



HOWARD COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2021



Howard County, Maryland

3430 Court House Drive
Ellicott City, Maryland 21043
Telephone (410) 313-2195
Fax (410) 313-4433
www.howardcountymd.gov

Certain Appointed Officials

Lonnie R. Robbins
Chief Administrative Officer

Rafiu O. Ighile
Director of Finance

Tom Meunier
Director of Public Works

Gary W. Kuc
County Solicitor

Amy Gowan
Director of Planning and Zoning

Holly Sun
Budget Administrator

Craig Glendenning
County Auditor

Financial Advisor

Davenport & Company
8600 LaSalle Road, Suite 324
Towson, MD 21286
Telephone (410) 296-9426
Fax (866) 932-6660
www.investdavenport.com

Bond Counsel

McKennon Shelton & Henn LLP
401 East Pratt Street, Suite 2315
Baltimore, Maryland 21202
Telephone (410) 843-3500
Fax (410) 843-3501
www.mshllp.com

Independent Auditor

CliftonLarsonAllen LLP
1966 Greenspring Drive, Suite 300
Timonium, MD 21093
Telephone (410) 453-0900
Fax (410) 453-0914
www.claconnect.com

County Executive

Calvin Ball



County Council

Liz Walsh
*Chairperson and
Councilwoman
District 1*



Opel Jones
*Vice Chair and
Councilman
District 2*



Christiana Rigby
*Councilwoman
District 3*



Deb Jung
*Councilwoman
District 4*



David Yungmann
*Councilman
District 5*



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021



Prepared by the Department of Finance

Howard County, Maryland



Table of Contents

Introductory Section

Listing of County Officials

County Executive and Council

Title Page

Table of Contents	i
Organizational Chart	ii
Letter of Transmittal	iii
Certificate of County Auditor	xi
Certificate of Achievement for Excellence in Financial Reporting	xii

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis – Required Supplementary Information	5

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position	21
Statement of Activities	23

Fund Financial Statements

Balance Sheet – Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis - General Fund	28
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budgetary Basis - Grants Fund	29
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position – Pension and Other Post – Employment Benefits Trust Funds and Agency Funds	34
Statement of Changes in Fiduciary Net Position – Pension and Other Post-Employment Benefits Trust Funds	35
Combining Statement of Net Position – Component Units	36
Combining Statement of Activities – Component Units	37
Notes to the Financial Statements	
Notes to Basic Financial Statements – Index	40
Notes to Basic Financial Statements	41

Required Supplementary Information

Pension Trust Funds	102
Other Post-Employment Benefits Funds	107
Length of Service	109

Combining and Individual Fund Statements and Schedules – Supplementary Information

General Fund

Schedule of Revenues and Appropriations from Fund Balances – Budgetary Basis	114
Schedule of Expenditures and Encumbrances – Budgetary Basis	116

Non-Major Governmental Funds

Combining Balance Sheet – Non-Major Governmental Funds	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	125
Combining Balance Sheet – Non-Major Special Revenue Funds	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	127
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	
Agricultural Land Preservation Fund	129
Community Renewal Program Fund	129
Environmental Services Fund	130
Fire and Rescue Reserve Fund	131
Forest Conservation Fund	132
Recreation Program Fund	133

Speed and School Bus Camera Enforcement Fund	134
Combining Balance Sheet – Non-Major Capital Project Funds	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Project Funds	137
Combining Balance Sheet – Non-Major Debt Service Funds	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Debt Service Funds	139
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	
Bond Anticipation Note Fund	140
Tax Increment Financing Fund	141

Non-Major Enterprise Funds

Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses and Changes in Net Position	147
Combining Statement of Cash Flows	148

Internal Service Funds

Combining Statement of Net Position	152
Combining Statement of Revenues, Expenses and Changes in Net Position	153
Combining Statement of Cash Flows	154

Fiduciary Funds

Combining Statement of Net Position – Pension and Other Post-Employment Benefits Trust Funds	158
Combining Statement of Changes in Net Position – Pension and Other Post-Employment Benefits Trust Funds	159

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity	162
Schedule of Changes by Function and Activity	163

Capital Assets Used in the Operation of Enterprise Funds

Schedule of Capital Assets and Depreciation	166
---	-----

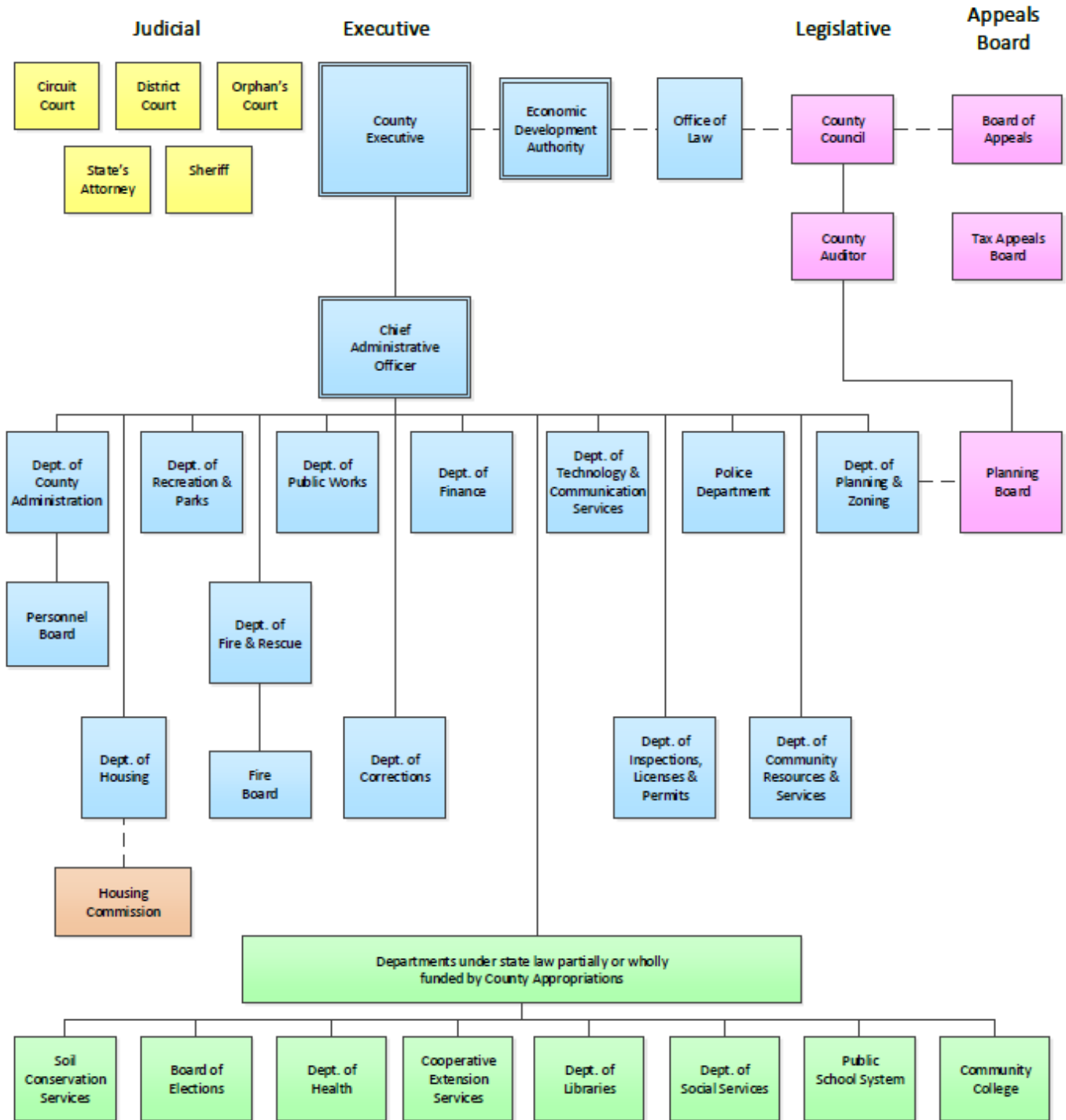
Long-Term Debt

Schedule of Bonded and Other Long-Term Debt – General	170
Schedule of Changes in General Long-Term Debt – Long-Term Obligations	171
Schedule of Bonded and Other Long-Term Debt – Enterprise Funds	172
Schedule of Changes in Bonded Long-Term Debt – Enterprise Funds	173

Statistical Section

Index	176
Net Position by Category	178
Changes in Net Position	179
Fund Balances, Governmental Funds	181
Changes in Fund Balances of Governmental Funds	182
Assessed and Estimated Accrual Value of Taxable Property	183
Direct and Overlapping Property Tax Rates	184
Principal Property Taxpayers	185
Property Tax Levies and Collections	186
Ratios of Outstanding Debt by Type	187
Ratios of General Bonded Debt Outstanding	188
Legal Debt Margin	189
Pledged Revenue Coverage - Special Recreation Facility	190
Pledged Revenue Coverage - Annapolis Junction Special Taxing District	191
Pledged Revenue Coverage - Crescent Special Taxing District	192
Demographic and Economic Statistics	193
Principal Employers	194
County Government Employees by Function	195
Operating Indicators by Function/Program	196
Capital Asset Statistics by Function	197

HOWARD COUNTY GOVERNMENT ORGANIZATIONAL CHART





HOWARD COUNTY DEPARTMENT OF FINANCE

3430 Court House Drive

Ellicott City, Maryland 21043

410-313-2195

Rafiu O. Ighile, CPA, CGMA, MBA

righile@howardcountymd.gov

FAX 410-313-4433

TDD 410-313-2323

November 29, 2021

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

Ladies and Gentlemen:

FORMAL TRANSMITTAL OF THE ACFR

The audited Annual Comprehensive Financial Report (ACFR) of Howard County, Maryland (the County) prepared by the Department of Finance for the fiscal year (FY) ended June 30, 2021, 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, 2021. The Independent Auditor's Report is presented as the first element of the Financial Section of this report.

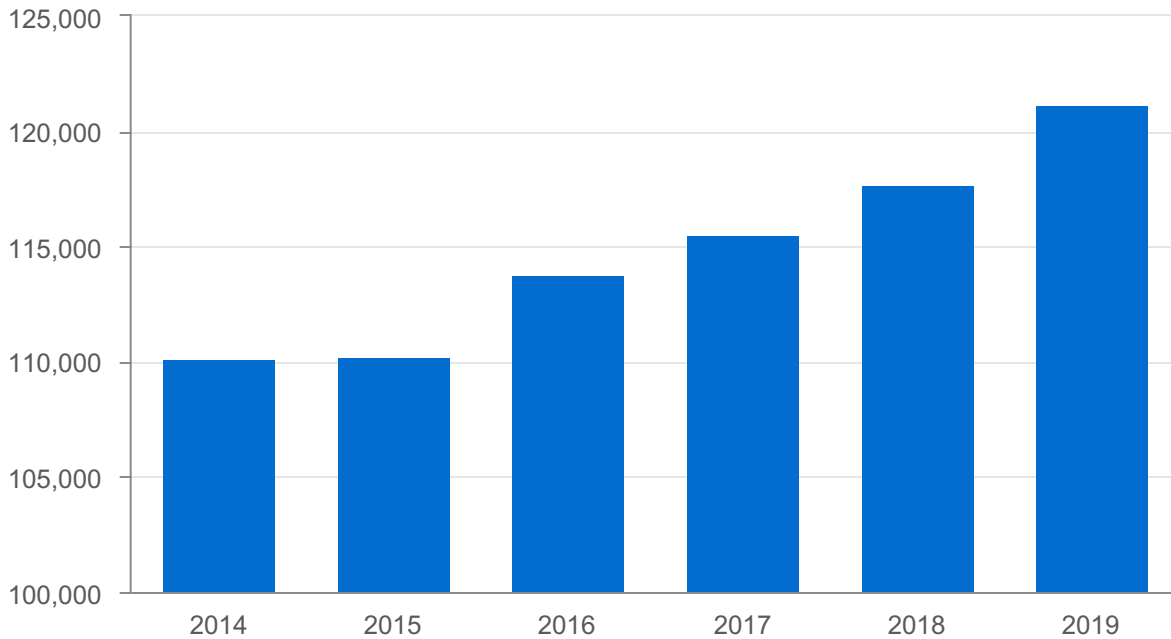
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with 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 master-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. The County's population has grown an average of 1.67% annually since 2000, and is home to approximately 325,690 residents based on estimates by the Howard County Department of Planning and Zoning. Howard County is one of the most affluent, advanced and educated communities in the United States. 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 ranked in the top ten of Money Magazine's Best Places to Live in 2021. According to the U.S. Census Bureau's American Community Survey, Howard County has both the highest median income in the State and the sixth highest in the nation.

Howard County, Maryland Median Household Income



Source: United States Census Bureau, 2015-2019 American Community Survey 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.

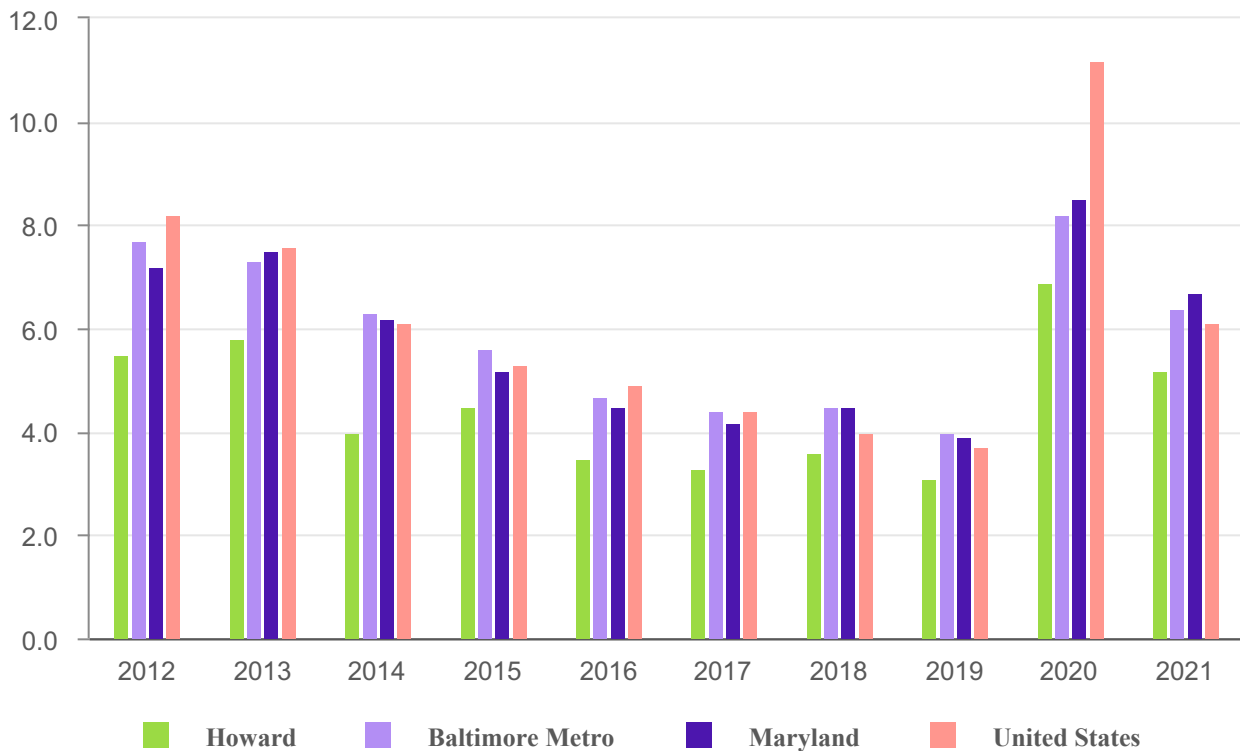
Once the budget is approved, the County Council can only amend it at the request of the County Executive. The operating budget is amended during the year through the use of supplemental budget appropriation ordinances (SAOs). The County Executive may request at any time during the fiscal year, the approval 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. The unemployment rate is expected to remain below the state 6.7% and national 6.1% levels as evidenced by the June 2021 rate of 5.2%.

Unemployment Rates



LOCAL ECONOMY

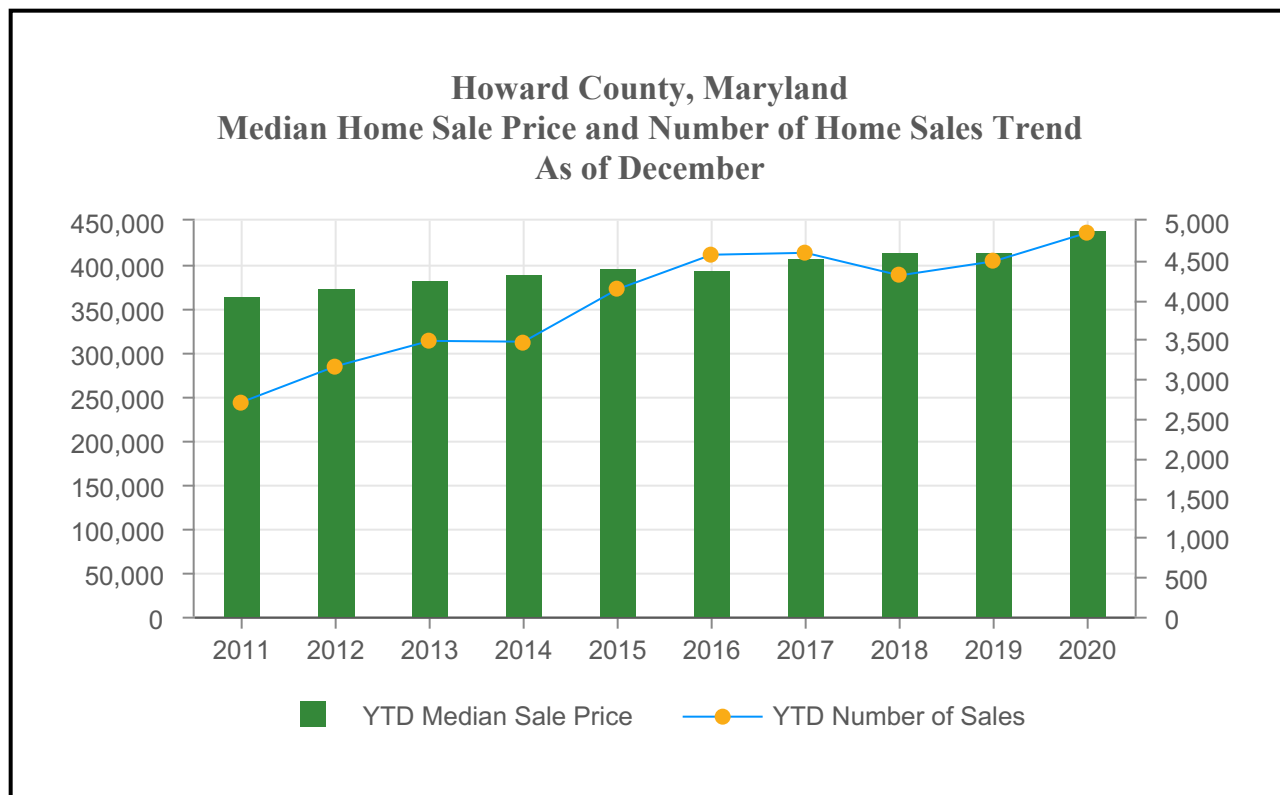
Howard County’s ideal geographic location is a major factor in the substantial economic growth across a wide variety of industry sectors. According to the Maryland Department of Labor Licensing and Regulation, over 10,206 businesses in Howard County employ 160,348 workers in industries such as information 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.

Office space vacancies increased due to COVID-19, but commercial real estate vacancy rates continue to decline and the average remains below 6% for flex, retail, industrial, and office space as reported by Costar. The year-to-date average vacancy rate for 2021 is 5.1%. FY 2021 property tax revenues increased 4.2% above the previous fiscal year. In its FY 2022 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 7.2% when compared to the actual for FY 2020, primarily due to significant Federal fiscal stimulus, including pandemic unemployment insurance, stimulus checks and Paycheck Protection Program, etc. The stimulus helped the County avoid a potential income tax loss that was originally anticipated at the onset of this unprecedented COVID pandemic. Income tax performance also benefited from capital gains thanks to a strong stocks market in this period. The FY 2022 projection for income tax collections represents a 6.0% increase from what was budgeted in FY 2021.

Recordation tax, a leading indicator of the health of the local real estate market, continues to fluctuate. FY 2021 revenue from recordation tax increased 21.5% from the previous fiscal year. The FY 2022 budget projects a 45.2% increase in recordation tax collections compared to FY 2021. The demand for real estate remains strong, especially in the residential resale market, where the average days on market continued to decrease to 25 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 2021. The adopted budget projects the FY 2022 gross assessable base of Howard County will increase by 3.2% from FY 2021. Homestead Tax Credits applications increased by nearly 3,500, resulting in a net taxable assessment increase of approximately 1.7%. The Homestead Tax Credit limits taxable increases on homeowner occupied properties to 5% per year. Approximately 17% of homeowner occupied properties in Howard County received this credit in FY 2021.

MAJOR INITIATIVES

The County will continue the strong fiscal management policies which have led to AAA rating from all three major credit rating agencies. The Howard County Circuit Courthouse became the first courthouse on the East Coast to be delivered using a Public Private Partnership (P3) model. The County paid Edgemoor-StarAmerica Judicial Partners (ESJP) \$78 million upon occupancy in July 2021. The County will continue to 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; supranational issuers; 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the 45th 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 ACFR. 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 ACFR 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, 2020. This was the 27th 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,



Rafiu O. Ighile, CPA, CGMA, MBA
Director of Finance



OFFICE OF THE COUNTY AUDITOR

Craig Glendenning, CPA
County Auditor

November 29, 2021

CERTIFICATE OF THE COUNTY AUDITOR

Honorable Members of the County Council

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

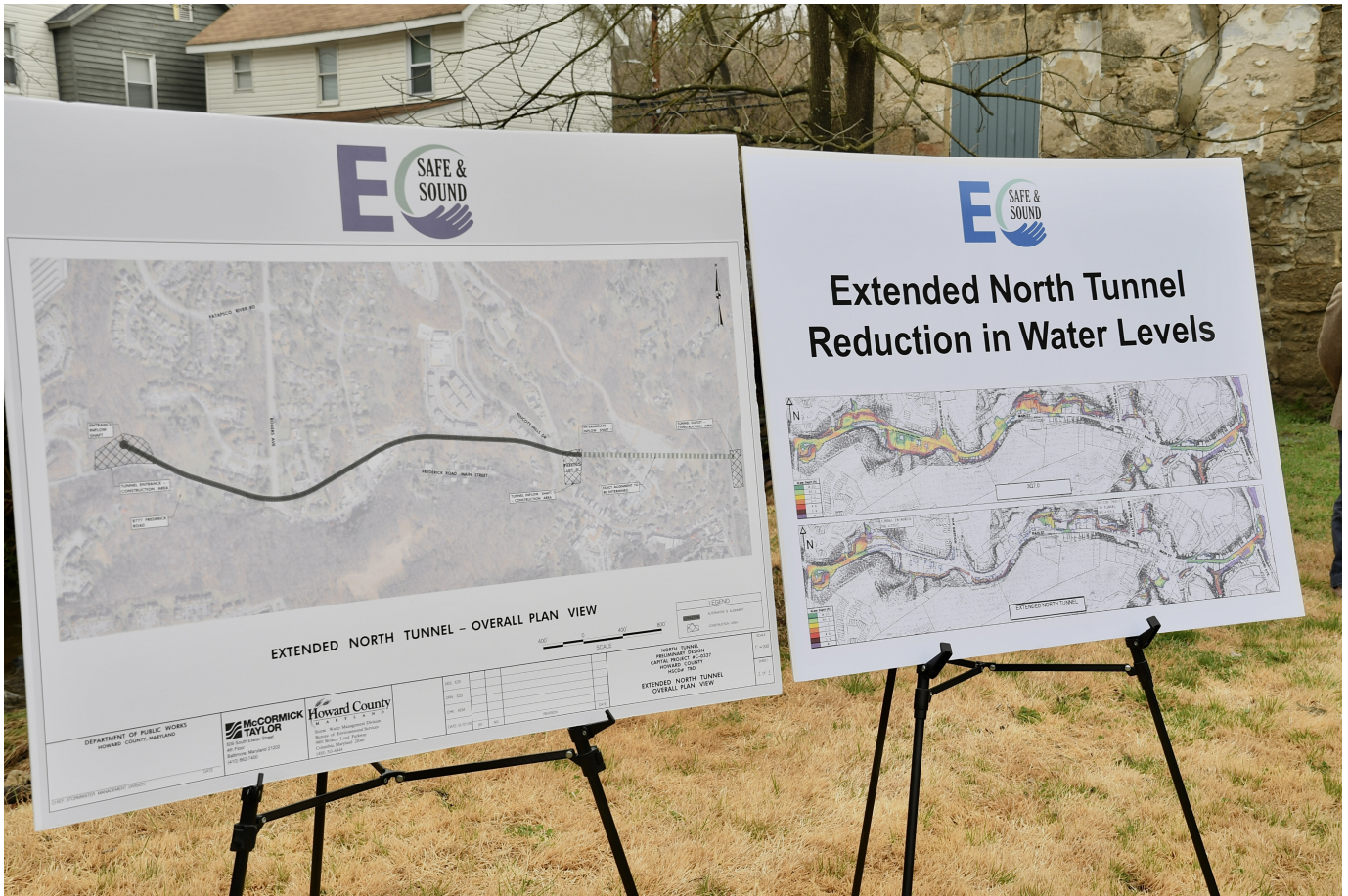
The Honorable Calvin Ball
County Executive

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, 2021. 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



Ellicott City Flood Mitigation

In March 2021, County Executive Calvin Ball announced a plan to extend the proposed North Tunnel from 8800 Frederick Road to the Patapsco River to reduce water levels and preserve historic properties in a cost neutral manner.



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, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

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





INDEPENDENT AUDITORS' REPORT

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, 2021, 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 89 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 reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Howard Community College, Howard County Public Schools, and Howard County Public Library, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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. 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 reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Grants Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle (see Note 20). Our auditors' opinion was not modified with respect to the restatement.

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 103-110 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 and 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 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,

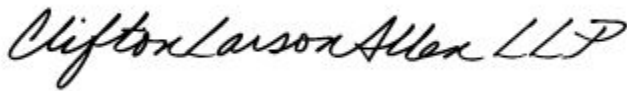
Honorable Members of the County Council
Howard County, Maryland

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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 29, 2021 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 29, 2021



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, 2021. 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 \$976.8 million. That amount is net of a \$544.7 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 \$427.5 million and for college projects is \$119.5 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 \$1.24 billion. Additionally, the unrestricted deficit is caused by the net pension liability of \$178.3 million and net OPEB liability of \$478.0 million.
- The \$193.7 million increase in the government's total net position is primarily due to an increase of \$77.7 million in total general revenues.
- The County's property tax revenues increased this year by \$29.7 million, or 4.2%, due to rising property values.
- Approximately 55.9% of the total governmental fund balance, \$339.5 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 \$325.4 million, or 28.6% of total General Fund expenditures.
- At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$607.6 million, an increase of about \$218.2 million in comparison with the prior year. Specifically, the fund balance of the General Fund increased by \$127.6 million primarily due to an increase in revenue of \$68.6 million. This increase was primarily driven by a 10.6% increase in distribution of local income tax of \$55.3 million and an increase of \$22.3 million in property tax. The County increased spending for education by \$14.2 million.
- The reserve for the budget stabilization account balance is \$77.7 million, an increase of \$1.8 million million or 6.8% of fiscal year 2021 General Fund expenditures. That balance meets the target set by the County Charter (7% of fiscal year 2019 expenditures). The County reached that target and assigned \$3.3 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 \$47.1 million, (2.5% during the current fiscal year). The major factors in this increase were the issuance of \$209.1 million Consolidated Public Improvement (CPI) Project Bonds and \$52.3 million in Metropolitan (Metro) District Project

Bonds. The County refunded \$76.9 million in CPI bonds and \$24.4 million in Metro bonds and retired \$74.7 million, \$12.5 million, \$3.5 million and \$4.5 million of CPI, Metro, Water Quality Bonds and capital lease payments, respectively. The County also retired \$522,000 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 non-major 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 seventeen 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, general capital projects, and grant funds, all of which are major funds. Data from the other twelve 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, agricultural land preservation, and grant 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 40-99.

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 170. The Statistical Section begins on page 178.

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 \$976.8 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, 2021, debt outstanding for education projects is \$427.5 million and for college projects is \$119.5 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 \$686.4 million reflects the imbalance of liabilities without corresponding assets as well as the governmental activities' portion of the County's Net OPEB liability of \$447.4 million and net pension liability of \$175.1 million.

An additional portion of the County's net position (\$198.6 million or 20.3%) represents resources subject to external restrictions on their usage.

Summary of Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,044,496,346	776,221,811	252,089,047	263,712,244	1,296,585,393	1,039,934,055
Capital assets	1,566,789,598	1,572,494,418	869,574,311	840,837,489	2,436,363,909	2,413,331,907
Total assets	2,611,285,944	2,348,716,229	1,121,663,358	1,104,549,733	3,732,949,302	3,453,265,962
Deferred outflows of resources	230,370,361	162,804,134	15,755,605	12,272,544	246,125,966	175,076,678
Total assets and deferred outflows	2,841,656,305	2,511,520,363	1,137,418,963	1,116,822,277	3,979,075,268	3,628,342,640
Long-term liabilities outstanding	2,236,149,436	2,125,501,703	479,796,414	459,317,049	2,715,945,850	2,584,818,752
Other liabilities	156,774,033	141,333,692	23,497,745	32,071,805	180,271,778	173,405,497
Total liabilities	2,392,923,469	2,266,835,395	503,294,159	491,388,854	2,896,217,628	2,758,224,249
Deferred inflows of resources	100,731,455	82,435,479	5,353,690	4,583,377	106,085,145	87,018,856
Total liabilities and deferred inflows	2,493,654,924	2,349,270,874	508,647,849	495,972,231	3,002,302,773	2,845,243,105
Net position						
Invested in capital assets	852,772,538	860,749,049	470,068,555	440,510,473	1,322,841,093	1,301,259,522
Restricted	181,632,342	137,408,939	16,973,269	19,238,763	198,605,611	156,647,702
Unrestricted	(686,403,499)	(835,908,499)	141,729,290	161,100,810	(544,674,209)	(674,807,689)
Total net position	\$ 348,001,381	162,249,489	628,771,114	620,850,046	976,772,495	783,099,535

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.

