



HOWARD COUNTY, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2020



Howard County, Maryland

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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

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County Executive

Calvin Ball



County Council

Deb Jung
*Chair and Councilwoman
District 4*



Liz Walsh
*Vice Chair and
Councilwoman
District 1*



Opel Jones
*Councilman
District 2*



Christiana Rigby
*Councilwoman
District 3*



David Yungmann
*Councilman
District 5*



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



Prepared by the Department of Finance

Howard County, Maryland



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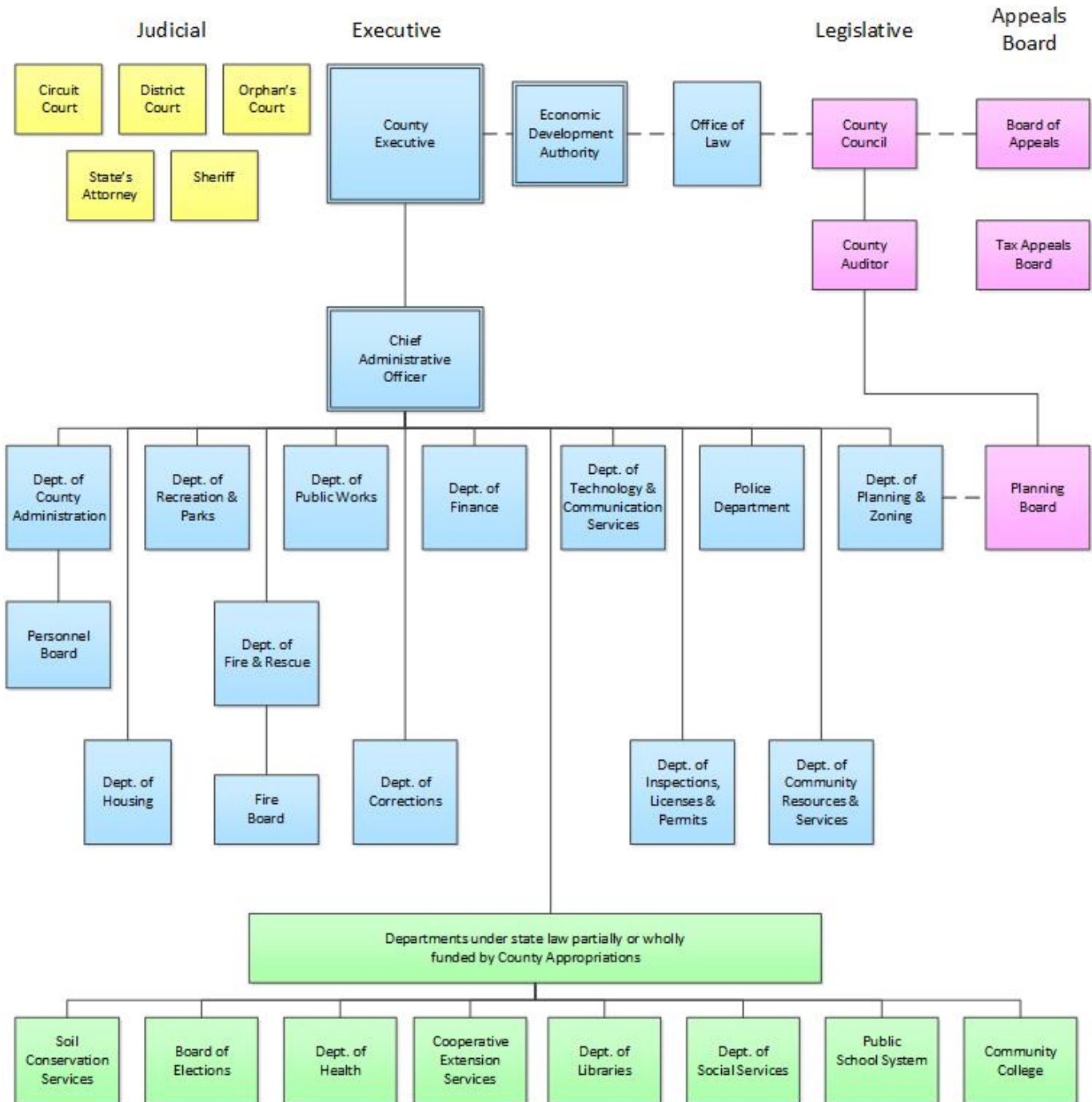
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HOWARD COUNTY GOVERNMENT ORGANIZATIONAL CHART





HOWARD COUNTY DEPARTMENT OF FINANCE

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November 23, 2020

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

Ladies and Gentlemen:

FORMAL TRANSMITTAL OF THE CAFR

The audited Comprehensive Annual Financial Report (CAFR) of Howard County, Maryland (the County) prepared by the Department of Finance for the fiscal year (FY) ended June 30, 2020, 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, 2020. The Independent Auditor's Report is presented as the first element of the Financial Section of this report.

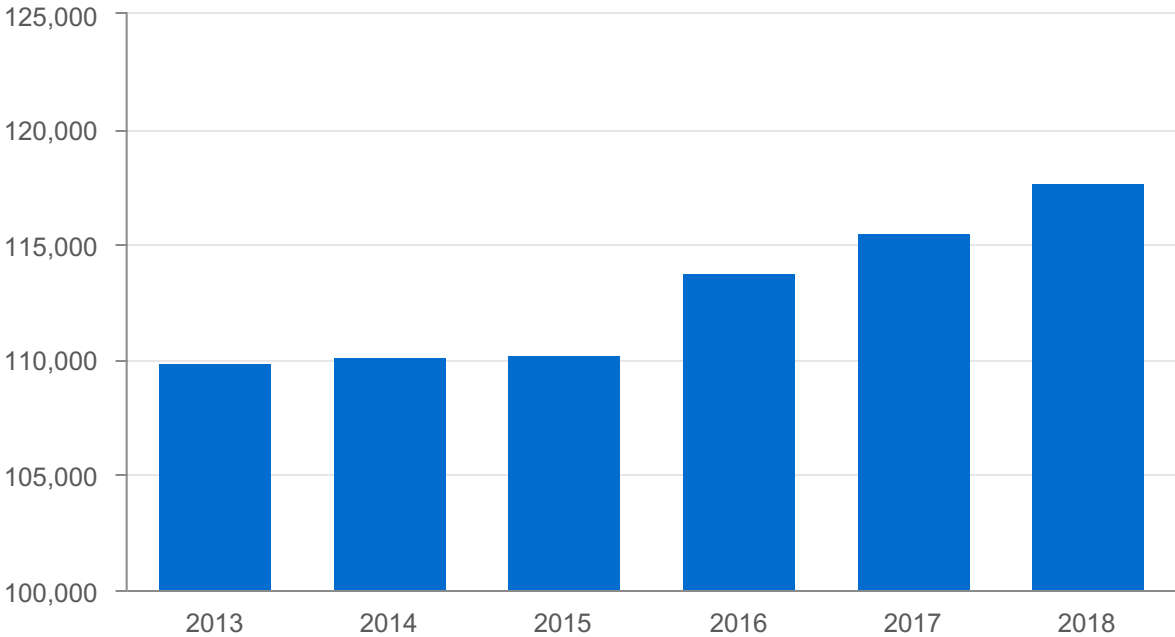
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with 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 323,196 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 2020. According to the U.S. Census Bureau's American Community Survey, Howard County has both the highest median income in the State and the third highest in the nation.

Howard County, Maryland Median Household Income



Source: United States Census Bureau, 2014-2018 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.

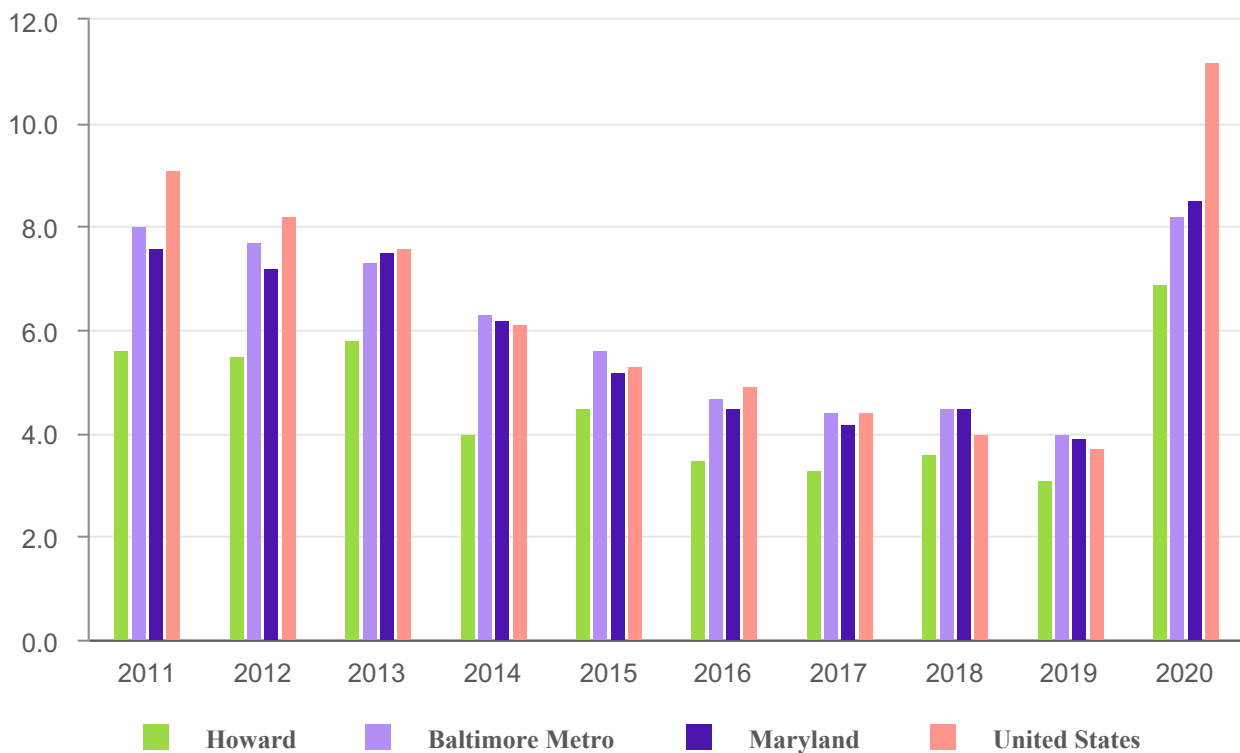
Once the budget is approved, the County Council can only amend it at the request of the County Executive. The operating budget is amended during the year through the use of supplemental budget appropriation ordinances (SAOs). The County Executive may request at any time during the fiscal year, the approval 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 8.5% and national 11.2% levels as evidenced by the June 2020 rate of 6.9%.

Unemployment Rates



LOCAL ECONOMY

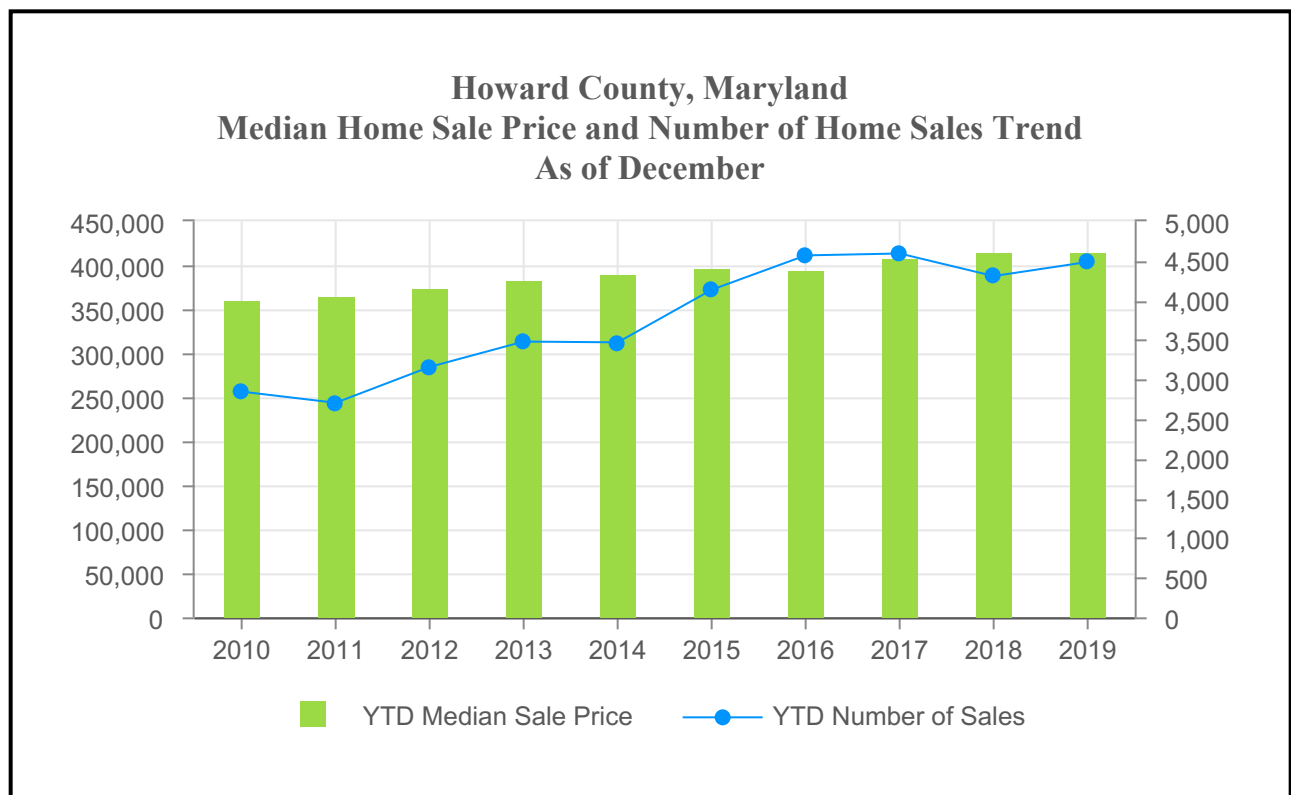
Howard County's ideal geographic location is a major factor in the substantial economic growth across a wide variety of industry sectors. According to the Maryland Department of Labor Licensing and Regulation, over 10,237 businesses in Howard County employ 175,722 workers in industries such as information 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.

Commercial real estate vacancy rates continue to decline and the average remains below 7% for flex, retail, industrial, and office space as reported by Costar. The year-to-date average vacancy rate for 2020 is 6.1%. FY 2020 property tax revenues increased 8.3% above the previous fiscal year. In its FY 2021 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 16.4% when compared to the actual for FY 2019, partially due to approximately \$40 million income tax received from the State and additional income tax from unemployment due to COVID-19. The FY 2021 projection for income tax collections represents a 0.2% decrease from what was budgeted in FY 2020.

Recordation tax, a leading indicator of the health of the local real estate market, continues to fluctuate. FY 2020 revenue from recordation tax increased 10.0% from the previous fiscal year. The FY 2021 budget projects a 30.3% decrease in recordation tax collections compared to FY 2020. The demand for real estate remains strong, especially in the residential resale market, where the average days on market continued to decrease to 34 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 2020. The adopted budget projects the FY 2021 gross assessable base of Howard County will decrease by 0.9% from FY 2020. Due to decreasing Homestead Tax Credits, the net taxable assessment will decrease by approximately 0.3%. This is because the Homestead Tax Credit limits taxable increases on homeowner occupied properties to 5% per year. Approximately 13% of homeowner occupied properties in Howard County received this credit in FY 2020.

MAJOR INITIATIVES

The County will continue the strong fiscal management policies which have led to AAA rating from all three major credit rating agencies. Construction continues on the Howard County Circuit Courthouse, which will be the 1st on the East Coast to be delivered using a Public Private Partnership (P3) model. Upon expected occupancy in June 2021, the County will pay Edgemoor-StarAmerica Judicial Partners (ESJP) \$78 million. The County will then make monthly payments to ESJP to operate and maintain the Courthouse for the next 30 years to the high standards established by the County. Howard County will focus on the following priority areas in the future: Ready and successful students; Safe and engaged communities; Clean and sustainable environment; Thriving and healthy residents; Reliable and accessible infrastructure; Strong and prosperous businesses and Innovative and efficient government.

LONG TERM FINANCIAL PLANNING

Rainy Day Fund

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

Capital Projects and Debt Administration

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

The County plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The County finances its capital needs on a regular basis dictated by its capital spending pattern. External financial specialists assist the County in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors. Bonds issued by the County mature over a term that does not exceed the economic life of the improvements that they finance.

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

Spending Affordability Advisory Committee

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

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

FINANCIAL POLICIES

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

Debt Management Policy

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

Investment Policy

The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk while maintaining a competitive yield on the investment portfolio. Investment activities are governed by State laws. Accordingly, the County invests in: certificates of deposit (Maryland State banks only); repurchase agreements; banker's acceptances; commercial paper; U.S. Government and Federal agency obligations; Treasury and other government mutual funds; 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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 44th consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2019. This was the 26th 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 23, 2020

CERTIFICATE OF THE COUNTY AUDITOR

Honorable Members of the County Council

Deb Jung, Chairperson
Liz Walsh, Vice Chairperson
Opel Jones
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, 2020. 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



Merriweather Fire Station

To expand live-saving public safety services in Columbia, Howard County opened fire Station 14 in the Merriweather District in August 2019. The new station includes an engine and an ambulance that supports Banneker Station 7 in emergencies.



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, 2019

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Howard County, Maryland (the County), as of and for the year ended

June 30, 2020, 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 87 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.



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

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

Opinions

In our opinion, based on our audit and the 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Agricultural Land Preservation and Grants Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-17, and the required supplementary information on pages 101-108 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, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

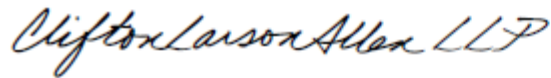
The accompanying combining and individual fund statements and schedules and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020 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 23, 2020



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, 2020. 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 \$783.1 million. That amount is net of a \$674.8 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 \$456.9 million and for college projects is \$120.5 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 \$1.20 billion. Additionally, the unrestricted deficit is caused by the net pension liability of \$158.3 million and net OPEB liability of \$430.4 million.
- The \$171.1 million increase in the government's total net position is primarily due to an increase of \$137.8 million in total general revenues.
- The County's property tax revenues increased this year by \$54.2 million, or 8.3%, due to rising property values.
- Approximately 61.6% of the total governmental fund balance, \$239.8 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 \$197.1 million, or 17.6% of total General Fund expenditures.
- At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$389.4 million, an increase of about \$99.7 million in comparison with the prior year. Specifically, the fund balance of the General Fund increased by \$67.9 million primarily due to increases of \$8.5 million in the County's funding of educational expenditures, offset by an increase in revenue of \$78.2 million.
- The reserve for the budget stabilization account balance is \$75.8 million, an increase of \$1.9 million million or 6.8% of fiscal year 2020 General Fund expenditures. That balance meets the target set by the County Charter (7% of fiscal year 2018 expenditures). We have reached that target and assigned \$4.3 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 \$81.3 million, (4.5% during the current fiscal year). The major factors in this increase were the issuance of \$180.3 million Consolidated Public Improvement (CPI) Project Bonds and \$75.2 million in Metropolitan (Metro) District Project Bonds. The County refunded \$54.6 million in CPI bonds and \$22.9 million in Metro bonds and

retired \$69.8 million, \$13.1 million, \$3.5 million and \$4.5 million of CPI, Metro, Water Quality Bonds and capital lease payments, respectively. The County also retired \$510,000 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general, agricultural land preservation, 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 24-30 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 31-34 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 35-36 of this report.

The component unit financial statements are located on pages 37-38 of this report.

Notes to basic financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements are located immediately after the Basic Financial Statements on pages 41-97.

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 101-108 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 113 of this report.

Detailed capital asset schedules for governmental and proprietary funds are located on pages 161-165. Schedules providing additional long-term debt detail start on page 169. The Statistical Section begins on page 175.

Government-Wide Financial Analysis

Over time, changes in net position serve as a useful indicator of a government's financial position. Howard County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$783.1 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, 2020, debt outstanding for education projects is \$456.9 million and for college projects is \$120.5 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 \$835.9 million reflects the imbalance of liabilities without corresponding assets as well as the governmental activities' portion of the County's Net OPEB liability of \$403.9 million and net pension liability of \$155.8 million.

An additional portion of the County's net position (\$156.6 million or 20.0%) represents resources subject to external restrictions on their usage.

Summary of Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 776,221,811	574,494,784	263,712,244	261,977,435	1,039,934,055	836,472,219
Capital assets	1,572,494,418	1,519,048,191	840,837,489	805,427,740	2,413,331,907	2,324,475,931
Total assets	2,348,716,229	2,093,542,975	1,104,549,733	1,067,405,175	3,453,265,962	3,160,948,150
Deferred outflows of resources	162,804,134	129,499,985	12,272,544	11,034,327	175,076,678	140,534,312
Total assets and deferred outflows	2,511,520,363	2,223,042,960	1,116,822,277	1,078,439,502	3,628,342,640	3,301,482,462
Long-term liabilities outstanding	2,125,501,703	2,041,573,904	459,317,049	401,129,274	2,584,818,752	2,442,703,178
Other liabilities	141,333,692	117,523,265	32,071,805	47,555,964	173,405,497	165,079,229
Total liabilities	2,266,835,395	2,159,097,169	491,388,854	448,685,238	2,758,224,249	2,607,782,407
Deferred inflows of resources	82,435,479	77,223,192	4,583,377	4,516,165	87,018,856	81,739,357
Total liabilities and deferred inflows	2,349,270,874	2,236,320,361	495,972,231	453,201,403	2,845,243,105	2,689,521,764
Net position						
Invested in capital assets	860,749,049	841,929,843	440,510,473	456,887,408	1,301,259,522	1,298,817,251
Restricted	137,408,939	142,249,607	19,238,763	21,823,966	156,647,702	164,073,573
Unrestricted	(835,908,499)	(997,456,851)	161,100,810	146,526,725	(674,807,689)	(850,930,126)
Total net position	\$ 162,249,489	(13,277,401)	620,850,046	625,238,099	783,099,535	611,960,698

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.

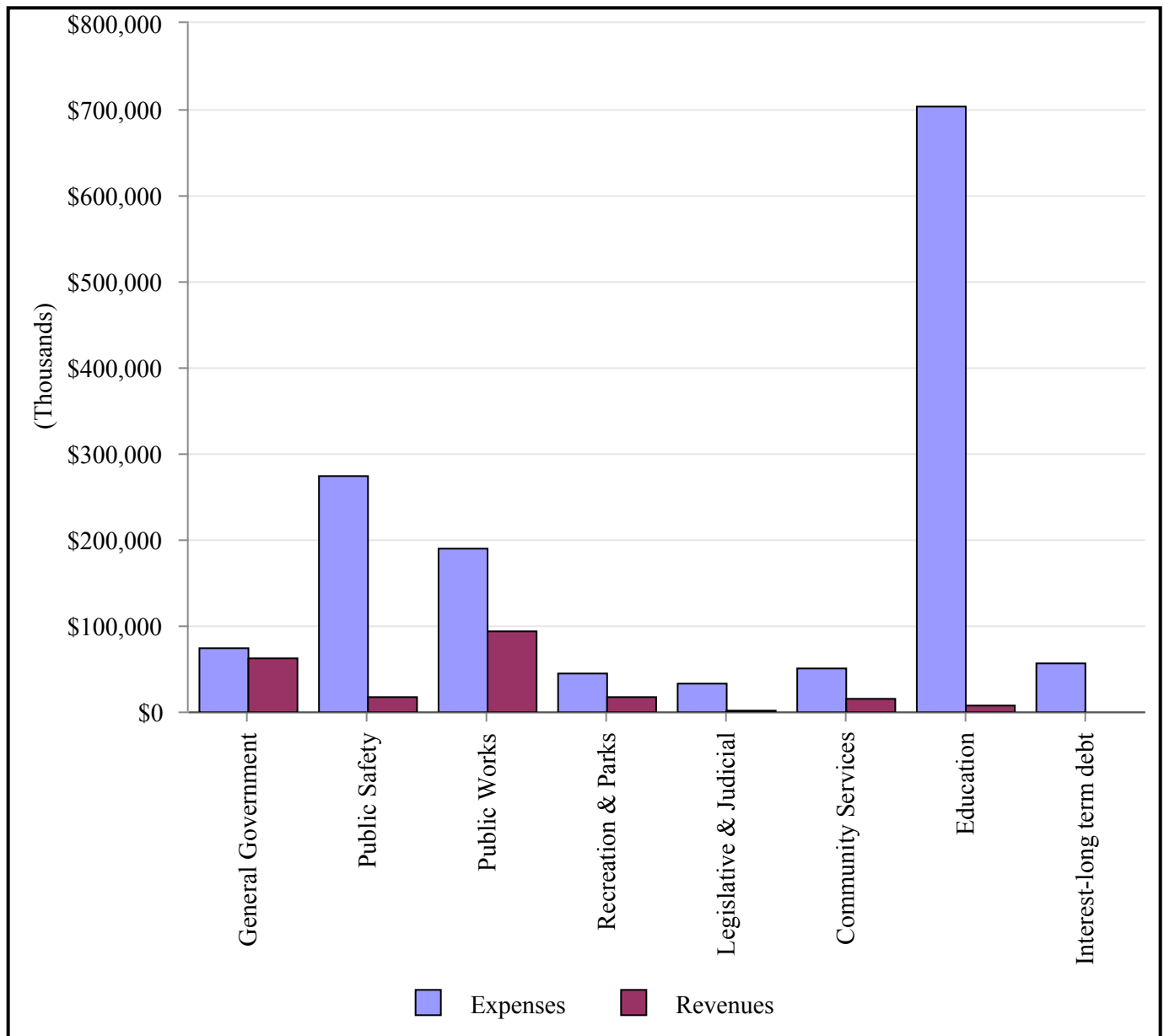
Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 138,032,198	132,468,245	77,177,114	76,378,400	215,209,312	208,846,645
Operating grants and contributions	60,278,746	40,559,501	36,112,163	35,349,018	96,390,909	75,908,519
Capital grants and contributions	19,701,167	18,377,194	9,928,803	43,164,177	29,629,970	61,541,371
General revenues						
Property taxes	708,947,753	654,794,565	—	—	708,947,753	654,794,565
Local income taxes	577,958,870	496,679,385	—	—	577,958,870	496,679,385
Other taxes	77,803,643	69,739,135	—	—	77,803,643	69,739,135
Other	14,702,738	17,772,744	2,615,899	5,204,513	17,318,637	22,977,257
Total revenues	1,597,425,115	1,430,390,769	125,833,979	160,096,108	1,723,259,094	1,590,486,877
Expenses						
General government	74,316,453	65,241,233	—	—	74,316,453	65,241,233
Public safety	273,690,808	249,887,935	—	—	273,690,808	249,887,935
Public works	191,131,750	207,843,230	—	—	191,131,750	207,843,230
Recreation and parks	44,155,887	54,344,080	—	—	44,155,887	54,344,080
Legislative and judicial	33,526,457	30,139,996	—	—	33,526,457	30,139,996
Community services	51,744,649	50,250,870	—	—	51,744,649	50,250,870
State highways	4,140,382	9,286,446	—	—	4,140,382	9,286,446
Education	703,269,393	710,311,491	—	—	703,269,393	710,311,491
Interest on long-term debt	56,026,136	51,541,615	—	—	56,026,136	51,541,615
Water & Sewer	—	—	111,856,075	113,056,969	111,856,075	113,056,969
Other	—	—	8,262,267	7,163,586	8,262,267	7,163,586
Total expenses	1,432,001,915	1,428,846,896	120,118,342	120,220,555	1,552,120,257	1,549,067,451
Increase (decrease) in net position	165,423,200	1,543,873	5,715,637	39,875,553	171,138,837	41,419,426
Transfers	10,103,690	9,412,543	(10,103,690)	(9,412,543)	—	—
Total Increase (decrease) in net position	175,526,890	10,956,416	(4,388,053)	30,463,010	171,138,837	41,419,426
Net position beginning	(13,277,401)	(24,233,817)	625,238,099	594,775,089	611,960,698	570,541,272
Net position ending	\$ 162,249,489	(13,277,401)	620,850,046	625,238,099	783,099,535	611,960,698

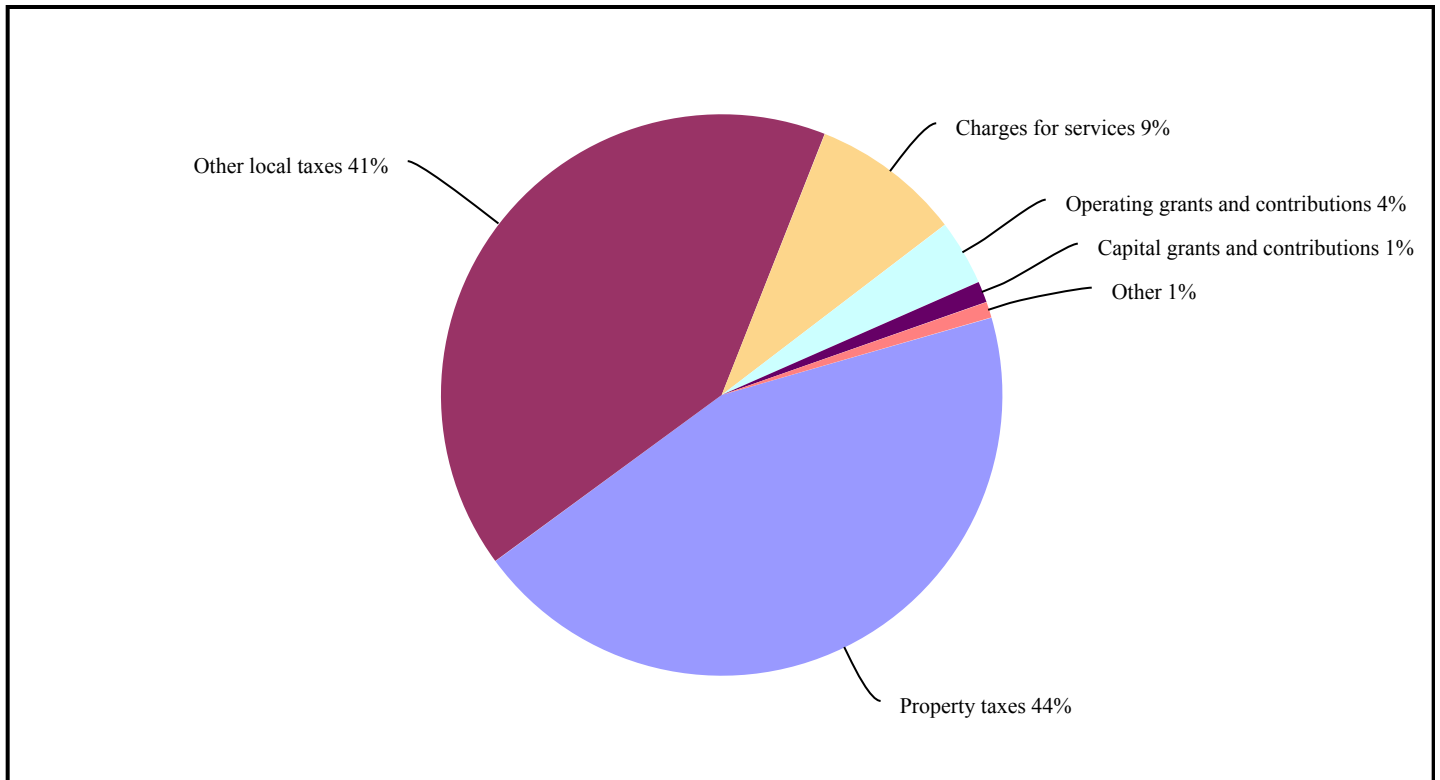
Governmental activities. Governmental activities increased the County's net position by \$175.5 million. Key elements of this increase are as follows:

- Property tax revenues increased by \$54.2 million due to rising property values.
- Income tax revenues increased by \$81.3 million due to the continued recovery of the job market.
- Recordation tax revenues increased by \$2.1 million due to a increase in property transfers and refinancings.
- Net OPEB liability increased by \$50.7 million and net pension liability increased by \$5.1 million.
- Education expenses decreased by \$7.0 million; this is due to an increase of \$5.2 million for the Public School System, a decrease of \$12.8 million for the Community College, and an increase of \$0.6 million for the Library.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

