



HOWARD COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022



Howard County, Maryland

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Rafiu O. Ighile

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Art Shapiro

Acting Director of Public Works

Gary W. Kuc

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Amy Gowan

Director of Planning and Zoning

Holly Sun

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Craig Glendenning

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County Executive

Calvin Ball



County Council

Opel Jones
*Chairperson and
Councilman
District 2*



Christiana Rigby
*Vice Chair and
Councilwoman
District 3*



Liz Walsh
*Councilwoman
District 1*



Deb Jung
*Councilwoman
District 4*



David Yungmann
*Councilman
District 5*



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022



Prepared by the Department of Finance

Howard County, Maryland



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Listing of County Officials

County Executive and Council

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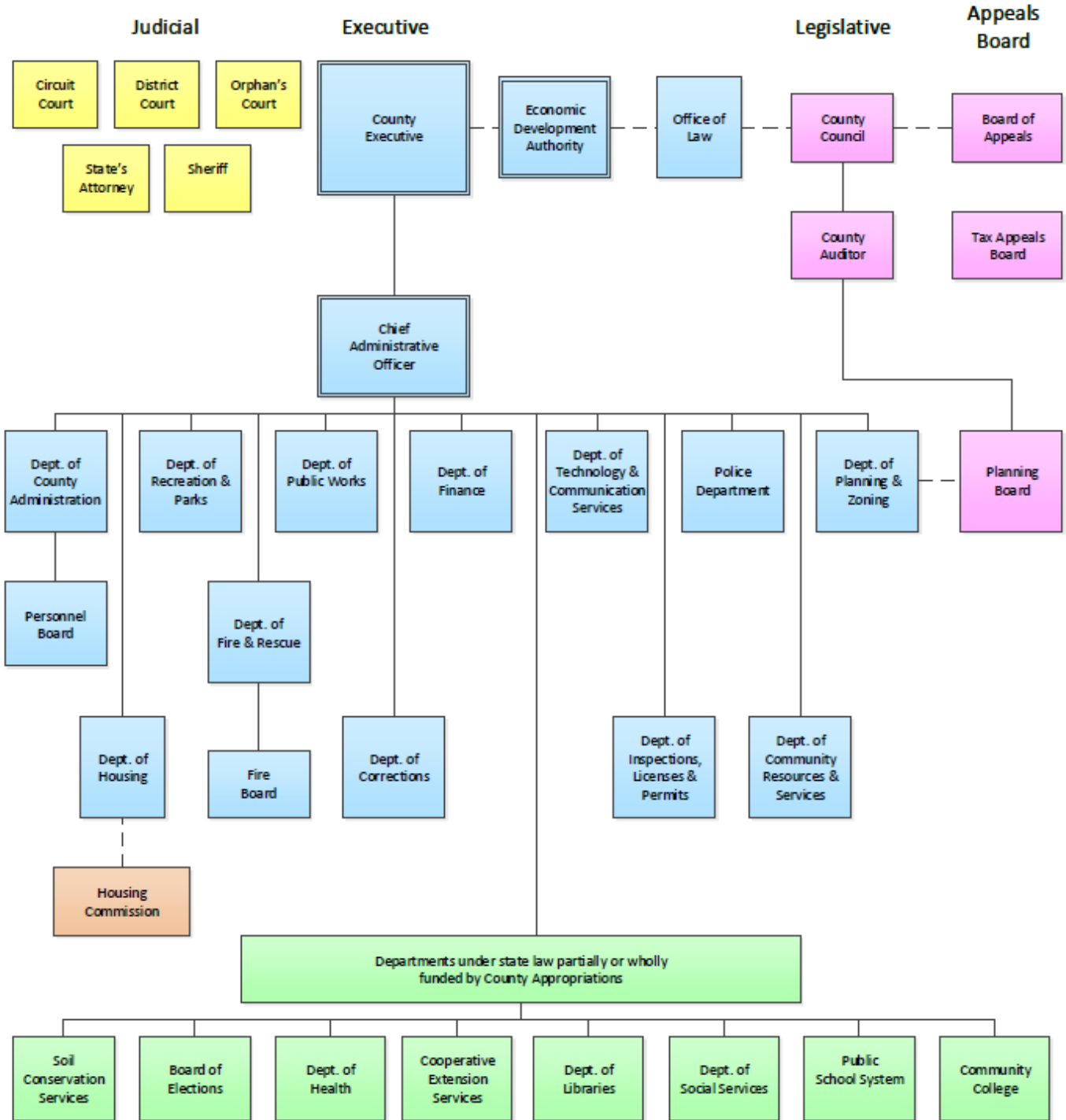
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HOWARD COUNTY GOVERNMENT ORGANIZATIONAL CHART





HOWARD COUNTY DEPARTMENT OF FINANCE

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November 29, 2022

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

Ladies and Gentlemen:

FORMAL TRANSMITTAL OF THE ACFR

The audited Annual Comprehensive Financial Report (ACFR) of Howard County, Maryland (the County) for the fiscal year (FY) ended June 30, 2022, 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, 2022. The Independent Auditor's Report is presented as the first element of the Financial Section of this report.

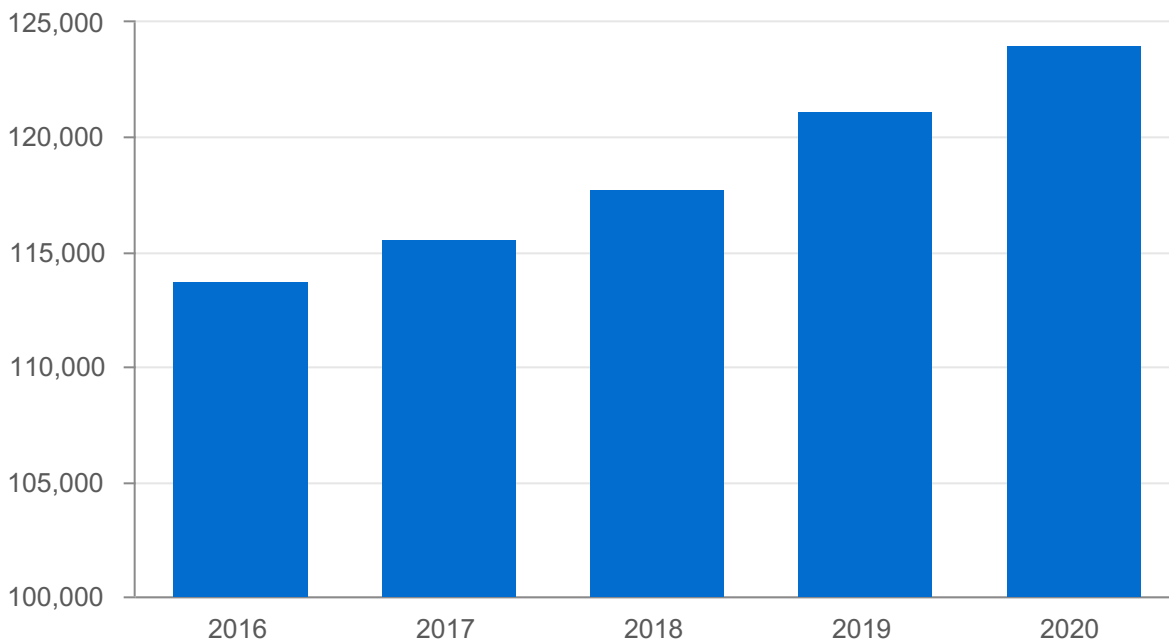
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with 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 334,529 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 2022. According to the U.S. Census Bureau's American Community Survey, Howard County has both the highest median income in the State and one of the highest in the nation. Columbia was also named the "Safest City in America" by WalletHub for the fifth consecutive year.

Howard County, Maryland Median Household Income



Source: United States Census Bureau, 2016-2020 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.

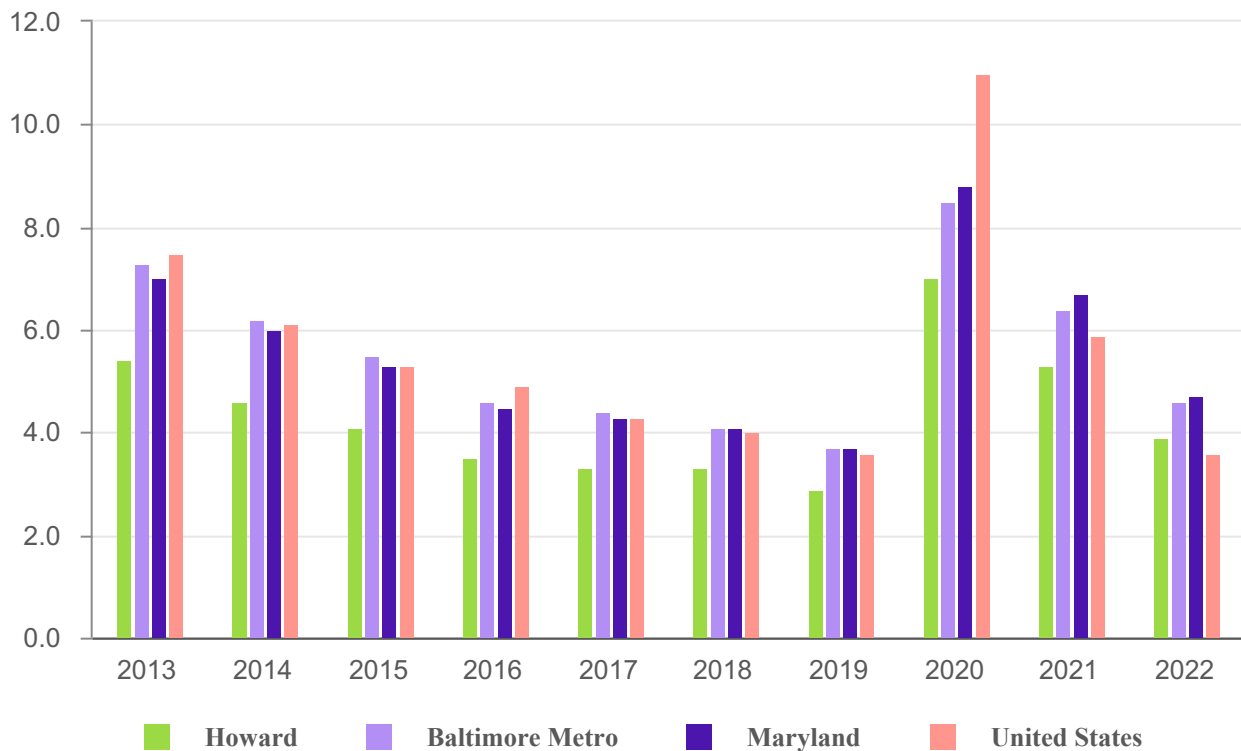
Once the budget is approved, the County Council can only amend it at the request of the County Executive. The operating budget is amended during the year through the use of supplemental budget appropriation ordinances (SAOs). The County Executive may request at any time during the fiscal year, the approval 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 4.7% as evidenced by the June 2022 rate of 3.9%. The unemployment rate has continued to decline to nearly pre-pandemic levels.

June Unemployment Rates



LOCAL ECONOMY

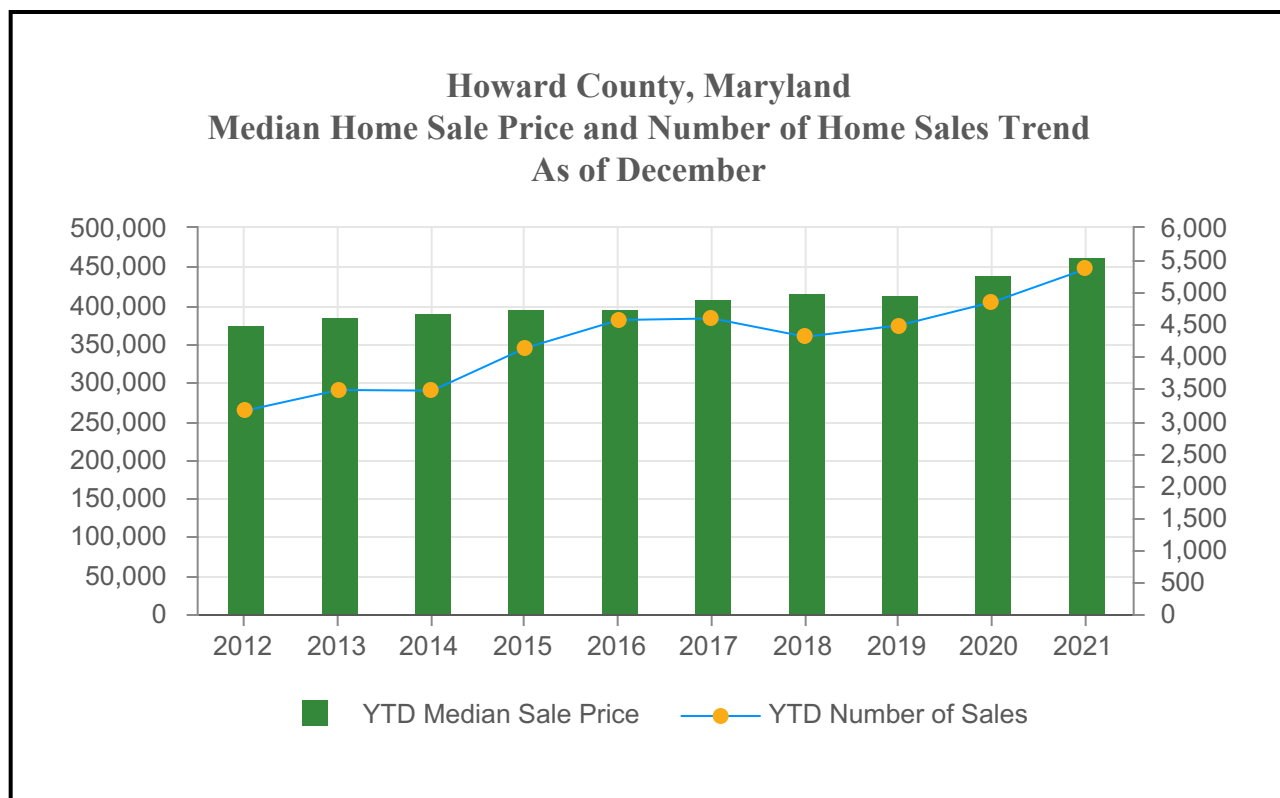
Howard County’s ideal geographic location is a major factor in the substantial economic growth across a wide variety of industry sectors. According to the Maryland Department of Labor Licensing and Regulation, over 10,267 businesses in Howard County employ 177,944 workers in industries such as information technology, telecommunications, biotechnology, research and development, wholesale distribution, manufacturing, agriculture and in multinational corporations. The service sector is the largest industry in the County, employing 88% of the workforce. In the service industry, government contracts support cybersecurity and information technology programs and will continue

to do so with the growth projected at Fort George Meade, which is less than two miles outside the County border.

Office space vacancies increased due to COVID-19, but commercial real estate vacancy rates continue to decline and the average remains below 5% for flex, retail, industrial, and office space as reported by Costar. The year-to-date average vacancy rate for 2022 is 4.9%. FY 2022 property tax revenues increased 2.5% above the previous fiscal year. In its FY 2023 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 5.3% when compared to the actual for FY 2021, partially due to increased capital gains and continuing pandemic related stimulus. The FY 2023 projection for income tax collections represents a 9.9% increase from what was budgeted in FY 2022.

Recordation tax, a leading indicator of the health of the local real estate market, continues to fluctuate. FY 2022 revenue from recordation tax increased 14.9% from the previous fiscal year. The FY 2023 budget projects a 38.2% increase in recordation tax collections compared to FY 2022. The demand for real estate remains strong, especially in the residential resale market, where the average days on market continued to decrease to 14 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 2022. The adopted budget projects the FY 2023 gross

assessable base of Howard County will increase by 3.2% from FY 2022. Homestead Tax Credits applications increased by nearly 1,500, resulting in a net taxable assessment increase of approximately 3.2%. The Homestead Tax Credit limits taxable increases on homeowner occupied properties to 5% per year. Approximately 17% of homeowner occupied properties in Howard County received this credit in FY 2022.

MAJOR INITIATIVES

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

LONG TERM FINANCIAL PLANNING

Rainy Day Fund

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

Capital Projects and Debt Administration

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

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

The County consolidates general County improvements into Consolidated Public Improvement bonds with a term of up to 20 years and water and sewer improvements into Metropolitan District Bonds with a term of up to 30 years. Debt obligations are generally issued through a competitive sale. However, the County has the option to use a negotiated sale process when it will provide

significant savings and/or if the terms of the offering are sufficiently complex that a competitive sale may not be financially prudent.

Spending Affordability Advisory Committee

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

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

FINANCIAL POLICIES

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

Debt Management Policy

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

Investment Policy

The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk while maintaining a competitive yield on the investment portfolio. Investment activities are governed by State laws. Accordingly, the County invests in: certificates of deposit (Maryland State banks only); repurchase agreements; banker's acceptances; commercial paper; U.S. Government and Federal agency obligations; Treasury and other government mutual funds; supranational issuers; and the State of Maryland investment pool. Repurchase agreements and certificates of deposit are subject to the County's collateralization policy. The investment policy was updated and adopted by the County Council on February 4, 2019. The Association of Public Treasurers of the United States and Canada presented the County with the Association's Investment Policy Certificate of Excellence Award in June 2019.

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Howard County, Maryland for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 46th consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized ACFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2022. This was the 29th 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,

A handwritten signature in blue ink that reads "Rafiu O. Ighile". The signature is fluid and cursive, with a large initial 'R' and 'I'.

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



OFFICE OF THE COUNTY AUDITOR

Craig Glendenning, CPA
County Auditor

November 29, 2022

CERTIFICATE OF THE COUNTY AUDITOR

Honorable Members of the County Council

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

The Honorable Calvin Ball
County Executive

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

The independent certified public accounting firm of CliftonLarsonAllen LLP has been retained by the County Council to assist the County Auditor in the discharge of this responsibility. I hereby certify that the auditing requirements of Article II, Section 212, of the Howard County Charter have been satisfied for the fiscal year ended June 30, 2022. 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



7th Veterans Parade

An Honor Guard marches at the head of the annual Veterans Day parade in Columbia. At the conclusion of the parade, the community gathers for a program.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Howard County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

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





INDEPENDENT AUDITORS' REPORT

Honorable Members of the County Council
Howard County, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Howard County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Howard Community College, Howard County Public Schools, and Howard County Public Library, which represent 89 percent, 97 percent, and 96 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregately discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Howard Community College, Howard County Public Schools, and Howard County Public Library, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-17, and the required supplementary information on pages 103-110 as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

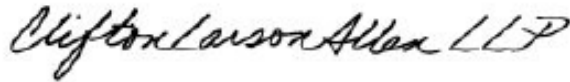
Honorable Members of the County Council
Howard County, Maryland

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 29, 2021

ADDITIONAL PAGE LEFT FOR OPINION EXPECTED TO BE FOUR PAGES

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, 2022. 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 \$1.19 billion. That amount is net of a \$589.5 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 \$399.1 million and for college projects is \$113.9 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 \$1.32 billion. Additionally, the unrestricted deficit is caused by the net pension asset of \$47.3 million and net OPEB liability of \$541.9 million.
- The \$212.9 million increase in the government's total net position is primarily due to an increase of \$60.1 million in total general revenues.
- The County's property tax revenues increased this year by \$18.1 million, or 2.5%, due to rising property values.
- Approximately 53.6% of the total governmental fund balance, \$328.1 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 \$374.1 million, or 26.8% of total General Fund expenditures.
- At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$612.1 million, an increase of about \$4.5 million in comparison with the prior year. Specifically, the fund balance of the General Fund increased by \$75.9 million primarily due to an increase in revenue of \$47.5 million. This increase was primarily driven by a 6% increase in distribution of local income tax of \$34.6 million and an increase of \$17.3 million in property tax. The fund balance of the General Capital Projects Fund decreased by \$126.6 million due to timing differences in the receipt of bond and grant proceeds. The fund balance of the Other governmental funds increased by \$56.5 million due to property tax and other revenues exceeding expenditures.
- The reserve for the budget stabilization account balance is \$80.2 million, an increase of \$2.3 million or 5.7% of fiscal year 2022 General Fund expenditures. That balance meets the target set by the County Charter (7% of fiscal year 2019 expenditures). The County reached that target and assigned \$4.8 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 \$158.5 million, (8.2% during the current fiscal year). The major factors in this increase were the issuance of \$51.9 million Consolidated Public Improvement (CPI) Project Bonds and \$18.4 million in Metropolitan (Metro) District Project Bonds. The County retired \$77.9 million, \$12.7 million, \$3.6 million and \$4.5 million of CPI, Metro, Water Quality Bonds and Long-term Financed Purchase payments, respectively. The County also retired \$535,000 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, general capital projects, and grant funds, all of which are major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Proprietary funds provide both long- and short-term financial information consistent with the focus provided by the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which is a major fund of the County, and combined fund information for the watershed restoration and protection services, broadband services, and golf course operations, which are all non-major funds of the County. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

Notes to basic financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements are located immediately after the Basic Financial Statements on pages 42-104.

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 107-114 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 119 of this report.

Detailed capital asset schedules for governmental and proprietary funds are located on pages 169-173. Schedules providing additional long-term debt detail start on page 177. The Statistical Section begins on page 185.

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 \$1.2 billion 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, equipment and right of use assets) 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, 2022, debt outstanding for education projects is \$399.1 million and for college projects is \$113.9 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 \$739.4 million reflects the imbalance of liabilities without corresponding assets as well as the governmental activities’ portion of the County’s Net OPEB liability of \$507.3 million and net pension asset of \$43.7 million.

An additional portion of the County’s net position (\$260.4 million or 21.9%) represents resources subject to external restrictions on their usage.

Summary of Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,191,397,634	1,044,496,346	260,009,407	252,089,047	1,451,407,041	1,296,585,393
Capital assets	1,856,022,761	1,566,789,598	878,070,440	869,574,311	2,734,093,201	2,436,363,909
Total assets	3,047,420,395	2,611,285,944	1,138,079,847	1,121,663,358	4,185,500,242	3,732,949,302
Deferred outflows of resources	238,086,344	230,370,361	16,290,826	15,755,605	254,377,170	246,125,966
Total assets and deferred outflows	3,285,506,739	2,841,656,305	1,154,370,673	1,137,418,963	4,439,877,412	3,979,075,268
Long-term liabilities outstanding	2,283,803,757	2,236,149,436	484,858,546	479,796,414	2,768,662,303	2,715,945,850
Other liabilities	185,410,740	156,774,033	22,281,719	23,497,745	207,692,459	180,271,778
Total liabilities	2,469,214,497	2,392,923,469	507,140,265	503,294,159	2,976,354,762	2,896,217,628
Deferred inflows of resources	258,806,223	100,731,455	15,059,927	5,353,690	273,866,150	106,085,145
Total liabilities and deferred inflows	2,728,020,720	2,493,654,924	522,200,192	508,647,849	3,250,220,912	3,002,302,773
Net position						
Invested in capital assets	1,007,748,724	852,772,538	463,785,341	470,068,555	1,471,534,065	1,322,841,093
Restricted	289,172,801	181,632,342	18,476,829	16,973,269	307,649,630	198,605,611
Unrestricted (deficits)	(739,435,506)	(686,403,499)	149,908,311	141,729,290	(589,527,195)	(544,674,209)
Total net position	\$ 557,486,019	348,001,381	632,170,481	628,771,114	1,189,656,500	976,772,495

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

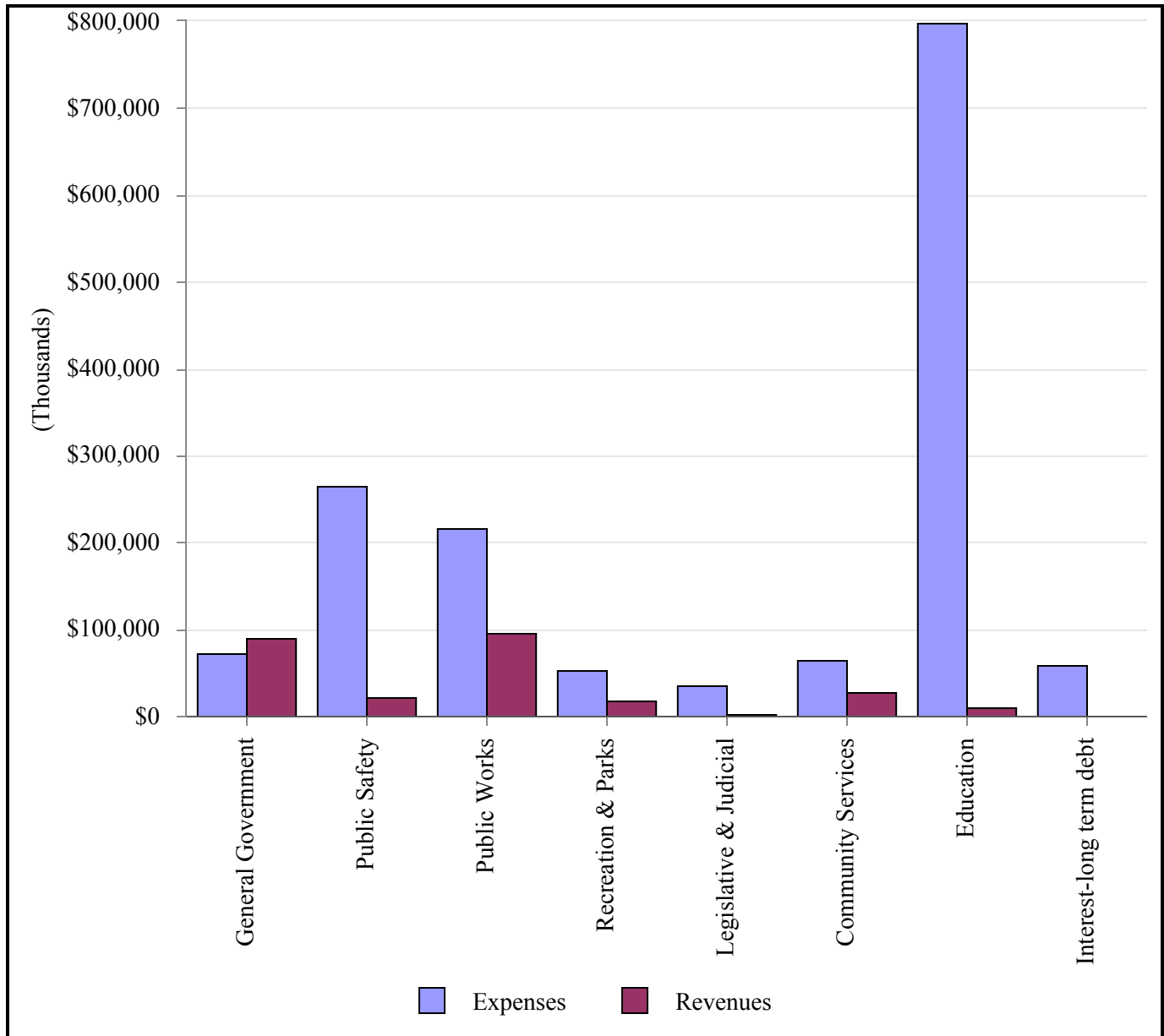
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 160,726,395	148,858,011	78,951,642	78,445,003	239,678,037	227,303,014
Operating grants and contributions	84,412,904	97,683,224	40,510,564	40,565,784	124,923,468	138,249,008
Capital grants and contributions	17,378,972	4,329,549	10,376,098	12,591,770	27,755,070	16,921,319
General revenues						
Property taxes	756,762,754	738,646,472	—	—	756,762,754	738,646,472
Local income taxes	652,606,282	619,513,011	—	—	652,606,282	619,513,011
Other taxes	110,008,159	95,715,172	—	—	110,008,159	95,715,172
Other	(492,948)	5,493,211	962,104	396,564	469,156	5,889,775
Total revenues	1,781,402,518	1,710,238,650	130,800,408	131,999,121	1,912,202,926	1,842,237,771
Expenses						
General government	72,881,510	123,183,109	—	—	72,881,510	123,183,109
Public safety	264,850,920	272,893,187	—	—	264,850,920	272,893,187
Public works	215,560,704	184,376,252	—	—	215,560,704	184,376,252
Recreation and parks	53,247,567	33,372,823	—	—	53,247,567	33,372,823
Legislative and judicial	34,828,987	34,562,766	—	—	34,828,987	34,562,766
Community services	64,131,907	57,793,879	—	—	64,131,907	57,793,879
State highways	2,374,495	1,381,137	—	—	2,374,495	1,381,137
Education	798,493,045	753,121,391	—	—	798,493,045	753,121,391
Interest on long-term debt	58,538,363	56,785,423	—	—	58,538,363	56,785,423
Water & Sewer	—	—	125,680,688	122,881,576	125,680,688	122,881,576
Other	—	—	8,730,735	8,213,268	8,730,735	8,213,268
Total expenses	1,564,907,498	1,517,469,967	134,411,423	131,094,844	1,699,318,921	1,648,564,811
Increase (decrease) in net position	216,495,020	192,768,683	(3,611,015)	904,277	212,884,005	193,672,960
Transfers	(7,010,382)	(7,016,791)	7,010,382	7,016,791	—	—
Total Increase (decrease) in net position	209,484,638	185,751,892	3,399,367	7,921,068	212,884,005	193,672,960
Net position beginning	348,001,381	162,249,489	628,771,114	620,850,046	976,772,495	783,099,535
Net position ending	\$ 557,486,019	348,001,381	632,170,481	628,771,114	1,189,656,500	976,772,495

Governmental activities

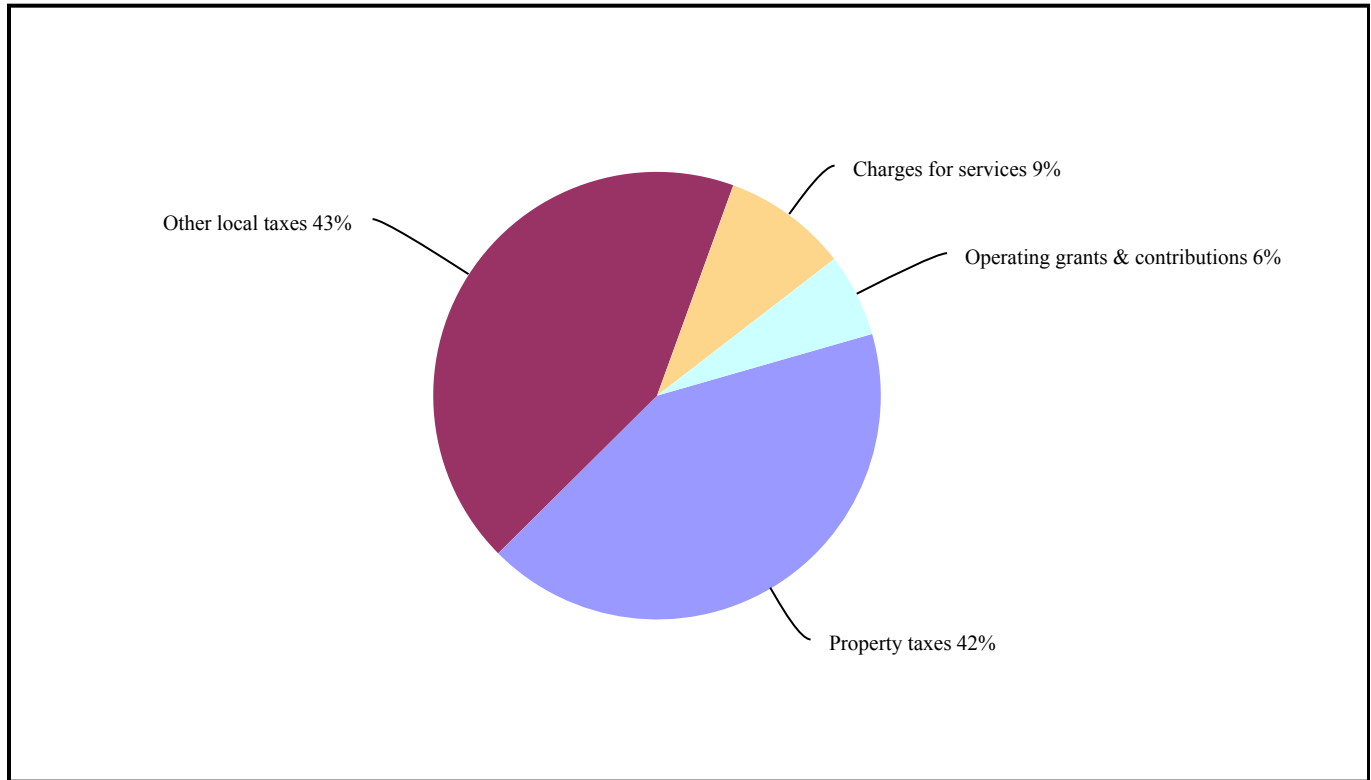
Governmental activities increased the County's net position by \$209.5 million. Key elements of this increase are as follows:

- Property tax revenues increased by \$18.1 million due to rising property values.
- Income tax revenues increased by \$33.1 million partially due to increased capital gains and continuing pandemic related stimulus.
- Recordation tax revenues increased by \$4.2 million due to low interest rates creating an increase in property transfers and refinancings.
- Net OPEB liability increased by \$59.8 million.
- Education expenses increased by \$45.4 million due to an increase of \$32.8 million for the Public School System, an increase of \$11.4 million for the Community College, and an increase of \$1.2 million for the Library.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



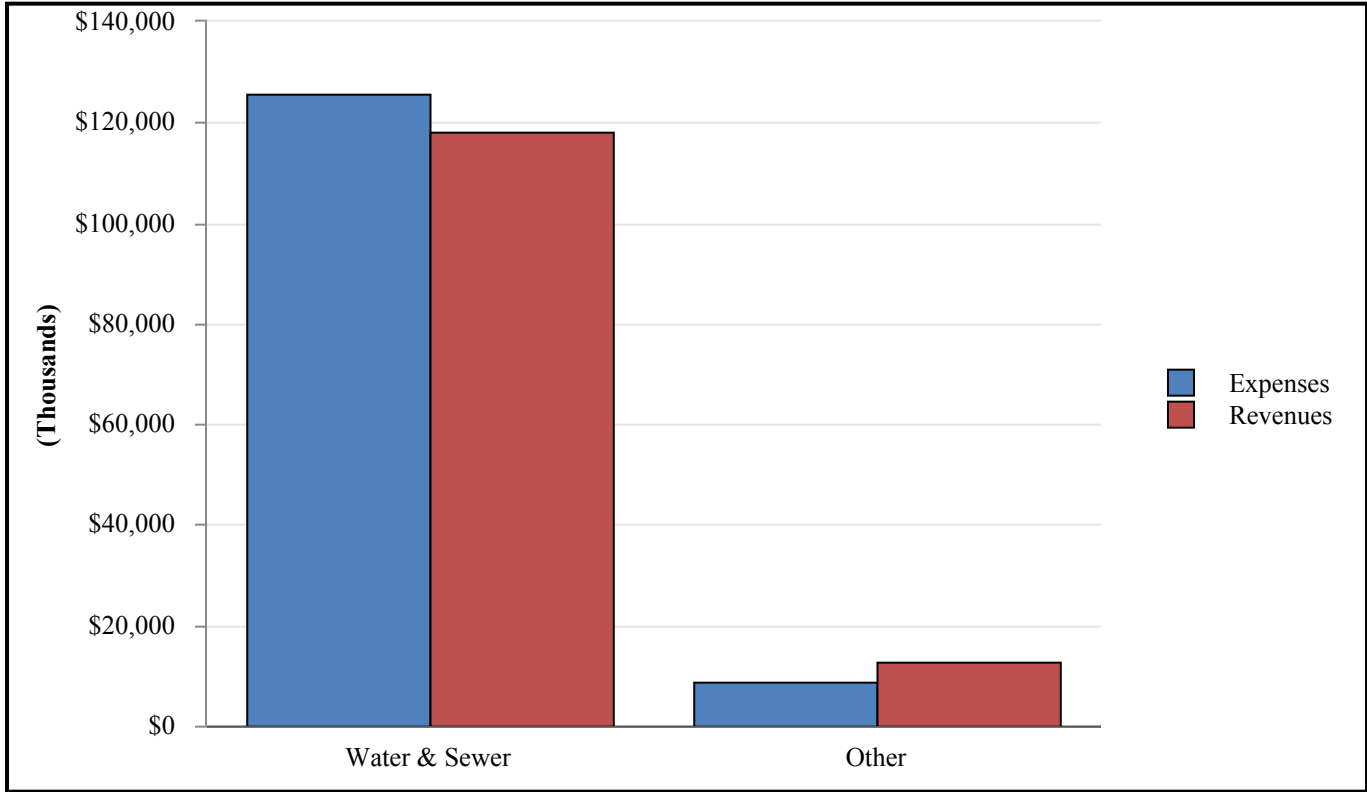
Business-type activities

Business-type activities increased the County's net position by \$3.4 million. The components of this increase are as follows:

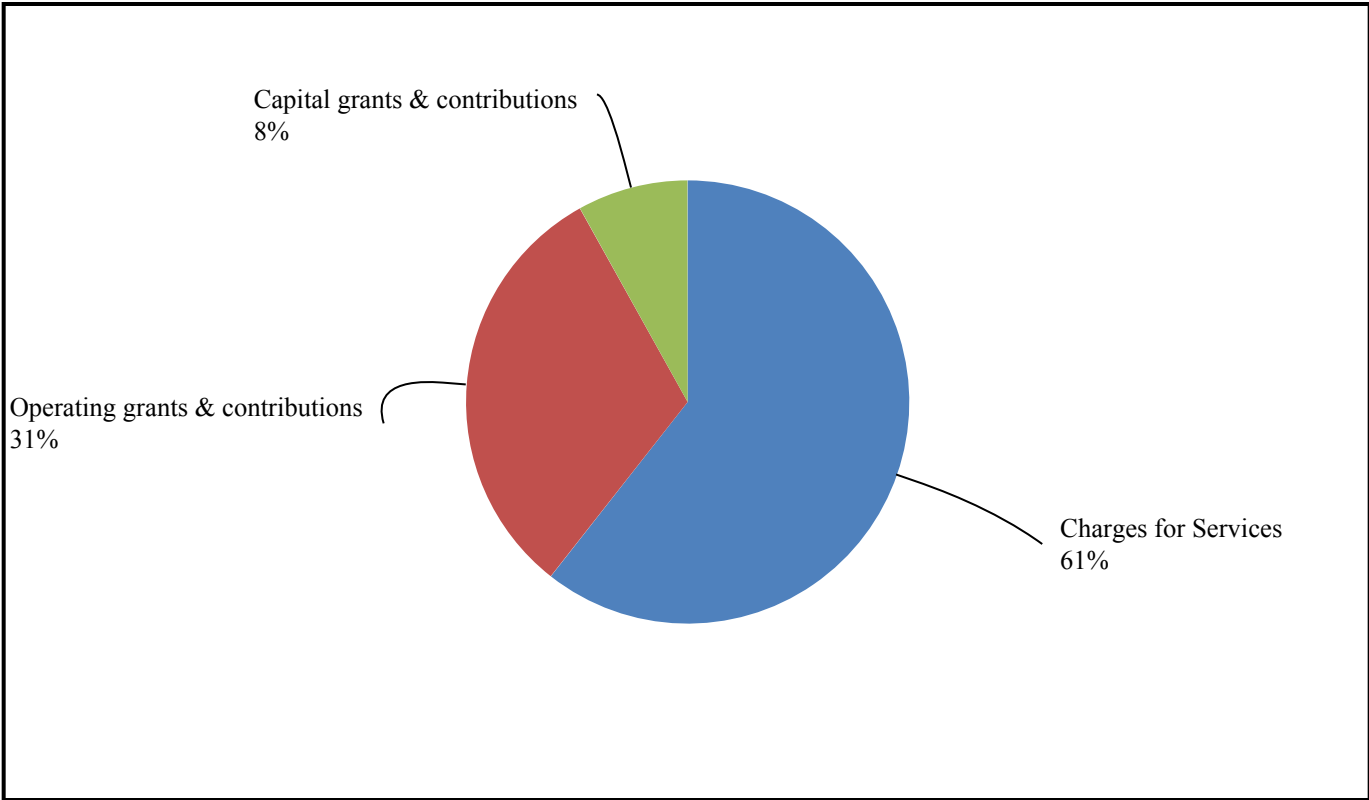
- Charges for services increased by \$0.5 million due to an increase in water and sewer consumption.
- Operating grants and contributions, which totaled \$40.5 million, represent an annual ad valorem fee levied on all properties within the water and sewer service district. This charge is used primarily to fund debt service payments and pay-as-you-go funding on capital projects.
- \$10.4 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 \$2.2 million from fiscal year 2021.