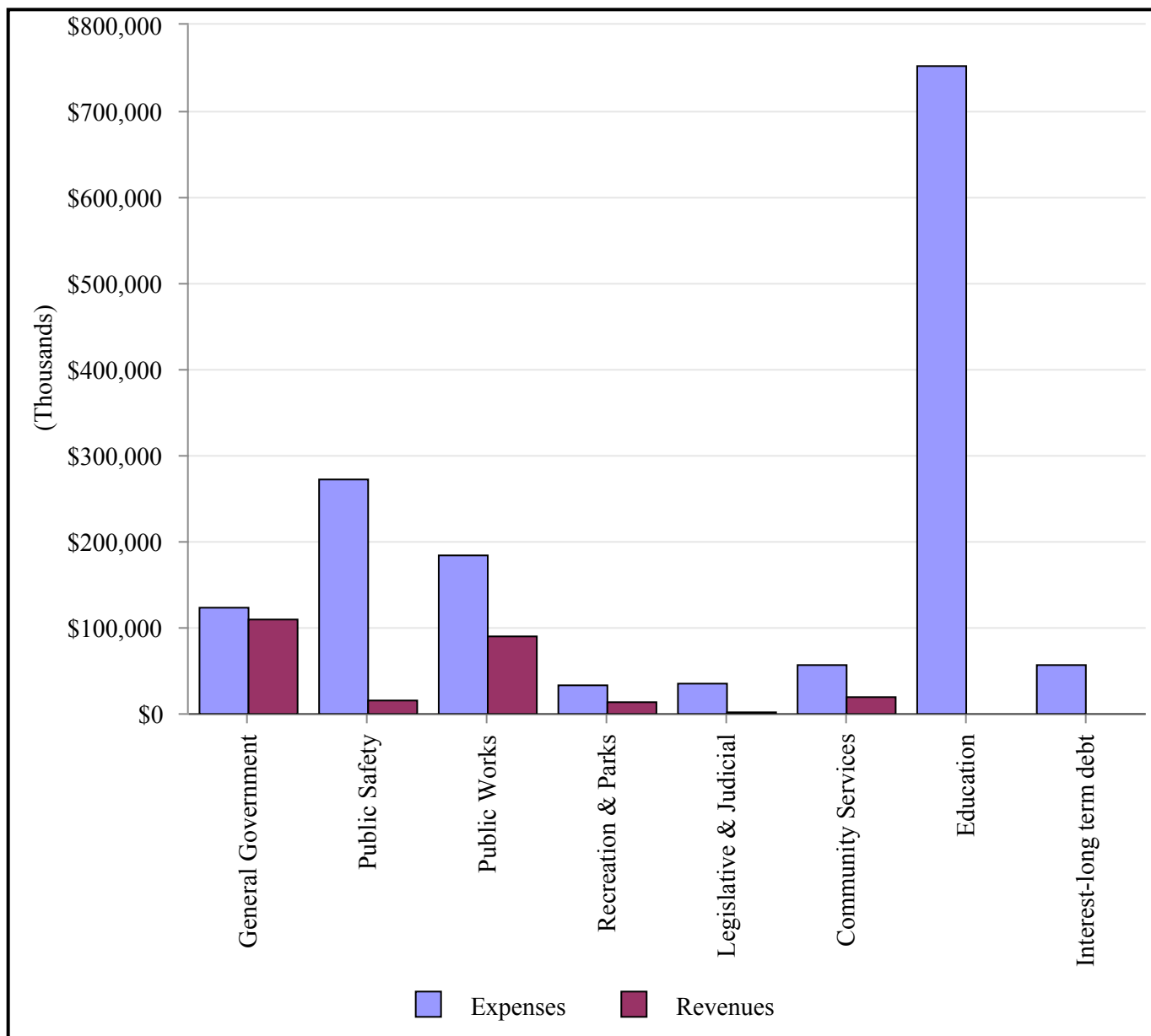
Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 148,858,011	138,032,198	78,445,003	77,177,114	227,303,014	215,209,312
Operating grants and contributions	97,683,224	60,278,746	40,565,784	36,112,163	138,249,008	96,390,909
Capital grants and contributions	4,329,549	19,701,167	12,591,770	9,928,803	16,921,319	29,629,970
General revenues						
Property taxes	738,646,472	708,947,753	—	—	738,646,472	708,947,753
Local income taxes	619,513,011	577,958,870	—	—	619,513,011	577,958,870
Other taxes	95,715,172	77,803,643	—	—	95,715,172	77,803,643
Other	5,493,211	14,702,738	396,564	2,615,899	5,889,775	17,318,637
Total revenues	1,710,238,650	1,597,425,115	131,999,121	125,833,979	1,842,237,771	1,723,259,094
Expenses						
General government	123,183,109	74,316,453	—	—	123,183,109	74,316,453
Public safety	272,893,187	273,690,808	—	—	272,893,187	273,690,808
Public works	184,376,252	191,131,750	—	—	184,376,252	191,131,750
Recreation and parks	33,372,823	44,155,887	—	—	33,372,823	44,155,887
Legislative and judicial	34,562,766	33,526,457	—	—	34,562,766	33,526,457
Community services	57,793,879	51,744,649	—	—	57,793,879	51,744,649
State highways	1,381,137	4,140,382	—	—	1,381,137	4,140,382
Education	753,121,391	703,269,393	—	—	753,121,391	703,269,393
Interest on long-term debt	56,785,423	56,026,136	—	—	56,785,423	56,026,136
Water & Sewer	—	—	122,881,576	111,856,075	122,881,576	111,856,075
Other	—	—	8,213,268	8,262,267	8,213,268	8,262,267
Total expenses	1,517,469,967	1,432,001,915	131,094,844	120,118,342	1,648,564,811	1,552,120,257
Increase (decrease) in net position	192,768,683	165,423,200	904,277	5,715,637	193,672,960	171,138,837
Transfers	(7,016,791)	10,103,690	7,016,791	(10,103,690)	—	—
Total Increase (decrease) in net position	185,751,892	175,526,890	7,921,068	(4,388,053)	193,672,960	171,138,837
Net position beginning	162,249,489	(13,277,401)	620,850,046	625,238,099	783,099,535	611,960,698
Net position ending	\$ 348,001,381	162,249,489	628,771,114	620,850,046	976,772,495	783,099,535

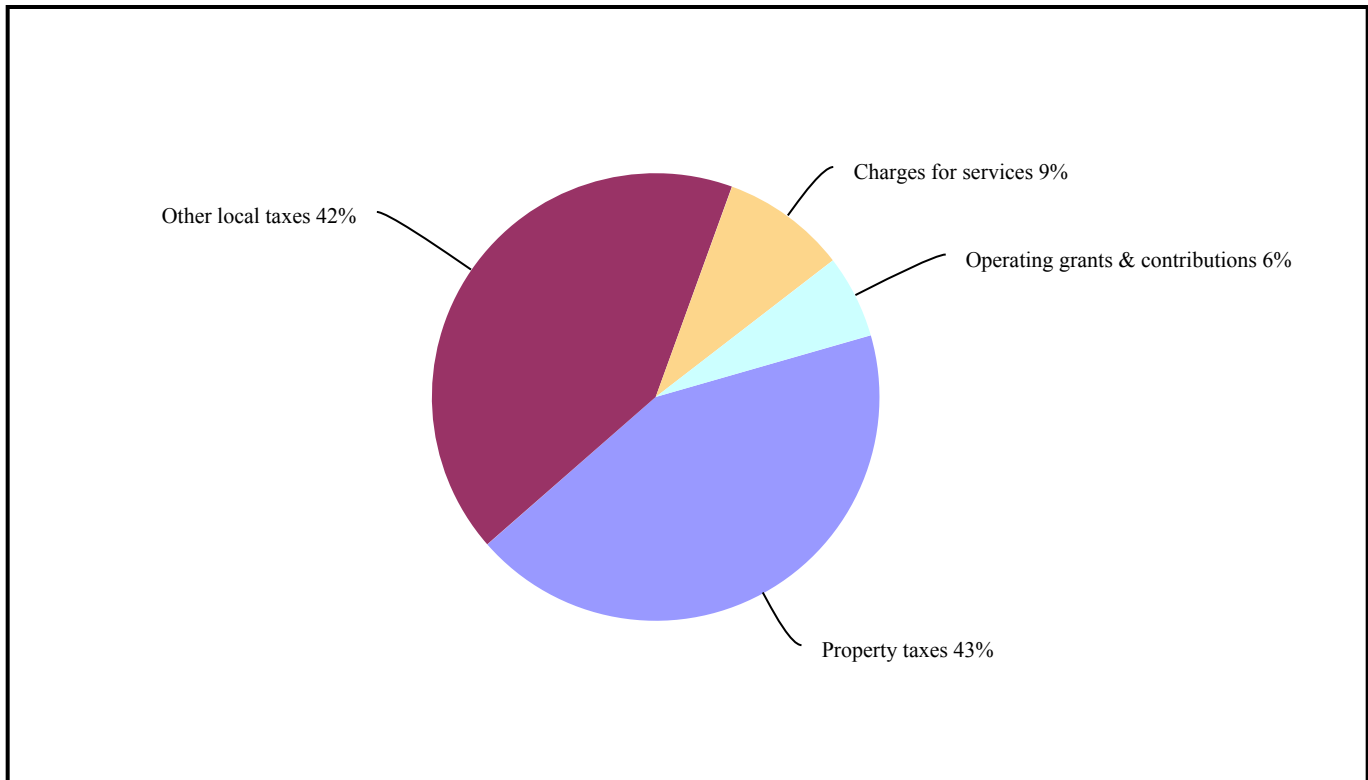
Governmental activities. Governmental activities increased the County's net position by \$185.8 million. Key elements of this increase are as follows:

- Property tax revenues increased by \$29.7 million due to rising property values.
- Income tax revenues increased by \$41.6 million due to significant Federal stimulus, including pandemic unemployment insurance and the Paycheck Protection Program.
- Recordation tax revenues increased by \$5.0 million due to low interest rates creating an increase in property transfers and refinancings.
- Net OPEB liability increased by \$43.5 million and net pension liability increased by \$19.2 million.
- Education expenses increased by \$49.9 million; this is due to an increase of \$46.1 million for the Public School System, an increase of \$3.4 million for the Community College, and an increase of \$0.4 million for the Library.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

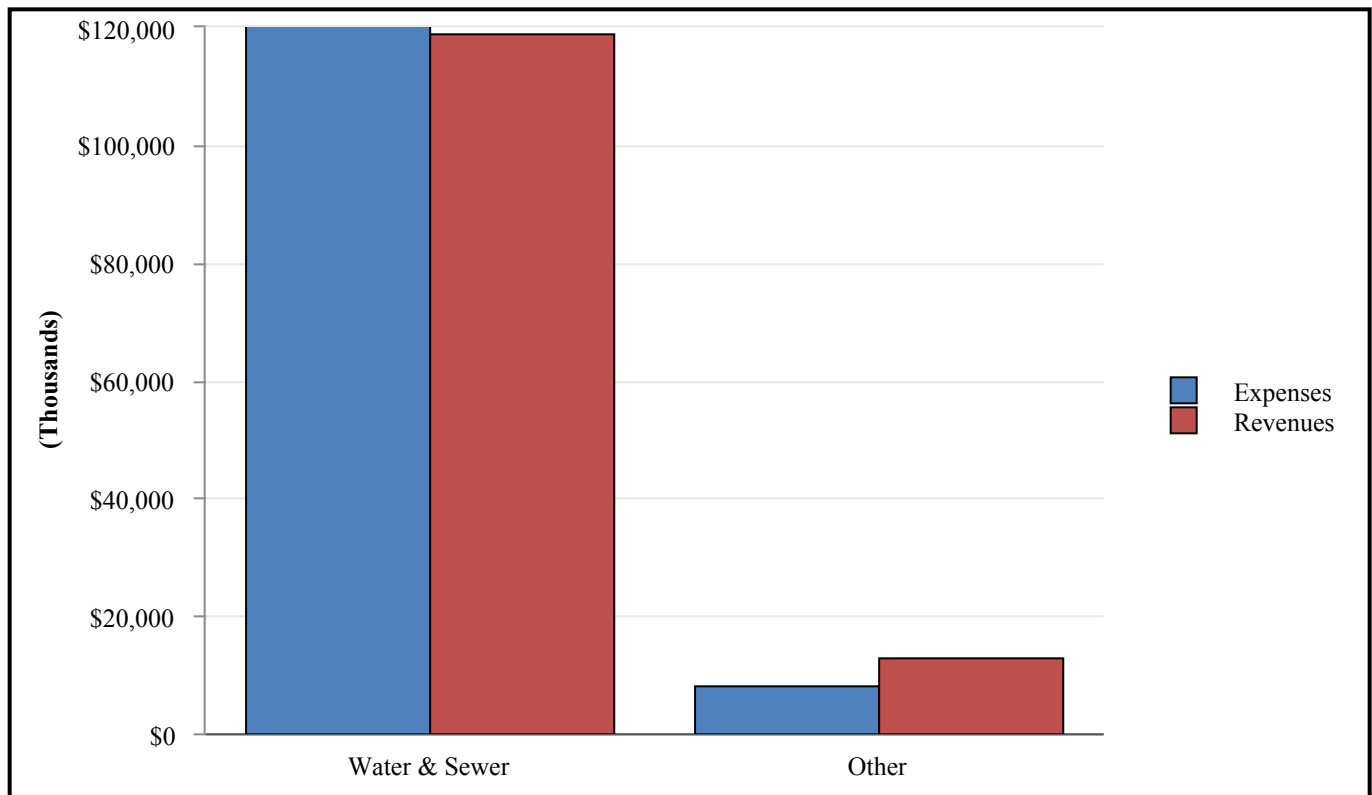


Business-type activities. Business-type activities increased the County's net position by \$7.9 million. The components of this increase are as follows:

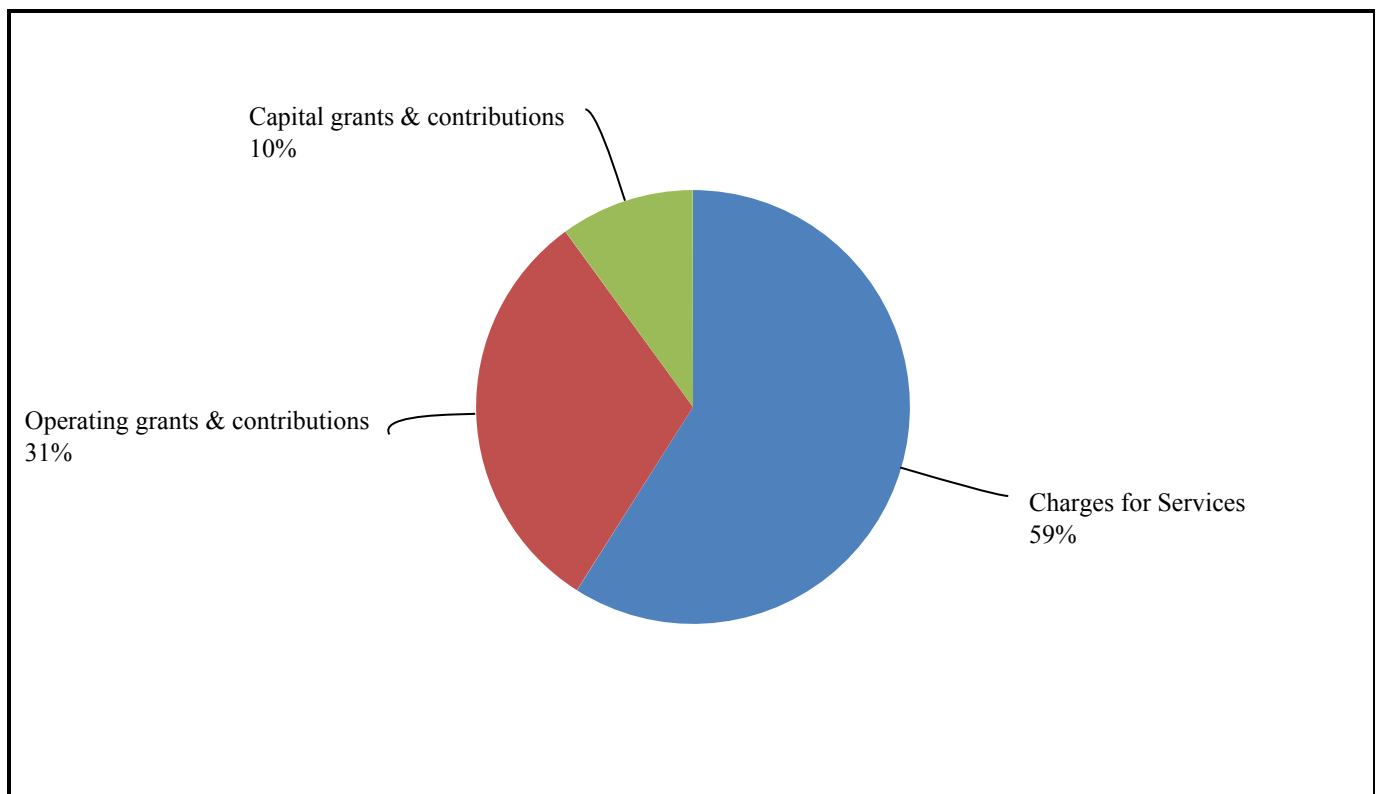
- Charges for services increased by \$1.3 million due to an increase in water and sewer consumption.
- Operating grants and contributions, which totaled \$40.6 million, represent an annual ad valorem fee levied on all properties within the water and sewer service district. This charge is used primarily to fund debt service payments and pay-as-you-go funding on capital projects.
- \$12.6 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. 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 \$2.7 million from fiscal year 2020.

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 \$607.6 million, an increase of \$218.2 million in comparison with the prior year. Of this fund balance, \$11.4 million is nonspendable, \$256.6 million is restricted by enabling legislation, \$165.2 million is committed by the County, at the highest level of authority, \$258.8 million is assigned by management, and \$84.4 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 \$336.1 million, \$127.6 million or 61.2% more than the prior year primarily due to an increase in revenue.

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 \$12.9 million.

The grant fund accounts for the proceeds of specific grant revenue sources that are restricted to expenditures for particular functions or activities. The fund balance deficit of \$4.3 million is due to expenditures occurring before grant revenues 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 \$558.9 million. Net position of the Water and Sewer Proprietary Fund decreased \$4.1 million due to an increase in operating costs caused by the supply shortage as a result of the pandemic.

General Fund Budgetary Highlights

The County spent \$14.3 million less than the budget as the County departments leveraged Federal pandemic relief funding received through the Coronavirus Aid, Relief, and Economic Security Act. The County experienced a favorable variance of \$4.7 million budget versus actual due to lower than anticipated expenditures within General Government. Public Safety and Health and Community Services showed a favorable variance of budget versus actual expenditures of \$2.0 million and \$4.3 million, respectively.

County revenues exceeded the budget by \$129 million. This was primarily due to an increase in the actual distribution of local income tax. The increase was a result of significant Federal fiscal stimulus and increase in capital gains due to a strong stock market.

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, 2021 is \$2.4 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 1.0% (a (0.4)% decrease for governmental activities and a 3.4% increase for business-type activities).

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

- \$112.4 million for the Little Patuxent Water Reclamation Plant Eighth Addition
- \$13.1 million for the third phase of the P25 Radio system Upgrade
- \$11.8 million for stream/stormwater management infrastructure countywide
- \$9.0 million for the third phase of Blandair Park
- \$5.8 million for land acquisitions, including agricultural land preservation
- \$5.4 million for Cedar Lane Water Pump Station improvements

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 639,811,353	625,316,959	12,568,603	12,568,603	652,379,956	637,885,562
Construction in progress	74,183,801	119,990,193	45,227,415	142,262,568	119,411,216	262,252,761
Buildings and improvements	437,483,304	430,761,819	166,600,163	173,503,918	604,083,467	604,265,737
Machinery and equipment	87,340,208	79,166,993	8,872,716	8,796,639	96,212,924	87,963,632
Infrastructure	327,970,932	317,258,454	636,305,414	503,705,761	964,276,346	820,964,215
Total capital assets	\$ 1,566,789,598	1,572,494,418	869,574,311	840,837,489	2,436,363,909	2,413,331,907

Additional information on the County's capital assets are located in Note 6 on pages 63-64 of this report.

Long-term debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$1.9 billion. Of this amount, \$1.8 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 1,342,262,375	1,288,650,765	431,669,772	413,652,057	1,773,932,147	1,702,302,822
State water quality/MDE loan	—	—	8,846,878	12,529,873	8,846,878	12,529,873
Tax increment financing bonds	64,695,000	65,010,000	—	—	64,695,000	65,010,000
Agricultural land preservation program	59,546,201	76,423,710	—	—	59,546,201	76,423,710
Special facility revenue bonds	—	—	1,185,000	1,707,000	1,185,000	1,707,000
Other	22,364,691	27,082,059	3,055,683	1,452,135	25,420,374	28,534,194
Total outstanding debt	\$ 1,488,868,267	1,457,166,534	444,757,333	429,341,065	1,933,625,600	1,886,507,599

The County's total long-term debt increased by \$47.1 million, (2.5% during the current fiscal year). The major factors in this increase were the issuance of \$209.1 million Consolidated Public Improvement (CPI) Project Bonds, and \$52.3 million in Metropolitan (Metro) District Project Bonds. The County refunded \$76.9 million in CPI bonds and \$24.4 million in Metro bonds and retired \$74.7 million, \$12.5 million and \$3.5 million of CPI, Metro, and Water Quality Bonds, respectively. The County also retired \$522,000 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 \$2.7 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 65 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 2021 unemployment rate for the County was 5.2%. This compares favorably to the state's unemployment rate of 6.7% and the national rate of 6.1% for the same period.
- The occupancy rate for commercial space as of June 2021 was 94.9% compared to June 2020 of 94.0%. Howard County had an increase of 854,948 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 2022 fiscal year.

The fiscal year 2022 general fund budget is \$84 million or 6.88% more than the fiscal year 2021 budget. This increase is due to utilizing fund balance from prior years' surplus to address a variety of needs, supporting critical infrastructure projects and initiatives while preserving debt capacity and dedicating resources to continue to address the health and economic impacts of the pandemic.

The County's property tax and income tax rates remained the same for fiscal year 2022. The County's transfer tax rate was increased from 1% to 1.25% of the actual consideration paid, or to be paid, for the conveyance of title. 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.

Currently Known Facts, Decisions and Conditions

In FY22, the County will continue to leverage Federal and State pandemic relief funding, including the American Rescue Plan State and Local Fiscal Recovery Funds. Howard County has received half of the \$63.1 million allocation and the remaining half will be provided in the next year. The County is committed to using these funds effectively to ensure a sustainable recovery from the pandemic.

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
righile@howardcountymd.gov.

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



Kenneth S. Ulman Innovation Hub Interior Lobby Windows

A window view of the newly renovated Kenneth S. Ulman Innovation Hub, which is home to Howard County departments, the Howard County Economic Development Authority, and the Maryland Innovation Center.

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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Equity in pooled cash and investments	\$ 682,499,479	27,319,108	709,818,587	87,233,465
Cash and securities with fiscal agents	8,296,638	—	8,296,638	—
Investments	21,497,205	—	21,497,205	151,835,351
Receivables:				
Property taxes, net	10,876,865	582,783	11,459,648	—
Due from other governments	269,485,041	1,381,442	270,866,483	47,713,225
Service billings	—	12,483,412	12,483,412	—
Due from component units	24,876,038	—	24,876,038	—
Other	21,114,870	767,881	21,882,751	10,414,706
Materials and supplies	2,927,085	1,311,833	4,238,918	1,403,165
Prepays	22,183	—	22,183	2,723,993
Restricted assets:				
Cash and cash equivalent and equity in pooled cash	—	190,512,746	190,512,746	7,676,001
Investments	—	—	—	10,225,818
Water and sewer assessments receivable	—	2,942,247	2,942,247	—
Other receivables	—	—	—	7,234,538
Internal balances	(1,306,786)	1,306,786	—	—
Other non-current receivables	4,207,728	13,480,809	17,688,537	—
Capital Assets:				
Land and land improvements	639,811,353	12,568,603	652,379,956	117,687,097
Construction in progress	74,183,801	45,227,415	119,411,216	84,468,353
Buildings and improvements, net	437,483,304	166,600,163	604,083,467	1,586,626,288
Machinery and equipment, net	87,340,208	8,872,716	96,212,924	7,774,038
Infrastructure, net	327,970,932	636,305,414	964,276,346	—
Other capital assets	—	—	—	15,421,340
Other non-current assets	—	—	—	123,002
Total assets	2,611,285,944	1,121,663,358	3,732,949,302	2,138,560,380
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	324,531	3,944,733	4,269,264	—
Retirement plans	107,863,026	2,349,817	110,212,843	16,784,321
Other post employment benefits	111,011,320	9,461,055	120,472,375	296,777,964
Length of service award program	11,171,484	—	11,171,484	—
Derivative instruments - interest rate swap	—	—	—	84,187
Total deferred outflows of resources	230,370,361	15,755,605	246,125,966	313,646,472
Total assets and deferred outflows of resources	2,841,656,305	1,137,418,963	3,979,075,268	2,452,206,852
LIABILITIES				
Accounts payable and other current liabilities	39,868,968	14,094,117	53,963,085	111,335,396
Accrued interest payable	19,342,560	5,695,906	25,038,466	—
Accrued wages and benefits	18,979,273	999,057	19,978,330	5,640,315
Deposits	11,033,478	1,518,045	12,551,523	841,752
Short-term loans and notes payable	10,000,097	—	10,000,097	—
Due to primary government	—	—	—	24,872,053
Unearned revenues	57,549,657	1,190,620	58,740,277	17,301,452

(Continued)

Howard County, Maryland
Statement of Net Position
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities:				
Due within one year	104,077,157	17,793,375	121,870,532	11,156,177
Due in more than one year, net	2,132,072,279	462,003,039	2,594,075,318	1,475,133,668
Total liabilities	2,392,923,469	503,294,159	2,896,217,628	1,646,280,813
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenue	—	350,059	350,059	—
Retirement plans	25,375,727	1,158,660	26,534,387	4,579,339
Other post employment benefits	71,948,806	3,844,971	75,793,777	119,662,954
Length of service award program	2,712,587	—	2,712,587	—
Deferred refunding gain	694,335	—	694,335	—
Total deferred inflows of resources	100,731,455	5,353,690	106,085,145	124,242,293
Total liabilities and deferred inflows of resources	2,493,654,924	508,647,849	3,002,302,773	1,770,523,106
NET POSITION				
Net investment in capital assets	852,772,538	470,068,555	1,322,841,093	1,538,528,692
Restricted:				
Business-type operations	—	—	—	11,112,663
Capital projects	—	—	—	2,947,223
Catalyst loan program	1,091,934	—	1,091,934	—
Economic development initiatives	588,033	—	588,033	—
Fire & rescue services	47,822,844	—	47,822,844	—
Forest conservation	1,990,590	—	1,990,590	—
Middle Patuxent environmental area program	47,362	—	47,362	—
MIHU Fee-in-Lieu	10,265,603	—	10,265,603	—
Open space	645,985	—	645,985	—
Parkland watershed facilities	22,382,439	—	22,382,439	—
Permanent public improvement	1,172,071	—	1,172,071	—
Program revenue	449,009	—	449,009	—
Public road facilities	60,074,859	—	60,074,859	—
Public school facilities	19,606,902	—	19,606,902	12,620,494
Speed enforcement	361,018	—	361,018	—
Tax increment financing project	15,133,693	—	15,133,693	—
Debt Services	—	16,973,269	16,973,269	—
Unrestricted	(686,403,499)	141,729,290	(544,674,209)	(883,525,326)
Total net position	\$ 348,001,381	628,771,114	976,772,495	681,683,746

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

Howard County, Maryland
Statement of Activities
For the Year Ended June 30, 2021

Programs	Expenses	Primary Government						Component Units
		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 123,183,109	60,623,707	49,599,214	155,988	(12,804,200)	—	(12,804,200)	—
Public safety	272,893,187	11,284,547	3,912,762	—	(257,695,878)	—	(257,695,878)	—
Public works	184,376,252	60,818,074	27,623,196	1,855,610	(94,079,372)	—	(94,079,372)	—
Recreation and parks	33,372,823	8,302,208	3,063,702	2,317,951	(19,688,962)	—	(19,688,962)	—
Legislative and judicial	34,562,766	522,108	1,361,830	—	(32,678,828)	—	(32,678,828)	—
Community services	57,793,879	7,307,367	12,122,520	—	(38,363,992)	—	(38,363,992)	—
State highways	1,381,137	—	—	—	(1,381,137)	—	(1,381,137)	—
Education	753,121,391	—	—	—	(753,121,391)	—	(753,121,391)	—
Interest on long-term debt	56,785,423	—	—	—	(56,785,423)	—	(56,785,423)	—
Total governmental activities	1,517,469,967	148,858,011	97,683,224	4,329,549	(1,266,599,183)	—	(1,266,599,183)	—
Business-type activities:								
Water and sewer	122,881,576	65,967,446	40,565,784	12,143,976	—	(4,204,370)	(4,204,370)	—
Other	8,213,268	12,477,557	—	447,794	—	4,712,083	4,712,083	—
Total business-type activities	131,094,844	78,445,003	40,565,784	12,591,770	—	507,713	507,713	—
Total primary government	1,648,564,811	227,303,014	138,249,008	16,921,319	(1,266,599,183)	507,713	(1,266,091,470)	—
Component units:								
Housing commission	51,688,013	23,957,384	509,077	12,638,666	—	—	—	(14,582,886)
Public school system	1,149,382,548	8,050,472	187,658,327	84,600,395	—	—	—	(869,073,354)
Library	25,523,246	97,094	772,412	—	—	—	—	(24,653,740)
Community college	119,477,857	31,614,331	22,171,819	6,145,393	—	—	—	(59,546,314)
Total component units	\$ 1,346,071,664	63,719,281	211,111,635	103,384,454	—	—	—	(967,856,294)
General revenues:								
Property taxes					\$ 738,646,472	—	738,646,472	—
Local income taxes					619,513,011	—	619,513,011	—
Transfer tax					55,649,810	—	55,649,810	—
Recordation tax					28,264,600	—	28,264,600	—
Building excise tax					7,603,233	—	7,603,233	—
Hotel / motel tax					2,824,021	—	2,824,021	—
Admission tax					1,150,215	—	1,150,215	—
County development tax					223,293	—	223,293	—
Appropriations from primary government					—	—	—	678,739,880
Intergovernmental, unrestricted					2,997,085	—	2,997,085	282,272,012
Unrestricted investment income					1,258,028	253,254	1,511,282	3,688,581
Miscellaneous					1,238,098	143,310	1,381,408	31,953,590
Transfers					13,807,937	(13,807,937)	—	—
Transfer of capital assets					(20,824,728)	—	—	—
Total general revenues					1,452,351,075	7,413,355	1,459,764,430	996,654,063
Change in net position					185,751,892	7,921,068	193,672,960	28,797,769
Net position as previously stated					162,249,489	620,850,046	783,099,535	646,511,965
Adjustment to restate beginning balance					—	—	—	6,374,012
Net position - beginning as restated					162,249,489	620,850,046	783,099,535	652,885,977
Net position - ending					\$ 348,001,381	628,771,114	976,772,495	681,683,746

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

Howard County, Maryland
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 314,773,327	29,979,798	49,323,653	227,624,138	621,700,916
Cash with fiscal agent	—	2,696,222	—	5,600,416	8,296,638
Investments	—	—	—	21,497,205	21,497,205
Receivables:					
Property taxes, net	8,769,708	—	—	2,107,157	10,876,865
Due from other governments	250,672,090	1,158,964	9,677,740	7,976,247	269,485,041
Due from other funds	3,373,286	—	—	422,000	3,795,286
Due from component units	10,080,066	8,667,974	—	6,127,998	24,876,038
Housing loans	—	—	—	14,176,477	14,176,477
Economic development loans	—	—	87,167	—	87,167
Other	1,627,815	117,663	445,658	2,785,990	4,977,126
Prepaid Items	8,681	—	2,351	—	11,032
Materials and supplies	633,139	—	—	666,263	1,299,402
Total assets	589,938,112	42,620,621	59,536,569	288,983,891	981,079,193
LIABILITIES					
Accounts payable / accrued liabilities	11,604,313	8,508,807	4,514,637	9,324,227	33,951,984
Accrued wages and benefits	11,395,643	69,104	227,992	6,359,670	18,052,409
Short-term loans and notes payable	—	9,699,781	—	300,316	10,000,097
Deposits and connection fees	10,521,743	—	434,735	5,000	10,961,478
Unearned revenue	121,821	1,575,362	51,989,544	3,819,087	57,505,814
Total liabilities	33,643,520	19,853,054	57,166,908	19,808,300	130,471,782
DEFERRED INFLOWS OF RESOURCES					
Unavailable income taxes	210,559,175	—	—	—	210,559,175
Unavailable property taxes	7,166,108	—	—	2,009,015	9,175,123
Unavailable fees	1,961,098	—	—	4,315,903	6,277,001
Unavailable grant revenues	483,925	9,826,938	6,708,281	18,840	17,037,984
Total deferred inflows	220,170,306	9,826,938	6,708,281	6,343,758	243,049,283
Total liabilities and deferred inflows	253,813,826	29,679,992	63,875,189	26,152,058	373,521,065
FUND BALANCES					
Nonspendable	10,721,886	—	2,351	666,263	11,390,500
Restricted	—	98,475,195	2,176,338	155,980,809	256,632,342
Committed	82,464,279	—	—	82,725,309	165,189,588
Assigned	218,420,188	—	—	40,364,849	258,785,037
Unassigned	24,517,933	(85,534,566)	(6,517,309)	(16,905,397)	(84,439,339)
Total fund balances (deficits)	336,124,286	12,940,629	(4,338,620)	262,831,833	607,558,128
Total liabilities, deferred inflows and fund balances	\$ 589,938,112	42,620,621	59,536,569	288,983,891	981,079,193

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, 2021

Amounts reported for governmental activities in the statement of net position (page 22) are different because:

Total fund balances - governmental funds (page 24)		\$ 607,558,128
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.		
		75,545,693
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	\$ (1,329,733,887)	
Capital leases	(15,898,223)	
Deferred refunding gain/loss and premium	(136,502,711)	
Other noncurrent liabilities	(9,130,224)	
Accrued interest payable	(19,342,560)	
Compensated absences	(31,368,929)	
Landfill closure and post-closure	<u>(23,658,000)</u>	(1,565,634,534)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
		1,511,485,182
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.		
		(528,199,261)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows in the funds.		
		247,246,173
Net position of governmental activities (page 22)		<u>\$ 348,001,381</u>

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, 2021

	General Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 590,508,513	—	—	145,778,653	736,287,166
Other local taxes	610,133,246	13,912,453	—	49,595,375	673,641,074
State shared taxes	3,558,294	—	—	—	3,558,294
Revenues from other governments	9,438,859	235,710	63,771,888	10,707,515	84,153,972
Charges for services	11,970,662	—	239,887	46,441,787	58,652,336
Investment income:					
Interest on investments	(16,218)	85,535	70,744	2,292,753	2,432,814
Decrease in fair value of investments	—	—	—	(1,440,198)	(1,440,198)
Installment interest from housing loans	—	—	—	194,795	194,795
Licenses and permits	6,294,952	—	—	—	6,294,952
Fines and forfeitures	2,297,261	—	—	1,509,797	3,807,058
Developer fees	—	—	—	1,235,418	1,235,418
Payments from component units	495,833	—	—	—	495,833
Miscellaneous program revenues	2,240,805	8,768,757	2,787,332	5,173,412	18,970,306
Total revenues	1,236,922,207	23,002,455	66,869,851	261,489,307	1,588,283,820
EXPENDITURES					
Current:					
General government	46,914,450	—	41,857,001	989,225	89,760,676
Legislative & judicial	28,332,259	—	1,345,225	—	29,677,484
Public works	77,417,818	1,790,577	6,661,293	28,685,541	114,555,229
Public safety	129,154,556	—	3,744,957	116,702,013	249,601,526
Recreation and parks	21,580,224	—	77,531	13,077,068	34,734,823
Community services	36,258,710	—	12,010,815	3,268,081	51,537,606
Education	678,739,880	68,427,429	—	—	747,167,309
Capital improvements	—	30,925,507	—	37,543,952	68,469,459
Debt service:					
Principal	73,268,785	—	—	18,200,967	91,469,752
Interest	46,530,555	—	—	6,684,940	53,215,495
Total expenditures	1,138,197,237	101,143,513	65,696,822	225,151,787	1,530,189,359
Excess (deficiency) of revenues over expenditures	98,724,970	(78,141,058)	1,173,029	36,337,520	58,094,461
OTHER FINANCING SOURCES (USES)					
Bond premium	—	18,030,902	—	1,906,297	19,937,199
Capital-related issuance of debt	873,791	120,804,695	1,250,000	11,822,678	134,751,164
Refunding bonds issued	—	69,251,940	—	14,028,060	83,280,000
Installment purchase agreements issued	—	—	—	961,020	961,020
Payment to bond refunding escrow agent	—	(79,908,316)	(1,382,071)	(15,328,806)	(96,619,193)
Transfers in	32,821,519	4,039,008	—	38,881,547	75,742,074
Transfers out	(4,845,895)	(6,705,728)	(65,725)	(46,377,014)	(57,994,362)
Total other financing sources (uses)	28,849,415	125,512,501	(197,796)	5,893,782	160,057,902
Net change in fund balances	127,574,385	47,371,443	975,233	42,231,302	218,152,363
Fund balances (deficit) - beginning	208,549,901	(34,430,814)	(5,313,853)	220,600,531	389,405,765
Fund balances (deficit) - ending	\$ 336,124,286	12,940,629	(4,338,620)	262,831,833	607,558,128

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, 2021

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)	\$	218,152,363
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the amount by which capital outlays exceed depreciation in the current period is as follows:</p>		
Capital outlays	\$	39,321,763
Less: Depreciation expense	<u>(49,521,571)</u>	(10,199,808)
<p>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.</p>		
		(1,119,301)
<p>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.</p>		
		24,556,420
<p>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:</p>		
Revenues related to prior periods	(207,638,824)	
Revenues that do not provide current financial resources	<u>241,976,405</u>	34,337,581
<p>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.</p>		
		(54,573,322)
<p>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.</p>		
		(31,524,229)
<p>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.</p>		
		6,122,188
		<hr/>
Change in net position of governmental activities (page 23)	\$	<u>185,751,892</u>

