 | 11,570,691 |
| Net cash provided by (used in) operating activities | $ (7,535,471) | 5,898,574 | (1,636,897) | 17,311,071 |

**Noncash investing, capital, and financing activities:**

**In Fiscal Year 2019, $9,554,697 was contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines and $1,925,957 was posted as cash receipt.**

**In Fiscal Year 2019, $18,052 of capital assets were contributed to the Broadband Fund from the governmental Capital Projects Fund.**

**In Fiscal Year 2019, $30,366,804 of capital assets were contributed to the Watershed Protection Fund from the General Fund.**

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Statement of Fiduciary Net Position**
**Pension and Other Post Employment Benefits Trust Funds and Agency Funds**
**June 30, 2019**

| | Pension and OPEB Trust Funds | Agency Funds |
|---|---|---|
| **ASSETS** | | |
| Equity in pooled cash and cash equivalents | $ — | $ 7,242,780 |
| Receivables: | | |
| Property tax | — | 534,227 |
| Interest and dividends | 1,214,106 | — |
| Employer contributions | 2,644,804 | — |
| Member contributions | 752,143 | — |
| Sale of investments | 186,253 | — |
| Other | 15,246 | 3,845 |
| Investments, at fair value: | | |
| Cash | 336,048 | — |
| Equities | 462,432,977 | — |
| Alternative investments | 270,113,695 | — |
| Mutual funds | 154,445,416 | — |
| Money market funds | 20,936,932 | — |
| Fixed income securities | 307,599,448 | — |
| Real assets | 37,911,182 | — |
| Prepaid insurance | 43,758 | — |
| Total assets | 1,258,632,008 | 7,780,852 |
| **LIABILITIES** | | |
| Accounts payable | 57,556 | 1,935,896 |
| Investments purchased | 5,460,439 | — |
| Deposits | 1,328,446 | 5,842,649 |
| Other | — | 2,307 |
| Total liabilities | $ 6,846,441 | $ 7,780,852 |
| **NET POSITION** | | |
| Net position restricted for pension and OPEB benefits | $ 1,251,785,567 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Statement of Changes in Fiduciary Net Position**
**Pension and Other Post Employment Benefits Trust Funds**
**For the Year Ended June 30, 2019**

| | | |
|---|---|---|
| **ADDITIONS** | | |
| **Contributions:** | | |
| **Employer** | **$** | **80,256,200** |
| **Member** | | **12,502,973** |
| **Total contributions** | | **92,759,173** |
| **Investment income:** | | |
| **Net change in fair value of investments** | | **50,434,717** |
| **Interest** | | **5,094,965** |
| **Dividends** | | **27,922,584** |
| **Other** | | **155,436** |
| **Investment expense** | | **(3,328,359)** |
| **Net investment (loss) income** | | **80,279,343** |
| **Total additions** | | **173,038,516** |
| **DEDUCTIONS** | | |
| **Benefits** | | **69,338,784** |
| **Administrative expenses** | | **1,000,746** |
| **Total deductions** | | **70,339,530** |
| **Change in net position** | | **102,698,986** |
| **Net position - beginning** | | **1,149,086,581** |
| **Net position - ending** | **$** | **1,251,785,567** |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Combining Statement of Net Position
## Component Units
## June 30, 2019

| | Community College | Housing Commission | Library | Public School System | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 43,127,521 | $ 6,544,748 | $ 2,006,015 | $ 11,106,164 | $ 62,784,448 |
| Investments | 4,651,215 | 2,974,889 | 1,362,224 | 76,621,642 | 85,609,970 |
| Receivables: | | | | | |
| Due from other governments | 13,008,977 | — | — | 26,803,009 | 39,811,986 |
| Other | 403,474 | 628,797 | 69,699 | 1,907,029 | 3,008,999 |
| Materials and supplies | — | — | — | 1,313,579 | 1,313,579 |
| Prepaid items | 1,028,673 | 305,065 | 516,495 | 239,464 | 2,089,697 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | — | 7,749,528 | 60,364 | — | 7,809,892 |
| Investments | 8,459,498 | — | 177,405 | — | 8,636,903 |
| Mortgage receivable | — | 6,573,992 | — | — | 6,573,992 |
| Capital Assets: | | | | | |
| Land and land improvements | 620,547 | 82,779,404 | — | 34,460,738 | 117,860,689 |
| Construction in progress | 27,306,647 | 16,562,559 | — | 7,966,391 | 51,835,597 |
| Buildings and improvements, net | 247,418,807 | 159,131,523 | — | 1,186,531,668 | 1,593,081,998 |
| Machinery and equipment, net | 3,937,328 | — | 213,681 | 7,653,887 | 11,804,896 |
| Other capital assets | 364,196 | 139,307 | 2,387,474 | — | 2,890,977 |
| Other non-current assets | 186,923 | — | — | — | 186,923 |
| Total assets | 350,513,806 | 283,389,812 | 6,793,357 | 1,354,603,571 | 1,995,300,546 |
| **DEFERRED OUTFLOWS** | | | | | |
| Retirement plans | 779,251 | 235,166 | — | 15,990,818 | 17,005,235 |
| Other post employment benefits | 2,348,125 | 221,556 | 2,212,831 | 68,632,632 | 73,415,144 |
| Derivative instruments - interest rate swap | — | 624,012 | — | — | 624,012 |
| Total deferred outflows | 3,127,376 | 1,080,734 | 2,212,831 | 84,623,450 | 91,044,391 |
| Total assets and deferred outflows | 353,641,182 | 284,470,546 | 9,006,188 | 1,439,227,021 | 2,086,344,937 |
| **LIABILITIES** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and other current liabilities | 7,467,825 | 2,640,542 | 885,454 | 92,172,679 | 103,166,500 |
| Accrued salaries and benefits | 1,755,860 | — | 858,031 | — | 2,613,891 |
| Deposits | 63,345 | 788,610 | — | — | 851,955 |
| Due to primary government | 20,901,132 | 5,682,544 | — | — | 26,583,676 |
| Unearned revenue | 2,855,911 | 1,189,865 | 460,857 | 6,447,709 | 10,954,342 |
| Long-term liabilities: | | | | | |
| Due within one year | 2,496,599 | 2,030,128 | — | 4,054,702 | 8,581,429 |
| Due in more than one year, net | 36,790,135 | 249,043,720 | 18,027,082 | 802,465,029 | 1,106,325,966 |
| Total liabilities | 72,330,807 | 261,375,409 | 20,231,424 | 905,140,119 | 1,259,077,759 |
| **DEFERRED INFLOWS** | | | | | |
| Retirement plans | 273,396 | 190,554 | — | 3,640,790 | 4,104,740 |
| Other post employment benefits | 6,601,449 | 267,782 | 2,754,323 | 136,208,781 | 145,832,335 |
| Total deferred inflows | 6,874,845 | 458,336 | 2,754,323 | 139,849,571 | 149,937,075 |
| Total liabilities and deferred inflows | 79,205,652 | 261,833,745 | 22,985,747 | 1,044,989,690 | 1,409,014,834 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 265,841,551 | 4,718,173 | 2,601,155 | 1,234,015,419 | 1,507,176,298 |
| Restricted for: | | | | | |
| Business-type operations | 401,388 | 6,934,325 | — | 8,460,390 | 15,796,103 |
| Education | 11,474,677 | — | — | 1,275,365 | 12,750,042 |
| Restricted for deferred support | — | — | 237,769 | — | 237,769 |
| Unrestricted | (3,282,086) | 10,984,303 | (16,818,483) | (849,513,843) | (858,630,109) |
| Total net position | $ 274,435,530 | $ 22,636,801 | $ (13,979,559) | $ 394,237,331 | $ 677,330,103 |

The accompanying notes are an integral part of these financial statements.

# Howard County, Maryland
## Statement of Activities
## Component Units
## For the Year Ended June 30, 2019

| Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Contributions | Net (Expense) Revenue and Changes in Net Position: Community College | Housing Commission | Library | Public School System | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Component units:** | | | | | | | | | |
| Community college | $ 121,417,907 | $ 36,666,657 | $ 516,596 | $ 21,990,363 | $ (62,244,291) | $ — | $ — | $ — | $ (62,244,291) |
| Housing commission* | 49,078,184 | 21,860,202 | 763,968 | 11,180,962 | — | (15,273,052) | — | — | (15,273,052) |
| Library | 25,850,569 | 817,278 | — | — | — | — | (25,033,291) | — | (25,033,291) |
| Public school system | 1,085,224,351 | 21,997,083 | 175,495,114 | 42,744,155 | — | — | — | (844,987,999) | (844,987,999) |
| Total component units | $ 1,281,571,011 | $ 81,341,220 | $ 176,775,678 | $ 75,915,480 | (62,244,291) | (15,273,052) | (25,033,291) | (844,987,999) | (947,538,633) |
| **General revenues:** | | | | | | | | | |
| Appropriations from primary government | | | | | 36,143,816 | — | 20,937,872 | 600,053,881 | 657,135,569 |
| Intergovernmental, unrestricted | | | | | 39,799,165 | — | 3,652,024 | 222,493,372 | 265,944,561 |
| Investment income | | | | | 1,567,400 | 321,314 | 33,540 | 1,612,005 | 3,534,259 |
| Miscellaneous | | | | | — | 10,935,907 | — | 12,899,556 | 23,835,463 |
| Total general revenues | | | | | 77,510,381 | 11,257,221 | 24,623,436 | 837,058,814 | 950,449,852 |
| Change in net position | | | | | 15,266,090 | (4,015,831) | (409,855) | (7,929,185) | 2,911,219 |
| Net position as previously stated | | | | | 259,169,440 | 28,064,914 | (13,569,704) | 402,166,516 | 675,831,166 |
| Adjustment to restate beginning balance | | | | | — | (1,412,282) | — | — | (1,412,282) |
| Net position - beginning, as restated | | | | | 259,169,440 | 26,652,632 | (13,569,704) | 402,166,516 | 674,418,884 |
| Net position - end of year | | | | | $ 274,435,530 | $ 22,636,801 | $ (13,979,559) | $ 394,237,331 | $ 677,330,103 |

*Financial statements for the Housing Commission are reported on a calendar year basis.

The accompanying notes are an integral part of these financial statements.



**Farm Academy**

Howard County supports the county's agriculture economy through farm academies for the community, neighborhood farmer's markets, the HoCo Fresh program for restaurants and the Agricultural Land Preservation Program.

# Notes to Basic Financial Statements

**The Notes are an integral part of the financial statements.**

# Notes to Basic Financial Statements Index


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# Notes to Basic Financial Statements

## 1. Summary of Significant Accounting Policies

### A. The Reporting Entity

Howard County, Maryland (the County), was formed in 1851 under a commission form of government. Under home rule charter since 1968, the County is governed by an elected County Executive and a five-member County Council serving separate executive and legislative functions.

The basic financial statements include Howard County, Maryland as the primary government and its significant component units, entities for which the County is considered to be financially accountable. The component units include the activities of the Howard County Public School System, the Library, the Community College, and the Housing Commission. The Volunteer Fire Districts have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County in that the County approves budgetary requests and provides a significant amount of funding.

**Discretely Presented Component Units**

The financial data of the County's component units are discretely presented in a column separate from the financial data of the primary government. They are reported in a separate column to emphasize that they are legally separate from the County. The following are the County's component units that are included in the reporting:

*The Howard County Public School System* is responsible for the operation of special education, elementary, middle and high schools. The Board of Education is comprised of five members elected by County voters. The County is responsible for levying taxes and has budgetary control over the Board.

*The Howard County Library* System operates various library branches throughout the County. The Library is governed by a seven-member board nominated by the County Executive and approved by the County Council. The County approves the Library's annual budget and provides substantial funding to the Library.

*The Howard Community College* provides educational services to County citizens by offering two- year associate degrees and a continuing education program. The Community College is governed by a seven-member board appointed by the governor of Maryland. The County approves the College's annual budget and provides substantial funding to the College.

*The Howard County Housing Commission* is a public corporation established by Maryland and Howard County law to act as builder, developer, owner, and manager of housing for eligible participants. The Commission is comprised of seven commissioners appointed by the County Executive and approved by the County Council. The County provides substantial funding to the Commission and approves its annual budget.

Financial information regarding the component units is included in the component units combining statements. Annual financial reports for individual component units can be obtained from their respective administrative offices:

Howard County Public School System
10910 Route 108
Ellicott City, Maryland 21042

Howard County Library System
9411 Frederick Road
Ellicott City, MD 21042

Howard Community College
10901 Little Patuxent Parkway
Columbia, Maryland 21044

Howard County Housing Commission
9770 Patuxent Woods Drive, Suite 100
Columbia, Maryland 21046

## B. Government-Wide and Fund Financial Statements

The Statement of Net Position and Statement of Activities present financial information on all of the non-fiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used. Government activities, which primarily are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities displays the extent to which direct expenses are offset by program revenues for each function of governmental activities and for each segment of business-type activities. Direct expenses are those that can be attributed to 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 enterprise funds are reported as separate columns in the fund financial statements.

## C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Agency funds do not have a measurement focus and are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The County considers all revenues, with the exception of income tax revenue, to be available if they are collected within sixty days after the end of the current fiscal period. Income tax revenue is considered to be available if it is collected within thirty days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to vacation, sick leave, claims, and judgments, are recorded only when payment is due.

Property taxes, other local taxes, state shared taxes, fines and forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Health Department Fund is included for reporting purposes.

The *Agricultural Land Preservation Fund* accounts for 25% of the local transfer tax and the County development tax which are dedicated to preserving the agricultural use of land through the purchase of development rights of property owners.

The *General Capital Projects Fund* is used to account for the construction of general capital projects such as senior centers, community centers, and administrative buildings, in addition to public schools and buildings for the Community College.

The County reports the following major proprietary fund:

The *Water and Sewer Fund* accounts for the County's water and sewer operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted because a change in the charter is required to allow these assets to be used for other purposes.

The County reports the following fund types:

*Special Revenues Funds* are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. This definition establishes that at least one restricted or committed revenue source must be the foundation of the special revenue fund. The following revenue sources are included in special revenue funds: local transfer tax, fire and rescue tax, forest conservation developer fees, residential trash collection and disposal fees, grants, registration fees for recreational programs and fines for speed enforcement.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, except those accounted for in the General Capital Projects Fund and proprietary fund types.

*Debt Service Funds* are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

*Enterprise Funds* are used to account for the activities of the Special Recreation Facility Fund, Watershed Protection and Restoration Fund and Broadband Fund. The Special Recreation Facility Fund accounts for the operations and related debt service costs of a public golf course, the Watershed Protection and Restoration Fund accounts for the maintenance, operations, and improvement of the local stormwater management system and the Broadband Fund accounts for broadband services to private sector businesses as well as non-County government agencies and County departments and component units. All assets, except those available to fund current liabilities, are considered restricted because a change in the charter is required to allow these assets to be used for other purposes.

*Internal Service Funds* are funds used to account for goods and services furnished by one County department to another County department on a cost reimbursement basis. Internal Service Funds account for centralized vehicle fleet services; technology and communication operation; risk management activities for workers' compensation, general liability, environmental, vehicle and property insurance; and County employee health benefit costs.

*Agency Funds* are used to account for resources held in a custodial capacity on behalf of parties outside the government, including money paid by residents for State property tax, bay restoration fees, surety bonds held on construction work, and multifarious funds donated to be used by the Law Library, the Revenue Authority and the Domestic Violence Center.

*Pension Trust Funds* are used to account for the activities of the County's single-employer public employee retirement plans. These include the Police and Fire Employees' Retirement Plan and the General Employees' Plan. The plans account for employee contributions, County contributions and the earnings and profits from investments. They also account for the disbursements made for employee retirements, withdrawals, disability, and death benefits as well as administrative expenses. Annual Financial Reports for both pension trust funds can be obtained from their administrative office at Howard County, Maryland, Director of Finance, 3430 Court House Drive, Ellicott City, Maryland, 21043 or from the website at www.howardcountymd.gov.

*Other Post-Employment Benefits (OPEB) Trust Fund* was established to account for the other post employment benefits of the County and its component units. The trust fund acts as a funding mechanism for employers' cost of retiree benefits.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between water and sewer operations and other County departments because the elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as they are needed.

**D. Budgetary Process**

Pursuant to County Charter, the County Executive's capital and operating portions of the budget for all County funds are submitted to the County Council by April 1 and 21, respectively. The County Council holds public hearings before passing the annual budget appropriation ordinance. If the County Council does not pass the budget ordinance, the Executive's proposed budget ordinance stands adopted. The adopted budget becomes effective July 1, and provides the spending authority at the individual department level for the operations of the County government with the unexpended or unencumbered appropriation authority of the operating budget expiring the following June 30. Transfer of appropriations between general classifications of expenditures in the current expense budget within the same office or department and within the same fund may be authorized by the Executive. Transfers between offices, departments, institutions, boards, commissions or other agencies of the County government and within the same fund of the current expense budget may be made during the last quarter of the fiscal year and then only on the recommendation of the Executive and with the approval of the Council. Capital unencumbered appropriations continue until the capital project is closed.

During the fiscal year, the County Council, upon the request of the County Executive, may approve transfers between projects in the capital budget but it may not increase the total size of the capital budget. The County Council, at any time during the fiscal year, may approve supplemental operating budget requests from the County Executive. The budgeted contingency reserve, which may not exceed 4 percent of the appropriated budget, is the funding source for supplemental requests. After April 1 of each year, the Council may also, at the request of the Executive, approve transfers between departments in the operating budgets. The Council may approve supplemental budgets from un-appropriated funds only in emergencies affecting "life, health, and property." Additionally, the County Executive has the authority to make transfers within a department at any time during the year without approval of the County Council. During fiscal year 2019, the Council approved one operating budget supplement and two capital budget transfers.

Budgetary data, as revised, is presented in the Basic Financial Statements for the General and Agricultural Land Preservation Funds. Outstanding encumbrances are included in the final budget as actual expenditure amounts in those statements because they remain in force and do not lapse until the end of the subsequent fiscal year. Lapsed appropriations are reported as additions to fund balance on a budgetary basis.

## E. Deposits and Investments

### Cash Equivalents

The County considers all demand deposits and investments with a maturity of three months or less when purchased to be cash and cash equivalents.

### Investments

The County follows Governmental Accounting Standards Board (GASB) Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires marketable securities to be carried at fair value. The County has an internal investment pool that is available for use by all funds.

The investments of the Pension Trust Funds are reported at fair value or net asset value, as further described in note 2. The securities of the Pension Trust Funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in the Governmental Funds represent stripped-coupon U.S. Treasury securities stated at fair value in the Agricultural Land Preservation Fund. They are also reported in aggregate as part of U.S. Government Securities in the Equity in Pooled Cash and Cash Equivalents and Investments note.

Also, in accordance with investment policy, the Pension Trust Funds may invest in collateralized mortgage obligations (CMO) and putable bonds. These investments are reported as part of U.S. Government Agency notes in the Equity in Pooled Cash and Cash Equivalents and Investments note disclosure.

## F. Loans Receivable

For purposes of the fund financial statements, housing loans in the Community Renewal Fund are charged to the budget upon funding, and the loans are recorded with an offset to a committed fund balance account. A receivable, "due from component units," along with an offset to non-spendable fund balance, is recorded in the General Fund as the Howard Community College has an agreement to reimburse the County for bond issues related to construction costs of a parking deck and the Horowitz Visual and Performing Arts Center. For purposes of the government-wide financial statements, neither housing loans nor the receivable from the College are offset by restricted Net Position accounts.

## G. Inventory

Materials and supplies are valued at cost, using the weighted average method. Materials and supplies are recorded as assets when purchased, and charged to expenditures/expenses when consumed. This is referred to as the consumption method of inventory accounting. The County also has some materials and supplies that are expensed off directly when purchased, as they are consumable items purchased for the use within County, examples include office supplies, paper towels and cleaning materials.

## H. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The threshold for capital assets as defined by Howard County was raised to include assets with an initial, individual cost of $10,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value at the date donated.

Capital assets are depreciated using the straight-line method over the estimated useful lives (in years) as follows:

| | | | |
|---|---|---|---|
| Buildings | 50 | Computer Software | 5 |
| Infrastructure | 15-40 | Vehicles | 5-10 |
| Water and sewer lines | 50-100 | Furniture and equipment | 5-20 |

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized; they are charged to operations when incurred. Betterments and major improvements that significantly increases values, change capacities or extend useful lives are capitalized.

**I. Compensated Absences**

County employees are granted vacation, personal, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days. Classified employees are limited to an accrual of forty days and executive exempt employees are limited to an accrual of one hundred days. Employees who terminate employment are not reimbursed for accumulated sick leave. Payments made to terminated employees for accumulated vacation leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds, when paid. Accumulated vacation benefits at year-end are recorded as obligations in the Statement of Net Position and Proprietary Fund Statements.

**J. Self-Insurance**

The County establishes its funding of claims liabilities as they occur. This funding level includes provisions for indemnity, medical losses, and allocated loss adjustment expenses which are all classified as incremental claim adjustment expenses. Unpaid claims in the self-insurance funds include liabilities for unpaid claims based upon individual case estimates for claims reported and claims incurred but not reported (IBNR) as of fiscal year-end.

**K. Water and Sewer Assessments**

Water and sewer assessments are charged to property owners on a 30-year basis to recover the debt service on bonds used to construct main and lateral water and sewer lines which benefit such properties. A water and sewer assessments receivable (restricted assets) is established for the entire uncollected assessed amount. The portion of the receivable relating to bond principal is credited to Net Position and the portion representing interest is recognized as revenue when billed.

From 1980 to 2004, the receivable increased as the water and sewer system was being built. The receivable is now declining and will continue to do so as debt is retired and there are minimal new assessments. The Water and Sewer ad valorem charge (billed annually to all property within the Metropolitan District) is sufficient to fund the debt service related to the cost of infrastructure.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred *outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The government has several items that qualify for reporting in this category. The first is the deferred refunding amount reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The remaining line items are related to the pension, OPEB, and Length Of Service Award Program (LOSAP) plans reported in the government-wide statement of net position and encompass the following: changes in actuarial assumptions are amortized over the average expected remaining service life of employees, and the difference between expected and actual experience and the difference between projected and actual earnings on pension plan investments are amortized over five years. The final item is for pension, OPEB, and LOSAP contributions made subsequent to the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred *inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has several types of deferred inflows of resources that qualify for reporting in this category. In the government-wide statement of net position the government reports the following items related to the pension, OPEB, and LOSAP plans. Changes in actuarial assumptions and changes in actuarial experience study are amortized over the average expected remaining service life of employees. Investment earnings greater than projected are amortized over five years.

Under the modified accrual basis of accounting, several deferred inflows of resources are reported as unavailable revenues. In the governmental balance sheet the government reports deferred inflows of resources from: income and property taxes, fees, grant revenues and prepaid taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**M. Net Position Flow Assumptions**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**N. Fund Balance Flow Assumptions**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report 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. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**O. Fund Balance**

In the fund financial statements, fund balance is classified based on the extent to which the County is bound to observe constraints on the specific purposes for which the amounts can be spent. Fund balance is reported within one of the five fund balance categories listed below:

*Nonspendable* – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact such as a permanent fund. Not in spendable form includes items that are not expected to be converted to cash, such as inventories and prepaid items.

*Restricted* – Includes fund balance amounts that are restricted to specific purposes when constraints are placed on the use of resources by external parties, constitution provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation.

*Committed* – Includes fund balance amounts for which constraints have been imposed by the government itself, using the highest level of decision-making authority via County ordinances. In addition, these constraints can only be removed or changed through formal action by the Council.

*Assigned* – Includes fund balance amounts intended to be used for specific purposes. It is County policy that the County Executive assigns fund balance amounts in the General Fund at the recommendation of both the Director of Finance and the Budget Administrator. In addition, GASB 54 requires all residual amounts in special revenue funds to be reported as assigned.

*Unassigned* - Represents the residual fund balance of the General Fund (cannot be reported in other Governmental Funds unless amount is reported negative) after the above fund balance categories are reported.

## P. Reconciliation Between GAAP and Budgetary Basis

The General and Special Revenue Funds of the primary government have legally adopted annual budgets. The "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis" of both the General Fund and Agricultural Land Preservation Fund are prepared on a basis consistent with their budgets and are reported within the basic financial statements. The "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis" for Non-major Special Revenue Funds are prepared on a basis consistent with those budgets and are presented as supplementary information. The budgets are prepared using encumbrance accounting wherein encumbrances are treated as expenditures of the current period, including certain contractual services. Also, the budgets include appropriations of prior year fund balances as other sources in the current year. The "Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds" is prepared on a basis consistent with GAAP wherein encumbrances are treated only as an assignment of fund balance, prior year fund balances are not included as other sources, and contractual services/ expenditures are recorded on a modified accrual basis.

The financial statements are reconciled below:

| | General Fund | Agricultural Land Pres. Fund |
|---|---|---|
| Budgetary basis - revenues and other sources over expenditures and other uses | $ — | 299,661 |
| Appropriation from fund balance | (1,128,017) | — |
| Current year encumbrances outstanding | 9,003,069 | — |
| Prior year encumbrances expended this year | (7,818,394) | — |
| Effect of recording contractual service expenditures modified accrual basis | (167,272) | — |
| Unbudgeted transfers | (1,375,527) | |
| Other | (150,473) | (158,070) |
| GAAP basis - net change in fund balances | $ (1,636,614) | 141,591 |

The ending fund balances are reconciled as follows:

| | General Fund | Agricultural Land Pres. Fund |
|---|---|---|
| Budgetary basis - ending fund balance | $ 127,813,399 | 59,047,107 |
| Adjustments: | | |
| Elimination of encumbrances outstanding | 16,525,513 | — |
| Accruals | (1,162,308) | — |
| Unbudgeted transfers | (1,375,527) | — |
| Other | (1,193,160) | (158,070) |
| GAAP basis - ending fund balance | $ 140,607,917 | 58,889,037 |

## Q. Budget Stabilization Account

The County has established a budget stabilization account (also known as the Rainy Day Fund) to provide funding in cases of revenue shortfalls, which would not include anticipated revenue shortfalls unless the shortfall was quantified, and was of a magnitude that would distinguish it from other shortfalls that regularly occur during the normal course of governmental operation or emergency situations affecting life, health, or property. The County Charter sets a goal of maintaining the account at seven percent of audited General Fund expenditures for the most recently completed fiscal year at the time the budget is prepared. When the fiscal year 2019 budget was prepared, the fiscal year 2017 financial statements were the most recently completed and audited. Therefore, the charter target is based upon fiscal year 2017 audited expenditures. An increase of $2,619,263 was made to the fund in fiscal year 2019, which resulted in achieving the charter target of $73,958,202.

The budget stabilization account is calculated as follows:

| Budget Fiscal Year | Audited Expenditures from Fiscal Year | | Audited Expenditures* | Percentage | | Charter Target |
|---|---|---|---|---|---|---|
| 2019 | 2017 | $ | 1,056,545,745 | 7% | $ | 73,958,202 |
| 2020 | 2018 | $ | 1,083,504,317 | 7% | $ | 75,845,302 |
| 2021 | 2019 | $ | 1,109,325,749 | 7% | $ | 77,652,802 |

*Budgetary expenditures and encumbrances less pay-as-you-go expenditures.

**R. Net Position Restricted**

Net Position restricted by enabling legislation represents accumulated Net Position attributed to revenue sources, such as taxes and fees, which are restricted for specified purposes by State enabling legislation in the County Code. These amounts, which are included with restricted Net Position in the government-wide Statement of Net Position, were as follows at year-end:

| | | |
|---|---|---|
| Governmental activities | $ | 142,249,607 |
| Business-type activities | | 21,823,966 |
| Component units activities | | 28,783,914 |
| Total | $ | 192,857,487 |

**S. Fair Value Measurements**

Howard County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

**T. Implementation of New Accounting Principles**

Statement No. 83, "*Certain Asset Retirement Obligations,"* effective for reporting periods beginning after June 15, 2018. The requirements of this Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations (ARO), including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The Statement established criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life to the associated tangible capital assets. The County does not own any types of tangible capital assets that has a legal obligation to perform future asset retirement activities related to this Statement.

Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements",* effective for reporting periods beginning after June 15, 2018. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash or in lieu of cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement also requires that additional essential information related to debts be disclosed in notes to financial statements. For notes to financial statements related to debts, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The required changes are reflected in the County's financial statements.

Statement No. 89, *"Accounting for Interest Incurred Before the End of a Construction Period"*, effective for reporting periods beginning after December 15, 2019. The requirement of this Statement will improve financial reporting by providing more relevant information about capital assets and the cost of borrowing. This Statement requires the interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type or enterprise fund. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The Statement requires that the provisions be applied prospectively. The required changes currently have no impact on the County's financial statements and notes to the statements.

## 2. Equity in Pooled Cash and Cash Equivalents and Investments

The County's cash and cash equivalents and investments are managed separately from the Pension and Other Post-Employment Benefits Trust funds and each are discussed separately below.

### A. County's Cash and Cash Equivalents and Investments

The County maintains a cash, cash equivalents, and investment pool that is available for use by all funds except the Pension and Other Post-Employment Benefits Trust funds. Each County fund is allocated interest income based on its share of the investment pool. Except as otherwise legislated, interest income earned by Governmental and Internal Service Funds is transferred to the General Fund.

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits. The carrying amount of total deposits, including certificates of deposit, for the County was 53,161,843 and the bank balance was $57,009,870, at fiscal year-end. The bank balance was covered by federal depositary insurance or by collateral held by the County's agent in the County's name. Petty cash was $14,224 at June 30, 2019.

The County's component units had a combined bank balance of $40,384,301, of which $304,532, reported by the Housing Commission, was not collateralized. All other bank balances were covered by federal depositary insurance or by collateral held by the component unit's agent in the component unit's name. The component units do not have a policy covering deposits.

The table below reconciles the County's deposits and investments to the government-wide Statement of Net Position and the Statement of Fiduciary Net Position – Pension and Other Post-Employment Benefits Trust Funds and Agency Funds:

| Statement of Net Position Amounts: | Primary Government | Fiduciary Funds | Component Units |
|---|---|---|---|
| Equity in pooled cash and investments | $ 345,515,299 | 7,242,780 | 62,784,448 |
| Cash with fiscal agent | 20,410,337 | — | — |
| Restricted equity in pooled cash and cash equivalents | 167,524,190 | — | 7,809,892 |
| Investments | 42,810,778 | 1,253,775,698 | 94,246,873 |
| Total | 576,260,604 | 1,261,018,478 | 164,841,213 |
| | | | |
| Deposits and Investment Summary: | | | |
| Carrying value of cash deposits | 45,919,063 | 7,242,780 | 70,594,340 |
| Investments | 530,341,541 | 1,253,775,698 | 94,246,873 |
| Total | $ 576,260,604 | 1,261,018,478 | 164,841,213 |

Investments: The County has adopted an investment policy that is designed to provide maximum safety and liquidity of funds while providing a reasonable rate of return. Permissible investments include U.S. Treasury Obligations, U.S. Government Agency and U.S. Government-Sponsored Enterprises, repurchase agreements, collateralized certificates of deposit, bankers' acceptances, commercial paper, the Maryland Local Government Investment Pool, and mutual funds dealing in government securities. The County's policy and State law require that the underlying collateral for repurchase agreements and certificates of deposit must have a market value of at least 102% of the investment's cost plus accrued interest.

The County's policy is more restrictive than State law, limiting the percentage of total portfolio that can be invested in certain investment types. These investment types, and the maximum percentage of the portfolio that can be invested in each are: U.S. Treasury Obligations – 100%, U.S. Government Agency and U.S. Government-Sponsored Enterprises – 90%, repurchase agreements – 90%, collateralized certificates of deposit – 5%, bankers' acceptances – 30%, commercial paper – 10%, mutual funds – 60% and supranational issuers - 40%. State law places no limits on these types of investments. Another restriction the County has is to limit the maximum amount invested through any broker, dealer or other financial institution to 40% of the portfolio. In addition, all component units have investment policies.

Investments of the County and its Component Units at fiscal year-end:

| Investment Type | Fair Value | | |
|---|---|---|---|
| | Primary Government | Component Units | Total Reporting Entity |
| U.S. Government Securities | $ 42,810,778 | — | 42,810,778 |
| U.S. Government - Sponsored Enterprises | 266,755,000 | — | 266,755,000 |
| Maryland Local Govt. Investment Pool | 191,296,460 | 77,426,320 | 268,722,780 |
| Money market funds | 29,479,303 | — | 29,479,303 |
| Fixed income | — | 2,877,196 | 2,877,196 |
| Mutual funds | — | 5,093,739 | 5,093,739 |
| Interest in external investment pool | — | 5,006,807 | 5,006,807 |
| Interest in irrevocable trust | — | 132,971 | 132,971 |
| Treasury bills | — | 734,951 | 734,951 |
| Equity in properties under home ownership | — | 2,974,889 | 2,974,889 |
| Total | $ 530,341,541 | 94,246,873 | 624,588,414 |

**Fair Value Measurement**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2019:

| Investments by fair value level: | Total | Primary Government Fair Value Measurements Using | | |
|---|---|---|---|---|
| | | (Level 1) | (Level 2) | (Level 3) |
| U.S. Government Securities | $ 42,810,778 | 42,810,778 | — | — |
| U.S. Government - Sponsored Enterprises | 266,755,000 | — | 266,755,000 | — |
| Total investments by fair value level | 309,565,778 | 42,810,778 | 266,755,000 | — |
| Investments measured at amortized cost: | | | | |
| Maryland Local Govt. Investment Pool | 191,296,460 | | | |
| Money market funds | 29,479,303 | | | |
| Investments measured at amortized cost | 220,775,763 | | | |
| Total investments | $ 530,341,541 | | | |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy refers to securities not traded on an active market but for which observable market inputs are readily available. Fixed income securities are priced on a daily basis, market to market, using a variety of third party pricing sources, market data and methodologies.

| Investments by fair value level: | Total | Component Units Fair Value Measurements Using (Level 1) | (Level 2) | (Level 3)* |
|---|---|---|---|---|
| Treasury bills | $ 734,951 | 734,951 | — | — |
| Fixed income | 2,877,196 | 2,877,196 | — | — |
| Mutual funds | 5,093,739 | 5,093,739 | — | — |
| Interest in external investment pool | 5,006,807 | — | — | 5,006,807 |
| Interest in irrevocable trust | 132,971 | — | 132,971 | — |
| Total investments by fair value level | 13,845,664 | 8,705,886 | 132,971 | 5,006,807 |
| Investments measured at amortized cost: | | | | |
| Maryland Local Govt. Investment Pool | 77,426,320 | | | |
| Investments measured at amortized cost | 77,426,320 | | | |
| Investments measured at the net asset value (NAV): | | | | |
| Equity in properties under home ownership | 2,974,889 | | | |
| Total investments measured at the NAV | 2,974,889 | | | |
| Total investments | $ 94,246,873 | | | |

* The Howard Community College Educational Foundation's interest in an external investment pool have no readily determined market value and are valued at fair value as estimated by the University System of Maryland Foundation (USMF). USMF's management estimates fair value of the underlying market values of the investments. Because of the inherent uncertainty of the valuation, it is reasonably possible that such estimated values may differ from the values that would have been used had a ready market for the securities existed.

Interest Rate Risk: The County's investment policy requires that the majority of investments have a maturity of one year or less, except for U.S. Treasury stripped coupon securities purchased as part of the Agricultural Land Preservation Program (see Note 7). These securities have no coupon and have long-term maturity lengths; therefore, they are very interest-rate sensitive. If market interest rates were to rise, the market value of these securities would decline further than a similar coupon-paying Treasury security. Conversely, if market interest rates were to fall, the market value of these securities would rise further than a similar coupon-paying Treasury security. The County plans to hold these securities to their maturity.

At fiscal year-end, the County had a $25,245,000 callable investment. The call date was 9 months before final maturity. In calculating weighted average maturity, we made the assumption that the investment would be called.

The following is a list of County investments included in the computation of weighted average maturities:

| Investment Type | Fair Value/ Amortized Cost | Weighted Average Maturity (in years) |
|---|---|---|
| U.S. Government Securities | $ 42,810,778 | 2.92 |
| U.S. Government - Sponsored Enterprises | 266,755,000 | 0.46 |
| Total | $ 309,565,778 | |
| Portfolio weighted average maturity | | 0.80 |

The Maryland Local Government Investment Pool (MLGIP) was created under the Annotated Code of Maryland. The intent of the pool is to provide a safe investment vehicle for short-term investments. The MLGIP is administrated by the Maryland State Treasurer. Participation is voluntary and eligibility is regulated by MLGIP Local Government Article.

The MLGIP and the money market funds used by the County are operated in accordance with Rule 2a-7 of the Investment Company Act of 1940 and not registered with the Securities and Exchange Commission (SEC). The County's investments in these pools are not included in the computation of weighted average maturity. The unit value is at amortized cost with a $1 per share value.

Credit Risk: State law limits investments in bankers' acceptances and commercial paper to the highest short-term debt letter and numerical rating by at least one nationally recognized statistical rating organization. All investments in U.S. Government Sponsored Enterprises are rated AA+ by Standard & Poor's. The Maryland Local Government Investment Pool and the money market fund are both rated AAAm by Standard & Poor's. Investments in short-term commercial paper is rated P-1 by Moody's Investor Services.

Concentration of Credit Risk: The County's investment policy places no limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in the Federal Home Loan Bank, Federal Farm Credit Bank and the Federal Agricultural Mortgage Corporation. At fiscal year-end, investments in these U.S. Government Sponsored Enterprises represent 86.17% of the County's total investments.

**B. Pension Trust Funds' Cash and Investments**

The County's Pension Trust funds, the Howard County Police and Fire Employees' Retirement Plan, and the Howard County Retirement Plan (the Plans), share commingled funds that are allocated based on each Plan's percentage of ownership. The Plans have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long-term total return consistent with the level of risk assumed. To help achieve this return, professional investment managers are employed by the Plans to manage the Plans' assets. The Plans employ State Street Bank as trustee for their assets.

Investments: The Plans' investment policy includes an asset allocation plan for investments:

| Asset Class | Minimum Allocation | Target | Maximum Allocation |
|---|---|---|---|
| Equities | 30.0% | 40.0% | 50.0% |
| Fixed income | 20.0% | 30.0% | 40.0% |
| Alternative investments | 18.0% | 23.0% | 28.0% |
| Real assets | 2.0% | 7.0% | 12.0% |

Investments of the Plans at fiscal year-end:

| Investments | Fair Value/NAV |
|---|---|
| Equities | $ 462,432,977 |
| Fixed income | 307,599,448 |
| Alternative investments | 270,113,695 |
| Real assets | 37,911,182 |
| Money market funds | 20,808,171 |
| Total | $ 1,098,865,473 |

Interest rate risk: The Plans' investment policy does not place any limits on the professional investment managers with respect to the duration of investments managed for the Plans. Following is a list of County Plan investments included in the computation of weighted average maturities.

| Investment Type | | Fair Value/ NAV | Weighted Average Maturity (in years) |
|---|---|---|---|
| Corporate bonds | $ | 54,960,762 | 11.93 |
| U.S. Government - Sponsored Enterprises | | 41,911,945 | 25.13 |
| Government Issued / Treasuries | | 11,375,089 | 7.04 |
| Other asset backed securities | | 6,831,038 | 22.78 |
| Collateralized mortgage obligations | | 4,964,122 | 39.77 |
| Municipal securities | | 2,350,916 | 16.40 |
| Alternative investments, mutual funds and TIPS identified as fixed income for reporting purposes | | 185,205,576 | N/A |
| Total | $ | 307,599,448 | |
| Portfolio weighted average maturity | | | 17.82 |

Credit Risk: The money market fund used by State Street Bank is unrated, as are the mutual funds used by the Plans. At fiscal year-end, the Plans' fixed income investments had the following risk characteristics:

| Standard & Poor's Rating or Comparable | | Fair Value |
|---|---|---|
| AAA to A- | $ | 18,205,054 |
| BBB to BB- | | 45,579,038 |
| Not rated | | 243,815,356 |
| Total | $ | 307,599,448 |

Custodial Credit Risk: State Street Bank invests in Government Short-Term Investment Fund (GSTIF) on behalf of the Plans. At fiscal year-end, the amount in this fund at fair value was $18,583,966 which was partially used for settlement of open purchases of $5,460,439. All other investments of the fund are held by State Street Bank as trustee in the Plans' names.

Credit Risk - Currency Forward Contract: One of the Plans' investment objectives is to diversify assets in accordance with the Modern Portfolio Theory (MPT) in order to reduce overall risk. Consistent with this objective, the Plans have participated in a mutual fund that holds three-month currency forward contracts. This strategy is undertaken to protect the dollar value of underlying international investments. The hedging is restricted to 100% of the underlying asset value and 50% of the total Fund value. At fiscal year-end, there were no hedges in place.

Foreign Currency Risk: The Plans' exposure to foreign currency risk derives from its investments in foreign currency or instruments denominated in foreign currency. Investments in such securities are limited to a maximum net currency exposure of 37.0% at any given time. The Plans were exposed to foreign currency risk through the Pool's investments in Euro denominated alternative investments. The Pool total of these investments were $17,753,986 and $19,054,279 in 2019 and 2018, respectively.

