



# Harford County Comprehensive Annual Financial **REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



*Maryland's New Center of Opportunity*  
Barry Glassman, County Executive

**HARFORD COUNTY, MARYLAND**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED**

**JUNE 30, 2015**



*Prepared by:*

*Department of the Treasury  
Harford County, Maryland*

*Robert F. Sandlass, Jr.  
Harford County Treasurer*

*Rick Pernas  
Harford County Deputy Treasurer*



HARFORD  
COUNTY

WELCOMES YOU!

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# **Introductory Section**

**BARRY GLASSMAN**  
HARFORD COUNTY EXECUTIVE

**BILLY BONIFACE**  
DIRECTOR OF ADMINISTRATION



**ROBERT F. SANDLASS, JR.**  
TREASURER

October 31, 2015

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

The Comprehensive Annual Financial Report (CAFR) of Harford County, Maryland (the County) for the fiscal year ended June 30, 2015 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the County annually issue a report of its financial position and activity, and that an independent firm of licensed Certified Public Accountants selected by the County Council audit this report. The County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County Government and its component units.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County's financial statements have been audited by SB & Company, LLC, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent Certified Public Accountants concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the County for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The Report of Independent Public Accountants is presented as the first component of the financial section of this report.

A1

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220 South Main Street, Bel Air, Maryland 21014

THIS DOCUMENT IS AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Report of the Independent Public Accountants.

## **PROFILE OF THE GOVERNMENT**

Harford County, Maryland was formed in 1773 and had a Commissioner form of government until 1972. Upon enactment of the Harford County Charter, a charter form of government became effective on December 7, 1972. A County Executive and a seven member County Council, one of whom is President of the Council, govern the County. The County Executive and President of the Council are elected at large. The other six members of the County Council are elected by in-district elections. All executive powers vested in Harford County by the Constitution, laws of the State of Maryland and County Charter are vested in the County Executive, who is the chief executive officer of the County and is responsible for the affairs of the Executive Branch assuring that they are properly and efficiently administered. All legislative powers, which may be exercised by Harford County under the Constitution, and laws of the State of Maryland, including all lawmaking powers, are vested in the County Council.

Harford County occupies a land area of 440 square miles and serves a population of 250,025. The County provides a full range of municipal services, including Public Safety, Public Works, Social Services, Parks and Recreation, Judicial, Agricultural Preservation and general administrative services. The County also provides funds that support public schools, the community college and libraries through our component units. The component units are Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Additional information on the component units can be found in note 1A.

Harford County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. The proposed budget is submitted each year by the County Executive to the County Council and published to the public on April 15. The County Council conducts budget hearings with departments, the Harford County Public Schools and other component units and conducts public hearings prior to approving the budget and the tax rates by June 15 of each year. No expenditure of County funds may be made in excess of appropriation at the department level. A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances on a Budget (Non-GAAP) vs. Actual basis is presented for the three major governmental funds which adopted an annual budget, the general, highways and agricultural land preservation funds, and can be found on pages 20 and 21 of this report.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

**Local economy:** The revenue outlook for fiscal year 2015 remained challenging while preparing the fiscal year 2016 budget. A lagging national economy and unfunded mandates from the State of Maryland have resulted in lean budgets for 2016.

The County's largest revenue source remains real property taxes. The fiscal year 2015 taxable assessable base resulted in an increase over the fiscal year 2014 assessable base of 1.0 percent. The assessable base growth rate is expected to increase by 1.0 percent in fiscal year 2016. General Fund property tax revenues net, of interest, discounts and credits are estimated to increase by 1.0 percent from fiscal year 2015 to fiscal year 2016. The real estate market has experienced a modest recovery in property assessments, which have increased, albeit slightly, for the past two years after declining for the previous four years.

Income tax revenue, the second largest revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue has shown increases beginning in 2010 through 2015 using the modified accrual basis of accounting. The year over year increase for 2012 to 2013, 2013 to 2014 and 2014 to 2015 has been 2.3%, 3.7%, and 1.9%. Income tax is budgeted at \$203.4 million for fiscal year 2016.

**Long-term financial planning:** Harford County is positioned well to handle current and future fiscal challenges because of years of conservative and sound financial management. Harford County received the highest rating from all three bond rating agencies for its general obligation bonds sold on April 7, 2015.

On December 1, 2014, Harford County residents elected a new County Executive, Mr. Barry Glassman, and several new County Council members. County Executive Glassman put forth his first budget proposal, charting a new path forward by restoring balance and fiscal responsibility for our citizens and employees.

Fiscal year 2016 budget, including all funds, was \$733,590,097, a decrease of .2% or \$1,169,297 from fiscal year 2015. The total 2016 General Fund Operating Budget, including Solid Waste is \$517,583,954, and the Capital Budget, excluding the Water and Sewer Capital Fund is \$83,287,303.

County Executive Glassman plans to restore balance and efficiency without raising taxes. Capital spending in fiscal year 2016 will be at the lowest level in ten years, deferring large new capital projects.

In an effort to begin reinvesting in our workforce, County Executive Glassman proposed a merit-based annual salary increase of \$1,000 per qualifying employee. No new money was needed to fund this increase due to efficiency measures. Most notably, an early retirement incentive plan was offered that resulted in 73 retirements and the subsequent elimination of 67 positions. In addition, support for employees in the Sheriff's Office, Public Library, State's Attorney's Office and Circuit Court system was accomplished by increasing funding equivalent to \$500 per employee for these groups.

The fiscal year 2016 budget increased funding to Harford County Public Schools at a record level. Half of the county's new revenue will be directed to K-12 education, with the operating funding for Harford County Public Schools at \$228,208,971, which is \$5,062,039 above the Maintenance of Effort requirement. The 2016 budget provides support for teachers with a \$3.1 million increase in funding for salaries.

The fiscal year 2016 operating budget continues its policy of maintaining a reserve of 5.0 percent of the total General and Highways Fund operating budget to preserve its high credit ratings and provide for emergencies. Any excess unassigned fund balance realized at the end of the fiscal year, above the 5.0 percent reserve, can be appropriated into the next fiscal year as one time funding for that fiscal year.

The County continues to invest 100 percent of cash held temporarily idle during the year using an equity in pooled cash system. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPP), Volunteer Fireman's Length of Service Award Program (LOSAP), and the Other Post-Employment Benefits (OPEB) trust fund, have cash that is invested separately. For fiscal year 2015, the weighted average yield on investments was 0.27 percent. The total amount of interest earned by the County on pooled investments was \$686,552.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County received its twenty-seventh GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2014. In order to qualify for the Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of the Treasury. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the County Executive and County Council for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Robert F. Sandlass, Jr.  
Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

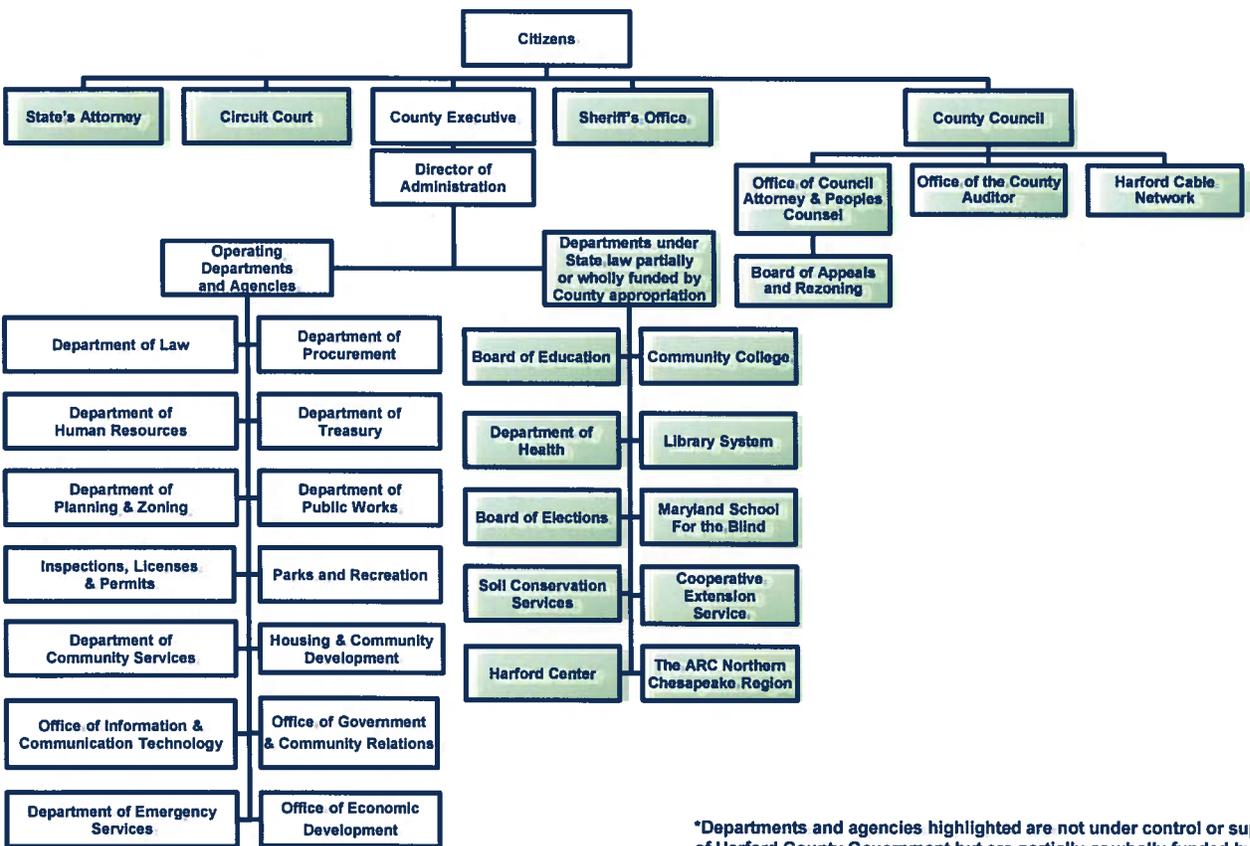
**Harford County**  
**Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



\*Departments and agencies highlighted are not under control or supervision of Harford County Government but are partially or wholly funded by County appropriations under State law.

**HARFORD COUNTY, MARYLAND  
GOVERNMENTAL ORGANIZATION  
CERTAIN ELECTED AND APPOINTED OFFICIALS  
AS OF JUNE 30, 2015**

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**CERTAIN ELECTED OFFICIALS**

County Executive

Barry Glassman

President of the County Council  
County Council Members

Richard C. Slutzky  
Mike Perrone, Jr.  
Joseph M. Woods  
James "Capt'n Jim" McMahan  
Chad Shrodes  
Patrick S. Vincenti  
Curtis Beulah

**CERTAIN APPOINTED OFFICIALS**

Director of Administration  
Treasurer  
County Attorney  
Deputy Treasurer  
Director of Community Services  
Director of Economic Development  
Director of Emergency Services  
Director of Human Resources  
Director of Information and Communication Technology  
Director of Inspections, Licenses and Permits  
Director of Parks and Recreation  
Director of Planning and Zoning  
Director of Procurement  
Director of Public Works

William "Billy" Boniface  
Robert F. Sandlass, Jr.  
Melissa Lambert  
Rick Pernas  
Amber Shrodes  
Karen Holt  
Edward Hopkins  
James C. Richardson  
W. Ted Pibil  
Paul Lawder  
James Malone  
Bradley Killian  
Karen Myers  
Timothy F. Whittie

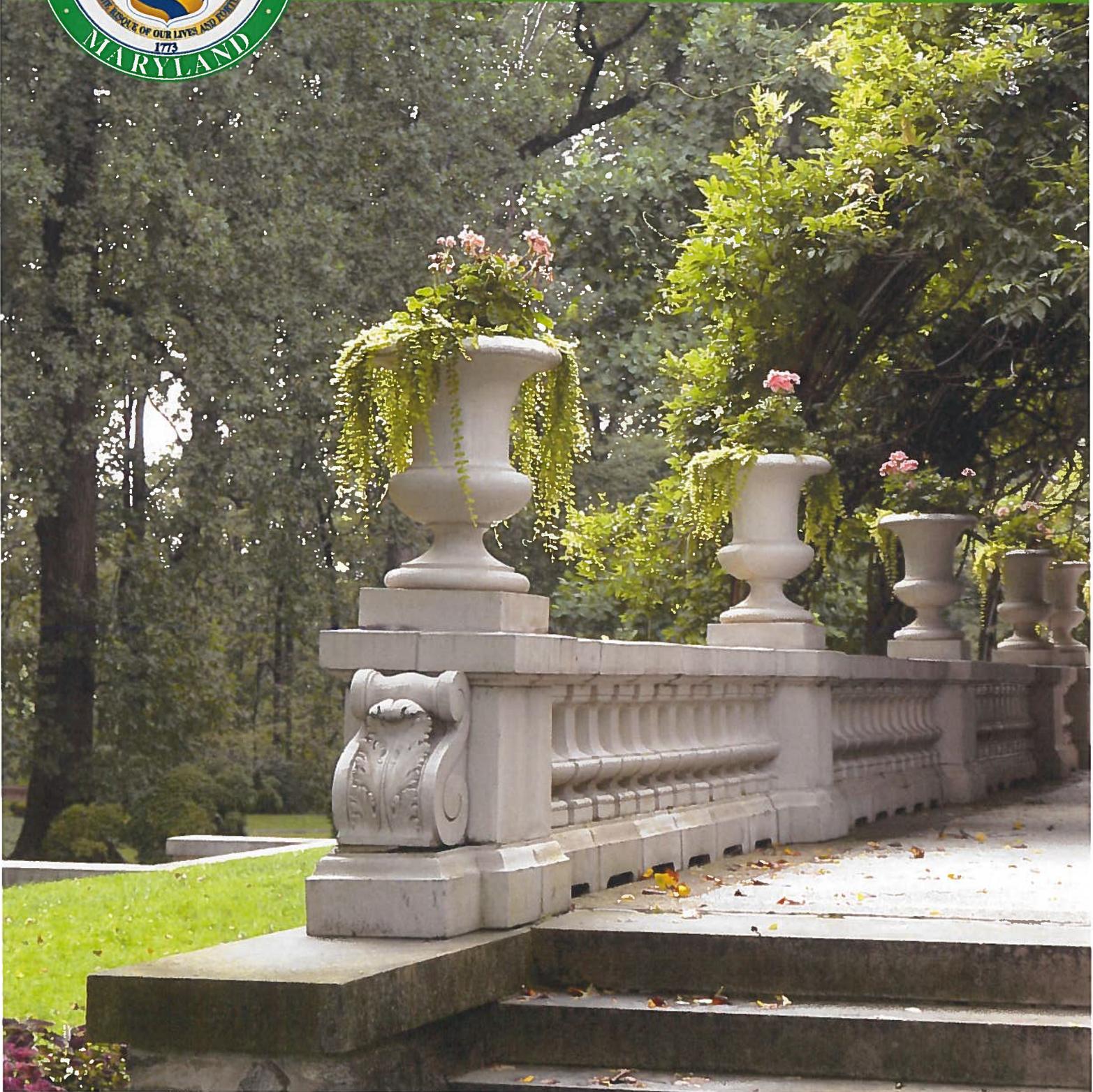
Independent Public Accountants  
SB & Company, LLC  
Certified Public Accountants  
Hunt Valley, Maryland

Bond Counsel  
Royston, Mueller, McLean  
& Reid, LLP  
Baltimore, Maryland

Financial Advisor  
Public Advisory Consultants  
Owings Mills, Maryland



# Financial Section





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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Honorable Members of the County Council  
Harford 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 Harford County, Maryland (the County) as of and for the year ended June 30, 2015, 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***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harford County Community College and the Harford County Library. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.



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### ***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 Harford County, Maryland, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note G to the financial statements, during the year ended June 30, 2015, the County adopted new accounting guidance from Government Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of County's Proportionate Share of the Net Pension Liability and County Contributions for the Maryland State Retirement and Pension System, schedules of County Contributions and Changes in the Length of Service Award Program for Volunteer Firemen – Net Pension Liability and Related Ratios, and schedules of County Contributions and Changes in the Sheriff's Office Net Pension Liability and Related Ratios, required supplemental schedule of funding progress for the Other Post Employment Benefit (OPEB) Trust, and the required schedule of employer contributions for OPEB Trust Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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.

#### ***Supplementary and 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 combining and individual fund statements, introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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

Hunt Valley, Maryland  
October 7, 2015

*SB & Company, LLC*

## Management's Discussion and Analysis

This section of the Comprehensive Annual Financial Report of Harford County, Maryland (the County) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

### Financial Highlights

#### **Government-wide:**

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$622.7 million. The unrestricted portion of this is a deficit of \$218.6 million and is composed of an unrestricted deficit in the governmental activities of \$316.9 million and a balance of \$98.3 million unrestricted in the business-type activities. The unrestricted deficit occurred in the governmental funds due to the issuance of debt for public school construction, although the assets are held by Harford County Public Schools. In the current year, the unrestricted deficit increased an additional \$101.5 million due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* in recording the beginning net pension liability and the beginning deferred outflow of resources, contribution subsequent to the measurement date, for all the defined benefit pension plans.
- Total net position of the County has decreased by \$93.3 million over the prior fiscal year. In the governmental activities, total revenues increased 6.3% while expenses decreased 0.2% from the prior fiscal year, resulting in a \$12.3 million increase in net position before the effects of a change in accounting principle. In the business-type activities, total revenues exceeded total expenditures by \$3.7 million before the effects of a change in accounting principle. Net position was restated for a change in accounting principle under GASB Statement No. 68 and GASB Statement No. 71, which require governments to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This restatement decreased net position in the governmental activities and the business-type activities by \$101.5 million and \$7.8 million respectively.

#### **Fund Level:**

- The General Fund had a decrease in fund balance of \$0.6 million. The Highway Fund had a decrease in fund balance of \$2.2 million primarily due to transfers of funds to capital projects.
- Approximately 85.4% of the total governmental fund balance, \$159.8 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and are properly designated as committed, assigned and unassigned.
- Available fund balance for the General Fund was \$65.2 million or 13.4% of total General Fund expenditures. Restricted fund balance of the General Fund was \$6.3 million or 8.7% of total fund balance, leaving \$0.6 million or 0.8% of nonspendable fund balance in the General Fund.
- The business-type activities operating revenue fell short of operating expenses resulting in an operating loss of \$15.7 million in the Water and Sewer fund.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, 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 and condition of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of 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: sheriff's office, volunteer fire and rescue, corrections, public works, planning and zoning, landfill, economic development, agricultural preservation, parks and recreation, and general administrative services. The business-type activities of the County include water and sewer operations.

The government-wide financial statements include not only the County, known as the *primary government*, but also legally separate component units. The County has the following component units; Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

**Fund financial statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses 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.

**Governmental funds** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing

decisions. The governmental fund Balance Sheet including the Reconciliation to the Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains eight individual governmental funds, the General, Highways, Grant, Agricultural Land Preservation, Capital Project, Parks & Recreation, Stormwater Management and Beechtree Tax Increment Financing Funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of Revenues, Expenditures, and Changes in Fund Balances for all eight governmental funds.

The County adopts an annual appropriated budget for its General Fund, Highways Fund, Parks & Recreation Fund, Agricultural Land Preservation Fund, Beechtree Tax Increment Financing Fund. This year the Stormwater Management Fund was not budgeted for an annual appropriation. A budgetary comparison statement has been provided for the General Fund, Highways Fund and Agricultural Land Preservation Fund to demonstrate compliance with this budget. The report can be found on Exhibit 6 of the Basic Financial Statement. A budgetary comparison statement for the Parks & Recreation Fund, Stormwater Management Fund and Beechtree Tax Increment Financing Fund can be found on Exhibit D-1, D-2 and E-1, respectively.

**Proprietary funds** The County maintains two 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's Water and Sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The County uses internal service funds to account for risk management. The basic proprietary fund financial statements can be found on Exhibits 7, 8, and 9 of this report.

**Fiduciary funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits 10 and 11 of this report.

**Notes to the financial statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 30 to 93 of this report.

### **Financial Analysis of the County as a Whole**

The County's net position is divided into three categories; net investment in capital assets; restricted net position and unrestricted net position. The largest portion of the County's net position, \$762.8 million, reflects its investment in capital assets net of depreciation (e.g. land, development rights, construction in progress, buildings, machinery, equipment, intangibles, infrastructure and improvements), less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Restricted net position, at \$78.5 million, are resources subject to external restrictions on how they may be used. Accounting principles generally accepted in the United States of America direct that the difference between total net position and the two categories of net position just discussed be recorded as unrestricted net position regardless of any negative balances that may result. Unrestricted net position of the total primary government is a negative \$218.6 million; business-type activities have a balance of \$98.3

million unrestricted net position while the unrestricted net position for governmental activities is a negative \$316.9 million. The major reason for negative unrestricted net position in the governmental funds relates to the building of schools. Counties in the State of Maryland issue debt for public school construction; however school buildings are recorded as assets of each public school system. Although net position, as noted earlier, is an indicator of a government's overall financial condition, the issuance of debt for Harford County Public Schools and Harford Community College construction, which increases the government's liabilities without the addition of corresponding assets, causes an imbalance on the Statement of Net Position. The County's net position decreased \$93.3 million during the current fiscal year. A change in accounting principle requiring the long term pension liability be recorded on the entity wide statements resulted in a \$109.3 million reduction in the restatement of the County's net position.

The net position of governmental activities prior to being restated for a change in accounting principle increased \$12.3 million during fiscal year 2015. Program expenses of the governmental activities decreased \$1.3 million from fiscal year 2014 while program revenues increased \$12.1 million and general revenues increased \$23.2 million over fiscal year 2014. Governmental activities general revenues for 2015 showed significant increases in property taxes of \$1.6 million, income taxes of \$15.7 million, recordation tax of \$2.0 million, and transfer tax of \$3.3 million, and one significant decrease in miscellaneous revenue of \$0.4 million. The new hotel tax in fiscal year 2015 generated \$0.7 million in general revenues.

The net position of business-type activities prior to being restated for a change in accounting principle increased \$3.7 million during fiscal year 2015. Capital grants and contributions revenue, primarily from developers and the State of Maryland, decreased \$1.0 million or 4.8% from fiscal year 2014. The slight change in charges for services, operating grants and contributions, recordation taxes, and investment income totaled \$0.5 million, 1.5%, from fiscal year 2014 to 2015. Expenses for the business-type activities remained relatively the same from the prior fiscal year.

The following tables summarize net position and the changes in net position for governmental and business-type activities:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current & Other Assets	\$ 253,534,217	\$ 247,931,258	\$ 120,729,420	\$ 130,958,133	\$ 374,263,637	\$ 378,889,391
Capital Assets	701,196,147	688,956,553	449,444,237	444,040,931	1,150,640,384	1,132,997,484
Total Assets	<u>954,730,364</u>	<u>936,887,811</u>	<u>570,173,657</u>	<u>574,999,064</u>	<u>1,524,904,021</u>	<u>1,511,886,875</u>
Deferred Outflow of Resources	31,708,968	11,896,550	3,951,588	1,815,816	35,660,556	13,712,366
Long-term Liabilities	739,126,360	625,693,610	138,356,765	135,276,657	877,483,125	760,970,267
Other Liabilities	41,400,870	36,435,419	9,620,574	12,138,422	51,021,444	48,573,841
Total Liabilities	<u>780,527,230</u>	<u>662,129,029</u>	<u>147,977,339</u>	<u>147,415,079</u>	<u>928,504,569</u>	<u>809,544,108</u>
Deferred Inflow of Resources	8,517,300	-	838,578	35,911	9,355,878	35,911
Net Investment in Capital Assets	435,846,522	436,216,089	326,999,832	332,396,851	762,846,354	768,612,940
Restricted	78,466,405	75,653,146	-	-	78,466,405	75,653,146
Unrestricted	<u>(316,918,125)</u>	<u>(225,213,903)</u>	<u>98,309,496</u>	<u>96,967,039</u>	<u>(218,608,629)</u>	<u>(128,246,864)</u>
Total Net Position	<u>\$ 197,394,802</u>	<u>\$ 286,655,332</u>	<u>\$ 425,309,328</u>	<u>\$ 429,363,890</u>	<u>\$ 622,704,130</u>	<u>\$ 716,019,222</u>

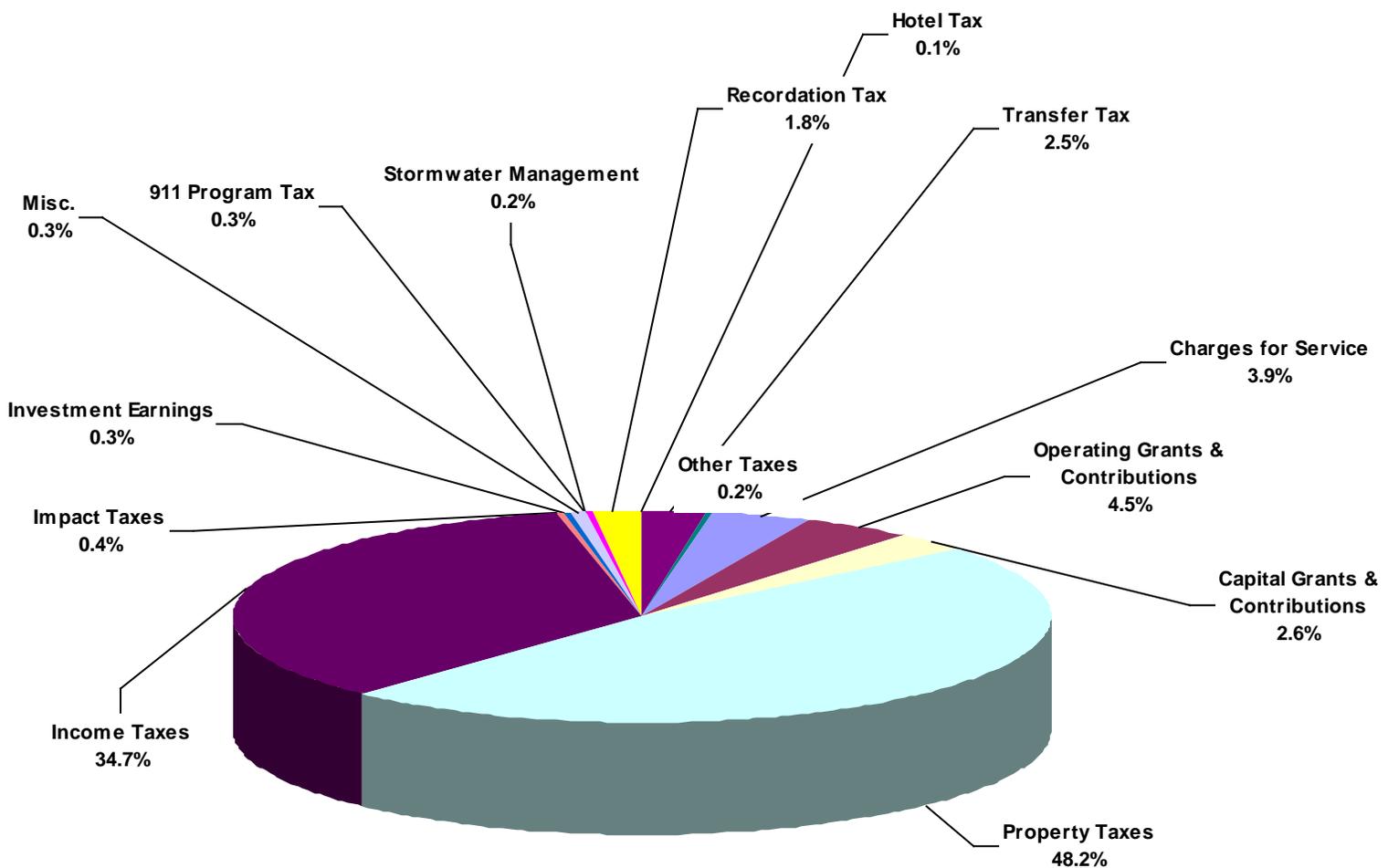
### Harford County Government's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 23,458,103	\$ 21,668,240	\$ 28,553,733	\$ 28,421,736	\$ 52,011,836	\$ 50,089,976
Operating Grants & Contributions	26,680,817	21,717,403	461,364	444,149	27,142,181	22,161,552
Capital Grants & Contributions	15,281,180	9,982,404	19,125,274	20,089,299	34,406,454	30,071,703
<b>General revenues:</b>						
Property Taxes	286,911,796	285,269,614	-	-	286,911,796	285,269,614
Income Taxes	206,469,855	190,722,550	-	-	206,469,855	190,722,550
Impact Fees	2,560,800	2,612,400	-	-	2,560,800	2,612,400
911 Program Taxes	1,656,168	1,638,236	-	-	1,656,168	1,638,236
Recordation Taxes	10,873,642	8,840,110	2,174,467	1,767,810	13,048,109	10,607,920
Transfer Taxes	14,911,666	11,646,254	-	-	14,911,666	11,646,254
Stormwater Management	1,065,121	1,048,941	-	-	1,065,121	1,048,941
Hotel Taxes	740,827	-	-	-	740,827	-
Other Taxes	740,708	753,982	-	-	740,708	753,982
Investment Earnings	1,771,885	1,532,992	2,155,375	2,225,142	3,927,260	3,758,134
Unrestricted Grants & Contributions	254,020	269,076	-	-	254,020	269,076
Miscellaneous	1,849,327	2,231,878	-	-	1,849,327	2,231,878
<b>Total Revenues</b>	<b>595,225,915</b>	<b>559,934,080</b>	<b>52,470,213</b>	<b>52,948,136</b>	<b>647,696,128</b>	<b>612,882,216</b>
<b>Program Expenses:</b>						
Agricultural Land Preservation	3,636,451	3,398,295	-	-	3,636,451	3,398,295
County Council	2,529,133	2,536,764	-	-	2,529,133	2,536,764
General Government	58,237,782	55,642,498	-	-	58,237,782	55,642,498
Education	256,219,860	250,907,788	-	-	256,219,860	250,907,788
Harford Center	553,036	553,036	-	-	553,036	553,036
Judicial	10,059,178	9,982,512	-	-	10,059,178	9,982,512
Libraries	17,697,885	17,271,606	-	-	17,697,885	17,271,606
Parks and Recreation	17,895,586	17,520,868	-	-	17,895,586	17,520,868
Public Safety	107,574,608	105,436,479	-	-	107,574,608	105,436,479
Public Works	68,092,544	77,195,654	-	-	68,092,544	77,195,654
Social Services	26,622,115	26,384,324	-	-	26,622,115	26,384,324
Unallocated Debt Interest and Other	13,830,034	17,409,320	-	-	13,830,034	17,409,320
Water and Sewer	-	-	48,746,983	48,734,923	48,746,983	48,734,923
<b>Total Expenses</b>	<b>582,948,212</b>	<b>584,239,144</b>	<b>48,746,983</b>	<b>48,734,923</b>	<b>631,695,195</b>	<b>632,974,067</b>
Change in Net Position	12,277,703	(24,305,064)	3,723,230	4,213,213	16,000,933	(20,091,851)
Net Position-Beginning	286,655,332	313,362,275	429,363,890	425,954,860	716,019,222	739,317,135
Change in Accounting Principle	(101,538,233)	(2,401,879)	(7,777,792)	(804,183)	(109,316,025)	(3,206,062)
Net Position Beginning-As Restated	185,117,099	310,960,396	421,586,098	425,150,677	606,703,197	736,111,073
Net Position-Ending	\$ 197,394,802	\$ 286,655,332	\$ 425,309,328	\$ 429,363,890	\$ 622,704,130	\$ 716,019,222

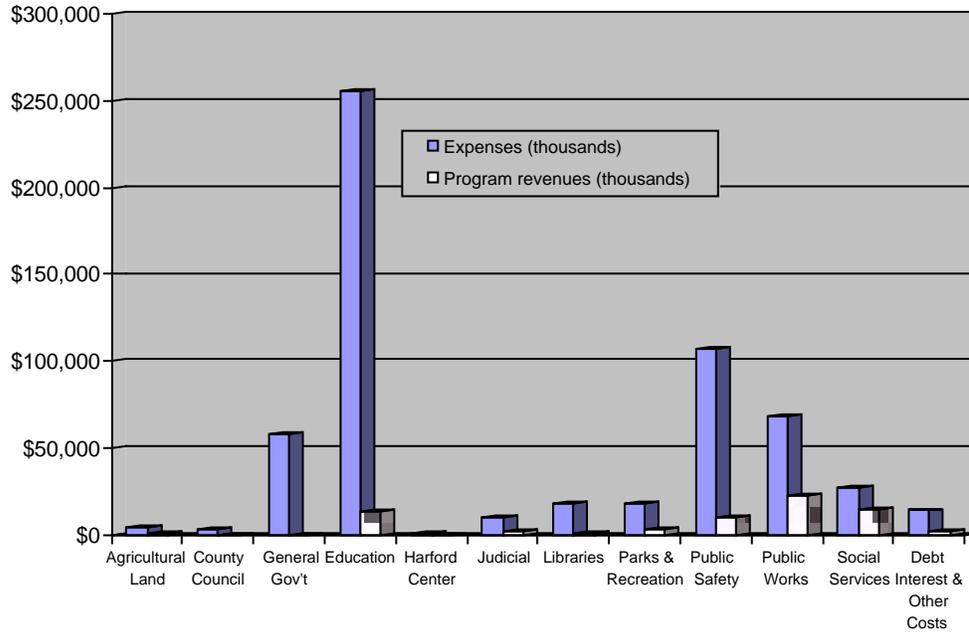
**Governmental activities** The net position of governmental activities prior to being restated for a change in accounting principle increased \$12.3 million during fiscal year 2015. Key elements are as follows:

- The County recorded \$206.5 million in income tax revenue from the State of Maryland for fiscal year 2015. This is a \$15.7 million or 8.3% increase from fiscal year 2014 using full accrual accounting.
- Recordation and Transfer Tax showed a \$5.3 million increase in revenues in fiscal year 2015 over fiscal year 2014.
- Operating Grants and Contributions increased \$5.0 million or 22.9%, from the prior fiscal year.
- Public Works program expenses decreased \$9.1 million or 11.8% from fiscal year 2014 primarily due to the recording of a liability in fiscal year 2014 associated with the dismantling of the Waste to Energy Facility.

**Revenues by Source-Governmental Activities**



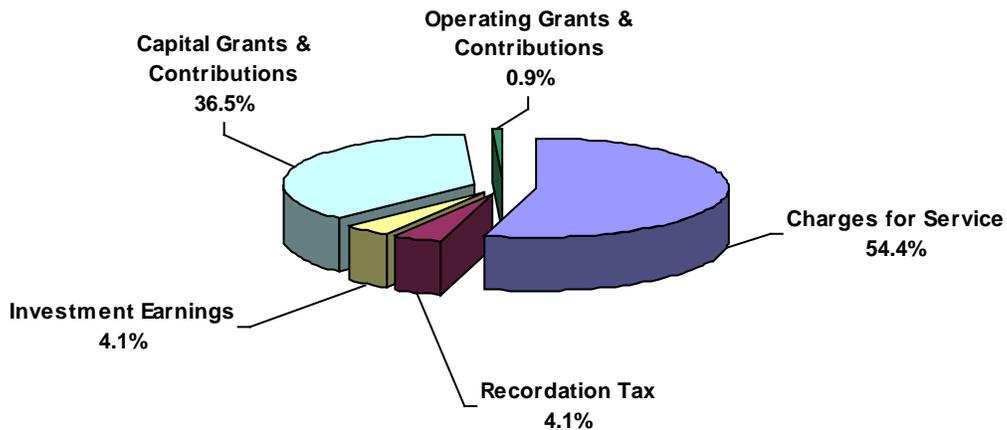
## Expenses and Program Revenues-Governmental Activities



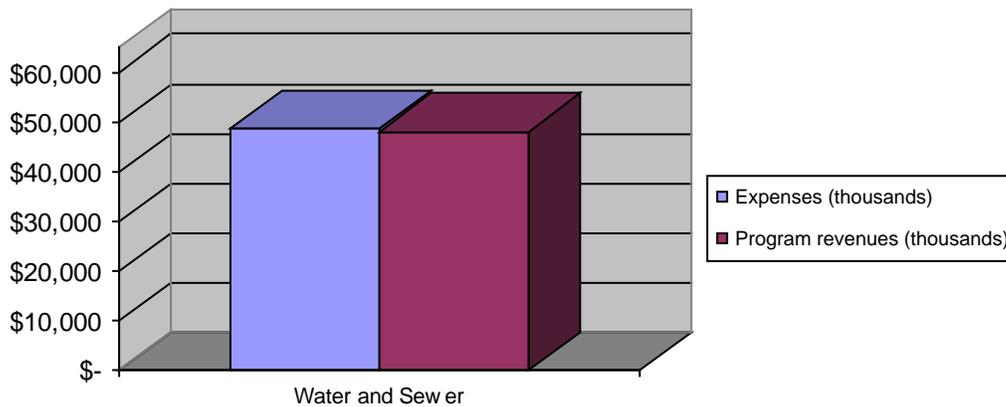
**Business-type activities** Business-type activities prior to being restated for the change in accounting principle recorded an increase in net position of \$3.7 million during fiscal year 2015. Key elements are as follows:

- Capital grants and contributions totaled \$19.1 million, a decrease of 4.8% or \$1.0 million over fiscal year 2014.
- The marginal increase in charges for services, \$0.1 million is attributed to an increase of 0.5% in the number of customer accounts and a 1.5% rate increase for fiscal year 2015.

## Revenues by Source-Business-type Activities



## Expenses and Program Revenues-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 the 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 government's financing requirements. In particular, *committed, assigned and unassigned fund balance* 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 governmental funds reported combined ending fund balances of \$187.2 million. Approximately 85.4% of this total amount, or \$159.8 million, constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, \$27.4 million, is *nonspendable and restricted* to indicate that it is not available for new spending because it has been dedicated: (1) to unexpended bonded capital projects, \$10.3 million; (2) for dedicated revenues, \$12.2 million; (3) for special taxing district, \$2.2 million, (4) for inventories, \$2.1 million; (5) for a loan receivable of \$0.3 million, or (6) a deposit with a vendor, \$0.3 million. The nonspendable and restricted fund balance, at 14.6% of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$65.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 13.4% of total General Fund expenditures, while total fund balance represents 14.8% of that same amount.

The County's General Fund total fund balance has decreased by \$0.6 million during the current fiscal year. The decrease is minimal and due to an increase in other financing sources resulting from the premium on issuance of bonds.

The Highways Fund has a total fund balance of \$9.7 million. The Highways Fund has 67.8%, \$6.6 million, of its total fund balance assigned to the purpose of the fund. Of this amount, 35.4% is designated for fiscal stabilization purposes and 7.7% is designated for encumbrances. The Highways Fund balance of \$2.1 million, classified as nonspendable represents inventory.

The Grant Fund has a total fund balance of \$6.1 million, all under the restricted category due to the legally binding nature of the grant agreement.

The Agricultural Land Preservation Fund has a total fund balance of \$56.0 million. Of the total fund balance, \$49.3 million or 88.1% is committed for future payments of principal on development rights. The Agricultural Land Preservation Fund has \$6.7 million, of its total fund balance assigned to the purpose of the fund.

The Capital Project Fund has a total fund balance of \$40.5 million. General obligation bonds of \$42.0 million were issued during fiscal year 2015 to help offset the cost of County capital projects. Of the total fund balance, \$4.9 million is restricted under bond covenants, \$4.1 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects, \$30.0 million is assigned to liquidate contracts and purchase orders of the prior period and \$1.5 million is assigned to future general projects.

The Parks and Recreation Fund, Stormwater Management Fund and Beechtree Tax Increment Financing Fund have been classified as non-major governmental funds. Total fund balance for the non-major governmental funds as of June 30, 2015 was \$2.8 million. Of the total fund balance, \$2.2 million is restricted for debt service and \$0.6 million is assigned to the purpose of the funds.

***Proprietary funds*** The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$98.5 million and unrestricted net position of the Internal Service Fund totaled \$7.4 million. Factors concerning the finances of the Water and Sewer Fund have been addressed in the discussion of the County's business-type activities.

### **General Fund Budgetary Highlights**

The final budget of the General Fund for fiscal year 2015 was increased by \$75.6 million over the original budget. The increase was allocated to appropriated funds to account for \$7.2 million in estimated expenses attributable to other post-employment benefits and post-employment health plan benefits for County employees, \$4.0 million to fund a one-time retirement incentive and \$64.4 million in funding for the 2015 Bond Refunding. Ending revenue variances from the final fiscal year 2015 budget were nominal, but conservative fiscal management managed to save the County from using \$12.8 million of appropriated fund balance. A cautious spending policy also led to the 1.3% decrease in actual General Fund expenditures compared to the final General Fund budget.

## Capital Asset and Debt Administration

**Capital assets** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, development rights, construction in process, buildings, improvements, machinery and equipment, vehicles, intangibles and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 1.6%.

### The County's Capital Assets

(Net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 255,018,319	\$ 254,885,015	\$ 1,795,383	\$ 2,044,437	\$ 256,813,702	\$ 256,929,452
Development Rights	125,313,286	120,694,050	-	-	125,313,286	120,694,050
Construction in Process	31,695,976	48,668,159	27,367,836	83,958,392	59,063,812	132,626,551
Buildings	141,049,563	109,486,698	172,069,846	141,547,285	313,119,409	251,033,983
Improvements	21,208,512	22,670,902	207,635,701	211,604,982	228,844,213	234,275,884
Machinery and Equipment	3,714,238	4,347,684	28,128,742	3,179,142	31,842,980	7,526,826
Vehicles	14,692,431	15,323,129	1,256,273	1,398,556	15,948,704	16,721,685
Intangibles	1,267,601	644,522	418,243	308,137	1,685,844	952,659
Infrastructure	107,236,221	112,236,394	10,772,213	-	118,008,434	112,236,394
<b>Total</b>	<b>\$ 701,196,147</b>	<b>\$ 688,956,553</b>	<b>\$ 449,444,237</b>	<b>\$ 444,040,931</b>	<b>\$ 1,150,640,384</b>	<b>\$ 1,132,997,484</b>

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

- The New Emergency Operations Center was completed and capitalized November of 2015. The new facility was capitalized at a cost of \$32.8 million.
- Enhanced Nutrient Removal Refinement at Sod Run and Joppatowne Waste Water Treatment Plants were completed in fiscal year 2015. The upgrade of the wastewater treatment plant was necessary to meet State and Federal Total Maximum Daily Load requirements for nutrient reductions in the Chesapeake Bay. The building and equipment was capitalized at a cost of \$48.0 million.
- The Water and Sewer Administration Building located at the Abingdon Water Treatment Plant was completed and capitalized at a cost of \$5.6 million in fiscal year 2015 and was part of the Abingdon Water Treatment Plant expansion.

Additional information on Harford County's capital assets can be found in Note 4C of this report.

### Education Capital Expenditures:

Harford County Public Schools and Harford Community College projects made up 49.1% of the fiscal year 2015 General County Capital Budget. Some of the major expenditures were:

- Fallston High School is undergoing a comprehensive HVAC systemic replacement project, which is upgrading and/or replacing all components of the school's current heating and air conditioning system. Expenditures to date for this project total \$3.8 million of the \$8.0 million appropriated.

- The Magnolia Middle School HVAC has a total projected cost of \$3.5 million. The project will provide a comprehensive HVAC system to the facility. During fiscal year 2015, \$1.9 million was spent on this project.
- The Technology Infrastructure project provided for the installation of Wi-Fi in 28 elementary schools, Magnolia Middle School and Havre de Grace High School and the purchase of equipment to maintain technology services in the school system. During fiscal year 2015, \$2.3 million was spent on this project.