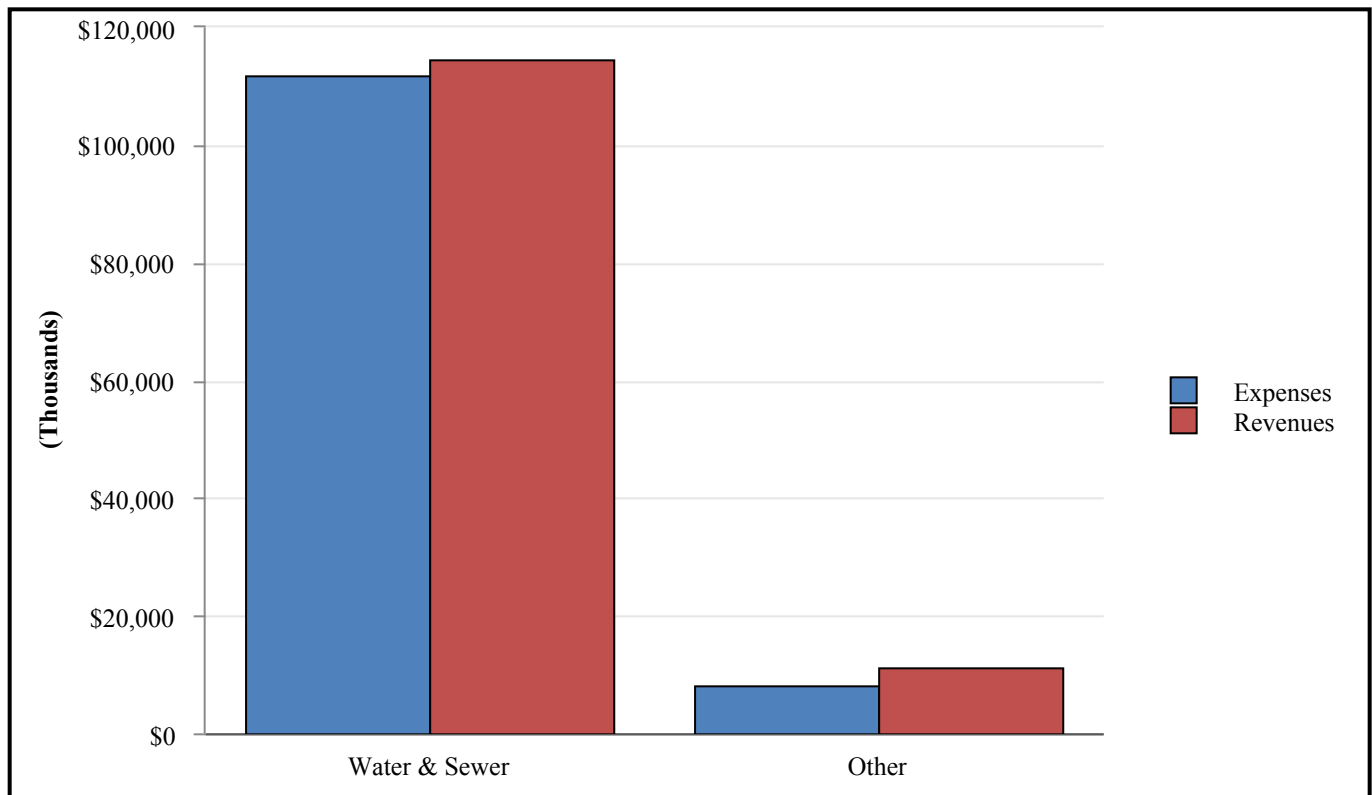


Business-type activities. Business-type activities decreased the County's net position by \$4.4 million. The components of this decrease are as follows:

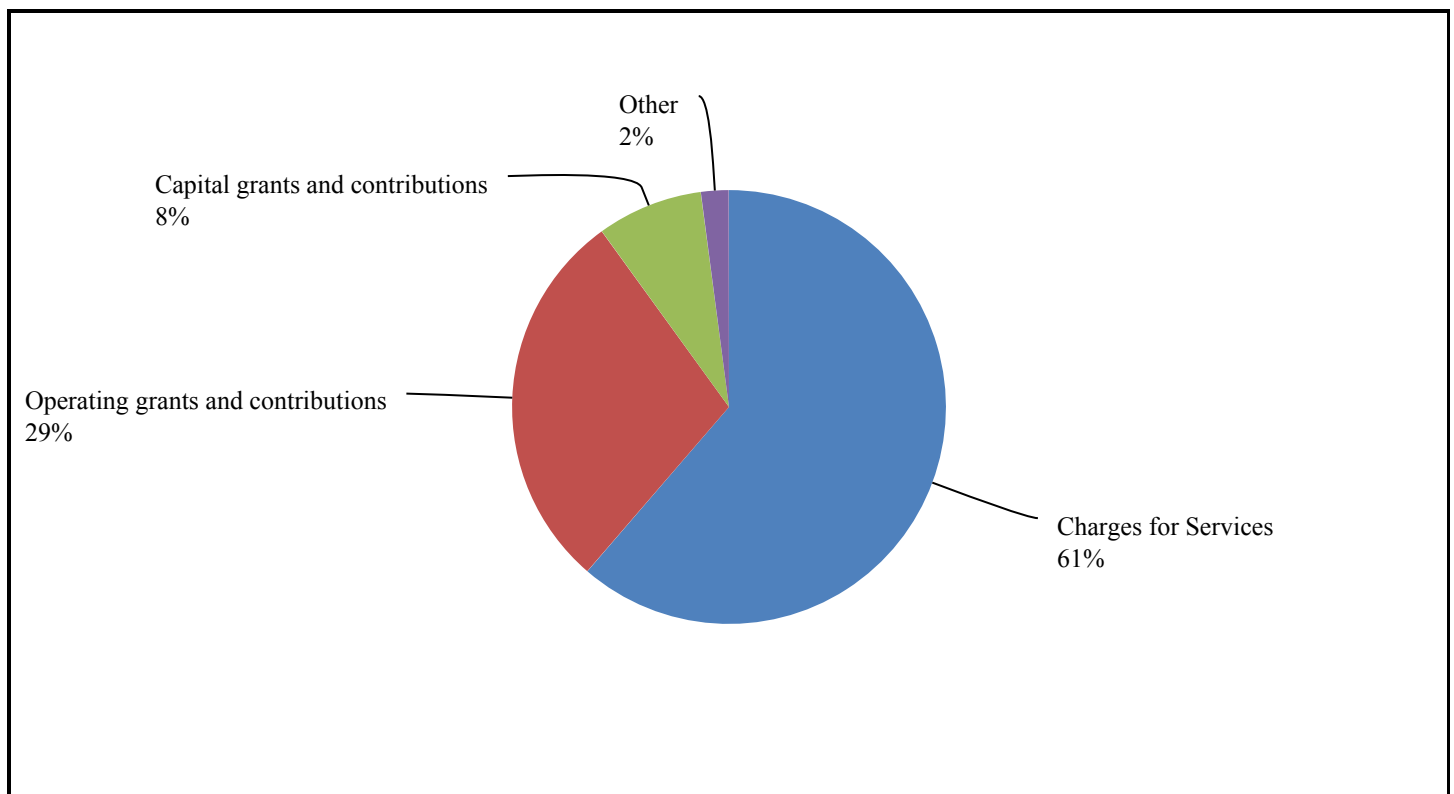
- Charges for services increased by \$0.8 million due to an increase in water and sewer consumption.
- Operating grants and contributions, which totaled \$36.1 million, represent an annual ad valorem fee levied on all properties within the water and sewer service district. This charge is used primarily to fund debt service payments and pay-as-you-go funding on capital projects.
- \$9.9 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 decreased by \$33.2 million from fiscal year 2019.

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 \$389.4 million, an increase of \$99.7 million in comparison with the prior year. Of this fund balance, \$12.2 million is nonspendable, \$137.4 million is restricted by enabling legislation, \$148.8 million is committed by the County, at the highest level of authority, \$165.9 million is assigned by management, and \$74.9 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 \$208.5 million, \$67.9 million or 48.3% more than the prior year primarily due to an increase in revenue.

The \$49.6 million total fund balance of the Agricultural Land Preservation Fund is a \$9.3 million decrease from the prior year. The decrease is the result of an increase in debt service expenditures.

The general capital projects fund is used to track the construction of general county buildings, as well as schools, libraries, and other buildings for the community college. The fund balance is a \$34.4 million deficit. This is a timing issue due to capital project expenditures occurring before revenues from grants and bonds are recognized.

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 \$5.3 million deficit 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 \$563.0 million. Net position of the Water and Sewer Proprietary Fund increased \$1.9 million due to the receipt of ad valorem fees and capital contributions.

General Fund Budgetary Highlights

The County spent \$11.6 million less than the budget as the County departments exercised caution with spending. The County experienced a favorable variance of \$3.0 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 \$2.3 million and \$1.1 million, respectively.

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, 2020 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 3.8% (a 3.5% increase for governmental activities and a 4.4% increase for business-type activities).

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

- \$19.7 Million for construction of Downtown Columbia infrastructure
- \$7.9 Million for various infrastructure enhancements/safe guards and property purchases in downtown Ellicott City
- \$6.0 Million for various stream/stormwater management infrastructure throughout the county
- \$5.7 Million for Water Main replacement on Montgomery Road
- \$5.5 Million for land acquisition of future Guilford Water Tower
- \$2.4 Million for Troy Park Improvements

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 625,316,959	602,390,872	12,568,603	12,202,828	637,885,562	614,593,700
Construction in progress	119,990,193	101,613,027	142,262,568	127,333,464	262,252,761	228,946,491
Buildings and improvements	430,761,819	443,851,768	173,503,918	181,453,447	604,265,737	625,305,215
Machinery and equipment	79,166,993	76,914,875	8,796,639	10,243,651	87,963,632	87,158,526
Infrastructure	317,258,454	294,277,649	503,705,761	474,194,350	820,964,215	768,471,999
Total capital assets	\$ 1,572,494,418	1,519,048,191	840,837,489	805,427,740	2,413,331,907	2,324,475,931

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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 1,288,650,765	1,246,382,174	413,652,057	351,004,168	1,702,302,822	1,597,386,342
State water quality/MDE loan	—	—	12,529,873	14,572,847	12,529,873	14,572,847
Tax increment financing bonds	65,010,000	65,100,000	—	—	65,010,000	65,100,000
Agricultural land preservation program	76,423,710	93,483,238	—	—	76,423,710	93,483,238
Special facility revenue bonds	—	—	1,707,000	2,217,000	1,707,000	2,217,000
Other	27,082,059	31,603,394	1,452,135	874,412	28,534,194	32,477,806
Total outstanding debt	\$ 1,457,166,534	1,436,568,806	429,341,065	368,668,427	1,886,507,599	1,805,237,233

The County's total long-term debt increased by \$81.3 million, (4.5% during the current fiscal year). The major factors in this increase were the issuance of \$180.3 million Consolidated Public Improvement (CPI) Project Bonds, and \$75.2 million in Metropolitan (Metro) District Project Bonds. The County refunded \$54.6 million in CPI bonds and \$22.9 million in Metro bonds and retired \$69.8 million, \$13.1 million and \$3.5 million of CPI, Metro, and Water Quality Bonds, respectively. The County also retired \$510,000 of Special Facility Revenue bonds. The County maintains an "AAA" rating from both Standard & Poor's and Fitch Ratings, and an "Aaa" rating from Moody's Investors Service for general obligation debt.

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

Additional information on the County's long-term debt is located in Note 7 starting on page 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 2020 unemployment rate for the County was 6.9%. This compares favorably to the state's unemployment rate of 8.5% and the national rate of 11.2% for the same period.
- The occupancy rate for commercial space as of June 2020 was 94.9% which is the same as a year ago. Howard County had an increase of 1,084,843 total rentable building area (RBA) during this fiscal year.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

The fiscal year 2021 general fund budget is \$13.4 million or 1.1% more than the fiscal year 2020 budget. This increase is primarily the result of the use of \$7.5 million in policy reserve for recurring expenditures to mitigate significant service cuts resulting from the impact of COVID-19 and a recession and Council approved use of more than \$12 million in fund balances from other funds to help provide temporary relief to the general fund.

The County's property tax and income tax rates remained the same for fiscal year 2020. The County's fire property tax rate was increased .06 per \$100 of assessed value for real property and .15 per \$100 of

assessed value for personal property. There were also no changes to the Building Excise Tax (used to fund road expansion), Water and Sewer charges, recycling fees or the water and sewer ad valorem. The mobile home tax was repealed by Council Bill No. 8-2019.

Currently Known Facts, Decisions and Conditions

In FY21, uncertainties remain on the revenue outlook related to the economic impact of the pandemic and State funding. On the positive side, the County received \$56.8 million in one-time federal CARES Act funding, of which \$19.4 million is expected to be spent by the Health Department and the rest used by County agencies to reimburse qualified COVID-19 expenditures.

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.



Busboy & Poets

In a testament to continued economic progress and cultural celebration, Howard County announced in September 2019 that the county will be the home of the largest Busboys & Poets location in the D.C. metro area to the Merriweather District of Downtown Columbia.

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Equity in pooled cash and investments	\$ 426,444,794	43,342,708	469,787,502	73,520,392
Cash and securities with fiscal agents	12,747,488	—	12,747,488	—
Investments	37,442,501	—	37,442,501	94,796,639
Receivables:				
Property taxes, net	8,759,776	462,522	9,222,298	—
Due from other governments	237,732,955	233,827	237,966,782	40,149,240
Service billings	—	12,420,696	12,420,696	—
Due from component units	29,719,287	—	29,719,287	—
Other	18,583,278	779,274	19,362,552	7,334,901
Materials and supplies	2,693,943	1,350,866	4,044,809	1,111,482
Prepays	17,669	—	17,669	2,494,631
Restricted assets:				
Cash and cash equivalent and equity in pooled cash	—	185,704,250	185,704,250	7,085,164
Investments	—	—	—	9,373,087
Water and sewer assessments receivable	—	3,205,617	3,205,617	—
Other receivables	—	—	—	7,288,813
Internal balances	(731,626)	731,626	—	—
Other non-current receivables	2,811,746	15,480,858	18,292,604	—
Capital Assets:				
Land and land improvements	625,316,959	12,568,603	637,885,562	117,798,850
Construction in progress	119,990,193	142,262,568	262,252,761	18,305,928
Buildings and improvements, net	430,761,819	173,503,918	604,265,737	1,619,321,543
Machinery and equipment, net	79,166,993	8,796,639	87,963,632	5,868,771
Infrastructure, net	317,258,454	503,705,761	820,964,215	—
Other capital assets	—	—	—	19,408,427
Other non-current assets	—	—	—	176,897
Total assets	2,348,716,229	1,104,549,733	3,453,265,962	2,024,034,765
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	1,059,415	3,779,302	4,838,717	—
Retirement plans	89,901,103	1,710,571	91,611,674	15,108,763
Other post employment benefits	69,499,469	6,782,671	76,282,140	133,851,655
Length of service award program	2,344,147	—	2,344,147	—
Derivative instruments - interest rate swap	—	—	—	2,552
Total deferred outflows of resources	162,804,134	12,272,544	175,076,678	148,962,970
Total assets and deferred outflows of resources	2,511,520,363	1,116,822,277	3,628,342,640	2,172,997,735
LIABILITIES				
Accounts payable and other current liabilities	41,277,110	10,952,340	52,229,450	101,421,959
Accrued interest payable	19,331,876	5,020,179	24,352,055	—
Accrued wages and benefits	18,801,056	843,969	19,645,025	3,991,162
Deposits	5,893,193	1,537,516	7,430,709	853,124
Short-term loans and notes payable	19,685,688	12,630,851	32,316,539	—
Due to primary government	—	—	—	29,719,287
Unearned revenues	36,344,769	1,086,950	37,431,719	10,894,288

(Continued)

Howard County, Maryland
Statement of Net Position
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities:				
Due within one year	109,160,217	18,954,662	128,114,879	11,019,212
Due in more than one year, net	2,016,341,486	440,362,387	2,456,703,873	1,232,687,299
Total liabilities	2,266,835,395	491,388,854	2,758,224,249	1,390,586,331
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenue	—	203,075	203,075	—
Retirement plans	22,985,936	1,035,318	24,021,254	6,397,978
Other post employment benefits	51,142,608	3,344,984	54,487,592	129,501,461
Length of service award program	3,199,693	—	3,199,693	—
Deferred refunding gain	5,107,242	—	5,107,242	—
Total deferred inflows of resources	82,435,479	4,583,377	87,018,856	135,899,439
Total liabilities and deferred inflows of resources	2,349,270,874	495,972,231	2,845,243,105	1,526,485,770
NET POSITION				
Net investment in capital assets	860,749,049	440,510,473	1,301,259,522	1,503,467,634
Restricted:				
Business-type operations	—	—	—	7,243,446
Capital projects	—	—	—	8,062,450
Catalyst loan program	1,036,997	—	1,036,997	—
Economic development initiatives	671,484	—	671,484	—
Fee in lieu	259,000	—	259,000	—
Fire & rescue services	17,305,071	—	17,305,071	—
Forest conservation	1,865,040	—	1,865,040	—
Middle Patuxent environmental area program	50,295	—	50,295	—
Open space	594,877	—	594,877	—
Parkland watershed facilities	16,632,186	—	16,632,186	—
Permanent public improvement	1,170,970	—	1,170,970	—
Program revenue	448,504	—	448,504	—
Public road facilities	59,603,317	—	59,603,317	—
Public school facilities	18,873,801	—	18,873,801	13,605,021
Speed enforcement	497,879	—	497,879	—
Tax increment financing project	18,399,518	—	18,399,518	—
Debt Services	—	19,238,763	19,238,763	—
Unrestricted	(835,908,499)	161,100,810	(674,807,689)	(885,866,586)
Total net position	\$ 162,249,489	620,850,046	783,099,535	646,511,965

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

Howard County, Maryland
Statement of Activities
For the Year Ended June 30, 2020

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	\$ 74,316,453	43,695,157	18,385,154	160,760	(12,075,382)	—	(12,075,382)	—
Public safety	273,690,808	10,237,285	7,779,948	—	(255,673,575)	—	(255,673,575)	—
Public works	191,131,750	57,391,094	26,858,499	9,915,186	(96,966,971)	—	(96,966,971)	—
Recreation and parks	44,155,887	17,099,764	164,623	831,334	(26,060,166)	—	(26,060,166)	—
Legislative and judicial	33,526,457	625,581	643,063	—	(32,257,813)	—	(32,257,813)	—
Community services	51,744,649	8,983,317	6,447,459	—	(36,313,873)	—	(36,313,873)	—
State highways	4,140,382	—	—	—	(4,140,382)	—	(4,140,382)	—
Education	703,269,393	—	—	8,793,887	(694,475,506)	—	(694,475,506)	—
Interest on long-term debt	56,026,136	—	—	—	(56,026,136)	—	(56,026,136)	—
Total governmental activities	1,432,001,915	138,032,198	60,278,746	19,701,167	(1,213,989,804)	—	(1,213,989,804)	—
Business-type activities:								
Water and sewer	111,856,075	65,876,003	36,112,163	9,928,803	—	60,894	60,894	—
Other	8,262,267	11,301,111	—	—	—	3,038,844	3,038,844	—
Total business-type activities	120,118,342	77,177,114	36,112,163	9,928,803	—	3,099,738	3,099,738	—
Total primary government	1,552,120,257	215,209,312	96,390,909	29,629,970	(1,213,989,804)	3,099,738	(1,210,890,066)	—
Component units:								
Housing commission	51,140,101	23,581,765	278,360	15,473,543	—	—	—	(11,806,433)
Public school system	1,112,467,221	4,153,559	171,756,182	41,856,506	—	—	—	(894,700,974)
Library	26,259,729	582,228	—	—	—	—	—	(25,677,501)
Community college	122,015,214	34,861,676	469,817	6,298,841	—	—	—	(80,384,880)
Total component units	\$ 1,311,882,265	63,179,228	172,504,359	63,628,890	—	—	—	(1,012,569,788)
General revenues:								
Property taxes					\$ 708,947,753	—	708,947,753	—
Local income taxes					577,958,870	—	577,958,870	—
Transfer tax					40,192,976	—	40,192,976	—
Recordation tax					23,266,982	—	23,266,982	—
Building excise tax					5,676,297	—	5,676,297	—
Hotel / motel tax					4,650,731	—	4,650,731	—
Admission tax					3,047,879	—	3,047,879	—
County development tax					928,659	—	928,659	—
Mobile home tax					40,119	—	40,119	—
Appropriations from primary government					—	—	—	664,494,000
Intergovernmental, unrestricted					3,308,303	—	3,308,303	291,736,513
Unrestricted investment income					9,972,730	2,615,899	12,588,629	2,583,492
Miscellaneous					1,421,705	—	1,421,705	22,937,645
Transfers					19,489,201	(19,489,201)	—	—
Transfer of capital assets					(9,385,511)	9,385,511	—	—
Total general revenues					1,389,516,694	(7,487,791)	1,382,028,903	981,751,650
Change in net position					175,526,890	(4,388,053)	171,138,837	(30,818,138)
Net position - beginning					(13,277,401)	625,238,099	611,960,698	677,330,103
Net position - ending					\$ 162,249,489	620,850,046	783,099,535	646,511,965

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

Howard County, Maryland
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Agricultural Land Preservation Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash and investments	\$ 150,810,948	12,144,605	3,004,856	28,538,420	169,477,556	363,976,385
Cash with fiscal agent	—	—	7,129,197	—	5,618,291	12,747,488
Investments	—	37,442,501	—	—	—	37,442,501
Receivables:						
Property taxes, net	7,107,332	—	—	—	1,652,444	8,759,776
Due from other governments	211,393,527	—	9,625,772	9,278,786	7,434,870	237,732,955
Due from other funds	27,035,954	—	—	—	13,555,183	40,591,137
Due from component units	10,828,270	—	12,270,103	—	6,620,914	29,719,287
Housing loans	—	—	—	—	13,526,688	13,526,688
Economic development loans	—	—	—	245,050	—	245,050
Other	1,561,141	—	—	382,325	1,003,479	2,946,945
Prepaid Items	8,348	—	—	4,170	—	12,518
Materials and supplies	640,894	—	—	—	676,947	1,317,841
Total assets	409,386,414	49,587,106	32,029,928	38,448,751	219,566,372	749,018,571
LIABILITIES						
Due to other funds	—	—	23,253,364	—	13,133,183	36,386,547
Accounts payable / accrued liabilities	9,367,604	—	12,397,184	1,938,530	12,113,171	35,816,489
Accrued wages and benefits	11,882,015	7,199	96,686	176,796	5,799,606	17,962,302
Short-term loans and notes payable	—	—	14,182,205	—	5,503,483	19,685,688
Deposits and connection fees	5,460,410	—	—	355,743	5,000	5,821,153
Unearned revenue	152,340	—	998,198	33,153,219	1,998,049	36,301,806
Total liabilities	26,862,369	7,199	50,927,637	35,624,288	38,552,492	151,973,985
DEFERRED INFLOWS OF RESOURCES						
Unavailable income taxes	168,144,793	—	—	—	—	168,144,793
Unavailable property taxes	4,477,173	—	—	—	2,338,819	6,815,992
Unavailable fees	1,352,178	—	—	655,328	7,654,437	9,661,943
Unavailable grant revenues	—	—	15,533,105	7,482,988	—	23,016,093
Total deferred inflows	173,974,144	—	15,533,105	8,138,316	9,993,256	207,638,821
Total liabilities and deferred inflows	200,836,513	7,199	66,460,742	43,762,604	48,545,748	359,612,806
FUND BALANCES						
Nonspendable	11,477,512	—	—	4,170	676,947	12,158,629
Restricted	—	—	27,173,968	2,466,280	107,768,691	137,408,939
Committed	75,845,302	7,506,437	—	—	65,421,108	148,772,847
Assigned	99,392,985	42,073,470	—	—	24,467,668	165,934,123
Unassigned	21,834,102	—	(61,604,782)	(7,784,303)	(27,313,790)	(74,868,773)
Total fund balances (deficits)	208,549,901	49,579,907	(34,430,814)	(5,313,853)	171,020,624	389,405,765
Total liabilities, deferred inflows and fund balances	\$ 409,386,414	49,587,106	32,029,928	38,448,751	219,566,372	749,018,571

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, 2020

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

Total fund balances - governmental funds (page 24)		\$ 389,405,765
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.		69,423,776
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	\$ (1,290,709,843)	
Capital leases	(18,338,278)	
Deferred refunding gain/loss and premium	(138,291,595)	
Other noncurrent liabilities	(14,240,352)	
Accrued interest payable	(19,331,872)	
Compensated absences	(28,745,579)	
Landfill closure and post-closure	<u>(23,264,000)</u>	(1,532,921,519)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,525,730,043
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.		(499,831,194)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows in the funds.		210,442,618
Net position of governmental activities (page 22)		<u>\$ 162,249,489</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, 2020

	General Fund	Agricultural Land Preservation Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 568,197,247	—	—	—	137,944,170	706,141,417
Other local taxes	554,845,166	10,963,903	10,035,244	—	25,798,265	601,642,578
State shared taxes	2,747,094	—	—	—	—	2,747,094
Revenues from other governments	9,651,928	—	6,927,747	23,661,240	3,118,788	43,359,703
Charges for services	14,963,596	—	—	426,903	49,841,743	65,232,242
Investment income:						
Interest on investments	4,009,926	2,487,053	501,158	58,336	3,650,330	10,706,803
Decrease in fair value of investments	—	(327,690)	—	—	—	(327,690)
Installment interest from housing loans	—	—	—	—	95,639	95,639
Licenses and permits	5,917,475	—	—	—	—	5,917,475
Fines and forfeitures	2,833,825	—	—	—	1,155,116	3,988,941
Developer fees	—	—	—	—	1,040,214	1,040,214
Payments from component units	1,017,178	—	—	—	—	1,017,178
Miscellaneous program revenues	4,143,191	214,800	4,542,354	4,463,891	6,736,271	20,100,507
Total revenues	1,168,326,626	13,338,066	22,006,503	28,610,370	229,380,536	1,461,662,101
EXPENDITURES						
Current:						
General government	43,353,873	30,482	—	10,654,337	630,134	54,668,826
Legislative & judicial	28,523,286	—	—	631,747	—	29,155,033
Public works	74,176,697	647,706	1,443,413	8,480,461	27,417,174	112,165,451
Public safety	133,609,300	—	—	4,976,593	111,904,665	250,490,558
Recreation and parks	22,487,388	—	—	76,880	18,652,793	41,217,061
Community services	37,041,342	—	—	6,616,622	4,495,896	48,153,860
Education	664,494,000	—	36,391,393	—	—	700,885,393
Capital improvements	—	—	72,066,811	—	58,533,608	130,600,419
Debt service:						
Principal	71,173,305	17,059,529	—	—	101,863	88,334,697
Interest	47,318,683	4,709,479	—	—	4,659,231	56,687,393
Total expenditures	1,122,177,874	22,447,196	109,901,617	31,436,640	226,395,364	1,512,358,691
Excess (deficiency) of revenues over expenditures	46,148,752	(9,109,130)	(87,895,114)	(2,826,270)	2,985,172	(50,696,590)
OTHER FINANCING SOURCES (USES)						
Bond premium	—	—	14,774,650	—	6,423,657	21,198,307
Capital-related issuance of debt	—	—	76,216,429	—	32,020,815	108,237,244
Refunding bonds issued	—	—	48,015,234	—	10,359,766	58,375,000
Payment to bond refunding escrow agent	—	—	(47,946,828)	—	(10,215,110)	(58,161,938)
Transfers in	32,757,891	—	3,210,722	30,246	44,530,892	80,529,751
Transfers out	(10,964,659)	(200,000)	(7,358,884)	(51,126)	(41,218,893)	(59,793,562)
Total other financing sources (uses)	21,793,232	(200,000)	86,911,323	(20,880)	41,901,127	150,384,802
Net change in fund balances	67,941,984	(9,309,130)	(983,791)	(2,847,150)	44,886,299	99,688,212
Fund balances (deficit) - beginning	140,607,917	58,889,037	(33,447,023)	(2,466,703)	126,134,325	289,717,553
Fund balances (deficit) - ending	\$ 208,549,901	49,579,907	(34,430,814)	(5,313,853)	171,020,624	389,405,765

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, 2020

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) \$ 99,688,212

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the amount by which capital outlays exceed depreciation in the current period is as follows:

Capital outlays	\$ 104,654,940	
Less: Depreciation expense	<u>(47,874,174)</u>	56,780,766

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. (20,027,113)

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. 21,887,512

Revenues to governmental funds that relate to prior periods are not reported in the statement of activities. Similarly, revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. The details are as follows:

Revenues related to prior periods	(138,090,339)	
Revenues that do not provide current financial resources	<u>208,711,701</u>	70,621,362

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. (44,829,093)

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. (17,638,424)

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. 9,043,668

Change in net position of governmental activities (page 23)	<u>\$ 175,526,890</u>	
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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, 2020

REVENUES	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Property taxes	\$ 569,384,262	569,384,262	568,557,792	(826,470)
Other local taxes	495,597,628	495,597,628	554,845,166	59,247,538
State shared taxes	3,543,506	3,543,506	2,747,094	(796,412)
Revenues from other governments	6,370,696	6,370,696	9,651,928	3,281,232
Charges for services	14,022,322	14,022,322	14,966,759	944,437
Interest on investments	4,192,400	4,192,400	5,474,502	1,282,102
Licenses and permits	7,204,259	7,204,259	5,917,475	(1,286,784)
Recoveries for inter-fund services	18,446,100	18,446,100	18,345,519	(100,581)
Fines and forfeitures	3,108,512	3,108,512	2,833,826	(274,686)
Component units return of funding	1,829,300	1,829,300	1,017,178	(812,122)
Miscellaneous	10,643,727	3,438,227	3,959,126	520,899
Total revenues	1,134,342,712	1,127,137,212	1,188,316,365	61,179,153
EXPENDITURES				
Current:				
General government	46,414,502	48,723,179	45,683,008	3,040,171
Legislative & judicial	29,837,580	30,323,680	28,358,988	1,964,692
Public works	85,942,126	85,427,635	84,650,035	777,600
Public safety	142,299,587	142,299,587	139,966,216	2,333,371
Recreation and parks	24,622,504	24,622,504	24,454,287	168,217
Community services	38,488,355	27,857,500	26,713,217	1,144,283
Education	664,494,000	664,494,000	664,494,000	—
Health Department	13,166,855	13,166,855	11,304,642	1,862,213
Debt service:				
Principal	70,863,436	71,283,628	71,173,305	110,323
Interest	47,395,964	47,490,263	47,318,683	171,580
Total expenditures	1,163,524,909	1,155,688,831	1,144,116,381	11,572,450
Excess (deficiency) of revenues over expenditures	(29,182,197)	(28,551,619)	44,199,984	72,751,603
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	10,046,032	10,046,032	—	(10,046,032)
Capital related debt issued	8,369,900	—	—	—
Transfers in	23,584,032	39,159,432	38,684,031	(475,401)
Transfers out	(12,817,767)	(20,653,845)	(19,907,028)	746,817
Total other financing sources (uses)	29,182,197	28,551,619	18,777,003	(9,774,616)
Net change in fund balance	—	—	62,976,987	62,976,987
Plus prior year encumbrances lapsed			1,611,542	
Fund balances - beginning			127,813,399	
Fund balances - ending			\$ 192,401,928	

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

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

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Agricultural Land Preservation Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 7,650,000	7,650,000	10,963,903	3,313,903
Investment income	1,500,000	1,500,000	2,159,363	659,363
Miscellaneous	5,000	5,000	214,800	209,800
Total revenues	9,155,000	9,155,000	13,338,066	4,183,066
EXPENDITURES				
Public works:				
General Government	40,376	40,376	30,482	9,894
Agricultural land preservation program administration	869,120	869,120	647,706	221,414
Debt service:				
Principal	17,059,621	17,059,621	17,059,529	92
Interest	4,709,479	4,709,479	4,709,479	—
Total expenditures	22,678,596	22,678,596	22,447,196	231,400
Excess (deficiency) of revenues over expenditures	(13,523,596)	(13,523,596)	(9,109,130)	4,414,466
OTHER FINANCING SOURCES				
Appropriation from fund balance	13,723,596	13,723,596	9,309,130	(4,414,466)
Transfers out	(200,000)	(200,000)	(200,000)	—
Total other financing sources	13,523,596	13,523,596	9,109,130	(4,414,466)
Net change in fund balance	—	—	—	—
Less appropriation from fund balance			(9,309,130)	
Fund balance - beginning			59,047,107	
Fund balance - ending			\$ 49,737,977	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Grants Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other agencies:				
Grants from federal government	\$ 10,501,310	75,010,634	16,040,428	(58,970,206)
Grants from state government	9,423,657	10,141,617	7,198,071	(2,943,546)
Other local grants	716,954	711,954	422,723	(289,231)
Total revenue from other agencies	20,641,921	85,864,205	23,661,222	(62,202,983)
Charges for services	975,000	975,000	426,903	(548,097)
Interest on investments	—	—	7,210	7,210
Contingency	5,000,000	4,099,760	—	(4,099,760)
Miscellaneous	11,651,239	10,720,748	4,514,677	(6,206,071)
Total revenues	33,268,160	97,559,953	28,610,012	(68,949,941)
EXPENDITURES				
General government	4,977,704	61,808,098	10,625,940	51,182,158
Legislative & judicial	806,494	806,494	631,105	175,389
Public works	7,082,117	15,293,516	7,981,703	7,311,813
Public safety	5,632,784	5,632,784	4,946,655	686,129
Recreation & parks	425,690	425,690	76,966	348,724
Community services	9,343,371	9,493,611	6,600,351	2,893,260
Contingency	5,000,000	4,099,760	—	4,099,760
Total expenditures	33,268,160	97,559,953	30,862,720	66,697,233
Excess (deficiency) of revenues over expenditures	—	—	(2,252,708)	(2,252,708)
Net change in fund balance	—	—	(2,252,708)	(2,252,708)
Plus: Prior year encumbrances lapsed			322,385	
Fund balances - beginning			(2,252,635)	
Fund balances - ending			(4,182,958)	