**Pension Trust Funds' Fair Value Measurement**

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. It has the following recurring fair value measurements as of June 30, 2019:

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| Investments by fair value level | Total | (Level 1) | (Level 2) | (Level 3) |
| Debt securities: | | | | |
| Collaterized Mortgage Obligations (Fannie Mae and Freddie Mac) | $ 4,964,122 | — | 4,964,122 | — |
| Corporate bonds | 54,960,763 | — | 54,960,763 | — |
| Commingled funds (fixed income) | 115,749,970 | — | 115,749,970 | — |
| FHLMC and FNMA bonds | 41,911,945 | — | 41,911,945 | — |
| U.S. Treasury Securities | 11,375,089 | — | 11,375,089 | — |
| Municipals bonds | 2,350,916 | — | 2,350,916 | — |
| Other asset backed securities | 6,831,038 | — | 6,831,038 | — |
| Preferred stock | 1,310,525 | 1,310,525 | — | — |
| Total debt securities | 239,454,368 | 1,310,525 | 238,143,843 | — |
| Equity securities: | | | | |
| Common Stocks | 236,766,214 | 236,766,214 | — | — |
| Small Company Portfolio | 22,809,550 | 22,809,550 | — | — |
| Emerging Markets Value Portfolio | 95,276,505 | 95,276,505 | — | — |
| Real Estate Investment Trusts (REITS) | 4,389,970 | 4,389,970 | — | — |
| Total equity securities | 359,242,239 | 359,242,239 | — | — |
| Total investment by fair value level | 598,696,607 | 360,552,764 | 238,143,843 | — |
| Investments measured at the net asset value (NAV): | | | | |
| Private equity funds | 148,138,133 | | | |
| Equity hedge funds | 121,975,562 | | | |
| Real assets funds | 37,911,182 | | | |
| International equity funds | 60,521,468 | | | |
| Commingled fund within international equities | 42,669,270 | | | |
| Commingled fund within international fixed income | 45,609,054 | | | |
| Commingled fund within domestic fixed income | 22,536,026 | | | |
| Total investments measured at the NAV | 479,360,695 | | | |
| Total investments measured at fair value/NAV* | $ 1,078,057,302 | | | |

*Does not include money market funds totaling $20,808,171, of which $18,583,966 represents securities that have remaining maturities of less than 1 year and may be measured at amortized cost.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy refers to securities not traded on an active market but for which observable market inputs are readily available. Fixed income securities are priced on a daily basis, market to market, using a variety of third party pricing sources, market data and methodologies.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented below:

| | Fair Value | Unfunded Commitments | Frequency (if Currently Eligible) | Notice Period |
|---|---|---|---|---|
| Private equity funds | $ 148,138,133 | 43,992,324 | Illiquid | N/A |
| Equity Hedge fund 1 | 60,318,661 | — | Quarterly | 65 days |
| Equity Hedge fund 2 | 61,656,901 | — | Semi Annually | 95 days |
| Real assets funds | 37,911,182 | 39,424,314 | Illiquid | N/A |
| International equity funds | 60,521,468 | — | Monthly | 15 days |
| Commingled fund within international equities | 42,669,270 | — | Weekly | 4 days |
| Commingled fund within international fixed income | 45,609,054 | — | Bi-monthly | 5 days |
| Commingled fund within domestic fixed income | 22,536,026 | — | Daily | 2 days |
| | $ 479,360,695 | | | |

Private Equity Funds: This represents investments through fund of funds ("FOF") vehicles and invest in both debt and equity strategies. Exposures are diversified by manager, region, strategy and vintage year. Managers retained pursue distressed debt, venture, or buyout strategies. This type also includes investment in the private equity secondary market. The FOF investments have 10 – 40 underlying managers/funds building broad exposures for diversified performance. These funds have liquidity restrictions for the life of the investment, 7 – 10 years. Options for exit are limited to sale on the secondary market. Capital commitments are made to these types of investments and funds are invested through a call down structure.

Equity Hedge Funds: This represents investments in two Hedge Fund of Fund ("FOF") managers. Each FOF manager invests in underlying hedge funds to provide a broadly diversified portfolio. One invests with 90 – 100 underlying managers/funds to execute its global market strategy. The other invests in 20 – 40 underlying managers/funds in a relative value mandate. The hedge fund strategy is designed to diversify by manager/fund to reduce single manager/fund risk while offering portfolio diversification and provide a return profile that is uncorrelated to the rest of the assets in the portfolio. The fair values of the investments are determined using the NAV per share (or its equivalent) of the investments. These funds have liquidity restrictions of 3 to 6 months.

Real Assets Funds: This represents funds that invest in institutional real estate (office, multi-family, industrial, and retail) and natural resources strategies. The fair values of the investments in these strategies are determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partnership's capital. The real estate strategies deployed include a US focused property strategy (core to core plus) and a global fund of funds ("FOF") strategy. The global FOF manager invests in 20 – 30 underlying managers/funds. The natural resources investments are through FOF strategies. The natural resource managers invest in 10 – 25 underlying relationships as they build a diversified portfolio with exposure to oil, natural gas, agriculture, timber and other natural resources. Capital commitments are made to these types of investments and funds are invested through a call down structure. These funds have liquidity restrictions for the life of the investment, 7 – 10 years. Options for exit are limited to sale on the secondary market.

International Equity Funds: This represents investments primarily in value oriented equity securities of international developed markets (non-U.S. issuers; e.g. MSCI/EAFE) with the objective of achieving a long term return above a passive benchmark (EAFE). This manager focuses on a dividend discount model value based philosophy for publicly traded equity. All securities are recorded at fair value. Foreign securities are valued on the basis of quotations from the primary market in which they are traded and translated at each valuation date from the local currency into U.S. dollars using current exchange rates. The Fund may enter into forward foreign currency exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar-denominated investment securities.

Commingled Fund within International Equities: This represents investments made in predominantly listed large and mega capitalization securities in emerging markets. The objective of this fund is to achieve a long-term return above a passive benchmark (e.g. MSCI EM Index). The manager employs a flexible, research intensive investment approach to own high

quality businesses over the long term. NAVs are normally calculated as of 4:00pm Eastern Time for each business day the relevant exchange is open. Securities for which market quotations are readily available and reliable are to be valued using the applicable market quotations.

Commingled Fund within International Fixed Income: This represents investments primarily in a globally diversified portfolio of high quality sovereign bonds and currencies in emerging markets (non U.S. issuers; e.g. MSCI EM). The objective of this fund is to generate income, preserve capital, and enhance principal above a passive benchmark (JP Morgan GBI-EM Global Diversified Index). NAV for the Fund is only calculated twice a month on the last business day and the 15th (or next business day if the 15th is a non-business day).

Commingled Fund within Domestic Fixed Income: The Strategy is managed using an "indexing" investment approach, by which the manager attempts to approximate, before expenses, the performance of the Index (e.g. Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index) over the long term. The manager expects that it will typically seek to replicate Index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where the manager believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets). NAVs are normally calculated as of 4:00pm Eastern Time for each business day the relevant exchange is open. Securities for which market quotations are readily available and reliable are to be valued using the applicable market quotations.

**Other Post-Employment Benefits (OPEB) Trust Funds' Cash, Cash Equivalents and Investments**

The County's OPEB Trust funds have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long-term total return consistent with the level of risk assumed. To help achieve this return, professional investment managers are employed by the Plans to manage the Plans' assets. The Trust employs U.S. Bank as the custodian of its assets.

Investments: The Plans' investment policy includes an asset allocation plan for investments:

| Asset Class | Minimum Allocation | Target | Maximum Allocation |
|---|---|---|---|
| Equities | 39.0% | 65.0% | 99.0% |
| Fixed income | 20.0% | 35.0% | 60.0% |

Investments of the Plans at fiscal year-end:

| Investments | | Fair Value/Amortized Cost |
|---|---|---|
| Cash | $ | 336,048 |
| Mutual Funds | | 154,445,416 |
| Money market funds | | 128,761 |
| Total | $ | 154,910,225 |

Credit Risk: The Maryland Local Government Investment Pool, included in Money Market Funds in the above schedule, is rated AAAm by Standard & Poor's. The money market funds used by U.S. Bank are unrated, as are the mutual funds used by the Plans.

**Other Post Employment Benefits (OPEB) Trust Funds' Fair Value Measurement**

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. It has the following recurring fair value measurements as of June 30, 2019:

| Investments by fair value level | | Total | Fair Value Measurement Using (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|---|
| Mutual Funds: | | | | | |
| Mutual Funds - Equity | $ | 100,582,025 | 100,582,025 | — | — |
| Mutual Funds - Fixed Income | | 53,863,391 | 53,863,391 | — | — |
| Total Mutual Funds | | 154,445,416 | 154,445,416 | — | — |
| Total investment by fair value level * | $ | 154,445,416 | 154,445,416 | — | — |

*Does not include cash and money market funds totaling $220,451, which represents securities that have remaining maturities of less than 1 year and may be measured at amortized cost.

## 3. Receivables

Receivables at fiscal year-end of the County's major individual funds and other aggregate remaining funds (including non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds), including the applicable allowances for uncollectible accounts, are as follows:

| Receivables: | General Fund | Agricultural Land Pres. Fund | General Capital Project Fund | Water and Sewer Fund | Fiduciary Funds | Non-Major and Other Funds | Total |
|---|---|---|---|---|---|---|---|
| Property taxes | $ 5,808,086 | — | — | 341,177 | 534,227 | 857,805 | 7,541,295 |
| Due from other governments | 151,072,305 | 829,492 | 1,153,110 | 93,497 | — | 16,040,126 | 169,188,530 |
| Due from component units | 11,632,263 | — | 9,268,869 | — | — | 5,682,544 | 26,583,676 |
| Housing loans | — | — | — | — | — | 13,588,326 | 13,588,326 |
| Other | 1,570,361 | — | — | 674,241 | 4,816,397 | 3,392,844 | 10,453,843 |
| Service billings | — | — | — | 11,760,834 | | 156,434 | 11,917,268 |
| Water and sewer assessments | — | — | — | 21,263,966 | — | — | 21,263,966 |
| Gross receivables | 170,083,015 | 829,492 | 10,421,979 | 34,133,715 | 5,350,624 | 39,718,079 | 260,536,904 |
| Less: Allowance for uncollectibles | (1,289,122) | — | — | — | — | — | (1,289,122) |
| Total Receivables | $ 168,793,893 | 829,492 | 10,421,979 | 34,133,715 | 5,350,624 | 39,718,079 | 259,247,782 |

Property tax, services billings and water and sewer assessments receivables in the proprietary funds are liens on real property that will be sold via the annual tax sale process if not paid, therefore, an allowance has not been established. Due from other governments consists of uncollected tax and grant revenues from Federal and State governments.

## 4. Interfund Receivables, Payables, and Transfers

**Interfund Receivables and Payables:**

The composition of interfund balances (Due to/from other funds) at fiscal year-end is as follows:

| Due from other funds | Due to other funds | Amount |
|---|---|---|
| General Fund | General Capital Projects | $ 16,478,013 |
| | Special Recreation Facility | 3,343,475 |
| | | 19,821,488 |
| Highway Fund | Storm Drain Capital Projects | 22,440,545 |
| Recreation Program Fund | Special Recreation Facility | 422,000 |
| | | 22,862,545 |
| Total Inter-fund Receivable/Payable | | $ 42,684,033 |

The balances are cash deficits related to normal operations.

**Transfers:**

Interfund transfers for the year consisted of the following:

| Fund | General Fund | General Capital Projects Fund | Agricultural Land Pres. Fund | Non-Major Governmental Funds: Special Revenue Funds | Non-Major Governmental Funds: Debt Service Funds | Non-Major Governmental Funds: Capital Projects Funds | Enterprise Funds | Internal Service Funds | Total In |
|---|---|---|---|---|---|---|---|---|---|
| Major Funds | | | | | | | | | |
| General Fund | $ — | 7,311,346 | 203,633 | 3,472,316 | 170,439 | 15,173,434 | — | 614,913 | 26,946,081 |
| General Capital Projects | 2,767,274 | — | — | — | — | — | 72,676 | 10,363,286 | 13,203,236 |
| Non-Major Funds | | | | | | | | | |
| Special Revenue | 515,608 | — | — | — | 175,000 | — | — | — | 690,608 |
| Debt Service | 2,210,094 | — | — | — | — | — | — | — | 2,210,094 |
| Capital Projects | 7,219,043 | 4,731,759 | — | 1,200,000 | — | 10,329 | 9,896,708 | — | 23,057,839 |
| Enterprise Funds | 1,671 | — | — | — | — | — | — | 555,170 | 556,841 |
| Total Out | $12,713,690 | 12,043,105 | 203,633 | 4,672,316 | 345,439 | 15,183,763 | 9,969,384 | 11,533,369 | 66,664,699 |

The transfers from the General Fund are the disbursement of pay-as-you-go funding to various capital projects, funding of bond anticipation note, debt service expenditures in excess of interest income, and interest allocation to various funds. Transfer tax revenue is dedicated to various functions in the Capital Projects and Non-Major Special Revenue Funds. Part of that revenue is then transferred to the General Fund to cover each function's share of debt service costs for the year. Transfers from the Non-Major Enterprise Funds are to pay for watershed protection related capital projects.

## 5. Property Tax and Transfer Tax

The County's real property tax is levied each July 1 on the assessed value certified as of that date for all taxable real property located in the County. Assessed values are established by the Maryland State Department of Assessments and Taxation at 100 percent of estimated market value. The State uses January 1 as the date of finality and processes additions, deletions and corrections throughout the year. A revaluation of all property is required to be completed every three years. County taxes are due and payable, and become a lien on the property, on July 1 of each fiscal year. A discount of ½ percent is allowed if payment is made in July. Property taxes are billed and payable semi-annually on properties designated as "principal residence" unless a taxpayer makes an election to pay annually. The first installment is due by September 30 while the second installment is due December 31. If delinquent, taxes are charged a penalty and interest (1.5 percent) each month that they remain unpaid. If the annual payment election is made, taxes become delinquent October 1 and are charged a penalty and interest (1.5 percent) each month that taxes remain unpaid. Tax lien certificates are sold at a public auction in May or June for properties with delinquent taxes. Property taxes levied during the current year are recorded as receivables and revenue, net of estimated uncollectible amounts of personal property tax. The net receivables uncollected 60 days after year-end are recorded as deferred inflows of resources as described in Note 3.

The Howard County Code imposes a transfer tax upon every instrument of writing conveying title to real or leasehold property offered for sale or lease and recorded in Howard County. The Code specifies that the proceeds shall be distributed to the School Construction Fund (25 percent), the Recreation and Parks Fund (25 percent), the Agricultural Land Preservation Fund (25 percent), the Community Renewal Fund (12-1/2 percent), and the Fire Service Building and Equipment Fund (12-1/2 percent).

## 6. Capital Assets

Capital asset activity for governmental activities for the fiscal year was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Governmental activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land improvements | $ 594,852,144 | 7,988,018 | 449,290 | 602,390,872 |
| Construction in progress | 70,541,932 | 127,351,645 | 96,280,550 | 101,613,027 |
| Total capital assets, not being depreciated | 665,394,076 | 135,339,663 | 96,729,840 | 704,003,899 |
| Capital assets being depreciated: | | | | |
| Buildings | 405,562,714 | 5,867,535 | 1,560,050 | 409,870,199 |
| Improvements other than buildings | 260,918,061 | 35,922,232 | 4,601,402 | 292,238,891 |
| Machinery and equipment | 199,660,114 | 19,055,431 | 7,343,784 | 211,371,761 |
| Infrastructure | 534,834,905 | 32,365,670 | 24,937,439 | 542,263,136 |
| Total capital assets, being depreciated | 1,400,975,794 | 93,210,868 | 38,442,675 | 1,455,743,987 |
| Less accumulated depreciation for: | | | | |
| Buildings | 112,958,950 | 8,064,878 | 458,034 | 120,565,794 |
| Improvements other than buildings | 122,652,690 | 17,009,104 | 1,970,266 | 137,691,528 |
| Machinery and equipment | 126,062,779 | 15,074,615 | 6,680,508 | 134,456,886 |
| Infrastructure | 232,886,284 | 15,932,127 | 832,924 | 247,985,487 |
| Total accumulated depreciation | 594,560,703 | 56,080,724 * | 9,941,732 | 640,699,695 |
| Total capital assets, being depreciated, net | 806,415,091 | 37,130,144 | 28,500,943 | 815,044,292 |
| Governmental activities capital assets, net | $ 1,471,809,167 | 172,469,807 | 125,230,783 | 1,519,048,191 |

Depreciation expense was charged to functions/programs of governmental activities as follows:

| Governmental activities: | Amount |
|---|---|
| General government | $ 1,620,210 |
| Public safety | 5,140,306 |
| Public facilities | 30,148,373 |
| Legislative and judicial | 25,244 |
| Community services | 302,951 |
| Recreation and parks | 7,013,718 |
| Education | 2,575,472 |
| Capital assets held by the government's internal service funds are charged to the various functions based on usage of assets | 8,880,415 |
| Total depreciation expense - governmental activities | $ 55,706,689 * |

* Transfer of assets are processed via the gross method, wherein the original acquisition cost and accumulated depreciation amounts are transferred separately. Among transfers between governmental and enterprise business type activities, the related depreciation expense does not transfer with the asset resulting in a variance between increases to accumulated depreciation and depreciation expense.

Capital asset activity for business-type activities for the fiscal year was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Business-type activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land improvements | $ 11,753,538 | 449,290 | — | 12,202,828 |
| Construction in progress | 95,136,036 | 63,602,848 | 31,405,420 | 127,333,464 |
| Total capital assets, not being depreciated | 106,889,574 | 64,052,138 | 31,405,420 | 139,536,292 |
| Capital assets being depreciated: | | | | |
| Buildings | 238,062,093 | — | — | 238,062,093 |
| Improvements other than buildings | 84,015,815 | 3,542,719 | 91,754 | 87,466,780 |
| Machinery and Equipment | 17,169,581 | 2,179,690 | 1,135,826 | 18,213,445 |
| Infrastructure | 741,431,449 | 60,298,590 | — | 801,730,039 |
| Total capital assets, being depreciated | 1,080,678,938 | 66,020,999 | 1,227,580 | 1,145,472,357 |
| Less accumulated depreciation for: | | | | |
| Buildings | 88,110,302 | 4,684,796 | — | 92,795,098 |
| Improvements other than buildings | 47,802,795 | 3,569,287 | 91,754 | 51,280,328 |
| Machinery and Equipment | 6,922,834 | 1,420,997 | 374,037 | 7,969,794 |
| Infrastructure | 312,080,889 | 15,454,800 | — | 327,535,689 |
| Total accumulated depreciation | 454,916,820 | 25,129,880 * | 465,791 | 479,580,909 |
| Total capital assets, being depreciated, net | 625,762,118 | 40,891,119 | 761,789 | 665,891,448 |
| Business-type activities capital assets, net | $ 732,651,692 | 104,943,257 | 32,167,209 | 805,427,740 |

Depreciation expense was charged to functions/programs of business-type activities as follows:

| Business-type activities: | Amount |
|---|---|
| Water and sewer system | $ 23,014,627 |
| Golf course | 147,141 |
| Inter-County Broadband | 876,907 |
| Watershed | 112,234 |
| Total depreciation expense - business-type activities | $ 24,150,909 * |

* Transfer of assets are processed via the gross method, wherein the original acquisition cost and accumulated depreciation amounts are transferred separately. Among transfers between governmental and enterprise business type activities, the related depreciation expense does not transfer with the asset resulting in a variance between increases to accumulated depreciation and depreciation expense.

**Construction Commitments:**

Total construction encumbrances outstanding at fiscal year-end were $115,463,939.

## 7. Long-Term Obligations

### A. Primary Government

A summary of long-term liabilities outstanding for the primary government at fiscal year-end is as follows:

| | Due Dates at Fiscal Year Ending | Interest Rates | | Amount Outstanding |
|---|---|---|---|---|
| Governmental Activities | | | | |
| Consolidated public improvement bonds | 2020 - 2039 | 3.00% to 5.00% | | $ 1,107,025,478 |
| Total debt subject to statutory limit | | | | 1,107,025,478 |
| Tax increment financing bonds | 2020 - 2048 | 4.00% to 6.10% | | 65,100,000 |
| Capital leases | various | 1.639% to 2.880% | | 31,603,394 |
| Agricultural land preservation program | 2019 - 2037 | 2.19% to 8.60% | | 93,483,238 |
| Total Governmental Activities | | | (1) | $ 1,297,212,110 |
| Business Type Activities: | | | | |
| Metropolitan district bonds | 2020 - 2049 | 2.00% to 5.00% | | $ 326,560,000 |
| State water quality revolving loan | 2019 - 2031 | 1.00% to 2.40% | | 14,572,847 |
| Consolidated Public Improvement Bonds - Watershed Protection | 2020 - 2039 | 3.00% to 5.00% | | 2,334,523 |
| Special facility revenue bonds | 2019 - 2022 | 2.475% | | 2,217,000 |
| MDE Loan | 2019 - 2028 | 2.95% | | 1,559,884 |
| Broadband Bonds | 2021 - 2023 | 2.00% to 3.00% | | 2,535,000 |
| Total Business Type Activities | | | (2) | $ 349,779,254 |
| Total | | | | $ 1,646,991,364 |

Note (1): Does not include deferred refunding premium liability of $139,356,696, compensated absences of $26,443,323, net OPEB liability of $353,228,214, net pension liability of $150,671,742, LOSAP liability of $21,907,552, landfill closure liability of $23,430,000 unpaid claims of $20,215,850 other non-current liabilities of $9,132,933 and unamortized bond discount of ($24,516) included in the Statement of Net Position.

Note (2): Does not include compensated absences liability of $891,193, net OPEB liability of $23,102,908, net pension liability of $2,037,339, major water and sewer agreements $874,412 and deferred refunding premium of $24,444,168 included in the Statement of Net Position.

The County is subject to State and County law which limits the amount of applicable General County debt outstanding to 4.8 percent of the assessed value of real property and personal property located in the County. At fiscal year-end the statutory debt limit was $2,563,805,580, providing a debt margin of $1,360,076,708. The authorized, unissued General County Bonds, Metropolitan District Bonds and Tax Increment Finance Bonds at fiscal year-end were $446,618,476, $222,646,214 and $71,775,000, respectively. It is the County's intent to use such unissued bonds to fund future capital projects. There is no overlapping municipal bonded debt in the County and the County is in compliance with debt agreement provisions.

The changes in long-term obligations for the primary government for the fiscal year are as follows:

| | Beginning Balance | | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|---|
| Governmental Activities | | | | | | |
| Consolidated public improvement bonds | $ 1,062,345,001 | | 131,295,477 | 86,615,000 | 1,107,025,478 | 69,771,600 |
| Tax increment financing bonds | 65,165,000 | | — | 65,000 | 65,100,000 | 90,000 |
| Compensated absences | 26,336,346 | * | 3,845,962 | 3,738,985 | 26,443,323 | 273,037 |
| Capital leases | 35,011,551 | | 2,223,000 | 5,631,157 | 31,603,394 | 4,521,335 |
| Landfill closure obligation | 23,085,000 | | 345,000 | — | 23,430,000 | 5,994,184 |
| Agricultural land preservation program | 97,715,767 | | — | 4,232,529 | 93,483,238 | 17,059,529 |
| Deferred refunding premium | 140,958,111 | | — | 1,601,415 | 139,356,696 | — |
| Unpaid Claims | 18,511,322 | | 1,704,528 | — | 20,215,850 | 7,518,250 |
| Net OPEB liability | 321,573,764 | | 31,654,450 | — | 353,228,214 | — |
| Net pension liability | 153,482,520 | | — | 2,810,778 | 150,671,742 | — |
| Length of service award program liability | 22,648,821 | | — | 741,269 | 21,907,552 | — |
| Total Governmental Activities | $ 1,966,833,203 | | 171,068,417 | 105,436,133 | 2,032,465,487 | 105,227,935 |
| Business Type Activities: | | | | | | |
| Metropolitan district bonds | $ 277,580,000 | | 66,605,000 | 17,625,000 | 326,560,000 | 13,085,000 |
| State water quality revolving loan | 17,956,260 | | — | 3,383,413 | 14,572,847 | 3,457,397 |
| Consolidated Public Improvement Bonds - Watershed Protection | — | | 2,334,523 | — | 2,334,523 | 98,400 |
| Broadband bonds | 2,535,000 | | — | — | 2,535,000 | — |
| MDE Loan | | | 1,646,000 | 86,116 | 1,559,884 | 146,226 |
| Special facility revenue bonds | 2,714,000 | | — | 497,000 | 2,217,000 | 510,000 |
| Compensated absences | 889,638 | | 84,319 | 82,764 | 891,193 | 19,804 |
| Major water and sewer agreements | 922,923 | | 49,000 | 97,511 | 874,412 | 49,000 |
| Deferred refunding premium | 24,038,642 | | 405,526 | — | 24,444,168 | — |
| Net OPEB liability | 18,409,093 | | 4,693,815 | — | 23,102,908 | — |
| Net pension liability | 2,321,197 | | — | 283,858 | 2,037,339 | — |
| Total Business Type Activities | $ 347,366,753 | | 75,818,183 | 22,055,662 | 401,129,274 | 17,365,827 |
| Total | $ 2,314,199,956 | | 246,886,600 | 127,491,795 | 2,433,594,761 | 122,593,762 |

Note (1): Does not include other non- current liabilities of $9,132,933 and unamortized bond discount of ($24,516) included in the Statement of Net Position.

*Restated by $12,789 to correct prior year's compensated absences.

**Funding Source for Other Non-debt Related Liabilities**

Net other post-employment benefit (OPEB) liabilities are liquidated with Employee Benefit Fund resources. Net pension liabilities are liquidated with General Fund resources. Compensated absences are liquidated by the governmental funds that incurred the associated personnel cost.

Metropolitan District bonds and their related interest charges are being financed from front foot benefit assessment charges, ad valorem taxes and in-aid-of-construction charges. In the event such revenues and charges are insufficient to finance the debt service, the full faith and credit and unlimited taxing power of the County are irrevocably pledged to the payment of the principal and interest of these bonds.

On May 29, 2019, the County issued $133,630,000 in Consolidated Public Improvement Project and Refunding Bonds 2019 Series A and $66,605,000 in Metropolitan District Project and Refunding Bonds 2019 Series B. The true interest costs were 2.47% and 2.84% for the Series A and B respectively. The County issued these bonds to pay off $181,167,650 of outstanding Consolidated Public Improvement Bond Anticipation Notes, 2017 Series (BANs); refund $23,605,000 and $6,115,000 of Consolidated Public Improvement and Metropolitan District Bonds, respectively and reimburse the County for costs related to capital projects; and to pay bond issuance costs. The economic gain or net present value of savings from refunding Consolidated Public Improvement Bonds was $1,066,188 and from refunding Metropolitan District Bonds was $671,207.

The County issues debt to finance the construction of certain capital facilities of its component units and to finance major water and sewer projects done in conjunction with the City of Baltimore (the "City") and Baltimore County, which affects the "unrestricted" net position component in the statement of net position.

The following summarizes these situations in which the County is reporting the debt in its financial statements, while the corresponding assets are reported by the other reporting entity.

- The Board of Education (Public School System) and the Community College have no authority to issue bonded debt. The authority rests with the County subject to approval of the Council. The County had approximately $592 million of its net Consolidated Public Improvement general obligation bonds outstanding that are related to capital facilities of the component units at fiscal year end.

- The Metropolitan District Act requires Baltimore City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro rata basis for construction of certain City-owned water and sewer capital projects that serve the Metropolitan District. Since 2004, the County has contributed approximately $83 million toward these City-owned facilities that are funded primarily with bond proceeds. The County estimates 7.3% of its net Metropolitan District general obligation bonds outstanding or $23.8 million is related to these facilities at fiscal year-end.

Since 1993, the County has participated in the State Water Quality Revolving Loan Program. Under this program, the State makes loans to local governments with interest rates that are below the market rate for tax exempt financing. As of fiscal year-end, the County has borrowed $91,255,779, of which $77,045,779 was borrowed by the Water and Sewer Enterprise Fund to expand the County's water reclamation. The outstanding balances of these loans are $14,572,847.

Industrial revenue bonds issued by the County for the benefit of private businesses in the County are neither debt of nor charges against the general credit or taxing power of the County. These amounts are not included in general long-term debt (see Note 9).

In prior years, the County defeased certain Consolidated Public Improvement and Metropolitan District bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included as long-term obligations of the County. At fiscal year-end, $302,466,000 of Consolidated Public Improvement Bonds and $57,554,700 of Metropolitan District Bonds were considered defeased.

Under its Agricultural Land Preservation Program, the County acquires development rights on a parcel of agricultural property by entering into an installment purchase agreement with the property owner. The County acquires the development rights to the land in perpetuity. Historically, under the terms of the agreement, the County paid the property owner semiannual interest payments for 30 years and minimal portions of the installment purchase price until maturity. The remaining amount of the purchase price was paid at the end of 30 years with a balloon payment. Upon execution of an agreement, the County purchased stripped-coupon U.S. Treasury obligations in amounts sufficient to equal the balloon payment in 30 years (see Note 2). Under the current program, the County pays five or ten percent of the purchase price at closing, with equal annual principal payments over 15 or 20 years with interest.

**Direct Placements**

On May 30, 2012, the County refunded the balance of the 2003 Golf Course Refunding Bonds, which was $5,775,000, and issued a Taxable Golf Course Refunding Note in the amount of $5,400,000. The original bonds were issued for the purpose of constructing a public golf course with related facilities. Income derived from the golf course facility was pledged to pay debt service on the bonds and to establish a Debt Service Reserve Fund (DSRF) equal to the greatest amount of debt service payable in a fiscal year. The balance in the DSRF at fiscal year-end is $560,000. The reserve funds will not be available for other purposes until the maturity of the notes on August 15, 2022. If a deficiency exists in the debt service reserve fund securing the note, the County is obligated to restore the amount in the DSRF to $560,000 not later than 30 days after the beginning of first fiscal year following such deficiency. The note does not constitute a pledge of the County's full faith and credit or taxing power, but the County's covenant to restore the amount in the DSRF is a general contractual obligation of the County. For fiscal year 2019, the net available revenue and debt service payments were ($525,765) and $558,570 respectively.

The County issues tax-exempt bond anticipation notes (BANs) in order to provide interim financing for a portion of the costs of on-going capital projects. On May 26, 2017 the County entered a Credit Agreement for a $200,000,000 Line of Credit which is repaid annually with the proceeds of General Obligation bonds. The outstanding amount of such notes as of June 30, 2019 was $45,476,149. The agreement will expire on May 25, 2020 and the County intends to pay-off prior to the expiration date.

On November 20, 2018, the County borrowed $1,646,000 from Sandy Spring Bank to fund a portion of the cost of a storm water restoration project located at 1960 Daisy Road in Woodbine, Maryland. The loan was made through the Maryland Department of the Environment (the "MDE") Linked Deposit Water Quality Program. MDE has placed $1,646,000 on deposit with Sandy Spring Bank for the ten-year term of the loan. The interest earned on the funds on deposit will be used to offset the market interest rate.

The County maintains leasing agreements with Banc of America Public Finance, Key Bank, Sun Trust, TD Asset Management Funds, and Zions Bank. The lease agreements financed the acquisition of equipment including transit buses, emergency vehicles, portable radios, water meters, an ERP system, heavy equipment and energy saving equipment. The agreements mature between December 2019 and June 2030

A summary of debt service requirements to maturity, including principal and interest, for certain long-term obligations at fiscal year-end are below.

Debt service requirements of governmental activities:

| Year ending | General County Bonds | | Agricultural Land Program | |
|---|---|---|---|---|
| June 30: | Principal | Interest* | Principal | Interest |
| 2020 | $ 69,771,600 | 47,240,884 | 17,059,529 | 4,709,479 |
| 2021 | 68,239,035 | 45,481,191 | 17,838,529 | 3,453,618 |
| 2022 | 73,930,140 | 42,211,307 | 7,107,529 | 2,346,352 |
| 2023 | 77,356,030 | 38,635,776 | 3,357,529 | 2,107,993 |
| 2024 | 78,706,820 | 34,843,707 | 13,587,529 | 2,024,349 |
| 2025-2029 | 358,506,160 | 119,810,914 | 24,691,643 | 3,775,034 |
| 2030-2034 | 264,559,040 | 46,150,302 | 8,305,486 | 517,317 |
| 2035-2039 | 115,956,653 | 8,560,542 | 1,535,464 | 53,232 |
| Total | $ 1,107,025,478 | 382,934,623 | 93,483,238 | 18,987,374 |

*Includes administrative fees

Debt service requirements of business-type activities:

| Year ending | Metro District Bonds | | Special Facility Revenue Bonds | | Water Quality Bonds | | Broadband | | Watershed Protection | | MDE | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| June 30: | Principal | Interest | Principal | Interest | Principal | Interest* | Principal | Interest * | Principal | Interest * | Principal | Interest * |
| 2020 | $ 13,085,000 | 11,862,574 | 510,000 | 49,123 | 3,457,397 | 471,449 | — | 60,950 | 98,400 | 63,540 | 146,226 | 44,047 |
| 2021 | 10,965,000 | 12,073,880 | 522,000 | 36,364 | 3,533,036 | 395,810 | 1,510,000 | 60,950 | 75,965 | 86,000 | 150,594 | 39,678 |
| 2022 | 11,015,000 | 11,564,780 | 535,000 | 23,296 | 3,610,367 | 318,479 | — | 30,750 | 79,860 | 82,110 | 155,097 | 35,175 |
| 2023 | 11,525,000 | 11,041,330 | 650,000 | 2,588 | 1,528,976 | 136,226 | 1,025,000 | 30,750 | 83,970 | 78,015 | 159,734 | 30,537 |
| 2024 | 11,550,000 | 10,502,605 | — | — | 887,329 | 107,245 | — | — | 88,180 | 73,710 | 164,511 | 25,760 |
| 2025-2029 | 63,455,000 | 43,741,372 | — | — | 1,229,876 | 127,387 | — | — | 513,840 | 295,860 | 783,722 | 52,891 |
| 2030-2034 | 62,215,000 | 30,165,791 | — | — | 325,866 | 22,789 | — | — | 645,960 | 163,734 | — | — |
| 2035-2039 | 63,610,000 | 18,952,498 | — | — | — | — | — | — | 748,348 | 55,935 | — | — |
| 2040-2044 | 49,350,000 | 9,335,813 | — | — | — | — | — | — | — | — | — | — |
| 2045-2049 | 29,790,000 | 2,335,838 | — | — | — | — | — | — | — | — | — | — |
| Total | $ 326,560,000 | 161,576,481 | 2,217,000 | 111,371 | 14,572,847 | 1,579,385 | 2,535,000 | 183,400 | 2,334,523 | 898,904 | 1,559,884 | 228,088 |

*Includes administrative fees.

**Tax Incremental Financing Bonds**

On March 11, 2014, the County issued its first Special Obligation Bonds (Annapolis Junction Town Center) 2014 Series in the amount of $17 million, with an overall true interest cost of 6.148%. The proceeds were used to construct a 704-space parking garage on 12.73 acres of land dedicated for commuter rail patrons. The County had previously designated the 12.73 acres as a Development District, at the site of the MARC Savage Commuter Rail Station. The land is state-owned, thus no real property taxes were paid to the County for this property. However, County management anticipates opportunities for local economic development by putting tax-exempt property on the local tax roll while improving transportation infrastructure.

A companion special taxing district was created as a backup for the Special Obligation bonds. Special taxes will be imposed on property owners located within the special taxing district in any year where the tax increment collections are lower than the next year's debt service obligation and TIF District expenses. The special taxes are also to be pledged for the repayment of the Special Obligation bonds.

These bonds are not general obligation bonds of the County; rather they are special obligations of the County payable solely from the incremental real property taxes collected within the Development District, any special taxes imposed and collected from the companion Special Tax District, and any Base Realignment and Closure (BRAC) Zone Grant awarded by the State of Maryland. The project was approved for designation as a BRAC Zone in June 2009. The total amount of pledged revenue is $33,396,850. A reserve fund in the amount of $1,678,465 was established as part of the debt issuance. This reserve will not be available for other purposes until the final maturity of the bonds in fiscal year 2044. Additionally, as of fiscal year end, $18,359 is being held by an escrow agent for fiscal year 2019 debt service. Pledged revenues of $1,066,225 were recognized in fiscal year 2019. The outstanding debt of $16,875,000 is included in the primary government's long-term debt on the Statement of Net Position.

The bond offering is part of an overall Public Private Partnership (P3) development project known as Annapolis Junction Town Center. When completed, the entire development project will be a comprehensive mixed-use State Transit-Oriented Development (TOD) and will include 100,000 square feet of Class A office space, 416 luxury apartment units, a 150-room hotel, 17,250 square feet of retail space and the 700-space parking garage (financed by the general obligations bonds). The project will also include two additional parking garages, to be funded privately, to separately support parking needs for businesses and residents.

On October 19, 2017, the County issued $48,225,000 of Special Obligation Bonds (Downtown Columbia Project) Series 2017 A, with an overall true interest cost of 4.48%. The development project consists of the re-development of a portion of the downtown area in the unincorporated master-planned community of Columbia, Maryland, one of the first master-planned communities in the United States. Howard Research and Development Corporation intends to develop the downtown area in multiple phases over approximately 15 to 20 years. The Development District is comprised of approximately 148.6 acres within Downtown Columbia excluding The Mall and Merriweather-Symphony Woods neighborhoods. The Special Taxing District consists of an approximately 65-acre parcel located within the Crescent neighborhood of the Development District. Special taxes will be imposed on property owners located within the special taxing district in any year where the tax increment revenues are lower than the next year's debt service obligation and District expenses.

The bond proceeds are being used to finance the construction of roads, intersections, related water, sewer and storm water improvements and an EMT/Quick Strike Facility in the Special Taxing District and to pay bond issuance costs. These bonds are not general obligation bonds of the County; rather they are special obligations of the County payable solely from the incremental real property taxes collected on the Phase One properties and any special taxes imposed and collected within the Crescent Special Taxing District. The Phase One properties include The Metropolitan, m.flats, TEN.M, One Merriweather, Two Merriweather, Area One Parking garage, Project 3 Office A, Project 3 Multifamily B, Project 3 Multifamily C, Project 3 Office B, Project # Retail and Area Three Parking garage.

The total amount of pledged revenue is $85,283,692. A reserve fund in the amount of $3,921,283 was established as part of the debt issuance. This reserve will not be available for other purposes until the final maturity of the bonds in fiscal year 2047. Additionally, as of fiscal year end, $124,434 is being held by an escrow agent for fiscal year 2019 debt service. Pledged revenues of $4,137,520 were recognized in fiscal year 2019. The outstanding debt of $48,225,000 is included in the primary government's long-term debt on the Statement of Net Position.

A summary of debt service requirements to maturity, including principal and interest, for the TIF governmental activities at fiscal year-end are below.

Debt service requirements of TIF governmental activities:

| Year ending June 30: | Tax Increment Financing Bonds | | Annual Debt Service |
|---|---|---|---|
| | Principal | Interest | |
| 2020 | $ 90,000 | 3,108,784 | 3,198,784 |
| 2021 | 315,000 | 3,104,464 | 3,419,464 |
| 2022 | 245,000 | 3,090,944 | 3,335,944 |
| 2023 | 275,000 | 3,079,984 | 3,354,984 |
| 2024 | 690,000 | 3,067,584 | 3,757,584 |
| 2025-2029 | 6,460,000 | 14,716,369 | 21,176,369 |
| 2030-2034 | 10,270,000 | 12,873,735 | 23,143,735 |
| 2035-2039 | 14,910,000 | 10,073,532 | 24,983,532 |
| 2040-2044 | 23,920,000 | 5,530,520 | 29,450,520 |
| 2045-2047 | 7,925,000 | 534,375 | 8,459,375 |
| Total | $ 65,100,000 | 59,180,291 | 124,280,291 |

**B. Component Units**

The changes in long-term obligations for the component units for the fiscal year are as follows:

| Component Unit | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Community College: | | | | |
| Compensated absences, net OPEB liability and net pension liability | $ 38,137,176 | 2,128,029 | 978,471 | 39,286,734 |
| *Housing: | | | | |
| Loans, compensated absences and net pension liability | 251,524,681 | 36,207,062 | 36,657,895 | 251,073,848 |
| Library: | | | | |
| Compensated absences and net OPEB liability | 16,393,492 | 1,830,653 | 197,063 | 18,027,082 |
| Public School System: | | | | |
| Capital leases, workers compensation, compensated absences, net OPEB liability and net pension liability | 777,556,536 | 35,495,989 | 6,532,794 | 806,519,731 |
| Total | $ 1,083,611,885 | 75,661,733 | 44,366,223 | 1,114,907,395 |

*Restated per GASB75; Financial statements for the Housing Commission are reported on a calendar year basis.

## 8. Short-Term Debt

The changes in short-term debt for the primary government for the fiscal year are as follows:

| Type | Beginning Balance | Issued | Retired | Ending Balance |
|---|---|---|---|---|
| Bond Anticipation Notes | $ 54,987,329 | 176,656,467 | 186,167,647 | 45,476,149 |

Bond anticipation notes (BANS) are issued to finance expenditures of certain capital projects and will be repaid from the proceeds when the County issues debt.

## 9. Conduit Debt

From time-to-time, the County has issued Industrial Revenue Bonds, Economic Revenue Development Bonds, Retirement Community Revenue Bonds, and Recovery Zone Facility Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

At fiscal year-end, there were 21 series of conduit debt outstanding. The aggregate principal amount outstanding for the 12 series issued after July 1, 1996 was $93,428,065. The aggregate principal amount outstanding for the 9 series issued prior to June 30, 1996 could not be determined; however, their original issue amounts totaled $59,155,000.

## 10. Lease Obligations

### A. Operating Leases - Primary Government

The County is committed under various long-term operating lease agreements for office space as lessee. Lease expenditures for the fiscal year amounted to $3,428,610.