**Long-term debt** At the end of the current fiscal year, the County had Bonds and Notes Payable debt outstanding of \$683.9 million. Of this amount, \$127.3 million is considered self-supporting debt, funded through various surcharges and assessments related to the operation of the water and sewer systems of the County. Also considered self-supporting are \$59.4 million in installment contracts to purchase easements for agricultural land preservation, payable from special revenue funds supported through one-half of one % of the transfer tax levy, and \$14.0 million associated with the incremental property tax revenues related to a special taxing district.

### The County's Outstanding Debt

#### Bonds and Notes Payable

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Ag Land						
Preservation	\$ 59,359,303	\$ 59,029,269	\$ -	\$ -	\$ 59,359,303	\$ 59,029,269
Bonds Payable	495,916,560	478,542,366	127,341,763	132,046,646	623,258,323	610,589,012
Notes Payable	1,313,319	1,314,020	-	-	1,313,319	1,314,020
	<u>\$ 556,589,182</u>	<u>\$ 538,885,655</u>	<u>\$ 127,341,763</u>	<u>\$ 132,046,646</u>	<u>\$ 683,930,945</u>	<u>\$ 670,932,301</u>

The total Bonds and Notes Payable debt of the Primary Government has increased by \$13.0 million or 1.9%, during the current fiscal year. For governmental activities, debt increased \$17.7 million due to principal payments and reductions of \$95.6 million offset by a general obligation bond sale of \$101.3 million and a premium of \$12.0 million. In business-type activities, debt decreased \$4.7 million, due to a bond sale of \$16.9 million and a premium of \$2.4 million, offset by bond principal payments and reductions of \$24.0 million.

During fiscal year 2015, the County earned the highest bond rating possible from all three major bond rating agencies. Moody's Investors Services, Standard and Poors Corp., and Fitch Ratings all reaffirmed their credit ratings of 'Aaa', 'AAA' and 'AAA', respectively. Each rating service said the County's future outlook is "stable".

State statutes limit the amount of general obligation debt a government entity may issue; up to 15.0% of its net assessed valuation of personal and corporate property plus 6.0 % of the net assessed valuation of real property. The current debt limitation for the County is \$1.7 billion, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note 4F of this report.

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

- The County Real Property Tax Rate for fiscal year 2016 remains unchanged at \$1.042 per \$100 of assessed valuation. For properties located outside municipalities, the tax rate falls below the constant yield rate by \$0.0007. For properties located within municipalities, the tax rate is \$0.0007 more than the constant yield rate. Net property tax receipts recorded in the General Fund for fiscal year 2016 are expected to increase by 1.0% over those approved for fiscal year 2015. The increase is primarily due to a 1.0% increase in prior year reassessment values Countywide. Statewide, the assessment notices mailed to property owners reflect an increase in real estate values for residential properties of 8.1%. In Harford County, 33.5% of the properties being reassessed experienced an increase in value.
- The County Council has set the fiscal year 2016 County income tax rate at 3.06% which is unchanged from the prior fiscal year. Fiscal year 2016 income tax revenue is projected to increase over the approved fiscal year 2015 income tax revenue by 2.4%. The increase in income tax revenue is largely due, in part to an improving economy and lower unemployment. Income tax is budgeted at \$203.4 million for fiscal year 2016.
- The County levies and collects a transfer tax at a rate of 1.0% of the actual consideration paid for conveyance of title to real property. This tax is imposed upon all transfers of real property within the County. Transfer tax collected is split 50.0% to fund school construction debt and 50.0% to purchase agricultural land for preservation. For fiscal year 2016, the County anticipates recording \$12.8 million in transfer tax.
- The 2016 approved budget includes a merit-based annual salary increase of \$1,000 per qualifying employee for employees of the County Government. The County is also providing support for salary enhancements to the Sheriff's Office, Public Library, State's Attorney's Office and Circuit Court system with increased funding equivalent to \$500 per employee.
- Governmental funds report the difference between their assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance. Fund balance is reported in classifications that comprise a hierarchy outlining the order in which funds can be spent. For fiscal year 2015, the County originally appropriated \$2.3 million in General Fund Balance to balance the 2015 budget. In fiscal year 2016, the County appropriated \$6.8 million in General Fund Balance to balance the 2016 budget.
- For fiscal year 2016, Harford County Public Schools are being funded at \$228.2 million, which is almost \$5.1 million above the required Maintenance of Effort for fiscal year 2016. In May 2012, special State legislation, SB 1301-2012, shifted 100.0% of the teachers' normal pension costs from the State to the County. The County has included \$8.8 million towards the cost of this obligation in the fiscal year 2016 budget.
- Harford County Public Schools fiscal year 2016 capital budget contains five planned projects totaling \$28.0 million. Of the total General Fund debt service budget, 60.5% is allocated for school debt.
- The County's support of Harford Community College fiscal year 2016 budget is \$15.3 million. The County has restored \$0.3 million appropriation that had been cut from the fiscal year 2015 operating budget. The capital projects for fiscal year 2016 for Harford County Community College total \$2.0 million, which includes \$1.0 million in funding for the Nursing and Allied Health building.

- The Stormwater Remediation Fee, commonly known as the Rain Tax, was repealed by Bill 14-036 effective July 1, 2015. This fee was required under Maryland State law to fund a watershed protection and restoration program. The State of Maryland repealed the mandate to impose a fee in the 2015 session of the General Assembly, but not the requirement to adequately fund a watershed protection and restoration program. In order to partially meet its funding obligation, the County reallocated a portion of the recordation tax, \$0.55 for each \$500 of the sale price (or lien amount) for each property deed recorded, previously dedicated to Water and Sewer debt service to local watershed protection and restoration projects. The overall recordation tax of \$3.30 for each \$500 did not change.

These and other economic factors were considered when preparing the fiscal year 2016 General Fund budget, which estimates total revenues at \$517.6 million; an increase of \$15.0 million or 3.0% over fiscal year 2015 original budgeted amounts. Mindful of the economic struggles the County has faced during the past several years as a result of national economic uncertainties, cuts in revenue funding streams, and the status of the State of Maryland's budget, the County will continue to carefully monitor expenditures and apply cost containment efforts. Expenditures will continue to be tightened and trimmed where possible. Many actions have already been taken in response to those fiscal pressures. The County has temporarily deferred large new capital projects in fiscal year 2016, streamlined County operations by outsourcing services, consolidated office space, and is using technology to improve services. In addition, the County has rightsized our workforce with an early retirement incentive, backfilling only essential roles and offering those opportunities to existing employees whenever possible. The County also anticipates issuing bonds during fiscal year 2016.

The County recently implemented a new Hotel Tax of 6.0% to be levied on the rent paid for the use or occupancy of a room in a hotel in the County. Proceeds generated from the new tax will be used to fund grants, which will spur tourism and the other businesses that flourish when visitors come to town, helping to lay the groundwork to capitalize on an improving economy. The income tax rate of 3.06% is unchanged. The real property tax rate is also unchanged at \$1.042 per \$100 of assessed value. The Homestead Tax Credit rate is 5.0% for Harford County for fiscal year 2016 and remains unchanged from the past fiscal year.

The Water and Sewer Fund rates will increase by 1.6% for fiscal year 2016. The Water and Sewer rates affect both residential and industrial consumers by adjusting rates to the change in the Consumer Price Index each fiscal year. The net change in the fiscal year 2016 approved budget from the 2015 fiscal year original approved budget for the Water and Sewer Operating Fund is a decrease of \$2.1 million or 4.1%. The County introduced Bill 15-022 on September 8, 2015, which proposes to establish new Harford County Water and Sewer rates that will be phased in over the next 5 years. The increase is necessary to maintain service reliability and infrastructure integrity due to the county's aging Water and Sewer systems.

### **Requests for Information**

This financial report is designed to provide a general overview of the 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 should be addressed to the Office of the Treasurer, Harford County Government, 220 S. Main Street, Bel Air, Maryland, 21014.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit, contact information can be found on Note 1A of this report.

# *Basic Financial Statements*

**HARFORD COUNTY, MARYLAND**  
**Statement of Net Position**  
**June 30, 2015**

**Exhibit 1**

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total Primary Government	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 139,504,191	\$ 77,990,207	\$ 217,494,398	\$ -	\$ -	\$ -	\$ -
Cash and Investments	44,590	650	45,240	21,535,892	933,270	28,282,337	6,395,220
Taxes and Accounts Receivable (Net)	3,045,444	6,167,344	9,212,788	8,189,283	6,860	4,238,041	200,723
Federal and State Receivable	44,147,690	228,921	44,376,611	8,036,090	248,479	750,715	-
Internal Balances	205,308	(205,308)	-	-	-	-	-
Due From Primary Government	-	-	-	3,484,580	-	342	3,032
Inventories	2,053,832	1,834,035	3,887,867	598,064	-	503,259	-
Loans Receivable	2,173,097	-	2,173,097	-	-	-	-
Other Assets	340,899	-	340,899	-	-	1,057,126	23,579
Deposit with Trustee	1,984,175	-	1,984,175	-	-	351,284	3,392,040
Benefit Assessments	500,593	32,661,589	33,162,182	-	-	-	-
Restricted Assets--Cash & Investments	59,534,398	2,051,982	61,586,380	-	-	8,549,128	-
Capital Assets:							
Land, Development Rights & CIP	412,027,581	29,163,219	441,190,800	39,946,579	-	5,998,584	-
Other Capital Assets, Net of Depreciation	289,168,566	420,281,018	709,449,584	567,937,503	368,661	104,221,954	4,672,428
Total Assets	<u>954,730,364</u>	<u>570,173,657</u>	<u>1,524,904,021</u>	<u>649,727,991</u>	<u>1,557,270</u>	<u>153,952,770</u>	<u>14,687,022</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Loss on Refunding	19,133,561	2,875,825	22,009,386	-	-	-	-
Contribution Subsequent to Measurement Date	10,736,101	968,961	11,705,062	2,679,603	-	116,977	215,084
Changes in Assumptions	1,839,306	106,802	1,946,108	300,321	-	12,349	-
Total Deferred Outflow of Resources	<u>31,708,968</u>	<u>3,951,588</u>	<u>35,660,556</u>	<u>2,979,924</u>	<u>-</u>	<u>129,326</u>	<u>215,084</u>
<b>LIABILITIES</b>							
Accounts Payable	14,465,161	2,019,723	16,484,884	8,646,912	42,129	1,941,967	70,962
Due to Component Units	3,487,954	-	3,487,954	-	-	-	-
Retainages Payable	1,990,809	1,084,068	3,074,877	-	-	162,059	-
Payable to State of Maryland	215,416	1,132,503	1,347,919	-	18,828	-	-
Accrued Expenses	12,534,055	2,344,321	14,878,376	1,366,699	107,880	1,473,339	771,466
Unearned Revenue	5,794,368	3,052	5,797,420	1,122,582	-	8,983,309	33,200
Performance Deposits	968,933	115,539	1,084,472	-	-	-	-
Escrow Accounts	1,348,237	2,892,341	4,240,578	-	-	-	-
Other Liabilities	595,937	29,027	624,964	-	280,064	140,736	-
Noncurrent Liabilities:							
Due within one year	67,186,595	9,611,333	76,797,928	5,372,788	-	98,312	15,373
Due in more than one year	567,741,530	120,736,936	688,478,466	263,901,357	-	1,275,293	11,404,950
Net Pension Liability	104,198,235	8,008,496	112,206,731	20,760,817	-	853,699	1,266,022
Total Liabilities	<u>780,527,230</u>	<u>147,977,339</u>	<u>928,504,569</u>	<u>301,171,155</u>	<u>448,901</u>	<u>14,928,714</u>	<u>13,561,973</u>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Gain on Refunding	-	30,450	30,450	-	-	-	-
Net Difference - Projected vs Actual Investment Earnings	7,647,526	808,128	8,455,654	2,272,407	-	93,443	138,574
Net Difference - Expected vs Actual Experience	869,774	-	869,774	-	-	-	-
Total Deferred Inflow of Resources	<u>8,517,300</u>	<u>838,578</u>	<u>9,355,878</u>	<u>2,272,407</u>	<u>-</u>	<u>93,443</u>	<u>138,574</u>
<b>NET POSITION</b>							
Net Investment in Capital Assets	435,846,522	326,999,832	762,846,354	598,747,111	368,661	110,220,538	4,661,483
Restricted for:							
Highways Projects	9,778,879	-	9,778,879	-	-	-	-
Agricultural Land Preservation	55,949,845	-	55,949,845	-	-	-	-
Public Schools	3,850,435	-	3,850,435	-	-	-	-
Grant Programs	6,090,409	-	6,090,409	-	-	-	-
Other Purposes	2,796,837	-	2,796,837	5,378,289	81,975	8,819,575	280,579
Unrestricted	(316,918,125)	98,309,496	(218,608,629)	(254,861,047)	657,733	20,019,826	(3,740,503)
Total Net Position	<u>\$ 197,394,802</u>	<u>\$ 425,309,328</u>	<u>\$ 622,704,130</u>	<u>\$ 349,264,353</u>	<u>\$ 1,108,369</u>	<u>\$ 139,059,939</u>	<u>\$ 1,201,559</u>

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Activities**  
**For The Year Ended June 30, 2015**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
<b>Primary Government:</b>											
Government Activities											
Agricultural Preservation	\$ 3,636,451	\$ -	\$ 546,637	\$ -	\$ (3,089,814)	\$ -	\$ (3,089,814)	\$ -	\$ -	\$ -	\$ -
County Council	2,529,133	-	-	-	(2,529,133)	-	(2,529,133)	-	-	-	-
General Government	58,237,782	3,300,921	2,222,645	7,195,530	(45,518,686)	-	(45,518,686)	-	-	-	-
Education-Primary thru Comm. College	256,219,860	-	-	-	(256,219,860)	-	(256,219,860)	-	-	-	-
Harford Center	553,036	-	-	-	(553,036)	-	(553,036)	-	-	-	-
Judicial	10,059,178	-	1,405,611	-	(8,653,567)	-	(8,653,567)	-	-	-	-
Libraries	17,697,885	-	-	919,473	(16,778,412)	-	(16,778,412)	-	-	-	-
Parks, Recreation and Natural Resources	17,895,586	837,462	145,124	1,817,895	(15,095,105)	-	(15,095,105)	-	-	-	-
Public Safety	107,574,608	4,177,039	4,347,362	773,683	(98,276,524)	-	(98,276,524)	-	-	-	-
Public Works	68,092,544	14,594,676	3,387,327	4,574,599	(45,535,942)	-	(45,535,942)	-	-	-	-
Social Services	26,622,115	548,005	13,351,548	-	(12,722,562)	-	(12,722,562)	-	-	-	-
Unallocated Debt Interest / Other Costs	13,830,034	-	1,274,563	-	(12,555,471)	-	(12,555,471)	-	-	-	-
Total Government Activities	582,948,212	23,458,103	26,680,817	15,281,180	(517,528,112)	-	(517,528,112)	-	-	-	-
Business-type Activities											
Water and Sewer	48,746,983	28,553,733	461,364	19,125,274	-	(606,612)	(606,612)	-	-	-	-
Total Business-type Activities	48,746,983	28,553,733	461,364	19,125,274	-	(606,612)	(606,612)	-	-	-	-
Total Primary Government	\$ 631,695,195	\$ 52,011,836	\$ 27,142,181	\$ 34,406,454	(517,528,112)	(606,612)	(518,134,724)	-	-	-	-
<b>Component Units:</b>											
Harford County Public Schools	\$ 550,282,122	\$ 8,981,349	\$ 125,874,924	\$ 32,294,672	-	-	-	(383,131,177)	-	-	-
Harford Center, Inc.	2,777,202	21,457	2,005,272	-	-	-	-	(750,473)	-	-	-
Harford Community College	61,782,256	19,681,458	23,843,213	5,264,023	-	-	-	-	(12,993,562)	-	-
Harford County Public Library	21,134,542	885,623	3,208,927	-	-	-	-	-	-	-	(17,039,992)
Total Component Units	\$ 635,976,122	\$ 29,569,887	\$ 154,932,336	\$ 37,558,695	-	-	-	(383,131,177)	(750,473)	(12,993,562)	(17,039,992)
<b>General Revenues:</b>											
<b>Taxes:</b>											
Property Taxes					286,911,796	-	286,911,796	-	-	-	-
Income Taxes					206,469,855	-	206,469,855	-	-	-	-
Impact Fees					2,560,800	-	2,560,800	-	-	-	-
911 Program Taxes					1,656,168	-	1,656,168	-	-	-	-
Recordation Taxes					10,873,642	2,174,467	13,048,109	-	-	-	-
Transfer Taxes					14,911,666	-	14,911,666	-	-	-	-
Stormwater Management					1,065,121	-	1,065,121	-	-	-	-
Hotel Taxes					740,827	-	740,827	-	-	-	-
Other Taxes					740,708	-	740,708	-	-	-	-
Investment Earnings					1,771,885	2,155,375	3,927,260	13,270	1,870	218,821	3,114
Grants and Contributions not Restricted to Specific Purposes					254,020	-	254,020	361,504,754	488,366	15,713,315	16,137,189
Miscellaneous					1,849,327	-	1,849,327	5,369,872	110,042	-	-
Total General Revenues					529,805,815	4,329,842	534,135,657	366,887,896	600,278	15,932,136	16,140,303
Change in Net Position					12,277,703	3,723,230	16,000,933	(16,243,281)	(150,195)	2,938,574	(899,689)
Net Position--Beginning					286,655,332	429,363,890	716,019,222	385,670,387	1,258,564	136,950,471	3,340,146
Change in Accounting Principle					(101,538,233)	(7,777,792)	(109,316,025)	(20,162,753)	-	(829,106)	(1,238,898)
Net Position--Beginning, as Restated					185,117,099	421,586,098	606,703,197	365,507,634	1,258,564	136,121,365	2,101,248
Net Position--Ending					\$ 197,394,802	\$ 425,309,328	\$ 622,704,130	\$ 349,264,353	\$ 1,108,369	\$ 139,059,939	\$ 1,201,559

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

**HARFORD COUNTY, MARYLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

**Exhibit 3**

		General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Equity in Pooled Cash and Investments	\$	57,628,694	\$ 9,220,187	\$ 6,439,623	\$ 6,844,853	\$ 45,661,304	\$ 918,951	\$ 126,713,612
Cash and Investments		41,140	3,000	-	-	-	450	44,590
Taxes and Accounts Receivable (Net)		2,719,167	266,986	18,045	-	35,757	5,489	3,045,444
Federal and State Receivable		37,634,392	497,915	2,853,419	-	3,161,964	-	44,147,690
Inventories		-	2,053,832	-	-	-	-	2,053,832
Loans Receivable		253,248	-	1,919,849	-	-	-	2,173,097
Other Assets		340,899	-	-	-	-	-	340,899
Deposit with Trustee		-	-	-	-	50,000	1,934,175	1,984,175
Benefit Assessment		-	-	-	-	500,593	-	500,593
Restricted Assets - Investments		4,916,490	479,498	-	49,265,285	4,873,125	-	59,534,398
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>103,534,030</b>	<b>\$ 12,521,418</b>	<b>\$ 11,230,936</b>	<b>\$ 56,110,138</b>	<b>\$ 54,282,743</b>	<b>\$ 2,859,065</b>	<b>\$ 240,538,330</b>
<b>LIABILITIES</b>								
Accounts Payable	\$	5,476,211	\$ 1,513,099	\$ 779,262	\$ 160,293	\$ 6,436,753	\$ 47,870	\$ 14,413,488
Due to Component Units		-	-	-	-	3,487,954	-	3,487,954
Retainages Payable		-	-	-	-	1,990,809	-	1,990,809
Payable to State of Maryland		215,215	-	-	-	-	201	215,416
Accrued Expenditures		3,086,782	294,335	154,947	-	-	8,373	3,544,437
Unearned Revenue		783,037	-	4,206,318	-	805,013	-	5,794,368
Performance Deposits		535,427	433,506	-	-	-	-	968,933
Escrow Accounts		304,141	500,353	-	-	537,959	5,784	1,348,237
Other Liabilities		594,691	1,246	-	-	-	-	595,937
Total Liabilities		10,995,504	2,742,539	5,140,527	160,293	13,258,488	62,228	32,359,579
<b>DEFERRED INFLOW OF RESOURCES</b>								
Unavailable Revenue		20,392,939	78,581	-	-	500,593	-	20,972,113
<b>FUND BALANCES</b>								
Nonspendable		594,147	2,053,832	-	-	-	-	2,647,979
Restricted		6,304,181	1,071,928	6,090,409	-	9,022,906	2,222,965	24,712,389
Committed		-	-	-	49,265,285	-	-	49,265,285
Assigned		55,102,808	6,574,538	-	6,684,560	31,500,756	573,872	100,436,534
Unassigned		10,144,451	-	-	-	-	-	10,144,451
Total Fund Balances		72,145,587	9,700,298	6,090,409	55,949,845	40,523,662	2,796,837	187,206,638
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$</b>	<b>103,534,030</b>	<b>\$ 12,521,418</b>	<b>\$ 11,230,936</b>	<b>\$ 56,110,138</b>	<b>\$ 54,282,743</b>	<b>\$ 2,859,065</b>	

Internal balances are reported as a result of the entity wide statements thus are not reported in the fund statements. 205,308

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 701,196,147

Some of the County's revenues will be collected after year-end, but not available soon enough to pay for the current period expenditures, and therefore are reported as unavailable revenues in the funds. 20,972,113

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. These assets and liabilities of the internal service funds are included in the statement of net position. 7,415,801

Deferred outflow of resources, including loss on refunding, contributions subsequent to measurement date, and changes in assumptions are consumption of resources that is applicable to future reporting periods and therefore are not reported in the funds. 31,708,968

Deferred inflow of resources, including net difference in projected versus actual investment earnings and net difference in expected versus actual investment earnings are acquisition of resources that is applicable to future reporting periods and therefore are not reported in the funds. (8,517,300)

Long-term liabilities, including bonds payable, compensated absences, notes payable, landfill closure, net pension liability and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds. (742,792,873)

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2015**

**Exhibit 4**

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 450,222,871	\$ 35,523,630	\$ -	\$ 7,455,832	\$ 18,329,476	\$ 2,303,432	\$ 513,835,241
Revenues from Other Agencies	3,725,778	1,429,316	20,659,521	546,637	7,437,225	4,000	33,802,477
Investment Income	292,589	39,481	54	1,306,020	89,904	4,515	1,732,563
Charges for Current Services	15,649,290	874,169	1,012,841	-	195,236	784,640	18,516,176
Miscellaneous	2,548,067	149,385	535,481	-	2,020,686	446	5,254,065
Licenses and Permits	4,637,143	-	-	-	-	-	4,637,143
Fines and Forfeitures	98,660	31,741	266,929	-	-	-	397,330
Total Revenues	<u>477,174,398</u>	<u>38,047,722</u>	<u>22,474,826</u>	<u>9,308,489</u>	<u>28,072,527</u>	<u>3,097,033</u>	<u>578,174,995</u>
<b>EXPENDITURES</b>							
Current:							
Agricultural Preservation	-	-	-	3,742,534	-	-	3,742,534
County Council	2,528,328	-	-	-	-	-	2,528,328
General Government	44,523,333	-	2,599,365	-	-	-	47,122,698
Education-Primary thru Comm. College	236,628,914	2,000,000	-	-	-	-	238,628,914
Harford Center	553,036	-	-	-	-	-	553,036
Judicial	8,396,181	-	1,700,283	-	-	-	10,096,464
Libraries	16,137,189	-	-	-	-	-	16,137,189
Parks, Recreation and Natural Resources	10,418,164	-	258,395	-	-	793,474	11,470,033
Public Safety	92,584,462	1,290,000	3,541,377	-	-	-	97,415,839
Public Works	15,771,882	29,577,932	2,919,247	-	-	1,294,352	49,563,413
Social Services	11,919,400	-	13,928,768	-	-	-	25,848,168
Capital Outlay	-	-	-	-	79,055,063	-	79,055,063
Debt Service:							
Principal	29,743,897	377,944	-	2,767,557	-	-	32,889,398
Interest	18,321,041	280,880	-	3,037,241	-	1,050,000	22,689,162
Administrative Costs	622,235	28,308	-	60,394	-	18,478	729,415
Total Expenditures	<u>488,148,062</u>	<u>33,555,064</u>	<u>24,947,435</u>	<u>9,607,726</u>	<u>79,055,063</u>	<u>3,156,304</u>	<u>638,469,654</u>
(Deficiency) Excess of Revenues							
Over Expenditures	(10,973,664)	4,492,658	(2,472,609)	(299,237)	(50,982,536)	(59,271)	(60,294,659)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	15,659,933	50,247	3,539,733	-	12,161,680	335,311	31,746,904
Transfers (Out)	(8,886,724)	(7,000,000)	(1,361,806)	-	(14,348,374)	(150,000)	(31,746,904)
Issuance of Bonds	-	-	-	-	42,000,000	-	42,000,000
Issuance of Refunding Bonds	55,994,243	-	-	-	-	-	55,994,243
Premium on Issuance of Bonds	11,946,793	298,748	-	-	-	-	12,245,541
Issuance of Installment Purchase Agreements	-	-	-	3,097,591	-	-	3,097,591
Payment to Escrow Agent for Refunding	(64,383,471)	-	-	-	-	-	(64,383,471)
Total Other Financing Sources (Uses)	<u>10,330,774</u>	<u>(6,651,005)</u>	<u>2,177,927</u>	<u>3,097,591</u>	<u>39,813,306</u>	<u>185,311</u>	<u>48,953,904</u>
Net Change in Fund Balances	(642,890)	(2,158,347)	(294,682)	2,798,354	(11,169,230)	126,040	(11,340,755)
Fund Balances--Beginning	72,788,477	11,324,071	6,385,091	53,151,491	51,692,892	2,670,797	198,012,819
Increase (Decrease) in Inventory	-	534,574	-	-	-	-	534,574
Fund Balances--Ending	<u>\$ 72,145,587</u>	<u>\$ 9,700,298</u>	<u>\$ 6,090,409</u>	<u>\$ 55,949,845</u>	<u>\$ 40,523,662</u>	<u>\$ 2,796,837</u>	<u>\$ 187,206,638</u>

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

**HARFORD COUNTY, MARYLAND**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of the Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2015**

**Exhibit 5**

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

Net change in fund balances--total governmental funds	\$	(11,340,755)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		9,638,981
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		17,011,598
The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds. Neither transaction has any effect of net position. Also, governmental funds report the premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.		(9,544,381)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		7,525,364
Eliminating the effect of the internal service fund using the "look-back" method resulted in a decrease in expenses in the governmental activities in the statement of activities.		155,177
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>(1,168,281)</u>
Change in net position of governmental activities	\$	<u><u>12,277,703</u></u>

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balances**  
**Budgetary Basis (Non-GAAP) vs. Actual**  
**Governmental Funds**  
**For The Year Ended June 30, 2015**

**Exhibit 6**

	General				Highways			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 453,568,902	\$ 453,568,902	\$ 450,222,871	\$ (3,346,031)	\$ 34,964,366	\$ 34,964,366	\$ 35,523,630	\$ 559,264
Revenues from Other Agencies	3,726,234	3,726,234	3,725,778	(456)	1,203,501	1,203,501	1,429,316	225,815
Investment Income	214,500	214,500	292,589	78,089	17,000	17,000	39,481	22,481
Charges for Current Services	14,448,630	14,448,630	15,649,290	1,200,660	861,100	861,100	874,169	13,069
Miscellaneous	9,740,818	9,740,818	11,589,049	1,848,231	8,484,103	8,484,103	7,770,801	(713,302)
Licenses and Permits	3,755,000	3,755,000	4,637,143	882,143	-	-	-	-
Fines and Forfeitures	102,600	102,600	98,660	(3,940)	15,000	15,000	31,741	16,741
<b>Total Revenues</b>	<b>485,556,684</b>	<b>485,556,684</b>	<b>486,215,380</b>	<b>658,696</b>	<b>45,545,070</b>	<b>45,545,070</b>	<b>45,669,138</b>	<b>124,068</b>
<b>EXPENDITURES</b>								
Current:								
Agricultural Preservation	-	-	-	-	-	-	-	-
County Council	2,827,676	2,875,288	2,510,475	364,813	-	-	-	-
General Government	47,825,428	52,945,044	50,606,969	2,338,075	-	-	-	-
Education-Primary thru Comm. College	238,628,914	238,628,914	238,628,914	-	2,000,000	2,000,000	2,000,000	-
Harford Center	553,036	553,036	553,036	-	-	-	-	-
Judicial	8,228,620	8,611,001	8,390,256	220,745	-	-	-	-
Libraries	16,137,189	16,137,189	16,137,189	-	-	-	-	-
Parks, Recreation and Natural Resources	10,360,724	10,844,853	10,414,731	430,122	-	-	-	-
Public Safety	92,287,165	96,269,403	93,958,598	2,310,805	1,290,000	1,290,000	1,290,000	-
Public Works	16,745,494	16,949,909	15,479,007	1,470,902	34,443,113	38,087,326	35,631,113	2,456,213
Social Services	11,486,000	12,413,912	11,944,154	469,758	-	-	-	-
	445,080,246	456,228,549	448,623,329	7,605,220	37,733,113	41,377,326	38,921,113	2,456,213
Debt Service	48,714,947	48,714,947	48,687,173	27,774	688,826	688,826	687,132	1,694
<b>Total Expenditures</b>	<b>493,795,193</b>	<b>504,943,496</b>	<b>497,310,502</b>	<b>7,632,994</b>	<b>38,421,939</b>	<b>42,066,152</b>	<b>39,608,245</b>	<b>2,457,907</b>
(Deficiency)/Excess of Revenues Over Expenditures	(8,238,509)	(19,386,812)	(11,095,122)	8,291,690	7,123,131	3,478,918	6,060,893	2,581,975
<b>OTHER FINANCING SOURCES (USES)</b>								
Appropriated Fund Balance	2,316,854	13,548,444	764,348	(12,784,096)	-	3,644,213	590,112	(3,054,101)
Transfers In	14,775,092	14,775,092	15,659,933	884,841	45,000	45,000	50,247	5,247
Transfers (Out)	(8,853,437)	(8,936,724)	(8,886,724)	50,000	(7,168,131)	(7,168,131)	(7,000,000)	168,131
Issuance of Refunding Bonds	-	64,383,471	55,994,243	(8,389,228)	-	-	-	-
Premium on Issuance of Bonds	-	-	11,946,793	11,946,793	-	-	298,748	298,748
Issuance of Installment Purchase Agreements	-	-	-	-	-	-	-	-
Payment to Escrow Agent for Refunding	-	(64,383,471)	(64,383,471)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,238,509</b>	<b>19,386,812</b>	<b>11,095,122</b>	<b>(8,291,690)</b>	<b>(7,123,131)</b>	<b>(3,478,918)</b>	<b>(6,060,893)</b>	<b>(2,581,975)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Less: Appropriated Fund Balance			(764,348)				(590,112)	
Fund Balance - Beginning			73,015,416				9,507,399	
Prior Year Encumbrances Cancelled			295,948				33,653	
Increase in Inventory			-				534,574	
<b>Fund Balance - Ending</b>			<b>\$ 72,547,016</b>				<b>\$ 9,485,514</b>	

(continued)

**HARFORD COUNTY, MARYLAND**  
**Statement of Revenues, Expenditures, Encumbrances**  
**And Changes in Fund Balances**  
**Budgetary Basis (Non-GAAP) vs. Actual**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**  
(continued)

**Exhibit 6**

	Agricultural Land Preservation			
	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
				Positive(Negative)
<b>REVENUES</b>				
Taxes	\$ 5,600,000	\$ 5,600,000	\$ 7,455,832	\$ 1,855,832
Revenues from Other Agencies	49,000	49,000	546,637	497,637
Investment Income	1,409,607	1,409,607	1,306,020	(103,587)
Charges for Current Services	-	-	-	-
Miscellaneous	19,525	19,525	-	(19,525)
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Total Revenues	<u>7,078,132</u>	<u>7,078,132</u>	<u>9,308,489</u>	<u>2,230,357</u>
<b>EXPENDITURES</b>				
Current:				
Agricultural Preservation	4,935,301	4,935,301	3,743,906	1,191,395
County Council	-	-	-	-
General Government	-	-	-	-
Education-Primary thru Comm. College	-	-	-	-
Harford Center	-	-	-	-
Judicial	-	-	-	-
Libraries	-	-	-	-
Parks, Recreation and Natural Resources	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Social Services	-	-	-	-
Total Expenditures	<u>4,935,301</u>	<u>4,935,301</u>	<u>3,743,906</u>	<u>1,191,395</u>
Debt Service	5,964,799	5,964,799	5,865,192	99,607
Total Expenditures	<u>10,900,100</u>	<u>10,900,100</u>	<u>9,609,098</u>	<u>1,291,002</u>
(Deficiency)/Excess of Revenues Over Expenditures	<u>(3,821,968)</u>	<u>(3,821,968)</u>	<u>(300,609)</u>	<u>3,521,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated Fund Balance	1,321,968	1,321,968	-	(1,321,968)
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Issuance of Installment Purchase Agreements	2,500,000	2,500,000	3,097,591	597,591
Payment to Escrow Agent for Refunding	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,821,968</u>	<u>3,821,968</u>	<u>3,097,591</u>	<u>(724,377)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,796,982</u>	<u>\$ 2,796,982</u>
Less: Appropriated Fund Balance			-	
Fund Balance - Beginning			53,152,863	
Prior Year Encumbrances Cancelled			-	
Increase in Inventory			-	
Fund Balance - Ending			<u>\$ 55,949,845</u>	

**HARFORD COUNTY, MARYLAND**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

Exhibit 7

<b>ASSETS</b>	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<u>Enterprise Fund, Water and Sewer</u>	<u>Internal Service Fund</u>
Current Assets:		
Equity in Pooled Cash and Investments	\$ 77,990,207	\$ 12,790,579
Cash and Investments	650	-
Restricted Assets - Investments	2,051,982	-
Accounts Receivable (Net)	6,167,344	-
Federal and State Receivable	228,921	-
Inventories	1,834,035	-
Benefit Assessments	3,074,479	-
Total Current Assets	<u>91,347,618</u>	<u>12,790,579</u>
Noncurrent Assets:		
Benefit Assessments	29,587,110	-
Capital Assets, Net of Depreciation		
Land	1,795,383	-
Construction in Process	27,367,836	-
Property, Plant & Equipment	420,281,018	-
Total Capital Assets	<u>449,444,237</u>	<u>-</u>
Total Noncurrent Assets	<u>479,031,347</u>	<u>-</u>
Total Assets	<u>570,378,965</u>	<u>12,790,579</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Loss on Refunding	2,875,825	-
Contributions Subsequent to Measurement Date	968,961	-
Changes in Assumptions	106,802	-
Total Deferred Outflow of Resources	<u>3,951,588</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1,481,110	51,673
Accounts Payable from Restricted Assets	538,613	-
Retainage Payable from Restricted Assets	1,084,068	-
Payable to the State of Maryland	1,132,503	-
Accrued Expenses	2,344,321	-
Unearned Revenue	3,052	-
Performance Deposits	115,539	-
Escrow Accounts	2,892,341	-
Other Liabilities	29,027	-
Compensated Absences-Current	1,182,619	-
Bonds Payable-Current	8,428,714	-
Estimated Current Liability for Claims in Process	-	1,632,238
Total Current Liabilities	<u>19,231,907</u>	<u>1,683,911</u>
Noncurrent		
Compensated Absences	1,823,887	-
Bonds Payable	118,913,049	-
Net Pension Liability	8,008,496	-
Estimated Liability for Claims in Process	-	3,690,867
Total Noncurrent Liabilities	<u>128,745,432</u>	<u>3,690,867</u>
Total Liabilities	<u>147,977,339</u>	<u>5,374,778</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Gain on Refunding	30,450	-
Net Difference - Projected vs Actual Investment Earnings	808,128	-
Total Deferred Inflow of Resources	<u>838,578</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	326,999,832	-
Unrestricted	98,514,804	7,415,801
Total Net Position	<u>425,514,636</u>	<u>\$ 7,415,801</u>
The net result of the look-back approach for consolidating the Internal Service fund is an interfund payable for the business-type activities in the Statement of Net Position	(205,308)	
Net Position of Business-Type Activities	<u>\$ 425,309,328</u>	

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

Exhibit 8

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>	
	<u>Enterprise Fund, Water and Sewer</u>		<u>Internal Service Fund, Self Insurance</u>	
Operating Revenues:				
Charges for Services	\$	-	\$	2,365,396
Income from Water Operations		13,269,092		-
Income from Sewer Operations		13,678,829		-
Miscellaneous		1,605,812		-
Total Operating Revenues		<u>28,553,733</u>		<u>2,365,396</u>
Operating Expenses:				
General and Administrative Expenses		5,509,345		-
Operations and Maintenance-Water		12,612,618		-
Operations and Maintenance-Sewer		14,812,785		-
Insurance Claims and Expenses		-		3,572,999
Depreciation		11,358,093		-
Total Operating Expenses		<u>44,292,841</u>		<u>3,572,999</u>
Operating (Loss) Income		<u>(15,739,108)</u>		<u>(1,207,603)</u>
Non-operating Revenues (Expenses):				
Recordation Tax Revenue		2,174,467		-
Grant Revenue		461,364		-
Interest Income		2,155,375		39,322
Interest Expense		(4,022,016)		-
Other Income (Expense)		(276,949)		-
Total Non-operating Revenue (Expenses)		<u>492,241</u>		<u>39,322</u>
Income Before Contributions		(15,246,867)		(1,168,281)
Capital Contributions		19,125,274		-
Change in Net Position		<u>3,878,407</u>		<u>(1,168,281)</u>
Total Net Position--Beginning		<u>429,414,021</u>		<u>8,584,082</u>
Change in Accounting Principle		(7,777,792)		-
Total Net Position--Beginning, as Restated		421,636,229		8,584,082
Total Net Position--Ending	\$	<u><u>425,514,636</u></u>	\$	<u><u>7,415,801</u></u>

**Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Position of the Enterprise Fund to the Statement of Activities:**

Net change in Net Position -- total business type activities	\$	3,878,407
Eliminating the effect of the internal service fund, using the "look-back" method resulted in increased expenses in the enterprise fund		(155,177)
Change in Net Position of Business Type Activities	\$	<u><u>3,723,230</u></u>

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2015**

**Exhibit 9**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	Enterprise Fund, Water and Sewer	Internal Service Fund, Self Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 29,336,867	\$ -
Receipts from Interfund Services Provided	-	2,191,360
Receipts from Others for Claims	-	174,036
Receipts from Customer Deposits and Rental Income	356,122	-
Payment of Deposits to Customer	(1,618)	-
Payments to Employees for Services	(15,416,598)	-
Payments to Suppliers for Goods and Services	(17,174,320)	(626,047)
Payments for Claims	-	(3,394,504)
Net Cash Provided By (Used In) Operating Activities	<u>(2,899,547)</u>	<u>(1,655,155)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(19,398,378)	-
Principal Payments on Long Term Debt	(23,276,410)	-
Bond/Lease Service Costs	(288,712)	-
Interest Paid on Bonds/Leases	(6,126,902)	-
Proceeds from Federal and State Grants	7,082,156	-
Recordation Tax Revenue	2,295,931	-
Tap Fees in Excess of Connection Costs	15,481,956	-
Proceeds from Bond Sale	16,925,757	-
Premium and Accrued Interest, net of Underwriters Fees	2,380,044	-
Proceeds from Sale of Capital Assets	93,835	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(4,830,723)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	2,155,672	39,322
Net Cash Provided by Investing Activities	<u>2,155,672</u>	<u>39,322</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,574,598)</u>	<u>(1,615,833)</u>
Cash and Cash Equivalents, July 1	85,617,437	14,406,412
Cash and Cash Equivalents, June 30	<u>\$ 80,042,839</u>	<u>\$ 12,790,579</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating (Loss) Income	\$ (15,739,108)	\$ (1,207,603)
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	11,358,093	-
Rental Income	167,264	-
(Increase) Decrease in Accounts Receivable	791,364	-
(Increase) Decrease in Inventory	(51,785)	-
(Increase) Decrease in Contributions Subsequent to Measurement Date	82,652	-
(Increase) Decrease in Changes in Assumptions	(106,802)	-
Increase (Decrease) in Accounts Payable	624,062	20,590
Increase (Decrease) in Accrued Expenses	28,784	-
Increase (Decrease) Estimated Payables for Future Claims	-	(468,142)
Increase (Decrease) in Escrow Accounts	176,658	-
Increase (Decrease) in Unearned Revenue	2,352	-
Increase (Decrease) in Other Liabilities	3,205	-
Increase (Decrease) in Compensated Absences	(223,505)	-
Increase (Decrease) in Net Pension Liability	(820,909)	-
Increase (Decrease) in Net Difference - Projected vs Actual Investment Earnings	808,128	-
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,899,547)</u>	<u>\$ (1,655,155)</u>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Developer Contributions of Capital Assets to the Water and Sewer Fund	<u>\$ 660,125</u>	<u>\$ -</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO EXHIBIT 7</b>		
Equity in Pooled Cash and Investments	\$ 77,990,207	\$ 12,790,579
Cash and Investments	650	-
Investments - Current Restricted Assets	2,051,982	-
Cash and Cash Equivalents, June 30	<u>\$ 80,042,839</u>	<u>\$ 12,790,579</u>

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

**Exhibit 10**

	Pension Trust Funds	Other Post Employment Trust Fund	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 775,848	\$ 4,000,448	\$ 1,501,947	\$ -
Investments, at Fair Value				
Cash Equivalents	1,657,116	1,649,704	966,615	11,710,155
Fixed Income Fund	19,739,969	19,385,907	-	-
Equities and Equivalents	52,820,470	65,417,137	-	-
Total Investments	<u>74,217,555</u>	<u>86,452,748</u>	<u>966,615</u>	<u>11,710,155</u>
Total Assets	<u>74,993,403</u>	<u>90,453,196</u>	<u>2,468,562</u>	<u>11,710,155</u>
<b>LIABILITIES</b>				
Accounts Payable	25,299	828	42,390	-
Due to Beneficiaries	-	-	966,615	11,710,155
Total Liabilities	<u>25,299</u>	<u>828</u>	<u>1,009,005</u>	<u>11,710,155</u>
<b>NET POSITION</b>				
Held in Trust for pension benefits, OPEB benefits and other purposes	<u>\$ 74,968,104</u>	<u>\$ 90,452,368</u>	<u>\$ 1,459,557</u>	<u>\$ -</u>

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Changes in Fiduciary Net Position**  
**For Fiscal Year Ending June 30, 2015**

**Exhibit 11**

	Pension Trust Funds	Other Post Employment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS</b>			
Contributions and Donations	\$ -	\$ -	\$ 223,101
Employee Contributions	485,297	-	-
Employer Contributions	2,490,164	13,794,000	-
Plan Sponsor Contributions	2,030,844	-	-
Retiree Contributions	-	837,105	-
Total Contributions	<u>5,006,305</u>	<u>14,631,105</u>	<u>223,101</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,819,145	1,549,510	-
Interest and Dividends	1,302,582	1,435,494	10,712
Total Investment Earnings	<u>3,121,727</u>	<u>2,985,004</u>	<u>10,712</u>
Less Investment Expense	<u>286,672</u>	<u>340,398</u>	<u>-</u>
Net Investment Income	<u>2,835,055</u>	<u>2,644,606</u>	<u>10,712</u>
Total Additions	<u>7,841,360</u>	<u>17,275,711</u>	<u>233,813</u>
<b>DEDUCTIONS</b>			
Administrative Expenses	63,170	13,000	-
Benefits	4,419,020	6,473,984	-
Contractual Service	-	-	235,571
Total Deductions	<u>4,482,190</u>	<u>6,486,984</u>	<u>235,571</u>
Change in Net Position	<u>3,359,170</u>	<u>10,788,727</u>	<u>(1,758)</u>
Net Position--Beginning of the Year	<u>71,608,934</u>	<u>79,663,641</u>	<u>1,461,315</u>
Net Position--End of the Year	<u>\$ 74,968,104</u>	<u>\$ 90,452,368</u>	<u>\$ 1,459,557</u>

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

## *Notes to Basic Financial Statements*

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. FINANCIAL REPORTING ENTITY**

Harford County Government (the County) was formed in 1773. Under home rule, as approved during 1972, the County is governed by an elected County Executive and a seven-member County Council, with each serving separate executive and legislative functions. The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Harford County (the Primary Government) and the County's Component Units. The Primary Government's major operations include health and social services, public safety, public works, parks and recreation, road and highways administration, agricultural preservation, and general administrative services. Harford Community College, Harford County Public Schools, Harford County Public Library, and Harford Center, Inc. are legally separate organizations included as component units.