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

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities			Governmental Activities
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Services Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 23,696,313	19,646,395	43,342,708	62,468,409
Receivables:				
Property taxes	462,522	—	462,522	—
Due from other governments	233,827	—	233,827	—
Service billings	12,348,769	71,927	12,420,696	—
Other receivables	536,971	242,303	779,274	1,872,542
Prepaid Expenses	—	—	—	5,151
Materials and supplies	1,350,866	—	1,350,866	1,376,102
Restricted assets:				
Equity in pooled cash and cash equivalents	185,144,250	560,000	185,704,250	—
Water and sewer assessments	3,205,617	—	3,205,617	—
Total current assets	226,979,135	20,520,625	247,499,760	65,722,204
Noncurrent assets:				
Restricted assets:				
Receivables:				
Water and sewer assessments	15,473,146	—	15,473,146	—
Other receivables	—	7,712	7,712	—
Capital assets:				
Land and land improvements	3,068,643	9,499,960	12,568,603	—
Construction in progress	142,262,568	—	142,262,568	—
Buildings and improvements, net	139,939,784	2,690,949	142,630,733	1,846,066
Machinery and equipment, net	7,675,970	1,120,669	8,796,639	44,918,309
Infrastructure, net	456,437,365	47,268,396	503,705,761	—
Improvement other, net	29,808,702	1,064,483	30,873,185	—
Total noncurrent assets	794,666,178	61,652,169	856,318,347	46,764,375
Total assets	1,021,645,313	82,172,794	1,103,818,107	112,486,579
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	3,778,138	1,164	3,779,302	—
Retirement plans	1,710,571	—	1,710,571	—
Other post employment benefits	6,782,671	—	6,782,671	—
Total deferred outflows of resources	12,271,380	1,164	12,272,544	—
Total assets and deferred outflows of resources	1,033,916,693	82,173,958	1,116,090,651	112,486,579
LIABILITIES				
Current liabilities:				
Due to other funds	—	4,204,590	4,204,590	—
Accounts payable	10,310,557	641,783	10,952,340	5,460,621
Accrued wages and benefits	754,905	89,064	843,969	838,754
Compensated absences	—	—	—	10,729
Short-term loans and notes payable	12,630,851	—	12,630,851	—
Deposits and connection fees	—	—	—	72,040
Unpaid insurance claims	—	—	—	7,861,224
Current portion capital lease obligation	—	—	—	1,688,422
Unearned revenue	—	—	—	42,963
Current liabilities	23,696,313	4,935,437	28,631,750	15,974,753

(Continued)

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2020

	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	1,537,516	—	1,537,516	—
Developer agreement rebates and deposits	49,100	—	49,100	—
Other debt payable	3,533,040	—	3,533,040	—
Capital lease obligation	279,000	—	279,000	—
Bonds and note payable	12,275,000	2,667,928	14,942,928	—
Loan payable	—	150,594	150,594	—
Interest payable	5,020,179	—	5,020,179	—
Current liabilities payable from restricted assets	22,693,835	2,818,522	25,512,357	—
Total current liabilities	46,390,148	7,753,959	54,144,107	15,974,753
Noncurrent liabilities:				
Developer agreement rebates and deposits	776,234	—	776,234	—
Net OPEB liability	26,419,402	—	26,419,402	—
Net pension liability	2,449,509	—	2,449,509	—
Compensated absences	1,011,377	95,696	1,107,073	1,268,592
Unpaid insurance claims	—	—	—	13,827,883
Long-term capital lease obligation	347,801	—	347,801	7,055,359
Refunding revenue note payable	—	1,185,000	1,185,000	—
Metropolitan district bonds payable	380,264,106	—	380,264,106	—
Long-term bonds payable	—	18,967,023	18,967,023	—
Loans payable	—	1,263,829	1,263,829	—
Unearned revenue	1,086,950	—	1,086,950	—
Other long-term debt	7,582,410	—	7,582,410	—
Total noncurrent liabilities	419,937,789	21,511,548	441,449,337	22,151,834
Total liabilities	466,327,937	29,265,507	495,593,444	38,126,587
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenue	203,075	—	203,075	—
Retirement plans	1,035,318	—	1,035,318	—
OPEB	3,344,984	—	3,344,984	—
Total deferred inflows of resources	4,583,377	—	4,583,377	—
Total liabilities and deferred inflows of resources	470,911,314	29,265,507	500,176,821	38,126,587
NET POSITION				
Net investment in capital assets	403,099,226	37,411,247	440,510,473	38,020,594
Restricted:				
For debt service	18,678,763	560,000	19,238,763	—
Unrestricted	141,227,390	14,937,204	156,164,594	36,339,398
Total net position	563,005,379	52,908,451	615,913,830	74,359,992
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			4,936,216	
Net position of business-type activities			<u>\$ 620,850,046</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, 2020

	Business-Type Activities			Governmental
	Water and	Other	Total	Activities
	Sewer	Enterprise Funds		Internal Service
				Funds
Operating revenues:				
User charges	\$ 62,770,620	10,847,495	73,618,115	118,561,329
Insurance recoveries	—	—	—	289,468
Miscellaneous sales and services	2,118,137	453,616	2,571,753	1,336,905
Total operating revenues	64,888,757	11,301,111	76,189,868	120,187,702
Operating expenses:				
Salaries and employee benefits	14,689,695	1,642,739	16,332,434	14,814,409
Contractual services	15,877,228	3,586,237	19,463,465	13,492,657
Supplies and materials	2,781,451	1,271	2,782,722	3,987,069
Business and travel	47,660	2,454	50,114	693,510
Vehicle fuels and supplies	1,857,310	—	1,857,310	3,223,715
Purchased water and transmission charges	23,930,756	—	23,930,756	—
Sewage treatment charges	9,174,594	—	9,174,594	—
Share of county administrative expenses	5,897,924	886,858	6,784,782	786,780
Insurance claims	1,512,884	—	1,512,884	61,781,165
Other administrative	—	84,826	84,826	2,526,666
Depreciation expense	23,660,067	1,689,315	25,349,382	9,259,241
Less: house connection and capitalized overhead costs	(6,300)	—	(6,300)	—
Total operating expenses	99,423,269	7,893,700	107,316,969	110,565,212
Operating income (loss)	(34,534,512)	3,407,411	(31,127,101)	9,622,490
Nonoperating revenues (expenses):				
Ad valorem charges	36,104,830	—	36,104,830	—
Water and sewer assessment charges	976,518	—	976,518	—
Interest on investments	2,472,927	142,972	2,615,899	623,382
Interest expense	(12,943,764)	(265,344)	(13,209,108)	(283,759)
Gain (loss) on sale of capital assets	(10,728)	—	(10,728)	—
Grant	7,333	—	7,333	—
Revenue from other government	—	—	—	8,962
Other, net	(69,463)	(2,616)	(72,079)	—
Total nonoperating revenues (expenses)	26,537,653	(124,988)	26,412,665	348,585
Net income (loss) before contributions and transfers	(7,996,859)	3,282,423	(4,714,436)	9,971,075
Capital contributions	9,928,803	9,284,904	19,213,707	921,459
Transfers in	—	576,165	576,165	766,334
Transfers out	—	(20,065,366)	(20,065,366)	(2,013,322)
Change in net position	1,931,944	(6,921,874)	(4,989,930)	9,645,546
Net position - beginning	561,073,435	59,830,325	—	64,714,446
Net position - ending	563,005,379	52,908,451	615,913,830	74,359,992
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			601,877	
Change in net position of business - type activities			\$ (4,388,053)	

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, 2020

	Business-Type Activities			Governmental Activities Internal Service Funds
	Water and Sewer	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 66,229,495	10,948,393	77,177,888	120,435,840
Cash paid to suppliers	(65,841,958)	(2,353,485)	(68,195,443)	(71,157,942)
Cash paid to / for employees	(14,230,576)	(1,610,693)	(15,841,269)	(15,086,315)
Other operating cash receipts	—	200,701	200,701	—
Cash paid for inter-fund services used	(7,567,158)	(1,153,279)	(8,720,437)	(12,094,381)
Other operating disbursements	—	(663,065)	(663,065)	(498,945)
Net cash provided by (used for) operating activities	(21,410,197)	5,368,572	(16,041,625)	21,598,257
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Inter-fund payable	—	439,115	439,115	—
Inter-fund operating transfers in (out)	—	(19,489,201)	(19,489,201)	(1,246,988)
Net cash (used for) noncapital financing activities	—	(19,050,086)	(19,050,086)	(1,246,988)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of county bonds	72,143,281	16,016,960	88,160,241	—
Cash receipts from assessments & connection charges	37,183,882	—	37,183,882	—
Proceeds from grant	97,276	—	97,276	8,962
Proceeds from capital lease	571,824	—	571,824	—
Acquisition and construction of capital assets	(42,885,389)	(9,413,168)	(52,298,557)	(9,963,025)
Capital contribution	1,526,340	9,385,511	10,911,851	564,174
Payment of long-term debt principal	(39,382,397)	(655,461)	(40,037,858)	(1,643,192)
Payment of long-term debt interest	(9,218,088)	(218,182)	(9,436,270)	(283,759)
Net cash provided by (used for) capital and related financing activities	20,036,729	15,115,660	35,152,389	(11,316,840)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	3,072,996	213,572	3,286,568	623,382
Net cash provided by investing activities	3,072,996	213,572	3,286,568	623,382
Net increase (decrease) in cash and cash equivalents	1,699,528	1,647,718	3,347,246	9,657,811
Cash and cash equivalents - beginning of the year	207,141,035	18,558,677	225,699,712	52,810,598
Cash and cash equivalents - end of the year	208,840,563	20,206,395	229,046,958	62,468,409
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities				
Operating (loss) income	(34,534,512)	3,407,411	(31,127,101)	9,622,490
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	23,660,067	1,689,315	25,349,382	9,259,241
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	1,413,123	(157,797)	1,255,326	205,175
Prepaid expenses	—	—	—	1,923
Inventories	(57,627)	—	(57,627)	—
Accounts payable	(13,801,316)	395,447	(13,405,869)	501,244
Accrued wages and benefits	—	13,460	13,460	129,826
Supplies and materials	195,144	20,736	215,880	91,107
Deposits and connection fees	—	—	—	(19,400)
Unpaid insurance claims	—	—	—	1,473,257
Unearned revenue	—	—	—	42,963
Compensated absences	—	—	—	290,431
Increase in net OPEB and pension activities	1,714,924	—	1,714,924	—
Total adjustments	13,124,315	1,961,161	15,085,476	11,975,767
Net cash provided by (used in) operating activities	\$ (21,410,197)	5,368,572	(16,041,625)	21,598,257

Noncash investing, capital, and financing activities:

In Fiscal Year 2020, \$8,570,354 was contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines and \$1,512,780 was posted as cash receipt.

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

Howard County, Maryland
Statement of Fiduciary Net Position
Pension and Other Post Employment Benefits Trust Funds and Agency Funds
June 30, 2020

	Pension and OPEB Trust Funds	Agency Funds
ASSETS		
Equity in pooled cash and cash equivalents	\$ —	\$ 5,192,515
Receivables:		
Property tax	—	235,653
Interest and dividends	1,073,103	—
Employer contributions	3,062,007	—
Member contributions	822,557	—
Sale of investments	471,184	—
Other	22,126	2,993
Investments, at fair value:		
Cash	732,017	—
Equities	443,574,144	—
Alternative investments	282,188,131	—
Mutual funds	176,647,925	—
Money market funds	26,357,747	—
Fixed income securities	345,374,586	—
Real assets	43,271,215	—
Prepaid items	43,758	5,255
Total assets	1,323,640,500	5,436,416
LIABILITIES		
Accounts payable	65,608	1,961,663
Investments purchased	2,090,371	—
Deposits	1,449,097	3,474,753
Total liabilities	\$ 3,605,076	\$ 5,436,416
NET POSITION		
Net position restricted for pension and OPEB benefits	\$ 1,320,035,424	

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

Howard County, Maryland
Statement of Changes in Fiduciary Net Position
Pension and Other Post Employment Benefits Trust Funds
For the Year Ended June 30, 2020

ADDITIONS	
Contributions:	
Employer	\$ 84,564,506
Member	12,932,787
Total contributions	97,497,293
Investment income:	
Net change in fair value of investments	22,790,797
Interest	4,905,948
Dividends	26,998,950
Other	115,155
Investment expense	(3,366,346)
Net investment (loss) income	51,444,504
Total additions	148,941,797
DEDUCTIONS	
Benefits	79,813,723
Administrative expenses	878,217
Total deductions	80,691,940
Change in net position	68,249,857
Net position - beginning	1,251,785,567
Net position - ending	\$ 1,320,035,424

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

Howard County, Maryland
Combining Statement of Net Position
Component Units
June 30, 2020

	Community College	Housing Commission	Library	Public School System	Total
ASSETS					
Cash and cash equivalents	\$ 47,161,792	\$ 8,833,274	\$ 3,209,411	\$ 14,315,915	\$ 73,520,392
Investments	4,282,805	5,239,651	1,383,740	83,890,443	94,796,639
Receivables:					
Due from other governments	13,256,762	—	—	26,892,478	40,149,240
Other	1,093,476	815,009	27,344	5,399,072	7,334,901
Materials and supplies	—	—	—	1,111,482	1,111,482
Prepaid items	735,779	519,637	466,528	772,687	2,494,631
Restricted assets:					
Cash and cash equivalents	—	7,024,768	60,396	—	7,085,164
Investments	9,193,070	—	180,017	—	9,373,087
Mortgage receivable	—	7,288,813	—	—	7,288,813
Capital Assets:					
Land and land improvements	564,646	82,779,404	—	34,454,800	117,798,850
Construction in progress	1,677,231	270,732	—	16,357,965	18,305,928
Buildings and improvements, net	270,271,487	169,063,802	—	1,179,986,254	1,619,321,543
Machinery and equipment, net	2,940,885	—	164,958	2,762,928	5,868,771
Other capital assets	325,245	202,458	2,098,936	16,781,788	19,408,427
Other non-current assets	176,897	—	—	—	176,897
Total assets	351,680,075	282,037,548	7,591,330	1,382,725,812	2,024,034,765
DEFERRED OUTFLOWS					
Retirement plans	803,753	349,402	—	13,955,608	15,108,763
Other post employment benefits	5,012,075	277,948	3,421,803	125,139,829	133,851,655
Derivative instruments - interest rate swap	—	2,552	—	—	2,552
Total deferred outflows	5,815,828	629,902	3,421,803	139,095,437	148,962,970
Total assets and deferred outflows	357,495,903	282,667,450	11,013,133	1,521,821,249	2,172,997,735
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	2,730,687	2,347,179	964,199	95,379,894	101,421,959
Accrued salaries and benefits	3,075,147	—	916,015	—	3,991,162
Deposits	73,061	780,063	—	—	853,124
Due to primary government	23,098,373	6,620,914	—	—	29,719,287
Unearned revenue	2,635,637	1,272,073	494,287	6,492,291	10,894,288
Long-term liabilities:					
Due within one year	2,847,561	2,050,357	—	6,121,294	11,019,212
Due in more than one year, net	41,915,410	246,940,893	20,594,578	923,236,418	1,232,687,299
Total liabilities	76,375,876	260,011,479	22,969,079	1,031,229,897	1,390,586,331
DEFERRED INFLOWS					
Retirement plans	281,376	295,083	—	5,821,519	6,397,978
Other post employment benefits	5,884,869	238,840	2,445,064	120,932,688	129,501,461
Total deferred inflows	6,166,245	533,923	2,445,064	126,754,207	135,899,439
Total liabilities and deferred inflows	82,542,121	260,545,402	25,414,143	1,157,984,104	1,526,485,770
NET POSITION					
Net investment in capital assets	264,794,335	(808,049)	2,263,894	1,237,217,454	1,503,467,634
Restricted for:					
Education	12,069,875	—	—	1,294,733	13,364,608
Business-type operations	1,081,991	6,161,455	—	—	7,243,446
Capital projects	—	—	—	8,062,450	8,062,450
Restricted for deferred support	—	—	240,413	—	240,413
Unrestricted	(2,992,419)	16,768,642	(16,905,317)	(882,737,492)	(885,866,586)
Total net position	\$ 274,953,782	\$ 22,122,048	\$ (14,401,010)	\$ 363,837,145	\$ 646,511,965

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, 2020

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	\$ 122,015,214	\$ 34,861,676	\$ 469,817	\$ 6,298,841	\$ (80,384,880)	\$ —	\$ —	\$ —	\$ (80,384,880)
Housing commission*	51,140,101	23,581,765	278,360	15,473,543	—	(11,806,433)	—	—	(11,806,433)
Library	26,259,729	582,228	—	—	—	—	(25,677,501)	—	(25,677,501)
Public school system	1,112,467,221	4,153,559	171,756,182	41,856,506	—	—	—	(894,700,974)	(894,700,974)
Total component units	\$ 1,311,882,265	\$ 63,179,228	\$ 172,504,359	\$ 63,628,890	(80,384,880)	(11,806,433)	(25,677,501)	(894,700,974)	(1,012,569,788)
General revenues:									
Appropriations from primary government					35,843,000	—	21,451,000	607,200,000	664,494,000
Intergovernmental, unrestricted					43,973,022	—	3,780,894	243,982,597	291,736,513
Investment income					1,087,110	335,648	24,156	1,136,578	2,583,492
Miscellaneous					—	10,956,032	—	11,981,613	22,937,645
Total general revenues					80,903,132	11,291,680	25,256,050	864,300,788	981,751,650
Change in net position					518,252	(514,753)	(421,451)	(30,400,186)	(30,818,138)
Net position - beginning					274,435,530	22,636,801	(13,979,559)	394,237,331	677,330,103
Net position - end of year					\$ 274,953,782	\$ 22,122,048	\$ (14,401,010)	\$ 363,837,145	\$ 646,511,965

*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

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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 Community College
10901 Little Patuxent Parkway
Columbia, Maryland 21044

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

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

B. Government-Wide and Fund Financial Statements

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

The Statement of Activities displays the extent to which direct expenses are offset by program revenues for each function of governmental activities and for each segment of business-type activities. Direct expenses are those that can be attributed to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

The County reports the following major governmental funds:

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

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

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

The *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.

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

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Budgetary Process

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

During the fiscal year, the County Council, upon the request of the County Executive, may approve transfers between projects in the capital budget, but it may not increase the total size of the capital budget. The County Council, at any time during the fiscal year, may approve supplemental operating budget requests from the County Executive. The budgeted contingency reserve, which may not exceed 4 percent of the appropriated budget, is the funding source for supplemental requests. After April 1 of each year, the Council may also, at the request of the Executive, approve transfers between departments in the operating budgets. The Council may approve supplemental budgets from 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 2020, the Council approved four operating budget supplements, three capital budget transfers, and one bill amending the annual budget appropriation ordinance.

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 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. Not in spendable form includes items that are not expected to be converted to cash, such as inventories and prepaid items.

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

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

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

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

P. Reconciliation Between GAAP and Budgetary Basis

The General and Special Revenue Funds of the primary government have legally adopted annual budgets. The “Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis” of 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	Agricultural Land Preservation Fund	Grant Fund
Budgetary basis - revenues and other sources over expenditures and other uses	\$ 62,976,987	—	(2,252,708)
Appropriation from fund balance	—	(9,309,130)	—
Current year encumbrances outstanding	12,403,465	—	679,189
Prior year encumbrances expended this year	(7,941,100)	—	(1,266,510)
Effect of recording contractual service expenditures modified accrual basis	(869,377)	—	(7,121)
Unbudgeted transfers	1,551,653	—	—
Other	(179,644)	\$ —	—
GAAP basis - net change in fund balance	\$ 67,941,984	(9,309,130)	(2,847,150)

The ending fund balances are reconciled as follows:

	General Fund	Agricultural Land Preservation Fund	Grant Fund
Budgetary basis - ending fund balance	\$ 192,401,928	49,737,977	(4,182,958)
Adjustments:			
Elimination of encumbrances outstanding	19,379,391	—	679,903
Accruals	(1,565,182)	—	(14,371)
Unbudgeted transfers	—	—	(543,478)
Other	(1,666,236)	(158,070)	(1,252,949)
GAAP basis - ending fund balance	\$ 208,549,901	49,579,907	(5,313,853)

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 2020 budget was prepared, the fiscal year 2018 financial statements were the most recently completed and audited. Therefore, the charter target is based upon fiscal year 2018

audited expenditures. An increase of \$1,887,100 was made to the fund in fiscal year 2020, which resulted in achieving the charter target of \$75,845,302.

The budget stabilization account is calculated as follows:

Budget Fiscal Year	Audited Expenditures from Fiscal Year	Audited Expenditures*	Percentage	Charter Target
2020	2018	\$ 1,083,504,317	7%	\$ 75,845,302
2021	2019	\$ 1,109,325,749	7%	\$ 77,652,802
2022	2020	\$ 1,145,569,907	7%	\$ 80,189,893

*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	\$ 137,408,939
Business-type activities	19,238,763
Component units activities	28,910,917
Total	\$ 185,558,619

S. Fair Value Measurements

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

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

T. Implementation of New Accounting Principles

Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", effective for periods beginning after June 15, 2018, and later. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective of this Statement is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This will improve financial reporting by providing governments with sufficient time to apply the authoritative guidance addressed in this Statement and will help to safeguard the reliability of their financial statements, which in turn will benefit the users of those 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 \$34,586,516 and the bank balance was \$36,869,291, 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 \$13,524 at June 30, 2020.

The County's component units had a combined bank balance of \$45,265,816, of which \$4,433,696, 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 Agency Funds:

	Primary Government	Fiduciary Funds	Component Units
Statement of Net Position Amounts:			
Equity in pooled cash	\$ 469,787,502	5,192,515	73,520,392
Cash with fiscal agent	12,747,488	—	—
Restricted equity in pooled cash and cash equivalents	185,704,250	—	7,085,164
Investments	37,442,501	1,318,145,765	104,169,726
Total	705,681,741	1,323,338,280	184,775,282
Deposits and Investment Summary:			
Carrying value of cash deposits	29,394,001	5,192,515	80,605,556
Investments	676,287,740	1,318,145,765	104,169,726
Total	\$ 705,681,741	1,323,338,280	184,775,282

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	\$ 37,442,501	—	37,442,501
U.S. Government - Sponsored Enterprises	260,795,473	—	260,795,473
Maryland Local Govt. Investment Pool	236,066,789	84,706,970	320,773,759
Money market funds	141,982,977	—	141,982,977
Fixed income	—	3,584,709	3,584,709
Mutual funds	—	7,046,300	7,046,300
Interest in external investment pool	—	2,709,002	2,709,002
Interest in irrevocable trust	—	135,864	135,864
Treasury bills	—	747,230	747,230
Equity in properties under home ownership	—	5,239,651	5,239,651
Total	\$ 676,287,740	104,169,726	780,457,466

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, 2020:

Investments by fair value level:	Total	Primary Government Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities	\$ 37,442,501	37,442,501	—	—
U.S. Government - Sponsored Enterprises	260,795,473	—	260,795,473	—
Total investments by fair value level	298,237,974	37,442,501	260,795,473	—
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	236,066,789			
Money market funds	141,982,977			
Investments measured at amortized cost	378,049,766			
Total investments	\$ 676,287,740			

	Component Units			
	Fair Value Measurements Using			
Investments by fair value level:	Total	(Level 1)	(Level 2)	(Level 3)*
Treasury bills	\$ 747,230	747,230	—	—
Fixed income	3,584,709	3,584,709	—	—
Mutual funds	7,046,300	7,046,300	—	—
Interest in external investment pool	2,709,002	—	—	2,709,002
Interest in irrevocable trust	135,864	—	135,864	—
Total investments by fair value level	14,223,105	11,378,239	135,864	2,709,002
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	84,706,970			
Investments measured at amortized cost	84,706,970			
Investments measured at the net asset value (NAV):				
Equity in properties under home ownership	5,239,651			
Total investments measured at the NAV	5,239,651			
Total investments	\$ 104,169,726			

* 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. 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	\$ 37,442,501	2.39
U.S. Government - Sponsored Enterprises	260,795,473	0.53
Total	\$ 298,237,974	
Portfolio weighted average maturity		0.76

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

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

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

Concentration of Credit Risk: The County's investment policy places no limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in the Federal Home Loan Bank, Federal Farm Credit Bank and the Federal Agricultural Mortgage Corporation. At fiscal year-end, investments in these U.S. Government Sponsored Enterprises represent 82.23% of the County's total investments.

B. Pension Trust Funds' Cash and Investments

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

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

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

Investments of the Plans at fiscal year-end:

Investments	Fair Value/NAV
Equities	\$ 443,574,144
Fixed income	345,374,586
Alternative investments	282,188,131
Real assets	43,271,215
Money market funds	26,091,248
Total	\$ 1,140,499,324

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	\$ 58,535,750	15.33
U.S. Government - Sponsored Enterprises	31,185,137	23.3
Government Issued / Treasuries	7,614,161	1.76
Other asset backed securities	6,186,038	22
Collateralized mortgage obligations	10,030,393	44.55
Municipal securities	2,837,771	15.91
Commingled funds and preferred stock identified as fixed income for reporting purposes	228,985,336	N/A
Total	\$ 345,374,586	
Portfolio weighted average maturity		19.47

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

Standard & Poor's Rating or Comparable	Fair Value
AAA to A-	\$ 20,299,774
BBB to BB-	46,950,914
Not rated	278,123,898
Total	\$ 345,374,586

Custodial Credit Risk: State Street Bank invests in Government Short-Term Investment Fund (GSTIF) on behalf of the Plans. At fiscal year-end, the amount in this fund at fair value was \$20,132,029 which was partially used for settlement of open purchases of \$2,090,371. All other investments of the fund are held by State Street Bank as trustee in the Plans' names.

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

Foreign Currency Risk: The Plans' exposure to foreign currency risk derives from its investments in foreign currency or instruments denominated in foreign currency. Investments in such securities are limited to a maximum net currency exposure of 37.0% at any given time. The Plans were exposed to foreign currency risk through the Pool's investments in Euro denominated alternative investments. The Pool total of these investments were \$16,295,302 and \$17,753,986 in 2020 and 2019, 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, 2020:

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)	\$ 10,030,393	—	10,030,393	—
Corporate bonds	58,535,751	—	58,535,751	—
Commingled funds (fixed income)	159,706,080	39,156,635	120,549,445	—
FHLMC and FNMA bonds	31,185,137	—	31,185,137	—
U.S. Treasury Securities	7,614,161	—	7,614,161	—
Municipals bonds	2,837,771	—	2,837,771	—
Other asset backed securities	6,186,038	—	6,186,038	—
Preferred stock	1,110,350	1,110,350	—	—
Total debt securities	277,205,681	40,266,985	236,938,696	—
Equity securities:				
Common Stocks	252,888,714	252,888,714	—	—
Small Company Portfolio	11,939,380	11,939,380	—	—
Emerging Markets Value Portfolio	81,975,966	81,975,966	—	—
Real Estate Investment Trusts (REITS)	1,585,579	1,585,579	—	—
Total equity securities	348,389,639	348,389,639	—	—
Total investment by fair value level	625,595,320	388,656,624	236,938,696	—
Investments measured at the net asset value (NAV):				
Private equity funds	157,953,433			
Private credit funds	1,254,167			
Equity hedge funds	122,980,531			
Real assets funds	43,271,215			
International equity funds	52,236,633			
Commingled fund within international equities	42,947,870			
Commingled fund within international fixed income	43,772,498			
Commingled fund within domestic fixed income	24,396,409			
Total investments measured at the NAV	488,812,756			
Total investments measured at fair value/NAV*	\$ 1,114,408,076			

*Does not include money market funds totaling \$26,091,248, of which \$20,132,029 represents securities that have remaining maturities of less than 1 year and may be measured at amortized cost.

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

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

	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Notice Period
Private equity funds	\$ 157,953,433	50,294,486	Illiquid	N/A
Private credit funds	1,254,167	23,745,833	Illiquid	N/A
Equity Hedge fund 1	61,497,086	—	Quarterly	65 days
Equity Hedge fund 2	61,483,445	—	Semi Annually	95 days
Real assets funds	43,271,215	27,959,330	Illiquid	N/A
International equity funds	52,236,633	—	Monthly	15 days
Commingled fund within international equities	42,947,870	—	Weekly	3 days
Commingled fund within international fixed income	43,772,498	—	Bi-monthly	5 days
Commingled fund within domestic fixed income	24,396,409	—	Daily	1 day
	<u>\$ 488,812,756</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.

Comingled 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 4:00pm Eastern Time for each business day the relevant exchange is open. Securities for which market quotations are readily available and reliable are to be valued using the applicable market quotations.

Commingled Fund within International Fixed Income: This represents investments primarily in a globally diversified portfolio of high quality sovereign bonds and currencies in emerging markets (non U.S. issuers; e.g. MSCI EM). The objective of this fund is to generate income, preserve capital, and enhance principal above a passive benchmark (JP Morgan GBI-EM Global Diversified Index). NAV for the Fund is only calculated twice a month on the last business day and the 15th (or next business day if the 15th is a non-business day). 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 4:00pm Eastern Time for each business day the relevant exchange is open. Securities for which market quotations are readily available and reliable are to be valued using the applicable market quotations.

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

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

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

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

Investments of the Plans at fiscal year-end:

Investments	Fair Value/Amortized Cost
Cash	\$ 732,017
Mutual funds	176,647,925
Money market funds	266,499
Total	\$ 177,646,441

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, 2020:

Investments by fair value level	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds:				
Mutual funds - equity	\$ 109,908,256	109,908,256	—	—
Mutual funds - fixed Income	66,739,669	66,739,669	—	—
Total mutual funds	176,647,925	176,647,925	—	—
Total investment by fair value level *	\$ 176,647,925	176,647,925	—	—

*Does not include cash and money market funds totaling \$998,516, 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	\$ 8,756,999	—	—	462,522	235,653	1,652,444	11,107,618
Due from other governments	211,393,527	9,625,772	9,278,786	233,827	—	7,434,870	237,966,782
Due from component units	10,828,270	12,270,103	—	—	—	6,620,914	29,719,287
Housing loans	—	—	—	—	—	13,526,688	13,526,688
Economic development loans	—	—	245,050	—	—	—	245,050
Other	1,561,141	—	382,325	536,971	5,453,970	3,126,036	11,060,443
Service billings	—	—	—	12,348,769	—	71,927	12,420,696
Water and sewer assessments	—	—	—	18,678,763	—	—	18,678,763
Gross receivables	232,539,937	21,895,875	9,906,161	32,260,852	5,689,623	32,432,879	334,725,327
Less: Allowance for uncollectibles	(1,649,667)	—	—	—	—	—	(1,649,667)
Total Receivables	\$ 230,890,270	21,895,875	9,906,161	32,260,852	5,689,623	32,432,879	333,075,660

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

4. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables:

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

Due from other funds	Due to other funds	Amount
General Fund	General Capital Projects	\$ 23,253,364
	Special Recreation Facility	3,782,590
		<u>27,035,954</u>
Highway Fund	Storm Drain Capital Projects	13,133,183
	Recreation Program Fund	Special Recreation Facility
		<u>13,555,183</u>
Total Inter-fund Receivable/Payable		\$ 40,591,137

The balances are cash deficits related to normal operations.

Transfers:

Interfund transfers for the year consisted of the following:

Fund	General Fund	General Capital Projects Fund	Agricultural Land Preservation 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	\$ —	7,358,884	200,000	51,126	3,160,622	4,064,004	16,484,933	—	1,438,322	32,757,891	
General Capital Projects	1,753,722	—	—	—	—	—	—	1,457,000	—	3,210,722	
Grant Fund	30,246	—	—	—	—	—	—	—	—	30,246	
Non-Major Funds											
Special Revenue	394,735	—	—	—	—	—	—	—	—	394,735	
Debt Service	3,205,531	—	—	—	—	—	—	—	—	3,205,531	
Capital Projects	5,579,260	—	—	—	16,743,000	—	—	18,608,366	—	40,930,626	
Enterprise Funds	1,165	—	—	—	—	—	—	—	575,000	576,165	
Internal Service Funds	—	—	—	—	766,334	—	—	—	—	766,334	
Total Out	\$10,964,659	7,358,884	200,000	51,126	20,669,956	4,064,004	16,484,933	20,065,366	2,013,322	81,872,250	

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

5. Property Tax and Transfer Tax

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

The Howard County Code imposes a transfer tax upon every instrument of writing conveying title to real or leasehold property offered for sale or lease and recorded in Howard County. The Code specifies that the proceeds shall be distributed to the School Construction Fund (25 percent), the Recreation and Parks Fund (25 percent), the Agricultural Land Preservation Fund (25 percent), the Community Renewal Fund (12.5 percent), and the Fire Service Building and Equipment Fund (12.5 percent).