Future lease payments including any agreed-upon percentage increases are as follows:

| Fiscal Year | | |
|---|---|---|
| 2020 | $ | 5,264,013 |
| 2021 | | 5,084,568 |
| 2022 | | 5,082,125 |
| 2023 | | 4,056,841 |
| 2024 | | 4,056,841 |
| 2025-2029 | | 18,489,626 |

The County, as lessor, leases County-owned tower space under various long-term operating lease agreements.

Lease revenues for the year amounted to $1,986,441. Future lease revenues are as follows:

| Fiscal Year | | |
|---|---|---|
| 2020 | $ | 1,341,825 |
| 2021 | | 987,928 |
| 2022 | | 891,263 |
| 2023 | | 883,106 |
| 2024 | | 898,355 |
| 2025-2029 | | 3,165,060 |

### B. Capital Leases

The County maintains lease agreements with Grant Capital Management Inc., Key Bank and TD Asset Management Fund, for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates of the leases.

The assets acquired and placed in service are as follows:

| | | |
|---|---|---|
| Machinery and equipment | $ | 28,308,824 |
| Less: accumulated depreciation | | (10,597,370) |
| Total asset value under capital leases | $ | 17,711,454 |

The leases have maturity dates ranging from December 2019 to June 2030. The County makes annual principal and interest payments.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 are as follows:

| Year ending June 30: | Activities |
|---|---|
| 2020 | $ 5,330,093 |
| 2021 | 4,662,177 |
| 2022 | 4,516,361 |
| 2023 | 4,340,431 |
| 2024 | 4,047,239 |
| 2025-2029 | 12,546,985 |
| 2030 | — |
| Total minimum lease payments | 35,443,286 |
| Less: amount representing interest | (3,839,892) |
| Present value of minimum lease payments | $ 31,603,394 |

## 11. Restricted Assets

Federal and State grants, water and sewer assessments, user charges, in-aid-of-construction charges, developer contributions, and bond and loan proceeds for purposes of construction of the water and sewer system are restricted. The cumulative amounts of other non-operating revenues are available for construction activities and reflected as restricted net position. Assets and liabilities arising from the construction and operation of the County's publicly owned golf course are restricted in the Special Recreation Facility Fund. Restricted assets also include funds that are legally restricted for special purposes such as public housing projects.

## 12. Fund Equity

The governmental fund balances at June 30, 2019 are composed of the following:

| | General Fund | Agricultural Land Preservation Fund | General Capital Projects Funds | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Inventory | $ 624,672 | — | — | 668,338 | 1,293,010 |
| Prepaid items | 8,104 | — | — | 2,704 | 10,808 |
| Long-term receivable: | | | | | |
| Due from component units | 11,632,263 | — | — | — | 11,632,263 |
| Total nonspendable | 12,265,039 | — | — | 671,042 | 12,936,081 |
| Restricted for: | | | | | |
| Catalyst loan program | — | — | — | 1,024,177 | 1,024,177 |
| Economic development initiative | — | — | — | 741,484 | 741,484 |
| Fee in lieu | — | — | — | 469,647 | 469,647 |
| Fire & rescue services | — | — | — | 11,927,046 | 11,927,046 |
| Forest conservation | — | — | — | 1,964,542 | 1,964,542 |
| Middle Patuxent environmental area program | — | — | — | 44,511 | 44,511 |
| Open space | — | — | — | 576,876 | 576,876 |
| Parkland watershed facilities | — | — | — | 13,602,040 | 13,602,040 |
| Program revenue | — | — | — | 568,509 | 568,509 |
| Public road facilities | — | — | — | 61,223,169 | 61,223,169 |
| Public school facilities | — | — | 20,944,530 | — | 20,944,530 |
| Speed enforcement | — | — | — | 805,201 | 805,201 |
| Tax increment financing project | — | — | 14,667,797 | 12,532,627 | 27,200,424 |
| Permanent Public Improvement Contribution | — | — | 1,157,451 | — | 1,157,451 |
| Total restricted | — | — | 36,769,778 | 105,479,829 | 142,249,607 |
| Committed for: | | | | | |
| Budget stabilization account | 73,958,202 | — | — | — | 73,958,202 |
| Agricultural land preservation | — | 1,162,093 | — | — | 1,162,093 |
| Community renewal programs | — | — | — | 32,067,143 | 32,067,143 |
| Environmental services | — | — | — | 9,246,805 | 9,246,805 |
| Firehouse & training facilities | — | — | — | 8,064,285 | 8,064,285 |
| Recreation programs | — | — | — | 3,933,859 | 3,933,859 |
| Total committed | 73,958,202 | 1,162,093 | — | 53,312,092 | 128,432,387 |

(Continued)

| | General Fund | Agricultural Land Preservation Fund | General Capital Projects Funds | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| Assigned for: | | | | | |
| Capital projects | — | — | — | 3,227,918 | 3,227,918 |
| Funding for one time expenditures | 3,594,032 | — | — | — | 3,594,032 |
| Future balloon payments | — | 42,810,778 | — | — | 42,810,778 |
| Pay-as-you-go contributions to capital projects | 5,703,000 | — | — | — | 5,703,000 |
| Policy Reserve | 7,500,000 | — | — | — | 7,500,000 |
| Purchase commitments | 15,487,067 | — | — | — | 15,487,067 |
| Streetlights | — | — | — | 1,432,857 | 1,432,857 |
| Subsequent year's budget stabilization account | 3,713,084 | — | — | — | 3,713,084 |
| Subsequent year's expenditures | — | 14,916,166 | — | — | 14,916,166 |
| Total assigned | 35,997,183 | 57,726,944 | — | 4,660,775 | 98,384,902 |
| Unassigned | 18,387,493 | — | (70,216,801) | (40,456,116) | (92,285,424) |
| Total fund balance | $ 140,607,917 | 58,889,037 | (33,447,023) | 123,667,622 | 289,717,553 |

## 13. Landfill Closure and Post-Closure Care Cost

State and Federal laws and regulations require the County to place a final cover cap on closed cells at the currently operating Alpha Ridge Landfill and to perform certain maintenance and monitoring functions at the landfill site for a minimum period of 30 years after closure. The County recognizes a portion of these costs in each operating period based on landfill capacity used as of each fiscal year-end. Closure and post-closure care costs are paid after each cell is filled to capacity. The closure cap for a 70-acre inactive landfill cell was completed in fiscal year 2000. A separate active lined landfill cell is projected to close no earlier than 2050 if current operating conditions continue and will be capped at that time. In addition, the County has constructed closure caps and groundwater treatment systems at two older closed landfills, and the post-closure operating cost are included in the Environmental Services Fund budget. The long-term liability for these older landfills has been removed from long-term debt. Future total closure and post-closure care costs for the Alpha Ridge Landfill as determined through engineering studies will approximate $29,424,184. Actual costs may differ due to inflation or future design changes. The County ceased using the Alpha Ridge Landfill as its primary disposal site as of March 1997, and thus it is not expected to use the landfill to its full capacity in the foreseeable future. The County is exporting waste to a regional landfill in Virginia. The remaining capacity at the landfill will be held for backup or future use. At fiscal year-end, the County has recognized $23,430,000 of these costs. This cumulative amount reported to date is based on the use of 69.93% of the existing cell and 100% of the closed cell. The total current cost of closure and post-closure care to be recognized in future years is $5,994,184. The County intends to finance these costs through the proceeds of bonds and through its annual operating budget. The General Fund has been used in prior years to liquidate the liability.

## 14. Tax Abatements

As of June 30, 2019, the County provides tax abatements through the Pilot Program and Commercial or Industrial Business Program.

**PILOT (Payment in Lieu of Taxes)**

*Nixon Farm*

In accordance with Howard County Council Resolution No. 11-2018, the County approved the terms and conditions of a Payment in Lieu of Taxes Agreement with the owners of 2800 Nixon's Farm Lane, LLC, regarding the construction and operation of an alternative and renewable energy project. Pursuant to Section 7-514 of the Tax-Property Article of the Annotated Code of Maryland, the County permits the owners to make payments in lieu of County real property taxes. The code provides, among other things, that real property may be exempt from County property tax and to induce the development of sustainable energy projects, the County agrees to abate County real property taxes for the property on a sliding scale as follows:

a) For years 1 through 7 from the effective date, all Howard County real property taxes for the Property shall be abate and the owners shall pay to the County in lieu of such taxes, $1 each year;
b) For years 8 through 14 from the effective date, the owners shall receive a thirty percent (30%) abatement of all Howard County real property taxes for the property;
c) For years 15 through 20 from the Effective Date, the owners shall receive a twenty percent (20%) abatement of all Howard County real property taxes for the property.

No other commitments were made by the County as part of this agreement.

*Housing*

In accordance with Howard County Code Sec. 13.1320. Property of Commission tax-exempt; exemption of property from levy and execution, the property of the Commission is declared to be used for essential public and governmental purposes and the Commission and its property are exempt from all taxes and special assessments of the County or the State. The Housing Commission which is a separate legal entity serves as the Public Housing Authority for the purpose of developing and managing housing resources for low and moderate income residents of Howard County. The Commission also owns and manages residential property, maintains these properties, develops affordable housing opportunities for the citizens of Howard County through partnerships with developers or land acquisition for development, and operates the Housing Choice Voucher. In lieu of County taxes and special assessments, the Commission makes payments to the County in an amount set by mutual agreement

between the Commission and the County; provided, however, that the sum to be paid to the County does not exceed an amount equal to the regular taxes levied upon similar property.

By virtue of this agreement, all real property of the Commission is exempt from levy and sale and no execution or other judicial process shall issue against the same, nor shall any judgment against the Commission be a charge or lien upon its real property. The provisions shall not limit a right to foreclose or otherwise enforce:

(1) Any mortgage or deed of trust recorded against any property of the Commission; or
(2) Any pledge or lien given by the Commission on its rents, fees, or revenues.
(3) May not deprive the County of its right to collect any service charge agreed upon in lieu of taxes in the same manner as all such taxes are now, or may hereafter be, collectible under the laws of this State and of the County.

No other commitments were made by the County as part of these agreements.

**Commercial or Industrial Business**

In accordance with § 9-315(a)(3) of the Tax-Property Article, Annotated Code of Maryland, there is a Howard County property tax credit against the tax on real property owned or occupied by a commercial or industrial business that engaged in an activity identified in the Howard County Economic Development Strategic Plan as a target for the County's business attraction and retention efforts. A commercial or industrial business qualifies for a tax credit under this section if the business:

(1) Applies for the credit under procedures of Howard County Code Sec.20.123-Commerical or industrial business
(2) (i) Owns real property in Howard County that is new construction, or an improvement to an existing facility; or
(ii) Subject to the provisions of subsection (f)(2) of this section, rents or leases real property in Howard County that is new construction or an improvement to an existing facility;
(3) Is currently or will be doing business in Howard County;
(4) Will employ at least 12 additional full-time local employees by the second year in which the credit is allowed, not including an employee filling a job created when a job function is shifted from an existing location in the State to Howard County; and
(5) Makes a substantial investment in Howard County which includes the acquisition of a building, land, or equipment that totals at least $2,000,000; or the creation of ten positions with salaries greater than the current average wage in Howard County.

The tax credit under this section shall be granted annually for a term not to exceed ten years beginning with the first tax year in which the real property tax would increase as a result of an increase in assessment due to new construction or an improvement to an existing facility. The tax credit under this section may not exceed the amount of the County property tax imposed on the property that is a result of an increase in assessment due to the new construction or improvement. Because taxes are abated after the qualifying spending has taken place, there are no provisions for recapturing abated taxes. No other commitments were made by the County as part of these agreements.

For the fiscal year ended June 30, 2019, the County abated taxes totaling $1,492,585 including the following tax abatement agreement/s that exceeds 10 percent of the total amount abated:

| Tax Abatement Program | | Amount of Taxes Abated |
|---|---|---|
| PILOT (Payment in Lieu of Taxes) | $ | 1,453,661 |

## 15. Retirement Plans

**Summary of Significant Accounting Policies**

Pension: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Howard County Retirement Plan (HCRP) and Police and Fire Employees' Plan (PFEP) and additions to/deductions from the two plans' fiduciary net position have been determined on the same basis as they were reported by each plan as of the June 30, 2018 measurement date. The financial statements of the Plans were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses, benefits, and refunds are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments were reported at fair value.

**General Information about the Pension Plans**

Plan description: The Howard County Retirement Plan ("Retirement Plan") and the Howard County Police and Fire Plan ("Police and Fire Plan") are single-employer defined benefit public employee retirement plans administered by Howard County, Maryland, which provide retirement benefits as well as death and disability benefits and cost-of-living adjustments.

The Plans were established and operate under the provisions of the Howard County Code, Sections 1.400, 1.401 to 1.478, and 1.401A to 1.478A. Essentially all the County full-time benefited and part-time benefited employees are eligible to participate in one of the Retirement Plans, except for certain exceptions provided for in Howard County Code Section 1.406.

Responsibilities for administration and operation of the Retirement Plan and Police and Fire Plan vest in Retirement Committees with seven members each ("Committees"). The Committees have authority to establish and amend the respective benefit and contribution provisions.

Generally, the majority of employees of the primary government, except certain police officers and fire personnel, participate in the Retirement Plan, which was established July 1, 1995. As of that date, approximately 73 percent of the County employees participating in the Maryland State Retirement Systems, described below, transferred to the Retirement Plan. Police officers and fire personnel participate in the Police and Fire Plan, which was established July 1, 1990.

The remaining employees of the primary government participate in the State Employees Retirement System ("Retirement System") established October 1, 1941, and the State Employees' Pension System ("Pension System") established January 1, 1980. These cost-sharing multiple-employer defined benefit systems administered by the Maryland State Retirement Systems were established under the provisions of Article 73B of the Annotated Code of Maryland. Responsibility for administration and operation of the systems vests in a 14-member Board of Trustees ("Trustees"). The respective costs and related pension liability of the Retirement Plan are not significant.

Both the Retirement Plan and the Police and Fire Plan issue separate audited financial reports which may be obtained by writing to: Howard County, Maryland, Director of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043, or by accessing the reports online at www.howardcountymd.gov.

**A. Howard County Retirement Plan:**

Benefits provided: Under the Retirement Plan, participants become vested after five years of eligibility service and are entitled to a benefit beginning at age 62. If an employee leaves employment or dies before five years of eligibility service, accumulated employee contributions plus interest are refunded to the employee or designated beneficiary.

A participant who becomes totally and permanently disabled may retire prior to normal retirement and receive a benefit. Both disability and death benefits vary if incurred in the line of duty.

Participating general employees with 30 years of eligibility service, regardless of age, or who attain the age of 62 and older, with two to five years of eligibility service (for a total of 67 years), are entitled to a normal retirement benefit. For creditable service earned prior to June 30, 2012, the benefit is 1.55% of the participant's average compensation times the participant's creditable service; for creditable service after July 1, 2012, the multiplier is 1.66%. The Plan permits early retirement for

participants who attain the age of 55 with at least 15 years of Eligibility Service or have 25 years of eligibility service, regardless of age. For early retirement, the benefit is reduced by 0.5% for each month that the benefit begins prior to normal retirement date.

For participating AFSCME Local 3085, the benefit is 1.66% of the participant's average compensation times all years of creditable service.

Participating Corrections employees are entitled to receive a normal retirement benefit of 2.5% of average compensation multiplied by years of creditable service (up to 20 years) plus 1.0% of average compensation multiplied by creditable service greater than 20 years but less than 30 years (excluding sick leave, which is always credited at 1.0% of average compensation). Normal retirement is the attainment of age 62 and older, with two to five years of eligibility service (for a total of 67 years), or the completion of 20 years of eligibility service regardless of age.

Annually, the retirement benefits are adjusted for cost of living adjustment ("COLA"). The Plan uses the Consumer Price Index ("CPI-U") for the Baltimore/Columbia/Towson area as published by the Bureau of Labor Statistics to calculate the change in retiree allowances each July. The Maximum annual COLA is 3%. A retiree must be in pay status 12 or more months to be awarded a COLA.

Employees covered by benefit terms: At July 1, 2017, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 748 |
| Inactive employees entitled to but not yet receiving benefits | 191 |
| Active employees | 1,803 |
| Total | 2,742 |

Contributions: The Plan is authorized to establish or amend the obligation to make contributions under the provisions of Sections 1.423 and 1.465 of the Howard County Code. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Participant contributions are 8.5% of base pay for participating Corrections participants with less than 20 years of creditable service, 0% for Corrections participants with greater than 20 years of creditable service, and, effective January 1, 2014, 3.0% of base pay for other participants. The County funds the remainder of the cost of its employees' participation in the Retirement Plan which was 12.4% of covered payroll in fiscal years 2018 and 2017, respectively.

**Net Pension Liability**

The County's 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 July 1, 2017 rolled forward to June 30, 2018.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of July 1, 2017 rolled forward to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.75 percent |
| Salary increases | Varies by service, 4.00 to 6.75 percent, including inflation |
| Investment rate of return | 7.50 percent, net of pension plan investment expense, including inflation |
| Mortality | RP-2000 Combined Healthy tables with generational projection by Scale AA. |

The actuarial assumptions used in the July 1, 2017 valuation were based on the 2014 Experience Study covering the period of July 1, 2009 through June 30, 2013.

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-term expected rate of

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
|---|---|---|
| Equities | 40.0% | 5.37% |
| Fixed income | 30.0% | 3.50% |
| Alternative investments | 22.5% | 6.05% |
| Real assets | 7.50% | 5.45% |
| Total | 100.0% | |

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 8.55 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between total actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current active and inactive employees. 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.

**Changes in the Net Pension Liability**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at 6/30/2017 | $ 445,552,992 | 410,114,885 | 35,438,107 |
| Changes for the year: | | | |
| Service cost | 16,918,575 | — | 16,918,575 |
| Interest | 32,786,122 | — | 32,786,122 |
| Changes of benefit terms | — | — | — |
| Differences between expected and actual experience | 379,328 | — | 379,328 |
| Changes of assumptions | — | — | — |
| Contributions - employer | — | 14,841,120 | (14,841,120) |
| Contributions - member | — | 4,155,758 | (4,155,758) |
| Net investment income | — | 35,807,945 | (35,807,945) |
| Benefit payments, including refunds of employee contributions | (16,809,399) | (16,809,399) | — |
| Administrative expense | — | (350,799) | 350,799 |
| Net changes | 33,274,626 | 37,644,625 | (4,369,999) |
| Balance as of 6/30/2018 | $ 478,827,618 | 447,759,510 | 31,068,108 |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County and the component units participating in the General Employees Plan (Economic Development Authority [1] and Housing Commission), calculated using the discount rate of 7.50 percent, 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---|---|---|
| County's net pension liability | $ 89,734,450 | 30,115,355 | (19,810,734) |
| Economic Development Authority[1] | 1,452,778 | 487,560 | (320,731) |
| Housing Commission | 1,386,131 | 465,193 | (306,017) |
| **Total** | $ 92,573,359 | 31,068,108 | (20,437,482) |

[1]Economic Development Authority statements are not included in the County's CAFR due to immateriality.

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports for both Plans.

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

For the year ended June 30, 2018, the County and the participating component units recognized pension expense of $12,500,566, and $395,478 respectively. The County's share of deferred outflows of resources and deferred inflows of resources related to the pension is reported below. The portions allocated to the component units are not reported due to immateriality for Economic Development Authority and a different fiscal year end for Housing.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 315,167 | 7,816,132 |
| Changes of assumptions | 3,023,756 | 353,514 |
| Net difference between projected and actual earnings on pension plan investments | — | 2,888,528 |
| Changes in proportion | 115,556 | — |
| Contributions subsequent to the measurement date | 13,766,516 | — |
| Total | $ 17,220,995 | 11,058,174 |

Other than contributions subsequent to the measurement date ($13,766,516), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the fiscal years ended June 30:

| | |
|---|---|
| 2020 | $ 2,449,059 |
| 2021 | (588,239) |
| 2022 | (6,356,550) |
| 2023 | (2,350,879) |
| 2024 | (808,966) |
| Thereafter | 51,880 |
| Total | $ (7,603,695) |

**B. Police and Fire Plan:**

Benefits provided: All of the County's full-time career police and fire officers hired on or after July 1, 1990 must enroll in the Police and Fire Plan. The Plan provides retirement benefits as well as death and disability benefits and cost-of-living adjustment.

Participants become vested after five years of eligibility service and are entitled to a benefit beginning at age 62. Terminated vested employees with less than 20 years of service will receive a benefit equal to 2.5% of average compensation times the number of years of creditable service, payable at age 62. If an employee leaves employment or dies before five years of eligibility service, accumulated employee contributions plus interest are refunded to the employee or the designated beneficiary. A participant who becomes totally and permanently disabled may retire prior to normal retirement and receive a benefit. Both disability and death benefits vary if incurred in the line of duty.

Employees who attain the age of 62 with at least five years of eligibility service and employees who have completed 20 years of eligibility service, if at least 10 years were served as a covered employee, are entitled to a normal retirement benefit. The amount will vary, based on the number of years of creditable service, from 50% (with 20 years of service) to 80% (with 30 years of service) of average compensation for police, and from 50% (with 20 years of service) to 70% (with 30 years of service) of average compensation for firefighters.

Annually, the retirement benefits are adjusted for COLA. The Plan uses the CPI-U for the Baltimore/Columbia/Towson area as published by the Bureau of Labor Statistics to calculate the change in retiree allowances each July. The Maximum annual COLA is 2%. A retiree must be in pay status 12 or more months to be awarded a COLA.

Employees covered by benefit terms: At July 1, 2017, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 374 |
| Inactive employees entitled to but not yet receiving benefits | 18 |
| Active employees | 904 |
| Total | 1,296 |

The Plan offers a program called Deferred Retirement Option Plan (DROP). This is a voluntary benefit program which offers qualified active Participants, who would be entitled to retire and receive benefits, the option to continue working. An individual DROP record is created and is credited with the monthly retirement benefits that would have been paid during the DROP period had the participant actually retired. The record is also credited with the required employee contributions and interest. The payment is made to the employee, in addition to the benefit payment entitled under the defined benefit plan based on the earlier years of service, when the employee eventually retires. Participating members may elect distribution as one lump sum payment, a rollover or in monthly payments. Balance held by plan as of June 30, 2018 is $17,149,709.

Contributions: The Plan is authorized to establish or amend the obligations to make contributions under the provisions of the Howard County Code, Sections 1.423A and 1.465A. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. For employees with less than 30 years of service, participant contributions are 11.6% of pay for participating Police Department Employees and 7.7% of pay for participating Fire Department Employees. Employees with 30 or more years pay no participant contributions.The County funds the remainder of the cost of its employees' participation in the Police and Fire Plan, which was 32.5% and 30.6% of covered payroll in fiscal years 2018 and 2017, respectively.

**Net Pension Liability**

The County's 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 July 1, 2017 rolled forward to June 30, 2018.

Actuarial Assumptions: The total pension liability in the July 1, 2017 actuarial valuation rolled forward to June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.75 percent |
| Salary increases | Varies by service, 4.25 to 7.55 percent, including inflation |
| Investment rate of return | 7.50 percent, net of pension plan investment expense, including inflation |
| Mortality | RP-2000 Combined Healthy tables with generational projection by Scale AA. |

The actuarial assumptions used in the July 1, 2017 valuation were based on the 2014 Experience Study covering the period of July 1, 2009 through June 30, 2013.

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-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.
The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
|---|---|---|
| Equities | 40.0% | 5.37% |
| Fixed income | 30.0% | 3.50% |
| Alternative investments | 22.5% | 6.05% |
| Real assets | 7.5% | 5.45% |
| Total | 100.0% | |

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 8.55 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between total actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

**Changes in the Net Pension Liability**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at 6/30/2017 | $ 637,712,072 | 516,255,787 | 121,456,285 |
| Changes for the year: | | | |
| Service cost | 21,108,198 | — | 21,108,198 |
| Interest | 46,900,089 | — | 46,900,089 |
| Changes of benefit terms | — | — | — |
| Differences between expected and actual experience | 13,530,486 | — | 13,530,486 |
| Changes of assumptions | — | — | — |
| Contributions - employer | — | 26,337,085 | (26,337,085) |
| Contributions - member | — | 7,859,400 | (7,859,400) |
| Net investment income | — | 46,560,088 | (46,560,088) |
| Benefit payments, including refunds of employee contributions | (24,755,084) | (24,755,084) | — |
| Administrative expense | — | (355,240) | 355,240 |
| Net changes | 56,783,689 | 55,646,249 | 1,137,440 |
| Balance as of 6/30/2018 | $ 694,495,761 | 571,902,036 | 122,593,725 |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County, calculated using the discount rate of 7.50 percent, 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

| | 1% Decrease (6.5)% | Current Discount Rate (7.5)% | 1% Increase (8.5)% |
|---|---|---|---|
| County's net pension liability | $ 221,639,954 | 122,593,725 | 41,463,640 |

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports for both Plans.

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

For the year ended June 30, 2018, the County recognized pension expense of $25,373,063. The County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 22,260,736 | 957,962 |
| Changes of assumptions | 16,634,566 | — |
| Net difference between projected and actual earnings on pension plan investments | | 4,657,094 |
| Contributions subsequent to the measurement date | 27,719,839 | — |
| Total | $ 66,615,141 | 5,615,056 |

Other than contributions subsequent to the measurement date ($27,719,839), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the fiscal years ended June 30:

| | |
|---|---|
| 2020 | $ 9,453,011 |
| 2021 | 5,528,421 |
| 2022 | 261,311 |
| 2023 | 4,633,235 |
| 2024 | 4,467,773 |
| Thereafter | 8,936,495 |
| Total | $ 33,280,246 |

**C. Employer Aggregate Pension Disclosure**

| | General | Police & Fire | Total |
|---|---|---|---|
| As of June 30, 2018: | | | |
| Total net pension liabilities | $ 30,115,355 | 122,593,725 | 152,709,080 |
| Total pension assets | 448,243,834 | 572,493,836 | 1,020,737,670 |
| Total deferred outflows of resources from pension | 17,220,995 | 66,615,141 | 83,836,136 |
| Total deferred inflows of resources from pension | 11,058,174 | 5,615,056 | 16,673,230 |
| For the year ended June 30, 2018: | | | |
| Total pension expense | $ 12,500,566 | 25,373,063 | 37,873,629 |

Note: Excludes component units. EDA is not included in the CAFR due to immateriality; Housing Commission has a different fiscal year end; Public Schools, Community College and Library participate in the Maryland State Retirement Plans.

**D. Component Units:**

Generally, all employees of three of the component units (Board of Education, Howard Community College and Library) are covered by the Maryland State Retirement and Pension System (the System), which is a cost-sharing, multi-employer defined benefit pension plan. 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 and employees of participating governmental units. The plans are administered by the State Retirement Agency.

These three component units adopted GASB 68 for the year ended June 30, 2015 and reported their proportionate share of the collective pension amounts calculated by the Maryland State Retirement and Pension System. 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. The proportionate share of these component units' net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

As of June 30, 2019, the Howard County School System and Howard County Community College proportions for the System were 0.230% and 0.0121%, respectively. Howard County School System and Howard County Community College reported net pension liabilities of $48,232,399 and $2,546,231, respectively. For the year ended June 30, 2018, Howard County School System and Howard County Community College recognized pension expense of $6,889,517 and $359,231 (related to the employee's system only and does not include amounts that may be included in the state paid benefits), respectively. Howard County Library has no expense for pension costs, is not responsible for unfunded pension obligation and did not report any net pension liability due to a special funding situation.

## 16. Other Post-Employment Benefits (OPEB)

**Summary of Significant Accounting Policies**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Howard County OPEB Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they were reported by the plan as of June 30, 2018 which is the measurement date. The financial statements of the Plan were prepared using the accrual basis of accounting. Expenditures are recognized on the accrual basis as retirees' insurance costs are incurred. The Plan's insurance costs are paid by the retirees, the County and its component units through the County's self-insurance fund (internal service fund).

**Plan Description**

The County's OPEB plan is a Cost-Sharing Multiple Employer Defined Benefit Healthcare Plan. Per Section 1.406B of Howard County Bill No. 14-2008, the County established an irrevocable trust for administering the plan assets and paying healthcare costs on behalf of the participants. The Plan includes the County (consisting of the County government and Howard County Soil Conservation District) and its component units: Howard Community College, Howard County Public School System, Howard County Library, Howard County Economic Development Authority, and Howard County Housing Commission. The Plan is administered and overseen by a Board of Trustees comprised of the Chief Administrative Officer, the Director of Finance, and Budget Administrator.

The County provides a post-employment health insurance program in addition to the pension benefits described in Note 15. These post-employment benefits are subject to change at any time. All employees who retire from the County may participate in the program. In order to be eligible, the retiree must have a minimum of 15 years of County service and, immediately preceding retirement, have been enrolled in a medical, vision or prescription drug insurance plan offered to active employees of the County. The County will pay a percentage of the retiree's health insurance premium based upon these criteria. This percentage varies with the number of years of service attained by the employee. Other retirees who do not meet the eligibility criteria are permitted to participate in the retirees' health insurance program by paying the full premium at the group rate.

The component units provide medical benefits to eligible employees who retire from employment with the entity. The eligibility requirements vary among different entities. Each entity pays a percentage of the health insurance premium based on certain criteria. In addition to medical benefits, the school system offers life insurance benefits to eligible retirees who have provided 10 years of service with the school system and have retired from the Howard County Public School System.

Plan membership per the actuarial valuation as of January 1, 2018 consisted of the following:

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 3,398 |
| Active plan members | 10,111 |
| Deferred vested terminations | 29 |
| Total | 13,538 |

There are no separate financial statements for the Plan.

**Funding Policies and Funded Progress from Employer's Perspective under GASB Statement No. 75**

The Plan's funding policy provides for the County to contribute to the trust as determined by the County budget. During the fiscal year, the County's proportionate share of the collective net other post-employment benefits liability is 32.09% of the $16,000,000 contributed to the trust by the County, or $5,134,400. The County budget for fiscal year 2019 included funding for pay-as-you-go OPEB costs as well as $15,724,000 to the trust.

Based on the most recent actuarial valuation which was prepared as of July 1, 2017 and rolled forward to June 30, 2018, the actuarially calculated proportionate share of total OPEB liability as of the measurement date of June 30, 2018 was $417,863,617 and there was $41,532,494 of actuarial plan assets; therefore, the net OPEB liability for the County was $376,331,122. The plan fiduciary net position as a percentage of the total OPEB liability was 9.94%.

Actuarial Assumptions

The actuarial methods and significant assumptions used by the actuary are summarized on the next page to conform to the disclosure requirements for GASB Statement 75.

| | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Projected cash flows | Member and County contributions will continue to increase $3 million per annum.<br>Discount rate of 3.98% was applied to investments in fiscal years 2018 through 2037. |
| Municipal bond rate | 3.62% as of 6/30/18 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index |
| Interest assumption | Equivalent single discount rate of 3.98% as of 6/30/18 |
| Inflation | 2.20% |
| Long-term expected real rate of return, based on geometric means | 3.27% for Equity investments (based on 65% target allocation) and 1.25% for Fixed Income investments (based on 35% target allocation), or a total of 4.52% |
| Healthcare cost trend rate | 3.80% |

The long-term expected rate of return on 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 plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For the fiscal year-ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 8.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through 2035 was determined using the expected rate of return of assets of 7.5% and using the 20 year municipal bond rate of 3.62% for benefit payments after 2035. The equivalent single rate is 3.98%.

The end-of-year net OPEB liability for the County is calculated below:

| | | Increase (Decrease) | | |
|---|---|---|---|---|
| | | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | | (a) | (b) | (a) - (b) |
| **Balances at June 30, 2017** | | $ 388,262,030 | 33,463,661 | 354,798,369 |
| **Changes for the year:** | | | | |
| | Service Cost | 17,665,113 | — | 17,665,113 |
| | Interest | 15,128,967 | — | 15,128,967 |
| | Experience loss/ (gains) | (20,869,327) | — | (20,869,327) |
| | Contributions - Employer | — | 12,395,321 | (12,395,321) |
| | Net investment income | — | 2,952,273 | (2,952,273) |
| | Changes in assumptions | 24,937,754 | — | 24,937,754 |
| | Changes in proportions | — | — | — |
| | Benefit payments | (7,260,921) | (7,260,921) | — |
| | Administrative expenses | — | (17,840) | 17,840 |
| | **Net Changes** | 29,601,586 | 8,068,833 | 21,532,753 |
| **Balances at June 30, 2018** | | $ 417,863,616 | 41,532,494 | 376,331,122 |

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| Discount Rate Sensitivity | 1% Decrease 2.98% | Discount Rate 3.98% | 1% Increase 4.98% |
|---|---|---|---|
| Total OPEB Liability | $ 501,527,470 | $ 417,863,616 | $ 352,080,174 |
| Net OPEB Liability | $ 459,994,976 | $ 376,331,122 | $ 310,547,680 |

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher:

| Trend Sensitivity Year 2075 | 1% Decrease 2.80% | Medical Trend 3.80% | 1% Increase 4.80% |
|---|---|---|---|
| Total OPEB Liability | $ 345,943,228 | $ 417,863,616 | $ 513,806,340 |
| Net OPEB Liability | $ 304,410,733 | $ 376,331,122 | $ 472,273,846 |

For the year-ended June 30, 2018, the County recognized OPEB expense of $26,715,357. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ — | 18,782,393 |
| Changes of assumptions | 22,443,979 | 41,756,327 |
| Changes in proportion | 15,131,475 | — |
| Net difference between projected and actual earnings on OPEB plan investments | — | 840,608 |
| Contributions subsequent to the measurement date | 11,768,705 | — |
| **Total** | $ 49,344,159 | 61,379,328 |

The contributions made subsequent to the measurement date but before the reporting period will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year ended June 30: | |
|---|---|
| 2020 | $ (3,394,920) |
| 2021 | (3,394,920) |
| 2022 | (3,394,917) |
| 2023 | (3,181,547) |
| 2024 | (3,131,424) |
| Thereafter | (7,306,148) |
| | $ (23,803,876) |

**Employer Aggregate Disclosure**

| | Howard County Government * | Howard County Public Schools | Howard Community College | Howard County Library | Howard County Housing Commission ** | Howard County Economic Develop-ment Authority (EDA) ** | Total |
|---|---|---|---|---|---|---|---|
| **As of June 30, 2018:** | | | | | | | |
| Total proportion of net OPEB liabilities | $ 376,331,122 | 743,045,807 | 34,243,904 | 16,887,405 | 1,641,831 | 586,368 | $ 1,172,736,437 |
| Total proportion of OPEB assets | 41,532,494 | 82,003,702 | 3,779,210 | 1,863,721 | 181,195 | 64,713 | 129,425,035 |
| Total deferred outflows of resources from OPEB | 49,344,159 | 68,632,632 | 3,162,994 | 2,237,361 | 264,572 | 167,082 | 123,808,800 |
| Total deferred inflows of resources from OPEB | 61,379,328 | 136,208,782 | 6,601,450 | 2,754,323 | 267,781 | 95,636 | 207,307,300 |
| **For the year ended June 30, 2018:** | | | | | | | |
| Total OPEB expense | $ 26,715,357 | 47,759,737 | 2,165,032 | 1,198,655 | 121,763 | 51,553 | 78,012,097 |

* Enterprise fund share of net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is $23,102,908, $2,549,673, $5,402,144, and $3,768,067, respectively. The portion allocated to the Howard County Soil Conservation District for net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is $351,821, $38,827, $32,497, and $57,382, respectively.

** EDA is not included in the CAFR due to immateriality. Also, Housing Commission has a different fiscal year end.

**Plan Perspective under GASB Statement No. 74**

The OPEB plan is presented in accordance with the provisions of GASB Statement No. 74, "Financial Reporting for Post-employment Benefit Plans Other than Pension Plans," which supersedes Statement No. 43. A separate actuarial valuation report was prepared using January 1, 2018 census data rolled forward to June 30, 2019.

Plan membership per the actuarial valuation as of January 1, 2018 consisted of the following:

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 3,398 |
| Active plan members | 10,111 |
| Deferred vested terminations | 29 |
| **Total** | 13,538 |

A summary of the assumptions included in the June 30, 2019 report are as follows.

| | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Interest assumption | Discount rate of 3.56% as of 6/30/19 |
| Inflation | 2.20% |
| Municipal bond rate | 3.13% as of 6/30/19 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index |
| Projected cash flows | Member and County contributions will continue to increase $3 million per annum.<br>Long-term expected rate of return was applied to fiscal years 2019 through 2039. |
| Long-term expected real rate of return, based on geometric means | 3.14% for Equity investments (based on 65% target allocation) and 1.13% for Fixed Income investments (based on 35% target allocation), or a total of 4.27% |
| Mortality | Generational RP-2000 Combined Mortality Table for Males and Females projected using Scale AA |

The long-term expected rate of return on 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 plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For the fiscal year-ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 7.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through 2039 was determined using the expected rate of return of assets of 7.50% and using the bond rate of 3.13% for benefit payments after 2039. The equivalent single rate is 3.56%.

Based on the aforementioned methods and assumptions, the components of the County's Net OPEB liability as of June 30, 2019 were as follows:

| | |
|---|---|
| Total OPEB liability | $ 1,495,316,166 |
| Plan fiduciary net position | 154,229,775 |
| County's net OPEB liability | $ 1,341,086,391 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 10.31% |

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| Discount Rate Sensitivity | 1% Decrease 2.56% | Discount Rate 3.56% | 1% Increase 4.56% |
|---|---|---|---|
| Total OPEB Liability | $ 1,801,176,915 | $ 1,495,316,166 | $ 1,255,586,672 |
| Net OPEB Liability | $ 1,646,947,140 | $ 1,341,086,391 | $ 1,101,356,897 |

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher:

| Trend Sensitivity Year 2075 | 1% Decrease 2.8% | Discount Rate 3.8% | 1% Increase 4.8% |
|---|---|---|---|
| Total OPEB Liability | $ 1,221,999,212 | $ 1,495,316,166 | $ 1,863,868,761 |
| Net OPEB Liability | $ 1,067,769,437 | $ 1,341,086,391 | $ 1,709,638,986 |

**Financial Statements**

Summary financial information for the Other Post-Employment Benefits Trust is presented below:

| | |
|---|---|
| Statement of Net Position | |
| ASSETS | |
| Receivables: | |
| Interest and dividends | $ 506 |
| Investments, at fair value: | |
| Cash | 336,048 |
| Mutual funds | 154,445,416 |
| Money market funds | 128,761 |
| Total assets | 154,910,731 |
| LIABILITIES | |
| Accounts payable | 57,556 |
| Other | 623,400 |
| Total liabilities | 680,956 |
| Net position held in trust for other post-employment benefits | 154,229,775 |
| Statement of Changes in Net Position | |
| ADDITIONS | |
| Contributions: | |
| Employer | 38,380,982 |
| Total contributions | 38,380,982 |
| Investment income (expense): | |
| Net change in fair value of investments | 6,137,909 |
| Dividends | 3,477,923 |
| Investment expense | (330,787) |
| Net investment income | 9,285,045 |
| Total additions and net investment income | 47,666,027 |
| DEDUCTIONS | |
| Benefits | 22,755,131 |
| Administrative expenses | 106,156 |
| Total deductions | 22,861,287 |
| Change in net position | 24,804,740 |
| Net position - beginning | 129,425,035 |
| Net position - ending | $ 154,229,775 |

## 17. Length of Service Award Program

### Summary of Significant Accounting Policies

Pension: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Howard County Length of Service Award Program (LOSAP) have been determined on the full accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

### General Information about the Pension Plans

Plan description: The Howard County Length of Service Award Program (LOSAP) is a single-employer defined benefit retirement plan administered by Howard County, Maryland, which provides retirement and death benefits to volunteer firefighting and emergency medical service personnel who donate their time and services to one of the six volunteer fire corporations in the County.

The LOSAP was established and operates under the provisions of the Howard County Code, Sections 17.102 and 17.103. It was established in 1991 and last amended effective January 1, 2015. Separate financial statements for the program are not issued.

Benefits provided: Under the LOSAP, participants become vested after 25 years of eligible service beginning at age 50. No benefit is paid if service is less than 25 years.

There are no disability benefits. A death benefit equal to the total of six months LOSAP payment is paid to the designated beneficiary. In addition, $5,000 is paid to the designated beneficiary for burial expenses.

Participants aged 50 years with 25 years of eligibility service are entitled to a normal retirement benefit. Effective January 1, 2015, a monthly benefit is equal to 1% of the current annual starting salary of a trainee in the Department of Fire and Rescue Services (which is $512 as of January 1, 2018), plus $10 for each full year of certified active service over 25 years. The monthly amount representing 1% of the current starting salary of a trainee cannot exceed $770.25 based on limitations presented in the County Code.

All benefits are paid from the Fire and Rescue Reserve Fund as they become due. This is an unfunded program; therefore, there are no assets in the program.

Employees covered by benefit terms: At January 1, 2018 the following employees were covered by the benefit terms:

| | 2018 |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 99 |
| Active employees | 358 |
| Total | 457 |

**Net Pension Liability**

The County's 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 January 1, 2018 rolled forward to June 30, 2018.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.75 % |
| Salary increases | The starting salary of a trainee in the DFRS is assumed to increase by 2.75% annually |
| Interest | 3.62% compounded annually |
| Investment rate of return | 3.62% |
| Mortality | RP-2000 Combined Healthy tables with generational projection by Scale AA. |

Discount rate: The discount rate used to measure the total pension liability was 3.62 percent.