Component units have been included within the financial reporting entity using a discrete presentation. Discrete presentations in the combined financial statements are created with separate columns for the individual component unit in the government-wide financial statements (see note below for description and for the specific factors that led to the inclusion in our financial statements) to emphasize that it is legally separate from the government. The component units do not provide services entirely, or almost entirely, to the County, nor are any of the governing boards substantially the same, but the component units have a financial benefit/burden relationship with the County, as outlined below.

Harford County Public Schools – Operates all public schools (grades K through 12) within Harford County. The Harford County Public Schools receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Harford Center, Inc. – Operates a rehabilitation center for disabled individuals in Harford County. The Harford Center is partially funded by Harford County Government appropriations under Maryland State law. The Harford Center's 15 members of the Board of Directors are appointed by the County Executive.

Harford Community College – Operates the community college in Harford County. The College receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Harford County Public Library – Operates all public libraries within Harford County. The Library receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Complete financial statements of individual component units can be obtained from their respective administrative offices listed below:

**Harford County Public Schools**  
102 South Hickory Avenue  
Bel Air, Maryland 21014

**Harford Community College**  
401 Thomas Run Road  
Bel Air, Maryland 21015

**Harford Center, Inc.**  
4 North Earlton Road  
Havre de Grace, Maryland 21078

**Harford County Public Library**  
1221-A Brass Mill Road  
Belcamp, Maryland 21017

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**The Government-wide Financial Statements:** The statement of net position and the statement of changes in net assets report information on all activities of the primary government and its component units, excluding fiduciary funds. The effect of interfund activity, such as transfers between funds, has been removed from these statements to minimize the double counting of internal activities. *Governmental activities*, which are normally 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 or for which their relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

**Fund Financial Statements:** 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 governmental funds and 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, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 *susceptible to accrual*—that is, 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Property taxes, income taxes, state-shared tax revenues, 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 government.

The government reports the following major governmental funds:

*The General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

*The Highways Operating Fund* accounts for dedicated property tax revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenses of the County Department of Public Works concerning county highways, all expenses of the County and/or Sheriff's Office regarding traffic patrol and highways safety, and County-related transportation expenses.

*The Grants Fund* accounts for the receipt, appropriation, and expenditure of federal, state, local, and private monies designated for a particular purpose or have specific requirement associated with eligible program cost.

*The Agricultural Land Preservation Fund* accounts for dedicated transfer tax revenue that is legally restricted to the purchases of County agricultural land easements.

*The Capital Project Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Public Schools, Community College, and the Public Library.

The government reports the following major proprietary fund:

*The Water and Sewer Fund* accounts for the operation, construction, or acquisition of capital assets and related debt service cost of the public water and sewer facilities.

Additionally, Harford County Government reports the following additional fund types:

*Non-major Governmental Funds:*

*Parks and Recreation Special Revenue Fund:* This fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils, and/or the Oakington Peninsula.

*Stormwater Management Special Revenue Fund:* This fund was established to account for the stormwater remediation fees assessed against each property in the County. All funds collected will be dedicated to pay for stormwater remediation projects and related expenses. Such projects

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

include stream restoration, stormwater management pond retrofits, educational outreach, and operating funds for water resources. Bill No. 14-036 repealed the Stormwater Remediation Fee, effective July 1, 2015. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

*Beechtree Tax Increment Financing (TIF):* This fund accumulates the incremental property tax revenues related to the Beechtree Estates Project (Project) created in 2011 and, also, any special tax imposed on the Project. The funds are used to pay the principal and interest on the special obligation bonds; the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves revert to the General Fund.

*Internal Service Funds:*

*Self-Insurance Fund:* This fund was established to account for the County's self-insurance program, which covers all County government agencies.

*Pension, Other Employee Benefit Trust Funds, and Length of Service Award Program:*

*Sheriff's Office Pension System:* This trust fund was established to account for the pension system of certain law enforcement and correctional employees of the Office of the Sheriff of Harford County.

*Firemen's Length of Service Award Program (LOSAP):* This fund was established to account for the LOSAP for the volunteer fire personnel serving the various independent volunteer fire companies in the County.

*OPEB (Other Post Employment Benefits):* This trust fund was established to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employer's cost of retiree benefits.

*Private Purpose Trust Funds* are used to account for resources legally held in a trustee capacity and are comprised of:

*BVL Cooperating Parties Group:* This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill Site.

*Bar Library Trust Fund:* The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Agency Funds* are resources held in a purely custodial capacity and are comprised of:

*Pass-Through Grants:* This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit, or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

*Harford County Public Entities Healthcare Consortium:* This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and sewer function and various other functions of the government. Elimination of these 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 Water and Sewer Fund are charges to customers for sales and services. The principal operating revenues of the Self-Insurance Fund are budget allocations from contributing County programs. Operating expenses for the Water and Sewer Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. Operating expenses for the Self-Insurance Fund include insurance claims and expenses. 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 government's policy to use restricted first, and then unrestricted resources as they are needed.

**D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

**a. POOLED CASH AND INVESTMENTS**

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as "equity in pooled cash and investments." In addition to participating in the County's cash and investment pool,

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

each fund may maintain their own separate cash and investments that are specific to the individual fund. Based on an average daily balance of each fund's equity in pooled cash and investments, investment income earned on the cash and investment pool is distributed monthly to the General, Highways, Grant, Agricultural Land Preservation, Capital Projects, Beechtree TIF, Stormwater Management, Parks and Recreation, Water and Sewer Enterprise, Self-Insurance, two Private Purpose Trust Funds, Sheriff's Office Pension Fund, Length of Service Award Program (LOSAP), Other Post Employment Benefits Trust (OPEB), and Agency Fund. Investment income earned on individual funds' separate cash and investments is recorded monthly in the corresponding fund. Per management policy, investment income earned monthly by general county capital projects is transferred to the General Fund and investment income earned monthly on highways capital projects is transferred to the Highways Fund.

For purposes of the statement of cash flows, the County considers cash, equity in pooled cash and investments, and investments with maturities of three months or less, when acquired, to be cash equivalents.

State statutes authorize the County to invest in obligations of the United States Government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations.

The Maryland Local Government Investment Pool (the "MLGIP") was created under Maryland State Law and is regulated by the Maryland State Treasurer's Office. The MLGIP may invest in any instrument in which the State Treasurer may invest. Permissible instruments are established by Sections 6-222 and 6-223 of the State Finance and Procurement Article. No direct investment may have a maturity date of more than 13 months after its acquisition. Securities of the MLGIP are valued daily on an amortized cost basis, which approximates market value, and are held to maturity under normal circumstances.

The fair value of the position in the MLGIP is the same as the value of the MLGIP net assets (shares). The MLGIP is like a 2a-7 external investment pool, which issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: Maryland Local Government Investment Pool; c/o PNC Institutional Investments Group; One East Pratt Street; Baltimore, Maryland, 21202; by calling 1-800-492-5160; or the website, [www.mlgip.com](http://www.mlgip.com).

The County has an independent third party as custodian for securities collateralizing most repurchase agreements, certificates of deposit, and all other investments. Collateralization is required on repurchase agreements and certificate of deposits at a level of 102% of market value of principal plus accrued interest. In order to mitigate risk, the County continually monitors the financial condition of this third party custodian.

Investments of the County are recorded at fair value, which is the quoted market price provided by Harford County's Custodian, except for the investments in the MLGIP and Money Market funds. MLGIP investments are recorded at cost, which approximates fair value. Investments in Money Market funds are valued at the closing net asset value per share on the day of valuation. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

**b. PROPERTY TAXES RECEIVABLE AND OTHER RECEIVABLES**

The County's real property tax is levied and recorded each July 1 on the assessed values certified as of that date for all taxable real property located in the County on that date. On January 1, a tax on real property constructed

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

during the period of July 1 through December 31 is levied on the assessed value as of that date. Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years. All unpaid taxes on real property shall be, until paid, liens on the real property. The lien is imposed on the date the taxes are levied.

Currently, home-owner occupied real property taxes are billed in two installments. The first installment is due by September 30 and the second installment is due by December 31.

Discounts of 1% and 0.5% are allowed on the amount paid in July or August respectively for both annual and semi-annual real property tax payments. Beginning October 1, interest of 1.5% per month is charged for each month or fraction thereof that taxes remain unpaid on annual bills. Interest of 1.5% per month is not charged on the second semi-annual installment until January 1. In addition to interest, a 6% penalty is assessed on all unpaid delinquent property taxes on October 1. A penalty of 6% is imposed on the semi-annual installment overdue and in arrears on January 1. Any taxes not paid by the third Monday in June may subject the property to tax sale.

The County's real property tax rate for the year ended June 30, 2015 was \$1.042 per \$100 of assessed value for properties within the County, but not within an incorporated town, and \$0.8937 for properties within an incorporated town.

All receivables are reported at gross value and, where appropriate, reduced by the estimate considered to be uncollectible.

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**c. INVENTORIES**

All inventories are valued at the lower of cost or market using the First-In/First-Out (FIFO) method. Non-spendable fund balance for the Highways Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure. Inventories in the Highways special revenue fund are accounted for by the purchase method.

**d. RESTRICTED ASSETS**

Certain assets of the Governmental Activities and Business-type Activities are classified as restricted assets on the Statement of Net Position. These assets include unspent bond proceeds limited by applicable bond covenants to specific capital projects and investments in strip treasuries held to maturity for the final payment on the purchase of County agricultural easements.

**e. CAPITAL ASSETS**

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest expense is not capitalized in the current or amortized year due to immateriality. The government defines capital assets as assets

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

that have an estimated useful life in excess of one year and have an individual cost that meets or exceeds the minimal capitalization thresholds it has established for that asset class. There is no minimum dollar requirement established for Land, Easements, and Development Rights. Capital assets used in operations are depreciated or amortized using the straight-line method over their estimated useful lives. Interest expense is not capitalized in the current year due to immateriality.

Capital Assets, being depreciated or amortized:

	<u>Initial Cost in Excess of</u>
Buildings	\$ 50,000
Improvements other than Buildings	50,000
Machinery and Equipment	15,000
Vehicles	15,000
Intangibles	15,000
Infrastructure	100,000

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than Buildings	5-15
Machinery and Equipment	5-10
Vehicles	7
Intangibles:	
Software	5-10
Infrastructure:	
Bridges	35-45
Roads	15
Water and Sewer Lines and Improvements	10-75

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life is not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**f. COMPENSATED ABSENCES**

Vacation and personal leave benefits are earned by employees of the County based upon time in service. The rights to such benefits are vested. Employees, based on time in service, also accumulate sick leave. Accumulated sick leave benefits do not vest and are not paid unless sickness causes absence or upon retirement. At retirement, up to one-half of an employee's sick leave may be paid and the remaining balance is credited to their retirement. Vested sick leave is calculated at year-end using the terminated payments method. In the government-wide, proprietary fund, and fiduciary funds financial statements, all vacation, personal, and vested sick pay are accrued when incurred. A liability for these amounts is only reported in governmental funds for the portion estimated to be due and payable at year-end.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**g. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund financial statements, non-current obligations are reported as liabilities in either governmental activities, or business-type activities, in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred gains and losses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**h. NET POSITION/FUND BALANCES**

The government-wide financial statements utilize a net position presentation. The statement of net position should report assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: net investment in capital assets, restricted, and unrestricted. The net investment in capital component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding debt directly attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consist of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

*Nonspendable* – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision making authority. The highest level of decision-making action is legislation which is enacted by the Harford County Council (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Assigned* – This component consists of amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the County Executive or their designee. This authority is pursuant to Article III, Section 302 of the Harford County Charter.

*Unassigned* – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

**i. ESTIMATED LIABILITY FOR CLAIMS IN PROCESS**

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker’s compensation, property damage, and medical claims as of June 30, 2015. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

**j. ESTIMATES**

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

**E. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

The County has adopted the provision of Governmental Accounting Standard Board (GASB Statement No. 68, entitled *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As part of GASB 68 the County is required to record its share of the Maryland State Retirement and Pension System’s (SRPS) net funded pension liability. The County’s share of the unfunded liability will be calculated by dividing the County’s contribution to SRPS by the total contributions to SRPS multiplied by SRPS’ unfunded liability. The County will also record the Net Pension Liability for the Sheriff’s Office Pension System and the Volunteer Firefighter Length of Service Award Program as required under GASB 68.

GASB also issued Statement No. 69, entitled *Government Combinations and Disposals of Government Operation*, and GASB Statement No. 70, entitled *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Both statements will be adopted this fiscal year but will have no effect on these financial statements.

As of the year ended June 30, 2015, GASB issued Statement No. 72, entitled *Fair Value Measurement and Application*; Statement No. 73, entitled, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 74 entitled, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 75 entitled, *Accounting and Financial Reporting for*

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Postemployment Benefits Other Than Pensions*; GASB Statement No. 76 entitled, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These statements may or will have a material effect on the County's financial statements once implemented.

The County will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, notes payable, landfill closure, net pension liability and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Accrued Bond Interest	\$	8,989,618
Agricultural Preservation Installments		59,359,303
Bonds Payable		495,916,560
Notes Payable		1,313,319
Landfill Closure Liability		48,079,509
Compensated Absences		24,936,329
Net Pension Liability		104,198,235
		104,198,235
	\$	742,792,873

Another element of that reconciliation explains that “deferred outflow of resources, including loss on refunding, contributions subsequent to measurement date, and changes in assumptions are consumption of resources that is applicable to future reporting periods and therefore are not reported in the funds.”

Loss on Refunding	\$	19,133,561
Contribution Subsequent to Measurement Date		10,736,101
Changes in Assumptions		1,839,306
		1,839,306
	\$	31,708,968

Another element of that reconciliation explains that “deferred inflow of resources, including net difference in projected versus actual investment earnings and net difference in expected versus actual investment earnings are acquisition of resources that is applicable to future reporting periods and therefore are not reported in the funds.

Net Difference – Projected vs Actual Investment Earnings	\$	7,647,526
Net Difference – Expected vs Actual Experience		869,774
		869,774
	\$	8,517,300

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 this difference are as follows:

Purchase of Capital Assets	\$	33,065,591
Depreciation		(23,426,610)
	\$	<u>9,638,981</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Contributed Assets	\$	5,967,775
Trade in Value of Assets		91,440
Loss on Disposal of Assets		(1,050,413)
Decrease in Property Tax Deferred Revenue		(640,805)
Increase in Income Tax Deferred Revenue		12,736,147
Decrease in Deferred Special Assessments		(92,546)
	\$	<u>17,011,598</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED**

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases, installment purchase agreements) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an 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 amortized in the statements of activities.” The details of this difference are as follows:

Accrued Interest Expense	\$	922,134
Amortization of Bond Premium		6,686,106
Amortization of Deferred Loss		(1,088,115)
Issuance of Bonds Payable		(42,000,000)
Issuance of Refunding Bonds Payable		(55,994,243)
Issuance of Installment Purchase Loans		(3,097,591)
Bond Premium		(12,245,541)
Principal Payments on General Obligation Debt		32,889,398
Principal Payments on Refunding Bonds		56,058,344
Loss on Refunding Bonds		8,325,127
	\$	<u><u>(9,544,381)</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Difference between Pension Expense and Contributions	\$	1,398,105
Decrease in Compensated Absences Expense		2,941,855
Contributed Land to Town		(2,408,185)
Consumption Method of Inventory Used in Entitywide Statements vs. the Purchase Method used in the Fund Statements		534,574
Decrease in Landfill Closure/Solid Waste Expenses		5,059,015
	\$	<u><u>7,525,364</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County Council holds public hearings regarding the budget and, prior to June 15, passes an annual appropriation ordinance. The legislation becomes effective July 1 and provides the spending authority at the department level for the operations of the County Government with unexpended or unencumbered appropriation authority expiring the following June 30, except in the case of Capital Projects Funds, where appropriations lapse after three years if no expenditures occur. Under Maryland State Law, Harford County Public Schools capital projects are exempt from this provision. The appropriated budgets are prepared by fund, function, and department. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. During the fiscal year, the County Council may adopt supplemental appropriations. For the year ended June 30, 2015, supplemental appropriations adopted in the General Fund were \$75,615,061; \$3,644,213 in the Highways Fund; \$16,684 in the Parks and Recreation Fund; \$83,287 in the Storm Water Management Fund; and \$1,514,945 in the Water and Sewer Fund. Throughout the year, the County Executive has the authority to approve various intradepartmental transfers. Transfers between departments require the County Council's approval and are only completed after April 1.

Annual budgets are adopted for the General Fund, Highways Fund, Agricultural Land Preservation Fund, Parks and Recreation Fund, Stormwater Management Fund, Beechtree TIF Debt Service Fund, Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, Firemen's LOSAP Trust Fund, and Sheriff's Office Pension Trust Fund. Budgets are not adopted for the remaining private purpose trust funds due to their nature. Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, and Pension Trust Funds budgets are for management control only. Budgets are adopted using the same basis of accounting as that used for reporting purposes, except for the following:

- Encumbrances are treated as expenditures for budgetary accounting purposes.
- Payroll is accrued for financial statement purposes only.
- Interfund reimbursements are eliminated for financial statement purposes.

The capital budget reflects appropriations for the Capital Projects Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered appropriations lapse at the completion or abandonment of individual projects. The County Council and the County Executive must approve all transfers of appropriations between projects.

A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual is prepared for the General Fund and each major Special Revenue Fund with an annual budget. These are the General, Highways, and Agricultural Land Preservation.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED**

**B. RECONCILIATION OF GAAP TO BASIS OF BUDGETING**

The Governmental Funds, except for Grants and Capital Project Funds, have legally adopted annual budgets. The “Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual” is prepared on a basis consistent with those budgets. The budgets are prepared using encumbrance accounting, where encumbrances are treated as expenditures of the current period. The “Statement of Revenues, Expenditures and Changes in Fund Balances” for all major governmental funds is prepared on a basis consistent with GAAP, where encumbrances are treated as an assigned fund balance. The other fund statements are reconciled below.

As of June 30, 2015, the changes in fund balances are reconciled as follows:

	<u>General Fund</u>	<u>Highways Fund</u>	<u>Agricultural Land Preservation</u>
Basis of Budgeting - Net Change in Fund Balances	\$ -	\$ -	\$ 2,796,982
Basis Adjustments:			
Revenue for Budgetary, not GAAP Purposes	(9,040,982)	(7,621,416)	-
Encumbrances Adjustment	366,035	(1,559,149)	-
Expenditures for Budgetary, not GAAP Purposes	9,040,982	7,621,416	-
Expenditures for GAAP, not for Budgetary Purposes	(244,577)	(9,086)	1,372
Fund Balance Appropriated for Budget not GAAP	<u>(764,348)</u>	<u>(590,112)</u>	<u>-</u>
GAAP Basis - Net Changes in Fund Balances	<u>\$ (642,890)</u>	<u>\$ (2,158,347)</u>	<u>\$ 2,798,354</u>

As of June 30, 2015, the ending fund balances are reconciled as follows:

	<u>General Fund</u>	<u>Highways Fund</u>
Basis of Budgeting - Fund Balances	\$ 72,547,016	\$ 9,485,514
Basis Adjustments:		
Encumbrances	2,685,353	509,119
Expenditures for GAAP, not for Budgetary Purposes	<u>(3,086,782)</u>	<u>(294,335)</u>
GAAP Basis - Fund Balances	<u>\$ 72,145,587</u>	<u>\$ 9,700,298</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. EQUITY IN POOLED CASH AND INVESTMENTS, CASH AND INVESTMENTS**

**a. DEPOSITS**

**PRIMARY GOVERNMENT**

*Custodial Credit Risk:* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. At year-end, the carrying amount of combined deposits was \$744,542 and the collected bank balance was \$1,520,819. The uninsured balances were fully collateralized by securities placed with the respective bank escrow agents and held in the County’s name at the Federal Reserve. As of June 30, 2015, the County’s deposits were not exposed to custodial credit risk.

The following table reconciles the County’s deposits and investments to the government-wide statement of net position and the statement of fiduciary net position.

Reconciliation:

Total Primary Government - Exhibit 1	
Equity in Pooled Cash and Investments	\$ 217,494,398
Cash and Investments	45,240
Restricted Assets - Cash and Investments	61,586,380
Pension Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	775,848
Total Investments	74,217,555
Other Post Employment Benefit Trust Fund - Exhibit 10	
Equity in Pooled Cash and Investments	4,000,448
Total Investments	86,452,748
Private Purpose Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	1,501,947
Total Investments	966,615
Agency Funds - Exhibit 10	
Total Investments	11,710,155
Total All Equity in Pooled Cash	458,751,334
Less: Investments - Primary Government, page 48	(458,006,792)
The Carrying Amount of Combined Deposits	\$ 744,542

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS**

At year-end, the carrying amount of combined deposits was \$17,662,245. All of the collected bank balance was insured by the FDIC and/or by securities held by the component unit or its' agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net position.

Reconciliation:

Cash & Investments for Component Units--Exhibit 1:

Harford County Public Schools	\$	21,535,892
Harford Center, Inc.		933,270
Harford Community College		28,282,337
Harford Community College restricted		8,549,128
Harford County Public Library		6,395,220
Total Component Unit Cash & Investments		<u>65,695,847</u>
Less: Investments--Component Units; page 50		<u>(48,033,602)</u>
Cash in the Bank	\$	<u><u>17,662,245</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**b. INVESTMENTS**

**PRIMARY GOVERNMENT**

As of June 30, 2015, the County had the following investments and maturities.

Investment Type	Investment Maturities (Years)			
	Fair Value	Less than 1	1 - 5	5+
<b>Pooled Investments</b>				
<sup>1</sup> Federal Agencies	\$ 30,013,312	\$ 10,002,900	\$ 20,010,412	\$ -
MLGIP	108,965,865	108,965,865	-	-
Repurchase Agreements	60,010,025	60,010,025	-	-
CDARS	20,084,236	20,084,236	-	-
Mutual Funds	4,000,033	4,000,033	-	-
Subtotal	<u>223,073,471</u>	<u>203,063,059</u>	<u>20,010,412</u>	<u>-</u>
<b>Non-Pooled Investments</b>				
MLGIP	12,321,096	12,321,096	-	-
<sup>2</sup> U.S. Stripped Treasuries	49,265,285	6,985,108	29,834,186	12,445,991
<sup>3</sup> Trust Fund Annuity Contract	966,616	39,422	240,314	686,880
MLGIP - Fiduciary Funds	11,710,021	11,710,021	-	-
<b>Benefits and Pension Funds:</b>				
<sup>3</sup> Short-Term Investments	3,306,817	3,306,817	-	-
<sup>3</sup> Equities	119,015,788	119,015,788	-	-
<sup>3</sup> Fixed Income Funds	6,213,881	6,213,881	-	-
US Government Agencies	2,843	-	1,617	1,226
Corporate Bonds	14,295,760	1,909,230	8,710,287	3,676,243
<sup>2</sup> US Treasury Obligations	<u>17,835,214</u>	<u>343,218</u>	<u>10,356,068</u>	<u>7,135,928</u>
Subtotal	<u>234,933,321</u>	<u>161,844,581</u>	<u>49,142,472</u>	<u>23,946,268</u>
Total	<u>\$ 458,006,792</u>	<u>\$ 364,907,640</u>	<u>\$ 69,152,884</u>	<u>\$ 23,946,268</u>

<sup>1</sup> These Agencies mature in Fiscal Years 2016, 2017, and 2018, but are callable monthly, quarterly, and semi-annually until maturity; it is not anticipated that these Agencies will be called.

<sup>2</sup> These investments are backed by the full faith and credit of the US Government.

<sup>3</sup> These investments are unrated.

**Investments Other than Pension, Length of Service Award Program, and Other Post-Employment Benefits:**

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy prohibits investment of operating funds in securities maturing more than one year from the date of purchase, unless matched to a specific cash flow. Only Agricultural Land Preservation Funds will be invested in U.S. Stripped Treasuries to coincide with the maturity dates on installment purchase agreements; up to thirty years in length. Because the mutual bond funds and the MLGIP funds as of June 30, 2015 have a weighted average maturity of less than 2 months, they are presented as investments maturing in less than one year.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED**

*Credit Risk:* In order to control credit risk, State statutes, which have been incorporated into the County's investment policy, authorize the County to invest only in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the MLGIP, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations. As of June 30, 2015, the County's investments in Federal agency obligations, including repurchase agreements, backed by Federal agency obligations, were rated Aaa by Moody's Investor Service; the MLGIP and the money market mutual funds were rated AAAM by Standard and Poor's.

*Concentration of Credit Risk:* In accordance with its investment policy, with the exception of US Treasury securities, repurchase agreements, US government agencies, and MLGIP, no more than 50% of the County's total investment portfolio is to be invested in a single security type. With the exception of overnight repurchase agreements with the County's lead bank, and the MLGIP, no more than 50% of the County's portfolio may be invested with a single institution.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificates of deposit, repurchase agreements, and reverse repurchase agreements have a market value of at least 102% of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government's name. As of June 30, 2015, the County's investments were not exposed to custodial credit risk.

*Other Post-Employment Benefits (OPEB), Length of Service Award Program (LOSAP), and Pension Investments:*

*Interest Rate Risk:* The investment policies of the pension, LOSAP, and OPEB plans do not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Fund's greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments, such as commercial paper, repurchase agreements, etc. are limited to maturities of one year or less.

*Credit Risk:* The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The Manager(s) may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, deposit accounts (with the custodian's bank) which are fully insured and/or fully collateralized, and money market funds to provide income, liquidity for expense payments, and preservation of the fund's principal value. All such assets must represent maturities of one year or less at time of purchase. Standard & Poor's and Moody's must rate commercial paper assets A-2 or P-2 respectively. The fixed income portion of the portfolio will consist primarily of fixed income securities denominated in U.S. dollars issued by the U.S. Government or U.S. corporations rated investment grade or better and having a weighted average maturity of no longer than 10 years. The Manager(s) should maintain the fixed income portion of the portfolio at a risk level roughly equivalent to the Barclays Government/Credit Intermediate-Term Bond Index. The portfolio's maximum exposure to non-benchmark sectors including foreign issues, emerging market debt and high yield securities may not exceed 20% (10% for Firemen LOSAP) of its market value.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED**

*Concentration of Credit Risk:* As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 5% of the portfolio invested in obligations of any one issuer and no more than 10% in any one outstanding debt issue. Investments by security type are to be diversified as follows:

	Firemen's LOSAP		Sheriff's Pension		OPEB Pension	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	20	36	25	47	25	47
Mid Cap Equities	5	9	3	13	3	13
Small Cap Equities	1	5	3	10	3	10
International Equities	12	22	14	27	14	27
Fixed Income	31	59	21	39	21	39

**COMPONENT UNITS**

As of June 30, 2015, total investments of the component units, in the amount of \$48,033,602, was distributed by type as follows:

	<u>MLGIP</u>	<u>Other</u> <u>Investments</u>	<u>Total</u>
Harford County Public Schools	\$ 15,166,877	\$ -	\$ 15,166,877
Harford Center, Inc.	-	559,666	559,666
Harford Community College	19,331,525	7,775,289	27,106,814
Harford County Public Library	5,200,245	-	5,200,245
	<u>\$ 39,698,647</u>	<u>\$ 8,334,955</u>	<u>\$ 48,033,602</u>

*Interest Rate Risk:* The component units of the County generally limit the term of investment maturities, except for the fiduciary funds of the Harford County Public Schools, which are allowed longer term maturities to match the cash flow of liabilities.

*Credit Risk:* The investment policies of the component units require that all investments be insured, or registered, or have underlying securities held by a custodian in the name of the component unit to protect against credit risk. The credit ratings related to the repurchase agreements are unknown, but the MLGIP, a State sponsored investment pool, is rated AAAM by Standard and Poor's.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED**

**B. RECEIVABLES**

**a. TAXES AND OTHERS**

Receivables as of year-end for the government’s individual major and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Highways</u>	<u>Grants</u>	<u>Capital Project</u>
Property Taxes	\$ 2,628,979	\$ 335,807	\$ -	\$ -
Interest Accrual	570	27	-	-
Service Billings	2,143,437	203,332	18,045	35,757
Miscellaneous	-	-	-	-
Gross Receivables	<u>4,772,986</u>	<u>539,166</u>	<u>18,045</u>	<u>35,757</u>
Less: Allowance for Uncollectible	<u>(2,053,819)</u>	<u>(272,180)</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,719,167</u>	<u>\$ 266,986</u>	<u>\$ 18,045</u>	<u>\$ 35,757</u>

	<u>Non-major Governmental</u>	<u>Water and Sewer</u>	<u>Total</u>
Property Taxes	\$ -	\$ -	\$ 2,964,786
Interest Accrual	-	1,860,278	1,860,875
Service Billings	3,939	4,398,043	6,802,553
Miscellaneous	<u>1,550</u>	<u>116</u>	<u>1,666</u>
Gross Receivables	5,489	6,258,437	11,629,880
Less: Allowance for Uncollectible	<u>-</u>	<u>(91,093)</u>	<u>(2,417,092)</u>
	<u>\$ 5,489</u>	<u>\$ 6,167,344</u>	<u>\$ 9,212,788</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**b. UNAVAILABLE REVENUE**

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>General</u>	<u>Highways</u>	<u>Capital Projects</u>	<u>Total</u>
Income Taxes	\$ 19,851,891	\$ -	\$ -	\$ 19,851,891
Property Taxes Receivable	541,048	78,581	-	619,629
Special Assessments Receivable	-	-	500,593	500,593
	<u>\$ 20,392,939</u>	<u>\$ 78,581</u>	<u>\$ 500,593</u>	<u>\$ 20,972,113</u>

**c. UNEARNED REVENUE**

	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>	<u>Total</u>
Build America Bonds Subsidy	\$ 636,660	\$ -	\$ -	\$ 636,660
Grant Drawdown in Excess of Expenditures	-	2,286,469	-	2,286,469
Grant Loans Receivable	-	1,919,849	-	1,919,849
Prepaid Property Taxes	106,283	-	-	106,283
Prepaid Contribution-Capital Projects	-	-	805,013	805,013
Walk-in Assessment Escrow	40,094	-	-	40,094
	<u>\$ 783,037</u>	<u>\$ 4,206,318</u>	<u>\$ 805,013</u>	<u>\$ 5,794,368</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**C. CAPITAL ASSETS**

**PRIMARY GOVERNMENT**

Capital Asset Activity for the year ended June 30, 2015, was as follows:

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated or amortized:				
Land	\$ 254,885,015	\$ 3,469,358	\$ (3,336,054)	\$ 255,018,319
Development Rights	120,694,050	4,619,236	-	125,313,286
Construction in Process	48,668,159	17,607,396	(34,579,579)	31,695,976
Total Capital Assets, not being depreciated or amortized	<u>424,247,224</u>	<u>25,695,990</u>	<u>(37,915,633)</u>	<u>412,027,581</u>
Capital Assets, being depreciated or amortized:				
Buildings	163,821,785	35,958,796	(21,426)	199,759,155
Improvements other than buildings	89,568,992	2,439,487	-	92,008,479
Machinery and Equipment	49,397,253	778,527	(757,074)	49,418,706
Vehicles	43,382,761	3,677,629	(2,075,746)	44,984,644
Intangibles	809,190	742,836	-	1,552,026
Infrastructure	203,650,507	4,411,120	(422,536)	207,639,091
Total Capital Assets, being depreciated or amortized	<u>550,630,488</u>	<u>48,008,395</u>	<u>(3,276,782)</u>	<u>595,362,101</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(54,335,087)	(4,395,931)	21,426	(58,709,592)
Improvements other than buildings	(66,898,090)	(3,901,877)	-	(70,799,967)
Machinery and Equipment	(45,049,569)	(1,411,973)	757,074	(45,704,468)
Vehicles	(28,059,632)	(4,185,779)	1,953,198	(30,292,213)
Intangibles	(164,668)	(119,757)	-	(284,425)
Infrastructure	(91,414,113)	(9,411,293)	422,536	(100,402,870)
Total Accumulated Depreciation or Amortization	<u>(285,921,159)</u>	<u>(23,426,610)</u>	<u>3,154,234</u>	<u>(306,193,535)</u>
Total Capital Assets, being depreciated or amortized, net	<u>264,709,329</u>	<u>24,581,785</u>	<u>(122,548)</u>	<u>289,168,566</u>
Governmental Activities Capital Assets, net	<u>\$ 688,956,553</u>	<u>\$ 50,277,775</u>	<u>\$ (38,038,181)</u>	<u>\$ 701,196,147</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated or amortized:				
Land	\$ 2,044,437	\$ -	\$ (249,054)	\$ 1,795,383
Construction in Process	83,958,392	17,945,431	(74,535,987)	27,367,836
Total Capital Assets, not being depreciated or amortized	86,002,829	17,945,431	(74,785,041)	29,163,219
Capital Assets, being depreciated or amortized:				
Buildings	232,965,048	36,044,408	-	269,009,456
Improvements other than buildings	294,457,715	858,893	(168,212)	295,148,396
Machinery and Equipment	8,057,543	25,387,756	(70,480)	33,374,819
Vehicles	4,487,499	240,646	(260,042)	4,468,103
Intangibles	377,812	164,079	-	541,891
Infrastructure	-	10,905,502	-	10,905,502
Total Capital Assets, being depreciated or amortized	540,345,617	73,601,284	(498,734)	613,448,167
Less Accumulated Depreciation or Amortization for:				
Buildings	(91,417,763)	(5,521,847)	-	(96,939,610)
Improvements other than buildings	(82,852,733)	(4,828,174)	168,212	(87,512,695)
Machinery and Equipment	(4,878,401)	(438,156)	70,480	(5,246,077)
Vehicles	(3,088,943)	(382,654)	259,767	(3,211,830)
Intangibles	(69,675)	(53,973)	-	(123,648)
Infrastructure	-	(133,289)	-	(133,289)
Total Accumulated Depreciation or Amortization	(182,307,515)	(11,358,093)	498,459	(193,167,149)
Total Capital Assets, being depreciated or amortized, net	358,038,102	62,243,191	(275)	420,281,018
Business-type Activities Capital Assets, net	\$ 444,040,931	\$ 80,188,622	\$ (74,785,316)	\$ 449,444,237

Depreciation or Amortization Expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
County Council	\$ 4,144
General Government	1,415,764
Judicial	2,413
Libraries	911,273
Parks and Recreation	2,808,062
Public Safety	3,217,690
Public Works	14,068,619
Social Services & Health	998,645
Total Depreciation or Amortization Expense - Governmental Activities	\$ 23,426,610
<b>Business-type Activities</b>	
Water and Sewer	\$ 11,358,093

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS**

**Harford County Public Schools:** Capital Asset Activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases / Reclassifications	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Process	22,379,098	26,761,229	(18,866,690)	30,273,637
Total Capital Assets, not being depreciated	<u>32,052,040</u>	<u>26,761,229</u>	<u>(18,866,690)</u>	<u>39,946,579</u>
Capital Assets, being depreciated				
Land Improvements	17,338,658	358,061	-	17,696,719
Buildings and Improvements	682,882,673	903,804	18,866,690	702,653,167
Furniture and Equipment	40,988,038	3,572,188	(56,608)	44,503,618
Total Capital Assets, being depreciated	<u>741,209,369</u>	<u>4,834,053</u>	<u>18,810,082</u>	<u>764,853,504</u>
Accumulated Depreciation				
Land Improvements	(5,565,444)	(777,961)	-	(6,343,405)
Buildings and Improvements	(147,621,623)	(13,618,533)	-	(161,240,156)
Furniture and Equipment	(25,938,365)	(3,450,683)	56,608	(29,332,440)
Total Accumulated Depreciation	<u>(179,125,432)</u>	<u>(17,847,177)</u>	<u>56,608</u>	<u>(196,916,001)</u>
Total Capital Assets, being depreciated, net	<u>562,083,937</u>	<u>(13,013,124)</u>	<u>18,866,690</u>	<u>567,937,503</u>
Total Capital Assets, net	<u>\$ 594,135,977</u>	<u>\$ 13,748,105</u>	<u>\$ -</u>	<u>\$ 607,884,082</u>

**The Harford Center, Inc.:** Capital Asset Activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 302,646	\$ 28,817	\$ (31,675)	\$ 299,788
Equipment - Transportation	787,226	25,000	(97,788)	714,438
Leasehold Improvements	457,960	1,348	-	459,308
Total Capital Assets, being depreciated	<u>1,547,832</u>	<u>55,165</u>	<u>(129,463)</u>	<u>1,473,534</u>
Accumulated Depreciation:				
Capital Assets	<u>(1,120,985)</u>	<u>(83,903)</u>	<u>100,015</u>	<u>(1,104,873)</u>
Total Capital Assets, net	<u>\$ 426,847</u>	<u>\$ (28,738)</u>	<u>\$ (29,448)</u>	<u>\$ 368,661</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Harford Community College:** Capital Asset Activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 3,564,162	\$ 177,598	\$ -	\$ 3,741,760
Construction in Process	13,849,995	1,992,173	(13,585,344)	2,256,824
Total Capital Assets, not being depreciated	<u>17,414,157</u>	<u>2,169,771</u>	<u>(13,585,344)</u>	<u>5,998,584</u>
Capital Assets, being depreciated				
Buildings and Improvements	115,612,901	17,705,648	(223,507)	133,095,042
Furniture and Equipment	8,707,847	1,670,770	(175,965)	10,202,652
Vehicles	759,348	65,582	(17,794)	807,136
Library Books	1,550,296	119,291	(15,316)	1,654,271
Total Capital Assets, being depreciated	<u>126,630,392</u>	<u>19,561,291</u>	<u>(432,582)</u>	<u>145,759,101</u>
Accumulated Depreciation:				
Buildings and Improvements	(29,736,702)	(3,634,081)	141,231	(33,229,552)
Furniture and Equipment	(6,118,205)	(675,284)	158,835	(6,634,654)
Vehicles	(449,423)	(69,415)	11,857	(506,981)
Library Books	(1,113,199)	(68,077)	15,316	(1,165,960)
Total Accumulated Depreciation	<u>(37,417,529)</u>	<u>(4,446,857)</u>	<u>327,239</u>	<u>(41,537,147)</u>
Total Capital Assets, being depreciated, net	<u>89,212,863</u>	<u>15,114,434</u>	<u>(105,343)</u>	<u>104,221,954</u>
Total Capital Assets, net	<u>\$ 106,627,020</u>	<u>\$ 17,284,205</u>	<u>\$ (13,690,687)</u>	<u>\$ 110,220,538</u>

**Harford County Public Library:** Capital Asset Activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Improvements to Buildings	\$ 1,363,803	\$ 56,965	\$ -	\$ 1,420,768
Circulating Materials	6,602,699	1,916,432	(2,211,342)	6,307,789
Furniture and Equipment	2,387,761	48,566	(8,396)	2,427,931
Computer Equipment	2,153,160	186,750	(6,775)	2,333,135
Vehicles	359,575	-	-	359,575
Copier Equipment	147,483	-	-	147,483
Total Capital Assets, being depreciated	<u>13,014,481</u>	<u>2,208,713</u>	<u>(2,226,513)</u>	<u>12,996,681</u>
Accumulated Depreciation:				
Improvements to Buildings	(638,157)	(93,371)	-	(731,528)
Circulating Materials	(3,268,335)	(2,151,748)	2,211,342	(3,208,741)
Furniture and Equipment	(1,993,610)	(137,756)	7,734	(2,123,632)
Computer Equipment	(1,569,468)	(244,958)	6,183	(1,808,243)
Vehicles	(297,479)	(16,600)	-	(314,079)
Copier Equipment	(111,046)	(26,984)	-	(138,030)
Total Accumulated Depreciation	<u>(7,878,095)</u>	<u>(2,671,417)</u>	<u>2,225,259</u>	<u>(8,324,253)</u>
Total Capital Assets, net	<u>\$ 5,136,386</u>	<u>\$ (462,704)</u>	<u>\$ (1,254)</u>	<u>\$ 4,672,428</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**D. OPERATING LEASES**

The County is obligated under certain leases accounted for as operating leases. All leases are subject to annual appropriations. During fiscal year 2015, rental expenditures approximated \$3,771,117. These expenditures were primarily from the General Fund. The following is a schedule, by years, of the future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015:

Year ending June 30	Amount
2016	\$ 3,398,568
2017	2,754,203
2018	1,954,884
2019	1,100,637
2020	705,299
2021-2022	511,931
Total Minimum Payments Required	\$ 10,425,522

**E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**a. DUE FROM PRIMARY GOVERNMENT AND DUE TO COMPONENT UNITS**

Interfund receivables and payables result from the time lag between the time reimbursable expenditures occur in the component units and when the payments are made. As of June 30, 2015, these interfund balances are:

	Due From	Due To
Primary Government:		
Capital Projects Fund	\$ -	\$ 3,487,954
Component Units:		
Harford County Public Schools	3,484,580	-
Harford Community College	342	-
Harford County Public Library	3,032	-
	\$ 3,487,954	\$ 3,487,954

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**b. INTERFUND TRANSFERS**

Transfers are used to, (1) move general fund revenues to provide matching funds for various grant programs, (2) move operating fund revenues into the capital project fund as paygo monies, (3) move revenues from capital project funds to the general fund to pay debt service, (4) move interest revenue earned in the capital project fund to the operating funds per management policy, and (5) move general fund revenues to provide a contribution to stormwater management fund. The interfund transfers for the current fiscal year are:

	<b>Transfers In</b>		
	General Fund	Highways Fund	Grant Fund
<b>Transfers Out</b>			
General Fund	\$ -	\$ -	\$ 3,539,733
Highways Fund	-	-	-
Grant Fund	1,361,806	-	-
Capital Projects Fund	14,298,127	50,247	-
Parks & Rec Fund	-	-	-
<b>Total Transfers In</b>	<b>\$ 15,659,933</b>	<b>\$ 50,247</b>	<b>\$ 3,539,733</b>

	Capital Project Fund	Stormwater Mgmt Fund	Total
	<b>Transfers Out</b>		
General Fund	\$ 5,011,680	\$ 335,311	\$ 8,886,724
Highways Fund	7,000,000	-	7,000,000
Grant Fund	-	-	1,361,806
Capital Projects Fund	-	-	14,348,374
Parks & Rec Fund	150,000	-	150,000
<b>Total Transfers In</b>	<b>\$ 12,161,680</b>	<b>\$ 335,311</b>	<b>\$ 31,746,904</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**F. NON-CURRENT LIABILITIES**

**a. CHANGES IN NON-CURRENT LIABILITIES**

**PRIMARY GOVERNMENT**

	Balance July 1, 2014	Additions	Principal Repayments & Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
Agricultural Land Preserv.	\$ 59,029,269	\$ 3,097,591	\$ (2,767,557)	\$ 59,359,303	\$ 7,076,454
Bonds Payable					
General Obligation Bonds	464,542,366	110,239,784	(92,865,590) <sup>1</sup>	481,916,560	33,603,394
Special Obligation Bonds	14,000,000	-	-	14,000,000	-
Notes Payable	1,314,020	-	(701)	1,313,319	701
Landfill Closure/Solid Waste Liabilities	53,138,524	1,175,124	(6,234,139)	48,079,509	16,123,021
Compensated Absences	27,878,184	2,954,106	(5,895,961)	24,936,329	8,750,787
Est. Liab. For Claims in Pro.	<u>5,791,247</u>	<u>972,428</u>	<u>(1,440,570)</u>	<u>5,323,105</u>	<u>1,632,238</u>
Governmental activities - Long-term Liabilities	<u>\$ 625,693,610</u>	<u>\$ 118,439,033</u>	<u>\$ (109,204,518)</u>	<u>\$ 634,928,125</u>	<u>\$ 67,186,595</u>
Business-type activities:					
Bonds Payable	132,046,646	19,305,801	(24,010,684) <sup>1</sup>	127,341,763	8,428,714
Compensated Absences	<u>3,230,011</u>	<u>294,852</u>	<u>(518,357)</u>	<u>3,006,506</u>	<u>1,182,619</u>
Business-type activities - Long-term Liabilities	<u>\$ 135,276,657</u>	<u>\$ 19,600,653</u>	<u>\$ (24,529,041)</u>	<u>\$ 130,348,269</u>	<u>\$ 9,611,333</u>

1 Includes amortization of premium of \$6,686,106 and a loss on the 2015 refunded bonds of \$8,325,127 for Governmental activities that is included in the payment to Escrow Agent for refunding on Exhibit 4. The 2015 refunded bonds are no longer considered an offset to long-term liabilities, but are defined as a deferred outflow of resources. Business-type activities include amortization of premium of \$1,799,745.