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 \$612.1 million, an increase of \$4.5 million in comparison with the prior year. Of this fund balance, \$38.6 million is nonspendable, \$245.4 million is restricted by enabling legislation, \$192.9 million is committed by the County at the highest level of authority, \$291.2 million is assigned by management, and \$156.1 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 balance was \$412.1 million, \$75.9 million or 22.6% more than the prior year primarily due to an increase in revenue.

The general capital projects fund is used to track the construction of general county buildings, as well as schools, libraries, and other buildings for the community college. The fund balance deficit is \$113.6 million.

The grant fund accounts for the proceeds of specific grant revenue sources that are restricted to expenditures for particular functions or activities. The fund balance deficit of \$5.7 million is due to expenditures occurring before grant revenues are recognized.

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

All assets in the Water and Sewer Proprietary Fund, except those available to fund current liabilities, are considered restricted because a change in the County charter is required to allow these assets to be used for other purposes. Net position of the water and sewer operations at fiscal year-end was \$551.5 million. Net position of the Water and Sewer Proprietary Fund decreased \$7.4 million due to an increase in operating costs caused by the supply shortage as a result of the pandemic.

General Fund Budgetary Highlights

The County spent \$11.7 million less than the budget as the County departments leveraged Federal pandemic relief funding received through the Coronavirus Aid, Relief, and Economic Security Act. The County experienced a favorable variance of \$3.4 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 \$3.2 million, respectively.

County revenues exceeded the budget by \$130.5 million. This was primarily due to an increase in the actual distribution of local income tax. The increase was a result of significant Federal fiscal stimulus and increase in capital gains due to a strong stock market.

Capital Assets and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and business-type activities as of June 30, 2022 is \$2.7 billion (net of accumulated depreciation/amortization). Capital assets include land, easements, buildings, improvements, machinery and equipment, park facilities, sidewalks, roads, highways, bridges, water and sewer lines, stormwater management systems, and right-to-use buildings and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 12.2% (a 18.5% increase for governmental activities and a 1.0% increase for business-type activities).

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

- \$179 million for P3 Courthouse Building
- \$16 million in interior renovations to various county buildings
- \$7.4 million for agricultural land easements acquisitions
- \$7.7 million for Stephens Roadway Improvements
- \$5.4 million Stream/Stormwater management infrastructure countywide

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land and land improvements	\$ 653,559,503	639,811,353	12,568,603	12,568,603	666,128,106	652,379,956
Construction in progress	92,229,277	74,183,801	38,184,465	45,227,415	130,413,742	119,411,216
Buildings and improvements	606,888,373	437,483,304	165,404,085	166,600,163	772,292,458	604,083,467
Machinery and equipment	82,934,796	87,340,208	8,665,990	8,872,716	91,600,786	96,212,924
Infrastructure	327,251,842	327,970,932	650,822,980	636,305,414	978,074,822	964,276,346
Right-to use leased equipment	93,158,970	—	2,424,317	—	95,583,287	—
Total capital assets	\$ 1,856,022,761	\$ 1,566,789,598	\$ 878,070,440	\$ 869,574,311	\$2,734,093,201	\$ 2,436,363,909

Additional information on the County's capital assets are located in Note 6 on pages 67-68 of this report.

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$2.1 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 1,306,634,765	1,342,262,375	438,140,147	431,669,772	1,744,774,912	1,773,932,147
State water quality/MDE loan	—	—	5,081,917	8,846,878	5,081,917	8,846,878
Tax increment financing bonds	64,450,000	64,695,000	—	—	64,450,000	64,695,000
Agricultural land preservation program	59,440,666	59,546,201	—	—	59,440,666	59,546,201
Special facility revenue bonds	—	—	650,000	1,185,000	650,000	1,185,000
Availability payment arrangement	100,653,579	—	—	—	100,653,579	—
Lease payable	94,827,601	—	—	—	94,827,601	—
Other	19,460,090	22,364,691	2,776,002	3,055,683	22,236,092	25,420,374
Total outstanding debt	\$ 1,645,466,701	1,488,868,267	446,648,066	444,757,333	2,092,114,767	1,933,625,600

The County's total long-term debt increased by \$158.5 million (8.2% during the current fiscal year). The major factors in this increase were the issuance of \$51.9 million in Consolidated Public Improvement (CPI) Project Bonds, and \$18.4 million in Metropolitan (Metro) District Project Bonds. The County retired \$77.9 million, \$12.7 million and \$3.6 million of CPI, Metro, and Water Quality Bonds, respectively. The County also retired \$535,000 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 \$2.8 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 69 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 2022 unemployment rate for the County was 5.2%. This compares favorably to the state's unemployment rate of 6.7% and the national rate of 6.1% for the same period.
- The occupancy rate for commercial space as of June 2022 was 95.1% compared to June 2021 of 94.9%. Howard County had an increase of 66,138 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 2023 fiscal year.

The fiscal year 2023 general fund budget is \$119.5 million or 9.5% more than the fiscal year 2022 budget. This increase is due to utilizing fund balance from prior years' surplus to address a variety of needs, supporting critical infrastructure projects and initiatives while preserving debt capacity and dedicating resources to continue to address the health and economic impacts of the pandemic.

The County's property tax and income tax rates remained the same for fiscal year 2022. The County's transfer tax rate was increased from 1% to 1.25% of the actual consideration paid, or to be paid, for the conveyance of title. There were also no changes to the Building Excise Tax (used to fund road expansion), Water and Sewer charges, recycling fees or the water and sewer ad valorem.

Currently Known Facts, Decisions and Conditions

In FY22, the County will continue to leverage Federal and State pandemic relief funding, including the American Rescue Plan State and Local Fiscal Recovery Funds. Howard County has received all of the \$63.2 million allocation from the Federal government. The County is committed to using these funds effectively to ensure a sustainable recovery from the pandemic.

Requests for Information

This financial report is designed to provide a general overview of Howard County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to the:

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

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



APPI Festival

Howard County celebrated its vibrant diversity during its inaugural daylong celebration of Asian American Pacific Islander Month at the Chrysalis in Symphony Woods.

Basic Financial Statements

Government-wide financial statements combine all of Howard County's governmental, business-type and fiduciary 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Equity in pooled cash and investments	\$ 685,733,847	27,441,087	713,174,934	131,006,230
Cash and securities with fiscal agents	7,916,802	—	7,916,802	—
Investments	17,004,191	—	17,004,191	129,951,233
Receivables:				
Property taxes, net	9,380,378	365,891	9,746,269	—
Due from other governments	322,995,727	862,866	323,858,593	66,916,247
Service billings	—	12,047,019	12,047,019	—
Due from component units	33,064,235	—	33,064,235	—
Other	24,403,055	850,806	25,253,861	16,322,832
Lease receivables, current	1,039,256	310,566	1,349,822	—
Materials and supplies	2,940,727	1,341,728	4,282,455	1,257,775
Prepays	28,269,030	—	28,269,030	2,944,401
Restricted assets:				
Cash and cash equivalent and equity in pooled cash	—	193,143,875	193,143,875	13,247,146
Investments	—	—	—	10,517,280
Water and sewer assessments receivable	—	2,738,868	2,738,868	—
Other receivables	—	—	—	7,390,259
Internal balances	(1,174,425)	1,174,425	—	—
Lease receivables, non-current	11,824,599	4,544,947	16,369,546	—
Other non-current receivables	4,270,401	11,645,135	15,915,536	—
Net pension asset	43,729,811	3,542,194	47,272,005	638,200
Capital Assets:				
Land and land improvements	653,559,503	12,568,603	666,128,106	116,709,645
Construction in progress	92,229,277	38,184,465	130,413,742	212,624,777
Buildings and improvements, net	606,888,373	165,404,085	772,292,458	1,541,427,024
Machinery and equipment, net	82,934,796	8,665,990	91,600,786	8,090,889
Infrastructure, net	327,251,842	650,822,980	978,074,822	—
Right-to-use leased buildings and equipment, net	93,158,970	2,424,317	95,583,287	1,781,659
Other capital assets	—	—	—	12,683,517
Other non-current assets	—	—	—	53,213
Total assets	3,047,420,395	1,138,079,847	4,185,500,242	2,273,562,327
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	45,955	3,423,620	3,469,575	—
Retirement plans	85,101,229	1,733,388	86,834,617	23,803,863
Other post employment benefits	139,695,409	11,133,818	150,829,227	369,123,736
Length of service award program	13,243,751	—	13,243,751	—
Total deferred outflows of resources	238,086,344	16,290,826	254,377,170	392,927,599
Total assets and deferred outflows of resources	3,285,506,739	1,154,370,673	4,439,877,412	2,666,489,926
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	47,511,319	7,683,072	55,194,391	114,357,942
Accrued interest payable	18,513,395	5,601,884	24,115,279	—
Accrued wages and benefits	11,743,014	556,208	12,299,222	5,678,297
Deposits	17,604,758	1,470,563	19,075,321	1,088,443
Short-term loans and notes payable	31,935,033	5,674,687	37,609,720	—
Due to primary government	—	—	—	33,064,235
Unearned revenues	58,103,221	1,295,305	59,398,526	20,746,020
Lease payable	—	—	—	639,422

(Continued)

Howard County, Maryland
Statement of Net Position
June 30, 2022

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
Non-current liabilities:				
Due within one year	118,611,525	18,112,143	136,723,668	12,864,630
Due in more than one year, net	2,165,192,232	466,746,403	2,631,938,635	1,614,257,627
Total liabilities	2,469,214,497	507,140,265	2,976,354,762	1,802,696,616
DEFERRED INFLOWS OF RESOURCES				
Deferred grant revenue	—	515,415	515,415	—
Deferred lease revenue	12,212,809	4,808,733	17,021,542	—
Retirement plans	173,404,382	5,844,218	179,248,600	25,323,898
Other post employment benefits	70,891,677	3,891,561	74,783,238	123,763,583
Length of service award program	2,225,481	—	2,225,481	—
Deferred refunding gain	71,874	—	71,874	—
Total deferred inflows of resources	258,806,223	15,059,927	273,866,150	149,087,481
Total liabilities and deferred inflows of resources	2,728,020,720	522,200,192	3,250,220,912	1,951,784,097
NET POSITION				
Net investment in capital assets	1,007,748,724	463,785,341	1,471,534,065	1,632,792,895
Restricted:				
Net pension asset	43,729,811	3,542,194	47,272,005	638,200
Business-type operations	—	—	—	1,634,178
Capital projects	—	—	—	3,860,977
Catalyst loan program	1,665,427	—	1,665,427	—
Disposable plastic reduction	908,832	—	908,832	—
Economic development initiatives	613,033	—	613,033	—
Fire & rescue services	85,784,635	—	85,784,635	—
Forest conservation	1,818,000	—	1,818,000	—
Middle Patuxent environmental area program	79,982	—	79,982	—
MIHU Fee-in-Lieu	12,662,084	—	12,662,084	—
Open space	657,474	—	657,474	—
Parkland watershed facilities	29,184,692	—	29,184,692	—
Permanent public improvement	1,743,422	—	1,743,422	—
Program revenue	455,398	—	455,398	—
Public road facilities	58,877,604	—	58,877,604	—
Public school facilities	33,245,586	—	33,245,586	13,849,310
Speed enforcement	879,300	—	879,300	—
Tax increment financing project	16,867,521	—	16,867,521	—
Debt services	—	14,934,635	14,934,635	—
Unrestricted (deficits)	(739,435,506)	149,908,311	(589,527,195)	(938,069,731)
Total net position	\$ 557,486,019	632,170,481	1,189,656,500	714,705,829

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

Howard County, Maryland
Statement of Activities
For the Year Ended June 30, 2022

Programs	Expenses	Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 72,881,510	50,096,105	38,264,917	222,248	15,701,760	—	15,701,760	—
Public safety	264,850,920	19,292,009	2,991,845	—	(242,567,066)	—	(242,567,066)	—
Public works	215,560,704	68,987,581	19,840,630	6,993,227	(119,739,266)	—	(119,739,266)	—
Recreation and parks	53,247,567	16,804,547	298,658	766,249	(35,378,113)	—	(35,378,113)	—
Legislative and judicial	34,828,987	650,021	748,308	—	(33,430,658)	—	(33,430,658)	—
Community services	64,131,907	4,896,132	22,268,546	—	(36,967,229)	—	(36,967,229)	—
State highways	2,374,495	—	—	—	(2,374,495)	—	(2,374,495)	—
Education	798,493,045	—	—	9,397,248	(789,095,797)	—	(789,095,797)	—
Interest on long-term debt	58,538,363	—	—	—	(58,538,363)	—	(58,538,363)	—
Total governmental activities	1,564,907,498	160,726,395	84,412,904	17,378,972	(1,302,389,227)	—	(1,302,389,227)	—
Business-type activities:								
Water and sewer	125,680,688	66,280,906	40,510,564	10,376,098	—	(8,513,120)	(8,513,120)	—
Broadband	2,141,781	1,995,120	—	886,583	—	739,922	739,922	—
Golf	175,248	766,061	—	—	—	590,813	590,813	—
Watershed	6,413,706	9,909,555	—	(886,583)	—	2,609,266	2,609,266	—
Total business-type activities	134,411,423	78,951,642	40,510,564	10,376,098	—	(4,573,119)	(4,573,119)	—
Total primary government	1,699,318,921	239,678,037	124,923,468	27,755,070	(1,302,389,227)	(4,573,119)	(1,306,962,346)	—
Component units:								
Housing commission	53,956,560	23,979,030	991,571	14,106,185	—	—	—	(14,879,774)
Public school system	1,292,774,094	12,550,618	238,796,906	123,055,678	—	—	—	(918,370,892)
Library	29,658,665	591,116	1,242,155	—	—	—	—	(27,825,394)
Community college	136,776,111	30,781,245	38,742,523	21,249,698	—	—	—	(46,002,645)
Total component units	\$ 1,513,165,430	67,902,009	279,773,155	158,411,561	—	—	—	(1,007,078,705)
General revenues:								
Property taxes					\$ 756,762,754	—	756,762,754	—
Local income taxes					652,606,282	—	652,606,282	—
Transfer tax					63,393,157	—	63,393,157	—
Recordation tax					32,470,698	—	32,470,698	—
Building excise tax					6,537,217	—	6,537,217	—
Hotel / motel tax					4,575,192	—	4,575,192	—
Admission tax					2,983,304	—	2,983,304	—
County development tax					48,591	—	48,591	—
Appropriations from primary government					—	—	—	700,759,521
Intergovernmental, unrestricted					3,879,455	—	3,879,455	285,895,221
Unrestricted investment income					(5,763,261)	957,282	(4,805,979)	(139,336)
Miscellaneous					1,390,858	4,822	1,395,680	53,585,382
Transfers					(569,625)	569,625	—	—
Transfer of capital assets					(6,440,757)	6,440,757	—	—
Total general revenues					1,511,873,865	7,972,486	1,519,846,351	1,040,100,788
Change in net position					209,484,638	3,399,367	212,884,005	33,022,083
Net position - beginning					348,001,381	628,771,114	976,772,495	681,683,746
Net position - ending					\$ 557,486,019	632,170,481	1,189,656,500	714,705,829

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

Howard County, Maryland
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 287,115,450	—	44,179,952	298,567,377	629,862,779
Cash with fiscal agent	—	2,309,065	—	5,607,737	7,916,802
Investments	—	—	—	17,004,191	17,004,191
Receivables:					
Property taxes, net	7,679,915	—	—	1,700,463	9,380,378
Due from other governments	305,862,933	4,347,158	11,044,299	1,660,329	322,914,719
Due from other funds	75,988,153	—	—	422,000	76,410,153
Due from component units	9,369,743	17,485,222	—	6,209,270	33,064,235
Housing loans	—	—	—	16,192,637	16,192,637
Economic development loans	—	—	486,928	—	486,928
Other	1,640,307	—	323,034	2,415,628	4,378,969
Lease receivables	369,404	—	—	11,566	380,970
Prepaid Items	27,999,439	—	1,398	—	28,000,837
Materials and supplies	553,697	—	—	668,882	1,222,579
Total assets	716,579,041	24,141,445	56,035,611	350,460,080	1,147,216,177
LIABILITIES					
Due to other funds	—	72,771,683	—	—	72,771,683
Accounts payable / accrued liabilities	11,777,830	17,734,681	1,773,175	11,532,835	42,818,521
Accrued wages and benefits	7,343,407	46,943	135,493	3,569,271	11,095,114
Short-term loans and notes payable	—	25,276,314	—	6,658,719	31,935,033
Deposits and connection fees	16,744,717	—	582,041	200,000	17,526,758
Unearned revenue	229,193	1,070,362	51,572,570	5,214,708	58,086,833
Total liabilities	36,095,147	116,899,983	54,063,279	27,175,533	234,233,942
DEFERRED INFLOWS OF RESOURCES					
Unavailable income taxes	258,706,066	—	—	—	258,706,066
Unavailable property taxes	6,116,290	—	—	1,400,930	7,517,220
Unavailable fees	3,187,484	—	1,057,065	2,496,331	6,740,880
Unavailable grant revenues	41,305	20,865,937	6,643,436	—	27,550,678
Unavailable lease revenues	362,657	—	—	11,515	374,172
Total deferred inflows	268,413,802	20,865,937	7,700,501	3,908,776	300,889,016
Total liabilities and deferred inflows	304,508,949	137,765,920	61,763,780	31,084,309	535,122,958
FUND BALANCES					
Nonspendable	37,922,879	—	1,398	668,882	38,593,159
Restricted	—	37,298,073	2,813,840	205,331,077	245,442,990
Committed	80,751,106	—	—	112,180,204	192,931,310
Assigned	258,907,211	—	—	32,312,123	291,219,334
Unassigned (deficits)	34,488,896	(150,922,548)	(8,543,407)	(31,116,515)	(156,093,574)
Total fund balances (deficits)	412,070,092	(113,624,475)	(5,728,169)	319,375,771	612,093,219
Total liabilities, deferred inflows and fund balances	\$ 716,579,041	24,141,445	56,035,611	350,460,080	1,147,216,177

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, 2022

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

Total fund balances - governmental funds (page 24)		\$ 612,093,219
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.		71,156,173
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	(1,311,521,825)	
Long-term financed purchase obligation	(105,873,669)	
Lease liability	(94,556,735)	
Deferred refunding gain/loss and premium	(127,767,490)	
Other non-current liabilities	(8,555,673)	
Accrued interest payable	(18,513,395)	
Compensated absences	(30,816,357)	
Landfill closure and post-closure	<u>(25,285,000)</u>	(1,722,890,144)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,805,658,165
The net pension liability (asset), 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.		(513,679,036)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows in the funds.		305,147,642
Net position of governmental activities (page 22)		<u>\$ 557,486,019</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, 2022

	General Fund	General Capital Projects Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 607,814,422	—	—	150,606,197	758,420,619
Other local taxes	644,779,715	15,848,289	—	54,240,757	714,868,761
State shared taxes	3,879,455	—	—	—	3,879,455
Revenues from other governments	9,847,285	4,072,881	63,089,735	3,138,719	80,148,620
Charges for services	11,084,100	—	382,710	62,192,937	73,659,747
Investment income:					
Interest on investments	(21,558)	66,964	62,395	1,354,849	1,462,650
Decrease in fair value of investments	(5,415,241)	—	—	(2,018,917)	(7,434,158)
Installment interest from housing loans	—	—	—	98,283	98,283
Licenses and permits	6,559,876	—	—	—	6,559,876
Fines and forfeitures	3,141,426	—	—	3,895,510	7,036,936
Developer fees	—	6,395	—	1,090,269	1,096,664
Payments from component units	463,382	—	—	—	463,382
Miscellaneous program revenues	2,325,260	16,569,366	1,373,343	5,110,826	25,378,795
Total revenues	1,284,458,122	36,563,895	64,908,183	279,709,430	1,665,639,630
EXPENDITURES					
Current:					
General government	50,831,604	—	30,730,010	1,110,519	82,672,133
Legislative & judicial	32,757,523	—	820,099	—	33,577,622
Public works	272,412,770	1,486,971	9,781,794	29,978,086	313,659,621
Public safety	138,943,775	—	3,284,138	123,985,426	266,213,339
Recreation and parks	23,654,107	—	35,410	17,998,064	41,687,581
Community services	38,417,076	—	21,607,607	2,630,981	62,655,664
Education	700,759,517	94,694,342	—	—	795,453,859
Capital improvements	—	120,449,863	—	56,008,733	176,458,596
Debt service:					
Principal	84,611,531	—	—	8,002,134	92,613,665
Interest	55,474,311	—	—	5,537,714	61,012,025
Total expenditures	1,397,862,214	216,631,176	66,259,058	245,251,657	1,926,004,105
Excess (deficiency) of revenues over expenditures	(113,404,092)	(180,067,281)	(1,350,875)	34,457,773	(260,364,475)
OTHER FINANCING SOURCES (USES)					
Lease proceeds	98,041,260	—	—	1,481,109	99,522,369
Availability payment arrangement proceeds	102,009,225	—	—	—	102,009,225
Bond premium	—	3,710,292	—	878,885	4,589,177
Capital-related issuance of debt	2,177,784	40,491,761	—	9,790,840	52,460,385
Installment purchase agreements issued	—	—	—	7,050,045	7,050,045
Transfers in	24,953,629	18,275,911	—	23,053,441	66,282,981
Transfers out	(37,832,000)	(8,975,787)	(38,674)	(20,168,155)	(67,014,616)
Total other financing sources (uses)	189,349,898	53,502,177	(38,674)	22,086,165	264,899,566
Net change in fund balances	75,945,806	(126,565,104)	(1,389,549)	56,543,938	4,535,091
Fund balances (deficit) - beginning	336,124,286	12,940,629	(4,338,620)	262,831,833	607,558,128
Fund balances (deficit) - ending	\$ 412,070,092	(113,624,475)	(5,728,169)	319,375,771	612,093,219

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, 2022

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)	\$	4,535,091
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the amount by which capital outlays exceed depreciation in the current period is as follows:</p>		
Capital outlays	347,371,174	
Less: Depreciation expense	<u>(60,322,629)</u>	287,048,545
<p>In the statement of activities, only the gain on the sale of land and buildings is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the land and buildings sold.</p>		
		(156,587)
<p>Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.</p>		
		11,699,568
<p>Revenues to governmental funds that relate to prior periods are not reported in the statement of activities. Similarly, revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. The details are as follows:</p>		
Revenues related to prior periods	(243,049,282)	
Revenues that do not provide current financial resources	<u>301,458,076</u>	58,408,794
<p>Long-term debt proceeds (i.e., bonds, leases, installment purchase agreements) provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
		(179,345,115)
<p>In the statement of activities, some expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		31,683,864
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The new revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
		(4,389,522)
Change in net position of governmental activities (page 23)	\$	<u>209,484,638</u>

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

Howard County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

REVENUES	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Property taxes	\$ 601,400,000	601,400,000	607,807,137	6,407,137
Other local taxes	518,695,000	518,695,000	644,779,715	126,084,715
State shared taxes	3,747,000	3,747,000	3,879,455	132,455
Revenues from other governments	8,765,000	8,771,932	9,847,285	1,075,353
Charges for services	10,554,500	10,554,500	11,084,100	529,600
Interest on investments	400,000	400,000	(5,424,171)	(5,824,171)
Licenses and permits	5,342,400	5,342,400	6,582,696	1,240,296
Recoveries for inter-fund services	18,666,384	18,666,384	18,718,616	52,232
Fines and forfeitures	1,899,600	1,899,600	3,141,426	1,241,826
Component units return of funding	1,111,340	1,111,340	463,382	(647,958)
Miscellaneous	8,085,571	2,144,269	2,355,180	210,911
Total revenues	1,178,666,795	1,172,732,425	1,303,234,821	130,502,396
EXPENDITURES				
Current:				
General government	51,921,978	53,864,604	50,429,950	3,434,654
Legislative & judicial	32,004,693	32,037,924	30,429,963	1,607,961
Public works	99,187,204	86,202,800	85,201,272	1,001,528
Public safety	146,389,263	146,269,881	143,992,397	2,277,484
Recreation and parks	25,289,963	25,333,913	25,333,913	—
Community services	38,133,279	27,111,675	25,525,981	1,585,694
Education	700,759,517	700,759,517	700,759,517	—
Health Department	13,350,944	13,350,944	11,757,131	1,593,813
Debt service:				
Principal	78,120,840	84,542,886	84,611,531	(68,645)
Interest	47,819,670	55,763,436	55,471,960	291,476
Total expenditures	1,232,977,351	1,225,237,580	1,213,513,615	11,723,965
Excess (deficiency) of revenues over expenditures	(54,310,556)	(52,505,155)	89,721,206	142,226,361
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	59,066,595	59,066,595	—	(59,066,595)
Capital related debt issued	16,681,340	—	—	—
Transfers in	19,430,056	42,045,766	35,639,805	(6,405,961)
Transfers out	(40,867,435)	(48,607,206)	(48,607,163)	43
Total other financing sources (uses)	54,310,556	52,505,155	(12,967,358)	(65,472,513)
Net change in fund balance	—	—	76,753,848	76,753,848
Plus prior year encumbrances lapsed			6,016,365	
Fund balances - beginning			316,205,081	
Fund balances - ending			\$ 398,975,294	(1)

(1) See Note 1(P) for ending fund balance reconciliation.

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

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

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Grants Fund
For the Year Ended June 30, 2022

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from other agencies:				
Grants from federal government	\$ 11,560,956	11,812,496	53,094,170	41,281,674
Grants from state government	13,914,771	13,936,771	9,798,329	(4,138,442)
Other local grants	245,000	377,000	197,324	(179,676)
Total revenue from other agencies	25,720,727	26,126,267	63,089,823	36,963,556
Charges for services	905,000	905,000	382,710	(522,290)
Interest on investments	—	—	23,721	23,721
Contingency	50,000,000	49,726,460	—	(49,726,460)
Miscellaneous	7,866,450	7,384,450	1,415,519	(5,968,931)
Total revenues	84,492,177	84,142,177	64,911,773	(19,230,404)
EXPENDITURES				
General government	56,267,801	55,917,801	31,260,389	24,657,412
Legislative & judicial	926,679	926,679	820,099	106,580
Public works	6,689,367	6,689,367	9,902,173	(3,212,806)
Public safety	6,332,330	6,332,330	3,372,443	2,959,887
Recreation & parks	452,840	452,840	35,851	416,989
Community services	13,823,160	13,823,160	21,916,729	(8,093,569)
Total expenditures	84,492,177	84,142,177	67,307,684	16,834,493
Excess (deficiency) of revenues over expenditures	—	—	(2,395,911)	(2,395,911)
Net change in fund balance	—	—	(2,395,911)	<u>(2,395,911)</u>
Plus: Prior year encumbrances lapsed			500,245	
Fund balances - beginning			(1,760,880)	
Fund balances - ending			\$ (3,656,546)	(1)

(1) See Note 1(P) for ending fund balance reconciliation.

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

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2022

	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	\$ 7,840,364	19,600,723	27,441,087	55,871,068
Receivables:				
Property taxes	365,891	—	365,891	—
Due from other governments	862,866	—	862,866	81,008
Service billings	11,835,743	211,276	12,047,019	—
Other receivables	850,806	—	850,806	3,356,320
Lease Receivable	—	310,566	310,566	819,857
Prepaid Expenses	—	—	—	268,193
Materials and supplies	1,341,728	—	1,341,728	1,718,148
Restricted assets:				
Equity in pooled cash and cash equivalents	192,583,875	560,000	193,143,875	—
Water and sewer assessments	2,738,868	—	2,738,868	—
Total current assets	218,420,141	20,682,565	239,102,706	62,114,594
Noncurrent assets:				
Lease receivables	—	4,544,947	4,544,947	11,663,028
Restricted assets:				
Water and sewer assessments	11,635,767	—	11,635,767	—
Other receivables	—	9,368	9,368	—
Net pension asset	3,542,194	—	3,542,194	—
Capital assets:				
Land and land improvements	3,068,643	9,499,960	12,568,603	—
Construction in progress	38,184,465	—	38,184,465	—
Buildings and improvements, net	162,068,458	3,335,627	165,404,085	1,527,640
Machinery and equipment, net	6,707,030	1,958,960	8,665,990	47,769,237
Right of use - leased assets	2,424,317	—	2,424,317	270,278
Infrastructure, net	580,104,233	70,718,747	650,822,980	797,440
Total noncurrent assets	807,735,107	90,067,609	897,802,716	62,027,623
Total assets	1,026,155,248	110,750,174	1,136,905,422	124,142,217
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	3,423,620	—	3,423,620	—
Retirement plans	1,733,388	—	1,733,388	—
Other post employment benefits	11,133,818	—	11,133,818	—
Total deferred outflows of resources	16,290,826	—	16,290,826	—
Total assets and deferred outflows of resources	1,042,446,074	110,750,174	1,153,196,248	124,142,217
LIABILITIES				
Current liabilities:				
Due to other funds	—	3,638,470	3,638,470	—
Accounts payable	7,394,966	288,106	7,683,072	4,598,672
Accrued interest payable	—	—	—	94,126
Accrued wages and benefits	437,267	118,941	556,208	635,097
Compensated absences	10,192	303	10,495	12,803
Short-term loans and notes payable	5,674,687	—	5,674,687	—
Deposits and connection fees	—	—	—	78,000
Unpaid insurance claims	—	—	—	8,749,797
Lease liability	—	—	—	216,575
Current portion certificate of participation	—	—	—	1,360,000
Unearned revenue	—	—	—	16,388
Current liabilities	13,517,112	4,045,820	17,562,932	15,761,458

(Continued)

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2022

	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	1,470,563	—	1,470,563	—
Developer agreement rebates and deposits	49,700	—	49,700	—
Lease liability	151,563	—	151,563	—
Other debt payable	1,528,976	—	1,528,976	—
Certificate of Participations (COPs)	230,000	—	230,000	—
Bonds and note payable	13,585,000	2,397,269	15,982,269	—
Loan payable	—	159,140	159,140	—
Interest payable	5,292,243	309,641	5,601,884	—
Current liabilities payable from restricted assets	22,308,045	2,866,050	25,174,095	—
Total current liabilities	35,825,157	6,911,870	42,737,027	15,761,458
Noncurrent liabilities:				
Developer agreement rebates and deposits	676,303	—	676,303	—
Net OPEB liability	34,646,529	—	34,646,529	—
Compensated absences	946,373	139,451	1,085,824	1,384,211
Unpaid insurance claims	—	—	—	14,640,173
Long-term certificate of participation	—	—	—	4,120,184
Metropolitan district bonds payable	400,422,249	—	400,422,249	—
Long-term bonds payable	—	22,035,506	22,035,506	—
Lease liability	2,316,071	—	2,316,071	54,291
Loans payable	—	950,727	950,727	—
Unearned revenue	1,295,305	—	1,295,305	—
Other long-term debt	4,613,194	—	4,613,194	—
Total noncurrent liabilities	444,916,024	23,125,684	468,041,708	20,198,859
Total liabilities	480,741,181	30,037,554	510,778,735	35,960,317
DEFERRED INFLOWS OF RESOURCES				
Deferred grant revenue	515,415	—	515,415	—
Deferred lease revenue	—	4,808,733	4,808,733	12,212,832
Retirement plans	5,844,218	—	5,844,218	—
OPEB	3,891,561	—	3,891,561	—
Total deferred inflows of resources	10,251,194	4,808,733	15,059,927	12,212,832
Total liabilities and deferred inflows of resources	490,992,375	34,846,287	525,838,662	48,173,149
NET POSITION				
Net investment in capital assets	403,814,689	59,970,652	463,785,341	56,547,439
Restricted:				
Net pension asset	3,542,194	—	3,542,194	—
Debt service	14,374,635	560,000	14,934,635	—
Unrestricted	129,722,181	15,373,235	145,095,416	19,421,629
Total net position	551,453,699	75,903,887	627,357,586	75,969,068
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			4,812,895	
Net position of business-type activities			<u>\$ 632,170,481</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, 2022

	Business-Type Activities			Governmental
	Water and	Other	Total	Activities
	Sewer	Enterprise Funds		Internal Service
				Funds
Operating revenues:				
User charges	\$ 62,980,872	11,828,449	74,809,321	114,739,926
Insurance recoveries	—	—	—	273,327
Miscellaneous sales and services	2,226,226	842,287	3,068,513	1,403,770
Total operating revenues	65,207,098	12,670,736	77,877,834	116,417,023
Operating expenses:				
Salaries and employee benefits	14,174,311	1,700,595	15,874,906	16,650,284
Contractual services	17,635,772	2,956,581	20,592,353	14,473,133
Supplies and materials	3,145,049	24,555	3,169,604	4,183,596
Business and travel	78,263	1,344	79,607	542,340
Vehicle fuels and supplies	1,672,563	3,672	1,676,235	4,568,528
Purchased water and transmission charges	28,776,740	—	28,776,740	—
Sewage treatment charges	4,312,194	—	4,312,194	—
Share of county administrative expenses	6,717,219	757,350	7,474,569	896,665
Insurance claims	2,459,872	—	2,459,872	68,220,479
Other administrative	66,972	95,126	162,098	2,351,412
Depreciation expense	30,418,395	2,167,182	32,585,577	11,921,172
Less: house connection and capitalized overhead costs	(10,500)	—	(10,500)	—
Total operating expenses	109,446,850	7,706,405	117,153,255	123,807,609
Operating income (loss)	(44,239,752)	4,964,331	(39,275,421)	(7,390,586)
Nonoperating revenues (expenses):				
Ad valorem charges	40,162,015	—	40,162,015	—
Water and sewer assessment charges	902,728	—	902,728	—
Interest on investments	957,282	(159,835)	797,447	(168,874)
Interest expense	(15,773,581)	(858,375)	(16,631,956)	(120,388)
Proceeds from the sale or disposition of capital assets	—	—	—	810,716
Gain (loss) on sale of capital assets	(171,080)	—	(171,080)	—
Grant	348,549	—	348,549	—
Revenue from other government	—	—	—	81,008
Other, net	—	169,782	169,782	—
Total nonoperating revenues (expenses)	26,425,913	(848,428)	25,577,485	602,462
Net income (loss) before contributions and transfers	(17,813,839)	4,115,903	(13,697,936)	(6,788,124)
Capital contributions	10,376,098	6,440,757	16,816,855	1,947,417
Transfers in	—	575,000	575,000	766,362
Transfers out	—	(5,375)	(5,375)	(604,352)
Change in net position	(7,437,741)	11,126,285	3,688,544	(4,678,697)
Net position - beginning	558,891,440	64,777,602	623,669,042	80,647,765
Net position - ending	551,453,699	75,903,887	627,357,586	75,969,068
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(289,177)	
Change in net position of business - type activities			\$ 3,399,367	

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, 2022

	Business-Type Activities			Governmental
	Water and	Other	Total	Internal
	Sewer	Enterprise Funds		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 67,770,468	11,915,813	79,686,281	114,864,631
Cash paid to suppliers	(59,756,019)	(2,976,264)	(62,732,283)	(83,824,331)
Cash paid to / for employees	(16,353,330)	(1,681,360)	(18,034,690)	(17,534,973)
Cash received on rental property	—	343,152	343,152	—
Other operating cash receipts	—	422,909	422,909	—
Cash paid for inter-fund services used	(8,514,843)	(680,681)	(9,195,524)	(12,039,756)
Other operating disbursements	—	(536,879)	(536,879)	(533,424)
Net cash provided by (used for) operating activities	(16,853,724)	6,806,690	(10,047,034)	932,147
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Inter-fund payable	—	(156,816)	(156,816)	—
Inter-fund operating transfers in	—	570,319	570,319	162,010
Net cash provided by noncapital financing activities	—	413,503	413,503	162,010
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of county bonds	24,119,687	1,557,118	25,676,805	—
Cash receipts from assessments & connection charges	41,169,428	—	41,169,428	—
Proceeds from grant	850,755	—	850,755	81,008
Proceeds from lease receivable	—	(46,780)	(46,780)	(270,053)
Payment on lease principal	—	—	—	(270,866)
Payment on lease interest	—	—	—	(1,687)
Financed purchase assets	(2,615,710)	—	(2,615,710)	—
Acquisition and construction of capital assets	(23,218,461)	—	(23,218,461)	(4,492,204)
Capital contribution	1,398,240	—	1,398,240	—
Lease related debt	2,467,634	—	2,467,634	—
Proceeds from the sale or disposition of capital assets	—	—	—	810,716
Proceeds from sale of COPs	(230,000)	—	(230,000)	—
Payment of long-term debt principal	(16,285,368)	(1,215,463)	(17,500,831)	(1,451,468)
Payment of long-term debt interest	(13,103,735)	(670,581)	(13,774,316)	(258,224)
Net cash provided by (used for) capital and related financing activities	14,552,470	(375,706)	14,176,764	(5,852,778)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	(1,621,739)	(168,386)	(1,790,125)	(168,874)
Net cash used for investing activities	(1,621,739)	(168,386)	(1,790,125)	(168,874)
Net increase (decrease) in cash and cash equivalents	(3,922,993)	6,676,101	2,753,108	(4,927,495)
Cash and cash equivalents - beginning of the year	204,347,232	13,484,622	217,831,854	60,798,563
Cash and cash equivalents - end of the year	200,424,239	20,160,723	220,584,962	55,871,068
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities				
Operating (loss) income	(44,239,752)	4,964,331	(39,275,421)	(7,390,586)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	30,418,395	2,167,182	32,585,577	11,921,172
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	2,623,158	(18,510)	2,604,648	(1,552,390)
Prepaid expenses	—	—	—	(257,042)
Inventories	(29,894)	—	(29,894)	—
Accounts payable	(6,466,765)	(326,892)	(6,793,657)	(1,233,520)
Accrued wages and benefits	—	24,327	24,327	(291,767)
Supplies and materials	—	—	—	(90,466)
Deposits and connection fees	—	—	—	6,000
Unpaid insurance claims	—	—	—	(102,645)
Unearned revenue	—	—	—	(27,455)
Compensated absences	(147,396)	(3,748)	(151,144)	(49,154)
Increase in net OPEB and pension activities	988,530	—	988,530	—
Total adjustments	27,386,028	1,842,359	29,228,387	8,322,733
Net cash provided by (used for) operating activities	\$ (16,853,724)	6,806,690	(10,047,034)	932,147

Noncash investing, capital, and financing activities:

In fiscal year 2022, \$8,977,858 was contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines.