**Changes in the Net Pension Liability**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at 6/30/2017 | $ 22,648,821 | — | 22,648,821 |
| Changes for the year: | | | |
| Service cost | 836,909 | — | 836,909 |
| Interest | 823,257 | — | 823,257 |
| Changes of benefit terms | — | — | — |
| Differences between expected and actual experience | (1,417,288) | — | (1,417,288) |
| Changes of assumptions | (263,086) | — | (263,086) |
| Contributions - employer | — | 721,061 | (721,061) |
| Contributions - member | — | — | — |
| Net investment income | — | — | — |
| Benefit payments | (721,061) | (721,061) | — |
| Administrative expense | — | — | — |
| Other changes | — | — | — |
| Net changes | (741,269) | — | (741,269) |
| Balance as of 6/30/2018 | $ 21,907,552 | — | 21,907,552 |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County LOSAP, calculated using the discount rate of 3.62 percent, 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 (2.62 percent) or 1 percentage-point higher (4.62 percent) than the current rate:

| | 1% Decrease (2.62%) | Current Discount Rate (3.62%) | 1% Increase (4.62%) |
|---|---|---|---|
| County's net pension liability | $ 25,739,493 | 21,907,552 | 18,878,800 |

Pension plan fiduciary net position: There are no separately issued financial reports for the LOSAP.

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

For the year ended June 30, 2018, the County recognized pension expense of $1,173,060. The County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ — | 1,240,127 |
| Changes of assumptions | — | 2,446,672 |
| Contributions subsequent to the measurement date | 758,544 | — |
| Total | $ 758,544 | 3,686,799 |

Other than contributions subsequent to the measurement date ($758,544), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the fiscal years ended June 30:

| | |
|---|---|
| 2020 | $ (487,106) |
| 2021 | (487,106) |
| 2022 | (487,106) |
| 2023 | (487,106) |
| 2024 | (487,106) |
| Thereafter | (1,251,269) |
| Total | $ (3,686,799) |

## 18. Deferred Compensation Plan

Deferred compensation plans are available to all County employees. The plans were established in accordance with Internal Revenue Code Section 457. A deferred compensation plan offers employees an opportunity to defer a portion of their salary along with the related Federal and State income taxes until future years. The deferred compensation funds are not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of this plan were transferred to custodial accounts and the County no longer reports those assets and liabilities in the Agency Funds of the County.

## 19. 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 natural disasters. The reporting entity, excluding the Howard County Public School System, has established two internal service funds to account for and finance its uninsured risks of loss. The reporting entity's risk financing techniques include a combination of risk retention through self-insurance and risk transfer using a risk pool. The Employee Benefits Self-Insurance Fund provides full coverage for employee benefits and long-term disability claims. The Risk Management Self-Insurance Fund provides coverage up to a maximum of $1,000,000 for each automobile liability claim, $1,000,000 for each general liability claim, $100,000 for each property damage claim, and unlimited coverage for each workers' compensation claim.

The reporting entity belongs to the Maryland Local Government Insurance Trust ("LGIT"), which provides insurance for claims in excess of coverage for the entity's property, general, and automobile liability coverages. LGIT consists of various counties and local municipalities and was created to provide broader insurance coverages than those available from commercial insurers, as well as loss control and risk management services. The County pays an annual premium to LGIT for this coverage.

Liability claims settled by the County in the past five fiscal years have not exceeded the Risk Management Fund's $1,000,000 retention to trigger payment by LGIT; however, a few small property claims have exceeded the $100,000 retention and have been paid by LGIT. All funds and component units of the reporting entity, excluding the Howard County Public School System, participate in the risk management program and make payments to the internal service funds based on a combination of actuarial estimates and historical cost information. These amounts are needed to pay prior and current year claims and to establish a reserve for future claims and/or catastrophic losses. The Howard County Public School System has its own risk management programs.

At fiscal year-end, the combined Net Position for the two internal service funds was $17,559,388. The combined claims liability of the two funds, $20,215,850, is based on generally accepted accounting principles, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The changes in the combined self-insurance funds' unpaid claims liability in fiscal years 2019 and 2018 are presented below:

| | Beginning of Year | Current Year Claims and Changes in Estimates | Claims Payments | End of Year | Expected Amount Due Within One Year |
|---|---|---|---|---|---|
| 2019 | $18,511,322 | 62,304,714 | (60,600,186) | $20,215,850 | $7,518,251 |
| 2018 | $17,608,081 | 58,527,241 | (57,624,000) | $18,511,322 | $7,613,609 |

The current portion is included in the non-current liabilities - due within one year and the non-current portion is included in non-current liabilities - due in more than one year, on the government-wide Statement of Net Position.

## 20. Individual Fund Disclosure

**Individual Fund Disclosure:**

The General Capital Projects Fund, a major fund, as well as the Storm Drainage Capital Projects Fund, a non-major fund, plan to eliminate their deficit fund balances of ($33,447,023) and ($24,575,810), respectively, through receipt of future grant revenues and future bond sales.

The Grants Fund, a non-major Special Revenue Fund, will eliminate its deficit of ($2,466,703) through receipt of future grant revenues in fiscal year 2020.

**Change in Accounting Principle:**

**Component Units**

**The Howard County Housing Commission:** Net position of the Howard County Housing Commission has been restated by ($1,412,282), due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

## 21. Commitments and Contingencies

### A. Grants

The County receives grant funds, principally from the U.S. Government, for various County programs. Expenditures from certain of these funds are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of County management, no material refunds will be required as a result of expenditures disallowed by the grantors.

### B. Construction

The County had $784,696,943 authorized but unobligated capital project appropriations at fiscal year-end.

### C. Encumbrances

The County uses "encumbrances" to control expenditure commitments for the year. Encumbrances represent commitments related to contracts executed and not yet performed and purchase orders not yet fulfilled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Depending on the source(s) of funding, encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet.

The encumbrance balances for the governmental funds at fiscal year-end are reported as follows:

| | Restricted | Committed | Assigned | Total |
|---|---|---|---|---|
| Major Governmental Funds | | | | |
| General Fund | $ — | — | 15,487,066 | 15,487,066 |
| Non-Major Governmental Funds | 35,911,393 | 2,472,611 | — | 38,384,004 |
| Total | $ 35,911,393 | 2,472,611 | 15,487,066 | 53,871,070 |

### D. Public Private Partnership

On July 27, 2018, the Howard County Council adopted CB54-2018 approving a multi-year Project Agreement between Howard County, Maryland and a special purpose entity formed by Edgemoor-Star America Judicial Partners (ESJP) for the design, construction, partial financing, operation and maintenance of a new Courthouse and related Parking Structure to be located on the Project Site located at 9250 Judicial Way (formerly known as 9240 and 9250 Bendix Road) in Ellicott City. The County reached commercial and financial close with ESJP on October 16, 2018. The County has a commitment to make a $75 million milestone payment to ESJP on the expected occupancy readiness date of June 30, 2021. Council Bill 41-2017 authorized the issuance of General Obligation bonds to finance the milestone payment.

# Required Supplementary Information

**Howard County, Maryland**
**Howard County Retirement Plan**
**Schedule of Required Supplementary Information**
**Schedule of Changes in the County's Net Pension Liability and Related Ratios**

Last 10 Fiscal Years

(Dollar amounts in thousands)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| Total pension liability * | | | | | | | |
| Service cost | $ 17,330 | 16,919 | 15,861 | 15,093 | 14,073 | 12,727 | Information for FY2013 and earlier not available |
| Interest | 34,964 | 32,786 | 30,959 | 29,046 | 27,198 | 24,974 | |
| Changes of benefit terms | — | — | — | — | — | 3,534 | |
| Differences between expected and actual experience | (5,973) | 379 | (6,369) | (4,093) | (2,741) | — | |
| Changes of assumptions | 9,529 | — | — | — | (851) | 10,918 | |
| Benefit payments, including refunds of member contributions | (19,012) | (16,809) | (15,379) | (13,700) | (12,375) | (11,139) | |
| Net change in total pension liability | 36,838 | 33,275 | 25,072 | 26,346 | 25,304 | 41,014 | |
| Total pension liability - beginning | 478,828 | 445,553 | 420,481 | 394,135 | 368,831 | 327,817 | |
| Total pension liability - ending (a) | 515,666 | 478,828 | 445,553 | 420,481 | 394,135 | 368,831 | |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | 14,155 | 14,841 | 14,179 | 13,428 | 13,967 | 12,778 | |
| Contributions - member | 4,378 | 4,156 | 3,904 | 3,757 | 3,573 | 2,979 | |
| Net investment income | 31,355 | 35,808 | 45,447 | 4,743 | 9,983 | 45,956 | |
| Benefit payments, including refunds of member contributions | (19,012) | (16,809) | (15,379) | (13,700) | (12,375) | (11,139) | |
| Administrative expense | (438) | (351) | (336) | (341) | (311) | (283) | |
| Net change in plan fiduciary net position | 30,438 | 37,645 | 47,815 | 7.887 | 14,837 | 50,291 | |
| Plan fiduciary net position - beginning | 447,760 | 410,115 | 362,300 | 354,413 | 339,576 | 289,285 | |
| Plan fiduciary net position - ending (b) | 478,198 | 447,760 | 410,115 | 362,300 | 354,413 | 339,576 | |
| County's net pension liability - ending (a)-(b) | $ 37,468 | 31,068 | 35,438 | 58,181 | 39,722 | 29,255 | |
| Plan fiduciary net position as a percentage of the total pension liability | 92.73% | 93.51% | 92.05% | 86.16% | 89.92% | 92.07% | |
| Covered payroll | $123,090 | 119,686 | 114,349 | 108,292 | 103,462 | 97,542 | |
| County's net pension liability as a percentage of covered payroll | 30.44% | 25.96% | 30.99% | 53.73% | 38.39% | 29.99% | |
| Expected average remaining service years of all participants | 7 | 7 | 7 | 7 | 7 | 7 | |

** The measurement date for the pension liability is as of June 30 of the fiscal year stated.*

**Notes to Schedule:**

*Benefit changes: None*

*Change of assumptions: Based on the recent experience study, the following assumptions were changed: interest rate, post retirement COLA increases, salary increases, mortality, retirement rates, termination rates and disability rates.*

**Howard County, Maryland**
**Howard County Retirement Plan**
**Schedule of Required Supplementary Information**
**Schedule of County Contributions**

Last 10 Fiscal Years

(Dollar amounts in thousands)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 14,155 | 14,003 | 13,265 | 13,428 | 13,967 | 12,778 | Information for FY2013 and earlier not available |
| Contributions in relation to the actuarially determined contribution | 14,155 | 14,841 | 14,179 | 13,428 | 13,967 | 12,778 | |
| Contribution deficiency (excess) | $ — | (838) | (914) | — | — | — | |
| Covered payroll | $ 123,090 | 119,685 | 114,349 | 108,292 | 103,462 | 97,542 | |
| Contributions as a percentage of covered payroll | 11.50% | 12.40% | 12.40% | 12.40% | 13.50% | 13.10% | |

Note: ADC rate for FY 18 and FY 17 were 11.7% and 11.6%, respectively.

**Notes to Schedule:**

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July1) for the year immediately following the fiscal year. Actuarial valuations are performed every year. The assumptions shown below are from the currently approved assumptions and assumptions used to determine all contributions in the past would not have been the same.

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Projected Unit Credit (Entry Age used for GASB 67 purposes) |
| Amortization method | Level percentage of pay increasing 2.75% per year |
| Remaining amortization period | Remaining Amortization periods range from 4 to 21 years. |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.70% |
| Salary increases | Varies by service. 3.75 to 6.50 percent, including inflation |
| Investment rate of return | 7.45%, before expenses, including inflation |
| Retirement age | Rates vary by participant age and service |
| Mortality | RP-2014 Combined Healthy tables with generational projection from 2006 base year using scale MP-2017. |
| Cost-of-Living Increases | 2.70% |

**Howard County, Maryland**
**Howard County Police and Fire Employees' Retirement Plan**
**Schedule of Required Supplementary Information**
**Schedule of Changes in the County's Net Pension Liability and Related Ratios**

Last 10 Fiscal Years

(Dollar amounts in thousands)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | |
| Service cost | $ 22,278 | 21.109 | 19.163 | 18.974 | 17,708 | 17,535 | Information for FY2013 and earlier not available |
| Interest | 50,713 | 46,900 | 43,426 | 39,998 | 36,208 | 33,630 | |
| Changes of benefit terms | — | — | — | (1,705) | — | — | |
| Differences between expected and actual experience | (2,667) | 13,530 | 6,319 | 7,599 | (1,596) | — | |
| Changes of assumptions | 3,936 | — | — | — | 16,621 | 14,989 | |
| Benefit payments, including refunds of member contributions | (27,571) | (24,755) | (20,422) | (17,890) | (18,941) | (15,679) | |
| Net change in total pension liability | 46,689 | 56,784 | 48,486 | 46,976 | 50,000 | 50,475 | |
| Total pension liability - beginning | 694,496 | 637,712 | 589,226 | 542,250 | 492,250 | 441,775 | |
| Total pension liability - ending (a) | 741,185 | 694,496 | 637,712 | 589,226 | 542,250 | 492,250 | |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | 27,720 | 26.337 | 24.729 | 21.636 | 22,530 | 20,822 | |
| Contributions - member | 8,125 | 7,859 | 7,387 | 7,041 | 7,006 | 6,526 | |
| Net investment income | 39,639 | 46,560 | 55,956 | 6,459 | 11,531 | 54,733 | |
| Benefit payments, including refunds of member contributions | (27,571) | (24,755) | (20,421) | (17,889) | (18,941) | (15,679) | |
| Administrative expense | (457) | (355) | (344) | (327) | (368) | (271) | |
| Net change in plan fiduciary net position | 47,456 | 55,646 | 67,307 | 16,920 | 21,758 | 66,131 | |
| Plan fiduciary net position - beginning | 571,902 | 516,256 | 448,949 | 432,029 | 410,271 | 344,140 | |
| Plan fiduciary net position - ending (b) | 619,358 | 571,902 | 516,256 | 448,949 | 432,029 | 410,271 | |
| County's net pension liability - ending (a)-(b) | $ 121,827 | 122,594 | 121,456 | 140,277 | 110,221 | 81,979 | |
| Plan fiduciary net position as a percentage of the total pension liability | 83.56% | 82.35% | 80.95% | 76.19% | 79.67% | 83.35 % | |
| Covered payroll | $ 83,746 | 81,037 | 80,814 | 72,121 | 70,406 | 67,169 | |
| County's net pension liability as a percentage of covered payroll | 145.47% | 151.28% | 150.29% | 194.50% | 156.55% | 122.05 % | |
| Expected average remaining service years of all participants | 9 | 9 | 9 | 10 | 10 | 9 | |

** The measurement date for the pension liability is as of June 30 of the fiscal year stated.*

**Notes to Schedule:**

*Benefit changes.* Effective January 1, 2015, DROP 1 is closed to new entrants and DROP II is open to all plan members who meet the eligibility requirements. DROP I members may elect to transfer to DROP II.

*Changes of assumptions*. Based on the recent experience study, the following assumptions were changed: interest rate, post-retirement COLA increases, salary increases, mortality, retirement rates, termination rates and disability rates.

**Howard County, Maryland**
**Howard County Police and Fire Employees' Retirement Plan**
**Schedule of County Contributions**
Last 10 Fiscal Years
(Dollar amounts in thousands)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 27,720 | 26,337 | 24,729 | 21,636 | 22,530 | 20,822 | Information for FY2013 and earlier not available |
| Contributions in relation to the actuarially determined contribution | 27,720 | 26,337 | 24,729 | 21,636 | 22,530 | 20,822 | |
| Contribution deficiency (excess) | — | — | — | — | — | — | |
| Covered payroll | $ 83,746 | 81,037 | 80,814 | 72,121 | 70,406 | 67,169 | |
| Contributions as a percentage of covered payroll | 33.10% | 32.50% | 30.60% | 30.00% | 32.00% | 31.00% | |

**Notes to Schedule**

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Projected Unit Credit (Entry Age used for GASB 67 purposes) |
| Amortization method | Level percentage of pay increasing 2.75% per year |
| Remaining amortization period | Remaining Amortization periods range from 4 to 15 years. |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.70% |
| Salary increases | Varies by service. 4.25% to 7.75%, including inflation |
| Investment rate of return | 7.45%, net of pension plan investment expense, including inflation |
| Retirement age | Rates vary by participant age and service and (for GASB purposes only) set at 100% at DROP entry (or expected entry). Normal Cost (for GASB purposes) ceases for Police and Fire members when they enter DROP since GASB 67 does not allow Normal Cost while in DROP. |
| Mortality | RP-2014 Combined Healthy tables with generational projection from 2006 base year using scale MP-2017. |
| Cost-of-Living Increases | 2.00% |

**Howard County, Maryland**
**Other Post-Employment Benefits (OPEB) Fund**
**Schedule of Required Supplementary Information**
**Schedule of Employer's Proportionate Share of Net OPEB Liability**
Last 10 Fiscal Years
(Dollar amounts in thousands)

| | 2018 | 2017 | 2016 |
|---|---|---|---|
| ***Total OPEB liability** | | | |
| Employer's proportion of the net OPEB liability | 32.09% | 30.75% | Information |
| Employer's proportionate share of net OPEB liability | $376,331 | $339,983 | FY2016 and |
| Covered-employee payroll | $193,828 | $184,681 | earlier is not |
| Employer's proportionate share of the net OPEB liability | | | available. |
| as a percentage of covered-employee payroll | 51.50% | 54.32% | |
| Plan fiduciary net position as a | | | |
| percentage of total OPEB liability | 9.94% | 8.62% | |

** The measurement date for the OPEB liability is as of June 30 of the fiscal year stated.*

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, governments should present information for which information is available.

**Howard County, Maryland**
**Other Post-Employment Benefits (OPEB) Fund**
**Schedule of Required Supplementary Information**
**Schedule of Changes in the OPEB Trust's Net OPEB Liability and Related Ratios**

Last 10 Fiscal Years

(Dollar amounts in thousands)

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| *Total OPEB liability | | | | |
| Service cost | $ 60,150 | 55,049 | 64,957 | Information for FY2016 and earlier is not available |
| Interest | 51,309 | 47,145 | 40,906 | |
| Differences between expected and actual experience | (3,241) | (65,034) | — | |
| Changes of assumptions | 107,691 | 77,712 | (162,653) | |
| Benefit payments | (22,755) | (22,627) | (23,244) | |
| Net change in total OPEB liability | 193,154 | 92,245 | (80,034) | |
| Total OPEB liability - beginning | 1,302,161 | 1,209,916 | 1,289,950 | |
| Total OPEB liability - ending (a) | $ 1,495,315 | 1,302,161 | 1,209,916 | |
| Plan fiduciary net position | | | | |
| Contributions - employer | $ 38,381 | 38,627 | 36,324 | |
| Net investment income | 9,285 | 9,200 | 9,912 | |
| Benefit payments | (22,755) | (22,627) | (23,244) | |
| Administrative expense | (106) | (56) | (3) | |
| Net change in plan fiduciary net position | 24,805 | 25,144 | 22,989 | |
| Plan fiduciary net position - beginning | 129,425 | 104,281 | 81,292 | |
| Plan fiduciary net position - ending (b) | $ 154,230 | 129,425 | 104,281 | |
| County's net OPEB liability - ending (a)-(b) | $ 1,341,086 | 1,172,736 | 1,105,635 | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 10.31% | 9.94% | 8.62% | |
| Covered employee payroll | 798,788 | 799,110 | 760,624 | |
| County's net OPEB liability as a percentage covered-employee payroll | 167.89% | 146.76% | 145.36% | |
| Expected average remaining service years of all participants | 10 | 10 | 10 | |

Notes to Schedule:

*Benefit changes. None*

*Changes of assumptions. Discount rate at 6/30/18 is 3.98% and at 6/30/19 is 3.56%.*

** The measurement date for the OPEB liability is as of June 30 of the fiscal year stated.*

**Howard County, Maryland**
**Other Postemployment Benefits**
**Schedule of Required Supplementary Information**
**Schedule of Investment Returns**
Last 10 Fiscal Years

| Fiscal Year Ended | Annual money-weighted rate of return, net of investment expenses |
|---|---|
| June 30, 2019 | 7.07% |
| June 30, 2018 | 8.53% |
| June 30, 2017 | 11.65% |
| June 30, 2016 | 2.02% |
| June 30, 2015 | 2.65% |
| June 30, 2014 | 17.26% |
| June 30, 2013 | 12.02% |

*Information prior to FY 2013 is not available.*

**Howard County, Maryland**
**Length of Service Award Program**
**Schedule of Required Supplementary Information**
**Schedule of Changes in the County's Net Pension Liability and Related Ratios**

Last 10 Fiscal Years

(Dollar amounts in thousands)

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Total pension liability | | | | |
| Service cost | $ 837 | 1,026 | 1,027 | |
| Interest | 823 | 714 | 655 | Information for FY2015 and earlier not available |
| Changes of benefit terms | — | — | — | |
| Differences between expected and actual experience | (1,417) | — | — | |
| Changes of assumptions | (263) | (2,771) | — | |
| Benefit payments, including refunds of member contributions | (721) | (669) | (610) | |
| Net change in total pension liability | (741) | (1,700) | 1,072 | |
| Total pension liability - beginning | 22,649 | 24,349 | 23,277 | |
| Total pension liability - ending (a) | $ 21,908 | 22,649 | 24,349 | |
| Plan fiduciary net position | | | | |
| Net investment income | — | — | — | |
| Benefit payments, including refunds of member contributions | — | — | — | |
| Administrative expense | — | — | — | |
| Net change in plan fiduciary net position | — | — | — | |
| Plan fiduciary net position - beginning | — | — | — | |
| Plan fiduciary net position - ending (b) | — | — | — | |
| County's net pension liability - ending (a)-(b) | $ 21,908 | 22,649 | 24,349 | |
| Plan fiduciary net position as a percentage of the total pension liability | —% | —% | —% | |
| Covered-employee payroll | n/a | n/a | n/a | |
| County's net pension liability as a percentage of covered-employee payroll | n/a | n/a | n/a | |
| Expected average remaining service years of all participants | 8 | 10 | 10 | |

**Notes to Schedule:**

*Assets.* There are no assets accumulated in a trust to pay related benefits. All benefits are paid on a pay-as-you-go basis.

*Benefit changes*. None

*Changes of assumptions*. Discount rate changed from 3.56% to 3.62%.

# Combining and Individual Fund Statements and Schedules

**The Combining and Individual fund statements and schedules provide detailed information concerning financial position and results of operations.**

- **General Fund**
- **Non-Major Governmental Funds**
- **Enterprise Funds-Other**
- **Internal Service Funds**
- **Fiduciary Funds**
- **Capital Assets Used in the Operation of Governmental Funds**
- **Capital Assets Used in the Operation of Enterprise Funds**
- **Long-Term Debt**

# General Fund

**The General fund is the general operating fund of the County. This fund is used to account for all financial resources except those required to be accounted for in another fund.**

**Howard County, Maryland**
**Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis**
**General Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Revenues | Final Budget |
| **Property taxes:** | | | | |
| Real, personal and corporate | $ 547,827,993 | 547,827,993 | 550,439,065 | 2,611,072 |
| Payment in lieu of taxes | 1,500,000 | 1,500,000 | 1,535,279 | 35,279 |
| Additions and abatements | (150,000) | (150,000) | (924,271) | (774,271) |
| Interest on taxes | 900,000 | 900,000 | 1,048,450 | 148,450 |
| Tax sale revenue | 100,000 | 100,000 | — | (100,000) |
| Total property taxes | 550,177,993 | 550,177,993 | 552,098,523 | 1,920,530 |
| **Other local taxes:** | | | | |
| Heavy equipment | 800,000 | 800,000 | 967,390 | 167,390 |
| Local income tax surcharge | 454,296,364 | 454,296,364 | 462,445,038 | 8,148,674 |
| Admission tax | 2,500,000 | 2,500,000 | 3,361,722 | 861,722 |
| Local recordation tax | 22,968,000 | 22,968,000 | 21,142,956 | (1,825,044) |
| Mobile home tax | 633,180 | 633,180 | 685,551 | 52,371 |
| Room rental tax | 5,350,000 | 5,350,000 | 5,538,425 | 188,425 |
| Total other local taxes | 486,547,544 | 486,547,544 | 494,141,082 | 7,593,538 |
| **State shared taxes:** | | | | |
| Highway | 1,620,478 | 1,620,478 | 1,673,415 | 52,937 |
| Total state shared taxes | 1,620,478 | 1,620,478 | 1,673,415 | 52,937 |
| **Revenues from other governments** | 8,370,696 | 8,370,696 | 9,666,906 | 1,296,210 |
| **Charges for services:** | | | | |
| Boarding prisoners | 2,914,446 | 2,914,446 | 2,869,437 | (45,009) |
| Cable TV franchise fees | 5,725,138 | 5,725,138 | 5,829,293 | 104,155 |
| Civil marriage | 11,000 | 11,000 | 11,140 | 140 |
| Developer - water and sewer overhead | 500,000 | 500,000 | 310,104 | (189,896) |
| Development - review fees | 1,500,000 | 1,500,000 | 1,082,356 | (417,644) |
| Development - specifications | 1,000 | 1,000 | — | (1,000) |
| Extension development agreement fees | 35,000 | 35,000 | 31,425 | (3,575) |
| House type revision fees | 177,500 | 177,500 | 113,935 | (63,565) |
| Master in chancery fees | 100,000 | 100,000 | 5 | (99,995) |
| Other charges for services | 219,935 | 219,935 | 47,860 | (172,075) |
| Parking meters | 5,000 | 5,000 | 4,613 | (387) |
| Planning and zoning fees | 613,500 | 613,500 | 622,123 | 8,623 |
| Police records check discovery fee | 35,000 | 35,000 | 55,296 | 20,296 |
| Recreation and parks | 80,000 | 80,000 | 62,069 | (17,931) |
| Rental housing inspection fees | 1,387,065 | 1,387,065 | 1,319,719 | (67,346) |
| Sale of maps and publications | 75,000 | 75,000 | 39,644 | (35,356) |
| Sale of topographic maps | — | — | 230 | 230 |
| Sheriff fees | 400,000 | 400,000 | 482,693 | 82,693 |
| Tax certificates | 300,000 | 300,000 | 290,820 | (9,180) |
| Weekender inmate fees | 45,000 | 45,000 | 22,479 | (22,521) |
| Food and beverage | 150,000 | 150,000 | 135,384 | (14,616) |
| Total charges for services | 14,274,584 | 14,274,584 | 13,330,625 | (943,959) |

**(Continued)**

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis**
**General Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Revenues | Final Budget |
| Interest on investments | 2,020,000 | 2,020,000 | 7,236,783 | 5,216,783 |
| Licenses and permits: | | | | |
| Animal licenses | 60,340 | 60,340 | 57,187 | (3,153) |
| Beer, wine and liquor | 309,595 | 309,595 | 299,686 | (9,909) |
| Building | 3,892,001 | 3,892,001 | 3,572,860 | (319,141) |
| Concert/special event permit fees | — | — | 65,599 | 65,599 |
| Electrical | 1,184,836 | 1,184,836 | 1,118,331 | (66,505) |
| Marriage licenses | 2,000 | 2,000 | — | (2,000) |
| Marriage license surcharge | 95,000 | 95,000 | 83,115 | (11,885) |
| Mobile home park | 6,450 | 6,450 | 6,450 | — |
| Other | — | — | 957 | 957 |
| Peddlers and solicitors | 23,315 | 23,315 | 12,466 | (10,849) |
| Plumbing | 1,128,777 | 1,128,777 | 961,815 | (166,962) |
| Signs | 50,000 | 50,000 | 37,700 | (12,300) |
| Traders | 425,000 | 425,000 | 446,568 | 21,568 |
| Total licenses and permits | 7,177,314 | 7,177,314 | 6,662,734 | (514,580) |
| Recoveries for interfund services: | | | | |
| Agricultural land preservation fund | 520,662 | 320,662 | 320,662 | — |
| Finance - Employee health benefits fund | 17,481 | 17,481 | 38,341 | 20,860 |
| Fire and rescue fund | 5,319,994 | 5,319,994 | 5,319,994 | — |
| Forest Conservation pro rata share | — | — | 28,984 | 28,984 |
| General County capital projects pro rata share | 100,000 | 100,000 | — | (100,000) |
| Housing and community development | 452,010 | 452,010 | 452,010 | — |
| Office of law - self insurance | 416,260 | 416,260 | 416,260 | — |
| Pension plan | 319,000 | 319,000 | 406,867 | 87,867 |
| Public works - water & sewer capital projects pro rata share | 450,000 | 450,000 | 400,000 | (50,000) |
| Public works - water and sewer developer capital projects | 500,000 | 500,000 | 440,000 | (60,000) |
| Public works operations - utility pro rata | 4,766,602 | 4,766,602 | 4,766,602 | — |
| Recreation and parks | 1,799,307 | 1,799,307 | 1,770,323 | (28,984) |
| Streetlight districts | 30,000 | 30,000 | 11,300 | (18,700) |
| Waste management pro rata share | 1,333,734 | 1,333,734 | 1,333,734 | — |
| Watershed pro rata share | 878,666 | 878,666 | 815,904 | (62,762) |
| Total recoveries for interfund services | 16,903,716 | 16,703,716 | 16,520,981 | (182,735) |
| Fines and forfeitures | 3,108,514 | 3,108,514 | 3,018,279 | (90,235) |
| Component units return of funding: | | | | |
| Community college | 1,099,269 | 1,099,269 | 487,078 | (612,191) |
| Public school system | 1,762,105 | 1,762,105 | 1,059,259 | (702,846) |
| Total component units return of funding | 2,861,374 | 2,861,374 | 1,546,337 | (1,315,037) |
| Miscellaneous revenues: | | | | |
| Commissions, rents and concessions | 409,570 | 409,570 | 432,334 | 22,764 |
| Miscellaneous program revenue | 7,108,644 | — | 555,150 | 555,150 |
| Other intergovernmental revenue | — | — | 12,292 | 12,292 |
| Other revenue | 602,900 | 602,900 | 1,274,546 | 671,646 |
| Sale of property and equipment | — | — | 29,359 | 29,359 |
| Sale of surplus property | — | — | (9,923) | (35,273) |
| Total miscellaneous revenue | 8,121,114 | 1,012,470 | 2,293,758 | 1,255,938 |
| Total revenues | 1,108,429,046 | 1,093,874,683 | 1,108,189,423 | 14,314,740 |
| Other financing sources: | | | | |
| Transfers in: | | | | |
| Operating transfer | — | 200,000 | 200,000 | — |
| Community renewal program fund - debt | 208,592 | 208,592 | 208,592 | — |
| Fire and rescue reserve fund - debt | 2,293,220 | 2,293,220 | 2,293,220 | — |
| Recreation program fund - debt | 4,962,170 | 4,962,170 | 4,962,170 | — |
| Excise tax debt | — | 7,245,719 | 7,262,117 | 16,398 |
| Public school system debt | — | 7,108,644 | 7,108,643 | (1) |
| Capital contributions | 160,000 | 160,000 | — | (160,000) |
| Environmental services fund | 629,907 | 629,907 | 629,907 | — |
| Master lease debt service reimbursement | 682,128 | 682,128 | 682,128 | — |
| Total other financing sources | 8,936,017 | 23,490,380 | 23,346,777 | (143,603) |
| Appropriation from fund balance | 23,242,758 | 23,242,758 | 238,017 | (23,004,741) |
| Capital Related Debt Issued | — | — | 793,086 | 793,086 |
| Total revenues and other financing sources | $ 1,140,607,821 | 1,140,607,821 | 1,132,567,303 | (8,040,518) |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Schedule of Expenditures and Encumbrances - Budgetary Basis**
**General Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | | Expenditures and | Variance with |
|---|---|---|---|---|---|---|
| | Original | Final | Expenditures | Encumbrances | Encumbrances | Final Budget |
| **General Government** | | | | | | |
| Office of the County Executive | $ 2,053,798 | 2,053,798 | 2,022,123 | 18,500 | 2,040,623 | 13,175 |
| Office of the County Administrator: | | | | | | |
| Bureau of staff services: | | | | | | |
| Staff services | 2,433,971 | 2,372,609 | 2,053,158 | 200,000 | 2,253,158 | 119,451 |
| Environmental sustainability | 512,655 | 517,655 | 517,632 | — | 517,632 | 23 |
| Office of human rights | 922,825 | 922,825 | 875,610 | — | 875,610 | 47,215 |
| Workforce development | 248,791 | 248,791 | 183,629 | — | 183,629 | 65,162 |
| Total bureau of staff services | 4,118,242 | 4,061,880 | 3,630,029 | 200,000 | 3,830,029 | 231,851 |
| Bureau of management services: | | | | | | |
| Budget division | 1,219,663 | 1,226,163 | 1,141,325 | 63,560 | 1,204,885 | 21,278 |
| Human resources | 2,492,759 | 2,581,517 | 2,161,160 | 352,726 | 2,513,886 | 67,631 |
| Purchasing division | 1,645,334 | 1,606,438 | 1,520,699 | — | 1,520,699 | 85,739 |
| Central services | 733,840 | 733,840 | 690,964 | — | 690,964 | 42,876 |
| Public information | 1,272,895 | 1,272,895 | 1,219,448 | 10,000 | 1,229,448 | 43,447 |
| Total bureau of management services | 7,364,491 | 7,420,853 | 6,733,596 | 426,286 | 7,159,882 | 260,971 |
| Total Office of the County Administrator | 11,482,733 | 11,482,733 | 10,363,625 | 626,286 | 10,989,911 | 492,822 |
| Department of economic development | 2,783,222 | 2,783,222 | 2,783,221 | — | 2,783,221 | 1 |
| Department of finance: | | | | | | |
| Office of the director | 2,281,694 | 2,201,086 | 2,022,273 | 72,251 | 2,094,524 | 106,562 |
| Office of the controller | 2,672,803 | 2,672,803 | 2,202,351 | 26,930 | 2,229,281 | 443,522 |
| Office of business management and customer service | 2,884,494 | 2,887,102 | 2,559,975 | 29,538 | 2,589,513 | 297,589 |
| Bureau of disbursements | 943,387 | 1,021,387 | 922,090 | 38,448 | 960,538 | 60,849 |
| Total department of finance | 8,782,378 | 8,782,378 | 7,706,689 | 167,167 | 7,873,856 | 908,522 |
| Office of law | 4,153,455 | 4,153,455 | 4,113,138 | — | 4,113,138 | 40,317 |
| Technology and communication services | 279,681 | 279,681 | 272,244 | 6,510 | 278,754 | 927 |
| General fund contingency | 2,000,000 | 321,300 | — | — | — | 321,300 |
| Non-departmental expenses | 17,392,000 | 19,925,778 | 18,687,146 | 715,702 | 19,402,848 | 522,930 |
| Total General Government | 48,927,267 | 49,782,345 | 45,948,186 | 1,534,165 | 47,482,351 | 2,299,994 |
| **Legislative and Judicial** | | | | | | |
| Legislative: | | | | | | |
| County council | 3,599,180 | 3,599,180 | 3,240,813 | 170,000 | 3,410,813 | 188,367 |
| County auditor | 1,508,624 | 1,508,624 | 1,376,862 | 125,330 | 1,502,192 | 6,432 |
| Board of license commissioners | 152,721 | 152,721 | 144,755 | — | 144,755 | 7,966 |
| Zoning board | 89,933 | 89,933 | 79,417 | — | 79,417 | 10,516 |
| Board of appeals | 101,979 | 101,979 | 40,017 | — | 40,017 | 61,962 |
| Total legislative | 5,452,437 | 5,452,437 | 4,881,864 | 295,330 | 5,177,194 | 275,243 |

**(Continued)**

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Expenditures and Encumbrances - Budgetary Basis**
**General Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | | | |
|---|---|---|---|---|---|---|
| | Original | Final | Expenditures | Encumbrances | Expenditures and Encumbrances | Variance with Final Budget |
| **Judicial** | | | | | | |
| Circuit court | 3,117,023 | 3,117,023 | 2,936,937 | — | 2,936,937 | 180,086 |
| Orphan's court | 54,196 | 54,196 | 52,182 | — | 52,182 | 2,014 |
| Sheriff's department | 8,106,481 | 8,106,481 | 7,882,970 | 30,190 | 7,913,160 | 193,321 |
| State attorney's office | 8,577,811 | 8,577,811 | 8,443,971 | 70,500 | 8,514,471 | 63,340 |
| Total judicial | 19,855,511 | 19,855,511 | 19,316,060 | 100,690 | 19,416,750 | 438,761 |
| Board of election supervisors | 2,018,719 | 1,978,719 | 1,698,562 | 200,000 | 1,898,562 | 80,157 |
| Election expense | 1,543,128 | 1,583,128 | 1,452,222 | — | 1,452,222 | 130,906 |
| Total Legislative and Judicial | 28,869,795 | 28,869,795 | 27,348,708 | 596,020 | 27,944,728 | 925,067 |
| **Public Works** | | | | | | |
| Department of public works: | | | | | | |
| Office of the director | 4,724,099 | 4,516,313 | 4,482,401 | 32,482 | 4,514,883 | 1,430 |
| Total office of the director | 4,724,099 | 4,516,313 | 4,482,401 | 32,482 | 4,514,883 | 1,430 |
| Bureau of engineering: | | | | | | |
| Administrative management division | 582,727 | 660,391 | 658,474 | — | 658,474 | 1,917 |
| Transportation & watershed management | 1,371,584 | 1,454,019 | 1,448,687 | — | 1,448,687 | 5,332 |
| Construction inspection division | 3,661,741 | 3,224,962 | 3,181,062 | — | 3,181,062 | 43,900 |
| Survey and drafting division | 925,171 | 884,637 | 873,406 | — | 873,406 | 11,231 |
| Total bureau of engineering | 6,541,223 | 6,224,009 | 6,161,629 | — | 6,161,629 | 62,380 |
| Bureau of highways: | | | | | | |
| Operations | 1,566,117 | 1,418,117 | 1,401,987 | — | 1,401,987 | 16,130 |
| Highway maintenance division | 20,036,761 | 21,380,561 | 18,428,678 | 2,936,889 | 21,365,567 | 14,994 |
| Traffic engineering division | 2,237,873 | 2,272,873 | 1,820,623 | 439,550 | 2,260,173 | 12,700 |
| Total bureau of highways | 23,840,751 | 25,071,551 | 21,651,288 | 3,376,439 | 25,027,727 | 43,824 |
| Bureau of facilities: | | | | | | |
| Administration | 7,871,803 | 8,624,653 | 8,350,548 | 262,151 | 8,612,699 | 11,954 |
| Building and ground maintenance | 11,373,278 | 11,558,328 | 11,454,530 | 103,244 | 11,557,774 | 554 |
| Total bureau of facilities | 19,245,081 | 20,182,981 | 19,805,078 | 365,395 | 20,170,473 | 12,508 |
| Bureau of environmental services: | | | | | | |
| Stormwater management | 1,228,236 | 1,263,236 | 1,257,713 | — | 1,257,713 | 5,523 |
| Total bureau of environmental services | 1,228,236 | 1,263,236 | 1,257,713 | — | 1,257,713 | 5,523 |
| Total Department of Public Works | 55,579,390 | 57,258,090 | 53,358,109 | 3,774,316 | 57,132,425 | 125,665 |
| Department of inspections, licenses and permits: | | | | | | |
| Operations division | 2,147,083 | 2,147,083 | 1,954,400 | 90,888 | 2,045,288 | 101,795 |
| Inspection and enforcement division | 3,675,301 | 3,653,301 | 3,440,543 | 71,000 | 3,511,543 | 141,758 |
| Plan review division | 1,405,581 | 1,427,581 | 1,404,782 | — | 1,404,782 | 22,799 |
| Licenses and permits division | 850,252 | 850,252 | 842,028 | — | 842,028 | 8,224 |
| Total department of inspections, licenses and permits | 8,078,217 | 8,078,217 | 7,641,753 | 161,888 | 7,803,641 | 274,576 |

**(Continued)**

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Schedule of Expenditures and Encumbrances - Budgetary Basis
## General Fund
## For the Year Ended June 30, 2019

| | Budget Amounts | | | | | |
|---|---|---|---|---|---|---|
| | Original | Final | Expenditures | Encumbrances | Expenditures and Encumbrances | Variance with Final Budget |
| Department of planning and zoning: | | | | | | |
| Office of the director | 1,608,079 | 1,773,585 | 1,461,548 | 84,728 | 1,546,276 | 227,309 |
| Division of land development | 1,417,728 | 1,350,728 | 1,320,729 | — | 1,320,729 | 29,999 |
| Division of research | 899,703 | 894,103 | 860,132 | — | 860,132 | 33,971 |
| Public service and zoning administration | 1,047,236 | 990,236 | 975,904 | — | 975,904 | 14,332 |
| Environmental and community planning | 531,510 | 475,010 | 453,488 | — | 453,488 | 21,522 |
| Development engineering division | 1,078,617 | 1,089,117 | 1,086,830 | — | 1,086,830 | 2,287 |
| Conservation easements program | 592,769 | 602,863 | 600,833 | — | 600,833 | 2,030 |
| Total department of planning and zoning | 7,175,642 | 7,175,642 | 6,759,464 | 84,728 | 6,844,192 | 331,450 |
| Soil conservation district | 994,804 | 994,804 | 994,804 | — | 994,804 | — |
| Department of transportation | 10,861,631 | 10,347,284 | 9,274,184 | 1,042,576 | 10,316,760 | 30,524 |
| Total Public Works | 82,689,684 | 83,854,037 | 78,028,314 | 5,063,508 | 83,091,822 | 762,215 |
| Public Safety | | | | | | |
| Police department: | | | | | | |
| Animal control division | 1,816,350 | 1,816,350 | 1,654,294 | 61,717 | 1,716,011 | 100,339 |
| Office of the chief | 6,156,007 | 6,273,007 | 6,198,486 | — | 6,198,486 | 74,521 |
| Administrative command | 810,511 | 795,511 | 777,209 | — | 777,209 | 18,302 |
| Command operations | 47,304,970 | 45,780,400 | 44,806,296 | 22,915 | 44,829,211 | 951,189 |
| Bureau of criminal investigations | 18,698,993 | 18,583,993 | 18,222,298 | 108,936 | 18,331,234 | 252,759 |
| Special operations bureau | 9,862,565 | 9,771,535 | 8,914,953 | 635,269 | 9,550,222 | 221,313 |
| Operations support | 1,474,334 | 2,052,334 | 1,930,104 | 500 | 1,930,604 | 121,730 |
| Information and technology bureau | 16,734,142 | 16,468,041 | 16,029,897 | 32,918 | 16,062,815 | 405,226 |
| Human resource bureau | 4,875,311 | 5,849,311 | 5,736,427 | 38,782 | 5,775,209 | 74,102 |
| Management services bureau | 10,896,799 | 11,129,500 | 10,653,285 | 308,662 | 10,961,947 | 167,553 |
| Investigations and special operations | 249,682 | 359,682 | 352,517 | — | 352,517 | 7,165 |
| Total police department | 118,879,664 | 118,879,664 | 115,275,766 | 1,209,699 | 116,485,465 | 2,394,199 |
| Department of corrections | 19,303,815 | 19,303,815 | 19,023,646 | 187,084 | 19,210,730 | 93,085 |
| Total Public Safety | 138,183,479 | 138,183,479 | 134,299,412 | 1,396,783 | 135,696,195 | 2,487,284 |
| Recreation and Parks | | | | | | |
| Department of recreation and parks | 24,550,738 | 24,550,738 | 24,509,682 | 37,538 | 24,547,220 | 3,518 |
| Total Recreation and Parks | 24,550,738 | 24,550,738 | 24,509,682 | 37,538 | 24,547,220 | 3,518 |
| Community Services | | | | | | |
| Department of social services | 678,494 | 678,494 | 598,580 | — | 598,580 | 79,914 |
| Department of Community Resources and Services | 10,330,267 | 10,375,562 | 9,734,286 | 158,686 | 9,892,972 | 482,590 |
| Consumer affairs division | 480,845 | 435,549 | 402,076 | — | 402,076 | 33,473 |
| Office on aging | 3,124,818 | 3,124,819 | 3,070,661 | 2,905 | 3,073,566 | 51,253 |
| Cooperative extension services | 543,717 | 543,717 | 539,231 | — | 539,231 | 4,486 |
| Health department | 11,461,498 | — | — | — | — | — |
| Total Community Services | 26,619,639 | 15,158,141 | 14,344,834 | 161,591 | 14,506,425 | 651,716 |

(Continued)

The accompanying notes are an integral part of these financial statements.