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, 2021

REVENUES	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Property taxes	\$ 585,834,374	585,834,374	590,630,148	4,795,774
Other local taxes	486,620,961	486,620,961	610,133,245	123,512,284
State shared taxes	3,685,644	3,685,644	3,731,304	45,660
Revenues from other governments	8,472,629	9,842,765	9,437,981	(404,784)
Charges for services	11,415,273	11,415,273	11,970,662	555,389
Interest on investments	420,000	420,000	726,410	306,410
Licenses and permits	5,053,732	5,053,732	6,294,952	1,241,220
Recoveries for inter-fund services	18,147,524	18,147,524	18,308,099	160,575
Fines and forfeitures	2,092,962	2,092,962	2,297,261	204,299
Component units return of funding	1,261,786	1,261,786	495,834	(765,952)
Miscellaneous	9,383,930	2,874,170	2,213,453	(660,717)
Total revenues	1,132,388,815	1,127,249,191	1,256,239,349	128,990,158
EXPENDITURES				
Current:				
General government	50,731,570	57,751,028	53,016,157	4,734,871
Legislative & judicial	29,745,843	29,745,843	28,655,928	1,089,915
Public works	85,146,223	86,852,331	85,575,293	1,277,038
Public safety	140,063,593	138,888,593	136,886,645	2,001,948
Recreation and parks	23,216,154	23,216,154	23,175,271	40,883
Community services	37,773,472	26,966,040	26,309,373	656,667
Education	678,739,880	678,739,880	678,739,880	—
Health Department	13,609,432	13,609,432	9,996,230	3,613,202
Debt service:				
Principal	71,741,680	74,214,248	73,268,785	945,463
Interest	48,893,888	46,390,212	46,474,281	(84,069)
Total expenditures	1,179,661,735	1,176,373,761	1,162,097,843	14,275,918
Excess (deficiency) of revenues over expenditures	(47,272,920)	(49,124,570)	94,141,506	143,266,076
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	16,184,458	22,684,458	—	(22,684,458)
Capital related debt issued	16,319,928	—	873,791	873,791
Transfers in	25,252,992	43,052,544	42,487,369	(565,175)
Transfers out	(10,484,458)	(16,612,432)	(15,265,591)	1,346,841
Total other financing sources (uses)	47,272,920	49,124,570	28,095,569	(21,029,001)
Net change in fund balance	—	—	122,237,075	122,237,075
Plus prior year encumbrances lapsed			1,566,078	
Fund balances - beginning			192,401,928	
Fund balances - ending			\$ 316,205,081	

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
Grants Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other agencies:				
Grants from federal government	\$ 12,250,951	67,002,125	50,331,285	(16,670,840)
Grants from state government	12,141,943	19,147,875	12,667,671	(6,480,204)
Other local grants	911,935	1,605,161	777,516	(827,645)
Total revenue from other agencies	25,304,829	87,755,161	63,776,472	(23,978,689)
Charges for services	1,107,420	1,107,420	239,887	(867,533)
Interest on investments	—	—	5,018	5,018
Contingency	5,000,000	659,017	—	(659,017)
Miscellaneous	7,799,156	7,794,156	2,722,459	(5,071,697)
Total revenues	39,211,405	97,315,754	66,743,836	(30,571,918)
EXPENDITURES				
General government	7,661,753	49,077,157	41,658,232	7,418,925
Legislative & judicial	829,793	1,518,019	1,348,335	169,684
Public works	8,792,077	9,436,552	6,997,850	2,438,702
Public safety	6,063,886	6,566,150	3,649,350	2,916,800
Recreation & parks	437,690	437,690	77,059	360,631
Community services	10,426,206	29,621,169	12,167,502	17,453,667
Contingency	5,000,000	659,017	—	659,017
Total expenditures	39,211,405	97,315,754	65,898,328	31,417,426
Excess (deficiency) of revenues over expenditures	—	—	845,508	845,508
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	—	—	1,250,000	1,250,000
Total other financing sources (uses)	—	—	1,250,000	1,250,000
Net change in fund balance	—	—	2,095,508	2,095,508
Plus: Prior year encumbrances lapsed			326,570	
Fund balances - beginning			(4,182,958)	
Fund balances - ending			\$ (1,760,880)	

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

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities			Governmental
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Services Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 14,394,486	12,924,622	27,319,108	60,798,563
Receivables:				
Property taxes	582,783	—	582,783	—
Due from other governments	1,381,442	—	1,381,442	—
Service billings	12,290,646	192,766	12,483,412	—
Other receivables	767,881	—	767,881	1,884,940
Prepaid Expenses	—	—	—	11,151
Materials and supplies	1,311,833	—	1,311,833	1,627,683
Restricted assets:				
Equity in pooled cash and cash equivalents	189,952,746	560,000	190,512,746	—
Receivables:				
Water and sewer assessments	2,942,247	—	2,942,247	—
Total current assets	223,624,064	13,677,388	237,301,452	64,322,337
Noncurrent assets:				
Restricted assets:				
Receivables:				
Water and sewer assessments	13,471,022	—	13,471,022	—
Other receivables	—	9,787	9,787	—
Capital assets:				
Land and land improvements	3,068,643	9,499,960	12,568,603	—
Construction in progress	45,227,415	—	45,227,415	—
Buildings and improvements, net	135,341,403	2,544,758	137,886,161	824,949
Machinery and equipment, net	7,530,945	1,341,771	8,872,716	53,597,692
Infrastructure, net	569,452,954	66,852,460	636,305,414	881,772
Improvement other, net	27,713,230	1,000,772	28,714,002	—
Total noncurrent assets	801,805,612	81,249,508	883,055,120	55,304,413
Total assets	1,025,429,676	94,926,896	1,120,356,572	119,626,750
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	3,944,733	—	3,944,733	—
Retirement plans	2,349,817	—	2,349,817	—
Other post employment benefits	9,461,055	—	9,461,055	—
Total deferred outflows of resources	15,755,605	—	15,755,605	—
Total assets and deferred outflows of resources	1,041,185,281	94,926,896	1,136,112,177	119,626,750
LIABILITIES				
Current liabilities:				
Due to other funds	—	3,795,286	3,795,286	—
Accounts payable	13,479,122	614,995	14,094,117	5,832,193
Accrued interest payable	—	—	—	84,791
Accrued wages and benefits	904,442	94,615	999,057	926,864
Compensated absences	10,922	1,419	12,341	—
Deposits and connection fees	—	—	—	72,000
Unpaid insurance claims	—	—	—	8,956,215
Current portion capital lease obligation	—	—	—	1,451,468
Unearned revenue	—	—	—	43,843
Current liabilities	14,394,486	4,506,315	18,900,801	17,367,374

(Continued)

Howard County, Maryland

**Statement of Net Position
Proprietary Funds
June 30, 2021**

	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	1,518,045	—	1,518,045	—
Developer agreement rebates and deposits	49,700	—	49,700	—
Other debt payable	3,610,367	—	3,610,367	—
Certificate of Participations (COPs)	230,000	—	230,000	—
Bonds and note payable	12,675,000	1,060,870	13,735,870	—
Loan payable	—	155,097	155,097	—
Interest payable	5,397,903	298,003	5,695,906	—
Current liabilities payable from restricted assets	23,481,015	1,513,970	24,994,985	—
Total current liabilities	37,875,501	6,020,285	43,895,786	17,367,374
Noncurrent liabilities:				
Developer agreement rebates and deposits	725,984	—	725,984	—
Net OPEB liability	30,560,484	—	30,560,484	—
Net pension liability	3,231,135	—	3,231,135	—
Compensated absences	1,093,037	142,084	1,235,121	1,446,168
Unpaid insurance claims	—	—	—	14,536,400
Long-term capital lease obligation	—	—	—	5,629,043
Refunding revenue note payable	—	650,000	650,000	—
Metropolitan district bonds payable	395,842,084	—	395,842,084	—
Long-term bonds payable	—	22,227,558	22,227,558	—
Loans payable	—	1,109,367	1,109,367	—
Unearned revenue	1,190,620	—	1,190,620	—
Other long-term debt	6,421,306	—	6,421,306	—
Total noncurrent liabilities	439,064,650	24,129,009	463,193,659	21,611,611
Total liabilities	476,940,151	30,149,294	507,089,445	38,978,985
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenue	350,059	—	350,059	—
Retirement plans	1,158,660	—	1,158,660	—
OPEB	3,844,971	—	3,844,971	—
Total deferred inflows of resources	5,353,690	—	5,353,690	—
Total liabilities and deferred inflows of resources	482,293,841	30,149,294	512,443,135	38,978,985
NET POSITION				
Net investment in capital assets	414,031,726	56,036,829	470,068,555	48,223,902
Restricted:				
For debt service	16,413,269	560,000	16,973,269	—
Unrestricted	128,446,445	8,180,773	136,627,218	32,423,863
Total net position	558,891,440	64,777,602	623,669,042	80,647,765
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			5,102,072	
Net position of business-type activities			<u>\$ 628,771,114</u>	

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, 2021

	Business-Type Activities			Governmental
	Water and	Other	Total	Activities
	Sewer	Enterprise Funds		Internal Service
				Funds
Operating revenues:				
User charges	\$ 62,840,204	11,724,261	74,564,465	111,670,043
Insurance recoveries	—	—	—	166,710
Miscellaneous sales and services	2,186,482	753,296	2,939,778	2,492,750
Total operating revenues	65,026,686	12,477,557	77,504,243	114,329,503
Operating expenses:				
Salaries and employee benefits	16,207,114	1,703,035	17,910,149	15,839,130
Contractual services	21,794,416	2,794,377	24,588,793	14,400,073
Supplies and materials	3,674,830	108,450	3,783,280	2,019,872
Business and travel	24,348	2,382	26,730	651,809
Vehicle fuels and supplies	1,823,701	8,015	1,831,716	3,126,664
Purchased water and transmission charges	24,058,928	—	24,058,928	—
Sewage treatment charges	6,802,275	—	6,802,275	—
Share of county administrative expenses	6,747,939	706,172	7,454,111	832,338
Insurance claims	1,962,685	—	1,962,685	68,223,637
Other administrative	31,312	90,635	121,947	2,703,276
Depreciation expense	26,590,812	1,819,914	28,410,726	10,277,287
Less: house connection and capitalized overhead costs	(13,230)	—	(13,230)	—
Total operating expenses	109,705,130	7,232,980	116,938,110	118,074,086
Operating income (loss)	(44,678,444)	5,244,577	(39,433,867)	(3,744,583)
Nonoperating revenues (expenses):				
Ad valorem charges	38,160,415	—	38,160,415	—
Water and sewer assessment charges	940,760	—	940,760	—
Interest on investments	253,254	(563)	252,691	157,986
Interest expense	(13,342,302)	(979,725)	(14,322,027)	(299,234)
Gain (loss) on sale of capital assets	3,033	—	3,033	—
Grant	2,405,369	—	2,405,369	—
Revenue from other government	—	—	—	8,825
Other, net	—	140,277	140,277	(49,239)
Total nonoperating revenues (expenses)	28,420,529	(840,011)	27,580,518	(181,662)
Net income (loss) before contributions and transfers	(16,257,915)	4,404,566	(11,853,349)	(3,926,245)
Capital contributions	12,143,976	21,272,522	33,416,498	14,154,056
Transfers in	—	761,768	761,768	766,362
Transfers out	—	(14,569,705)	(14,569,705)	(4,706,400)
Change in net position	(4,113,939)	11,869,151	7,755,212	6,287,773
Net position - beginning	563,005,379	52,908,451	615,913,830	74,359,992
Net position - ending	558,891,440	64,777,602	623,669,042	80,647,765
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			165,856	
Change in net position of business - type activities			\$ 7,921,068	

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, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 66,884,753	11,624,523	78,509,276	114,317,104
Cash paid to suppliers	(52,971,087)	(2,160,670)	(55,131,757)	(77,309,538)
Cash paid to / for employees	(15,735,603)	(1,652,362)	(17,387,965)	(16,235,572)
Other operating cash receipts	—	976,008	976,008	—
Cash paid for inter-fund services used	(8,596,103)	(1,078,199)	(9,674,302)	(11,598,450)
Other operating disbursements	—	(496,776)	(496,776)	(479,941)
Net cash provided by (used for) operating activities	(10,418,040)	7,212,524	(3,205,516)	8,693,603
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Inter-fund payable	—	(409,304)	(409,304)	—
Inter-fund operating transfers in (out)	—	(13,809,197)	(13,809,197)	(3,940,037)
Net cash (used for) noncapital financing activities	—	(14,218,501)	(14,218,501)	(3,940,037)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of county bonds	39,674,146	3,786,822	43,460,968	—
Cash receipts from assessments & connection charges	39,204,845	—	39,204,845	—
Proceeds from grant	1,341,221	—	1,341,221	8,825
Payment of capital lease principal and interest	(748,731)	—	(748,731)	—
Acquisition and construction of capital assets	(25,028,299)	(144,554)	(25,172,853)	(4,646,086)
Capital contribution	1,442,940	—	1,442,940	(17,186)
Proceeds from sale of COPs	2,280,000	—	—	6,940,968
Payment of long-term debt principal	(40,388,036)	(2,816,406)	(43,204,442)	(8,607,312)
Payment of long-term debt interest	(12,082,004)	(527,710)	(12,609,714)	(260,608)
Net cash provided by (used for) capital and related financing activities	5,696,082	298,152	3,714,234	(6,581,399)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	228,627	(13,948)	214,679	157,987
Net cash provided by investing activities	228,627	(13,948)	214,679	157,987
Net increase (decrease) in cash and cash equivalents	(4,493,331)	(6,721,773)	(13,495,104)	(1,669,846)
Cash and cash equivalents - beginning of the year	208,840,563	20,206,395	229,046,958	62,468,409
Cash and cash equivalents - end of the year	204,347,232	13,484,622	215,551,854	60,798,563
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities				
Operating (loss) income	(44,678,444)	5,244,577	(39,433,867)	(3,744,583)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	26,590,812	1,819,914	28,410,726	10,277,287
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	1,997,073	121,463	2,118,536	(12,399)
Prepaid expenses	—	—	—	(6,000)
Inventories	39,033	—	39,033	—
Accounts payable	3,312,497	(26,788)	3,285,709	371,573
Accrued wages and benefits	—	5,551	5,551	88,110
Supplies and materials	—	—	—	(251,580)
Deposits and connection fees	—	—	—	(40)
Unpaid insurance claims	—	—	—	1,803,508
Unearned revenue	—	—	—	880
Compensated absences	92,582	47,807	140,389	166,847
Increase in net OPEB and pension activities	2,228,407	—	2,228,407	—
Total adjustments	34,260,404	1,967,947	36,228,351	12,438,186
Net cash provided by (used in) operating activities	\$ (10,418,040)	7,212,524	(3,205,516)	8,693,603

Noncash investing, capital, and financing activities:

In Fiscal Year 2021, \$10,701,036 was contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines. In addition, \$20,824,728 was contributed to the Watershed Fund from the General Capital Projects Fund and \$562,141 was contributed to the Broadband Fund from Grants and Program Revenue funds.

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

Howard County, Maryland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Pension and OPEB Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash	\$ —	\$ 1,794,401
Receivables:		
Interest and dividends	903,718	—
Employer contributions	3,329,228	—
Member contributions	888,822	—
Sale of investments	9,408,777	—
Property taxes	—	857,442
Other	22,126	478,982
Investments, at fair value:		
Cash	3,801,886	—
Equities	643,707,989	—
Alternative investments	355,758,362	—
Mutual funds	234,586,127	—
Money market funds	25,174,795	—
Fixed income securities	377,078,363	—
Real assets	50,200,620	—
Prepaid expense	48,935	5,522
Total assets	1,704,909,748	3,136,347
LIABILITIES		
Accounts payable	53,385	1,940
Investments purchased	12,943,293	—
Due to other governments	—	1,697,869
Other	1,145,686	—
Total liabilities	14,142,364	1,699,809
NET POSITION		
Restricted for:		
Pensions	1,452,902,661	—
Other post-employment benefits	237,864,723	—
Individuals, organizations, and other governments	—	1,436,538
Net Position	\$ 1,690,767,384	\$ 1,436,538

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

Howard County, Maryland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension and OPEB Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 84,461,737	\$ —
Member	13,230,919	—
Total contributions	97,692,656	—
Investment income (expense):		
Net change in fair value of investments	308,681,862	—
Interest	3,753,822	—
Dividends	46,416,718	—
Other	45,880	—
Investment expense	(3,584,507)	—
Net investment income	355,313,775	—
Property tax collection for other governments:		
Property taxes	—	61,908,073
Other local taxes and fees	—	7,729,202
Miscellaneous revenue	—	827,171
Total property tax collections and miscellaneous revenue	—	70,464,446
Total additions	453,006,431	70,464,446
DEDUCTIONS		
Benefits	81,433,510	—
Property taxes paid to other governments	—	68,689,784
Administrative expenses	840,961	613,988
Contractual services	—	131,110
Supplies and materials	—	23,991
Total deductions	82,274,471	69,458,873
Change in net position	370,731,960	1,005,573
Net position - beginning of year	1,320,035,424	—
Adjustment to beginning net position	—	430,965
Net position - beginning of year (as restated)	1,320,035,424	430,965
Net position - end of year	\$ 1,690,767,384	\$ 1,436,538

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

Howard County, Maryland
Combining Statement of Net Position
Component Units
June 30, 2021

	Community College	Housing Commission	Library	Public School System	Total
ASSETS					
Cash and cash equivalents	\$ 58,637,231	\$ 9,835,980	\$ 5,188,635	\$ 13,571,619	\$ 87,233,465
Investments	7,207,475	4,997,903	1,637,222	137,992,751	151,835,351
Receivables:					
Due from other governments	16,656,262	—	—	31,056,963	47,713,225
Other	352,954	1,296,141	77,565	8,688,046	10,414,706
Materials and supplies	—	—	—	1,403,165	1,403,165
Prepaid items	868,079	1,160,995	480,342	214,577	2,723,993
Restricted assets:					
Cash and cash equivalents	—	7,615,599	60,402	—	7,676,001
Investments	10,045,597	—	180,221	—	10,225,818
Mortgage receivable	—	7,234,538	—	—	7,234,538
Capital Assets:					
Land and land improvements	508,745	82,729,404	—	34,448,948	117,687,097
Construction in progress	5,989,459	287,415	—	78,191,479	84,468,353
Buildings and improvements, net	260,294,477	162,019,148	—	1,164,312,663	1,586,626,288
Machinery and equipment, net	2,645,472	—	223,214	4,905,352	7,774,038
Other capital assets	299,440	214,572	1,730,338	13,176,990	15,421,340
Other non-current assets	123,002	—	—	—	123,002
Total assets	363,628,193	277,391,695	9,577,939	1,487,962,553	2,138,560,380
DEFERRED OUTFLOWS					
Retirement plans	813,377	359,327	—	15,611,617	16,784,321
Other post employment benefits	9,046,990	445,241	5,766,685	281,519,048	296,777,964
Derivative instruments - interest rate swap	—	84,187	—	—	84,187
Total deferred outflows	9,860,367	888,755	5,766,685	297,130,665	313,646,472
Total assets and deferred outflows	373,488,560	278,280,450	15,344,624	1,785,093,218	2,452,206,852
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	1,339,952	2,375,002	943,059	106,677,383	111,335,396
Accrued salaries and benefits	4,678,829	—	961,486	—	5,640,315
Deposits	15,550	826,202	—	—	841,752
Due to primary government	18,752,383	6,119,670	—	—	24,872,053
Unearned revenue	8,570,487	1,508,302	460,492	6,762,171	17,301,452
Long-term liabilities:					
Due within one year	3,018,074	2,254,629	—	5,883,474	11,156,177
Due in more than one year, net	45,437,632	245,022,956	24,647,812	1,160,025,268	1,475,133,668
Total liabilities	81,812,907	258,106,761	27,012,849	1,279,348,296	1,646,280,813
DEFERRED INFLOWS					
Retirement plans	317,187	262,789	—	3,999,363	4,579,339
Other post employment benefits	8,257,838	632,353	2,312,376	108,460,387	119,662,954
Total deferred inflows	8,575,025	895,142	2,312,376	112,459,750	124,242,293
Total liabilities and deferred inflows	90,387,932	259,001,903	29,325,225	1,391,808,046	1,770,523,106
NET POSITION					
Net investment in capital assets	259,653,185	(5,613,598)	1,953,552	1,282,535,553	1,538,528,692
Restricted for:					
Education	11,181,403	—	—	1,198,468	12,379,871
Business-type operations	4,673,768	6,438,895	—	—	11,112,663
Capital projects	—	—	—	2,947,223	2,947,223
Restricted for deferred support	—	—	240,623	—	240,623
Unrestricted	7,592,272	18,453,250	(16,174,776)	(893,396,072)	(883,525,326)
Total net position	\$ 283,100,628	\$ 19,278,547	\$ (13,980,601)	\$ 393,285,172	\$ 681,683,746

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, 2021

Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Contributions	Community College	Housing Commission	Library	Public School System	Total
Component units:									
Community college	\$ 119,477,857	\$ 31,614,331	\$ 22,171,819	\$ 6,145,393	\$ (59,546,314)	\$ —	\$ —	\$ —	\$ (59,546,314)
Housing commission*	51,688,013	23,957,384	509,077	12,638,666	—	(14,582,886)	—	—	(14,582,886)
Library	25,523,246	97,094	772,412	—	—	—	(24,653,740)	—	(24,653,740)
Public school system	1,149,382,548	8,050,472	187,658,327	84,600,395	—	—	—	(869,073,354)	(869,073,354)
Total component units	\$ 1,346,071,664	\$ 63,719,281	\$ 211,111,635	\$ 103,384,454	(59,546,314)	(14,582,886)	(24,653,740)	(869,073,354)	(967,856,294)
General revenues:									
Appropriations from primary government					36,559,860	—	21,880,020	620,300,000	678,739,880
Intergovernmental, unrestricted					26,626,670	—	3,192,071	252,453,271	282,272,012
Investment income					3,383,486	251,624	2,058	51,413	3,688,581
Miscellaneous					—	11,487,761	—	20,465,829	31,953,590
Total general revenues					66,570,016	11,739,385	25,074,149	893,270,513	996,654,063
Change in net position					7,023,702	(2,843,501)	420,409	24,197,159	28,797,769
Net position as previously stated					274,953,782	22,122,048	(14,401,010)	363,837,145	646,511,965
Adjustment to restate beginning balance					1,123,144	—	—	5,250,868	6,374,012
Net position - beginning restated					276,076,926	22,122,048	(14,401,010)	369,088,013	652,885,977
Net position - end of year					\$ 283,100,628	\$ 19,278,547	\$ (13,980,601)	\$ 393,285,172	\$ 681,683,746

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

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

Notes to Basic Financial Statements

The Notes are an integral part of the financial statements.



Notes to Basic Financial Statements Index

<u>NOTE DESCRIPTION</u>	<u>PAGE</u>
1. Summary of Significant Accounting Policies	41
A. The Reporting Entity	41
Discretely Presented Component Units	41
B. Government-Wide and Fund Financial Statements	42
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	42
D. Budgetary Process	44
E. Deposits and Investments	45
Cash Equivalents	45
Investments	45
F. Loans Receivable	45
G. Inventory	45
H. Capital Assets	45
I. Compensated Absences	46
J. Self-Insurance	46
K. Water and Sewer Assessments	46
L. Deferred Outflows/Inflows of Resources	46
M. Net Position Flow Assumptions	47
N. Fund Balance Flow Assumptions	47
O. Fund Balance	47
P. Reconciliation Between GAAP and Budgetary Basis	48
Q. Budget Stabilization Account	48
R. Net Position Restricted by Enabling Legislation	49
S. Fair Value Measurements	49
T. Implementation of New Accounting Principles	49
2. Equity in Pooled Cash and Cash Equivalents and Investments	51
3. Receivables	60
4. Interfund Receivables, Payables and Transfers	61
5. Property Tax and Transfer Tax	62
6. Capital Assets	63
7. Long-Term Obligations	65
A. Primary Government	65
B. Component Units	71
8. Short-Term Debt	72
9. Conduit Debt	72
10. Lease Obligations	72
A. Operating Leases - Primary Government	72
B. Capital Leases	73
11. Restricted Assets	74
12. Fund Equity	75
13. Landfill Closure and Post-Closure Care Cost	76
14. Tax Abatement	76
15. Retirement Plans	78
16. Other Post-Employment Benefits	86
17. Length of Service Award Program	93
18. Deferred Compensation Plan	95
19. Risk Management	96
20. Fund Disclosures, Change in Accounting Principle, and Prior Period Adjustments	96
21. Commitments and Contingencies	97
A. Grants	97
B. Construction	98
C. Encumbrances	98
D. Public Private Partnership	98

Notes to Basic Financial Statements

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, Maryland 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. Custodial 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 *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 *Grant Fund* is used to account for the proceeds of specific grant revenue sources that are restricted to expenditures for particular functions or activities.

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, 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. 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.

Custodial 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 unappropriated 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 2021, the Council approved five operating budget supplements and one capital budget transfer.

Budgetary data, as revised, is presented in the Basic Financial Statements for the General, Agricultural Land Preservation, and Grant 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. Grant Fund appropriations are multi-year and do not lapse until grant expiration. Expenditures and encumbrances of both the governmental and proprietary funds may not legally exceed appropriations at the functional, agency and program levels.

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 the 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 included in restricted Net Position accounts.

G. Inventory - Materials and Supplies

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 are 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 insurance 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, and 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 and (3) receivables due in more than one year. Not in spendable form includes items that are not expected to be converted to cash, such as inventories, prepaid items and long term loan receivables.

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 the General Fund, Agricultural Land Preservation, and the Grant 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	Grant Fund
Budgetary basis - revenues and other sources over expenditures and other uses	\$ 122,237,075	2,095,508
Current year encumbrances outstanding	14,064,739	985,902
Prior year encumbrances expended this year	(8,208,811)	(985,822)
Effect of recording contractual service expenditures modified accrual basis	(263,421)	—
Unbudgeted transfers	11,219	(1,382,071)
Other	(266,416)	261,716
GAAP basis - net change in fund balance	\$ 127,574,385	975,233

The ending fund balances are reconciled as follows:

	General Fund	Grant Fund
Budgetary basis - ending fund balance	\$ 316,205,081	(1,760,880)
Adjustments:		
Elimination of encumbrances outstanding	23,674,053	1,163,297
Accruals	(1,925,330)	(10,830)
Unbudgeted transfers	—	(1,865,259)
Other	(1,829,518)	(1,864,948)
GAAP basis - ending fund balance	\$ 336,124,286	(4,338,620)

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 2021 budget was prepared, the fiscal year 2019 financial statements were the most recently completed and audited. Therefore, the charter target is based upon fiscal year 2019 audited expenditures. An increase of \$1,807,500 was made to the fund in fiscal year 2021, which resulted in achieving the charter target of \$77,652,802.

The budget stabilization account is calculated as follows:

Budget Fiscal Year	Audited Expenditures from Fiscal Year	Audited Expenditures*	Percentage	Charter Target
2021	2019	\$ 1,109,325,749	7%	\$ 77,652,802
2022	2020	\$ 1,145,569,907	7%	\$ 80,189,893
2023	2021	\$ 1,156,970,261	7%	\$ 80,987,918

*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	\$ 181,632,342
Business-type activities	16,973,269
Component units activities	26,680,380
Total	\$ 225,285,991

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

The County adopted three new statements of financial accounting standards this fiscal year. Statement No. 84, "Fiduciary Activities," effective for reporting periods beginning after December 15, 2018 postponed by one year with Statement No. 95 to December 15, 2019. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The required changes are reflected in the County's financial statements.

Statement No. 98, “The Annual Comprehensive Financial Report,” effective for fiscal years ending after December 15, 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Early adoption was chosen by the County and reflected in The County's financial statements.

Statement No. 90, “Majority Equity Interests-An Amendment of GASB Statement No. 14 and No. 61),” improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. Adoption of this Statement did not have a impact on the financial 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 is 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, was \$22,241,713 and the bank balance was \$25,397,663, at fiscal year-end. The bank balance was covered by federal depository insurance or by collateral held by the County's agent in the County's name. Petty cash was \$13,024 at June 30, 2021.

The County's component units had a combined bank balance of \$42,759,676, of which \$2,518,279, reported by the Housing Commission, was not collateralized. All other bank balances were covered by federal depository 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 Custodial Funds:

	Primary Government	Fiduciary Funds	Component Units
Statement of Net Position Amounts:			
Equity in pooled cash	\$ 709,818,587	1,794,401	87,233,465
Cash with fiscal agent	8,296,638	—	—
Restricted equity in pooled cash and cash equivalents	190,512,746	—	7,676,001
Investments	21,497,205	—	162,061,169
Total	930,125,176	1,794,401	256,970,635
Deposits and Investment Summary:			
Carrying value of cash deposits	20,447,312	1,794,401	94,909,466
Investments	909,677,864	—	162,061,169
Total	\$ 930,125,176	1,794,401	256,970,635

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	197,723,623	—	197,723,623
U.S. Government - Sponsored Enterprises	170,583,869	—	170,583,869
Supranationals	15,254,900	—	15,254,900
Maryland Local Govt. Investment Pool	363,583,728	138,810,203	502,393,931
Money market funds	162,531,744	—	162,531,744
Fixed income	—	4,852,771	4,852,771
Mutual funds	—	10,754,486	10,754,486
Interest in external investment pool	—	1,478,853	1,478,853
Interest in irrevocable trust	—	166,962	166,962
Treasury bills	—	999,991	999,991
Equity in properties under home ownership	—	4,997,903	4,997,903
Total	\$ 909,677,864	162,061,169	1,071,739,033

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, 2021:

Investments by fair value level:	Total	Primary Government Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities	\$ 197,723,623	197,723,623	—	—
U.S. Government - Sponsored Enterprises	170,583,869	—	170,583,869	—
Supranationals	15,254,900	—	15,254,900	—
Total investments by fair value level	383,562,392	197,723,623	185,838,769	—
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	363,583,728			
Money market funds	162,531,744			
Investments measured at amortized cost	526,115,472			
Total investments	\$ 909,677,864			

	Component Units			
	Fair Value Measurements Using			
Investments by fair value level:	Total	(Level 1)	(Level 2)	(Level 3)*
Treasury bills	\$ 999,991	999,991	—	—
Fixed income	4,852,771	4,852,771	—	—
Mutual funds	10,754,486	10,754,486	—	—
Interest in external investment pool	1,478,853	—	—	1,478,853
Interest in irrevocable trust	166,962	—	166,962	—
Total investments by fair value level	18,253,063	16,607,248	166,962	1,478,853
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	138,810,203			
Investments measured at amortized cost	138,810,203			
Investments measured at the net asset value (NAV):				
Equity in properties under home ownership	4,997,903			
Total investments measured at the NAV	4,997,903			
Total investments	\$ 162,061,169			

* The Howard Community College Educational Foundation's interest in an external investment pool has no readily determined market value and is 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.

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. Level 3 of the fair value hierarchy refers to securities with valuation methodology that are unobservable and significant to the fair value measurement. Fixed income securities are priced on a daily basis, market to market, using a variety of third party pricing sources, market data and methodologies.

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.

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	\$ 197,723,623	0.61
U.S. Government - Sponsored Enterprises	170,583,869	0.63
Supranationals	15,254,900	0.91
Total	\$ 383,562,392	
Portfolio weighted average maturity		0.63

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 administered 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 AAA 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 44.47% 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	35.0%	45.0%	55.0%
Fixed income	13.0%	23.0%	33.0%
Alternative investments	21.0%	26.0%	31.0%
Real assets	2.0%	6.0%	11.0%

Investments of the Plans at fiscal year-end:

Investments	Fair Value/NAV
Equities	\$ 643,707,989
Fixed income	377,078,363
Alternative investments	355,758,362
Real assets	50,200,620
Money market funds	25,103,134
Total	\$ 1,451,848,468

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	\$ 47,129,579	14.15
U.S. Government - Sponsored Enterprises	34,123,683	26.00
Government Issued / Treasuries	24,797,974	6.64
Other asset backed securities	5,420,168	21.12
Collateralized mortgage obligations	8,413,036	44.26
Municipal securities	2,075,235	14.72
Commingled funds and preferred stock identified as fixed income for reporting purposes	255,118,688	N/A
Total	\$ 377,078,363	
Portfolio weighted average maturity		25.61

Credit Risk: The demand deposit accounts (DDA's) held by State Street Bank are 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-	\$ 11,849,161
BBB to BB-	42,501,931
Not rated	322,727,271
Total	\$ 377,078,363

Custodial Credit Risk: State Street Bank invests in interest bearing DDA's in the name of the Plan for all accounts and pays interest equal to the effective Federal Funds rate, which are included in money markets on the Statements of Fiduciary Net Position. At fiscal year-end, the amount in this fund at fair value was \$25,103,134 which was partially used for settlement of open purchases of \$12,943,294. 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 invested in some funds that hold three-month currency forward contracts. This strategy is undertaken to protect the dollar value of underlying international investments. 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 36.50% at any given time. These pool of assets may also include hedged assets, therefore, reducing the overall currency risk. The Plans were also exposed to foreign currency risk through the Pool's investments in Euro denominated alternative investments. The Pool total of these investments were \$21,246,284 and 16,295,302 in 2021 and 2020, 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, 2021:

Investments by fair value level	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Debt securities:				
Collateralized Mortgage Obligations (Fannie Mae and Freddie Mac)	\$ 8,413,036	—	8,413,036	—
Corporate bonds	47,129,579	—	47,129,579	—
Commingled funds (fixed income)	180,247,417	49,345,376	130,902,041	—
FHLMC and FNMA bonds	34,123,683	—	34,123,683	—
U.S. Treasury Securities	24,797,974	—	24,797,974	—
Municipals bonds	2,075,235	—	2,075,235	—
Other asset backed securities	5,420,168	—	5,420,168	—
Preferred stock	1,169,010	1,169,010	—	—
Total debt securities	303,376,102	50,514,386	252,861,716	—
Equity securities:				
Common Stocks	378,596,471	378,596,471	—	—
Small Company Portfolio	19,801,665	19,801,665	—	—
Emerging Market Equity Portfolio	118,792,786	118,792,786	—	—
Real Estate Investment Trusts (REITS)	2,704,057	2,704,057	—	—
Total equity securities	519,894,979	519,894,979	—	—
Total investment by fair value level	823,271,081	570,409,365	252,861,716	—
Investments measured at the net asset value (NAV):				
Private equity funds	212,616,560			
Private credit funds	4,138,349			
Hedge funds	139,003,453			
Real assets funds	50,200,620			
International equity funds	77,662,950			
Commingled fund within international equities	46,150,060			
Commingled fund within international fixed income	47,745,132			
Commingled fund within domestic fixed income	25,957,129			
Total investments measured at the NAV	603,474,253			
Total investments measured at fair value/NAV*	\$ 1,426,745,334			

*Does not include money market funds totaling \$25,103,134.