In fiscal year 2022, \$5,554,174 and \$886,583 were contributed from various Capital Project funds to the Broadband Fund and Watershed Fund respectively.

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

Howard County, Maryland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Pension and OPEB Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash	\$ —	2,069,609
Receivables:		
Interest and dividends	1,326,227	—
Employer contributions	3,501,948	—
Member contributions	1,029,457	—
Sale of investments	2,894,317	—
Property taxes	—	287,320
Other	29,324	442,824
Investments, at fair value:		
Cash	18,095,595	—
Equities	561,341,889	—
Alternative investments	343,748,942	—
Mutual funds	196,612,130	—
Money market funds	24,538,925	—
Fixed income securities	327,618,704	—
Real assets	58,373,070	—
Prepaid expense	53,220	6,750
Total assets	1,539,163,748	2,806,503
LIABILITIES		
Accounts payable	58,715	1,655,799
Investments purchased	5,550,375	—
Due to other governments	—	10,591
Other	1,039,308	—
Total liabilities	6,648,398	1,666,390
NET POSITION		
Restricted for:		
Pensions	1,318,295,025	—
Other post-employment benefits	214,220,325	—
Individuals, organizations, and other governments	—	1,140,113
Net Position	\$ 1,532,515,350	1,140,113

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

Howard County, Maryland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Pension and OPEB Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 86,841,833	—
Member	13,646,496	—
Total contributions	100,488,329	—
Investment income (expense):		
Net change in fair value of investments	(218,279,237)	—
Interest	3,918,950	—
Dividends	44,877,909	—
Other	175,877	—
Investment expense	(3,457,626)	—
Net investment income (loss)	(172,764,127)	—
Property tax collection for other governments:		
Property taxes	—	70,719,016
Other local taxes and fees	—	159,893
Miscellaneous revenue	—	821,356
Total property tax collections and miscellaneous revenue	—	71,700,265
Total additions	(72,275,798)	71,700,265
DEDUCTIONS		
Benefits	85,058,822	—
Property taxes paid to other governments	—	71,400,605
Administrative expenses	917,414	590,435
Contractual services	—	319,813
Supplies and materials	—	43,404
Total deductions	85,976,236	72,354,257
Change in net position	(158,252,034)	(653,992)
Net position - beginning of year	1,690,767,384	1,436,537
Adjustment to beginning net position	—	357,568
Net position - beginning of year (as restated)	1,690,767,384	1,794,105
Net position - end of year	\$ 1,532,515,350	1,140,113

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

Howard County, Maryland
Combining Statement of Net Position
Component Units
June 30, 2022

	Community College	Housing Commission	Library	Public School System	Total
ASSETS					
Cash and cash equivalents	\$ 71,784,434	\$ 15,234,381	\$ 4,821,290	\$ 39,166,125	\$ 131,006,230
Investments	4,061,461	4,983,644	1,639,331	119,266,797	129,951,233
Receivables:					
Due from other governments	24,270,179	—	—	42,646,068	66,916,247
Other	550,699	2,332,760	232,773	13,206,600	16,322,832
Materials and supplies	—	—	—	1,257,775	1,257,775
Prepaid items	827,377	1,374,824	546,167	196,033	2,944,401
Restricted assets:					
Cash and cash equivalents	—	13,186,738	60,408	—	13,247,146
Investments	10,336,699	—	180,581	—	10,517,280
Mortgage receivable	—	7,390,259	—	—	7,390,259
Net pension asset	—	638,200	—	—	638,200
Capital Assets:					
Land and land improvements	459,774	81,805,821	—	34,444,050	116,709,645
Construction in progress	24,665,053	156,909	—	187,802,815	212,624,777
Buildings and improvements, net	250,846,247	154,619,766	—	1,135,961,011	1,541,427,024
Machinery and equipment, net	3,007,140	—	209,245	4,874,504	8,090,889
Other capital assets	326,981	270,177	1,333,210	10,753,149	12,683,517
Other non-current assets	53,213	—	—	—	53,213
Right of use asset, net	1,781,659	—	—	—	1,781,659
Total assets	392,970,916	281,993,479	9,023,005	1,589,574,927	2,273,562,327
DEFERRED OUTFLOWS					
Retirement plans	1,078,526	536,332	—	22,189,005	23,803,863
Other post employment benefits	11,896,185	212,577	7,197,214	349,817,760	369,123,736
Total deferred outflows	12,974,711	748,909	7,197,214	372,006,765	392,927,599
Total assets and deferred outflows	405,945,627	282,742,388	16,220,219	1,961,581,692	2,666,489,926
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	3,754,255	2,776,543	748,976	107,078,168	114,357,942
Accrued salaries and benefits	5,078,239	—	600,058	—	5,678,297
Deposits	215,432	873,011	—	—	1,088,443
Due to primary government	26,854,966	6,209,269	—	—	33,064,235
Unearned revenue	2,511,900	1,662,886	410,553	16,160,681	20,746,020
Lease Payable	639,422	—	—	—	639,422
Long-term liabilities:					
Due within one year	2,923,837	2,728,943	—	7,211,850	12,864,630
Due in more than one year, net	51,643,876	247,718,534	28,203,522	1,286,691,695	1,614,257,627
Total liabilities	93,621,927	261,969,186	29,963,109	1,417,142,394	1,802,696,616
DEFERRED INFLOWS					
Retirement plans	1,256,116	1,096,688	—	22,971,094	25,323,898
Other post employment benefits	7,975,863	587,308	2,413,511	112,786,901	123,763,583
Total deferred inflows	9,231,979	1,683,996	2,413,511	135,757,995	149,087,481
Total liabilities and deferred inflows	102,853,906	263,653,182	32,376,620	1,552,900,389	1,951,784,097
NET POSITION					
Net investment in capital assets	268,222,206	(5,801,692)	1,542,455	1,368,829,926	1,632,792,895
Restricted for:					
Net pension asset	—	638,200	—	—	638,200
Education	12,407,227	—	—	1,201,094	13,608,321
Business-type operations	1,399,944	234,234	—	—	1,634,178
Capital projects	—	—	—	3,860,977	3,860,977
Restricted for deferred support	—	—	240,989	—	240,989
Unrestricted	21,062,344	24,018,464	(17,939,845)	(965,210,694)	(938,069,731)
Total net position (deficit)	\$ 303,091,721	\$ 19,089,206	\$ (16,156,401)	\$ 408,681,303	\$ 714,705,829

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, 2022

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	\$ 136,776,111	\$ 30,781,245	\$ 38,742,523	\$ 21,249,698	\$ (46,002,645)	\$ —	\$ —	\$ —	\$ (46,002,645)
Housing commission*	53,956,560	23,979,030	991,571	14,106,185	—	(14,879,774)	—	—	(14,879,774)
Library	29,658,665	591,116	1,242,155	—	—	—	(27,825,394)	—	(27,825,394)
Public school system	1,292,774,094	12,550,618	238,796,906	123,055,678	—	—	—	(918,370,892)	(918,370,892)
Total component units	\$ 1,513,165,430	\$ 67,902,009	\$ 279,773,155	\$ 158,411,561	\$ (46,002,645)	\$ (14,879,774)	\$ (27,825,394)	\$ (918,370,892)	\$ (1,007,078,705)
General revenues:									
Appropriations from primary government					37,510,616	—	22,448,901	640,800,004	700,759,521
Intergovernmental, unrestricted					30,756,357	—	3,198,213	251,940,651	285,895,221
Investment income					(2,273,235)	1,916,471	2,480	214,948	(139,336)
Miscellaneous					—	12,773,962	—	40,811,420	53,585,382
Total general revenues					65,993,738	14,690,433	25,649,594	933,767,023	1,040,100,788
Change in net position					19,991,093	(189,341)	(2,175,800)	15,396,131	33,022,083
Net position - beginning					283,100,628	19,278,547	(13,980,601)	393,285,172	681,683,746
Net position - end of year					\$ 303,091,721	\$ 19,089,206	\$ (16,156,401)	\$ 408,681,303	\$ 714,705,829

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

Howard Community College
10901 Little Patuxent Parkway
Columbia, Maryland 21044

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The County considers all revenues, with the exception of income tax revenue, to be available if they are collected within sixty days after the end of the current fiscal period. Income tax revenue is considered to be available if it is collected within thirty days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Howard County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary fund:

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

The County reports the following fund types:

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

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

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

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

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

Custodial Funds are used to account for resources held in a custodial capacity on behalf of parties outside the government, including money paid by residents for state property tax, the detention center inmates, friends of RNC, police contraband, 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 2022, the Council approved four operating budget supplements and one capital budget transfer.

Budgetary data, as revised, is presented in the Basic Financial Statements for the General 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 and Prepaids

Materials and Supplies

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

Prepaids

The County uses the consumption method to account for prepaid. Prepaids include payments made to vendors for services that will benefit future periods beyond the end of the fiscal year. In governmental funds, fund balance equivalent to year-end prepaid values is classified as nonspendable to indicate that portion of the fund balance is not available in a spendable form.

H. Capital Assets

As Howard County constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease equipment, the measurement of which is discussed in Note 10). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Betterments and major improvements that significantly increases values, change capacities or extend useful lives are capitalized. 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.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-to-use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	50
Improvements	5-50
Machinery, equipment, and vehicles	5-20
Right-to-use leased equipment	1-50
Infrastructure	15-40
Water and sewer lines	50-100

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 assets 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 assets 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. In addition the government-wide financial statements reports deferred amounts related to leases, refunding gain, and grant revenue.

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, prepaid taxes, and lease revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Net Position Flow Assumptions

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

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

N. Fund Balance Flow Assumptions

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

O. Fund Balance

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

Nonspendable – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact such as a permanent fund and (3) receivables due in more than one year. Not in spendable form includes items that are not expected to be converted to cash, such as inventories, prepaid items and long term loan receivables.

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

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

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

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

P. Reconciliation Between GAAP and Budgetary Basis

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

The financial statements are reconciled below:

	General Fund	Grant Fund
Budgetary basis - revenues and other sources over expenditures and other uses	\$ 76,753,848	(2,395,911)
Current year encumbrances outstanding	12,717,721	1,041,743
Prior year encumbrances expended this year	(12,451,068)	(599,789)
Effect of recording contractual service expenditures modified accrual basis	(1,105,598)	606,672
Unbudgeted transfers	88,988	—
Other	(58,085)	(42,264)
GAAP basis - net change in fund balance	\$ 75,945,806	(1,389,549)

The ending fund balances are reconciled as follows:

	General Fund	Grant Fund
Budgetary basis - ending fund balance	\$ 398,975,294	(3,656,546)
Adjustments:		
Elimination of encumbrances outstanding	17,296,596	1,105,006
Accruals	(2,364,541)	(4,158)
Other	(1,837,257)	(3,172,471)
GAAP basis - ending fund balance	\$ 412,070,092	(5,728,169)

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 2022 budget was prepared, the fiscal year 2020 financial statements were the most recently completed and audited. Therefore, the charter target is based upon fiscal year 2020 audited expenditures. An increase of \$2,537,091 was made to the fund in fiscal year 2022, which resulted in achieving the charter target of \$80,189,893.

The budget stabilization account is calculated as follows:

Budget Fiscal Year	Audited Expenditures from Fiscal Year	Audited Expenditures*	Percentage	Charter Target
2022	2020	1,145,569,907	7%	\$ 80,189,893
2023	2021	1,156,970,261	7%	\$ 80,987,918
2024	2022	1,214,785,389	7%	\$ 85,034,977

*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	\$ 289,172,801
Business-type activities	18,476,829
Component units activities	19,982,665
Total	\$ 327,632,295

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. Leases

Lessee: The County is a lessee for noncancellable leases of equipment and real estate. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for a noncancellable lease of a building. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for lease, unless it is explicitly stated in the lease agreement.
- The lease term includes the noncancellable period explicitly stated within the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

U. Implementation of New Accounting Principles

The County adopted two new statements of financial accounting standards this fiscal year. Statement No. 87, "Leases," effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. A lease is defined as a contract that conveys control of the right-to-use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The required changes are reflected in the County's financial statements.

Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for

accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. Early adoption was chosen by the County and reflected in the County's 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 \$8,925,237 and the bank balance was \$55,452,768, 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 \$12,724 at June 30, 2022.

The County's component units had a combined bank balance of \$79,013,243, of which \$2,791,022, 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 reconcile the County's deposits and investments to the Government-Wide Statement of Net Position and the Statement of Fiduciary Net Position:

	Primary Government	Component Units	Custodial Funds
Statement of Net Position Amounts:			
Equity in pooled cash	\$ 713,174,934	131,006,230	2,069,609
Cash with fiscal agent	7,916,802	—	—
Restricted equity in pooled cash and cash equivalents	193,143,875	13,247,146	—
Investments	17,004,191	140,468,513	—
Total	931,239,802	284,721,889	2,069,609
Deposits and Investment Summary:			
Carrying value of cash deposits	6,855,628	144,253,376	2,069,609
Fair market value of Investments	924,384,174	140,468,513	—
Total	\$ 931,239,802	284,721,889	2,069,609

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	\$ 255,145,491	—	255,145,491
U.S. Government - Sponsored Enterprises	272,740,891	—	272,740,891
Supranationals	22,765,150	—	22,765,150
Maryland Local Govt. Investment Pool	324,603,289	120,085,881	444,689,170
Money market funds	49,129,353	—	49,129,353
Fixed income	—	4,863,468	4,863,468
Mutual funds	—	9,398,155	9,398,155
Interest in irrevocable trust	—	136,537	136,537
Treasury bills	—	1,000,828	1,000,828
Equity in properties under home ownership	—	4,983,644	4,983,644
Total	\$ 924,384,174	140,468,513	1,064,852,687

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, 2022:

Investments by fair value level:	Total	Primary Government Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities	\$ 255,145,491	255,145,491	—	—
U.S. Government - Sponsored Enterprises	272,740,891	—	272,740,891	—
Supranationals	22,765,150	—	22,765,150	—
Total investments by fair value level	550,651,532	255,145,491	295,506,041	—
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	324,603,289			
Money market funds	49,129,353			
Investments measured at amortized cost	373,732,642			
Total investments	\$ 924,384,174			

	Total	Component Units		
		Fair Value Measurements Using		
Investments by fair value level:		(Level 1)	(Level 2)	(Level 3)
Treasury bills	\$ 1,000,828	1,000,828	—	—
Fixed income	4,863,468	4,863,468	—	—
Mutual funds	9,398,155	9,398,155	—	—
Interest in irrevocable trust	136,537	—	136,537	—
Total investments by fair value level	15,398,988	15,262,451	136,537	—
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	120,085,881			
Investments measured at amortized cost	120,085,881			
Investments measured at the net asset value (NAV):				
Equity in properties under home ownership	4,983,644			
Total investments measured at the NAV	4,983,644			
Total investments	\$ 140,468,513			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy refers to securities not traded on an active market but for which observable market inputs are readily available. Level 3 of the fair value hierarchy refers to securities with valuation methodology that are unobservable and significant to the fair value measurement. Fixed income securities are priced on a daily basis, mark 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	\$ 255,145,491	0.82
U.S. Government - Sponsored Enterprises	272,740,891	0.38
Supranationals	22,765,150	0.50
Total	\$ 550,651,532	
Portfolio weighted average maturity		0.59

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 AAA by Standard & Poor's. Investments in short-term commercial paper is rated P-1 by Moody's Investor Services.

Concentration of Credit Risk: The County's investment policy places no limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in the Federal Home Loan Bank and Federal Farm Credit Bank. At fiscal year-end, investments in these U.S. Government Sponsored Enterprises represent 49.53% of the County's total investments.

B. Pension Trust Funds' Cash and Investments

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

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

Asset Class	Minimum Allocation	Target	Maximum Allocation
Equities	35.0%	45.0%	55.0%
Fixed income	13.0%	23.0%	33.0%
Alternative investments	21.0%	26.0%	31.0%
Real assets	2.0%	6.0%	11.0%

Investments of the Plans at fiscal year-end:

Investments	Fair Value/NAV
Equities	\$ 561,341,889
Fixed income	327,618,704
Alternative investments	343,748,942
Real assets	58,373,070
Money market funds	24,464,671
Total	\$ 1,315,547,276

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	\$ 29,783,266	14.24
U.S. Government - Sponsored Enterprises	21,767,447	25.29
Government Issued / Treasuries	77,308,299	12.79
Other asset backed securities	4,256,375	20.23
Collateralized mortgage obligations	6,464,098	43.84
Municipal securities	1,297,430	15.33
Interest rate swap	(367,542)	4.79
Commingled funds and preferred stock identified as fixed income for reporting purposes	187,109,331	N/A
Total	\$ 327,618,704	
Portfolio weighted average maturity		16.73

Credit Risk: The demand deposit accounts (DDA's) held by State Street Bank are unrated, as are the mutual funds used by the Plans. At fiscal year-end, the Plans' fixed income investments had the following risk characteristics:

Standard & Poor's Rating or Comparable	Fair Value
AA to A-	\$ 8,624,192
BBB to BB-	26,712,879
Not rated	292,281,633
Total	\$ 327,618,704

Custodial Credit Risk: State Street Bank invests in interest bearing DDA's in the name of the Plan for all accounts and pays interest equal to the effective Federal Funds rate, which are included in money markets on the Statements of Fiduciary Net Position. At fiscal year-end, the amount in this fund at fair value was \$24,464,671 which was partially used for settlement of open purchases of \$5,550,375. All other investments of the fund are held by State Street Bank as trustee in the Plans' names.

Credit Risk - Currency Forward Contracts, Futures and Options:

One of the Plan's 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 Plan invested in some funds that hold currency forward-contracts and invest in futures and options. This strategy is undertaken to protect the dollar value of underlying international investments. The Plan's share of unrealized gain from currency forward contracts was \$107,292 and from futures and options was \$2,993 and \$757, respectively for the fiscal year.

Foreign Currency Risk: The Plans' exposure to foreign currency risk derives from its investments in foreign currency or instruments denominated in foreign currency. Investments in such securities are limited to a maximum net currency exposure of 36.50% at any given time. These pool of assets may also include hedged assets, therefore, reducing the overall currency risk. The Plans were also exposed to foreign currency risk through the Pool's investments in Euro denominated alternative investments. The Pool total of these investments were \$15,970,464 and \$21,246,284 in 2022 and 2021, respectively.

Derivatives - Interest Rate Swaps:

In accordance with the investment policy, during FY 2022, the fixed income manager invested in interest rate swaps which are forward contracts between two parties to exchange or swap one stream of interest payments for another, over a set period of time. Interest rate swaps can exchange fixed or floating rates in order to reduce or increase exposure to fluctuations in interest rates. The following table represents the balances relating to interest rate swaps and the related cash collaterals as of June 30, 2022:

Type	Objective	Notional Amount	Maturity Date	Terms	Base Market Value	Counterparty Credit Rating
Interest Rate Swap	Interest rate exposure and hedging	1,573,144	10/23/53	Receive 12M SOFR, Pay 1.75%	1,600,000	Not rated
Interest Rate Swap	Interest rate exposure and hedging	(1,600,000)	10/23/53	Receive 12M SOFR, Pay 1.75%	(1,345,156)	Not rated
Interest Rate Swap	Interest rate exposure and hedging	7,816,876	10/23/28	Receive 1.60%, Pay 12M SOFR	7,423,254	Not rated
Interest Rate Swap	Interest rate exposure and hedging	(7,800,000)	10/23/28	Receive 1.60%, Pay 12M SOFR	(7,800,000)	Not rated
Interest Rate Swap	Interest rate exposure and hedging	(1,400,000)	06/15/52	Receive 1.75%, Pay 12M SOFR	(1,400,000)	Not rated
Interest Rate Swap	Interest rate exposure and hedging	1,150,368	06/15/52	Receive 1.75%, Pay 12M SOFR	1,154,360	Not rated
Cash collateral *	Cash backing for derivative positions	466,000			466,000	

* Cash collateral for \$466,000 was invested in Futures.

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, 2022:

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)	\$ 6,464,098	—	6,464,098	—
Corporate bonds	29,783,266	—	29,783,266	—
Commingled funds (fixed income)	101,060,461	51,789,628	49,270,833	—
FHLMC and FNMA bonds	21,767,447	—	21,767,447	—
U.S. Treasury Securities	77,308,299	—	77,308,299	—
Short term fixed income securities	9,824,521	—	9,824,521	—
Municipals bonds	1,297,430	—	1,297,430	—
Other asset backed securities	4,256,375	—	4,256,375	—
Preferred stock	1,122,920	1,122,920	—	—
Total debt securities	252,884,817	52,912,548	199,972,269	—
Equity securities:				
Common Stocks	352,330,485	352,330,485	—	—
Emerging Market Equity Portfolio	100,329,223	100,329,223	—	—
Real Estate Investment Trusts (REITS)	2,101,315	2,101,315	—	—
Total equity securities	454,761,023	454,761,023	—	—
Total investment by fair value level	707,645,840	507,673,571	199,972,269	—
Investments measured at the net asset value (NAV):				
Private equity funds	206,157,778			
Private credit funds	11,344,020			
Hedge funds	126,247,144			
Real assets funds	58,373,070			
International equity funds	68,712,320			
Commingled fund within international equities	37,868,547			
Commingled fund within international fixed income	50,026,665			
Commingled fund within domestic fixed income	24,608,763			
Total investments measured at the NAV	583,338,307			
Total investments measured at fair value/NAV*	\$ 1,290,984,147			
Investment derivative instruments				
Interest rate swaps - Long	\$ 10,177,614			
Interest rate swaps - Short	(10,545,156)			
Futures - cash collaterals	466,000			
Total investment derivative instruments	\$ 98,458			

*Does not include money market funds totaling \$24,464,671

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, mark 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	\$ 206,157,778	48,346,260	Illiquid	N/A
Private credit funds	11,344,020	13,750,000	Illiquid	N/A
Equity Hedge fund 1	65,113,695	—	Quarterly	65 days
Equity Hedge fund 2	61,133,449	—	Semi Annually	95 days
Real assets funds	58,373,070	21,055,188	Illiquid	N/A
International equity funds	68,712,320	—	Monthly	15 days
Commingled fund within international equities	37,868,547	—	Weekly	3 days
Commingled fund within international fixed income	50,026,665	—	Bi-monthly	5 days
Commingled fund within domestic fixed income	24,608,763	—	Daily	1 day
	<u>\$ 583,338,307</u>	<u>83,151,448</u>		

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

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

Equity Hedge Funds: This represents investments in two Hedge Fund of Fund ("FOF") managers. Each FOF manager invests in underlying hedge funds to provide a broadly diversified portfolio. One invests with 10 – 20 underlying managers/funds to execute its global market strategy. The other invests in 20 – 40 underlying managers/funds in a relative value mandate. The hedge fund strategy is designed to diversify by manager/fund to reduce single manager/fund risk while offering portfolio diversification and provide a return profile that is uncorrelated to the rest of the assets in the portfolio. The fair values of the investments are determined using the NAV per share (or its equivalent) of the investments. These funds have liquidity restrictions of 3 to 6 months.

Real Asset Funds: This represents funds that invest in institutional real estate (office, multi-family, industrial, and retail), natural resources, and infrastructure 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 FOF strategy. The global FOF manager invests across Directs, Primaries, and Secondaries. The natural resources investments are through FOF strategies and may invest in 10-25 underlying relationships as they build a diversified portfolio with exposure to oil, natural gas, agriculture, timber and other natural resources. The infrastructure managers will invest in direct portfolio companies in communications, transportations, and energy transition sectors. Capital commitments are made to these types of investments and funds are invested through a call down structure. These funds have liquidity restrictions for the life of the investment, 7-10 years. Options for exit are limited to sale on the secondary market.

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

Commingled Fund within International Equities: This represents investments made in predominantly listed large and mega capitalization securities in emerging markets. The objective of this fund is to achieve a long-term return above a passive benchmark (e.g. MSCI EM Index). The manager employs a flexible, research intensive investment approach to own high quality businesses over the long term. NAVs are normally calculated as of 4:00 PM Eastern Time for each business day the relevant exchange is open. Securities for which market quotations are readily available and reliable are to be valued using the applicable market quotations.

Commingled Fund within International Fixed Income: This represents investments primarily in a globally diversified portfolio of high quality sovereign bonds and currencies in emerging markets (non U.S. issuers; e.g. MSCI EM). The objective of this fund is to generate income, preserve capital, and enhance principal above a passive benchmark (JP Morgan GBI-EM Global Diversified Index). NAV for the Fund is only calculated twice a month on the last business day and the 15th (or next business day if the 15th is a non-business day). The ownership interest is only in the units of the Fund and not the underlying holding or securities of the Fund.

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

C. 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	\$ 18,095,595
Mutual funds	196,612,130
Money market funds	74,254
Total	\$ 214,781,979

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, 2022:

Investments by fair value level	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds:				
Mutual funds - equity	\$ 133,240,559	133,240,559	—	—
Mutual funds - fixed Income	63,371,571	63,371,571	—	—
Total mutual funds	196,612,130	196,612,130	—	—
Total investment by fair value level *	\$ 196,612,130	196,612,130	—	—

*Does not include cash and money market funds totaling \$18,169,849 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	\$ 9,566,462	—	—	365,891	287,320	1,700,463	11,920,136
Due from other governments	305,862,933	4,347,158	11,044,299	862,866	—	1,741,337	323,858,593
Due from component units	9,369,743	17,485,222	—	—	—	6,209,270	33,064,235
Lease Receivable	369,404	—	—	—	—	17,349,964	17,719,368
Housing loans	—	—	—	—	—	16,192,637	16,192,637
Economic development loans	—	—	486,928	—	—	—	486,928
Other	1,640,307	—	323,034	850,806	9,224,097	5,781,316	17,819,560
Service billings	—	—	—	11,835,743	—	211,276	12,047,019
Water and sewer assessments	—	—	—	14,374,635	—	—	14,374,635
Gross receivables	326,808,849	21,832,380	11,854,261	28,289,941	9,511,417	49,186,263	447,483,111
Less: Allowance for uncollectibles	(1,886,547)	—	—	—	—	—	(1,886,547)
Total Receivables	\$324,922,302	21,832,380	11,854,261	28,289,941	9,511,417	49,186,263	445,596,564

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. Amounts other than leases receivable are (net of allowance for doubtful accounts).

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 Capital Projects	\$ 72,771,683
General Fund	Special Recreation Facility	3,216,470
		<u>75,988,153</u>
Recreation Program Fund	Special Recreation Facility	422,000
		<u>422,000</u>
Total Inter-fund Receivable/Payable		\$ 76,410,153

The balances are cash deficits related to normal operations.

Transfers:

Interfund transfers for the year consisted of the following:

Fund	General Fund	General Capital Projects Fund	Grant Fund	Non-Major Governmental Funds					Internal Service Funds	Total In
				Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds			
Major Funds										
General Fund	\$ 2,648 *	5,975,787	38,674	2,197,191	701	16,703,901	5,375	29,352	24,953,629	
General Capital Projects Fund	18,275,911	—	—	—	—	—	—	—	18,275,911	
Non-Major Funds										
Special Revenue	6,870,747	3,000,000	—	—	—	—	—	—	9,870,747	
Debt Service	513,165	—	—	—	—	—	—	—	513,165	
Capital Projects	12,169,529	—	—	500,000	—	—	—	—	12,669,529	
Enterprise Funds	—	—	—	—	—	—	—	575,000	575,000	
Internal Service Funds	—	—	—	766,362	—	—	—	—	766,362	
Total Out	\$37,832,000	8,975,787	38,674	3,463,553	701	16,703,901	5,375	604,352	67,624,343	

(*) Interfund transfers from General Fund to the Citizen's Elections Fund.

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

6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 639,811,353	13,748,150	—	—	653,559,503
Construction in progress	74,183,801	152,882,627	134,837,151	—	92,229,277
Total capital assets, not being depreciated	713,995,154	166,630,777	134,837,151	—	745,788,780
Capital assets being depreciated/amortized:					
Buildings	423,114,778	178,835,076	—	—	601,949,854
Improvements other than buildings	323,936,494	19,239,091	—	—	343,175,585
Machinery and equipment	234,223,937	14,155,927	7,418,015	(108,762)	240,853,087
Infrastructure	610,010,115	17,849,198	—	—	627,859,313
Right-to-use leased buildings and equipment	—	100,008,870	—	—	100,008,870
Total capital assets, being depreciated/amortized	1,591,285,324	330,088,162	7,418,015	(108,762)	1,913,846,709
Less accumulated depreciation/amortization for:					
Buildings	137,019,684	9,708,037	—	—	146,727,721
Improvements other than buildings	172,548,284	18,961,061	—	—	191,509,345
Machinery and equipment	146,883,729	18,156,511	7,115,106	6,843	157,918,291
Infrastructure	282,039,183	18,568,288	—	—	300,607,471
Right-to-use leased buildings and equipment	—	6,849,900	—	—	6,849,900
Total accumulated depreciation/amortization	738,490,880	72,243,797	7,115,106	6,843	803,612,728
Total capital assets, being depreciated/amortized, net	852,794,444	257,844,365	302,909	(101,919)	1,110,233,981
Governmental activities capital assets, net	\$1,566,789,598	424,475,142	135,140,060	(101,919)	1,856,022,761

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

Governmental activities:	Amount
General government	\$ 12,168,766
Public safety	7,106,622
Public facilities	41,666,684
Legislative and judicial	244,288
Community services	456,698
Recreation and parks	8,011,958
Education	2,588,781
Total depreciation/amortization expense - governmental activities	\$ 72,243,797

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 12,568,603	—	—	—	12,568,603
Construction in progress	45,227,415	34,937,490	41,980,440	—	38,184,465
Total capital assets, not being depreciated	57,796,018	34,937,490	41,980,440	—	50,753,068
Capital assets being depreciated/amortized:					
Buildings	238,250,441	—	—	—	238,250,441
Improvements other than buildings	88,689,235	6,926,639	—	—	95,615,874
Machinery and Equipment	19,687,076	1,187,289	260,778	108,762	20,722,349
Infrastructure	998,466,584	37,300,384	—	—	1,035,766,968
Right-to-use leased equipment	—	2,615,710	—	—	2,615,710
Total capital assets, being depreciated/ amortized	1,345,093,336	48,030,022	260,778	108,762	1,392,971,342
Less accumulated depreciation/amortization for:					
Buildings	102,162,744	4,633,691	—	—	106,796,435
Improvements other than buildings	58,176,769	3,489,026	—	—	61,665,795
Machinery and Equipment	10,814,360	1,488,649	253,493	(6,843)	12,056,359
Infrastructure	362,161,170	22,782,818	—	—	384,943,988
Right-to-use leased equipment	—	191,393	—	—	191,393
Total accumulated depreciation/ amortization	533,315,043	32,585,577	253,493	(6,843)	565,653,970
Total capital assets, being depreciated/ amortized, net	811,778,293	15,444,445	7,285	101,919	827,317,372
Business-type activities capital assets, net	\$ 869,574,311	50,381,935	41,987,725	101,919	878,070,440

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

Business-type activities:	Amount
Water and sewer system	\$ 30,418,395
Golf course	143,677
Inter-County Broadband	880,762
Watershed	1,142,743
Total depreciation/amortization expense - business-type activities	\$ 32,585,577

Construction Commitments:

Total construction encumbrances outstanding at fiscal year-end were \$105,956,215.

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	2023 - 2042	1.22% to 5.00%	\$ 1,178,406,157
Total debt subject to statutory limit			<u>1,178,406,157</u>
Tax increment financing bonds	2023 - 2048	4.00% to 6.10%	64,450,000
Long-term financed purchase	various	1.60% to 5.00%	4,110,090
Availability payment arrangement	various	not applicable	100,653,579
Certificates of participation	various	5.00%	15,350,000
Agricultural land preservation program	2023-2042	1.00% to 8.60%	59,440,666
Total Governmental Activities			(1) <u>\$ 1,422,410,492</u>
Business Type Activities:			
Metropolitan district bonds	2023 - 2052	1.22% to 5.00%	\$ 387,045,000
State water quality revolving loan	2023 - 2031	1.00% to 2.40%	3,972,046
Consolidated public improvement bonds - watershed protection	2023 - 2042	1.75% to 5.00%	18,390,567
Special facility revenue bonds	2023	2.475%	650,000
MDE Loan	2023 - 2028	2.95%	1,109,871
Certificates of participation - water meter	2023 - 2030	5%	2,050,000
Consolidated public improvement bonds - broadband	2023 - 2041	1.22 - 3.10%	2,353,276
Total Business Type Activities			(2) <u>\$ 415,570,760</u>
Total			<u>\$ 1,837,981,252</u>

Note (1): Does not include deferred refunding premium liability of \$128,228,608, compensated absences of \$32,200,569, net OPEB liability of \$507,270,174, LOSAP liability of \$41,657,520, landfill closure liability of \$25,285,000, unpaid claims of \$23,389,970, other non-current liabilities of \$8,555,673, lease liability of \$94,827,601 and unamortized bond discount of \$21,850 included in the Statement of Net Position.

