



Baltimore County Maryland

**Comprehensive Annual Financial Report
For The
Fiscal Year Ended June 30, 2020**

Baltimore County, Maryland



Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2020

Prepared By The Office Of Budget and Finance

INTRODUCTORY



SECTION

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BALTIMORE COUNTY, MARYLAND
FOR THE YEAR ENDED JUNE 30, 2020
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JOHN A. OLSZEWSKI, JR.
County Executive

EDWARD P. BLADES
Director
Office of Budget and Finance

December 30, 2020

Honorable County Executive and Members of
The Baltimore County Council

The Comprehensive Annual Financial Report (CAFR) of Baltimore County, Maryland (the "County") for the fiscal year ended June 30, 2020 is submitted herewith in accordance with the requirements of Section 516 of the Baltimore County Charter. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures are included that are necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County 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 generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 CliftonLarsonAllen LLP, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the County's financial statements for the fiscal year ended June 30, 2020 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 auditor concluded, based upon the audit that the County's financial statements as of and for the fiscal year ended June 30, 2020, are fairly presented in all material respects in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section.

The County is required to undergo a federally mandated annual audit called "The Single Audit" which is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit report.

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 auditors.

PROFILE OF THE COUNTY

The Reporting Entity and Its Services

The County is a corporate polity which performs all local governmental functions within its jurisdiction, as there are no incorporated towns, villages, municipalities or other political subdivisions with separate taxing authority. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council with each serving separate executive and legislative functions, respectively.

The Community College of Baltimore County, the Board of Education of Baltimore County, and the Board of Library Trustees for Baltimore County are reported as discretely presented component units because they are deemed to be fiscally dependent on the County. The component units are reported separately within the County's financial statements to emphasize that they are legally separate from the County. The County and its component units provide the full range of municipal services contemplated by statute or charter. This includes education, police and fire protection, sanitation, health and social services, public improvements, planning and zoning, recreational and cultural activities, and general administrative services.

Adopted Budget

The annual budget serves as the foundation for the County's financial planning and control. Pursuant to County Charter, the County Executive presents the capital and operating budgets to the County Council during April of each year. The County Council may decrease or delete any items in the budget except those required by the public laws of the State of Maryland and except any provision for debt service on outstanding obligations or for estimated cash deficits. In its deliberations, the Council considers the recommendations of the Spending Affordability Committee (Committee) consisting of three members of the County Council and two other members from an area of specialty, such as finance, organized labor, etc. On or before February 15 in each year, the Committee submits to the County Council and County Executive a report with recommendations on fiscal goals or growth in the County budget to a level that does not exceed the rate of growth of the County's economy. The budget must be adopted by the affirmative vote of no less than four members of the County Council on or before June 1 each year. The adopted budget becomes effective July 1 and provides the spending authority at the program level for the County's operations.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. A budget-to-actual comparison is provided for the General Fund on page 23 as part of the basic financial statements for the governmental funds. Additional information regarding the County's budget can be found in Note 1 of the notes to the basic financial statements and in schedules provided in the other supplementary information section.

As part of the annual operating budget process, the County develops a six-year Capital Improvement Program (CIP) consisting of the upcoming fiscal year's appropriations (the "Budget Year") and the succeeding five-year program. The CIP is divided into two areas: the Metropolitan District, for all water and sewer projects, and the Consolidated Public Improvements for all other capital projects. A major source of funding for the CIP is borrowed funds. CIP bond appropriations appearing in the Budget Year represent an authorization to borrow money. The cost to service this debt impacts the General Fund and the Metropolitan District Fund and increases with the amount of outstanding debt.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC 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.

Economic Condition

The County is situated in the geographic center of Maryland, surrounding the City of Baltimore almost entirely. The County is the largest jurisdiction by population in a metropolitan area with more than 2.8 million people. The City of Baltimore and the County are entirely separate political units.

The County has the third largest land area of any political subdivision in the State of Maryland. Within its 612 square miles (plus an additional 28 square miles of water with over 200 miles of shoreline) are situated at least 29 identifiable, unincorporated communities which, as of 2010, ranged in population from approximately 4,300 to 63,000. The County's overall population grew 10% from 754,292 in 2000 to 827,370 in 2019. The 2020 population estimate for Baltimore County is 847,000. Today, the County has the third highest population in the State of Maryland.