6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land and land improvements	\$ 602,390,872	42,839,242	19,913,155	625,316,959
Construction in progress	101,613,027	116,639,925	98,262,759	119,990,193
Total capital assets, not being depreciated	704,003,899	159,479,167	118,175,914	745,307,152
Capital assets being depreciated:				
Buildings	409,870,199	7,303,668	8,950	417,164,917
Improvements other than buildings	292,238,891	5,157,057	—	297,395,948
Machinery and equipment	211,371,761	17,803,456	15,969,526	213,205,691
Infrastructure	542,263,136	39,383,712	—	581,646,848
Total capital assets, being depreciated	1,455,743,987	69,647,893	15,978,476	1,509,413,404
Less accumulated depreciation for:				
Buildings	120,565,794	8,175,443	2,930	128,738,307
Improvements other than buildings	137,691,528	17,369,211	—	155,060,739
Machinery and equipment	134,456,886	15,354,346	15,772,534	134,038,698
Infrastructure	247,985,487	16,402,907	—	264,388,394
Total accumulated depreciation	640,699,695	57,301,907 *	15,775,464	682,226,138
Total capital assets, being depreciated, net	815,044,292	12,345,986	203,012	827,187,266
Governmental activities capital assets, net	\$ 1,519,048,191	171,825,153	118,378,926	1,572,494,418

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

Governmental activities:	Amount
General government	\$ 249,111
Public safety	5,200,225
Public facilities	32,460,307
Legislative and judicial	22,670
Community services	277,310
Recreation and parks	7,090,691
Education	2,573,860
Capital assets held by the government's internal service funds are charged to the various functions based on usage of assets	9,259,241
Total depreciation expense - governmental activities	\$ 57,133,415 *

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

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Land and land improvements	\$ 12,202,828	365,775	—	12,568,603
Construction in progress	127,333,464	47,449,963	32,520,859	142,262,568
Total capital assets, not being depreciated	139,536,292	47,815,738	32,520,859	154,831,171
Capital assets being depreciated:				
Buildings	238,062,093	133,854	—	238,195,947
Improvements other than buildings	87,466,780	120,199	—	87,586,979
Machinery and Equipment	18,213,445	121,289	243,965	18,090,769
Infrastructure	801,730,039	45,199,055	—	846,929,094
Total capital assets, being depreciated	1,145,472,357	45,574,397	243,965	1,190,802,789
Less accumulated depreciation for:				
Buildings	92,795,098	4,687,027	—	97,482,125
Improvements other than buildings	51,280,328	3,516,555	—	54,796,883
Machinery and Equipment	7,969,794	1,466,083	141,747	9,294,130
Infrastructure	327,535,689	15,687,644	—	343,223,333
Total accumulated depreciation	479,580,909	25,357,309 *	141,747	504,796,471
Total capital assets, being depreciated, net	665,891,448	20,217,088	102,218	686,006,318
Business-type activities capital assets, net	\$ 805,427,740	68,032,826	32,623,077	840,837,489

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

Business-type activities:	Amount
Water and sewer system	\$ 23,660,067
Golf course	145,527
Inter-County Broadband	866,509
Watershed	677,279
Total depreciation expense - business-type activities	\$ 25,349,382 *

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

Construction Commitments:

Total construction encumbrances outstanding at fiscal year-end were \$152,246,410.

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	2021 - 2040	3.00% to 5.00%	\$ 1,149,276,126
Total debt subject to statutory limit			<u>1,149,276,126</u>
Tax increment financing bonds	2021 - 2047	4.00% to 6.10%	65,010,000
Capital leases	various	1.639% to 2.880%	27,082,059
Agricultural land preservation program	2019 - 2037	2.19% to 8.60%	76,423,710
Total Governmental Activities			(1) \$ <u>1,317,791,895</u>
Business Type Activities:			
Metropolitan district bonds	2020 - 2049	2.00% to 5.00%	\$ 365,825,000
State water quality revolving loan	2019 - 2031	1.00% to 2.40%	11,115,450
Consolidated public improvement bonds - watershed protection	2020 - 2039	3.00% to 5.00%	14,444,487
Special facility revenue bonds	2021 - 2022	2.475%	1,707,000
MDE Loan	2021 - 2028	2.95%	1,414,423
Capital lease - water meter	2021 - 2030	2.06%	626,801
Consolidated public improvement bonds - broadband	2021 - 2040	2.00% to 3.00%	3,994,387
Total Business Type Activities			(2) \$ <u>399,127,548</u>
Total			<u>\$ 1,716,919,443</u>

Note (1): Does not include deferred refunding premium liability of \$139,374,639, compensated absences of \$30,024,901, net OPEB liability of \$403,935,221, net pension liability of \$155,815,623, LOSAP liability of \$24,496,836, landfill closure liability of \$23,264,000 unpaid claims of \$21,689,107 other non-current liabilities of \$9,133,110, and unamortized bond discount of \$23,629 included in the Statement of Net Position.

Note (2): Does not include compensated absences liability of \$1,107,073, net OPEB liability of \$26,419,402, net pension liability of \$2,449,509, major water and sewer agreements \$825,334 and deferred refunding premium of \$29,388,183 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 \$2,648,559,456, providing a debt margin of \$1,385,855,000. The authorized, unissued General County Bonds, Metropolitan District Bonds and Tax Increment Finance Bonds at fiscal year-end were \$446,618,476, \$222,646,214 and \$71,775,000, respectively. It is the County's intent to use such unissued bonds to fund future capital projects. There is no overlapping municipal bonded debt in the County and the County is in compliance with debt agreement provisions.

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

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	\$ 1,107,025,478	166,612,243	124,361,595	1,149,276,126	72,604,072
Tax increment financing bonds	65,100,000	—	90,000	65,010,000	315,000
Compensated absences	26,443,323	4,246,378	664,800	30,024,901	402,495
Capital leases	31,603,394	—	4,521,335	27,082,059	4,236,855
Landfill closure obligation	23,430,000	—	166,000	23,264,000	5,902,042
Agricultural land preservation program	93,483,238	—	17,059,528	76,423,710	17,838,529
Deferred refunding premium	139,356,696	17,943	—	139,374,639	—
Unpaid Claims	20,215,850	1,473,257	—	21,689,107	7,861,224
Net OPEB liability	353,228,214	50,707,007	—	403,935,221	—
Net pension liability	150,671,742	5,143,881	—	155,815,623	—
Length of service award program liability	21,907,552	2,589,284	—	24,496,836	—
Total Governmental Activities	\$ 2,032,465,487	230,789,993	146,863,258	2,116,392,222	109,160,217
Business Type Activities:					
Metropolitan district bonds	\$ 326,560,000	75,190,000	35,925,000	365,825,000	12,275,000
State water quality revolving loan	14,572,847	—	3,457,397	11,115,450	3,533,040
Consolidated public improvement bonds - Watershed Protection	2,334,523	12,208,370	98,406	14,444,487	567,039
Consolidated public improvement bonds - Broadband	2,535,000	1,459,387	—	3,994,387	1,578,889
MDE Loan	1,559,884	—	145,461	1,414,423	150,594
Capital lease - water meter	—	758,801	132,000	626,801	279,000
Special facility revenue bonds	2,217,000	—	510,000	1,707,000	522,000
Compensated absences	891,193	238,332	22,452	1,107,073	—
Major water and sewer agreements	874,412	97,588	146,666	825,334	49,100
Deferred refunding premium	24,444,168	4,944,015	—	29,388,183	—
Net OPEB liability	23,102,908	3,316,494	—	26,419,402	—
Net pension liability	2,037,339	412,170	—	2,449,509	—
Total Business Type Activities	\$ 401,129,274	98,625,157	40,437,382	459,317,049	18,954,662
Total	\$ 2,433,594,761	329,415,150	187,300,640	2,575,709,271	128,114,879

Note (1): Does not include other non-current liabilities of \$9,133,110, and unamortized bond discount of \$23,629 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 May 7, 2020, the County issued \$117,230,000 in Consolidated Public Improvement Project Bonds 2020 Series A (Tax Exempt), \$51,130,000 Metropolitan District Project Bonds, 2020 Series B (Tax Exempt), \$63,050,000 Consolidated Public Improvement Project and Refunding Bonds, 2020 Series C (Taxable) and \$24,060,000 in Metropolitan District Refunding Bonds 2020 Series D (Taxable). The true interest costs were 2.34%, 2.77%, 1.89% and 2.49% for the Series A, B, C and D respectively. The County issued these bonds to pay off \$196,443,839 of outstanding Consolidated Public Improvement Bond Anticipation Notes, 2017 Series (BANs); refund \$54,590,000 and \$22,855,000 of Consolidated Public Improvement and Metropolitan District Bonds, respectively and reimburse the County for costs related to capital projects; and to pay bond issuance costs. The net proceeds from the refunding were deposited in an irrevocable trust with escrow agent and invested in Treasury Securities - State and Local Governments Series (SLGS) to provide for all future debt payments. The economic gain from refunding Consolidated Public Improvement Bonds was \$3,794,200 and from refunding Metropolitan District Bonds was \$2,365,089.

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 \$577,440,956 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 \$84.2 million toward these City-owned facilities that are funded primarily with bond proceeds. The County estimates 5.24% of its net Metropolitan District general obligation bonds outstanding or \$19.2 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 \$11,115,450.

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

In prior years, the County defeased certain Consolidated Public Improvement and Metropolitan District bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included as long-term obligations of the County. At fiscal year-end, \$285,655,000 of Consolidated Public Improvement Bonds and \$35,538,700 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 2020, the net available revenue and debt service payments were (\$409,282) and \$559,123 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, 2020 was \$32,316,539. 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.

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

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

Debt service requirements of governmental activities:

Year ending June 30:	General County Bonds		Agricultural Land Program	
	Principal	Interest*	Principal	Interest
2021	\$ 72,604,072	47,396,108	17,838,529	3,453,618
2022	77,367,897	45,260,688	7,107,529	2,346,352
2023	81,803,957	41,689,839	3,357,529	2,107,993
2024	83,483,868	38,104,602	13,587,529	2,024,349
2025	82,045,854	34,407,700	3,357,529	1,155,222
2026-2030	368,202,951	118,890,600	24,257,944	2,825,091
2031-2035	267,351,107	46,319,960	6,002,615	340,115
2036-2040	116,416,420	8,597,614	914,506	25,155
Total	\$ 1,149,276,126	380,667,111	76,423,710	14,277,895

*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 *
2021	\$ 12,500,000	13,142,126	522,000	36,364	3,533,036	395,810	1,578,889	85,164	567,039	508,524	150,594	39,678
2022	12,045,000	13,140,172	535,000	23,296	3,610,367	318,479	62,626	61,426	464,477	610,985	155,097	35,175
2023	12,590,000	12,580,849	650,000	2,588	1,528,976	136,226	1,087,626	60,659	488,417	587,163	159,734	30,537
2024	12,640,000	12,014,840	—	—	887,329	107,245	62,626	29,107	513,506	562,115	164,511	25,760
2025	13,225,000	11,421,047	—	—	242,057	32,010	64,192	28,222	539,955	535,778	155,119	19,296
2026-2030	69,580,000	47,470,288	—	—	1,177,951	107,722	338,182	124,175	3,143,868	2,234,079	629,368	33,588
2031-2035	71,120,000	33,153,637	—	—	135,734	10,443	375,758	87,336	4,008,135	1,369,218	—	—
2036-2040	70,875,000	21,122,305	—	—	—	—	424,488	33,853	4,719,090	463,635	—	—
2041-2045	57,045,000	10,594,125	—	—	—	—	—	—	—	—	—	—
2046-2050	34,205,000	2,362,296	—	—	—	—	—	—	—	—	—	—
Total	\$ 365,825,000	177,001,685	1,707,000	62,248	11,115,450	1,107,935	3,994,387	509,942	14,444,487	6,871,497	1,414,423	184,034

*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 \$32,300,285. 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, \$5,223 is being held by an escrow agent for fiscal year 2020 debt service. Pledged revenues of \$1,453,827 were recognized in fiscal year 2020. The outstanding debt of \$16,785,000 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 \$83,181,474. 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, \$12,845 is being held by an escrow agent for fiscal year 2020 debt service. Pledged revenues of \$3,577,754 were recognized in fiscal year 2020. The outstanding debt of \$48,225,000 is included in the primary government's long-term debt on the Statement of Net Position.

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

Debt service requirements of TIF governmental activities:

Year ending June 30:	Tax Increment Financing Bonds		Annual Debt Service
	Principal	Interest	
2021	\$ 315,000	3,104,464	3,419,464
2022	245,000	3,090,944	3,335,944
2023	275,000	3,079,984	3,354,984
2024	690,000	3,067,584	3,757,584
2025	705,000	3,038,344	3,743,344
2026-2030	7,535,000	14,427,697	21,962,697
2031-2035	11,000,000	12,402,444	23,402,444
2036-2040	16,495,000	9,341,698	25,836,698
2041-2045	23,950,000	4,340,600	28,290,600
2046-2047	3,800,000	177,747	3,977,747
Total	\$ 65,010,000	56,071,506	121,081,506

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	\$ 39,286,734	6,389,356	913,119	44,762,971
*Housing:				
Loans, compensated absences and net pension liability	251,073,848	1,603,116	3,685,714	248,991,250
Library:				
Compensated absences and net OPEB liability	18,027,082	2,774,840	207,344	20,594,578
Public School System:				
Capital leases, workers compensation, compensated absences, net OPEB liability and net pension liability	806,519,731	130,483,580	7,645,599	929,357,712
Total	\$ 1,114,907,395	141,250,892	12,451,776	1,243,706,511

*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	\$ 45,476,149	158,738,106	171,897,716	32,316,539

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 20 series of conduit debt outstanding. The aggregate principal amount outstanding for the 11 series issued after July 1, 1996 was \$91,980,290. 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 \$5,264,013.

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

Fiscal Year	
FY2021	\$ 6,150,260
FY2022	6,279,941
FY2023	5,254,657
FY2024	5,205,688
FY2025	5,205,688
FY2026-2030	20,788,548

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

Lease revenues for the year amounted to \$1,986,440.63. Future lease revenues are as follows:

Fiscal Year	
2021	\$ 1,213,892
2022	1,089,669
2023	1,045,967
2024	1,036,902
2025	959,565
2026-2030	2,711,042

B. Capital Leases

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

The assets acquired and placed in service are as follows:

Machinery and equipment	\$ 28,364,321
Less: accumulated depreciation	(13,553,900)
Total asset value under capital leases	\$ 14,810,421

The leases have maturity dates ranging from December 2020 to June 2030. The County makes annual principal and interest payments.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Year ending June 30:	Activities
2021	\$ 4,999,381
2022	4,853,791
2023	4,677,963
2024	4,384,750
2025	4,054,946
2026-2030	10,346,613
Total minimum lease payments	33,317,444
Less: amount not drawn down	(2,270,198)
Less: amount representing interest	(3,338,386)
Present value of minimum lease payments	\$ 27,708,860

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, 2020 are composed of the following:

	General Fund	Agricultural Land Preservation Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
FUND BALANCES						
Nonspendable:						
Inventory	\$ 640,894	—	—	—	676,947	1,317,841
Prepaid items	8,348	—	—	4,170	—	12,518
Long-term receivable:						
Due from component units	10,828,270	—	—	—	—	10,828,270
Total nonspendable	11,477,512	—	—	4,170	676,947	12,158,629
Restricted for:						
Catalyst loan program	—	—	—	1,036,997	—	1,036,997
Economic development initiative	—	—	—	671,484	—	671,484
Fee in lieu	—	—	—	259,000	—	259,000
Fire & rescue services	—	—	—	—	17,305,071	17,305,071
Forest conservation	—	—	—	—	1,865,040	1,865,040
Middle Patuxent environmental area program	—	—	—	50,295	—	50,295
Open space	—	—	—	—	594,877	594,877
Parkland watershed facilities	—	—	—	—	16,632,186	16,632,186
Program revenue	—	—	—	448,504	—	448,504
Public road facilities	—	—	—	—	59,603,317	59,603,317
Public school facilities	—	—	18,873,801	—	—	18,873,801
Speed enforcement	—	—	—	—	497,879	497,879
Tax increment financing project	—	—	7,129,197	—	11,270,321	18,399,518
Permanent Public Improvement Contribution	—	—	1,170,970	—	—	1,170,970
Total restricted	—	—	27,173,968	2,466,280	107,768,691	137,408,939
Committed for:						
Budget stabilization account	75,845,302	—	—	—	—	75,845,302
Agricultural land preservation	—	7,506,437	—	—	—	7,506,437
Community renewal programs	—	—	—	—	38,771,662	38,771,662
Environmental services	—	—	—	—	13,398,786	13,398,786
Firehouse & training facilities	—	—	—	—	10,280,569	10,280,569
Recreation programs	—	—	—	—	2,970,091	2,970,091
Total committed	75,845,302	7,506,437	—	—	65,421,108	148,772,847

(Continued)

	General Fund	Agricultural Land Preservation Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
Assigned for:						
Capital projects	—	—	—	—	22,058,699	22,058,699
Ellicott City property acquisition	2,000,000	—	—	—	—	2,000,000
Funding for one time expenditures	4,679,458	—	—	—	—	4,679,458
Future balloon payments	—	37,442,501	—	—	—	37,442,501
HCPSS health fund	9,000,000	—	—	—	—	9,000,000
Pandemic/economic assistance	7,000,000	—	—	—	—	7,000,000
Pay-as-you-go contributions to capital projects	4,005,000	—	—	—	—	4,005,000
Policy Reserve	20,000,000	—	—	—	—	20,000,000
Purchase commitments	18,363,936	—	—	—	—	18,363,936
Road resurfacing	30,000,000	—	—	—	—	30,000,000
Streetlights	—	—	—	—	2,408,969	2,408,969
Subsequent year's budget stabilization account	4,344,591	—	—	—	—	4,344,591
Subsequent year's expenditures	—	4,630,969	—	—	—	4,630,969
Total assigned	99,392,985	42,073,470	—	—	24,467,668	165,934,123
Unassigned	21,834,102	—	(61,604,782)	(7,784,303)	(27,313,790)	(74,868,773)
Total fund balance	\$ 208,549,901	49,579,907	(34,430,814)	(5,313,853)	171,020,624	389,405,765

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 \$29,166,042. 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 \$23,264,000 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 \$5,902,042. 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, 2020, 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, 2020, the County abated taxes totaling \$1,598,358 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)	\$ 1,559,182

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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	802
Inactive employees entitled to but not yet receiving benefits	196
Active employees	1,816
Total	2,814

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 11.6% of covered payroll in fiscal year 2020 and 11.5% in fiscal year 2019. 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.70 percent
Salary increases	Varies by service, 3.75 to 6.50 percent, including inflation
Investment rate of return	7.45 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, 2018 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%	4.93%
Fixed income	30.0%	1.91%
Alternative investments	23.0%	6.05%
Real assets	7.00%	4.59%
Total	100.0%	

For the measurement year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 7.50 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.45 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 6/30/2018	\$ 478,827,618	447,759,510	31,068,108
Changes for the year:			
Service cost	17,330,140	—	17,330,140
Interest	34,964,448	—	34,964,448
Differences between expected and actual experience	(5,973,325)	—	(5,973,325)
Changes of assumptions	9,529,134	—	9,529,134
Contributions - employer	—	14,155,379	(14,155,379)
Contributions - member	—	4,378,114	(4,378,114)
Net investment income	—	31,355,112	(31,355,112)
Benefit payments, including refunds of employee contributions	(19,012,353)	(19,012,353)	—
Administrative expense	—	(438,403)	438,403
Net changes	36,838,044	30,437,849	6,400,195
Balance as of 6/30/2019	\$ 515,665,662	478,197,359	37,468,303

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 7.45 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 (6.45 percent) or 1 percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's net pension liability	\$ 103,179,129	36,439,010	(19,086,887)
Economic Development Authority ¹	1,542,380	544,711	(285,322)
Housing Commission	1,372,121	484,582	(253,826)
Total	\$ 106,093,630	37,468,303	(19,626,035)

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

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

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

For the year ended June 30, 2020, the County and the participating component units recognized pension expense of \$17,923,829 and \$506,295 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	\$ 263,504	10,986,806
Changes of assumptions	9,460,311	236,453
Net difference between projected and actual earnings on pension plan investments	—	4,178,195
Changes in proportion	61,026	80,596
Contributions subsequent to the measurement date	14,620,399	—
Total	\$ 24,405,240	15,482,050

Other than contributions subsequent to the measurement date (\$14,620,399), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021, 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:

2021	\$ 268,874
2022	(5,518,453)
2023	(1,499,522)
2024	47,441
2025	528,254
Thereafter	476,197
Total	\$ (5,697,209)

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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	404
Inactive employees entitled to but not yet receiving benefits	18
Active employees	900
Total	<u>1,322</u>

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, 2020 and 2019 was \$17,447,885 and \$19,468,853, 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% and 33.1% of covered payroll in fiscal years 2020 and 2019, respectively.

Net Pension Liability

The County’s net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019.

Actuarial Assumptions: The total pension liability in the July 1, 2018 actuarial valuation rolled forward to June 30, 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.70 percent
Salary increases	Varies by service, 4.25 to 7.75 percent, including inflation
Investment rate of return	7.45 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, 2018 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%	4.93%
Fixed income	30.0%	1.91%
Alternative investments	23.0%	6.05%
Real assets	7.0%	4.59%
Total	100.0%	

For the measurement year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 7.50 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.45 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2018	\$ 694,495,761	571,902,036	122,593,725
Changes for the year:			
Service cost	22,278,437	—	22,278,437
Interest	50,712,903	—	50,712,903
Differences between expected and actual experience	(2,667,410)	—	(2,667,410)
Changes of assumptions	3,936,164	—	3,936,164
Contributions - employer	—	27,719,839	(27,719,839)
Contributions - member	—	8,124,859	(8,124,859)
Net investment income	—	39,639,186	(39,639,186)
Benefit payments, including refunds of employee contributions	(27,571,300)	(27,571,300)	—
Administrative expense	—	(456,187)	456,187
Net changes	46,688,794	47,456,397	(767,603)
Balance as of 6/30/2019	\$ 741,184,555	619,358,433	121,826,122

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 7.45 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 (6.45 percent) or 1 percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45)%	Current Discount Rate (7.45)%	1% Increase (8.45)%
County's net pension liability	\$ 226,894,760	121,826,122	35,907,646

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, 2020, the County recognized pension expense of \$32,670,500. 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	\$ 19,295,401	3,169,333
Changes of assumptions	16,805,785	—
Net difference between projected and actual earnings on pension plan investments	—	5,369,871
Contributions subsequent to the measurement date	31,105,248	—
Total	\$ 67,206,434	8,539,204

Other than contributions subsequent to the measurement date (\$31,105,248), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021, 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:

2021	\$ 6,321,135
2022	1,054,025
2023	5,425,949
2024	5,260,489
2025	4,608,742
Thereafter	4,891,642
Total	\$ 27,561,982

C. Employer Aggregate Pension Disclosure:

	Howard County Retirement Plan	Police & Fire Plan	Total
As of June 30, 2020			
Total net pension liabilities	\$ 36,439,010	121,826,122	158,265,132
Total deferred outflows of resources from pension	24,405,240	67,206,434	91,611,674
Total deferred inflows of resources from pension	15,482,050	8,539,204	24,021,254
For the year ended June 30, 2020			
Total pension expense	\$ 17,923,829	32,670,500	50,594,329

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

D. Component Units:

Generally, all employees of three of the component units (Board of Education, Howard Community College and Library) are covered by the Maryland State Retirement and Pension System (the System), which is a cost-sharing, multi-employer defined benefit pension plan. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers and employees of participating governmental units. The plans are administered by the State Retirement Agency.

These three component units adopted GASB 68 for the year ended June 30, 2015 and reported their proportionate share of the collective pension amounts calculated by the Maryland State Retirement and Pension System. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportionate share of these component units' net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarial determined.

As of June 30, 2020, the Howard County School System and Howard County Community College proportions for the System were 0.246% and 0.0134%, respectively. Howard County School System and Howard County Community College reported net pension liabilities of \$50,666,596 and \$2,755,687, respectively. For the year ended June 30, 2020, Howard County School System and Howard County Community College recognized pension expense of \$6,918,714 and \$460,959 (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, 2019 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, 2018 consisted of the following:

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

There are no separate financial statements for the Plan.

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

The Plan's funding policy provides for the County to contribute to the trust as determined by the County budget. During the fiscal year, the County's proportionate share of the collective net other post-employment benefits liability is 32.09% of the \$15,724,000 contributed to the trust by the County, or \$5,045,832. The County budget for fiscal year 2020 included funding for pay-as-you-go OPEB costs as well as \$13,000,000 to the trust.

Based on the most recent actuarial valuation which was prepared as of July 1, 2018 and rolled forward to June 30, 2019, the actuarially calculated proportionate share of total OPEB liability as of the measurement date of June 30, 2019 was \$479,846,958 and there was \$49,492,335 of actuarial plan assets; therefore, the net OPEB liability for the County was \$430,354,623. The plan fiduciary net position as a percentage of the total OPEB liability was 10.31%.

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 3.56% was applied to investments in fiscal years 2019 through 2039.
Municipal bond rate	3.13% as of 6/30/19 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index
Interest assumption	Equivalent single discount rate of 3.56% as of 6/30/19
Inflation	2.20%
Long-term expected real rate of return, based on geometric means	3.14% for Equity investments (based on 65% target allocation) and 1.13% for Fixed Income investments (based on 35% target allocation), or a total of 4.27%
Healthcare cost trend rate	3.80%

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through 2039 was determined using the expected rate of return of assets of 7.5% and using the 20 year municipal bond rate of 3.13% for benefit payments after 2039. The equivalent single rate is 3.56%. Based on these assumptions, the plan is expected to become insolvent in 2039.

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, 2019	\$ 417,863,617	41,532,494	376,331,123
Changes for the year:			
Service Cost	19,302,277	—	19,302,277
Interest	16,464,965	—	16,464,965
Experience loss/(gains)	(1,039,927)	—	(1,039,927)
Contributions - Employer	—	12,316,457	(12,316,457)
Net investment income	—	2,979,571	(2,979,571)
Changes in assumptions	34,558,147	—	34,558,147
Benefit payments	(7,302,122)	(7,302,122)	—
Administrative expenses	—	(34,065)	34,065
Net Changes	61,983,340	7,959,841	54,023,499
Balances at June 30, 2020	\$ 479,846,957	49,492,335	430,354,622

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

Discount Rate Sensitivity	1% Decrease 2.56%	Discount Rate 3.56%	1% Increase 4.56%
Total OPEB Liability	\$ 577,997,672	\$ 479,846,958	\$ 402,917,763
Net OPEB Liability	\$ 528,505,337	\$ 430,354,622	\$ 353,425,428

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

Trend Sensitivity Year 2075	1% Decrease 2.80%	Medical Trend 3.80%	1% Increase 4.80%
Total OPEB Liability	\$ 392,139,547	\$ 479,846,958	\$ 598,115,485
Net OPEB Liability	\$ 342,647,212	\$ 430,354,622	\$ 548,623,151

For the year-ended June 30, 2020, the County recognized OPEB expense of \$30,839,664. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	17,631,395
Changes of assumptions	51,052,535	36,536,787
Changes in proportion	13,450,200	—
Net difference between projected and actual earnings on OPEB plan investments	—	319,410
Contributions subsequent to the measurement date	11,779,405	—
Total	\$ 76,282,140	54,487,592

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

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

Fiscal Year ended June 30:	
2021	\$ 21,330
2022	21,330
2023	234,700
2024	284,825
2025	220,398
Thereafter	9,232,560
	<u>\$ 10,015,143</u>

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, 2020:							
Total proportion of net OPEB liabilities	\$ 430,354,623	849,712,337	39,159,723	19,311,644	1,877,521	670,543	\$ 1,341,086,391
Total proportion of OPEB net position	49,492,335	97,719,985	4,503,509	2,220,909	215,922	77,115	154,229,775
Total deferred outflows of resources from OPEB	76,539,840	125,648,647	5,790,626	3,457,899	378,007	199,529	212,014,548
Total deferred inflows of resources from OPEB	54,745,297	121,441,505	5,884,870	2,456,629	238,839	85,300	184,852,440
For the year ended June 30, 2020:							
Total OPEB expense	\$ 30,839,664	60,891,279	2,806,227	1,383,893	134,546	48,052	96,103,661

* Enterprise fund share of net OPEB liability, OPEB net position, deferred outflows, and deferred inflows is \$26,419,402, \$3,038,327, \$6,798,491, and \$3,360,805 respectively. The portion allocated to the Howard County Soil Conservation District for net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$402,325, \$46,269, \$59,493, and \$51,180, respectively.

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

Plan Perspective under GASB Statement No. 74

The OPEB plan is presented in accordance with the provisions of GASB Statement No. 74, "Financial Reporting for Post-employment Benefit Plans Other than Pension Plans," which supersedes Statement No. 43. A separate actuarial valuation report was prepared using January 1, 2020 census data rolled forward to June 30, 2020.

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, 2020 report are as follows.

Actuarial cost method	Entry Age Normal
Interest assumption	Discount rate of 2.84% as of 6/30/20
Inflation	2.5%
Municipal bond rate	2.45% as of 6/30/20 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 2020 through 2040.
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%
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, 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 bond rate of 2.45% for benefit payments after 2040. The equivalent single rate is 2.84%.

Based on the aforementioned methods and assumptions, the components of the County's Net OPEB liability as of June 30, 2020 were as follows:

Total OPEB liability	\$	1,803,373,849
Plan fiduciary net position		176,951,062
County's net OPEB liability	\$	<u>1,626,422,787</u>
Plan fiduciary net position as a percentage of the total OPEB liability		9.81%

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	\$	2,197,261,693	\$	1,803,373,849	\$	1,497,975,272
Net OPEB Liability	\$	2,020,310,631	\$	1,626,422,787	\$	1,321,024,210

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	\$ 1,471,200,826	\$ 1,803,373,849	\$ 2,255,288,200
Net OPEB Liability	\$ 1,294,249,764	\$ 1,626,422,787	\$ 2,078,337,138

Financial Statements

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

Statement of Net Position	
ASSETS	
Receivables:	
Interest and dividends	\$ 21
Investments, at fair value:	
Cash	732,017
Mutual funds	176,647,925
Money market funds	266,499
Total assets	177,646,462
LIABILITIES	
Accounts payable	65,608
Other	629,792
Total liabilities	695,400
Net position held in trust for other post-employment benefits	176,951,062
Statement of Changes in Net Position	
ADDITIONS	
Contributions:	
Employer	38,425,101
Total contributions	38,425,101
Investment income (expense):	
Net change in fair value of investments	6,466,941
Interest	15,254
Dividends	3,680,987
Investment expense	(373,871)
Net investment income	9,789,311
Total additions and net investment income	48,214,412
DEDUCTIONS	
Benefits	25,425,101
Administrative expenses	68,024
Total deductions	25,493,125
Change in net position	22,721,287
Net position - beginning	154,229,775
Net position - ending	\$ 176,951,062

17. Length of Service Award Program

Summary of Significant Accounting Policies

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

General Information about the Pension Plans

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

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

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

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

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

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

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

	2018
Inactive employees or beneficiaries currently receiving benefits	99
Active employees	359
Total	458

Net Pension Liability

The County's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2019.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	Not Applicable
Interest	3.13% compounded annually
Investment rate of return	3.13%
Mortality	RP-2000 Combined Healthy tables, Blue Collar, with generational projection by Scale AA.

Discount rate: The 20-year municipal bond discount rate used to measure the total pension liability was 3.13 percent.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2018	\$ 21,907,552	—	21,907,552
Changes for the year:			
Service cost	727,324	—	727,324
Interest	805,652	—	805,652
Changes of assumptions	1,814,852	—	1,814,852
Contributions - employer	—	758,544	(758,544)
Benefit payments	(758,544)	(758,544)	—
Net changes	2,589,284	—	2,589,284
Balance as of 6/30/2019	\$ 24,496,836	—	24,496,836

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County LOSAP, calculated using the discount rate of 3.13 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.13 percent) or 1 percentage-point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
County's net pension liability	\$ 28,937,449	24,496,836	21,000,022

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, 2020, the County recognized pension expense of \$1,272,727. The County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	1,062,966
Changes of assumptions	1,587,995	2,136,727
Contributions subsequent to the measurement date	756,152	—
Total	\$ 2,344,147	3,199,693

Other than contributions subsequent to the measurement date (\$756,152), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021, 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:

2021	\$ (260,249)
2022	(260,249)
2023	(260,249)
2024	(260,249)
2025	(260,249)
Thereafter	(310,453)
Total	\$ (1,611,698)

18. Deferred Compensation Plan

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

19. Risk Management

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

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

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

At fiscal year-end, the combined Net Position for the two self-insurance internal service funds was \$25,143,152. The combined claims liability of the two funds, \$21,689,107, 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 2020 and 2019 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year	Expected Amount Due Within One Year
2020	\$20,215,850	61,781,165	(60,307,908)	\$21,689,107	\$7,861,224
2019	\$18,511,322	62,304,714	(60,600,186)	\$20,215,850	\$7,518,251

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

20. Individual Fund Disclosure

Individual Fund Disclosure:

The General Capital Projects Fund, a major fund, and the Storm Drainage Capital Projects Fund, a non-major fund, plan to eliminate their deficit fund balances of (\$34,430,814) and (\$20,114,448), respectively, through receipt of future grant revenues and future bond sales.

The Grants Fund, a major fund, will eliminate its deficit of (\$5,313,853) through receipt of future grant revenues in fiscal year 2021.

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 \$752,955,754 authorized, but unobligated capital project appropriations at fiscal year-end.