Note (2): Does not include deferred refunding premium \$30,351,304 compensated absences liability of \$1,096,317, net OPEB liability of \$34,646,529, major water and sewer agreements \$726,002, and lease liability of \$2,467,634 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 \$2,827,202,032 providing a debt margin of \$1,443,488,364. The authorized, unissued General County Bonds, Metropolitan District Bonds and Tax Increment Finance Bonds at fiscal year-end were \$359,223,061, \$172,957,038 and \$41,775,000, respectively. It is the County's intent to use such unissued bonds to fund future capital projects. There is no overlapping municipal bonded debt in the County and the County is in compliance with debt agreement provisions.

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Consolidated public improvement bonds	\$ 1,205,492,685	50,282,601	77,369,129	1,178,406,157	87,792,731
Tax increment financing bonds	64,695,000	—	245,000	64,450,000	275,000
Compensated absences	32,815,099	2,815,047	3,429,577	32,200,569	536,536
Long-term financed purchase	4,589,691	2,177,784	2,657,385	4,110,090	1,400,385
Availability payment arrangement	—	102,009,225	1,355,646	100,653,579	1,568,521
Certificates of participation	17,775,000	—	2,425,000	15,350,000	2,530,000
Landfill closure obligation	23,658,000	1,627,000	—	25,285,000	6,831,372
Agricultural land preservation program	59,546,201	7,050,045	7,155,580	59,440,666	3,758,082
Deferred refunding premium	136,769,690	4,589,177	13,130,259	128,228,608	—
Unpaid Claims	23,492,615	1,445,273	1,547,918	23,389,970	8,749,797
Net OPEB liability	447,445,173	59,825,001	—	507,270,174	—
Net pension liability	175,055,458	—	175,055,458	—	—
Length of service award program liability	35,707,341	5,950,179	—	41,657,520	—
Lease liability	—	99,522,368	4,694,767	94,827,601	5,169,101
Other non-current liabilities	9,130,224	12,148	586,699	8,555,673	—
Total Governmental Activities	(1) \$ 2,236,172,177	337,305,848	289,652,418	(2) 2,283,825,607	118,611,525
Business Type Activities:					
Metropolitan district bonds	\$ 381,275,000	18,445,000	12,675,000	387,045,000	13,585,000
State water quality revolving loan	7,582,414	—	3,610,368	3,972,046	1,528,976
Consolidated public improvement bonds - Watershed Protection	17,271,605	1,582,398	463,436	18,390,567	659,835
Consolidated public improvement bonds - Broadband	2,415,710	—	62,434	2,353,276	1,087,434
MDE Loan	1,264,464	—	154,593	1,109,871	159,140
Certificates of participation - water meter	2,280,000	—	230,000	2,050,000	230,000
Special facility revenue bonds	1,185,000	—	535,000	650,000	650,000
Compensated absences	1,247,462	14,132	165,277	1,096,317	10,495
Major water and sewer agreements	775,683	—	49,681	726,002	49,700
Deferred refunding premium	30,707,457	1,253,055	1,609,208	30,351,304	—
Net OPEB liability	30,560,484	4,086,045	—	34,646,529	—
Net pension liability	3,231,135	—	3,231,135	—	—
Lease liability	—	2,615,710	148,076	2,467,634	151,563
Total Business Type Activities	\$ 479,796,414	27,996,340	22,934,208	484,858,546	18,112,143
Total	\$ 2,715,968,591	365,302,188	312,586,626	2,768,684,153	136,723,668

Note (1) Restated to include other non-current liabilities previously reported in the footnote.

(2) Does not include unamortized bond discount of \$21,850 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/assets 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 March 15, 2022, the County issued \$51,865,000 in Consolidated Public Improvement Project Bonds 2022 Series A and \$18,445,000 in Metropolitan District Project Bonds, 2022 Series B. The true interest costs were 2.24% and 2.67% for the Series A and B respectively. The County issued these bonds to pay off \$10,000,097 of outstanding Consolidated Public Improvement Bond Anticipation Notes, 2020 Series (BANs); reimburse the County for costs related to capital projects; and to pay bond issuance costs.

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

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

- The Board of Education (Public School System) and the Community College have no authority to issue bonded debt. The authority rests with the County subject to approval of the Council. The County had approximately \$513,009,150 of its net Consolidated Public Improvement general obligation bonds outstanding that are related to capital facilities of the component units at fiscal year end.
- The Metropolitan District Act requires Baltimore City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro rata basis for construction of certain City-owned water and sewer capital projects that serve the Metropolitan District. Since 2004, the County has contributed approximately \$85.4 million toward these City-owned facilities that are funded primarily with bond proceeds. The County estimates 2.78% of its net Metropolitan District general obligation bonds outstanding or \$10.8 million is related to these facilities at fiscal year-end.

Since 1993, the County has participated in the State Water Quality Revolving Loan Program. Under this program, the State makes loans to local governments with interest rates that are below the market rate for tax exempt financing. As of fiscal year-end, the County has borrowed \$91,255,779, of which \$77,045,779 was borrowed by the Water and Sewer Enterprise Fund to expand the County's water reclamation. The outstanding balances of these loans are \$3,972,046.

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

In prior years, the County defeased certain Consolidated Public Improvement and Metropolitan District bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included as long-term obligations of the County. At fiscal year-end, \$179,761,000 of Consolidated Public Improvement Bonds and \$51,995,000 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 2022, the net available revenue and debt service payments were \$766,061 and \$558,296 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, 2022 was \$37,609,720. The agreement will expire on May 14, 2023 and the County intends to pay-off prior to the expiration date.

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

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

Debt service requirements of governmental activities:

Year ending June 30:	General County Bonds		Agricultural Land Program		Long-term Financed Purchase		Certificates of Participation			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2023	\$ 87,792,731	45,953,831	3,758,082	2,182,168	1,036,583	68,779	2,530,000	704,250		
2024	88,218,920	42,144,603	13,988,082	2,098,211	723,423	49,621	2,695,000	573,625		
2025	89,837,023	38,370,440	3,758,082	1,225,079	359,509	39,758	2,880,000	434,250		
2026	87,128,229	34,627,369	4,319,082	1,119,373	283,000	34,664	2,230,000	306,500		
2027	84,884,275	30,856,071	8,983,082	833,173	287,000	30,120	1,335,000	217,375		
2028 - 2032	380,672,820	99,764,418	17,680,388	1,459,600	1,507,000	79,864	3,680,000	258,000		
2033 - 2037	264,923,391	34,944,387	4,844,371	302,365	160,000	1,280	—	—		
2038 - 2042	94,948,768	4,472,703	2,109,497	50,566	—	—	—	—		
Total	\$ 1,178,406,157	331,133,822	59,440,666	9,270,535	4,356,515	(1)	304,086	(1)	15,350,000	2,494,000

(1) Reflects amortization of final approved contracts whereas the financial statements reflect the actual drawn amounts.

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 *
2023	\$ 13,585,000	13,618,523	650,000	2,588	1,528,976	136,226	1,087,434	60,567	659,835	751,774	159,140	31,131
2024	13,635,000	13,051,181	—	—	887,329	107,245	62,434	29,018	688,646	723,091	163,896	26,376
2025	14,265,000	12,417,363	—	—	242,057	32,010	63,994	28,135	723,983	687,775	168,935	21,336
2026	14,790,000	11,742,820	—	—	245,272	28,795	65,555	27,161	761,216	650,645	174,058	16,213
2027	15,275,000	11,039,720	—	—	248,538	25,529	65,555	26,074	800,170	611,611	179,336	10,935
2028 - 2032	75,920,000	45,095,406	—	—	819,874	63,842	351,189	110,484	4,655,991	2,401,614	264,506	6,157
2033 - 2037	81,690,000	30,620,862	—	—	—	—	393,332	68,446	5,818,277	1,239,426	—	—
2038 - 2042	73,405,000	18,786,942	—	—	—	—	263,783	12,443	4,282,449	235,277	—	—
2043 - 2047	59,315,000	8,507,059	—	—	—	—	—	—	—	—	—	—
2048 - 2052	25,165,000	1,152,851	—	—	—	—	—	—	—	—	—	—
Total	\$ 387,045,000	166,032,727	650,000	2,588	3,972,046	393,647	2,353,276	362,328	18,390,567	7,301,213	1,109,871	112,148

*Includes administrative fees.

Debt service requirements of business-type activities (continued):

Year ending June 30:	Certificates of Participation - Water Meter	
	Principal	Interest
2023	\$ 230,000	96,750
2024	245,000	84,875
2025	255,000	72,375
2026	270,000	59,250
2027	285,000	45,375
2028 - 2032	765,000	50,125
Total	\$ 2,050,000	408,750

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 \$30,041,315. 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, \$2,179 is being held by an escrow agent for fiscal year 2023 debt service. Pledged revenues of \$1,057,806 were recognized in fiscal year 2022. The outstanding debt of \$16,525,000 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 \$78,685,036. 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, \$5,810 is being held by an escrow agent for fiscal year 2023 debt service. Pledged revenues of \$4,379,428 were recognized in fiscal year 2022. The outstanding debt of \$47,925,000 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		
	Principal	Interest	Annual Debt Service
2023	\$ 275,000	3,079,984	3,354,984
2024	690,000	3,067,584	3,757,584
2025	705,000	3,038,344	3,743,344
2026	1,150,000	3,005,824	4,155,824
2027	1,415,000	2,954,874	4,369,874
2028 - 2032	8,920,000	13,716,919	22,636,919
2033 - 2037	12,575,000	11,331,566	23,906,566
2038 - 2042	20,155,000	7,629,030	27,784,030
2043 - 2047	18,565,000	2,051,975	20,616,975
Total	\$ 64,450,000	49,876,100	114,326,100

Availability Payment Arrangement

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" or the Project Company) for the design, construction, partial financing, operation and maintenance of a new Courthouse and related Parking Structure to be located on the Project Site located at 9250 Judicial Way (formerly known as 9240 and 9250 Bendix Road) in Ellicott City. The County reached commercial and financial close with ESJP on October 16, 2018. Council Bill 41-2017 authorized the issuance of General Obligation bonds to finance the milestone payment. The County paid ESJP \$78 million upon occupancy in July 2021.

The County makes monthly payments consisting of capital and facilities management charges, meeting GASB Statement No. 94's definition of an Availability Payment Arrangement. The County has recognized \$100,653,579 at an imputed discount rate of 5.07%, and will continue to make monthly payments to the Project Company through 2051, or the "expiration date." The fixed capital charge is for the design, build and construction of the Courthouse. The facilities management charge is index-linked and related to the Project Company's performance in operating and maintaining the Courthouse. The facilities management charges are recognized as outflows on the financial statements. The Project Company is responsible for obtaining and repaying all construction and other financing necessary for the Project at its own cost and risk and without recourse to the County and, exclusively bears the risk of any changes in the interest rate, payment provisions or the other terms and conditions of its financing.

A summary of the fixed capital charges required to maturity, including principal and interest, for the long-term obligations at fiscal year-end are below.

Year ending June 30:	Courthouse Availability Payment		
	Principal	Interest	Annual Debt Service
2023	1,568,521	5,055,027	6,623,548
2024	1,649,722	4,973,826	6,623,548
2025	1,735,127	4,888,421	6,623,548
2026	1,824,953	4,798,595	6,623,548
2027	1,919,429	4,704,119	6,623,548
2028 - 2032	11,194,617	21,923,123	33,117,740
2033 - 2037	14,408,259	18,709,481	33,117,740
2038 - 2042	18,544,441	14,573,299	33,117,740
2043 - 2047	23,867,998	9,249,742	33,117,740
2024 - 2051	23,940,512	2,553,680	26,494,192
	100,653,579	91,429,313	192,082,892

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 (asset)	\$ 48,455,706	19,180,955	13,068,948	54,567,713
*Housing:				
Loans, compensated absences and net pension liability	247,103,798	53,430,281	50,086,602	250,447,477
Library:				
Compensated absences and net OPEB liability	24,647,812	3,604,506	48,796	28,203,522
Public School System:				
Long-term financed purchase, workers compensation, compensated absences, net OPEB liability and net pension liability (asset)	1,165,908,742	134,394,233	6,399,430	1,293,903,545
Total	\$ 1,486,116,058	210,609,975	69,603,776	1,627,122,257

*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	\$ 10,000,097	37,609,720	10,000,097	37,609,720

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 18 series of conduit debt outstanding. The aggregate principal amount outstanding for the 10 series issued after July 1, 1996 was \$85,145,549. 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. Leases

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

County as Lessee

The County has entered into various lease agreement as lessee primarily for office space and office equipment. Leases have initial terms from 2 to 26 years with an average length of 11 years, and contain one or more renewals at the County's option, most commonly for five-year periods and others at one- or three-years. The County has generally included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

The County entered into a 182-month lease with one 60-month extension as lessee for the use of office space in FY22. An initial lease liability was recorded in the amount of \$1,248,108. As of June 30, 2022, the value of the lease liability is \$1,244,724. The county is required to make monthly payments of \$6,635 (increasing annually at 2.750%) which includes base rent and a proportionate share of operating expenses with an implicit interest rate of 2.026%. The value of the right-of-use leased asset as of June 30, 2022 was \$1,248,108 with accumulated amortization of \$38,719 is included with governmental activities for buildings on the lease class activities table found below.

At June 30, 2022, the statement of net position included the following amounts relating to leases:

	Governmental Activities	Business-Type Activities	Total
Right-of-use leased assets:			
Buildings	\$ 98,041,260	2,615,710	100,656,970
Equipment	1,967,610	—	1,967,610
Total Right-of-use leased assets	100,008,870	2,615,710	102,624,580
Less Accumulated Amortization for:			
Right-of-use leased assets:			
Buildings	6,043,855	191,393	6,235,248
Equipment	806,045	—	806,045
Total Accumulated Amortization	6,849,900	191,393	7,041,293
Total Right-of-use leased assets, net:			
Buildings	91,997,405	2,424,317	94,421,722
Equipment	1,161,565	—	1,161,565
Total	93,158,970	2,424,317	95,583,287
Lease Payable			
Current	5,169,101	151,563	5,320,664
Non-current	89,658,500	2,316,071	91,974,571
Total	\$ 94,827,601	2,467,634	97,295,235

The future principal and interest lease payments as of June 30, 2022, were as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	5,169,099	1,914,380	7,083,479
2024	4,857,178	1,831,494	6,688,672
2025	4,694,716	1,748,127	6,442,843
2026	4,527,587	1,662,271	6,189,858
2027	4,696,084	1,573,484	6,269,568
2028 - 2032	22,700,172	6,485,789	29,185,961
2033 - 2037	24,863,950	3,995,872	28,859,822
2038 - 2042	15,162,338	1,580,505	16,742,843
2043 - 2047	8,009,080	511,259	8,520,339
2048 - 2049	147,397	288	147,685
	<u>\$ 94,827,601</u>	<u>\$ 21,303,469</u>	<u>\$ 116,131,070</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	151,563	43,253	194,816
2024	159,229	40,457	199,686
2025	167,157	37,521	204,678
2026	175,355	34,440	209,795
2027	183,831	31,209	215,040
2028 - 2032	1,032,998	102,327	1,135,325
2033 - 2037	597,501	14,928	612,429
	<u>\$ 2,467,634</u>	<u>\$ 304,135</u>	<u>\$ 2,771,769</u>

County as Lessor

The County leases out some of its buildings and land. Most leases have initial terms from 2 to 24 years with an average length of 10 years and contain one or three more renewals at the County's option for five-year periods. The County has included these renewal periods in the lease term when they are both noncancellable and reasonably certain to be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments. Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

The County entered into a 36-month lease as lessor for the use of a suite at Long Reach Village Center in FY22. An initial lease receivable was recorded in the amount of \$11,606. As of June 30, 2022, the value of the lease receivable is \$9,687. The lessee is required to make monthly fixed payments of \$326 with an implicit interest rate of 0.798%. The value of the deferred inflow of resources as of June 30, 2022 was \$9,521, and the County recognized lease revenue of \$2,084 during the fiscal year.

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business-Type Activities	Total
Lease Revenue	\$ 1,032,691	305,150	1,337,841
Interest Revenue	225,774	99,424	325,198
Total Revenue	\$ 1,258,465	404,574	1,663,039

At June 30, 2022, the principal and interest requirements to maturity for the lease receivable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	1,039,256	236,713	1,275,969
2024	799,038	224,892	1,023,930
2025	752,664	212,082	964,746
2026	791,611	198,691	990,302
2027	756,024	184,911	940,935
2028 - 2032	3,308,914	726,462	4,035,376
2033 - 2037	3,300,154	399,535	3,699,689
2038 - 2042	211,265	79,375	2,192,027
2043 - 2047	3,542	58	3,600
	\$ 12,863,855	\$ 2,262,719	\$ 15,126,574

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	310,566	94,253	404,819
2024	316,169	88,406	404,575
2025	322,128	82,446	404,574
2026	328,204	76,370	404,574
2027	334,397	70,177	404,574
2028 - 2032	1,379,328	264,253	1,643,581
2033 - 2037	1,373,952	126,048	1,500,000
2038 - 2042	490,769	9,231	500,000
	\$ 4,855,513	\$ 811,184	\$ 5,666,697

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, 2022 are composed of the following:

	General Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
FUND BALANCES					
Nonspendable:					
Inventory	\$ 553,697	—	—	668,882	1,222,579
Prepaid items	27,999,439	—	1,398	—	28,000,837
Long-term receivable:					
Due from component units	9,369,743	—	—	—	9,369,743
Total nonspendable	37,922,879	—	1,398	668,882	38,593,159
Restricted for:					
Catalyst loan program	—	—	1,665,427	—	1,665,427
Disposable plastics reduction	—	—	—	908,832	908,832
Economic development initiative	—	—	613,033	—	613,033
Fire & rescue services	—	—	—	85,784,635	85,784,635
Forest conservation	—	—	—	1,818,000	1,818,000
Middle Patuxent environmental area program	—	—	79,982	—	79,982
MIHU Fee-in-Lieu	—	—	—	12,662,084	12,662,084
Open space	—	—	—	657,474	657,474
Parkland watershed facilities	—	—	—	29,184,692	29,184,692
Program revenue	—	—	455,398	—	455,398
Public road facilities	—	—	—	58,877,604	58,877,604
Public school facilities	—	33,245,586	—	—	33,245,586
Speed enforcement	—	—	—	879,300	879,300
Tax increment financing project	—	2,309,065	—	14,558,456	16,867,521
Permanent public improvement contribution	—	1,743,422	—	—	1,743,422
Total restricted	—	37,298,073	2,813,840	205,331,077	245,442,990
Committed for:					
Budget stabilization account	80,189,893	—	—	—	80,189,893
Agricultural land preservation	—	—	—	23,326,212	23,326,212
Citizen's election	561,213	—	—	—	561,213
Community renewal programs	—	—	—	47,779,622	47,779,622
Environmental services	—	—	—	22,534,175	22,534,175
Firehouse & training facilities	—	—	—	18,540,195	18,540,195
Total committed	80,751,106	—	—	112,180,204	192,931,310

(Continued)

	General Fund	General Capital Projects Funds	Grant Fund	Other Governmental Funds	Total
Assigned for:					
Capital projects (Road surfacing, Ellicott City Safe and Sound, etc)	60,000,000	—	—	13,136,640	73,136,640
Educator loan assistance program	1,500,000	—	—	—	1,500,000
FY2023 budgeted one-time initiatives	46,607,248	—	—	—	46,607,248
FY2023 budgeted pay-as-you-go contribution to capital projects	42,430,000	—	—	—	42,430,000
Future balloon payments	—	—	—	17,004,191	17,004,191
HCPSS capital and one-time initiatives	30,000,000	—	—	—	30,000,000
Housing	5,000,000	—	—	—	5,000,000
OPEB	10,000,000	—	—	—	10,000,000
Pandemic/economic assistance & grant match	5,000,000	—	—	—	5,000,000
Policy reserve	37,100,000	—	—	—	37,100,000
Purchase commitments	16,424,879	—	—	—	16,424,879
Streetlights	—	—	—	2,171,292	2,171,292
Subsequent year's budget stabilization account	4,845,084	—	—	—	4,845,084
Total assigned	258,907,211	—	—	32,312,123	291,219,334
Unassigned	34,488,896	(150,922,548)	(8,543,407)	(31,116,515)	(156,093,574)
Total fund balance	\$ 412,070,092	(113,624,475)	(5,728,169)	319,375,771	612,093,219

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 \$32,116,372. 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 \$25,285,000 of these costs. This cumulative amount reported to date is based on the use of 69.49% of the existing cell and 100% of the closed cell. The total current cost of closure and post-closure care to be recognized in future years is \$6,831,372. 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, 2022, 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, 2022, the County abated taxes totaling \$1,950,783 including the following tax abatement agreements that exceeds 10 percent of the total amount abated:

Tax Abatement Program	Amount of Taxes Abated
PILOT (Payment in Lieu of Taxes)	\$ 1,938,985

15. Retirement Plans

Summary of Significant Accounting Policies

Pension: For purposes of measuring the net pension liability (asset), 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, 2021 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	911
Inactive employees entitled to but not yet receiving benefits	213
Active employees	1,869
Total	<u>2,993</u>

Deferred Retirement Option Program: As of fiscal year 2022, the Plan offers a program called Deferred Retirement Option Plan (DROP) to Corrections employees. 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 interest. The DROP record is paid 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. The balance held by the Plan as of June 30, 2022 was \$174,089.

Contributions: The Plan is authorized to establish or amend the obligation to make contributions under the provisions of Sections 1.423 and 1.465 of the Howard County Code. The Plan's funding policy provides for periodic employer contributions at actuarial determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Participant contributions are 8.5% of base pay for participating Corrections participants with less than 20 years of creditable service, 0% for Corrections participants with greater than 20 years of creditable service, and, effective January 1, 2014, 3.0% of base pay for other participants. The County funds the remainder of the cost of its employees' participation in the Retirement Plan which was 11.8% of covered payroll in fiscal year 2021 and 11.6% in fiscal year 2020. Expenses incurred in the administration and operation of the Plan are funded by the Plan.

Net Pension Liability (Asset)

The County's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	Varies by service, 3.75 to 6.50 percent, including inflation
Investment rate of return	7.35 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, 2020 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	45.0%	4.60%
Fixed income	23.0%	2.20%
Alternative investments	26.0%	6.00%
Real assets	6.00%	5.10%
Total	100.0%	

For the measurement year ended June 30, 2021 the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 25.92 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.35 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 (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2020	\$ 542,985,287	494,207,329	48,777,958
Changes for the year:			
Service cost	19,359,341	—	19,359,341
Interest	39,128,930	—	39,128,930
Differences between expected and actual experience	(5,043,628)	—	(5,043,628)
Changes of assumptions	784,981	—	784,981
Contributions - employer	—	15,888,630	(15,888,630)
Contributions - member	—	4,857,068	(4,857,068)
Net investment income	—	133,778,266	(133,778,266)
Benefit payments, including refunds of employee contributions	(21,237,784)	(21,237,784)	—
Administrative expense	—	(424,561)	424,561
Net changes	32,991,840	132,861,619	(99,869,779)
Balance as of June 30, 2021	\$ 575,977,127	627,068,948	(51,091,821)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) 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 7.35 percent, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.35 percent) or 1 percentage-point higher (8.35 percent) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
County's net pension liability (asset)	\$ 23,922,176	(49,699,409)	(110,990,195)
Economic Development Authority ¹	\$ 352,417	(732,161)	(1,635,085)
Housing Commission	\$ 317,804	(660,251)	(1,474,492)
Total	\$ 24,592,397	(51,091,821)	(114,099,772)

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

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

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

For the year ended June 30, 2021, the County and the participating component units recognized pension expense of (\$5,347,028) and (\$140,643) 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	\$ 158,138	16,198,001
Changes of assumptions	6,467,568	—
Net difference between projected and actual earnings on pension plan investments	—	65,170,663
Changes in proportion	238,835	189,190
Contributions subsequent to the measurement date	15,889,785	—
Total	\$ 22,754,326	81,557,854

Other than contributions subsequent to the measurement date (\$15,889,785), which will be recognized as a reduction of the net pension liability(asset) in the fiscal year ended June 30, 2023, 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:

2023	\$ (18,573,737)
2024	(17,045,652)
2025	(16,522,276)
2026	(20,207,940)
2027	(1,753,711)
Thereafter	(589,997)
Total	\$ (74,693,313)

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	465
Inactive employees entitled to but not yet receiving benefits	26
Active employees	947
Total	<u>1,438</u>

Deferred Retirement Option Program: 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, 2022 and 2021 was \$18,069,639 and \$16,267,540, 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 35.80% and 35.4% of covered payroll in fiscal years 2022 and 2021, respectively.

Net Pension Liability

The County’s net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021.

Actuarial Assumptions: The total pension liability in the July 1, 2020 actuarial valuation rolled forward to June 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	Varies by service, 4.25 to 7.75 percent, including inflation
Investment rate of return	7.35 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, 2020 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	45.0%	4.60%
Fixed income	23.0%	2.20%
Alternative investments	26.0%	6.00%
Real assets	6.0%	5.10%
Total	100.0%	

For the measurement year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 25.92 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.35 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 June 30, 2020	\$ 779,728,093	648,877,033	130,851,060
Changes for the year:			
Service cost	24,446,266	—	24,446,266
Interest	56,037,204	—	56,037,204
Differences between expected and actual experience	(2,382,643)	—	(2,382,643)
Changes of assumptions	5,066,498	—	5,066,498
Contributions - employer	—	31,923,458	(31,923,458)
Contributions - member	—	8,373,851	(8,373,851)
Net investment income	—	171,694,798	(171,694,798)
Benefit payments, including refunds of employee contributions	(34,634,301)	(34,634,301)	—
Administrative expense	—	(401,126)	401,126
Net changes	48,533,024	176,956,680	(128,423,656)
Balance as of June 30, 2021	\$ 828,261,117	825,833,713	2,427,404

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 7.35 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 (6.35 percent) or 1 percentage-point higher (8.35 percent) than the current rate:

	1% Decrease (6.35)%	Current Discount Rate (7.35)%	1% Increase (8.35)%
County's net pension liability	\$ 120,397,232	\$ 2,427,404	\$ (94,030,316)

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

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

For the year ended June 30, 2021 the County recognized pension expense of \$4,996,481. 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	\$ 13,364,731	11,069,166
Changes of assumptions	17,489,726	—
Net difference between projected and actual earnings on pension plan investments	—	86,621,580
Contributions subsequent to the measurement date	33,225,833	—
Total	\$ 64,080,290	97,690,746

Other than contributions subsequent to the measurement date (\$33,225,833), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023, 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:

2023	\$ (15,256,504)
2024	(13,756,469)
2025	(16,073,708)
2026	(20,281,093)
2027	2,978,268
Thereafter	(4,446,783)
Total	\$ (66,836,289)

C. Employer Aggregate Pension Disclosure:

	Howard County Retirement Plan	Police & Fire Plan	Total
As of June 30, 2021			
Total net pension liabilities (asset)	\$ (49,699,409)	2,427,404	(47,272,005)
Total deferred outflows of resources from pension	22,754,326	64,080,291	86,834,617
Total deferred inflows of resources from pension	81,557,854	97,690,746	179,248,600
For the year ended June 30, 2021			
Total pension expense	\$ (5,347,028)	4,996,481	(350,547)

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

The aggregate amount of the pension expenses for the HCRP, the PFEP, and the LOSAP is \$ 3,882,978.

D. Component Units:

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

As of June 30, 2021, the Howard County School System and Howard County Community College proportions for the System were 0.272% and 0.0140%, respectively. Howard County School System and Howard County Community College reported net pension liabilities of \$40,867,624 and \$2,102,867, respectively. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended June 30, 2022, Howard County School System and Howard County Community College recognized pension expense of \$3,642,669 and \$281,107 (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 Other Post Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB 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, 2021 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, and Howard County Library. 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. 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 plan immediately preceding retirement in order to enroll at a future date. The County will pay a percentage of the retiree's health insurance premium based upon these criteria. This percentage varies with the number of years of service attained by the employee. Other retirees who do not meet the eligibility criteria are permitted to participate in the retirees' health insurance program by paying the full premium at the group rate.

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

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

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

There are no separate financial statements for the Plan.

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

The Plan’s funding policy provides for the County to contribute to the trust as determined by the County budget. During the fiscal year, the County’s proportionate share of the collective net other post-employment benefits liability is 29.39% of the \$11,000,000 contributed to the trust by the County, or \$3,232,900. The County budget for fiscal year 2022 included funding for pay-as-you-go OPEB costs as well as \$11,000,000 to the trust.

Based on the most recent actuarial valuation which was prepared as of January 1, 2020 and rolled forward to June 30, 2021, the actuarially calculated proportionate share of total OPEB liability as of the measurement date of June 30, 2021 was \$611,825,146 and there was \$69,908,442 of actuarial plan assets; therefore, the net OPEB liability for the County was \$541,916,703. The plan fiduciary net position as a percentage of the total OPEB liability was 11.43%.

Actuarial Assumptions

The collective total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2020, with update procedures used to roll forward the total OPEB liability to June 30, 2021. 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	Discount rate of 2.41% applied to investments in fiscal years 2021 through 2041.
Municipal bond rate	1.92% as of 6/30/21 based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index
Interest assumption	Equivalent single discount rate of 2.41% as of 6/30/21
Inflation	2.50%
Long-term expected real rate of return, based on geometric means	3.17% for Equity investments (based on 65% target allocation) and 0.69% for Fixed Income investments (based on 35% target allocation), or a total of 3.86%
Healthcare cost trend rate	4.00%

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

For the fiscal year-ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 27.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through 2041 was determined using the expected rate of return of assets of 7.35% and using the bond rate of 1.92% for benefit payments after 2041. The equivalent single rate is 2.41%. Based on these assumptions, the plan is expected to become insolvent in 2041.

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, 2021	\$ 530,011,574	52,005,917	478,005,657
Changes for the year:			
Service Cost	27,105,116	—	27,105,116
Interest	14,924,862	—	14,924,862
Experience loss/(gains)	(1,464,062)	—	(1,464,062)
Contributions - Employer	—	10,771,332	(10,771,332)
Net investment income	—	14,648,185	(14,648,185)
Changes in assumptions	48,760,159	—	48,760,159
Benefit payments	(7,512,503)	(7,512,503)	—
Administrative expenses	—	(4,488)	4,488
Net Changes	81,813,572	17,902,526	63,911,046
Balances at June 30, 2022	\$ 611,825,146	69,908,443	541,916,703

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

Discount Rate Sensitivity	1% Decrease	Discount Rate	1% Increase
	1.41%	2.41%	3.41%
Total OPEB Liability	\$ 748,697,166	\$ 611,825,146	\$ 506,089,677
Net OPEB Liability	\$ 678,788,724	\$ 541,916,704	\$ 436,181,235

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

Trend Sensitivity Year 2075	1% Decrease	Medical Trend	1% Increase
	3.00%	4.00%	5.00%
Total OPEB Liability	\$ 492,292,700	\$ 611,825,146	\$ 776,346,268
Net OPEB Liability	\$ 422,384,258	\$ 541,916,704	\$ 706,437,826

For the year-ended June 30, 2022, the County recognized OPEB expense of \$45,465,441. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,487,870	13,452,405
Changes of assumptions	125,706,072	23,901,887
Changes in proportion	10,195,793	29,306,826
Net difference between projected and actual earnings on OPEB plan investments	—	8,122,120
Contributions subsequent to the measurement date	11,439,492	—
Total	<u>\$ 150,829,227</u>	<u>74,783,238</u>

The contributions made subsequent to the measurement date but before the reporting period totaling \$11,439,492 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:	
2023	\$ 5,599,865
2024	5,645,775
2025	5,586,768
2026	5,463,199
2027	7,604,431
Thereafter	34,706,453
	<u>\$ 64,606,491</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, 2022:							
Total proportion of net OPEB liabilities	541,916,704	1,224,705,936	48,309,689	26,183,114	1,843,881	921,941	\$ 1,843,881,265
Total proportion of OPEB net position	69,908,442	157,989,749	6,232,056	3,377,679	237,865	118,932	237,864,723
Total deferred outflows of resources from OPEB	150,829,227	349,817,757	12,493,555	7,223,002	552,133	313,707	521,229,381
Total deferred inflows of resources from OPEB	74,783,238	112,786,899	7,975,863	2,413,513	587,307	77,367	198,624,187
For the year ended June 30, 2022:							
Total OPEB expense	45,465,441	102,749,730	4,053,060	2,196,697	154,697	77,349	154,696,974

* Enterprise fund share of net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$34,646,529, \$3,542,194, \$11,133,818, and 3,891,561, respectively. The portion allocated to the Howard County Soil Conservation District for net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$737,553, \$95,146, \$298,884, and \$61,894, respectively.

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

Plan Perspective under GASB Statement No. 74

The OPEB plan is presented in accordance with the provisions of GASB Statement No. 74, “Financial Reporting for Post-employment Benefit Plans Other than Pension Plans,” which supersedes Statement No. 43. A separate actuarial valuation report was prepared using February 1, 2022 census data from the County and Community College and January 1, 2022 census data from the Public Schools, rolled forward to June 30, 2022.

Plan membership per the actuarial valuation as of of February 1, 2022 (Schools January 1, 2022) consisted of the following:

Retirees and beneficiaries receiving benefits	4,087
Active plan members	10,263
Deferred vested terminations	17
Total	<u>14,367</u>

A summary of the assumptions included in the June 30, 2022 report are as follows:

Actuarial cost method	Entry Age Normal
Interest assumption	Discount rate of 4.40% as of 6/30/22
Inflation	2.50%
Municipal bond rate	3.69% as of 6/30/22 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 2022 through 2042.
Long-term expected real rate of return, based on geometric means	3.14% for Equity investments (based on 65% target allocation) and 0.58% for Fixed Income investments (based on 35% target allocation), or a total of 3.72%
Mortality	RP-2014 Combined Healthy tables with generational projection from 2006 base year using MP-2017 Mortality Improvement Scale

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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (14.16%). 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 2046 was determined using the expected rate of return on assets of 7.25% and using the bond rate of 3.69% for benefit payments after 2046. The equivalent single rate is 4.40%.

Based on the aforementioned methods and assumptions, the components of the County's Net OPEB liability as of June 30, 2022 were as follows:

Total OPEB liability	\$	1,266,091,748
Plan fiduciary net position		214,220,325
County's net OPEB liability	\$	1,051,871,423
Plan fiduciary net position as a percentage of the total OPEB liability		16.92%

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 3.40%	Discount Rate 4.40%	1% Increase 5.40%
Total OPEB Liability	\$ 1,499,955,107	\$ 1,266,091,748	\$ 1,080,438,224
Net OPEB Liability	\$ 1,285,734,782	\$ 1,051,871,423	\$ 866,217,899

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 2.94%	Discount Rate 3.94%	1% Increase 4.94%
Total OPEB Liability	\$ 1,068,084,401	\$ 1,266,091,748	\$ 1,526,180,415
Net OPEB Liability	\$ 853,864,076	\$ 1,051,871,423	\$ 1,311,960,090

Financial Statements

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

Statement of Net Position	
ASSETS	
Receivables:	
Interest and dividends	\$ 61
Investments, at fair value:	
Cash	18,095,595
Mutual funds	196,612,130
Money market funds	74,254
Total assets	214,782,040
LIABILITIES	
Accounts payable	58,715
Other	503,000
Total liabilities	561,715
Net position held in trust for other post-employment benefits	214,220,325
Statement of Changes in Net Position	
ADDITIONS	
Contributions:	
Employer	37,268,536
Total contributions	37,268,536
Investment income (expense):	
Net change in fair value of investments	(39,775,746)
Interest	58,688
Dividends	5,440,358
Investment expense	(364,853)
Net investment income	(34,641,553)
Total additions and net investment income	2,626,983
DEDUCTIONS	
Benefits	26,229,968
Administrative expenses	41,413
Total deductions	26,271,381
Change in net position	(23,644,398)
Net position - beginning	237,864,723
Net position - ending	\$ 214,220,325

17. Length of Service Award Program

Summary of Significant Accounting Policies

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

General Information about the Pension Plans

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

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

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

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

Participants aged 50 years with 25 years of eligibility service are entitled to a normal retirement benefit. Effective January 1, 2015, a monthly benefit is equal to 1% of the current annual starting salary of a trainee in the Department of Fire and Rescue Services (which was \$539 as of January 1, 2020), plus \$10 for each full year of certified active service over 25 years. The monthly amount representing 1% of the current starting salary of a trainee cannot exceed \$1,540.51 based on limitations presented in the County Code.

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

Employees covered by benefit terms: At January 1, 2020 the following employees were covered by the benefit terms:

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

Net Pension Liability

The County's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2021.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	Not Applicable
Interest	1.92% compounded annually
Investment rate of return	1.92%
Mortality	RP-2014 table, Blue Collar, with generational projection using scale MP-2017

Discount rate: The 20-year general obligation bond discount rate used to measure the total pension liability was 1.92 percent.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 35,707,341	—	35,707,341
Changes for the year:			
Service cost	1,464,688	—	1,464,688
Interest	900,943	—	900,943
Changes of assumptions	4,382,259	—	4,382,259
Contributions - employer	—	797,711	(797,711)
Benefit payments	(797,711)	(797,711)	—
Net changes	5,950,179	—	5,950,179
Balance as of June 30, 2021	\$ 41,657,520	—	41,657,520

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 1.92 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 (0.92 percent) or 1 percentage-point higher (2.92 percent) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
County's net pension liability	\$ 52,183,222	41,657,520	33,928,881

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, 2022, the County recognized pension expense of \$4,233,525. 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	\$ 3,478,637	708,644
Changes of assumptions	8,922,395	1,516,837
Contributions subsequent to the measurement date	842,719	—
Total	\$ 13,243,751	2,225,481

Other than contributions subsequent to the measurement date (\$842,719), which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023, 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:

2023	\$ 1,867,894
2024	1,867,894
2025	1,867,894
2026	1,867,896
2027	2,077,936
Thereafter	626,037
Total	\$ 10,175,551

18. Deferred Compensation Plan

Deferred compensation plans are available to all County employees. The plans were established in accordance with Internal Revenue Code Section 457. A deferred compensation plan offers employees an opportunity to defer a portion of their salary along with the related Federal and State income taxes until future years. The deferred compensation funds are not available to employees until termination, retirement, death, or unforeseeable emergency. The County does not report those assets and liabilities in the financial statements of the County.