Agricultural Land Preservation long-term debt has typically been liquidated in the Agricultural Land Preservation special revenue fund. Governmental compensated absences typically have been liquidated in the General and other governmental funds. Special Obligation Bonds will be liquidated in the Beechtree TIF Debt Service Fund. Claims liabilities typically have been liquidated in the Self-Insurance fund. The debt limit for the primary government at June 30, 2015, was \$1,712,790,162 and the legal debt margin was \$1,229,560,283.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS**

Non-current liabilities in the component units consist of liabilities for compensated absences, other post employment benefits (OPEB), capital lease and installment note. The changes and the portion due within one year are as follows:

	<u>Beginning Balance</u>	<u>Changes</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Harford County Public Schools</u></b>				
Capital Leases	\$ 10,016,647	\$ (371,258)	\$ 9,645,389	\$ 508,418
Compensated Absences	27,943,444	(279,617)	27,663,827	4,864,370
OPEB	199,962,929	32,002,000	231,964,929	-
	<u>\$ 237,923,020</u>	<u>\$ 31,351,125</u>	<u>\$ 269,274,145</u>	<u>\$ 5,372,788</u>
<b><u>Harford Community College</u></b>				
Compensated Absences	\$ 1,165,192	\$ 23,192	\$ 1,188,384	\$ 98,312
OPEB	158,221	27,000	185,221	-
	<u>\$ 1,323,413</u>	<u>\$ 50,192</u>	<u>\$ 1,373,605</u>	<u>\$ 98,312</u>
<b><u>Harford County Public Library</u></b>				
Capital Lease	\$ 42,176	\$ (31,231)	\$ 10,945	\$ 10,376
Compensated Absences	418,774	(11,901)	406,873	4,997
OPEB	9,901,212	1,101,293	11,002,505	-
	<u>\$ 10,362,162</u>	<u>\$ 1,058,161</u>	<u>\$ 11,420,323</u>	<u>\$ 15,373</u>

**b. AGRICULTURAL LAND PRESERVATION INSTALLMENTS**

**PRIMARY GOVERNMENT**

The County has entered into installment contracts to purchase easements for agricultural land preservation purposes. The primary source of revenue for repayment of the indebtedness is a transfer tax of one-half of one percent on all transfers of real property in the County. Under the terms of the installment contracts, which range in length from ten to twenty years, the County pays the property owner annual interest and minimal portions of the installment purchase price for the term of the agreement. The final principal payment is made with a stripped-coupon U.S. Treasury obligation purchased at settlement and held to maturity. The interest rate of the stripped-coupon U.S. Treasury obligation is the interest rate used for the installment purchase agreement. Interest rates on securities owned at June 30, 2015, range from 2.51% to 7.45%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2015, are as follows:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**AGRICULTURAL LAND PRESERVATION INSTALLMENTS**

Year Ending June 30	Principal	Interest	Total Requirement
2016	\$ 7,076,454	\$ 2,943,448	\$ 10,019,902
2017	7,471,048	2,492,664	9,963,712
2018	18,281,793	2,019,217	20,301,010
2019	4,740,659	1,099,832	5,840,491
2020	1,195,902	857,669	2,053,571
2021	691,858	787,984	1,479,842
2022	244,868	752,565	997,433
2023	2,057,521	743,051	2,800,572
2024	1,321,685	643,050	1,964,735
2025	477,664	572,188	1,049,852
2026	793,157	551,572	1,344,729
2027	507,949	515,853	1,023,802
2028	704,330	493,263	1,197,593
2029	3,673,332	461,620	4,134,952
2030	123,527	296,724	420,251
2031	123,527	293,102	416,629
2032	5,687,434	289,476	5,976,910
2033	1,658,361	125,089	1,783,450
2034	31,631	74,340	105,971
2035	2,496,603	73,410	2,570,013
	<u>\$ 59,359,303</u>	<u>\$ 16,086,117</u>	<u>\$ 75,445,420</u>

For the year ended June 30, 2015, total principal and interest incurred related to agricultural land preservation installment was \$2,767,557 and \$3,037,241, respectively.

**c. BONDS PAYABLE**

**1. General Obligation Bonds**

**PRIMARY GOVERNMENT**

All general obligation bonds are valid and legally binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds and Water Quality Loan are payable from ad valorem taxes, unlimited as to rate or amount on all real tangible, personal, and certain intangible property subject to taxation at full rates for local purposes in the County. Those portions of the Public Improvement Bonds of 2005, 2007, 2009, 2010, 2012, 2013, 2014 and 2015 allocated to school projects are payable in the first instance from recordation and transfer tax revenues and impact fees. Business-type (Water and Sewer) bonds are payable from investment income of the Water and Sewer Funds, area connection charges, benefit and surcharge assessments, and recordation taxes. As of June 30, 2015, general obligation bonds payable are comprised of the following individual issues:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTE ON ALL FUND TYPES – CONTINUED**

<b>Governmental activities:</b>	Originally Issued	Outstanding as of June 30, 2015
Water Quality Loan of 1999 - 2.52% - due serially to 2018	\$ 4,585,000	\$ 494,795
Public Improvement Bond of 2005 - 3.0% - 5.0% - due serially to 2024	35,905,000	1,862,337
Public Improvement Bond of 2007 - 4.0% - 5.0% - due serially to 2027	95,900,000	21,000,000
Refunding Bond of 2009 - 3.0% - 4.0% - due serially to 2020	21,738,036	4,725,660
Public Improvement Bond of 2009 - 4.0% - 5.0% - 2.25% due serially to 2029	96,100,000	24,425,407
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	25,161,828	15,622,400
Public Improvement Bond of 2010 - Series A - 2.5% - 5.0% - due serially to 2020	67,486,509	42,271,200
Public Improvement Bond of 2010 - Series B - 4.7% - 5.5% - due serially to 2030	76,069,620	76,069,620
Public Improvement Bond of 2012 - 2.0% - 5.0% due serially to 2032	40,000,000	34,508,885
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	6,931,393	6,104,988
Public Improvement Bond of 2013 - 3.0% - 5.0% due serially to 2033	30,000,000	27,000,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	59,750,398	59,158,176
Public Improvement Bond of 2014 - 2.0% - 5.0% due serially to 2034	33,180,257	31,520,257
Public Improvement Bond of 2015 - 3.0% - 5.0% due serially to 2034	42,000,000	42,000,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	55,994,243	55,994,243
Total Bonds Outstanding	690,802,284	442,757,968
Premium	61,880,735	39,158,592
Total	<u>\$ 752,683,019</u>	<u>\$ 481,916,560</u>

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2015, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2016	\$ 33,603,394	\$ 17,724,404	\$ 51,327,798
2017	32,333,025	17,167,168	49,500,193
2018	31,058,233	15,749,364	46,807,597
2019	30,491,959	14,428,236	44,920,195
2020	30,799,379	12,960,833	43,760,212
2021-2025	138,948,953	44,432,912	183,381,865
2026-2030	111,254,519	18,146,302	129,400,821
2031-2035	34,268,506	2,329,553	36,598,059
Premium	39,158,592	-	39,158,592
	<u>\$ 481,916,560</u>	<u>\$ 142,938,772</u>	<u>\$ 624,855,332</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTE ON ALL FUND TYPES – CONTINUED**

For the year ended June 30, 2015, total principal and interest incurred related to general obligation bonds was \$86,179,484 and \$18,527,171, respectively.

**Business-Type Activities:**

	Originally Issued	Outstanding as of June 30, 2015
State of MD Water Quality Loan dated February 1999 - 2.39% - due serially to 2019	\$ 1,200,000	\$ 298,938
State of MD Water Quality Loan dated September 1999 - 2.52% - due serially to 2018	11,585,000	1,250,205
Public Improvement Bond of 2005 - 3% - 5.0% - due serially to 2024	6,510,000	337,663
Public Improvement Bond of 2007 - 4.0% - 5.0% - due serially to 2027	24,695,000	5,250,000
Refunding Bond of 2009 - 3.0% - 4.0% - due serially to 2020	4,251,964	924,340
Public Improvement Bond of 2009 - 2.25% - 5.0% - due serially to 2029	23,900,000	6,074,594
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	608,172	377,600
Public Improvement Bond of 2010 - Series A - 2.5% - 5.0% - due serially to 2020	23,513,491	14,728,800
Public Improvement Bond of 2010 - Series B - 4.7% - 5.5% - due serially to 2030	26,505,380	26,505,380
Public Improvement Bond of 2012 - 2.0% - 5.0% - due serially to 2032	15,000,000	12,941,115
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	2,043,607	1,800,012
Public Improvement Bond of 2013 - 3.0% - 5.0% - due serially to 2033	10,000,000	9,280,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	14,909,602	14,761,824
Public Improvement Bond of 2014 - 2.0% - 5.0% - due serially to 2034	6,819,743	6,584,742
Public Improvement Bond of 2015 - 3.0% - 5.0% - due serially to 2034	3,000,000	3,000,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	<u>13,925,757</u>	<u>13,925,757</u>
Total Bonds Outstanding	188,467,716	118,040,970
Premium	<u>14,240,092</u>	<u>9,300,793</u>
Total	<u>\$ 202,707,808</u>	<u>\$ 127,341,763</u>

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2015, are as follows:

Year Ending June 30	Principal	Interest	Total Requirement
2016	\$ 8,428,714	\$ 4,767,194	\$ 13,195,908
2017	8,075,807	4,617,304	12,693,111
2018	8,157,362	4,274,329	12,431,691
2019	7,570,444	3,942,369	11,512,813
2020	7,600,621	3,581,097	11,181,718
2021-2025	36,946,047	12,580,488	49,526,535
2026-2030	31,895,481	5,300,669	37,196,150
2031-2035	9,366,494	575,997	9,942,491
Premium	9,300,793	-	9,300,793
	<u>\$ 127,341,763</u>	<u>\$ 39,639,447</u>	<u>\$ 166,981,210</u>

For the year ended June 30, 2015, total principal and interest incurred related to business-type activities was \$22,210,939, and \$4,022,016, respectively.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**2. Special Obligations Bonds**

**PRIMARY GOVERNMENT**

As of June 30, 2015, there was \$ 14,000,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment district. This debt is included in the primary government's long term debt on the Statement of Net Position. In the future, these bonds will be paid from incremental property tax revenue and/or special district tax on the district. These bonds do not have Harford County, Maryland's full faith and credit pledged.

<b>Governmental activities:</b>	<u>Originally Issued</u>	<u>Outstanding as of June 30, 2015</u>
Special Obligation Bond of 2011		
7.5% - due serially to 2041	\$ 14,000,000	\$ 14,000,000

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2015, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2016	\$ -	\$ 1,050,000	\$ 1,050,000
2017	-	1,050,000	1,050,000
2018	30,000	1,048,875	1,078,875
2019	50,000	1,045,875	1,095,875
2020	75,000	1,041,188	1,116,188
2021-2025	835,000	5,061,562	5,896,562
2026-2030	1,920,000	4,558,876	6,478,876
2031-2035	3,550,000	3,552,375	7,102,375
2036-2040	5,965,000	1,796,437	7,761,437
2041	1,575,000	59,062	1,634,062
	\$ <u>14,000,000</u>	\$ <u>20,264,250</u>	\$ <u>34,264,250</u>

For the year ended June 30, 2015, no principal was incurred related to Special Obligation Bonds. Total interest incurred related to Special Obligation Bonds was \$1,050,000.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**d. CAPITAL LEASE OBLIGATIONS**

**COMPONENT UNITS**

**Harford County Public Schools:** The Public Schools have entered into lease agreements as lessee to construct the administration building in the amount of \$11,400,223, which was completed in January 2006. The lease agreement is for a period of twenty-five years. The debt was refinanced in June of 2012 at a rate of 3.25%. The term of the debt was not extended. The asset acquired and capitalized under the capital lease is as follows:

Building Cost	\$ 10,852,395
Less: accumulated depreciation	<u>2,061,955</u>
Net Book Value	<u><u>\$ 8,790,440</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 823,822
2017	823,822
2018	823,822
2019	823,822
2020	823,822
2021-2030	<u>8,238,220</u>
Total minimum lease payments	12,357,330
Less: Amount representing interest	<u>(2,711,941)</u>
Present value minimum lease payments	<u><u>\$ 9,645,389</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Harford County Public Library:** The Library is the lessee of copiers and related equipment under capital leases expiring through 2017. The assets and liabilities under these leases are recorded at the lower of the minimum lease payments or the fair value of the assets and amortized over the life of the lease term, typically ranging from 5 years. Included in property and equipment are assets under these leases with a cost of \$147,483 as of June 30, 2015. Depreciation of assets under capital leases is included in depreciation expense. The depreciation relating to the leases was \$26,984 for the year ended June 30, 2015. Accumulated depreciation relating to the leases was \$138,030 as of June 30, 2015. Future minimum lease payments under capital leases are as follows:

Year Ending June 30	Amount
2016	\$ 10,932
2017	575
Total minimum lease payments	11,507
Less: Amount representing interest	(562)
Present value minimum lease payments	\$ 10,945

**e. NOTES PAYABLE**

**PRIMARY GOVERNMENT**

**Government activities:**

	Principal Balance June 30, 2015	Annual Rate/ Payment Frequency	Payment Began	Date Matures
Paca Ltd., Inc.	\$ 1,300,000	5.75%/Annually	09/2008	09/2018
State of MD - DNR	13,319	0.00%/Annually	07/2009	07/2033
	\$ 1,313,319			

The annual debt service requirements to maturity for the notes payable are as follows:

Year Ending June 30	Principal	Interest	Total Requirement
2016	\$ 701	\$ 74,750	\$ 75,451
2017	701	74,750	75,451
2018	701	74,750	75,451
2019	1,300,701	74,750	1,375,451
2020	701	-	701
2021-2025	3,505	-	3,505
2026-2030	3,505	-	3,505
2031-2034	2,804	-	2,804
	\$ 1,313,319	\$ 299,000	\$ 1,612,319

For the year ended June 30, 2015, total principal and interest incurred related to notes payable was \$701 and \$74,750 respectively.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**f. LANDFILL CLOSURE/SOLID WASTE LIABILITIES**

**PRIMARY GOVERNMENT**

Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended, provides Federal regulations for municipal solid waste landfill closure and post-closure care. The State of Maryland’s laws for solid waste management parallel Federal law. The permit for the Harford Waste Disposal Center (HWDC) is issued by the State and is subject to renewal every five years. Federal and State laws and regulations require the County to place a final cover on the Harford Waste Disposal Center when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for a thirty-year period after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18 requires the County to measure and recognize a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date.

As of June 30, 2015, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

	Beginning Balance	Current Year Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 22,701,541	\$ (2,744,048)	\$ 19,957,493
Estimated Liability for Closed Landfills	13,222,467	(507,369)	12,715,098
Waste Exchange Landfill Liability	5,214,516	(1,807,598)	3,406,918
Waste to Energy Liability	12,000,000	-	12,000,000
	<u>\$ 53,138,524</u>	<u>\$ (5,059,015)</u>	<u>\$ 48,079,509</u>

The Cumulative Liability for the Open Landfill represents the cost, based on use of 97.5% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$629,191 as the remaining estimated capacity is used. As of June 30, 2015, it is estimated that the landfill has approximately 3 months before permitted space is filled. This estimate does not include cells currently under construction and projected to be open August of 2015.

The Cumulative liability for open landfills as of June 30, 2015 is \$19,957,493. Harford County has a landfill capping capital project with a remaining balance of \$4,991,950 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$14,965,543 for future closure of cells and post closure costs.

The total estimated future cost of landfill closure is calculated in current dollars. Annual reevaluation of the estimated total cost of closure and post-closure care will be made to adjust for the effects of inflation or deflation, changes in the closure or post-closure plan, and changes in federal, state and local regulatory requirements.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The Estimated Liability for Closed Landfills represents the cost for final closure and post-closure care of Harford County municipal solid waste landfills that are no longer accepting solid waste.

Harford County, Maryland; Baltimore County, Maryland and Northeast Maryland Waste Disposal Authority entered into an agreement January 16, 2008, entitled “Municipal Solid Waste Disposal Agreement” and subsequently amended January 28, 2010. Baltimore County agrees to accept municipal solid waste from Harford County under the terms of this agreement. Once the expansion of the Harford County Waste Disposal Center has been permitted, Baltimore County will deliver to Harford County in an amount equal to 130% of the waste received from Harford County. Harford County opened its new cell in September 2011 and began accepting waste from Baltimore County. The chart below outlines the current tonnages under the Municipal Solid Waste Disposal Agreement:

	<u>As of June 30, 2015</u>
Municipal Solid Waste tonnage delivered to Baltimore County	166,935
Tonnage converted to 130% of waste received by	
Baltimore County (166,935 x 30%)	50,080
Tonnage to be delivered to Harford County by	
Baltimore County	217,015
Actual tonnage delivered by June 30, 2015	(157,136)
Tonnage to be delivered in the future	59,879

The County was issued a Refuse Disposal Permit (2000-WMY-0570) on October 5, 2007, which provides for construction and operation of new landfill cells at the Harford Waste Disposal Center. The total remaining service life of the permitted landfill is estimated to be 20 or more years, depending upon future waste management practices.

Harford County executed an agreement with Northeast Maryland Waste Disposal Authority to operate the Harford Waste-to-Energy facility. The agreement states that Harford County will reimburse all expenditures associated with the facility. Northeast Maryland Waste Disposal Authority has a property lease with U.S. Army for the land that the facility is built upon. In accordance with terms of the property lease, when the facility is decommissioned, the land must be restored to its original state. In Fiscal Year 2014, it was determined that the facility would be decommissioned by 2016 and thus we have recorded a long term liability for the estimated cost of \$12,000,000 to restore the land to its original state.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**g. ADVANCED REFUNDING OF DEBT**

On April 7, 2015, Harford County issued \$69,920,000 of Maryland Consolidated Public Improvement Refunding Bonds, Series 2015B with an effective interest rate of 2.250%, to provide resources to refund certain maturities of the 2009 bonds. These resources were placed in an irrevocable trust to provide for all future debt service payments of \$70,000,000 of general obligation bonds. Of this amount, \$55,994,243 had been recorded in the Statement of Net Position, Exhibit 1, Governmental Activities column and \$13,925,757 in the Statement of Net Position, Exhibit 1, Business-Type Activities column. As of June 30, 2015, the refunded bonds are considered defeased and have been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by a net of \$9,366,253. Of this amount, a loss of \$8,325,127 has been recorded in the governmental activities and a loss of \$1,203,158 in the business-type activities. This amount is being netted against the new debt and amortized on a straight-line basis over the remaining life of the new debt. This advanced refunding was undertaken to reduce total debt service payments over the next 15 years by \$5,720,189 and resulted in an economic gain of \$12,568,687.

**h. PRIOR PERIOD DEFEASANCE OF DEBT**

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2015, \$80.0 million of bonds outstanding are considered defeased.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**G. FUND BALANCE – GOVERNMENTAL ACTIVITIES**

	General	Highways	Grants	Agricultural Land Preservation	Capital Projects	Non-major Governmental Funds	Total
<b>Nonspendable:</b>							
Inventory	\$ -	\$ 2,053,832	\$ -	\$ -	\$ -	\$ -	\$ 2,053,832
Prepaid	340,899	-	-	-	-	-	340,899
Long Term Rec.	253,248	-	-	-	-	-	253,248
Sub-total	594,147	2,053,832	-	-	-	-	2,647,979
<b>Restricted for:</b>							
Harf. Co. Public Schools	-	-	-	-	3,850,435	-	3,850,435
Bond Proceeds	4,916,490	479,498	-	-	4,873,125	-	10,269,113
Beechtree Debt Service	-	-	-	-	-	2,222,965	2,222,965
Gen. Fund Det. Ctr.	646,864	-	-	-	-	-	646,864
Dedicated Revenues	740,827	592,430	-	-	-	-	1,333,257
Parks and Rec	-	-	-	-	299,346	-	299,346
Grants	-	-	6,090,409	-	-	-	6,090,409
Sub-total	6,304,181	1,071,928	6,090,409	-	9,022,906	2,222,965	24,712,389
<b>Committed to:</b>							
Development Rights	-	-	-	49,265,285	-	-	49,265,285
Sub-total	-	-	-	49,265,285	-	-	49,265,285
<b>Assigned to:</b>							
Approp. of Fund Bal.	258,484	194,328	-	-	1,454,895	134,913	2,042,620
Fiscal Stabilization Fund	25,879,198	2,326,864	-	-	-	-	28,206,062
<b>Encumbrances:</b>							
General Government	618,482	-	-	-	7,511,465	-	8,129,947
Library	-	-	-	-	3,004,586	-	3,004,586
Public Safety	1,843,970	-	-	-	1,201,834	-	3,045,804
Public Works	37,148	509,119	-	-	5,408,255	-	5,954,522
Parks and Recreation	114,333	-	-	-	4,206,421	41,553	4,362,307
Social Services	15,122	-	-	-	-	-	15,122
Solid Waste	-	-	-	-	8,713,300	-	8,713,300
County Council	14,776	-	-	-	-	-	14,776
Judicial	41,522	-	-	-	-	-	41,522
Other Post Emp. Benef.	3,212,011	424,989	-	-	-	8,046	3,645,046
Landfill Closure Costs	14,965,543	-	-	-	-	-	14,965,543
WTE Plant Closure	3,000,000	-	-	-	-	-	3,000,000
Income Tax	3,172,882	-	-	-	-	-	3,172,882
Healthcare Consortium	1,929,337	248,791	-	-	-	6,027	2,184,155
Highways	-	2,870,447	-	-	-	-	2,870,447
Ag. Preservation	-	-	-	6,684,560	-	-	6,684,560
Non-major P&R Fund	-	-	-	-	-	383,333	383,333
Sub-total	55,102,808	6,574,538	-	6,684,560	31,500,756	573,872	100,436,534
<b>Unassigned:</b>							
	10,144,451	-	-	-	-	-	10,144,451
Total Fund Balances	\$ 72,145,587	\$ 9,700,298	\$ 6,090,409	\$ 55,949,845	\$ 40,523,662	\$ 2,796,837	\$ 187,206,638

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION**

**A. SELF-INSURANCE/RISK MANAGEMENT**

**PRIMARY GOVERNMENT**

The County carries commercial property insurance coverage with a \$25,000 deductible on both real and personal property, and a \$10,000 deductible for physical damage to County-owned vehicles.

The County is self-insured for Workers’ Compensation, General and Automobile liability losses. The self-insurance program is administered by a risk manager as established by the Harford County Code. The County carries excess coverage for these exposures, with a \$350,000 retention for General and Automobile liability claims and a \$2,500,000 retention for Workers’ Compensation claims.

The pending claims liability of \$5,323,105 reported in the fund as of June 30, 2015, is comprised of estimates of outstanding losses (including allocated loss adjustment expenses, which are the direct expenses to settle specific claims) and losses projected to be paid as of June 30, 2015. The estimated outstanding losses are the cost of unpaid claims, including case reserves, the development of known claims and claims incurred but not reported. The amounts are limited to the self-insured retention. No estimate was made for unpaid unallocated loss adjustment expenses. The losses projected to be paid are the claim disbursements, regardless of accident or report date. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years. The changes in the fund’s claims liability are as follows:

Fiscal Year	Beginning of Year	Claims and Changes in Estimates	Payments	End of Year
2013	\$ 5,307,699	\$ 1,476,219	\$ (1,082,598)	\$ 5,701,320
2014	5,701,320	1,049,408	(959,481)	5,791,247
2015	5,791,247	972,428	(1,440,570)	5,323,105

**COMPONENT UNITS**

**Harford County Public Schools:** The Public Schools are 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 Public Schools is a member of the Maryland Association of Boards of Education Group Insurance Pool and the Workmen’s Compensation Self-Insurance Fund. These pools are self-insurance funds for the various member Maryland Boards of Education. The pools were organized for the purpose of minimizing the cost of insurance and related administrative expenses. Coverage is provided up to specified limits and the Public Schools pays an annual premium for the coverage provided by these pools. In addition to general liability insurance, the Group Insurance Pool also provides coverage for property liability and automobile liability. Third-party carriers provide coverage above these limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**Harford Community College:** The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health and accident; and natural disasters. The College purchases commercial insurance to protect its interests in its property and equipment, insurance against employee dishonesty and liability protection.

**Harford County Public Library:** The Library 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. As a component unit of Harford County, Maryland, insurance for such losses is purchased from Harford County each year via a reduction in annual appropriations. Harford County purchases commercial insurance to cover the Library's buildings. Other claims are covered by Harford County's Self-Insurance fund. As a condition to this participation, the Library must provide a physical inventory of all building contents, which the risk management department of the County appraises for insurance purposes. In addition, Harford County performs an inspection of all Library buildings annually. There have been no significant reductions in insurance coverage from the prior year. In addition, the amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

**B. COMMITMENT AND CONTINGENCIES**

**PRIMARY GOVERNMENT**

The County is involved in numerous lawsuits that normally occur in governmental operations, including claims for personal injury and personnel practices and disputes over contractual obligations and condemnation proceedings. The County has provided allowances for estimated probable losses on outstanding claims and incurred but not reported claims. The County is actively defending its position in each of these cases. In the opinion of the County officials and solicitors, resolution of these matters will not have a material adverse effect on the financial statements.

The County and Component Units receive significant financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor requirements. Any disallowance as a result of these audits becomes a liability of the County. As of June 30, 2015, the County estimates that no material liabilities will result from such audits.

The County had \$168,052,114 authorized but unobligated capital project appropriations as of June 30, 2015, in the governmental capital fund and \$58,538,420 in the water and sewer, business-type capital fund. Further detail is provided as supplementary information, Exhibit F-1 and G-1.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**C. ARBITRAGE REBATE REQUIREMENTS**

**PRIMARY GOVERNMENT**

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to the County's investment of the proceeds of the Consolidated Public Improvement Bonds of 2005, 2007, 2009, 2010, 2012, 2013, 2014 and 2015. The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue. The filing of this computation and payment to the Internal Revenue Service is required at the end of the fifth year of the bond issuance date and every 5 years subsequently; however, computations and filings can be made for annual periods. There is no rebatable arbitrage to report as of June 30, 2015.

**D. CONDUIT DEBT**

**PRIMARY GOVERNMENT**

From time to time, the County has issued Maryland Industrial Development Revenue Bonds, Maryland Economic Development Revenue Bonds, and Maryland Mortgage Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities and provision of housing 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.

As of June 30, 2015, there were 9 series of Industrial Development, Economic Development, or Mortgage Revenue Bonds outstanding. The aggregate principal amount outstanding, for the 8 bonds issued after July 1, 1996, is \$86.7 million as of June 30, 2015. The aggregate principal amount payable for the 1 series issued prior to July 1, 1996, could not be determined; however, their original issue amounts totaled \$2.4 million.

**E. RETIREMENT PLANS**

**PRIMARY GOVERNMENT**

**a. PENSION PLANS - OVERVIEW**

Harford County, Maryland participates in three pension plans. The first plan is comprised of the Employees'/Teachers' Retirement System, the Employees'/Teachers' Pension System, and the Law Enforcement Officer's Pension System, administered by the State Retirement and Pension System of Maryland. This plan is a cost-sharing multiple employer defined benefit system whose primary sponsor is the State of Maryland. The second plan is the Length of Service Award Program for Volunteer Firemen. This plan is a single employer length of service award program. The final plan is the Sheriff's Office Pension System. A single employer defined benefit system.

For the year ended June 30, 2015, the County recognized aggregated pension expense of \$15,119,512 for all three pension systems.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

**b. PENSION PLANS – TEACHERS AND CLASSIFIED EMPLOYEES**

**PRIMARY GOVERNMENT/COMPONENT UNITS**

*Pensions:* 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 Employees’/Teachers’ Retirement System, the Employees’/Teachers’ Pension System, and the Law Enforcement Officers’ Pension System administered by the State Retirement and Pension System of Maryland (the System) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan Description:* The employees of the reporting entity, other than certain correctional employees, who are covered by the Sheriff’s Office Pension System, are covered by either the Employees’/Teachers’ Retirement System, the Employees’/Teachers’ Pension System, or the Law Enforcement Officers’ Pension System. These plans are administered by the State Retirement and Pension System of Maryland (the System). The State of Maryland is the primary sponsor of this cost-sharing multiple employer defined benefit system which provides pension benefits, death and disability benefits to plan members and their beneficiaries. The State Personnel and Pensions Article of the Annotated Code of Maryland specify all plan benefits to plan members. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Retirement System, State Office Building, 301 West Preston Street, Baltimore, Maryland, 21201, by visiting their website, or by calling 410-946-5900.

*Contributions:* Plan members of the Employees’ Retirement System contribute up to 7% of their covered salary each fiscal year. Plan members of the Employees’ Pension System contributed 5% of their covered salary each fiscal year. Members of the Law Enforcement Officers’ Pension System contribute 7% of their covered salary each fiscal year. The County and its component units are required to contribute at an actuarially determined rate.

The contribution requirements of plan members of the reporting entity are established and may be amended by the System Board of Trustees.

The contributions for the fiscal year ending June 30 to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Primary Government	\$ 11,705,062	\$ 12,028,235	\$ 10,626,050
Component Units:			
Harford County Public Schools	11,234,419	9,735,249	7,967,776
Harford Community College	101,323	82,478	67,473
Harford County Public Library	162,716	166,245	144,609

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

**PRIMARY GOVERNMENT**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* As of June 30, 2015, the County reported a liability of \$91,601,275 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2014, the County's proportion was 0.516159%.

For the year ended June 30, 2015, the County recognized pension expense of \$11,668,543. As of June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County contributions subsequent to the measurement date	\$ 11,705,062	\$ -
Changes in assumptions	1,325,082	-
Net difference between projected vs actual investment earnings	-	10,026,358
<b>Total</b>	<b>\$ 13,030,144</b>	<b>\$ 10,026,358</b>

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

Year Ended June 30:	
2016	\$ 2,175,319
2017	2,175,319
2018	2,175,319
2019	2,175,319

*Actuarial Assumptions:* The key actuarial assumptions used to perform the June 30, 2014 pension liability calculation are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.90% general, 3.4% wage
Salary increases	3.40% to 11.90%, including inflation
Investment rate of return	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to the year 2025.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

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. Best estimates of geometric real rates of return were adopted by the System’s Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset class that is included in the System’s target asset allocation, the best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	1%	1.40%
<b>Total</b>	<b>100%</b>	

*Discount Rate:* The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution 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 rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65%) or 1 percentage point higher (8.65%) than the current rate:

	<u>1% Decrease 6.65%</u>	<u>Discount Rate 7.65%</u>	<u>1% Increase 8.65%</u>
County's proportionate share of the net pension liability	\$ 132,009,073	\$ 91,601,275	\$ 57,754,775

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This can be found at [www.sra.sate.md.us/Agency/Downloads/CAFR/CAFR-2014.pdf](http://www.sra.sate.md.us/Agency/Downloads/CAFR/CAFR-2014.pdf).

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**COMPONENT UNITS**

**Harford County Public Schools:** As of June 30, 2015, the Public Schools reported a liability of approximately \$20.8 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public Schools' proportion of the ERS net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2015, the Board's proportion for ERS was 0.12%, which was substantially the same from its proportion measured as of June 30, 2014. For the year ended June 30, 2015, the Public Schools recognized pension expense for ERS of approximately \$2.6 million.

Detailed retirement plan information for the Public Schools is available in their current year audited financial statements.

**Harford Community College:** As of June 30, 2015, the College reported a liability of \$853,699 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the System in relation to total system contributions including direct aid from the State of Maryland. As of June 30, 2014, the College's proportionate share was 0.48%.

Detailed retirement plan information for the College is available in their current year audited financial statements.

**Harford County Public Library:**

As of June 30, 2015, the Library reported a liability of \$1,266,022 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2014, the Library's proportionate share was .00713383%

Detailed retirement plan information for the Library is available in their current year audited financial statements.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**c. LENGTH OF SERVICE AWARD PROGRAM – VOLUNTEER FIREMEN**

**PRIMARY GOVERNMENT**

**1. Summary of Significant Accounting Policies**

*Pensions:* 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 Length of Service Award Program for Volunteer Firemen (LOSAP) and additions to/deductions from LOSAP’s fiduciary net position have been determined on the same basis as they are reported by LOSAP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. General Pension Plan Information**

The County instituted and began administering a single employer defined benefit length of service award program, or LOSAP, for volunteer firemen and ambulance personnel on January 31, 1975. The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Harford County Government, Treasurer’s Office, 220 South Main Street, Bel Air, Maryland 21014, by calling 410-638-3316 or by visiting the website at [www.harfordcountymd.gov](http://www.harfordcountymd.gov).

*Plan Description:* This LOSAP, Length of Service Award Program, is different from traditional qualified retirement plans. There is a special section in the Internal Revenue Code covering these plans: section 457(e)(11). The County’s plan meets the requirements of this section, which means the payments to the fire fighters are not treated as “wages”; and, because the County is an “eligible employer”, as defined by IRS, the plan is tax exempt.

The membership data related to the plan at September 30, was as follows:

Retirees and beneficiaries currently receiving benefits	429
Terminated plan members entitled to, but not yet receiving benefits	294
Active plan members	<u>1,170</u>
Total	<u><u>1,893</u></u>

*Benefits Provided:* Based on County statutes, the firemen and ambulance personnel are eligible to participate upon reaching the age of 55 and accumulating “50 (fifty) points”, which are determined in accordance with a specific point system. Benefits vest upon 25 years of service credit. The plan generally provides \$5,000 burial benefits and certain benefits for disability. Regular benefits are calculated at \$12 per month for each of the first 25 years of service plus \$6 per month for each year in excess of 25. The maximum benefit is \$450 per month. Normal form of benefit is a life annuity for the volunteer with a 50% survivor benefit for the spouse of the volunteer.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

*Contributions.* Under provisions of County statutes, the County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. Periodic County contributions to the pension plan are determined by an actuarially determined rate. Since there are no “salaries”, the rate cannot be expressed as a percentage of covered payrolls. There are no participant financed benefits in this plan.

The annual required contribution for the year ended June 30, 2015, was determined as part of the September 30, 2012, actuarial valuation using the entry age normal funding method, with a 15-year amortization of the unfunded liability. Under this method, a normal cost is calculated which would, if contributed annually, fund each volunteer’s benefits during his or her career at a level dollar amount. The unfunded actuarial liability is calculated at each valuation date as the present value of all plan benefits, less current assets. The actuarial assumptions included a 6% investment rate of return compounded annually. The firemen are voluntary and, therefore, would not have a projected salary increase.

**3. Net Pension Liability of the County**

*Actuarial Assumptions.* The total pension liability in the September 30, 2014 actuarial valuation rolled forward to June 30, 2015 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Not Applicable
Investment rate of return	6%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with Blue Collar adjustments set forwarded one year and with generations projection by Scale AA.

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2014.

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 (3%). 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 Real Rate of Return
Domestic equity	38%	9.7%
International equity	17%	10.1%
Fixed Income	45%	4.6%

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The LOSAP portfolio is expected to achieve a total return that exceeds the actuarial interest rate assumption over a five year moving time period. Previously the investment policy expected a total return that should exceed CPI by a minimum of 3% annually.

*Discount rate.* The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**4. Changes in the Net Pension Liability**

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/2014</b>	\$ 30,895,122	\$ 23,042,262	\$ 7,852,860
<b>Changes for the year:</b>			
Service cost	677,920	-	677,920
Interest	1,805,872	-	1,805,872
Differences between expected and actual experience	(56,599)	-	(56,599)
Contributions - employer	-	2,030,844	(2,030,844)
Net Investment income	-	840,113	(840,113)
Benefit payments, including refunds of employee contributions	(1,594,505)	(1,594,505)	-
Administrative expense	-	(13,710)	13,710
<b>Net changes</b>	<u>832,688</u>	<u>1,262,742</u>	<u>(430,054)</u>
<b>Balances at 6/30/2015</b>	<u>\$ 31,727,810</u>	<u>\$ 24,305,004</u>	<u>\$ 7,422,806</u>

*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 6%, 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 (5%) or 1 percentage point higher (7%) than the current rate:

	1% Decrease 5%	Discount Rate 6%	1% Increase 7%
County's net pension liability	\$ 11,760,853	\$ 7,422,806	\$ 3,892,260

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued LOSAP financial report.

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

For the year ended June 30, 2015, the County recognized pension expense of \$1,206,232. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Net difference between expected vs actual experience	\$ -	\$	49,524
Net difference between projected vs actual investment earnings	444,082		-
Total	\$ 444,082	\$	49,524

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

Year ended June 30:	\$	
2016		103,945
2017		103,945
2018		103,945
2019		103,947
2020		(7,075)
Thereafter		(14,149)

**d. PENSION PLAN – SHERIFF’S OFFICE PENSION SYSTEM**

**PRIMARY GOVERNMENT**

**1. Summary of Significant Accounting Policies**

*Pensions.* 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 Sheriff’s Office Pension System (the SOPS) and additions to/deductions from the SOPS’s fiduciary net position have been determined on the same basis as they are reported by the SOPS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**2. General Pension Plan Information**

The County instituted and began administering a single employer defined benefit pension plan, the Sheriff's Office Pension System (the SOPS) effective July 1, 1997, for certain law enforcement and correctional employees of the Office of the Sheriff of Harford County. The SOPS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Harford County Government, Office of the Treasurer, 220 South Main Street, Bel Air, Maryland 21014, by calling 410-638-3316, or by visiting the website at [www.harfordcountymd.gov](http://www.harfordcountymd.gov).

The Internal Revenue Service issued a determination letter on September 20, 2002, which stated that the Plan and its underlying trust qualify under the applicable provision of the Internal Revenue Code, and therefore are exempt from Federal income taxes. In the opinion of the Plan Administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

Harford County Bill No. 97-20 assigns the authority to establish and amend the benefit provisions of the plan to the government by county ordinance.

The membership data related to the SOPS at July 1 was as follows:

Retirees and beneficiaries currently receiving benefits	78
Terminated plan members entitled to, but not yet receiving benefits	6
Active plan members	<u>135</u>
Total	<u><u>219</u></u>

*Benefits Provided.* The SOP provides retirement, disability and death benefits to plan members and their beneficiaries. Effective May 20, 2013, per Bill 13-9, the cost of living adjustment shall not exceed 3% for a participant's benefit attributable to years of creditable service earned before July 1, 2013. Effective beginning with the cost of living adjustment (COLA) for July 1, 2014, with respect to the portion of a participant's benefit attributable to years of creditable service earned on or after July 1, 2013, the COLA shall not exceed 2.5%, if the actual rate of return of the plan's assets is less than 7% the COLA shall not exceed 1% applied each July 1 for all participants in pay status for the requisite 12 months.

*Contributions.* Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate, currently 35% of covered payroll. Per Bill 97-20, contribution requirements of the plan members and the County are established and may be amended by County legislature. Administrative costs of the SOPS are to be paid by the trust unless the County decides to do so.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**3. Net Pension Liability of the County**

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation as of July 1, 2014 rolled forward to June 30, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	Rates vary by participant service
Investment rate of return	7%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy tables with generational projection using the scale AA.

The actuarial assumptions used were based on the results of an actuarial valuation as of July 1, 2014.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates 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 allocation percentage and by adding expected inflation (3%). 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 Real Rate of Return
Domestic equity	49%	9.7%
International equity	21%	10.1%
Fixed income	30%	4.6%

*Discount rate.* The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

**4. Changes in the Net Pension Liability**

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/2014</b>	\$ 61,067,351	\$ 48,566,672	\$ 12,500,679
<b>Changes for the year:</b>			
Service cost	1,621,882	-	1,621,882
Interest	4,175,857	-	4,175,857
Change of benefit terms	54,206	-	54,206
Changes of assumptions	776,282	-	776,282
Differences between expected and actual experience	(1,025,313)	-	(1,025,313)
Contributions - employer	-	2,490,164	(2,490,164)
Contributions - employee	-	485,297	(485,297)
Net Investment income	-	1,994,942	(1,994,942)
Benefit payments, including refunds of employee contributions	(2,824,515)	(2,824,515)	-
Administrative expense	-	(49,460)	49,460
<b>Net changes</b>	<u>2,778,399</u>	<u>2,096,428</u>	<u>681,971</u>
<b>Balances at 6/30/2015</b>	<u>\$ 63,845,750</u>	<u>\$ 50,663,100</u>	<u>\$ 13,182,650</u>

*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%, 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%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
County's net pension liability	\$ 21,930,170	\$ 13,182,650	\$ 6,014,332

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued SOPS financial report.

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

For the year ended June 30, 2015, the County recognized pension expense of \$2,244,737. As of June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

	Deferred Outflows of Resources		Deferred Inflows of Resources
Net difference between expected vs actual experience	\$ -	\$	820,250
Changes in assumptions	621,026		-
Net difference between projected vs actual earnings	1,126,622		-
Total	\$ 1,747,648	\$	820,250

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

Year ended June 30:			
2016	\$		231,848
2017			231,848
2018			231,848
2019			231,854

**e. PENSION PLAN – HARFORD CENTER, INC.**

**COMPONENT UNITS**

The Center participates in a tax-deferred annuity plan qualified under Section 401(k) of the Internal Revenue Code. The Plan covers all full-time employees of the Center. Employees may make contributions to the Plan up to a maximum amount allowed by the Internal Revenue Code. No contributions were made to the Plan during the year ended June 30, 2015.