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	\$ 212,616,560	57,041,876	Illiquid	N/A
Private credit funds	4,138,349	21,250,000	Illiquid	N/A
Equity Hedge fund 1	68,982,536	—	Quarterly	65 days
Equity Hedge fund 2	70,020,917	—	Semi Annually	95 days
Real assets funds	50,200,620	23,469,258	Illiquid	N/A
International equity funds	77,662,950	—	Monthly	15 days
Commingled fund within international equities	46,150,060	—	Weekly	3 days
Commingled fund within international fixed income	47,745,132	—	Bi-monthly	5 days
Commingled fund within domestic fixed income	25,957,129	—	Daily	1 day
	<u>\$ 603,474,253</u>	<u>\$ 101,761,134</u>		

Private Equity Funds: Private equity investment strategies include buyout, venture capital, growth capital, and special situations. Investments in the asset class are achieved primarily through commingled funds and may also include direct and co-investment opportunities. The objective of the asset class is to provide high long-term returns. Exposures are diversified by manager, region, strategy, and vintage year. Private equity investments are illiquid and distributions are received over the life of the investments, which can range between 10 and 15 years. These investments do not have set redemption schedules; therefore, 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.

Commingled Fund within Private Credit: This strategy will focus on identifying market dislocations and credit-intensive assets, specifically in loan portfolios, corporate securities, structured credit, hard assets and special opportunities. The objective of the fund is to return a 1.5-1.7X multiple and a net IRR of 15% over the life of the fund, which can range between 6 and 8 years. The fund employs a flexible and opportunistic mandate allowing for investments in an assortment of securities which allows it to remain an active investor in a variety of transactions irrespective of market conditions and geographies. The fair value of the partnership interest is based on NAV provided by the General Partner. The partnership's financial statements are audited annually as of December 31 and the NAV is adjusted quarterly by additional contributions to and distributions from the partnership, the net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partner.

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 10 – 20 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 4:00 PM 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). The ownership interest is only in the units of the Fund and not the underlying holding or securities of the Fund.

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 4:00 PM 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	\$ 3,801,886
Mutual funds	234,586,127
Money market funds	71,661
Total	\$ 238,459,674

Credit Risk: The Maryland Local Government Investment Pool, included in Money Market Funds in the above schedule, is rated AAA 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, 2021:

Investments by fair value level	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds:				
Mutual funds - equity	\$ 173,342,547	173,342,547	—	—
Mutual funds - fixed Income	61,243,580	61,243,580	—	—
Total mutual funds	234,586,127	234,586,127	—	—
Total investment by fair value level *	\$ 234,586,127	234,586,127	—	—

*Does not include cash and money market funds totaling \$3,873,547 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	General Capital Project Fund	Grant Fund	Water and Sewer Fund	Fiduciary Funds	Non-Major and Other Funds	Total
Property taxes	\$ 10,663,485	—	—	582,783	857,442	2,107,157	14,210,867
Due from other governments	250,672,090	1,158,964	9,677,740	1,381,442	—	7,976,247	270,866,483
Due from component units	10,080,066	8,667,974	—	—	—	6,127,998	24,876,038
Housing loans	—	—	—	—	—	14,176,477	14,176,477
Economic development loans	—	—	87,167	—	—	—	87,167
Other	1,627,815	117,663	445,658	767,881	15,031,653	4,680,717	22,671,387
Service billings	—	—	—	12,290,646	—	192,766	12,483,412
Water and sewer assessments	—	—	—	16,413,269	—	—	16,413,269
Gross receivables	273,043,456	9,944,601	10,210,565	31,436,021	15,889,095	35,261,362	375,785,100
Less: Allowance for uncollectibles	(1,893,777)	—	—	—	—	—	(1,893,777)
Total Receivables	\$ 271,149,679	9,944,601	10,210,565	31,436,021	15,889,095	35,261,362	373,891,323

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	Special Recreation Facility	3,373,286
		<u>3,373,286</u>
Recreation Program Fund	Special Recreation Facility	422,000
		<u>422,000</u>
Total Inter-fund Receivable/Payable		\$ 3,795,286

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	Grant Fund	Non-Major Governmental Funds					Internal Service Funds	Total In
				Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds			
Major Funds										
General Fund	\$ —	6,526,964	65,725	6,063,873	17,443	16,014,887	1,227	4,131,400	32,821,519	
General Capital Projects	1,039,007	—	—	—	—	3,000,001	—	—	4,039,008	
Non-Major Funds										
Special Revenue	100	—	—	—	—	—	—	—	100	
Debt Service	455,901	—	—	—	—	—	—	—	455,901	
Capital Projects	3,342,944	—	—	400,000	—	20,114,448	14,568,154	—	38,425,546	
Enterprise Funds	7,943	178,764	—	—	—	—	—	575,000	761,707	
Internal Service Funds	—	—	—	766,362	—	—	—	—	766,362	
Total Out	\$ 4,845,895	6,705,728	65,725	7,230,235	17,443	39,129,336	14,569,381	4,706,400	77,270,143	

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.

The chart above does not reflect a \$263 transfer out of the Watershed Fund, which is on the full accrual basis of accounting, to the General Fund.

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 on every instrument of writing conveying title to real or leasehold property offered for sale in Howard County. The Code specifies that the proceeds should be distributed to the School Site Acquisition and Construction Fund (25 percent), The Park Land Watershed Facilities Fund (25 percent), and the remainder in the general fund of the County, with the stipulation that the County Council shall budget this remainder as follows: Agricultural Land Preservation Fund (50 percent plus interest); Community Renewal Fund (25 percent); and Fire Service Building and Equipment Fund (25 percent). An additional tax increase in 2019 distributed proceeds to the General Fund to be used for capital projects for Howard County Public System (25 percent); capital projects for Department of Recreation and Parks (25 percent); community improvement and housing (25 percent); and acquisition or leasing of land for new fire house sites and training facilities, the acquisition and maintenance of fire equipment, and supplementation of financial needs of fire companies.

6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 625,316,959	15,434,533	940,139	—	639,811,353
Construction in progress	119,990,193	64,377,912	110,184,304	—	74,183,801
Total capital assets, not being depreciated	745,307,152	79,812,445	111,124,443	—	713,995,154
Capital assets being depreciated:					
Buildings	417,164,917	5,949,861	—	—	423,114,778
Improvements other than buildings	297,395,948	26,719,309	—	(178,763)	323,936,494
Machinery and equipment	213,205,691	25,203,107	3,856,779	(328,082)	234,223,937
Infrastructure	581,646,848	28,363,267	—	—	610,010,115
Total capital assets, being depreciated	1,509,413,404	86,235,544	3,856,779	(506,845)	1,591,285,324
Less accumulated depreciation for:					
Buildings	128,738,307	8,281,377	—	—	137,019,684
Improvements other than buildings	155,060,739	17,590,021	—	102,476	172,548,284
Machinery and equipment	134,038,698	16,276,667	3,417,867	13,769	146,883,729
Infrastructure	264,388,394	17,650,789	—	—	282,039,183
Total accumulated depreciation	682,226,138	59,798,854	3,417,867	116,245	738,490,880
Total capital assets, being depreciated, net	827,187,266	26,436,690	438,912	(390,600)	852,794,444
Governmental activities capital assets, net	\$ 1,572,494,418	106,249,135	111,563,355	(390,600)	1,566,789,598

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

Governmental activities:	Amount
General government	\$ 266,751
Public safety	5,320,513
Public facilities	33,714,754
Legislative and judicial	23,276
Community services	237,333
Recreation and parks	7,388,377
Education	2,570,563
Capital assets held by the government's internal service funds are charged to the various functions based on usage of assets	10,277,287
Total depreciation expense - governmental activities	\$ 59,798,854

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 12,568,603	—	—	—	12,568,603
Construction in progress	142,262,568	36,876,101	133,911,254	—	45,227,415
Total capital assets, not being depreciated	154,831,171	36,876,101	133,911,254	—	57,796,018
Capital assets being depreciated:					
Buildings	238,195,947	54,494	—	—	238,250,441
Improvements other than buildings	87,586,979	1,102,256	—	—	88,689,235
Machinery and Equipment	18,090,769	1,276,622	8,399	328,084	19,687,076
Infrastructure	846,929,094	151,358,726	—	178,764	998,466,584
Total capital assets, being depreciated	1,190,802,789	153,792,098	8,399	506,848	1,345,093,336
Less accumulated depreciation for:					
Buildings	97,482,125	4,680,619	—	—	102,162,744
Improvements other than buildings	54,796,883	3,379,886	—	—	58,176,769
Machinery and Equipment	9,294,130	1,514,857	8,399	(13,772)	10,814,360
Infrastructure	343,223,333	18,835,361	—	(102,476)	362,161,170
Total accumulated depreciation	504,796,471	28,410,723	8,399	(116,248)	533,315,043
Total capital assets, being depreciated, net	686,006,318	125,381,375	—	390,600	811,778,293
Business-type activities capital assets, net	\$ 840,837,489	162,257,476	133,911,254	390,600	869,574,311

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

Business-type activities:	Amount
Water and sewer system	\$ 26,590,812
Golf course	143,806
Inter-County Broadband	850,991
Watershed	825,117
Total depreciation expense - business-type activities	\$ 28,410,726

Construction Commitments:

Total construction encumbrances outstanding at fiscal year-end were \$81,650,729.

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	2022 - 2041	3.00% to 5.00%	\$ 1,205,492,685
Total debt subject to statutory limit			<u>1,205,492,685</u>
Tax increment financing bonds	2022 - 2048	4.00% to 6.10%	64,695,000
Capital leases	various	1.639% to 2.880%	4,589,691
Certificates of participation	various	5.00%	17,775,000
Agricultural land preservation program	2022 - 2041	2.19% to 8.60%	59,546,201
Total Governmental Activities			(1) \$ <u>1,352,098,577</u>
Business Type Activities:			
Metropolitan district bonds	2022 - 2051	2.00% to 5.00%	\$ 381,275,000
State water quality revolving loan	2022 - 2031	1.00% to 2.40%	7,582,414
Consolidated public improvement bonds - watershed protection	2022 - 2041	3.00% to 5.00%	17,271,605
Special facility revenue bonds	2022 - 2023	2.475%	1,185,000
MDE Loan	2022 - 2028	2.95%	1,264,464
Certificates of participation - water meter	various	5%	2,280,000
Consolidated public improvement bonds - broadband	2022 - 2041	2.00% to 3.00%	2,415,710
Total Business Type Activities			(2) \$ <u>413,274,193</u>
Total			\$ 1,765,372,770

Note (1): Does not include deferred refunding premium liability of \$136,769,690, compensated absences of \$32,815,099, net OPEB liability of \$447,445,173, net pension liability of \$175,055,458, LOSAP liability of \$35,707,341, landfill closure liability of \$23,658,000, unpaid claims of \$23,492,615, other non-current liabilities of \$9,130,224, and unamortized bond discount of \$22,741 included in the Statement of Net Position.

Note (2): Does not include compensated absences liability of \$1,247,462, net OPEB liability of \$30,560,484, net pension liability of \$3,231,135, major water and sewer agreements \$775,683, deferred refunding premium of \$30,707,457 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 \$2,735,749,907, providing a debt margin of \$1,423,510,216. The authorized, unissued General County Bonds, Metropolitan District Bonds and Tax Increment Finance Bonds at fiscal year-end were \$412,539,779, \$179,958,443 and \$41,775,000, 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	\$ 1,149,275,866	205,712,372	149,495,553	1,205,492,685	77,369,130
Tax increment financing bonds	65,010,000	—	315,000	64,695,000	245,000
Compensated absences	30,024,901	4,662,177	1,871,979	32,815,099	451,478
Capital leases	27,082,059	873,791	23,366,159	4,589,691	1,400,385
Certificates of participation	—	17,775,000	—	17,775,000	2,425,000
Landfill closure obligation	23,264,000	394,000	—	23,658,000	6,074,369
Agricultural land preservation program	76,423,710	961,020	17,838,529	59,546,201	7,155,580
Deferred refunding premium	139,374,639	2,604,379	5,209,328	136,769,690	—
Unpaid Claims	21,689,107	1,803,508	—	23,492,615	8,956,215
Net OPEB liability	403,935,221	43,509,952	—	447,445,173	—
Net pension liability	155,815,623	19,239,835	—	175,055,458	—
Length of service award program liability	24,496,836	11,210,505	—	35,707,341	—
Total Governmental Activities	\$ 2,116,391,962	308,746,539	198,096,548	2,227,041,953	104,077,157
Business Type Activities:					
Metropolitan district bonds	\$ 365,825,000	52,305,000	36,855,000	381,275,000	12,675,000
State water quality revolving loan	11,115,450	—	3,533,036	7,582,414	3,610,367
Consolidated public improvement bonds - Watershed Protection	14,444,487	3,392,627	565,509	17,271,605	463,436
Consolidated public improvement bonds - Broadband	3,994,387	—	1,578,677	2,415,710	62,434
MDE Loan	1,414,423	—	149,959	1,264,464	155,097
Capital lease - water meter	626,801	2,066,754	2,693,555	—	—
Certificates of participation - water meter	—	2,280,000	—	2,280,000	230,000
Special facility revenue bonds	1,707,000	—	522,000	1,185,000	535,000
Compensated absences	1,107,073	144,459	4,070	1,247,462	12,341
Major water and sewer agreements	825,334	—	49,651	775,683	49,700
Deferred refunding premium	29,388,183	1,319,274	—	30,707,457	—
Net OPEB liability	26,419,402	4,141,082	—	30,560,484	—
Net pension liability	2,449,509	781,626	—	3,231,135	—
Total Business Type Activities	\$ 459,317,049	66,430,822	45,951,457	479,796,414	17,793,375
Total	\$ 2,575,709,011	375,177,361	244,048,005	2,706,838,367	121,870,532

Note (1): Does not include other non-current liabilities of \$9,130,224, and unamortized bond discount of \$22,741 included in the Statement of Net Position.

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 October 20, 2020, the County issued \$83,280,000 in Consolidated Public Improvement Project Bonds 2020 Series E (Taxable), with a true interest cost of 1.43%, and \$25,905,000 in Metropolitan District Refunding Bonds, 2020 Series F (Taxable), with a true interest cost of 2.23%. The County issued these bonds to refund \$76,890,000 and \$24,355,000 of Consolidated Public Improvement and Metropolitan District Bonds, respectively and to pay bond issuance costs. The savings or aggregate difference in debt service from refunding Consolidated Public Improvement Bonds was \$6,975,989 and from refunding Metropolitan District Bonds was \$3,065,275. The net present value of savings from refunding Consolidated Public Improvement Bonds was \$6,175,502 and from refunding Metropolitan District Bonds was \$2,433,723.

On March 3, 2021, the County issued \$125,825,000 in Consolidated Public Improvement Project Bonds 2021 Series A and \$26,400,000 in Metropolitan District Project Bonds 2021 Series B. The true interest costs were 1.43% and 1.72% for the Series A and B respectively. The County issued these bonds to pay off \$71,787,894 of outstanding Consolidated Public Improvement Bond Anticipation Note, 2020 Series (BANs); reimburse the County for costs related to capital projects; and to pay bond issuance costs.

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 \$547,002,373 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 \$85.1 million toward these City-owned facilities that are funded primarily with bond proceeds. The County estimates 2.98% of its net Metropolitan District general obligation bonds outstanding or \$11.4 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 \$7,582,414.

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 liabilities for the defeased bonds are not included as long-term obligations of the County. At fiscal year-end, \$360,913,000 of Consolidated Public Improvement Bonds and \$82,526,700 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 2021, the net available revenue and debt service payments were \$733,344 and \$558,364 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 14, 2020 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, 2021 was \$10,000,097. The agreement will expire on May 13, 2022 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.

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 June 30:	General County Bonds		Agricultural Land Program	
	Principal	Interest*	Principal	Interest
2022	\$ 77,369,130	47,792,048	7,155,580	2,352,518
2023	86,037,954	44,327,671	3,405,580	2,117,123
2024	86,536,855	40,444,566	13,635,580	2,032,999
2025	88,067,703	36,756,689	3,405,580	1,163,391
2026	85,271,656	33,104,266	3,966,580	1,061,210
2027-2031	386,106,580	111,320,772	23,503,499	1,934,432
2032-2036	276,702,066	41,087,770	3,698,903	243,601
2037-2041	119,400,741	6,738,650	774,899	16,467
Total	\$ 1,205,492,685	361,572,432	59,546,201	10,921,741

*Includes administrative fees

Debt service requirements of business-type activities:

Year ending June 30:	Metro District Bonds		Special Facility Revenue Bonds		Water Quality Bonds		Broadband		Watershed Protection		MDE	
	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest *	Principal	Interest *	Principal	Interest *
2022	\$ 12,675,000	13,609,383	535,000	23,296	3,610,367	318,479	62,434	61,332	463,436	721,416	155,097	35,175
2023	13,210,000	13,055,153	650,000	2,588	1,528,976	136,226	1,087,434	60,567	604,612	700,599	159,734	30,537
2024	13,295,000	12,453,619	—	—	887,329	107,245	62,434	29,018	635,711	669,591	164,511	25,760
2025	13,905,000	11,837,301	—	—	242,057	32,010	63,994	28,135	668,302	636,990	169,430	20,841
2026	14,415,000	11,181,132	—	—	245,272	28,795	65,555	27,161	702,789	602,712	174,496	15,775
2027-2031	73,605,000	45,856,846	—	—	1,068,413	89,371	343,385	117,361	4,090,035	2,435,421	441,196	16,276
2032-2036	77,160,000	31,341,776	—	—	—	—	383,967	78,159	5,168,967	1,356,901	—	—
2037-2041	74,375,000	19,586,773	—	—	—	—	346,507	21,927	4,937,753	352,886	—	—
2042-2046	58,065,000	9,371,976	—	—	—	—	—	—	—	—	—	—
2047-2051	30,570,000	1,630,775	—	—	—	—	—	—	—	—	—	—
Total	\$ 381,275,000	169,924,734	1,185,000	25,884	7,582,414	712,126	2,415,710	423,660	17,271,605	7,476,516	1,264,464	144,364

*Includes administrative fees.

Special Obligation 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 \$31,183,040. 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, \$174 is being held by an escrow agent for fiscal year 2022 debt service. Pledged revenues of \$994,537 were recognized in fiscal year 2021. The outstanding debt of \$16,670,000 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 \$80,879,255. 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, \$490 is being held by an escrow agent for fiscal year 2022 debt service. Pledged revenues of \$3,615,445 were recognized in fiscal year 2021. The outstanding debt of \$48,025,000 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	
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	705,000	3,038,344	3,743,344
2026	1,150,000	3,005,824	4,155,824
2027-2031	8,295,000	14,090,498	22,385,498
2032-2036	11,775,000	11,889,275	23,664,275
2037-2041	18,235,000	8,529,390	26,764,390
2042-2046	23,175,000	3,168,450	26,343,450
2047	150,000	6,750	156,750
Total	\$ 64,695,000	52,967,043	117,662,043

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	\$ 44,762,971	13,553,102	9,860,367	48,455,706
*Housing:				
Loans, compensated absences and net pension liability	248,991,250	1,543,663	3,257,328	247,277,585
Library:				
Compensated absences and net OPEB liability	20,594,578	4,263,588	210,354	24,647,812
Public School System:				
Capital leases, workers compensation, compensated absences, net OPEB liability and net pension liability	929,357,712	242,638,748	6,087,718	1,165,908,742
Total	\$ 1,243,706,511	261,999,101	19,415,767	1,486,289,845

*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	\$ 32,316,539	49,471,452	71,787,894	10,000,097

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 19 series of conduit debt outstanding. The aggregate principal amount outstanding for the 10 series issued after July 1, 1996 was \$88,553,541. 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 \$6,346,165.

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

Fiscal Year	
FY2022	\$ 6,423,698
FY2023	5,254,657
FY2024	5,205,688
FY2025	5,205,688
FY2026	4,829,666
FY2027-2031	17,216,367

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

Lease revenues for the year amounted to \$1,948,125. Future lease revenues are as follows:

Fiscal Year	
2022	\$ 1,910,076
2023	1,719,064
2024	1,425,388
2025	1,335,298
2026	1,297,946
2027-2031	5,039,386

B. Capital Leases

The County maintains lease agreements with Bank of America, JP Morgan Chase Bank, N.A., and Key Bank for financing the acquisition of equipment. In 2021, the County issued Certificates of Participation to refinance the acquisition of equipment used in governmental programs. These 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	\$ 28,364,321
Less: accumulated depreciation	(16,449,791)
Total asset value under capital leases	\$ 11,914,530

The leases have maturity dates ranging from December 2021 to August 2032. 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, 2021 are as follows:

Year ending June 30:	Activities
2022	\$ 1,547,623
2023	1,328,803
2024	997,283
2025	623,208
2026	541,232
2027-2031	2,513,694
Total minimum lease payments	7,551,843
Less: amount not drawn down	(2,424,209)
Less: amount representing interest	(537,943)
Present value of minimum lease payments	\$ 4,589,691

The future minimum lease obligations and the net present value of Certificates of Participation lease payments as of June 30, 2021 are as follows:

Year ending June 30:	Activities
2022	\$ 3,521,740
2023	3,561,000
2024	3,598,500
2025	3,641,625
2026	2,865,750
2027-2031	6,635,875
Total minimum lease payments	23,824,490
Less: amount representing interest	(3,769,490)
Present value of minimum lease payments	\$ 20,055,000

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, 2021 are composed of the following:

	General Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
FUND BALANCES					
Nonspendable:					
Inventory	\$ 633,139	—		666,263	1,299,402
Prepaid items	8,681	—	2,351	—	11,032
Long-term receivable:					
Due from component units	10,080,066	—	—	—	10,080,066
Total nonspendable	10,721,886	—	2,351	666,263	11,390,500
Restricted for:					
Catalyst loan program	—	—	1,091,934	—	1,091,934
Courthouse (Bond proceeds for Courthouse project)	—	75,000,000	—	—	75,000,000
Economic development initiative	—	—	588,033	—	588,033
Fire & rescue services	—	—	—	47,822,844	47,822,844
Forest conservation	—	—	—	1,990,590	1,990,590
Middle Patuxent environmental area program	—	—	47,362	—	47,362
MIHU Fee-in-Lieu	—	—	—	10,265,603	10,265,603
Open space	—	—	—	645,985	645,985
Parkland watershed facilities	—	—	—	22,382,439	22,382,439
Program revenue	—	—	449,009	—	449,009
Public road facilities	—	—	—	60,074,859	60,074,859
Public school facilities	—	19,606,902	—	—	19,606,902
Speed enforcement	—	—	—	361,018	361,018
Tax increment financing project	—	2,696,222	—	12,437,471	15,133,693
Permanent Public Improvement Contribution	—	1,172,071	—	—	1,172,071
Total restricted	—	98,475,195	2,176,338	155,980,809	256,632,342
Committed for:					
Budget stabilization account	77,652,802	—	—	—	77,652,802
Agricultural land preservation	—	—	—	16,462,345	16,462,345
Citizen's Election	751,477	—	—	—	751,477
Community renewal programs	4,060,000	—	—	33,144,343	37,204,343
Environmental services	—	—	—	17,688,852	17,688,852
Firehouse & training facilities	—	—	—	14,925,923	14,925,923
Disposable plastics reduction	—	—	—	503,846	503,846
Total committed	82,464,279	—	—	82,725,309	165,189,588

(Continued)

	General Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
Assigned for:					
Capital projects (road surfacing, Ellicott City Safe and Sound, etc)	60,000,000	—	—	16,497,257	76,497,257
FY2022 budgeted one-time initiatives	9,679,595	—	—	—	9,679,595
FY2022 budgeted pay-as-you-go contribution to capital projects	30,327,000	—	—	—	30,327,000
Future balloon payments	—	—	—	21,497,205	21,497,205
HCPSS one-time initiatives	10,000,000	—	—	—	10,000,000
HCPSS systemic renovation	30,000,000	—	—	—	30,000,000
Housing	10,000,000	—	—	—	10,000,000
Pandemic/economic assistance	10,000,000	—	—	—	10,000,000
Policy Reserve	33,300,000	—	—	—	33,300,000
Purchase commitments	21,778,477	—	—	—	21,778,477
Streetlights	—	—	—	2,171,292	2,171,292
Subsequent year's budget stabilization account	3,335,116	—	—	—	3,335,116
Subsequent year's expenditures	—	—	—	199,095	199,095
Total assigned	218,420,188	—	—	40,364,849	258,785,037
Unassigned	24,517,933	(85,534,566)	(6,517,309)	(16,905,397)	(84,439,339)
Total fund balance	\$ 336,124,286	12,940,629	(4,338,620)	262,831,833	607,558,128

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 \$29,732,369. 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 \$23,658,000 of these costs. This cumulative amount reported to date is based on the use of 70.41% 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 \$6,074,369. 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, 2021, 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, 2021, the County abated taxes totaling \$1,341,833 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)	\$ 1,302,402

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, 2019 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	855
Inactive employees entitled to but not yet receiving benefits	223
Active employees	1,833
Total	<u>2,911</u>

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 actuarial 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 11.8% of covered payroll in fiscal year 2021 and 11.6% in fiscal year 2020. Expenses incurred in the administration and operation of the Plan are funded by the Plan.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.65 percent
Salary increases	Varies by service, 3.75 to 6.50 percent, including inflation
Investment rate of return	7.40 percent, net of pension plan investment expense, including inflation
Mortality	RP-2014 Combined Healthy tables with generational projection from 2006 base year using scale MP-2017.

The actuarial assumptions used in the July 1, 2019 valuation were based on the 2018 Experience Study covering the period of July 1, 2013 through June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-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%	5.19%
Fixed income	30.0%	2.16%
Alternative investments	23.0%	5.61%
Real assets	7.00%	4.84%
Total	<u>100.0%</u>	

For the measurement year ended June 30, 2020 the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 4.10 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.40 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 actuarial 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 6/30/2019	\$ 515,665,662	478,197,359	37,468,303
Changes for the year:			
Service cost	18,342,318	—	18,342,318
Interest	37,416,764	—	37,416,764
Differences between expected and actual experience	(9,115,021)	—	(9,115,021)
Changes of assumptions	742,992	—	742,992
Contributions - employer	—	15,034,157	(15,034,157)
Contributions - member	—	4,748,920	(4,748,920)
Net investment income	—	16,691,053	(16,691,053)
Benefit payments, including refunds of employee contributions	(20,067,428)	(20,067,428)	—
Administrative expense	—	(396,732)	396,732
Net changes	27,319,625	16,009,970	11,309,655
Balance as of 6/30/2020	\$ 542,985,287	494,207,329	48,777,958

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 7.40 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 (6.40 percent) or 1 percentage-point higher (8.40 percent) than the current rate:

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
County's net pension liability	\$ 117,215,746	47,435,532	(10,630,788)
Economic Development Authority ¹	1,758,207	711,521	(159,459)
Housing Commission	1,559,000	630,905	(141,392)
Total	\$ 120,532,953	48,777,958	(10,931,639)

¹Economic Development Authority statements are not included in the County's ACFR 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, 2021, the County and the participating component units recognized pension expense of \$18,286,840 and \$499,460 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	\$ 210,793	15,919,906
Changes of assumptions	7,238,524	118,221
Net difference between projected and actual earnings on pension plan investments	10,199,692	—
Changes in proportion	160,785	132,674
Contributions subsequent to the measurement date	15,455,615	—
Total	\$ 33,265,409	16,170,801

Other than contributions subsequent to the measurement date (\$15,455,615), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022, 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:

2022	\$ (3,071,064)
2023	982,163
2024	2,509,822
2025	3,033,061
2026	(651,589)
Thereafter	(1,163,400)
Total	\$ 1,638,993

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	425
Inactive employees entitled to but not yet receiving benefits	22
Active employees	929
Total	1,376

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 the plan as of June 30, 2021 and 2020 was \$16,267,540 and \$17,447,885, respectively.

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 35.4% of covered payroll in fiscal years 2021 and 2020.

Net Pension Liability

The County’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020

Actuarial Assumptions: The total pension liability in the July 1, 2019 actuarial valuation rolled forward to June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.65 percent
Salary increases	Varies by service, 4.25 to 7.75 percent, including inflation
Investment rate of return	7.40 percent, net of pension plan investment expense, including inflation
Mortality	RP-2014 Combined Healthy tables with generational projection from 2006 base year using scale MP-2017.

The actuarial assumptions used in the July 1, 2019 valuation were based on the 2018 Experience Study covering the period of July 1, 2013 through June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-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%	5.19%
Fixed income	30.0%	2.16%
Alternative investments	23.0%	5.61%
Real assets	7.0%	4.84%
Total	100.0%	

For the measurement year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 4.10 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.40 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 actuarial 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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2019	\$ 741,184,555	619,358,433	121,826,122
Changes for the year:			
Service cost	23,123,182	—	23,123,182
Interest	53,577,773	—	53,577,773
Differences between expected and actual experience	(8,606,578)	—	(8,606,578)
Changes of assumptions	4,770,355	—	4,770,355
Contributions - employer	—	31,105,248	(31,105,248)
Contributions - member	—	8,183,867	(8,183,867)
Net investment income	—	24,964,140	(24,964,140)
Benefit payments, including refunds of employee contributions	(34,321,194)	(34,321,194)	—
Administrative expense	—	(413,461)	413,461
Net changes	38,543,538	29,518,600	9,024,938
Balance as of 6/30/2020	\$ 779,728,093	648,877,033	130,851,060

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 7.40 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 (6.40 percent) or 1 percentage-point higher (8.40 percent) than the current rate:

	1% Decrease (6.40)%	Current Discount Rate (7.40)%	1% Increase (8.40)%
County's net pension liability	\$ 241,746,998	130,851,060	40,151,168

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, 2021 the County recognized pension expense of \$33,031,778. 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	\$ 16,330,066	10,363,586
Changes of assumptions	17,281,156	—
Net difference between projected and actual earnings on pension plan investments	11,412,754	—
Contributions subsequent to the measurement date	31,923,458	—
Total	\$ 76,947,434	10,363,586

Other than contributions subsequent to the measurement date (\$31,923,458), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022, 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:

2022	\$ 4,835,158
2023	9,207,082
2024	9,041,622
2025	8,389,874
2026	2,680,062
Thereafter	506,592
Total	\$ 34,660,390

C. Employer Aggregate Pension Disclosure:

	Howard County Retirement Plan	Police & Fire Plan	Total
As of June 30, 2021			
Total net pension liabilities	\$ 47,435,532	130,851,060	178,286,592
Total deferred outflows of resources from pension	33,265,409	76,947,434	110,212,843
Total deferred inflows of resources from pension	16,170,801	10,363,586	26,534,387
For the year ended June 30, 2021			
Total pension expense	\$ 18,286,840	33,031,778	51,318,618

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

The aggregate amount of the pension expenses for the HCRP, the PFEP, the LOSAP and OPEB is \$91,519,264.

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.

As of June 30, 2021, the Howard County School System and Howard County Community College proportions for the System were 0.247% and 0.0125%, respectively. Howard County School System and Howard County Community College reported net pension liabilities of \$55,884,306 and \$2,825,355, respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended June 30, 2021, Howard County School System and Howard County Community College recognized pension expense of \$7,742,143 and \$404,723 (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, 2020 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 begin receiving a monthly retirement plan benefit. Effective December 1, 2019, the retiree health policy was changed to provide that an eligible retiree does not have to be enrolled in the health insurance immediately preceding retirement in order to enroll at a future date. 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, 2020 consisted of the following:

Retirees and beneficiaries receiving benefits	3,718
Active plan members	10,359
Deferred vested terminations	23
Total	14,100

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 29.39% of the \$13,000,000 contributed to the trust by the County, or \$3,820,700. The County budget for fiscal year 2021 included funding for pay-as-you-go OPEB costs as well as \$11,000,000 to the trust.

Based on the most recent actuarial valuation which was prepared as of January 1, 2020 and rolled forward to June 30, 2020, the actuarially calculated proportionate share of total OPEB liability as of the measurement date of June 30, 2020 was \$530,011,575 and there was \$52,005,918 of actuarial plan assets; therefore, the net OPEB liability for the County was \$478,005,657. The plan fiduciary net position as a percentage of the total OPEB liability was 9.81%.

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. Discount rate of 2.84% was applied to investments in fiscal years 2020 through 2040.
Municipal bond rate	2.45% as of 6/30/20 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index
Interest assumption	Equivalent single discount rate of 2.84% as of 6/30/20
Inflation	2.50%
Long-term expected real rate of return, based on geometric means	3.07% for Equity investments (based on 65% target allocation) and 1.05% for Fixed Income investments (based on 35% target allocation), or a total of 4.12%
Healthcare cost trend rate	4.00%

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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 6.37%. 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 2040 was determined using the expected rate of return of assets of 7.40% and using the 20 year municipal bond rate of 2.45% for benefit payments after 2040. The equivalent single rate is 2.84%. Based on these assumptions, the plan is expected to become insolvent in 2040.

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

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 439,473,421	45,328,131	394,145,290
Changes for the year:			
Service Cost	20,700,208	—	20,700,208
Interest	15,496,952	—	15,496,952
Experience loss/(gains)	4,359,838	—	4,359,838
Contributions - Employer	—	11,293,137	(11,293,137)
Net investment income	—	2,877,079	(2,877,079)
Changes in assumptions	57,453,593	—	57,453,593
Benefit payments	(7,472,437)	(7,472,437)	—
Administrative expenses	—	(19,992)	19,992
Net Changes	90,538,154	6,677,787	83,860,367
Balances at June 30, 2021	\$ 530,011,575	52,005,918	478,005,657

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	Discount Rate	1% Increase
	1.84%	2.84%	3.84%
Total OPEB Liability	\$ 645,775,212	\$ 530,011,574	\$ 440,254,932
Net OPEB Liability	\$ 593,769,294	\$ 478,005,657	\$ 388,249,015

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	Medical Trend	1% Increase
	3.00%	4.00%	5.00%
Total OPEB Liability	\$ 432,385,923	\$ 530,011,574	\$ 662,829,202
Net OPEB Liability	\$ 380,380,006	\$ 478,005,657	\$ 610,823,285

Employer Aggregate Disclosure

	Howard County Government *	Howard County Public Schools	Howard Community College	Howard County Library	Howard County Housing Commission **	Howard County Economic Development Authority (EDA) **	Total
As of June 30, 2021:							
Total proportion of net OPEB liabilities	\$ 478,005,657	1,080,270,015	42,612,277	23,095,204	1,626,423	813,211	\$ 1,626,422,787
Total proportion of OPEB net position	52,005,917	117,530,895	4,636,118	2,512,705	176,951	88,476	176,951,062
Total deferred outflows of resources from OPEB	120,472,375	281,519,048	9,636,280	5,749,684	455,624	271,726	418,104,737
Total deferred inflows of resources from OPEB	75,793,777	108,460,389	8,257,835	2,312,376	632,352	72,854	195,529,583
For the year ended June 30, 2021:							
Total OPEB expense	\$ 37,506,873	84,763,747	3,343,586	1,812,173	127,617	63,809	127,617,805

* Enterprise fund share of net OPEB liability, OPEB net position, deferred outflows, and deferred inflows is \$30,560,484, \$3,324,910, \$9,461,055, and \$3,844,971, respectively. The portion allocated to the Howard County Soil Conservation District for net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$650,569, \$70,780, \$268,780, and \$58,283, respectively.