19. Risk Management

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

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

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

At fiscal year-end, the combined Net Position for the two self-insurance internal service funds was \$19,157,720. The combined claims liability of the two funds, \$23,389,970, 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 2022 and 2021 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year	Expected Amount Due Within One Year
2022	\$23,492,615	68,220,479	(68,323,124)	23,389,970	8,749,797
2021	\$21,689,107	68,223,637	(66,420,129)	23,492,615	8,956,215

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

20. Fund Disclosure and Restatements

Individual Fund Disclosure:

The Recreation Program Fund, a non-major fund, will plan to eliminate its deficit fund balance of \$(1,959,497) through receipt of future revenues.

The General Capital Projects Fund, a major fund, plans to eliminate its deficit fund balance of \$(113,624,475) through receipt of future grant revenues and future bond sales.

The Grants Fund, a major fund, will eliminate its deficit of \$(5,728,169) through receipt of future grant revenues in fiscal year 2022.

Restatement:

Custodial Funds:

A change in accounting principle resulted in fiduciary activities previously recorded as liabilities in the general fund to now be recorded as a custodial fund. The Police Contraband funds which were previously recorded as liabilities in the general fund are now recorded separately in custodial funds. The amount transferred from the general fund was \$357,568. The Police Contraband funds had a balance of \$357,568 which was restated to the beginning net position.

The effect of restatement as of July 1, 2021, are as follows:

		<u>Custodial Funds</u>
Balance as previously stated as of July 1, 2021	\$	—
Effect of change in accounting principle		<u>357,568</u>
Balance as restated as of July 1, 2021	\$	<u><u>357,568</u></u>

21. Commitments and Contingencies

A. Grants

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

B. Construction

The County had \$1,127,557,100 authorized, but unobligated capital project appropriations at fiscal year-end.

C. Encumbrances

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

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

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Total</u>
Major Governmental Funds				
General Fund	\$ —	—	16,424,879	16,424,879
Grant Fund	1,105,842	—	—	1,105,842
Non-Major Governmental Funds	<u>37,305,834</u>	<u>7,278,305</u>	—	<u>44,584,139</u>
Total	\$ <u>38,411,676</u>	<u>7,278,305</u>	<u>16,424,879</u>	<u>62,114,860</u>

**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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	*
Total pension liability *										
Service cost	\$19,363	19,359	18,342	17,330	16,919	15,861	15,093	14,073	12,727	
Interest	40,899	39,129	37,417	34,964	32,786	30,959	29,046	27,198	24,974	
Changes of benefit terms	(384)	—	—	—	—	—	—	—	3,534	
Differences between expected and actual experience	926	(5,043)	(9,115)	(5,973)	379	(6,369)	(4,093)	(2,741)	—	
Changes of assumptions	1,718	785	743	9,529	—	—	—	(851)	10,918	
Benefit payments, including refunds of member contributions	(23,694)	(21,238)	(20,067)	(19,013)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Net change in total pension liability	38,828	32,992	27,320	36,837	33,275	25,072	26,346	25,304	41,014	
Total pension liability - beginning	575,977	542,985	515,665	478,828	445,553	420,481	394,135	368,831	327,817	
Total pension liability - ending (a)	614,805	575,977	542,985	515,665	478,828	445,553	420,481	394,135	368,831	
Plan fiduciary net position										
Contributions - employer	16,347	15,889	15,034	14,155	14,841	14,179	13,428	13,967	12,778	
Contributions - member	4,897	4,857	4,749	4,378	4,156	3,904	3,757	3,573	2,979	
Net investment income	(60,064)	133,778	16,691	31,355	35,808	45,447	4,743	9,983	45,956	
Benefit payments, including refunds of member contributions	(23,695)	(21,238)	(20,067)	(19,012)	(16,809)	(15,379)	(13,700)	(12,375)	(11,139)	
Administrative expense	(417)	(424)	(397)	(439)	(351)	(336)	(341)	(311)	(283)	
Net change in plan fiduciary net position	(62,932)	132,862	16,010	30,437	37,645	47,815	7,887	14,837	50,291	
Plan fiduciary net position - beginning	627,069	494,207	478,197	447,760	410,115	362,300	354,413	339,576	289,285	
Plan fiduciary net position - ending (b)	564,137	627,069	494,207	478,197	447,760	410,115	362,300	354,413	339,576	
County's net pension liability (asset) - ending (a)-(b)	\$50,668	(51,092)	48,778	37,468	31,068	35,438	58,181	39,722	29,255	
Plan fiduciary net position as a percentage of the total pension liability	91.76 %	108.87 %	91.02 %	92.73 %	93.51 %	92.05 %	86.16 %	89.92 %	92.07 %	
Covered payroll	\$138,538	134,649	129,605	123,090	119,686	114,349	108,292	103,462	97,542	
County's net pension liability as a percentage of covered payroll	36.57 %	(37.94)%	37.64 %	30.44 %	25.96 %	30.99 %	53.73 %	38.39 %	29.99 %	
Expected average remaining service years of all participants	7	7	7	7	7	7	7	7	7	

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

Notes to Schedule:

Benefit changes: The Plan adopted a deferred retirement option program (DROP) for Corrections employees effective July 1, 2021.

Change of assumptions: The valuation interest rate assumption changed from 7.35% to 7.25% .

**Information for FY13 and earlier not available*

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

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014 *
Actuarially determined contribution (ADC)	\$16,208	15,889	15,034	14,155	14,003	13,265	13,428	13,967	12,778
Contributions in relation to the actuarially determined contribution	16,347	15,889	15,034	14,155	14,841	14,179	13,428	13,967	12,778
Contribution deficiency (excess)	(139)	—	—	—	(838)	(914)	—	—	—
Covered payroll	\$138,538	134,649	129,605	123,090	119,685	114,349	108,292	103,462	97,542
Contributions as a percentage of covered payroll	11.80 %	11.80 %	11.60 %	11.50 %	12.40 %	12.40 %	12.40 %	13.50 %	13.10 %

*Information for FY 2013 and earlier is not available.

Note: ADC rate for FY 22 and FY 18 was 11.7% and 11.6% for FY 17.

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 2 to 19 years.
Asset valuation method	5-year smoothed market
Inflation	2.60%
Salary increases	Varies by service. 3.75 to 6.50 percent, including inflation
Investment rate of return	7.35%, 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	2.60%

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability*										
Service cost	\$25,875	24,446	23,123	22,278	21,109	19,163	18,974	17,708	17,535	
Interest	58,775	56,037	53,578	50,713	46,900	43,426	39,998	36,208	33,630	
Changes of benefit terms	—	—	—	—	—	—	(1,705)	—	—	
Differences between expected and actual experience	(3,780)	(2,382)	(8,607)	(2,667)	13,530	6,319	7,599	(1,596)	—	
Changes of assumptions	10,802	5,066	4,770	3,936	—	—	—	16,621	14,989	
Benefit payments, including refunds of member contributions	(35,133)	(34,634)	(34,320)	(27,572)	(24,755)	(20,422)	(17,890)	(18,941)	(15,679)	
Net change in total pension liability	56,539	48,533	38,544	46,688	56,784	48,486	46,976	50,000	50,475	
Total pension liability - beginning	828,261	779,728	741,184	694,496	637,712	589,226	542,250	492,250	441,775	
Total pension liability - ending (a)	884,800	828,261	779,728	741,184	694,496	637,712	589,226	542,250	492,250	
Plan fiduciary net position										
Contributions - employer	33,226	31,923	31,105	27,720	26,337	24,729	21,636	22,530	20,822	
Contributions - member	8,749	8,374	8,184	8,125	7,859	7,387	7,041	7,006	6,526	
Net investment income	(78,059)	171,695	24,964	39,639	46,560	55,956	6,459	11,531	54,733	
Benefit payments, including refunds of member contributions	(35,134)	(34,634)	(34,321)	(27,571)	(24,755)	(20,421)	(17,889)	(18,941)	(15,679)	
Administrative expense	(459)	(401)	(413)	(457)	(355)	(344)	(327)	(368)	(271)	
Net change in plan fiduciary net position	(71,677)	176,957	29,519	47,456	55,646	67,307	16,920	21,758	66,131	
Plan fiduciary net position - beginning	825,834	648,877	619,358	571,902	516,256	448,949	432,029	410,271	344,140	
Plan fiduciary net position - ending (b)	754,157	825,834	648,877	619,358	571,902	516,256	448,949	432,029	410,271	
County's net pension liability - ending (a)-(b)	\$130,643	2,427	130,851	121,826	122,594	121,456	140,277	110,221	81,979	
percentage of the total pension liability	85.23 %	99.71 %	83.22 %	83.56 %	82.35 %	80.95 %	76.19 %	79.67 %	83.35 %	
Covered payroll	\$92,810	90,179	87,868	83,746	81,037	80,814	72,121	70,406	67,169	
County's net pension liability as a percentage of covered payroll	140.76%	2.69%	148.92%	145.47%	151.28%	150.29%	194.50%	156.55%	122.05%	
Expected average remaining service years of all participants	9	9	9	9	9	9	10	10	9	

Information for FY2013 and earlier not available

* 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 7.35% to 7.25%.

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

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014 *
Actuarially determined contribution	\$ 33,226	30,841	31,105	27,720	26,337	24,729	21,636	22,530	20,822
Contributions in relation to the actuarially determined contribution	33,226	31,923	31,105	27,720	26,337	24,729	21,636	22,530	20,822
Contribution deficiency (excess)	—	(1,082)	—	—	—	—	—	—	—
Covered payroll	\$ 92,810	90,179	87,868	83,746	81,037	80,814	72,121	70,406	67,169
Contributions as a percentage of covered payroll	35.80 %	35.40 %	35.40 %	33.10 %	32.50 %	30.60 %	30.00 %	32.00 %	31.00 %

*Information for FY 2013 and earlier is not available.

Note: ADC rate for FY 21 was 34.2%.

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit (Entry Age used for GASB 67 purposes)
Amortization method	Level percentage of pay increasing 2.75% per year
Remaining amortization period	Remaining Amortization periods range from 2 to 15 years.
Asset valuation method	5-year smoothed market
Inflation	2.60%
Salary increases	Varies by service. 4.25% to 7.75%, including inflation
Investment rate of return	7.35%, 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)

	2022	2021	2020	2019	2018	***
Total OPEB liability*						
Employer's proportion of the net OPEB liability	29.39 %	29.39%	32.09%	32.09%	30.75%	
Employer's proportionate share of net OPEB liability	\$541,917	\$478,006	430,355	376,331	339,983	
Covered-employee payroll**	\$228,015	\$211,936	193,828	193,828	184,681	
Employer's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	42.08 %	44.34%	45.04%	51.50%	54.32%	
Plan fiduciary net position as a percentage of total OPEB liability	11.43 %	9.81%	10.31%	9.94%	8.62%	

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

** OPEB does not require contributions from plan members.

***Information for FY2017 and earlier is not available

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)

	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability*							
Service cost	\$109,288	\$92,226	70,433	60,150	55,049	64,957	Information for FY2016 and earlier is not available
Interest	49,775	50,782	52,729	51,309	47,145	40,906	
Differences between expected and actual experience	(302,354)	(4,981)	14,834	(3,241)	(65,034)	—	
Changes of assumptions	(646,133)	165,906	195,487	107,691	77,712	(162,653)	
Benefit payments	(26,230)	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)	
Net change in total OPEB liability	(815,654)	278,372	308,058	193,154	92,245	(80,034)	
Total OPEB liability - beginning	2,081,746	1,803,374	1,495,316	1,302,162	1,209,916	1,289,950	
Total OPEB liability - ending (a)	\$1,266,092	\$2,081,746	1,803,374	1,495,316	1,302,161	1,209,916	
Plan fiduciary net position							
Contributions - employer	37,269	36,649	38,425	38,381	38,627	36,324	
Net investment income	(34,642)	49,841	9,789	9,285	9,200	9,912	
Benefit payments	(26,230)	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)	
Administrative expense	(41)	(15)	(68)	(106)	(56)	(3)	
Net change in plan fiduciary net position	(23,644)	60,914	22,721	24,805	25,144	22,989	
Plan fiduciary net position - beginning	237,865	176,951	154,230	129,425	104,281	81,292	
Plan fiduciary net position - ending (b)	214,221	237,865	176,951	154,230	129,425	104,281	
County's net OPEB liability - ending (a)-(b)	\$1,051,871	\$1,843,881	1,626,423	1,341,086	1,172,736	1,105,635	
Plan fiduciary net position as a percentage of the total OPEB liability	16.92%	11.43%	9.81%	10.31%	9.94%	8.62%	
Covered employee payroll**	\$889,390	\$873,313	852,377	798,788	799,110	760,624	

County's net OPEB liability as a percentage of covered-employee payroll	118.27%	211.14%	190.81%	167.89%	146.76%	145.36%	
Expected average remaining service years of all participants	9	10	10	10	10	10	

Notes to Schedule:

Benefit changes: None

Changes of assumptions. Discount rate at 6/30/21 is 2.41% and at 6/30/22 is 4.40%.

** 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.*

****Total Covered payroll updated to agree with the previous year's payroll reported by Howard County Public School System.*

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, 2022	(14.16)%
June 30, 2021	27.76%
June 30, 2020	6.37%
June 30, 2019	7.07%
June 30, 2018	8.53%
June 30, 2017	11.65%
June 30, 2016	2.02%
June 30, 2015	2.65%
June 30, 2014	17.26%
June 30, 2013	12.02%

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)

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$1,465	\$676	727	837	1,026	1,027	Information for FY2015 and earlier not available
Interest	901	776	806	823	714	655	
Differences between expected and actual experience	—	4,870	—	(1,417)	—	—	
Changes of assumptions	4,382	5,644	1,815	(263)	(2,771)	—	
Benefit payments, including refunds of member contributions	(798)	(756)	(759)	(721)	(669)	(610)	
Net change in total pension liability	5,950	11,210	2,589	(741)	(1,700)	1,072	
Total pension liability - beginning	35,707	24,497	21,908	22,649	24,349	23,277	
Total pension liability - ending (a)	\$41,657	\$35,707	24,497	21,908	22,649	24,349	
Plan fiduciary net position							
Net investment income	—	—	—	—	—	—	
Benefit payments, including refunds of member contributions	—	—	—	—	—	—	
Administrative expense	—	—	—	—	—	—	
Net change in plan fiduciary net position	—	—	—	—	—	—	
Plan fiduciary net position - beginning	—	—	—	—	—	—	
Plan fiduciary net position - ending (b)	—	—	—	—	—	—	
County's net pension liability - ending (a)-(b)	\$41,657	\$35,707	24,497	21,908	22,649	24,349	
Plan fiduciary net position as a percentage of the total pension liability	—%	—%	—%	—%	—%	—%	
Covered-employee payroll*	n/a	n/a	n/a	n/a	n/a	n/a	
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	
Expected average remaining service years of all participants	7	7	8	8	10	10	

Notes to Schedule:

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

Benefit changes: None

Changes of assumptions: Discount rate changed from 2.45% to 1.92%.

* 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, 2022

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Property taxes:				
Real, personal and corporate	\$ 598,709,000	598,709,000	605,820,933	7,111,933
Payment in lieu of taxes	2,441,000	2,441,000	2,236,077	(204,923)
Additions and abatements	(250,000)	(250,000)	(2,091,913)	(1,841,913)
Interest on taxes	500,000	500,000	1,842,040	1,342,040
Total property taxes	601,400,000	601,400,000	607,807,137	6,407,137
Other local taxes:				
Heavy equipment	900,000	900,000	860,185	(39,815)
Local income tax surcharge	492,337,000	492,337,000	603,890,336	111,553,336
Admission tax	1,008,000	1,008,000	2,983,304	1,975,304
Local recordation tax	21,700,000	21,700,000	32,470,698	10,770,698
Room rental tax	2,750,000	2,750,000	4,575,192	1,825,192
Total other local taxes	518,695,000	518,695,000	644,779,715	126,084,715
State shared taxes:				
Highway	3,747,000	3,747,000	3,879,455	132,455
Total state shared taxes	3,747,000	3,747,000	3,879,455	132,455
Revenues from other governments	8,115,000	8,115,000	8,510,831	395,831
Charges for services:				
Boarding prisoners	920,000	920,000	858,849	(61,151)
Cable TV franchise fees	4,600,000	4,600,000	5,037,861	437,861
Civil marriage	11,000	11,000	11,780	780
Developer - water and sewer overhead	300,000	300,000	245,033	(54,967)
Development - review fees	1,008,000	1,008,000	1,016,495	8,495
Extension development agreement fees	18,000	18,000	27,200	9,200
House type revision fees	105,000	105,000	110,250	5,250
Master in chancery fees	2,000	2,000	83	(1,917)
Other charges for services	60,000	60,000	103,197	43,197
Parking meters	361,000	361,000	16,720	(344,280)
Planning and zoning fees	598,000	598,000	689,180	91,180
Police records check discovery fee	36,000	36,000	48,862	12,862
Recreation and parks	54,000	54,000	53,919	(81)
Rental housing inspection fees	1,430,000	1,430,000	1,924,277	494,277
Sale of maps and publications	44,000	44,000	39,423	(4,577)
Sheriff fees	200,000	200,000	193,138	(6,862)
Tax certificates	330,000	330,000	483,965	153,965
Weekender inmate fees	1,000	1,000	900	(100)
Food and beverage	50,000	50,000	87,583	37,583
Total charges for services	10,128,000	10,128,000	10,948,885	820,885
Interest on investments	400,000	400,000	(5,503,265)	(5,903,265)

(Continued)

Howard County, Maryland
Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Revenues	Variance with
	Original	Final		Final Budget
Licenses and permits:				
Animal licenses	57,000	57,000	56,471	(529)
Beer, wine and liquor	108,000	108,000	383,110	275,110
Building	3,207,000	3,207,000	3,526,642	319,642
Concert/special event permit fees	30,000	30,000	59,770	29,770
Electrical	600,000	600,000	1,167,065	567,065
Marriage license surcharge	77,200	77,200	93,870	16,670
Mobile home park	—	—	6,450	6,450
Peddlers and solicitors	13,200	13,200	15,800	2,600
Plumbing	825,000	825,000	797,341	(27,659)
Signs	40,000	40,000	45,825	5,825
Traders	385,000	385,000	430,309	45,309
Total licenses and permits	5,342,400	5,342,400	6,582,696	1,240,296
Recoveries for interfund services:				
Agricultural land preservation fund	457,224	457,224	457,224	—
Finance - employee health benefits fund	19,524	19,524	44,419	24,895
Fire and rescue fund	6,690,681	6,690,681	6,690,681	—
Forest conservation pro rata share	29,022	29,022	29,022	—
General County capital projects pro rata share	100,000	100,000	100,000	—
Housing and community development	442,120	442,120	442,120	—
Office of law - self insurance	423,000	423,000	465,851	42,851
Pension plan	319,000	319,000	320,297	1,297
Public works operations - utility	5,870,816	5,870,816	5,870,816	—
Public works - water & sewer capital projects pro rata share	99,411	99,411	100,000	589
Public works - water & sewer developer capital projects	500,000	500,000	500,000	—
Recreation and parks	1,565,230	1,565,230	1,565,230	—
Streetlight districts	30,000	30,000	12,600	(17,400)
Waste management pro rata share	1,621,750	1,621,750	1,621,750	—
Watershed pro rata share	498,606	498,606	498,606	(18,167,778)
Total recoveries for interfund services	18,666,384	18,666,384	18,718,616	(18,115,546)
Fines and forfeitures	1,899,600	1,899,600	3,141,426	1,241,826
Component units return of funding:				
Community college	1,111,340	1,111,340	400,567	(710,773)
Economic Development Authority	—	—	62,815	62,815
Total component units return of funding	1,111,340	1,111,340	463,382	(647,958)
Miscellaneous revenues:				
Citizen election contribution	—	—	493	493
Commissions, rents and concessions	—	—	507,685	507,685
Miscellaneous program revenue	5,934,370	—	606,805	606,805
Other revenue	773,851	773,851	1,037,749	263,898
Sale of property and equipment	3,850	3,850	14,963	11,113
Total miscellaneous revenue	6,712,071	777,701	2,167,695	1,389,994
Total revenues	1,192,898,135	1,170,282,425	1,301,496,573	131,214,148
Other financing sources:				
Transfers in:				
Operating transfer	5,787,000	5,787,000	787,000	(5,000,000)
Howard County Matching Fund	93,962	93,962	—	(93,962)
Community renewal program fund - debt	204,680	204,680	204,660	(20)
Fire and rescue reserve fund - debt	—	2,699,210	2,698,500	(710)
Recreation program fund - debt	—	5,953,280	5,950,857	(2,423)
Excise tax debt	—	8,028,850	8,024,362	(4,488)
Public school system debt	—	5,934,370	5,930,878	(3,492)
Capital contributions	1,300,000	1,300,000	—	(1,300,000)
Environmental services fund	916,460	916,460	915,605	(855)
Master lease debt service reimbursement	227,010	227,010	226,999	(11)
Total other financing sources	8,529,112	31,144,822	24,738,861	(6,405,961)
Appropriation from fund balance	59,066,595	59,066,595	—	(59,066,595)
Total revenues and other financing sources	1,260,493,842	1,260,493,842	1,326,235,434	65,741,592

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	<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>General Government</u>						
Office of the County Executive	\$ 2,216,019	2,216,019	2,166,971	—	2,166,971	49,048
Office of the County administrator:						
Bureau of staff services:						
Staff services	2,434,286	2,406,944	2,393,242	—	2,393,242	13,702
Environmental sustainability	805,322	805,322	795,992	9,326	805,318	4
Office of human rights	1,361,412	1,361,412	1,329,023	10,737	1,339,760	21,652
Workforce development	522,767	522,767	354,704	—	354,704	168,063
Total bureau of staff services	5,123,787	5,096,445	4,872,961	20,063	4,893,024	203,421
Bureau of management services:						
Budget division	1,243,663	1,265,261	1,225,260	40,000	1,265,260	1
Human resources	2,635,068	2,620,068	2,511,653	95,397	2,607,050	13,018
Purchasing division	1,661,220	1,681,964	1,681,894	—	1,681,894	70
Central services	733,382	733,382	728,003	—	728,003	5,379
Public information	1,168,581	1,168,581	1,093,828	—	1,093,828	74,753
Total bureau of management services	7,441,914	7,469,256	7,240,638	135,397	7,376,035	93,221
Total office of the County administrator	12,565,701	12,565,701	12,113,599	155,460	12,269,059	296,642
Department of economic development	2,893,726	2,893,726	2,893,726	—	2,893,726	—
Department of finance:						
Office of the director	2,219,009	2,359,509	1,931,886	376,977	2,308,863	50,646
Office of the controller	2,491,578	2,421,078	2,337,741	39,832	2,377,573	43,505
Office of business management and customer service	3,000,906	2,977,906	2,866,476	86,086	2,952,562	25,344
Bureau of disbursements	1,089,363	1,042,363	974,271	45,677	1,019,948	22,415
Total department of finance	8,800,856	8,800,856	8,110,374	548,572	8,658,946	141,910
Office of law	4,588,872	4,588,872	4,573,865	10,456	4,584,321	4,551
Technology and communication services	309,835	309,835	267,056	22,000	289,056	20,779
General fund contingency	8,036,969	300,000	—	—	—	300,000
Non-departmental expenses	12,510,000	22,189,595	17,345,184	2,222,687	19,567,871	2,621,724
Total General Government	51,921,978	53,864,604	47,470,775	2,959,175	50,429,950	3,434,654
<u>Legislative and Judicial</u>						
Legislative:						
County council	3,650,301	3,650,301	3,405,810	125,024	3,530,834	119,467
County auditor	1,647,600	1,647,600	1,525,624	112,659	1,638,283	9,317
Board of license commissioners	156,891	156,891	129,828	—	129,828	27,063
Zoning board	87,493	87,493	87,306	—	87,306	187
Board of appeals	82,716	82,716	28,158	—	28,158	54,558
Total legislative	5,625,001	5,625,001	5,176,726	237,683	5,414,409	210,592

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Judicial:						
Circuit court	3,214,102	3,214,102	3,098,294	—	3,098,294	115,808
Orphan's court	105,010	105,010	104,810	—	104,810	200
Sheriff's department	9,380,772	9,415,836	9,061,548	84,155	9,145,703	270,133
State attorney's office	9,562,580	9,765,447	9,594,816	53,000	9,647,816	117,631
Total judicial	22,262,464	22,500,395	21,859,468	137,155	21,996,623	503,772
Board of election supervisors	2,372,282	2,167,582	2,109,631	—	2,109,631	57,951
Election expense	1,744,946	1,744,946	813,912	95,388	909,300	835,646
Total Legislative and Judicial	32,004,693	32,037,924	29,959,737	470,226	30,429,963	1,607,961
Public Works						
Department of public works:						
Office of the director	10,465,938	4,679,931	4,548,151	12,431	4,560,582	119,349
Total office of the director	10,465,938	4,679,931	4,548,151	12,431	4,560,582	119,349
Bureau of engineering:						
Administrative management division	718,990	631,740	602,621	—	602,621	29,119
Transportation & watershed management	1,514,177	1,414,177	1,367,630	—	1,367,630	46,547
Construction inspection division	3,068,872	2,924,122	2,855,745	—	2,855,745	68,377
Survey and drafting division	831,055	893,055	874,311	—	874,311	18,744
Total bureau of engineering	6,133,094	5,863,094	5,700,307	—	5,700,307	162,787
Bureau of highways:						
Operations	1,545,056	1,615,056	1,594,419	—	1,594,419	20,637
Highway maintenance division	17,795,308	18,506,761	16,296,584	2,210,177	18,506,761	—
Traffic engineering division	2,215,054	2,138,601	1,794,368	294,260	2,088,628	49,973
Total bureau of highways	21,555,418	22,260,418	19,685,371	2,504,437	22,189,808	70,610
Bureau of facilities:						
Administration	9,182,845	7,974,912	7,941,674	—	7,941,674	33,238
Building and ground maintenance	23,079,530	16,635,911	14,932,300	1,703,611	16,635,911	—
Total bureau of facilities	32,262,375	24,610,823	22,873,974	1,703,611	24,577,585	33,238
Bureau of environmental services:						
Stormwater management	1,330,061	1,295,061	1,182,069	12,265	1,194,334	100,727
Total bureau of environmental services	1,330,061	1,295,061	1,182,069	12,265	1,194,334	100,727
Total Department of Public Works	71,746,886	58,709,327	53,989,872	4,232,744	58,222,616	486,711
Department of inspections, licenses and permits:						
Operations division	2,331,682	2,526,682	2,369,041	25,092	2,394,133	132,549
Inspection and enforcement division	3,615,019	3,336,019	3,277,997	—	3,277,997	58,022
Plan review division	1,530,271	1,627,271	1,575,273	—	1,575,273	51,998
Licenses and permits division	873,783	860,783	827,188	—	827,188	33,595
Total department of inspections, licenses and permits	8,350,755	8,350,755	8,049,499	25,092	8,074,591	276,164

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Department of planning and zoning:						
Office of the director	1,524,159	1,498,743	1,498,513	—	1,498,513	230
Division of land development	1,306,562	1,276,568	1,276,525	—	1,276,525	43
Division of research	900,179	889,587	888,937	—	888,937	650
Public service and zoning administration	971,128	1,034,771	1,034,768	—	1,034,768	3
Environmental and community planning	529,392	533,640	533,196	—	533,196	444
Development engineering division	1,171,967	1,176,801	1,175,917	—	1,175,917	884
Conservation easements program	531,389	524,666	524,216	—	524,216	450
Total department of planning and zoning	6,934,776	6,934,776	6,932,072	—	6,932,072	2,704
Soil conservation district	1,023,754	1,023,754	1,023,754	—	1,023,754	—
Department of transportation	11,131,033	11,184,188	9,109,036	1,839,203	10,948,239	235,949
Total Public Works	99,187,204	86,202,800	79,104,233	6,097,039	85,201,272	1,001,528
<u>Public Safety</u>						
Police department:						
Administrative command	822,504	973,804	851,094	25,642	876,736	97,068
Animal control division	2,001,381	2,001,381	1,839,926	2,163	1,842,089	159,292
Command operations	43,355,408	38,812,559	38,542,113	49,525	38,591,638	220,921
Bureau of criminal investigations	16,460,244	16,506,671	16,297,376	28,000	16,325,376	181,295
Human resource bureau	4,458,698	1,433,398	1,387,020	—	1,387,020	46,378
Investigation and special operations	375,040	622,032	619,913	—	619,913	2,119
Information and technology bureau	19,366,597	18,219,835	17,591,816	432,578	18,024,394	195,441
Management services bureau	7,146,775	9,906,648	9,851,641	10,919	9,862,560	44,088
Office of the chief	7,111,670	7,587,470	7,462,594	—	7,462,594	124,876
Operations support	6,111,754	7,918,754	7,837,157	—	7,837,157	81,597
Special operations bureau	9,361,959	9,689,959	9,164,706	180,264	9,344,970	344,989
Investigative support bureau	9,361,159	12,141,296	11,001,867	899,332	11,901,199	240,097
Total police department	125,933,189	125,813,807	122,447,223	1,628,423	124,075,646	1,738,161
Department of corrections	20,456,074	20,456,074	19,170,916	745,835	19,916,751	539,323
Total Public Safety	146,389,263	146,269,881	141,618,139	2,374,258	143,992,397	2,277,484
<u>Recreation and Parks</u>						
Department of recreation and parks	25,289,963	25,333,913	25,131,491	202,422	25,333,913	—
Total Recreation and Parks	25,289,963	25,333,913	25,131,491	202,422	25,333,913	—
<u>Community Services</u>						
Department of social services	718,351	718,351	623,067	—	623,067	95,284
Department of community resources and services	10,977,665	10,931,465	10,103,089	38,912	10,142,001	789,464
Consumer affairs division	403,568	403,568	331,984	—	331,984	71,584
Office on aging	3,620,074	3,548,074	3,180,307	—	3,180,307	367,767
Cooperative extension services	636,832	634,372	488,153	—	488,153	146,219
Health department	10,900,944	—	—	—	—	—
Total Community Services	27,257,434	16,235,830	14,726,600	38,912	14,765,512	1,470,318

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
County grants in-aid:						
Arts & tourism grants:						
Center of African-American Culture	46,305	46,305	46,305	—	46,305	—
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
Patapsco Heritage Greenway	60,000	60,000	60,000	—	60,000	—
Local / regional arts grants	905,500	905,500	905,500	—	905,500	—
Tourism Council	523,877	523,877	523,877	—	523,877	—
Total arts and tourism grants	1,602,682	1,602,682	1,597,682	—	1,597,682	5,000
Civic grants:						
Historical society	200,000	200,000	200,000	—	200,000	—
Total civic grants	200,000	200,000	200,000	—	200,000	—
Community service partnerships						
human service grants	9,073,163	9,073,163	8,962,787	—	8,962,787	110,376
Total County grants in-aid	10,875,845	10,875,845	10,760,469	—	10,760,469	115,376
Total Community Service and grants in-aid	38,133,279	27,111,675	25,487,069	38,912	25,525,981	1,585,694
Education						
Public schools	640,800,000	640,800,000	640,800,000	—	640,800,000	—
Community college	37,510,616	37,510,616	37,510,616	—	37,510,616	—
Library	22,448,901	22,448,901	22,448,901	—	22,448,901	—
Total Education	700,759,517	700,759,517	700,759,517	—	700,759,517	—

(Continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Expenditures	Encumbrances	Expenditures and	Variance with Final Budget
	Original	Final			Encumbrances	
Debt Service						
Principal:						
Community college	6,591,170	6,591,171	6,588,032	—	6,588,032	3,139
Community renewal	153,490	153,491	153,473	—	153,473	18
Environmental services	484,890	484,891	484,656	—	484,656	235
Excise bonds	4,761,650	4,761,650	4,759,401	—	4,759,401	2,249
Fire	1,506,930	1,506,931	1,506,597	—	1,506,597	334
General county projects	22,660,390	22,660,390	22,650,806	—	22,650,806	9,584
Police	539,240	539,238	539,127	—	539,127	111
Recreation and parks	3,494,990	3,494,990	3,494,056	—	3,494,056	934
School surcharge	4,765,440	4,765,439	4,762,528	—	4,762,528	2,911
Schools	30,183,560	30,183,559	30,175,261	—	30,175,261	8,298
Storm drainage	2,225,410	2,225,410	2,224,524	—	2,224,524	886
Master lease financing	218,680	218,680	218,676	—	218,676	4
Lease financing	535,000	252,500	194,000	—	194,000	58,500
Lease financing - COPs	—	1,110,000	1,110,000	—	1,110,000	—
Principal Paid-Leases-GASB 94	—	1,355,646	1,355,646	—	1,355,646	—
Principal Paid-Leases-GASB 87	—	4,238,900	4,394,748	—	4,394,748	(155,848)
Total principal	78,120,840	84,542,886	84,611,531	—	84,611,531	(68,645)
Interest:						
Community college	4,993,050	4,993,049	4,987,458	—	4,987,458	5,591
Community renewal	51,190	51,189	51,187	—	51,187	2
Environmental services	431,570	431,569	429,977	—	429,977	1,592
Excise bonds	3,267,200	3,267,200	3,262,463	—	3,262,463	4,737
Fire	1,192,280	1,192,279	1,191,878	—	1,191,878	401
General county projects	16,313,950	16,311,578	16,266,766	—	16,266,766	44,812
Police	179,300	179,302	179,220	—	179,220	82
Recreation and parks	2,458,290	2,458,290	2,454,614	—	2,454,614	3,676
School surcharge	1,453,870	1,168,931	1,168,326	—	1,168,326	605
Schools	15,720,720	16,005,661	15,990,245	—	15,990,245	15,416
Storm drainage	1,726,620	1,726,620	1,723,020	—	1,723,020	3,600
Master lease financing	8,330	8,330	8,323	—	8,323	7
Lease financing	23,300	(29,855)	29,551	—	29,551	(59,406)
Lease financing - COP	—	501,731	500,825	—	500,825	906
Interest Paid-Leases-GASB 94	—	5,267,902	5,267,902	—	5,267,902	—
Interest Paid-Leases-GASB 87	—	2,229,660	1,960,205	—	1,960,205	269,455
Total interest	47,819,670	55,763,436	55,471,960	—	55,471,960	291,476
Total Debt Service	125,940,510	140,306,322	140,083,491	—	140,083,491	222,833
Total expenditures and encumbrances before transfers out						
	1,219,626,407	1,211,886,636	1,189,614,452	12,142,032	1,201,756,484	10,130,152
Other Financing Uses						
Health department	—	10,900,944	10,900,944	—	10,900,944	—
General government	510,000	7,072,372	7,072,372	—	7,072,372	—
Recreation and Parks	350,840	306,890	306,847	—	306,847	43
Paygo - capital	30,327,000	30,327,000	30,327,000	—	30,327,000	—
Paygo - operating	9,679,595	—	—	—	—	—
Total other financing uses	40,867,435	48,607,206	48,607,163	—	48,607,163	43
Total Expenditures, Encumbrances and other financing uses	\$1,260,493,842	1,260,493,842	1,238,221,615	12,142,032	1,250,363,647	10,130,195

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Health Department Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other governments	\$ 650,000	656,932	1,336,454	679,522
Charges for services	426,500	426,500	135,215	(291,285)
Interest on investments	—	—	79,094	79,094
Miscellaneous	1,373,500	1,366,568	187,485	(1,179,083)
Total revenue	2,450,000	2,450,000	1,738,248	(711,752)
EXPENDITURES				
Community Services:				
General health services	12,100,944	12,105,944	11,556,611	549,333
Grant programs	1,250,000	1,245,000	200,520	1,044,480
Total expenditures	13,350,944	13,350,944	11,757,131	1,593,813
Excess (deficiency) of revenues over expenditures	(10,900,944)	(10,900,944)	(10,018,883)	882,061
OTHER FINANCING SOURCES (USES)				
Transfers in	10,900,944	10,900,944	10,900,944	—
Total other financing sources (uses)	10,900,944	10,900,944	10,900,944	—
Net change in fund balance	—	—	882,061	<u>882,061</u>
Plus: Prior year encumbrances lapsed			81,145	
Fund balances - beginning			2,110,926	
Fund balances - ending			\$ 3,074,132	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 3,074,132	
Adjustments:				
Elimination of encumbrances outstanding			582,572	
GAAP basis, end of fiscal year			\$ 3,656,704	