**f. RETIREMENT PLAN – HARFORD COUNTY GOVERNMENT MATCHING  
CONTRIBUTION PLAN**

**PRIMARY GOVERNMENT**

Effective January 1, 2014 Harford County Government established a plan to help its employees save for retirement. The Plan is a defined contribution plan, which qualifies under Section 401(a) of the Internal Revenue Code. Qualifying employees must work over 500 hours of service in a plan year, must be ineligible for the Maryland State Retirement System and must defer a minimum of 7% of compensation into the Harford County 457(b) Plan to receive a matching contribution under this Plan. The Plan Administrator, Harford County, Maryland, is responsible for the day to day administration and operation of the Plan and has full discretion to interpret the Plan.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

**F. OTHER POST EMPLOYMENT BENEFIT PLANS**

**PRIMARY GOVERNMENT**

Beginning in fiscal year 2008 the County administers a single employer defined benefit post-employment health care plan, titled Other Post Employment Benefit (OPEB) Plan. The County established a trust to act solely as a funding mechanism for the employer’s cost of benefits provided by the OPEB Plan. This trust fund is included solely in these financial statements and does not issue a publicly available financial report, as an Other Post Employment Benefits Trust Fund.

*Plan Description:* The County’s OPEB Plan is established by the Administrative Policy on Retiree Medical Benefits (APRMB) of Harford County, Maryland, effective July 1, 1994, as amended. The APRMB defines the terms, including eligibility and benefits, of the retiree health and welfare benefits provided by the County. Employees of the County who retire from active County service with a pension benefit under the Maryland State Retirement System or the Sheriff’s Office Pension System may receive a subsidy toward the purchase of group health insurance. Any employee (except Sheriff personnel) hired after July 1, 2010 automatically go into the new Post Employment Health Plan (PEHP) as described below.

Under the current APRMB, retirees may continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. Employees with deferred retirements are not eligible for a subsidy. Effective July 1, 1998, the spouses of employees also receive a subsidy toward the purchase of group health benefits. Spouses receive the same subsidy as the retiree. The subsidy for retirees and their spouses for post-employment medical insurance is based on the employee’s years of service with the County. From July 1, 2008 to February 28, 2009, 10 years was required to receive a subsidy. Effective March 1, 2009, the APRMB was changed to require a minimum of 20 years to receive a subsidy. This change does not apply to any Sheriff’s Office personnel; and is not retroactive for any employees who retired before March 1, 2009. Any employee that does not elect to enroll in benefits at the time of the employee’s retirement has forfeited the right to any future retiree medical benefits. The subsidy related to years of service for all County employees effective March 1, 2009 is:

Employer Subsidy Percentage (excluding Sheriff's office)		
Years of Credit Service	Employees Retiring Prior to March 1, 2009	Employees Retiring On or After March 1, 2009
0 - 9 years	0%	0%
10-14 years	75%	0%
15-19 years	80%	0%
20-24 years	85%	85%
25 years or more	90%	90%

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Sheriff's Office Subsidy Percentage	
Years of Credit	
Service	Percentage
0 -11 years	0%
12-14 years	75%
15-19 years	80%
20-24 years	85%
25 years or more	90%

For fiscal year 2015, a retirement incentive was offered to county employees (excluding the sheriff's office) to retire with at least 15 years of service and receive an 80% subsidy.

The Sheriff's Office employees are also eligible for 90% subsidy for in-line-of-duty retirements with a minimum of 5 years of service. Membership in the plan consisted of the following as of the most recent actuarial valuation, dated December 30, 2013:

Plan Participants	
Retirees (Pre-Medicare)	267 *
Retirees (Medicare Age)	365 *
Active Employees	1,154
Total	<u>1,786</u>

\*includes spouses

On July 27, 2010, Harford County, Maryland signed a Retiree Healthcare Side Agreement with the AFSCME Local 1802, Council 67 and MCEA Chapter 610. This agreement states that any employee hired after July 1, 2010, will be placed in a Post Employment Health Plan (PEHP) in lieu of the retiree health care subsidy offered by the County. Employees hired prior to July 1, 2010 were offered a one-time election from the current retiree health care subsidy to the PEHP, to the extent permitted under the Internal Revenue Code and Regulations. These changes do not apply to any Sheriff's Office personnel. The retirees under this plan may also continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. The difference will be that the retiree will pay the entire group rate price per insurance plan out of the funds received through the PEHP. The County negotiated with the Union representatives agreeing that 10% of eligible employees' average salaries will be placed in the PEHP until otherwise specified.

***Basis of Accounting:*** The plan uses the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***Funding Policy:*** The County is not required by law or contractual agreement to provide funding for retiree benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County may contribute to the Trust Fund those amounts that the County Council appropriates. All contributions and all earnings and other additions, less payments, constitute the assets of the Trust Fund; which must be held for the exclusive benefit of participants covered by the APRMB. The Trust may be, but is not required to be, the sole source of funding for the employer's share of the cost of benefits to be

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

provided under APRMB. The County contributed \$13,794,000 annual required contribution (ARC) during fiscal year 2015; the retirees paid \$837,105 toward the cost of their benefits. The Trust reimbursed the County for the County’s share of retirees’ premiums of \$5,170,879. In addition the hidden subsidy, actuarially estimated at \$466,000 for fiscal year 2015, transferred from the Trust to the County, leaving the Trust Net Position of \$90,452,368.

Trust Net Position as of June 30 was derived as follows:

Trust Net Position as of July 1, 2014	\$	79,663,641
County Contribution		13,794,000
Net Appreciation in Fair Value of Investments		1,549,510
Interest and Dividends		1,435,494
Retirees Contributions		837,105
Payment for County’s Share of Premiums		(5,170,879)
Payment for Retirees’ Share of Premiums		(837,105)
Payment for Administrative and Investment Expenses		(353,398)
Estimated Hidden Subsidy Transfer		(466,000)
Trust Net Position as of June 30, 2015	\$	<u>90,452,368</u>

The funding for the PEHP will be negotiated by the County and both Unions each year. The County may contribute to the employee’s accounts those amounts that the County Council appropriates based on the formula designated in the agreement. The formula to be utilized will be the annual salaries of the employees enrolled in the PEHP calculated by a percentage of those aggregate salaries that is determined by the County, AFSCME, and MCEA, which will constitute the funds to be contributed to the PEHP by the County. The funds will be equally distributed between the participants in the PEHP. There was a total of \$1,759,266 contributed to this plan and a total of 397 employees are currently enrolled as of June 30, 2015.

Employees may also elect to have the dollar value of their use or lose annual leave placed into a PEHP account. The total funds contributed under this method were \$313,265 for 171 employees. The PEHP will be administered by a third party who will maintain individual accounts, which will grow tax-free for health care expenses after an employee leaves the County.

Method Used to Value Investments: Investments are reported at fair market value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments of the Other Post Employment Benefits Trust Fund.

Annual OPEB Cost and Net OPEB Obligations: The County’s OPEB cost (expense) is calculated based on the ARC of the employer, an amount that was actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2015, were as follows:

Annual Required Contribution	\$	13,794,000
Contributions made		(13,794,000)
Net OPEB Obligation,		-
Beginning and End of the Year	\$	-

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015, and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 13,757,000	100%	NONE
6/30/2014	13,381,000	100%	NONE
6/30/2015	13,794,000	100%	NONE

*Funding Status and Funding Progress:* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information, presents the results of OPEB valuations as of June 30, 2015. The schedule will eventually provide multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Three years of trend information is as follows:

As of	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(1)/(2) Funded Ratio	(2) - (1) Unfunded AAL (UAAL)	(5) Covered Payroll	((2-1)/5) UAAL as a Percentage of Covered
7/1/2012	\$ 51,226,000	\$ 175,328,000	29.2%	\$ 124,102,000	\$ 89,914,394	138.0%
7/1/2013	59,117,000	180,067,000	32.8%	120,950,000	93,886,784	128.8%
7/1/2014	73,742,000	192,411,000	38.3%	118,669,000	94,034,098	126.2%

*Actuarial Methods and Assumptions:* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The annual required contribution for the current year was determined as part of the December 30, 2013 actuarial evaluation using the projected unit credit method; it is being amortized over a period of 30 years on a closed basis. The actuarial assumptions include an 7.5% investment rate of return compounded annually. The funding method is level percentage of projected payroll. Payroll is assumed to increase at 3.5% per annum. This assumption is used to determine the level percentage of payroll amortization factor. For fiscal year 2015, the inflation rate is 2.9%. The annual healthcare costs trend rate is 7% initially, reduced by decrements to an ultimate rate of 4.6%.

**COMPONENT UNITS**

**The Harford County Public Schools** provide medical, dental and life insurance benefits to eligible employees who retire from employment with the Public Schools. The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon the annual approval of the operating budget. Details of the postemployment benefits provided are as follows:

*Medical Benefits* – Retirees are eligible for continued membership in one of the school system's group medical plans provided that they have at least 10 years service with the Public Schools and are under 65 years of age. The Public Schools pays either 85% or 90% of these medical insurance premiums, based on the plan chosen by the retiree. The Public Schools pays 90% of the insurance premiums for Medicare supplemental insurance for retirees age 65 and older. The medical benefits paid by the Public Schools for the year ended June 30, 2015 was \$21,281,009. As of June 30, 2015, 2,306 of approximately 2,506 eligible retirees were receiving benefits.

*Dental Benefits* – The Public Schools pays 90% of dental insurance premiums for retirees with at least 10 years service. The dental benefits paid by the Public Schools for the year ended June 30, 2015, was \$1,067,883. As of June 30, 2015, 2,347 of approximately 2,506 eligible retirees were receiving benefits.

*Life Insurance Benefits* – The Public Schools pays 90% of the life insurance premiums for retirees with at least 10 years of service. The amount of insurance coverage is reduced to \$20,000 upon retirement to \$10,000 five years after retirement. The life insurance benefits paid by the Public Schools for the year ended June 30, 2015, was \$57,889. As of June 30, 2015, 2186 of approximately 2,506 eligible retirees were receiving benefits.

*Annual OPEB Cost and Net OPEB Obligation*

The Public Schools' annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Public Schools' annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan, and changes in the Public Schools' net OPEB obligation:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Annual required contribution	\$ 57,802,000
Interest on net OPEB obligation	8,998,000
Amortization of net OPEB obligation	<u>(10,230,000)</u>
Annual OPEB cost (expense)	56,570,000
Contributions made	<u>(24,568,000)</u>
Increase in net OPEB obligation	32,002,000
Net OPEB obligation - beginning of year	<u>199,962,929</u>
Net OPEB obligation - end of year	<u><u>\$ 231,964,929</u></u>

**The Harford Community College** (the College) sponsors post-employment medical benefits under a single employer defined benefit plan. Any full-time employee of the College is eligible to participate in the plan. The College allows access to the plan if the retiree: (a) retires or becomes disabled with an immediate benefit from the State Retirement and Pension System of Maryland or (b) meets the minimum age eligibility requirement to begin distribution from the Maryland Optional Retirement Plan and (c) has been actively participating within the College sponsored health plan for at least the most recent ten (10) full consecutive years and (d) has at least 10 years of employment service. Disabled participants must reach retirement eligibility. Dependents and surviving spouses of participants are allowed access to the plan but must also pay the full premium. A closed group of retirees receives an annual subsidy of \$4,800 as part of a retirement widow benefit program. As of June 30, 2015, there were 7 eligible and participating retirees receiving an annual subsidy. As of June 30, 2015, there were 41 participants out of 322 total participants receiving benefits.

The College funds its post-employment benefits on a pay-as-you-go basis.

The College’s OPEB cost is calculated based on the ARC of the employer, an amount that was actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

As of June 30, 2015, the College’s annual required contribution; contributions made and net OPEB obligation were:

Annual required contribution	\$ 98,000
Interest on net OPEB obligation	5,000
Adjustment to annual required contribution	<u>(5,000)</u>
Annual OPEB cost (expense)	98,000
Contributions made	<u>(71,000)</u>
Increase in net OPEB obligation	27,000
Net OPEB obligation - beginning of year	<u>158,221</u>
Net OPEB obligation - end of year	<u><u>\$ 185,221</u></u>

**The Harford County Public Library** (the Library) provides a portion of medical insurance benefits, in accordance with state statutes, to eligible employees who retire from employment with the Library. The Library’s contributions are financed on a pay-as-you-go basis through the County.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

Employees who retire from the Library who are eligible to participate in the State Pension Plan are eligible for medical insurance during retirement. Retirees who are eligible for this subsidy must elect coverage at the time of retirement. Retirees may not elect to discontinue and re-enroll at a later date. Currently, 61 retirees who meet eligibility requirements for employer subsidized health insurance are enrolled in the retiree medical and dental plans.

*Annual OPEB Cost and net OPEB Obligation* – The Library’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Library’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Library’s net OPEB obligation.

Annual required contribution	\$	1,459,000
Interest on net OPEB obligation		346,542
Adjustment to annual required contribution		(451,000)
Annual OPEB cost (expense)		1,354,542
Contributions made		(253,249)
Increase in net OPEB obligation		1,101,293
Net OPEB obligation - beginning of year		9,901,212
Net OPEB obligation - end of year	\$	11,002,505

**G. CHANGE IN ACCOUNTING PRINCIPLE**

**PRIMARY GOVERNMENT**

Net positions of governmental activities and business-type activities have been restated by negative \$101,538,233 and negative \$7,777,792, respectively, due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* in recording the beginning net pension liability and the beginning deferred outflow of resources, contribution subsequent to the measurement date, for all the defined benefit pension plans.

**COMPONENT UNITS**

**Harford County Public Schools:** During the year ended June 30, 2015, the Board adopted GASB Statement 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This pronouncement required the restatement of the June 30, 2014 net position of the Public Schools by a negative \$20,162,753.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**Harford Community College:** During the year ended June 30, 2015, the College adopted GASB Statement 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This pronouncement required the restatement of the June 30, 2014 net position of the College by a negative \$829,106.

**Harford County Public Library:** During the year ended June 30, 2015, the Library adopted GASB Statement 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This pronouncement required the restatement of the June 30, 2014 net position of the Library by a negative \$1,238,898.

**H. SUBSEQUENT EVENTS**

**PRIMARY GOVERNMENT**

Harford County passed the following Bills on September 15, 2015:

Bill 15-019 - authorizes the sale of bonds for a maximum amount of \$27,355,000, proceeds to be used for General County Capital Projects.

Bill 15-020 - authorizes the sale of bonds for a maximum amount of \$6,000,000, proceeds to be used for Water and Sewer Capital Projects

Harford County introduced the following Bill on September 8, 2015:

Bill 15-022 – proposes to establish new Harford County Water and Sewer rates that will be gradually phased in over the next 5 years. The increase is necessary to maintain service reliability and infrastructure integrity due to the county’s aging Water and Sewer systems.



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HARFORD  
VACUUM CLEANERS

## *Required Supplementary Information*

The information provided in this section is required supplementary disclosures.

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MARYLAND STATE RETIREMENT AND PENSION SYSTEM**  
**JUNE 30, 2015 and 2014**

**Schedule 1**

	<u>2015</u>	<u>2014</u>
County's portion of the net pension liability	0.516%	0.490%
County's proportionate share of the net pension liability	\$ 91,601,275	\$ 100,990,844
County's covered employee payroll	\$ 84,055,462	\$ 83,785,718
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	108.98%	120.53%
Plan fiduciary net position as a percentage of the total pension liability	71.87%	67.20%

**HARFORD COUNTY, MARYLAND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY CONTRIBUTIONS  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
LAST 10 FISCAL YEARS  
(Information for FY2012 and earlier is not available)**

**Schedule 2**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 11,705,062	\$ 12,028,358	\$ 10,626,050
Contributions in relation to the contractually required contribution	<u>11,705,062</u>	<u>12,028,358</u>	<u>10,626,050</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	<u>\$ 84,055,462</u>	<u>\$ 83,785,718</u>	<u>N/A</u>
Contributions as a percentage of covered employee payroll	13.93%	14.36%	N/A

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN**  
**NET PENSION LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2015 and 2014**

**Schedule 3**

	2015*	2014*
<b>Total Pension Liability</b>		
Service Cost	\$ 678,000	\$ 645,000
Interest	1,806,000	1,755,000
Differences between Expected and Actual Experience	(57,000)	-
Benefit Payments, including Refunds of Member Contributions	(1,595,000)	(1,511,000)
Net Change in Total Pension Liability	832,000	889,000
Total Pension Liability - Beginning	30,895,000	30,006,000
Total Pension Liability - Ending (a)	<u>\$ 31,727,000</u>	<u>\$ 30,895,000</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 2,031,000	\$ 1,935,000
Net Investment Income	840,000	2,818,000
Benefit Payments, including Refunds of Member Contributions	(1,595,000)	(1,511,000)
Administrative Expense	(14,000)	(15,000)
Net Change in Plan Fiduciary Net Position	1,262,000	3,227,000
Plan Fiduciary Net Position - Beginning	23,042,000	19,815,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 24,304,000</u>	<u>\$ 23,042,000</u>
County's Net Pension Liability - Ending (a) - (b)	<u>\$ 7,423,000</u>	<u>\$ 7,853,000</u>
Plan Fiduciary Net Position as a Percentage of the Total		
Pension Liability	76.60%	74.58%
Covered-employee Payroll	N/A	N/A
County's Net Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A

\*Numbers are rounded to the nearest 1,000

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN**  
**JUNE 30, 2015 and 2014**

**Schedule 4**

	2015	2014
Actuarially Determined Contribution	\$ 1,981,000	\$ 1,934,886
Contributions in Relation to the Actuarially Determined Contribution	2,030,844	1,934,886
Contribution (excess) deficiency	\$ (49,844)	\$ -
Covered-employee Payroll	N/A	N/A
Contributions as a Percentage of Covered-employee Payroll	N/A	N/A

**Notes to Schedule:**

Valuation date:

Actuarially determined contribution rates are calculated as of September 30 for the second fiscal year immediately following the current fiscal year. Actuarial values are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (Level Dollar)
Amortization method	Level payments over closed periods
Remaining amortization period	15 years
Asset valuation method	Market value as of June 30, projected to September 30
Inflation	3.0 percent
Salary increases	Not Applicable
Investment rate of return	6.0 percent, net of pension plan investment expense, including inflation
Retirement age	Upon first eligibility for benefits
Mortality	RP-2000 Combined Healthy Blue Collar tables, set forward 1 year and with generational projection by Scale AA

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE SHERIFF'S OFFICE PENSION SYSTEM NET PENSION LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2015 and 2014**

**Schedule 5**

	2015*	2014*
<b>Total Pension Liability</b>		
Service Cost	\$ 1,622,000	\$ 1,412,000
Interest	4,176,000	3,982,000
Changes of Benefit Terms	54,000	68,000
Differences between Expected and Actual Experience	(1,025,000)	-
Changes of Assumptions	776,000	-
Benefit Payments, including Refunds of Member Contributions	(2,825,000)	(2,576,000)
Net Change in Total Pension Liability	2,778,000	2,886,000
Total Pension Liability - Beginning	61,067,000	58,180,000
Total Pension Liability - Ending (a)	\$ 63,845,000	\$ 61,066,000
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 2,490,000	\$ 2,377,000
Contributions - member	485,000	452,000
Net Investment Income	1,995,000	7,089,000
Benefit Payments, including Refunds of Member Contributions	(2,825,000)	(2,576,000)
Administrative Expense	(49,000)	(53,000)
Net Change in Plan Fiduciary Net Position	2,096,000	7,289,000
Plan Fiduciary Net Position - Beginning	48,567,000	41,279,000
Plan Fiduciary Net Position - Ending (b)	\$ 50,663,000	\$ 48,568,000
County's Net Pension Liability - Ending (a) - (b)	\$ 13,182,000	\$ 12,498,000
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.35%	79.53%
Covered-employee Payroll	\$ 10,336,000	\$ 8,569,000
County's Net Pension Liability as a Percentage of Covered- employee Payroll	127.53%	145.85%
 Expected average remaining service years of all participants	5	6

**Notes to Schedule:**

*Benefit Changes* : Fiscal year 2015 reflects a change in the crediting of pre-employment military service. There were significant changes reflected in fiscal year 2014 including: increased benefit accrual rates for future service, early retirement benefits, average compensation period, limitation to annual COLA for benefits based on service earned after June 30, 2013, and line of duty disability benefits.

\*Numbers are rounded to the nearest 1,000.

*Change of Assumptions* : Fiscal year 2015 reflects a change in the assumed rates of mortality for disabled members.

**HARFORD COUNTY, MARYLAND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY CONTRIBUTIONS  
SHERIFF'S OFFICE PENSION SYSTEM  
JUNE 30, 2015 and 2014**

**Schedule 6**

	2015	2014
Actuarially Determined Contribution	\$ 2,490,164	\$ 2,376,590
Contributions in Relation to the Actuarially Determined Contribution	2,490,164	2,376,590
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-employee Payroll	\$ 10,336,000	\$ 8,569,280
Contributions as a Percentage of Covered-employee Payroll	24.09%	27.73%

**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
Amortization method	Level percentage of payroll
Remaining amortization period	15 years for gains and losses (open), 30 years for prior plan and assumption changes, 15 years for July 1, 2013 plan changes (closed)
Asset valuation method	5-year smoothed market
Inflation	3.0 percent
Salary increases	Rates vary by participant age and service
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	RP-2000 Combined Healthy tables with generational projection by Scale AA

**HARFORD COUNTY, MARYLAND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST FUND**

**Schedule 7**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Projected Unit Credit	(3) Percentage Funded (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2-1)/5)
07/01/2012	\$ 51,226,000	\$ 175,328,000	29.2%	\$ 124,102,000	\$ 89,914,394	138.0%
07/01/2013	59,117,000	180,067,000	32.8%	120,950,000	93,886,784	128.8%
07/01/2014	73,742,000	192,411,000	38.3%	118,669,000	94,034,098	126.2%

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS AND OTHER CONTRIBUTING ENTITIES**  
**OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST FUND**

**Schedule 8**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2013	\$ 13,757,000	100%
2014	13,381,000	100%
2015	13,794,000	100%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	07/01/2013
Actuarial cost method	Projected Unit Credit Method
Amortization method	Level Percentage of Projected Payroll
Remaining amortization factor	15
Asset valuation method	Market Value
Actuarial assumptions:	
Investment Rate of Return	7.5%
Projected salary increases	3.5%

*Combining and Individual Fund*

*Financial Statements*

*&*

*Schedules*

# *Combining Statements*

## *Non-major Governmental Funds*

### **Special Revenue Funds**

Parks & Recreation Special Revenue Fund – Parks & Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and/or the Oakington Peninsula.

Stormwater Management Special Revenue Fund – Bill No. 14-036 repealed the Stormwater Remediation Fee, effective July 1, 2015. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

### **Debt Service Fund**

The Beechtree Tax Increment Financing (TIF) – This fund accumulates the incremental property tax revenues related to the Beechtree Estates Project created in 2011 and also any special assessment tax imposed on the Beechtree Estates Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves revert to the General Fund at the end of the fiscal year.

**HARFORD COUNTY, MARYLAND**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2015**

**Exhibit A-1**

	Special Revenue		Debt Service	Total
	Parks and Recreation	Stormwater Management	Beechtree TIF	Non-major Governmental Funds
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 431,267	\$ 198,894	\$ 288,790	\$ 918,951
Cash and Investments	450	-	-	450
Taxes and Accounts Receivable (Net)	3,939	1,550	-	5,489
Deposit with Trustee	-	-	1,934,175	1,934,175
<b>TOTAL ASSETS</b>	<b>\$ 435,656</b>	<b>\$ 200,444</b>	<b>\$ 2,222,965</b>	<b>\$ 2,859,065</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 29,210	\$ 18,660	\$ -	\$ 47,870
Payable to State of Maryland	201	-	-	201
Accrued Expenditures	8,373	-	-	8,373
Escrow Accounts	5,784	-	-	5,784
Total Liabilities	43,568	18,660	-	62,228
<b>FUND BALANCES</b>				
Restricted	-	-	2,222,965	2,222,965
Assigned	392,088	181,784	-	573,872
Total Fund Balances	392,088	181,784	2,222,965	2,796,837
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 435,656</b>	<b>\$ 200,444</b>	<b>\$ 2,222,965</b>	<b>\$ 2,859,065</b>

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2015**

Exhibit A-2

	Special Revenue		Debt Service	Total
	Parks and Recreation	Stormwater Management	Beechtree TIF	Non-major Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,065,121	\$ 1,238,311	\$ 2,303,432
Revenues from Other Agencies	-	4,000	-	4,000
Investment Income	1,307	1,283	1,925	4,515
Charges for Current Services	784,640	-	-	784,640
Miscellaneous	446	-	-	446
Total Revenues	<u>786,393</u>	<u>1,070,404</u>	<u>1,240,236</u>	<u>3,097,033</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation and National Resources	793,474	-	-	793,474
Public Works	-	1,294,352	-	1,294,352
Debt Service:				
Interest	-	-	1,050,000	1,050,000
Administrative Costs	-	-	18,478	18,478
Total Expenditures	<u>793,474</u>	<u>1,294,352</u>	<u>1,068,478</u>	<u>3,156,304</u>
(Deficiency) Excess of Revenues over Expenditures	(7,081)	(223,948)	171,758	(59,271)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	335,311	-	335,311
Transfers (Out)	(150,000)	-	-	(150,000)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>335,311</u>	<u>-</u>	<u>185,311</u>
Net Change in Fund Balances	<u>(157,081)</u>	<u>111,363</u>	<u>171,758</u>	<u>126,040</u>
Fund Balances - Beginning	549,169	70,421	2,051,207	2,670,797
Fund Balances - Ending	<u>\$ 392,088</u>	<u>\$ 181,784</u>	<u>\$ 2,222,965</u>	<u>\$ 2,796,837</u>

## ***Fiduciary Funds***

### ***Pension, Other Employee Benefit Trust Funds, and Length of Service Award Program***

*Sheriff's Office Pension System* – This trust fund was established to account for the pension system of certain law enforcement and correctional employees of the Office of the Sheriff of Harford County.

*Firemen's Length of Service Award Program (LOSAP)* – This trust fund was established to account for the LOSAP for the volunteer fire personnel serving the various independent volunteer fire companies in the County.

### ***Private Purpose Trust Funds*** - used to account for resources legally held in a trustee capacity and are comprised of:

*BVL Cooperating Parties Group* – This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill site.

*Bar Library Trust Fund* – The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

### ***Agency Funds***

*Pass-Through Grants* – This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

*Harford County Public Entities Healthcare Consortium* - This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2015**

**Exhibit B-1**

	Sheriff's Office Pension System	Firemen's LOSAP	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 403,146	\$ 372,702	\$ 775,848
Investments, at Fair Value			
Cash Equivalents	1,123,962	533,154	1,657,116
Fixed Income Fund	11,239,673	8,500,296	19,739,969
Equities and Equivalents	37,911,151	14,909,319	52,820,470
Total Investments	50,274,786	23,942,769	74,217,555
Total Assets	50,677,932	24,315,471	74,993,403
<b>LIABILITIES</b>			
Accounts Payable	14,832	10,467	25,299
Total Liabilities	14,832	10,467	25,299
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
(Schedules of funding progress and employer contributions are presented in the "Required Supplementary Information", ( Schedule 1)	\$ 50,663,100	\$ 24,305,004	\$ 74,968,104

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the Year Ended June 30, 2015**

**Exhibit B-2**

	Sheriff's Office Pension System	Firemen's LOSAP	Total
<b>ADDITIONS</b>			
Contributions			
Employee Contributions	\$ 485,297	\$ -	\$ 485,297
Employer Contributions	2,490,164	-	2,490,164
Plan Sponsor Contributions	-	2,030,844	2,030,844
Total Contributions	<u>2,975,461</u>	<u>2,030,844</u>	<u>5,006,305</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,320,308	498,837	1,819,145
Interest and Dividends	859,571	443,011	1,302,582
Total Investment Earnings	<u>2,179,879</u>	<u>941,848</u>	<u>3,121,727</u>
Less Investment Expense	184,937	101,735	286,672
Net Investment Income	<u>1,994,942</u>	<u>840,113</u>	<u>2,835,055</u>
Total Additions	<u>4,970,403</u>	<u>2,870,957</u>	<u>7,841,360</u>
<b>DEDUCTIONS</b>			
Administrative Expenses	49,460	13,710	63,170
Benefits	2,824,515	1,594,505	4,419,020
Total Deductions	<u>2,873,975</u>	<u>1,608,215</u>	<u>4,482,190</u>
Change in Net Position	2,096,428	1,262,742	3,359,170
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
Net Position - Beginning of the Year	48,566,672	23,042,262	71,608,934
Net Position - End of the Year	<u>\$ 50,663,100</u>	<u>\$ 24,305,004</u>	<u>\$ 74,968,104</u>

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2015**

**Exhibit B-3**

	BVL Cooperating Parties Group	Bar Library	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 1,233,218	\$ 268,729	\$ 1,501,947
Investments	966,615	-	966,615
Total Assets	2,199,833	268,729	2,468,562
<b>LIABILITIES</b>			
Accounts Payable	24,723	17,667	42,390
Due to Beneficiaries	966,615	-	966,615
Total Liabilities	991,338	17,667	1,009,005
<b>NET POSITION</b>			
Held in Trust	\$ 1,208,495	\$ 251,062	\$ 1,459,557

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Year Ended June 30, 2015**

**Exhibit B-4**

	BVL Cooperating Parties Group	Bar Library	Total
<b>ADDITIONS</b>			
Contributions and Donations	\$ 110,536	\$ 112,565	\$ 223,101
Interest and Dividends	9,967	745	10,712
Total Additions	<u>120,503</u>	<u>113,310</u>	<u>233,813</u>
<b>DEDUCTIONS</b>			
Contractual Services	<u>93,255</u>	<u>142,316</u>	<u>235,571</u>
Total Deductions	<u>93,255</u>	<u>142,316</u>	<u>235,571</u>
Change in Net Position	27,248	(29,006)	(1,758)
<b>NET POSITION</b>			
Net Postion - Beginning of Year	1,181,248	280,067	1,461,315
Net Postion - End of Year	<u>\$ 1,208,496</u>	<u>\$ 251,061</u>	<u>\$ 1,459,557</u>

**HARFORD COUNTY, MARYLAND**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For The Year Ended June 30, 2015**

**Exhibit B-5**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>PASS-THROUGH GRANTS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash	\$ 2,158	\$ 2,124,077	\$ 2,126,235	\$ -
Total Assets	<u>\$ 2,158</u>	<u>\$ 2,124,077</u>	<u>\$ 2,126,235</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to Beneficiary	\$ 2,158	\$ 2,124,077	\$ 2,126,235	\$ -
Total Liabilities	<u>\$ 2,158</u>	<u>\$ 2,124,077</u>	<u>\$ 2,126,235</u>	<u>\$ -</u>
<b>HEALTH CARE CONSORTIUM</b>				
<b>ASSETS</b>				
Investments	\$ 11,703,152	\$ 2,696,914	\$ 2,689,911	\$ 11,710,155
Total Assets	<u>\$ 11,703,152</u>	<u>\$ 2,696,914</u>	<u>\$ 2,689,911</u>	<u>\$ 11,710,155</u>
<b>LIABILITIES</b>				
Due to Beneficiary	\$ 11,703,152	\$ 2,696,914	\$ 2,689,911	\$ 11,710,155
Total Liabilities	<u>\$ 11,703,152</u>	<u>\$ 2,696,914</u>	<u>\$ 2,689,911</u>	<u>\$ 11,710,155</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash	\$ 2,158	\$ 2,124,077	\$ 2,126,235	\$ -
Investments	11,703,152	2,696,914	2,689,911	11,710,155
Total Assets	<u>\$ 11,705,310</u>	<u>\$ 4,820,991</u>	<u>\$ 4,816,146</u>	<u>\$ 11,710,155</u>
<b>LIABILITIES</b>				
Due to Beneficiary	\$ 11,705,310	\$ 4,820,991	\$ 4,816,146	\$ 11,710,155
Total Liabilities	<u>\$ 11,705,310</u>	<u>\$ 4,820,991</u>	<u>\$ 4,816,146</u>	<u>\$ 11,710,155</u>

# ***SCHEDULES***

## ***Governmental Funds***

### ***General Fund***

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

### ***Special Revenue Funds***

Parks and Recreation Special Revenue Fund - Parks and Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Stormwater Management Special Revenue Fund – Bill No. 14-036 repealed the Stormwater Remediation Fee, effective July 1, 2015. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

### ***Debt Service Fund***

The Beechtree Tax Increment Financing (TIF) accumulates the incremental property tax revenues related to the Beechtree Estates Project created in 2011 and also any special assessment tax imposed on the Beechtree Estates Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves may revert to the General Fund at the end of the fiscal year.

### ***Capital Projects Fund***

General County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Harford County Public Schools, Harford Community College and Harford County Public Library.

### ***Enterprise Fund***

Water and Sewer Fund - This schedule accounts for financial resources to be used for the operation, acquisition or construction of major capital facilities of the Water and Sewer fund.

*General Fund*

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

**Exhibit C-1**

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE) ESTIMATED REVENUES
<b>TAXES</b>				
Admissions and Amusement Tax	\$ 533,600	\$ 533,600	\$ 532,158	\$ (1,442)
Business Personal Property/Current Year	275,388	275,388	379,814	104,426
Business Personal Property/Prior Years	(1,100)	(1,100)	3,696	4,796
Corporate Property/Current Year	11,440,560	11,440,560	12,730,164	1,289,604
Corporate Property/Prior Years	(100,000)	(100,000)	(72,648)	27,352
County Service Charge	-	-	227	227
Delinquent Tax Costs	100,000	100,000	82,477	(17,523)
Heavy Equipment Receipts Tax - Corporate	175,500	175,500	206,433	30,933
Hotel Occupancy Tax	-	-	740,827	740,827
Impact Fees	2,500,000	2,500,000	2,560,800	60,800
Income Taxes/Current Year	194,329,650	194,329,650	189,602,561	(4,727,089)
Income Taxes/Prior Years	4,400,000	4,400,000	4,131,147	(268,853)
Interest on Delinquent Taxes	851,000	851,000	712,046	(138,954)
Mobile Home Excise Tax	210,500	210,500	208,550	(1,950)
Payment in Lieu of Taxes	436,300	436,300	329,747	(106,553)
Penalty	800,000	800,000	789,904	(10,096)
Railroad and Public Utilities	11,669,705	11,669,705	11,625,130	(44,575)
Real Property - Full Year Levy	228,817,683	228,817,683	227,806,365	(1,011,318)
Real Property - Half Year Levy	877,622	877,622	890,010	12,388
911 Program Fee	1,582,300	1,582,300	1,656,168	73,868
	<u>458,898,708</u>	<u>458,898,708</u>	<u>454,915,576</u>	<u>(3,983,132)</u>
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,309,900)	(1,309,900)	(1,369,139)	(59,239)
Community Association Credit	(6,100)	(6,100)	(6,065)	35
Conservation Land Tax Credit	(1,500)	(1,500)	(2,000)	(500)
Discounts Allowed on Taxes	(1,566,100)	(1,566,100)	(1,546,306)	19,794
Enterprise Zone Tax Credit	(1,034,300)	(1,034,300)	(824,082)	210,218
Habitat For Humanity Tax Credit	(4,600)	(4,600)	(5,996)	(1,396)
Historical Tax Credit	(4,100)	(4,100)	(6,021)	(1,921)
Homeowner's Tax Credit - County	(391,100)	(391,100)	(331,689)	59,411
Homestead Tax Credit - County	(75,806)	(75,806)	(73,566)	2,240
Landfill Proximity Credit	(57,500)	(57,500)	(56,924)	576
Solar/Geothermal Energy Tax Credit	(500,000)	(500,000)	(498,732)	1,268
Surviving Spouse - Fallen Hero Tax Credit	(3,200)	(3,200)	(2,877)	323
Uncollectible Property Taxes	(275,000)	(275,000)	119,468	394,468
WTE Proximity Credit	(100,600)	(100,600)	(88,776)	11,824
	<u>(5,329,806)</u>	<u>(5,329,806)</u>	<u>(4,692,705)</u>	<u>637,101</u>
Total Taxes	<u>453,568,902</u>	<u>453,568,902</u>	<u>450,222,871</u>	<u>(3,346,031)</u>

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-1**

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE) ESTIMATED REVENUES
<b>REVENUES FROM OTHER AGENCIES</b>				
Build America Bond Interest Credit	1,274,700	1,274,700	1,274,563	(137)
Jury Compensation	144,000	144,000	143,925	(75)
Medicare D Subsidy	239,400	239,400	254,020	14,620
Police Protection	2,064,134	2,064,134	2,053,270	(10,864)
Stormwater Management - Town	4,000	4,000	-	(4,000)
<b>Total Revenues from Other Agencies</b>	<b>3,726,234</b>	<b>3,726,234</b>	<b>3,725,778</b>	<b>(456)</b>
<b>INVESTMENT INCOME</b>	<b>214,500</b>	<b>214,500</b>	<b>292,589</b>	<b>78,089</b>
<b>CHARGES FOR CURRENT SERVICES</b>				
Abandoned Buildings	25,000	25,000	19,783	(5,217)
Auto Commute - County Employees	11,800	11,800	9,945	(1,855)
Bad Check Fee	3,000	3,000	3,000	-
Board of Prisoners	100,000	100,000	135,956	35,956
Building Plan Review	100	100	990	890
Building Reinspection Fee	1,800	1,800	2,270	470
Child Custody	12,100	12,100	11,852	(248)
Commissions	161,400	161,400	102,352	(59,048)
Community Work Service	18,000	18,000	16,945	(1,055)
Concept Plans	7,900	7,900	-	(7,900)
Design Review	1,300	1,300	1,476	176
Detention Center Commissary	283,700	283,700	285,779	2,079
Election Fees	900	900	1,738	838
Electrical Reinspection Fees	3,800	3,800	2,550	(1,250)
Extension Preliminary Plan Approval	300	300	25	(275)
False Burglar Alarm Service Charges	57,200	57,200	53,725	(3,475)
False Fire Alarm Service Charges	29,300	29,300	10,900	(18,400)
Final Plats	19,600	19,600	21,130	1,530
Flying Point and Mariner Park Revenue	12,800	12,800	12,365	(435)
Food Service Licenses	114,800	114,800	113,970	(830)
Forest Conservation Plan Review	9,400	9,400	13,821	4,421
Forest Stand Delineation Review	6,000	6,000	3,645	(2,355)
GIS - Digital Data Products	100	100	-	(100)
GIS - Plotting Service	1,200	1,200	255	(945)
GIS - Screen Dump	100	100	15	(85)
GIS - Topographic Maps	100	100	-	(100)
Ground Floor Fees	2,700	2,700	22,130	19,430
Harford Cable Network	24,000	24,000	22,968	(1,032)
Hazardous Material Spill Cleanup	24,600	24,600	18,524	(6,076)
Household Waste - Private Vehicle Charge	428,700	428,700	423,420	(5,280)
Inmate Fees for Medical Services	4,300	4,300	4,578	278

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-1**

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE) ESTIMATED REVENUES
<b>CHARGES FOR CURRENT SERVICES (continued)</b>				
Mechanical Reinspection Fee	700	700	600	(100)
Mechanical Violation Fee	500	500	1,750	1,250
Miscellaneous Revenue - Planning & Zoning	2,700	2,700	3,189	489
Miscellaneous Revenue - Sheriff's Office	65,800	65,800	73,955	8,155
Noxious Weed	400	400	2,300	1,900
Onsite Inspection Fees	600	600	(17,325)	(17,925)
Percolation Tests	23,400	23,400	20,450	(2,950)
Photographs	300	300	750	450
Plumbing Reinspection Fees	1,600	1,600	1,270	(330)
Police Reports	9,400	9,400	9,480	80
Public Swimming Pool & Spa Permit	19,200	19,200	16,400	(2,800)
Publications	100	100	33	(67)
Recycled Batteries	4,500	4,500	3,624	(876)
Recycled Scrap Metal	140,500	140,500	109,068	(31,432)
Reproduction	4,200	4,200	5,598	1,398
Sale of Compost - Scarboro	27,000	27,000	37,868	10,868
Sale of Mulch - Scarboro	88,500	88,500	82,239	(6,261)
Sale of Plans and Specifications	400	400	-	(400)
Sale of Promotional Items	100	100	19	(81)
Sanitation Construction Permit Fee	21,900	21,900	6,176	(15,724)
Sanitation Permits	7,800	7,800	7,460	(340)
Sheriff's Fees	397,300	397,300	383,780	(13,520)
Sheriff's Licenses	10,900	10,900	11,120	220
Site Plans	16,500	16,500	45,695	29,195
Social Security Payments-Inmates	24,800	24,800	29,800	5,000
Subdivision Plans	26,500	26,500	35,505	9,005
Subdivision Plat Review	6,600	6,600	7,570	970
Tax Lien Certification	191,000	191,000	211,525	20,525
Tax Lien Filing Fees	600	600	1,535	935
Tax Sale Auctioneer Fees	3,700	3,700	4,020	320
Technical Review	100	100	-	(100)
Telephone Service	20,800	20,800	22,106	1,306
Tipping Fee Landfill	3,256,000	3,256,000	2,836,045	(419,955)
Tipping Fee Landfill credit	(1,400)	(1,400)	-	1,400
Tire Disposal Fees	1,100	1,100	1,157	57
Weekend Prisoner Revenue	104,100	104,100	116,793	12,693
Well Sampling	22,430	22,430	19,240	(3,190)
Work Release Revenue	56,500	56,500	90,341	33,841
WTE - Credit	(212,900)	(212,900)	(199,735)	13,165
WTE - Permitted Materials	336,400	336,400	402,917	66,517

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-1**

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE) ESTIMATED REVENUES
<b><u>CHARGES FOR CURRENT SERVICES (continued)</u></b>				
WTE - Recovered Materials	27,800	27,800	16,495	(11,305)
WTE - Renewable Energy Credits	-	-	14,960	14,960
WTE - Steam Sales	3,657,000	3,657,000	3,777,611	120,611
WTE - Tipping Fees	4,384,000	4,384,000	5,806,188	1,422,188
WTE - Tire Disposal	323,800	323,800	319,510	(4,290)
Zoning Appeals	8,900	8,900	14,101	5,201
Zoning Reclass Fee	500	500	-	(500)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Charges for Current Services	14,448,630	14,448,630	15,649,290	1,200,660
<b><u>MISCELLANEOUS</u></b>				
Contributions & Donations	100	100	-	(100)
Edgewood Community Center	13,500	13,500	12,619	(881)
Grant Unemployment	47,200	47,200	43,460	(3,740)
Interest on Miscellaneous Invoices	19,300	19,300	4,499	(14,801)
Miscellaneous Revenue	381,600	381,600	1,983,028	1,601,428
Over and Short	17,000	17,000	22,967	5,967
Parole and Probation	2,300	2,300	3,580	1,280
Postage	250,000	250,000	225,958	(24,042)
Recovery from Capital Projects	23,600	23,600	7,247	(16,353)
Recovery from Park & Rec	59,328	59,328	59,328	-
Recovery from Self Insurance Fund	1,079,629	1,079,629	1,279,629	200,000
Recovery from Stormwater	80,373	80,373	80,373	-
Recovery from Traffic Safety	1,290,000	1,290,000	1,290,000	-
Recovery from Transportation	2,000,000	2,000,000	2,000,000	-
Reimbursement from Highways	2,027,531	2,027,531	2,027,531	-
Reimbursement from Water and Sewer Fund	2,027,457	2,027,457	2,027,457	-
Rental Income	241,200	241,200	164,400	(76,800)
Sale of Building	-	-	218,226	218,226
Sale of Equipment	16,000	16,000	23,814	7,814
Sale of Vehicles	164,700	164,700	114,933	(49,767)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Miscellaneous	9,740,818	9,740,818	11,589,049	1,848,231
<b><u>LICENSES AND PERMITS</u></b>				
Auctioneers Licenses	4,700	4,700	6,050	1,350
Beer, Wine and Liquor Licenses	10,200	10,200	4,336	(5,864)
Building Inspection Services	60,000	60,000	156,589	96,589
Building Penalty	7,900	7,900	2,702	(5,198)
Building Permits	400,600	400,600	518,018	117,418
Cable TV	2,030,000	2,030,000	2,447,549	417,549
Dog Licenses	79,400	79,400	61,640	(17,760)
Electrical Board of Examiners	38,000	38,000	89,640	51,640
Electrical Inspections	270,700	270,700	434,722	164,022
Electrical Penalty	4,800	4,800	3,400	(1,400)
Electrical Postcard Permits	100	100	-	(100)
Forest Harvest Permit	1,200	1,200	2,784	1,584