C. Encumbrances

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

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

	Restricted	Committed	Assigned	Total
Major Governmental Funds				
General Fund	\$ —	—	18,363,936	18,363,936
Non-Major Governmental Funds	28,526,369	2,543,708	—	31,070,077
Total	\$ 28,526,369	2,543,708	18,363,936	49,434,013

D. Public Private Partnership

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



**Required Supplementary
Information**



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

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability *								
Service cost	\$ 18,342	\$ 17,330	16,919	15,861	15,093	14,073	12,727	Information for FY2013 and earlier not available
Interest	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	(9,115)	(5,973)	379	(6,369)	(4,093)	(2,741)	—	
Changes of assumptions	743	9,529	—	—	—	(851)	10,918	
Benefit payments, including refunds of member contributions	(20,067)	(19,013)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Net change in total pension liability	27,320	36,837	33,275	25,072	26,346	25,304	41,014	
Total pension liability - beginning	515,665	478,828	445,553	420,481	394,135	368,831	327,817	
Total pension liability - ending (a)	542,985	515,665	478,828	445,553	420,481	394,135	368,831	
Plan fiduciary net position								
Contributions - employer	15,034	14,155	14,841	14,179	13,428	13,967	12,778	
Contributions - member	4,749	4,378	4,156	3,904	3,757	3,573	2,979	
Net investment income	16,691	31,355	35,808	45,447	4,743	9,983	45,956	
Benefit payments, including refunds of member contributions	(20,067)	(19,012)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Administrative expense	(397)	(439)	(351)	(336)	(341)	(311)	(283)	
Net change in plan fiduciary net position	16,010	30,437	37,645	47,815	7,887	14,837	50,291	
Plan fiduciary net position - beginning	478,197	447,760	410,115	362,300	354,413	339,576	289,285	
Plan fiduciary net position - ending (b)	494,207	478,197	447,760	410,115	362,300	354,413	339,576	
County's net pension liability - ending (a)-(b)	\$ 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	91.02 %	92.73 %	93.51 %	92.05 %	86.16 %	89.92 %	92.07 %	
Covered payroll	\$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	37.64 %	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	

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

Notes to Schedule:

Benefit changes: None

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

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

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 15,034	14,155	14,003	13,265	13,428	13,967	12,778	
Contributions in relation to the actuarially determined contribution	15,034	14,155	14,841	14,179	13,428	13,967	12,778	Information for FY2013 and earlier not available
Contribution deficiency (excess)	—	—	(838)	(914)	—	—	—	
Covered payroll	\$ 129,605	123,090	119,685	114,349	108,292	103,462	97,542	
Contributions as a percentage of covered payroll	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)

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability*								
Service cost	\$23,123	22,278	21,109	19,163	18,974	17,708	17,535	Information for FY2013 and earlier not available
Interest	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	(8,607)	(2,667)	13,530	6,319	7,599	(1,596)	—	
Changes of assumptions	4,770	3,936	—	—	—	16,621	14,989	
Benefit payments, including refunds of member contributions	(34,320)	(27,572)	(24,755)	(20,422)	(17,890)	(18,941)	(15,679)	
Net change in total pension liability	38,544	46,688	56,784	48,486	46,976	50,000	50,475	
Total pension liability - beginning	741,184	694,496	637,712	589,226	542,250	492,250	441,775	
Total pension liability - ending (a)	779,728	741,184	694,496	637,712	589,226	542,250	492,250	
Plan fiduciary net position								
Contributions - employer	31,105	27,720	26,337	24,729	21,636	22,530	20,822	
Contributions - member	8,184	8,125	7,859	7,387	7,041	7,006	6,526	
Net investment income	24,964	39,639	46,560	55,956	6,459	11,531	54,733	
Benefit payments, including refunds of member contributions	(34,321)	(27,571)	(24,755)	(20,421)	(17,889)	(18,941)	(15,679)	
Administrative expense	(413)	(457)	(355)	(344)	(327)	(368)	(271)	
Net change in plan fiduciary net position	29,519	47,456	55,646	67,307	16,920	21,758	66,131	
Plan fiduciary net position - beginning	619,358	571,902	516,256	448,949	432,029	410,271	344,140	
Plan fiduciary net position - ending (b)	\$648,877	619,358	571,902	516,256	448,949	432,029	410,271	
County's net pension liability - ending (a)-(b)	\$130,851	121,826	122,594	121,456	140,277	110,221	81,979	
Plan fiduciary net position as a percentage of the total pension liability	83.22%	83.56%	82.35%	80.95%	76.19%	79.67%	83.35%	
Covered payroll	\$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	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	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 7.45% to 7.40%,

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

Last 10 Fiscal Years

(Dollar amounts in thousands)

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

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit (Entry Age used for GASB 67 purposes)
Amortization method	Level percentage of pay increasing 2.75% per year
Remaining amortization period	Remaining Amortization periods range from 4 to 15 years.
Asset valuation method	5-year smoothed market
Inflation	2.65%
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)

	2019	2018	2017	2016
Total OPEB liability*				
Employer's proportion of the net OPEB liability	32.09 %	32.09%	30.75%	Information for
Employer's proportionate share of net OPEB liability	\$ 430,355	\$376,331	\$339,983	FY2016 and
Covered-employee payroll**	\$ 193,828	\$193,828	\$184,681	earlier is not
Employer's proportionate share of the net OPEB liability				available.
as a percentage of covered-employee payroll	45.04 %	51.50%	54.32%	
Plan fiduciary net position as a percentage of total OPEB liability	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)

	2020	2019	2018	2017	2016
Total OPEB liability*					
Service cost	\$ 70,433	60,150	55,049	64,957	Information for FY2016 and earlier is not available
Interest	52,729	51,309	47,145	40,906	
Differences between expected and actual experience	14,834	(3,241)	(65,034)	—	
Changes of assumptions	195,487	107,691	77,712	(162,653)	
Benefit payments	(25,425)	(22,755)	(22,627)	(23,244)	
Net change in total OPEB liability	308,058	193,154	92,245	(80,034)	
Total OPEB liability - beginning	1,495,316	1,302,161	1,209,916	1,289,950	
Total OPEB liability - ending (a)	\$ 1,803,374	1,495,315	1,302,161	1,209,916	
Plan fiduciary net position					
Contributions - employer	\$ 38,425	38,381	38,627	36,324	
Net investment income	9,789	9,285	9,200	9,912	
Benefit payments	(25,425)	(22,755)	(22,627)	(23,244)	
Administrative expense	(68)	(106)	(56)	(3)	
Net change in plan fiduciary net position	22,721	24,805	25,144	22,989	
Plan fiduciary net position - beginning	154,230	129,425	104,281	81,292	
Plan fiduciary net position - ending (b)	\$ 176,951	154,230	129,425	104,281	
County's net OPEB liability - ending (a)-(b)	\$ 1,626,423	1,341,086	1,172,736	1,105,635	
Plan fiduciary net position as a percentage of the					
total OPEB liability	9.81 %	10.31 %	9.94 %	8.62 %	
Covered employee payroll**	852,377	798,788	799,110	760,624	
County's net OPEB liability as a percentage of covered-employee payroll	190.81 %	167.89 %	146.76 %	145.36 %	
Expected average remaining service years of all participants	10	10	10	10	

Notes to Schedule:

Benefit changes. None

Changes of assumptions. Discount rate at 6/30/19 is 3.56% and at 6/30/20 is 2.84%.

** 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, 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)

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$727	837	1,026	1,027	
Interest	806	823	714	655	
Changes of benefit terms	—	—	—	—	
Differences between expected and actual experience	—	(1,417)	—	—	
Changes of assumptions	1,815	(263)	(2,771)	—	
Benefit payments, including refunds of member contributions	(759)	(721)	(669)	(610)	
Net change in total pension liability	2,589	(741)	(1,700)	1,072	
Total pension liability - beginning	21,908	22,649	24,349	23,277	
Total pension liability - ending (a)	\$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)	\$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	
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	
Expected average remaining service years of all participants	8	8	10	10	

Information for FY2015 and earlier not available

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 3.62% to 3.13%.

* 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, 2020

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Property taxes:				
Real, personal and corporate	\$ 567,484,262	567,484,262	566,152,927	(1,331,335)
Payment in lieu of taxes	1,500,000	1,500,000	2,314,280	814,280
Additions and abatements	(500,000)	(500,000)	(621,823)	(121,823)
Interest on taxes	900,000	900,000	712,408	(187,592)
Total property taxes	569,384,262	569,384,262	568,557,792	(826,470)
Other local taxes:				
Heavy equipment	800,000	800,000	1,978,332	1,178,332
Local income tax surcharge	465,243,628	465,243,628	521,861,123	56,617,495
Admission tax	2,750,000	2,750,000	3,047,879	297,879
Local recordation tax	21,454,000	21,454,000	23,266,982	1,812,982
Mobile home tax	—	—	40,119	40,119
Room rental tax	5,350,000	5,350,000	4,650,731	(699,269)
Total other local taxes	495,597,628	495,597,628	554,845,166	59,247,538
State shared taxes:				
Highway	3,543,506	3,543,506	2,747,094	(796,412)
Total state shared taxes	3,543,506	3,543,506	2,747,094	(796,412)
Revenues from other governments	6,370,696	6,370,696	8,965,753	2,595,057
Charges for services:				
Boarding prisoners	3,750,000	3,750,000	4,220,524	470,524
Cable TV franchise fees	4,080,000	4,080,000	4,601,885	521,885
Civil marriage	12,106	12,106	7,910	(4,196)
Developer - water and sewer overhead	521,169	521,169	478,652	(42,517)
Development - review fees	1,373,110	1,373,110	1,144,776	(228,334)
Development - specifications	1,000	1,000	—	(1,000)
Extension development agreement fees	38,000	38,000	20,200	(17,800)
House type revision fees	131,500	131,500	105,800	(25,700)
Master in chancery fees	2,040	2,040	227	(1,813)
Other charges for services	211,000	211,000	77,488	(133,512)
Parking meters	4,080	4,080	4,073	(7)
Planning and zoning fees	656,100	656,100	534,306	(121,794)
Police records check discovery fee	30,600	30,600	47,809	17,209
Recreation and parks	80,000	80,000	63,352	(16,648)
Rental housing inspection fees	1,632,000	1,632,000	1,986,226	354,226
Sale of maps and publications	51,617	51,617	37,903	(13,714)
Sale of topographic maps	—	—	70	70
Sheriff fees	400,000	400,000	371,643	(28,357)
Tax certificates	306,000	306,000	405,746	99,746
Weekender inmate fees	35,000	35,000	12,556	(22,444)
Food and beverage	150,000	150,000	91,061	(58,939)
Total charges for services	13,465,322	13,465,322	14,212,207	746,885

(Continued)

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

Howard County, Maryland
Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Interest on investments	4,192,400	4,192,400	5,393,389	1,200,989
Licenses and permits:				
Animal licenses	63,722	63,722	54,002	(9,720)
Beer, wine and liquor	323,620	323,620	182,430	(141,190)
Building	3,952,963	3,952,963	3,213,423	(739,540)
Concert/special event permit fees	250,000	250,000	52,298	(197,702)
Electrical	1,100,000	1,100,000	1,128,431	28,431
Marriage licenses	1,360	1,360	—	(1,360)
Marriage license surcharge	76,500	76,500	74,115	(2,385)
Mobile home park	6,588	6,588	6,450	(138)
Other	—	—	186	186
Peddlers and solicitors	22,538	22,538	6,450	(16,088)
Plumbing	918,000	918,000	751,983	(166,017)
Signs	55,751	55,751	41,925	(13,826)
Traders	433,217	433,217	405,783	(27,434)
Total licenses and permits	7,204,259	7,204,259	5,917,476	(1,286,783)
Recoveries for interfund services:				
Agricultural land preservation fund	351,908	351,908	351,908	—
Finance - Employee health benefits fund	19,835	19,835	31,839	12,004
Fire and rescue fund	6,446,727	6,446,727	6,285,078	(161,649)
Forest Conservation pro rata share	31,482	31,482	31,482	—
General County capital projects pro rata share	100,000	100,000	350,000	250,000
Housing and community development	509,939	509,939	509,939	—
Office of law - self insurance	425,427	425,427	422,927	(2,500)
Pension plan	319,000	319,000	425,565	106,565
Public works - water & sewer capital projects pro rata share	4,971,890	4,971,890	4,971,890	—
Public works - water and sewer developer capital projects	450,000	450,000	310,000	(140,000)
Public works operations - utility pro rata	500,000	500,000	350,000	(150,000)
Recreation and parks	1,825,664	1,825,664	1,825,664	—
Streetlight districts	30,000	30,000	15,000	(15,000)
Waste management pro rata share	1,841,827	1,841,827	1,841,827	—
Watershed pro rata share	622,401	622,401	622,400	(1)
Total recoveries for interfund services	18,446,100	18,446,100	18,345,519	(100,581)
Fines and forfeitures	3,108,512	3,108,512	2,833,826	(274,686)
Component units return of funding:				
Community college	1,299,600	1,299,600	487,548	(812,052)
Public school system	529,700	529,700	529,630	(70)
Total component units return of funding	1,829,300	1,829,300	1,017,178	(812,122)
Miscellaneous revenues:				
Commissions, rents and concessions	525,594	525,594	233,521	(292,073)
Miscellaneous program revenue	7,205,500	—	573,644	573,644
Other intergovernmental revenue	—	—	38,253	38,253
Other revenue	1,682,633	1,682,633	1,604,581	(78,052)
Sale of property and equipment	—	—	1,385,422	1,385,422
Sale of surplus property	—	—	(109,414)	(35,273)
Total miscellaneous revenue	9,413,727	2,208,227	3,726,007	1,591,921
Total revenues	1,132,555,712	1,125,350,212	1,186,561,406	61,211,194
Other financing sources:				
Transfers in:				
Operating transfer	3,500,000	3,500,000	3,700,000	200,000
Community renewal program fund - debt	168,800	168,800	168,548	(252)
Fire and rescue reserve fund - debt	2,860,000	2,860,000	2,843,311	(16,689)
Recreation program fund - debt	4,655,500	4,655,500	4,646,655	(8,845)
Excise tax debt	—	8,369,900	8,305,637	(64,263)
Public school system debt	—	7,205,500	7,141,574	(63,926)
Capital contributions	511,377	511,377	—	(511,377)
Environmental services fund	767,500	767,500	760,512	(6,988)
Master lease debt service reimbursement	490,000	490,000	486,939	(3,061)
Total other financing sources	12,953,177	28,528,577	28,053,176	(475,401)
Appropriation from fund balance	9,297,032	9,297,032	—	(9,297,032)
Capital Related Debt Issued	8,369,900	—	—	—
Total revenues and other financing sources	\$ 1,163,175,821	1,163,175,821	1,214,614,582	51,438,761

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

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
General Government						
Office of the County Executive	\$ 2,011,151	2,011,151	1,963,545	—	1,963,545	47,606
Office of the County Administrator:						
Bureau of staff services:						
Staff services	2,278,908	2,308,908	2,213,555	—	2,213,555	95,353
Environmental sustainability	583,986	583,986	558,683	—	558,683	25,303
Office of human rights	1,014,765	1,014,765	1,006,976	—	1,006,976	7,789
Workforce development	407,570	407,570	291,236	—	291,236	116,334
Total bureau of staff services	4,285,229	4,315,229	4,070,450	—	4,070,450	244,779
Bureau of management services:						
Budget division	1,221,812	1,221,812	1,127,895	143	1,128,038	93,774
Human resources	2,563,295	2,533,295	2,378,154	99,196	2,477,350	55,945
Purchasing division	1,656,956	1,656,956	1,582,397	—	1,582,397	74,559
Central services	738,753	738,753	701,577	—	701,577	37,176
Public information	1,229,550	1,229,550	1,163,225	—	1,163,225	66,325
Total bureau of management services	7,410,366	7,380,366	6,953,248	99,339	7,052,587	327,779
Total office of the county Administrator	11,695,595	11,695,595	11,023,698	99,339	11,123,037	572,558
Department of economic development	2,830,482	2,830,482	2,830,482	—	2,830,482	—
Department of finance:						
Office of the director	2,143,775	2,115,430	1,871,430	79,549	1,950,979	164,451
Office of the controller	2,506,350	2,506,350	2,254,007	49,560	2,303,567	202,783
Office of business management and customer service	3,033,335	3,061,680	2,863,195	112,743	2,975,938	85,742
Bureau of disbursements	1,059,681	1,059,681	956,509	63,398	1,019,907	39,774
Total department of finance	8,743,141	8,743,141	7,945,141	305,250	8,250,391	492,750
Office of law	4,237,882	4,237,882	3,950,575	—	3,950,575	287,307
Technology and communication services	296,101	296,101	283,385	—	283,385	12,716
General fund contingency	2,000,000	1,263,900	—	—	—	1,263,900
Non-departmental expenses	14,600,150	17,644,927	15,495,431	1,786,162	17,281,593	363,334
Total General Government	46,414,502	48,723,179	43,492,257	2,190,751	45,683,008	3,040,171
Legislative and Judicial						
Legislative:						
County council	3,571,517	3,571,517	3,196,041	92,000	3,288,041	283,476
County auditor	1,527,915	1,527,915	1,305,940	116,330	1,422,270	105,645
Board of license commissioners	158,891	158,891	144,496	—	144,496	14,395
Zoning board	91,820	91,820	82,833	—	82,833	8,987
Board of appeals	80,716	80,716	37,808	—	37,808	42,908
Total legislative	5,430,859	5,430,859	4,767,118	208,330	4,975,448	455,411

(Continued)

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

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Judicial						
Circuit court	3,214,649	3,214,649	3,091,131	—	3,091,131	123,518
Orphan's court	61,369	61,369	59,766	—	59,766	1,603
Sheriff's department	8,286,401	8,286,401	8,138,153	5,298	8,143,451	142,950
State attorney's office	8,959,315	8,959,315	8,751,924	111,700	8,863,624	95,691
Total judicial	20,521,734	20,521,734	20,040,974	116,998	20,157,972	363,762
Board of election supervisors	2,277,067	2,277,067	1,867,846	—	1,867,846	409,221
Election expense	1,607,920	2,094,020	1,299,710	58,012	1,357,722	736,298
Total legislative and judicial	29,837,580	30,323,680	27,975,649	383,339	28,358,988	1,964,692
Public Works						
Department of public works:						
Office of the director	8,267,282	8,261,209	8,153,306	73,861	8,227,167	34,042
Total office of the director	8,267,282	8,261,209	8,153,306	73,861	8,227,167	34,042
Bureau of engineering:						
Administrative management division	763,874	774,778	771,955	—	771,955	2,823
Transportation & watershed management	1,495,223	1,512,123	1,512,123	—	1,512,123	—
Construction inspection division	3,211,232	3,279,376	3,244,337	—	3,244,337	35,039
Survey and drafting division	891,320	815,372	810,257	—	810,257	5,115
Total bureau of engineering	6,361,649	6,381,649	6,338,672	—	6,338,672	42,977
Bureau of highways:						
Operations	1,555,570	1,501,570	1,473,093	—	1,473,093	28,477
Highway maintenance division	19,322,508	19,186,508	16,315,803	2,580,026	18,895,829	290,679
Traffic engineering division	2,222,702	2,287,702	1,687,514	559,997	2,247,511	40,191
Total bureau of highways	23,100,780	22,975,780	19,476,410	3,140,023	22,616,433	359,347
Bureau of facilities:						
Administration	8,014,829	7,617,749	7,617,749	—	7,617,749	—
Building and ground maintenance	11,440,494	11,838,647	10,724,509	1,113,414	11,837,923	724
Total bureau of facilities	19,455,323	19,456,396	18,342,258	1,113,414	19,455,672	724
Bureau of environmental services:						
Stormwater management	1,239,562	1,349,562	1,311,980	512	1,312,492	37,070
Total bureau of environmental services	1,239,562	1,349,562	1,311,980	512	1,312,492	37,070
Total Department of Public Works	58,424,596	58,424,596	53,622,626	4,327,810	57,950,436	474,160
Department of inspections, licenses and permits:						
Operations division	2,206,667	2,196,667	2,040,847	55,554	2,096,401	100,266
Inspection and enforcement division	3,620,777	3,594,777	3,528,855	—	3,528,855	65,922
Plan review division	1,443,036	1,469,036	1,454,835	—	1,454,835	14,201
Licenses and permits division	898,427	908,427	893,516	—	893,516	14,911
Total department of inspections, licenses and permits	8,168,907	8,168,907	7,918,053	55,554	7,973,607	195,300

(Continued)

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

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Department of planning and zoning:						
Office of the director	1,504,826	1,951,808	1,396,659	482,855	1,879,514	72,294
Division of land development	1,429,158	1,303,569	1,295,693	—	1,295,693	7,876
Division of research	989,267	824,630	824,627	—	824,627	3
Public service and zoning administration	1,038,684	974,248	973,952	—	973,952	296
Environmental and community planning	558,576	481,460	480,849	—	480,849	611
Development engineering division	1,120,284	1,143,484	1,142,308	—	1,142,308	1,176
Conservation easements program	645,848	607,444	606,080	—	606,080	1,364
Total department of planning and zoning	7,286,643	7,286,643	6,720,168	482,855	7,203,023	83,620
Soil conservation district	1,033,114	1,033,114	1,030,560	—	1,030,560	2,554
Department of transportation	11,028,866	10,514,375	7,897,837	2,594,572	10,492,409	21,966
Total Public Works	85,942,126	85,427,635	77,189,244	7,460,791	84,650,035	777,600
Public Safety						
Police department:						
Administrative command	781,516	661,516	647,311	—	647,311	14,205
Animal control division	1,813,904	1,876,618	1,773,824	71,478	1,845,302	31,316
Command operations	47,169,185	39,644,185	39,058,653	—	39,058,653	585,532
Bureau of criminal investigations	19,124,947	19,694,947	19,541,204	569	19,541,773	153,174
Human resource bureau	5,454,709	5,801,709	5,675,343	18,642	5,693,985	107,724
Investigation and special operations	361,488	467,488	458,414	—	458,414	9,074
Information and technology bureau	19,547,024	18,616,524	18,274,248	110,025	18,384,273	232,251
Management services bureau	10,985,529	11,274,305	10,468,236	507,640	10,975,876	298,429
Office of the chief	6,115,775	6,476,775	6,430,309	—	6,430,309	46,466
Operations support	1,614,614	9,596,624	9,147,835	155,010	9,302,845	293,779
Special operations bureau	9,820,032	8,678,032	8,209,846	252,356	8,462,202	215,830
Total police department	122,788,723	122,788,723	119,685,223	1,115,720	120,800,943	1,987,780
Department of corrections	19,510,864	19,510,864	18,833,277	331,996	19,165,273	345,591
Total Public Safety	142,299,587	142,299,587	138,518,500	1,447,716	139,966,216	2,333,371
Recreation and Parks						
Department of recreation and parks	24,622,504	24,622,504	24,307,349	146,938	24,454,287	168,217
Total Recreation and Parks	24,622,504	24,622,504	24,307,349	146,938	24,454,287	168,217
Community Services						
Department of social services	652,620	652,620	588,587	—	588,587	64,033
Department of Community Resources and Services	10,613,021	10,753,817	10,387,479	256,914	10,644,393	109,424
Consumer affairs division	462,104	334,379	325,583	—	325,583	8,796
Office on aging	3,140,584	3,127,513	3,068,291	—	3,068,291	59,222
Cooperative extension services	555,113	555,113	545,146	—	545,146	9,967
Health department	11,379,855	749,000	—	—	—	749,000
Total Community Services	26,803,297	16,172,442	14,915,086	256,914	15,172,000	1,000,442

(Continued)

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

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Expenditures</u>	<u>Encumbrances</u>	<u>Expenditures and Encumbrances</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			<u>Encumbrances</u>	
County grants in-aid:						
Arts & tourism grants:						
Center of African-American Culture	42,000	42,000	42,000	—	42,000	—
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	890,000	890,000	890,000	—	890,000	—
Tourism Council	1,009,877	1,009,877	1,009,877	—	1,009,877	—
Total arts and tourism grants	2,068,877	2,068,877	2,068,877	—	2,068,877	—
Civic grants:						
Historical society	180,000	180,000	180,000	—	180,000	—
Total civic grants	180,000	180,000	180,000	—	180,000	—
Community service partnerships						
human service grants	9,436,181	9,436,181	9,182,642	109,698	9,292,340	143,841
Total County Grants in-Aid	11,685,058	11,685,058	11,431,519	109,698	11,541,217	143,841
Total Community Service and grants in-aid	38,488,355	27,857,500	26,346,605	366,612	26,713,217	1,144,283
Education						
Public schools	607,200,000	607,200,000	607,200,000	—	607,200,000	—
Community college	35,843,000	35,843,000	35,843,000	—	35,843,000	—
Library	21,451,000	21,451,000	21,451,000	—	21,451,000	—
Total Education	664,494,000	664,494,000	664,494,000	—	664,494,000	—

(Continued)

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

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2020

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final			Encumbrances	Final Budget
<u>Debt Service</u>						
Principal:						
Community college	6,467,950	6,467,950	6,467,941	—	6,467,941	9
Community renewal	104,695	104,695	104,690	—	104,690	5
Environmental services	—	397,185	397,180	—	397,180	5
Excise bonds	5,538,210	5,141,025	5,141,020	—	5,141,020	5
Fire	1,518,350	1,518,350	1,518,348	—	1,518,348	2
General county projects	16,437,840	16,437,840	16,327,560	—	16,327,560	110,280
Police	506,180	506,180	506,179	—	506,179	1
Recreation and parks	2,101,365	2,101,365	2,101,361	—	2,101,361	4
School surcharge	5,534,920	5,534,920	5,534,912	—	5,534,912	8
Schools	29,662,495	29,662,495	29,662,491	—	29,662,491	4
Storm drainage	1,998,050	1,998,050	1,998,049	—	1,998,049	1
Master lease financing	993,381	993,381	993,382	—	993,382	(1)
Lease financing	—	420,192	420,192	—	420,192	—
Total principal	70,863,436	71,283,628	71,173,305	—	71,173,305	110,323
Interest:						
Community college	5,019,200	5,019,200	5,015,558	—	5,015,558	3,642
Community renewal	63,860	63,860	63,853	—	63,853	7
Environmental services	—	363,335	362,996	—	362,996	339
Excise bonds	3,527,960	3,164,625	3,161,954	—	3,161,954	2,671
Fire	1,324,965	1,324,965	1,324,180	—	1,324,180	785
General county projects	13,593,660	13,593,660	13,444,138	—	13,444,138	149,522
Police	223,930	223,930	223,831	—	223,831	99
Recreation and parks	2,545,300	2,545,300	2,544,978	—	2,544,978	322
School surcharge	1,606,670	1,606,670	1,605,131	—	1,605,131	1,539
Schools	17,936,275	17,936,275	17,927,106	—	17,927,106	9,169
Storm drainage	1,527,825	1,527,825	1,527,472	—	1,527,472	353
Master lease financing	26,319	26,319	23,187	—	23,187	3,132
Lease financing	—	94,299	94,299	—	94,299	—
Total interest	47,395,964	47,490,263	47,318,683	—	47,318,683	171,580
Total Debt Service	118,259,400	118,773,891	118,491,988	—	118,491,988	281,903
Total expenditures and encumbrances before transfers out	1,150,358,054	1,142,521,976	1,120,815,592	11,996,147	1,132,811,739	9,710,237
<u>Other financing uses</u>						
Health department	—	10,630,855	10,630,855	—	10,630,855	—
General government	3,875,000	3,925,255	3,178,438	—	3,178,438	746,817
Recreation and Parks	394,735	394,735	394,735	—	394,735	—
Paygo - capital	5,703,000	5,703,000	5,703,000	—	5,703,000	—
Paygo - operating	2,845,032	—	—	—	—	—
Total other financing uses	12,817,767	20,653,845	19,907,028	—	19,907,028	746,817
Total Expenditures, Encumbrances and other financing uses	\$1,163,175,821	1,163,175,821	1,140,722,620	11,996,147	1,152,718,767	10,457,054

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Health Department Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other governments	\$ —	—	686,175	686,175
Charges for services	557,000	557,000	754,552	197,552
Interest on investments	—	—	81,113	81,113
Miscellaneous	1,230,000	1,230,000	233,119	(996,881)
Total revenue	1,787,000	1,787,000	1,754,959	(32,041)
EXPENDITURES				
Community Services:				
General health services	12,166,855	12,166,855	11,099,889	1,066,966
Grant programs	1,000,000	1,000,000	204,753	795,247
Total expenditures	13,166,855	13,166,855	11,304,642	1,862,213
Excess (deficiency) of revenues over expenditures	(11,379,855)	(11,379,855)	(9,549,683)	1,830,172
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	749,000	749,000	—	(749,000)
Transfers in	10,630,855	10,630,855	10,630,855	—
Total other financing sources (uses)	11,379,855	11,379,855	10,630,855	(749,000)
Net change in fund balance	—	—	1,081,172	1,081,172
Plus: Prior year encumbrances lapsed			54,151	
Fund balances - beginning			(418,567)	
Fund balances - ending			\$ 716,756	

Non-Major Governmental Funds

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

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

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



Howard County, Maryland
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Equity in pooled cash	\$ 65,127,565	98,542,136	5,807,855	169,477,556
Cash with fiscal agents	—	—	5,618,291	5,618,291
Receivables:				
Property taxes	1,652,444	—	—	1,652,444
Due from other governments	—	7,434,870	—	7,434,870
Due from other funds	422,000	13,133,183	—	13,555,183
Due from component units	6,620,914	—	—	6,620,914
Housing loans	13,526,688	—	—	13,526,688
Economic development loans	—	—	—	—
Other	949,471	54,008	—	1,003,479
Prepaid items	—	—	—	—
Material and supplies	676,947	—	—	676,947
Total assets	88,976,029	119,164,197	11,426,146	219,566,372
LIABILITIES				
Due to other funds	—	13,133,183	—	13,133,183
Accounts payable / accrued liabilities	2,864,096	9,093,250	155,825	12,113,171
Accrued wages and benefits	5,793,984	5,622	—	5,799,606
Short-term loans and notes payable	—	5,503,483	—	5,503,483
Deposits and connection fees	—	5,000	—	5,000
Unearned revenue	1,998,049	—	—	1,998,049
Total liabilities	10,656,129	27,740,538	155,825	38,552,492
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	2,338,819	—	—	2,338,819
Unavailable fees	495,605	7,158,832	—	7,654,437
Unavailable grant revenues	—	—	—	—
Total deferred inflows	2,834,424	7,158,832	—	9,993,256
Total liabilities and deferred inflows	13,490,553	34,899,370	155,825	48,545,748
FUND BALANCES				
Nonspendable:				
Inventory	676,947	—	—	676,947
Prepaid Items	—	—	—	—
Restricted:				
Catalyst loan program	—	—	—	—
Economic development initiatives	—	—	—	—
Fees in lieu	—	—	—	—
Fire & rescue services	17,305,071	—	—	17,305,071
Forest conservation	1,865,040	—	—	1,865,040
Middle Patuxent environmental area program	—	—	—	—
Open space	—	594,877	—	594,877
Parkland watershed facilities	—	16,632,186	—	16,632,186
Program revenue	—	—	—	—
Public road facilities	—	59,603,317	—	59,603,317
Speed enforcement	497,879	—	—	497,879
Tax incremental financing project	—	—	11,270,321	11,270,321
Committed:				
Community renewal programs	38,771,662	—	—	38,771,662
Environmental services	13,398,786	—	—	13,398,786
Fire house & training facilities	—	10,280,569	—	10,280,569
Recreation programs	2,970,091	—	—	2,970,091
Assigned:				
Capital projects	—	22,058,699	—	22,058,699
Streetlights	—	2,408,969	—	2,408,969
Unassigned	—	(27,313,790)	—	(27,313,790)
Total fund balances	75,485,476	84,264,827	11,270,321	171,020,624
Total liabilities, deferred inflows and fund balances	\$ 88,976,029	119,164,197	11,426,146	219,566,372

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

Howard County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Property taxes	\$ 133,619,810	—	4,324,360	137,944,170
Other local taxes	5,017,622	20,780,643	—	25,798,265
Revenues from other governments	21,918	3,096,870	—	3,118,788
Charges for services	49,126,319	715,424	—	49,841,743
Investment income:				
Interest on investments	1,775,716	1,618,501	256,113	3,650,330
Installment interest from housing loans	95,639	—	—	95,639
Fines and forfeitures	1,155,116	—	—	1,155,116
Developer fees	321,699	718,515	—	1,040,214
Miscellaneous program revenue	6,484,410	251,861	—	6,736,271
Total revenues	197,618,249	27,181,814	4,580,473	229,380,536
EXPENDITURES				
Current:				
General government	—	—	630,134	630,134
Legislative and judicial	—	—	—	—
Public works	27,417,174	—	—	27,417,174
Public safety	111,904,665	—	—	111,904,665
Recreation and parks	18,652,793	—	—	18,652,793
Community services	4,495,896	—	—	4,495,896
Capital improvements	—	58,533,608	—	58,533,608
Debt service:				
Principal payments on debt	—	—	101,863	101,863
Interest payments on debt	—	—	4,659,231	4,659,231
Total expenditures	162,470,528	58,533,608	5,391,228	226,395,364
Excess (deficiency) of revenues over expenditures	35,147,721	(31,351,794)	(810,755)	2,985,172
OTHER FINANCING SOURCES (USES)				
Bond premium	—	6,423,657	—	6,423,657
Capital-related issuance of debt	—	31,745,226	275,589	32,020,815
Refunding bonds issued	30,224	10,198,209	131,333	10,359,766
Payment to bond refunding escrow agent	(30,182)	(10,184,928)	—	(10,215,110)
Transfers in	394,735	40,930,626	3,205,531	44,530,892
Transfers out	(20,669,956)	(16,484,933)	(4,064,004)	(41,218,893)
Total other financing sources	(20,275,179)	62,627,857	(451,551)	41,901,127
Net change in fund balances	14,872,542	31,276,063	(1,262,306)	44,886,299
Fund balances - beginning	60,612,934	52,988,764	12,532,627	126,134,325
Fund balances - ending	\$ 75,485,476	84,264,827	11,270,321	171,020,624