## Howard County, Maryland
## Schedule of Expenditures and Encumbrances - Budgetary Basis
## General Fund
## For the Year Ended June 30, 2019

| | Budget Amounts | | | | Expenditures and | Variance with |
|---|---|---|---|---|---|---|
| | Original | Final | Expenditures | Encumbrances | Encumbrances | Final Budget |
| **County grants in-aid:** | | | | | | |
| **Arts & tourism grants:** | | | | | | |
| Center of African-American Culture | 39,960 | 39,960 | 39,960 | — | 39,960 | — |
| African Art Museum of Maryland | 12,000 | 12,000 | 12,000 | — | 12,000 | — |
| Ellicott City Partnership | 50,000 | 50,000 | 50,000 | — | 50,000 | — |
| Inner Arbor | 5,000 | 5,000 | 5,000 | — | 5,000 | — |
| Patapsco Heritage Greenway | 50,000 | 62,500 | 62,500 | — | 62,500 | — |
| Local / regional arts grants | 865,000 | 865,000 | 865,000 | — | 865,000 | — |
| Tourism Council | 1,009,877 | 1,009,877 | 1,009,877 | — | 1,009,877 | — |
| Total arts and tourism grants | 2,031,837 | 2,044,337 | 2,044,337 | — | 2,044,337 | — |
| **Civic grants:** | | | | | | |
| Historical society | 80,000 | 80,000 | 80,000 | — | 80,000 | — |
| Total civic grants | 80,000 | 80,000 | 80,000 | — | 80,000 | — |
| Community service partnerships human service grants | 9,110,843 | 9,098,343 | 9,008,829 | 70,000 | 9,078,829 | 19,514 |
| Total County Grants in-Aid | 11,222,680 | 11,222,680 | 11,133,166 | 70,000 | 11,203,166 | 19,514 |
| Total Community Service and grants in-aid | 37,842,319 | 26,380,821 | 25,478,000 | 231,591 | 25,709,591 | 671,230 |
| **Education** | | | | | | |
| Public schools | 600,053,881 | 600,053,881 | 600,053,881 | — | 600,053,881 | — |
| Community college | 34,985,816 | 34,985,816 | 34,985,816 | — | 34,985,816 | — |
| Library | 20,937,872 | 20,937,872 | 20,937,872 | — | 20,937,872 | — |
| Total Education | 655,977,569 | 655,977,569 | 655,977,569 | — | 655,977,569 | — |

(Continued)

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Schedule of Expenditures and Encumbrances - Budgetary Basis**
**General Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | | Expenditures and | Variance with |
|---|---|---|---|---|---|---|
| | Original | Final | Expenditures | Encumbrances | Encumbrances | Final Budget |
| **Debt Service** | | | | | | |
| **Principal:** | | | | | | |
| Community college | 5,486,956 | 5,486,958 | 5,486,954 | — | 5,486,954 | 4 |
| Community renewal | 138,405 | 138,405 | 138,405 | — | 138,405 | — |
| Environmental services | — | 299,471 | 299,471 | — | 299,471 | — |
| Excise bonds | 4,529,057 | 4,229,587 | 4,229,586 | — | 4,229,586 | 1 |
| Fire | 1,077,738 | 1,077,739 | 1,077,738 | — | 1,077,738 | 1 |
| General county projects | 13,775,229 | 13,775,230 | 13,775,230 | — | 13,775,230 | — |
| Police | 443,843 | 443,843 | 443,843 | — | 443,843 | — |
| Recreation and parks | 2,375,420 | 2,375,421 | 2,375,420 | — | 2,375,420 | 1 |
| School surcharge | 5,205,144 | 5,205,144 | 5,205,144 | — | 5,205,144 | — |
| Schools | 28,049,896 | 28,049,898 | 28,049,897 | — | 28,049,897 | 1 |
| Storm drainage | 1,928,312 | 1,928,312 | 1,928,312 | — | 1,928,312 | — |
| Master lease financing | 2,376,547 | 1,702,008 | 1,702,008 | — | 1,702,008 | — |
| Lease financing | — | 409,040 | 409,040 | — | 409,040 | — |
| Total principal | 65,386,547 | 65,121,056 | 65,121,048 | — | 65,121,048 | 8 |
| **Interest:** | | | | | | |
| Community college | 4,815,456 | 4,815,456 | 4,815,458 | — | 4,815,458 | (2) |
| Community renewal | 70,187 | 70,187 | 70,187 | — | 70,187 | — |
| Environmental services | — | 330,436 | 330,436 | — | 330,436 | — |
| Excise bonds | 3,346,569 | 3,032,531 | 3,032,531 | — | 3,032,531 | — |
| Fire | 1,215,482 | 1,215,482 | 1,215,482 | — | 1,215,482 | — |
| General county projects | 12,732,540 | 12,656,174 | 12,656,174 | — | 12,656,174 | — |
| Police | 234,158 | 234,158 | 234,158 | — | 234,158 | — |
| Recreation and parks | 2,586,750 | 2,586,750 | 2,586,750 | — | 2,586,750 | — |
| School surcharge | 1,903,500 | 1,903,500 | 1,903,500 | — | 1,903,500 | — |
| Schools | 18,278,297 | 18,278,298 | 18,278,298 | — | 18,278,298 | — |
| Storm drainage | 1,586,401 | 1,586,401 | 1,586,401 | — | 1,586,401 | — |
| Master lease financing | 67,687 | 38,326 | 38,326 | — | 38,326 | — |
| Lease financing | — | 105,306 | 105,306 | — | 105,306 | — |
| Total interest | 46,837,027 | 46,853,005 | 46,853,007 | — | 46,853,007 | (2) |
| Total Debt Service | 112,223,574 | 111,974,061 | 111,974,055 | — | 111,974,055 | 6 |
| Total expenditures and encumbrances before transfers out | 1,129,264,425 | 1,119,572,845 | 1,103,563,926 | 8,859,605 | 1,112,423,531 | 7,149,314 |
| **Other financing uses** | | | | | | |
| Health department | — | 11,461,498 | 10,571,498 | — | 10,571,498 | 890,000 |
| General government | — | 763,860 | 763,860 | — | 763,860 | — |
| Recreation and Parks | 414,618 | 414,618 | 414,618 | — | 414,618 | — |
| Paygo - capital | 8,395,000 | 8,395,000 | 8,395,000 | — | 8,395,000 | — |
| Paygo - operating | 2,533,778 | — | — | — | — | — |
| Total other financing uses | 11,343,396 | 21,034,976 | 20,144,976 | — | 20,144,976 | 890,000 |
| Total Expenditures, Encumbrances and other financing uses | $1,140,607,821 | 1,140,607,821 | 1,123,708,902 | 8,859,605 | 1,132,568,507 | 8,039,314 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Health Department Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 520,000 | 520,000 | 444,966 | (75,034) |
| Interest on investments | — | — | 25,632 | 25,632 |
| Miscellaneous | 1,230,000 | 939,291 | — | (939,291) |
| Total revenue | 1,750,000 | 1,459,291 | 470,598 | (988,693) |
| **EXPENDITURES** | | | | |
| Community Services: | | | | |
| General health services | 12,211,498 | 12,210,498 | 11,409,413 | 801,085 |
| Grant programs | 1,000,000 | 710,291 | 521,479 | 188,812 |
| Total expenditures | 13,211,498 | 12,920,789 | 11,930,892 | 989,897 |
| Excess (deficiency) of revenues over expenditures | (11,461,498) | (11,461,498) | (11,460,294) | 1,204 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Appropriation from fund balance | 890,000 | 890,000 | 890,000 | — |
| Transfers in | 10,571,498 | 10,571,498 | 10,571,498 | — |
| Total other financing sources (uses) | 11,461,498 | 11,461,498 | 11,461,498 | — |
| Net change in fund balance | — | — | 1,204 | 1,204 |
| Plus: Prior year encumbrances lapsed | | | 386,328 | |
| Less appropriation from fund balance | | | (890,000) | |
| Fund balances - beginning | | | 83,901 | |
| Fund balances - ending | | | $ (418,567) | |

# Non-Major Governmental Funds

**Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes or are committed for a particular purpose by action of the County Council.**

**Capital project funds are used to account for the construction of major capital facilities. These funds are generally financed by bond issues, intergovernmental revenue, and contributions.**

**Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.**

**Howard County, Maryland**
**Combining Balance Sheet**
**Non-Major Governmental Funds**
**June 30, 2019**

| | Special Revenue Funds | Capital Project Funds | Debt Service Funds | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Equity in pooled cash | $ 52,789,011 | 66,079,698 | 7,074,665 | 125,943,374 |
| Cash with fiscal agents | — | — | 5,742,540 | 5,742,540 |
| Receivables: | | | | |
| Property taxes | 857,805 | — | — | 857,805 |
| Due from other governments | 8,553,563 | 7,486,563 | — | 16,040,126 |
| Due from other funds | 422,000 | 22,440,545 | — | 22,862,545 |
| Due from component units | 5,682,544 | — | — | 5,682,544 |
| Housing loans | 13,588,326 | — | — | 13,588,326 |
| Other | 834,364 | 3,659 | — | 838,023 |
| Prepaid items | 2,704 | — | — | 2,704 |
| Economic development loans | 351,633 | — | — | 351,633 |
| Material and supplies | 668,338 | — | — | 668,338 |
| Total assets | 83,750,288 | 96,010,465 | 12,817,205 | 192,577,958 |
| **LIABILITIES** | | | | |
| Due to other funds | — | 22,440,545 | — | 22,440,545 |
| Accounts payable / accrued liabilities | 3,797,808 | 9,215,916 | 284,578 | 13,298,302 |
| Accrued wages and benefits | 5,311,776 | 15,310 | — | 5,327,086 |
| Short-term loans and notes payable | — | 6,539,198 | — | 6,539,198 |
| Deposits and connection fees | 256,072 | — | — | 256,072 |
| Unearned revenue | 10,165,809 | — | — | 10,165,809 |
| Total liabilities | 19,531,465 | 38,210,969 | 284,578 | 58,027,012 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable property taxes | 711,410 | — | — | 711,410 |
| Unavailable fees | 2,356,590 | 4,810,732 | — | 7,167,322 |
| Unavailable grant revenues | 3,004,592 | — | — | 3,004,592 |
| Total deferred inflows | 6,072,592 | 4,810,732 | — | 10,883,324 |
| Total liabilities and deferred inflows | 25,604,057 | 43,021,701 | 284,578 | 68,910,336 |
| **FUND BALANCES** | | | | |
| Nonspendable: | | | | |
| Inventory | 668,338 | — | — | 668,338 |
| Prepaid Items | 2,704 | — | — | 2,704 |
| Restricted: | | | | |
| Catalyst loan program | 1,024,177 | — | — | 1,024,177 |
| Economic development initiatives | 741,484 | — | — | 741,484 |
| Fees in lieu | 259,000 | 210,647 | — | 469,647 |
| Fire & rescue services | 11,927,046 | — | — | 11,927,046 |
| Forest conservation | 1,964,542 | — | — | 1,964,542 |
| Middle Patuxent environmental area program | 44,511 | — | — | 44,511 |
| Open space | — | 576,876 | — | 576,876 |
| Parkland watershed facilities | — | 13,602,040 | — | 13,602,040 |
| Program revenue | 568,509 | — | — | 568,509 |
| Public road facilities | — | 61,223,169 | — | 61,223,169 |
| Speed enforcement | 805,201 | — | — | 805,201 |
| Tax incremental financing project | — | — | 12,532,627 | 12,532,627 |
| Committed: | | | | |
| Community renewal programs | 32,067,143 | — | — | 32,067,143 |
| Environmental services | 9,246,805 | — | — | 9,246,805 |
| Fire house & training facilities | — | 8,064,285 | — | 8,064,285 |
| Recreation programs | 3,933,859 | — | — | 3,933,859 |
| Assigned: | | | | |
| Capital projects | — | 3,227,918 | — | 3,227,918 |
| Streetlights | — | 1,432,857 | — | 1,432,857 |
| Unassigned | (5,107,088) | (35,349,028) | — | (40,456,116) |
| Total fund balances | 58,146,231 | 52,988,764 | 12,532,627 | 123,667,622 |
| Total liabilities, deferred inflows and fund balances | $ 83,750,288 | 96,010,465 | 12,817,205 | 192,577,958 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Non-Major Governmental Funds**
**For the Year Ended June 30, 2019**

| | Special Revenue Funds | Capital Project Funds | Debt Service Funds | Total |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Property taxes | $ 97,667,382 | — | 4,435,574 | 102,102,956 |
| Other local taxes | 3,920,877 | 19,091,204 | — | 23,012,081 |
| Revenues from other governments | 18,534,656 | 4,514,701 | — | 23,049,357 |
| Charges for services | 45,131,971 | 630,171 | — | 45,762,142 |
| Investment income: | | | | |
| Interest on investments | 2,002,205 | 1,857,536 | 786,026 | 4,645,767 |
| Installment interest from housing loans | 60,540 | — | — | 60,540 |
| Fines and forfeitures | 1,053,027 | — | — | 1,053,027 |
| Developer fees | 379,315 | 473,672 | — | 852,987 |
| Miscellaneous program revenue | 7,046,974 | 720,640 | 188,627 | 7,956,241 |
| Total revenues | 175,796,947 | 27,287,924 | 5,410,227 | 208,495,098 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 3,617,431 | — | 300,355 | 3,917,786 |
| Legislative and judicial | 639,007 | — | — | 639,007 |
| Public works | 34,693,526 | — | — | 34,693,526 |
| Public safety | 106,217,400 | — | — | 106,217,400 |
| Recreation and parks | 20,397,611 | — | — | 20,397,611 |
| Community services | 10,011,335 | — | — | 10,011,335 |
| Capital improvements | — | 64,102,437 | — | 64,102,437 |
| Debt service: | | | | |
| Principal payments on debt | — | — | 374,920 | 374,920 |
| Interest payments on debt | — | — | 3,023,665 | 3,023,665 |
| Total expenditures | 175,576,310 | 64,102,437 | 3,698,940 | 243,377,687 |
| Excess (deficiency) of revenues over expenditures | 220,637 | (36,814,513) | 1,711,287 | (34,882,589) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Bond premium | 1,123 | 2,053,202 | — | 2,054,325 |
| Capital lease | 2,223,000 | — | — | 2,223,000 |
| Capital-related issuance of debt | — | 19,267,186 | 255,435 | 19,522,621 |
| Refunding bonds issued | 16,809 | 2,240,889 | 54,440 | 2,312,138 |
| Payment to bond refunding escrow agent | (17,923) | (2,389,482) | — | (2,407,405) |
| Transfers in | 690,608 | 21,756,411 | 2,210,094 | 24,657,113 |
| Transfers out | (4,672,316) | (15,183,763) | (345,439) | (20,201,518) |
| Total other financing sources | (1,758,699) | 27,744,443 | 2,174,530 | 28,160,274 |
| Net change in fund balances | (1,538,062) | (9,070,070) | 3,885,817 | (6,722,315) |
| Fund balances - beginning | 59,684,293 | 62,058,834 | 8,646,810 | 130,389,937 |
| Fund balances - ending | $ 58,146,231 | 52,988,764 | 12,532,627 | 123,667,622 |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Combining Balance Sheet
## Non-Major Special Revenue Funds
## June 30, 2019

| | Community Renewal Program Fund | Environmental Services Fund | Fire and Rescue Reserve Fund | Forest Conservation Fund | Grants Fund | Recreation Program Fund | Speed Enforcement Fund | Total |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | |
| Equity in pooled cash | $ 12,559,043 | 10,115,626 | 16,462,750 | 1,976,252 | 1,078,029 | 9,741,105 | 856,206 | 52,789,011 |
| Receivables: | | | | | | | | |
| Property taxes | — | 22,529 | 835,276 | — | — | — | — | 857,805 |
| Due from other funds | — | — | — | — | — | 422,000 | — | 422,000 |
| Due from other governments | 414,746 | — | — | — | 8,129,561 | 9,256 | — | 8,553,563 |
| Due from component units | 5,682,544 | — | — | — | — | — | — | 5,682,544 |
| Housing loans | 13,588,326 | — | — | — | — | — | — | 13,588,326 |
| Other | — | 169,433 | 48,492 | — | 609,102 | 6,177 | 1,160 | 834,364 |
| Prepaid items | — | — | — | — | 2,704 | — | — | 2,704 |
| Economic development loans | — | — | — | — | 351,633 | — | — | 351,633 |
| Materials and supplies | — | — | 459,208 | — | — | 209,130 | — | 668,338 |
| Total assets | 32,244,659 | 10,307,588 | 17,805,726 | 1,976,252 | 10,171,029 | 10,387,668 | 857,366 | 83,750,288 |
| **LIABILITIES** | | | | | | | | |
| Accounts payable / accrued liabilities | 123,620 | 719,841 | 494,834 | 741 | 1,844,500 | 582,448 | 31,824 | 3,797,808 |
| Accrued wages and benefits | 53,896 | 221,673 | 4,213,228 | 10,969 | 175,057 | 616,612 | 20,341 | 5,311,776 |
| Deposits and connection fees | — | — | — | — | 256,072 | — | — | 256,072 |
| Unearned revenue | — | 119,269 | — | — | 5,000,921 | 5,045,619 | — | 10,165,809 |
| Total liabilities | 177,516 | 1,060,783 | 4,708,062 | 11,710 | 7,276,550 | 6,244,679 | 52,165 | 19,531,465 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | | |
| Unavailable property taxes | — | — | 711,410 | — | — | — | — | 711,410 |
| Unavailable fees | — | — | — | — | 2,356,590 | — | — | 2,356,590 |
| Unavailable grant revenues | — | — | — | — | 3,004,592 | — | — | 3,004,592 |
| Total deferred inflows of resources | — | — | 711,410 | — | 5,361,182 | — | — | 6,072,592 |
| Total liabilities and deferred inflows of resources | 177,516 | 1,060,783 | 5,419,472 | 11,710 | 12,637,732 | 6,244,679 | 52,165 | 25,604,057 |
| **FUND BALANCES** | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Inventory | — | — | 459,208 | — | — | 209,130 | — | 668,338 |
| Prepaid items | — | — | — | — | 2,704 | — | — | 2,704 |
| Restricted: | | | | | | | | |
| Catalyst loan program | — | — | — | — | 1,024,177 | — | — | 1,024,177 |
| Economic development initiatives | — | — | — | — | 741,484 | — | — | 741,484 |
| Fees in lieu | — | — | — | — | 259,000 | — | — | 259,000 |
| Fire & rescue services | — | — | 11,927,046 | — | — | — | — | 11,927,046 |
| Forest conservation | — | — | — | 1,964,542 | — | — | — | 1,964,542 |
| Middle Patuxent environmental area program | — | — | — | — | 44,511 | — | — | 44,511 |
| Program revenue | — | — | — | — | 568,509 | — | — | 568,509 |
| Speed enforcement | — | — | — | — | — | — | 805,201 | 805,201 |
| Committed: | | | | | | | | |
| Community renewal programs | 32,067,143 | — | — | — | — | — | — | 32,067,143 |
| Environmental services | — | 9,246,805 | — | — | — | — | — | 9,246,805 |
| Recreation programs | — | — | — | — | — | 3,933,859 | — | 3,933,859 |
| Unassigned | — | — | — | — | (5,107,088) | — | — | (5,107,088) |
| Total fund balances (deficits) | 32,067,143 | 9,246,805 | 12,386,254 | 1,964,542 | (2,466,703) | 4,142,989 | 805,201 | 58,146,231 |
| Total liabilities, deferred inflows and fund balances | $ 32,244,659 | 10,307,588 | 17,805,726 | 1,976,252 | 10,171,029 | 10,387,668 | 857,366 | 83,750,288 |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances
## Non-major Special Revenue Funds
## For the Year Ended June 30, 2019

| | Community Renewal Program Fund | Environmental Services Fund | Fire and Rescue Reserve Fund | Forest Conservation Fund | Grants Fund | Recreation Program Fund | Speed Enforcement Fund | Total |
|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | |
| Property taxes | $ — | 39,615 | 97,627,767 | — | — | — | — | 97,667,382 |
| Other local taxes | 3,920,877 | — | — | — | — | — | — | 3,920,877 |
| Revenues from other governments | — | 6,430 | 536,051 | 3,561 | 17,639,863 | 348,751 | — | 18,534,656 |
| Charges for services | — | 23,545,093 | 278,923 | — | 803,241 | 20,504,714 | — | 45,131,971 |
| Investment income: | | | | | | | | |
| Interest on investments | 231,993 | 447,930 | 1,075,915 | 40,652 | 25,732 | 158,893 | 21,090 | 2,002,205 |
| Installment interest from housing loans | 60,540 | — | — | — | — | — | — | 60,540 |
| Fines and forfeitures | — | — | 700 | — | 35 | 30,817 | 1,021,475 | 1,053,027 |
| Developer fees | — | — | — | 379,315 | — | — | — | 379,315 |
| Miscellaneous program revenue | 4,526,426 | 7,526 | 144,553 | — | 2,130,899 | 222,496 | 15,074 | 7,046,974 |
| Total revenues | 8,739,836 | 24,046,594 | 99,663,909 | 423,528 | 20,599,770 | 21,265,671 | 1,057,639 | 175,796,947 |
| **EXPENDITURES** | | | | | | | | |
| General government | — | — | — | — | 3,617,431 | — | — | 3,617,431 |
| Legislative and judicial | — | — | — | — | 639,007 | — | — | 639,007 |
| Public works | — | 25,405,030 | — | — | 9,288,496 | — | — | 34,693,526 |
| Public safety | — | — | 100,792,143 | | 4,440,491 | — | 984,766 | 106,217,400 |
| Recreation and parks | — | — | — | 319,031 | 77,610 | 20,000,970 | — | 20,397,611 |
| Community services | 2,924,127 | — | — | — | 7,087,208 | — | — | 10,011,335 |
| Total expenditures | 2,924,127 | 25,405,030 | 100,792,143 | 319,031 | 25,150,243 | 20,000,970 | 984,766 | 175,576,310 |
| Excess (deficiency) of revenues over expenditures | 5,815,709 | (1,358,436) | (1,128,234) | 104,497 | (4,550,473) | 1,264,701 | 72,873 | 220,637 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | |
| Bond premium | 1,123 | — | — | — | — | — | — | 1,123 |
| Capital lease proceeds | — | — | — | — | 2,223,000 | — | — | 2,223,000 |
| Refunding bonds issued | 16,809 | — | — | — | — | — | — | 16,809 |
| Payment to bond refunding escrow agent | (17,923) | — | — | — | — | — | — | (17,923) |
| Transfers in | — | — | 175,000 | — | 100,992 | 414,616 | — | 690,608 |
| Transfers out | (440,582) | (1,077,837) | (2,258,043) | (565) | (15,306) | (158,893) | (721,090) | (4,672,316) |
| Total other financing sources (uses) | (440,573) | (1,077,837) | (2,083,043) | (565) | 2,308,686 | 255,723 | (721,090) | (1,758,699) |
| Net change in fund balances | 5,375,136 | (2,436,273) | (3,211,277) | 103,932 | (2,241,787) | 1,520,424 | (648,217) | (1,538,062) |
| Fund balances - beginning | 26,692,007 | 11,683,078 | 15,597,531 | 1,860,610 | (224,916) | 2,622,565 | 1,453,418 | 59,684,293 |
| Fund balances - ending | $ 32,067,143 | 9,246,805 | 12,386,254 | 1,964,542 | (2,466,703) | 4,142,989 | 805,201 | 58,146,231 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Community Renewal Program Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Local taxes | $ 3,500,000 | 3,500,000 | 3,920,877 | 420,877 |
| Revenue from other agencies | 110,000 | 110,000 | — | (110,000) |
| Installment interest from housing loans | 75,000 | 75,000 | 60,540 | (14,460) |
| Miscellaneous | 1,759,444 | 1,759,444 | 4,526,427 | 2,766,983 |
| Total revenues | 5,444,444 | 5,444,444 | 8,507,844 | 3,063,400 |
| **EXPENDITURES** | | | | |
| Community services: | | | | |
| Revolving Loan Program Income | 110,000 | 110,000 | 26,553 | 83,447 |
| Housing initiatives | 3,479,000 | 3,479,000 | 3,281,907 | 197,093 |
| Housing and community development administration | 1,646,852 | 1,646,852 | 1,515,014 | 131,838 |
| Total expenditures | 5,235,852 | 5,235,852 | 4,823,474 | 412,378 |
| Excess (deficiency) of revenues over expenditures | 208,592 | 208,592 | 3,684,370 | 3,475,778 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers out | (208,592) | (208,592) | (208,592) | — |
| Total other financing sources (uses) | (208,592) | (208,592) | (208,592) | — |
| Net change in fund balance | — | — | 3,475,778 | 3,475,778 |
| Plus: Prior year encumbrance lapsed | | | 9,390 | |
| Fund balance - beginning | | | 22,938,743 | |
| Fund balance - ending | | | 26,423,911 | |
| **The ending fund balance is reconciled as follows:** | | | | |
| Budgetary basis, end of the fiscal year | | | 26,423,911 | |
| Adjustments: | | | | |
| Elimination of encumbrances outstanding | | | 429,500 | |
| Accruals (Housing loans) | | | 6,291,947 | |
| Non budgeted - Bad debt expense | | | (1,078,215) | |
| GAAP basis, end of fiscal year | | | $ 32,067,143 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Environmental Services Funds**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 20,000 | 20,000 | 39,615 | 19,615 |
| Revenue from other governments | — | — | 6,430 | 6,430 |
| Charges for services | 22,592,500 | 22,592,500 | 23,545,092 | 952,592 |
| Miscellaneous | 3,000 | 3,000 | 7,013 | 4,013 |
| Total revenues | $ 22,615,500 | $ 22,615,500 | $ 23,598,150 | $ 982,650 |
| **EXPENDITURES** | | | | |
| Public works: | | | | |
| Administrative services | 3,033,452 | 2,913,952 | 2,159,524 | 754,428 |
| Operations | 12,521,114 | 12,521,114 | 12,057,952 | 463,162 |
| Collections | 4,794,911 | 4,664,911 | 4,530,906 | 134,005 |
| Recycling | 6,783,019 | 6,948,519 | 6,915,652 | 32,867 |
| Contingency | — | 804,000 | — | 804,000 |
| Total expenditures | 27,132,496 | 27,852,496 | 25,664,034 | 2,188,462 |
| Excess (deficiency) of revenues over expenditures | (4,516,996) | (5,236,996) | (2,065,884) | 3,171,112 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Appropriation from fund balance | 5,146,903 | 5,146,903 | 2,695,791 | (2,451,112) |
| Transfers out | (629,907) | (629,907) | (629,907) | — |
| Total other financing sources (uses) | 4,516,996 | 4,516,996 | 2,065,884 | (2,451,112) |
| Net change in fund balance | $ — | (720,000) | — | 720,000 |
| Plus: Prior year encumbrance lapsed | | | 152,549 | |
| Less: Appropriation from fund balance | | | (2,695,791) | |
| Fund balance - beginning | | | 10,881,372 | |
| Fund balance - ending | | | 8,338,130 | |
| The ending fund balance is reconciled as follows: | | | | |
| Budgetary basis, end of the fiscal year | | | 8,338,130 | |
| Adjustments: | | | | |
| Elimination of encumbrances outstanding | | | 1,402,210 | |
| Accruals | | | (457,030) | |
| Non budgeted - Bad debt expense | | | (36,505) | |
| GAAP basis, end of fiscal year | | | $ 9,246,805 | |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Fire and Rescue Reserve Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 97,724,150 | 97,724,150 | 97,627,767 | (96,383) |
| Revenues from other governments | — | — | 536,051 | 536,051 |
| Charges for services | 325,000 | 325,000 | 278,923 | (46,077) |
| Fines and forfeitures | | | 700 | 700 |
| Miscellaneous | 306,000 | 131,000 | 141,797 | 10,797 |
| Total revenues | 98,355,150 | 98,180,150 | 98,585,238 | 405,088 |
| **EXPENDITURES** | | | | |
| Public safety: | | | | |
| Administrative | 106,402,807 | 105,902,807 | 102,335,312 | 3,567,495 |
| Total expenditures | 106,402,807 | 105,902,807 | 102,335,312 | 3,567,495 |
| Excess (deficiency) of revenues over expenditures | (8,047,657) | (7,722,657) | (3,750,074) | 3,972,583 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Appropriation from fund balance | 8,729,785 | 8,729,785 | 4,757,202 | (3,972,583) |
| Transfers in | | 175,000 | 175,000 | — |
| Transfers out | (682,128) | (1,182,128) | (1,182,128) | — |
| Total other financing sources (uses) | 8,047,657 | 7,722,657 | 3,750,074 | (3,972,583) |
| Net change in fund balance | — | — | — | — |
| Plus prior year encumbrances lapsed | | | 73,500 | |
| Less: Appropriation from fund balance | | | (4,757,202) | |
| Fund balance - beginning | | | 13,383,064 | |
| Fund balance - ending | | | 8,699,362 | |
| **The ending fund balance is reconciled as follows:** | | | | |
| Budgetary basis, end of the fiscal year | | | 8,699,362 | |
| Adjustments: | | | | |
| Elimination of encumbrances outstanding | | | 3,743,610 | |
| Accruals | | | (15,175) | |
| Non budgeted - Bad debt expense | | | (41,543) | |
| GAAP basis, end of fiscal year | | | $ 12,386,254 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Forest Conservation Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Revenue from other governments | $ — | — | 40,087 | 40,087 |
| Interest on investments | — | — | 3,561 | 3,561 |
| Developer fees - inspections | 15,000 | 15,000 | — | (15,000) |
| Developer fees - mitigation | 167,500 | 167,500 | 379,315 | 211,815 |
| Total revenues | 182,500 | 182,500 | 422,963 | 240,463 |
| **EXPENDITURES** | | | | |
| Public Works: | | | | |
| Forest mitigation | 658,087 | 658,087 | 322,330 | 335,757 |
| Total expenditures | 658,087 | 658,087 | 322,330 | 335,757 |
| Excess (deficiency) of revenues over expenditures | (475,587) | (475,587) | 100,633 | 576,220 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Appropriation from fund balance | 475,587 | 475,587 | — | (475,587) |
| Total other financing sources (uses) | 475,587 | 475,587 | — | (475,587) |
| Net change in fund balance | — | — | 100,633 | 100,633 |
| Fund balance - beginning | | | 1,864,651 | |
| Fund balance - ending | | | 1,965,284 | |
| The ending fund balance is reconciled as follows: | | | | |
| Budgetary basis, end of the fiscal year | | | 1,965,284 | |
| Accruals | | | (742) | |
| GAAP basis, end of fiscal year | | | $ 1,964,542 | |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Grants Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| **Revenue from other agencies:** | | | | |
| Grants from federal government | $ 8,927,351 | 8,776,351 | 8,914,467 | 138,116 |
| Grants from state government | 8,066,870 | 8,217,870 | 8,554,642 | 336,772 |
| Other local grants | 4,032,569 | 4,032,569 | 170,755 | (3,861,814) |
| Total revenue from other agencies | 21,026,790 | 21,026,790 | 17,639,864 | (3,386,926) |
| Charges for services | 775,000 | 775,000 | 803,241 | 28,241 |
| Interest on investments | — | — | 10,427 | 10,427 |
| Contingency | 5,000,000 | 4,993,700 | — | (4,993,700) |
| Miscellaneous | 10,499,551 | 10,149,551 | 1,898,396 | (8,251,155) |
| Total revenues | 32,301,341 | 31,951,341 | 20,351,928 | (11,599,413) |
| **EXPENDITURES** | | | | |
| General government | 4,418,077 | 4,068,077 | 3,879,228 | 188,849 |
| Legislative & judicial | 797,513 | 797,513 | 635,826 | 161,687 |
| Public works | 8,543,790 | 8,543,790 | 7,651,541 | 892,249 |
| Public safety | 4,600,336 | 4,600,336 | 4,761,289 | (160,953) |
| Recreation & parks | 417,690 | 417,690 | 79,134 | 338,556 |
| Community services | 8,523,935 | 8,523,935 | 7,040,562 | 1,483,373 |
| Contingency | 5,000,000 | 5,000,000 | — | 5,000,000 |
| Total expenditures | 32,301,341 | 31,951,341 | 24,047,580 | 7,903,761 |
| Excess (deficiency) of revenues over expenditures | — | — | (3,695,652) | (3,695,652) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Capital lease proceeds | — | — | 2,223,000 | 2,223,000 |
| Total other financing sources (uses) | — | — | 2,223,000 | 2,223,000 |
| Net change in fund balance | — | — | (1,472,652) | (1,472,652) |
| Plus: Prior year encumbrances lapsed | | | (723,259) | |
| Fund balances - beginning | | | (56,724) | |
| Fund balances - ending | | | (2,252,635) | |
| **The ending fund balance is reconciled as follows:** | | | | |
| Budgetary basis, end of the fiscal year | | | (2,252,635) | |
| Adjustments: | | | | |
| Elimination of encumbrances outstanding | | | 1,589,609 | |
| Accruals | | | (58,017) | |
| Non budgeted revenue - Bad debt expense/write off | | | (492,711) | |
| Elimination of loan expenses | | | 924,334 | |
| Credit Adjustment | | | (2,177,283) | |
| GAAP basis, end of fiscal year | | | $ (2,466,703) | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Recreation Program Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Revenue from other governments | $ — | — | 348,751 | 348,751 |
| Charges for services | 21,128,304 | 21,128,304 | 20,504,714 | (623,590) |
| Fines and forfeitures | 75,000 | 75,000 | 30,817 | (44,183) |
| Miscellaneous program revenue | 180,000 | 180,000 | 219,397 | 39,397 |
| Total revenues | 21,383,304 | 21,383,304 | 21,103,679 | (279,625) |
| **EXPENDITURES** | | | | |
| Recreation and parks: | | | | |
| Administration | 21,994,905 | 21,994,905 | 20,000,218 | 1,994,687 |
| Total expenditures | 21,994,905 | 21,994,905 | 20,000,218 | 1,994,687 |
| Excess (deficiency) of revenues over expenditures | (611,601) | (611,601) | 1,103,461 | 1,715,062 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 611,601 | 611,601 | 414,616 | (196,985) |
| Total other financing sources (uses) | 611,601 | 611,601 | 414,616 | (196,985) |
| Net change in fund balance | — | — | 1,518,077 | 1,518,077 |
| Plus: Prior year encumbrances lapsed | | | 14,054 | |
| Fund balance - beginning | | | 2,575,865 | |
| Fund balance - ending | | | 4,107,996 | |
| | | | | |
| The ending fund balance is reconciled as follows: | | | | |
| Budgetary basis, end of the fiscal year | | | 4,107,996 | |
| Adjustments: | | | | |
| Elimination of encumbrances outstanding | | | 70,793 | |
| Accruals | | | (31,072) | |
| Non budgeted - Bad debt expense | | | (4,728) | |
| GAAP basis, end of fiscal year | | | $ 4,142,989 | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Speed Enforcement Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Fines & forfeitures | $ 1,648,369 | 1,648,369 | 1,021,475 | (626,894) |
| Other | 20,000 | 20,000 | 15,074 | (4,926) |
| Total revenues | 1,668,369 | 1,668,369 | 1,036,549 | (631,820) |
| **EXPENDITURES** | | | | |
| Public safety: | | | | |
| Administrative | 968,369 | 968,369 | 899,914 | 68,455 |
| Total expenditures | 968,369 | 968,369 | 899,914 | 68,455 |
| Excess (deficiency) of revenues over expenditures | 700,000 | 700,000 | 136,635 | (563,365) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers out | (700,000) | (700,000) | (700,000) | — |
| Total other financing sources (uses) | (700,000) | (700,000) | (700,000) | — |
| Net change in fund balance | — | — | (563,365) | (563,365) |
| Plus: prior year encumbrances lapsed | | | 148 | |
| Fund balance - beginning | | | 1,368,407 | |
| Fund balance - ending | | | 805,190 | |
| The ending fund balance is reconciled as follows: | | | | |
| Budgetary basis, end of the fiscal year | | | 805,190 | |
| Adjustments: | | | | |
| Non budgeted - Bad debt expense | | | 11 | |
| GAAP basis, end of fiscal year | | | $ 805,201 | |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Combining Balance Sheet**
**Non-Major Capital Project Funds**
**June 30, 2019**

| | Fire Service Bldg & Equip Fund | Highway Fund | Public Libraries Fund | Recreation and Parks Fund | Storm Drainage Fund | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Equity in pooled cash | $ 11,034,511 | 48,376,375 | — | 6,668,812 | — | 66,079,698 |
| Due from other governments | 414,746 | 408,504 | — | 4,461,122 | 2,202,191 | 7,486,563 |
| Due from other funds | — | 22,440,545 | — | — | — | 22,440,545 |
| Other | — | 3,659 | — | — | — | 3,659 |
| Total assets | 11,449,257 | 71,229,083 | — | 11,129,934 | 2,202,191 | 96,010,465 |
| **LIABILITIES** | | | | | | |
| Due to other funds | — | — | — | — | 22,440,545 | 22,440,545 |
| Accounts payable/accrued liability | 1,273 | 5,140,097 | — | 1,988,724 | 2,085,822 | 9,215,916 |
| Accrued wages and benefits | 9,781 | 5,529 | — | — | — | 15,310 |
| Short-term loans and notes payable | 146,000 | 3,108,213 | — | 1,897,000 | 1,387,985 | 6,539,198 |
| Total liabilities | 157,054 | 8,253,839 | — | 3,885,724 | 25,914,352 | 38,210,969 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable grant revenues | — | 319,218 | — | 3,627,865 | 863,649 | 4,810,732 |
| Total liabilities and deferred inflows of resources | 157,054 | 8,573,057 | — | 7,513,589 | 26,778,001 | 43,021,701 |
| **FUND BALANCES** | | | | | | |
| Restricted: | | | | | | |
| Fees in Lieu | — | — | — | — | 210,647 | 210,647 |
| Open space | — | — | — | 576,876 | — | 576,876 |
| Parkland watershed facilities | — | — | — | 13,602,040 | — | 13,602,040 |
| Public road facilities | — | 61,223,169 | — | — | — | 61,223,169 |
| Committed: | | | | | | |
| Firehouse & training facilities | 8,064,285 | — | — | — | — | 8,064,285 |
| Assigned: | | | | | | |
| Capital projects | 3,227,918 | — | — | — | — | 3,227,918 |
| Street lights | — | 1,432,857 | — | — | — | 1,432,857 |
| Unassigned | — | — | — | (10,562,571) | (24,786,457) | (35,349,028) |
| Total fund balances | 11,292,203 | 62,656,026 | — | 3,616,345 | (24,575,810) | 52,988,764 |
| Total liabilities, deferred inflows and fund balances | $ 11,449,257 | 71,229,083 | — | 11,129,934 | 2,202,191 | 96,010,465 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Non-Major Capital Project Funds**
**For the Year Ended June 30, 2019**