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-1**

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE) ESTIMATED REVENUES
<u>LICENSES AND PERMITS (continued)</u>				
Kennel Licenses	-	-	1,500	1,500
Marriage Licenses	9,900	9,900	11,860	1,960
Marriage Licenses/Spouse Abuse	35,600	35,600	45,758	10,158
Massage Licenses	-	-	125	125
Mechanical Licenses	14,000	14,000	9,270	(4,730)
Mechanical Permits	163,700	163,700	224,929	61,229
Mobile Home Park Licenses	10,800	10,800	12,060	1,260
Pawnbrokers Licenses	600	600	800	200
Pet Shop/Grooming Licenses	1,000	1,000	1,300	300
Plumbing Licenses	45,000	45,000	23,170	(21,830)
Plumbing Penalty	2,000	2,000	3,260	1,260
Plumbing Permits	249,500	249,500	325,665	76,165
Plumbing Postcard Permits	47,500	47,500	-	(47,500)
Refuse Licenses	6,600	6,600	5,850	(750)
Solicitors Licenses	800	800	2,390	1,590
Taxi Cab Licenses	3,100	3,100	3,501	401
Towing Licenses	6,000	6,000	5,600	(400)
Traders Licenses	251,300	251,300	232,675	(18,625)
<b>Total Licenses and Permits</b>	<b>3,755,000</b>	<b>3,755,000</b>	<b>4,637,143</b>	<b>882,143</b>
<u>FINES AND FORFEITURES</u>				
Adult Civil Violations	500	500	-	(500)
Court Fines	44,600	44,600	44,994	394
Dog License Fines	11,300	11,300	8,553	(2,747)
Parking Fines	36,000	36,000	31,223	(4,777)
Parking Fines - County Lots	10,200	10,200	13,890	3,690
<b>Total Fines and Forfeitures</b>	<b>102,600</b>	<b>102,600</b>	<b>98,660</b>	<b>(3,940)</b>
<u>OTHER FINANCING SOURCES</u>				
Appropriated Fund Balance	2,316,854	13,548,444	764,348	(12,784,096)
Operating Transfers In				
Capital Projects	14,260,492	14,260,492	14,260,492	-
Grants	449,500	449,500	1,361,806	912,306
Pooled Interest	65,100	65,100	37,635	(27,465)
<b>Total Operating Transfers In</b>	<b>14,775,092</b>	<b>14,775,092</b>	<b>15,659,933</b>	<b>884,841</b>
Issuance of Refunding Bonds	-	64,383,471	55,994,243	(8,389,228)
Premium on Issuance of Bonds	-	-	11,946,793	11,946,793
<b>Total Other Financing Sources</b>	<b>17,091,946</b>	<b>92,707,007</b>	<b>84,365,317</b>	<b>(8,341,690)</b>
<b>Total General Fund Revenues and Other Financing Sources</b>	<b>\$ 502,648,630</b>	<b>\$ 578,263,691</b>	<b>\$ 570,580,697</b>	<b>\$ (7,682,994)</b>

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Uses**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

**Exhibit C-2**

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE
	ORIGINAL	FINAL		POSITIVE(NEGATIVE) APPROPRIATION
<b>COUNTY COUNCIL</b>				
Board of Appeals & Rezoning	\$ 155,304	\$ 163,169	\$ 133,731	\$ 29,438
County Council Office	1,305,725	1,326,083	1,139,486	186,597
Harford Cable Network	740,571	755,805	734,902	20,903
Office of County Attorney	257,161	261,316	196,322	64,994
Office of County Auditor	368,915	368,915	306,034	62,881
	<hr/>	<hr/>	<hr/>	<hr/>
Total County Council	2,827,676	2,875,288	2,510,475	364,813
<b>GENERAL GOVERNMENT</b>				
Office of the County Executive				
Chief of Staff	455,081	483,259	474,712	8,547
Constituent Services	363,363	386,811	334,921	51,890
Division of Agricultural Affairs	371,760	381,368	262,062	119,306
Office of the County Executive	844,156	831,357	771,288	60,069
Director of Administration				
Budget & Management Research	706,810	749,167	679,629	69,538
Central Services	585,282	582,187	556,344	25,843
Director of Administration	508,864	532,008	481,294	50,714
Facilities & Operations	3,640,361	3,767,554	3,529,559	237,995
Risk Management	1,772,800	1,802,112	1,641,238	160,874
Sustainability Office	192,013	200,279	189,631	10,648
Department of Procurement				
Procurement Operations	936,217	1,036,894	911,091	125,803
Property Management	3,487,860	3,443,306	3,340,444	102,862
Department of the Treasury				
Bureau of Accounting	1,796,438	1,895,302	1,850,915	44,387
Bureau of Revenue Collections	900,682	945,451	935,429	10,022
Office of the Treasurer	626,814	665,364	663,425	1,939
Solid Waste Accounting	99,659	107,776	93,102	14,674
Department of Law	2,072,286	2,201,428	2,106,302	95,126
Department of Planning & Zoning				
Comprehensive Planning and Special Projects	1,429,266	1,514,086	1,432,312	81,774
Current Planning	1,690,643	1,815,186	1,805,403	9,783
Director of Planning & Zoning	474,778	490,474	474,511	15,963
Department of Personnel				
Human Resources	729,443	763,505	752,948	10,557
Personnel Matters	1,985,044	5,985,044	5,694,838	290,206
Office of Information and Communication Technology	6,483,996	6,609,541	6,554,147	55,394
Elections				
Board of Elections	1,335,239	1,260,639	986,304	274,335
Election Expense	746,000	820,600	809,263	11,337

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Uses**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-2**

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE
	ORIGINAL	FINAL		POSITIVE(NEGATIVE) APPROPRIATION
<u>GENERAL GOVERNMENT (continued)</u>				
Economic Development				
Office of Economic Development	2,199,413	2,275,618	2,115,077	160,541
Tourism & Marketing	177,143	184,711	180,272	4,439
Benefits	5,740,468	5,740,468	5,740,468	-
Miscellaneous				
Appropriations to Towns	3,503,549	3,503,549	3,503,549	-
Appropriations to State	1,040,000	1,040,000	911,468	128,532
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	750,000	750,000	750,000	-
Maryland School for the Blind	80,000	80,000	75,023	4,977
	<u>47,825,428</u>	<u>52,945,044</u>	<u>50,606,969</u>	<u>2,338,075</u>
<u>EDUCATION-PRIMARY THRU COMMUNITY COLLEGE</u>				
Harford County Public Schools	223,667,302	223,667,302	223,667,302	-
Harford Community College	14,961,612	14,961,612	14,961,612	-
	<u>238,628,914</u>	<u>238,628,914</u>	<u>238,628,914</u>	<u>-</u>
<u>HARFORD CENTER</u>	<u>553,036</u>	<u>553,036</u>	<u>553,036</u>	<u>-</u>
<u>JUDICIAL</u>				
Circuit Court	1,419,945	1,516,278	1,508,027	8,251
Community Work Service	341,817	350,388	345,580	4,808
Family Court Services Division	570,348	558,788	535,932	22,856
Family Justice Center	296,155	313,304	311,586	1,718
Grand Jury	12,000	13,100	13,100	-
Jury Commissioner	200,153	207,775	195,632	12,143
Jury Services	203,650	189,550	185,317	4,233
Masters	201,180	201,673	183,531	18,142
State's Attorney	4,983,372	5,260,145	5,111,551	148,594
	<u>8,228,620</u>	<u>8,611,001</u>	<u>8,390,256</u>	<u>220,745</u>
<u>LIBRARIES</u>	<u>16,137,189</u>	<u>16,137,189</u>	<u>16,137,189</u>	<u>-</u>

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Uses**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-2**

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE
	ORIGINAL	FINAL		POSITIVE(NEGATIVE) APPROPRIATION
<b><u>PARKS, RECREATION AND NATURAL RESOURCES</u></b>				
Department of Parks and Recreation				
Parks and Facilities	6,420,354	6,644,874	6,408,933	235,941
Parks & Recreation Administration	928,417	1,000,833	918,311	82,522
Recreational Services	2,367,261	2,537,164	2,536,463	701
Conservation of Natural Resources				
Extension Service	245,256	245,256	190,495	54,761
Soil Conservation	399,436	416,726	360,529	56,197
	<u>10,360,724</u>	<u>10,844,853</u>	<u>10,414,731</u>	<u>430,122</u>
<b><u>PUBLIC SAFETY</u></b>				
Sheriff's Office				
Administration	7,451,061	8,042,331	7,853,480	188,851
Correctional Services	22,319,191	22,880,733	22,182,357	698,376
Court Services	4,998,009	5,394,152	5,330,729	63,423
Criminal Investigation	8,009,068	8,146,083	8,016,297	129,786
Inmate Welfare Fund	850,631	856,673	545,239	311,434
Patrol Operations	25,210,970	26,935,492	26,809,665	125,827
Department of Inspections, Licenses and Permits				
Animal Control	622,522	652,624	566,230	86,394
Building Services	1,006,765	991,916	868,571	123,345
Director of DILP	529,658	622,623	614,740	7,883
Electrical Services	613,860	652,964	622,403	30,561
Manufactured Homes/Abandoned Property	246,118	248,858	195,517	53,341
Plumbing Services	580,673	612,152	590,792	21,360
Emergency Operations				
Administration	4,297,395	4,498,550	4,427,843	70,707
HAZMAT Response Team	374,062	374,062	293,852	80,210
Rescue Support	112,650	112,650	45,247	67,403
Special Operations & Technical Services & Support	2,407,622	2,445,201	2,370,734	74,467
Volunteer Fire Companies	6,724,642	6,724,642	6,694,313	30,329
911 Emergency Communications	5,932,268	6,077,697	5,930,589	147,108
	<u>92,287,165</u>	<u>96,269,403</u>	<u>93,958,598</u>	<u>2,310,805</u>

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Uses**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**  
(continued)

**Exhibit C-2**

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE
	ORIGINAL	FINAL		POSITIVE(NEGATIVE) APPROPRIATION
<b><u>PUBLIC WORKS</u></b>				
Department of Public Works				
Bureau of Environmental Affairs	794,118	853,489	823,101	30,388
Bureau of Solid Waste Management	3,784,258	3,893,056	3,327,806	565,250
Closed Landfills - Post Closure Costs	173,850	173,850	107,151	66,699
Environmental Services	42,152	42,152	19,698	22,454
Recycling	1,518,108	1,554,354	1,346,269	208,085
Scarboro Remediation	55,460	55,460	48,057	7,403
Transfer Station	588,650	588,650	588,650	-
Waste Energy	9,788,898	9,788,898	9,218,275	570,623
<b>Total Public Works</b>	<b>16,745,494</b>	<b>16,949,909</b>	<b>15,479,007</b>	<b>1,470,902</b>
<b><u>SOCIAL SERVICES</u></b>				
Department of Community Services				
Community Development	1,371,394	1,392,564	1,338,652	53,912
Director - Community Services	691,209	713,861	678,169	35,692
Emergency Assistance	161,421	161,421	158,055	3,366
Harford Transit	1,068,100	1,088,643	852,853	235,790
Office of Drug Control	991,305	1,026,361	1,001,081	25,280
Office on Aging	1,316,484	1,390,186	1,325,461	64,725
ARC Northern Chesapeake Region	1,745,694	1,745,694	1,745,694	-
Housing Agency				
Housing Services	512,075	541,510	491,633	49,877
Department of Health				
Health Department	3,628,318	4,353,672	4,352,556	1,116
<b>Total Social Services</b>	<b>11,486,000</b>	<b>12,413,912</b>	<b>11,944,154</b>	<b>469,758</b>
<b><u>DEBT SERVICE</u></b>				
Debt Service - Principal	29,743,903	29,743,903	29,743,897	6
Debt Service - Interest	18,321,044	18,321,044	18,321,041	3
Debt Service - Administration Costs	650,000	650,000	622,235	27,765
<b>Total Debt Service</b>	<b>48,714,947</b>	<b>48,714,947</b>	<b>48,687,173</b>	<b>27,774</b>
<b><u>OTHER FINANCING USES</u></b>				
Operating Transfers Out				
Capital Projects	5,061,680	5,061,680	5,011,680	50,000
Grants	3,539,733	3,539,733	3,539,733	-
Stormwater Management	252,024	335,311	335,311	-
<b>Total Other Financing Uses</b>	<b>8,853,437</b>	<b>8,936,724</b>	<b>8,886,724</b>	<b>50,000</b>
Payments to Escrow Agent for Refunding	-	64,383,471	64,383,471	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 502,648,630</b>	<b>\$ 578,263,691</b>	<b>\$ 570,580,697</b>	<b>\$ 7,682,994</b>

*Special Revenue Fund*

**HARFORD COUNTY, MARYLAND**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balance**  
**Budget Basis (Non-GAAP) vs. Actual**  
**Parks and Recreation Special Revenue Fund**  
**For The Year Ended June 30, 2015**

**Exhibit D-1**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 500	\$ 500	\$ 1,307	\$ 807
Charges for Current Services	864,000	864,000	784,640	(79,360)
Miscellaneous	-	-	446	446
Total Revenues	<u>864,500</u>	<u>864,500</u>	<u>786,393</u>	<u>(78,107)</u>
<b>EXPENDITURES</b>				
Parks, Recreation and Natural Resources	958,823	975,507	832,718	142,789
Total Expenditures	<u>958,823</u>	<u>975,507</u>	<u>832,718</u>	<u>142,789</u>
Excess of Revenues Over Expenditures	<u>(94,323)</u>	<u>(111,007)</u>	<u>(46,325)</u>	<u>64,682</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriated Fund Balance	244,323	261,007	-	(261,007)
Transfers (Out)	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources	<u>94,323</u>	<u>111,007</u>	<u>(150,000)</u>	<u>(261,007)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(196,325)</u>	<u>\$ (196,325)</u>
Fund Balance - Beginning			542,183	
Prior Year Encumbrances Cancelled			<u>13,297</u>	
Fund Balance - Ending			<u>\$ 359,155</u>	

**HARFORD COUNTY, MARYLAND**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balance**  
**Budget Basis (Non-GAAP) vs. Actual**  
**Stormwater Management Fund**  
**For The Year Ended June 30, 2015**

**Exhibit D-2**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,046,316	\$ 1,046,316	\$ 1,065,121	\$ 18,805
Revenue from Other Agencies	-	-	4,000	4,000
Investment Income	600	600	1,283	683
Total Revenues	<u>1,046,916</u>	<u>1,046,916</u>	<u>1,070,404</u>	<u>23,488</u>
<b>EXPENDITURES</b>				
Public Works	1,298,940	1,382,227	1,316,383	65,844
Total Expenditures	<u>1,298,940</u>	<u>1,382,227</u>	<u>1,316,383</u>	<u>65,844</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(252,024)</u>	<u>(335,311)</u>	<u>(245,979)</u>	<u>89,332</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	252,024	335,311	335,311	-
Total Other Financing Sources	<u>252,024</u>	<u>335,311</u>	<u>335,311</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	89,332	<u>\$ 89,332</u>
Fund Balance - Beginning			<u>92,452</u>	
Fund Balance - Ending			<u>\$ 181,784</u>	

*Debt Service Fund*

**HARFORD COUNTY, MARYLAND**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balances**  
**Budget Basis (Non-GAAP) vs. Actual**  
**Debt Service Fund**  
**For The Year Ended June 30, 2015**

**Exhibit E-1**

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,099,000	\$ 1,099,000	\$ 1,238,311	\$ 139,311
Investment Income	1,000	1,000	1,925	925
Total Revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,240,236</u>	<u>140,236</u>
<b>EXPENDITURES</b>				
Debt Service	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,068,478</u>	<u>31,522</u>
Total Expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,068,478</u>	<u>31,522</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	171,758	<u>\$ 171,758</u>
Fund Balance - Beginning			<u>2,051,207</u>	
Fund Balance - Ending			<u>\$ 2,222,965</u>	

# *Capital Projects Fund*

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

**Exhibit F-1**

<b>GENERAL COUNTY</b>	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Reforestation Proceeds	\$ 680,000	\$ 349,634	\$ 330,366
Facilities Repair Program	8,662,852	8,350,214	312,638
Treasury Computer Enhancements	175,000	164,397	10,603
Watershed Restoration/Improvements 2006	1,528,228	1,050,603	477,625
County Facility System Security Access/Fuel Dispensing	855,000	854,715	285
Site Acquisition	20,757,761	15,743,310	5,014,451
Stormwater Enhancement	815,000	608,245	206,755
Woodbridge Retrofit & Stream Restoration	1,020,000	890,119	129,881
Harford County Southern Resource Annex (Southern Precinct)	30,410,362	11,137,969	19,272,393
Sunnyview Stream Restoration	967,220	260,089	707,131
Courthouse Building Repairs	5,034,900	2,910,374	2,124,526
Reforestation Proceeds-Critical Area	100,000	62,058	37,942
Watershed Stream Assessment Studies	1,065,000	1,045,443	19,557
* Gordon Street/Bel Air Academy	420,000	209,847	210,153
Wheel Creek Watershed Restoration	4,989,607	2,733,859	2,255,748
* Edgewood Plaza Retrofit & Stream Restoration	200,188	188	200,000
Citizens Care Center	2,000,000	1,918,987	81,013
Humane Society	7,050,000	6,227,626	822,374
* One Maryland Broadband	5,250,000	3,044,121	2,205,879
Safeguarding Business Operations	10,075,400	6,538,868	3,536,532
Bynum Run at St Andrews Way Stream Restoration	847,026	173,255	673,771
Fleet Replacement	4,040,000	4,040,000	-
Refresh Program	2,385,000	2,053,042	331,958
Joppatowne Area Watershed Restoration	900,000	790,636	109,364
Plumtree Run Watershed Restoration	518,452	264,878	253,574
Sams Branch Watershed Restoration	852,922	138,493	714,429
Stormwater Pollution Prevention	491,395	373,770	117,625
HMAN (Harford County Metro Area Network)	12,200,000	12,199,353	647
Bel Air Parking Garage	645,000	565,438	79,562
* Board of Education-Debt Service	18,258,301	18,258,301	-
Countywide Facilities Master Plan Study	1,950,000	1,915,575	34,425
Efficiency Capital Investment Projects	710,000	312,566	397,434
GIS	250,000	226,099	23,901
Lily Run Watershed Restoration	725,000	65	724,935
Repairs to 45 South Main Street Building	100,000	99,489	511
* Board of Education-Debt Service	13,600,000	13,600,000	-
45 South Main-Add Emergency Power System	600,000	22,666	577,334
Hosanna School	240,000	221,862	18,138
Underground/Aboveground Storage Tank Management	75,000	74,992	8
Maintenance/Repair of Dams	545,000	217,582	327,418
MD 924 Small Area Corridor Plan	300,000	-	300,000

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>GENERAL COUNTY (continued)</b>			
Havre de Grace Opera House Renovations	500,000	-	500,000
Automated External Defibrillators (AED's)	20,000	-	20,000
Board of Education-Debt Service	14,260,492	14,260,492	-
Riverside Area Watershed Restoration	215,886	-	215,886
Maintenance/Repair of Dams	895,000	677,140	217,860
<b>Total General County</b>	<b>178,180,992</b>	<b>134,586,360</b>	<b>43,594,632</b>
<b>EDUCATION</b>			
Fire Alarm/Emergency Communications	825,000	607,275	217,725
Furniture & Equipment	955,000	738,844	216,156
Joppatowne Elementary Modernization	13,533,863	11,811,863	1,722,000
Deerfield Elementary Modernization/Replacement	22,432,143	21,771,317	660,826
School Buses Fiscal Year 2002	8,743,198	8,000,482	742,716
Athletic Fields Repair/Renovations	277,000	273,823	3,177
New High School/Middle School	60,322,094	56,841,945	3,480,149
North Harford Middle School Water System	261,114	255,014	6,100
Aberdeen High School North/Center For Career Opportunity	665,000	567,053	97,947
Backflow Prevention	450,000	339,509	110,491
Security Cameras	1,125,000	682,887	442,113
Integrated Business Systems	403,000	382,378	20,622
New Elementary Capital/Vale Rd/Red Pump Elementary	29,330,080	28,014,237	1,315,843
Textbook Refresh (Math)	6,210,000	2,399,771	3,810,229
ADA Improvements	500,000	245,401	254,599
HVAC Major Repairs	6,252,363	4,661,715	1,590,648
Edgewood High School Replacement	83,581,790	81,785,501	1,796,289
Roofing Replacement	1,236,530	972,573	263,957
Youth's Benefit Elementary School	22,566,866	4,218,880	18,347,986
North Harford Middle School Repairs	50,000	32,200	17,800
Homestead Wakefield Elementary School Modernization	133,454	32,454	101,000
Campus Hills Elementary School	900,000	839,860	60,140
* Havre de Grace High School HVAC	5,339,397	5,339,397	-
Septic Pre-Treatment for Code Upgrade	2,167,926	842,513	1,325,413
* Forest Hill Annex Electrical Upgrades	344,527	344,527	-
William Paca Elementary School Air Conditioning	3,955,057	3,953,433	1,624
* Youth's Benefit Elementary School Primary Building Air Conditioning	2,488,734	2,488,734	-
Jarrettsville Elementary School Air Conditioning	2,941,500	2,935,943	5,557
Magnolia Middle School HVAC	3,512,554	3,389,283	123,271
Havre de Grace High School Field Facilities	313,770	308,886	4,884
Building Envelope Improvements	200,000	199,718	282
Edgewood Middle School Computer Lab	115,000	78,217	36,783
Energy Efficiency Initiative Projects	114,316	-	114,316

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>EDUCATION (continued)</b>			
Fallston High School HVAC Project	8,223,940	3,823,180	4,400,760
Havre de Grace High School Replacement	3,700,000	2,262,819	1,437,181
Joppatowne High School Systemic Project	7,400,000	-	7,400,000
Music Equipment Refresh Program	50,000	47,524	2,476
Music Technology Lab	150,000	150,000	-
Norrisville Elementary School HVAC	1,720,000	1,363,139	356,861
North Harford Elementary School Comprehensive HVAC	1,175,000	1,175,000	-
Playground Equipment	350,000	223,723	126,277
* Roof Replacements 14	272,041	272,041	-
Stadium Upgrades-Joppatowne High School	300,000	267,773	32,227
Aberdeen High School Stadium/Weight Room Upgrades	1,600,000	1,564,190	35,810
* Homestead Wakefield Electrical Support for Technology	250,000	250,000	-
Joppatowne High School Weight Room Repairs	250,000	18,340	231,660
Security Initiative	640,000	638,669	1,331
Darlington Elementary School Comprehensive HVAC	1,535,000	139,050	1,395,950
Dublin Elementary School Comprehensive HVAC	2,055,000	300,432	1,754,568
North Harford Middle School Domestic Water Improvement	500,000	-	500,000
Ring Factory Elementary School HVAC	470,000	75,467	394,533
* Fountain Green Elementary School Technology	200,000	200,000	-
* Hickory Elementary School Technology	100,000	100,000	-
Technology Infrastructure	2,465,484	2,310,670	154,814
Environment Compliance Project	1,247,619	1,050,395	197,224
North Harford High School Modernization	31,873,132	31,562,148	310,984
* Technology	4,751,467	4,751,467	-
Bel Air High School Modernization/Replacement	78,185,348	78,180,719	4,629
Total Education	431,710,307	376,082,379	55,627,928
<b>FIRE/SAFETY</b>			
Fire, EMS & Law Enforcement CAD	2,450,000	2,450,000	-
Computer Equipment/Networks	2,241,742	2,044,800	196,942
New Emergency Operations Center Complex	46,444,525	34,041,778	12,402,747
* Susquehanna Hose Company House #3 Expansion	810,000	810,000	-
911 State Fee Fund	3,200,000	218,420	2,981,580
700 Mhz Wireless Radio System Equipment	21,693,992	16,232,536	5,461,456
Bel Air Substation at Patterson Mill	2,868,400	2,857,925	10,475
Norrisville Station	875,000	875,000	-
Public Safety Communication in School Buildings	250,000	145,826	104,174
Joppa Magnolia Fires Station Expansion	700,000	-	700,000
TRT Equipment	160,000	6,245	153,755
Volunteer Fire Company Facility Repair	100,000	98,875	1,125
Total Fire/Safety	81,793,659	59,781,405	22,012,254

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>COMMUNITY COLLEGE</b>			
New Allied Health and Nursing Building	7,456,000	7,456,000	-
Edgewood Hall Renovations	272,000	203,117	68,883
Total Community College	7,728,000	7,659,117	68,883
<b>LIBRARY</b>			
Jarrettsville Library	5,884,000	5,841,309	42,691
Facility Maintenance & Repairs	252,647	103,471	149,176
Whiteford Library Expansion	4,238,200	4,238,200	-
Facility Renovations	250,000	26,544	223,456
Aberdeen Library Feasibility Study	56,000	46,360	9,640
Darlington Feasibility Study	56,000	33,845	22,155
Havre de Grace Library Expansion	7,720,000	7,398,169	321,831
Technology	509,100	335,057	174,043
Joppa Branch-Centralized Dehumidification	100,000	43,074	56,926
Total Library	19,065,947	18,066,029	999,918
<b>LANDFILL</b>			
Tollgate Landfill Gas System	1,034,679	1,033,830	849
Harford County Waste Disposal Center Compost Area Facilities	525,000	31,045	493,955
Harford Waste Disposal Center Landfill Capping	9,320,000	7,048,377	2,271,623
Former Spencers Landfill Closure	6,700,000	6,041,991	658,009
* Solid Waste Transfer Station	2,915,686	2,915,618	68
Full Cost Accounting Study	300,000	300,000	-
Waste to Energy Facility Closure	400,000	-	400,000
HWDC Pavement Upgrades	200,000	-	200,000
Tollgate Yard Trim Recycling Center 15	1,375,081	25,000	1,350,081
Waste to Energy Repairs 15	403,753	-	403,753
Environmental Studies	1,440,900	1,231,564	209,336
Future Expansion	20,570,353	20,290,246	280,107
Total Landfill	45,185,452	38,917,671	6,267,781
<b>PARKS and RECREATION</b>			
Smith Property/Edgeley Grove	4,325,000	3,233,794	1,091,206
* Bush River Dredging & Disposal Material Placement Site	3,030,000	2,139,882	890,118
Prospect Mill Park	1,430,000	1,223,207	206,793
Churchville Complex Development	8,556,830	7,945,170	611,660
Heavenly Waters Park	1,820,000	926,681	893,319
Shucks Road Regional Sports Complex	8,110,415	5,485,084	2,625,331
Edgewood Recreation Park	1,155,000	912,180	242,820
* Fallston Youth/Senior Center	10,325,000	7,447,102	2,877,898

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

<b>PARKS and RECREATION (continued)</b>	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
Athletic Field Improvements	9,450,000	8,476,217	973,783
Indoor Recreation Facility	650,000	443,638	206,362
Joppatowne Area Dredging	990,000	421,874	568,126
Tudor Hall Rehabilitation	500,000	145,530	354,470
Vale Road Elementary School Facility	1,600,000	914,008	685,992
Bleacher Renovations	370,000	155,697	214,303
Darlington Park Development	1,575,000	108,988	1,466,012
Mariner Point Park Renovations	361,000	34,040	326,960
Nuttal Avenue Park Development	500,000	45,020	454,980
Belcamp Park Improvements	325,000	251,149	73,851
Broad Creek Boat Launch Ramp	649,000	369,147	279,853
Cedar Lane Sports Complex Improvements	1,911,000	335,657	1,575,343
Churchville Center Renovations	420,000	148,641	271,359
Eden Mill Park Rehabilitation	775,000	524,000	251,000
Facility Renovations	710,000	451,083	258,917
Natural Turf Improvements	960,000	279,497	680,503
Park Improvements	460,000	221,220	238,780
Park Land Acquisition	2,306,000	2,129,013	176,987
Playground Equipment	1,455,000	610,234	844,766
Anita C. Leight Center Improvements	495,000	103,091	391,909
Emmorton Rec and Tennis Center Improvements	545,000	440,586	104,414
Tennis/Multipurpose Courts	490,000	406,646	83,354
Equestrian Center Improvements	325,000	106,115	218,885
Backstop Renovations	195,000	16,607	178,393
Emily Bayliss Graham Park	950,000	37,880	912,120
Gunpowder River Dredging	1,254,000	518,160	735,840
Jarrettsville Complex Restrooms	350,000	269,499	80,501
Oakington Farms	1,900,000	495,650	1,404,350
Parking Lot Paving	149,000	149,000	-
Rockfield Park Improvements	100,000	15,728	84,272
Trails and Linear Parks	300,000	1,100	298,900
David Craig Park Development	75,000	40,081	34,919
Edgewood Rec and Community Center	100,000	46,044	53,956
Northern Regional Park	575,000	458,454	116,546
Water and Land Trails (North Park)	800,000	293,967	506,033
ADA Improvements	100,000	26,684	73,316
Debris-Derelict Boats	100,000	-	100,000
Disc Golf Course	50,000	42,591	7,409

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>PARKS and RECREATION (continued)</b>			
Fallston Maintenance Shop	50,000	10,207	39,793
Fallston Recreation Complex Improvements	325,000	320,841	4,159
McFaul Activity Center	500,000	77,682	422,318
Robert Copenhaver Park Improvements	75,000	43,310	31,690
SWM Pond Repair and Renovation	150,000	-	150,000
Abingdon Road Park	150,000	150,000	-
Enlarged Gymnasiums	600,000	-	600,000
Jarrettsville Recreation Center	510,775	-	510,775
Liriodendron Improvements	45,000	-	45,000
Swan Harbor Farm Improvements	150,000	-	150,000
<b>Total Parks and Recreation</b>	<b>76,128,020</b>	<b>49,447,676</b>	<b>26,680,344</b>
<b>HIGHWAYS-ROADS</b>			
Glen Elyn Culvert and Ponds Repair	392,500	392,500	-
* New Roads and Storm Drains 2002	1,266,740	742,975	523,765
Tollgate Road/West Ring Factory-Plumtree	3,143,439	1,466,155	1,677,284
Facilities Repair Program	1,007,000	814,842	192,158
Primrose Place	146,000	132,605	13,395
* Hickory II Improvements	823,503	795,014	28,489
Culvert Rehabilitation	4,050,000	3,832,581	217,419
Intersection Improvements	2,227,444	1,633,222	594,222
Village of Scot's Fancy-Starmount Lane	750,000	715,128	34,872
Shucks Road Improvements	600,000	137,192	462,808
Drainage Improvements	1,275,000	1,054,836	220,164
Fuel Dispensing System Upgrade	950,000	949,273	727
* New Roads and Storm Drains	1,545,000	1,177,150	367,850
Stormdrain Rehabilitation	1,291,231	1,238,911	52,320
MD 152/Oakmont Road/Port Lane	550,732	119,609	431,123
* Thomas Run Road (MD Route 22-West Medical Hall Road)	550,000	541,131	8,869
Sidewalks and Handicapped Ramps	680,000	549,572	130,428
Traffic Calming and Road Safety Improvements	450,000	311,654	138,346
Safeguarding Business Operations	1,881,200	1,557,893	323,307
Schucks Road Culvert Replacement	830,000	22,413	807,587
* Resurfacing Roadways	4,983,945	4,948,036	35,909
Fleet Replacement	5,442,000	5,439,388	2,612
* Resurfacing Roadways	5,640,000	5,639,978	22
700 MHZ Wireless Radio System Equipment	1,600,000	1,599,250	750

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>HIGHWAYS-ROADS (continued)</b>			
Efficiency Capital Investment Project	130,000	90,515	39,485
Guardrails Fiscal Year 2013	325,000	313,406	11,594
HMAN (Harford County Metro Area Network)	930,000	929,952	48
New Roads and Storm Drains	1,475,000	72,183	1,402,817
Refresh Program	323,000	249,609	73,391
Resurfacing Roadways	6,661,509	6,455,003	206,506
Edwards Lane Culvert	50,000	-	50,000
Bel Air Area Transportation Study	300,000	224,514	75,486
Landis Circle-Foxborough Farm	350,000	-	350,000
Traffic Signals 15	109,601	-	109,601
Resurfacing Roadways	5,603,106	2,818,668	2,784,438
* Sidewalks	1,375,000	876,506	498,494
Moores Mill Road	7,212,113	6,026,072	1,186,041
* Carrs Mill Road/Route 152-Grafton Shop	1,195,000	1,166,302	28,698
Wheel Road/Laurel Bush - Fairway Road	6,650,000	6,403,915	246,085
Total Roads	74,765,063	61,437,953	13,327,110
<b>HIGHWAYS-BRIDGES</b>			
Harford Creamery Road Bridge #104	1,710,000	1,552,879	157,121
Watervale Road Bridge #63	3,380,000	3,376,141	3,859
Bridge Inspection Program	2,940,000	2,072,907	867,093
Bridge Rehabilitation	2,850,000	2,846,968	3,032
Road and Bridge Scour Repairs	950,000	743,991	206,009
Macton Road Bridge #145	1,086,268	945,449	140,819
Snake Lane Bridge #31	195,000	169,740	25,260
Carrs Mill Road Bridge	1,995,000	383,472	1,611,528
Glen Cove Road Bridge #156	150,000	150,000	-
Robinson Mill Road Bridge #154	1,265,000	272,152	992,848
Abingdon Road Bridge #169 Over CSX	730,000	334,804	395,196
Jericho Road Bridge #3	1,500,000	199,999	1,300,001
Chestnut Hill Bridge #40	340,000	155,659	184,341
Phillips Mill Road Bridge #70	400,000	265,333	134,667
Hess Road Bridge #82	1,300,000	767,457	532,543
Prospect Road Bridge #217	225,000	3,060	221,940
Bridge Painting	225,000	225,000	-

(continued)

**Harford County, Maryland**  
**General County Capital Projects Funds**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2015**

(continued)

**Exhibit F-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>HIGHWAYS-BRIDGES (continued)</b>			
Bridge Rehabilitation	750,000	745,858	4,142
Green Road Bridge #122	190,000	116,816	73,184
Bridge Painting	100,000	90,398	9,602
Fawn Grove Road Bridge #132	175,000	5,467	169,533
* Green Road Bridge #119	15,000	15,000	-
New Park Road Bridge #125	175,000	150,912	24,088
Stafford Road Bridge	200,000	4,977	195,023
Structural Evaluation	420,000	322,353	97,647
Total Bridges	23,266,268	15,916,792	7,349,476
Total Highways	98,031,331	77,354,745	20,676,586
Total All Projects	937,823,708	761,895,382	175,928,326
*Less Closed Projects	(85,949,529)	(78,073,317)	(7,876,212)
Total Capital Project Funds	\$ 851,874,179	\$ 683,822,065	\$ 168,052,114

# *Enterprise Fund*

**HARFORD COUNTY, MARYLAND**  
**Water and Sewer Fund**  
**Schedule of Capital Projects, Appropriations, and Expenditures**  
**For the Year Ended June 30, 2015**

**Exhibit G-1**

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>SEWER PROJECTS</b>			
* Church Creek Pump Station Replacement	\$ 1,849,952	\$ -	\$ 1,849,952
* Church Creek Pump Station Replacement	8,224,814	8,224,814	-
* Church Creek Pump Station Replacement	25,234	25,234	-
Harford Estates Pump Station Abandonment	5,532,100	3,717,418	1,814,682
Lower Bynum Run	1,317,351	85,919	1,231,432
* Lower Bynum Run	40,612	40,612	-
* Lower Bynum Run	8,282,037	8,282,037	-
* Plumtree Collector Parallel Phase II	100,000	55,964	44,036
Joppatowne Pump Station No.47	4,048,750	286,869	3,761,881
* Joppatowne Pump Station No.47	1,250	1,250	-
Enhanced Nutrient Removal Refinement at Sod Run	12,993,233	89,194	12,904,039
* Enhanced Nutrient Removal Refinement at Sod Run	44,506,767	44,506,767	-
Bush Creek Pump Station 4th Pump	27,381,877	16,237,068	11,144,809
* Bush Creek Pump Station 4th Pump	18,123	18,123	-
Utility Protection/Restoration	500,000	215,880	284,120
Infiltration & Inflow	3,400,000	1,374,433	2,025,567
Bynum Run Parallel Phase 6 & 7	8,557,134	310,903	8,246,231
* Bynum Run Parallel Phase 6 & 7	35,985	35,985	-
* Bynum Run Parallel Phase 6 & 7	20,051	20,051	-
* Enhanced Nutrient Removal at Joppatowne Waste Treatment Plant	5,500,000	3,402,406	2,097,594
Edgewood Interceptor Sewer Parallel	500,000	155,631	344,369
Green Ridge Pump Station Replacement	392,093	-	392,093
* Green Ridge Pump Station Replacement	1,107,907	1,107,907	-
* Infiltration and Inflow	350,000	107,499	242,501
* Bill Bass Outfall Sewer Replacement	800,000	679,890	120,110
Sod Run Facility Improvements	2,600,000	1,144,831	1,455,169
Renewal and Replacement - Sewer	800,000	113,548	686,452
Bill Bass Pump Station Forcemain Replacement	700,384	21,887	678,497
* Harford Waste Water Treatment Plant Facility Improvements	885,000	2,045	882,955
Oaklyn Manor/Joppa Area Sewer Relief	1,950,300	1,464,291	486,009
Town Center Drive Pump Station	350,000	-	350,000
Ring Factory Pump Station and Fairwind Farms Abandonment	720,000	-	720,000
* Bynum Ridge Replacement Sewer	200,000	-	200,000
Total Sewer Projects	143,690,954	91,728,456	51,962,498
<b>WATER PROJECTS</b>			
Abingdon Water Treatment Plant Expansion	874,850	228,403	646,447
* Abingdon Water Treatment Plant Expansion	5,557,387	5,557,387	-
* Abingdon Water Treatment Plant Expansion	150,000	150,000	-
* Abingdon Water Treatment Plant Expansion	64,516,949	64,516,949	-
* Abingdon Water Treatment Plant Expansion	5,435,814	5,435,814	-

(continued)

**HARFORD COUNTY, MARYLAND**  
**Water and Sewer Fund**  
**Schedule of Capital Projects, Appropriations, and Expenditures**  
**For the Year Ended June 30, 2015**

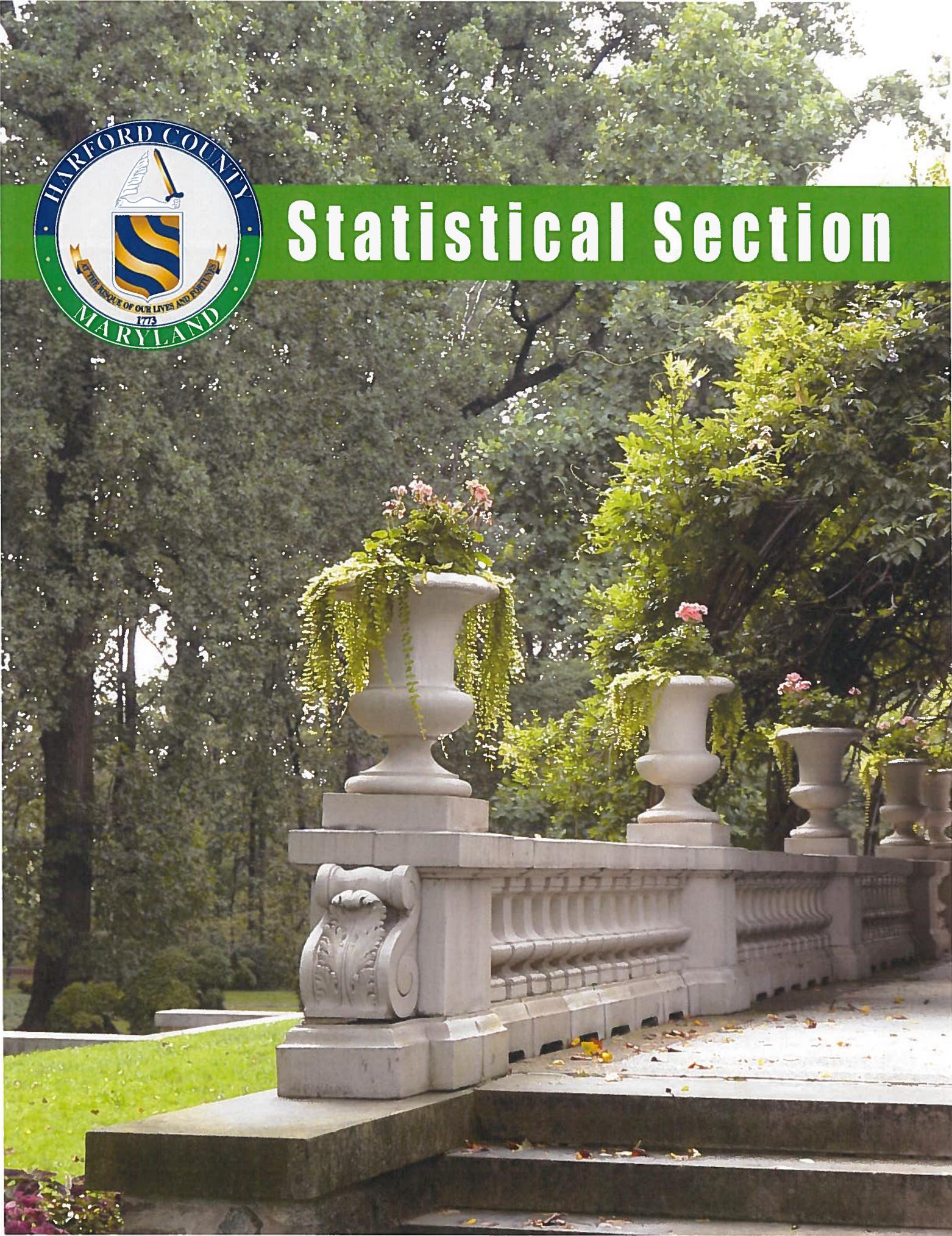
(continued)

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
<b>WATER PROJECTS (continued)</b>			
Abingdon Road Water Main Parallel	8,298,251	269,791	8,028,460
* Abingdon Road Water Main Parallel	1,749	1,749	-
* Route 24 Water Transmission	160,000	71,052	88,948
* Tollgate Road Water Main Parallel Magnolia Booster Station	7,773	7,003	770
* Water Construction Unanticipated	200,000	53,568	146,432
* Tank Painting	300,000	230,553	69,447
* City of Baltimore Deer Creek Pump Station	300,000	296,999	3,001
* City of Baltimore Raw Water Supply	3,700,000	3,039,812	660,188
* Abingdon Maintenance Storage Protection	3,300,000	1,206,216	2,093,784
* Water Quality Improvements	200,000	198,768	1,232
Renewal and Replacement Water	600,000	206,124	393,876
* Water Meter Upgrade	400,000	-	400,000
* Water Zone Improvements	1,210,000	1,079,716	130,284
* Tank Painting FY14	150,000	-	150,000
* Replacement of Water Booster Station	500,000	470,015	29,985
* Water Construction Unanticipated	300,000	-	300,000
* Tank Painting FY15	460,000	96,846	363,154
Tollgate Road Water Main Parallel 15	800,000	-	800,000
	1,292,227	-	1,292,227
Total Water Projects	98,715,000	83,116,765	15,598,235
<b>OTHER PROJECTS</b>			
Site Acquisition Water and Sewer Facilities	800,000	10,073	789,927
* Safeguarding Business Operations	1,982,694	1,563,569	419,125
Safeguarding Business Operations	35,706	35,706	-
Fleet Replacement	2,262,000	1,552,423	709,577
* 700 MHZ Wireless Radio System Equipment	649,000	607,660	41,340
* HMAN	1,220,000	1,012,435	207,565
* Refresh Program	342,000	269,565	72,435
* Water and Sewer Rate Study	300,000	184,686	115,314
* Water and Sewer Authority Establishment	2,000,000	295,318	1,704,682
* Electrical/Network/Phone	130,000	101,556	28,444
* Fuel Dispensing System Upgrade	120,000	77,056	42,944
* Underground and Aboveground Storage Tank Management	50,000	3,425	46,575
* Water and Sewer Billing Project	1,500,000	-	1,500,000
Total Other Projects	11,391,400	5,713,472	5,677,928
Total Water, Sewer and Other Projects	253,797,354	180,558,693	73,238,661
*Less Closed and Capitalized Projects	(167,891,098)	(153,190,857)	(14,700,241)
Total Open Water, Sewer and Other Projects	\$ 85,906,256	\$ 27,367,836	\$ 58,538,420



# Statistical Section



## ***Statistical Section***

*(Unaudited)*

This part of the Harford County's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent Certified Public Accountants.