Non-Major Governmental Funds

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

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

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



Howard County, Maryland
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Equity in pooled cash	\$ 179,175,663	110,395,743	8,995,971	298,567,377
Cash with fiscal agents	—	—	5,607,737	5,607,737
Investments	17,004,191	—	—	17,004,191
Receivables:				
Property taxes	1,700,463	—	—	1,700,463
Due from other governments	—	1,660,329	—	1,660,329
Due from other funds	422,000	—	—	422,000
Due from component units	6,209,270	—	—	6,209,270
Housing loans	16,192,637	—	—	16,192,637
Other	2,355,442	60,186	—	2,415,628
Lease receivables	11,566	—	—	11,566
Material and supplies	668,882	—	—	668,882
Total assets	223,740,114	112,116,258	14,603,708	350,460,080
LIABILITIES				
Accounts payable / accrued liabilities	3,324,428	8,191,298	17,109	11,532,835
Accrued wages and benefits	3,562,311	6,960	—	3,569,271
Short-term loans and notes payable	—	6,658,719	—	6,658,719
Deposits and connection fees	—	200,000	—	200,000
Unearned revenue	5,186,565	—	28,143	5,214,708
Total liabilities	12,073,304	15,056,977	45,252	27,175,533
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	1,400,930	—	—	1,400,930
Unavailable fees	1,444,883	1,051,448	—	2,496,331
Unavailable lease revenues	11,515	—	—	11,515
Total deferred inflows	2,857,328	1,051,448	—	3,908,776
Total liabilities and deferred inflows	14,930,632	16,108,425	45,252	31,084,309
FUND BALANCES				
Nonspendable:				
Inventory	668,882	—	—	668,882
Restricted:				
Disposable plastics reduction	908,832	—	—	908,832
Fire & rescue services	85,784,635	—	—	85,784,635
Forest conservation	1,818,000	—	—	1,818,000
MIHU Fee-in-lieu	12,662,084	—	—	12,662,084
Open space	—	657,474	—	657,474
Parkland watershed facilities	—	29,184,692	—	29,184,692
Public road facilities	—	58,877,604	—	58,877,604
Speed enforcement	879,300	—	—	879,300
Tax incremental financing project	—	—	14,558,456	14,558,456
Committed:				
Agricultural land preservation	23,326,212	—	—	23,326,212
Community renewal programs	47,779,622	—	—	47,779,622
Environmental services	22,534,175	—	—	22,534,175
Fire house & training facilities	—	18,540,195	—	18,540,195
Assigned:				
Future balloon payments	17,004,191	—	—	17,004,191
Capital projects	—	13,136,640	—	13,136,640
Streetlights	—	2,171,292	—	2,171,292
Unassigned	(4,556,451)	(26,560,064)	—	(31,116,515)
Total fund balances	208,809,482	96,007,833	14,558,456	319,375,771
Total liabilities, deferred inflows and fund balances	\$ 223,740,114	112,116,258	14,603,708	350,460,080

Howard County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Property taxes	\$ 145,181,277	—	5,424,920	150,606,197
Other local taxes	22,236,196	31,894,517	110,044	54,240,757
Revenues from other governments	54,936	3,083,783	—	3,138,719
Charges for services	61,582,876	610,061	—	62,192,937
Investment income:				
Interest on investments	1,143,987	197,598	13,264	1,354,849
Decrease in fair value of investments	(2,018,917)	—	—	(2,018,917)
Installment interest from housing loans	98,283	—	—	98,283
Fines and forfeitures	3,895,510	—	—	3,895,510
Developer fees	247,684	842,585	—	1,090,269
Miscellaneous program revenue	4,906,709	204,117	—	5,110,826
Total revenues	237,328,541	36,832,661	5,548,228	279,709,430
EXPENDITURES				
Current:				
General government	423,183	—	687,336	1,110,519
Public works	29,978,086	—	—	29,978,086
Public safety	123,985,426	—	—	123,985,426
Recreation and parks	17,998,064	—	—	17,998,064
Community services	2,630,981	—	—	2,630,981
Capital improvements	7,452,264	48,556,469	—	56,008,733
Debt service:				
Principal payments on debt	7,726,465	—	275,669	8,002,134
Interest payments on debt	2,361,761	—	3,175,953	5,537,714
Total expenditures	192,556,230	48,556,469	4,138,958	245,251,657
Excess (deficiency) of revenues over expenditures	44,772,311	(11,723,808)	1,409,270	34,457,773
OTHER FINANCING SOURCES (USES)				
Lease proceeds	1,481,109	—	—	1,481,109
Bond premium	—	878,885	—	878,885
Capital-related issuance of debt	—	9,591,589	199,251	9,790,840
Installment purchase agreements issued	7,050,045	—	—	7,050,045
Transfers in	9,870,747	12,669,529	513,165	23,053,441
Transfers out	(3,463,553)	(16,703,901)	(701)	(20,168,155)
Total other financing sources	14,938,348	6,436,102	711,715	22,086,165
Net change in fund balances	59,710,659	(5,287,706)	2,120,985	56,543,938
Fund balances - beginning	149,098,823	101,295,539	12,437,471	262,831,833
Fund balances - ending	\$ 208,809,482	96,007,833	14,558,456	319,375,771

Howard County, Maryland
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2022

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed & School Bus Camera Enforcement Fund	Disposable Plastics Reduction Fund	Total
ASSETS									
Equity in pooled cash	\$ 20,935,820	38,140,141	23,253,718	88,924,804	1,823,341	3,918,377	1,399,952	779,510	179,175,663
Investments	17,004,191	—	—	—	—	—	—	—	17,004,191
Receivables:									
Property taxes	—	—	44,140	1,656,323	—	—	—	—	1,700,463
Lease Receivables	—	—	—	—	—	11,566	—	—	11,566
Due from other funds	—	—	—	—	—	422,000	—	—	422,000
Due from component units	—	6,209,270	—	—	—	—	—	—	6,209,270
Housing loans	—	16,192,637	—	—	—	—	—	—	16,192,637
Other	—	—	489,056	1,661,399	—	6,503	1,159	197,325	2,355,442
Materials and supplies	—	—	—	488,453	—	180,429	—	—	668,882
Total assets	37,940,011	60,542,048	23,786,914	92,730,979	1,823,341	4,538,875	1,401,111	976,835	223,740,114
LIABILITIES									
Accounts payable / accrued liabilities	22,000	66,656	987,120	910,059	—	1,042,380	293,347	2,866	3,324,428
Accrued wages and benefits	4,133	33,686	131,834	2,725,529	5,341	391,697	228,464	41,627	3,562,311
Unearned revenue	—	—	133,785	—	—	5,052,780	—	—	5,186,565
Total liabilities	26,133	100,342	1,252,739	3,635,588	5,341	6,486,857	521,811	44,493	12,073,304
DEFERRED INFLOWS OF RESOURCES									
Unavailable property taxes	—	—	—	1,400,930	—	—	—	—	1,400,930
Unavailable fees	—	—	—	1,421,373	—	—	—	23,510	1,444,883
Unavailable lease revenues	—	—	—	—	—	11,515	—	—	11,515
Total deferred inflows of resources	—	—	—	2,822,303	—	11,515	—	23,510	2,857,328
Total liabilities and deferred inflows of resources	26,133	100,342	1,252,739	6,457,891	5,341	6,498,372	521,811	68,003	14,930,632
FUND BALANCES									
Nonspendable:									
Inventory	—	—	—	488,453	—	180,429	—	—	668,882
Restricted:									
Disposable Plastics Reduction	—	—	—	—	—	—	—	908,832	908,832
Fire & rescue services	—	—	—	85,784,635	—	—	—	—	85,784,635
Forest conservation	—	—	—	—	1,818,000	—	—	—	1,818,000
MIHU Fee-in-lieu	—	12,662,084	—	—	—	—	—	—	12,662,084
Speed enforcement	—	—	—	—	—	—	879,300	—	879,300
Committed:									
Agricultural land preservation	23,326,212	—	—	—	—	—	—	—	23,326,212
Community renewal programs	—	47,779,622	—	—	—	—	—	—	47,779,622
Environmental services	—	—	22,534,175	—	—	—	—	—	22,534,175
Assigned:									
Future balloon payments	17,004,191	—	—	—	—	—	—	—	17,004,191
Unassigned	(2,416,525)	—	—	—	—	(2,139,926)	—	—	(4,556,451)
Total fund balances (deficits)	37,913,878	60,441,706	22,534,175	86,273,088	1,818,000	(1,959,497)	879,300	908,832	208,809,482
Total liabilities, deferred inflows and fund balances	\$ 37,940,011	60,542,048	23,786,914	92,730,979	1,823,341	4,538,875	1,401,111	976,835	223,740,114

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2022

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Recreation Program Fund	Speed & School Bus Camera Enforcement Fund	Disposable Plastics Reduction Fund	Total
REVENUES									
Property taxes	\$ —	—	90,278	145,090,999	—	—	—	—	145,181,277
Other local taxes	12,727,222	9,508,974	—	—	—	—	—	—	22,236,196
Revenues from other governments	603	1,441	—	43,646	—	9,246	—	—	54,936
Charges for services	—	—	34,324,995	10,978,502	—	16,279,379	—	—	61,582,876
Investment income:									
Interest on investments	1,075,483	17,639	10,631	31,131	5,282	2,902	672	247	1,143,987
Decrease in fair value of investment	(2,018,917)	—	—	—	—	—	—	—	(2,018,917)
Installment interest from housing loans	—	98,283	—	—	—	—	—	—	98,283
Fines and forfeitures	—	—	70	2,350	1,102	57,683	3,831,736	2,569	3,895,510
Developer fees	—	—	—	—	247,684	—	—	—	247,684
Miscellaneous program revenue	26,620	3,698,703	5,832	108,546	—	266,270	14,094	786,644	4,906,709
Total revenues	11,811,011	13,325,040	34,431,806	156,255,174	254,068	16,615,480	3,846,502	789,460	237,328,541
EXPENDITURES									
General government	38,956	—	—	—	—	—	—	384,227	423,183
Public works	1,317,839	—	28,660,247	—	—	—	—	—	29,978,086
Public safety	—	—	—	119,754,936	—	—	4,230,490	—	123,985,426
Recreation and parks	—	—	—	—	430,558	17,567,506	—	—	17,998,064
Community services	—	2,630,981	—	—	—	—	—	—	2,630,981
Capital improvements	7,452,264	—	—	—	—	—	—	—	7,452,264
Debt service:									
Principal payments on debt	7,155,580	—	—	—	—	—	570,885	—	7,726,465
Interest payments on debt	2,354,184	—	—	—	—	—	7,577	—	2,361,761
Total expenditures	18,318,823	2,630,981	28,660,247	119,754,936	430,558	17,567,506	4,808,952	384,227	192,556,230
Excess (deficiency) of revenues over expenditures	(6,507,812)	10,694,059	5,771,559	36,500,238	(176,490)	(952,026)	(962,450)	405,233	44,772,311
OTHER FINANCING SOURCES (USES)									
Leases	—	—	—	—	—	—	1,481,109	—	1,481,109
Installment purchase agreements issued	7,050,045	—	—	—	—	—	—	—	7,050,045
Transfers in	—	6,560,000	—	3,000,000	3,900	306,847	—	—	9,870,747
Transfers out	(787,000)	(222,299)	(926,236)	(1,524,492)	—	(2,902)	(377)	(247)	(3,463,553)
Total other financing sources (uses)	6,263,045	6,337,701	(926,236)	1,475,508	3,900	303,945	1,480,732	(247)	14,938,348
Net change in fund balances	(244,767)	17,031,760	4,845,323	37,975,746	(172,590)	(648,081)	518,282	404,986	59,710,659
Fund balances - beginning	38,158,645	43,409,946	17,688,852	48,297,342	1,990,590	(1,311,416)	361,018	503,846	149,098,823
Fund balances - ending	\$ 37,913,878	60,441,706	22,534,175	86,273,088	1,818,000	(1,959,497)	879,300	908,832	208,809,482

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Agricultural Land Preservation Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 9,336,838	9,336,838	12,727,222	3,390,384
Investment income	375,000	375,000	(943,434)	(1,318,434)
Revenue from other governments	—	—	603	603
Miscellaneous	1,250	1,250	26,620	25,370
Total revenues	9,713,088	9,713,088	11,811,011	2,097,923
EXPENDITURES				
Public works:				
General Government	46,526	46,526	38,956	7,570
Agricultural land preservation program administration	1,473,422	1,473,422	1,317,838	155,584
Capital improvements	—	—	7,452,264	(7,452,264)
Debt service:				
Principal	7,107,530	7,107,530	7,155,580	(48,050)
Interest	2,346,360	2,346,360	2,354,185	(7,825)
Total debt service	9,453,890	9,453,890	9,509,765	(55,875)
Total expenditures	10,973,838	10,973,838	18,318,823	(7,344,985)
Excess (deficiency) of revenues over expenditures	(1,260,750)	(1,260,750)	(6,507,812)	(5,247,062)
OTHER FINANCING SOURCES				
Appropriation from fund balance	2,047,750	2,047,750	244,767	(1,802,983)
Installment purchase agreements issued	—	—	7,050,045	7,050,045
Transfers out	(787,000)	(787,000)	(787,000)	—
Total other financing sources	1,260,750	1,260,750	6,507,812	5,247,062
Net change in fund balance	—	—	—	—
Less appropriation from fund balance			(244,767)	
Fund balance - beginning			38,316,715	
Fund balance - ending			38,071,948	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			38,071,948	
Adjustments:				
Credit adjustments			(158,070)	
GAAP Basis, end of fiscal year			\$ 37,913,878	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Community Renewal Program Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 6,731,250	6,731,250	9,508,974	2,777,724
Revenue from other agencies	—	—	1,441	1,441
Installment interest from housing loans	185,000	185,000	98,283	(86,717)
Miscellaneous	2,100,000	2,100,000	3,698,703	1,598,703
Total revenues	9,016,250	9,016,250	13,307,401	4,291,151
EXPENDITURES				
Community services:				
Revolving Loan Program Income	610,000	610,000	35,404	574,596
Housing initiatives	2,950,000	9,510,000	8,413,363	1,096,637
Housing and community development administration	5,251,570	5,251,570	2,819,739	2,431,831
Total expenditures	8,811,570	15,371,570	11,268,506	4,103,064
Excess (deficiency) of revenues over expenditures	204,680	(6,355,320)	2,038,895	8,394,215
OTHER FINANCING SOURCES (USES)				
Transfers out	(204,680)	(204,680)	(204,660)	20
Total other financing sources (uses)	(204,680)	6,355,320	6,355,340	20
Net change in fund balance	—	—	8,394,235	<u>8,394,235</u>
Plus: Prior year encumbrance lapsed			5,140	
Fund balance - beginning			35,295,520	
Fund balance - ending			43,694,895	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			43,694,895	
Adjustments:				
Elimination of encumbrances outstanding			5,973,407	
Accruals (Housing loans)			11,850,355	
Non budgeted - Bad debt expense			(1,076,951)	
GAAP basis, end of fiscal year			<u>\$ 60,441,706</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Environmental Services Funds
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 37,000	37,000	90,278	53,278
Fines and forfeitures	—	—	70	70
Charges for services	31,671,500	31,671,500	34,316,191	2,644,691
Miscellaneous	6,500	6,500	5,880	(620)
Total revenues	31,715,000	31,715,000	34,412,419	2,697,419
EXPENDITURES				
Public works:				
Administrative services	2,443,839	2,443,839	2,405,930	37,909
Operations	13,318,890	14,176,390	13,830,771	345,619
Collections	5,247,063	5,209,563	5,022,512	187,051
Recycling	9,788,748	8,968,748	7,682,358	1,286,390
Total expenditures	30,798,540	30,798,540	28,941,571	1,856,969
Excess (deficiency) of revenues over expenditures	916,460	916,460	5,470,848	4,554,388
OTHER FINANCING SOURCES (USES)				
Transfers out	(916,460)	(916,460)	(915,605)	855
Total other financing sources (uses)	(916,460)	(916,460)	(915,605)	855
Net change in fund balance	—	—	4,555,243	<u>4,555,243</u>
Plus: Prior year encumbrance lapsed			130,277	
Fund balance - beginning			16,320,655	
Fund balance - ending			21,006,175	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			21,006,175	
Adjustments:				
Elimination of encumbrances outstanding			2,209,928	
Accruals			(591,260)	
Non budgeted - Bad debt expense			(90,668)	
GAAP basis, end of fiscal year			<u><u>\$ 22,534,175</u></u>	

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, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 140,915,000	140,915,000	145,090,988	4,175,988
Revenues from other governments	—	—	43,646	43,646
Charges for services	5,300,000	5,300,000	10,933,598	5,633,598
Fines and forfeitures	—	—	2,350	2,350
Miscellaneous	3,030,010	30,010	114,182	84,172
Total revenues	149,245,010	146,245,010	156,184,764	9,939,754
EXPENDITURES				
Public safety:				
Administrative	147,751,638	147,485,286	121,359,725	26,125,561
Total expenditures	147,751,638	147,485,286	121,359,725	26,125,561
Excess (deficiency) of revenues over expenditures	1,493,372	(1,240,276)	34,825,039	36,065,315
OTHER FINANCING SOURCES (USES)				
Transfers in		3,000,000	3,000,000	—
Transfers out	(1,493,372)	(1,759,724)	(1,493,361)	266,363
Total other financing sources (uses)	(1,493,372)	1,240,276	1,506,639	266,363
Net change in fund balance	—	—	36,331,678	36,331,678
Plus prior year encumbrances lapsed			3,421,701	
Fund balance - beginning			37,813,832	
Fund balance - ending			77,567,211	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			77,567,211	
Adjustments:				
Elimination of encumbrances outstanding			9,189,403	
Non budgeted - Bad debt expense			(483,526)	
GAAP basis, end of fiscal year			\$ 86,273,088	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Forest Conservation Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	—	5,282	5,282
Fines and forfeitures	—	—	1,102	1,102
Developer fees - mitigation	400,000	400,000	247,684	(152,316)
Total revenues	400,000	400,000	254,068	(145,932)
EXPENDITURES				
Public Works:				
Forest mitigation	688,111	688,111	426,658	261,453
Total expenditures	688,111	688,111	426,658	261,453
Excess (deficiency) of revenues over expenditures	(288,111)	(288,111)	(172,590)	115,521
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	288,111	288,111	172,590	(115,521)
Total other financing sources (uses)	288,111	288,111	172,590	(115,521)
Net change in fund balance	—	—	—	—
Plus: Prior year encumbrances lapsed	—	—	—	—
Less: Appropriation from fund balance	—	—	(172,590)	—
Fund balance - beginning			1,973,728	
Fund balance - ending			1,801,138	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			1,801,138	
Adjustments:				
Elimination of encumbrances outstanding			16,862	
GAAP basis, end of fiscal year			\$ 1,818,000	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Recreation Program Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ —	—	9,246	9,246
Charges for services	24,884,675	24,884,675	16,279,379	(8,605,296)
Fines and forfeitures	140,000	140,000	57,683	(82,317)
Miscellaneous program revenue	—	—	259,696	259,696
Total revenues	25,024,675	25,024,675	16,606,004	(8,418,671)
EXPENDITURES				
Recreation and parks:				
Administration	25,572,500	25,572,500	17,854,306	7,718,194
Total expenditures	25,572,500	25,572,500	17,854,306	7,718,194
Excess (deficiency) of revenues over expenditures	(547,825)	(547,825)	(1,248,302)	(700,477)
OTHER FINANCING SOURCES (USES)				
Transfers in	547,825	547,825	306,847	(240,978)
Total other financing sources (uses)	547,825	547,825	306,847	(240,978)
Net change in fund balance	—	—	(941,455)	(941,455)
Plus: Prior year encumbrances lapsed			35,927	
Fund balance - beginning			(1,427,508)	
Fund balance - ending			(2,333,036)	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			(2,333,036)	
Adjustments:				
Elimination of encumbrances outstanding			405,289	
Accruals			(27,995)	
Non budgeted - Bad debt expense			(3,755)	
GAAP basis, end of fiscal year			\$ (1,959,497)	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Speed & School Bus Camera Enforcement Fund
For the Year Ended June 30, 2022

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines & forfeitures	\$ 4,869,918	4,854,918	3,831,736	(1,023,182)
Other	—	15,000	14,094	(906)
Total revenues	4,869,918	4,869,918	3,845,830	(1,024,088)
EXPENDITURES				
Public safety:				
Administrative	4,869,918	4,869,918	2,611,276	2,258,642
Lease Principal Payment	—	—	570,885	(570,885)
Lease Interest Payment	—	—	7,577	(7,577)
Total expenditures	4,869,918	4,869,918	3,189,738	1,680,180
Excess (deficiency) of revenues over expenditures	—	—	656,092	656,092
Net change in fund balance	—	—	656,092	<u>656,092</u>
Fund balance - beginning			<u>223,197</u>	
Fund balance - ending			<u>879,289</u>	
 The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			879,289	
Adjustments:				
Non budgeted - Bad debt expense			11	
GAAP basis, end of fiscal year			<u>\$ 879,300</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Disposable Plastics Reduction Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 732,629	—	—	—
Fines & forfeitures	—	—	2,569	2,569
Miscellaneous Program Revenue	—	732,629	788,043	55,414
Total revenues	732,629	732,629	790,612	57,983
EXPENDITURES				
General Government:				
Administrative	732,629	732,629	304,920	427,709
Total expenditures	732,629	732,629	304,920	427,709
Excess (deficiency) of revenues over expenditures	—	—	485,692	485,692
Net change in fund balance	—	—	485,692	<u>485,692</u>
Fund balance - beginning			367,621	
Fund balance - ending			853,313	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			853,313	
Adjustments:				
Elimination of encumbrances outstanding			56,918	
Non budgeted - Bad debt expense			<u>(1,399)</u>	
GAAP basis, end of fiscal year			<u>\$ 908,832</u>	

Howard County, Maryland
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2022

	Fire Service Bldg & Equip Fund	Highway & Storm Drainage Fund	Recreation and Parks Fund	Total
ASSETS				
Equity in pooled cash	\$ 31,668,830	54,663,839	24,063,074	110,395,743
Due from other governments	—	672,505	987,824	1,660,329
Other	47,845	12,341	—	60,186
Total assets	31,716,675	55,348,685	25,050,898	112,116,258
LIABILITIES				
Accounts payable/accrued liability	823,857	5,496,579	1,870,862	8,191,298
Accrued wages and benefits	2,717	4,243	—	6,960
Short-term loans and notes payable	—	6,508,719	150,000	6,658,719
Deposits and connection fees	—	200,000	—	200,000
Total liabilities	826,574	12,209,541	2,020,862	15,056,977
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenues	—	63,623	987,825	1,051,448
Total liabilities and deferred inflows of resources	826,574	12,273,164	3,008,687	16,108,425
FUND BALANCES				
Restricted:				
Open space	—	—	657,474	657,474
Parkland watershed facilities	—	—	29,184,692	29,184,692
Public road facilities	—	58,877,604	—	58,877,604
Committed:				
Firehouse & training facilities	18,540,195	—	—	18,540,195
Assigned:				
Capital projects	12,349,906	786,734	—	13,136,640
Street lights	—	2,171,292	—	2,171,292
Unassigned	—	(18,760,109)	(7,799,955)	(26,560,064)
Total fund balances	30,890,101	43,075,521	22,042,211	96,007,833
Total liabilities, deferred inflows and fund balances	\$ 31,716,675	55,348,685	25,050,898	112,116,258

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended June 30, 2022

	Fire Service Bldg & Equip Fund	Highway & Storm Drainage Fund	Recreation and Parks Fund	Total
REVENUES				
Other local taxes	\$ 9,509,011	6,537,217	15,848,289	31,894,517
Revenues from other governments	—	841,175	2,242,608	3,083,783
Charges for services	—	610,061	—	610,061
Interest on investments	31,416	161,941	4,241	197,598
Developer contributions	—	803,866	38,719	842,585
Miscellaneous program revenues	42,852	31,265	130,000	204,117
Total revenues	9,583,279	8,985,525	18,263,857	36,832,661
EXPENDITURES				
Capital improvements	7,700,698	34,002,780	6,852,991	48,556,469
Total expenditures	7,700,698	34,002,780	6,852,991	48,556,469
Excess (deficiency) of revenues over expenditures	1,882,581	(25,017,255)	11,410,866	(11,723,808)
OTHER FINANCING SOURCES (USES)				
Bond premium	—	786,368	92,517	878,885
Capital related debt issued	—	8,581,921	1,009,668	9,591,589
Transfers in	500,000	12,169,529	—	12,669,529
Transfers out	(2,724,441)	(8,024,362)	(5,955,098)	(16,703,901)
Total other financing sources (uses)	(2,224,441)	13,513,456	(4,852,913)	6,436,102
Net change in fund balances	(341,860)	(11,503,799)	6,557,953	(5,287,706)
Fund balances - beginning	31,231,961	54,579,320	15,484,258	101,295,539
Fund balances - ending	\$ 30,890,101	43,075,521	22,042,211	96,007,833

**Howard County, Maryland
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2022**

	Bond Anticipation Note Fund	Tax Increment Financing Fund	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 15,869	8,980,102	8,995,971
Cash and securities with Fiscal Agents	—	5,607,737	5,607,737
Total assets	15,869	14,587,839	14,603,708
LIABILITIES			
Accounts payable / accrued liabilities	15,869	1,240	17,109
Unearned revenue	—	28,143	28,143
Total liabilities	15,869	29,383	45,252
FUND BALANCES			
Restricted:			
Tax incremental financing project	—	14,558,456	14,558,456
Total fund balances	—	14,558,456	14,558,456
Total liabilities and fund balances	\$ 15,869	14,587,839	14,603,708

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended June 30, 2022

	Bond Anticipation Note Fund	Tax Financing Increment Fund	Total
REVENUES			
Property taxes	\$ —	5,424,920	5,424,920
Other local taxes	—	110,044	110,044
Interest on investments	—	13,264	13,264
Total revenues	—	5,548,228	5,548,228
EXPENDITURES			
Current:			
General government	596,738	90,598	687,336
Debt service:			
Principal payments on debt	30,669	245,000	275,669
Interest payments on debt	85,009	3,090,944	3,175,953
Total expenditures	712,416	3,426,542	4,138,958
Excess (deficiency) of revenues over expenditures	(712,416)	2,121,686	1,409,270
OTHER FINANCING SOURCES (USES)			
Capital-related issuance of debt	199,251	—	199,251
Transfers in	513,165	—	513,165
Transfers out	—	(701)	(701)
Total other financing sources (uses)	712,416	(701)	711,715
Net change in fund balances	—	2,120,985	2,120,985
Fund balances - beginning	—	12,437,471	12,437,471
Fund balances - ending	\$ —	14,558,456	14,558,456

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Bond Anticipation Notes
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	—	—	—
Total revenues	—	—	—	—
EXPENDITURES				
General government:				
Bond anticipation notes	380,000	380,000	377,278	2,722
Debt service:				
Issuance costs	—	—	218,666	(218,666)
Principal expense	640,000	640,000	30,669	609,331
Interest	770,000	770,000	85,009	684,991
Total expenditures	1,790,000	1,790,000	711,622	1,078,378
Excess (deficiency) of revenues over expenditures	(1,790,000)	(1,790,000)	(711,622)	1,078,378
OTHER FINANCING SOURCES				
Capital related debt issued	640,000	640,000	199,251	(440,749)
Transfers in	1,660,000	1,660,000	512,371	(1,147,629)
Transfers out	(510,000)	(510,000)	—	510,000
Total other financing sources	1,790,000	1,790,000	711,622	(1,078,378)
Net change in fund balance	—	—	—	—
Fund balances - ending			\$ —	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Tax Increment Financing Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,909,496	3,799,452	5,424,920	1,625,468
Other local taxes	—	110,044	110,044	—
Charges for services	—	—	(28,143)	(28,143)
Interest on investments	1,808	1,808	12,563	10,755
Total revenues	3,911,304	3,911,304	5,519,384	1,608,080
EXPENDITURES				
General government:				
Tax incremental financing	632,615	632,615	62,455	570,160
Debt Service:				
Principal	245,000	245,000	245,000	—
Interest	3,090,950	3,090,950	3,090,944	6
Total expenditures	3,968,565	3,968,565	3,398,399	570,166
Excess of revenues over expenditures	(57,261)	(57,261)	2,120,985	2,178,246
OTHER FINANCING SOURCES				
Total other financing sources	57,261	57,261	—	(57,261)
Net change in fund balance	—	—	2,120,985	<u>2,120,985</u>
Fund balances - beginning			12,437,471	
Fund balances - ending			14,558,456	
 The ending fund balance is reconciled as follows:				
Budgetary Basis, end of the fiscal year			<u>14,558,456</u>	
GAAP Basis, end of fiscal year			<u>\$ 14,558,456</u>	





HoCo invests \$25.7million

County Executive Calvin Ball announced a historic \$25.7 million investment in state and county funding for parks improvements in Fiscal Year 2023, including additional pickleball courts, basketball courts, the largest skatepark in Howard County, a renovated equestrian ring, new bridges for hiking trails, and more.

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, 2022

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
ASSETS				
Current assets:				
Equity in pooled cash	\$ 5,910,816	—	13,689,907	19,600,723
Receivables:				
Service billings	211,276	—	—	211,276
Lease receivables	96,453	214,113	—	310,566
Restricted assets:				
Equity in pooled cash and cash equivalents	—	560,000	—	560,000
Total current assets	6,218,545	774,113	13,689,907	20,682,565
Noncurrent assets:				
Lease receivables	539,401	4,005,546	—	4,544,947
Restricted assets:				
Other receivables	2,753	—	6,615	9,368
Capital assets:				
Land	—	8,684,896	815,064	9,499,960
Buildings and improvements, net	—	2,104,878	1,230,749	3,335,627
Machinery and equipment, net	1,366,065	3,420	589,475	1,958,960
Infrastructure, net	8,687,140	—	62,031,607	70,718,747
Total noncurrent assets	10,595,359	14,798,740	64,673,510	90,067,609
Total assets	16,813,904	15,572,853	78,363,417	110,750,174
LIABILITIES				
Current liabilities:				
Due to other funds	—	3,638,470	—	3,638,470
Accounts payable	3,101	103,097	181,908	288,106
Accrued wages and benefits	15,389	—	103,552	118,941
Compensated absences	105	—	198	303
Total current liabilities	18,595	3,741,567	285,658	4,045,820
Current liabilities payable from restricted assets:				
Note payable	1,087,434	650,000	659,835	2,397,269
Loan payable - current	—	—	159,140	159,140
Interest payable - current	22,898	—	286,743	309,641
Total current liabilities payable from restricted assets	1,110,332	650,000	1,105,718	2,866,050
Total current liabilities	1,128,927	4,391,567	1,391,376	6,911,870
Noncurrent liabilities:				
Compensated absences	48,420	—	91,031	139,451
Bond payable	1,267,027	—	20,768,479	22,035,506
Loan payable	—	—	950,727	950,727
Total noncurrent liabilities	1,315,447	—	21,810,237	23,125,684
Total liabilities	2,444,374	4,391,567	23,201,613	30,037,554
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenues	632,226	4,176,507	—	4,808,733
Total deferred outflows of resources	632,226	4,176,507	—	4,808,733
Total assets and deferred outflows of resources	3,076,600	8,568,074	23,201,613	34,846,287
NET POSITION				
Net investment in capital assets	7,698,744	10,143,194	42,128,714	59,970,652
Restricted:				
For debt service	—	560,000	—	560,000
Unrestricted	6,038,560	(3,698,415)	13,033,090	15,373,235
Total net position	\$ 13,737,304	7,004,779	55,161,804	75,903,887

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2022

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
Operating revenues:				
User charges	\$ 1,988,051	—	9,840,398	11,828,449
Miscellaneous sales and services	7,069	766,061	69,157	842,287
Total operating revenues	1,995,120	766,061	9,909,555	12,670,736
Operating expenses:				
Salaries and employee benefits	468,318	—	1,232,277	1,700,595
Contractual services	682,833	—	2,273,748	2,956,581
Supplies and materials	1,499	—	23,056	24,555
Business and travel	883	—	461	1,344
Vehicle fuels and supplies	—	—	3,672	3,672
Share of county administrative expenses	—	—	757,350	757,350
Other administrative	—	—	95,126	95,126
Depreciation expense	880,761	143,678	1,142,743	2,167,182
Total operating expenses	2,034,294	143,678	5,528,433	7,706,405
Operating income (loss)	(39,174)	622,383	4,381,122	4,964,331
Nonoperating revenues (expenses):				
Interest on investments	(46,572)	6,120	(119,383)	(159,835)
Interest expense	(60,915)	(31,570)	(765,890)	(858,375)
Other, net	1,899	—	167,883	169,782
Total nonoperating revenues (expenses)	(105,588)	(25,450)	(717,390)	(848,428)
Net income (loss) before contributions and transfers	(144,762)	596,933	3,663,732	4,115,903
Capital contribution	886,583	—	5,554,174	6,440,757
Transfers in	575,000	—	—	575,000
Transfers out	—	(5,375)	—	(5,375)
Change in net position	1,316,821	591,558	9,217,906	11,126,285
Net position - beginning	12,420,483	6,413,221	45,943,898	64,777,602
Net position - ending	\$ 13,737,304	7,004,779	55,161,804	75,903,887

Howard County, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2022

	Broadband	Special Recreation Facility	Watershed Protection and Restoration	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,976,609	—	9,939,204	11,915,813
Cash paid to suppliers	(736,803)	(268)	(2,239,193)	(2,976,264)
Cash paid to / for employees	(491,847)	—	(1,189,513)	(1,681,360)
Cash paid for interfund services used	(55,782)	—	(624,899)	(680,681)
Cash received on rental property	—	343,152	—	343,152
Other operating cash receipts	—	422,909	—	422,909
Other operating disbursements	—	—	(536,879)	(536,879)
Net cash provided by (used for) operating activities	692,177	765,793	5,348,720	6,806,690
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payable	—	(156,816)	—	(156,816)
Interfund operating transfers in (out)	575,000	(5,375)	694	570,319
Net cash provided by (used for) noncapital financing activities	575,000	(162,191)	694	413,503
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the sale of county bonds	—	—	1,557,118	1,557,118
Proceeds from lease receivables	(3,628)	(43,152)	—	(46,780)
Payment of long-term debt principal	(62,434)	(535,000)	(618,029)	(1,215,463)
Interest paid on long-term debt	(61,332)	(23,295)	(585,954)	(670,581)
Net cash provided by (used for) capital and related financing activities	(127,394)	(601,447)	353,135	(375,706)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	(46,847)	(2,155)	(119,384)	(168,386)
Net cash provided by (used for) investing activities	(46,847)	(2,155)	(119,384)	(168,386)
Net increase in cash and cash equivalents	1,092,936	—	5,583,165	6,676,101
Balances - beginning of the year	4,817,880	560,000	8,106,742	13,484,622
Balances - end of the year	5,910,816	560,000	13,689,907	20,160,723
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating (loss) income	(39,174)	622,383	4,381,122	4,964,331
Adjustments to reconcile operating income to net cash:				
Depreciation expense	880,761	143,678	1,142,743	2,167,182
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	(18,510)	—	—	(18,510)
Accounts payable	(108,255)	(268)	(218,369)	(326,892)
Accrued wages and benefits	(14,209)	—	38,536	24,327
Compensated absences	(8,436)	—	4,688	(3,748)
Total adjustments	731,351	143,410	967,598	1,842,359
Net cash provided by (used in) operating activities	\$ 692,177	765,793	5,348,720	6,806,690

Noncash investing, capital, and financing activities:

In fiscal year 2022, \$886,583 and \$5,554,174 were contributed from various Capital Project funds to the Broadband Fund and Watershed Fund, respectively.



Tenable

The sculpture Azlon by Anthony Howe sits 35 feet tall in front of the Tenable headquarters building in Columbia's expanding Merriweather District.