| | Fire Service Bldg & Equip Fund | Highway Fund | Public Libraries Fund | Recreation and Parks Fund | Storm Drainage Fund | Total |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Other local taxes | $ 3,920,878 | 7,328,571 | — | 7,841,755 | — | 19,091,204 |
| Revenues from other governments | — | 910,905 | — | 13,998 | 3,589,798 | 4,514,701 |
| Charges for services | — | 584,560 | — | 45,611 | — | 630,171 |
| Interest on investments | 207,450 | 1,452,988 | — | 197,098 | — | 1,857,536 |
| Developer contributions | — | 383,637 | — | 50,520 | 39,515 | 473,672 |
| Miscellaneous program revenues | 650,000 | 3,280 | — | — | 67,360 | 720,640 |
| Total revenues | 4,778,328 | 10,663,941 | — | 8,148,982 | 3,696,673 | 27,287,924 |
| **EXPENDITURES** | | | | | | |
| Capital improvements | 1,502,198 | 24,906,217 | — | 12,278,461 | 25,415,561 | 64,102,437 |
| Total expenditures | 1,502,198 | 24,906,217 | — | 12,278,461 | 25,415,561 | 64,102,437 |
| Excess (deficiency) of revenues over expenditures | 3,276,130 | (14,242,276) | — | (4,129,479) | (21,718,888) | (36,814,513) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Bond premium | 354,136 | 1,441,357 | | 123,390 | 134,319 | 2,053,202 |
| Capital related debt issued | 3,539,822 | 13,644,442 | | 1,014,298 | 1,068,624 | 19,267,186 |
| Refunding bonds issued | 66,172 | 1,397,435 | — | 347,016 | 430,266 | 2,240,889 |
| Payment to bond refunding escrow agent | (70,560) | (1,490,099) | — | (370,026) | (458,797) | (2,389,482) |
| Transfers in | 500,000 | 7,445,000 | 3,404,282 | 200,000 | 10,207,129 | 21,756,411 |
| Transfers out | (2,500,671) | (7,523,823) | — | (5,159,269) | — | (15,183,763) |
| Total other financing sources (uses) | 1,888,899 | 14,914,312 | 3,404,282 | (3,844,591) | 11,381,541 | 27,744,443 |
| Net change in fund balances | 5,165,029 | 672,036 | 3,404,282 | (7,974,070) | (10,337,347) | (9,070,070) |
| Fund balances - beginning | 6,127,174 | 61,983,990 | (3,404,282) | 11,590,415 | (14,238,463) | 62,058,834 |
| Fund balances - ending | $ 11,292,203 | 62,656,026 | — | 3,616,345 | (24,575,810) | 52,988,764 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Balance Sheet**
**Non-Major Debt Service Funds**
**June 30, 2019**

| | Bond Anticipation Note Fund | Tax Increment Financing Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Equity in pooled cash and cash equivalents | $ 284,417 | 6,790,248 | 7,074,665 |
| Cash and securities with Fiscal Agents | — | 5,742,540 | 5,742,540 |
| Total assets | 284,417 | 12,532,788 | 12,817,205 |
| **LIABILITIES** | — | | |
| Accounts payable / accrued liabilities | 284,417 | 161 | 284,578 |
| Total liabilities | 284,417 | 161 | 284,578 |
| **FUND BALANCES** | | | |
| **Restricted:** | | | |
| Tax incremental financing project | — | 12,532,627 | 12,532,627 |
| Total fund balances | — | 12,532,627 | 12,532,627 |
| Total liabilities and fund balances | $ 284,417 | 12,532,788 | 12,817,205 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Non-major Debt Service Funds**
**For the Year Ended June 30, 2019**

| | Bond Anticipation Note Fund | Tax Financing Increment Fund | Total |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ — | 4,435,574 | 4,435,574 |
| Interest on investments | 6 | 786,020 | 786,026 |
| Miscellaneous program revenue | — | 188,627 | 188,627 |
| Total revenues | 6 | 5,410,221 | 5,410,227 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | 196,075 | 104,280 | 300,355 |
| Debt service: | | | |
| Principal payments on debt | 309,920 | 65,000 | 374,920 |
| Interest payments on debt | 2,013,980 | 1,009,685 | 3,023,665 |
| Total expenditures | 2,519,975 | 1,178,965 | 3,698,940 |
| Excess (deficiency) of revenues over expenditures | (2,519,969) | 4,231,256 | 1,711,287 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Refunding bonds issued | 54,440 | — | 54,440 |
| Capital-related issuance of debt | 255,435 | — | 255,435 |
| Transfers in | 2,210,094 | — | 2,210,094 |
| Transfers out | — | (345,439) | (345,439) |
| Total other financing sources (uses) | 2,519,969 | (345,439) | 2,174,530 |
| Net change in fund balances | — | 3,885,817 | 3,885,817 |
| Fund balances - beginning | — | 8,646,810 | 8,646,810 |
| Fund balances - ending | $ — | 12,532,627 | 12,532,627 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Bond Anticipation Notes**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Interest on investments | — | — | 6 | 6 |
| Total revenues | — | — | 6 | 6 |
| **EXPENDITURES** | | | | |
| General government: | | | | |
| Bond anticipation notes | $ 3,000,000 | 1,428,750 | 188,739 | 1,240,011 |
| Debt service: | | | | |
| Issuance costs | 2,000,000 | 571,250 | 309,920 | 261,330 |
| Interest | — | 3,000,000 | 1,987,770 | 1,012,230 |
| Total expenditures | 5,000,000 | 5,000,000 | 2,486,429 | 2,513,571 |
| Excess (deficiency) of revenues over expenditures | (5,000,000) | (5,000,000) | (2,486,423) | 2,513,577 |
| **OTHER FINANCING SOURCES** | | | | |
| Capital related debt issued | 2,000,000 | 2,000,000 | 255,435 | (1,744,565) |
| Refunding bonds issued | — | — | 54,440 | 54,440 |
| Transfers in | 3,000,000 | 3,000,000 | 763,860 | (2,236,140) |
| Total other financing sources | 5,000,000 | 5,000,000 | 1,073,735 | (3,926,265) |
| Net change in fund balance | — | — | (1,412,688) | (1,412,688) |
| Fund balances - beginning | | | (93,088) | |
| Fund balances - ending | | | (1,505,776) | |
| Budgetary Basis, end of the fiscal year | | | (1,505,776) | |
| Adjustments: | | | | |
| Accruals | | | (7,336) | |
| Additional transfers from General Fund on modified accruals | | | 1,513,112 | |
| GAAP Basis, end of fiscal year | | | $ — | |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**
**Tax Increment Financing Fund**
**For the Year Ended June 30, 2019**

| | Budget Amounts | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Other local taxes | $ 2,427,403 | 2,427,403 | 4,435,574 | 2,008,171 |
| Interest on investments | 15,000 | 15,000 | 615,581 | 600,581 |
| Miscellaneous | 45,000 | 45,000 | 188,627 | 143,627 |
| Total revenues | 2,487,403 | 2,487,403 | 5,239,782 | 2,752,379 |
| **EXPENDITURES** | | | | |
| General government: | | | | |
| Tax incremental financing | 230,000 | 230,000 | 104,280 | 125,720 |
| Debt Service: | | | | |
| Principal | 65,000 | 65,000 | 65,000 | — |
| Interest | 1,010,000 | 1,010,000 | 1,009,685 | 315 |
| Total expenditures | 1,305,000 | 1,305,000 | 1,178,965 | 126,035 |
| Excess of revenues over expenditures | 1,182,403 | 1,182,403 | 4,060,817 | 2,878,414 |
| **OTHER FINANCING SOURCES** | | | | |
| Appropriation from fund balance | (1,007,403) | (1,007,403) | — | 1,007,403 |
| Transfers out | (175,000) | (175,000) | (175,000) | — |
| Total other financing sources | (1,182,403) | (1,182,403) | (175,000) | 1,007,403 |
| Net change in fund balance | — | — | 3,885,817 | 3,885,817 |
| Fund balances - beginning | | | 8,558,993 | |
| Fund balances - ending | | | 12,444,810 | |

| | |
|---|---|
| The ending fund balance is reconciled as follows: | |
| Budgetary Basis, end of the fiscal year | 12,444,810 |
| Adjustments: | |
| Accruals | 87,817 |
| GAAP Basis, end of fiscal year | $ 12,532,627 |

The accompanying notes are an integral part of these financial statements.




**Opioid Funding**

Howard County is showing progress in reducing opioid overdose deaths and continues to expand its efforts through a $1 million grant to establish 24-hour substance misuse services at the Grassroots Crisis Intervention Center. The County also opened the 16-bed Howard House, the first treatment facility of its kind in the county.

# Non-Major Enterprise Funds

**Enterprise funds are used to account for services for which customers are charged a fee.**

**Howard County, Maryland**
**Combining Statement of Net Position**
**Non-Major Enterprise Funds**
**June 30, 2019**

| | Broadband | Special Recreation Facility | Watershed Protection and Restoration | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets:** | | | | |
| Equity in pooled cash | $ 4,747,168 | — | 13,251,509 | 17,998,677 |
| **Receivables:** | | | | |
| Service billings | 156,434 | — | — | 156,434 |
| **Restricted assets:** | | | | |
| Equity in pooled cash and cash equivalents | — | 560,000 | — | 560,000 |
| Total current assets | 4,903,602 | 560,000 | 13,251,509 | 18,715,111 |
| **Noncurrent assets:** | | | | |
| **Restricted assets:** | | | | |
| Other receivables | 24,648 | — | 100,823 | 125,471 |
| **Capital assets:** | | | | |
| Land | — | 8,684,896 | 449,290 | 9,134,186 |
| Buildings and improvements, net | — | 2,523,704 | 1,307,329 | 3,831,033 |
| Machinery and equipment, net | 719,012 | 17,605 | 711,815 | 1,448,432 |
| Infrastructure, net | 10,702,482 | — | 28,906,978 | 39,609,460 |
| Total noncurrent assets | 11,446,142 | 11,226,205 | 31,476,235 | 54,148,582 |
| Total assets | 16,349,744 | 11,786,205 | 44,727,744 | 72,863,693 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred refunding amount | — | 11,933 | — | 11,933 |
| Total deferred outflows of resources | — | 11,933 | — | 11,933 |
| Total assets and deferred outflows of resources | 16,349,744 | 11,798,138 | 44,727,744 | 72,875,626 |
| **LIABILITIES** | | | | |
| **Current liabilities:** | | | | |
| Due to other funds | — | 3,765,475 | — | 3,765,475 |
| Accounts payable | 1,460 | 112,248 | 132,626 | 246,334 |
| Accrued wages and benefits | 29,621 | — | 45,983 | 75,604 |
| Total current liabilities | 31,081 | 3,877,723 | 178,609 | 4,087,413 |
| **Current liabilities payable from restricted assets:** | | | | |
| Note payable | — | 510,000 | 98,400 | 608,400 |
| Loan Payable - current | — | — | 146,226 | 146,226 |
| Total current liabilities payable from restricted assets | — | 510,000 | 244,626 | 754,626 |
| Total current liabilities | 31,081 | 4,387,723 | 423,235 | 4,842,039 |
| **Noncurrent liabilities:** | | | | |
| Compensated absences | 35,189 | — | 39,771 | 74,960 |
| Refunding revenue note payable | — | 1,707,000 | — | 1,707,000 |
| LT Bond Payable | 2,541,883 | — | 2,465,761 | 5,007,644 |
| Loan payable | — | — | 1,413,658 | 1,413,658 |
| Total noncurrent liabilities | 2,577,072 | 1,707,000 | 3,919,190 | 8,203,262 |
| Total liabilities | 2,608,153 | 6,094,723 | 4,342,425 | 13,045,301 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 8,879,611 | 9,021,138 | 27,251,367 | 45,152,116 |
| **Restricted:** | | | | |
| For debt service | — | 560,000 | — | 560,000 |
| Unrestricted | 4,861,980 | (3,877,723) | 13,133,952 | 14,118,209 |
| Total net position | $ 13,741,591 | 5,703,415 | 40,385,319 | 59,830,325 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Statement of Revenues, Expenses and Changes in Net Position**
**Non-Major Enterprise Funds**
**For the Year Ended June 30, 2019**

| | Broadband | Special Recreation Facility | Watershed Protection and Restoration | Total |
|---|---|---|---|---|
| **Operating revenues:** | | | | |
| User charges | $ 1,741,432 | — | 9,476,010 | 11,217,442 |
| Miscellaneous sales and services | 2,385 | 300,000 | 25,068 | 327,453 |
| Total operating revenues | 1,743,817 | 300,000 | 9,501,078 | 11,544,895 |
| **Operating expenses:** | | | | |
| Salaries and employee benefits | 496,654 | — | 1,048,897 | 1,545,551 |
| Contractual services | 415,418 | 825,765 | 1,476,596 | 2,717,779 |
| Supplies and materials | 350,792 | — | 7,678 | 358,470 |
| Business and travel | 105 | — | 1,917 | 2,022 |
| Share of county administrative expenses | — | — | 1,095,684 | 1,095,684 |
| Other administrative | — | — | 82,293 | 82,293 |
| Depreciation expense | 876,907 | 147,141 | 112,234 | 1,136,282 |
| Total operating expenses | 2,139,876 | 972,906 | 3,825,299 | 6,938,081 |
| Operating income (loss) | (396,059) | (672,906) | 5,675,779 | 4,606,814 |
| **Nonoperating revenues (expenses):** | | | | |
| Interest on investments | 131,891 | 6,957 | 518,727 | 657,575 |
| Interest expense | (59,968) | (117,747) | (24,875) | (202,590) |
| Other, net | — | (22,754) | (161) | (22,915) |
| Total nonoperating revenues (expenses) | 71,923 | (133,544) | 493,691 | 432,070 |
| Net income (loss) before contributions and transfers | (324,136) | (806,450) | 6,169,470 | 5,038,884 |
| Capital contribution | 18,052 | — | 30,366,804 | 30,384,856 |
| Transfers in | 555,170 | 1,671 | — | 556,841 |
| Transfers out | — | — | (9,969,384) | (9,969,384) |
| Change in net position | 249,086 | (804,779) | 26,566,890 | 26,011,197 |
| Net position - beginning | 13,492,505 | 6,508,194 | 13,818,429 | 33,819,128 |
| Net position - ending | $ 13,741,591 | 5,703,415 | 40,385,319 | 59,830,325 |

**The accompanying notes are an integral part of these financial statements.**

**Howard County, Maryland**
**Combining Statement of Cash Flows**
**Non-Major Enterprise Funds**
**For the Year Ended June 30, 2019**

| | Broadband | Special Recreation Facility | Watershed Protection and Restoration | Total |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 1,720,529 | — | 9,525,275 | 11,245,804 |
| Cash paid to suppliers | (766,399) | (839,133) | (1,269,968) | (2,875,500) |
| Cash paid to / for employees | (460,355) | — | (1,042,911) | (1,503,266) |
| Cash paid for interfund services used | — | — | (487,834) | (487,834) |
| Other operating disbursements | — | 393,675 | (874,305) | (480,630) |
| Net cash provided by (used for) operating activities | 493,775 | (445,458) | 5,850,257 | 5,898,574 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Interfund payable | — | 1,051,578 | — | 1,051,578 |
| Interfund operating transfers in (out) | 555,170 | 1,671 | (9,969,384) | (9,412,543) |
| Net cash provided by (used for) noncapital financing activities | 555,170 | 1,053,249 | (9,969,384) | (8,360,965) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Proceeds from sale of county bonds | — | — | 2,563,999 | 2,563,999 |
| Proceeds from loan | — | — | 1,646,000 | 1,646,000 |
| Acquisition and construction of capital assets | — | — | (49,900) | (49,900) |
| Payment of long-term debt principal | — | (497,000) | (86,116) | (583,116) |
| Interest paid on long-term debt | (59,968) | (61,570) | (24,875) | (146,413) |
| Net cash (used for) capital and related financing activities | (59,968) | (558,570) | 4,049,108 | 3,430,570 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | 108,500 | (49,221) | 424,762 | 484,041 |
| Net cash provided by (used for) investing activities | 108,500 | (49,221) | 424,762 | 484,041 |
| Net increase (decrease) in cash and cash equivalents | 1,097,477 | — | 354,743 | 1,452,220 |
| Balances - beginning of the year | 3,649,691 | 560,000 | 12,896,766 | 17,106,457 |
| Balances - end of the year | 4,747,168 | 560,000 | 13,251,509 | 18,558,677 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | | | |
| Operating (loss) income | (396,059) | (672,906) | 5,675,779 | 4,606,814 |
| Adjustments to reconcile operating income to net cash: | | | | |
| Depreciation expense | 876,907 | 147,141 | 112,234 | 1,136,282 |
| Effect of changes in operating assets and liabilities: | | | | |
| Accounts and other receivables | (23,288) | 93,674 | 22,055 | 92,441 |
| Accounts payable | (190) | (13,367) | 32,154 | 18,597 |
| Accrued wages and benefits | 1,216 | — | 4,310 | 5,526 |
| Compensated absences | 35,189 | — | 3,725 | 38,914 |
| Total adjustments | 889,834 | 227,448 | 174,478 | 1,291,760 |
| Net cash provided by (used in) operating activities | $ 493,775 | (445,458) | 5,850,257 | 5,898,574 |

**The accompanying notes are an integral part of these financial statements.**




**Reading Across Running Brook**

At events like Reading Across Running Brook, Howard County works to ensure that education supports all students and focuses on closing achievement gaps for disadvantaged youth.

# Internal Service Funds

**Internal service funds are used to account for the financing, on a cost-reimbursement basis, of goods and services provided by one department to other departments within the County.**

**Howard County, Maryland**
**Combining Statement of Net Position**
**Internal Services Funds**
**June 30, 2019**

| | Employee Benefits Self-Insurance | Fleet Operations | Technology and Communications | Risk Management Self-Insurance | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Equity in pooled cash | $ 14,744,353 | 9,079,099 | 6,554,869 | 22,432,277 | 52,810,598 |
| Other receivables | 1,278,428 | 219,074 | 52,928 | 527,287 | 2,077,717 |
| Prepaid expenses | — | 7,074 | — | — | 7,074 |
| Materials and supplies | — | 1,296,601 | 170,610 | — | 1,467,211 |
| Total current assets | 16,022,781 | 10,601,848 | 6,778,407 | 22,959,564 | 56,362,600 |
| **Noncurrent assets:** | | | | | |
| **Capital assets:** | | | | | |
| Buildings and improvements, net | — | 1,104,896 | 863,257 | — | 1,968,153 |
| Machinery and equipment, net | — | 27,494,606 | 16,238,843 | 1,703 | 43,735,152 |
| Total noncurrent assets | — | 28,599,502 | 17,102,100 | 1,703 | 45,703,305 |
| Total assets | 16,022,781 | 39,201,350 | 23,880,507 | 22,961,267 | 102,065,905 |
| **LIABILITIES** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | 854,966 | 911,852 | 2,946,283 | 246,276 | 4,959,377 |
| Accrued wages and benefits | 33,447 | 206,606 | 441,859 | 27,016 | 708,928 |
| Compensated absences | — | 8,100 | 4,633 | — | 12,733 |
| Deposits and connection fees | — | — | 91,440 | — | 91,440 |
| Unpaid insurance claims | 2,819,303 | — | — | 4,698,948 | 7,518,251 |
| Current portion capital lease obligation | — | 264,452 | 1,378,740 | — | 1,643,192 |
| Total current liabilities | 3,707,716 | 1,391,010 | 4,862,955 | 4,972,240 | 14,933,921 |
| **Noncurrent liabilities:** | | | | | |
| Compensated absences | 23,783 | 307,752 | 621,301 | 23,322 | 976,158 |
| Unpaid insurance claims | 57,537 | — | — | 12,640,062 | 12,697,599 |
| Long-term capital lease obligation | — | 405,738 | 8,338,043 | — | 8,743,781 |
| Total noncurrent liabilities | 81,320 | 713,490 | 8,959,344 | 12,663,384 | 22,417,538 |
| Total liabilities | 3,789,036 | 2,104,500 | 13,822,299 | 17,635,624 | 37,351,459 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | — | 27,929,312 | 7,385,317 | 1,703 | 35,316,332 |
| Unrestricted | 12,233,745 | 9,167,538 | 2,672,891 | 5,323,940 | 29,398,114 |
| Total net position | $ 12,233,745 | 37,096,850 | 10,058,208 | 5,325,643 | 64,714,446 |

The accompanying notes are an integral part of these financial statements.

**Howard County, Maryland**
**Combining Statement of Revenues, Expenses and Changes in Net Position**
**Internal Service Funds**
**For the Year Ended June 30, 2019**

| | Employee Benefits Self-Insurance | Fleet Operations | Technology and Communications | Risk Management Self-Insurance | Total |
|---|---|---|---|---|---|
| **Operating revenues:** | | | | | |
| User charges | $ 61,760,988 | 18,761,195 | 23,033,872 | 10,510,038 | 114,066,093 |
| Insurance recoveries | — | — | — | 306,224 | 306,224 |
| Miscellaneous sales and services | — | 687,170 | 1,246,111 | 14,117 | 1,947,398 |
| Total operating revenues | 61,760,988 | 19,448,365 | 24,279,983 | 10,830,379 | 116,319,715 |
| **Operating expenses:** | | | | | |
| Salaries and employee benefits | 458,687 | 4,103,245 | 8,804,362 | 987,049 | 14,353,343 |
| Contractual services | 704,875 | 1,408,591 | 11,478,176 | 93,923 | 13,685,565 |
| Supplies and materials | 643 | 2,246,651 | 1,452,474 | 15,203 | 3,714,971 |
| Business and travel | — | 8,996 | 615,360 | 2,632 | 626,988 |
| Vehicle fuels and supplies | — | 3,711,367 | 66,830 | 8,322 | 3,786,519 |
| Share of County administrative expenses | 3,637 | 337,521 | 24,095 | 465,796 | 831,049 |
| Insurance claims | 54,844,428 | — | — | 7,460,286 | 62,304,714 |
| Other administrative | 2,323,912 | — | — | 71,860 | 2,395,772 |
| Depreciation expense | — | 5,401,484 | 3,477,791 | 1,139 | 8,880,414 |
| Total operating expenses | 58,336,182 | 17,217,855 | 25,919,088 | 9,106,210 | 110,579,335 |
| **Operating income (loss)** | 3,424,806 | 2,230,510 | (1,639,105) | 1,724,169 | 5,740,380 |
| **Nonoperating revenues (expenses):** | | | | | |
| Interest on investments | 275,623 | 240,647 | 97,097 | 622,032 | 1,235,399 |
| Interest expense | — | (15,689) | (179,268) | — | (194,957) |
| Revenue from other government | — | — | — | 34,944 | 34,944 |
| Total nonoperating revenues (expenses) | 275,623 | 224,958 | (82,171) | 656,976 | 1,075,386 |
| Net income (loss) before contributions and transfers | 3,700,429 | 2,455,468 | (1,721,276) | 2,381,145 | 6,815,766 |
| **Capital contributions** | — | 1,044,329 | 456,199 | (20,846) | 1,479,682 |
| **Transfers out** | (275,623) | (240,647) | (11,015,553) | (1,546) | (11,533,369) |
| Change in net position | 3,424,806 | 3,259,150 | (12,280,630) | 2,358,753 | (3,237,921) |
| **Net position - beginning** | 8,808,939 | 33,837,700 | 22,338,838 | 2,966,890 | 67,952,367 |
| **Net position - ending** | $ 12,233,745 | 37,096,850 | 10,058,208 | 5,325,643 | 64,714,446 |

**The accompanying notes are an integral part of these financial statements.**

## Howard County, Maryland
## Combining Statement of Cash Flows
## Internal Service Funds
## For the Year Ended June 30, 2019

| | Employee Benefits Self-Insurance | Fleet Operations | Technology and Communications | Risk Management Self-Insurance | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash received from customers | $ 62,301,791 | 19,491,453 | 24,231,444 | 10,682,585 | 116,707,273 |
| Cash paid to suppliers | (58,029,354) | (5,299,872) | (3,997,303) | (5,785,968) | (73,112,497) |
| Cash paid to / for employees | (454,546) | (4,117,635) | (9,477,655) | (1,001,783) | (15,051,619) |
| Cash paid for quasi-external transactions | (10,420) | (1,976,543) | (8,669,835) | (59,814) | (10,716,612) |
| Other operating cash disbursements | — | — | (90,892) | (424,582) | (515,474) |
| Net cash provided by operating activities | 3,807,471 | 8,097,403 | 1,995,759 | 3,410,438 | 17,311,071 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | |
| Operating subsidies and transfers to other funds | (275,623) | (240,647) | (10,369,049) | (1,546) | (10,886,865) |
| Net cash used for noncapital financing activities | (275,623) | (240,647) | (10,369,049) | (1,546) | (10,886,865) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTITIVIES** | | | | | |
| Acquisition and construction of capital assets | — | (10,025,088) | — | — | (10,025,088) |
| Proceeds from Capital Lease | — | — | 9,716,783 | — | 9,716,783 |
| Payment of long-term debt principal | — | (259,722) | (646,503) | — | (906,225) |
| Interest paid | — | (15,689) | (179,268) | (21,200) | (216,157) |
| Net cash (used for) provided by capital and related financing activities | — | (10,300,499) | 8,891,012 | (21,200) | (1,430,687) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest on investments | 275,623 | 240,647 | 97,097 | 656,977 | 1,270,344 |
| Net cash (used for) provided by investing activities | 275,623 | 240,647 | 97,097 | 656,977 | 1,270,344 |
| Net increase (decrease) in cash and cash equivalents | 3,807,471 | (2,203,096) | 614,819 | 4,044,669 | 6,263,863 |
| Cash and cash equivalents - beginning of the year | 10,936,882 | 11,282,195 | 5,940,050 | 18,387,608 | 46,546,735 |
| Cash and cash equivalents - end of the year | 14,744,353 | 9,079,099 | 6,554,869 | 22,432,277 | 52,810,598 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | | | | |
| Operating income (loss) | 3,424,806 | 2,230,510 | (1,639,105) | 1,724,169 | 5,740,380 |
| **Adjustments to reconcile operating income to net cash provided by (used for) operating activities:** | | | | | |
| Depreciation expense | — | 5,401,484 | 3,477,791 | 1,139 | 8,880,414 |
| Effect of changes in operating assets and liabilities: | | | | | |
| Accounts and other receivables | 540,801 | 43,087 | (48,539) | (222,794) | 312,555 |
| Prepaid expenses | — | (2,029) | — | — | (2,029) |
| Inventories | — | (60,778) | 1,163 | — | (59,615) |
| Accounts payable | (12,980) | 490,521 | 246,789 | 66,202 | 790,532 |
| Accrued wages and benefits | 305 | (17,770) | (17,760) | (2,081) | (37,306) |
| Compensated absences | 3,836 | 12,378 | (40,278) | (10,021) | (34,085) |
| Deposits and connection fees | — | — | 23,200 | — | 23,200 |
| Unpaid insurance claims | (149,297) | — | — | 1,853,824 | 1,704,527 |
| Unearned revenue | — | — | (7,502) | — | (7,502) |
| Total adjustments | 382,665 | 5,866,893 | 3,634,864 | 1,686,269 | 11,570,691 |
| Net cash provided by operating activities | $ 3,807,471 | 8,097,403 | 1,995,759 | 3,410,438 | 17,311,071 |

**The accompanying notes are an integral part of these financial statements.**




**RTA**

The Regional Transportation Agency of Central Maryland announced enhancements and improvements in 2019 that added 5,600 new service hours to Howard County routes. The changes shorten wait times so that all buses operate on 30-minute or one-hour intervals, with expanded service on Sundays.

# Fiduciary Funds

**Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs.**

**Howard County, Maryland**
**Combining Statement of Net Position**
**Pension and Other Post-Employment Benefits Trust Funds**
**June 30, 2019**

| | Howard County Retirement Plan | Howard County Police and Fire Employees' Retirement Plan | Howard County Other Post-Employment Benefits Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Receivables:** | | | | |
| Interest and dividends | $ 529,156 | 684,444 | 506 | 1,214,106 |
| Employer contributions | 914,183 | 1,730,621 | — | 2,644,804 |
| Member contributions | 290,277 | 461,866 | — | 752,143 |
| Sale of investments | 81,133 | 105,120 | — | 186,253 |
| Other | 6,641 | 8,605 | — | 15,246 |
| **Investments, at fair value:** | | | | |
| Cash | — | — | 336,048 | 336,048 |
| Equities | 201,438,898 | 260,994,079 | — | 462,432,977 |
| Alternative investments | 117,663,332 | 152,450,363 | — | 270,113,695 |
| Mutual funds | — | — | 154,445,416 | 154,445,416 |
| Money market funds | 9,445,607 | 11,362,564 | 128,761 | 20,936,932 |
| Fixed income securities | 133,992,377 | 173,607,071 | — | 307,599,448 |
| Real assets | 16,514,364 | 21,396,818 | — | 37,911,182 |
| Prepaid insurance | 19,687 | 24,071 | — | 43,758 |
| Total assets | 480,895,655 | 622,825,622 | 154,910,731 | 1,258,632,008 |
| **LIABILITIES** | | | | |
| Accounts payable | — | — | 57,556 | 57,556 |
| Investments purchased | 2,378,604 | 3,081,835 | — | 5,460,439 |
| Other | 319,692 | 385,354 | 623,400 | 1,328,446 |
| Total liabilities | 2,698,296 | 3,467,189 | 680,956 | 6,846,441 |
| **NET POSITION** | | | | |
| Net position restricted for pension and other post-employment benefits | $ 478,197,359 | 619,358,433 | 154,229,775 | 1,251,785,567 |

**Howard County, Maryland**
**Combining Statement of Changes in Net Assets**
**Pension and Other Post Employment Benefits Trust Funds**
**For the Year Ended June 30, 2019**

| | Howard County Retirement Plan | Howard County Police and Fire Employees' Retirement Plan | Howard County Other Post-Employment Benefits Fund | Total |
|---|---|---|---|---|
| **ADDITIONS** | | | | |
| **Contributions:** | | | | |
| Employer | $ 14,155,379 | 27,719,839 | 38,380,982 | 80,256,200 |
| Member | 4,378,114 | 8,124,859 | — | 12,502,973 |
| Total contributions | 18,533,493 | 35,844,698 | 38,380,982 | 92,759,173 |
| **Investment income (expense):** | | | | |
| Net change in fair value of investments | 19,695,913 | 24,600,895 | 6,137,909 | 50,434,717 |
| Interest | 2,232,787 | 2,862,178 | — | 5,094,965 |
| Dividends | 10,691,643 | 13,753,018 | 3,477,923 | 27,922,584 |
| Other | 67,972 | 87,464 | — | 155,436 |
| Investment expense | (1,333,203) | (1,664,369) | (330,787) | (3,328,359) |
| Net investment income | 31,355,112 | 39,639,186 | 9,285,045 | 80,279,343 |
| Total additions | 49,888,605 | 75,483,884 | 47,666,027 | 173,038,516 |
| **DEDUCTIONS** | | | | |
| Benefits | 19,012,353 | 27,571,300 | 22,755,131 | 69,338,784 |
| Administrative expenses | 438,403 | 456,187 | 106,156 | 1,000,746 |
| Total deductions | 19,450,756 | 28,027,487 | 22,861,287 | 70,339,530 |
| Change in net position | 30,437,849 | 47,456,397 | 24,804,740 | 102,698,986 |
| Net position - beginning of year | 447,759,510 | 571,902,036 | 129,425,035 | 1,149,086,581 |
| Net position - end of year | $ 478,197,359 | 619,358,433 | 154,229,775 | 1,251,785,567 |

**Howard County, Maryland**
**Combining Statement of Assets and Liabilities**
**Agency Funds**
**June 30, 2019**

| | Multifarious Fund | Road Surety Deposit Fund | State Property Tax and Interest Fund | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Equity in pooled cash | $ 417,463 | 5,423,648 | 1,401,669 | 7,242,780 |
| Property taxes receivable | | — | 534,227 | 534,227 |
| Other receivable | 3,845 | | | 3,845 |
| Total assets | 421,308 | 5,423,648 | 1,935,896 | 7,780,852 |
| **LIABILITIES** | | | | |
| Accounts payable | — | — | 1,935,896 | 1,935,896 |
| Deposits | 419,001 | 5,423,648 | — | 5,842,649 |
| Other liabilities | 2,307 | — | — | 2,307 |
| Total liabilities | $ 421,308 | 5,423,648 | 1,935,896 | 7,780,852 |

**Howard County, Maryland**
**Combining Statement of Changes in Assets and Liabilities**
**Agency Funds**
**For the Year Ended June 30, 2019**

| | Balance June 30, 2018 | Additions | Deductions | Balance June 30, 2019 |
|---|---|---|---|---|
| **Multifarious Fund** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and cash equivalents | $ 381,922 | 75,999 | 40,458 | 417,463 |
| Other receivable | — | 3,845 | — | 3,845 |
| **Total assets** | 381,922 | 79,844 | 40,458 | 421,308 |
| **LIABILITIES** | | | | |
| Deposits | 379,615 | 79,844 | 40,458 | 419,001 |
| Other liabilities | 2,307 | — | — | 2,307 |
| **Total liabilities** | 381,922 | 79,844 | 40,458 | 421,308 |
| **Road Surety Deposit Fund** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and cash equivalents | 5,766,486 | 1,497,920 | 1,840,758 | 5,423,648 |
| **Total assets** | 5,766,486 | 1,497,920 | 1,840,758 | 5,423,648 |
| **LIABILITIES** | | | | |
| Accounts payable | 63,910 | 5,384,553 | 5,448,463 | — |
| Deposits | 5,702,576 | 1,432,949 | 1,711,877 | 5,423,648 |
| **Total liabilities** | 5,766,486 | 6,817,502 | 7,160,340 | 5,423,648 |
| **State Property Tax and Interest Fund** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and cash equivalents | 1,618,463 | 313,783,258 | 314,000,052 | 1,401,669 |
| Property taxes receivable | 425,119 | 274,165,839 | 274,056,731 | 534,227 |
| **Total assets** | 2,043,582 | 587,949,097 | 588,056,783 | 1,935,896 |
| **LIABILITIES** | | | | |
| Accounts payable | 2,043,582 | 270,323,874 | 270,431,560 | 1,935,896 |
| **Total liabilities** | 2,043,582 | 270,323,874 | 270,431,560 | 1,935,896 |
| **Total Agency Funds** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and cash equivalents | 7,766,871 | 315,357,177 | 315,881,268 | 7,242,780 |
| Property taxes receivable | 425,119 | 274,165,839 | 274,056,731 | 534,227 |
| Other receivable | — | 3,845 | — | 3,845 |
| **Total assets** | 8,191,990 | 589,526,861 | 589,937,999 | 7,780,852 |
| **LIABILITIES** | | | | |
| Accounts payable | 2,107,492 | 275,708,427 | 275,880,023 | 1,935,896 |
| Deposits | 6,082,191 | 1,512,793 | 1,752,335 | 5,842,649 |
| Other liabilities | 2,307 | — | — | 2,307 |
| **Total liabilities** | $ 8,191,990 | 277,221,220 | 277,632,358 | 7,780,852 |

# Capital Assets Used in the Operation of Governmental Funds

## Howard County, Maryland
## Schedule By Function and Activity
## Capital Assets Used in the Operation of Governmental Funds
## For the Year Ended June 30, 2019

| Function and Activity | Land and Land Improvements | Buildings | Improvements Other Than Buildings and Infrastructure | Equipment | Construction In Progress | Total |
|---|---|---|---|---|---|---|
| **General government:** | | | | | | |
| County executive | $ — | — | 7,314 | — | — | 7,314 |
| Technology and communication | — | — | — | 5,586,895 | — | 5,586,895 |
| Finance | — | — | — | 2,033,222 | — | 2,033,222 |
| County administration | — | — | 32,457,859 | 639,741 | — | 33,097,600 |
| Total general government | — | — | 32,465,173 | 8,259,858 | — | 40,725,031 |
| **Public safety:** | | | | | | |
| Corrections | — | — | — | 396,070 | — | 396,070 |
| Fire | 5,710,331 | 50,299,292 | 12,174,217 | 43,136,858 | — | 111,320,698 |
| Police | — | 7,102,814 | 4,452,304 | 13,792,450 | — | 25,347,568 |
| Total public safety | 5,710,331 | 57,402,106 | 16,626,521 | 57,325,378 | — | 137,064,336 |
| **Public facilities:** | | | | | | |
| Public works | 331,785,012 | 185,572,822 | 657,054,789 | 13,629,274 | — | 1,188,041,897 |
| Planning and zoning | 13,476 | — | 323,226 | 322,889 | — | 659,591 |
| Inspections, licenses and permits | — | — | — | 2,788,579 | — | 2,788,579 |
| Transportation | 2,679,368 | 12,146,655 | 283,461 | 14,401,917 | — | 29,511,401 |
| Total public facilities | 334,477,856 | 197,719,477 | 657,661,476 | 31,142,659 | — | 1,221,001,468 |
| **Legislative and judicial:** | | | | | | |
| Circuit court | — | — | 63,560 | 77,383 | — | 140,943 |
| County council | — | — | — | 32,616 | — | 32,616 |
| State's attorney | — | — | — | 59,229 | — | 59,229 |
| Sheriff | — | 25,434 | — | 206,677 | — | 232,111 |
| Total legislative and judicial | — | 25,434 | 63,560 | 375,905 | — | 464,899 |
| **Community services:** | | | | | | |
| Community Resources & Services | — | — | 176,213 | 306,004 | — | 482,217 |
| Health department | — | — | 374,202 | 1,486,968 | — | 1,861,170 |
| Housing and community development | 490,900 | 3,400,119 | — | — | — | 3,891,019 |
| Library | 3,164,668 | 94,991,306 | 6,667,280 | 209,830 | — | 105,033,084 |
| Total community services | 3,655,568 | 98,391,425 | 7,217,695 | 2,002,802 | — | 111,267,490 |
| **Recreation and parks:** | | | | | | |
| Recreation and parks | 118,833,945 | 56,261,556 | 117,725,295 | 5,082,509 | — | 297,903,305 |
| Total recreation and parks | 118,833,945 | 56,261,556 | 117,725,295 | 5,082,509 | — | 297,903,305 |
| **Agricultural land preservation:** | | | | | | |
| Agricultural land easements | 139,713,172 | — | — | — | — | 139,713,172 |
| Total agricultural land preservation | 139,713,172 | — | — | — | — | 139,713,172 |
| **Construction in progress** | — | — | — | — | 101,613,027 | 101,613,027 |
| **Total governmental funds capital assets** | $ 602,390,872 | 409,799,998 | 831,759,720 | 104,189,111 | 101,613,027 | 2,049,752,728 |

**This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.**

# Howard County, Maryland
## Schedule of Changes By Function and Activity
## Capital Assets Used in the Operation of Governmental Funds
## For the Year Ended June 30, 2019

| Function and Activity | Balances June 30, 2018 | Assets Additions | Assets Deductions | Balances June 30, 2019 | Balances June 30, 2018 | Allowance for Depreciation Additions | Allowance for Depreciation Deductions | Balances June 30, 2019 |
|---|---|---|---|---|---|---|---|---|
| General government: | | | | | | | | |
| County executive | $ 7,314 | — | — | 7,314 | 5,846 | 488 | — | 6,334 |
| Technology and communication | 5,586,895 | — | — | 5,586,895 | 5,585,843 | 8,820 | — | 5,594,663 |
| Finance | 2,033,222 | — | — | 2,033,222 | 1,978,695 | 5,842 | — | 1,984,537 |
| County administration | 33,097,600 | — | — | 33,097,600 | 29,682,760 | 1,600,182 | — | 31,282,942 |
| Total general government | 40,725,031 | — | — | 40,725,031 | 37,253,144 | 1,615,332 | — | 38,868,476 |
| Public safety: | | | | | | | | |
| Corrections | 383,615 | 35,145 | 22,690 | 396,070 | 126,101 | 33,639 | 4,017 | 155,723 |
| Fire | 108,167,607 | 3,720,646 | 567,555 | 111,320,698 | 38,869,048 | 3,996,354 | 486,861 | 42,378,541 |
| Police | 23,968,843 | 1,598,660 | 219,935 | 25,347,568 | 11,279,485 | 1,119,834 | 67,385 | 12,331,934 |
| Total public safety | 132,520,065 | 5,354,451 | 810,180 | 137,064,336 | 50,274,634 | 5,149,827 | 558,263 | 54,866,198 |
| Public facilities: | | | | | | | | |
| Public works | 1,143,188,845 | 65,723,611 | 20,870,559 | 1,188,041,897 | 346,673,534 | 28,527,567 | 3,093,818 | 372,107,283 |
| Planning and zoning | 659,591 | — | — | 659,591 | 391,431 | 25,847 | — | 417,278 |
| Inspections, licenses and permits | 2,788,579 | — | — | 2,788,579 | 2,742,292 | 6,545 | — | 2,748,837 |
| Transportation | 28,795,822 | 2,536,961 | 1,821,382 | 29,511,401 | 8,545,402 | 1,585,715 | 1,818,308 | 8,312,809 |
| Total public facilities | 1,175,432,837 | 68,260,572 | 22,691,941 | 1,221,001,468 | 358,352,659 | 30,145,674 | 4,912,126 | 383,586,207 |
| Legislative and judicial: | | | | | | | | |
| County council | 32,616 | — | — | 32,616 | 4,271 | 4,659 | — | 8,930 |
| Circuit court | 140,943 | — | — | 140,943 | 68,271 | 8,678 | — | 76,949 |
| States attorney | 59,229 | — | — | 59,229 | 59,230 | — | — | 59,230 |
| Sheriff | 255,302 | — | 23,191 | 232,111 | 140,734 | 16,566 | 9,019 | 148,281 |
| Total legislative and judicial | 488,090 | — | 23,191 | 464,899 | 272,506 | 29,903 | 9,019 | 293,390 |
| Community services: | | | | | | | | |
| Community resources and services | 366,367 | 115,850 | — | 482,217 | 155,349 | 49,244 | — | 204,593 |
| Health department | 1,859,321 | 21,788 | 19,939 | 1,861,170 | 1,244,308 | 185,705 | 19,939 | 1,410,074 |
| Housing and community development | 3,891,019 | — | — | 3,891,019 | 2,242,061 | 68,003 | — | 2,310,064 |
| Library | 104,714,532 | 318,552 | — | 105,033,084 | 21,237,527 | 2,575,473 | — | 23,813,000 |
| Total community services | 110,831,239 | 456,190 | 19,939 | 111,267,490 | 24,879,245 | 2,878,425 | 19,939 | 27,737,731 |
| Recreation and parks: | | | | | | | | |
| Recreation and parks | 293,897,701 | 15,239,354 | 11,233,750 | 297,903,305 | 64,366,464 | 7,013,718 | 324,342 | 71,055,840 |
| Total recreation and parks | 293,897,701 | 15,239,354 | 11,233,750 | 297,903,305 | 64,366,464 | 7,013,718 | 324,342 | 71,055,840 |
| Agricultural land preservation: | | | | | | | | |
| Agricultural land easements | 139,713,172 | — | — | 139,713,172 | — | — | — | — |
| Total agricultural land preservation | 139,713,172 | — | — | 139,713,172 | — | — | — | — |
| Total county government | 1,893,608,135 | 89,310,567 | 34,779,001 | 1,948,139,701 | 535,398,652 | 46,832,879 | 5,823,689 | 576,407,842 |
| Construction in progress | 70,541,932 | 127,351,645 | 96,280,550 | 101,613,027 | — | — | — | — |
| Total governmental funds capital assets | $ 1,964,150,067 | 216,662,212 | 131,059,551 | 2,049,752,728 | 535,398,652 | 46,832,879 | 5,823,689 | 576,407,842 |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

# Capital Assets Used in the Operation of Enterprise Funds

**Howard County, Maryland**
**Schedule of Capital Assets and Depreciation**
**Schedule of Capital Assets Used in the Operation of Enterprise Funds**
**For the Year Ended June 30, 2019**

| | Balances | Assets | | Balances | Balances | Allowance for Depreciation | | Balances |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2018 | Additions | Deductions | June 30, 2019 | June 30, 2018 | Additions | Deductions | June 30, 2019 |
| **Land:** | | | | | | | | |
| Utility | $ 3,068,642 | — | — | 3,068,642 | — | — | — | — |
| Watershed | — | 449,290 | — | 449,290 | — | — | — | — |
| Golf course | 8,684,896 | — | — | 8,684,896 | — | — | — | — |
| Total land | 11,753,538 | 449,290 | — | 12,202,828 | — | — | — | — |
| **Buildings:** | | | | | | | | |
| Utility | 236,808,771 | — | — | 236,808,771 | 87,549,526 | 4,659,730 | — | 92,209,256 |
| Golf course | 1,058,133 | — | — | 1,058,133 | 548,624 | 21,162 | — | 569,786 |
| Watershed | 195,189 | — | — | 195,189 | 12,152 | 3,904 | — | 16,056 |
| Total buildings | 238,062,093 | — | — | 238,062,093 | 88,110,302 | 4,684,796 | — | 92,795,098 |
| **Improvements other than buildings:** | | | | | | | | |
| Utility | 81,646,895 | 2,268,474 | 91,754 | 83,823,615 | 47,587,678 | 3,304,792 | 91,754 | 50,800,716 |
| Watershed | — | 1,274,245 | — | 1,274,245 | — | 146,049 | — | 146,049 |
| Golf course | 2,368,920 | — | — | 2,368,920 | 215,117 | 118,446 | — | 333,563 |
| Total improvements | 84,015,815 | 3,542,719 | 91,754 | 87,466,780 | 47,802,795 | 3,569,287 | 91,754 | 51,280,328 |
| **Infrastructure:** | | | | | | | | |
| Utility | 727,249,909 | 30,535,863 | — | 757,785,772 | 309,294,824 | 13,906,058 | — | 323,200,882 |
| Watershed | — | 29,746,575 | — | 29,746,575 | — | 839,597 | — | 839,597 |
| Broadband | 14,181,540 | 16,152 | — | 14,197,692 | 2,786,065 | 709,145 | — | 3,495,210 |
| Total infrastructure | 741,431,449 | 60,298,590 | — | 801,730,039 | 312,080,889 | 15,454,800 | — | 327,535,689 |
| **Machinery and equipment:** | | | | | | | | |
| Utility | 14,445,660 | 2,129,790 | 973,653 | 15,601,797 | 5,998,727 | 1,144,048 | 336,197 | 6,806,578 |
| Golf course | 326,646 | — | — | 326,646 | 301,510 | 7,531 | — | 309,041 |
| Watershed | 1,114,107 | 49,900 | 162,173 | 1,001,834 | 226,203 | 101,656 | 37,840 | 290,019 |
| Broadband | 1,283,168 | — | — | 1,283,168 | 396,394 | 167,762 | — | 564,156 |
| Total machinery and equipment | 17,169,581 | 2,179,690 | 1,135,826 | 18,213,445 | 6,922,834 | 1,420,997 | 374,037 | 7,969,794 |
| Grand total | $ 1,092,432,476 | 66,470,289 | 1,227,580 | 1,157,675,185 | 454,916,820 | 25,129,880 | 465,791 | 479,580,909 |

Does not include $127,333,464 of construction in progress.