### **Financial Trends**

Tables 1 through 5 contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.

### **Revenue Capacity**

Tables 6 through 9 contain information that may assist the reader in assessing the viability of the County's most significant local revenue source, property taxes.

### **Debt Capacity**

Tables 10 through 13 present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

### **Economic & Demographic Information**

Tables 14 and 15 offer economic and demographic indicators that may assist the reader in understanding the environment within which the County's financial activities take place.

### **Operating Information**

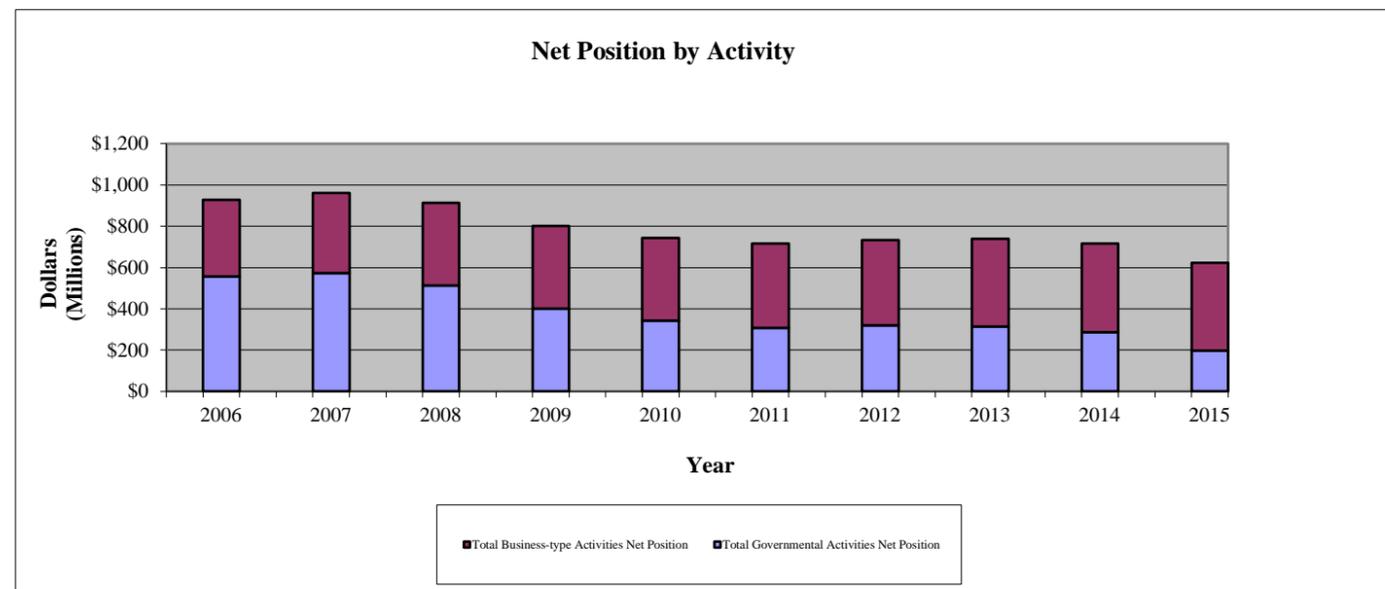
Tables 16 through 18 contain service and infrastructure indicators that may assist the reader in understanding how the information in the County's financial statements relates to the services the County provides and the activities it performs.

**Harford County, Maryland**

**Net Position by Component (accrual basis of accounting)**

**Table 1  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 395,170,359	\$ 412,786,546	\$ 464,659,388	\$ 449,571,374	\$ 444,082,892	\$ 422,414,425	\$ 434,233,561	\$ 449,378,060	\$ 436,216,089	\$ 435,846,522
Restricted	63,909,160	76,961,572	76,207,751	78,842,512	77,888,816	91,867,107	93,748,598	78,915,495	75,653,146	78,466,405
Unrestricted	96,748,018	83,544,901	(27,463,371)	(126,890,551)	(178,174,967)	(207,023,969)	(207,432,487)	(214,931,280)	(225,213,903)	(316,918,125)
<b>Total Governmental Activities Net Position</b>	<b>\$ 555,827,537</b>	<b>\$ 573,293,019</b>	<b>\$ 513,403,768</b>	<b>\$ 401,523,335</b>	<b>\$ 343,796,741</b>	<b>\$ 307,257,563</b>	<b>\$ 320,549,672</b>	<b>\$ 313,362,275</b>	<b>\$ 286,655,332</b>	<b>\$ 197,394,802</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 241,947,408	\$ 256,147,742	\$ 264,079,863	\$ 277,437,097	\$ 285,389,182	\$ 290,793,475	\$ 303,842,266	\$ 322,126,658	\$ 332,396,851	\$ 326,999,832
Unrestricted	130,235,522	131,468,032	135,343,466	121,551,999	114,501,559	117,859,447	108,369,103	103,828,202	96,967,039	98,309,496
<b>Total Business-type Activities Net Position</b>	<b>\$ 372,182,930</b>	<b>\$ 387,615,774</b>	<b>\$ 399,423,329</b>	<b>\$ 398,989,096</b>	<b>\$ 399,890,741</b>	<b>\$ 408,652,922</b>	<b>\$ 412,211,369</b>	<b>\$ 425,954,860</b>	<b>\$ 429,363,890</b>	<b>\$ 425,309,328</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 637,117,767	\$ 668,934,288	\$ 728,739,251	\$ 727,008,471	\$ 729,472,074	\$ 713,207,900	\$ 738,075,827	\$ 771,504,718	\$ 768,612,940	\$ 762,846,354
Restricted	63,909,160	76,961,572	76,207,751	78,842,512	77,888,816	91,867,107	93,748,598	78,915,495	75,653,146	78,466,405
Unrestricted	226,983,540	215,012,933	107,880,095	(5,338,552)	(63,673,408)	(89,164,522)	(99,063,384)	(111,103,078)	(128,246,864)	(218,608,629)
<b>Total Primary Government Net Position</b>	<b>\$ 928,010,467</b>	<b>\$ 960,908,793</b>	<b>\$ 912,827,097</b>	<b>\$ 800,512,431</b>	<b>\$ 743,687,482</b>	<b>\$ 715,910,485</b>	<b>\$ 732,761,041</b>	<b>\$ 739,317,135</b>	<b>\$ 716,019,222</b>	<b>\$ 622,704,130</b>



**Harford County, Maryland**

**Changes in Net Position (accrual basis of accounting)**

**Table 2  
Last Ten Fiscal Years**

<b>Expenses (by function)</b>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Government Activities</i>										
Agricultural Preservation	\$ 3,063,167	\$ 1,967,017	\$ 3,127,195	\$ 5,695,097	\$ 4,249,774	\$ 3,319,578	\$ 3,432,517	\$ 3,601,838	\$ 3,398,295	\$ 3,636,451
County Council	1,771,152	1,859,440	2,379,819	2,243,875	2,148,195	2,198,979	2,597,248	2,763,150	2,536,764	2,529,133
General Government	22,934,310	36,207,586	43,776,142	51,703,093	48,547,861	38,564,852	43,655,212	46,041,421	55,642,498	58,237,782
Education-Primary thru Com. College	237,071,869	241,576,927	297,182,465	319,330,062	291,542,340	257,424,328	256,361,884	248,045,564	250,907,788	256,219,860
Harford Center	432,143	482,143	532,142	582,143	553,036	553,036	553,036	553,036	553,036	553,036
Judicial	8,342,616	9,052,442	10,398,970	10,206,733	9,943,671	10,159,127	9,666,237	9,950,169	9,982,512	10,059,178
Libraries	17,313,195	12,894,760	16,406,652	16,809,566	16,446,279	21,721,995	17,359,356	17,314,092	17,271,606	17,697,885
Parks, Recreation and Natural Resources	11,255,578	19,323,689	18,980,453	14,431,566	17,598,714	20,811,081	14,416,981	15,697,516	17,520,868	17,895,586
Public Safety	64,446,233	74,225,224	95,946,852	95,086,768	96,984,770	113,230,332	95,202,878	106,668,221	105,436,479	107,574,608
Public Works	66,827,829	56,214,545	73,819,429	60,809,936	74,378,929	63,368,723	61,916,296	60,279,965	77,195,654	68,092,544
Social Services & Health	22,780,840	25,119,209	26,492,857	28,677,264	29,228,702	29,806,456	28,365,201	28,769,204	26,384,324	26,622,115
Unallocated Debt Interest/Other Costs	8,498,206	8,202,236	9,995,430	10,563,561	13,071,359	19,962,786	18,871,700	14,273,378	17,409,320	13,830,034
<b>Total Government Activities</b>	<b>464,737,138</b>	<b>487,125,218</b>	<b>599,038,406</b>	<b>616,139,664</b>	<b>604,693,630</b>	<b>581,121,273</b>	<b>552,398,546</b>	<b>553,957,554</b>	<b>584,239,144</b>	<b>582,948,212</b>
<i>Business-type Activities</i>										
Water and Sewer	35,899,779	36,525,841	40,077,024	40,862,648	41,514,775	41,859,508	42,953,467	50,101,124	48,734,923	48,746,983
<b>Total Business-type Activities</b>	<b>35,899,779</b>	<b>36,525,841</b>	<b>40,077,024</b>	<b>40,862,648</b>	<b>41,514,775</b>	<b>41,859,508</b>	<b>42,953,467</b>	<b>50,101,124</b>	<b>48,734,923</b>	<b>48,746,983</b>
<b>Total Primary Government Expenses</b>	<b>\$ 500,636,917</b>	<b>\$ 523,651,059</b>	<b>\$ 639,115,430</b>	<b>\$ 657,002,312</b>	<b>\$ 646,208,405</b>	<b>\$ 622,980,781</b>	<b>\$ 595,352,013</b>	<b>\$ 604,058,678</b>	<b>\$ 632,974,067</b>	<b>\$ 631,695,195</b>
<b>Program Revenues</b>										
<i>Government Activities</i>										
Charges for Services										
General Government	\$ 1,984,467	\$ 2,087,329	\$ 2,109,440	\$ 2,149,523	\$ 2,407,582	\$ 2,375,772	\$ 2,662,846	\$ 2,778,718	\$ 2,478,640	\$ 3,300,921
Public Safety	6,441,809	6,647,023	6,227,490	5,370,147	4,029,330	3,636,934	3,978,388	3,701,079	3,889,979	4,177,039
Public Works	14,678,365	14,754,084	16,734,280	11,573,060	13,345,821	12,048,111	14,151,371	13,570,360	13,843,482	14,594,676
Other Activities	1,302,711	1,300,942	1,340,804	1,170,172	2,194,432	1,373,949	1,511,258	1,553,179	1,456,139	1,385,467
Operating Grants and Contributions	32,667,246	33,674,068	34,867,362	36,473,746	33,788,214	28,476,585	25,216,324	30,926,766	21,717,403	26,680,817
Capital Grants and Contributions	23,626,095	17,680,246	17,557,762	9,210,506	17,130,252	21,112,129	10,270,108	11,878,363	9,982,404	15,281,180
<b>Total Governmental Activities Program Revenue</b>	<b>80,700,693</b>	<b>76,143,692</b>	<b>78,837,138</b>	<b>65,947,154</b>	<b>72,895,631</b>	<b>69,023,480</b>	<b>57,790,295</b>	<b>64,408,465</b>	<b>53,368,047</b>	<b>65,420,100</b>
<i>Business-type Activities</i>										
Charges for Services	22,236,063	22,757,806	24,179,578	24,001,673	24,994,995	26,142,956	25,658,671	26,179,225	28,421,736	28,553,733
Operating Grants and Contributions	-	-	-	-	-	512,576	704,699	648,672	444,149	461,364
Capital Grants and Contributions	20,539,437	18,600,053	17,661,512	10,366,224	12,941,591	19,384,615	16,181,330	32,698,896	20,089,299	19,125,274
<b>Total Business-type Activities Program Revenue</b>	<b>42,775,500</b>	<b>41,357,859</b>	<b>41,841,090</b>	<b>34,367,897</b>	<b>37,936,586</b>	<b>46,040,147</b>	<b>42,544,700</b>	<b>59,526,793</b>	<b>48,955,184</b>	<b>48,140,371</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 123,476,193</b>	<b>\$ 117,501,551</b>	<b>\$ 120,678,228</b>	<b>\$ 100,315,051</b>	<b>\$ 110,832,217</b>	<b>\$ 115,063,627</b>	<b>\$ 100,334,995</b>	<b>\$ 123,935,258</b>	<b>\$ 102,323,231</b>	<b>\$ 113,560,471</b>
<b>Net (Expense) Revenue</b>										
<i>Government Activities</i>										
	\$ (384,036,445)	\$ (410,981,526)	\$ (520,201,268)	\$ (550,192,510)	\$ (531,797,999)	\$ (512,097,793)	\$ (494,608,251)	\$ (489,549,089)	\$ (530,871,097)	\$ (517,528,112)
<i>Business-type Activities</i>										
	6,875,721	4,832,018	1,764,066	(6,494,751)	(3,578,189)	4,180,639	(408,767)	9,425,669	220,261	(606,612)
<b>Total Primary Government Net Expense</b>	<b>\$ (377,160,724)</b>	<b>\$ (406,149,508)</b>	<b>\$ (518,437,202)</b>	<b>\$ (556,687,261)</b>	<b>\$ (535,376,188)</b>	<b>\$ (507,917,154)</b>	<b>\$ (495,017,018)</b>	<b>\$ (480,123,420)</b>	<b>\$ (530,650,836)</b>	<b>\$ (518,134,724)</b>

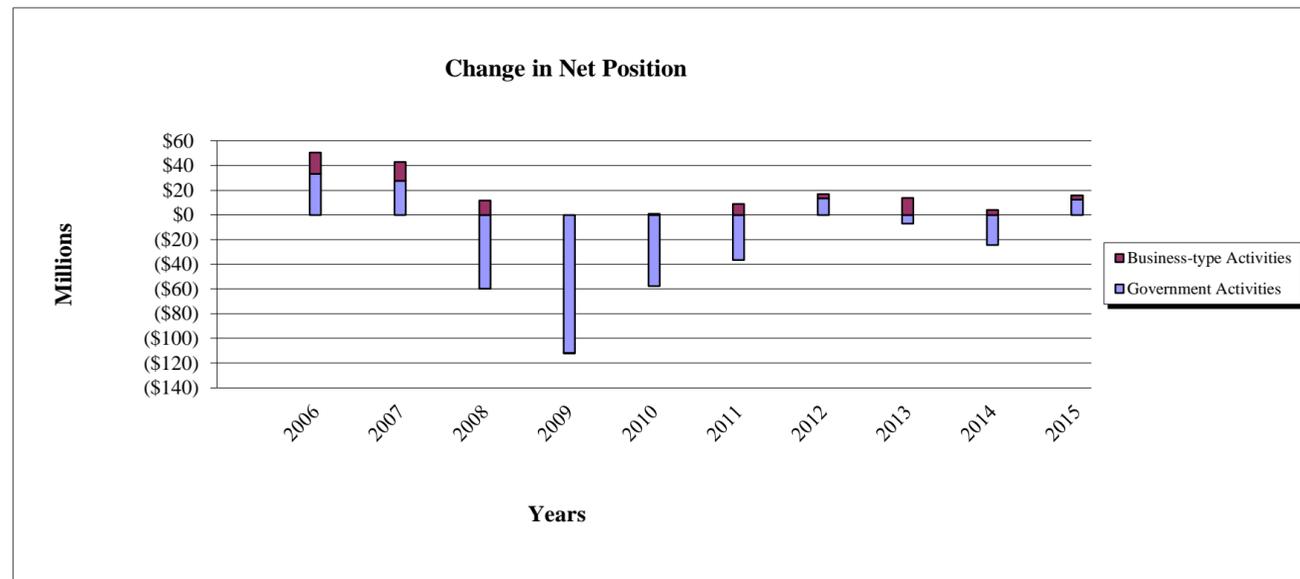
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**Harford County, Maryland**

**Changes in Net Position (accrual basis of accounting)**

**Table 2 (continued)**  
**Last Ten Fiscal Years**

<b>General Revenues and Other Changes in Net Assets</b>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Government Activities</i>										
Taxes										
Property Taxes	\$ 195,158,988	\$ 218,160,400	\$ 243,355,073	\$ 269,385,374	\$ 286,733,047	\$ 290,004,412	\$ 295,910,417	\$ 286,926,355	\$ 285,269,614	\$ 286,911,796
Income Taxes	158,656,846	160,292,947	167,483,930	136,159,443	155,948,152	158,374,084	182,590,526	169,703,257	190,722,550	206,469,855
Other Taxes	48,152,486	41,225,896	31,524,076	21,920,852	25,609,883	23,980,727	22,791,891	24,124,916	26,539,923	32,548,932
Investment Earnings	9,566,164	14,410,465	15,068,189	7,883,023	5,094,195	2,113,223	5,607,895	(520,840)	1,532,992	1,771,885
Grants and Contributions	860,767	909,303	832,651	100,161	132,964	185,216	189,543	239,369	269,076	254,020
Miscellaneous	4,738,703	3,491,848	2,048,098	2,863,224	553,164	900,953	810,088	1,888,635	2,231,878	1,849,327
<b>Total Governmental Activities</b>	<b>417,133,954</b>	<b>438,490,859</b>	<b>460,312,017</b>	<b>438,312,077</b>	<b>474,071,405</b>	<b>475,558,615</b>	<b>507,900,360</b>	<b>482,361,692</b>	<b>506,566,033</b>	<b>529,805,815</b>
<i>Business-type Activities</i>										
Recordation Tax	3,943,394	3,213,661	2,501,024	1,572,507	1,706,028	1,651,107	1,514,835	1,783,159	1,767,810	2,174,467
Investment Earnings	6,576,565	7,387,165	7,542,465	4,488,011	2,773,806	2,582,713	2,452,379	2,534,663	2,225,142	2,155,375
Miscellaneous	-	-	-	-	-	347,722	-	-	-	-
<b>Total Business-type Activities</b>	<b>10,519,959</b>	<b>10,600,826</b>	<b>10,043,489</b>	<b>6,060,518</b>	<b>4,479,834</b>	<b>4,581,542</b>	<b>3,967,214</b>	<b>4,317,822</b>	<b>3,992,952</b>	<b>4,329,842</b>
<b>Total Primary Government</b>	<b>\$ 427,653,913</b>	<b>\$ 449,091,685</b>	<b>\$ 470,355,506</b>	<b>\$ 444,372,595</b>	<b>\$ 478,551,239</b>	<b>\$ 480,140,157</b>	<b>\$ 511,867,574</b>	<b>\$ 486,679,514</b>	<b>\$ 510,558,985</b>	<b>\$ 534,135,657</b>
<b>Change in Net Position</b>										
<i>Government Activities</i>	\$ 33,097,509	\$ 27,509,333	\$ (59,889,251)	\$ (111,880,433)	\$ (57,726,594)	\$ (36,539,178)	\$ 13,292,109	\$ (7,187,397)	\$ (24,305,064)	\$ 12,277,703
<i>Business-type Activities</i>	17,395,680	15,432,844	11,807,555	(434,233)	901,645	8,762,181	3,558,447	13,743,491	4,213,213	3,723,230
<b>Total Primary Government</b>	<b>\$ 50,493,189</b>	<b>\$ 42,942,177</b>	<b>\$ (48,081,696)</b>	<b>\$ (112,314,666)</b>	<b>\$ (56,824,949)</b>	<b>\$ (27,776,997)</b>	<b>\$ 16,850,556</b>	<b>\$ 6,556,094</b>	<b>\$ (20,091,851)</b>	<b>\$ 16,000,933</b>



**Harford County, Maryland**

**Fund Balances, Governmental Funds (modified accrual basis of accounting)**

**Table 3  
Last Ten Fiscal Years; Restated**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Nonspendable:</b>										
Inventory	\$ 1,445,667	\$ 1,690,366	\$ 1,964,376	\$ 2,079,969	\$ 2,019,073	\$ 2,114,574	\$ 2,025,093	\$ 1,922,189	\$ 1,519,258	\$ 2,053,832
Prepaid	131,282	131,282	131,282	131,282	131,282	131,282	539,162	576,287	872,050	340,899
Long-term Receivable	803,569	750,852	695,894	907,399	1,449,301	538,285	471,561	398,743	327,495	253,248
	<u>2,380,518</u>	<u>2,572,500</u>	<u>2,791,552</u>	<u>3,118,650</u>	<u>3,599,656</u>	<u>2,784,141</u>	<u>3,035,816</u>	<u>2,897,219</u>	<u>2,718,803</u>	<u>2,647,979</u>
<b>Restricted for:</b>										
Harford County Public Schools	2,260,747	11,911,872	13,698,754	17,044,211	6,279,957	13,711,336	8,358,301	2,660,492	1,955,920	3,850,435
Bond Proceeds	9,080,695	6,103,211	30,562,023	32,377,981	83,110,584	35,468,418	18,814,860	23,809,815	10,529,766	10,269,113
Beechtree Debt Service	-	-	-	-	-	-	2,089,432	1,994,150	2,051,207	2,222,965
General Fund Detention Center	177,409	386,861	554,510	765,303	952,289	1,010,310	1,010,012	899,169	800,569	646,864
Dedicated Revenues	-	-	-	-	-	-	-	39,518	642,710	1,333,257
Parks and Recreation	194,914	729,145	1,662	129,104	849,988	594,673	-	457,135	403,329	299,346
Grants	2,691,037	3,305,701	4,487,913	4,635,607	8,684,777	8,584,742	6,825,412	7,718,401	6,385,091	6,090,409
Lease Purchase Proceeds	-	8,155,360	1,224,637	-	1,191,984	-	-	-	-	-
	<u>14,404,802</u>	<u>30,592,150</u>	<u>50,529,499</u>	<u>54,952,206</u>	<u>101,069,579</u>	<u>59,369,479</u>	<u>37,098,017</u>	<u>37,578,680</u>	<u>22,768,592</u>	<u>24,712,389</u>
<b>Committed to:</b>										
Development Rights	19,920,299	22,756,704	32,953,506	37,983,430	42,038,898	43,308,194	51,212,976	48,873,277	48,625,100	49,265,285
	<u>19,920,299</u>	<u>22,756,704</u>	<u>32,953,506</u>	<u>37,983,430</u>	<u>42,038,898</u>	<u>43,308,194</u>	<u>51,212,976</u>	<u>48,873,277</u>	<u>48,625,100</u>	<u>49,265,285</u>
<b>Assigned to:</b>										
Appropriation of Fund Balance	36,573,989	43,543,890	30,124,908	9,754,106	12,031,257	50,646,722	32,774,997	27,863,378	2,193,164	2,042,620
Fiscal Stabilization Fund	24,535,175	26,529,534	27,296,784	25,738,539	25,745,240	27,028,071	27,792,167	28,056,319	27,411,936	28,206,062
Encumbrances	16,743,241	21,392,723	20,053,621	20,999,378	34,889,776	18,868,628	36,579,261	47,352,361	44,988,951	33,281,886
Other Post Employment Benefits	63,350	8,573,008	5,099,596	63,350	7,390,878	-	9,529,486	7,643,503	7,378,857	3,645,046
Landfill Closure Costs	11,122,509	11,501,927	12,663,965	15,301,157	15,500,786	9,020,231	17,961,438	13,732,971	16,060,419	14,965,543
WTE Plant Closure	-	-	-	-	-	-	-	4,000,000	4,000,000	3,000,000
Income Tax	-	-	-	-	-	-	-	2,439,735	2,577,900	3,172,882
Healthcare Consortium	-	-	-	-	-	-	-	2,112,308	1,970,314	2,184,155
Highways	4,292,902	856,893	9,079,727	14,217,744	14,380,858	11,661,675	6,158,931	2,533,371	3,237,844	2,870,447
Ag Preservation	22,320,467	16,416,611	11,708,279	1,220,005	3,467,777	5,146,399	2,575,330	2,740,326	4,526,391	6,684,560
Capital Projects	44,014,210	23,554,049	13,693,316	-	-	-	-	-	871,781	-
Non-major P&R Fund	25,630	35,737	24,480	76,424	114,506	225,413	334,332	405,112	267,015	383,333
	<u>159,691,473</u>	<u>152,404,372</u>	<u>129,744,676</u>	<u>87,370,703</u>	<u>113,521,078</u>	<u>122,597,139</u>	<u>133,705,942</u>	<u>138,879,384</u>	<u>115,484,572</u>	<u>100,436,534</u>
<b>Unassigned:</b>	<u>30,801,310</u>	<u>22,826,647</u>	<u>7,275,141</u>	<u>12,953,584</u>	<u>8,126,063</u>	<u>7,310,375</u>	<u>17,942,179</u>	<u>6,933,118</u>	<u>8,415,752</u>	<u>10,144,451</u>
<b>Total Fund Balance</b>	<u>\$ 227,198,402</u>	<u>\$ 231,152,373</u>	<u>\$ 223,294,374</u>	<u>\$ 196,378,573</u>	<u>\$ 268,355,274</u>	<u>\$ 235,369,328</u>	<u>\$ 242,994,930</u>	<u>\$ 235,161,678</u>	<u>\$ 198,012,819</u>	<u>\$ 187,206,638</u>

**Harford County, Maryland**

**Changes in Fund Balances, Governmental Funds (modified accrual basis of accounting)**

**Table 4  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>										
Taxes	\$ 397,052,086	\$ 422,717,106	\$ 438,882,450	\$ 452,667,810	\$ 466,531,995	\$ 480,666,752	\$ 496,535,537	\$ 495,330,898	\$ 501,523,551	\$ 513,835,241
Revenues from Other Agencies	38,652,065	42,139,431	47,211,851	39,468,501	46,537,712	43,118,868	29,749,668	33,686,277	29,595,350	33,802,477
Investment Income	9,233,932	13,985,693	14,564,031	7,658,217	5,043,402	2,079,353	5,581,671	(542,222)	1,503,056	1,732,563
Charges for Current Services	20,657,426	20,936,913	21,348,472	18,410,619	16,194,617	15,688,351	18,136,842	17,374,063	17,832,577	18,516,176
Miscellaneous	2,328,712	4,348,707	3,547,649	3,659,409	3,152,079	3,284,872	2,478,915	3,534,451	2,776,961	5,254,065
Licenses and Permits	3,429,632	3,412,684	3,108,872	2,746,769	3,152,131	3,302,291	3,602,640	3,637,218	3,939,672	4,637,143
Fines and Forfeitures	320,294	439,781	520,451	293,516	715,952	227,873	340,840	383,513	427,730	397,330
Total Revenues	<u>471,674,147</u>	<u>507,980,315</u>	<u>529,183,776</u>	<u>524,904,841</u>	<u>541,327,888</u>	<u>548,368,360</u>	<u>556,426,113</u>	<u>553,404,198</u>	<u>557,598,897</u>	<u>578,174,995</u>
<b>EXPENDITURES</b>										
Agricultural Preservation	3,390,559	6,740,532	23,120,378	14,419,355	1,069,805	188,385	7,417,674	2,486,811	249,145	3,742,534
County Council	1,753,619	1,894,779	2,499,875	2,181,966	2,077,277	2,191,906	2,495,986	2,750,755	2,554,700	2,528,328
General Government	24,667,799	28,921,206	36,931,065	43,946,514	39,126,361	33,984,438	39,610,270	37,250,164	41,960,700	47,122,698
Education-Primary thru Comm. College	189,193,543	204,193,543	215,393,543	222,918,540	226,354,606	225,580,152	232,933,767	234,782,980	236,262,341	238,628,914
Harford Center	432,143	482,143	532,143	582,143	553,036	553,036	553,036	553,036	553,036	553,036
Judicial	7,829,181	8,530,681	9,658,821	9,489,000	9,190,480	9,525,838	9,596,365	9,856,080	9,929,303	10,096,464
Libraries	13,105,781	14,361,956	15,705,461	16,135,917	15,312,147	15,112,147	15,692,144	16,054,666	16,158,310	16,137,189
Parks, Recreation and Natural Resources	8,379,757	9,616,126	11,356,395	11,140,363	10,436,404	10,864,188	10,853,176	11,626,440	11,970,808	11,470,033
Public Safety	63,317,434	69,010,378	88,947,220	86,708,998	89,322,138	94,157,346	91,778,607	98,418,762	98,702,584	97,415,839
Public Works	37,785,746	41,461,050	48,226,571	43,296,084	43,737,049	41,088,647	38,448,739	40,468,362	44,625,171	49,563,413
Social Services	22,063,636	24,183,444	26,433,379	29,229,188	28,775,089	27,393,475	27,337,422	31,740,859	26,067,117	25,848,168
Capital Outlay	92,586,151	86,959,198	139,888,861	146,470,982	118,270,600	89,082,362	61,703,327	53,425,443	84,079,924	79,055,063
Debt Service										
Principal	21,686,606	18,050,332	20,403,260	22,135,758	23,386,490	26,060,395	35,109,464	33,879,261	33,888,884	32,889,398
Interest	10,596,280	10,296,906	12,689,676	14,110,855	15,845,507	19,968,082	23,498,877	22,590,163	22,609,092	22,689,162
Administrative Cost	159,045	470,370	567,990	685,625	1,210,978	1,197,249	642,797	586,418	287,423	729,415
Total Expenditures	<u>496,947,280</u>	<u>525,172,644</u>	<u>652,354,638</u>	<u>663,451,288</u>	<u>624,667,967</u>	<u>596,947,646</u>	<u>597,671,651</u>	<u>596,470,200</u>	<u>629,898,538</u>	<u>638,469,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,273,133)</u>	<u>(17,192,329)</u>	<u>(123,170,862)</u>	<u>(138,546,447)</u>	<u>(83,340,079)</u>	<u>(48,579,286)</u>	<u>(41,245,538)</u>	<u>(43,066,002)</u>	<u>(72,299,641)</u>	<u>(60,294,659)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	53,649,718	47,973,433	48,620,080	43,873,509	30,132,690	34,565,953	36,423,583	55,519,578	44,180,743	31,746,904
Transfers (Out)	(53,649,718)	(47,973,433)	(48,620,080)	(43,873,509)	(30,132,690)	(33,068,114)	(36,423,583)	(55,519,578)	(44,180,743)	(31,746,904)
Issuance of Bonds	-	-	95,900,000	96,100,000	143,556,129	14,000,000	40,000,000	30,000,000	33,180,257	42,000,000
Issuance of Refunding Bonds	-	-	-	21,738,036	25,161,828	-	6,931,393	59,750,398	-	55,994,243
Premium on Issuance of Bonds	-	-	5,901,161	8,106,323	14,359,593	-	2,347,926	13,638,004	2,373,456	12,245,541
Issuance of Installment Purchase Agreements	1,554,491	2,669,752	12,537,691	7,065,889	-	-	6,995,127	2,013,095	-	3,097,591
Issuance of Notes and Leases	-	18,231,849	700,000	1,316,999	1,186,000	-	-	-	-	-
Payment to Escrow Agent for Refunding	-	-	-	(22,812,194)	(28,885,874)	-	(7,313,825)	(70,065,844)	-	(64,383,471)
Total Other Financing Sources(Uses)	<u>1,554,491</u>	<u>20,901,601</u>	<u>115,038,852</u>	<u>111,515,053</u>	<u>155,377,676</u>	<u>15,497,839</u>	<u>48,960,621</u>	<u>35,335,653</u>	<u>35,553,713</u>	<u>48,953,904</u>
<b>Net Change in Fund Balances</b>	<u>\$ (23,718,642)</u>	<u>\$ 3,709,272</u>	<u>\$ (8,132,010)</u>	<u>\$ (27,031,394)</u>	<u>\$ 72,037,597</u>	<u>\$ (33,081,447)</u>	<u>\$ 7,715,083</u>	<u>\$ (7,730,349)</u>	<u>\$ (36,745,928)</u>	<u>\$ (11,340,755)</u>

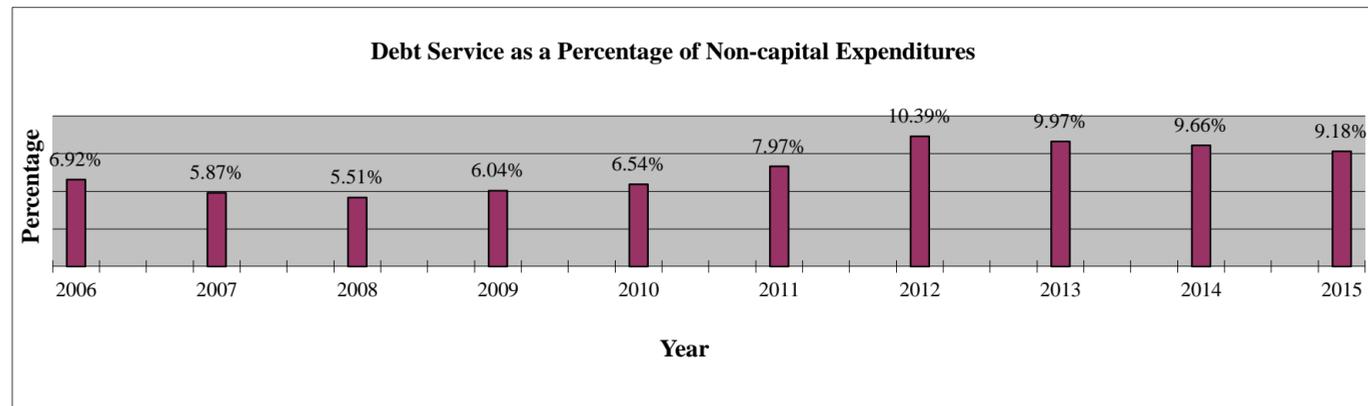
Harford County, Maryland

Debt Service as a Percentage of Non-capital Expenditures

Table 5  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Expenditures</b>	\$ 496,947,280	\$ 525,172,644	\$ 652,354,638	\$ 663,451,288	\$ 624,667,967	\$ 596,947,646	\$ 597,671,651	\$ 596,470,200	\$ 629,898,538	\$ 638,469,654
<sup>(1)</sup> Less Capital Asset Expenditures	30,601,719	41,900,223	51,462,491	63,496,219	24,528,046	19,300,086	33,395,752	30,214,888	44,998,619	33,065,591
<b>Non-capital Expenditures</b>	\$ 466,345,561	\$ 483,272,421	\$ 600,892,147	\$ 599,955,069	\$ 600,139,921	\$ 577,647,560	\$ 564,275,899	\$ 566,255,312	\$ 584,899,919	\$ 605,404,063
<b>Debt Service Expenditures</b>										
Principal	\$ 21,686,606	\$ 18,050,332	\$ 20,403,260	\$ 22,135,758	\$ 23,386,490	\$ 26,060,395	\$ 35,109,464	\$ 33,879,261	\$ 33,888,884	\$ 32,889,398
Interest	10,596,280	10,296,906	12,689,676	14,110,855	15,845,507	19,968,082	23,498,877	22,590,163	22,609,092	22,689,162
<b>Total Debt Service Expenditures</b>	\$ 32,282,886	\$ 28,347,238	\$ 33,092,936	\$ 36,246,613	\$ 39,231,997	\$ 46,028,477	\$ 58,608,341	\$ 56,469,424	\$ 56,497,976	\$ 55,578,560
 <b>Debt Service as a Percentage of Non-capital Expenditures</b>	 <b>6.92%</b>	 <b>5.87%</b>	 <b>5.51%</b>	 <b>6.04%</b>	 <b>6.54%</b>	 <b>7.97%</b>	 <b>10.39%</b>	 <b>9.97%</b>	 <b>9.66%</b>	 <b>9.18%</b>

(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.

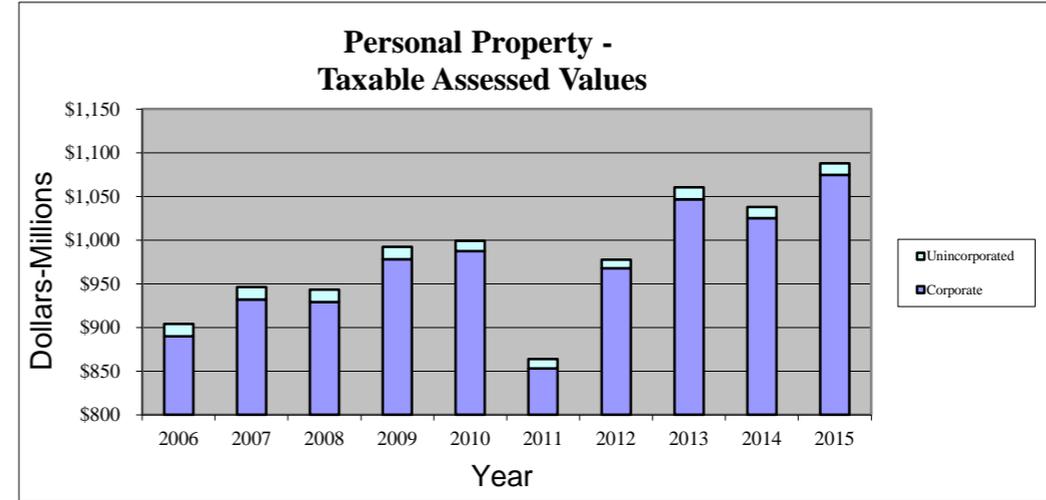
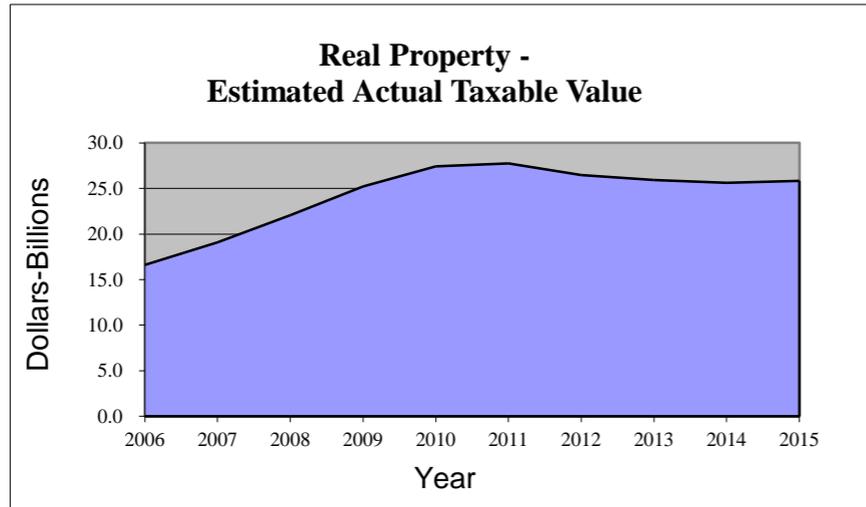


**Harford County, Maryland**

**Assessed Value and Actual Value of Taxable Property <sup>(1)</sup>  
(Per \$100 of Assessed Value)**

**Table 6  
Last Ten Fiscal Years**

Fiscal Year Ending June 30	Real Property				Personal Property			Total
	Assessed Value	Exempt Property	Taxable Assessed Value	Real Property Direct Tax Rate	Corporate Taxable Assessed Value	Unincorporated Taxable Assessed Value	Personal Property Direct Tax Rate	Taxable Assessed Value
2006	\$ 18,548,656,553	\$ 1,940,013,808	\$ 16,608,642,745	1.082	\$ 889,899,840	\$ 14,181,420	2.705	\$ 17,512,724,005
2007	21,102,242,472	2,014,779,364	19,087,463,108	1.082	931,753,570	14,438,670	2.705	20,033,655,348
2008	24,150,504,718	2,085,913,339	22,064,591,379	1.082	929,164,770	14,066,570	2.705	23,007,822,719
2009	27,438,977,269	2,225,139,558	25,213,837,711	1.082	978,058,220	13,982,600	2.705	26,205,878,531
2010	29,765,437,549	2,346,618,410	27,418,819,139	1.064	987,547,770	11,403,430	2.660	28,417,770,339
2011	30,248,925,066	2,506,869,202	27,742,055,864	1.042	853,133,530	10,730,670	2.605	28,605,920,064
2012	28,999,153,255	2,535,432,934	26,463,720,321	1.042	967,854,980	9,828,620	2.605	27,441,403,921
2013	28,565,045,698	2,644,365,574	25,920,680,124	1.042	1,046,509,272	13,921,700	2.605	26,981,111,096
2014	28,304,103,554	2,691,553,831	25,612,549,723	1.042	1,025,199,440	12,700,230	2.605	26,650,449,393
2015	28,541,096,046	2,714,157,631	25,826,938,415	1.042	1,074,588,650	13,237,060	2.605	26,914,764,125



(1) Assessed values are established by the MD Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years; any increase in property values is phased in over a minimum of three years. Additionally, the County has a real property tax assessment cap for residential properties of 10% for Fiscal Years 2008 and prior; 9% for Fiscal Years 2009 and 2010; and 5% for Fiscal Year 2011 forward. Personal Property tax rates are 2.5 times the real property tax rate.