** EDA is not included in the ACFR 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, 2020 census data rolled forward to June 30, 2021.

Plan membership per the actuarial valuation as of January 1, 2020 consisted of the following:

Retirees and beneficiaries receiving benefits	3,718
Active plan members	10,359
Deferred vested terminations	23
Total	<u>14,100</u>

A summary of the assumptions included in the June 30, 2021 report are as follows.

Actuarial cost method	Entry Age Normal
Interest assumption	Discount rate of 2.41% as of 6/30/21
Inflation	2.50%
Municipal bond rate	1.92% as of 6/30/21 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index
Projected cash flows	Long-term expected rate of return was applied to fiscal years 2021 through 2041.
Long-term expected real rate of return, based on geometric means	3.17% for Equity investments (based on 65% target allocation) and 0.69% for Fixed Income investments (based on 35% target allocation), or a total of 3.86%
Mortality	Pub-2010 Safety Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality

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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 27.76%. 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 2040 was determined using the expected rate of return of assets of 7.35% and using the bond rate of 1.92% for benefit payments after 2043. The equivalent single rate is 2.41%.

Based on the aforementioned methods and assumptions, the components of the County's Net OPEB liability as of June 30, 2021 were as follows:

Total OPEB liability	\$ 2,081,745,987
Plan fiduciary net position	<u>237,864,723</u>
County's net OPEB liability	<u>\$ 1,843,881,264</u>
Plan fiduciary net position as a percentage of the total OPEB liability	11.43%

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	Discount Rate	1% Increase
	1.41%	2.41%	3.41%
Total OPEB Liability	\$ 2,547,455,481	\$ 2,081,745,987	\$ 1,721,979,167
Net OPEB Liability	\$ 2,309,590,758	\$ 1,843,881,264	\$ 1,484,114,444

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	Discount Rate	1% Increase
	3%	4%	5%
Total OPEB Liability	\$ 1,675,034,707	\$ 2,081,745,987	\$ 2,641,532,045
Net OPEB Liability	\$ 1,437,169,984	\$ 1,843,881,264	\$ 2,403,667,322

Financial Statements

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

Statement of Net Position	
ASSETS	
Receivables:	
Interest and dividends	\$ 2
Investments, at fair value:	
Cash	3,801,886
Mutual funds	234,586,127
Money market funds	71,661
Total assets	238,459,676
LIABILITIES	
Accounts payable	53,385
Other	541,568
Total liabilities	594,953
Net position held in trust for other post-employment benefits	237,864,723
Statement of Changes in Net Position	
ADDITIONS	
Contributions:	
Employer	36,649,649
Total contributions	36,649,649
Investment income (expense):	
Net change in fair value of investments	45,927,970
Interest	466
Dividends	4,387,091
Investment expense	(474,816)
Net investment income	49,840,711
Total additions and net investment income	86,490,360
DEDUCTIONS	
Benefits	25,561,425
Administrative expenses	15,274
Total deductions	25,576,699
Change in net position	60,913,661
Net position - beginning	176,951,062
Net position - ending	\$ 237,864,723

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. The LOSAP 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 \$539 as of January 1, 2020), 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 \$1,540.51 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, 2020 the following employees were covered by the benefit terms:

	2020
Inactive employees or beneficiaries currently receiving benefits	105
Active employees	324
Total	429

Net Pension Liability

The County's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2020.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	Not Applicable
Interest	2.45% compounded annually
Investment rate of return	2.45%
Mortality	RP-2014 table, Blue Collar, with generational projection using scale MP-2017

Discount rate: The 20-year municipal bond discount rate used to measure the total pension liability was 2.45 percent.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2019	\$ 24,496,836	—	24,496,836
Changes for the year:			
Service cost	675,845	—	675,845
Interest	776,071	—	776,071
Differences between expected and actual experience	4,870,091	—	4,870,091
Changes of assumptions	5,644,650	—	5,644,650
Contributions - employer	—	756,152	(756,152)
Benefit payments	(756,152)	(756,152)	—
Net changes	11,210,505	—	11,210,505
Balance as of 6/30/2020	\$ 35,707,341	—	35,707,341

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 2.45 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 (1.45 percent) or 1 percentage-point higher (3.45 percent) than the current rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
County's net pension liability	\$ 44,248,807	35,707,341	29,370,575

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, 2021, the County recognized pension expense of \$2,693,773. 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	\$ 4,174,364	885,805
Changes of assumptions	6,199,409	1,826,782
Contributions subsequent to the measurement date	797,711	—
Total	\$ 11,171,484	2,712,587

Other than contributions subsequent to the measurement date (\$797,711), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022, 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:

2022	\$ 1,241,857
2023	1,241,857
2024	1,241,857
2025	1,241,857
2026	1,241,859
Thereafter	1,451,899
Total	\$ 7,661,186

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 County does not report those assets and liabilities in the financial statements 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. It 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 self-insurance internal service funds was \$20,628,002. The combined claims liability of the two funds, \$23,492,615, 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 2021 and 2020 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year	Expected Amount Due Within One Year
2021	\$21,689,107	68,223,637	(66,420,129)	23,492,615	8,956,215
2020	\$20,215,850	61,781,165	(60,307,908)	21,689,107	7,861,224

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. Fund Disclosure and Restatements

Fund Disclosure:

Individual Fund Disclosure:

The Recreation Program Fund, a non-major fund, will plan to eliminate its deficit fund balance of \$(1,311,416) through receipt of future revenues.

The Grants Fund, a major fund, will eliminate its deficit of \$(4,338,620) through receipt of future grant revenues in fiscal year 2022.

Entity-wide Disclosure:

There is a timing difference of \$4,343 between the due from component units and the due to primary government amounts reported in the component unit statements and the statement of net position.

Restatements:

Primary Government

Custodial Funds

A change in accounting principle resulted in fiduciary activities previously recorded as liabilities in an agency or governmental fund to now be recorded as a custodial fund. The Friends of Robinson Nature Center and Writ of Execution funds which were previously recorded as liabilities in the General Fund are now recorded separately in custodial funds. The amount transferred from the General Fund was \$9,405. Also, deposits held for the Detention Center Inmate and Work Release accounts, which were not previously recorded in the statements are now recorded in custodial funds. The balance owed to inmates was \$46,559, which was restated to the beginning net position. Also, the Trust and Agency Multifarious Fund (TAMF) which was previously recorded as an agency fund is now recorded as a custodial fund. The TAMF fund had a balance of \$393,811 which was restated to the beginning net position.

The effect of restatement as of July 1, 2020, are as follows:

	Custodial Funds
Balance as previously stated as of July 1, 2020	\$ —
Effect of change in accounting principle	430,965
Balance as restated as of July 1, 2020	<u>\$ 430,965</u>

Component Units

The Howard Community College and Howard County Public Schools System adopted GASB Statement No. 84. Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities of state and local governments. The implementation of this statement has resulted in changing the presentation of the financial statements by eliminating fiduciary activities from presentation in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The fiduciary activities are instead reported in the governmental fund financial statements and as governmental activities in the government-wide financial statements: Below is the restatement to reflect this change:

	Governmental Activities	
	Howard Community College	Howard County Public Schools System
Net Position, July 1, 2020, as previously reported	\$ 260,208,107	\$ 363,531,984
Cumulative effect of the application of GASB 84	1,123,144	5,250,868
Net Position, July 1, 2020, as restated	<u>\$ 261,331,251</u>	<u>\$ 368,782,852</u>

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 \$815,225,683 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, but 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	\$ —	—	21,778,477	21,778,477
Grant Fund	1,164,133	—	—	1,164,133
Non-Major Governmental Funds	32,279,765	10,041,361	—	42,321,126
Total	\$ 33,443,898	10,041,361	21,778,477	65,263,736

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. Council Bill 41-2017 authorized the issuance of General Obligation bonds to finance the milestone payment. The County paid ESJP \$78 million upon completion and occupancy in July 2021. The County will continue to make monthly payments to ESJP to operate and maintain the Courthouse for the next 30 years to the high standards established by the County.



**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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability *									
Service cost	\$19,359	18,342	17,330	16,919	15,861	15,093	14,073	12,727	Information for FY2013 and earlier not available
Interest	39,129	37,417	34,964	32,786	30,959	29,046	27,198	24,974	
Changes of benefit terms	—	—	—	—	—	—	—	3,534	
Differences between expected and actual experience	(5,043)	(9,115)	(5,973)	379	(6,369)	(4,093)	(2,741)	—	
Changes of assumptions	785	743	9,529	—	—	—	(851)	10,918	
Benefit payments, including refunds of member contributions	(21,238)	(20,067)	(19,013)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Net change in total pension liability	32,992	27,320	36,837	33,275	25,072	26,346	25,304	41,014	
Total pension liability - beginning	542,985	515,665	478,828	445,553	420,481	394,135	368,831	327,817	
Total pension liability - ending (a)	575,977	542,985	515,665	478,828	445,553	420,481	394,135	368,831	
Plan fiduciary net position									
Contributions - employer	15,889	15,034	14,155	14,841	14,179	13,428	13,967	12,778	
Contributions - member	4,857	4,749	4,378	4,156	3,904	3,757	3,573	2,979	
Net investment income	133,778	16,691	31,355	35,808	45,447	4,743	9,983	45,956	
Benefit payments, including refunds of member contributions	(21,238)	(20,067)	(19,012)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Administrative expense	(424)	(397)	(439)	(351)	(336)	(341)	(311)	(283)	
Net change in plan fiduciary net position	132,862	16,010	30,437	37,645	47,815	7,887	14,837	50,291	
Plan fiduciary net position - beginning	494,207	478,197	447,760	410,115	362,300	354,413	339,576	289,285	
Plan fiduciary net position - ending (b)	627,069	494,207	478,197	447,760	410,115	362,300	354,413	339,576	
County's net pension liability - ending (a)-(b)	\$(51,092)	48,778	37,468	31,068	35,438	58,181	39,722	29,255	
Plan fiduciary net position as a percentage of the total pension liability	108.87 %	91.02 %	92.73 %	93.51 %	92.05 %	86.16 %	89.92 %	92.07 %	
Covered payroll	\$134,649	\$129,605	123,090	119,686	114,349	108,292	103,462	97,542	
County's net pension liability as a percentage of covered payroll	(37.94)%	37.64 %	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	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: The valuation interest rate assumption changed from 7.40% to 7.35% and the post retirement COLA was changed from 2.65% to 2.60%.

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

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution (ADC)	\$15,889	15,034	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	15,889	15,034	14,155	14,841	14,179	13,428	13,967	12,778	
Contribution deficiency (excess)	—	—	—	(838)	(914)	—	—	—	
Covered payroll	\$134,649	129,605	123,090	119,685	114,349	108,292	103,462	97,542	
Contributions as a percentage of covered payroll	11.80 %	11.60 %	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 (July 1) 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 3 to 20 years.
Asset valuation method	5-year smoothed market
Inflation	2.65%
Salary increases	Varies by service. 3.75 to 6.50 percent, including inflation
Investment rate of return	7.40, 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	2.65%

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability*									
Service cost	\$24,446	23,123	22,278	21,109	19,163	18,974	17,708	17,535	Information for FY2013 and earlier not available
Interest	56,037	53,578	50,713	46,900	43,426	39,998	36,208	33,630	
Changes of benefit terms	—	—	—	—	—	(1,705)	—	—	
Differences between expected and actual experience	(2,382)	(8,607)	(2,667)	13,530	6,319	7,599	(1,596)	—	
Changes of assumptions	5,066	4,770	3,936	—	—	—	16,621	14,989	
Benefit payments, including refunds of member contributions	(34,634)	(34,320)	(27,572)	(24,755)	(20,422)	(17,890)	(18,941)	(15,679)	
Net change in total pension liability	48,533	38,544	46,688	56,784	48,486	46,976	50,000	50,475	
Total pension liability - beginning	779,728	741,184	694,496	637,712	589,226	542,250	492,250	441,775	
Total pension liability - ending (a)	828,261	779,728	741,184	694,496	637,712	589,226	542,250	492,250	
Plan fiduciary net position									
Contributions - employer	31,923	31,105	27,720	26,337	24,729	21,636	22,530	20,822	
Contributions - member	8,374	8,184	8,125	7,859	7,387	7,041	7,006	6,526	
Net investment income	171,695	24,964	39,639	46,560	55,956	6,459	11,531	54,733	
Benefit payments, including refunds of member contributions	(34,634)	(34,321)	(27,571)	(24,755)	(20,421)	(17,889)	(18,941)	(15,679)	
Administrative expense	(401)	(413)	(457)	(355)	(344)	(327)	(368)	(271)	
Net change in plan fiduciary net position	176,957	29,519	47,456	55,646	67,307	16,920	21,758	66,131	
Plan fiduciary net position - beginning	648,877	619,358	571,902	516,256	448,949	432,029	410,271	344,140	
Plan fiduciary net position - ending (b)	825,834	648,877	619,358	571,902	516,256	448,949	432,029	410,271	
County's net pension liability - ending (a)-(b)	\$ 2,427	130,851	121,826	122,594	121,456	140,277	110,221	81,979	
percentage of the total pension liability	99.71 %	83.22 %	83.56 %	82.35 %	80.95 %	76.19 %	79.67 %	83.35 %	
Covered payroll	\$90,179	87,868	83,746	81,037	80,814	72,121	70,406	67,169	
County's net pension liability as a percentage of covered payroll	2.69%	148.92%	145.47%	151.28%	150.29%	194.50%	156.55%	122.05%	
Expected average remaining service years of all participants	9	9	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: None

Change of assumptions: The valuation interest rate assumption changed from 7.40% to 7.35%,

Howard County, Maryland
Howard County Police and Fire Employees' Retirement Plan
Schedule of County Contributions

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 30,841	31,105	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	31,923	31,105	27,720	26,337	24,729	21,636	22,530	20,822	
Contribution deficiency (excess)	(1,082)	—	—	—	—	—	—	—	
Covered payroll	\$ 90,179	87,868	83,746	81,037	80,814	72,121	70,406	67,169	
Contributions as a percentage of covered payroll	35.40 %	35.40 %	33.10 %	32.50 %	30.60 %	30.00 %	32.00 %	31.00 %	

Note: ADC rate for FY 21 was 34.2%.

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 3 to 15 years.
Asset valuation method	5-year smoothed market
Inflation	2.65%
Salary increases	Varies by service. 4.25% to 7.75%, including inflation
Investment rate of return	7.40%, 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)

	2021	2020	2019	2018	2017
Total OPEB liability*					
Employer's proportion of the net OPEB liability	29.39%	32.09%	32.09%	30.75%	Information for FY2017 and earlier is not available.
Employer's proportionate share of net OPEB liability	\$478,006	430,355	376,331	339,983	
Covered-employee payroll**	\$211,936	193,828	193,828	184,681	
Employer's proportionate share of the net OPEB liability					
as a percentage of covered-employee payroll	44.34%	45.04%	51.50%	54.32%	
Plan fiduciary net position as a percentage of total OPEB liability	9.81%	10.31%	9.94%	8.62%	

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

** *OPEB does not require contributions from plan members.*

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)

	2021	2020	2019	2018	2017	2016
Total OPEB liability*						
Service cost	\$92,226	70,433	60,150	55,049	64,957	Information for FY2016 and earlier is not available
Interest	50,782	52,729	51,309	47,145	40,906	
Differences between expected and actual experience	(4,981)	14,834	(3,241)	(65,034)	—	
Changes of assumptions	165,906	195,487	107,691	77,712	(162,653)	
Benefit payments	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)	
Net change in total OPEB liability	278,372	308,058	193,154	92,245	(80,034)	
Total OPEB liability - beginning	1,803,374	1,495,316	1,302,162	1,209,916	1,289,950	
Total OPEB liability - ending (a)	\$2,081,746	1,803,374	1,495,316	1,302,161	1,209,916	
Plan fiduciary net position						
Contributions - employer	36,649	38,425	38,381	38,627	36,324	
Net investment income	49,841	9,789	9,285	9,200	9,912	
Benefit payments	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)	
Administrative expense	(15)	(68)	(106)	(56)	(3)	
Net change in plan fiduciary net position	60,914	22,721	24,805	25,144	22,989	
Plan fiduciary net position - beginning	176,951	154,230	129,425	104,281	81,292	
Plan fiduciary net position - ending (b)	237,865	176,951	154,230	129,425	104,281	
County's net OPEB liability - ending (a)- (b)	\$1,843,881	1,626,423	1,341,086	1,172,736	1,105,635	
Plan fiduciary net position as a percentage of the total OPEB liability	11.43%	9.81%	10.31%	9.94%	8.62%	
Covered employee payroll**	\$873,313	852,377	798,788	799,110	760,624	
County's net OPEB liability as a percentage of covered-employee payroll	211.14%	190.81%	167.89%	146.76%	145.36%	
Expected average remaining service years of all participants	10	10	10	10	10	

Notes to Schedule:

Benefit changes: None

Changes of assumptions. Discount rate at 6/30/20 is 2.84% and at 6/30/21 is 2.41%.

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

*** OPEB does not require contributions from plan members.*

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, 2021	27.76%
June 30, 2020	6.37%
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%
<i>Information prior to FY 2013 is not available.</i>	

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)

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$676	727	837	1,026	1,027	Information for FY2015 and earlier not available
Interest	776	806	823	714	655	
Differences between expected and actual experience	4,870	—	(1,417)	—	—	
Changes of assumptions	5,644	1,815	(263)	(2,771)	—	
Benefit payments, including refunds of member contributions	(756)	(759)	(721)	(669)	(610)	
Net change in total pension liability	11,210	2,589	(741)	(1,700)	1,072	
Total pension liability - beginning	24,497	21,908	22,649	24,349	23,277	
Total pension liability - ending (a)	\$35,707	24,497	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)	\$35,707	24,497	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	n/a	n/a	
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	
Expected average remaining service years of all participants	7	8	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 3.13% to 2.45%.

* OPEB does not require contributions from plan members.

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, 2021

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Property taxes:				
Real, personal and corporate	\$ 584,932,475	584,932,475	586,528,699	1,596,224
Payment in lieu of taxes	1,151,459	1,151,459	2,280,060	1,128,601
Additions and abatements	(549,560)	(549,560)	665,373	1,214,933
Interest on taxes	300,000	300,000	1,156,016	856,016
Total property taxes	585,834,374	585,834,374	590,630,148	4,795,774
Other local taxes:				
Heavy equipment	725,544	725,544	795,779	70,235
Local income tax surcharge	464,277,306	464,277,306	577,098,630	112,821,324
Admission tax	2,521,292	2,521,292	1,150,215	(1,371,077)
Local recordation tax	14,943,000	14,943,000	28,264,600	13,321,600
Room rental tax	4,153,819	4,153,819	2,824,021	(1,329,798)
Total other local taxes	486,620,961	486,620,961	610,133,245	123,512,284
State shared taxes:				
Highway	3,685,644	3,685,644	3,731,304	45,660
Total state shared taxes	3,685,644	3,685,644	3,731,304	45,660
Revenues from other governments	7,822,629	9,192,765	9,010,326	(182,439)
Charges for services:				
Boarding prisoners	2,750,000	2,750,000	1,357,740	(1,392,260)
Cable TV franchise fees	4,250,000	4,250,000	6,123,187	1,873,187
Civil marriage	10,962	10,962	9,800	(1,162)
Developer - water and sewer overhead	232,579	232,579	275,400	42,821
Development - review fees	749,414	749,414	1,198,192	448,778
Extension development agreement fees	2,095	2,095	13,600	11,505
House type revision fees	128,855	128,855	100,950	(27,905)
Master in chancery fees	2,040	2,040	39	(2,001)
Other charges for services	100,000	100,000	46,157	(53,843)
Parking meters	4,794	4,794	124	(4,670)
Planning and zoning fees	531,936	531,936	579,349	47,413
Police records check discovery fee	39,193	39,193	34,506	(4,687)
Recreation and parks	80,000	80,000	48,645	(31,355)
Rental housing inspection fees	1,099,766	1,099,766	1,337,678	237,912
Sale of maps and publications	47,437	47,437	34,669	(12,768)
Sheriff fees	336,600	336,600	146,017	(190,583)
Tax certificates	218,115	218,115	513,436	295,321
Weekender inmate fees	30,385	30,385	600	(29,785)
Food and beverage	129,102	129,102	83,837	(45,265)
Total charges for services	10,743,273	10,743,273	11,903,926	1,160,653

(Continued)

Howard County, Maryland
Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Interest on investments	420,000	420,000	699,839	279,839
Licenses and permits:				
Animal licenses	58,726	58,726	58,812	86
Beer, wine and liquor	229,530	229,530	343,742	114,212
Building	2,696,445	2,696,445	3,362,362	665,917
Concert/special event permit fees	100,000	100,000	20,960	(79,040)
Electrical	631,943	631,943	1,013,433	381,490
Marriage licenses	1,000	1,000	—	(1,000)
Marriage license surcharge	88,065	88,065	89,955	1,890
Mobile home park	6,483	6,483	6,450	(33)
Peddlers and solicitors	21,457	21,457	13,038	(8,419)
Plumbing	801,513	801,513	865,974	64,461
Signs	46,430	46,430	40,928	(5,502)
Traders	372,140	372,140	479,298	107,158
Total licenses and permits	5,053,732	5,053,732	6,294,952	1,241,220
Recoveries for interfund services:				
Agricultural land preservation fund	423,628	423,628	423,628	—
Finance - employee health benefits fund	19,375	19,375	40,567	21,192
Fire and rescue fund	6,188,108	6,188,108	6,188,108	—
Forest conservation pro rata share	28,427	28,427	28,427	—
General County capital projects pro rata share	100,000	100,000	100,000	—
Housing and community development	348,948	348,948	348,948	—
Office of law - self insurance	423,000	423,000	423,000	—
Pension plan	319,000	319,000	480,208	161,208
Public works operations - utility	5,953,066	5,953,066	5,953,066	—
Public works - water & sewer capital projects pro rata share	104,325	104,325	105,000	675
Public works - water & sewer developer capital projects	500,000	500,000	500,000	—
Recreation and parks	1,651,987	1,651,987	1,651,987	—
Streetlight districts	30,000	30,000	7,500	(22,500)
Waste management pro rata share	1,603,005	1,603,005	1,603,005	—
Watershed pro rata share	454,655	454,655	454,655	—
Total recoveries for interfund services	18,147,524	18,147,524	18,308,099	160,575
Fines and forfeitures	2,092,962	2,092,962	2,297,261	204,299
Component units return of funding:				
Community college	1,261,786	1,261,786	445,976	(815,810)
Economic Development Authority	—	—	49,858	49,858
Total component units return of funding	1,261,786	1,261,786	495,834	(765,952)
Miscellaneous revenues:				
Citizen election contribution	—	—	180	180
Commissions, rents and concessions	623,075	623,075	323,534	(299,541)
Miscellaneous program revenue	6,509,760	—	512,304	512,304
Other intergovernmental revenue	—	—	21,130	21,130
Other revenue	771,095	771,095	1,202,868	431,773
Sale of property and equipment	—	—	8,457	8,457
Sale of surplus property	—	—	85,135	85,135
Total miscellaneous revenue	7,903,930	1,394,170	2,153,608	759,438
Total revenues	1,129,586,815	1,124,447,191	1,255,658,542	131,211,351
Other financing sources:				
Transfers in:				
Operating transfer	11,720,000	8,060,000	8,260,000	200,000
Community renewal program fund - debt	201,120	201,120	200,573	(547)
Fire and rescue reserve fund - debt	—	2,626,132	2,584,056	(42,076)
Recreation program fund - debt	—	6,086,071	5,682,117	(403,954)
Excise tax debt	—	7,607,725	7,402,461	(205,264)
Public school system debt	—	6,509,760	6,459,471	(50,289)
Capital contributions	1,370,136	—	—	—
Environmental services fund	862,551	862,551	799,508	(63,043)
Master lease debt service reimbursement	291,753	291,753	291,751	(2)
Total other financing sources	14,445,560	32,245,112	31,679,937	(565,175)
Appropriation from fund balance	16,184,458	22,684,458	—	(22,684,458)
Capital Related Debt Issued	16,319,928	—	873,791	873,791
Total revenues and other financing sources	\$ 1,176,536,761	1,179,376,761	1,288,212,270	108,835,509

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
General Government						
Office of the County Executive	\$ 2,066,359	2,066,359	2,036,852	10,000	2,046,852	19,507
Office of the County administrator:						
Bureau of staff services:						
Staff services	2,340,087	2,364,442	2,364,138	—	2,364,138	304
Environmental sustainability	716,825	720,641	692,624	21,316	713,940	6,701
Office of human rights	1,124,051	1,108,380	1,055,820	—	1,055,820	52,560
Workforce development	489,323	489,323	386,329	—	386,329	102,994
Total bureau of staff services	4,670,286	4,682,786	4,498,911	21,316	4,520,227	162,559
Bureau of management services:						
Budget division	1,183,176	1,183,176	1,160,569	—	1,160,569	22,607
Human resources	2,487,946	2,487,946	2,465,891	6,937	2,472,828	15,118
Purchasing division	1,604,216	1,604,216	1,598,019	—	1,598,019	6,197
Central services	717,497	717,497	709,011	—	709,011	8,486
Public information	1,194,521	1,182,021	1,145,499	—	1,145,499	36,522
Total bureau of management services	7,187,356	7,174,856	7,078,989	6,937	7,085,926	88,930
Total office of the County administrator	11,857,642	11,857,642	11,577,900	28,253	11,606,153	251,489
Department of economic development	2,891,726	2,891,726	2,891,726	—	2,891,726	—
Department of finance:						
Office of the director	2,262,064	2,203,696	1,964,490	41,208	2,005,698	197,998
Office of the controller	2,426,494	2,468,494	2,356,382	91,713	2,448,095	20,399
Office of business management and customer service	2,873,428	2,889,351	2,704,227	86,415	2,790,642	98,709
Bureau of disbursements	1,081,865	1,082,310	945,853	102,590	1,048,443	33,867
Total department of finance	8,643,851	8,643,851	7,970,952	321,926	8,292,878	350,973
Office of law	4,239,189	4,239,189	4,187,740	—	4,187,740	51,449
Technology and communication services	302,803	302,803	269,592	33,000	302,592	211
General fund contingency	8,220,000	4,060,000	—	—	—	4,060,000
Non-departmental expenses	12,510,000	23,689,458	18,293,336	5,394,880	23,688,216	1,242
Total General Government	50,731,570	57,751,028	47,228,098	5,788,059	53,016,157	4,734,871
Legislative and Judicial						
Legislative:						
County council	3,515,981	3,515,981	3,339,701	116,500	3,456,201	59,780
County auditor	1,577,834	1,577,834	1,336,243	170,165	1,506,408	71,426
Board of license commissioners	161,766	161,766	157,262	—	157,262	4,504
Zoning board	94,034	94,034	86,835	—	86,835	7,199
Board of appeals	82,619	82,619	34,030	—	34,030	48,589
Total legislative	5,432,234	5,432,234	4,954,071	286,665	5,240,736	191,498

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Judicial:						
Circuit court	3,129,411	3,129,411	3,039,944	48	3,039,992	89,419
Orphan's court	87,453	87,453	70,555	—	70,555	16,898
Sheriff's department	7,940,635	7,940,635	7,742,005	87,000	7,829,005	111,630
State attorney's office	9,130,691	9,130,691	8,923,452	65,000	8,988,452	142,239
Total judicial	20,288,190	20,288,190	19,775,956	152,048	19,928,004	360,186
Board of election supervisors	2,288,706	2,288,706	1,822,456	20,393	1,842,849	445,857
Election expense	1,736,713	1,736,713	1,644,339	—	1,644,339	92,374
Total Legislative and Judicial	29,745,843	29,745,843	28,196,822	459,106	28,655,928	1,089,915
Public Works						
Department of public works:						
Office of the director	9,948,856	9,398,506	8,981,716	164,210	9,145,926	252,580
Total office of the director	9,948,856	9,398,506	8,981,716	164,210	9,145,926	252,580
Bureau of engineering:						
Administrative management division	786,514	786,514	770,947	—	770,947	15,567
Transportation & watershed management	1,395,715	1,395,715	1,333,935	—	1,333,935	61,780
Construction inspection division	3,234,267	3,214,617	2,971,082	—	2,971,082	243,535
Survey and drafting division	819,960	819,960	811,647	—	811,647	8,313
Total bureau of engineering	6,236,456	6,216,806	5,887,611	—	5,887,611	329,195
Bureau of highways:						
Operations	1,544,080	1,444,080	1,426,567	—	1,426,567	17,513
Highway maintenance division	16,609,315	18,607,315	15,862,030	2,438,283	18,300,313	307,002
Traffic engineering division	2,229,256	2,006,256	1,570,895	411,790	1,982,685	23,571
Total bureau of highways	20,382,651	22,057,651	18,859,492	2,850,073	21,709,565	348,086
Bureau of facilities:						
Administration	8,059,592	7,528,991	7,466,687	62,305	7,528,992	1
Building and ground maintenance	12,416,914	13,462,515	12,074,480	1,398,087	13,472,567	10,052
Total bureau of facilities	20,476,506	20,991,506	19,541,167	1,460,392	21,001,559	10,053
Bureau of environmental services:						
Stormwater management	1,291,115	1,346,115	1,329,050	16,100	1,345,150	965
Total bureau of environmental services	1,291,115	1,346,115	1,329,050	16,100	1,345,150	965
Total Department of Public Works	58,335,584	60,010,584	54,599,036	4,490,775	59,089,811	940,879
Department of inspections, licenses and permits:						
Operations division	2,317,698	2,331,198	2,218,873	11,960	2,230,833	100,365
Inspection and enforcement division	3,581,559	3,545,809	3,470,905	—	3,470,905	74,904
Plan review division	1,486,750	1,509,000	1,502,669	—	1,502,669	6,331
Licenses and permits division	869,904	869,904	863,581	—	863,581	6,323
Total department of inspections, licenses and permits	8,255,911	8,255,911	8,056,028	11,960	8,067,988	187,923

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Department of planning and zoning:						
Office of the director	1,489,919	1,498,919	1,395,983	1,296	1,397,279	101,640
Division of land development	1,131,702	1,175,402	1,173,993	—	1,173,993	1,409
Division of research	885,261	902,361	879,358	—	879,358	23,003
Public service and zoning administration	1,019,747	947,147	928,005	—	928,005	19,142
Environmental and community planning	500,184	493,484	466,694	—	466,694	26,790
Development engineering division	1,145,624	1,155,124	1,152,058	—	1,152,058	3,066
Conservation easements program	562,527	562,527	554,074	—	554,074	8,453
Total department of planning and zoning	6,734,964	6,734,964	6,550,165	1,296	6,551,461	183,503
Soil conservation district	1,085,344	1,085,344	1,085,344	—	1,085,344	—
Department of transportation	10,734,420	10,765,528	10,174,107	606,582	10,780,689	15,161
Total Public Works	85,146,223	86,852,331	80,464,680	5,110,613	85,575,293	1,277,038
<u>Public Safety</u>						
Police department:						
Administrative command	640,110	658,910	648,073	—	648,073	10,837
Animal control division	1,987,333	1,950,333	1,713,273	110,327	1,823,600	126,733
Command operations	38,165,174	39,023,924	38,418,136	—	38,418,136	605,788
Bureau of criminal investigations	15,261,866	16,372,666	16,070,698	89,765	16,160,463	212,203
Human resource bureau	6,252,251	5,282,173	5,188,835	21,855	5,210,690	71,483
Investigation and special operations	368,763	471,763	446,350	—	446,350	25,413
Information and technology bureau	18,268,352	17,938,857	17,435,530	400,480	17,836,010	102,847
Management services bureau	6,370,915	6,548,415	6,101,163	314,212	6,415,375	133,040
Office of the chief	6,543,891	6,899,591	6,853,394	10,000	6,863,394	36,197
Operations support	8,948,147	6,024,397	5,933,321	10,464	5,943,785	80,612
Special operations bureau	8,703,268	8,786,142	8,303,009	389,635	8,692,644	93,498
Investigative support bureau	8,447,861	8,825,760	8,209,126	506,683	8,715,809	109,951
Total police department	119,957,931	118,782,931	115,320,908	1,853,421	117,174,329	1,608,602
Department of corrections	20,105,662	20,105,662	19,195,375	516,941	19,712,316	393,346
Total Public Safety	140,063,593	138,888,593	134,516,283	2,370,362	136,886,645	2,001,948
<u>Recreation and Parks</u>						
Department of recreation and parks	23,216,154	23,216,154	23,067,943	107,328	23,175,271	40,883
Total Recreation and Parks	23,216,154	23,216,154	23,067,943	107,328	23,175,271	40,883
<u>Community Services</u>						
Department of social services	650,090	650,090	606,498	—	606,498	43,592
Department of community resources and services	10,400,115	10,168,495	9,790,416	80,336	9,870,752	297,743
Consumer affairs division	338,590	278,956	262,913	—	262,913	16,043
Office on aging	3,508,266	3,799,520	3,604,384	17,432	3,621,816	177,704
Cooperative extension services	626,272	626,272	613,773	—	613,773	12,499
Health department	10,807,432	—	—	—	—	—
Total Community Services	26,330,765	15,523,333	14,877,984	97,768	14,975,752	547,581

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Expenditures	Encumbrances	Expenditures and	Variance with Final Budget
	Original	Final			Encumbrances	
County grants in-aid:						
Arts & tourism grants:						
Center of African-American Culture	44,100	44,100	44,100	—	44,100	—
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	60,000	60,000	60,000	—	60,000	—
Local / regional arts grants	905,500	905,500	905,500	—	905,500	—
Tourism Council	1,009,877	1,009,877	1,009,877	—	1,009,877	—
Total arts and tourism grants	2,086,477	2,086,477	2,086,477	—	2,086,477	—
Civic grants:						
Historical society	200,000	200,000	200,000	—	200,000	—
Total civic grants	200,000	200,000	200,000	—	200,000	—
Community service partnerships						
human service grants	9,156,230	9,156,230	9,001,531	45,613	9,047,144	109,086
Total County grants in-aid	11,442,707	11,442,707	11,288,008	45,613	11,333,621	109,086
Total Community Service and grants in-aid	37,773,472	26,966,040	26,165,992	143,381	26,309,373	656,667
Education						
Public schools	620,300,000	620,300,000	620,300,000	—	620,300,000	—
Community college	36,559,860	36,559,860	36,559,860	—	36,559,860	—
Library	21,880,020	21,880,020	21,880,020	—	21,880,020	—
Total Education	678,739,880	678,739,880	678,739,880	—	678,739,880	—