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

Howard County, Maryland
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020

	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed Enforcement Fund	Total
ASSETS							
Equity in pooled cash	\$ 18,939,365	14,462,545	23,900,994	1,879,515	5,329,943	615,203	65,127,565
Receivables:							
Property taxes	—	74,928	1,577,516	—	—	—	1,652,444
Due from other funds	—	—	—	—	422,000	—	422,000
Due from other governments	—	—	—	—	—	—	—
Due from component units	6,620,914	—	—	—	—	—	6,620,914
Housing loans	13,526,688	—	—	—	—	—	13,526,688
Economic development loans	—	—	—	—	—	—	—
Other	—	455,368	481,197	—	11,747	1,159	949,471
Prepaid items	—	—	—	—	—	—	—
Materials and supplies	—	—	466,160	—	210,787	—	676,947
Total assets	39,086,967	14,992,841	26,425,867	1,879,515	5,974,477	616,362	88,976,029
LIABILITIES							
Accounts payable / accrued liabilities	252,114	1,203,499	810,668	1,398	500,086	96,331	2,864,096
Accrued wages and benefits	63,191	270,796	5,009,544	13,077	415,224	22,152	5,793,984
Deposits and connection fees	—	—	—	—	—	—	—
Unearned revenue	—	119,760	—	—	1,878,289	—	1,998,049
Total liabilities	315,305	1,594,055	5,820,212	14,475	2,793,599	118,483	10,656,129
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	—	—	2,338,819	—	—	—	2,338,819
Unavailable fees	—	—	495,605	—	—	—	495,605
Unavailable grant revenues	—	—	—	—	—	—	—
Total deferred inflows of resources	—	—	2,834,424	—	—	—	2,834,424
Total liabilities and deferred inflows of resources	315,305	1,594,055	8,654,636	14,475	2,793,599	118,483	13,490,553
FUND BALANCES							
Nonspendable:							
Inventory	—	—	466,160	—	210,787	—	676,947
Prepaid items	—	—	—	—	—	—	—
Restricted:							
Catalyst loan program	—	—	—	—	—	—	—
Economic development initiatives	—	—	—	—	—	—	—
Fees in lieu	—	—	—	—	—	—	—
Fire & rescue services	—	—	17,305,071	—	—	—	17,305,071
Forest conservation	—	—	—	1,865,040	—	—	1,865,040
Middle Patuxent environmental area program	—	—	—	—	—	—	—
Program revenue	—	—	—	—	—	—	—
Speed enforcement	—	—	—	—	—	497,879	497,879
Committed:							
Community renewal programs	38,771,662	—	—	—	—	—	38,771,662
Environmental services	—	13,398,786	—	—	—	—	13,398,786
Recreation programs	—	—	—	—	2,970,091	—	2,970,091
Unassigned	—	—	—	—	—	—	—
Total fund balances (deficits)	38,771,662	13,398,786	17,771,231	1,865,040	3,180,878	497,879	75,485,476
Total liabilities, deferred inflows and fund balances	\$ 39,086,967	14,992,841	26,425,867	1,879,515	5,974,477	616,362	88,976,029

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

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2020

	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed Enforcement Fund	Total
REVENUES							
Property taxes	\$ —	43,612	133,576,198	—	—	—	133,619,810
Other local taxes	5,017,622	—	—	—	—	—	5,017,622
Revenues from other governments	—	—	21,918	—	—	—	21,918
Charges for services	—	32,260,332	291,362	—	16,574,625	—	49,126,319
Investment income:							
Interest on investments	257,155	414,508	904,098	33,138	153,924	12,893	1,775,716
Installment interest from housing loans	95,639	—	—	—	—	—	95,639
Fines and forfeitures	—	148	425	1,339	85,822	1,067,382	1,155,116
Developer fees	—	—	—	321,699	—	—	321,699
Miscellaneous program revenue	6,255,660	25,575	8,553	—	181,867	12,755	6,484,410
Total revenues	11,626,076	32,744,175	134,802,554	356,176	16,996,238	1,093,030	197,618,249
EXPENDITURES							
General government	—	—	—	—	—	—	—
Legislative and judicial	—	—	—	—	—	—	—
Public works	—	27,417,174	—	—	—	—	27,417,174
Public safety	—	—	110,822,206	—	—	1,082,459	111,904,665
Recreation and parks	—	—	—	453,633	18,199,160	—	18,652,793
Community services	4,495,896	—	—	—	—	—	4,495,896
Total expenditures	4,495,896	27,417,174	110,822,206	453,633	18,199,160	1,082,459	162,470,528
Excess (deficiency) of revenues over expenditures	7,130,180	5,327,001	23,980,348	(97,457)	(1,202,922)	10,571	35,147,721
OTHER FINANCING SOURCES (USES)							
Refunding bonds issued	30,224	—	—	—	—	—	30,224
Payment to bond refunding escrow agent	(30,182)	—	—	—	—	—	(30,182)
Transfers in	—	—	—	—	394,735	—	394,735
Transfers out	(425,703)	(1,175,020)	(18,595,371)	(2,045)	(153,924)	(317,893)	(20,669,956)
Total other financing sources (uses)	(425,661)	(1,175,020)	(18,595,371)	(2,045)	240,811	(317,893)	(20,275,179)
Net change in fund balances	6,704,519	4,151,981	5,384,977	(99,502)	(962,111)	(307,322)	14,872,542
Fund balances - beginning	32,067,143	9,246,805	12,386,254	1,964,542	4,142,989	805,201	60,612,934
Fund balances - ending	\$ 38,771,662	13,398,786	17,771,231	1,865,040	3,180,878	497,879	75,485,476

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Community Renewal Program Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 3,750,000	3,750,000	5,017,622	1,267,622
Revenue from other agencies	110,000	110,000	—	(110,000)
Installment interest from housing loans	75,000	75,000	95,639	20,639
Miscellaneous	1,900,000	1,900,000	6,255,660	4,355,660
Total revenues	5,835,000	5,835,000	11,368,921	5,533,921
EXPENDITURES				
Community services:				
Revolving Loan Program Income	110,009	110,009	62,462	47,547
Housing initiatives	4,621,835	4,066,835	3,944,447	122,388
Housing and community development administration	1,740,206	2,295,206	2,155,482	139,724
Total expenditures	6,472,050	6,472,050	6,162,391	309,659
Excess (deficiency) of revenues over expenditures	(637,050)	(637,050)	5,206,530	5,843,580
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	805,850	805,850	—	(805,850)
Refund Bonds Issued	—	—	30,224	30,224
Transfers out	(168,800)	(168,800)	(168,548)	252
Total other financing sources (uses)	637,050	637,050	(138,324)	(775,374)
Net change in fund balance	—	—	5,068,206	5,068,206
Fund balance - beginning			26,423,911	
Fund balance - ending			31,492,117	

The ending fund balance is reconciled as follows:

Budgetary basis, end of the fiscal year	31,492,117
Adjustments:	
Elimination of encumbrances outstanding	995,383
Accruals (Housing loans)	7,362,376
Non budgeted - Bad debt expense	(1,078,214)
GAAP basis, end of fiscal year	\$ 38,771,662

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Environmental Services Funds
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 20,000	20,000	43,612	23,612
Fines and forfeitures	—	—	148	148
Charges for services	31,364,500	31,364,500	32,260,332	895,832
Miscellaneous	3,000	3,000	29,858	26,858
Total revenues	31,387,500	31,387,500	32,333,950	946,450
EXPENDITURES				
Public works:				
Administrative services	4,372,255	2,880,264	2,632,199	248,065
Operations	12,657,431	14,566,677	12,571,385	1,995,292
Collections	5,051,028	4,647,440	4,575,823	71,617
Recycling	8,539,286	8,525,619	8,416,685	108,934
Total expenditures	30,620,000	30,620,000	28,196,092	2,423,908
Excess (deficiency) of revenues over expenditures	767,500	767,500	4,137,858	3,370,358
OTHER FINANCING SOURCES (USES)				
Transfers out	(767,500)	(767,500)	(760,512)	6,988
Total other financing sources (uses)	(767,500)	(767,500)	(760,512)	6,988
Net change in fund balance	—	—	3,377,346	3,377,346
Plus: Prior year encumbrance lapsed			892,779	
Fund balance - beginning			8,338,130	
Fund balance - ending			12,608,255	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			12,608,255	
Adjustments:				
Elimination of encumbrances outstanding			1,385,351	
Accruals			(554,032)	
Non budgeted - Bad debt expense			(40,788)	
GAAP basis, end of fiscal year			\$ 13,398,786	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Fire and Rescue Reserve Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 132,084,947	132,084,947	133,576,198	1,491,251
Revenues from other governments	—	—	21,918	21,918
Charges for services	2,140,000	2,140,000	368,340	(1,771,660)
Fines and forfeitures	—	—	425	425
Miscellaneous	30,000	30,000	8,553	(21,447)
Total revenues	134,254,947	134,254,947	133,975,434	(279,513)
EXPENDITURES				
Public safety:				
Administrative	118,886,459	118,886,459	113,417,464	5,468,995
Total expenditures	118,886,459	118,886,459	113,417,464	5,468,995
Excess (deficiency) of revenues over expenditures	15,368,488	15,368,488	20,557,970	5,189,482
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	2,325,846	2,325,846	—	(2,325,846)
Transfers out	(17,694,334)	(17,694,334)	(17,691,273)	3,061
Total other financing sources (uses)	(15,368,488)	(15,368,488)	(17,691,273)	(2,322,785)
Net change in fund balance	—	—	2,866,697	2,866,697
Plus prior year encumbrances lapsed			11,745	
Fund balance - beginning			8,699,362	
Fund balance - ending			11,577,804	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			11,577,804	
Adjustments:				
Elimination of encumbrances outstanding			6,333,924	
Accruals			(22,025)	
Non budgeted - Bad debt expense			(118,472)	
GAAP basis, end of fiscal year			\$ 17,771,231	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Forest Conservation Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ 22,000	22,000	31,093	9,093
Fines and forfeitures	—	—	1,339	1,339
Developer fees - inspections	20,000	20,000	—	(20,000)
Developer fees - mitigation	333,000	333,000	321,699	(11,301)
Total revenues	375,000	375,000	354,131	(20,869)
EXPENDITURES				
Public Works:				
Forest mitigation	657,859	657,859	452,977	204,882
Total expenditures	657,859	657,859	452,977	204,882
Excess (deficiency) of revenues over expenditures	(282,859)	(282,859)	(98,846)	184,013
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	282,859	282,859	98,846	(184,013)
Total other financing sources (uses)	282,859	282,859	98,846	(184,013)
Net change in fund balance	—	—	—	—
Less: Appropriation from fund balance	—	—	(98,846)	
Fund balance - beginning			1,965,284	
Fund balance - ending			1,866,438	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			1,866,438	
Accruals			(1,398)	
GAAP basis, end of fiscal year			\$ 1,865,040	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Recreation Program Fund
For the Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 21,320,000	21,320,000	16,574,625	(4,745,375)
Fines and forfeitures	120,000	120,000	85,372	(34,628)
Miscellaneous program revenue	175,000	175,000	180,516	5,516
Total revenues	21,615,000	21,615,000	16,840,513	(4,774,487)
EXPENDITURES				
Recreation and parks:				
Administration	22,206,721	22,206,721	18,483,234	3,723,487
Total expenditures	22,206,721	22,206,721	18,483,234	3,723,487
Excess (deficiency) of revenues over expenditures	(591,721)	(591,721)	(1,642,721)	(1,051,000)
OTHER FINANCING SOURCES (USES)				
Transfers in	591,721	591,721	394,735	(196,986)
Total other financing sources (uses)	591,721	591,721	394,735	(196,986)
Net change in fund balance	—	—	(1,247,986)	(1,247,986)
Plus: Prior year encumbrances lapsed			16,934	
Fund balance - beginning			4,107,996	
Fund balance - ending			2,876,944	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			2,876,944	
Adjustments:				
Elimination of encumbrances outstanding			319,500	
Accruals			(9,758)	
Non budgeted - Bad debt expense			(5,808)	
GAAP basis, end of fiscal year			\$ 3,180,878	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Speed Enforcement Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines & forfeitures	\$ 1,485,320	1,485,320	1,067,382	(417,938)
Other	20,000	20,000	12,755	(7,245)
Total revenues	1,505,320	1,505,320	1,080,137	(425,183)
EXPENDITURES				
Public safety:				
Administrative	1,200,320	1,200,320	1,130,625	69,695
Total expenditures	1,200,320	1,200,320	1,130,625	69,695
Excess (deficiency) of revenues over expenditures	305,000	305,000	(50,488)	(355,488)
OTHER FINANCING SOURCES (USES)				
Transfers out	(305,000)	(305,000)	(305,000)	—
Total other financing sources (uses)	(305,000)	(305,000)	(305,000)	—
Net change in fund balance	—	—	(355,488)	(355,488)
Fund balance - beginning			805,190	
Fund balance - ending			449,702	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			449,702	
Adjustments:				
Elimination of encumbrances outstanding			48,166	
Non budgeted - Bad debt expense			11	
GAAP basis, end of fiscal year			\$ 497,879	

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

Howard County, Maryland
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2020

	Fire Service Bldg & Equip Fund	Highway Fund	Recreation and Parks Fund	Storm Drainage Fund	Total
ASSETS					
Equity in pooled cash	\$ 29,239,036	57,220,232	12,082,868	—	98,542,136
Cash equivalents	—	—	—	—	—
Due from other governments	—	252,588	3,708,776	3,473,506	7,434,870
Due from other funds	—	13,133,183	—	—	13,133,183
Other	51,480	2,528	—	—	54,008
Total assets	29,290,516	70,608,531	15,791,644	3,473,506	119,164,197
LIABILITIES					
Due to other funds	—	—	—	13,133,183	13,133,183
Accounts payable/accrued liability	320,749	3,292,300	2,044,153	3,436,048	9,093,250
Accrued wages and benefits	3,163	2,459	—	—	5,622
Short-term loans and notes payable	—	1,802,272	155,994	3,545,217	5,503,483
Deposits and connection fees	—	—	5,000	—	5,000
Total liabilities	323,912	5,097,031	2,205,147	20,114,448	27,740,538
DEFERRED INFLOWS OF RESOURCES					
Unavailable grant revenues	—	126,550	3,558,776	3,473,506	7,158,832
Total liabilities and deferred inflows of resources	323,912	5,223,581	5,763,923	23,587,954	34,899,370
FUND BALANCES					
Restricted:					
Open space	—	—	594,877	—	594,877
Parkland watershed facilities	—	—	16,632,186	—	16,632,186
Public road facilities	—	59,603,317	—	—	59,603,317
Committed:					
Firehouse & training facilities	10,280,569	—	—	—	10,280,569
Assigned:					
Capital projects	18,686,035	3,372,664	—	—	22,058,699
Street lights	—	2,408,969	—	—	2,408,969
Unassigned	—	—	(7,199,342)	(20,114,448)	(27,313,790)
Total fund balances	28,966,604	65,384,950	10,027,721	(20,114,448)	84,264,827
Total liabilities, deferred inflows and fund balances	\$ 29,290,516	70,608,531	15,791,644	3,473,506	119,164,197

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

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended June 30, 2020

	Fire Service Bldg & Equip Fund	Highway Fund	Recreation and Parks Fund	Storm Drainage Fund	Total
REVENUES					
Other local taxes	\$ 5,069,102	5,676,297	10,035,244	—	20,780,643
Revenues from other governments	—	1,153,012	955,285	988,573	3,096,870
Charges for services	—	715,424	—	—	715,424
Interest on investments	414,071	1,049,746	154,684	—	1,618,501
Developer contributions	—	604,131	66,910	47,474	718,515
Miscellaneous program revenues	—	—	—	251,861	251,861
Total revenues	5,483,173	9,198,610	11,212,123	1,287,908	27,181,814
EXPENDITURES					
Capital improvements	1,137,038	21,397,394	11,171,372	24,827,804	58,533,608
Total expenditures	1,137,038	21,397,394	11,171,372	24,827,804	58,533,608
Excess (deficiency) of revenues over expenditures	4,346,135	(12,198,784)	40,751	(23,539,896)	(31,351,794)
OTHER FINANCING SOURCES (USES)					
Bond premium	24,605	2,953,236	1,878,628	1,567,188	6,423,657
Capital related debt issued	121,598	14,594,668	9,284,036	7,744,924	31,745,226
Refunding bonds issued	1,029,254	1,458,560	6,627,028	1,083,367	10,198,209
Payment to bond refunding escrow agent	(1,027,810)	(1,457,543)	(6,617,728)	(1,081,847)	(10,184,928)
Transfers in	16,438,000	5,805,000	—	18,687,626	40,930,626
Transfers out	(3,257,381)	(8,426,213)	(4,801,339)	—	(16,484,933)
Total other financing sources (uses)	13,328,266	14,927,708	6,370,625	28,001,258	62,627,857
Net change in fund balances	17,674,401	2,728,924	6,411,376	4,461,362	31,276,063
Fund balances - beginning	11,292,203	62,656,026	3,616,345	(24,575,810)	52,988,764
Fund balances - ending	\$ 28,966,604	65,384,950	10,027,721	(20,114,448)	84,264,827

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

Howard County, Maryland
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2020

	Bond Anticipation Note Fund	Tax Increment Financing Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 150,535	5,657,320	5,807,855
Cash and securities with Fiscal Agents	—	5,618,291	5,618,291
Total assets	150,535	11,275,611	11,426,146
LIABILITIES			
Accounts payable / accrued liabilities	150,535	5,290	155,825
Total liabilities	150,535	5,290	155,825
FUND BALANCES			
Restricted:			
Tax incremental financing project	—	11,270,321	11,270,321
Total fund balances	—	11,270,321	11,270,321
Total liabilities and fund balances	\$ 150,535	11,275,611	11,426,146

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

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended June 30, 2020

	Bond Anticipation Note Fund	Tax Financing Increment Fund	Total
REVENUES			
Property taxes	\$ —	4,324,360	4,324,360
Interest on investments	—	256,113	256,113
Total revenues	—	4,580,473	4,580,473
EXPENDITURES			
Current:			
General government	537,031	93,103	630,134
Debt service:			
Principal payments on debt	11,863	90,000	101,863
Interest payments on debt	1,550,447	3,108,784	4,659,231
Total expenditures	2,099,341	3,291,887	5,391,228
Excess (deficiency) of revenues over expenditures	(2,099,341)	1,288,586	(810,755)
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	131,333	—	131,333
Capital-related issuance of debt	275,589	—	275,589
Transfers in	3,205,531	—	3,205,531
Transfers out	(1,513,112)	(2,550,892)	(4,064,004)
Total other financing sources (uses)	2,099,341	(2,550,892)	(451,551)
Net change in fund balances	—	(1,262,306)	(1,262,306)
Fund balances - beginning	—	12,532,627	12,532,627
Fund balances - ending	\$ —	11,270,321	11,270,321

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Bond Anticipation Notes
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	—	—	—
Total revenues	—	—	—	—
EXPENDITURES				
General government:				
Bond anticipation notes	1,375,000	990,271	85,755	904,516
Debt service:				
Issuance costs	—	384,729	431,519	(46,790)
Principal expense	—	—	11,863	(11,863)
Interest	3,000,000	3,000,000	1,550,447	1,449,553
Total expenditures	4,375,000	4,375,000	2,079,584	2,295,416
Excess (deficiency) of revenues over expenditures	(4,375,000)	(4,375,000)	(2,079,584)	2,295,416
OTHER FINANCING SOURCES				
Capital related debt issued	500,000	500,000	275,589	(224,411)
Refunding bonds issued	—	—	131,333	131,333
Transfers in	3,875,000	3,875,000	3,178,438	(696,562)
Total other financing sources	4,375,000	4,375,000	3,585,360	(789,640)
Net change in fund balance	—	—	1,505,776	1,505,776
Fund balances - beginning			(1,505,776)	
Fund balances - ending			—	

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

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Tax Increment Financing Fund
For the Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other local taxes	\$ 5,720,482	5,218,482	4,324,360	(894,122)
Interest on investments	125,546	125,546	205,221	79,675
Miscellaneous	574,886	574,886	—	(574,886)
Total revenues	6,420,914	5,918,914	4,529,581	(1,389,333)
EXPENDITURES				
General government:				
Tax incremental financing	220,130	220,129	93,104	127,025
Debt Service:				
Principal	90,000	90,000	90,000	—
Interest	3,108,784	3,108,785	3,108,784	1
Total expenditures	3,418,914	3,418,914	3,291,888	127,026
Excess of revenues over expenditures	3,002,000	2,500,000	1,237,693	(1,262,307)
OTHER FINANCING SOURCES				
Transfers out	(3,002,000)	(2,500,000)	(2,500,000)	—
Total other financing sources	(3,002,000)	(2,500,000)	(2,500,000)	—
Net change in fund balance	—	—	(1,262,307)	(1,262,307)
Fund balances - beginning			12,444,810	
Fund balances - ending			11,182,503	

The ending fund balance is reconciled as follows:

Budgetary Basis, end of the fiscal year	11,182,504
Accruals	87,817
GAAP Basis, end of fiscal year	\$ 11,270,321

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



Howard County Census 2020

Insights from the ACS Survey
as shown on the HoCoDASH website

#HoCoCounts
2020 CENSUS

United States
Census
2020



321,113 Howard County
Population Total

3rd most diverse
population in MD
by % foreign born

47.9% minority
population by race
compared to 49.1% of Maryland's

21.6% of Howard County's
population is foreign born
compared to 15.3% of Maryland's

Top 5 countries of origin
for foreign born in HC

	India - 10,636
	Korea - 9,243
	China - 5,952
	Pakistan - 2,681
	El Salvador - 2,304

Howard County by region



Highest number
of non-citizens:
Savage 8,102
Ellicott City 7,432
Clarksville 5,599

Areas with the highest % by race
Black: Savage 31.42%
Asian: Ellicott City 28.46%
White: Lisbon 87.35%

Highest number
of foreign born:
Savage 20,067
Ellicott City 17,633
Clarksville 13,875

2020 Census
Predicted mail non-response rate %

	25.0 - 29.9
	20.0 - 24.9
	16.0 - 19.9

Lisbon and Savage are the most different
from the county as a whole in diversity.
Lisbon is less diverse,
Savage is more diverse.

Census 2020

Howard County remained very focused on ensuring an accurate and robust 2020 Census count with special outreach to limited English speaking and other vulnerable populations. The county achieved a response rate of more than 80 percent, ranking it among the highest in the country and 2nd in the state of Maryland

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, 2020

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
ASSETS				
Current assets:				
Equity in pooled cash	\$ 5,279,944	—	14,366,451	19,646,395
Receivables:				
Service billings	71,927	—	—	71,927
Other receivables	—	242,303	—	242,303
Restricted assets:				
Equity in pooled cash and cash equivalents	—	560,000	—	560,000
Total current assets	5,351,871	802,303	14,366,451	20,520,625
Noncurrent assets:				
Restricted assets:				
Other receivables	1,663	—	6,049	7,712
Capital assets:				
Land	—	8,684,896	815,064	9,499,960
Buildings and improvements, net	—	2,384,096	306,853	2,690,949
Machinery and equipment, net	459,880	11,687	649,102	1,120,669
Infrastructure, net	9,992,599	—	37,275,797	47,268,396
Improvement Other, net	—	—	1,064,483	1,064,483
Total noncurrent assets	10,454,142	11,080,679	40,117,348	61,652,169
Total assets	15,806,013	11,882,982	54,483,799	82,172,794
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	—	1,164	—	1,164
Total deferred outflows of resources	—	1,164	—	1,164
Total assets and deferred outflows of resources	15,806,013	11,884,146	54,483,799	82,173,958
LIABILITIES				
Current liabilities:				
Due to other funds	—	4,204,590	—	4,204,590
Accounts payable	1,953	106,887	532,943	641,783
Accrued wages and benefits	26,605	—	62,459	89,064
Total current liabilities	28,558	4,311,477	595,402	4,935,437
Current liabilities payable from restricted assets:				
Note payable	1,578,889	522,000	567,039	2,667,928
Loan Payable - current	—	—	150,594	150,594
Total current liabilities payable from restricted assets	1,578,889	522,000	717,633	2,818,522
Total current liabilities	1,607,447	4,833,477	1,313,035	7,753,959
Noncurrent liabilities:				
Compensated absences	32,540	—	63,156	95,696
Refunding revenue note payable	—	1,185,000	—	1,185,000
LT Bond Payable	2,420,482	—	16,546,541	18,967,023
Loan payable	—	—	1,263,829	1,263,829
Total noncurrent liabilities	2,453,022	1,185,000	17,873,526	21,511,548
Total liabilities	4,060,469	6,018,477	19,186,561	29,265,507
NET POSITION				
Net investment in capital assets	6,453,108	9,374,843	21,583,296	37,411,247
Restricted:				
For debt service	—	560,000	—	560,000
Unrestricted	5,292,436	(4,069,174)	13,713,942	14,937,204
Total net position	\$ 11,745,544	5,865,669	35,297,238	52,908,451

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

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2020

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
Operating revenues:				
User charges	\$ 1,145,496	—	9,701,999	10,847,495
Miscellaneous sales and services	—	443,004	10,612	453,616
Total operating revenues	1,145,496	443,004	9,712,611	11,301,111
Operating expenses:				
Salaries and employee benefits	468,325	—	1,174,414	1,642,739
Contractual services	798,195	33,722	2,754,320	3,586,237
Supplies and materials	—	—	1,271	1,271
Business and travel	1,636	—	818	2,454
Share of county administrative expenses	—	—	886,858	886,858
Other administrative	—	—	84,826	84,826
Depreciation expense	866,510	145,527	677,278	1,689,315
Total operating expenses	2,134,666	179,249	5,579,785	7,893,700
Operating income (loss)	(989,170)	263,755	4,132,826	3,407,411
Nonoperating revenues (expenses):				
Interest on investments	39,067	4,387	99,518	142,972
Interest expense	(60,950)	(96,285)	(108,109)	(265,344)
Other, net	(2,387)	(10,768)	10,539	(2,616)
Total nonoperating revenues (expenses)	(24,270)	(102,666)	1,948	(124,988)
Net income (loss) before contributions and transfers	(1,013,440)	161,089	4,134,774	3,282,423
Capital contribution	(100,607)	—	9,385,511	9,284,904
Transfers in	575,000	1,165	—	576,165
Transfers out	(1,457,000)	—	(18,608,366)	(20,065,366)
Change in net position	(1,996,047)	162,254	(5,088,081)	(6,921,874)
Net position - beginning	13,741,591	5,703,415	40,385,319	59,830,325
Net position - ending	\$ 11,745,544	5,865,669	35,297,238	52,908,451

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

Howard County, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2020

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,230,003	—	9,718,390	10,948,393
Cash paid to suppliers	(127,435)	(39,083)	(2,186,967)	(2,353,485)
Cash paid to / for employees	(475,322)	—	(1,135,371)	(1,610,693)
Cash paid for interfund services used	(670,571)	—	(482,708)	(1,153,279)
Other operating cash receipts	—	200,701	—	200,701
Other operating disbursements	—	—	(663,065)	(663,065)
Net cash provided by (used for) operating activities	(43,325)	161,618	5,250,279	5,368,572
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payable	—	439,115	—	439,115
Interfund operating transfers in (out)	(882,000)	1,165	(18,608,366)	(19,489,201)
Net cash provided by (used for) noncapital financing activities	(882,000)	440,280	(18,608,366)	(19,050,086)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of county bonds	1,457,000	—	14,559,960	16,016,960
Acquisition and construction of capital assets	—	—	(9,413,168)	(9,413,168)
Capital contributions	—	—	9,385,511	9,385,511
Payment of long-term debt principal	—	(510,000)	(145,461)	(655,461)
Interest paid on long-term debt	(60,950)	(49,123)	(108,109)	(218,182)
Net cash provided by (used for) capital and related financing activities	1,396,050	(559,123)	14,278,733	15,115,660
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	62,051	(42,775)	194,296	213,572
Net cash provided by (used for) investing activities	62,051	(42,775)	194,296	213,572
Net increase in cash and cash equivalents	532,776	—	1,114,942	1,647,718
Balances - beginning of the year	4,747,168	560,000	13,251,509	18,558,677
Balances - end of the year	5,279,944	560,000	14,366,451	20,206,395
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating (loss) income	(989,170)	263,755	4,132,826	3,407,411
Adjustments to reconcile operating income to net cash:				
Depreciation expense	866,510	145,527	677,278	1,689,315
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	84,506	(242,303)	—	(157,797)
Accounts payable	493	(5,361)	400,315	395,447
Accrued wages and benefits	(3,016)	—	16,476	13,460
Compensated absences	(2,648)	—	23,384	20,736
Total adjustments	945,845	(102,137)	1,117,453	1,961,161
Net cash provided by (used in) operating activities	\$ (43,325)	161,618	5,250,279	5,368,572

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



HoCo Rise to the Challenge

To promote innovation and recovery from the COVID-19 pandemic, Howard County distributed millions in CARES Act funding through “Rise to the Challenge” grants distributed to community non-profit partners.