Healthcare and education, the sectors that generally report job stability and growth despite economic downturns, are well represented in the County by five regional medical centers and five major colleges and universities. BD Diagnostic Systems shares a zip code with one of the largest concentrations of computer game developers on the East Coast. Headquarters for the Social Security Administration and Centers for Medicare and Medicaid Services and a core of IT contractors form the Woodlawn Federal Center, the epicenter of national health care reform implementation are located in the County. Major operations of T. Rowe Price, Toyota Financial Services, Euler Hermes, Zurich America, Baltimore Life, and Bank of America form a powerful finance-insurance community. Manufacturing holds its place with BD Diagnostics, McCormick, Stanley Black & Decker, Lockheed Martin, AAI Textron, Middle River Aircraft and Coty (formerly Procter & Gamble Beauty).

New Business and Real Estate Activity

The following section highlights a sampling of business and real estate activity in the County from July 2019 to June 2020:

CENTRAL BALTIMORE COUNTY

Towson Square – Towson Square includes a 75,000 square foot, 3,400 seat, 15 screen multiplex cinema atop a three story, 850 space garage. In addition, seven restaurants are open. Towson Square has brought 870 jobs related to the completed project. The project owner, Retail Properties of America, is now redeveloping the former Towson Circle building and the site across the street into Towson Circle East. The two projects will be integrated in design and street level amenities.

Towson Circle East – Retail Properties of America, the owner of Towson Square is now redeveloping the former Towson Circle building and the site across the street into Towson Circle East. The two projects will be integrated in design and street level amenities. This project is a \$125 million mixed-use development located at the traffic circle at York and Joppa Roads. The project includes 371 mid and high-rise apartments, developed by Avalon Bay Communities, which accepted their first occupants in February 2020. The project also includes over 24,000 square feet of new and refurbished retail space with some underground parking. Shake Shack has been announced as the first tenant for the retail space and should occupy in late 2020 or early 2021.

Towson Residential - Since 2008, three major projects consisting of over 1,200 new luxury apartments have been completed with around 400 currently under construction. A \$60 million, 611 bed, 248 unit student housing project with first floor retail is under construction at 101 York Road. Federal Realty Investment Trust's project, The Flats at 703, a 105 unit apartment project located at 703 Washington Avenue, is completed and fully leased. Towson Mews, 34 luxury townhomes developed by Evergreene Homes is near completion.

Towson Row - This 1.2 million square foot mixed-use development situated at downtown Towson's southern gateway is bounded by York Road, Towsontown Boulevard, Chesapeake Avenue, and Susquehanna Avenue. When fully developed, this \$350 million project will offer roughly 145,000 square feet of Class A office space, 250 market rate apartments and condominiums, 220 limited service and extended stay hotel rooms, 985 beds for student housing, and roughly 140,000 square feet of commercial space, including shops, restaurants, and a Whole Foods grocery store. The first phase of the student housing portion of the development, which includes the Whole Foods garage, is expected to be completed in 2020. Construction has begun on the Whole Foods market.

Towson University/Downtown Towson – Towson University has leased the former Towson Armory and is renovating the space to accommodate a number of programs and offices focused on community engagement and outreach, entrepreneurship, continuing education and workforce development. The Armory will provide a place for students to engage with the business community as young entrepreneurs, interns and future workers. The University has also purchased 401 Washington Avenue, across the street from the Armory. The 130,000 square foot office building will be used for university administrative functions, bringing Towson University employees into the heart of Towson.

Stanley Black & Decker Global Tools & Storage – The company signed a lease for an additional 92,000 square feet in the Greenleigh development in Middle River. 600 total employees will be located at Greenleigh, 400 of which will be new employees hired by December 31, 2020 and the remaining 200 of those employees are moving there from Towson. \$8.5 million will be invested in the new space, including real property improvements, furniture, fixtures, and equipment. The new space was necessary to accommodate projected employment growth resulting from the two major purchases in the past few years of the Newell Brands' tool business and the Craftsman line of tools from Sears. These purchases helped SB&D push deeper into the consumer and industrial equipment business sectors and extend its reach into household brand name retail markets. Towson will continue to be the headquarters for Stanley Black & Decker's Global Tools and Storage business. The company currently occupies a total of 525,000 square feet in the Towson area, split between the 31 acre campus they own at 701 E. Joppa Road and several nearby leased properties. They currently employ 1,600 full-time employees and 350 private contractors.