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2021

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final			Encumbrances	Final Budget
Debt Service						
Principal:						
Community college	6,349,541	6,568,772	6,301,034	—	6,301,034	267,738
Community renewal	142,465	142,465	142,442	—	142,442	23
Environmental services	436,036	575,036	429,144	—	429,144	145,892
Excise bonds	4,157,259	4,497,459	4,115,536	—	4,115,536	381,923
Fire	1,328,813	1,327,313	1,327,910	—	1,327,910	(597)
General county projects	19,518,997	21,280,004	21,316,988	—	21,316,988	(36,984)
Police	557,439	557,439	556,961	—	556,961	478
Recreation and parks	3,232,352	3,192,000	3,189,342	—	3,189,342	2,658
School surcharge	5,086,040	2,660,040	5,079,395	—	5,079,395	(2,419,355)
Schools	28,066,068	30,583,750	27,979,435	—	27,979,435	2,604,315
Storm drainage	2,155,999	2,119,299	2,119,928	—	2,119,928	(629)
Master lease financing	279,102	279,102	279,101	—	279,101	1
Lease financing	431,569	431,569	431,569	—	431,569	—
Total principal	71,741,680	74,214,248	73,268,785	—	73,268,785	945,463
Interest:						
Community college	5,330,179	5,085,081	5,086,683	—	5,086,683	(1,602)
Community renewal	58,655	58,655	58,131	—	58,131	524
Environmental services	426,526	399,121	370,364	—	370,364	28,757
Excise bonds	3,450,466	3,314,566	3,286,926	—	3,286,926	27,640
Fire	1,297,318	1,257,318	1,256,147	—	1,256,147	1,171
General county projects	14,208,722	13,964,671	13,932,711	—	13,932,711	31,960
Police	206,792	206,792	202,997	—	202,997	3,795
Recreation and parks	2,853,719	2,490,121	2,492,775	—	2,492,775	(2,654)
School surcharge	1,423,720	1,248,720	1,380,076	—	1,380,076	(131,356)
Schools	17,753,081	16,647,552	16,701,155	—	16,701,155	(53,603)
Storm drainage	1,789,077	1,653,090	1,652,430	—	1,652,430	660
Master lease financing	12,651	12,651	12,650	—	12,650	1
Lease financing	82,982	51,874	41,236	—	41,236	10,638
Total interest	48,893,888	46,390,212	46,474,281	—	46,474,281	(84,069)
Total Debt Service	120,635,568	120,604,460	119,743,066	—	119,743,066	861,396
Total expenditures and encumbrances before transfers out	1,166,052,303	1,162,764,329	1,138,122,764	13,978,849	1,152,101,613	10,662,716
Other Financing Uses						
Health department	—	10,807,432	10,807,432	—	10,807,432	—
General government	1,800,000	1,800,000	453,159	—	453,159	1,346,841
Recreation and Parks	—	—	—	—	—	—
Paygo - capital	4,005,000	4,005,000	4,005,000	—	4,005,000	—
Paygo - operating	4,679,458	—	—	—	—	—
Total other financing uses	10,484,458	16,612,432	15,265,591	—	15,265,591	1,346,841
Total Expenditures, Encumbrances and other financing uses	\$1,176,536,761	1,179,376,761	1,153,388,355	13,978,849	1,167,367,204	12,009,557

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Health Department Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other governments	\$ 650,000	650,000	427,655	(222,345)
Charges for services	672,000	672,000	66,736	(605,264)
Interest on investments	—	—	26,571	26,571
Miscellaneous	1,480,000	1,480,000	59,845	(1,420,155)
Total revenue	2,802,000	2,802,000	580,807	(2,221,193)
EXPENDITURES				
Community Services:				
General health services	12,359,432	12,359,432	9,530,992	2,828,440
Grant programs	1,250,000	1,250,000	465,238	784,762
Total expenditures	13,609,432	13,609,432	9,996,230	3,613,202
Excess (deficiency) of revenues over expenditures	(10,807,432)	(10,807,432)	(9,415,423)	1,392,009
OTHER FINANCING SOURCES (USES)				
Transfers in	10,807,432	10,807,432	10,807,432	—
Total other financing sources (uses)	10,807,432	10,807,432	10,807,432	—
Net change in fund balance	—	—	1,392,009	<u>1,392,009</u>
Plus: Prior year encumbrances lapsed			2,161	
Fund balances - beginning			716,756	
Fund balances - ending			\$ 2,110,926	

Non-Major Governmental Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures 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, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Equity in pooled cash	\$ 118,364,929	102,336,909	6,922,300	227,624,138
Cash with fiscal agents	—	—	5,600,416	5,600,416
Investments	21,497,205	—	—	21,497,205
Receivables:				
Property taxes	2,107,157	—	—	2,107,157
Due from other governments	18,840	7,957,407	—	7,976,247
Due from other funds	422,000	—	—	422,000
Due from component units	6,127,998	—	—	6,127,998
Housing loans	14,176,477	—	—	14,176,477
Other	2,544,795	241,195	—	2,785,990
Material and supplies	666,263	—	—	666,263
Total assets	165,925,664	110,535,511	12,522,716	288,983,891
LIABILITIES				
Accounts payable / accrued liabilities	3,034,283	6,204,699	85,245	9,324,227
Accrued wages and benefits	6,346,831	12,839	—	6,359,670
Short-term loans and notes payable	—	300,316	—	300,316
Deposits and connection fees	—	5,000	—	5,000
Unearned revenue	3,819,087	—	—	3,819,087
Total liabilities	13,200,201	6,522,854	85,245	19,808,300
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	2,009,015	—	—	2,009,015
Unavailable fees	1,598,785	2,717,118	—	4,315,903
Unavailable grant revenues	18,840	—	—	18,840
Total deferred inflows	3,626,640	2,717,118	—	6,343,758
Total liabilities and deferred inflows	16,826,841	9,239,972	85,245	26,152,058
FUND BALANCES				
Nonspendable:				
Inventory	666,263	—	—	666,263
Restricted:				
Fire & rescue services	47,822,844	—	—	47,822,844
Forest conservation	1,990,590	—	—	1,990,590
MIHU Fee-in-lieu	10,265,603	—	—	10,265,603
Open space	—	645,985	—	645,985
Parkland watershed facilities	—	22,382,439	—	22,382,439
Public road facilities	—	60,074,859	—	60,074,859
Speed enforcement	361,018	—	—	361,018
Tax incremental financing project	—	—	12,437,471	12,437,471
Committed:				
Agricultural land preservation	16,462,345	—	—	16,462,345
Community renewal programs	33,144,343	—	—	33,144,343
Environmental services	17,688,852	—	—	17,688,852
Fire house & training facilities	—	14,925,923	—	14,925,923
Disposable plastics reduction	503,846	—	—	503,846
Assigned:				
Future balloon payments	21,497,205	—	—	21,497,205
Subsequent year's expenditures	199,095	—	—	199,095
Capital projects	—	16,497,257	—	16,497,257
Streetlights	—	2,171,292	—	2,171,292
Unassigned	(1,503,181)	(15,402,216)	—	(16,905,397)
Total fund balances	149,098,823	101,295,539	12,437,471	262,831,833
Total liabilities, deferred inflows and fund balances	\$ 165,925,664	110,535,511	12,522,716	288,983,891

Howard County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Property taxes	\$ 141,170,747	—	4,607,906	145,778,653
Other local taxes	19,700,726	29,863,156	31,493	49,595,375
Revenues from other governments	—	10,707,515	—	10,707,515
Charges for services	46,049,445	392,342	—	46,441,787
Investment income:				
Interest on investments	1,832,272	440,952	19,529	2,292,753
Decrease in fair value of investments	(1,440,198)	—	—	(1,440,198)
Installment interest from housing loans	194,795	—	—	194,795
Fines and forfeitures	1,509,797	—	—	1,509,797
Developer fees	530,386	705,032	—	1,235,418
Miscellaneous program revenue	4,905,959	267,453	—	5,173,412
Total revenues	214,453,929	42,376,450	4,658,928	261,489,307
EXPENDITURES				
Current:				
General government	108,991	—	880,234	989,225
Public works	28,685,541	—	—	28,685,541
Public safety	116,702,013	—	—	116,702,013
Recreation and parks	13,077,068	—	—	13,077,068
Community services	3,268,081	—	—	3,268,081
Capital improvements	1,017,533	36,526,419	—	37,543,952
Debt service:				
Principal payments on debt	17,838,529	—	362,438	18,200,967
Interest payments on debt	3,453,618	—	3,231,322	6,684,940
Total expenditures	184,151,374	36,526,419	4,473,994	225,151,787
Excess (deficiency) of revenues over expenditures	30,302,555	5,850,031	184,934	36,337,520
OTHER FINANCING SOURCES (USES)				
Bond premium	—	1,906,297	—	1,906,297
Capital-related issuance of debt	—	11,506,161	316,517	11,822,678
Refunding bonds issued	—	13,800,819	227,241	14,028,060
Installment purchase agreements issued	961,020	—	—	961,020
Payment to bond refunding escrow agent	—	(15,328,806)	—	(15,328,806)
Transfers in	100	38,425,546	455,901	38,881,547
Transfers out	(7,230,235)	(39,129,336)	(17,443)	(46,377,014)
Total other financing sources	(6,269,115)	11,180,681	982,216	5,893,782
Net change in fund balances	24,033,440	17,030,712	1,167,150	42,231,302
Fund balances - beginning	125,065,383	84,264,827	11,270,321	220,600,531
Fund balances - ending	\$ 149,098,823	101,295,539	12,437,471	262,831,833

Howard County, Maryland
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed & School Bus Camera Enforcement Fund	Disposable Plastics Reduction Fund	Total
ASSETS									
Equity in pooled cash	\$ 16,577,727	23,211,261	18,447,321	54,051,498	2,000,347	2,737,131	934,146	405,498	118,364,929
Investments	21,497,205	—	—	—	—	—	—	—	21,497,205
Receivables:									
Property taxes	—	—	95,442	2,011,715	—	—	—	—	2,107,157
Due from other funds	—	—	—	—	—	422,000	—	—	422,000
Due from other governments	603	1,441	—	7,651	—	9,145	—	—	18,840
Due from component units	—	6,119,670	—	—	—	8,328	—	—	6,127,998
Housing loans	—	14,176,477	—	—	—	—	—	—	14,176,477
Other	94,131	89,040	379,082	1,793,806	—	—	—	188,736	2,544,795
Materials and supplies	—	—	—	474,498	—	191,765	—	—	666,263
Total assets	38,169,666	43,597,889	18,921,845	58,339,168	2,000,347	3,368,369	934,146	594,234	165,925,664
LIABILITIES									
Accounts payable / accrued liabilities	2,406	122,989	776,343	1,035,682	—	552,492	542,711	1,660	3,034,283
Accrued wages and benefits	8,012	63,513	253,498	5,554,213	9,757	427,421	30,417	—	6,346,831
Unearned revenue	—	—	128,360	—	—	3,690,727	—	—	3,819,087
Total liabilities	10,418	186,502	1,158,201	6,589,895	9,757	4,670,640	573,128	1,660	13,200,201
DEFERRED INFLOWS OF RESOURCES									
Unavailable property taxes	—	—	—	2,009,015	—	—	—	—	2,009,015
Unavailable fees	—	—	74,792	1,435,265	—	—	—	88,728	1,598,785
Unavailable grant revenues	603	1,441	—	7,651	—	9,145	—	—	18,840
Total deferred inflows of resources	603	1,441	74,792	3,451,931	—	9,145	—	88,728	3,626,640
Total liabilities and deferred inflows of resources	11,021	187,943	1,232,993	10,041,826	9,757	4,679,785	573,128	90,388	16,826,841
FUND BALANCES									
Nonspendable:									
Inventory	—	—	—	474,498	—	191,765	—	—	666,263
Restricted:									
Fire & rescue services	—	—	—	47,822,844	—	—	—	—	47,822,844
Forest conservation	—	—	—	—	1,990,590	—	—	—	1,990,590
MIHU Fee-in-lieu	—	10,265,603	—	—	—	—	—	—	10,265,603
Speed enforcement	—	—	—	—	—	—	361,018	—	361,018
Committed:									
Agricultural land preservation	16,462,345	—	—	—	—	—	—	—	16,462,345
Community renewal programs	—	33,144,343	—	—	—	—	—	—	33,144,343
Environmental services	—	—	17,688,852	—	—	—	—	—	17,688,852
Disposable Plastics Reduction	—	—	—	—	—	—	—	503,846	503,846
Assigned:									
Future balloon payments	21,497,205	—	—	—	—	—	—	—	21,497,205
Subsequent year's expenditures	199,095	—	—	—	—	—	—	—	199,095
Unassigned	—	—	—	—	—	(1,503,181)	—	—	(1,503,181)
Total fund balances (deficits)	38,158,645	43,409,946	17,688,852	48,297,342	1,990,590	(1,311,416)	361,018	503,846	149,098,823
Total liabilities, deferred inflows and fund balances	\$ 38,169,666	43,597,889	18,921,845	58,339,168	2,000,347	3,368,369	934,146	594,234	165,925,664

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2021

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed & School Bus Camera Enforcement Fund	Disposable Plastics Reduction Fund	Total
REVENUES									
Property taxes	\$ —	—	100,215	141,070,532	—	—	—	—	141,170,747
Other local taxes	11,353,255	8,347,471	—	—	—	—	—	—	19,700,726
Charges for services	—	—	32,520,728	5,607,611	—	7,921,106	—	—	46,049,445
Investment income:									
Interest on investments	1,317,245	80,825	118,905	293,176	6,816	12,750	2,555	—	1,832,272
Decrease in fair value of investment	(1,440,198)	—	—	—	—	—	—	—	(1,440,198)
Installment interest from housing loans	—	194,795	—	—	—	—	—	—	194,795
Fines and forfeitures	—	—	1,005	7,035	3,139	15,220	1,478,723	4,675	1,509,797
Developer fees	—	—	—	—	530,386	—	—	—	530,386
Miscellaneous program revenue	97,698	3,624,672	10,648	372,591	—	237,616	12,755	549,979	4,905,959
Total revenues	11,328,000	12,247,763	32,751,501	147,350,945	540,341	8,186,692	1,494,033	554,654	214,453,929
EXPENDITURES									
General government	58,083	—	—	—	—	—	—	50,908	108,991
Public works	1,142,519	—	27,543,022	—	—	—	—	—	28,685,541
Public safety	—	—	—	115,073,545	—	—	1,628,468	—	116,702,013
Recreation and parks	—	—	—	—	410,832	12,666,236	—	—	13,077,068
Community services	—	3,268,081	—	—	—	—	—	—	3,268,081
Capital improvements	1,017,533	—	—	—	—	—	—	—	1,017,533
Debt service:									
Principal payments on debt	17,838,529	—	—	—	—	—	—	—	17,838,529
Interest payments on debt	3,453,618	—	—	—	—	—	—	—	3,453,618
Total expenditures	23,510,282	3,268,081	27,543,022	115,073,545	410,832	12,666,236	1,628,468	50,908	184,151,374
Excess (deficiency) of revenues over expenditures	(12,182,282)	8,979,682	5,208,479	32,277,400	129,509	(4,479,544)	(134,435)	503,746	30,302,555
OTHER FINANCING SOURCES (USES)									
Installment purchase agreements issued	961,020	—	—	—	—	—	—	—	961,020
Transfers in	—	—	—	—	—	—	—	100	100
Transfers out	(200,000)	(4,341,398)	(918,413)	(1,751,289)	(3,959)	(12,750)	(2,426)	—	(7,230,235)
Total other financing sources (uses)	761,020	(4,341,398)	(918,413)	(1,751,289)	(3,959)	(12,750)	(2,426)	100	(6,269,115)
Net change in fund balances	(11,421,262)	4,638,284	4,290,066	30,526,111	125,550	(4,492,294)	(136,861)	503,846	24,033,440
Fund balances - beginning	49,579,907	38,771,662	13,398,786	17,771,231	1,865,040	3,180,878	497,879	—	125,065,383
Fund balances - ending	38,158,645	43,409,946	17,688,852	48,297,342	1,990,590	(1,311,416)	361,018	503,846	149,098,823

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Agricultural Land Preservation Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 8,028,391	8,028,391	11,353,255	3,324,864
Investment income	375,000	375,000	(122,953)	(497,953)
Miscellaneous	1,250	1,250	97,698	96,448
Total revenues	8,404,641	8,404,641	11,328,000	2,923,359
EXPENDITURES				
Public works:				
General Government	60,259	60,259	58,083	2,176
Agricultural land preservation program administration	1,451,780	1,451,780	1,142,519	309,261
Capital improvements	—	—	1,017,533	(1,017,533)
Debt service:				
Principal	17,838,530	17,838,530	17,838,529	1
Interest	3,453,620	3,453,620	3,453,618	2
Total debt service	21,292,150	21,292,150	21,292,147	3
Total expenditures	22,804,189	22,804,189	23,510,282	(706,093)
Excess (deficiency) of revenues over expenditures	(14,399,548)	(14,399,548)	(12,182,282)	2,217,266
OTHER FINANCING SOURCES				
Appropriation from fund balance	14,599,548	14,599,548	11,421,262	(3,178,286)
Installment purchase agreements issued	—	—	961,020	961,020
Transfers out	(200,000)	(200,000)	(200,000)	—
Total other financing sources	14,399,548	14,399,548	12,182,282	(2,217,266)
Net change in fund balance	—	—	—	—
Less appropriation from fund balance			(11,421,262)	
Fund balance - beginning			49,737,977	
Fund balance - ending			\$ 38,316,715	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			38,316,715	
Adjustments:				
Credit adjustments			(158,070)	
GAAP Basis, end of fiscal year			38,158,645	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Community Renewal Program Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 4,357,000	4,357,000	8,347,471	3,990,471
Installment interest from housing loans	295,000	295,000	194,795	(100,205)
Miscellaneous	2,100,000	2,100,000	3,623,410	1,523,410
Total revenues	6,752,000	6,752,000	12,165,676	5,413,676
EXPENDITURES				
Community services:				
Revolving Loan Program Income	110,000	110,000	126,969	(16,969)
Housing initiatives	—	3,660,000	2,535,070	1,124,930
Housing and community development administration	1,637,090	1,637,090	1,408,274	228,816
Total expenditures	1,747,090	5,407,090	4,070,313	1,336,777
Excess (deficiency) of revenues over expenditures	5,004,910	1,344,910	8,095,363	6,750,453
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	2,916,206	2,916,206	—	(2,916,206)
Transfers out	(7,921,116)	(4,261,116)	(4,260,573)	543
Total other financing sources (uses)	(5,004,910)	(1,344,910)	(4,260,573)	(2,915,663)
Net change in fund balance	—	—	3,834,790	3,834,790
Plus: Prior year encumbrance lapsed			38,579	
Less appropriation from fund balance			—	
Adjustment to beginning balance			(69,966)	
Fund balance - beginning			31,492,117	
Fund balance - ending			35,295,520	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			35,295,520	
Adjustments:				
Elimination of encumbrances outstanding			304,779	
Accruals (Housing loans)			8,886,598	
Non budgeted - Bad debt expense			(1,076,951)	
GAAP basis, end of fiscal year			\$ 43,409,946	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Environmental Services Funds
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 35,970	35,970	100,215	64,245
Fines and forfeitures	—	—	1,005	1,005
Charges for services	31,246,500	31,246,500	32,579,363	1,332,863
Miscellaneous	25,000	25,000	10,648	(14,352)
Total revenues	31,307,470	31,307,470	32,691,231	1,383,761
EXPENDITURES				
Public works:				
Administrative services	3,447,057	2,641,457	2,322,337	319,120
Operations	12,863,504	13,883,904	13,627,693	256,211
Collections	5,199,440	4,976,940	4,593,085	383,855
Recycling	8,934,909	8,819,909	8,616,484	203,425
Total expenditures	30,444,910	30,322,210	29,159,599	1,162,611
Excess (deficiency) of revenues over expenditures	862,560	985,260	3,531,632	2,546,372
OTHER FINANCING SOURCES (USES)				
Transfers out	(862,560)	(985,260)	(799,508)	185,752
Total other financing sources (uses)	(862,560)	(985,260)	(799,508)	185,752
Net change in fund balance	—	—	2,732,124	<u>2,732,124</u>
Plus: Prior year encumbrance lapsed			980,276	
Fund balance - beginning			12,608,255	
Fund balance - ending			16,320,655	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			16,320,655	
Adjustments:				
Elimination of encumbrances outstanding			1,503,309	
Accruals			(35,688)	
Non budgeted - Bad debt expense			(99,424)	
GAAP basis, end of fiscal year			\$ 17,688,852	

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, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 138,023,678	138,023,678	141,051,998	3,028,320
Charges for services	2,300,000	2,300,000	6,030,792	3,730,792
Fines and forfeitures	—	—	7,035	7,035
Miscellaneous	2,530,000	2,530,000	372,591	(2,157,409)
Total revenues	142,853,678	142,853,678	147,462,416	4,608,738
EXPENDITURES				
Public safety:				
Administrative	138,895,573	138,395,565	118,359,261	20,036,304
Total expenditures	138,895,573	138,395,565	118,359,261	20,036,304
Excess (deficiency) of revenues over expenditures	3,958,105	4,458,113	29,103,155	24,645,042
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,958,105)	(4,458,113)	(4,458,113)	—
Total other financing sources (uses)	(3,958,105)	(4,458,113)	(4,458,113)	—
Net change in fund balance	—	—	24,645,042	24,645,042
Plus prior year encumbrances lapsed			1,590,986	
Fund balance - beginning			11,577,804	
Fund balance - ending			37,813,832	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			37,813,832	
Adjustments:				
Elimination of encumbrances outstanding			11,119,236	
Accruals			(112,921)	
Non budgeted - Bad debt expense			(522,805)	
GAAP basis, end of fiscal year			\$ 48,297,342	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Forest Conservation Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	—	2,857	2,857
Fines and forfeitures	—	—	3,139	3,139
Developer fees - mitigation	672,231	672,231	530,386	(141,845)
Total revenues	672,231	672,231	536,382	(135,849)
EXPENDITURES				
Public Works:				
Forest mitigation	672,231	672,231	429,092	243,139
Total expenditures	672,231	672,231	429,092	243,139
Excess (deficiency) of revenues over expenditures	—	—	107,290	107,290
Net change in fund balance	—	—	107,290	<u>107,290</u>
Fund balance - beginning			1,866,438	
Fund balance - ending			1,973,728	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			1,973,728	
Adjustments:				
Elimination of encumbrances outstanding			<u>16,862</u>	
GAAP basis, end of fiscal year			<u>\$ 1,990,590</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Recreation Program Fund
For the Year Ended June 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 24,726,839	24,726,839	7,917,378	(16,809,461)
Fines and forfeitures	140,000	140,000	15,220	(124,780)
Miscellaneous program revenue	180,000	180,000	242,137	62,137
Total revenues	25,046,839	25,046,839	8,174,735	(16,872,104)
EXPENDITURES				
Recreation and parks:				
Administration	25,627,867	25,627,867	12,586,637	13,041,230
Total expenditures	25,627,867	25,627,867	12,586,637	13,041,230
Excess (deficiency) of revenues over expenditures	(581,028)	(581,028)	(4,411,902)	(3,830,874)
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	384,043	384,043	384,043	—
Transfers in	196,985	196,985	—	(196,985)
Total other financing sources (uses)	581,028	581,028	384,043	(196,985)
Net change in fund balance	—	—	(4,027,859)	(4,027,859)
Plus: Prior year encumbrances lapsed			107,450	
Less appropriation from fund balance			(384,043)	
Fund balance - beginning			2,876,944	
Fund balance - ending			(1,427,508)	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			(1,427,508)	
Adjustments:				
Elimination of encumbrances outstanding			187,734	
Accruals			(61,313)	
Non budgeted - Bad debt expense			(10,329)	
GAAP basis, end of fiscal year			\$ (1,311,416)	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Speed & School Bus Camera Enforcement Fund
For the Year Ended June 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines & forfeitures	\$ 4,864,110	4,864,110	1,478,723	(3,385,387)
Other	15,000	15,000	12,755	(2,245)
Total revenues	4,879,110	4,879,110	1,491,478	(3,387,632)
EXPENDITURES				
Public safety:				
Administrative	4,879,110	4,879,110	1,717,983	3,161,127
Total expenditures	4,879,110	4,879,110	1,717,983	3,161,127
Excess (deficiency) of revenues over expenditures	—	—	(226,505)	(226,505)
Net change in fund balance	—	—	(226,505)	<u>(226,505)</u>
Fund balance - beginning			449,702	
Fund balance - ending			223,197	

The ending fund balance is reconciled as follows:

Budgetary basis, end of the fiscal year	223,197
Adjustments:	
Elimination of encumbrances outstanding	137,810
Non budgeted - Bad debt expense	11
GAAP basis, end of fiscal year	<u>\$ 361,018</u>

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Disposable Plastics Reduction Fund
For the Year Ended June 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 350,000	—	—	—
Fines & forfeitures	—	—	4,675	4,675
Miscellaneous Program Revenue	—	350,000	549,979	199,979
Total revenues	350,000	350,000	554,654	204,654
EXPENDITURES				
General Government:				
Administrative	350,000	350,000	187,033	162,967
Total expenditures	350,000	350,000	187,033	162,967
Excess (deficiency) of revenues over expenditures	—	—	367,621	367,621
Net change in fund balance	—	—	367,621	<u>367,621</u>
Fund balance - beginning			—	
Fund balance - ending			367,621	
 The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			367,621	
Adjustments:				
Elimination of encumbrances outstanding			136,225	
GAAP basis, end of fiscal year			<u>\$ 503,846</u>	

Howard County, Maryland
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2021

	Fire Service Bldg & Equip Fund	Highway Fund	Recreation and Parks Fund	Storm Drainage Fund	Total
ASSETS					
Equity in pooled cash	\$ 31,551,909	58,176,397	12,608,603	—	102,336,909
Due from other governments	—	1,884,365	6,073,042	—	7,957,407
Other	122,078	1,454	117,663	—	241,195
Total assets	31,673,987	60,062,216	18,799,308	—	110,535,511
LIABILITIES					
Accounts payable/accrued liability	437,169	4,951,382	816,148	—	6,204,699
Accrued wages and benefits	4,857	7,982	—	—	12,839
Short-term loans and notes payable	—	300,316	—	—	300,316
Deposits and connection fees	—	—	5,000	—	5,000
Total liabilities	442,026	5,259,680	821,148	—	6,522,854
DEFERRED INFLOWS OF RESOURCES					
Unavailable grant revenues	—	223,216	2,493,902	—	2,717,118
Total liabilities and deferred inflows of resources	442,026	5,482,896	3,315,050	—	9,239,972
FUND BALANCES					
Restricted:					
Open space	—	—	645,985	—	645,985
Parkland watershed facilities	—	—	22,382,439	—	22,382,439
Public road facilities	—	60,074,859	—	—	60,074,859
Committed:					
Firehouse & training facilities	14,925,923	—	—	—	14,925,923
Assigned:					
Capital projects	16,306,038	191,219	—	—	16,497,257
Street lights	—	2,171,292	—	—	2,171,292
Unassigned	—	(7,858,050)	(7,544,166)	—	(15,402,216)
Total fund balances	31,231,961	54,579,320	15,484,258	—	101,295,539
Total liabilities, deferred inflows and fund balances	\$ 31,673,987	60,062,216	18,799,308	—	110,535,511

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended June 30, 2021

	Fire Service Bldg & Equip Fund	Highway Fund	Recreation and Parks Fund	Storm Drainage Fund	Total
REVENUES					
Other local taxes	\$ 8,347,471	7,603,233	13,912,452	—	29,863,156
Revenues from other governments	—	7,095,604	3,611,911	—	10,707,515
Charges for services	—	392,342	—	—	392,342
Interest on investments	107,676	288,276	45,000	—	440,952
Developer contributions	—	653,924	51,108	—	705,032
Miscellaneous program revenues	104,000	113,453	50,000	—	267,453
Total revenues	8,559,147	16,146,832	17,670,471	—	42,376,450
EXPENDITURES					
Capital improvements	1,186,421	28,490,255	6,849,743	—	36,526,419
Total expenditures	1,186,421	28,490,255	6,849,743	—	36,526,419
Excess (deficiency) of revenues over expenditures	7,372,726	(12,343,423)	10,820,728	—	5,850,031
OTHER FINANCING SOURCES (USES)					
Bond premium	4,037	1,668,479	233,781	—	1,906,297
Capital related debt issued	—	10,161,705	1,344,456	—	11,506,161
Refunding bonds issued	869,258	8,942,283	3,989,278	—	13,800,819
Payment to bond refunding escrow agent	(688,932)	(9,435,285)	(5,204,589)	—	(15,328,806)
Transfers in	400,000	17,911,098	—	20,114,448	38,425,546
Transfers out	(5,691,732)	(27,710,487)	(5,727,117)	—	(39,129,336)
Total other financing sources (uses)	(5,107,369)	1,537,793	(5,364,191)	20,114,448	11,180,681
Net change in fund balances	2,265,357	(10,805,630)	5,456,537	20,114,448	17,030,712
Fund balances - beginning	28,966,604	65,384,950	10,027,721	(20,114,448)	84,264,827
Fund balances - ending	\$ 31,231,961	54,579,320	15,484,258	—	101,295,539

**Howard County, Maryland
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2021**

	Bond Anticipation Note Fund	Tax Increment Financing Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 81,059	6,841,241	6,922,300
Cash and securities with Fiscal Agents	—	5,600,416	5,600,416
Total assets	81,059	12,441,657	12,522,716
LIABILITIES			
Accounts payable / accrued liabilities	81,059	4,186	85,245
Total liabilities	81,059	4,186	85,245
FUND BALANCES			
Restricted:			
Tax incremental financing project	—	12,437,471	12,437,471
Total fund balances	—	12,437,471	12,437,471
Total liabilities and fund balances	\$ 81,059	12,441,657	12,522,716

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended June 30, 2021

	Bond Anticipation Note Fund	Tax Financing Increment Fund	Total
REVENUES			
Property taxes	\$ —	4,607,906	4,607,906
Other local taxes	—	31,493	31,493
Interest on investments	—	19,529	19,529
Total revenues	—	4,658,928	4,658,928
EXPENDITURES			
Current:			
General government	825,363	54,871	880,234
Debt service:			
Principal payments on debt	47,438	315,000	362,438
Interest payments on debt	126,858	3,104,464	3,231,322
Total expenditures	999,659	3,474,335	4,473,994
Excess (deficiency) of revenues over expenditures	(999,659)	1,184,593	184,934
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	227,241	—	227,241
Capital-related issuance of debt	316,517	—	316,517
Transfers in	455,901	—	455,901
Transfers out	—	(17,443)	(17,443)
Total other financing sources (uses)	999,659	(17,443)	982,216
Net change in fund balances	—	1,167,150	1,167,150
Fund balances - beginning	—	11,270,321	11,270,321
Fund balances - ending	\$ —	12,437,471	12,437,471

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Bond Anticipation Notes
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	—	—	—
Total revenues	—	—	—	—
EXPENDITURES				
General government:				
Bond anticipation notes	700,000	474,991	283,515	191,476
Debt service:				
Issuance costs	—	539,107	539,106	1
Principal expense	—	23,400	47,438	(24,038)
Interest	1,600,000	1,262,502	126,858	1,135,644
Total expenditures	2,300,000	2,300,000	996,917	1,303,083
Excess (deficiency) of revenues over expenditures	(2,300,000)	(2,300,000)	(996,917)	1,303,083
OTHER FINANCING SOURCES				
Capital related debt issued	500,000	500,000	316,517	(183,483)
Refunding bonds issued	—	—	227,241	227,241
Transfers in	1,800,000	1,800,000	453,159	(1,346,841)
Total other financing sources	2,300,000	2,300,000	996,917	(1,303,083)
Net change in fund balance	—	—	—	—
Fund balances - beginning			—	—
Fund balances - ending			—	—

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Tax Increment Financing Fund
For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,744,413	\$ 3,744,413	\$ 4,695,724	\$ 951,311
Other local taxes	—	—	31,493	31,493
Interest on investments	76,941	76,941	2,086	(74,855)
Total revenues	3,821,354	3,821,354	4,729,303	907,949
EXPENDITURES				
General government:				
Tax incremental financing	498,563	498,561	54,871	443,690
Debt Service:				
Principal	315,000	315,000	315,000	—
Interest	3,104,463	3,104,465	3,104,464	1
Total expenditures	3,918,026	3,918,026	3,474,335	443,691
Excess of revenues over expenditures	(96,672)	(96,672)	1,254,968	1,351,640
OTHER FINANCING SOURCES				
Total other financing sources	96,672	96,672	—	(96,672)
Net change in fund balance	—	—	1,254,968	1,254,968
Fund balances - beginning			11,182,503	
Fund balances - ending			12,437,471	

The ending fund balance is reconciled as follows:

Budgetary Basis, end of the fiscal year	12,437,471
GAAP Basis, end of fiscal year	<u>\$ 12,437,471</u>





Tea Farm Landscape

A gorgeous view of Heron's Meadow Farm, located in Western Howard County. They are Maryland's first tea farm and home to BLTeas, LLC and MudPi Studios.