**Harford County, Maryland**

**Direct and Overlapping Property Tax Rates (1)  
(Per \$100 of Assessed Value)**

**Table 7  
Last Ten Fiscal Years**

Fiscal Year Ending June 30	County Direct Real Property Tax Rate			Overlapping Real Property Tax Rates		
	General Fund (2)	Special Revenue Fund (3)	Total Direct Tax Rate	Town of Bel Air (4)	City of Aberdeen (4)	City of Havre de Grace (4)
2006	0.926	0.156	1.082	0.500	0.5500	0.700
2007	0.926	0.156	1.082	0.500	0.7350	0.680
2008	0.926	0.156	1.082	0.500	0.7150	0.650
2009	0.926	0.156	1.082	0.500	0.7000	0.630
2010	0.908	0.156	1.064	0.500	0.6875	0.610
2011	0.896	0.146	1.042	0.500	0.6875	0.600
2012	0.896	0.146	1.042	0.500	0.6800	0.590
2013	0.896	0.146	1.042	0.500	0.6800	0.580
2014	0.896	0.146	1.042	0.500	0.6800	0.560
2015	0.894	0.148	1.042	0.500	0.6800	0.560

Fiscal Year Ending June 30	County Direct Personal Property Tax Rate			Overlapping Personal Property Tax Rates		
	General Fund (2)	Special Revenue Fund (3)	Total Direct Tax Rate	Town of Bel Air (4)	City of Aberdeen (4)	City of Havre de Grace (4)
2006	2.3150	0.3900	2.7050	1.160	1.400	1.705
2007	2.3150	0.3900	2.7050	1.160	1.700	1.705
2008	2.3150	0.3900	2.7050	1.160	1.700	1.705
2009	2.3150	0.3900	2.7050	1.160	1.700	1.705
2010	2.2700	0.3900	2.6600	1.160	1.700	1.705
2011	2.2400	0.3650	2.6050	1.160	1.700	1.705
2012	2.2400	0.3650	2.6050	1.160	1.700	1.705
2013	2.2400	0.3650	2.6050	1.160	1.700	1.705
2014	2.2400	0.3650	2.6050	1.160	1.700	1.705
2015	2.2342	0.3707	2.6049	1.160	1.700	1.705

(1) Overlapping rates are those of local municipalities that apply to property owners within Harford County. Not all overlapping rates apply to all Harford County property owners.

For example, Town of Bel Air rates apply only to the County property owners whose property is located within that municipality's geographic boundaries.

(2) Assessed against all property within Harford County.

(3) Assessed against all property within Harford County, but not in an incorporated town.

(4) Assessed against all property within these incorporated towns.

Note: The County's direct property tax rates are set by the County Council and can only be changed by the Council.

**Harford County, Maryland**

**Principal Taxpayers**

**Table 8  
Current Fiscal Year and Ten Years Ago**

Fiscal Year	2015			
Taxpayer	Type of Business	Taxable Assessed Valuations (1)	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 357,257,950	\$ 9,178,712	1.33%
Exelon Generation Company	Non-Utility Generator	77,145,210	2,009,556	0.29%
Verizon - Maryland	Public Utility	59,338,560	1,468,285	0.22%
Constellation Power Source Generation Inc.	Non-Utility Generator	61,896,710	1,394,943	0.23%
PECO Energy Power Company	Non-Utility Generator	123,442,200	1,286,268	0.46%
MCI Communication Services	Public Utility	36,715,560	956,239	0.14%
Kohl's Department Stores, Inc.	Retailer	52,247,710	839,620	0.19%
CH Realty VI/R Bel Air Festival LLC	Shopping Center	60,541,700	630,845	0.22%
Comcast of Harford County LLC	Cable Provider	23,767,500	596,644	0.09%
Harford Mall Business Trust	Shopping Center	55,916,067	499,722	0.21%
		908,269,167	\$ 18,860,834	3.38%
<b>Total Taxable Assessed Valuation</b>		\$ 26,914,764,125		

Fiscal Year	2006			
Taxpayer	Type of Business	Taxable Assessed Valuations (1)	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 282,393,320	\$ 7,588,846	1.61%
Verizon - Maryland	Public Utility	88,988,160	2,294,714	0.51%
Susquehanna Power Company	Public Utility	74,059,200	2,003,301	0.42%
Wells Fargo Northwest	Office/Industrial Ctr	48,000,000	519,360	0.27%
Columbia Gas Transmission	Public Utility	18,737,950	506,822	0.11%
Harford Mall Business Trust	Shopping Center	52,265,063	501,871	0.30%
Festival at Bel Air LLC	Shopping Center	45,693,100	496,650	0.26%
State of Wisconsin Investment Board	Office/Industrial Ctr	39,989,300	411,268	0.23%
Comcast Cablevision of Harford County	Cable TV Provider	11,469,220	302,016	0.07%
Bel Air Square Joint Venture	Shopping Center	30,135,199	279,052	0.17%
		691,730,512	\$ 14,903,900	3.95%
<b>Total Taxable Assessed Valuation</b>		\$ 17,512,724,005		

SOURCE: Harford County Department of the Treasury

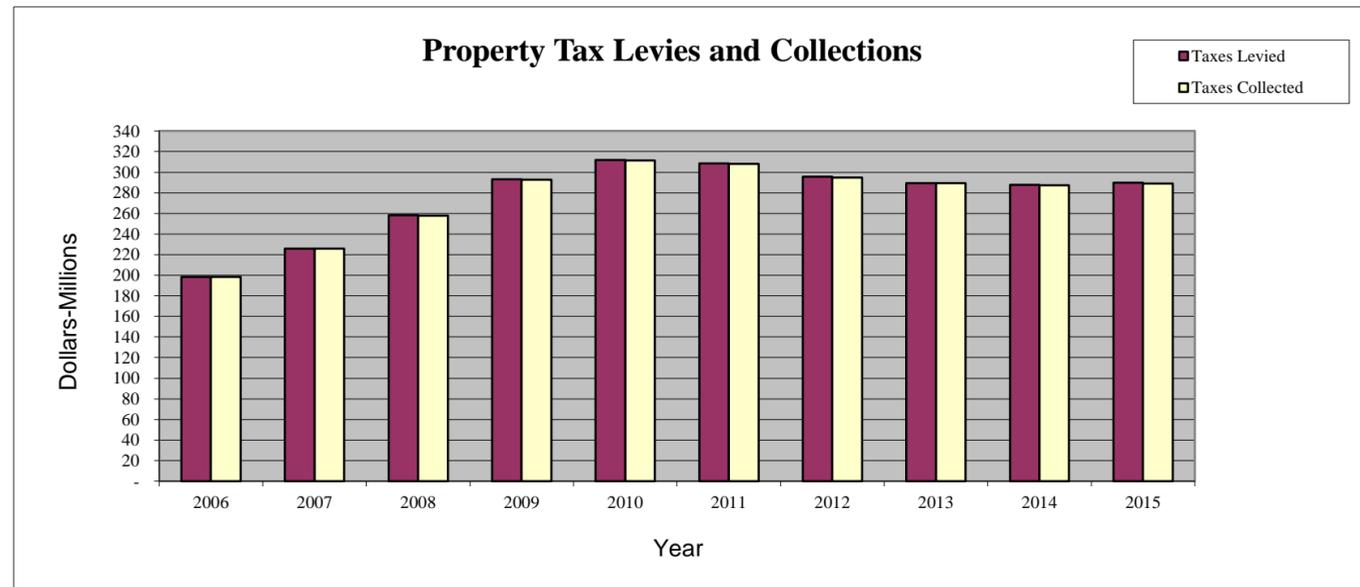
(1) Total Taxable Assessed Valuations are based on information provided by the Maryland Department of Assessments and Taxation.

**Harford County, Maryland**

**Property Tax Levies and Collections**

**Table 9**  
**Last Ten Fiscal Years**

Year Ending June 30	Taxes Levied for the Fiscal Year	Taxes Levied In Subsequent Years	Total Taxes Levied	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy
				Amount	Percent		Amount	Percent		
2006	\$ 198,425,279	\$ (115,126)	\$ 198,310,153	\$ 197,681,023	99.68%	\$ 493,168	\$ 198,174,191	99.93%	\$ 135,962	0.07%
2007	225,865,922	77,260	225,943,182	225,203,456	99.67%	636,012	225,839,468	99.95%	103,714	0.05%
2008	256,925,595	1,109,248	258,034,843	255,936,685	99.19%	1,966,330	257,903,015	99.95%	131,828	0.05%
2009	292,351,782	607,413	292,959,195	290,917,209	99.30%	1,853,605	292,770,814	99.94%	188,381	0.06%
2010	310,635,791	1,171,089	311,806,880	309,581,012	99.29%	2,001,086	311,582,098	99.93%	224,782	0.07%
2011	304,126,005	4,396,769	308,522,774	303,254,570	98.29%	4,981,596	308,236,166	99.91%	286,608	0.09%
2012	295,797,824	(318,905)	295,478,919	293,408,627	99.30%	1,559,779	294,968,406	99.83%	510,513	0.17%
2013	290,142,026	(549,756)	289,592,270	289,161,782	99.85%	162,935	289,324,717	99.91%	267,553	0.09%
2014	287,953,502	(328,260)	287,625,242	286,122,040	99.48%	1,197,458	287,319,498	99.89%	305,744	0.11%
2015	289,650,116	-	289,650,116	288,877,184	99.73%	-	288,877,184	99.73%	772,932	0.27%



**Harford County, Maryland**

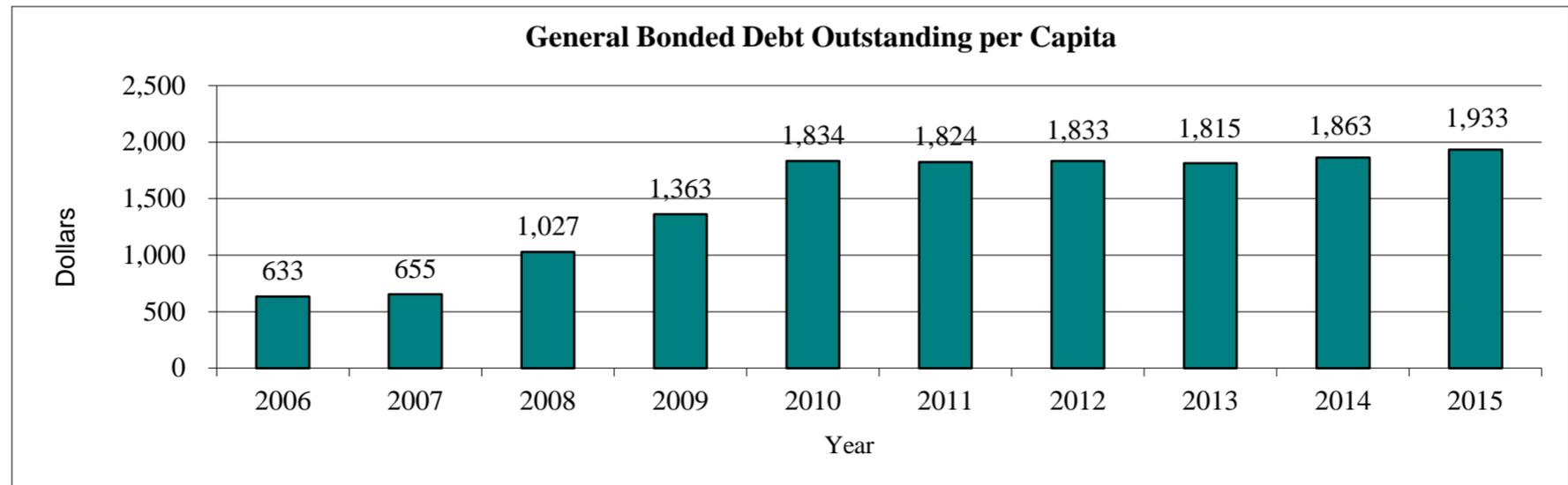
**Ratios of General Bonded Debt Outstanding <sup>(1)</sup>**

**Table 10**  
**Last Ten Fiscal Years**

<b>Year Ending June 30</b>	<b>Governmental General Obligation Debt <sup>(2)</sup></b>	<b>Business-type General Obligation Debt</b>	<b>Less Amounts to be Paid with Restricted Resources <sup>(3)</sup></b>	<b>Net General Bonded Debt</b>	<b>Percentage of Actual Assessed Value of Property <sup>(4)</sup></b>	<b>Per Capita <sup>(4)</sup></b>
2006	\$ 191,290,866	\$ 68,994,713	\$ 107,627,411	\$ 152,658,168	0.87%	633
2007	198,511,893	60,545,635	100,736,470	158,321,058	0.79%	655
2008	301,845,832	74,514,748	126,944,354	249,416,226	1.08%	1,027
2009	390,165,496	88,379,669	146,485,275	332,059,890	1.27%	1,363
2010	506,690,179	128,412,388	185,512,510	449,590,057	1.58%	1,834
2011	506,315,389	125,771,843	181,951,421	450,135,811	1.57%	1,824
2012	518,004,780	131,616,764	193,675,340	455,946,204	1.66%	1,833
2013	513,699,874	132,469,669	193,574,381	452,595,162	1.68%	1,815
2014 <sup>(5)</sup>	524,885,655	132,046,646	191,075,915	465,856,386	1.75%	1,863
2015	542,589,182	127,341,763	186,701,066	483,229,879	1.80%	1,933

- (1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included here because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance from area connection charges, benefit assessments, surcharges and recordation taxes. See Table 11 for specific information on business-type bonded debt.
- (2) All Notes Payable are backed by the full faith and credit and unlimited taxing authority of the County.
- (3) Agricultural Land Preservation debt and Water and Sewer debt are subtracted from the bonded debt because Agricultural Land Preservation debt is paid from dedicated revenues in the Agricultural Land Preservation Special Revenue Fund and Water and Sewer debt is paid from the Water and Sewer Enterprise Fund.
- (4) Information from Tables 6 and 14.
- (5) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclass as a deferred outflow/inflow of resources.

Note: Detail regarding the County's debt can be found in the notes to the financial statements.



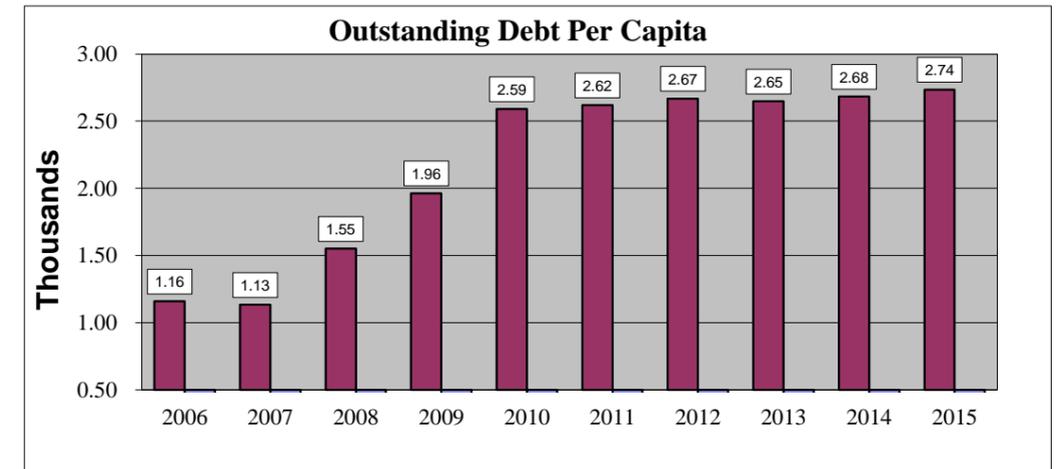
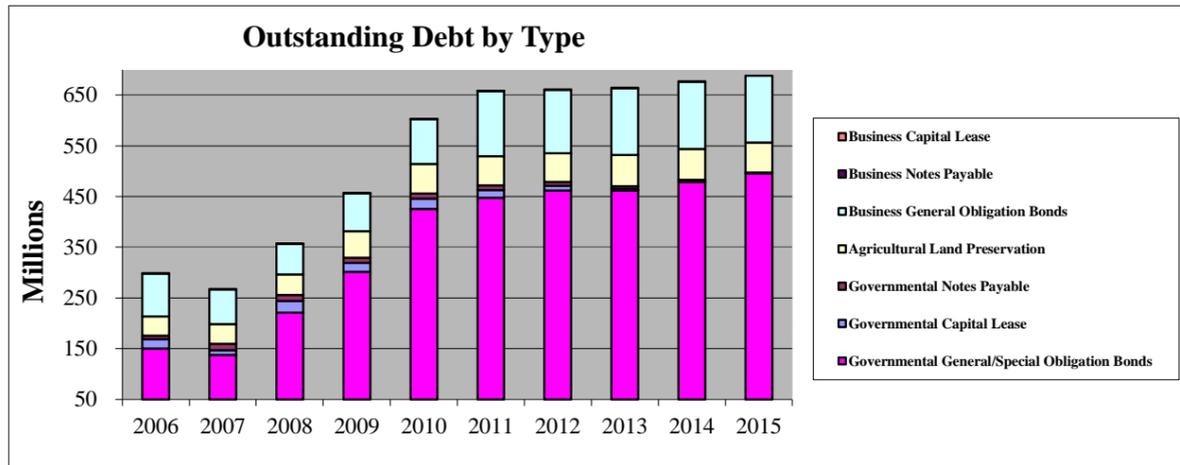
**Harford County, Maryland**

**Ratios of Outstanding Debt by Type (1)**

**Table 11**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Governmental Activities					Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
	General/Special Obligation Bonds	Capital Lease Obligation	Notes Payable	Agricultural Land Preservation	Total Governmental Activities	General Obligation Bonds	Notes Payable	Capital Lease Obligation	Total Business-type Activities			
2006	\$ 150,076,668	\$ 8,955,750	\$ 12,511,500	\$ 38,632,698	\$ 210,176,616	\$ 68,994,713	\$ 171,238	\$ -	\$ 69,165,951	\$ 279,342,567	2.87%	1,158
2007	138,106,697	22,584,599	11,870,000	40,508,347	213,069,643	60,228,123	138,950	317,512	60,684,585	273,754,228	2.65%	1,133
2008	221,313,649	17,406,894	10,590,000	52,535,289	301,845,832	74,150,409	105,683	258,656	74,514,748	376,360,580	3.46%	1,550
2009	301,480,584	20,325,901	10,181,999	58,177,012	390,165,496	88,110,699	71,406	197,564	88,379,669	478,545,165	4.30%	1,964
2010	425,205,736	14,801,760	9,582,561	57,100,122	506,690,179	128,242,149	36,089	134,150	128,412,388	635,102,567	5.53%	2,590
2011	447,558,610	8,590,078	7,987,123	56,179,578	520,315,389	125,140,703	-	631,140	125,771,843	646,087,232	5.31%	2,619
2012	462,132,841	2,941,940	4,871,422	62,058,577	532,004,780	131,235,775	-	380,989	131,616,764	663,621,544	5.10%	2,668
2013	462,229,857	1,294,584	3,070,721	61,104,712	527,699,874	132,276,225	-	193,444	132,469,669	660,169,543	5.03%	2,647
2014 <sup>(3)</sup>	478,542,366	-	1,314,020	59,029,269	538,885,655	132,046,646	-	-	132,046,646	670,932,301	4.94%	2,683
2015	495,916,560	-	1,313,319	59,359,303	556,589,182	127,341,763	-	-	127,341,763	683,930,945	4.87%	2,735

- (1) All debt reported by the primary government. Details regarding the County's debt can be found in the notes to the financial statements.
- (2) Information from Table 14.
- (3) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclassified as a deferred outflow/inflow of resources.



**Harford County, Maryland**

**Legal Debt Margin Information**

**Table 12**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable to the Limit</u>	<u>Legal Debt Margin</u>	<u>Total Debt Applicable to the Limit as a % of Debt Limit</u>
2006	\$ 1,132,130,755	\$ 171,543,918	\$ 960,586,837	15.15%
2007	1,287,176,622	172,561,296	1,114,615,326	13.41%
2008	1,465,360,184	249,310,543	1,216,049,641	17.01%
2009	1,661,636,386	331,988,484	1,329,647,902	19.98%
2010	1,794,971,828	449,590,057	1,345,381,771	25.05%
2011	1,794,102,982	450,135,811	1,343,967,171	25.09%
2012	1,734,475,759	455,946,203	1,278,529,556	26.29%
2013	1,714,305,453	452,595,162	1,261,710,291	26.40%
2014	1,692,448,434	465,856,386	1,226,592,048	27.53%
2015	1,712,790,162	483,229,879	1,229,560,283	28.21%

**Legal Debt Margin Calculation for Fiscal Year 2015**

(1) Net Assessed Value-Real Property	\$ 25,826,938,415	
(2) Debt Limit=6% of Net Assessed Value - Real Property		\$ 1,549,616,305
(1) Assessed Value--Personal Property	<u>1,087,825,710</u>	
(2) Debt Limit=15% of Net Assessed Value - Personal Property		<u>163,173,857</u>
Total Debt Limit		<u>1,712,790,162</u>
(3) Amount of Debt Applicable to Debt Limit	683,930,945	
Less Other deductions allowed by law:		
(3) Debt Payable from Special Revenue Fund	(59,359,303)	
(3) Debt Payable from Debt Service Fund	(14,000,000)	
(3) Debt Payable from Enterprise Revenues	<u>(127,341,763)</u>	
Total Debt Applicable to Debt Limitation		<u>483,229,879</u>
<b>Legal Debt Margin</b>		<b>\$ <u><u>1,229,560,283</u></u></b>

(1) Table 6

(2) Pursuant to Article 25A section 5 (P) of the Annotated Code of Maryland

(3) Table 11

**Harford County, Maryland**

**Bond Coverage - Water and Sewer (1)  
Including Capital Recovery Fees**

**Table 13  
Last Ten Fiscal Years**

Fiscal Year Ending June 30	Gross Revenues (2)	Area Connection Charges	Benefit Assessment	User Assessments and Surcharges	Total Gross Revenues	Operating Expense (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage
								Principal	Interest	Total	
2006	\$ 32,756,022	\$ 1,106,200	\$ 878,150	\$ 7,792,887	\$ 42,533,259	\$ 22,735,508	\$ 19,797,751	\$ 14,094,946	\$ 3,192,596	\$ 17,287,542	1.15
2007	33,358,632	861,100	632,759	6,968,474	41,820,965	24,600,291	17,220,674	8,918,773	2,593,948	11,512,721	1.50
2008	34,223,067	1,127,600	658,689	8,567,130	44,576,486	28,777,126	15,799,360	10,924,897	2,843,674	13,768,571	1.15
2009	30,062,191	553,400	691,019	5,620,994	36,927,604	29,354,696	7,572,908	10,368,564	2,797,801	13,166,365	0.58
2010	29,474,829	3,714,030	716,553	7,671,946	41,577,358	29,149,190	12,428,168	10,031,325	3,342,871	13,374,196	0.93
2011	31,237,074	4,814,179	746,977	7,985,323	44,783,553	27,598,274	17,185,279	10,346,027	4,993,322	15,339,349	1.12
2012	30,330,584	602,650	772,003	7,187,943	38,893,180	28,395,794	10,497,386	11,036,098	4,754,184	15,790,282	0.66
2013	31,145,719	808,550	860,161	7,205,139	40,019,569	34,875,138	5,144,431	9,388,778	4,407,906	13,796,684	0.37
2014	32,858,837	1,108,397	899,888	8,609,788	43,476,910	33,619,976	9,856,934	8,546,381	4,434,807	12,981,188	0.76
2015	33,344,939	1,543,075	934,765	13,266,501	49,089,280	33,211,697	15,877,583	8,269,283	4,022,016	12,291,299	1.29

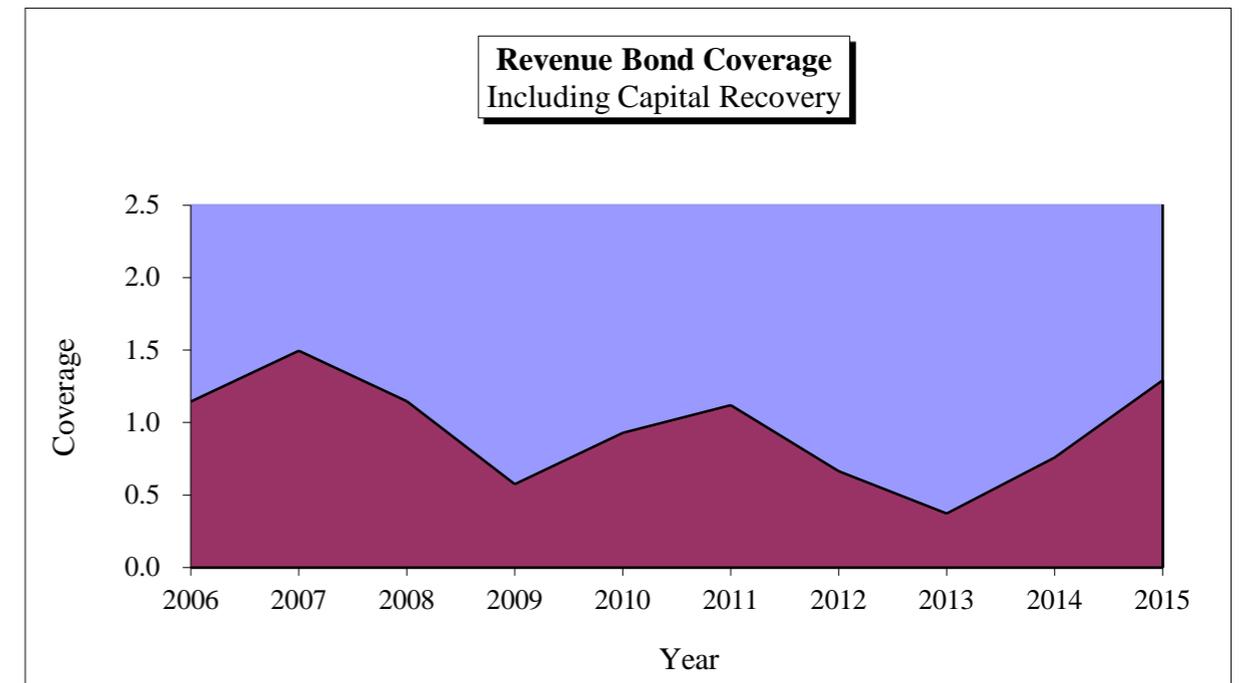
(1) Harford County Water and Sewer Enterprise Fund shown in Exhibit 8.

(2) Includes Total Operating Revenue, Interest Income, Recordation Tax, Federal Grant and Transfer revenues.

(3) Includes Total Operating Expenses exclusive of Depreciation plus Other Income (Expense).

(4) Includes Principal and Interest on Water and Sewer Bonds net of Refunded Bonds.

Note: Developer contributions of *Capital Assets* are not included in this table.



**Harford County, Maryland**

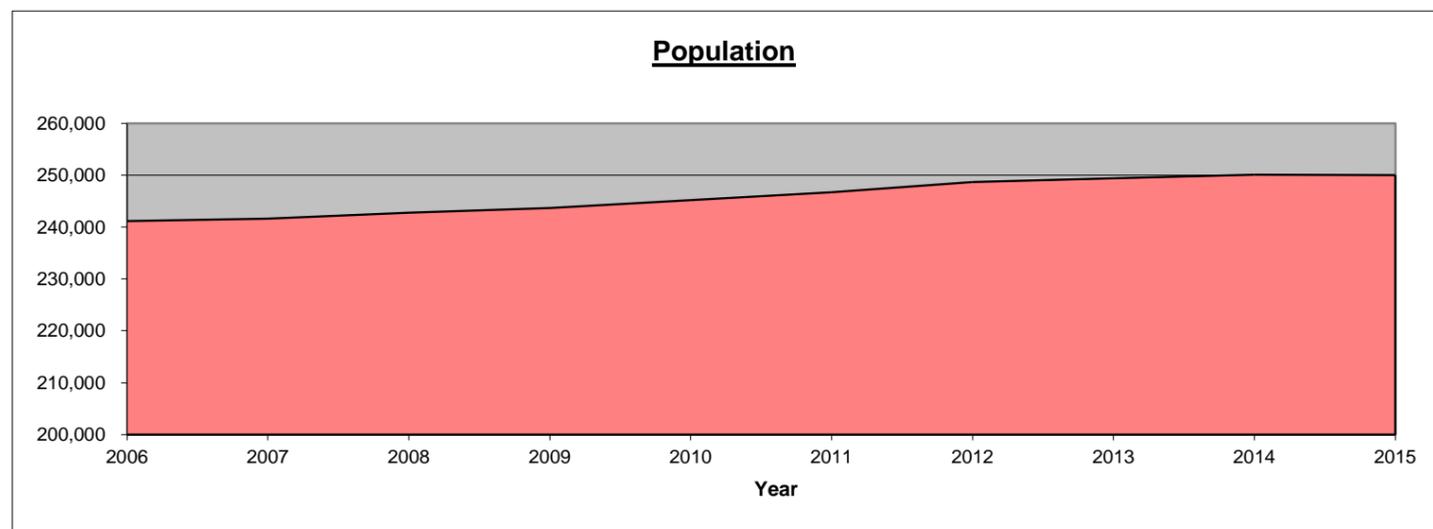
**Demographic Statistics**

**Table 14**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending June 30</b>	<b>Population (1)</b>	<b>Per Capita Income (2)</b>	<b>Personal Income (2) (000's)</b>	<b>Unemployment Rate (3)</b>	<b>School Enrollment (4)</b>	<b>Median Age (5)</b>	<b>Education of Bachelor Degree or Higher (5)</b>
2006	241,163	\$ 40,609	\$ 9,728,548	3.7%	40,212	37.5	27.6%
2007	241,634	43,106	10,319,796	3.8%	39,582	37.7	27.7%
2008	242,779	45,091	10,884,557	4.1%	39,175	37.8	27.8%
2009	243,685	45,893	11,129,722	7.7%	38,610	38.1	27.6%
2010	245,205	46,871	11,492,284	7.3%	38,637	38.1	30.3%
2011	246,725	49,329	12,159,148	7.3%	38,394	38.3	30.5%
2012	248,696	52,351	13,015,507	7.4%	38,224	39.2	28.9%
2013	249,415	52,615	13,112,379	7.5%	37,868	39.5	31.5%
2014	250,105	Not Available	13,571,312 (6)	6.0%	37,842	39.8	32.7%
2015	250,025	Not Available	14,046,308 (6)	5.5%	37,537	Not Available	Not Available

**SOURCE:**

- (1) Population Division, U.S. Census Bureau, March 2015 provided population estimates for FY2006 thru FY2014. Harford County Department of Planning and Zoning provided population estimates for FY2015.
- (2) U.S. Bureau of Economic Analysis Table CAO4, 2013
- (3) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information
- (4) Harford County Public Schools
- (5) Claritas, a marketing information resource company, subscribed to by the County's Department of Planning and Zoning
- (6) Personal income for fiscal years 2014 and 2015 were estimated because data was unavailable



**Harford County, Maryland**

**Principal Employers**

**Table 15  
Current Fiscal Year and Ten Years Ago**

Fiscal Year	2015		
	Number of Employees (1)	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	16,797	1	19.22%
Harford County Public Schools	5,369	2	6.14%
UM Upper Chesapeake Medical Center	3,129	3	3.58%
Harford County Government	1,938	4	2.22%
Rite Aid Mid-Atlantic Customer Support Center	1,300	5	1.49%
Kohl's	1,255	6	1.44%
Harford Community College	1,029	7	1.18%
Kleins ShopRite	1,000	8	1.14%
Walmart	900	9	1.03%
Jacobs Technology	865	10	0.99%
Total	33,582		38.43%
Total County Employment (1)	87,401		100%

Fiscal Year	2006		
	Number of Employees (3)	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	12,486	1	15.16%
Harford County Public Schools	4,764	2	5.78%
Upper Chesapeake Health System	2,200	3	2.67%
Harford County Government	1,309	4	1.59%
Rite Aid Mid-Atlantic Customer Dist Ctr	969	5	1.18%
SAIC	800	6	0.97%
Walmart	568	7	0.69%
Sverdrup Technology	500	8	0.61%
Saks Fifth Avenue	472	9	0.57%
Home Depot	451	10	0.55%
Total	24,519		29.77%
Total County Employment (2)	82,385		100%

Source:

- (1) Office of Economic Development, Harford County, Maryland
- (2) Labor Mkt Analysis performed by Sage Policy Group, Inc.
- (3) Harford County Comprehensive Annual Fiscal Report Table 15 - Fiscal Year 2006

**Harford County, Maryland**

**Capital Asset and Infrastructure Asset Statistics by Function/Program**

**Table 16**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agricultural Preservation										
Acres of Farm Land in Preservation Program	24,078	25,007	32,623	34,387	34,723	35,024	36,563	37,195	37,443	38,671
General Government										
Office Buildings	12	13	13	13	13	13	13	13	13	13
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	39	40	40	30	34	42	36	36	27	25
Education-Primary thru Community College (1)										
Administration Building	1	1	1	1	1	1	1	1	1	1
Alternative Education Center	1	1	1	1	1	1	1	1	1	1
Community College	1	1	1	1	1	1	1	1	1	1
Elementary Schools	32	32	32	32	32	32	33	33	33	33
High Schools	8	8	9	9	9	9	9	9	9	9
Middle Schools	8	8	9	9	9	9	9	9	9	9
Public Charter School	-	1	1	1	-	-	-	-	-	-
Special Education	1	1	1	1	1	1	1	1	1	1
Vocational/Technical High School	1	1	1	1	1	1	1	1	1	1
Harford Center--Rehabilitation Center for Disabled	1	1	1	1	1	1	1	1	1	1
Judicial										
Courthouse	1	1	1	1	1	1	1	1	1	1
Vehicles	3	2	2	2	2	2	2	2	1	1
Libraries	11	11	11	11	11	11	11	11	11	11
Parks and Recreation										
Number of Parks	80	83	88	89	91	91	93	93	96	96
Acres of Land	4,068	4,150	4,588	4,612	4,640	4,640	4,594	4,473	4,608	4,608
Vehicles	93	100	100	86	88	86	52	57	50	48
Public Safety										
Detention Center	1	1	1	1	1	1	1	1	1	1
Number of Stations	3	3	3	3	3	3	4	4	4	4
Number of Patrol Vehicles	178	194	197	210	196	191	191	193	217	172
Number of Other Vehicles	137	145	145	148	157	176	174	176	158	191
Firing Range	1	1	1	1	1	1	1	1	1	1
Mobile Communications Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Vehicles	12	10	10	6	6	9	9	11	16	16
Hazmat Vehicles	8	12	12	10	11	10	10	11	11	9
DILP Vehicles	27	30	30	29	23	27	25	25	18	17
Animal Control Vehicles	15	16	16	13	10	7	7	6	4	4

(continued)

**Harford County, Maryland**

**Capital Asset and Infrastructure Asset Statistics by Function/Program**

**Table 16**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>(continued)</i>										
Public Works										
Highways										
County Maintained Roads-Paved Miles	988	992	994	998	1,000	1,002	1,008	1,011	1,013	1,017
County Maintained Roads-Unpaved Miles	50	49	48	47	46	46	47	46	46	46
Office Buildings	4	6	6	6	6	6	6	6	6	6
Equipment Sheds	4	4	4	4	4	4	4	4	4	4
Truck Bay	1	1	1	1	1	1	1	1	1	1
Salt Dome	1	2	2	2	2	2	2	2	2	2
Vehicles	314	313	332	371	314	332	296	291	288	303
Water & Sewer										
Miles of Water Mains and Laterals (2)	603	657	661	687	690	691	685	683	689	691
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	12	12	12	12	12	12	12	12	12	12
Water Tanks	13	13	13	13	13	13	13	12	12	12
Miles of Wastewater Mains and Laterals (2)	670	746	754	762	765	766	770	776	784	787
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	52	52	53	54	55	55	55	56	53	50
Waste Disposal										
Waste to Energy Facility	1	1	1	1	1	1	1	1	1	1
Vehicles	17	21	19	19	19	20	12	11	12	9
Landfills										
Buildings	3	3	3	3	3	3	3	3	3	1
Vehicles	81	81	88	88	77	59	55	50	45	44
Social Services & Health										
Senior/Activity Centers	4	4	4	4	5	6	6	6	6	6
Buses	31	34	34	34	33	36	31	43	43	43
Office Buildings	5	5	5	5	5	5	5	5	5	5
Transportation Facility	1	1	1	1	1	1	1	1	1	1
Other Vehicles	5	7	11	11	6	13	12	12	13	9

(1) Harford County does not own the Education Capital Assets but the County pays for their construction.

(2) In FY2006 the previous physical survey of mains and laterals was converted to a GIS system creating a difference in the number of miles.

**Harford County, Maryland**

**Operating Indicators by Function**

**Table 17**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Agricultural Preservation</u>										
Number of Settlements	10	12	20	20	-	-	9	6	-	9
<u>County Council</u>										
Number of bills introduced	40	51	70	42	46	46	67	54	49	25
Number of bills passed	32	40	67	39	39	42	57	52	43	24
<u>General Government</u>										
<u>Land Use</u>										
Total Acres	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727
Percent Residential	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	27.27%	27.27%	27.27%	27.27%
Percent Agricultural	36.70%	36.70%	36.70%	36.70%	36.70%	36.70%	29.25%	29.25%	29.25%	29.25%
Percent Commercial	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.52%	2.52%	2.52%	2.52%
<u>Inspections &amp; Permits</u>										
Permits issued	17,922	20,523	16,582	13,687	11,937	14,019	14,633	15,896	18,293	19,215
Com. Construction Permits	127	92	85	50	18	348	35	22	15	24
Res. Construction Permits	1,483	920	666	494	681	713	577	459	700	1,079
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed- Calendar Yr	2,324	2,368	2,331	2,184	2,162	2,067	2,066	2,188	2,118	1,998
<u>District Court</u>										
Number of cases filed-Calendar Yr	7,661	8,754	7,646	8,320	8,513	8,372	8,202	7,658	7,623	8,228
<u>Education</u>										
<u>Board of Education</u>										
Administrators	247	253	270	269	275	274	266	260	256	253
Support	1,835	1,853	1,919	1,976	1,983	2,105	2,073	2,064	2,018	2,003
Teachers/Counselors/Mentors	2,949	3,076	3,117	3,088	3,092	3,100	3,101	3,045	2,982	3,000
Number of Students	40,212	39,571	39,175	38,610	38,639	38,394	38,224	37,868	37,842	37,537
<u>Community College</u>										
Number of credit students	5,059	5,172	5,437	5,838	6,324	6,482	6,547	6,481	6,201	5,962
Faculty	481	481	473	473	497	480	474	471	469	450
Administrators	24	31	33	33	33	33	32	32	32	31
Staff	459	374	395	395	411	426	454	461	485	489
Visiting professors	33	35	38	38	41	37	39	42	43	41
<u>Libraries</u>										
Number of registered borrowers	225,802	240,112	185,728	201,032	214,116	163,129	175,887	182,000	191,239	181,393
Circulation (000)	3,567	3,990	4,466	4,851	4,699	4,815	4,500	4,111	4,130	3,872
Materials Collection (000)	1,016	1,050	1,051	1,003	1,032	1,025	994	941	941	822
Library personnel	245	247	252	242	236	239	241	241	242	243

**Harford County, Maryland**

**Operating Indicators by Function**

**Table 17**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>(continued)</i>										
<u>Parks and Recreation</u>										
Volunteer recreation councils	20	20	20	20	20	21	22	23	22	22
Number of P&R Volunteers	22,942	23,078	23,747	29,574	42,731	32,840	25,115	17,659	18,233	32,423
Recreation Registrations-Calendar Yr	78,943	75,605	78,587	77,149	69,382	79,169	84,177	87,796	86,055	Not available
<u>Public Safety</u>										
Number of volunteers - Fire & EMS	1,520	1,520	1,520	1,520	1,520	1,483	1,145	1,123	1,169	1,170
Fire & EMS responses	23,423	24,239	28,227	32,132	24,997	26,089	30,952	26,372	26,195	29,704
Police responses	150,656	161,532	160,494	143,618	145,072	145,509	150,711	135,990	137,801	227,027
911 calls	100,270	101,431	102,732	101,959	104,590	106,801	108,865	105,584	99,555	101,915
Hazardous material incidents	239	246	304	329	208	175	169	163	210	187
EOC activations/exercises	12	19	16	12	17	15	15	26	30	25
Community policing programs	308	340	376	311	349	314	298	298	139	134
Neighborhood watch programs	53	62	53	39	63	59	24	27	33	38
<u>Public Works</u>										
<u>Solid Waste</u>										
Tons of recycled materials	180,959	176,865	176,654	187,249	193,487	190,715	165,475	146,800	126,923	10,358
Tons of solid waste processed	168,188	166,029	160,517	143,217	160,742	142,753	141,962	167,500	133,890	140,792
<u>Highways</u>										
Number of snow routes	72	73	75	75	75	75	75	75	75	75
<u>Social Services/Health</u>										
<u>Transportation</u>										
Annual Ridership	242,208	281,991	281,991	291,577	305,523	273,712	299,865	355,978	356,770	365,905
Vehicle Miles Traveled	709,074	737,252	737,252	684,957	772,523	526,957	595,480	709,276	744,346	741,767
<u>Water &amp; Sewer Operations</u>										
Daily average water consumption in gal.(000)	11,600	11,176	11,870	10,500	10,500	11,500	12,100	12,500	12,073	9,800
Daily average effluent treatment in gal. (000)	13,300	12,110	14,000	12,300	12,000	13,000	13,300	12,500	12,073	12,714
Number of new accounts added	811	421	477	345	315	384	282	343	312	227

**Harford County, Maryland**

**Full-time Equivalent Government Employees by Function (1)**

**Table 18**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
County Council	19	19	20	22	22	22	24	22	28	28
General Government										
County Executive	4	7	7	8	8	12	11	11	11	11
Administration	92	93	100	96	106	92	63	64	65	67
Procurement	10	17	20	20	20	19	16	15	14	14
Treasury	51	51	51	51	52	49	47	48	44	44
Law	16	16	16	16	16	15	15	15	16	16
Planning & Zoning	39	40	40	44	44	43	42	42	41	41
Human Resources	9	10	10	11	10	8	8	9	7	7
Govt & Community Relations	4	5	5	5	5	-	-	-	-	-
Information & Communication Technology	-	-	-	-	-	-	26	27	29	29
Conservation of Natural Resources	-	-	-	-	-	-	4	4	4	4
Economic Development	11	14	13	13	12	12	16	17	17	17
	236	253	262	264	273	250	248	252	248	250
Judicial										
Judicial	26	26	28	28	28	29	29	29	29	29
State's Attorney	50	52	53	52	56	56	57	57	59	59
	76	78	81	80	84	85	86	86	88	88
Parks and Recreation	77	83	96	99	105	106	106	104	102	103
Public Safety										
Sheriff's Office	459	498	498	510	511	514	514	515	525	528
Emergency Services	87	91	92	92	92	91	90	92	94	94
Inspections, Licenses & Permits	42	45	45	45	43	40	40	40	39	39
	588	634	635	647	646	645	644	647	658	661
Public Works										
Public Works - Administration	24	26	30	31	32	24	24	24	24	24
Public Works - Solid Waste	30	32	33	33	33	33	33	34	33	33
Public Works - Stormwater Management	-	-	-	-	-	-	-	-	12	12
Public Works - Highways	213	209	217	217	206	206	207	208	196	196
Public Works - Water & Sewer	169	168	169	170	170	170	170	170	171	172
	436	435	449	451	441	433	434	436	436	437
Social Services & Health										
Community Services	34	36	37	37	33	34	36	38	39	40
Housing Agency	5	7	8	8	8	8	6	6	6	7
	39	43	45	45	41	42	42	44	45	47
Grand Totals	1,471	1,545	1,588	1,608	1,612	1,583	1,584	1,591	1,605	1,614

(1) Information from Harford County Operating Budget; includes vacant positions.



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*Maryland's New Center of Opportunity*  
Barry Glassman, County Executive