The Shops at Kenilworth – Greenberg Gibbons is completing work on a \$20 million renovation to The Shops at Kenilworth, a landmark shopping destination in Towson, originally built in 1979. A brand new Trader Joe's opened on the upper level in 2017. A 3,600 square foot free-standing Felipe's Mexican Taqueria is under construction near the western lower level entrance. New shops in the center include: Amaryllis, Kenilworth Wine & Spirits, Liza Byrd Boutique, Quiet Storm Surf Shop, TAC @ Kenilworth (Summer Gallery), Wilkes & Riley, ZenLife Yoga Boutique & Juice Bar, longtime local boutique Ruth Shaw, J Jill and Radcliffe Jewelers.

Towson Commons Retail - Affiliates of MFI and Woodmont Properties II are redeveloping 115,000 square feet of retail space along York Road and Pennsylvania Avenue. Existing businesses, including CVS Pharmacy, Chipotle, Hair Cuttery, Blaze Pizza, Brown Rice, New Generation Hot Pot, Insomnia Cookies, First National Bank, C&R Pub, and Rosen, Sapperstein & Friedlander have opened and renovations are underway for others.

U.S. Census Office – Towson was selected as the location for the 2020 U.S. Census. The office is creating 50 new jobs in an 8,000 square foot office building. This will be an 18 month term assignment for this operation.

Mill Station – The former Owings Mills Mall site has been redeveloped as an outdoor shopping center called Mill Station. This is a 575,000 square foot, \$108 million project anchored by a new 148,000 square foot Costco warehouse store. Other new tenants include an 111,000 square foot Lowe's Home Improvement store, Marshalls, Burlington, Homesense, Five Below and Giant Food. Other announced tenants include: Mod Pizza, America's Best Contacts & Eyeglasses, Mattress Warehouse, Sally Beauty, Vineyard Elite and Village Nail Bar. The existing AMC Theatres has also been updated with new seating, menus and technology.

Metro Centre at Owings Mills – Metro Centre at Owings Mills is a \$1 billion mixed-use, transit oriented special taxing district that is being developed by Owings Mills Transit, LLC. At completion, the project will support more than 1.2 million square feet of commercial office space, 300,000 square feet of complementary retail space and 700 residential units and a full service 225 room hotel amenity. The project adjoins the Owings Mills Metro stop and two commuter parking garages with a total of 5,277 spaces. The project includes a County library, community college branch, and two five story upscale buildings with 232 apartments that are over 90% leased and ground floor retail and restaurant space. Salontra Select Suites, Suya Spot, Club Pilates, and Hook and Reel, are the newest tenants. Construction is almost complete on a new seven story apartment building, which will bring the total number of apartments at Metro Centre to 350. The 114 Class A unit building called The Met at Metro Centre is complete and has begun leasing. A fourth apartment building, “The Willard,” with 237 Class A units, is in the design phase. A new ten story, 225 room full service Marriott International hotel with conference facilities and a 1,000 seat ballroom is under construction and expected to open in 2021. The project represents a \$70 million investment.

Foundry Row – This \$140 million mixed-use development in Owings Mills, anchored by a Wegmans grocery store, includes 356,000 square feet of retail space and 48,000 square feet of office space. Businesses including LifeBridge Health, LA Fitness, DSW, Ulta Beauty, Poke Bowl, Panera Bread, Zoe's Kitchen, Smashburger, Nalley Fresh, Mission BBQ, Chipotle, La-Z-Boy Furniture, Old Navy, Floyd's 99 Barbershop, Hair Cuttery, Sleep Number, Muse Paint Bar, Amazing Lash and Home Goods have all joined Wegmans as tenants.

Avalon Foundry Row - In October 2019, the Northern Virginia-based AvalonBay Communities broke ground on the four-star, 437 unit, Avalon Foundry Row which is adjacent to the shopping center. Upon completion in early 2021, the property will feature studio to three bedroom apartments with modern amenities.

Hunt Valley Towne Centre - Avalon Hunt Valley, a \$70 million upscale apartment complex on the eastern end of Hunt Valley Towne Centre, is fully occupied. The Class A apartment building offers a variety of amenities, including a dog park, a gym, and a game room. The new apartment community sits above 30,000 square feet of retail. Towne Centre owner Greenberg Gibbons has announced a \$150 million plan for the expansion of the Towne Centre. The plan would include apartments, office space and a hotel in the northwest corner of the property, behind the former Sears building.