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, 2021

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
ASSETS				
Current assets:				
Equity in pooled cash	\$ 4,817,880	—	8,106,742	12,924,622
Receivables:				
Service billings	192,766	—	—	192,766
Restricted assets:				
Equity in pooled cash and cash equivalents	—	560,000	—	560,000
Total current assets	5,010,646	560,000	8,106,742	13,677,388
Noncurrent assets:				
Restricted assets:				
Other receivables	2,478	—	7,309	9,787
Capital assets:				
Land	—	8,684,896	815,064	9,499,960
Buildings and improvements, net	—	2,244,487	300,271	2,544,758
Machinery and equipment, net	638,655	7,489	695,627	1,341,771
Infrastructure, net	9,408,728	—	57,443,732	66,852,460
Improvement Other, net	—	—	1,000,772	1,000,772
Total noncurrent assets	10,049,861	10,936,872	60,262,775	81,249,508
Total assets	15,060,507	11,496,872	68,369,517	94,926,896
LIABILITIES				
Current liabilities:				
Due to other funds	—	3,795,286	—	3,795,286
Accounts payable	111,356	103,365	400,274	614,995
Accrued wages and benefits	29,598	—	65,017	94,615
Compensated absences	563	—	856	1,419
Total current liabilities	141,517	3,898,651	466,147	4,506,315
Current liabilities payable from restricted assets:				
Note payable	62,434	535,000	463,436	1,060,870
Loan Payable - current	—	—	155,097	155,097
Interest Payable - current	23,314	—	274,689	298,003
Total current liabilities payable from restricted assets	85,748	535,000	893,222	1,513,970
Total current liabilities	227,265	4,433,651	1,359,369	6,020,285
Noncurrent liabilities:				
Compensated absences	56,398	—	85,686	142,084
Refunding revenue note payable	—	650,000	—	650,000
LT Bond Payable	2,356,361	—	19,871,197	22,227,558
Loan payable	—	—	1,109,367	1,109,367
Total noncurrent liabilities	2,412,759	650,000	21,066,250	24,129,009
Total liabilities	2,640,024	5,083,651	22,425,619	30,149,294
NET POSITION				
Net investment in capital assets	7,628,588	9,751,872	38,656,369	56,036,829
Restricted:				
For debt service	—	560,000	—	560,000
Unrestricted	4,791,895	(3,898,651)	7,287,529	8,180,773
Total net position	\$ 12,420,483	6,413,221	45,943,898	64,777,602

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
Operating revenues:				
User charges	\$ 1,913,468	—	9,810,793	11,724,261
Miscellaneous sales and services	4,078	733,705	15,513	753,296
Total operating revenues	1,917,546	733,705	9,826,306	12,477,557
Operating expenses:				
Salaries and employee benefits	486,497	—	1,216,538	1,703,035
Contractual services	733,733	361	2,060,283	2,794,377
Supplies and materials	88,317	—	20,133	108,450
Business and travel	2,332	—	50	2,382
Vehicle fuels and supplies	—	—	8,015	8,015
Share of county administrative expenses	—	—	706,172	706,172
Other administrative	—	—	90,635	90,635
Depreciation expense	850,991	143,806	825,117	1,819,914
Total operating expenses	2,161,870	144,167	4,926,943	7,232,980
Operating income (loss)	(244,324)	589,538	4,899,363	5,244,577
Nonoperating revenues (expenses):				
Interest on investments	4,873	171	(5,607)	(563)
Interest expense	(108,404)	(48,935)	(822,386)	(979,725)
Other, net	—	(1,164)	141,441	140,277
Total nonoperating revenues (expenses)	(103,531)	(49,928)	(686,552)	(840,011)
Net income (loss) before contributions and transfers	(347,855)	539,610	4,212,811	4,404,566
Capital contribution	447,794	—	20,824,728	21,272,522
Transfers in	575,000	7,942	178,826	761,768
Transfers out	—	—	(14,569,705)	(14,569,705)
Change in net position	674,939	547,552	10,646,660	11,869,151
Net position - beginning	11,745,544	5,865,669	35,297,238	52,908,451
Net position - ending	\$ 12,420,483	6,413,221	45,943,898	64,777,602

Howard County, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,796,707	—	9,827,816	11,624,523
Cash paid to suppliers	(149,716)	(3,883)	(2,007,071)	(2,160,670)
Cash paid to / for employees	(461,718)	—	(1,190,644)	(1,652,362)
Cash paid for interfund services used	(562,629)	—	(515,570)	(1,078,199)
Other operating cash receipts	—	976,008	—	976,008
Other operating disbursements	—	—	(496,776)	(496,776)
Net cash provided by (used for) operating activities	622,644	972,125	5,617,755	7,212,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payable	—	(409,304)	—	(409,304)
Interfund operating transfers in (out)	575,000	7,942	(14,392,139)	(13,809,197)
Net cash provided by (used for) noncapital financing activities	575,000	(401,362)	(14,392,139)	(14,218,501)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the sale of county bonds	—	—	3,786,822	3,786,822
Acquisition and construction of capital assets	—	—	(144,554)	(144,554)
Capital contributions	—	—	—	—
Payment of long-term debt principal	(1,578,677)	(522,000)	(715,729)	(2,816,406)
Interest paid on long-term debt	(85,090)	(36,364)	(406,256)	(527,710)
Net cash provided by (used for) capital and related financing activities	(1,663,767)	(558,364)	2,520,283	298,152
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	4,059	(12,399)	(5,608)	(13,948)
Net cash provided by (used for) investing activities	4,059	(12,399)	(5,608)	(13,948)
Net increase in cash and cash equivalents	(462,064)	—	(6,259,709)	(6,721,773)
Balances - beginning of the year	5,279,944	560,000	14,366,451	20,206,395
Balances - end of the year	4,817,880	560,000	8,106,742	13,484,622
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating (loss) income	(244,324)	589,538	4,899,363	5,244,577
Adjustments to reconcile operating income to net cash:				
Depreciation expense	850,991	143,806	825,117	1,819,914
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	(120,840)	242,303	—	121,463
Accounts payable	109,403	(3,522)	(132,669)	(26,788)
Accrued wages and benefits	2,993	—	2,558	5,551
Compensated absences	24,421	—	23,386	47,807
Total adjustments	866,968	382,587	718,392	1,967,947
Net cash provided by (used in) operating activities	\$ 622,644	972,125	5,617,755	7,212,524

Noncash investing, capital, and financing activities:

In fiscal year 2021, \$20,824,728 was contributed to the Watershed Fund from the General Capital Projects Fund and \$562,141 was contributed to the Broadband Fund from Grants and Program Revenue funds.



Biosolids Facilities

Howard County officially dedicated its new Biosolids Addition No. 8 at the Little Patuxent Water Reclamation Plant in April 2021. The \$117 million project allows the county to recycle Class A biosolids as organic matter, increasing the plant's efficiency and creating long-term operational savings.

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, 2021

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
ASSETS					
Current assets:					
Equity in pooled cash	\$ 19,145,478	6,566,216	9,826,141	25,260,728	60,798,563
Other receivables	1,411,359	68,615	18,057	386,909	1,884,940
Prepaid expenses	5,178	5,973	—	—	11,151
Materials and supplies	—	1,494,741	132,942	—	1,627,683
Total current assets	20,562,015	8,135,545	9,977,140	25,647,637	64,322,337
Noncurrent assets:					
Capital assets:					
Buildings and improvements, net	—	759,719	65,230	—	824,949
Machinery and equipment, net	—	28,904,533	24,504,045	189,114	53,597,692
Infrastructure, net	—	217,122	664,650	—	881,772
Total noncurrent assets	—	29,881,374	25,233,925	189,114	55,304,413
Total assets	20,562,015	38,016,919	35,211,065	25,836,751	119,626,750
LIABILITIES					
Current liabilities:					
Accounts payable	1,568,313	1,246,541	2,465,406	551,933	5,832,193
Accrued interest payable	—	—	84,791	—	84,791
Accrued wages and benefits	13,382	259,157	601,758	52,567	926,864
Compensated absences	—	—	—	—	—
Deposits and connection fees	—	—	72,000	—	72,000
Unpaid insurance claims	4,250,224	—	—	4,705,991	8,956,215
Current portion capital lease obligation	—	136,468	1,315,000	—	1,451,468
Unearned revenue	—	—	43,843	—	43,843
Total current liabilities	5,831,919	1,642,166	4,582,798	5,310,491	17,367,374
Noncurrent liabilities:					
Compensated absences	23,514	403,541	950,673	68,440	1,446,168
Unpaid insurance claims	86,739	—	—	14,449,661	14,536,400
Long-term capital lease obligation	—	—	5,629,043	—	5,629,043
Total noncurrent liabilities	110,253	403,541	6,579,716	14,518,101	21,611,611
Total liabilities	5,942,172	2,045,707	11,162,514	19,828,592	38,978,985
NET POSITION					
Net investment in capital assets	—	29,744,906	18,289,882	189,114	48,223,902
Unrestricted	14,619,843	6,226,306	5,758,669	5,819,045	32,423,863
Total net position	\$ 14,619,843	35,971,212	24,048,551	6,008,159	80,647,765

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
Operating revenues:					
User charges	\$ 63,051,720	14,780,535	24,018,313	9,819,475	111,670,043
Insurance recoveries	—	—	—	166,710	166,710
Miscellaneous sales and services	673,492	515,821	1,098,476	204,961	2,492,750
Total operating revenues	63,725,212	15,296,356	25,116,789	10,191,146	114,329,503
Operating expenses:					
Salaries and employee benefits	384,535	4,290,619	9,974,001	1,189,975	15,839,130
Contractual services	757,634	1,522,222	11,521,625	598,592	14,400,073
Supplies and materials	—	1,660,483	293,902	65,487	2,019,872
Business and travel	—	1,515	648,822	1,472	651,809
Vehicle fuels and supplies	—	3,071,991	45,848	8,825	3,126,664
Share of County administrative expenses	18,666	338,189	—	475,483	832,338
Insurance claims	61,953,706	—	—	6,269,931	68,223,637
Other administrative	2,634,920	—	—	68,356	2,703,276
Depreciation expense	—	6,570,117	3,695,776	11,394	10,277,287
Total operating expenses	65,749,461	17,455,136	26,179,974	8,689,515	118,074,086
Operating income (loss)	(2,024,249)	(2,158,780)	(1,063,185)	1,501,631	(3,744,583)
Nonoperating revenues (expenses):					
Interest on investments	79,342	28,037	24,020	26,587	157,986
Interest expense	—	(6,142)	(293,092)	—	(299,234)
Other, net	—	—	(49,239)	—	(49,239)
Revenue from other government	—	8,781	—	44	8,825
Total nonoperating revenues (expenses)	79,342	30,676	(318,311)	26,631	(181,662)
Net income (loss) before contributions and transfers	(1,944,907)	(2,128,104)	(1,381,496)	1,528,262	(3,926,245)
Capital contributions	—	(17,186)	14,190,405	(19,163)	14,154,056
Transfers in	—	—	766,362	—	766,362
Transfers out	(2,079,342)	(28,037)	(599,021)	(2,000,000)	(4,706,400)
Change in net position	(4,024,249)	(2,173,327)	12,976,250	(490,901)	6,287,773
Net position - beginning	18,644,092	38,144,539	11,072,301	6,499,060	74,359,992
Net position - ending	\$ 14,619,843	35,971,212	24,048,551	6,008,159	80,647,765

Howard County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 63,651,051	15,360,341	25,117,295	10,188,417	114,317,104
Cash paid to suppliers	(63,609,738)	(5,058,804)	(2,764,591)	(5,876,405)	(77,309,538)
Cash paid to / for employees	(394,804)	(4,266,467)	(10,392,130)	(1,182,171)	(16,235,572)
Cash paid for quasi-external transactions	(153,589)	(1,870,048)	(9,489,120)	(85,693)	(11,598,450)
Other operating cash disbursements	—	—	(45,593)	(434,348)	(479,941)
Net cash provided by operating activities	(507,080)	4,165,022	2,425,861	2,609,800	8,693,603
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers to other funds	(2,079,342)	(28,037)	167,342	(2,000,000)	(3,940,037)
Net cash (used for) provided by noncapital financing activities	(2,079,342)	(28,037)	167,342	(2,000,000)	(3,940,037)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	—	(4,427,332)	—	(218,754)	(4,646,086)
Proceeds from sale of COPS	—	—	6,940,968	—	6,940,968
Payment of long-term debt principal	—	(269,269)	(8,338,043)	—	(8,607,312)
Capital contributions	—	(17,186)	—	—	(17,186)
Payment of long-term debt interest	—	(6,142)	(254,466)	—	(260,608)
Proceeds from grant	—	8,781	—	44	8,825
Net cash (used for) provided by capital and related financing activities	—	(4,711,148)	(1,651,541)	(218,710)	(6,581,399)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	79,342	28,037	24,020	26,588	157,987
Net cash (used for) provided by investing activities	79,342	28,037	24,020	26,588	157,987
Net increase (decrease) in cash and cash equivalents	(2,507,080)	(546,126)	965,682	417,678	(1,669,846)
Cash and cash equivalents - beginning of the year	21,652,558	7,112,342	8,860,459	24,843,050	62,468,409
Cash and cash equivalents - end of the year	19,145,478	6,566,216	9,826,141	25,260,728	60,798,563
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	(2,024,249)	(2,158,780)	(1,063,185)	1,501,631	(3,744,583)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation expense	—	6,570,117	3,695,776	11,394	10,277,287
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(74,159)	63,986	504	(2,730)	(12,399)
Prepaid expenses	(5,178)	(822)	—	—	(6,000)
Inventories	—	—	—	—	—
Accounts payable	575,433	(49,460)	(472,464)	318,064	371,573
Accrued wages and benefits	(5,991)	20,604	70,063	3,434	88,110
Supplies and materials	—	(285,250)	33,670	—	(251,580)
Deposits and connection fees	—	—	(40)	—	(40)
Unpaid insurance claims	1,031,342	—	—	772,166	1,803,508
Current portion capital lease obligation	—	—	—	—	—
Unearned revenue	—	—	880	—	880
Compensated absences	(4,278)	4,627	160,657	5,841	166,847
Total adjustments	1,517,169	6,323,802	3,489,046	1,108,169	12,438,186
Net cash provided by operating activities	\$ (507,080)	4,165,022	2,425,861	2,609,800	8,693,603

Noncash investing, capital, and financing activities:

In Fiscal Year 2021, \$14,190,405 was contributed to the Tech Comm fund by the General Capital Project fund.

In Fiscal Year 2021, \$19,163 was contributed from the Risk Management fund to the Fire and Rescue special revenue fund.



Bailey Park

The Vivian C. 'Millie' Bailey Neighborhood Square in Downtown Columbia at Lake Kittamaqundi, named after World War II veteran and community leader Vivian 'Millie' Bailey, was opened in October 2020. The 26,000-square-foot park will also serve as home for the Howard County Veterans Monument, which is being developed by the Howard County Veterans Foundation

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 Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Custodial Funds	Total
ASSETS					
Equity in pooled cash	\$ —	—	—	1,794,401	1,794,401
Receivables:					
Interest and dividends	389,823	513,893	2	—	903,718
Employer contributions	1,196,061	2,133,167	—	—	3,329,228
Member contributions	331,939	556,883	—	—	888,822
Sale of investments	4,058,526	5,350,251	—	—	9,408,777
Property taxes				857,442	857,442
Other	9,544	12,582	—	478,982	501,108
Investments, at fair value:					
Cash	—	—	3,801,886	—	3,801,886
Equities	277,666,862	366,041,127	—	—	643,707,989
Alternative investments	153,458,261	202,300,101	—	—	355,758,362
Mutual funds	—	—	234,586,127	—	234,586,127
Money market funds	11,475,951	13,627,183	71,661	—	25,174,795
Fixed income securities	162,654,756	214,423,607	—	—	377,078,363
Real assets	21,654,304	28,546,316	—	—	50,200,620
Prepaid expense	21,594	27,341	—	5,522	54,457
Total assets	632,917,621	833,532,451	238,459,676	3,136,347	1,708,046,095
LIABILITIES					
Accounts payable	—	—	53,385	1,940	55,325
Investments purchased	5,583,158	7,360,135	—	—	12,943,293
Due to other governments	—	—	—	1,697,869	1,697,869
Other	265,515	338,603	541,568	—	1,145,686
Total liabilities	5,848,673	7,698,738	594,953	1,699,809	15,842,173
NET POSITION					
Net position restricted for pension, other post-employment benefits, individuals, organizations and other governments	\$ 627,068,948	825,833,713	237,864,723	1,436,538	1,692,203,922

Howard County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Custodial Funds	Total
ADDITIONS					
Contributions:					
Employer	\$ 15,888,630	\$ 31,923,458	\$ 36,649,649	\$ —	\$ 84,461,737
Member	4,857,068	8,373,851	—	—	13,230,919
Total contributions	20,745,698	40,297,309	36,649,649	—	97,692,656
Investment income (expense):					
Net change in fair value of investments	115,320,103	147,433,789	45,927,970	—	308,681,862
Interest	1,625,479	2,127,877	466	—	3,753,822
Dividends	18,187,386	23,842,241	4,387,091	—	46,416,718
Other	19,869	26,011	—	—	45,880
Investment expense	(1,374,571)	(1,735,120)	(474,816)	—	(3,584,507)
Net investment income	133,778,266	171,694,798	49,840,711	—	355,313,775
Property tax collection for other governments:					
Property taxes	—	—	—	61,908,073	61,908,073
Other local taxes and fees	—	—	—	7,729,202	7,729,202
Miscellaneous revenue	—	—	—	827,171	827,171
Total property tax collections and miscellaneous revenue	—	—	—	70,464,446	70,464,446
Total additions	154,523,964	211,992,107	86,490,360	70,464,446	523,470,877
DEDUCTIONS					
Benefits	21,237,784	34,634,301	25,561,425	—	81,433,510
Property taxes paid to other governments	—	—	—	68,689,784	68,689,784
Administrative expenses	424,561	401,126	15,274	613,988	1,454,949
Contractual services	—	—	—	131,110	131,110
Supplies and materials	—	—	—	23,991	23,991
Total deductions	21,662,345	35,035,427	25,576,699	69,458,873	151,733,344
Change in net position	132,861,619	176,956,680	60,913,661	1,005,573	371,737,533
Net position - beginning of year	494,207,329	648,877,033	176,951,062	—	1,320,035,424
Adjustment to beginning net position	—	—	—	430,965	430,965
Net position - beginning of year (as restated)	494,207,329	648,877,033	176,951,062	430,965	1,320,466,389
Net position - end of year	\$ 627,068,948	\$ 825,833,713	\$ 237,864,723	\$ 1,436,538	\$ 1,692,203,922

**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, 2021

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	—	—	—	222,695	—	222,695
Finance	—	—	—	1,990,764	—	1,990,764
County administration	—	—	32,457,859	639,741	—	33,097,600
Total general government	—	—	32,465,173	2,853,200	—	35,318,373
Public safety:						
Corrections	—	—	2,492,573	2,142,751	—	4,635,324
Fire	8,975,331	50,314,712	12,200,778	46,784,272	—	118,275,093
Police	—	7,114,146	5,776,850	15,002,876	—	27,893,872
Total public safety	8,975,331	57,428,858	20,470,201	63,929,899	—	150,804,289
Public facilities:						
Public works	358,259,728	188,814,314	734,813,338	13,570,797	—	1,295,458,177
Planning and zoning	13,476	—	323,226	253,741	—	590,443
Inspections, licenses and permits	—	—	—	2,788,579	—	2,788,579
Transportation	2,679,368	12,146,655	283,461	14,814,877	—	29,924,361
Total public facilities	360,952,572	200,960,969	735,420,025	31,427,994	—	1,328,761,560
Legislative and judicial:						
Circuit court	—	—	63,560	55,663	—	119,223
County council	—	—	—	32,616	—	32,616
State's attorney	—	—	—	59,229	—	59,229
Sheriff	—	25,434	—	200,115	—	225,549
Total legislative and judicial	—	25,434	63,560	347,623	—	436,617
Community services:						
Community Resources & Services	—	—	176,213	292,507	—	468,720
Health department	—	—	374,202	1,381,504	—	1,755,706
Housing and community development	490,900	3,400,119	—	—	—	3,891,019
Library	3,164,668	95,171,408	6,677,280	209,830	—	105,223,186
Total community services	3,655,568	98,571,527	7,227,695	1,883,841	—	111,338,631
Recreation and parks:						
Recreation and parks	125,497,177	66,057,791	135,541,147	5,661,346	—	332,757,461
Total recreation and parks	125,497,177	66,057,791	135,541,147	5,661,346	—	332,757,461
Agricultural land preservation:						
Agricultural land easements	140,730,705	—	—	—	—	140,730,705
Total agricultural land preservation	140,730,705	—	—	—	—	140,730,705
Construction in progress	—	—	—	—	74,183,801	74,183,801
Total governmental funds capital assets	\$ 639,811,353	423,044,579	931,187,801	106,103,903	74,183,801	2,174,331,437

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, 2021

Function and Activity	Balances				Balances	Allowance for Depreciation				Balances
	June 30, 2020	Additions	Deductions	Transfers		June 30, 2021	June 30, 2020	Additions	Deductions	
General government:										
County executive	\$ 7,314	—	—	—	7,314	6,821	488	—	—	7,309
Technology and communication	217,057	5,638	—	—	222,695	191,979	5,795	—	—	197,774
Finance	1,990,764	328,028	—	(328,028)	1,990,764	1,947,921	19,611	—	13,769	1,953,763
County administration	33,097,600	—	—	—	33,097,600	31,518,985	236,043	—	—	31,755,028
Total general government	35,312,735	333,666	—	(328,028)	35,318,373	33,665,706	261,937	—	13,769	33,913,874
Public safety:										
Corrections	837,770	3,797,554	—	—	4,635,324	279,052	180,564	—	—	459,616
Fire	116,928,483	1,959,403	677,593	64,800	118,275,093	45,249,014	3,749,926	600,209	(27,000)	48,425,731
Police	25,427,650	2,605,622	139,400	—	27,893,872	12,017,108	1,393,267	18,691	—	13,391,684
Total public safety	143,193,903	8,362,579	816,993	64,800	150,804,289	57,545,174	5,323,757	618,900	(27,000)	62,277,031
Public facilities:										
Public works	1,247,150,338	49,247,979	940,140	—	1,295,458,177	401,500,769	32,106,449	—	—	433,607,218
Planning and zoning	590,443	—	—	—	590,443	373,467	21,902	—	—	395,369
Inspections, licenses and permits	2,788,579	—	—	—	2,788,579	2,755,382	6,545	—	—	2,761,927
Transportation	29,924,361	—	—	—	29,924,361	9,554,901	1,579,858	—	—	11,134,759
Total public facilities	1,280,453,721	49,247,979	940,140	—	1,328,761,560	414,184,519	33,714,754	—	—	447,899,273
Legislative and judicial:										
County council	32,616	—	—	—	32,616	13,589	4,659	—	—	18,248
Circuit court	119,223	—	—	—	119,223	63,377	6,556	—	—	69,933
State's attorney	59,229	—	—	—	59,229	59,230	—	—	—	59,230
Sheriff	186,149	39,400	—	—	225,549	117,725	16,720	—	—	134,445
Total legislative and judicial	397,217	39,400	—	—	436,617	253,921	27,935	—	—	281,856
Community services:										
Community resources and services	468,720	—	—	—	468,720	243,757	52,635	—	—	296,392
Health department	1,737,707	17,999	—	—	1,755,706	1,443,260	116,695	—	—	1,559,955
Housing and community development	3,891,019	—	—	—	3,891,019	2,378,066	68,003	—	—	2,446,069
Library	105,223,186	—	—	—	105,223,186	26,386,859	2,570,563	—	—	28,957,422
Total community services	111,320,632	17,999	—	—	111,338,631	30,451,942	2,807,896	—	—	33,259,838
Recreation and parks:										
Recreation and parks	309,399,765	23,559,200	22,742	(178,762)	332,757,461	77,950,034	7,388,376	21,551	102,476	85,214,383
Total recreation and parks	309,399,765	23,559,200	22,742	(178,762)	332,757,461	77,950,034	7,388,376	21,551	102,476	85,214,383
Agricultural land preservation:										
Agricultural land easements	139,713,172	1,017,533	—	—	140,730,705	—	—	—	—	—
Total agricultural land preservation	139,713,172	1,017,533	—	—	140,730,705	—	—	—	—	—
Total county government	2,019,791,145	82,578,356	1,779,875	(441,990)	2,100,147,636	614,051,296	49,524,655	640,451	89,245	662,846,255
Construction in progress	119,990,193	64,377,912	110,184,304	—	74,183,801	—	—	—	—	—
Total governmental funds capital assets	\$ 2,139,781,338	146,956,268	111,964,179	(441,990)	2,174,331,437	614,051,296	49,524,655	640,451	89,245	662,846,255

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, 2021

	Assets				Balances June 30, 2021	Allowance for Depreciation				
	Balances June 30, 2020	Additions	Deductions	Transfers		Balances June 30, 2020	Additions	Deductions	Transfers	Balances June 30, 2021
Land:										
Utility	\$ 3,068,642	—	—	—	3,068,642	—	—	—	—	—
Watershed	815,065	—	—	—	815,065	—	—	—	—	—
Golf course	8,684,896	—	—	—	8,684,896	—	—	—	—	—
Total land	12,568,603	—	—	—	12,568,603	—	—	—	—	—
Buildings:										
Utility	236,808,771	54,494	—	—	236,863,265	96,868,985	4,652,875	—	—	101,521,860
Golf course	1,058,133	—	—	—	1,058,133	590,949	21,163	—	—	612,112
Watershed	329,043	—	—	—	329,043	22,191	6,581	—	—	28,772
Total buildings	238,195,947	54,494	—	—	238,250,441	97,482,125	4,680,619	—	—	102,162,744
Improvements other than buildings:										
Utility	83,943,814	1,102,256	—	—	85,046,070	54,135,113	3,197,728	—	—	57,332,841
Watershed	1,274,245	—	—	—	1,274,245	209,761	118,446	—	—	328,207
Golf course	2,368,920	—	—	—	2,368,920	452,009	63,712	—	—	515,721
Total improvements	87,586,979	1,102,256	—	—	88,689,235	54,796,883	3,379,886	—	—	58,176,769
Infrastructure:										
Utility	794,098,944	130,478,704	—	—	924,577,648	337,661,578	17,463,115	—	—	355,124,693
Watershed	38,632,458	20,824,728	—	—	59,457,186	1,356,660	656,794	—	—	2,013,454
Broadband	14,197,692	55,294	—	178,764	14,431,750	4,205,095	715,452	—	(102,476)	5,023,023
Total infrastructure	846,929,094	151,358,726	—	178,764	998,466,584	343,223,333	18,835,361	—	(102,476)	362,161,170
Machinery and equipment:										
Utility	15,695,428	1,132,068	8,399	—	16,819,097	8,019,457	1,277,094	8,399	—	9,288,152
Golf course	308,352	—	—	—	308,352	296,667	4,198	—	—	300,865
Watershed	1,029,492	144,554	—	—	1,174,046	380,389	98,029	—	—	478,418
Broadband	1,057,497	—	—	328,084	1,385,581	597,617	135,536	—	(13,772)	746,925
Total machinery and equipment	18,090,769	1,276,622	8,399	328,084	19,687,076	9,294,130	1,514,857	8,399	(13,772)	10,814,360
Grand total	\$ 1,203,371,392	153,792,098	8,399	506,848	1,357,661,939	504,796,471	28,410,723	8,399	(116,248)	533,315,043

Does not include \$45,227,415 of construction in progress.



Police Memorial

Each year in May, Howard County Government and the Howard County Police Department honor our fallen heroes by placing a wreath in the memorial garden outside of the police department.

Long-Term Debt

Long-Term Debt are liabilities of the County represented by outstanding general obligation bonds and other long-term debt.



Howard County, Maryland
Schedule of General Long-Term Debt - General County Bonds
Long-Term Obligations
June 30, 2021

Type of Debt	Maturity	Rate of Interest	Issued	Outstanding	Interest Payable to Maturity	Total Due to Maturity
Consolidated Public Improvement Bonds						
03/16/2010	2011-2030	3.00 - 5.55	\$ 88,420,000	39,405,000	12,871,293	52,276,293
11/17/2011	2013-2032	3.00 - 5.00	182,055,000	14,690,000	367,250	15,057,250
04/03/2014	2015-2034	3.00 - 5.00	117,125,000	14,225,000	945,500	15,170,500
04/22/2015	2016-2035	3.00 - 5.00	184,195,000	27,905,000	2,109,750	30,014,750
03/30/2016	2017-2036	2.00 - 5.00	96,260,000	83,935,000	23,191,750	107,126,750
04/25/2017	2018-2037	3.25 - 5.00	274,310,000	241,695,000	74,539,825	316,234,825
12/21/2017	2018-2034	3.00 - 5.00	184,440,000	183,185,000	62,119,450	245,304,450
04/18/2018	2020-2038	3.25 - 5.00	129,890,000	120,910,000	46,423,238	167,333,238
05/29/2019	2020-2039	2.75 - 5.00	131,295,477	111,584,412	35,365,276	146,949,688
05/07/2020	2021-2040	1.22 - 5.00	166,680,920	162,245,900	53,521,269	215,767,169
10/07/2020	2024-2035	0.50 - 3.00	83,280,000	83,280,000	9,419,450	92,699,450
03/03/2021	2022-2041	1.75 - 5.00	122,432,373	122,432,373	40,698,381	163,130,754
Total Consolidated Public Improvement Bonds			1,760,383,770	1,205,492,685	361,572,432	1,567,065,117
Tax increment financing bonds	2017-2047	4.00 - 6.10	65,225,000	64,695,000	52,967,043	117,662,043
<hr/>						
Compensated absences	n/a	n/a	n/a	32,815,099	n/a	32,815,099
Capital leases	n/a	n/a	n/a	4,589,691	n/a	4,589,691
Certificates of participation	n/a	n/a	n/a	17,775,000	n/a	17,775,000
Landfill closure obligations	n/a	n/a	n/a	23,658,000	n/a	23,658,000
Agricultural land preservation program	2019-2037	2.19 - 8.60	n/a	59,546,201	10,921,741	70,467,942
Total debt			\$ 1,825,608,770	1,408,571,676	* 425,461,216	1,834,032,892

* Does not include deferred refunding premium liability of \$136,769,690, unamortized bond discount of \$22,741, unpaid claims of \$23,492,615, net OPEB liability of \$447,445,173, net LOSAP liability of \$35,707,341, net pension liability of \$175,055,458 and other non-current liabilities of \$9,130,224 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, 2021

	Balance June 30, 2020	Issued	Refunded	Retired	Balance June 30, 2021
General county bonds:					
General improvement*	\$ 435,090,925	123,763,698	30,414,842	25,291,116	503,148,665
General improvement (BANS)*	706,145	543,758	—	47,438	1,202,465
Storm drain*	41,301,856	5,714,432	2,465,012	2,119,928	42,431,348
Police department*	4,812,235	117,865	26,659	556,961	4,346,480
Fire department*	29,035,977	869,258	636,695	1,327,910	27,940,630
Schools*	437,310,670	53,485,644	30,282,982	33,058,830	427,454,502
Community renewal*	1,251,868	—	—	142,442	1,109,426
Recreation and parks*	65,385,305	5,333,734	4,809,961	3,189,342	62,719,736
Community college*	120,779,241	10,074,586	5,004,922	6,301,034	119,547,871
Environmental services *	10,596,730	5,809,397	3,248,927	429,144	12,728,056
Economic development authority*	3,004,914	—	—	141,408	2,863,506
Total Bonds	1,149,275,866	205,712,372	76,890,000	72,605,553	1,205,492,685
Other long-term debt					
Tax increment financing	65,010,000	—	—	315,000	64,695,000
Compensated absences	30,024,901	4,662,177	—	1,871,979	32,815,099
Capital Leases	27,082,059	873,791	19,899,894	3,466,265	4,589,691
Certificates of participation	—	17,775,000	—	—	17,775,000
Landfill closure obligation	23,264,000	394,000	—	—	23,658,000
Agricultural land preservation program	76,423,710	961,020	—	17,838,529	59,546,201
Total other long-term debt	221,804,670	24,665,988	19,899,894	23,491,773	203,078,991
Total long-term debt	\$ 1,371,080,536	230,378,360	96,789,894	96,097,326	1,408,571,676 **

* Beginning balance reallocated.

**Does not include deferred refunding premium liability of \$136,769,690, unamortized bond discount of \$22,741, unpaid claims of \$23,492,615 (including \$8,956,215 due within one year), other non-current liabilities of \$9,130,224, net OPEB liability of \$447,445,173, net LOSAP liability of \$35,707,341 and net pension liability of \$175,055,458 included in the Statement of Net Position.

Howard County, Maryland
Schedule of Bonded and Other Long-Term Debt
Enterprise Fund
June 30, 2021

Date of Issue	Maturity	Rate of Interest	Amount Issued	Outstanding	Interest Payable to Maturity	Total Due to Maturity
Metropolitan district bonds:						
11/17/2011	2013-2042	3.00 - 5.00	\$ 36,245,000	1,470,000	42,150	1,512,150
04/03/2014	2015-2044	2.00 - 4.00	22,055,000	795,000	31,800	826,800
04/22/2015	2016-2045	2.00 - 5.00	31,015,000	2,045,000	154,500	2,199,500
03/30/2016	2017-2046	3.00 - 5.00	26,190,000	23,895,000	10,793,606	34,688,606
04/25/2017	2018-2047	3.00 - 5.00	81,515,000	76,575,000	31,636,381	108,211,381
12/21/2017	2018-2044	3.00 - 5.00	56,075,000	50,785,000	18,245,019	69,030,019
04/18/2018	2019-2048	3.125 - 5.00	38,150,000	35,885,000	22,147,600	58,032,600
05/29/2019	2020-2049	3.00 - 5.00	66,605,000	63,865,000	31,830,800	95,695,800
05/07/2020	2020-2050	1.22 - 5.00	75,190,000	73,655,000	35,679,650	109,334,650
10/07/2020	2021-2045	1.70 - 3.00	25,905,000	25,905,000	8,909,620	34,814,620
03/03/2021	2021-2051	2.00 - 5.00	26,400,000	26,400,000	10,453,608	36,853,608
Total metropolitan district bonds			485,345,000	381,275,000	169,924,734	551,199,734
MD water quality 10/18/2000	2003-2022	2.40	34,000,000	2,109,818	153,827 *	2,263,645
MD water quality 01/29/2002	2005-2024	2.00	21,329,363	3,209,476	293,290 *	3,502,766
MD water quality 10/01/2008	2009-2029	2.30	1,197,362	482,415	77,231 *	559,646
MD water quality 11/19/2009	2010-2031	1.00	3,443,711	1,780,705	187,778 *	1,968,483
Total water quality			59,970,436	7,582,414	712,126	8,294,540
Watershed Protection 05/29/2019	2020-2039	2.75 - 5.00	2,334,523	2,160,589	747,640	2,908,229
Watershed Protection 05/07/2020	2020-2040	1.22 - 5.00	12,208,370	11,718,388	5,601,114	17,319,502
Watershed Protection 03/03/2021	2021-2041	2.00 - 5.00	3,392,627	3,392,628	1,127,761	4,520,389
Total watershed protection			17,935,520	17,271,605	7,476,515	24,748,120
Broadband 04/18/2018	2023	3.00	1,025,000	1,025,000	61,500	1,086,500
Broadband 05/07/2020	2021-2040	1.22 - 3.10	1,390,710	1,390,710	362,160	1,752,870
Total Broadband			2,415,710	2,415,710	423,660	2,839,370
Special recreation facility bonds	2012-2022	2.48	5,400,000	1,185,000	25,884	1,210,884
MDE Loan	2019-2028	2.95	1,646,000	1,264,464	144,364	1,408,828
Certificates of participation - water meter	n/a	n/a	n/a	2,280,000	n/a	2,280,000
Compensated absences	n/a	n/a	n/a	1,247,462	n/a	1,247,462
Major water and sewer agreements	n/a	n/a	n/a	775,683	n/a	775,683
Total debt			\$ 572,712,666	415,297,338 **	178,707,283	594,004,621

* Includes administrative fees.