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, 2022

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
ASSETS					
Current assets:					
Equity in pooled cash	\$ 15,908,131	5,131,540	9,273,176	25,558,221	55,871,068
Due from other governments	—	81,008	—	—	81,008
Other receivables	2,761,746	191,613	14,192	388,769	3,356,320
Lease receivables	—	—	819,857	—	819,857
Prepaid expenses	254,759	13,434	—	—	268,193
Materials and supplies	—	1,599,531	118,617	—	1,718,148
Total current assets	18,924,636	7,017,126	10,225,842	25,946,990	62,114,594
Noncurrent assets:					
Lease receivables	—	—	11,663,028	—	11,663,028
Capital assets:					
Buildings and improvements, net	—	1,469,282	58,358	—	1,527,640
Machinery and equipment, net	—	27,236,063	20,383,977	149,197	47,769,237
Right of use - equipment	—	—	270,278	—	270,278
Infrastructure, net	—	201,235	596,205	—	797,440
Total noncurrent assets	—	28,906,580	32,971,846	149,197	62,027,623
Total assets	18,924,636	35,923,706	43,197,688	26,096,187	124,142,217
LIABILITIES					
Current liabilities:					
Accounts payable	1,815,343	1,141,700	1,181,631	459,998	4,598,672
Accrued interest payable	—	—	94,126	—	94,126
Accrued wages and benefits	85,927	128,238	390,852	30,080	635,097
Compensated absences	2,248	—	10,555	—	12,803
Deposits and connection fees	—	—	78,000	—	78,000
Unpaid insurance claims	4,388,440	—	—	4,361,357	8,749,797
Lease liability	—	—	216,575	—	216,575
Current portion certificate of participation	—	—	1,360,000	—	1,360,000
Unearned revenue	—	—	16,388	—	16,388
Total current liabilities	6,291,958	1,269,938	3,348,127	4,851,435	15,761,458
Noncurrent liabilities:					
Compensated absences	473	366,473	938,201	79,064	1,384,211
Unpaid insurance claims	89,560	—	—	14,550,613	14,640,173
Lease liability	—	—	54,291	—	54,291
Long-term certificate of participation	—	—	4,120,184	—	4,120,184
Total noncurrent liabilities	90,033	366,473	5,112,676	14,629,677	20,198,859
Total liabilities	6,381,991	1,636,411	8,460,803	19,481,112	35,960,317
DEFERRED INFLOWS OF RESOURCES					
Deferred lease revenue	—	—	12,212,832	—	12,212,832
Total deferred inflows of resources	—	—	12,212,832	—	12,212,832
Total liabilities and deferred inflows of resources	6,381,991	1,636,411	20,673,635	19,481,112	48,173,149
NET POSITION					
Net investment in capital assets	—	28,906,580	15,557,768	149,197	56,547,439
Unrestricted	12,542,645	5,380,715	6,966,285	6,465,878	19,421,629
Total net position	\$ 12,542,645	34,287,295	22,524,053	6,615,075	75,969,068

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
Operating revenues:					
User charges	\$ 63,459,197	16,940,024	24,771,289	9,569,416	114,739,926
Insurance recoveries	—	—	—	273,327	273,327
Miscellaneous sales and services	—	(4,839)	1,408,609	—	1,403,770
Total operating revenues	63,459,197	16,935,185	26,179,898	9,842,743	116,417,023
Operating expenses:					
Salaries and employee benefits	464,354	4,253,717	10,488,865	1,443,348	16,650,284
Contractual services	933,359	2,931,081	10,458,882	149,811	14,473,133
Supplies and materials	783	2,210,142	1,798,087	174,584	4,183,596
Business and travel	—	3,461	532,647	6,232	542,340
Vehicle fuels and supplies	—	4,497,011	58,890	12,627	4,568,528
Share of County administrative expenses	19,653	356,075	—	520,937	896,665
Insurance claims	61,843,001	—	—	6,377,478	68,220,479
Other administrative	2,275,245	—	—	76,167	2,351,412
Depreciation expense	—	7,271,716	4,597,714	51,742	11,921,172
Total operating expenses	65,536,395	21,523,203	27,935,085	8,812,926	123,807,609
Operating income (loss)	(2,077,198)	(4,588,018)	(1,755,187)	1,029,817	(7,390,586)
Nonoperating revenues (expenses):					
Interest on investments	14,709	7,053	7,590	(198,226)	(168,874)
Interest expense	—	(1,237)	(119,151)	—	(120,388)
Proceeds from the sale or disposition of capital assets	—	810,716	—	—	810,716
Revenue from other government	—	81,008	—	—	81,008
Total nonoperating revenues (expenses)	14,709	897,540	(111,561)	(198,226)	602,462
Net income (loss) before contributions and transfers	(2,062,489)	(3,690,478)	(1,866,748)	831,591	(6,788,124)
Capital contributions	—	2,013,614	158,478	(224,675)	1,947,417
Transfers in	—	—	766,362	—	766,362
Transfers out	(14,709)	(7,053)	(582,590)	—	(604,352)
Change in net position	(2,077,198)	(1,683,917)	(1,524,498)	606,916	(4,678,697)
Net position - beginning	14,619,843	35,971,212	24,048,551	6,008,159	80,647,765
Net position - ending	\$ 12,542,645	34,287,295	22,524,053	6,615,075	75,969,068

Howard County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Employee Benefits Self-Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 62,108,811	16,731,177	26,183,760	9,840,883	114,864,631
Cash paid to suppliers	(64,776,256)	(7,959,308)	(4,011,321)	(7,077,446)	(83,824,331)
Cash paid to / for employees	(412,602)	(4,426,532)	(11,234,395)	(1,461,444)	(17,534,973)
Cash paid for quasi-external transactions	(157,300)	(2,250,724)	(9,542,920)	(88,812)	(12,039,756)
Other operating cash disbursements	—	—	(52,462)	(480,962)	(533,424)
Net cash provided by operating activities	(3,237,347)	2,094,613	1,342,662	732,219	932,147
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers to other funds	(14,709)	(7,053)	183,772	—	162,010
Net cash (used for) provided by noncapital financing activities	(14,709)	(7,053)	183,772	—	162,010
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	—	(4,283,308)	27,604	(236,500)	(4,492,204)
Proceeds from the sale or disposition of capital assets	—	810,716	—	—	810,716
Proceeds from lease receivables	—	—	(270,053)	—	(270,053)
Payment of long-term debt principal	—	(136,468)	(1,315,000)	—	(1,451,468)
Payment of long-term debt interest	—	(1,237)	(256,987)	—	(258,224)
Payment on lease principal	—	—	(270,866)	—	(270,866)
Payment on lease interest	—	—	(1,687)	—	(1,687)
Deferred inflows of leases	—	—	—	—	—
Proceeds from grant	—	81,008	—	—	81,008
Net cash (used for) provided by capital and related financing activities	—	(3,529,289)	(2,086,989)	(236,500)	(5,852,778)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	14,709	7,053	7,590	(198,226)	(168,874)
Net cash (used for) provided by investing activities	14,709	7,053	7,590	(198,226)	(168,874)
Net increase (decrease) in cash and cash equivalents	(3,237,347)	(1,434,676)	(552,965)	297,493	(4,927,495)
Cash and cash equivalents - beginning of the year	19,145,478	6,566,216	9,826,141	25,260,728	60,798,563
Cash and cash equivalents - end of the year	15,908,131	5,131,540	9,273,176	25,558,221	55,871,068
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	(2,077,198)	(4,588,018)	(1,755,187)	1,029,817	(7,390,586)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation expense	—	7,271,716	4,597,714	51,742	11,921,172
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(1,350,387)	(204,006)	3,864	(1,861)	(1,552,390)
Prepaid expenses	(249,581)	(7,461)	—	—	(257,042)
Accounts payable	247,030	(104,841)	(1,283,775)	(91,934)	(1,233,520)
Accrued wages and benefits	72,545	(130,919)	(210,906)	(22,487)	(291,767)
Supplies and materials	—	(104,790)	14,324	—	(90,466)
Deposits and connection fees	—	—	6,000	—	6,000
Unpaid insurance claims	141,037	—	—	(243,682)	(102,645)
Unearned revenue	—	—	(27,455)	—	(27,455)
Compensated absences	(20,793)	(37,068)	(1,917)	10,624	(49,154)
Total adjustments	(1,160,149)	6,682,631	3,097,849	(297,598)	8,322,733
Net cash provided by operating activities	\$ (3,237,347)	2,094,613	1,342,662	732,219	932,147

Noncash investing, capital, and financing activities:

In fiscal year 2022, \$158,478 was contributed from Capital Project funds to Technology and Communications fund.

In fiscal year 2022, \$224,675 was contributed from Risk Management Self-Insurance fund to Fleet fund.

In fiscal year 2022, \$2,013,614 was contributed from various Capital Projects and Internal Services funds to Fleet Fund.



Transformational \$1.3M Partnership

Howard County Executive Calvin Ball was joined by state officials, the La Alianza Workgroup, African American Community Roundtable, CASA, local health care partners and others to announce a transformational \$1.3 million maternal health program to ensure vital prenatal and postpartum care is available and affordable for uninsured and underinsured women in Howard County.

Fiduciary Funds

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



Howard County, Maryland
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2022

	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	\$ 567,941	758,225	61	1,326,227
Employer contributions	1,271,426	2,230,522	—	3,501,948
Member contributions	415,099	614,358	—	1,029,457
Sale of investments	1,239,514	1,654,803	—	2,894,317
Other	16,051	13,273	—	29,324
Cash	—	—	18,095,595	18,095,595
Equities	240,399,081	320,942,808	—	561,341,889
Alternative investments	147,213,189	196,535,753	—	343,748,942
Mutual funds	—	—	196,612,130	196,612,130
Money market funds	10,299,243	14,165,428	74,254	24,538,925
Fixed income securities	140,305,288	187,313,416	—	327,618,704
Real assets	24,998,727	33,374,343	—	58,373,070
Prepaid expense	23,874	29,346	—	53,220
Total assets	566,749,433	757,632,275	214,782,040	1,539,163,748
LIABILITIES				
Accounts payable	—	—	58,715	58,715
Investments purchased	2,376,992	3,173,383	—	5,550,375
Other	234,835	301,473	503,000	1,039,308
Total liabilities	2,611,827	3,474,856	561,715	6,648,398
NET POSITION				
Net position restricted for pension, other post-employment benefits, individuals, organizations and other governments	\$ 564,137,606	754,157,419	214,220,325	1,532,515,350

Howard County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2022

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 16,347,464	33,225,833	37,268,536	86,841,833
Member	4,897,184	8,749,312	—	13,646,496
Total contributions	21,244,648	41,975,145	37,268,536	100,488,329
Investment income (expense):				
Net change in fair value of investments	(77,400,195)	(101,103,296)	(39,775,746)	(218,279,237)
Interest	1,659,615	2,200,647	58,688	3,918,950
Dividends	16,961,488	22,476,063	5,440,358	44,877,909
Other	75,575	100,302	—	175,877
Investment expense	(1,360,238)	(1,732,535)	(364,853)	(3,457,626)
Net investment income (loss)	(60,063,755)	(78,058,819)	(34,641,553)	(172,764,127)
Total additions	(38,819,107)	(36,083,674)	2,626,983	(72,275,798)
DEDUCTIONS				
Benefits	23,694,999	35,133,855	26,229,968	85,058,822
Administrative expenses	417,236	458,765	41,413	917,414
Total deductions	24,112,235	35,592,620	26,271,381	85,976,236
Change in net position	(62,931,342)	(71,676,294)	(23,644,398)	(158,252,034)
Net position - beginning of year	627,068,948	825,833,713	237,864,723	1,690,767,384
Net position - end of year	\$ 564,137,606	754,157,419	214,220,325	1,532,515,350

Howard County, Maryland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	Detention Center Inmate and Work Release	Friends of RNC	Sheriff's Writ of Execution	State Property Tax and Interest	Trust and Agency Multifarious	Police Contraband	Total
ASSETS							
Equity in pooled cash	\$ 108,565	1,185	20,687	1,432,706	326,330	180,136	2,069,609
Receivables:							
Property Taxes	—	—	—	287,320	—	—	287,320
Other receivables and billings	—	—	—	439,621	3,203	—	442,824
Prepaid items	—	—	—	—	6,750	—	6,750
Total assets	108,565	1,185	20,687	2,159,647	336,283	180,136	2,806,503
LIABILITIES							
Accounts payable and other liabilities	—	—	—	1,655,799	—	—	1,655,799
Due to other governments	—	—	—	10,591	—	—	10,591
Total liabilities	—	—	—	1,666,390	—	—	1,666,390
NET POSITION:							
Restricted for: Individuals, organizations and other governments	\$ 108,565	1,185	20,687	493,257	336,283	180,136	1,140,113

Howard County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Detention Center Inmate and Work Release	Friends of RNC	Sheriff's Writ of Execution	State Property Tax and Interest	Trust and Agency Multifarious	Police Contraband	Total
ADDITIONS							
Miscellaneous revenue	\$ 609,907	1,174	27,230	500	118,942	63,603	821,356
Property taxes	—	—	—	70,719,016	—	—	70,719,016
Other local taxes and fees	—	—	—	159,893	—	—	159,893
Total additions	609,907	1,174	27,230	70,879,409	118,942	63,603	71,700,265
DEDUCTIONS							
Contractual services	—	39	2,726	—	76,013	241,035	319,813
Administrative expenses	568,887	—	—	—	21,548	—	590,435
Supplies and materials	—	—	—	—	43,404	—	43,404
Property taxes paid to other governments	—	—	—	71,400,605	—	—	71,400,605
Total deductions	568,887	39	2,726	71,400,605	140,965	241,035	72,354,257
Change in net position	41,020	1,135	24,504	(521,196)	(22,023)	(177,432)	(653,992)
Net position - beginning of year	67,545	50	(3,817)	1,014,453	358,306	—	1,436,537
Adjustment to beginning balance	—	—	—	—	—	357,568	357,568
Net position beginning of year (as restated)	67,545	50	(3,817)	1,014,453	358,306	357,568	1,794,105
Net position - end of year	\$ 108,565	1,185	20,687	493,257	336,283	180,136	1,140,113

**Capital Assets Used in the Operation of
Governmental Fund Activities**



Howard County, Maryland
Schedule By Function and Activity
Capital Assets Used in the Operation of Governmental Fund Activities
For the Year Ended June 30, 2022

Function and Activity	Land and Land Improvements	Buildings	Improvements Other Than Buildings and Infrastructure	Equipment	Construction In Progress	Total
General government:						
County executive	\$ —	—	7,314	—	—	7,314
Technology and communication	—	—	1,506,337	52,971,055	—	54,477,392
Finance	—	—	—	1,990,764	—	1,990,764
County administration	—	70,200	34,471,204	77,197,821	—	111,739,225
Total general government	—	70,200	35,984,855	132,159,640	—	168,214,695
Public safety:						
Corrections	—	528,745	2,575,458	3,968,691	—	7,072,894
Fire	8,975,331	50,314,712	12,200,778	49,438,602	—	120,929,423
Police	—	9,508,633	5,867,232	17,250,498	—	32,626,363
Total public safety	8,975,331	60,352,090	20,643,468	70,657,791	—	160,628,680
Public facilities:						
Public works	363,633,098	454,860,136	769,295,889	17,372,634	—	1,605,161,757
Planning and zoning	13,476	—	323,226	253,740	—	590,442
Inspections, licenses and permits	—	—	—	2,788,579	—	2,788,579
Transportation	2,679,368	12,146,655	411,211	14,899,851	—	30,137,085
Total public facilities	366,325,942	467,006,791	770,030,326	35,314,804	—	1,638,677,863
Legislative and judicial:						
Board of Elections	—	1,991,179	—	—	—	1,991,179
Circuit court	—	—	63,560	55,663	—	119,223
County council	—	—	—	32,616	—	32,616
State's attorney	—	—	—	59,229	—	59,229
Sheriff	—	25,434	—	231,342	—	256,776
Total legislative and judicial	—	2,016,613	63,560	378,850	—	2,459,023
Community services:						
Community Resources & Services	—	1,107,069	176,213	284,869	—	1,568,151
Health department	—	—	374,203	1,335,024	—	1,709,227
Cooperative extension service	—	579,563	—	—	—	579,563
Housing and community development	490,900	3,400,119	—	—	—	3,891,019
Library	3,164,668	95,171,408	7,405,976	209,830	—	105,951,882
Total community services	3,655,568	100,258,159	7,956,392	1,829,723	—	113,699,842
Recreation and parks:						
Recreation and parks	126,419,692	66,908,995	136,356,297	5,858,155	—	335,543,139
Total recreation and parks	126,419,692	66,908,995	136,356,297	5,858,155	—	335,543,139
Agricultural land preservation:						
Agricultural land easements	148,182,970	—	—	—	—	148,182,970
Total agricultural land preservation	148,182,970	—	—	—	—	148,182,970
Construction in progress	—	—	—	—	92,229,277	92,229,277
Total governmental funds capital assets	\$ 653,559,503	696,612,848	971,034,898	246,198,963	92,229,277	2,659,635,489

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 Fund Activities
For the Year Ended June 30, 2022

Function and Activity	Balances	Assets			Balances	Balances	Allowance for Depreciation			Balances
	June 30, 2021	Additions	Deductions	Transfers	June 30, 2022	June 30, 2021	Additions	Deductions	Transfers	June 30, 2022
General government:										
County executive	\$ 7,314	—	—	—	7,314	7,309	5	—	—	7,314
Technology and communication	53,805,802	675,830	4,240	—	54,477,392	28,546,953	4,606,204	3,710	—	33,149,447
Finance	1,990,764	108,762	—	(108,762)	1,990,764	1,953,764	12,685	—	6,843	1,959,606
County administration	110,463,533	6,445,918	5,170,226	—	111,739,225	79,050,473	7,574,616	5,041,915	—	81,583,174
Total general government	166,267,413	7,230,510	5,174,466	(108,762)	168,214,695	109,558,499	12,193,510	5,045,625	6,843	116,699,541
Public safety:										
Corrections	4,635,324	2,461,569	23,999	—	7,072,894	459,616	510,064	23,999	—	945,681
Fire	118,275,093	4,418,089	1,763,759	—	120,929,423	48,425,731	3,819,987	1,543,338	—	50,702,380
Police	27,893,872	4,816,303	83,812	—	32,626,363	13,391,684	2,784,810	70,899	—	16,105,595
Total public safety	150,804,289	11,695,961	1,871,570	—	160,628,680	62,277,031	7,114,861	1,638,236	—	67,753,656
Public facilities:										
Public works	1,295,458,177	309,926,972	223,392	—	1,605,161,757	433,607,218	40,071,128	178,751	—	473,499,595
Planning and zoning	590,442	—	—	—	590,442	395,369	17,446	—	—	412,815
Inspections, licenses and permits	2,788,579	—	—	—	2,788,579	2,761,927	6,545	—	—	2,768,472
Transportation	29,924,361	284,224	71,500	—	30,137,085	11,134,759	1,543,803	71,500	—	12,607,062
Total public facilities	1,328,761,559	310,211,196	294,892	—	1,638,677,863	447,899,273	41,638,922	250,251	—	489,287,944
Legislative and judicial:										
Board of Elections	—	1,991,179	—	—	1,991,179	—	215,263	—	—	215,263
County council	32,616	—	—	—	32,616	18,248	4,659	—	—	22,907
Circuit court	119,223	—	—	—	119,223	69,933	6,556	—	—	76,489
State's attorney	59,229	—	—	—	59,229	59,229	—	—	—	59,229
Sheriff	225,549	31,227	—	—	256,776	134,445	22,469	—	—	156,914
Total legislative and judicial	436,617	2,022,406	—	—	2,459,023	281,855	33,684	—	—	315,539
Community services:										
Community resources and services	468,720	1,107,069	7,638	—	1,568,151	296,391	175,473	4,498	—	467,366
Cooperative extension service	—	579,563	—	—	579,563	—	144,891	—	—	144,891
Health department	1,755,706	—	46,479	—	1,709,227	1,559,955	68,332	46,479	—	1,581,808
Housing and community development	3,891,019	—	—	—	3,891,019	2,446,069	68,002	—	—	2,514,071
Library	105,223,187	728,695	—	—	105,951,882	28,957,422	2,588,781	—	—	31,546,203
Total community services	111,338,632	2,415,327	54,117	—	113,699,842	33,259,837	3,045,479	50,977	—	36,254,339
Recreation and parks:										
Recreation and parks	332,757,460	2,931,355	145,676	—	335,543,139	85,214,383	8,017,739	145,676	—	93,086,446
Total recreation and parks	332,757,460	2,931,355	145,676	—	335,543,139	85,214,383	8,017,739	145,676	—	93,086,446
Agricultural land preservation:										
Agricultural land easements	140,730,706	7,452,264	—	—	148,182,970	—	—	—	—	—
Total agricultural land preservation	140,730,706	7,452,264	—	—	148,182,970	—	—	—	—	—
Total county government	2,230,977,453	343,959,019	7,540,721	(108,762)	2,567,406,212	738,490,878	72,259,458	7,130,765	6,843	803,612,728
Construction in progress	74,183,801	152,882,627	134,837,151	—	92,229,277	—	—	—	—	—
Total governmental funds capital assets	\$ 2,305,161,254	496,841,646	142,377,872	(108,762)	2,659,635,489	738,490,878	72,259,458	7,130,765	6,843	803,612,728

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

**Capital Assets Used in the Operation of
Enterprise Fund Activities**



Howard County, Maryland
Schedule of Capital Assets and Depreciation
Schedule of Capital Assets Used in the Operation of Enterprise Fund Activities
For the Year Ended June 30, 2022

	Balances		Assets			Balances	Allowance for Depreciation				Balances
	June 30, 2021		Additions	Deductions	Transfers	June 30, 2022	June 30, 2021	Additions	Deductions	Transfers	June 30, 2022
Land:											
Utility	\$ 3,068,642		—	—	—	3,068,642	—	—	—	—	—
Watershed	815,065		—	—	—	815,065	—	—	—	—	—
Golf course	8,684,896		—	—	—	8,684,896	—	—	—	—	—
Total land	12,568,603		—	—	—	12,568,603	—	—	—	—	—
Buildings:											
Utility	236,863,265		—	—	—	236,863,265	101,521,860	4,605,947	—	—	106,127,807
Golf course	1,058,133		—	—	—	1,058,133	612,112	21,163	—	—	633,275
Watershed	329,043		—	—	—	329,043	28,772	6,581	—	—	35,353
Total buildings	238,250,441		—	—	—	238,250,441	102,162,744	4,633,691	—	—	106,796,435
Improvements other than buildings:											
Utility	85,046,070	6,926,639	—	—	—	91,972,709	57,332,841	3,306,866	—	—	60,639,707
Watershed	1,274,245	—	—	—	—	1,274,245	273,474	63,712	—	—	337,186
Golf course	2,368,920	—	—	—	—	2,368,920	570,454	118,448	—	—	688,902
Total improvements	88,689,235	6,926,639	—	—	—	95,615,874	58,176,769	3,489,026	—	—	61,665,795
Infrastructure:											
Utility	924,577,648	31,746,212	—	—	—	956,323,860	355,124,693	21,094,933	—	—	376,219,626
Watershed	59,457,186	5,554,172	—	—	—	65,011,358	2,013,454	966,298	—	—	2,979,752
Broadband	14,431,750	—	—	—	—	14,431,750	5,023,023	721,587	—	—	5,744,610
Total infrastructure	998,466,584	37,300,384	—	—	—	1,035,766,968	362,161,170	22,782,818	—	—	384,943,988
Machinery and equipment:											
Utility	16,819,097	402,624	185,238	—	—	17,036,483	9,288,152	1,219,253	177,953	—	10,329,452
Golf course	308,352	—	75,540	—	—	232,812	300,865	4,069	75,540	—	229,394
Watershed	1,174,046	—	—	—	—	1,174,046	478,418	106,152	—	—	584,570
Broadband	1,385,581	784,665	—	108,762	—	2,279,008	746,925	159,175	—	(6,843)	912,943
Total machinery and equipment	19,687,076	1,187,289	260,778	108,762	—	20,722,349	10,814,360	1,488,649	253,493	(6,843)	12,056,359
Right-to use leased equipment											
Utility	—	2,615,710	—	—	—	2,615,710	—	191,393	—	—	191,393
Total right-to use leased equipment	—	2,615,710	—	—	—	2,615,710	—	191,393	—	—	191,393
Grand total	\$ 1,357,661,939	48,030,022	260,778	108,762	1,405,539,945	533,315,043	32,585,577	253,493	(6,843)	565,653,970	

Does not include \$38,184,465 of construction in progress.



Books in Bloom

Books in Bloom is a popular literary festival in Downtown Columbia's Merriweather District celebrating the joy of books and reading. The gathering helps promote the growth of Downtown Columbia as a vibrant, desirable destination for economic opportunity, employment, entertainment, education, and quality of life.

Long-Term Debt

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



Howard County, Maryland
Schedule of General Long-Term Debt - General County Bonds
Long-Term Obligations
June 30, 2022

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	10,797,458	50,202,458
04/03/2014	2015-2034	3.00 - 5.00	117,125,000	4,685,000	234,250	4,919,250
04/22/2015	2016-2035	3.00 - 5.00	184,195,000	14,290,000	714,500	15,004,500
03/30/2016	2017-2036	2.00 - 5.00	96,260,000	80,895,000	19,705,100	100,600,100
04/25/2017	2018-2037	3.25 - 5.00	274,310,000	225,305,000	63,392,244	288,697,244
12/21/2017	2018-2034	3.00 - 5.00	184,440,000	180,515,000	53,417,700	233,932,700
04/18/2018	2020-2038	3.25 - 5.00	129,890,000	116,080,000	41,410,388	157,490,388
05/29/2019	2020-2039	2.75 - 5.00	131,295,477	102,429,091	31,137,952	133,567,043
05/07/2020	2021-2040	1.22 - 5.00	166,680,921	158,807,091	48,002,846	206,809,937
10/07/2020	2024-2035	0.50 - 3.00	83,280,000	83,280,000	8,304,100	91,584,100
03/03/2021	2022-2041	1.75 - 5.00	122,432,373	122,432,373	36,663,843	159,096,216
03/15/2022	2023-2042	2.25 - 5.00	50,282,602	50,282,602	17,353,441	67,636,043
Total Consolidated Public Improvement Bonds			1,628,611,373	1,178,406,157	331,133,822	1,509,539,979
Tax increment financing bonds	2017-2047	4.00 - 6.10	65,225,000	64,450,000	49,876,100	114,326,100
Compensated absences	n/a	n/a	n/a	32,200,569	n/a	32,200,569
Long-term financed purchase	n/a	n/a	n/a	4,110,090	n/a	4,110,090
Availability payment arrangement	n/a	n/a	n/a	100,653,579	n/a	100,653,579
Certificates of participation	n/a	n/a	n/a	15,350,000	n/a	15,350,000
Landfill closure obligations	n/a	n/a	n/a	25,285,000	n/a	25,285,000
Agricultural land preservation program	2019-2037	2.19-8.60	n/a	59,440,666	9,270,535	68,711,201
Total debt			\$ 1,693,836,373	\$1,479,896,061	* \$ 390,280,457	\$ 1,870,176,518

* Does not include deferred refunding premium liability of \$128,228,608, unamortized bond discount of \$21,850, unpaid claims of \$23,389,970, net OPEB liability of \$507,270,174, net LOSAP liability of \$41,657,520, lease liability of \$94,827,601 and other non-current liabilities of \$8,555,673 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, 2022

	Balance June 30, 2021	Issued	Refunded	Retired	Balance June 30, 2022
General county bonds:					
General improvement	\$ 503,148,665	36,776,806	—	27,281,654	512,643,817
General improvement (BANS)	1,202,465	199,251	—	30,669	1,371,047
Storm drain	42,431,348	1,916,879	—	2,224,524	42,123,703
Police department	4,346,480	1,381,502	—	539,127	5,188,855
Fire department	27,940,630	—	—	1,506,597	26,434,033
Schools	427,454,502	6,592,332	—	34,937,789	399,109,045
Community renewal	1,109,426	—	—	153,473	955,953
Recreation and parks	62,719,736	1,009,668	—	3,494,056	60,235,348
Community college	119,547,871	940,266	—	6,588,032	113,900,105
Environmental services	12,728,056	1,465,897	—	484,656	13,709,297
Economic development authority	2,863,506	—	—	128,552	2,734,954
Total Bonds	1,205,492,685	50,282,601	—	77,369,129	1,178,406,157
Other long-term debt					
Tax increment financing	64,695,000	—	—	245,000	64,450,000
Compensated absences	32,815,099	2,815,047	—	3,429,577	32,200,569
Long-term financed purchase	4,589,691	2,177,784	—	2,657,385	4,110,090
Availability payment arrangement	—	102,009,225	—	1,355,646	100,653,579
Certificates of participation	17,775,000	—	—	2,425,000	15,350,000
Landfill closure obligation	23,658,000	1,627,000	—	—	25,285,000
Agricultural land preservation program	59,546,201	7,050,045	—	7,155,580	59,440,666
Total other long-term debt	203,078,991	115,679,101	—	17,268,188	301,489,904
Total long-term debt	\$ 1,408,571,676	165,961,702	—	94,637,317	1,479,896,061 *

*Does not include deferred refunding premium liability of \$128,228,608, unamortized bond discount of \$21,850, unpaid claims of \$23,389,970 (including \$8,749,797 due within one year), other non-current liabilities of \$8,555,673, net OPEB liability of \$507,270,174, net LOSAP liability of \$41,657,520, and lease liability of 94,827,601 included in the Statement of Net Position.

Howard County, Maryland
Schedule of Bonded and Other Long-Term Debt
Enterprise Fund
June 30, 2022

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	510,000	7,650	517,650
04/22/2015	2016-2045	2.00 - 5.00	31,015,000	1,045,000	52,250	1,097,250
03/30/2016	2017-2046	3.00 - 5.00	26,190,000	23,385,000	9,963,788	33,348,788
04/25/2017	2018-2047	3.00 - 5.00	81,515,000	73,550,000	28,701,719	102,251,719
12/21/2017	2018-2044	3.00 - 5.00	56,075,000	48,525,000	15,985,100	64,510,100
04/18/2018	2019-2048	3.125 - 5.00	38,150,000	35,155,000	20,727,338	55,882,338
05/29/2019	2020-2049	3.00 - 5.00	66,605,000	62,550,000	29,538,375	92,088,375
05/07/2020	2020-2050	1.22 - 5.00	75,190,000	72,205,000	33,288,066	105,493,066
10/07/2020	2021-2045	1.70 - 3.00	25,905,000	25,800,000	8,301,915	34,101,915
03/03/2021	2021-2051	2.00 - 5.00	26,400,000	25,875,000	9,749,150	35,624,150
03/15/2022	2022-2052	2.50 - 5.00	18,445,000	18,445,000	9,717,376	28,162,376
Total metropolitan district bonds			481,735,000	387,045,000	166,032,727	553,077,727
MD water quality 01/29/2002	2005-2024	2.00	21,329,363	1,941,630	170,001 *	2,111,631
MD water quality 10/01/2008	2009-2029	2.30	1,197,362	425,295	62,761 *	488,056
MD water quality 11/19/2009	2010-2031	1.00	3,443,711	1,605,121	160,885 *	1,766,006
Total water quality			25,970,436	3,972,046	393,647	4,365,693
Watershed Protection 05/29/2019	2020-2039	2.75 - 5.00	2,334,523	2,080,909	665,719	2,746,628
Watershed Protection 05/07/2020	2020-2040	4.00 - 5.00	12,208,370	11,334,633	5,073,417	16,408,050
Watershed Protection 03/03/2021	2021-2041	1.75 - 5.00	3,392,627	3,392,627	1,015,963	4,408,590
Watershed Protection 03/15/2022	2022-2042	2.25 - 5.00	1,582,398	1,582,398	546,114	2,128,512
Total watershed protection			19,517,918	18,390,567	7,301,213	25,691,780
Broadband 04/18/2018	2023	3.00	1,025,000	1,025,000	30,750	1,055,750
Broadband 05/07/2020	2021-2040	1.22 - 3.10	1,390,710	1,328,276	331,578	1,659,854
Total Broadband			2,415,710	2,353,276	362,328	2,715,604
Special recreation facility bonds	2012-2022	2.48	5,400,000	650,000	2,588	652,588
MDE Loan	2019-2028	2.95	1,646,000	1,109,871	112,148	1,222,019
Certificates of participation - water meter	n/a	n/a	n/a	2,050,000	n/a	2,050,000
Compensated absences	n/a	n/a	n/a	1,096,317	n/a	1,096,317
Major water and sewer agreements	n/a	n/a	n/a	726,002	n/a	726,002
Total debt			\$ 536,685,064	417,393,079 **	174,204,651	591,597,730

* Includes administrative fees.

**Does not include deferred refunding premium of \$30,351,304, net OPEB liability of \$34,646,529, and lease liability of \$2,467,634 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, 2022

	Balance June 30, 2021	Issued	Refunded	Retired	Balance June 30, 2022
Metropolitan district bonds:					
11/17/2011	\$ 1,470,000	—	—	960,000	510,000
04/03/2014	795,000	—	—	795,000	—
04/22/2015	2,045,000	—	—	1,000,000	1,045,000
03/15/2016	23,895,000	—	—	510,000	23,385,000
04/25/2017	76,575,000	—	—	3,025,000	73,550,000
12/21/2017	50,785,000	—	—	2,260,000	48,525,000
04/18/2018	35,885,000	—	—	730,000	35,155,000
05/15/2019	63,865,000	—	—	1,315,000	62,550,000
05/07/2020	73,655,000	—	—	1,450,000	72,205,000
10/07/2020	25,905,000	—	—	105,000	25,800,000
03/03/2021	26,400,000	—	—	525,000	25,875,000
03/15/2022	—	18,445,000	—	—	18,445,000
Total Bonds	381,275,000	18,445,000	—	12,675,000	387,045,000
Other long-term debt					
MD water quality 10/18/2000	2,109,818	—	—	2,109,818	—
MD water quality 01/29/2002	3,209,476	—	—	1,267,846	1,941,630
MD water quality 10/01/2008	482,415	—	—	57,120	425,295
MD water quality 11/19/2009	1,780,705	—	—	175,584	1,605,121
Total other long-term debt	7,582,414	—	—	3,610,368	3,972,046
Watershed protection	17,271,605	1,582,398	—	463,436	18,390,567
Broadband 04/18/2018	1,025,000	—	—	—	1,025,000
Broadband 05/07/2020	1,390,710	—	—	62,434	1,328,276
Total Broadband	2,415,710	—	—	62,434	2,353,276
Special recreation facility bonds	1,185,000	—	—	535,000	650,000
MDE loan	1,264,464	—	—	154,593	1,109,871
Certificates of participation - water meter	2,280,000	—	—	230,000	2,050,000
Compensated absences	1,247,462	14,132	—	165,277	1,096,317
Major water and sewer agreements	775,683	—	—	49,681	726,002
Total long-term debt	\$ 415,297,338	20,041,530	—	17,945,789	417,393,079 *

*Does not include deferred refunding premium of \$30,351,304, net OPEB liability of \$34,646,529, and lease liability of \$2,467,634 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 740,258,162	755,904,065	754,407,588	772,350,290	834,114,554	826,399,982	841,929,843	860,749,049	852,772,538	1,007,748,724
Restricted	94,955,786	109,207,649	100,314,009	109,620,128	114,206,491	153,326,501	142,249,607	137,408,939	181,632,342	289,172,801
Unrestricted (a)	(727,260,025)	(905,160,838)	(942,920,000)	(991,153,043)	(1,207,393,428)	(1,003,960,300)	(997,456,851)	(835,908,499)	(686,403,499)	(739,435,506)
Subtotal governmental activities net position	107,953,923 (b)	(40,049,124)	(88,198,403) (c)	(109,182,625)	(259,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381	557,486,019
Business-type activities										
Net investment in capital assets	343,029,639	349,976,408	410,168,067	410,561,263	414,126,888	419,010,628	456,887,408	440,510,473	470,068,555	463,785,341
Restricted	54,677,366	48,248,364	48,241,852	42,470,585	27,949,207	24,709,724	21,823,966	19,238,763	16,973,269	14,934,635
Unrestricted	114,065,506	115,007,448	107,862,198	138,508,000	157,835,870	151,054,737	146,526,725	161,100,810	141,729,290	149,908,311
Subtotal business-type activities net position	511,772,511 (b)	513,232,220	566,272,117 (c)	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114	628,628,287
Primary government										
Net investment in capital assets	1,083,287,801	1,105,880,473	1,164,575,655	1,182,911,553	1,248,241,442	1,245,410,610	1,298,817,251	1,301,259,522	1,322,841,093	1,471,534,065
Restricted	149,633,152	157,456,013	148,555,861	152,090,713	142,155,698	178,036,225	164,073,573	156,647,702	198,605,611	304,107,436
Unrestricted	(613,194,519)	(790,153,390)	(835,057,802)	(852,645,043)	(1,049,557,558)	(852,905,563)	(850,930,126)	(674,807,689)	(544,674,209)	(589,527,195)
Total primary government net position	\$ 619,726,434	473,183,096	478,073,714	482,357,223	340,839,582	570,541,272	611,960,698	783,099,535	976,772,495	1,186,114,306