**Practice Howard**

Howard County Government and Howard County General Hospital have partnered for an innovative program to boost the number of primary care physicians in the county by offering funding and support to new doctors in exchange for five-year commitments to serve our community. In 2019, Howard County was named one of the Top Ten Healthiest Communities by U.S. News & World Report.

# Long-Term Debt

**Liabilities of the County represented by outstanding general obligation bonds and other long-term debt.**

## Howard County, Maryland
## Schedule of Bonded and Other Long-Term Debt
## General
## June 30, 2019

| Type of Debt | Maturity | Rate of Interest | Issued | Outstanding | Interest Payable to Maturity | Total Due to Maturity |
|---|---|---|---|---|---|---|
| **Consolidated Public Improvement Bonds** | | | | | | |
| 02/12/2004 | 2006-2025 | 2.00 - 5.00 | $ 112,305,000 | 7,995,000 | 199,875 * | 8,194,875 |
| 12/08/2009 | 2012-2023 | 2.00 - 5.00 | 85,860,000 | 13,940,000 | 348,500 | 14,288,500 |
| 03/16/2010 | 2011-2030 | 3.00 - 5.55 | 88,420,000 | 43,760,000 | 17,193,163 | 60,953,163 |
| 11/17/2011 | 2013-2032 | 3.00 - 5.00 | 182,055,000 | 90,040,000 | 18,446,240 | 108,486,240 |
| 04/11/2012 | 2013-2032 | 2.00 - 4.00 | 37,370,000 | 1,640,000 | 65,600 | 1,705,600 |
| 04/04/2013 | 2014-2033 | 2.375 - 5.00 | 97,910,000 | 3,925,000 | 196,250 | 4,121,250 |
| 04/03/2014 | 2015-2034 | 3.00 - 5.00 | 117,125,000 | 27,875,000 | 3,509,000 | 31,384,000 |
| 04/22/2015 | 2016-2035 | 3.00 - 5.00 | 184,195,000 | 120,330,000 | 33,146,462 | 153,476,462 |
| 03/30/2016 | 2017-2036 | 2.00 - 5.00 | 96,260,000 | 88,180,000 | 30,436,100 | 118,616,100 |
| 04/25/2017 | 2018-2037 | 3.25 - 5.00 | 274,310,000 | 264,750,000 | 98,768,488 | 363,518,488 |
| 12/21/2017 | 2018-2034 | 3.00 - 5.00 | 184,440,000 | 183,405,000 | 79,543,700 | 262,948,700 |
| 04/18/2018 | 2020-2038 | 3.25 - 5.00 | 129,890,001 | 129,890,001 | 57,127,938 | 187,017,939 |
| 05/29/2019 | 2020-3039 | 2.75 - 5.00 | 131,295,477 | 131,295,477 | 43,953,307 | 175,248,784 |
| **Total Consolidated Public Improvement Bonds** | | | 1,721,435,478 | 1,107,025,478 | 382,934,623 | 1,489,960,101 |
| **Tax increment financing bonds** | 2017-2047 | 4.00 - 6.10 | 65,225,000 | 65,100,000 | 59,180,291 | 124,280,291 |
| **Compensated absences** | n/a | n/a | n/a | 26,443,323 | n/a | 26,443,323 |
| **Capital leases** | n/a | n/a | n/a | 31,603,394 | n/a | 31,603,394 |
| **Landfill closure obligations** | n/a | n/a | n/a | 23,430,000 | n/a | 23,430,000 |
| **Agricultural land preservation program** | 2018-2037 | 2.19 - 8.60 | n/a | 93,483,238 | 18,987,374 | 112,470,612 |
| **Total debt** | | | $ 1,786,660,478 | 1,347,085,433 ** | 461,102,288 | 1,808,187,721 |

* Includes administrative fees.

** Does not include deferred refunding premium liability of $139,356,696, unamortized bond discount of $(24,516), unpaid claims of $20,215,850, net OPEB liability of $353,228,214, net LOSAP liability of $21,907,552 and net pension liability of $150,671,742 and other non-current liabilities of $9,132,933 included in the Statement of Net Position.

## Howard County, Maryland
## Schedule of Changes in General Long-Term Debt
## Long-Term Obligations
## For the Year Ended June 30, 2019

| | Balance June 30, 2018 | Issued | Refunded | Retired | Balance June 30, 2019 | |
|---|---|---|---|---|---|---|
| **General county bonds:** | | | | | | |
| General improvement | $ 353,719,803 | 62,521,492 | 6,702,993 | 18,304,287 | 391,234,015 | |
| Storm drain | 35,949,116 | 1,498,890 | 450,785 | 1,928,312 | 35,068,909 | |
| Police department | 6,519,037 | 395,097 | 149,703 | 443,843 | 6,320,588 | |
| Fire department | 26,580,852 | 3,605,994 | 69,328 | 1,077,738 | 29,039,780 | |
| Schools | 475,436,432 | 45,739,490 | 13,408,442 | 33,255,041 | 474,512,439 | |
| Community renewal | 1,681,915 | 16,808 | 17,610 | 138,405 | 1,542,708 | |
| Recreation and parks | 53,635,481 | 1,361,313 | 363,564 | 2,375,420 | 52,257,810 | |
| Community college | 108,822,365 | 16,156,393 | 2,442,575 | 5,486,954 | 117,049,229 | |
| Total Bonds | 1,062,345,001 | 131,295,477 | 23,605,000 | 63,010,000 | 1,107,025,478 | |
| **Other long-term debt** | | | | | | |
| Tax increment financing | 65,165,000 | — | — | 65,000 | 65,100,000 | |
| Compensated absences | 26,336,346 | 3,845,962 | — | 3,738,985 | 26,443,323 | |
| Capital Leases | 35,011,551 | 2,223,000 | — | 5,631,157 | 31,603,394 | |
| Landfill closure obligation | 23,085,000 | 345,000 | — | — | 23,430,000 | |
| Agricultural land preservation program | 97,715,767 | — | — | 4,232,529 | 93,483,238 | |
| Total other long-term debt | 247,313,664 | 6,413,962 | — | 13,667,671 | 240,059,955 | |
| **Total long-term debt** | $ 1,309,658,665 | 137,709,439 | 23,605,000 | 76,677,671 | 1,347,085,433 | * |

***** Does not include deferred refunding premium liability of $139,356,696, unamortized bond discount of ($25,404), unpaid claims of ($24,516) (including $7,518,251 due within one year), other non-current liabilities of $9,132,933, net OPEB liability of $353,228,214, net LOSAP liability of $21,907,552 and net pension liability of $150,671,742 included in the Statement of Net Position.

**Howard County, Maryland**
**Schedule of Bonded and Other Long-Term Debt**
**Enterprise Fund**
**June 30, 2019**

| Date of Issue | Maturity | Rate of Interest | Amount Issued | Outstanding | Interest Payable to Maturity | Total Due to Maturity |
|---|---|---|---|---|---|---|
| **Metropolitan district bonds:** | | | | | | |
| 12/08/2009 | 2011-2031 | 1.00 - 4.00 | $ 7,255,000 | 335,000 | 5,025 | 340,025 |
| 11/17/2011 | 2013-2042 | 3.00 - 5.00 | 36,245,000 | 15,110,000 | 5,875,725 | 20,985,725 |
| 04/11/2012 | 2013-2037 | 3.00 - 4.00 | 19,970,000 | 660,000 | 19,800 | 679,800 |
| 04/04/2013 | 2014-2038 | 2.375 - 4.00 | 39,155,000 | 15,390,000 | 5,845,450 | 21,235,450 |
| 04/03/2014 | 2015-2044 | 2.00 - 4.00 | 22,055,000 | 8,450,000 | 3,152,301 | 11,602,301 |
| 04/22/2015 | 2016-2045 | 2.00 - 5.00 | 31,015,000 | 22,990,000 | 12,322,628 | 35,312,628 |
| 03/30/2016 | 2017-2046 | 3.00 - 5.00 | 26,190,000 | 24,840,000 | 12,524,744 | 37,364,744 |
| 04/25/2017 | 2018-2047 | 3.00 - 5.00 | 81,515,000 | 79,970,000 | 37,819,702 | 117,789,702 |
| 12/21/2017 | 2018-2044 | 3.00 - 5.00 | 56,075,000 | 54,960,000 | 23,033,856 | 77,993,856 |
| 04/18/2018 | 2019-2048 | 3.125 - 5.00 | 38,150,000 | 37,250,000 | 25,084,432 | 62,334,432 |
| 05/29/2019 | 2020-2049 | 3.00 - 5.00 | 66,605,000 | 66,605,000 | 35,892,818 | 102,497,818 |
| **Total metropolitan district bonds** | | | 424,230,000 | 326,560,000 | 161,576,481 | 488,136,481 |
| **MD water quality 10/18/00** | 2003-2022 | 2.40 | 34,000,000 | 6,182,266 | 608,666 * | 6,790,932 |
| **MD water quality 01/29/02** | 2005-2024 | 2.00 | 21,329,363 | 5,671,086 | 613,960 * | 6,285,046 |
| **MD water quality 10/1/08** | 2009-2029 | 2.30 | 1,197,362 | 592,832 | 109,994 * | 702,826 |
| **MD water quality 11/19/09** | 2010-2031 | 1.00 | 3,443,711 | 2,126,663 | 246,763 * | 2,373,426 |
| **Total water quality** | | | 59,970,436 | 14,572,847 | 1,579,383 | 16,152,230 |
| **Watershed Protection 05-29-19** | 2020-2039 | 2.75-5.00 | 2,334,523 | 2,334,523 | 898,904 | 3,233,427 |
| **Broadband 03/15/16** | 2021 | 2.00 | 1,510,000 | 1,510,000 | 60,400 | 1,570,400 |
| **Broadband 04/18/18** | 2023 | 3.00 | 1,025,000 | 1,025,000 | 123,000 | 1,148,000 |
| **Total Broadband** | | | 2,535,000 | 2,535,000 | 183,400 | 2,718,400 |
| **Special recreation facility bonds** | 2012-2022 | 2.48 | 5,400,000 | 2,217,000 | 111,371 | 2,328,371 |
| **MDE Loan** | 2019-2028 | 2.95 | 1,646,000 | 1,559,884 | 228,088 | 1,787,972 |
| **Compensated absences** | n/a | n/a | n/a | 891,193 | n/a | 891,193 |
| **Major water and sewer agreements** | n/a | n/a | n/a | 874,412 | n/a | 874,412 |
| **Total debt** | | | $ 496,115,959 | 351,544,859 ** | 164,577,627 | 516,122,486 |

* Includes administrative fees.

**Does not include deferred refunding premium of $24,444,168, net OPEB liability of $23,102,908, and net pension liability of $2,037,339 included in the Statement of Net Position.

## Howard County, Maryland
## Schedule of Changes in Bonded Long-Term Debt
## Enterprise Fund
## For the Year Ended June 30, 2019

| | Balance June 30, 2018 | Issued | Refunded | Retired | Balance June 30, 2019 | |
|---|---|---|---|---|---|---|
| **Metropolitan district bonds:** | | | | | | |
| 04/08/2009 | $ 1,255,000 | — | — | 1,255,000 | — | |
| 12/08/2009 | 6,775,000 | — | 6,115,000 | 325,000 | 335,000 | |
| 03/09/2011 | 1,140,000 | — | — | 1,140,000 | — | |
| 11/17/2011 | 17,480,000 | — | — | 2,370,000 | 15,110,000 | |
| 04/11/2012 | 1,300,000 | — | — | 640,000 | 660,000 | |
| 04/04/2013 | 17,190,000 | — | — | 1,800,000 | 15,390,000 | |
| 04/03/2014 | 9,490,000 | — | — | 1,040,000 | 8,450,000 | |
| 04/22/2015 | 23,645,000 | — | — | 655,000 | 22,990,000 | |
| 03/15/2016 | 25,270,000 | — | — | 430,000 | 24,840,000 | |
| 04/25/2017 | 80,460,000 | — | — | 490,000 | 79,970,000 | |
| 12/21/2017 | 55,425,000 | — | — | 465,000 | 54,960,000 | |
| 04/18/2018 | 38,150,000 | — | — | 900,000 | 37,250,000 | |
| 05/15/2019 | — | 66,605,000 | — | — | 66,605,000 | |
| **Total Bonds** | 277,580,000 | 66,605,000 | 6,115,000 | 11,510,000 | 326,560,000 | |
| **Other long-term debt** | | | | | | |
| MD water quality 10/18/00 | 8,147,187 | — | — | 1,964,921 | 6,182,266 | |
| MD water quality 01/29/02 | 6,865,803 | — | — | 1,194,719 | 5,671,084 | |
| MD water quality 10/1/08 | 646,177 | — | — | 53,353 | 592,824 | |
| MD water quality 11/19/09 | 2,297,093 | — | — | 170,420 | 2,126,673 | |
| **Total other long-term debt** | 17,956,260 | — | — | 3,383,413 | 14,572,847 | |
| **Watershed Protection** | — | 2,334,523 | — | — | 2,334,523 | |
| **Broadband 03/15/16** | 1,510,000 | — | — | — | 1,510,000 | |
| **Broadband 04/18/18** | 1,025,000 | — | — | — | 1,025,000 | |
| **Total Broadband** | 2,535,000 | — | — | — | 2,535,000 | |
| **Special recreation facility bonds** | 2,714,000 | — | — | 497,000 | 2,217,000 | |
| **MDE Loan** | — | 1,646,000 | — | 86,116 | 1,559,884 | |
| **Compensated absences** | 889,638 | 84,319 | — | 82,764 | 891,193 | |
| **Major water and sewer agreements** | 922,923 | 49,000 | — | 97,511 | 874,412 | |
| **Total long-term debt** | $ 302,597,821 | 70,718,842 | 6,115,000 | 15,656,804 | 351,544,859 | * |

*Does not include deferred refunding premium of $24,444,168, net OPEB liability of $23,102,908, and net pension liability of $2,037,339 included in the Statement of Net Position.

# Statistical Section

**The Statistical Section provides detailed information for the primary government as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. The tables in this section are unaudited because they often present data from outside accounting records.**

# Statistical Section (Unaudited)

## Index

**Financial Trends** - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity -** These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

**Debt Capacity -** These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Demographic and Economic Information -** These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

**Operating Information -** These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

## Howard County, Maryland
## Net Position by Category
## Last Ten Fiscal Years
## (accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental activities** | | | | | | | | | | |
| Net investment in capital assets | $ 735,346,804 | 780,074,223 | 716,222,072 | 740,258,162 | 755,904,065 | 754,407,588 | 772,350,290 | 834,114,554 | 826,399,982 | 841,929,843 |
| Restricted | 163,458,570 | 83,470,483 | 82,432,184 | 94,955,786 | 109,207,649 | 99,723,862 | 109,620,128 | 114,206,491 | 153,326,501 | 142,249,607 |
| Unrestricted (a) | (629,621,547) | (619,606,891) | (620,794,431) | (727,260,025) | (905,160,838) | (950,355,750) | (991,153,043) | (1,207,393,428) | (1,003,960,300) | (997,456,851) |
| Subtotal governmental activities net position (b) | 269,183,827 (c) | 243,937,815 (d) | 177,859,825 (e) | 107,953,923 | (40,049,124) (f) | (96,224,300) | (109,182,625) | (259,072,383) | (24,233,817) | (13,277,401) |
| **Business-type activities** | | | | | | | | | | |
| Net investment in capital assets | 391,047,153 | 412,443,596 | 352,371,984 | 343,029,639 | 349,976,408 | 410,168,067 | 410,561,263 | 414,126,888 | 419,010,628 | 456,887,408 |
| Restricted | 120,266,910 | 132,071,680 | 60,755,862 | 54,677,366 | 48,248,364 | 48,241,852 | 42,470,585 | 27,949,207 | 24,709,724 | 21,823,966 |
| Unrestricted | 719,135 | 1,877,926 | 85,856,157 | 114,065,506 | 115,007,448 | 107,862,198 | 138,508,000 | 157,835,870 | 151,054,737 | 146,526,725 |
| Subtotal business-type activities net position | 512,033,198 (c) | 546,393,202 (d) | 498,984,003 (e) | 511,772,511 | 513,232,220 (f) | 566,272,117 | 591,539,848 | 599,911,965 | 594,775,089 | 625,238,099 |
| **Primary government** | | | | | | | | | | |
| Net investment in capital assets | 1,126,393,957 | 1,068,594,056 | 1,083,287,801 | 1,105,880,473 | 1,164,575,655 | 1,164,575,655 | 1,182,911,553 | 1,248,241,442 | 1,245,410,610 | 1,298,817,251 |
| Restricted | 283,725,480 | 143,188,046 | 149,633,152 | 157,456,013 | 147,965,714 | 147,965,714 | 152,090,713 | 142,155,698 | 178,036,225 | 164,073,573 |
| Unrestricted | (628,902,412) | (534,938,274) | (613,194,519) | (790,153,390) | (842,493,552) | (842,493,552) | (852,645,043) | (1,049,557,558) | (852,905,563) | (850,930,126) |
| Total primary government net position | $ 781,217,025 | 676,843,828 | 619,726,434 | 473,183,096 | 470,047,817 | 470,047,817 | 482,357,223 | 340,839,582 | 570,541,272 | 611,960,698 |

**(a) Deficits occur in unrestricted net position for governmental activities because the County issues debt to fund construction costs for the Public School.**
**(b) System and Community College, yet these component units own the capital assets. See the Management's Discussion and Analysis for further details.**
**(c) FY2010 net positions of governmental and business-type activities were restated in fiscal year 2011.**

**(d) FY2011 net positions of governmental and business-type activities were restated in fiscal year 2012.**

**(e) FY2012 net positions of governmental and business-type activities were restated in fiscal year 2013.**

**(f) FY2014 net positions of governmental and business-type activities were restated in fiscal year 2015, mainly due to the implementation of GASB 68, which resulted in an overall negative net positions of governmental activities.**

## Howard County, Maryland
## Changes in Net Position
## Last Ten Fiscal Years
### (accrual basis of accounting)

| | 2010 | 2011 | 2012 | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | | |
| General government | $ 40,551,179 | 50,599,944 | 84,025,615 | (a) | 87,405,901 | 104,520,136 | 75,558,318 | 66,234,421 | 66,948,584 | 58,020,097 | 65,241,233 |
| Public safety | 154,381,502 | 167,113,492 | 184,324,533 | | 196,950,283 | 198,590,882 | 208,298,711 | 207,170,029 | 230,134,183 | 217,378,984 | 249,887,935 |
| Public works | 101,682,165 | 102,947,974 | 115,231,452 | | 130,500,653 | 148,889,651 | 179,349,488 | 156,707,838 | 168,834,876 | 194,980,993 | 207,843,230 |
| Recreation and parks | 26,909,791 | 27,086,201 | 29,974,257 | | 29,210,799 | 35,764,376 | 37,193,427 | 42,880,875 | 47,094,291 | 25,923,502 | 54,344,080 |
| Legislative and judicial | 19,917,865 | 21,684,657 | 22,248,551 | | 23,682,923 | 23,259,531 | 27,110,955 | 26,070,345 | 27,693,094 | 27,484,681 | 30,139,996 |
| Community services | 38,203,641 | 38,522,217 | 45,302,315 | | 38,506,895 | 45,311,763 | 48,650,488 | 45,928,376 | 44,497,229 | 47,215,901 | 50,250,870 |
| State highways | 2,450,937 | 1,917,170 | 2,900,053 | | 7,225,028 | 6,634,669 | 763,353 | 3,341,087 | 5,842,868 | 4,934,098 | 9,286,446 |
| Education | 557,205,570 | 605,557,506 | 610,774,387 | | 639,025,259 | 637,839,632 | 669,067,653 | 717,742,080 | 739,013,105 | 701,633,749 | 710,311,491 |
| Interest on long-term debt | 32,759,477 | 37,102,195 | 53,851,903 | | 47,729,955 | 50,489,693 | 43,648,543 | 49,977,613 | 57,494,607 | 61,452,013 | 51,541,615 |
| Total governmental activities expenses | 974,062,127 | 1,052,531,356 | 1,148,633,066 | | 1,200,237,696 | 1,251,300,333 | 1,289,640,936 | 1,316,052,664 | 1,387,552,837 | 1,339,024,018 | 1,428,846,896 |
| **Business-type activities:** | | | | | | | | | | | |
| Water and sewer | 64,845,285 | 66,636,363 | 67,635,638 | | 87,569,376 | 98,795,678 | 97,764,211 | 95,781,698 | 101,312,345 | 105,229,515 | 113,056,969 |
| Golf course | 1,791,000 | 1,762,425 | 1,921,518 | | 1,885,101 | — | — | — | — | — | — |
| Other (b) | — | — | — | | — | 3,094,253 | 5,977,330 | 6,551,799 | 7,356,981 | 6,585,542 | 7,163,586 |
| Total business-type activities expenses | 66,636,285 | 68,398,788 | 69,557,156 | | 89,454,477 | 101,889,931 | 103,741,541 | 102,333,497 | 108,669,326 | 111,815,057 | 120,220,555 |
| Total primary government expenses | 1,040,698,412 | 1,120,930,144 | 1,218,190,222 | | 1,289,692,173 | 1,353,190,264 | 1,393,382,477 | 1,418,386,161 | 1,496,222,163 | 1,450,839,075 | 1,549,067,451 |
| **Program revenues** | | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | | |
| Charges for services | | | | | | | | | | | |
| General government | 29,198,040 | 33,914,325 | 42,534,975 | | 46,065,885 | 49,312,264 | 40,365,251 | 41,462,547 | 52,783,407 | 47,092,030 | 48,266,394 |
| Public works | 42,937,855 | 41,652,829 | 46,145,115 | | 43,476,909 | 44,007,973 | 48,319,370 | 50,419,335 | 48,313,166 | 49,740,333 | 49,166,390 |
| Recreation and parks | 12,621,042 | 13,361,672 | 13,591,958 | | 14,420,583 | 16,481,357 | 17,471,881 | 18,231,380 | 20,182,293 | 19,791,578 | 20,905,820 |
| Other | 7,079,677 | 8,665,495 | 22,407,037 | | 10,725,120 | 12,538,229 | 25,188,353 | 13,987,065 | 10,672,780 | 13,053,507 | 14,129,641 |
| Operating grants and contributions | 26,732,848 | 26,559,373 | 46,323,888 | | 27,837,622 | 33,472,335 | 35,864,017 | 40,094,831 | 39,402,540 | 43,351,124 | 40,559,501 |
| Capital grants and contributions | 22,998,508 | 24,715,975 | 68,472,451 | (c) | 42,575,352 | 10,215,527 | 16,814,899 | 27,792,294 | 18,163,355 | 24,455,008 | 18,377,194 |
| Total governmental activities program revenues | 141,567,970 | 148,869,669 | 239,475,424 | | 185,101,471 | 166,027,685 | 184,023,771 | 191,987,452 | 189,517,541 | 197,483,580 | 191,404,940 |
| **Business-type activities:** | | | | | | | | | | | |
| Charges for services | | | | | | | | | | | |
| Water and sewer | 44,355,147 | 48,606,394 | 50,729,734 | | 54,712,858 | 59,641,881 | 64,133,085 | 64,965,916 | 64,761,724 | 64,642,532 | 64,833,505 |
| Golf course | 2,149,442 | 2,056,408 | 2,134,912 | | 2,069,082 | — | — | — | — | — | — |
| Other (b) | — | — | — | | — | 12,310,600 | 14,129,334 | 14,256,985 | 13,906,569 | 13,712,093 | 11,544,895 |
| Operating grants and contributions | 32,395,714 | 30,884,327 | 29,880,497 | | 29,006,605 | 29,196,783 | 30,010,057 | 31,339,509 | 32,669,952 | 33,958,088 | 35,349,018 |
| Capital grants and contributions | 9,666,912 | 24,331,033 | 21,109,099 | | 16,285,260 | 11,361,621 | 51,939,661 | 14,728,750 | 10,262,423 | 11,976,929 | 43,164,177 |
| Total business-type activities program revenues | 88,567,215 | 105,878,162 | 103,854,242 | | 102,073,805 | 112,510,885 | 160,212,137 | 125,291,160 | 121,600,668 | 124,289,642 | 154,891,595 |
| Total primary government program revenues | $ 230,135,185 | 254,747,831 | 343,329,666 | | 287,175,276 | 278,538,570 | 344,235,908 | 317,278,612 | 311,118,209 | 321,773,222 | 346,296,535 |

(continued)

# Howard County, Maryland
# Changes in Net Position
# Last Ten Fiscal Years
# (accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net (expenses)/revenue** | | | | | | | | | | |
| Governmental activities | $(832,494,157) | (903,661,687) | (909,157,642) | (1,015,136,225) | (1,085,272,648) | (1,105,617,165) | (1,124,065,212) | (1,198,035,296) | (1,141,540,438) | (1,237,441,956) |
| Business-type activities | 21,930,930 | 37,479,374 | 34,297,086 | 12,619,328 | 10,620,954 | 54,470,596 | 22,957,663 | 12,931,342 | 12,474,585 | 34,671,040 |
| Total primary government net expenses | (810,563,227) | (866,182,313) | (874,860,556) | (1,002,516,897) | (1,074,651,694) | (1,051,146,569) | (1,101,107,549) | (1,185,103,954) | (1,129,065,853) | (1,202,770,916) |
| **General revenues and other changes in net position** | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | 494,218,364 | 504,884,233 | 504,771,008 | 523,266,142 | 539,731,584 | 559,405,539 | 586,123,532 | 608,458,370 | 630,762,037 | 654,794,565 |
| Local income taxes | 266,953,624 | 331,334,252 | 358,356,561 | 360,251,116 | 400,455,701 | 412,674,188 | 431,743,893 | 436,993,783 | 466,935,173 | 496,679,385 |
| Other local taxes | 47,911,642 | 46,357,182 | 54,343,807 | 61,337,101 | 61,035,196 | 68,300,957 | 72,656,951 | 77,911,373 | 77,122,059 | 69,739,135 |
| Intergovernmental, unrestricted | 790,181 (d) | 1,089,121 | 780,358 | 1,422,086 | 1,466,960 | 1,553,636 | 1,836,227 | 1,763,063 | 1,590,437 | 1,673,415 |
| Unrestricted investment income | 6,481,902 | 2,890,191 | 9,636,106 | (552,647) (e) | 2,230,944 | 2,840,722 | 5,054,711 | 1,206,178 | 4,998,389 | 13,585,602 |
| Miscellaneous | 861,084 | 816,830 | 1,216,774 | 1,195,039 | 1,102,401 | 970,104 | 3,347,590 | 90,510 | 2,700,739 | 2,513,727 |
| Transfers | (587,000) | 2,995,034 | (586,842) | — | 7,345,000 | 3,696,843 | 2,318,086 | 5,389,399 | 9,151,633 | 9,412,543 |
| Subtotal governmental activities | 816,629,797 | 890,366,843 | 928,517,772 | 946,918,837 | 1,013,367,786 | 1,049,441,989 | 1,103,080,990 | 1,131,812,676 | 1,193,260,467 | 1,248,398,372 |
| **Business-type activities:** | | | | | | | | | | |
| Unrestricted investment income | 395,605 | 196,349 | 170,617 | 169,180 | 135,292 | 242,826 | 823,902 | 830,024 | 2,434,920 | 5,998,775 |
| Miscellaneous | — | — | — | — | — | 23,318 | 3,804,252 | 150 | 53,351 | (794,262) |
| Transfers | 587,000 | (2,995,034) | 586,842 | — | (7,345,000) | (3,696,843) | (2,318,086) | (5,389,399) | (9,151,633) | (9,412,543) |
| Subtotal business-type activities | 982,605 | (2,798,685) | 757,459 | 169,180 | (7,209,708) | (3,430,699) | 2,310,068 | (4,559,225) | (6,663,362) | (4,208,030) |
| Total primary government | 817,612,402 | 887,568,158 | 929,275,231 | 947,088,017 | 1,006,158,078 | 1,046,011,290 | 1,105,391,058 | 1,127,253,451 | 1,186,597,105 | 1,244,190,342 |
| **Net position balances** | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | |
| Change in net position, governmental activities | (15,864,360) | (13,294,844) | 19,360,130 | (68,217,388) | (71,904,862) | (48,149,278) | (20,984,222) | (66,222,620) | 51,720,029 | 10,956,416 |
| Net position, beginning-governmental activities | 388,436,002 | 377,349,272 | 254,510,988 | 263,297,945 | 107,953,923 | 36,049,061 | (88,198,403) | (131,849,763) | (198,072,383) | (24,233,817) |
| Restatement | 4,777,630 | (109,543,440) | (10,573,173) | (87,126,634) | — | (76,098,186) | — | — | 122,118,537 | — |
| Net position, ending-governmental activities | 377,349,272 | 254,510,988 | 263,297,945 | 107,953,923 | 36,049,061 | (88,198,403) | (109,182,625) | (198,072,383) | (24,233,817) | (13,277,401) |
| **Business-type activities:** | | | | | | | | | | |
| Change in net position, business-type activities | 22,913,535 | 34,680,689 | 35,054,545 | 12,788,508 | 3,411,246 | 53,039,897 | 25,267,731 | 8,372,117 | 5,811,223 | 30,463,010 |
| Net position, beginning-business-type activities | 491,434,162 | 514,347,697 | 546,713,887 | 581,447,747 | 511,772,511 | 515,183,757 | 566,272,117 | 591,539,848 | 599,911,965 | 594,775,089 |
| Restatement | — | (2,314,499) | (320,685) | (82,463,744) | — | (1,951,537) | — | — | (10,948,099) | — |
| Net position, ending-business-type activities | 514,347,697 | 546,713,887 | 581,447,747 | 511,772,511 | 515,183,757 | 566,272,117 | 591,539,848 | 599,911,965 | 594,775,089 | 625,238,099 |
| Total primary government | $ 891,696,969 | 801,224,875 | 844,745,692 | 619,726,434 | 551,232,818 | 478,073,714 | 482,357,223 | 401,839,582 | 570,541,272 | 611,960,698 |

(a) The increase from prior period is due to expenses incurred on behalf of the other local government jurisdictions participating in the Inter-County Broadband Network (ICBN) Project.

(b) Other consists of golf course and watershed restoration and protection in fiscal year 2014, as well as broadband services starting in fiscal year 2015.

(c) The increase from prior period is due to recognizing significant Federal grant monies for the ICBN Project.

(d) In fiscal year 2010, funding from the State government for highway improvements was drastically reduced.

(e) The decrease from prior period is due to decreases in the fair value of U.S. Treasury Strips investments.