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, 2020

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
ASSETS					
Current assets:					
Equity in pooled cash	\$ 21,652,558	7,112,342	8,860,459	24,843,050	62,468,409
Other receivables	1,337,200	132,601	18,561	384,180	1,872,542
Prepaid expenses	—	5,151	—	—	5,151
Materials and supplies	—	1,209,491	166,611	—	1,376,102
Total current assets	22,989,758	8,459,585	9,045,631	25,227,230	65,722,204
Noncurrent assets:					
Capital assets:					
Buildings and improvements, net	—	1,040,869	805,197	—	1,846,066
Machinery and equipment, net	—	30,983,291	13,934,101	917	44,918,309
Total noncurrent assets	—	32,024,160	14,739,298	917	46,764,375
Total assets	22,989,758	40,483,745	23,784,929	25,228,147	112,486,579
LIABILITIES					
Current liabilities:					
Accounts payable	992,880	1,296,001	2,937,871	233,869	5,460,621
Accrued wages and benefits	19,373	238,553	531,695	49,133	838,754
Compensated absences	—	6,096	4,633	—	10,729
Deposits and connection fees	—	—	72,040	—	72,040
Unpaid insurance claims	3,239,508	—	—	4,621,716	7,861,224
Current portion capital lease obligation	—	269,269	1,419,153	—	1,688,422
Unearned revenue	—	—	42,963	—	42,963
Total current liabilities	4,251,761	1,809,919	5,008,355	4,904,718	15,974,753
Noncurrent liabilities:					
Compensated absences	27,792	392,818	785,383	62,599	1,268,592
Unpaid insurance claims	66,113	—	—	13,761,770	13,827,883
Long-term capital lease obligation	—	136,469	6,918,890	—	7,055,359
Total noncurrent liabilities	93,905	529,287	7,704,273	13,824,369	22,151,834
Total liabilities	4,345,666	2,339,206	12,712,628	18,729,087	38,126,587
NET POSITION					
Net investment in capital assets	—	31,618,422	6,401,255	917	38,020,594
Unrestricted	18,644,092	6,526,117	4,671,046	6,498,143	36,339,398
Total net position	\$ 18,644,092	38,144,539	11,072,301	6,499,060	74,359,992

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

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2020

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
Operating revenues:					
User charges	\$ 64,968,177	18,626,808	25,040,276	9,926,068	118,561,329
Insurance recoveries	—	—	—	289,468	289,468
Miscellaneous sales and services	—	228,371	1,091,894	16,640	1,336,905
Total operating revenues	64,968,177	18,855,179	26,132,170	10,232,176	120,187,702
Operating expenses:					
Salaries and employee benefits	471,585	4,301,180	8,902,040	1,139,604	14,814,409
Contractual services	742,410	1,587,980	10,831,071	331,196	13,492,657
Supplies and materials	304	1,748,660	2,197,543	40,562	3,987,069
Business and travel	—	14,419	673,632	5,459	693,510
Vehicle fuels and supplies	—	3,170,138	45,267	8,310	3,223,715
Share of County administrative expenses	3,162	293,379	24,254	465,985	786,780
Insurance claims	54,892,729	—	—	6,888,436	61,781,165
Other administrative	2,447,640	—	—	79,026	2,526,666
Depreciation expense	—	5,961,313	3,287,361	10,567	9,259,241
Total operating expenses	58,557,830	17,077,069	25,961,168	8,969,145	110,565,212
Operating income (loss)	6,410,347	1,778,110	171,002	1,263,031	9,622,490
Nonoperating revenues (expenses):					
Interest on investments	232,399	137,806	68,117	185,060	623,382
Interest expense	—	(10,959)	(272,800)	—	(283,759)
Revenue from other government	—	—	—	8,962	8,962
Total nonoperating revenues (expenses)	232,399	126,847	(204,683)	194,022	348,585
Net income (loss) before contributions and transfers	6,642,746	1,904,957	(33,681)	1,457,053	9,971,075
Capital contributions	—	280,538	924,557	(283,636)	921,459
Transfer in	—	—	766,334	—	766,334
Transfers out	(232,399)	(1,137,806)	(643,117)	—	(2,013,322)
Change in net position	6,410,347	1,047,689	1,014,093	1,173,417	9,645,546
Net position - beginning	12,233,745	37,096,850	10,058,208	5,325,643	64,714,446
Net position - ending	\$ 18,644,092	38,144,539	11,072,301	6,499,060	74,359,992

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

Howard County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 64,909,404	18,941,653	26,209,499	10,375,284	120,435,840
Cash paid to suppliers	(57,382,910)	(4,282,685)	(3,209,073)	(6,283,274)	(71,157,942)
Cash paid to / for employees	(481,649)	(4,199,347)	(9,321,650)	(1,083,669)	(15,086,315)
Cash paid for quasi-external transactions	(136,640)	(2,045,533)	(9,845,272)	(66,936)	(12,094,381)
Other operating cash disbursements	—	—	(67,708)	(431,237)	(498,945)
Net cash provided by operating activities	6,908,205	8,414,088	3,765,796	2,510,168	21,598,257
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers to other funds	(232,399)	(1,137,806)	123,217	—	(1,246,988)
Net cash (used for) provided by noncapital financing activities	(232,399)	(1,137,806)	123,217	—	(1,246,988)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	—	(9,385,972)	—	(577,053)	(9,963,025)
Payment of long-term debt principal	—	(264,452)	(1,378,740)	—	(1,643,192)
Capital contributions	—	280,538	—	283,636	564,174
Payment of long-term debt interest	—	(10,959)	(272,800)	—	(283,759)
Interest paid	—	—	—	8,962	8,962
Net cash (used for) provided by capital and related financing activities	—	(9,380,845)	(1,651,540)	(284,455)	(11,316,840)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	232,399	137,806	68,117	185,060	623,382
Net cash (used for) provided by investing activities	232,399	137,806	68,117	185,060	623,382
Net increase (decrease) in cash and cash equivalents	6,908,205	(1,966,757)	2,305,590	2,410,773	9,657,811
Cash and cash equivalents - beginning of the year	14,744,353	9,079,099	6,554,869	22,432,277	52,810,598
Cash and cash equivalents - end of the year	21,652,558	7,112,342	8,860,459	24,843,050	62,468,409
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	6,410,347	1,778,110	171,002	1,263,031	9,622,490
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation expense	—	5,961,313	3,287,361	10,567	9,259,241
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(58,772)	86,473	34,367	143,107	205,175
Prepaid expenses	—	1,923	—	—	1,923
Accounts payable	137,914	384,149	(8,412)	(12,407)	501,244
Accrued wages and benefits	(14,074)	31,947	89,836	22,117	129,826
Supplies and materials	—	87,110	3,997	—	91,107
Deposits and connection fees	—	—	(19,400)	—	(19,400)
Unpaid insurance claims	428,781	—	—	1,044,476	1,473,257
Unearned revenue	—	—	42,963	—	42,963
Compensated absences	4,009	83,063	164,082	39,277	290,431
Total adjustments	497,858	6,635,978	3,594,794	1,247,137	11,975,767
Net cash provided by operating activities	\$ 6,908,205	8,414,088	3,765,796	2,510,168	21,598,257

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



Columbia Lakefest

Columbia Lakefest is a colorful annual event where the local arts community can share their spirit and talent through crafts, music and street performances.

Fiduciary Funds

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



Howard County, Maryland
Combining Statement of Net Position
Pension and Other Post-Employment Benefits Trust Funds
June 30, 2020

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Total
ASSETS				
Receivables:				
Interest and dividends	\$ 465,094	607,988	21	1,073,103
Employer contributions	1,099,741	1,962,266	—	3,062,007
Member contributions	305,896	516,661	—	822,557
Sale of investments	204,220	266,964	—	471,184
Other	9,590	12,536	—	22,126
Investments, at fair value:				
Cash	—	—	732,017	732,017
Equities	192,253,334	251,320,810	—	443,574,144
Alternative investments	122,305,616	159,882,515	—	282,188,131
Mutual funds	—	—	176,647,925	176,647,925
Money market funds	10,369,730	15,721,518	266,499	26,357,747
Fixed income securities	149,691,808	195,682,778	—	345,374,586
Real assets	18,754,554	24,516,661	—	43,271,215
Prepaid insurance	19,687	24,071	—	43,758
Total assets	495,479,270	650,514,768	177,646,462	1,323,640,500
LIABILITIES				
Accounts payable	—	—	65,608	65,608
Investments purchased	906,006	1,184,365	—	2,090,371
Other	365,935	453,370	629,792	1,449,097
Total liabilities	1,271,941	1,637,735	695,400	3,605,076
NET POSITION				
Net position restricted for pension and other post-employment benefits	\$ 494,207,329	648,877,033	176,951,062	1,320,035,424

Howard County, Maryland
Combining Statement of Changes in Net Assets
Pension and Other Post Employment Benefits Trust Funds
For the Year Ended June 30, 2020

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 15,034,157	31,105,248	38,425,101	84,564,506
Member	4,748,920	8,183,867	—	12,932,787
Total contributions	19,783,077	39,289,115	38,425,101	97,497,293
Investment income (expense):				
Net change in fair value of investments	5,715,645	10,608,211	6,466,941	22,790,797
Interest	2,123,552	2,767,142	15,254	4,905,948
Dividends	10,127,448	13,190,515	3,680,987	26,998,950
Other	50,034	65,121	—	115,155
Investment expense	(1,325,626)	(1,666,849)	(373,871)	(3,366,346)
Net investment income	16,691,053	24,964,140	9,789,311	51,444,504
Total additions	36,474,130	64,253,255	48,214,412	148,941,797
DEDUCTIONS				
Benefits	20,067,428	34,321,194	25,425,101	79,813,723
Administrative expenses	396,732	413,461	68,024	878,217
Total deductions	20,464,160	34,734,655	25,493,125	80,691,940
Change in net position	16,009,970	29,518,600	22,721,287	68,249,857
Net position - beginning of year	478,197,359	619,358,433	154,229,775	1,251,785,567
Net position - end of year	\$ 494,207,329	648,877,033	176,951,062	1,320,035,424

Howard County, Maryland
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

	<u>Multifarious Fund</u>	<u>Road Surety Deposit Fund</u>	<u>State Property Tax and Interest Fund</u>	<u>Total</u>
ASSETS				
Equity in pooled cash	\$ 416,384	3,050,121	1,726,010	5,192,515
Property taxes receivable	—	—	235,653	235,653
Prepaid	5,255	—	—	5,255
Other receivable	2,993	—	—	2,993
Total assets	424,632	3,050,121	1,961,663	5,436,416
LIABILITIES				
Accounts payable	—	—	1,961,663	1,961,663
Deposits	424,632	3,050,121	—	3,474,753
Total liabilities	\$ 424,632	3,050,121	1,961,663	5,436,416

Howard County, Maryland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Multifarious Fund				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 417,463	99,960	101,039	416,384
Other receivable	3,845	82,380	83,232	2,993
Prepaid Items	—	5,255	—	5,255
Total assets	421,308	187,595	184,271	424,632
LIABILITIES				
Deposits	419,001	97,949	92,318	424,632
Other liabilities	2,307	—	2,307	—
Total liabilities	421,308	97,949	94,625	424,632
Road Surety Deposit Fund				
ASSETS				
Equity in pooled cash and cash equivalents	5,423,648	422,593	2,796,120	3,050,121
Total assets	5,423,648	422,593	2,796,120	3,050,121
LIABILITIES				
Deposits	5,423,648	422,593	2,796,120	3,050,121
Total liabilities	5,423,648	422,593	2,796,120	3,050,121
State Property Tax and Interest Fund				
ASSETS				
Equity in pooled cash and cash equivalents	1,401,669	324,988,596	324,664,255	1,726,010
Property taxes receivable	534,227	268,986,461	269,285,035	235,653
Total assets	1,935,896	593,975,057	593,949,290	1,961,663
LIABILITIES				
Accounts payable	1,935,896	281,402,895	281,377,128	1,961,663
Total liabilities	1,935,896	281,402,895	281,377,128	1,961,663
Total Agency Funds				
ASSETS				
Equity in pooled cash and cash equivalents	7,242,780	325,511,149	327,561,414	5,192,515
Property taxes receivable	534,227	268,986,461	269,285,035	235,653
Other receivable	3,845	82,380	—	2,993
Prepaid items	—	5,255	—	5,255
Total assets	7,780,852	594,585,245	596,846,449	5,436,416
LIABILITIES				
Accounts payable	1,935,896	281,402,895	281,377,128	1,961,663
Deposits	5,842,649	520,542	2,888,438	3,474,753
Other liabilities	2,307	—	2,307	—
Total liabilities	\$ 7,780,852	281,923,437	284,267,873	5,436,416

**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, 2020

Function and Activity	Land and Land Improvements	Buildings	Improvements		Construction In Progress	Total
			Other Than Buildings and Infrastructure	Equipment		
General government:						
County executive	\$ —	—	7,314	—	—	7,314
Technology and communication	—	—	—	217,057	—	217,057
Finance	—	—	—	1,990,764	—	1,990,764
County administration	—	—	32,457,859	639,741	—	33,097,600
Total general government	—	—	32,465,173	2,847,562	—	35,312,735
Public safety:						
Corrections	—	—	—	837,770	—	837,770
Fire	8,975,331	50,299,292	12,175,663	45,478,197	—	116,928,483
Police	—	7,114,146	4,452,304	13,861,200	—	25,427,650
Total public safety	8,975,331	57,413,438	16,627,967	60,177,167	—	143,193,903
Public facilities:						
Public works	349,058,234	187,317,468	698,361,136	12,413,500	—	1,247,150,338
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	351,751,078	199,464,123	698,967,823	30,270,697	—	1,280,453,721
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	—	160,715	—	186,149
Total legislative and judicial	—	25,434	63,560	308,223	—	397,217
Community services:						
Community Resources & Services	—	—	176,213	292,507	—	468,720
Health department	—	—	374,202	1,363,505	—	1,737,707
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	1,865,842	—	111,320,632
Recreation and parks:						
Recreation and parks	121,221,810	61,620,193	120,931,772	5,625,990	—	309,399,765
Total recreation and parks	121,221,810	61,620,193	120,931,772	5,625,990	—	309,399,765
Agricultural land preservation:						
Agricultural land easements	139,713,172	—	—	—	—	139,713,172
Total agricultural land preservation	139,713,172	—	—	—	—	139,713,172
Construction in progress	—	—	—	—	119,990,193	119,990,193
Total governmental funds capital assets	\$ 625,316,959	417,094,715	876,283,990	101,095,481	119,990,193	2,139,781,338

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, 2020

Function and Activity	Balances	Assets		Balances	Balances	Allowance for Depreciation		Balances
	June 30, 2019	Additions	Deductions	June 30, 2020	June 30, 2019	Additions	Deductions	June 30, 2020
General government:								
County executive	\$ 7,314	—	—	7,314	6,334	487	—	6,821
Technology and communication	5,586,895	34,925	5,404,763	217,057	5,594,663	2,079	5,404,763	191,979
Finance	2,033,222	—	42,458	1,990,764	1,984,537	5,842	42,458	1,947,921
County administration	33,097,600	—	—	33,097,600	31,282,942	236,043	—	31,518,985
Total general government	40,725,031	34,925	5,447,221	35,312,735	38,868,476	244,451	5,447,221	33,665,706
Public safety:								
Corrections	396,070	441,700	—	837,770	155,723	123,329	—	279,052
Fire	111,320,698	6,615,173	1,007,388	116,928,483	42,378,541	3,814,728	944,255	45,249,014
Police	25,347,568	2,524,658	2,444,576	25,427,650	12,331,934	2,130,454	2,445,280	12,017,108
Total public safety	137,064,336	9,581,531	3,451,964	143,193,903	54,866,198	6,068,511	3,389,535	57,545,174
Public facilities:								
Public works	1,188,041,897	62,138,023	3,029,582	1,247,150,338	372,107,283	30,805,424	1,411,938	401,500,769
Planning and zoning	659,591	—	69,148	590,443	417,278	25,338	69,149	373,467
Inspections, licenses and permits	2,788,579	—	—	2,788,579	2,748,837	6,545	—	2,755,382
Transportation	29,511,401	793,868	380,908	29,924,361	8,312,809	1,623,000	380,908	9,554,901
Total public facilities	1,221,001,468	62,931,891	3,479,638	1,280,453,721	383,586,207	32,460,307	1,861,995	414,184,519
Legislative and judicial:								
County council	32,616	—	—	32,616	8,930	4,659	—	13,589
Circuit court	140,943	—	21,720	119,223	76,949	7,263	20,835	63,377
States attorney	59,229	—	—	59,229	59,230	—	—	59,230
Sheriff	232,111	—	45,962	186,149	148,281	15,407	45,963	117,725
Total legislative and judicial	464,899	—	67,682	397,217	293,390	27,329	66,798	253,921
Community services:								
Community resources and services	482,217	—	13,497	468,720	204,593	52,659	13,495	243,757
Health department	1,861,170	—	123,463	1,737,707	1,410,074	156,648	123,462	1,443,260
Housing and community development	3,891,019	—	—	3,891,019	2,310,064	68,002	—	2,378,066
Library	105,033,084	190,102	—	105,223,186	23,813,000	2,573,859	—	26,386,859
Total community services	111,267,490	190,102	136,960	111,320,632	27,737,731	2,851,168	136,957	30,451,942
Recreation and parks:								
Recreation and parks	297,903,305	11,828,369	331,909	309,399,765	71,055,840	7,226,150	331,956	77,950,034
Total recreation and parks	297,903,305	11,828,369	331,909	309,399,765	71,055,840	7,226,150	331,956	77,950,034
Agricultural land preservation:								
Agricultural land easements	139,713,172	—	—	139,713,172	—	—	—	—
Total agricultural land preservation	139,713,172	—	—	139,713,172	—	—	—	—
Total county government	1,948,139,701	81,949,520	10,298,076	2,019,791,145	576,407,842	48,877,916	11,234,462	614,051,296
Construction in progress	101,613,027	116,639,925	98,262,759	119,990,193	—	—	—	—
Total governmental funds capital assets	\$ 2,049,752,728	198,589,445	108,560,835	2,139,781,338	576,407,842	48,877,916	11,234,462	614,051,296

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, 2020

	Balances		Assets		Balances	Allowance for Depreciation		Balances
	June 30, 2019	Additions	Deductions	June 30, 2020	June 30, 2019	Additions	Deductions	June 30, 2020
Land:								
Utility	\$ 3,068,642	—	—	3,068,642	—	—	—	—
Watershed	449,290	365,775	—	815,065	—	—	—	—
Golf course	8,684,896	—	—	8,684,896	—	—	—	—
Total land	12,202,828	365,775	—	12,568,603	—	—	—	—
Buildings:								
Utility	236,808,771	—	—	236,808,771	92,209,256	4,659,729	—	96,868,985
Golf course	1,058,133	—	—	1,058,133	569,786	21,163	—	590,949
Watershed	195,189	133,854	—	329,043	16,056	6,135	—	22,191
Total buildings	238,062,093	133,854	—	238,195,947	92,795,098	4,687,027	—	97,482,125
Improvements other than buildings:								
Utility	83,823,615	120,199	—	83,943,814	50,800,716	3,334,397	—	54,135,113
Watershed	1,274,245	—	—	1,274,245	146,049	63,712	—	209,761
Golf course	2,368,920	—	—	2,368,920	333,563	118,446	—	452,009
Total improvements	87,466,780	120,199	—	87,586,979	51,280,328	3,516,555	—	54,796,883
Infrastructure:								
Utility	757,785,772	36,313,172	—	794,098,944	323,200,882	14,460,696	—	337,661,578
Watershed	29,746,575	8,885,883	—	38,632,458	839,597	517,063	—	1,356,660
Broadband	14,197,692	—	—	14,197,692	3,495,210	709,885	—	4,205,095
Total infrastructure	801,730,039	45,199,055	—	846,929,094	327,535,689	15,687,644	—	343,223,333
Machinery and equipment:								
Utility	15,601,797	93,631	—	15,695,428	6,806,578	1,212,879	—	8,019,457
Golf course	326,646	—	18,294	308,352	309,041	5,918	18,292	296,667
Watershed	1,001,834	27,658	—	1,029,492	290,019	90,370	—	380,389
Broadband	1,283,168	—	225,671	1,057,497	564,156	156,625	123,164	597,617
Total machinery and equipment	18,213,445	121,289	243,965	18,090,769	7,969,794	1,465,792	141,456	9,294,130
Grand total	\$ 1,157,675,185	45,940,172	243,965	1,203,371,392	479,580,909	25,357,018	141,456	504,796,471

Does not include \$142,262,568 of construction in progress.



Little Free Pantry

Devoted to helping the community in need, Howard County's Town Center launched a Little Free Pantry in December 2019 as an additional resource for those with food insecurity.

Long-Term Debt

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, 2020

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	14,945,130	54,350,130
11/17/2011	2013-2032	3.00 - 5.00	182,055,000	28,815,001	1,454,875	30,269,876
04/03/2014	2015-2034	3.00 - 5.00	117,125,000	23,395,003	2,115,250	25,510,253
04/22/2015	2016-2035	3.00 - 5.00	184,195,000	112,749,999	28,354,475	141,104,474
03/30/2016	2017-2036	2.00 - 5.00	96,260,000	85,375,000	26,743,800	112,118,800
04/25/2017	2018-2037	3.25 - 5.00	274,310,000	257,309,998	86,468,156	343,778,154
12/21/2017	2018-2034	3.00 - 5.00	184,440,000	183,380,000	70,830,950	254,210,950
04/18/2018	2020-2038	3.25 - 5.00	129,890,002	125,510,000	51,666,088	177,176,088
05/29/2019	2020-3039	2.75 - 5.00	131,295,477	126,723,882	40,198,054	166,921,936
05/27/2020	2021-2040	1.22 - 5.00	166,612,243	166,612,243	57,890,333	224,502,576
Total Consolidated Public Improvement Bonds			1,554,602,722	1,149,276,126	380,667,111	1,529,943,237
Tax increment financing bonds	2017-2047	4.00 - 6.10	65,225,000	65,010,000	56,071,506	121,081,506
Compensated absences	n/a	n/a	n/a	30,024,901	n/a	30,024,901
Capital leases	n/a	n/a	n/a	27,082,059	n/a	27,082,059
Landfill closure obligations	n/a	n/a	n/a	23,264,000	n/a	23,264,000
Agricultural land preservation program	2019-2037	2.19 - 8.60	n/a	76,423,710	14,277,895	90,701,605
Total debt			\$ 1,619,827,722	1,371,080,796 **	451,016,512	1,822,097,308

** Does not include deferred refunding premium liability of \$139,374,639, unamortized bond discount of \$23,629, unpaid claims of \$21,689,107, net OPEB liability of \$403,935,221, net LOSAP liability of \$24,496,836, net pension liability of \$155,815,623 and other non-current liabilities of \$9,133,110 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, 2020

	Balance				Balance
	June 30, 2019	Issued	Refunded	Retired	June 30, 2020
General county bonds:					
General improvement	\$ 391,234,015	88,332,834	24,633,199	21,877,624	433,056,026
Storm drain	35,068,909	8,828,291	1,015,407	1,998,049	40,883,744
Police department	6,320,588	232,716	160,353	506,179	5,886,772
Fire department	29,039,780	1,150,852	964,688	1,518,348	27,707,596
Schools	474,512,439	36,356,695	18,738,180	35,197,403	456,933,551
Community renewal	1,542,708	30,224	28,328	104,690	1,439,914
Recreation and parks	52,257,810	15,911,064	6,211,309	2,101,361	59,856,204
Community college	117,049,229	12,764,653	2,838,536	6,467,941	120,507,405
Economic development authority	—	3,004,914	—	—	3,004,914
Total Bonds	1,107,025,478	166,612,243	54,590,000	69,771,595	1,149,276,126
Other long-term debt					
Tax increment financing	65,100,000	—	—	90,000	65,010,000
Compensated absences	26,443,323	4,246,378	—	664,800	30,024,901
Capital Leases	31,603,394	—	—	4,521,335	27,082,059
Landfill closure obligation	23,430,000	—	—	166,000	23,264,000
Agricultural land preservation program	93,483,238	—	—	17,059,528	76,423,710
Total other long-term debt	240,059,955	4,246,378	—	22,501,663	221,804,670
Total long-term debt	\$ 1,347,085,433	170,858,621	54,590,000	92,273,258	1,371,080,796 *

* Does not include deferred refunding premium liability of \$139,374,639, unamortized bond discount of \$23,629 unpaid claims of \$21,689,107 (including \$7,861,224 due within one year), other non-current liabilities of \$9,133,110, net OPEB liability of \$403,935,221, net LOSAP liability of \$24,496,836 and net pension liability of \$155,815,623 included in the Statement of Net Position.

Howard County, Maryland
Schedule of Bonded and Other Long-Term Debt
Enterprise Fund
June 30, 2020

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	2,390,000	114,250	2,504,250
04/04/2013	2014-2038	2.375 - 4.00	39,155,000	5,165,000	2,111,125	7,276,125
04/03/2014	2015-2044	2.00 - 4.00	22,055,000	3,400,000	1,004,063	4,404,063
04/22/2015	2016-2045	2.00 - 5.00	31,015,000	22,320,000	11,494,164	33,814,164
03/30/2016	2017-2046	3.00 - 5.00	26,190,000	24,380,000	11,647,676	36,027,676
04/25/2017	2018-2047	3.00 - 5.00	81,515,000	79,460,000	34,715,294	114,175,294
12/21/2017	2018-2044	3.00 - 5.00	56,075,000	51,990,000	20,565,188	72,555,188
04/18/2018	2019-2048	3.125 - 5.00	38,150,000	36,580,000	23,602,613	60,182,613
05/29/2019	2020-2049	3.00 - 5.00	66,605,000	64,950,000	34,183,225	99,133,225
05/07/2020	2020-2050	1.22 - 5.00	75,190,000	75,190,000	37,564,087	112,754,087
Total metropolitan district bonds			472,195,000	365,825,000	177,001,685	542,826,685
MD water quality 10/18/00	2003-2022	2.40	34,000,000	4,170,187	357,101 *	4,527,288
MD water quality 01/29/02	2005-2024	2.00	21,329,363	4,452,462	441,439 *	4,893,901
MD water quality 10/1/08	2009-2029	2.30	1,197,362	538,251	92,985 *	631,236
MD water quality 11/19/09	2010-2031	1.00	3,443,711	1,954,550	216,410 *	2,170,960
Total water quality			59,970,436	11,115,450	1,107,935	12,223,385
Watershed Protection 05/29/19	2020-2039	2.75-5.00	2,334,523	2,236,117	835,356	3,071,473
Watershed Protection 05/07/20	2020-2040	1.22-5.00	12,208,370	12,208,370	6,036,141	18,244,511
Total watershed protection			14,542,893	14,444,487	6,871,497	21,315,984
Broadband 03/15/16	2021	2.00	1,510,000	1,510,000	30,200	1,540,200
Broadband 04/18/18	2023	3.00	1,025,000	1,025,000	92,250	1,117,250
Broadband 05/07/20	2021 - 2040	1.22 - 3.10	1,459,387	1,459,387	387,492	1,846,879
Total Broadband			3,994,387	3,994,387	509,942	4,504,329
Special recreation facility bonds	2012-2022	2.48	5,400,000	1,707,000	62,248	1,769,248
MDE Loan	2019-2028	2.95	1,646,000	1,414,423	184,034	1,598,457
Capital Lease - Water Meter	n/a	n/a	n/a	626,801	n/a	626,801
Compensated absences	n/a	n/a	n/a	1,107,073	n/a	1,107,073
Major water and sewer agreements	n/a	n/a	n/a	825,334	n/a	825,334
Total debt			\$ 557,748,716	401,059,955	** 185,737,341	586,797,296

* Includes administrative fees.

**Does not include deferred refunding premium of \$29,388,183, net OPEB liability of \$26,419,402, and net pension liability of \$2,449,509 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, 2020

	Balance June 30, 2019	Issued	Refunded	Retired	Balance June 30, 2020
Metropolitan district bonds:					
12/08/2009	335,000	—	—	335,000	—
11/17/2011	15,110,000	—	10,525,000	2,195,000	2,390,000
04/11/2012	660,000	—	—	660,000	—
04/04/2013	15,390,000	—	8,340,000	1,885,000	5,165,000
04/03/2014	8,450,000	—	3,990,000	1,060,000	3,400,000
04/22/2015	22,990,000	—	—	670,000	22,320,000
03/15/2016	24,840,000	—	—	460,000	24,380,000
04/25/2017	79,970,000	—	—	510,000	79,460,000
12/21/2017	54,960,000	—	—	2,970,000	51,990,000
04/18/2018	37,250,000	—	—	670,000	36,580,000
05/15/2019	66,605,000	—	—	1,655,000	64,950,000
05/07/2020	—	75,190,000	—	—	75,190,000
Total Bonds	326,560,000	75,190,000	22,855,000	13,070,000	365,825,000
Other long-term debt					
MD water quality 10/18/00	6,182,266	—	—	2,012,079	4,170,187
MD water quality 01/29/02	5,671,084	—	—	1,218,614	4,452,470
MD water quality 10/01/08	592,824	—	—	54,580	538,244
MD water quality 11/19/09	2,126,673	—	—	172,124	1,954,549
Total other long-term debt	14,572,847	—	—	3,457,397	11,115,450
Watershed Protection	2,334,523	12,208,370	—	98,406	14,444,487
Broadband 03/15/16	1,510,000	—	—	—	1,510,000
Broadband 04/18/18	1,025,000	—	—	—	1,025,000
Broadband 05/07/20	—	1,459,387	—	—	1,459,387
Total Broadband	2,535,000	1,459,387	—	—	3,994,387
Special recreation facility bonds	2,217,000	—	—	510,000	1,707,000
MDE Loan	1,559,884	—	—	145,461	1,414,423
Capital Lease - Water Meter	—	758,801	—	132,000	626,801
Compensated absences	891,193	238,332	—	22,452	1,107,073
Major water and sewer agreements	874,412	97,588	—	146,666	825,334
Total long-term debt	\$ 351,544,859	89,952,478	22,855,000	17,582,382	401,059,955 *

*Does not include deferred refunding premium of \$29,388,183, net OPEB liability of \$26,419,402, and net pension liability of \$2,449,509 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 780,074,223	716,222,072	740,258,162	755,904,065	754,407,588	772,350,290	834,114,554	826,399,982	841,929,843	860,749,049
Restricted	83,470,483	82,432,184	94,955,786	109,207,649	99,723,862	109,620,128	114,206,491	153,326,501	142,249,607	137,408,939
Unrestricted (a)	(619,606,891)	(620,794,431)	(727,260,025)	(905,160,838)	(950,355,750)	(991,153,043)	(1,207,393,428)	(1,003,960,300)	(997,456,851)	(835,908,499)
Subtotal governmental activities net position (b)	243,937,815 (c)	177,859,825 (d)	107,953,923	(40,049,124) (e)	(96,224,300)	(109,182,625)	(259,072,383)	(24,233,817)	(13,277,401)	162,249,489
Business-type activities										
Net investment in capital assets	412,443,596	352,371,984	343,029,639	349,976,408	410,168,067	410,561,263	414,126,888	419,010,628	456,887,408	440,510,473
Restricted	132,071,680	60,755,862	54,677,366	48,248,364	48,241,852	42,470,585	27,949,207	24,709,724	21,823,966	19,238,763
Unrestricted	1,877,926	85,856,157	114,065,506	115,007,448	107,862,198	138,508,000	157,835,870	151,054,737	146,526,725	161,100,810
Subtotal business-type activities net position	546,393,202 (c)	498,984,003 (d)	511,772,511	513,232,220	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046
Primary government										
Net investment in capital assets	1,068,594,056	1,083,287,801	1,105,880,473	1,164,575,655	1,164,575,655	1,182,911,553	1,248,241,442	1,245,410,610	1,298,817,251	1,301,259,522
Restricted	143,188,046	149,633,152	157,456,013	147,965,714	147,965,714	152,090,713	142,155,698	178,036,225	164,073,573	156,647,702
Unrestricted	(534,938,274)	(613,194,519)	(790,153,390)	(842,493,552)	(842,493,552)	(852,645,043)	(1,049,557,558)	(852,905,563)	(850,930,126)	(674,807,689)
Total primary government net position	\$ 676,843,828	619,726,434	473,183,096	470,047,817	470,047,817	482,357,223	340,839,582	570,541,272	611,960,698	783,099,535

(a) Deficits occur in unrestricted net position for governmental activities because the County issues debt to fund construction costs for the Public School.

(b) System and Community College, yet these component units own the capital assets. See the Management's Discussion and Analysis for further details.