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

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 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	123,183,109	72,881,510
Public safety	196,950,283	198,590,882	208,298,711	207,170,029	230,134,183	217,378,984	249,887,935	273,690,808	272,893,187	264,850,920
Public works	130,500,653	148,889,651	179,349,488	156,707,838	168,834,876	194,980,993	207,843,230	191,131,750	184,376,252	215,560,704
Recreation and parks	29,210,799	35,764,376	37,193,427	42,880,875	47,094,291	25,923,502	54,344,080	44,155,887	33,372,823	53,247,567
Legislative and judicial	23,682,923	23,259,531	27,110,955	26,070,345	27,693,094	27,484,681	30,139,996	33,526,457	34,562,766	34,828,987
Community services	38,506,895	45,311,763	48,650,488	45,928,376	44,497,229	47,215,901	50,250,870	51,744,649	57,793,879	64,131,907
State highways	7,225,028	6,634,669	763,353	3,341,087	5,842,868	4,934,098	9,286,446	4,140,382	1,381,137	2,374,495
Education	639,025,259	637,839,632	669,067,653	717,742,080	739,013,105	701,633,749	710,311,491	703,269,393	753,121,391	798,493,045
Interest on long-term debt	47,729,955	50,489,693	43,648,543	49,977,613	57,494,607	61,452,013	51,541,615	56,026,136	56,785,423	58,538,363
Total governmental activities expenses	1,200,237,696	1,251,300,333	1,289,640,936	1,316,052,664	1,387,552,837	1,339,024,018	1,428,846,896	1,432,001,915	1,517,469,967	1,564,907,498
Business-type activities:										
Water and sewer	87,569,376	98,795,678	97,764,211	95,781,698	101,312,345	105,229,515	113,056,969	111,856,075	122,881,576	125,680,688
Golf course	1,885,101	—	—	—	—	—	—	—	—	—
Other (b)	—	3,094,253	5,977,330	6,551,799	7,356,981	6,585,542	7,163,586	8,262,267	8,213,268	8,724,615
Total business-type activities expenses	89,454,477	101,889,931	103,741,541	102,333,497	108,669,326	111,815,057	120,220,555	120,118,342	131,094,844	134,405,303
Total primary government expenses	1,289,692,173	1,353,190,264	1,393,382,477	1,418,386,161	1,496,222,163	1,450,839,075	1,549,067,451	1,552,120,257	1,648,564,811	1,699,312,801
Program revenues										
Governmental activities:										
Charges for services										
General government	46,065,885	49,312,264	40,365,251	41,462,547	52,783,407	47,092,030	48,266,394	43,695,157	60,623,707	50,096,105
Public works	43,476,909	44,007,973	48,319,370	50,419,335	48,313,166	49,740,333	49,166,390	57,391,094	60,818,074	68,987,581
Recreation and parks	14,420,583	16,481,357	17,471,881	18,231,380	20,182,293	19,791,578	20,905,820	17,099,764	8,302,208	16,804,547
Other	10,725,120	12,538,229	25,188,353	13,987,065	10,672,780	13,053,507	14,129,641	19,846,183	19,114,022	24,838,162
Operating grants and contributions	27,837,622	33,472,335	35,864,017	40,094,831	39,402,540	43,351,124	40,559,501	60,278,746	97,683,224	84,412,904
Capital grants and contributions	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	4,329,549	17,378,972
Total governmental activities program revenues	185,101,471	166,027,685	184,023,771	191,987,452	189,517,541	197,483,580	191,404,940	218,012,111	250,870,784	262,518,271
Business-type activities:										
Charges for services										
Water and sewer	54,712,858	59,641,881	64,133,085	64,965,916	64,761,724	64,642,532	64,833,505	65,876,003	65,967,446	66,280,906
Golf course	2,069,082	—	—	—	—	—	—	—	—	—
Other (b)	—	12,310,600	14,129,334	14,256,985	13,906,569	13,712,093	11,544,895	11,301,111	12,477,557	12,670,736
Operating grants and contributions	29,006,605	29,196,783	30,010,057	31,339,509	32,669,952	33,958,088	35,349,018	36,112,163	40,565,784	40,510,564
Capital grants and contributions	16,285,260	11,361,621	51,939,661	14,728,750	10,262,423	11,976,929	43,164,177	9,928,803	12,591,770	10,376,098
Total business-type activities program revenues	102,073,805	112,510,885	160,212,137	125,291,160	121,600,668	124,289,642	154,891,595	123,218,080	131,602,557	129,838,304
Total primary government program revenues	\$ 287,175,276	278,538,570	344,235,908	317,278,612	311,118,209	321,773,222	346,296,535	341,230,191	382,473,341	392,356,575

(continued)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expenses)/revenue										
Governmental activities	\$(1,015,136,225)	(1,085,272,648)	(1,105,617,165)	(1,124,065,212)	(1,198,035,296)	(1,141,540,438)	(1,237,441,956)	(1,213,989,804)	(1,266,599,183)	(1,302,389,227)
Business-type activities	12,619,328	10,620,954	54,470,596	22,957,663	12,931,342	12,474,585	34,671,040	3,099,738	507,713	(4,573,119)
Total primary government net expenses	(1,002,516,897)	(1,074,651,694)	(1,051,146,569)	(1,101,107,549)	(1,185,103,954)	(1,129,065,853)	(1,202,770,916)	(1,210,890,066)	(1,266,091,470)	(1,306,962,346)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	523,266,142	539,731,584	559,405,539	586,123,532	608,458,370	630,762,037	654,794,565	708,947,753	738,646,472	756,762,754
Local income taxes	360,251,116	400,455,701	412,674,188	431,743,893	436,993,783	466,935,173	496,679,385	577,958,870	619,513,011	652,606,282
Other local taxes	61,337,101	61,035,196	68,300,957	72,656,951	77,911,373	77,122,059	69,739,135	77,803,643	95,715,172	110,008,159
Intergovernmental, unrestricted	1,422,086	1,466,960	1,553,636	1,836,227	1,763,063	1,590,437	1,673,415	3,308,303	2,997,085	3,879,455
Unrestricted investment income	(552,647)	2,230,944	2,840,722	5,054,711	1,206,178	4,998,389	13,585,602	9,972,730	1,258,028	(5,763,261)
Miscellaneous	1,195,039	1,102,401	970,104	3,347,590	90,510	2,700,739	2,513,727	1,421,705	1,238,098	1,390,858
Transfers	—	7,345,000	3,696,843	2,318,086	5,389,399	9,151,633	9,412,543	19,489,201	13,807,937	(7,010,382)
Subtotal governmental activities	946,918,837	1,013,367,786	1,049,441,989	1,103,080,990	1,131,812,676	1,193,260,467	1,248,398,372	1,398,902,205	1,473,175,803	1,511,873,865
Business-type activities:										
Unrestricted investment income	169,180	135,292 (d)	242,826	823,902	830,024	2,434,920	5,998,775	2,615,899	253,254	957,282
Miscellaneous	—	—	23,318	3,804,252	150	53,351	(794,262)	(10,728)	3,033	4,822
Transfers	—	(7,345,000)	(3,696,843)	(2,318,086)	(5,389,399)	(9,151,633)	(9,412,543)	(19,489,201)	(13,807,937)	7,010,382
Subtotal business-type activities	169,180	(7,209,708)	(3,430,699)	2,310,068	(4,559,225)	(6,663,362)	(4,208,030)	(16,884,030)	(13,551,650)	7,972,486
Total primary government	947,088,017	1,006,158,078	1,046,011,290	1,105,391,058	1,127,253,451	1,186,597,105	1,244,190,342	1,382,018,175	1,459,624,153	1,519,846,351
Net position balances										
Governmental activities:										
Change in net position, governmental activities	(68,217,388)	(71,904,862)	(48,149,278)	(20,984,222)	(66,222,620)	51,720,029	10,956,416	175,526,890	185,751,892	209,484,638
Net position, beginning-governmental activities	263,297,945	107,953,923	36,049,061	(88,198,403)	(131,849,763)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381
Restatement	(87,126,634)	—	(76,098,186)	—	—	122,118,537	—	—	—	—
Net position, ending-governmental activities	107,953,923	36,049,061	(88,198,403)	(109,182,625)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381	557,486,019
Business-type activities:										
Change in net position, business-type activities	12,788,508	3,411,246	53,039,897	25,267,731	8,372,117	5,811,223	30,463,010	(4,388,053)	7,921,068	3,399,367
Net position, beginning-business-type activities	581,447,747	511,772,511	515,183,757	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114
Restatement	(82,463,744)	—	(1,951,537)	—	—	(10,948,099)	—	—	—	—
Net position, ending-business-type activities	511,772,511	515,183,757	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114	632,170,481
Total primary government	\$ 619,726,434	551,232,818	478,073,714	482,357,223	401,839,582	570,541,272	611,960,698	783,099,535	976,772,495	1,189,656,500

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ —	3,319	8,140,178	7,632,118	9,045,255	12,600,473	12,265,039	11,477,512	10,721,886	37,922,879
Restricted	—	—	—	1,972,282	2,070,419	1,024,450	—	—	—	—
Committed	57,209,710	59,271,162	61,260,575	64,172,639	67,382,973	71,338,939	73,958,202	75,845,302	82,464,279	80,751,106
Assigned	67,354,332	64,171,013	34,992,177	53,577,009	31,953,418	49,382,483	35,997,183	99,392,985	218,420,188	258,907,211
Unassigned	9,095,856	2,831,645	3,295,630	12,015,718	26,239,270	7,898,186	18,387,493	21,834,102	24,517,933	34,488,896
Total general fund	133,659,898	126,277,139	107,688,560 (a)	139,369,766	136,691,335	142,244,531	140,607,917	208,549,901	336,124,286	412,070,092
All other governmental funds										
Nonspendable	14,929,252	16,636,383	22,166,070	648,352	644,176	656,721	671,042	681,117	668,614	670,280
Restricted	94,955,786	97,656,784	100,314,009	107,647,846	112,136,072	152,302,051	142,249,607	137,408,939	256,632,342	245,442,990
Committed	47,867,222	38,602,234	35,555,303	46,729,075	48,677,180	52,857,796	54,474,185	72,927,545	82,725,309	112,180,204
Assigned	62,934,694	63,615,900	63,398,155	63,361,371	60,075,902	56,117,487	62,387,719	66,541,138	40,364,849	32,312,123
Unassigned	(77,809,341)	(67,616,626)	(72,262,418)	(125,621,490)	(119,153,788)	(88,731,324)	(110,672,917)	(96,702,875)	(108,957,272)	(190,582,470)
Total all other governmental funds	142,877,613	148,894,675	149,171,119	92,765,154	102,379,542	173,202,731	149,109,636	180,855,864	271,433,842	200,023,127
Total governmental funds	\$ 276,537,511	275,171,814	256,859,679	232,134,920	239,070,877	315,447,262	289,717,553	389,405,765	607,558,128	612,093,219

(a) 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Property taxes (a)	\$ 524,942,040	539,320,074	559,393,599	586,906,599	608,790,864	630,002,471	654,226,577	706,141,417	736,287,166	758,420,619
Other local taxes	436,072,090	453,982,722	463,904,916	506,819,854	514,455,726	523,874,099	533,151,563	601,642,578	673,641,074	714,868,761
State shared taxes	1,422,086	1,247,317	1,531,596	2,077,909	1,818,048	1,595,662	1,673,415	2,747,094	3,558,294	3,879,455
Revenues from other governments	73,118,716	37,436,410	35,645,234	30,616,053	53,144,527	46,881,676	43,490,797	43,359,703	84,153,972	80,148,620
Charges for services	51,204,711	53,168,180	54,693,447	55,954,266	57,428,448	58,820,287	59,537,731	65,232,242	58,652,336	73,659,747
Interest on investments	(712,942)	2,010,668	2,574,475	(c) 4,970,717	4,878,623	7,961,507	13,567,305	10,706,803	2,432,814	1,462,650
Decrease in fair value of investments	—	—	—	—	—	—	(496,321)	(327,690)	(1,440,198)	(7,434,158)
Installment interest from housing loans	160,296	220,274	268,410	83,994	27,190	53,025	60,540	95,639	194,795	98,283
Licenses and permits	6,455,619	6,696,288	6,586,220	7,200,241	7,090,791	6,874,461	6,641,437	5,917,475	6,294,952	6,559,876
Recoveries for interfund services	11,553,101	11,633,284	14,133,304	15,706,180	—	—	—	—	—	—
Fines and forfeitures	3,462,342	3,863,722	4,024,120	4,356,639	4,481,676	4,315,875	4,071,307	3,988,941	3,807,058	7,036,936
Developer contributions (b)	1,767,910	1,446,618	4,561,155	4,612,357	9,070,823	2,372,712	852,987	1,040,214	1,235,418	1,096,664
Rental of property (b)	159,373	177,814	111,853	—	—	—	—	—	—	—
Payments from component units (b)	818,144	818,167	351,439	2,588,330	2,076,568	2,095,129	1,546,337	1,017,178	495,833	463,382
Sale of property	—	—	3,464,497	—	—	—	—	—	—	—
Miscellaneous program revenues	22,328,003	13,318,287	14,594,154	25,441,734	15,406,458	17,149,954	16,880,092	20,100,507	18,970,306	25,378,795
Total revenues	1,132,751,489	1,125,339,825	1,165,838,419	1,247,334,873	1,274,970,104	1,298,793,547	1,335,203,767	1,461,662,101	1,588,283,820	1,665,639,630
EXPENDITURES										
Current:										
General government	33,612,637	45,526,306	50,754,551	54,918,742	48,703,477	51,307,571	60,629,770	54,668,826	89,760,676	82,672,133
Legislative & judicial	21,547,432	22,684,466	24,165,800	25,893,292	26,315,797	27,175,301	28,520,391	29,155,033	29,677,484	33,577,622
Public works	90,672,711	97,867,406	104,503,144	102,894,102	104,307,451	112,420,109	113,436,661	112,165,451	114,555,229	313,659,621
Public safety	175,555,967	191,882,471	205,038,450	208,774,567	219,541,903	228,466,896	235,952,000	250,490,558	249,601,526	266,213,339
Recreation and parks	30,906,131	35,432,626	36,911,248	38,473,557	39,667,818	41,877,752	43,171,463	41,217,061	34,734,823	41,687,581
Community services	37,503,416	45,406,497	46,474,576	44,631,695	42,267,451	44,819,301	47,391,787	48,153,860	51,537,606	62,655,664
Education	603,534,562	606,673,692	651,103,285	651,837,577	699,206,963	704,546,696	707,246,000	700,885,393	747,167,309	795,453,859
Capital improvements (b)	101,470,657	106,355,030	112,042,331	133,208,954	134,994,751	114,284,257	140,460,747	130,600,419	68,469,459	176,458,596
Debt service:										
Principal	54,262,375	60,433,375	61,185,578	68,484,249	74,766,641	66,443,603	69,728,497	88,334,697	91,469,752	92,613,665
Interest	43,795,819	45,176,541	45,595,837	45,384,247	47,438,207	47,177,499	57,055,983	56,687,393	53,215,495	61,012,025
Total expenditures	1,192,861,707	1,257,438,410	1,337,774,800	1,374,500,982	1,437,210,459	1,438,518,985	1,503,593,299	1,512,358,691	1,530,189,359	1,926,004,105
Excess (deficiency) of revenues over expenditures	(60,110,218)	(132,098,585)	(171,936,381)	(127,166,109)	(162,240,355)	(139,725,438)	(168,389,532)	(50,696,590)	58,094,461	(260,364,475)
OTHER FINANCING SOURCES (USES)										
Lease proceeds	—	—	—	—	—	—	—	—	—	99,522,369
Availability payment arrangement proceeds	—	—	—	—	—	—	—	—	—	102,009,225
Bond premium	9,283,948	11,979,779	17,522,949	13,541,018	43,899,251	49,340,059	12,219,992	21,198,307	19,937,199	4,589,177
Long-term financed purchase proceeds	—	—	12,562,393	10,058,351	3,368,036	11,936,898	2,223,000	—	—	—
Capital related debt issued	91,930,000	117,315,277	100,180,000	76,490,000	133,925,001	128,380,000	108,710,477	108,237,244	134,751,164	52,460,385
Refunding bonds issued	5,980,000	16,809,723	84,015,000	21,280,000	140,385,000	184,440,000	22,585,000	58,375,000	83,280,000	—
Installment purchase agreements issued (b)	—	4,951,615	3,448,120	4,817,735	10,756,470	3,095,670	—	—	961,020	7,050,045
Payment to bond refunding escrow agent	(6,714,081)	(32,958,802)	(93,816,818)	(26,600,367)	(169,143,917)	(219,985,848)	(24,024,558)	(58,161,938)	(96,619,193)	(96,619,193)
Transfers in	45,403,189	66,149,637	53,153,609	27,765,305	47,227,975	58,254,689	64,806,430	80,529,751	75,742,074	66,282,981
Transfers out	(45,378,817)	(54,790,208)	(47,084,255)	(24,910,692)	(41,241,503)	(47,584,645)	(43,860,518)	(59,793,562)	(57,994,362)	(67,014,616)
Total other financing sources and uses	100,504,239	129,457,021	129,980,998	102,441,350	169,176,313	216,101,823	142,659,823	150,384,802	160,057,902	264,899,566
Net change in fund balances	\$ 40,394,021	(2,641,564)	(41,955,383)	(24,724,759)	6,935,958	76,376,385	(25,729,709)	99,688,212	218,152,363	4,535,091
Debt service as a percentage of noncapital expenditures	8.92%	8.61%	8.91%	8.71% (d)	8.94%	8.60%	9.10%	9.59%	9.70%	9.73%

- (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
2013	\$ 35,145,195,556	7,494,536,821	42,639,732,377	1.014	1,561,354,930	2.535	44,201,087,307
2014	35,501,333,441	7,489,276,140	42,990,609,581	1.014	1,561,531,690	2.535	44,552,141,271
2015	36,390,442,780	7,722,275,864	44,112,718,644	1.014	1,618,445,500	2.535	45,731,164,144
2016	37,954,765,647	7,984,317,384	45,939,083,031	1.014	1,702,530,310	2.535	47,641,613,341
2017	39,566,020,328	8,410,004,037	47,976,024,365	1.014	1,650,784,630	2.535	49,626,808,995
2018	41,352,080,551	8,469,703,245	49,821,783,796	1.014	1,696,221,380	2.535	51,518,005,176
2019	42,391,698,324	9,214,242,834	51,605,941,158	1.014	1,733,052,800	2.535	53,338,993,958
2020	43,926,364,524	9,545,414,603	53,471,779,127	1.014	1,706,543,391	2.535	55,178,322,518
2021	45,168,891,391	9,915,122,500	55,084,013,891	1.014	1,910,775,846	2.535	56,994,789,737
2022	46,752,372,385	10,264,810,990	57,017,183,375	1.014	1,882,858,968	2.535	58,900,042,343

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

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

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

Howard County Direct Rates		
Fiscal Year	Real Property	Personal Property
2013	1.014	2.535
2014	1.014	2.535
2015	1.014	2.535
2016	1.014	2.535
2017	1.014	2.535
2018	1.014	2.535
2019	1.014	2.535
2020	1.014	2.535
2021	1.014	2.535
2022	1.014	2.535

Source: Howard County Department of Finance, Bureau of Revenue

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

2022			2013		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation
Baltimore Gas & Electric Company	\$ 510,843,490	0.87%	Baltimore Gas & Electric Company	\$ 346,179,320	0.78%
Mall In Columbia Business Trust	338,000,000	0.57%	Mall in Columbia Business Trust	179,525,100	0.41%
9220 Old Lantern Way Owner LLC	169,399,140	0.29%	Verizon-Maryland Inc	133,703,710	0.30%
Home Properties Charleston LLC	170,695,200	0.29%	Magazine Howard Crossing LLC	108,108,000	0.24%
Verizon-Maryland Inc	112,936,190	0.19%	Seasons of Laurel LLC	85,977,124	0.19%
Home Properties Charleston LLC	112,884,500	0.19%	Liberty Property LTD Partnership	66,122,110	0.15%
Parcel C Property LLC	106,633,600	0.18%	KMF Sherwood Investors VI LLC	63,679,900	0.14%
Mariner Sherwood Fee	89,980,067	0.15%	Home Properties Charleston LLC	60,102,700	0.14%
Parcel D Property LLC	89,294,000	0.15%	Sprint Communications Company, LP	49,026,370	0.11%
Columbia 531 LLC	85,525,700	0.15%	Cellco Partnership	42,675,550	0.10%
Total	\$ 1,786,191,887	3.03%	Total	\$ 1,135,099,884	2.56%

Source: Howard County Department of Finance, Bureau of Revenue

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collection to Date	
		Amount	Percentage of Levy	Subsequent tax Collections	Amount	Percentage of Levy
2013	\$ 551,716,941	547,732,006	99.3%	3,776,363	551,508,369	100.0%
2014	555,254,638	550,755,917	99.2%	4,228,349	554,984,266	100.0%
2015	569,892,160	568,111,915	99.7%	1,411,389	569,523,304	99.9%
2016	594,757,776	593,510,182	99.8%	812,684	594,322,866	99.9%
2017	616,633,669	612,695,057	99.4%	3,152,341	615,847,398	99.9%
2018	639,933,124	635,257,806	99.3%	1,283,729	636,541,535	99.5%
2019	663,038,666	656,951,368	99.1%	1,418,911	658,370,279	99.3%
2020	677,030,343	671,983,399	99.3%	2,024,392	674,007,791	99.6%
2021	697,366,167	690,343,014	99.0%	5,787,428	696,130,442	99.8%
2022	767,640,195	762,776,281	99.4%	—	762,776,281	99.4%

Source: Howard County Department of Finance, Bureau of Revenue

Subsequent tax collections for fiscal years 2013-2021, 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	LT financed purchase	Availability Payment Arrangement	Total	General Obligation Bonds	Metropolitan District Bonds (a)	Special Facility Revenue Bonds	State Water Quality Revolving Loans	LT financed purchase	MDE Loan	Total Business-Type Activities	Total Primary Government
2013	\$ 943,831	2,840	92,695	—	5,191	—	1,044,557	—	213,780	5,022	34,110	—	—	252,912	1,297,469
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
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
2016	1,050,289	—	98,661	17,000	24,874	—	1,190,824	—	251,963	3,240	24,508	—	—	279,711	1,470,535
2017	1,128,705	—	100,123	16,980	24,802	—	1,270,610	—	270,211	3,199	21,267	—	—	294,677	1,565,287
2018	1,205,838	—	97,716	65,165	35,012	—	1,403,731	—	301,619	2,714	17,956	—	—	322,289	1,726,020
2019	1,246,358	—	93,483	65,100	31,603	—	1,436,544	—	351,004	2,217	14,573	—	—	367,794	1,804,338
2020	1,362,886	—	59,364	64,920	29,979	—	1,517,149	—	434,478	1,197	7,658	—	—	443,333	1,960,482
2021	1,361,927	—	59,546	64,695	22,365	—	1,508,533	—	412,382	1,185	7,582	2,280	—	423,429	1,931,962
2022	1,306,613	—	59,441	64,450	19,460	100,654	1,550,617	20,744	417,396	650	3,972	2,050	1,110	445,922	1,996,539

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) Effective FY2022 CPI for Broadband and Watershed are reported separately from governmental activities.

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)
2013	297,732	\$ 951,863	2.0%	3197
2014	302,113	1,013,927	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 (d)	2.5%	4,067
2019	326,286	1,343,061	2.5%	4,116
2020	330,376	1,457,785	2.5%	4,413
2021	333,951	1,448,987	2.5%	4,339
2022	339,054	1,491,176	2.5%	4,398

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)**

	2013	2014	2015	2016	2017	2018	2019	2020 (a)	2021	2022
Assessed value										
Real property	\$ 42,639,732	42,990,610	44,112,719	45,939,083	47,976,024	49,821,784	51,679,563	53,471,779	55,084,014	57,017,183
Personal property	1,561,355	1,561,532	1,618,446	1,702,530	1,650,785	1,696,221	1,733,053	1,706,543	1,910,776	1,882,859
Total assessed value	\$ 44,201,087	44,552,142	45,731,165	47,641,613	49,626,809	51,518,005	53,412,616	55,178,322	56,994,790	58,900,042
Legal debt margin										
Debt limit (4.8% of assessed value of real property and personal property)	\$ 2,121,652	2,138,503	2,195,096	2,286,797	2,382	2,472,864	2,563,806,000	2,648,559	2,735,750	2,827,202
Total debt limit	\$ 2,121,652	2,138,503	2,195,096	2,286,797	2,382,087	2,472,864	2,563,806	2,648,559	2,735,750	2,827,202
Debt applicable to limit										
General county	\$ 871,701	911,842 (b)	936,199 (b)	984,119 (b)	1,037,717 (b)	1,099,892 (b)	1,203,729	1,318,434	1,312,240	1,383,714
State Water Quality Revolving Loan	2,840	2,830	2,475	—	—	—	—	—	—	—
Total debt applicable to limit	\$ 874,541	914,672	938,674	984,119	1,037,717	1,099,892	1,203,729	1,318,434	1,364,673	1,383,714
Legal debt margin	\$ 1,247,111	1,223,831	1,256,422	1,302,678	1,344,370	1,372,972	1,360,077	1,330,125	1,423,510	1,443,488
Total debt applicable to the limit as a percentage of debt limit	41.22%	42.77%	42.76%	43.03%	43.56%	44.48%	46.95%	49.78%	47.97%	48.94%

Note: The amounts reported for debt include deferred refunding premium and discount.

(a) Revised to include long-term financed purchase obligation

(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	
2013	\$ 2,091,506	1,482,180	609,326	378,000	135,504	1.19
2014	2,010,152	1,570,610	439,542	439,000	119,351	0.79
2015	1,893,015	1,459,050	433,965	450,000	108,362	0.78
2016	1,840,152	1,556,796	283,356	461,000	98,429	0.51
2017	1,260,820	2,728,803	(1,467,983)	473,000	85,688	-2.63
2018	1,089,224	945,289	143,935	485,000	73,710	0.26
2019	300,000	825,765	(525,765)	497,000	117,747	-0.86
2020	443,004	33,722	409,282	510,000	96,285	0.68
2021	733,705	361	733,344	522,000	48,935	1.28
2022	766,061	—	766,061	535,000	31,570	1.35

Note: Operating expenses do not include depreciation or interest paid as part of debt service

**Howard County, Maryland
Pledged Revenue Coverage
Annapolis Junction Special Taxing District
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,110	340	5,770	—	—	—
2015	63,097	733	62,365	—	939,435 (a)	0.07
2016	69,604	14,340	55,264	—	1,012,565 (a)	0.05
2017	593,746	11,744	582,002	20,000	1,012,605 (a)	0.56
2018	1,423,528	18,884	1,404,644	40,000	1,011,605	1.34
2019	1,066,225	18,541	1,047,684	65,000	1,009,686	0.97
2020	1,453,827	14,038	1,439,789	90,000	1,006,565	1.31
2021	994,537	14,535	980,002	115,000	1,002,246	0.88
2022	1,057,806	15,398	1,042,409	145,000	996,726	0.91

Note: Information from FY2013 and earlier not available.

Gross revenues include incremental tax, special tax and interest earnings.

Gross revenues do not include the capitalized interest account funded with bond proceeds.

Operating expenses do not include depreciation or interest paid as part of debt service.

(a) The interest was paid from the capitalized account held by the Trustee.

**Howard County, Maryland
Pledged Revenue Coverage
Crescent Special Taxing District
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2018	\$ 2,297,099	84,510	2,212,589	—	677,382 (a)	3.27
2019	4,137,520	244,394	3,893,126	—	2,102,219 (a)	1.85
2020	3,577,754	79,065	3,498,689	—	2,102,219 (a)	1.66
2021	3,615,455	91,998	3,523,457	200,000	2,102,219	1.53
2022	4,379,428	47,057	4,332,371	100,000	2,094,218	1.97

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)
2013	304,210	20,499,507	67,386	51,190	5.5%
2014	307,784	21,158,756	68,745	51,701	4.8%
2015	312,400	22,203,989	71,076	52,511	4.5%
2016	316,966	23,070,751	72,786	54,870	3.5%
2017	321,113	24,063,585	74,938	55,638	3.5%
2018	323,293	25,343,597	78,416	58,019	3.6%
2019	325,690	25,812,013	79,253	58,284	2.8%
2020	330,376	26,902,315	81,969	59,447	6.9%
2021	333,951	n/a	n/a	57,293	5.2%
2022	339,054	n/a	n/a	57,325	3.9%

Sources:

- (a) Estimated Population, Personal Income, and Per Capita Personal Income revised and restated for 2013 - 2020
(Bureau of Economic Analysis, U.S. Dept. of Commerce)
- (b) Estimated Populations for 2022 are from Howard County Department of Planning and Zoning for June 30, 2022
- (c) Howard County Public School System - School enrollment is based on head count taken September 30th of each year.
- (d) State of Maryland, Dept. of Labor, Licensing and Regulation Unemployment rate is as of June 30th.

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Howard County Public Schools	8,628	1	4.64%	7,553	1	4.55%
Johns Hopkins Applied Physics Laboratory	7,200	2	3.88%	4,700	2	2.83%
Howard County Government	3,223	3	1.73%	2,877	3	1.73%
Howard County General Hospital	1,800	4	0.97%	1,728	6	1.04%
Verizon	1,700	5	0.92%	2,200	4	1.32%
Howard Community College	1,400	6	0.75%	1,290	7	0.78%
The Columbia Association	1,200	7	0.65%	900	10	0.54%
Lorien Health Systems	1,190	8	0.64%	2,000	5	1.20%
Coastal Sunbelt Produce	1,050	9	0.57%	—	—	—%
Nestle Dreyer's Ice Cream	835	10	0.45%	—	—	—%
Giant Food	—	—	—%	1,060	8	0.64%
SAIC	—	—	—%	1,050	9	0.63%
Total	28,226		15.20%	25,358		15.26%

Source: Howard County Economic Development Authority

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	299	312	335	341	349	354	348	350	354	369
Public safety										
Police	635	651	672	667	677	691	697	705	708	710
Fire	461	463	472	465	468	491	530	550	608	609
Corrections	144	148	152	153	153	154	154	154	151	151
Public works	577	599	612	611	614	617	619	626	642	519
Recreation and parks	261	268	281	283	295	304	300	289	299	328
Legislative and judicial	202	204	206	208	212	216	219	223	231	233
Community services	299	307	324	325	330	341	367	370	372	304
Total	2,878	2,952	3,054	3,053	3,098	3,168	3,234	3,267	3,365	3,223

Source: Howard County Budget Office

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Finance:										
Real property tax accounts billed	98,884	99,034	105,692	105,692	107,342	108,292	108,952	109,775	110,437	111,099
Business personal property tax accounts billed	9,829	8,831	10,628	13,232	14,803	11,323	9,822	7,805	9,854	9,845
Public Safety										
Police:										
Physical arrests	10,315	10,885	10,016	9,351	8,379	7,527	6,627	4,640	1,993	2,067
Parking violations	9,052	9,439	7,180	7,180	7,545	7,104	8,624	5,515	2,703	2,381
Traffic violations	85,682	88,987	99,963	92,314	82,917	75,402	69,180	52,065	24,033	20,593
Fire:										
Emergency responses	58,129	56,925	58,369	58,484	60,997	69,074	68,897	63,092	62,401	76,586
Inspections	2,516	2,203	2,742	2,865	3,274	2,498	2,969	2,808	5,080	5,580
Corrections:										
Average daily prison population	340	348	304	284	285	319	318	253	202	231
Public Works										
Inspections, licenses and permits:										
Construction permits issued	6,293	6,007	6,379	7,145	6,599	5,575	5,249	5,135	5,646	6,173
Environmental services:										
Refuse collected (tons per year)	101,912	103,120	115,941	103,719	109,313	109,397	118,247	120,290	128,136	133,060
Recyclables collected (tons per year)	61,974	58,197	55,704	57,815	67,006	59,024	59,689	57,709	58,602	64,518
Recreation and parks										
Programs operated	5,723	6,792	7,250	7,324	6,562	7,441	6,746	4,842	8,530	8,205
Registrations processed	89,345	102,305	103,731	105,522	77,682	80,410	105,826	140,720	38,500	75,697
Legislative and judicial										
Circuit court cases filed	1,007	1,057	1,064	1,238	1,203	1,069	1,198	866	824	599
District court cases filed	12,685	10,730	9,296	9,527	10,131	9,346	11,055	6,119	8,150	5,091
Community services										
50+ centers operated (a)	7	7	7	7	7	7	7	7	6	6
Consumer affairs - cases closed	246	319	282	287	271	313	295	311	232	285
Community service partnership grants	28	28	30	30	29	29	32	32	31	38
Assisted living monitoring visits	205	543	461	535	622	774	876	446	230	350
Water and sewer										
Water main breaks	189	176	186	170	119	275	156	151	181	172
Average daily water consumption (thousands of gallons)	22,370	23,580	21,870	22,100	23,600	23,470	24,016	23,060	24,706	23,770
Number of water customers	73,121	74,153	74,991	74,206	75,266	75,933	76,586	77,217	77,761	78,378
Average daily sewage treatment (thousands of gallons)	26,860	26,980	27,500	27,660	24,880	24,850	29,100	25,907	28,502	25,570
Number of sewer customers	69,727	70,714	71,547	72,474	73,537	74,215	74,872	75,511	76,063	76,686
Golf course										
Rounds played	35,432	34,197	31,260	31,271	23,003	30,196	31,997	22,810	49,830	43,996

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Buildings	38	40	44	44	45	44	48	50	50	54
Vehicles	45	43	51	51	64	60	105	106	103	95
Legislative and judicial										
Vehicles	70	77	71	71	78	81	72	69	66	71
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units (vehicles)	292	291	292	284	274	275	274	319	302	303
Other vehicles	264	226	214	214	271	282	295	274	273	270
Fire:										
Stations (a)	6	6	6	6	6	7	11	11	11	11
Pumpers/tankers	25	28	29	29	28	29	31	31	30	30
Ladder trucks	6	6	7	8	8	8	8	8	8	8
Paramedic units	34	32	32	37	35	39	39	37	32	32
Vehicles	118	119	120	120	211	193	193	209	202	196
Public Works										
Buildings (b)	40	40	40	42	42	42	44	45	45	46
Transit buses	52	57	42	42	68	62	65	74	73	73
Vehicles	355	354	367	367	395	446	393	410	410	414
Streets (miles) (c)	1,035	1,044	1,062	1,066	1,066	1,066	1,042	1,042	1,059	1,063
Streetlights (d)	7,558	7,750	7,941	8,131	8,447	8,720	10,149	10,281	10,480	10,593
Stormwater management facilities (e)	983	1,011	1,127	1,216	1,250	1,313	1,343	1,428	1,509	1,565
Recreation and parks										
Buildings	62	62	62	65	65	65	64	75	76	77
Parks and open space acreage	9,116	9,173	9,227	9,255	9,493	9,579	9,647	9,619	9,819	9,859
Playgrounds	41	43	44	44	44	44	44	44	44	44
Vehicles	96	99	103	103	159	120	115	117	116	115
Water and sewer										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	1,041	1,054	1,089	1,100	1,078	1,078	1,107	1,107	1,107	1,114
Sanitary sewers (miles)	987	999	1,018	1,026	1,026	1,026	1,030	1,048	1,048	1,050
Golf course	1	1	1	1	1	1	1	1	1	1

Sources: Various Howard County Departments

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

(a) Prior period 2012 through 2014 restated to exclude non County-owned fire stations

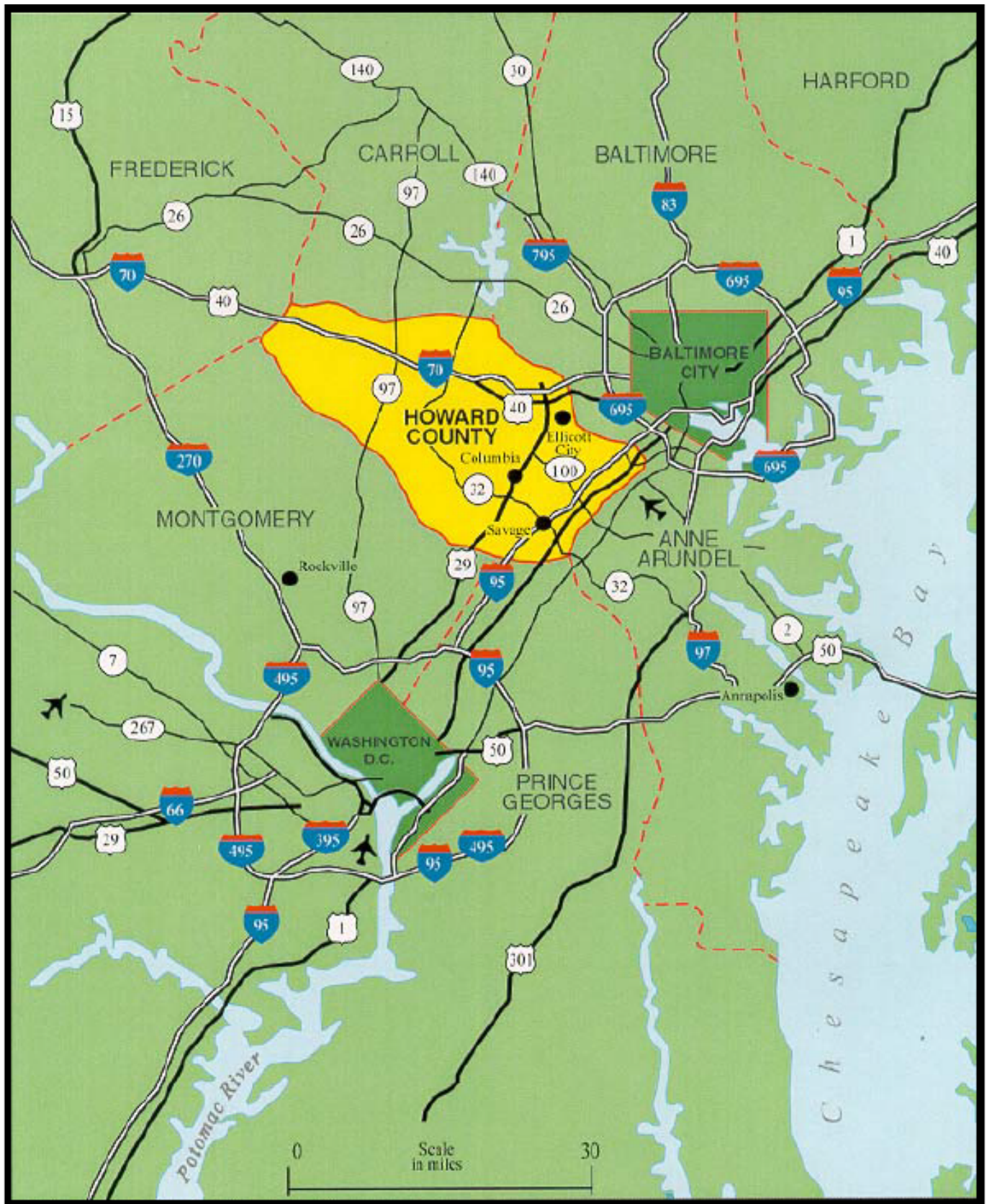
(b) Prior periods 2012 through 2014 restated to exclude nonbuilding structures.

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

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

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

Howard County Regional Location





**Department of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043
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