## Howard County, Maryland
## Fund Balances, Governmental Funds
## Last Ten Fiscal Years
### (modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General fund** | | | | | | | | | | |
| Nonspendable | $ — | — | — | — | 3,319 | 8,140,178 | 7,632,118 | 9,045,255 | 12,600,473 | 12,265,039 |
| Restricted | — | — | — | — | — | — | 1,972,282 | 2,070,419 | 1,024,450 | — |
| Committed | — | 56,803,611 | 56,258,912 | 57,209,710 | 59,271,162 | 61,260,575 | 64,172,639 | 67,382,973 | 71,338,939 | 73,958,202 |
| Assigned | — | 27,137,601 | 45,003,053 | 67,354,332 | 64,171,013 | 34,992,177 | 53,577,009 | 31,953,418 | 49,382,483 | 35,997,183 |
| Unassigned | — | 8,732,004 | 10,616,787 | 9,095,856 | 2,831,645 | 3,295,630 | 12,015,718 | 26,239,270 | 7,898,186 | 18,387,493 |
| Reserved | 61,447,806 | — | — | — | — | — | — | — | — | — |
| Unreserved (a) | 10,324,543 | — | — | — | — | — | — | — | — | — |
| Total general fund | 71,772,349 | 92,673,216 (b) | 111,878,752 (b) | 133,659,898 | 126,277,139 | 107,688,560 (c) | 139,369,766 | 136,691,335 | 142,244,531 | 140,607,917 |
| **All other governmental funds** | | | | | | | | | | |
| Nonspendable | | 14,244,327 | 14,620,132 | 14,929,252 | 16,636,383 | 22,166,070 | 648,352 | 644,176 | 656,721 | 671,042 |
| Restricted | | 83,470,483 | 82,432,184 | 94,955,786 | 97,656,784 | 100,314,009 | 107,647,846 | 112,136,072 | 152,302,051 | 142,249,607 |
| Committed | | 39,463,332 | 46,521,229 | 47,867,222 | 38,602,234 | 35,555,303 | 46,729,075 | 48,677,180 | 52,857,796 | 54,474,185 |
| Assigned | | 77,104,933 | 72,761,301 | 62,934,694 | 63,615,900 | 63,398,155 | 63,361,371 | 60,075,902 | 56,117,487 | 62,387,719 |
| Unassigned | | (106,842,248) | (82,621,664) | (77,809,341) | (67,616,626) | (72,262,418) | (125,621,490) | (119,153,788) | (88,731,324) | (110,672,917) |
| Reserved | 94,605,498 | — | — | — | — | — | — | — | — | — |
| **Unreserved reported in:** | | | | | | | | | | |
| Special revenue funds | 102,795,989 | — | — | — | — | — | — | — | — | — |
| Capital projects funds | (54,747,305) | — | — | — | — | — | — | — | — | — |
| Total all other governmental funds | 142,654,182 | 107,440,827 | 133,713,182 | 142,877,613 | 148,894,675 | 149,171,119 | 92,765,154 | 102,379,542 | 173,202,731 | 149,109,636 |
| Total governmental funds | $ 214,426,531 | 200,114,043 | 245,591,934 | 276,537,511 | 275,171,814 | 256,859,679 | 232,134,920 | 239,070,877 | 315,447,262 | 289,717,553 |

**Notes: Fund balance format for 2011 has been updated due to implementation of GASB Statement No. 54.**

**(a) Decrease in the general fund - unreserved fund balance from fiscal years 2007 to 2010 were the result of downturns in the national economy.**
**(b) Increases in the total fund balance of the general fund in fiscal years 2011 through 2013 are due to increases in the local income taxes received.**
**(c) Decrease in the total balance of the general fund in fiscal year 2015 was due to one-time initiatives of $37.7 million.**

# Howard County, Maryland
## Changes in Fund Balances of Governmental Funds
## Last Ten Fiscal Years
## (modified accrual basis of accounting)

| | 2010 | | 2011 | 2012 | 2013 | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | | | |
| Property taxes (a) | $ 494,641,029 | | 504,030,717 | 504,228,502 | 524,942,040 | | 539,320,074 | 559,393,599 | 586,906,599 | 608,790,864 | 630,002,471 | 654,226,577 |
| Other local taxes | 341,954,181 | (b) | 361,710,858 | 411,966,798 | 436,072,090 | | 453,982,722 | 463,904,916 | 506,819,854 | 514,455,726 | 523,874,099 | 533,151,563 |
| State shared taxes | 790,181 | (c) | 1,089,121 | 780,358 | 1,422,086 | | 1,247,317 | 1,531,596 | 2,077,909 | 1,818,048 | 1,595,662 | 1,673,415 |
| Revenues from other agencies (grants) | — | | — | — | — | | — | — | — | — | — | — |
| Revenues from other governments | 30,866,154 | | 40,479,177 | 80,612,132 | 73,118,716 | | 37,436,410 | 35,645,234 | 30,616,053 | 53,144,527 | 46,881,676 | 43,490,797 |
| Charges for services | 47,153,092 | | 49,916,981 | 49,498,494 | 51,204,711 | | 53,168,180 | 54,693,447 | 55,954,266 | 57,428,448 | 58,820,287 | 59,537,731 |
| Interest on investments | 6,435,344 | | 2,394,644 | 9,487,997 | (712,942) | (e) | 2,010,668 | 2,574,475 | 4,970,717 | 4,878,623 | 7,961,507 | 13,567,305 |
| Decrease in fair value of investments | | | | | | | | | | (3,699,638) | (3,203,311) | (496,321) |
| Installment interest from housing loans | — | | 495,546 | 148,109 | 160,296 | | 220,274 | 268,410 | 83,994 | 27,190 | 53,025 | 60,540 |
| Licenses and permits | 5,839,006 | | 5,651,511 | 5,754,961 | 6,455,619 | | 6,696,288 | 6,586,220 | 7,200,241 | 7,090,791 | 6,874,461 | 6,641,437 |
| Recoveries for interfund services | 11,457,728 | | 11,734,246 | 11,720,813 | 11,553,101 | | 11,633,284 | 14,133,304 | 15,706,180 | — | — | — |
| Fines and forfeitures | 2,983,119 | | 3,393,723 | 3,534,706 | 3,462,342 | | 3,863,722 | 4,024,120 | 4,356,639 | 4,481,676 | 4,315,875 | 4,071,307 |
| Developer contributions (d) | 1,665,829 | | 1,363,545 | 1,556,906 | 1,767,910 | | 1,446,618 | 4,561,155 | 4,612,357 | 9,070,823 | 2,372,712 | 852,987 |
| Rental of property (d) | 206,754 | | 197,100 | 196,214 | 159,373 | | 177,814 | 111,853 | — | — | — | — |
| Payments from component units (d) | 861,084 | | 816,830 | 817,842 | 818,144 | | 818,167 | 351,439 | 2,588,330 | 2,076,568 | 2,095,129 | 1,546,337 |
| Sale of property | — | | — | — | — | | — | 3,464,497 | — | — | — | — |
| Miscellaneous program revenues | 8,189,651 | | 8,645,463 | 8,752,216 | 22,328,003 | | 13,318,287 | 14,594,154 | 25,441,734 | 15,406,458 | 17,149,954 | 16,880,092 |
| Total revenues | 953,043,152 | | 991,919,462 | 1,089,056,048 | 1,132,751,489 | | 1,125,339,825 | 1,165,838,419 | 1,247,334,873 | 1,274,970,104 | 1,298,793,547 | 1,335,203,767 |
| **EXPENDITURES** | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | 21,822,449 | | 23,691,385 | 25,227,536 | 33,612,637 | | 45,526,306 | 50,754,551 | 54,918,742 | 48,703,477 | 51,307,571 | 60,629,770 |
| Legislative & judicial | 19,370,470 | | 20,263,005 | 20,919,318 | 21,547,432 | | 22,684,466 | 24,165,800 | 25,893,292 | 26,315,797 | 27,175,301 | 28,520,391 |
| Public works | 87,553,902 | | 84,173,380 | 92,598,067 | 90,672,711 | | 97,867,406 | 104,503,144 | 102,894,102 | 104,307,451 | 112,420,109 | 113,436,661 |
| Public safety | 148,773,884 | | 156,336,439 | 168,832,385 | 175,555,967 | | 191,882,471 | 205,038,450 | 208,774,567 | 219,541,903 | 228,466,896 | 235,952,000 |
| Recreation and parks | 24,363,103 | | 23,856,314 | 27,999,911 | 30,906,131 | | 35,432,626 | 36,911,248 | 38,473,557 | 39,667,818 | 41,877,752 | 43,171,463 |
| Community services | 37,096,762 | | 36,935,327 | 36,671,787 | 37,503,416 | | 45,406,497 | 46,474,576 | 44,631,695 | 42,267,451 | 44,819,301 | 47,391,787 |
| Education | 542,819,926 | | 572,584,372 | 584,322,887 | 603,534,562 | | 606,673,692 | 651,103,285 | 651,837,577 | 699,206,963 | 704,546,696 | 707,246,000 |
| Capital improvements (d) | 79,441,474 | | 129,566,744 | 146,521,532 | 101,470,657 | | 106,355,030 | 112,042,331 | 133,208,954 | 134,994,751 | 114,284,257 | 140,460,747 |
| Debt service: | | | | | | | | | | | | |
| Principal | 50,192,000 | | 52,461,000 | 58,381,930 | 54,262,375 | | 60,433,375 | 61,185,578 | 68,484,249 | 74,766,641 | 66,443,603 | 69,728,497 |
| Interest | 33,465,400 | | 37,179,040 | 40,178,908 | 43,795,819 | | 45,176,541 | 45,595,837 | 45,384,247 | 47,438,207 | 47,177,499 | 47,055,983 |
| Total expenditures | 1,044,899,370 | | 1,137,047,006 | 1,201,654,261 | 1,192,861,707 | | 1,257,438,410 | 1,337,774,800 | 1,374,500,982 | 1,437,210,459 | 1,493,230,012 | 1,503,593,299 |
| Excess (deficiency) of revenues over expenditures | (91,856,218) | | (145,127,544) | (112,598,213) | (60,110,218) | | (132,098,585) | (171,936,381) | (127,166,109) | (162,240,355) | (194,436,465) | (168,389,532) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | | | |
| Bond premium | 18,974,053 | | 4,604,998 | 30,560,868 | 9,283,948 | | 11,979,779 | 17,522,949 | 13,541,018 | 43,899,251 | 49,340,059 | 12,219,992 |
| Capital lease proceeds | 4,909,012 | | 186,598 | — | — | | — | 12,562,393 | 10,058,351 | 3,368,036 | 11,936,898 | 2,223,000 |
| Capital related debt issued | 101,010,000 | | 111,115,000 | 109,310,002 | 91,930,000 | | 117,315,277 | 100,180,000 | 76,490,000 | 133,925,001 | 128,380,000 | 108,710,477 |
| Tax increment financing bonds | — | | — | — | — | | — | — | — | — | 48,225,000 | |
| Refunding bonds issued | 85,860,000 | | — | 110,115,000 | 5,980,000 | | 16,809,723 | 84,015,000 | 21,280,000 | 140,385,000 | 184,440,000 | 22,585,000 |
| Capital lease | (4,909,012) | | — | — | — | | — | — | — | — | — | — |
| Installment purchase agreements issued (d) | — | | 10,274,400 | 25,253,100 | — | | 4,951,615 | 3,448,120 | 4,817,735 | 10,756,470 | 3,095,670 | — |
| Payment to bond refunding escrow agent | (99,078,896) | | — | (128,985,283) | (6,714,081) | | (32,958,802) | (93,816,818) | (26,600,367) | (169,143,917) | (219,985,848) | (24,024,558) |
| Transfers in | 35,705,614 | | 39,835,317 | 38,465,384 | 45,403,189 | | 66,149,637 | 53,153,609 | 27,765,305 | 47,227,975 | 58,254,689 | 64,806,430 |
| Transfers out | (36,246,056) | | (36,788,523) | (40,218,754) | (45,378,817) | | (54,790,208) | (47,084,255) | (24,910,692) | (41,241,503) | (47,584,645) | (43,860,518) |
| Total other financing sources and uses | 106,224,715 | | 129,227,790 | 144,500,317 | 100,504,239 | | 129,457,021 | 129,980,998 | 102,441,350 | 169,176,313 | 216,101,823 | 142,659,823 |
| Net change in fund balances | $ 14,368,497 | | (15,899,754) | 31,902,104 | 40,394,021 | | (2,641,564) | (41,955,383) | (24,724,759) | 6,935,958 | 21,665,358 | (25,729,709) |
| Debt service as a percentage of noncapital expenditures | 8.35% | | 8.67% | 8.87% | 8.92% | | 8.61% | 8.91% | 8.71% | (f) 8.94% | 8.60% | 9.10% |

**(a) Increase in real property taxes is due to steady increases in property values in the County.**

**(b) Other local taxes decreased due to declines in the quantity and value of real estate transactions.**

**(c) Decrease in State shared taxes is due to drastic decline in State highways funding.**

**(d) Reclassifications of prior years' data were made to allow for consistency purposes and comparison amongst all years.**

**(e) The decrease from prior period is due to decreases in the fair value of U.S. Treasury Strips investments.**

**(f) Capital outlay used in FY16 calculation reported incorrectly.**

## Howard County, Maryland
## Assessed and Estimated Accrual Value of Taxable Property
## Last Ten Fiscal Years

| | Real Property | | | | Personal Property | | Total |
|---|---|---|---|---|---|---|---|
| Fiscal Year | Residential Assessed Value | Commercial Assessed Value | Assessed Value (a) | Total Direct Tax Rate (b) | Assessed Value (a) | Total Direct Tax Rate (b) | Assessed Value |
| 2010 | $ 41,289,749,176 | 7,374,511,107 | 48,664,260,283 | 1.014 | 1,588,889,810 | 2.535 | 50,253,150,093 |
| 2011 | 39,020,062,724 | 7,498,201,792 | 46,518,264,516 | 1.014 | 1,623,786,020 | 2.535 | 48,142,050,536 |
| 2012 | 36,128,044,459 | 7,493,817,659 | 43,621,862,118 | 1.014 | 1,555,657,980 | 2.535 | 45,177,520,098 |
| 2013 | 35,145,195,556 | 7,494,536,821 | 42,639,732,377 | 1.014 | 1,561,354,930 | 2.535 | 44,201,087,307 |
| 2014 | 35,501,333,441 | 7,489,276,140 | 42,990,609,581 | 1.014 | 1,561,531,690 | 2.535 | 44,552,141,271 |
| 2015 | 36,390,442,780 | 7,722,275,864 | 44,112,718,644 | 1.014 | 1,618,445,500 | 2.535 | 45,731,164,144 |
| 2016 | 37,954,765,647 | 7,984,317,384 | 45,939,083,031 | 1.014 | 1,702,530,310 | 2.535 | 47,641,613,341 |
| 2017 | 39,566,020,328 | 8,410,004,037 | 47,976,024,365 | 1.014 | 1,650,784,630 | 2.535 | 49,626,808,995 |
| 2018 | 40,976,007,300 (c) | 8,845,776,496 (c) | 49,821,783,796 | 1.014 | 1,696,221,380 | 2.535 | 51,518,005,176 |
| 2019 | 42,313,103,881 | 9,366,459,559 | 51,679,563,440 | 1.014 | 1,733,052,800 | 2.535 | 53,412,616,240 |

(a) Real property and personal property assessments are done every three years and every year, respectively, by the State Department of Assessments and Taxation at 100% of estimated fair value. Tax-exempt property is not included in the assessed value.

(b) Rates are per $100 of assessed value.

(c) Residential and commercial assessed value amounts were revised for FY18

**Howard County, Maryland**
**Direct and Overlapping Property Tax Rates**
**Last Ten Fiscal Years**
**(Per $100 of Assessed Value)**

| | Howard County Direct Rates | |
|---|---|---|
| Fiscal Year | Real Property | Personal Property |
| 2010 | 1.014 | 2.535 |
| 2011 | 1.014 | 2.535 |
| 2012 | 1.014 | 2.535 |
| 2013 | 1.014 | 2.535 |
| 2014 | 1.014 | 2.535 |
| 2015 | 1.014 | 2.535 |
| 2016 | 1.014 | 2.535 |
| 2017 | 1.014 | 2.535 |
| 2018 | 1.014 | 2.535 |
| 2019 | 1.014 | 2.535 |

**Howard County, Maryland**
**Principal Property Taxpayers**
**Current Year and Nine Years Ago**

| 2019 | | | 2010 | | |
|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Valuation | Percentage of Total County Assessed Valuation | Taxpayer | Taxable Assessed Valuation | Percentage of Total County Assessed Valuation |
| Baltimore Gas & Electric Company | $ 458,256,170 | 0.86% | Baltimore Gas & Electric Company | $ 319,284,746 | 0.64% |
| Parcel D Property LLC | 276,187,367 | 0.52% | Mall in Columbia Business Trust | 179,702,000 | 0.36% |
| Mall in Columbia Business Trust | 143,429,033 | 0.27% | Verizon-Maryland Inc. | 167,551,260 | 0.33% |
| Howard Properties Howard Crossing | 128,384,010 | 0.24% | Magazine Howard Crossing LLC | 120,280,100 | 0.24% |
| Verizon-Maryland Inc. | 124,848,114 | 0.23% | Sprint Communications CompanyLLC | 99,760,250 | 0.20% |
| Seasons of Laurel LLC | 100,299,266 | 0.19% | Seasons of Laurel LLC | 78,184,964 | 0.16% |
| API Columbia Town Center LLC | 99,483,367 | 0.19% | Liberty Property LTD Partnership | 76,856,466 | 0.15% |
| KMF Sherwood Crossing LLC | 80,161,333 | 0.15% | Sherwood Crossing Apts LLCAP | 69,779,400 | 0.14% |
| Cellco Partnership | 79,114,700 | 0.15% | API Columbia Town Center LLC | 67,101,400 | 0.13% |
| New Cingular Wireless PCS LLC | 73,930,059 | 0.14% | New Cingular Wireless PCS LLC | 34,354,830 | 0.07% |
| Total | $ 1,564,093,419 | 2.94% | Total | $ 1,212,855,416 | 2.42% |

**Source: Howard County Department of Finance, Bureau of Revenue**

**Howard County, Maryland**
**Property Tax Levies and Collections**
**Last Ten Fiscal Years**

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Subsequent tax Collections | Total Collection to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2010 | $ 601,068,331 | 599,327,223 | 99.7% | 1,273,293 | 600,600,516 | 99.9% |
| 2011 | 577,633,399 | 574,828,923 | 99.5% | 2,627,076 | 577,455,999 | 100.0% |
| 2012 | 541,972,687 | 540,659,569 | 99.8% | 1,070,239 | 541,729,808 | 100.0% |
| 2013 | 551,716,941 | 547,732,006 | 99.3% | 3,889,326 | 551,621,332 | 100.0% |
| 2014 | 555,254,638 | 550,755,917 | 99.2% | 4,241,759 | 554,997,676 | 100.0% |
| 2015 | 569,892,160 | 568,111,915 | 99.7% | 1,427,707 | 569,539,622 | 99.9% |
| 2016 | 594,757,776 | 593,510,182 | 99.8% | 816,953 | 594,327,135 | 99.9% |
| 2017 | 616,633,669 | 612,695,057 | 99.4% | 3,333,271 | 616,028,328 | 99.9% |
| 2018 | 639,933,124 | 635,257,806 | 99.3% | 4,143,773 | 639,401,579 | 99.9% |
| 2019 | 663,038,666 | 656,951,368 | 99.1% | — | 656,951,368 | 99.1% |

**Source: Howard County Department of Finance, Bureau of Revenue**

**Subsequent tax collections for fiscal years 2010-2018, updated per Howard County Department of Finance, Bureau of Revenue.**

## Howard County, Maryland
## Ratios of Outstanding Debt by Type
## Last Ten Fiscal Years
## (in thousands of dollars, except per capita amount)

| | Governmental Activities | | | | | | Business-Type Activities | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds (a) | State Water Quality Revolving Loans | Installment Purchase Agreements | Tax Increment Bonds | Capital Leases | Total Governmental Activities | Metropolitan District Bonds (a) | Special Facility Revenue Bonds | State Water Quality Revolving Loans | Total Business-Type Activities | Total Primary Government | Percentage of Personal Income (b) | Portion of Per Capita Personal Income (b) |
| 2010 | $ 771,706 | 5,795 | 60,998 | — | 4,889 | 843,388 | 113,712 | 6,870 | 43,220 | 163,802 | 1,007,190 | 5.52% | 3,491 |
| 2011 | 832,751 | 4,050 | 71,122 | — | 4,945 | 912,868 | 157,344 | 6,330 | 41,958 | 205,632 | 1,118,500 | 5.75% | 3,816 |
| 2012 | 901,586 | 2,850 | 94,623 | — | 4,738 | 1,003,797 | 189,930 | 5,400 | 38,364 | 233,694 | 1,237,491 | 5.86% | 4,133 |
| 2013 | 943,831 | 2,840 | 92,695 | — | 5,191 | 1,044,557 | 213,780 | 5,022 | 34,110 | 252,912 | 1,297,469 | 6.01% | 4,260 |
| 2014 | 989,035 | 2,830 | 95,629 | 17,000 | 5,062 | 1,109,556 | 220,642 | 4,583 | 30,930 | 256,155 | 1,365,711 | n/a | n/a |
| 2015 | 1,035,280 | 2,475 | 96,626 | 17,000 | 17,894 | 1,169,275 | 238,963 | 4,133 | 27,679 | 270,775 | 1,440,050 | n/a | n/a |
| 2016 | 1,050,289 | — | 98,661 | 17,000 | 24,874 | 1,190,824 | 251,963 | 3,240 | 24,508 | 279,711 | 1,470,535 | n/a | n/a |
| 2017 | 1,128,705 | — | 100,123 | 16,980 | 24,802 | 1,270,610 | 270,211 | 3,199 | 21,267 | 294,677 | 1,565,287 | n/a | n/a |
| 2018 | 1,205,838 | — | 97,716 | 65,165 | 35,012 | 1,403,731 | 301,619 | 2,714 | 17,956 | 322,289 | 1,726,020 | n/a | n/a |
| 2019 | 1,246,358 | — | 93,483 | 65,100 | 31,603 | 1,436,544 | 351,004 | 2,217 | 14,573 | 367,794 | 1,804,338 | n/a | n/a |

**Note: Details regarding the County's outstanding debt can be found in the notes to basic financial statements.**

**(a) The amounts reported for debt include deferred refunding premium and discount.**
**(b) See the Demographic and Economic Statistics schedule for personal income and population data.**

**Howard County, Maryland**
**Ratios of General Bonded Debt Outstanding**
**Last Ten Fiscal Years**
**(in thousands of dollars, except per capita amount)**

| Fiscal Year | Estimated Population | General Obligation Debt (a) | Percentage of Estimated Actual Taxable Value of Property (b) | General Obligation Debt per Capita (c) |
|---|---|---|---|---|
| 2010 | 287,907 | $ 782,390 | 1.5% | 2,718 |
| 2011 | 291,200 | 841,746 | 1.6% | 2,891 |
| 2012 | 294,256 | 909,174 | 1.7% | 3,090 |
| 2013 | 297,732 | 951,863 | 2.0% | 3,197 |
| 2014 | 302,113 | 1,013,927 (d) | 2.2% | 3,356 |
| 2015 | 305,462 | 1,072,650 | 2.2% | 3,512 |
| 2016 | 316,579 | 1,103,582 (d) | 2.3% | 3,486 |
| 2017 | 317,233 | 1,170,487 | 2.2% | 3,690 |
| 2018 | 321,113 | 1,306,015 | 2.5% | 4,067 |
| 2019 | 326,286 | 1,343,061 | 2.5% | 4,116 |

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**Note: Details regarding the County's outstanding debt can be found in the notes to basic financial statements.**

**(a) General obligation debt is a total of governmental activities debt less Agricultural Land Preservation Program installment purchase agreements. The amounts reported for debt include deferred refunding premium and discount.**

**(b) See the Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.**

**(c) See the Demographic and Economic Statistics schedule for population data.**

**(d) General obligation debt correct to equal total of governmental activities debt less Agricultural Land Preservation Program installment purchase agreements.**

# Howard County, Maryland
## Legal Debt Margin
## Last Ten Fiscal Years
## (thousands of dollars)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assessed value** | | | | | | | | | (a) | |
| Real property | $ 48,664,260 | 46,518,265 | 43,621,862 | 42,639,732 | 42,990,610 | 44,112,719 | 45,939,083 | 47,976,024 | 49,821,784 | 51,679,563 |
| Personal property | 1,588,890 | 1,623,786 | 1,555,658 | 1,561,355 | 1,561,532 | 1,618,446 | 1,702,530 | 1,650,785 | 1,696,221 | 1,733,053 |
| **Total assessed value** | 50,253,150 | 48,142,051 | 45,177,520 | 44,201,087 | 44,552,142 | 45,731,165 | 47,641,613 | 49,626,809 | 51,518,005 | 53,412,616 |
| **Legal debt margin** | | | | | | | | | | |
| Debt limit (4.8% of assessed value of real property and personal property) | 2,412,151 | 2,310,818 | 2,168,521 | 2,121,652 | 2,138,503 | 2,195,096 | 2,286,797 | 2,382,087 | 2,472,864 | 2,563,806 |
| **Total debt limit** | $ 2,412,151 | 2,310,818 | 2,168,521 | 2,121,652 | 2,138,503 | 2,195,096 | 2,286,797 | 2,382,087 | 2,472,864 | 2,563,806 |
| **Debt applicable to limit** | | | | | | | | | | |
| General county | $ 728,194 | 788,800 (b) | 832,318 (b) | 871,701 (b) | 911,842 (b) | 936,199 (b) | 984,119 | 1,037,717 | 1,099,892 | 1,203,729 |
| State Water Quality Revolving Loan | 5,795 | 4,050 | 2,850 | 2,840 | 2,830 | 2,475 | — | — | — | — |
| **Total debt applicable to limit** | 733,989 | 792,850 | 835,168 | 874,541 | 914,672 | 938,674 | 984,119 | 1,037,717 | 1,099,892 | 1,203,729 |
| **Legal debt margin** | $ 1,678,162 | 1,517,968 | 1,333,353 | 1,247,111 | 1,223,831 | 1,256,422 | 1,302,678 | 1,344,370 | 1,372,972 | 1,360,077 |
| **Total debt applicable to the limit as a percentage of debt limit** | 30.43% | 34.31% | 38.51% | 41.22% | 42.77% | 42.76% | 43.03% | 43.56% | 44.48% | 46.95% |

**Note: The amounts reported for debt include deferred refunding premium and discount.**

**(a) Revised to include capital leases**

**(b) Amount previously reported should not have included deferred refunding premium and discount.**

**Howard County, Maryland**
**Pledged Revenue Coverage**
**Special Recreation Facility (Golf Course)**
**Last Ten Fiscal Years**

| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principal | Interest | |
| 2010 | $ 2,174,432 | 1,460,408 | 714,024 | 525,000 | 232,347 | 0.94 |
| 2011 | 2,080,177 | 1,444,807 | 635,370 | 540,000 | 219,822 | 0.84 |
| 2012 | 2,164,962 | 1,458,542 | 706,420 | 555,000 | 204,748 | 0.93 |
| 2013 | 2,091,506 | 1,482,180 | 609,326 | 378,000 | 135,504 | 1.19 |
| 2014 | 2,010,152 | 1,570,610 | 439,542 | 439,000 | 119,351 | 0.79 |
| 2015 | 1,893,015 | 1,459,050 | 433,965 | 450,000 | 108,362 | 0.78 |
| 2016 | 1,840,152 | 1,556,796 | 283,356 | 461,000 | 98,429 | 0.51 |
| 2017 | 1,260,820 | 2,728,803 | (1,467,983) | 473,000 | 85,688 | -2.63 |
| 2018 | 1,089,224 | 945,289 | 143,935 | 485,000 | 73,710 | 0.26 |
| 2019 | 300,000 | 825,765 | (525,765) | 497,000 | 117,747 | -0.86 |

**Note: Operating expenses do not include depreciation or interest paid as part of debt service**

**Howard County, Maryland**
**Pledged Revenue Coverage**
**Annapolis Junction Special Taxing District**
**Last Ten Fiscal Years**

| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principal | Interest | |
| 2014 | $ 6,110 | 340 | 5,770 | — | — | — |
| 2015 | 63,097 | 733 | 62,365 | — | 939,435 (a) | 0.07 |
| 2016 | 69,604 | 14,340 | 55,264 | — | 1,012,565 (a) | 0.05 |
| 2017 | 593,746 | 11,744 | 582,002 | 20,000 | 1,012,605 (a) | 0.56 |
| 2018 | 1,423,528 | 18,884 | 1,404,644 | 40,000 | 1,011,605 | 1.34 |
| 2019 | 1,066,225 | 18,541 | 1,047,684 | 65,000 | 1,009,686 | 0.97 |

Note: Information for FY2013 and earlier not available.
Gross revenues include incremental tax, special tax ad interest earnings. Gross revenues do not include the capitalized interest account funded with bond proceeds.
Operating expenses do not include depreciation or interest paid as part of debt service.
(a) The interest was paid from the capitalized account held by the Trustee.

**Howard County, Maryland**
**Pledged Revenue Coverage**
**Crescent Special Taxing District**
**Last Ten Fiscal Years**

| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principal | Interest | |
| 2018 | $ 2,297,099 | 84,510 | 2,212,589 | — | 677,382 | 3.27 |
| 2019 | 4,137,520 | 244,394 | 3,893,126 | — | 2,102,219 | 1.85 |

Note: Information for FY2017 and earlier not available.
Gross revenues include incremental tax, special tax ad interest earnings. Gross revenues do not include the capitalized interest account funded with bond proceeds.
Operating expenses do not include depreciation or interest paid as part of debt service.
(a) The interest was paid from the capitalized account held by the Trustee.

**Howard County, Maryland**
**Demographic and Economic Statistics**
**Last Ten Fiscal Years**

| Fiscal Year | Estimated Population (a) | Personal Income (b) (thousands of dollars) | Per Capita Personal Income (b) | Public School Enrollment (c) | Unemployment Rate (d) |
|---|---|---|---|---|---|
| 2010 | 288,605 | $18,452,859 | $63,938 | 49,683 | 5.8% |
| 2011 | 293,858 | 19,987,372 | 68,017 | 49,991 | 5.7% |
| 2012 | 299,552 | 20,778,363 | 69,365 | 50,997 | 5.6% |
| 2013 | 304,210 | 20,499,507 | 67,386 | 51,190 | 5.5% |
| 2014 | 307,784 | 21,158,756 | 68,745 | 51,701 | 4.8% |
| 2015 | 312,400 | 22,203,989 | 71,076 | 52,511 | 4.5% |
| 2016 | 316,966 | 23,070,751 | 72,786 | 54,870 | 3.5% |
| 2017 | 321,113 | 24,063,585 | 74,938 | 55,638 | 3.5% |
| 2018 | 323,293 | n/a | n/a | 58,019 | 3.6% |
| 2019 | 326,286 | n/a | n/a | 58,284 | 2.8% |

**Sources:**
**(a) Estimated Population, Personal Income, and Per Capita Personal Income revised and restated for 2010- 2017 per Bureau of Economic Analysis, U.S. Dept. of Commerce.**

**(b) Estimated Populations for 2018 -2019 are from Howard County Department of Planning and Zoning for April 2018 and April 2019**

**(c) Howard County Public School System - School enrollment is based on head count taken September 30th of each year.**

**(d) State of Maryland, Dept. of Labor, Licensing and Regulation Unemployment rate is as of June 30th.**

# Howard County, Maryland
# Principal Employers
# Current Year and Nine Years Ago

| | 2019 | | | 2010 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Howard County Public Schools | 8,297 | 1 | 4.83% | 7,850 | 1 | 5.29% |
| Johns Hopkins Applied Physics Laboratory | 5,000 | 2 | 4.11% | 4,400 | 2 | 2.96% |
| Howard County Government | 3,256 | 3 | 1.76% | 2,869 | 3 | 1.93% |
| Verizon | 1,700 | 6 | 1.00% | 2,028 | 4 | 1.37% |
| Howard County General Hospital | 1,827 | 5 | 1.04% | 1,720 | 6 | 1.16% |
| Lorien Health Systems | 2,000 | 4 | 0.70% | | | |
| Coastal Sunbelt Produce | 1,050 | 8 | 0.62% | | | |
| Giant Food | 1,050 | 8 | 0.62% | 1,953 | 5 | 1.32% |
| Columbia Association | | | | 1,600 | 7 | 1.08% |
| SAIC | | | | 1,058 | 8 | 0.71% |
| Wells Fargo Securities Administrative Services | 842 | 9 | 0.47% | 842 | 9 | 0.57% |
| MICROS | | | | 815 | 10 | 0.55% |
| Howard Community College | 1,438 | 7 | 0.43% | | | |
| Total | 26,460 | | 15.58% | 25,135 | | 16.94% |

Source: Howard County Economic Development Authority

**Howard County, Maryland**
**County Government Employees by Function**
**Last Ten Fiscal Years**

| Function/program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | 287 | 288 | 292 | 299 | 312 | 335 | 341 | 349 | 354 | 348 |
| Public safety | | | | | | | | | | |
| Police | 624 | 624 | 634 | 635 | 651 | 672 | 667 | 677 | 691 | 697 |
| Fire | 417 | 419 | 419 | 461 | 463 | 472 | 465 | 468 | 491 | 530 |
| Corrections | 144 | 145 | 144 | 144 | 148 | 152 | 153 | 153 | 154 | 154 |
| Public works | 579 | 575 | 572 | 577 | 599 | 612 | 611 | 614 | 617 | 619 |
| Recreation and parks | 246 | 252 | 256 | 261 | 268 | 281 | 283 | 295 | 304 | 300 |
| Legislative and judicial | 202 | 202 | 202 | 202 | 204 | 206 | 208 | 212 | 216 | 219 |
| Community services | 358 | 341 | 343 | 299 | 307 | 324 | 325 | 330 | 341 | 367 |
| Total | 2,857 | 2,846 | 2,862 | 2,878 | 2,952 | 3,054 | 3,053 | 3,098 | 3,168 | 3,234 |

Source: Howard County Budget Office

## Howard County, Maryland
## Capital Asset Statistics by Function
## Last Ten Fiscal Years

| Function/program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | | | | | | | | | | |
| Buildings | 19 | 20 | 23 | 38 | 40 | 44 | 44 | 45 | 44 | 48 |
| Vehicles | 65 | 54 | 57 | 45 | 43 | 51 | 51 | 64 | 60 | 105 |
| Legislative and judicial | | | | | | | | | | |
| Vehicles | 67 | 66 | 70 | 70 | 77 | 71 | 71 | 78 | 81 | 72 |
| Public safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol units (vehicles) | 265 | 265 | 286 | 292 | 291 | 292 | 284 | 274 | 275 | 274 |
| Other vehicles | 237 | 212 | 250 | 264 | 226 | 214 | 214 | 271 | 282 | 295 |
| Fire: | | | | | | | | | | |
| Stations (a) | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 11 |
| Pumpers/tankers | 28 | 28 | 29 | 25 | 28 | 29 | 29 | 28 | 29 | 31 |
| Ladder trucks | 5 | 5 | 6 | 6 | 6 | 7 | 8 | 8 | 8 | 8 |
| Paramedic units | 30 | 30 | 32 | 34 | 32 | 32 | 37 | 35 | 39 | 39 |
| Vehicles | 128 | 133 | 119 | 118 | 119 | 120 | 120 | 211 | 193 | 193 |
| Public Works | | | | | | | | | | |
| Buildings (b) | 31 | 31 | 36 | 40 | 40 | 40 | 42 | 42 | 42 | 44 |
| Transit buses | 67 | 58 | 57 | 52 | 57 | 42 | 42 | 68 | 62 | 65 |
| Vehicles | 385 | 339 | 354 | 355 | 354 | 367 | 367 | 395 | 446 | 393 |
| Streets (miles) (c) | 1,014 | 1,015 | 1,030 | 1,035 | 1,044 | 1,062 | 1,066 | 1,066 | 1,066 | 1,042 |
| Streetlights (d) | 6,944 | 7,048 | 7,315 | 7,558 | 7,750 | 7,941 | 8,131 | 8,447 | 8,720 | 10,149 |
| Stormwater management facilities (e) | 850 | 908 | 933 | 983 | 1,011 | 1,127 | 1,216 | 1,250 | 1,313 | 1,343 |
| Recreation and parks | | | | | | | | | | |
| Buildings | 45 | 44 | 59 | 62 | 62 | 62 | 65 | 65 | 65 | 64 |
| Parks and open space acreage | 8,846 | 8,850 | 9,097 | 9,116 | 9,173 | 9,227 | 9,255 | 9,493 | 9,579 | 9,647 |
| Playgrounds | 42 | 40 | 39 | 41 | 43 | 44 | 44 | 44 | 44 | 44 |
| Vehicles | 76 | 78 | 85 | 96 | 99 | 103 | 103 | 159 | 120 | 115 |
| Water and sewer | | | | | | | | | | |
| Wastewater treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water mains (miles) | 1,005 | 1,024 | 1,028 | 1,041 | 1,054 | 1,089 | 1,100 | 1,078 | 1,078 | 1,107 |
| Sanitary sewers (miles) | 962 | 971 | 980 | 987 | 999 | 1,018 | 1,026 | 1,026 | 1,026 | 1,030 |
| Golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

**Sources: Various Howard County Departments**

**Note: Indicators are not available for State highways and education functions.**

**(a) Prior period 2010 through 2014 restated to exclude non County-owned fire stations**

**(b) Prior periods 2009 through 2014 restated to exclude nonbuilding structures.**

**(c) Prior period 2014 restated due to error in previous amount reported.**

**(d) Prior periods 2009 and 2012 restated to exclude fixtures that Howard County rented/leased to BGE.**

**(e) Prior period 2014 restated to exclude Board of Education facilities that are owned by the school system.**

# Howard County, Maryland
## Operating Indicators by Function/Program
## Last Ten Fiscal Years

| | |
|---|---|
| Date of incorporation | 1851 |
| Form of government | Executive/Council |
| Date present charter adopted | 1968 |
| Area in square miles | 215 |

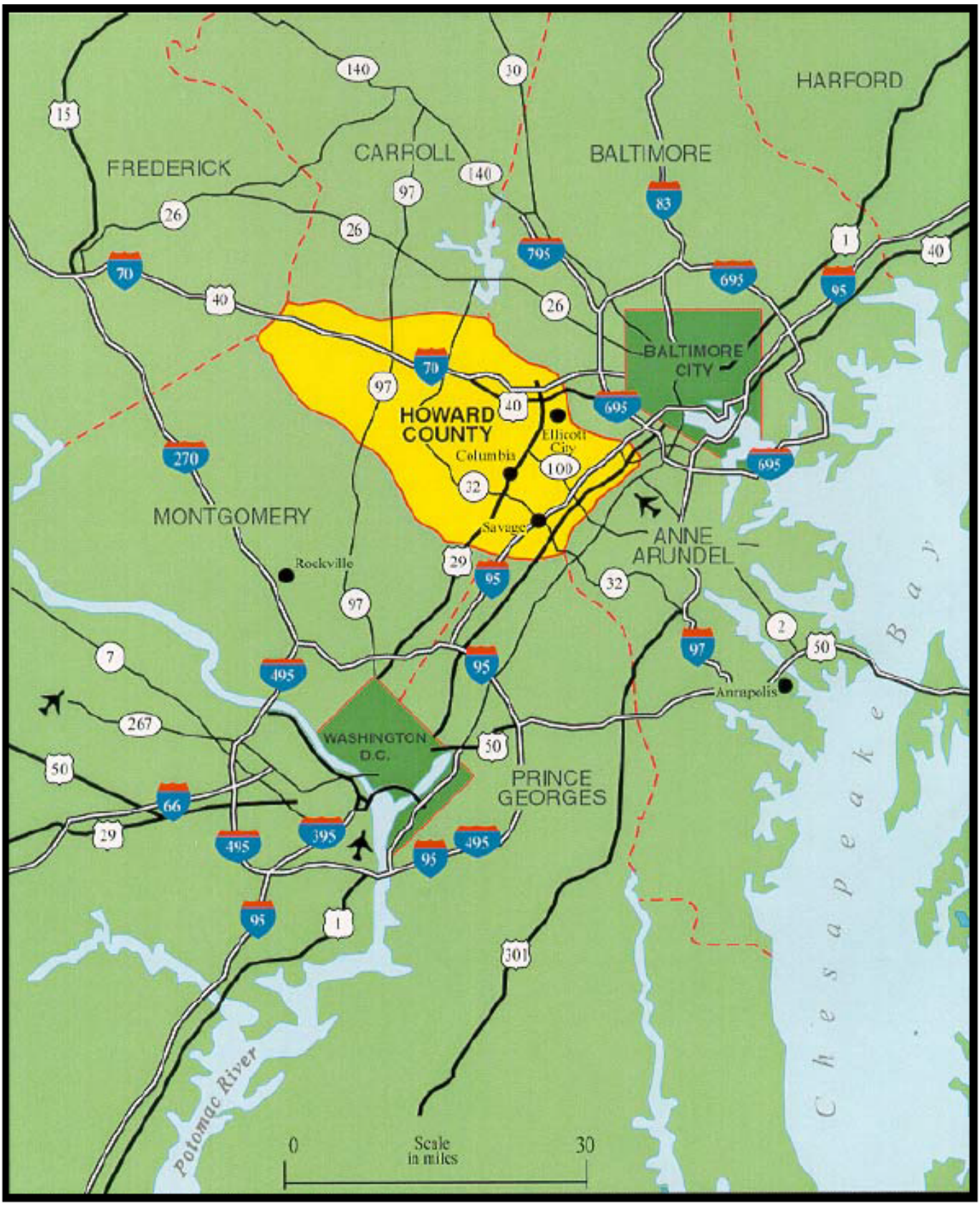
| Function/program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| **Finance:** | | | | | | | | | | |
| Real property tax accounts billed | 95,846 | 97,099 | 98,023 | 98,884 | 99,034 | 105,692 | 105,692 | 107,342 | 108,292 | 108,952 |
| Business personal property tax accounts billed | 9,833 | 11,658 | 9,809 | 9,829 | 8,831 | 10,628 | 13,232 | 14,803 | 11,323 | 9,822 |
| **Public Safety** | | | | | | | | | | |
| **Police:** | | | | | | | | | | |
| Physical arrests | 10,383 | 10,451 | 10,810 | 10,315 | 10,885 | 10,016 | 9,351 | 8,379 | 7,527 | 6,627 |
| Parking violations | 6,919 | 5,445 | 4,415 | 9,052 | 9,439 | 7,180 | 7,180 | 7,545 | 7,104 | 8,624 |
| Traffic violations | 80,735 | 81,588 | 84,306 | 85,682 | 88,987 | 99,963 | 92,314 | 82,917 | 75,402 | 69,180 |
| **Fire:** | | | | | | | | | | |
| Emergency responses | 65,362 | 60,183 | 59,887 | 58,129 | 56,925 | 58,369 | 58,484 | 60,997 | 69,074 | 68,897 |
| Inspections | 1,425 | 1,217 | 2,173 | 2,516 | 2,203 | 2,742 | 2,865 | 3,274 | 2,498 | 2,969 |
| **Corrections:** | | | | | | | | | | |
| Average daily prison population | 287 | 308 | 320 | 340 | 348 | 304 | 284 | 285 | 319 | 318 |
| **Public Works** | | | | | | | | | | |
| **Inspections, licenses and permits:** | | | | | | | | | | |
| Construction permits issued | 5,047 | 5,249 | 5,583 | 6,293 | 6,007 | 6,379 | 7,145 | 6,599 | 5,575 | 5,249 |
| **Environmental services:** | | | | | | | | | | |
| Refuse collected (tons per year) | 102,492 | 103,749 | 102,249 | 101,912 | 103,120 | 115,941 | 103,719 | 109,313 | 109,397 | 118,247 |
| Recyclables collected (tons per year) | 61,993 | 63,100 | 64,619 | 61,974 | 58,197 | 55,704 | 57,815 | 67,006 | 59,024 | 59,689 |
| **Recreation and parks** | | | | | | | | | | |
| Programs operated | 4,328 | 3,998 | 4,479 | 5,723 | 6,792 | 7,250 | 7,324 | 6,562 | 7,441 | 6,746 |
| Registrations processed | 113,354 | 85,598 | 84,420 | 89,345 | 102,305 | 103,731 | 105,522 | 77,682 | 80,410 | 105,826 |
| **Legislative and judicial** | | | | | | | | | | |
| Circuit court cases filed | 957 | 985 | 1,021 | 1,007 | 1,057 | 1,064 | 1,238 | 1,203 | 1,069 | 1,198 |
| District court cases filed | 13,193 | 13,379 | 13,867 | 12,685 | 10,730 | 9,296 | 9,527 | 10,131 | 9,346 | 11,055 |
| **Community services** | | | | | | | | | | |
| 50+ centers operated (a) | 9 | 9 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Consumer affairs - cases closed | 225 | 210 | 278 | 246 | 319 | 282 | 287 | 271 | 313 | 295 |
| Community service partnership grants | 36 | 33 | 33 | 28 | 28 | 30 | 30 | 29 | 29 | 32 |
| Assisted living monitoring visits | 172 | 418 | 183 | 205 | 543 | 461 | 535 | 622 | 774 | 876 |
| **Water and sewer** | | | | | | | | | | |
| Water main breaks | 185 | 174 | 172 | 189 | 176 | 186 | 170 | 119 | 275 | 156 |
| Average daily water consumption (thousands of gallons) | 23,910 | 24,930 | 22,610 | 22,370 | 23,580 | 21,870 | 22,100 | 23,600 | 23,470 | 24,016 |
| Number of water customers | 70,646 | 70,062 | 72,229 | 73,121 | 74,153 | 74,991 | 74,206 | 75,266 | 75,933 | 76,586 |
| Average daily sewage treatment (thousands of gallons) | 26,530 | 24,628 | 26,350 | 26,860 | 26,980 | 27,500 | 27,660 | 24,880 | 24,850 | 29,100 |
| Number of sewer customers | 66,862 | 68,163 | 68,872 | 69,727 | 70,714 | 71,547 | 72,474 | 73,537 | 74,215 | 74,872 |
| **Golf course** | | | | | | | | | | |
| Rounds played | 35,525 | 34,309 | 36,142 | 35,432 | 34,197 | 31,260 | 31,271 | 23,003 | 30,196 | 31,997 |

**Sources:** Various Howard County Departments

**Note:** Indicators are not available for the State highways or education functions.

**(a)** Senior centers renamed to 50+ centers in 2015.

# Howard County Regional Location






**Department of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043**
**(410) 313-2195 TDD 313-2323**