Bank of America – Bank of America (BofA) plans to add 600 jobs at its call center in Hunt Valley by the end of 2020. These jobs will join the 300 jobs that the bank added at the two-building complex in 2017. The new positions will be primarily call center and staff support positions and will bring the bank's employee count at the site up to 1,500 over the next two years. BofA has taken over new space, upgraded interiors, and increased parking at the 377,000 square foot complex they own at 11333 McCormick Road. Merrill Lynch, Bank of America's wealth management division, also has offices at the site.

226 Schilling Circle – Merritt Properties has acquired 226 Schilling Circle, a 98,000 square foot former McCormick office building. Merritt will redevelop the building into Schilling Green III, a three story Class A office that is intended for LEED Silver certification.

First Financial Federal Credit Union of Maryland – This bank purchased and occupied the 47,600 square foot former JMT office building at 72 Loveton Circle.

Kaiser Foundation Health Plan of the Mid-Atlantic States – This company is investing over \$200 million in a new regional medical hub project in Timonium. The 227,000 square foot facility on five acres will include

25 medical specialties and employ 350 people upon opening with another 150 expected to be added within ten years. Construction is underway and the project is expected to open in 2022.

Point Breeze Credit Union (PBCU) – PBCU is constructing a new two story, 20,000 square foot addition to their current corporate offices at 11104 McCormick Road. The addition will increase its headquarters to 40,000 square feet while consolidating all of the credit union’s administrative functions under one roof.

Tradepoint Atlantic – In 2014, Tradepoint Atlantic acquired the former steel production facility at Sparrows Point. The 3,250-acre property is being redeveloped for industrial and distribution use. In summer 2018, Tradepoint Atlantic purchased Sparrows Point Shipyard for \$33.5 million to expand its maritime operations. For more information about current tenants at Tradepoint Atlantic, see Industrial Redevelopment section.

Aviation Station – In September 2019, local real estate developer Blue Ocean acquired the former Middle River Depot, a two story, 1.92 million square foot facility on over 50 acres in Middle River. Located only hundreds of yards from the Middle River MARC train station, the developer hopes to acquire Transit Oriented Development (TOD) status from MDOT. In addition, Aviation Station was awarded the highest allocation of state historic tax credits available. The proposed mixed-use development includes a family-friendly focus with athletic playing fields, retail, office and light manufacturing spaces, and parking for hundreds of vehicles. The development is expected to create hundreds of new jobs.

Lockheed Martin – Lockheed Martin’s contract with the U.S. Navy was renewed for \$235 million to manufacture missile firing systems used on warships at Lockheed’s facility in Middle River. The deal extends through 2022 and could be worth as much as \$356 million if the Navy adds optional orders. The flexible missile system can launch a variety of missiles.

Greenleigh at Crossroads – Greenleigh at Crossroads broke ground in May 2016 on a \$750 million mixed-use community of offices, shops, apartments, single-family homes, and a hotel. The project will occupy 250 acres of the 1,000 acre Baltimore Crossroads and is expected to build out over 10 to 15 years. Greenleigh plans currently include 1,800 detached homes and townhomes, three mid-rise office buildings totaling 300,000 square feet, another 350,000 square feet in single-story office buildings, 116,000 square feet of retail, and a 120-room Springhill Suites by Marriott hotel.

Eisai Inc. – The U.S. pharmaceutical subsidiary of Tokyo-based Eisai Co. Ltd., signed a 40,000 square foot building lease within Greenleigh at Crossroads. The company expects to relocate approximately 55 employees from its existing location in Baltimore City in 2020 after construction is completed.

Mistral Group – This company, which provides practical system solutions through adaptation and integration of Israeli defense technologies and U.S. engineering and manufacturing, relocated to White Marsh to combine and establish a new manufacturing facility, resulting in 50 new jobs company-wide.

MedStar Franklin Square Hospital – In July 2017, MedStar Franklin Square Medical Center was approved by the Maryland Health Care Commission to move forward with a \$70 million project to replace old surgical facilities with a new two story 75,000 square foot building and 14 operating rooms to be constructed on the hospital's Rosedale campus. The work began in October 2017 with the demolition of an old building that sat on the site. About \$40 million for the project will come from tax exempt debt financing, \$10 million will come from hospital operations, and the other \$20 million will come from several private and public investments. The project is intended to replace Franklin Square's current surgical facilities and will be constructed over the next two years. In January 2018 MedStar Orthopedic Institute opened the Orthopedic and Sports Medicine Center at MedStar Franklin Square Medical Center. Located in 10,043 square feet of space, the practice is dedicated to bone, joint, and soft tissue injuries, and includes seven orthopedic and sports medicine experts, along with rehabilitation therapy in one centralized location. The new center is located in the Medical Arts building across from the main hospital on Franklin Square Drive. It will include 18 exam rooms, two imaging suites, and an expansive waiting room with an area for children to play. The location is convenient to communities of Harford County and Eastern Baltimore County--including Perry Hall, Nottingham, Dundalk, Middle River, and Parkville.