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

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

(e) 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 50,599,944	84,025,615	87,405,901 (a)	104,520,136	75,558,318	66,234,421	66,948,584	58,020,097	65,241,233	74,316,453
Public safety	167,113,492	184,324,533	196,950,283	198,590,882	208,298,711	207,170,029	230,134,183	217,378,984	249,887,935	273,690,808
Public works	102,947,974	115,231,452	130,500,653	148,889,651	179,349,488	156,707,838	168,834,876	194,980,993	207,843,230	191,131,750
Recreation and parks	27,086,201	29,974,257	29,210,799	35,764,376	37,193,427	42,880,875	47,094,291	25,923,502	54,344,080	44,155,887
Legislative and judicial	21,684,657	22,248,551	23,682,923	23,259,531	27,110,955	26,070,345	27,693,094	27,484,681	30,139,996	33,526,457
Community services	38,522,217	45,302,315	38,506,895	45,311,763	48,650,488	45,928,376	44,497,229	47,215,901	50,250,870	51,744,649
State highways	1,917,170	2,900,053	7,225,028	6,634,669	763,353	3,341,087	5,842,868	4,934,098	9,286,446	4,140,382
Education	605,557,506	610,774,387	639,025,259	637,839,632	669,067,653	717,742,080	739,013,105	701,633,749	710,311,491	703,269,393
Interest on long-term debt	37,102,195	53,851,903	47,729,955	50,489,693	43,648,543	49,977,613	57,494,607	61,452,013	51,541,615	56,026,136
Total governmental activities expenses	1,052,531,356	1,148,633,066	1,200,237,696	1,251,300,333	1,289,640,936	1,316,052,664	1,387,552,837	1,339,024,018	1,428,846,896	1,432,001,915
Business-type activities:										
Water and sewer	66,636,363	67,635,638	87,569,376	98,795,678	97,764,211	95,781,698	101,312,345	105,229,515	113,056,969	111,856,075
Golf course	1,762,425	1,921,518	1,885,101	—	—	—	—	—	—	—
Other (b)	—	—	—	3,094,253	5,977,330	6,551,799	7,356,981	6,585,542	7,163,586	8,262,267
Total business-type activities expenses	68,398,788	69,557,156	89,454,477	101,889,931	103,741,541	102,333,497	108,669,326	111,815,057	120,220,555	120,118,342
Total primary government expenses	1,120,930,144	1,218,190,222	1,289,692,173	1,353,190,264	1,393,382,477	1,418,386,161	1,496,222,163	1,450,839,075	1,549,067,451	1,552,120,257
Program revenues										
Governmental activities:										
Charges for services										
General government	33,914,325	42,534,975	46,065,885	49,312,264	40,365,251	41,462,547	52,783,407	47,092,030	48,266,394	43,695,157
Public works	41,652,829	46,145,115	43,476,909	44,007,973	48,319,370	50,419,335	48,313,166	49,740,333	49,166,390	57,391,094
Recreation and parks	13,361,672	13,591,958	14,420,583	16,481,357	17,471,881	18,231,380	20,182,293	19,791,578	20,905,820	17,099,764
Other	8,665,495	22,407,037	10,725,120	12,538,229	25,188,353	13,987,065	10,672,780	13,053,507	14,129,641	19,846,183
Operating grants and contributions	26,559,373	46,323,888	27,837,622	33,472,335	35,864,017	40,094,831	39,402,540	43,351,124	40,559,501	60,278,746
Capital grants and contributions	24,715,975	68,472,451	42,575,352 (c)	10,215,527	16,814,899	27,792,294	18,163,355	24,455,008	18,377,194	19,701,167
Total governmental activities program revenues	148,869,669	239,475,424	185,101,471	166,027,685	184,023,771	191,987,452	189,517,541	197,483,580	191,404,940	218,012,111
Business-type activities:										
Charges for services										
Water and sewer	48,606,394	50,729,734	54,712,858	59,641,881	64,133,085	64,965,916	64,761,724	64,642,532	64,833,505	65,876,003
Golf course	2,056,408	2,134,912	2,069,082	—	—	—	—	—	—	—
Other (b)	—	—	—	12,310,600	14,129,334	14,256,985	13,906,569	13,712,093	11,544,895	11,301,111
Operating grants and contributions	30,884,327	29,880,497	29,006,605	29,196,783	30,010,057	31,339,509	32,669,952	33,958,088	35,349,018	36,112,163
Capital grants and contributions	24,331,033	21,109,099	16,285,260	11,361,621	51,939,661	14,728,750	10,262,423	11,976,929	43,164,177	9,928,803
Total business-type activities program revenues	105,878,162	103,854,242	102,073,805	112,510,885	160,212,137	125,291,160	121,600,668	124,289,642	154,891,595	123,218,080
Total primary government program revenues	\$ 254,747,831	343,329,666	287,175,276	278,538,570	344,235,908	317,278,612	311,118,209	321,773,222	346,296,535	341,230,191

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expenses)/revenue										
Governmental activities	\$ (903,661,687)	(909,157,642)	(1,015,136,225)	(1,085,272,648)	(1,105,617,165)	(1,124,065,212)	(1,198,035,296)	(1,141,540,438)	(1,237,441,956)	(1,213,989,804)
Business-type activities	37,479,374	34,297,086	12,619,328	10,620,954	54,470,596	22,957,663	12,931,342	12,474,585	34,671,040	3,099,738
Total primary government net expenses	(866,182,313)	(874,860,556)	(1,002,516,897)	(1,074,651,694)	(1,051,146,569)	(1,101,107,549)	(1,185,103,954)	(1,129,065,853)	(1,202,770,916)	(1,210,890,066)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	504,884,233	504,771,008	523,266,142	539,731,584	559,405,539	586,123,532	608,458,370	630,762,037	654,794,565	708,947,753
Local income taxes	331,334,252	358,356,561	360,251,116	400,455,701	412,674,188	431,743,893	436,993,783	466,935,173	496,679,385	577,958,870
Other local taxes	46,357,182	54,343,807	61,337,101	61,035,196	68,300,957	72,656,951	77,911,373	77,122,059	69,739,135	77,803,643
Intergovernmental, unrestricted	1,089,121	780,358	1,422,086	1,466,960	1,553,636	1,836,227	1,763,063	1,590,437	1,673,415	3,308,303
Unrestricted investment income	2,890,191	9,636,106	(552,647) (d)	2,230,944	2,840,722	5,054,711	1,206,178	4,998,389	13,585,602	9,972,730
Miscellaneous	816,830	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
Transfers	2,995,034	(586,842)	—	7,345,000	3,696,843	2,318,086	5,389,399	9,151,633	9,412,543	10,103,690
Subtotal governmental activities	890,366,843	928,517,772	946,918,837	1,013,367,786	1,049,441,989	1,103,080,990	1,131,812,676	1,193,260,467	1,248,398,372	1,389,516,694
Business-type activities:										
Unrestricted investment income	196,349	170,617	169,180	135,292	242,826	823,902	830,024	2,434,920	5,998,775	2,615,899
Miscellaneous	—	—	—	—	23,318	3,804,252	150	53,351	(794,262)	(10,728)
Transfers	(2,995,034)	586,842	—	(7,345,000)	(3,696,843)	(2,318,086)	(5,389,399)	(9,151,633)	(9,412,543)	(10,103,690)
Subtotal business-type activities	(2,798,685)	757,459	169,180	(7,209,708)	(3,430,699)	2,310,068	(4,559,225)	(6,663,362)	(4,208,030)	(7,498,519)
Total primary government	887,568,158	929,275,231	947,088,017	1,006,158,078	1,046,011,290	1,105,391,058	1,127,253,451	1,186,597,105	1,244,190,342	1,382,018,175
Net position balances										
Governmental activities:										
Change in net position, governmental activities	(13,294,844)	19,360,130	(68,217,388)	(71,904,862)	(48,149,278)	(20,984,222)	(66,222,620)	51,720,029	10,956,416	175,526,890
Net position, beginning-governmental activities	377,349,272	254,510,988	263,297,945	107,953,923	36,049,061	(88,198,403)	(131,849,763)	(198,072,383)	(24,233,817)	(13,277,401)
Restatement	(109,543,440)	(10,573,173)	(87,126,634)	—	(76,098,186)	—	—	122,118,537	—	—
Net position, ending-governmental activities	254,510,988	263,297,945	107,953,923	36,049,061	(88,198,403)	(109,182,625)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489
Business-type activities:										
Change in net position, business-type activities	34,680,689	35,054,545	12,788,508	3,411,246	53,039,897	25,267,731	8,372,117	5,811,223	30,463,010	(4,388,053)
Net position, beginning-business-type activities	514,347,697	546,713,887	581,447,747	511,772,511	515,183,757	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099
Restatement	(2,314,499)	(320,685)	(82,463,744)	—	(1,951,537)	—	—	(10,948,099)	—	—
Net position, ending-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
Total primary government	\$ 801,224,875	844,745,692	619,726,434	551,232,818	478,073,714	482,357,223	401,839,582	570,541,272	611,960,698	783,099,535

(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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ —	—	—	3,319	8,140,178	7,632,118	9,045,255	12,600,473	12,265,039	11,477,512
Restricted	—	—	—	—	—	1,972,282	2,070,419	1,024,450	—	—
Committed	56,803,611	56,258,912	57,209,710	59,271,162	61,260,575	64,172,639	67,382,973	71,338,939	73,958,202	75,845,302
Assigned	27,137,601	45,003,053	67,354,332	64,171,013	34,992,177	53,577,009	31,953,418	49,382,483	35,997,183	99,392,985
Unassigned	8,732,004	10,616,787	9,095,856	2,831,645	3,295,630	12,015,718	26,239,270	7,898,186	18,387,493	21,834,102
Total general fund	92,673,216 (a)	111,878,752 (a)	133,659,898 (a)	126,277,139	107,688,560 (b)	139,369,766	136,691,335	142,244,531	140,607,917	208,549,901
All other governmental funds										
Nonspendable	14,244,327	14,620,132	14,929,252	16,636,383	22,166,070	648,352	644,176	656,721	671,042	681,117
Restricted	83,470,483	82,432,184	94,955,786	97,656,784	100,314,009	107,647,846	112,136,072	152,302,051	142,249,607	137,408,939
Committed	39,463,332	46,521,229	47,867,222	38,602,234	35,555,303	46,729,075	48,677,180	52,857,796	54,474,185	72,927,545
Assigned	77,104,933	72,761,301	62,934,694	63,615,900	63,398,155	63,361,371	60,075,902	56,117,487	62,387,719	66,541,138
Unassigned	(106,842,248)	(82,621,664)	(77,809,341)	(67,616,626)	(72,262,418)	(125,621,490)	(119,153,788)	(88,731,324)	(110,672,917)	(96,702,875)
Total all other governmental funds	107,440,827	133,713,182	142,877,613	148,894,675	149,171,119	92,765,154	102,379,542	173,202,731	149,109,636	180,855,864
Total governmental funds	\$200,114,043	245,591,934	276,537,511	275,171,814	256,859,679	232,134,920	239,070,877	315,447,262	289,717,553	389,405,765

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

(a) Increases in the total fund balance of the general fund in fiscal years 2011 through 2013 are due to increases in the local income taxes received.

(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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Property taxes (a)	\$ 504,030,717	504,228,502	524,942,040	539,320,074	559,393,599	586,906,599	608,790,864	630,002,471	654,226,577	706,141,417
Other local taxes	361,710,858	411,966,798	436,072,090	453,982,722	463,904,916	506,819,854	514,455,726	523,874,099	533,151,563	601,642,578
State shared taxes	1,089,121	780,358	1,422,086	1,247,317	1,531,596	2,077,909	1,818,048	1,595,662	1,673,415	2,747,094
Revenues from other governments	40,479,177	80,612,132	73,118,716	37,436,410	35,645,234	30,616,053	53,144,527	46,881,676	43,490,797	43,359,703
Charges for services	49,916,981	49,498,494	51,204,711	53,168,180	54,693,447	55,954,266	57,428,448	58,820,287	59,537,731	65,232,242
Interest on investments	2,394,644	9,487,997	(712,942)	(c) 2,010,668	2,574,475	4,970,717	4,878,623	7,961,507	13,567,305	10,706,803
Decrease in fair value of investments	—	—	—	—	—	—	(3,699,638)	(3,203,311)	(496,321)	(327,690)
Installment interest from housing loans	495,546	148,109	160,296	220,274	268,410	83,994	27,190	53,025	60,540	95,639
Licenses and permits	5,651,511	5,754,961	6,455,619	6,696,288	6,586,220	7,200,241	7,090,791	6,874,461	6,641,437	5,917,475
Recoveries for interfund services	11,734,246	11,720,813	11,553,101	11,633,284	14,133,300	15,706,180	—	—	—	—
Fines and forfeitures	3,393,723	3,534,706	3,462,342	3,863,722	4,024,120	4,356,639	4,481,676	4,315,875	4,071,307	3,988,941
Developer contributions (b)	1,363,545	1,556,906	1,767,910	1,446,618	4,561,155	4,612,357	9,070,823	2,372,712	852,987	1,040,214
Rental of property (b)	197,100	196,214	159,373	177,814	111,853	—	—	—	—	—
Payments from component units (b)	816,830	817,842	818,144	818,167	351,439	2,588,330	2,076,568	2,095,129	1,546,337	1,017,178
Sale of property	—	—	—	—	3,464,497	—	—	—	—	—
Miscellaneous program revenues	8,645,463	8,752,216	22,328,003	13,318,287	14,594,154	25,441,734	15,406,458	17,149,954	16,880,092	20,100,507
Total revenues	991,919,462	1,089,056,048	1,132,751,489	1,125,339,825	1,165,838,419	1,247,334,873	1,274,970,104	1,298,793,547	1,335,203,767	1,461,662,101
EXPENDITURES										
Current:										
General government	23,691,385	25,227,536	33,612,637	45,526,306	50,754,551	54,918,742	48,703,477	51,307,571	60,629,770	54,668,826
Legislative & judicial	20,263,005	20,919,318	21,547,432	22,684,466	24,165,800	25,893,292	26,315,797	27,175,301	28,520,391	29,155,033
Public works	84,173,380	92,598,067	90,672,711	97,867,406	104,503,144	102,894,102	104,307,451	112,420,109	113,436,661	112,165,451
Public safety	156,336,439	168,832,385	175,555,967	191,882,471	205,038,450	208,774,567	219,541,903	228,466,896	235,952,000	250,490,558
Recreation and parks	23,856,314	27,999,911	30,906,131	35,432,626	36,911,248	38,473,557	39,667,818	41,877,752	43,171,463	41,217,061
Community services	36,935,327	36,671,787	37,503,416	45,406,497	46,474,576	44,631,695	42,267,451	44,819,301	47,391,787	48,153,860
Education	572,584,372	584,322,887	603,534,562	606,673,692	651,103,285	651,837,577	699,206,963	704,546,696	707,246,000	700,885,393
Capital improvements (b)	129,566,744	146,521,532	101,470,657	106,355,030	112,042,331	133,208,954	134,994,751	114,284,257	140,460,747	130,600,419
Debt service:										
Principal	52,461,000	58,381,930	54,262,375	60,433,375	61,185,578	68,484,249	74,766,641	66,443,603	69,728,497	88,334,697
Interest	37,179,040	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
Total expenditures	1,137,047,006	1,201,654,261	1,192,861,707	1,257,438,410	1,337,774,800	1,374,500,982	1,437,210,459	1,438,518,985	1,503,593,299	1,512,358,691
Excess (deficiency) of revenues over expenditures	(145,127,544)	(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)
OTHER FINANCING SOURCES (USES)										
Bond premium	4,604,998	30,560,868	9,283,948	11,979,779	17,522,949	13,541,018	43,899,251	49,340,059	12,219,992	21,198,307
Capital lease proceeds	186,598	—	—	—	12,562,393	10,058,351	3,368,036	11,936,898	2,223,000	—
Capital related debt issued	111,115,000	109,310,002	91,930,000	117,315,277	100,180,000	76,490,000	133,925,001	128,380,000	108,710,477	108,237,244
Tax increment financing bonds	—	—	—	—	—	—	—	48,225,000	—	—
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
Installment purchase agreements issued (b)	10,274,400	25,253,100	—	4,951,615	3,448,120	4,817,735	10,756,470	3,095,670	—	—
Payment to bond refunding escrow agent	—	(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)
Transfers in	39,835,317	38,465,384	45,403,189	66,149,637	53,153,609	27,765,305	47,227,975	58,254,689	64,806,430	80,529,751
Transfers out	(36,788,523)	(40,218,754)	(45,378,817)	(54,790,208)	(47,084,255)	(24,910,692)	(41,241,503)	(47,584,645)	(43,860,518)	(59,793,562)
Total other financing sources and uses	129,227,790	144,500,317	100,504,239	129,457,021	129,980,998	102,441,350	169,176,313	216,101,823	142,659,823	150,384,802
Net change in fund balances	\$ (15,899,754)	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
Debt service as a percentage of noncapital expenditures	8.67%	8.87%	8.92%	8.61%	8.91%	8.71%	(d) 8.94%	8.60%	9.10%	10.30%

- (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
2011	\$ 39,020,062,724	7,498,201,792	46,518,264,516	1.014	1,623,786,020	2.535	48,142,050,536
2012	36,128,044,459	7,493,817,659	43,621,862,118	1.014	1,555,657,980	2.535	45,177,520,098
2013	35,145,195,556	7,494,536,821	42,639,732,377	1.014	1,561,354,930	2.535	44,201,087,307
2014	35,501,333,441	7,489,276,140	42,990,609,581	1.014	1,561,531,690	2.535	44,552,141,271
2015	36,390,442,780	7,722,275,864	44,112,718,644	1.014	1,618,445,500	2.535	45,731,164,144
2016	37,954,765,647	7,984,317,384	45,939,083,031	1.014	1,702,530,310	2.535	47,641,613,341
2017	39,566,020,328	8,410,004,037	47,976,024,365	1.014	1,650,784,630	2.535	49,626,808,995
2018	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

(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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>
2011	1.014	2.535
2012	1.014	2.535
2013	1.014	2.535
2014	1.014	2.535
2015	1.014	2.535
2016	1.014	2.535
2017	1.014	2.535
2018	1.014	2.535
2019	1.014	2.535
2020	1.014	2.535

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

2020			2011		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation
Baltimore Gas & Electric Company	\$ 464,216,070	0.83%	Baltimore Gas & Electric Company	\$ 331,551,082	0.69%
Mall in Columbia Business Trust	304,126,733	0.55%	Mall in Columbia Business Trust	179,525,100	0.37%
Home Properties Howard Crossing LLC	154,816,934	0.28%	Verizon-Maryland INC	159,378,980	0.33%
9220 Old Lander Way Owner LLC	145,812,200	0.26%	Magazine Howard Crossing LLC	109,247,900	0.23%
Verizon Maryland	118,872,250	0.21%	Seasons of Laurel LLC	85,033,300	0.18%
Home Properties Charleston LLC	107,667,034	0.19%	Liberty Property LTD Partnership	73,357,056	0.15%
Mariner Sherwood Fee	85,606,767	0.15%	WLA Sherwood Investors VI LLC	69,757,600	0.14%
Columbia 531 LLC	84,188,567	0.15%	Sprint Communications Company, LP	54,895,260	0.11%
Annapolis Junction Apartments	75,048,700	0.13%	New Cingular Wireless PCS, LLC	46,357,410	0.10%
Parcel D Property LLC	58,847,067	0.11%	Cellco Partnership	40,950,210	0.09%
Total	\$ 1,599,202,322	2.87%	Total	\$ 1,150,053,898	2.39%

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
2011	\$ 577,633,399	574,828,923	99.5%	2,627,076	577,455,999	100.0%
2012	541,972,687	540,659,569	99.8%	1,070,239	541,729,808	100.0%
2013	551,716,941	547,732,006	99.3%	3,889,326	551,621,332	100.0%
2014	555,254,638	550,755,917	99.2%	4,241,759	554,997,676	100.0%
2015	569,892,160	568,111,915	99.7%	1,427,707	569,539,622	99.9%
2016	594,757,776	593,510,182	99.8%	816,953	594,327,135	99.9%
2017	616,633,669	612,695,057	99.4%	3,333,271	616,028,328	99.9%
2018	639,933,124	635,257,806	99.3%	4,143,773	639,401,579	99.9%
2019	663,038,666	656,951,368	99.1%	—	656,951,368	99.1%
2020	677,030,343	671,983,399	99.3%	—	671,983,399	99.3%

Source: Howard County Department of Finance, Bureau of Revenue

Subsequent tax collections for fiscal years 2011-2018, updated per Howard County Department of Finance, Bureau of Revenue.

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

Fiscal Year	Governmental Activities						Business-Type Activities						
	General Obligation Bonds (a)	State Water Quality Revolving Loans	Installment Purchase Agreements	Tax Increment Bonds	Capital Leases	Total Governmental Activities	Metropolitan District Bonds (a)	Special Facility Revenue Bonds	State Water Quality Revolving Loans	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (b)	Portion of Per Capita Personal Income (b)
2011	\$ 832,751	4,050	71,122	—	4,945	912,868	157,344	6,330	41,958	205,632	1,118,500	5.75 %	3,816
2012	901,586	2,850	94,623	—	4,738	1,003,797	189,930	5,400	38,364	233,694	1,237,491	5.86 %	4,133
2013	943,831	2,840	92,695	—	5,191	1,044,557	213,780	5,022	34,110	252,912	1,297,469	6.01 %	4,260
2014	989,035	2,830	95,629	17,000	5,062	1,109,556	220,642	4,583	30,930	256,155	1,365,711	n/a	n/a
2015	1,035,280	2,475	96,626	17,000	17,894	1,169,275	238,963	4,133	27,679	270,775	1,440,050	n/a	n/a
2016	1,050,289	—	98,661	17,000	24,874	1,190,824	251,963	3,240	24,508	279,711	1,470,535	n/a	n/a
2017	1,128,705	—	100,123	16,980	24,802	1,270,610	270,211	3,199	21,267	294,677	1,565,287	n/a	n/a
2018	1,205,838	—	97,716	65,165	35,012	1,403,731	301,619	2,714	17,956	322,289	1,726,020	n/a	n/a
2019	1,246,358	—	93,483	65,100	31,603	1,436,544	351,004	2,217	14,573	367,794	1,804,338	n/a	n/a
2020	1,307,066	—	76,424	65,010	29,979	1,478,479	395,213	1,707	11,115	408,035	1,886,514	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)
2011	291,200	\$ 841,746	1.6%	2,891
2012	294,256	909,174	1.7%	3,090
2013	297,732	951,863	2.0%	3,197
2014	302,113	1,013,927 (d)	2.2%	3,356
2015	305,462	1,072,650	2.2%	3,512
2016	316,579	1,103,582 (d)	2.3%	3,486
2017	317,233	1,170,487	2.2%	3,690
2018	321,113	1,306,015	2.5%	4,067
2019	326,286	1,343,061	2.5%	4,116
2020	330,376	1,402,055	2.5%	4,244

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)**

	2011	2012	2013	2014	2015	2016	2017	2018	(a)	2019	2020
Assessed value											
Real property	\$ 46,518,265	43,621,862	42,639,732	42,990,610	44,112,719	45,939,083	47,976,024	49,821,784		51,679,563	53,471,779
Personal property	1,623,786	1,555,658	1,561,355	1,561,532	1,618,446	1,702,530	1,650,785	1,696,221		1,733,053	1,706,543
Total assessed value	\$ 48,142,051	45,177,520	44,201,087	44,552,142	45,731,165	47,641,613	49,626,809	51,518,005		53,412,616	55,178,322
Legal debt margin											
Debt limit (4.8% of assessed value of real property and personal property)	\$ 2,310,818	2,168,521	2,121,652	2,138,503	2,195,096	2,286,797	2,382,087	2,472,864		2,563,806	2,648,559
Total debt limit	\$ 2,310,818	2,168,521	2,121,652	2,138,503	2,195,096	2,286,797	2,382,087	2,472,864		2,563,806	2,648,559
Debt applicable to limit											
General county	\$ 788,800	832,318 (b)	871,701 (b)	911,842 (b)	936,199 (b)	984,119 (b)	1,037,717	1,099,892		1,203,729	1,262,704
State Water Quality Revolving Loan	4,050	2,850	2,840	2,830	2,475	—	—	—		—	—
Total debt applicable to limit	\$ 792,850	835,168	874,541	914,672	938,674	984,119	1,037,717	1,099,892		1,203,729	1,262,704
Legal debt margin	\$ 1,517,968	1,333,353	1,247,111	1,223,831	1,256,422	1,302,678	1,344,370	1,372,972		1,360,077	1,385,855
Total debt applicable to the limit as a percentage of debt limit	34.31%	38.51%	41.22%	42.77%	42.76%	43.03%	43.56%	44.48%		46.95%	47.68%

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	
2011	\$ 2,080,177	1,444,807	635,370	540,000	219,822	0.84
2012	2,164,962	1,458,542	706,420	555,000	204,748	0.93
2013	2,091,506	1,482,180	609,326	378,000	135,504	1.19
2014	2,010,152	1,570,610	439,542	439,000	119,351	0.79
2015	1,893,015	1,459,050	433,965	450,000	108,362	0.78
2016	1,840,152	1,556,796	283,356	461,000	98,429	0.51
2017	1,260,820	2,728,803	(1,467,983)	473,000	85,688	-2.63
2018	1,089,224	945,289	143,935	485,000	73,710	0.26
2019	300,000	825,765	(525,765)	497,000	117,747	-0.86
2020	443,004	33,722	409,282	510,000	96,285	0.68

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

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

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)
2011	293,858	19,987,372	68,017	49,991	5.7%
2012	299,552	20,778,363	69,365	50,997	5.6%
2013	304,210	20,499,507	67,386	51,190	5.5%
2014	307,784	21,158,756	68,745	51,701	4.8%
2015	312,400	22,203,989	71,076	52,511	4.5%
2016	316,966	23,070,751	72,786	54,870	3.5%
2017	321,113	24,063,585	74,938	55,638	3.5%
2018	323,293	25,343,597	78,416	58,019	3.6%
2019	325,690	n/a	n/a	58,284	2.8%
2020	330,376	n/a	n/a	59,447	6.9%

Sources:

- (a) Estimated Population, Personal Income, and Per Capita Personal Income revised and restated for 2010 - 2017
(Bureau of Economic Analysis, U.S. Dept. of Commerce)
- (b) Estimated Populations for 2020 are from Howard County Department of Planning and Zoning for June 30, 2020
- (c) Howard County Public School System - School enrollment is based on head count May 29, 2020
- (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	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Howard County Public Schools	8,481	1	4.86%	7,423	1	4.89%
Johns Hopkins Applied Physics Laboratory	6,400	2	3.66%	4,600	2	3.03%
Howard County Government	3,267	3	1.79%	2,846	3	1.87%
Howard County General Hospital	1,765	4	1.01%	1,682	6	1.11%
Verizon	1,700	5	0.97%	2,028	4	1.33%
Howard Community College	1,410	6	0.81%			
Lorien Health Systems	1,190	7	0.68%	2,000	5	1.32%
The Columbia Association	1,180	8	0.68%	900	9	0.59%
Coastal Sunbelt Produce	1,050	9	0.60%			
Nestle Dreyer's Ice Cream	890	10	0.51%			
US Government				1,600	7	1.05%
SAIC				1,060	8	0.70%
Wells Fargo				842	10	0.55%
Total	27,333		15.57%	24,981		16.44%

Source: Howard County Economic Development Authority

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

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	288	292	299	312	335	341	349	354	348	350
Public safety										
Police	624	634	635	651	672	667	677	691	697	705
Fire	419	419	461	463	472	465	468	491	530	550
Corrections	145	144	144	148	152	153	153	154	154	154
Public works	575	572	577	599	612	611	614	617	619	626
Recreation and parks	252	256	261	268	281	283	295	304	300	289
Legislative and judicial	202	202	202	204	206	208	212	216	219	223
Community services	341	343	299	307	324	325	330	341	367	370
Total	2,846	2,862	2,878	2,952	3,054	3,053	3,098	3,168	3,234	3,267

Source: Howard County Budget Office

Howard County, Maryland
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Date of incorporation 1851 Form of government Executive/Council Date present charter adopted 1968 Area in square miles 215										
General Government										
Finance:										
Real property tax accounts billed	97,099	98,023	98,884	99,034	105,692	105,692	107,342	108,292	108,952	109,775
Business personal property tax accounts billed	11,658	9,809	9,829	8,831	10,628	13,232	14,803	11,323	9,822	7,805
Public Safety										
Police:										
Physical arrests	10,451	10,810	10,315	10,885	10,016	9,351	8,379	7,527	6,627	4,640
Parking violations	5,445	4,415	9,052	9,439	7,180	7,180	7,545	7,104	8,624	5,515
Traffic violations	81,588	84,306	85,682	88,987	99,963	92,314	82,917	75,402	69,180	52,065
Fire:										
Emergency responses	60,183	59,887	58,129	56,925	58,369	58,484	60,997	69,074	68,897	63,092
Inspections	1,217	2,173	2,516	2,203	2,742	2,865	3,274	2,498	2,969	2,808
Corrections:										
Average daily prison population	308	320	340	348	304	284	285	319	318	253
Public Works										
Inspections, licenses and permits:										
Construction permits issued	5,249	5,583	6,293	6,007	6,379	7,145	6,599	5,575	5,249	5,135
Environmental services:										
Refuse collected (tons per year)	103,749	102,249	101,912	103,120	115,941	103,719	109,313	109,397	118,247	120,290
Recyclables collected (tons per year)	63,100	64,619	61,974	58,197	55,704	57,815	67,006	59,024	59,689	57,709
Recreation and parks										
Programs operated	3,998	4,479	5,723	6,792	7,250	7,324	6,562	7,441	6,746	4,842
Registrations processed	85,598	84,420	89,345	102,305	103,731	105,522	77,682	80,410	105,826	140,720
Legislative and judicial										
Circuit court cases filed	985	1,021	1,007	1,057	1,064	1,238	1,203	1,069	1,198	866
District court cases filed	13,379	13,867	12,685	10,730	9,296	9,527	10,131	9,346	11,055	6,119
Community services										
50+ centers operated (a)	9	7	7	7	7	7	7	7	7	7
Consumer affairs - cases closed	210	278	246	319	282	287	271	313	295	311
Community service partnership grants	33	33	28	28	30	30	29	29	32	32
Assisted living monitoring visits	418	183	205	543	461	535	622	774	876	446
Water and sewer										
Water main breaks	174	172	189	176	186	170	119	275	156	151
Average daily water consumption (thousands of gallons)	24,930	22,610	22,370	23,580	21,870	22,100	23,600	23,470	24,016	23,060
Number of water customers	70,062	72,229	73,121	74,153	74,991	74,206	75,266	75,933	76,586	77,217
Average daily sewage treatment (thousands of gallons)	24,628	26,350	26,860	26,980	27,500	27,660	24,880	24,850	29,100	25,907
Number of sewer customers	68,163	68,872	69,727	70,714	71,547	72,474	73,537	74,215	74,872	75,511
Golf course										
Rounds played	34,309	36,142	35,432	34,197	31,260	31,271	23,003	30,196	31,997	22,810

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Buildings	20	23	38	40	44	44	45	44	48	50
Vehicles	54	57	45	43	51	51	64	60	105	106
Legislative and judicial										
Vehicles	66	70	70	77	71	71	78	81	72	69
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units (vehicles)	265	286	292	291	292	284	274	275	274	319
Other vehicles	212	250	264	226	214	214	271	282	295	274
Fire:										
Stations (a)	6	6	6	6	6	6	6	7	11	11
Pumpers/tankers	28	29	25	28	29	29	28	29	31	31
Ladder trucks	5	6	6	6	7	8	8	8	8	8
Paramedic units	30	32	34	32	32	37	35	39	39	37
Vehicles	133	119	118	119	120	120	211	193	193	209
Public Works										
Buildings (b)	31	36	40	40	40	42	42	42	44	45
Transit buses	58	57	52	57	42	42	68	62	65	74
Vehicles	339	354	355	354	367	367	395	446	393	410
Streets (miles) (c)	1,015	1,030	1,035	1,044	1,062	1,066	1,066	1,066	1,042	1,042
Streetlights (d)	7,048	7,315	7,558	7,750	7,941	8,131	8,447	8,720	10,149	10,281
Stormwater management facilities (e)	908	933	983	1,011	1,127	1,216	1,250	1,313	1,343	1,428
Recreation and parks										
Buildings	44	59	62	62	62	65	65	65	64	75
Parks and open space acreage	8,850	9,097	9,116	9,173	9,227	9,255	9,493	9,579	9,647	9,619
Playgrounds	40	39	41	43	44	44	44	44	44	44
Vehicles	78	85	96	99	103	103	159	120	115	117
Water and sewer										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	1,024	1,028	1,041	1,054	1,089	1,100	1,078	1,078	1,107	1,102
Sanitary sewers (miles)	971	980	987	999	1,018	1,026	1,026	1,026	1,030	1,048
Golf course	1	1	1	1	1	1	1	1	1	1

Sources: Various Howard County Departments

Note: Indicators are not available for State highways and education functions.

(a) Prior period 2010 through 2014 restated to exclude non County-owned fire stations

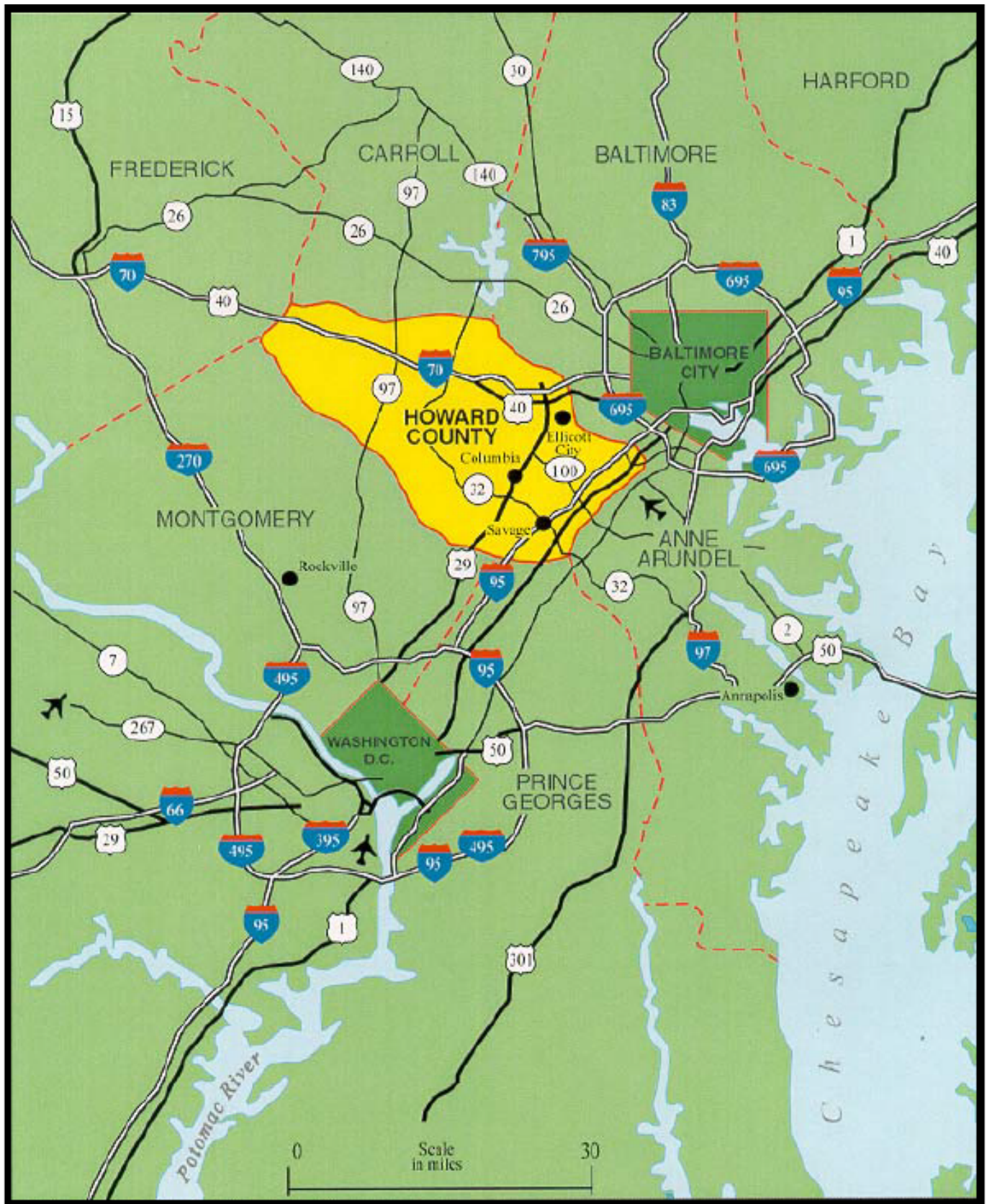
(b) Prior periods 2009 through 2014 restated to exclude nonbuilding structures.

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

(d) Prior periods 2009 and 2012 restated to exclude fixtures that Howard County rented/leased to BGE.

(e) Prior period 2014 restated to exclude Board of Education facilities that are owned by the school system.

Howard County Regional Location





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