**Does not include deferred refunding premium of \$30,707,457, net OPEB liability of \$30,560,484, and net pension liability of \$3,231,135 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, 2021

	Balance June 30, 2020	Issued	Refunded	Retired	Balance June 30, 2021
Metropolitan district bonds:					
11/17/2011	\$ 2,390,000	—	—	920,000	1,470,000
04/04/2013	5,165,000	—	3,325,000	1,840,000	—
04/03/2014	3,400,000	—	1,700,000	905,000	795,000
04/22/2015	22,320,000	—	19,330,000	945,000	2,045,000
03/15/2016	24,380,000	—	—	485,000	23,895,000
04/25/2017	79,460,000	—	—	2,885,000	76,575,000
12/21/2017	51,990,000	—	—	1,205,000	50,785,000
04/18/2018	36,580,000	—	—	695,000	35,885,000
05/15/2019	64,950,000	—	—	1,085,000	63,865,000
05/07/2020	75,190,000	—	—	1,535,000	73,655,000
10/07/2020	—	25,905,000	—	—	25,905,000
03/03/2021	—	26,400,000	—	—	26,400,000
Total Bonds	365,825,000	52,305,000	24,355,000	12,500,000	381,275,000
Other long-term debt					
MD water quality 10/18/2000	4,170,187	—	—	2,060,369	2,109,818
MD water quality 01/29/2002	4,452,462	—	—	1,242,986	3,209,476
MD water quality 10/01/2008	538,251	—	—	55,836	482,415
MD water quality 11/19/2009	1,954,550	—	—	173,845	1,780,705
Total other long-term debt	11,115,450	—	—	3,533,036	7,582,414
Watershed protection	14,444,487	3,392,627	—	565,509	17,271,605
Broadband 03/15/2016	1,510,000	—	—	1,510,000	—
Broadband 04/18/2018	1,025,000	—	—	—	1,025,000
Broadband 05/07/2020	1,459,387	—	—	68,677	1,390,710
Total Broadband	3,994,387	—	—	1,578,677	2,415,710
Special recreation facility bonds	1,707,000	—	—	522,000	1,185,000
MDE loan	1,414,423	—	—	149,959	1,264,464
Capital lease - water meter	626,801	2,066,754	2,389,542	304,013	—
Certificates of participation - water meter	—	2,280,000	—	—	2,280,000
Compensated absences	1,107,073	144,459	—	4,070	1,247,462
Major water and sewer agreements	825,334	—	—	49,651	775,683
Total long-term debt	\$ 401,059,955	60,188,840	26,744,542	19,206,915	415,297,338 *

*Does not include deferred refunding premium of \$30,707,457, net OPEB liability of \$30,560,484, and net pension liability of \$3,231,135 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 716,222,072	740,258,162	755,904,065	754,407,588	772,350,290	834,114,554	826,399,982	841,929,843	860,749,049	852,772,538
Restricted	82,432,184	94,955,786	109,207,649	100,314,009	109,620,128	114,206,491	153,326,501	142,249,607	137,408,939	181,632,342
Unrestricted (a)	(620,794,431)	(727,260,025)	(905,160,838)	(942,920,000)	(991,153,043)	(1,207,393,428)	(1,003,960,300)	(997,456,851)	(835,908,499)	(686,403,499)
Subtotal governmental activities net position	177,859,825 (b)	107,953,923	(40,049,124) (c)	(88,198,403)	(109,182,625)	(259,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381
Business-type activities										
Net investment in capital assets	352,371,984	343,029,639	349,976,408	410,168,067	410,561,263	414,126,888	419,010,628	456,887,408	440,510,473	470,068,555
Restricted	60,755,862	54,677,366	48,248,364	48,241,852	42,470,585	27,949,207	24,709,724	21,823,966	19,238,763	16,973,269
Unrestricted	85,856,157	114,065,506	115,007,448	107,862,198	138,508,000	157,835,870	151,054,737	146,526,725	161,100,810	141,729,290
Subtotal business-type activities net position	498,984,003 (b)	511,772,511	513,232,220 (c)	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114
Primary government										
Net investment in capital assets	1,068,594,056	1,083,287,801	1,105,880,47	1,164,575,655	1,182,911,553	1,248,241,442	1,245,410,610	1,298,817,251	1,301,259,522	1,322,841,093
Restricted	143,188,046	149,633,152	157,456,013	148,555,861	152,090,713	142,155,698	178,036,225	164,073,573	156,647,702	198,605,611
Unrestricted	(534,938,274)	(613,194,519)	(790,153,390)	(835,057,802)	(852,645,043)	(1,049,557,558)	(852,905,563)	(850,930,126)	(674,807,689)	(544,674,209)
Total primary government net position	676,843,828	619,726,434	473,183,096	478,073,714	482,357,223	340,839,582	570,541,272	611,960,698	783,099,535	976,772,495

(a) Deficits occur in unrestricted net position for governmental activities because the County issues debt to fund construction costs for the Public School Community College, yet these component units own the capital assets. See the Management's Discussion and Analysis for further details.

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

(c) 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	74,316,453	123,183,109
Public safety	184,324,533	196,950,283	198,590,882	208,298,711	207,170,029	230,134,183	217,378,984	249,887,935	273,690,808	272,893,187
Public works	115,231,452	130,500,653	148,889,651	179,349,488	156,707,838	168,834,876	194,980,993	207,843,230	191,131,750	184,376,252
Recreation and parks	29,974,257	29,210,799	35,764,376	37,193,427	42,880,875	47,094,291	25,923,502	54,344,080	44,155,887	33,372,823
Legislative and judicial	22,248,551	23,682,923	23,259,531	27,110,955	26,070,345	27,693,094	27,484,681	30,139,996	33,526,457	34,562,766
Community services	45,302,315	38,506,895	45,311,763	48,650,488	45,928,376	44,497,229	47,215,901	50,250,870	51,744,649	57,793,879
State highways	2,900,053	7,225,028	6,634,669	763,353	3,341,087	5,842,868	4,934,098	9,286,446	4,140,382	1,381,137
Education	610,774,387	639,025,259	637,839,632	669,067,653	717,742,080	739,013,105	701,633,749	710,311,491	703,269,393	753,121,391
Interest on long-term debt	53,851,903	47,729,955	50,489,693	43,648,543	49,977,613	57,494,607	61,452,013	51,541,615	56,026,136	56,785,423
Total governmental activities expenses	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	1,432,001,915	1,517,469,967
Business-type activities:										
Water and sewer	67,635,638	87,569,376	98,795,678	97,764,211	95,781,698	101,312,345	105,229,515	113,056,969	111,856,075	122,881,576
Golf course	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	8,262,267	8,213,268
Total business-type activities expenses	69,557,156	89,454,477	101,889,931	103,741,541	102,333,497	108,669,326	111,815,057	120,220,555	120,118,342	131,094,844
Total primary government expenses	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	1,552,120,257	1,648,564,811
Program revenues										
Governmental activities:										
Charges for services										
General government	42,534,975	46,065,885	49,312,264	40,365,251	41,462,547	52,783,407	47,092,030	48,266,394	43,695,157	60,623,707
Public works	46,145,115	43,476,909	44,007,973	48,319,370	50,419,335	48,313,166	49,740,333	49,166,390	57,391,094	60,818,074
Recreation and parks	13,591,958	14,420,583	16,481,357	17,471,881	18,231,380	20,182,293	19,791,578	20,905,820	17,099,764	8,302,208
Other	22,407,037	10,725,120	12,538,229	25,188,353	13,987,065	10,672,780	13,053,507	14,129,641	19,846,183	19,114,022
Operating grants and contributions	46,323,888	27,837,622	33,472,335	35,864,017	40,094,831	39,402,540	43,351,124	40,559,501	60,278,746	97,683,224
Capital grants and contributions	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	19,701,167	4,329,549
Total governmental activities program revenues	239,475,424	185,101,471	166,027,685	184,023,771	191,987,452	189,517,541	197,483,580	191,404,940	218,012,111	250,870,784
Business-type activities:										
Charges for services										
Water and sewer	50,729,734	54,712,858	59,641,881	64,133,085	64,965,916	64,761,724	64,642,532	64,833,505	65,876,003	65,967,446
Golf course	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	11,301,111	12,477,557
Operating grants and contributions	29,880,497	29,006,605	29,196,783	30,010,057	31,339,509	32,669,952	33,958,088	35,349,018	36,112,163	40,565,784
Capital grants and contributions	21,109,099	16,285,260	11,361,621	51,939,661	14,728,750	10,262,423	11,976,929	43,164,177	9,928,803	12,591,770
Total business-type activities program revenues	103,854,242	102,073,805	112,510,885	160,212,137	125,291,160	121,600,668	124,289,642	154,891,595	123,218,080	131,602,557
Total primary government program revenues	\$ 343,329,666	287,175,276	278,538,570	344,235,908	317,278,612	311,118,209	321,773,222	346,296,535	341,230,191	382,473,341

(continued)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expenses)/revenue										
Governmental activities	\$ (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)	(1,213,989,804)	(1,266,599,183)
Business-type activities	34,297,086	12,619,328	10,620,954	54,470,596	22,957,663	12,931,342	12,474,585	34,671,040	3,099,738	507,713
Total primary government net expenses	(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)	(1,210,890,066)	(1,266,091,470)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	504,771,008	523,266,142	539,731,584	559,405,539	586,123,532	608,458,370	630,762,037	654,794,565	708,947,753	738,646,472
Local income taxes	358,356,561	360,251,116	400,455,701	412,674,188	431,743,893	436,993,783	466,935,173	496,679,385	577,958,870	619,513,011
Other local taxes	54,343,807	61,337,101	61,035,196	68,300,957	72,656,951	77,911,373	77,122,059	69,739,135	77,803,643	95,715,172
Intergovernmental, unrestricted	780,358	1,422,086	1,466,960	1,553,636	1,836,227	1,763,063	1,590,437	1,673,415	3,308,303	2,997,085
Unrestricted investment income	9,636,106	(552,647)	2,230,944	2,840,722	5,054,711	1,206,178	4,998,389	13,585,602	9,972,730	1,258,028
Miscellaneous	1,216,774	1,195,039	1,102,401	970,104	3,347,590	90,510	2,700,739	2,513,727	1,421,705	1,238,098
Transfers	(586,842)	—	7,345,000	3,696,843	2,318,086	5,389,399	9,151,633	9,412,543	19,489,201	13,807,937
Subtotal governmental activities	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	1,398,902,205	1,473,175,803
Business-type activities:										
Unrestricted investment income	170,617	169,180 (d)	135,292	242,826	823,902	830,024	2,434,920	5,998,775	2,615,899	253,254
Miscellaneous	—	—	—	23,318	3,804,252	150	53,351	(794,262)	(10,728)	3,033
Transfers	586,842	—	(7,345,000)	(3,696,843)	(2,318,086)	(5,389,399)	(9,151,633)	(9,412,543)	(19,489,201)	(13,807,937)
Subtotal business-type activities	757,459	169,180	(7,209,708)	(3,430,699)	2,310,068	(4,559,225)	(6,663,362)	(4,208,030)	(16,884,030)	(13,551,650)
Total primary government	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	1,382,018,175	1,459,624,153
Net position balances										
Governmental activities:										
Change in net position, governmental activities	19,360,130	(68,217,388)	(71,904,862)	(48,149,278)	(20,984,222)	(66,222,620)	51,720,029	10,956,416	175,526,890	185,751,892
Net position, beginning-governmental activities	254,510,988	263,297,945	107,953,923	36,049,061	(88,198,403)	(131,849,763)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489
Restatement	(10,573,173)	(87,126,634)	—	(76,098,186)	—	—	122,118,537	—	—	—
Net position, ending-governmental activities	263,297,945	107,953,923	36,049,061	(88,198,403)	(109,182,625)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381
Business-type activities:										
Change in net position, business-type activities	35,054,545	12,788,508	3,411,246	53,039,897	25,267,731	8,372,117	5,811,223	30,463,010	(4,388,053)	7,921,068
Net position, beginning-business-type activities	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	620,850,046
Restatement	(320,685)	(82,463,744)	—	(1,951,537)	—	—	(10,948,099)	—	—	—
Net position, ending-business-type activities	581,447,747	511,772,511	515,183,757	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114
Total primary government	\$ 844,745,692	619,726,434	551,232,818	478,073,714	482,357,223	401,839,582	570,541,272	611,960,698	783,099,535	976,772,495

(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) 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ —	—	3,319	8,140,178	7,632,118	9,045,255	12,600,473	12,265,039	11,477,512	10,721,886
Restricted	—	—	—	—	1,972,282	2,070,419	1,024,450	—	—	—
Committed	56,258,912	57,209,710	59,271,162	61,260,575	64,172,639	67,382,973	71,338,939	73,958,202	75,845,302	82,464,279
Assigned	45,003,053	67,354,332	64,171,013	34,992,177	53,577,009	31,953,418	49,382,483	35,997,183	99,392,985	218,420,188
Unassigned	10,616,787	9,095,856	2,831,645	3,295,630	12,015,718	26,239,270	7,898,186	18,387,493	21,834,102	24,517,933
Total general fund	111,878,752 (a)	133,659,898 (a)	126,277,139 (a)	107,688,560	139,369,766 (b)	136,691,335	142,244,531	140,607,917	208,549,901	336,124,286
All other governmental funds										
Nonspendable	14,620,132	14,929,252	16,636,383	22,166,070	648,352	644,176	656,721	671,042	681,117	668,614
Restricted	82,432,184	94,955,786	97,656,784	100,314,009	107,647,846	112,136,072	152,302,051	142,249,607	137,408,939	256,632,342
Committed	46,521,229	47,867,222	38,602,234	35,555,303	46,729,075	48,677,180	52,857,796	54,474,185	72,927,545	82,725,309
Assigned	72,761,301	62,934,694	63,615,900	63,398,155	63,361,371	60,075,902	56,117,487	62,387,719	66,541,138	40,364,849
Unassigned	(82,621,664)	(77,809,341)	(67,616,626)	(72,262,418)	(125,621,490)	(119,153,788)	(88,731,324)	(110,672,917)	(96,702,875)	(108,957,272)
Total all other governmental funds	133,713,182	142,877,613	148,894,675	149,171,119	92,765,154	102,379,542	173,202,731	149,109,636	180,855,864	271,433,842
Total governmental funds	\$245,591,934	276,537,511	275,171,814	256,859,679	232,134,920	239,070,877	315,447,262	289,717,553	389,405,765	607,558,128

(a) Increases in the total fund balance of the general fund in fiscal years 2012 through 2013 are due to increases in the local income taxes received.

(b) 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Property taxes (a)	\$ 504,228,502	524,942,040	539,320,074	559,393,599	586,906,599	608,790,864	630,002,471	654,226,577	706,141,417	736,287,166
Other local taxes	411,966,798	436,072,090	453,982,722	463,904,916	506,819,854	514,455,726	523,874,099	533,151,563	601,642,578	673,641,074
State shared taxes	780,358	1,422,086	1,247,317	1,531,596	2,077,909	1,818,048	1,595,662	1,673,415	2,747,094	3,558,294
Revenues from other governments	80,612,132	73,118,716	37,436,410	35,645,234	30,616,053	53,144,527	46,881,676	43,490,797	43,359,703	84,153,972
Charges for services	49,498,494	51,204,711	53,168,180	54,693,447	55,954,266	57,428,448	58,820,287	59,537,731	65,232,242	58,652,336
Interest on investments	9,487,997	(712,942)	2,010,668	(c) 2,574,475	4,970,717	4,878,623	7,961,507	13,567,305	10,706,803	2,432,814
Decrease in fair value of investments	—	—	—	—	—	—	(3,203,311)	(496,321)	(327,690)	(1,440,198)
Installment interest from housing loans	148,109	160,296	220,274	268,410	83,994	27,190	53,025	60,540	95,639	194,795
Licenses and permits	5,754,961	6,455,619	6,696,288	6,586,220	7,200,241	7,090,791	6,874,461	6,641,437	5,917,475	6,294,952
Recoveries for interfund services	11,720,813	11,553,101	11,633,284	14,133,304	15,706,180	—	—	—	—	—
Fines and forfeitures	3,534,706	3,462,342	3,863,722	4,024,120	4,356,639	4,481,676	4,315,875	4,071,307	3,988,941	3,807,058
Developer contributions (b)	1,556,906	1,767,910	1,446,618	4,561,155	4,612,357	9,070,823	2,372,712	852,987	1,040,214	1,235,418
Rental of property (b)	196,214	159,373	177,814	111,853	—	—	—	—	—	—
Payments from component units (b)	817,842	818,144	818,167	351,439	2,588,330	2,076,568	2,095,129	1,546,337	1,017,178	495,833
Sale of property	—	—	—	3,464,497	—	—	—	—	—	—
Miscellaneous program revenues	8,752,216	22,328,003	13,318,287	14,594,154	25,441,734	15,406,458	17,149,954	16,880,092	20,100,507	18,970,306
Total revenues	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	1,461,662,101	1,588,283,820
EXPENDITURES										
Current:										
General government	25,227,536	33,612,637	45,526,306	50,754,551	54,918,742	48,703,477	51,307,571	60,629,770	54,668,826	89,760,676
Legislative & judicial	20,919,318	21,547,432	22,684,466	24,165,800	25,893,292	26,315,797	27,175,301	28,520,391	29,155,033	29,677,484
Public works	92,598,067	90,672,711	97,867,406	104,503,144	102,894,102	104,307,451	112,420,109	113,436,661	112,165,451	114,555,229
Public safety	168,832,385	175,555,967	191,882,471	205,038,450	208,774,567	219,541,903	228,466,896	235,952,000	250,490,558	249,601,526
Recreation and parks	27,999,911	30,906,131	35,432,626	36,911,248	38,473,557	39,667,818	41,877,752	43,171,463	41,217,018	34,734,823
Community services	36,671,787	37,503,416	45,406,497	46,474,576	44,631,695	42,267,451	44,819,301	47,391,787	48,153,860	51,537,606
Education	584,322,887	603,534,562	606,673,692	651,103,285	651,837,577	699,206,963	704,546,696	707,246,000	700,885,393	747,167,309
Capital improvements (b)	146,521,532	101,470,657	106,355,030	112,042,331	133,208,954	134,994,751	114,284,257	140,460,747	130,600,419	68,469,459
Debt service:										
Principal	58,381,930	54,262,375	60,433,375	61,185,578	68,484,249	74,766,641	66,443,603	69,728,497	88,334,697	91,469,752
Interest	40,178,908	43,795,819	45,176,541	45,595,837	45,384,247	47,438,207	47,177,499	57,055,983	56,687,393	53,215,495
Total expenditures	1,201,654,261	1,192,861,707	1,257,438,410	1,337,774,800	1,374,500,982	1,437,210,459	1,438,518,985	1,503,593,299	1,512,358,691	1,530,189,359
Excess (deficiency) of revenues over expenditures	(112,598,213)	(60,110,218)	(132,098,585)	(171,936,381)	(127,166,109)	(162,240,355)	(139,725,438)	(168,389,532)	(50,696,590)	58,094,461
OTHER FINANCING SOURCES (USES)										
Bond premium	30,560,868	9,283,948	11,979,779	17,522,949	13,541,018	43,899,251	49,340,059	12,219,992	21,198,307	19,937,199
Capital lease proceeds	—	—	—	12,562,393	10,058,351	3,368,036	11,936,898	2,223,000	—	—
Capital related debt issued	109,310,002	91,930,000	117,315,277	100,180,000	76,490,000	133,925,001	128,380,000	108,710,477	108,237,244	134,751,164
Refunding bonds issued	110,115,000	5,980,000	16,809,723	84,015,000	21,280,000	140,385,000	184,440,000	22,585,000	58,375,000	83,280,000
Installment purchase agreements issued (b)	25,253,100	—	4,951,615	3,448,120	4,817,735	10,756,470	3,095,670	—	—	961,020
Payment to bond refunding escrow agent	(128,985,283)	(6,714,081)	(32,958,802)	(93,816,818)	(26,600,367)	(169,143,917)	(219,985,848)	(24,024,558)	(58,161,938)	(96,619,193)
Transfers in	38,465,384	45,403,189	66,149,637	53,153,609	27,765,305	47,227,975	58,254,689	64,806,430	80,529,751	75,742,074
Transfers out	(40,218,754)	(45,378,817)	(54,790,208)	(47,084,255)	(24,910,692)	(41,241,503)	(47,584,645)	(43,860,518)	(59,793,562)	(57,994,362)
Total other financing sources and uses	144,500,317	100,504,239	129,457,021	129,980,998	102,441,350	169,176,313	216,101,823	142,659,823	150,384,802	160,057,902
Net change in fund balances	\$ 31,902,104	40,394,021	(2,641,564)	(41,955,383)	(24,724,759)	6,935,958	76,376,385	(25,729,709)	99,688,212	218,152,363
Debt service as a percentage of noncapital expenditures	8.87%	8.92%	8.61%	8.91%	8.71%	8.94%	(d) 8.60%	9.10%	9.59%	9.70%

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

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

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

(d) Capital outlay used in FY16 calculation reported incorrectly.

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

Fiscal Year	Real Property				Personal Property		Total
	Residential Assessed Value	Commercial Assessed Value	Assessed Value (a)	Total Direct Tax Rate (b)	Assessed Value (a)	Total Direct Tax Rate (b)	Assessed Value
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	41,352,080,551	8,469,703,245	49,821,783,796	1.014	1,696,221,380	2.535	51,518,005,176
2019	42,391,698,324	9,214,242,834	51,605,941,158	1.014	1,733,052,800	2.535	53,338,993,958
2020	43,926,364,524	9,545,414,603	53,471,779,127	1.014	1,706,543,391	2.535	55,178,322,518
2021	45,168,891,391	9,915,122,500	55,084,013,891	1.014	1,910,775,846	2.535	56,994,789,737

(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.

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
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
2020	1.014	2.535
2021	1.014	2.535

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

2021			2012		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation
Baltimore Gas & Electric Company	\$ 476,591,410	0.84%	Baltimore Gas & Electric Company	\$ 337,177,610	0.75%
Mall In Columbia Business Trust	321,063,367	0.56%	Mall in Columbia Business Trust	179,525,100	0.40%
Home Properties Howard Crossing LLC	162,756,066	0.29%	Verizon-Maryland INC	139,863,960	0.31%
9220 Old Lantern Way Owner LLC	161,050,060	0.28%	Magazine Howard Crossing LLC	109,247,900	0.24%
Verizon-Maryland INC	121,640,740	0.21%	Seasons of Laurel LLC	85,555,406	0.19%
Home Properties Charleston LLC	110,276,066	0.19%	Liberty Property LTD Partnership	73,404,390	0.16%
Mariner Sherwood Fee	88,852,800	0.16%	KMF Sherwood Investors VI LLC	69,757,600	0.15%
Parcel D Property LLC	88,613,633	0.16%	Home Properties Charleston LLC	63,679,900	0.14%
Columbia 531 LLC	84,857,133	0.15%	Sprint Communications Company, LP	54,294,830	0.12%
Annapolis Junction Apartments	80,019,133	0.14%	Cellco Partnership	46,494,080	0.10%
Total	\$ 1,695,720,408	2.98%	Total	\$ 1,159,000,776	2.56%

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			Total Collection to Date	
		Amount	Percentage of Levy	Subsequent tax Collections	Amount	Percentage of Levy
2012	\$ 541,972,687	540,659,569	99.8%	1,069,409	541,728,978	100.0%
2013	551,716,941	547,732,006	99.3%	3,776,363	551,508,369	100.0%
2014	555,254,638	550,755,917	99.2%	4,228,349	554,984,266	100.0%
2015	569,892,160	568,111,915	99.7%	1,411,389	569,523,304	99.9%
2016	594,757,776	593,510,182	99.8%	812,684	594,322,866	99.9%
2017	616,633,669	612,695,057	99.4%	3,152,341	615,847,398	99.9%
2018	639,933,124	635,257,806	99.3%	1,283,729	636,541,535	99.5%
2019	663,038,666	656,951,368	99.1%	1,418,911	658,370,279	99.3%
2020	677,030,343	671,983,399	99.3%	2,024,392	674,007,791	99.6%
2021	697,366,167	600,737,591	86.1%	—	600,737,591	86.1%

Source: Howard County Department of Finance, Bureau of Revenue

Subsequent tax collections for fiscal years 2012-2020, 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)

Fiscal Year	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income (b)	Portion of Per Capita Personal Income (b)
	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	Capital Leases	Total Business-Type Activities				
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	
2020	1,362,886	—	59,364	64,920	29,979	1,517,149	434,478	1,197	7,658	—	443,333	1,960,482	n/a	n/a	
2021	1,361,927	—	59,546	64,695	22,365	1,508,533	412,382	1,185	7,582	2,280	423,429	1,931,962	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)
2012	294,256	\$ 909,174	1.7%	3,090
2013	297,732	951,863	2%	3,197
2014	302,113	1,013,927	2.2%	3,356
2015	305,462	1,072,650 (d)	2.2%	3,512
2016	316,579	1,103,582	2.3%	3,486
2017	317,233	1,170,487 (d)	2.2%	3,690
2018	321,113	1,306,015	2.5%	4,067
2019	326,286	1,343,061	2.5%	4,116
2020	330,376	1,457,785	2.5%	4,413
2021	333,951	1,448,987	2.5%	4,339

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)**

	2012	2013	2014	2015	2016	2017	2018	2019	(a)	2020	2021
Assessed value											
Real property	\$ 43,621,862	42,639,732	42,990,610	44,112,719	45,939,083	47,976,024	49,821,784	51,679,563		53,471,779	55,084,014
Personal property	1,555,658	1,561,355	1,561,532	1,618,446	1,702,530	1,650,785	1,696,221	1,733,053		1,706,543	1,910,776
Total assessed value	\$ 45,177,520	44,201,087	44,552,142	45,731,165	47,641,613	49,626,809	51,518,005	53,412,616		55,178,322	56,994,790
Legal debt margin											
Debt limit (4.8% of assessed value of real property and personal property)	\$ 2,168,521	2,121,652	2,138,503	2,195,096	2,286,797	2,382,087	2,472,864	2,563,806		2,648,559	2,735,750
Total debt limit	\$ 2,168,521	2,121,652	2,138,503	2,195,096	2,286,797	2,382,087	2,472,864	2,563,806		2,648,559	2,735,750
Debt applicable to limit											
General county	\$ 832,318	871,701 (b)	911,842 (b)	936,199 (b)	984,119 (b)	1,037,717 (b)	1,099,892	1,203,729		1,318,434	1,312,240
State Water Quality Revolving Loan	2,850	2,840	2,830	2,475	—	—	—	—		—	—
Total debt applicable to limit	\$ 835,168	874,541	914,672	938,674	984,119	1,037,717	1,099,892	1,203,729		1,318,434	1,312,240
Legal debt margin	\$ 1,333,353	1,247,111	1,223,831	1,256,422	1,302,678	1,344,370	1,372,972	1,360,077		1,330,125	1,423,510
Total debt applicable to the limit as a percentage of debt limit	38.51%	41.22%	42.77%	42.76%	43.03%	43.56%	44.48%	46.95%		49.78%	47.97%

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	
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
2020	443,004	33,722	409,282	510,000	96,285	0.68
2021	733,705	361	733,344	522,000	48,935	1.28

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
2020	1,453,827	14,038	1,439,789	90,000	1,006,565	1.31
2021	994,537	14,535	980,002	115,000	1,002,246	0.88

Note: Information for FY2013 and earlier not available.

Gross revenues include incremental tax, special tax and 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 (a)	3.27
2019	4,137,520	244,394	3,893,126	—	2,102,219 (a)	1.85
2020	3,577,754	79,065	3,498,689	—	2,102,219 (a)	1.66
2021	3,615,455	91,998	3,523,457	200,000	2,102,219	1.53

Note: Information for FY2017 and earlier not available.
 Gross revenues include incremental tax, special tax and 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)
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	25,343,597	78,416	58,019	3.6%
2019	325,690	25,812,013	79,253	58,284	2.8%
2020	330,376	n/a	n/a	59,447	6.9%
2021	333,951	n/a	n/a	57,293	5.2%

Sources:

- (a) Estimated Population, Personal Income, and Per Capita Personal Income revised and restated for 2012 - 2018
(Bureau of Economic Analysis, U.S. Dept. of Commerce)
- (b) Estimated Populations for 2021 are from Howard County Department of Planning and Zoning for June 30, 2021
- (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**

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Howard County Public Schools	8,500	1	4.84%	7,467	1	4.69%
Johns Hopkins Applied Physics Laboratory	7,000	2	3.99%	4,700	2	2.95%
Howard County Government	3,375	3	1.92%	2,861	3	1.80%
Howard County General Hospital	1,850	4	1.05%	1,682	6	1.06%
Verizon	1,700	5	0.97%	2,028	4	1.27%
Howard Community College	1,400	6	0.80%	1,244	8	0.78%
The Columbia Association	1,200	7	0.68%	900	10	0.56%
Lorien Health Systems	1,190	8	0.68%	2,000	5	1.26%
Coastal Sunbelt Produce	1,050	9	0.60%	—	—	—%
Freshly	820	10	0.47%	—	—	—%
Giant Food	—	—	—%	1,500	7	0.94%
SAIC	—	—	—%	1,060	9	0.67%
Total	28,085		16.00%	25,442		15.98%

Source: Howard County Economic Development Authority

Howard County, Maryland
County Government Employees by Function
Last Ten Fiscal Years

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	292	299	312	335	341	349	354	348	350	354
Public safety										
Police	634	635	651	672	667	677	691	697	705	708
Fire	419	461	463	472	465	468	491	530	550	608
Corrections	144	144	148	152	153	153	154	154	154	151
Public works	572	577	599	612	611	614	617	619	626	642
Recreation and parks	256	261	268	281	283	295	304	300	289	299
Legislative and judicial	202	202	204	206	208	212	216	219	223	231
Community services	343	299	307	324	325	330	341	367	370	372
Total	2,862	2,878	2,952	3,054	3,053	3,098	3,168	3,234	3,267	3,365

Source: Howard County Budget Office

Howard County, Maryland
Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government Finance: Real property tax accounts billed 98,023 98,884 99,034 105,692 105,692 107,342 108,292 108,952 109,775 110,437 Business personal property tax accounts billed 9,809 9,829 8,831 10,628 13,232 14,803 11,323 9,822 7,805 9,854 Public Safety Police: Physical arrests 10,810 10,315 10,885 10,016 9,351 8,379 7,527 6,627 4,640 1,993 Parking violations 4,415 9,052 9,439 7,180 7,180 7,545 7,104 8,624 5,515 2,703 Traffic violations 84,306 85,682 88,987 99,963 92,314 82,917 75,402 69,180 52,065 24,033 Fire: Emergency responses 59,887 58,129 56,925 58,369 58,484 60,997 69,074 68,897 63,092 62,401 Inspections 2,173 2,516 2,203 2,742 2,865 3,274 2,498 2,969 2,808 5,080 Corrections: Average daily prison population 320 340 348 304 284 285 319 318 253 202 Public Works Inspections, licenses and permits: Construction permits issued 5,583 6,293 6,007 6,379 7,145 6,599 5,575 5,249 5,135 5,646 Environmental services: Refuse collected (tons per year) 102,249 101,912 103,120 115,941 103,719 109,313 109,397 118,247 120,290 128,136 Recyclables collected (tons per year) 64,619 61,974 58,197 55,704 57,815 67,006 59,024 59,689 57,709 58,602 Recreation and parks Programs operated 4,479 5,723 6,792 7,250 7,324 6,562 7,441 6,746 4,842 8,530 Registrations processed 84,420 89,345 102,305 103,731 105,522 77,682 80,410 105,826 140,720 38,500 Legislative and judicial Circuit court cases filed 1,021 1,007 1,057 1,064 1,238 1,203 1,069 1,198 866 824 District court cases filed 13,867 12,685 10,730 9,296 9,527 10,131 9,346 11,055 6,119 8,150 Community services 50+ centers operated (a) 7 7 7 7 7 7 7 7 7 6 Consumer affairs - cases closed 278 246 319 282 287 271 313 295 311 232 Community service partnership grants 33 28 28 30 30 29 29 32 32 31 Assisted living monitoring visits 183 205 543 461 535 622 774 876 446 230 Water and sewer Water main breaks 172 189 176 186 170 119 275 156 151 181 Average daily water consumption (thousands of gallons) 22,610 22,370 23,580 21,870 22,100 23,600 23,470 24,016 23,060 24,706 Number of water customers 72,229 73,121 74,153 74,991 74,206 75,266 75,933 76,586 77,217 77,761 Average daily sewage treatment (thousands of gallons) 26,350 26,860 26,980 27,500 27,660 24,880 24,850 29,100 25,907 28,502 Number of sewer customers 68,872 69,727 70,714 71,547 72,474 73,537 74,215 74,872 75,511 76,063 Golf course Rounds played 36,142 35,432 34,197 31,260 31,271 23,003 30,196 31,997 22,810 49,830										

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, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Buildings	23	38	40	44	44	45	44	48	50	50
Vehicles	57	45	43	51	51	64	60	105	106	103
Legislative and judicial										
Vehicles	70	70	77	71	71	78	81	72	69	66
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units (vehicles)	286	292	291	292	284	274	275	274	319	302
Other vehicles	250	264	226	214	214	271	282	295	274	273
Fire:										
Stations (a)	6	6	6	6	6	6	7	11	11	11
Pumpers/tankers	29	25	28	29	29	28	29	31	31	30
Ladder trucks	6	6	6	7	8	8	8	8	8	8
Paramedic units	32	34	32	32	37	35	39	39	37	32
Vehicles	119	118	119	120	120	211	193	193	209	202
Public Works										
Buildings (b)	36	40	40	40	42	42	42	44	45	45
Transit buses	57	52	57	42	42	68	62	65	74	73
Vehicles	354	355	354	367	367	395	446	393	410	410
Streets (miles) (c)	1,030	1,035	1,044	1,062	1,066	1,066	1,066	1,042	1,042	1,059
Streetlights (d)	7,315	7,558	7,750	7,941	8,131	8,447	8,720	10,149	10,281	10,480
Stormwater management facilities (e)	933	983	1,011	1,127	1,216	1,250	1,313	1,343	1,428	1,509
Recreation and parks										
Buildings	59	62	62	62	65	65	65	64	75	76
Parks and open space acreage	9,097	9,116	9,173	9,227	9,255	9,493	9,579	9,647	9,619	9,819
Playgrounds	39	41	43	44	44	44	44	44	44	44
Vehicles	85	96	99	103	103	159	120	115	117	116
Water and sewer										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	1,028	1,041	1,054	1,089	1,100	1,078	1,078	1,107	1,107	1,107
Sanitary sewers (miles)	980	987	999	1,018	1,026	1,026	1,026	1,030	1,048	1,048
Golf course										
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 2012 through 2014 restated to exclude non County-owned fire stations

(b) Prior periods 2012 through 2014 restated to exclude nonbuilding structures.

(c) Prior period 2014 restated due to error in previous amount reported.

(d) Prior periods 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.



**Department of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043
(410) 313-2195 TDD 313-2323**