Social Security Administration (SSA) – Social Security headquarters in Woodlawn announced that they will receive a \$150 million Congressional Appropriation for major renovations of their main administrative building. SSA employs approximately 11,000 at this site and this significant investment ensures that Baltimore County remains home to the Social Security Administration for decades to come.

iCyberCenter@bwtech – Located at UMBC’s business incubator, the iCyberCenter is the first global cyber incubator that will attract international companies to the Maryland market, and offer connections with existing organizations. Currently, there are eight national and international companies participating in the program.

Guinness Open Gate Brewery and Barrel House – In 2017, Diageo announced that the first Guinness brewery in the United States in over 50 years would be located in Relay, Maryland, in a former Diageo spirits bottling facility. The \$80 million brewery project, which opened fully in 2018, created over 200 production and hospitality jobs. The brewery produces Guinness Blonde Lager as well as experimental brews. In 2019, the brewery announced national distribution of the first beer developed at Open Gate, Over the Moon Milk Stout. The Open Gate Brewery attracted over 300,000 visitors in its first year of operation.

Beltway Business Park – Merritt Properties constructed two new buildings on Twin Springs Road in fall 2017 and spring of 2018. Both buildings are about 40,000 square feet each, and the total investment including land was \$6.2 million. The first building opened for new tenants in 2019.

Junior Achievement – In June 2020, Junior Achievement plans to relocate to a new facility in Beltway Business Park, which will more than double their existing space from 12,600 square feet to 28,800 square feet. They expect to increase the number of employees from 15 to 25. The new facility will require over \$3 million in buildout and renovations.

Good Wrappers – Good Wrappers recently purchased 3901 Washington Blvd for expansion of their operation. The \$2.6 million expansion will provide 160,000 square feet of additional space. As a result of the expansion, they more than doubled their employment base to 55 employees.

Heavy Seas – The brewery is in the process of expanding and renovating their taproom in Halethorpe. The expansion will increase the size of the taproom seven-fold and double the size of the outside patio. The brewery also is constructing a new, 15-barrel innovation brew house that will allow the team to create limited releases exclusively for the taproom. They expect to add four more positions to their existing workforce of 55 employees. Completion is expected sometime in 2020.

Vanns Spices – In Spring 2019, Vanns Spices relocated to a new facility in Baltimore County which doubled their existing space from 30,000 square feet to 60,000 square feet. They doubled their workforce and greatly expanded their production capacity as a result of the relocation. Over \$1 million was invested in buildout and renovations in the new facility.

Industrial Redevelopment

Sparrows Point/Dundalk

The Sparrows Point peninsula was the location of a major integrated steel mill for more than 100 years. In May 2012, the final steel mill operator, RG Steel, declared bankruptcy and announced plans to close the facility and lay off all 2,000 workers. For two years, Baltimore County worked aggressively both to define and pursue a new vision for this valuable 3,250 acres of land with deep water, freight rail and interstate access, and to help the dislocated steelworkers acquire the training and support services they need to enable them to move into new careers.

The Sparrows Point Partnership, an advisory group of private sector port, logistics and real estate professionals, was established by the County Executive in 2012 to recommend how best to position Sparrows Point and the surrounding area for long-term job growth. In May 2013, the Partnership released its first year report, which highlighted the area’s exceptional assets including a massive land product: 5.3 square miles, with more than 3,300 acres zoned for industrial use; deepwater access near the growing Port of Baltimore; interconnected transportation, including direct connection to two Class One railroads and

interstate highways; exceptional natural gas and electricity supplies; a large supply of treated water flowing directly to the site; and a highly capable, motivated workforce.

The report also outlined the County's vision for growth at Sparrows Point, driven by several key principles which include expanding maritime use on the peninsula in partnership with the Maryland Port Administration, retaining the current zoning for industrial use, encouraging private ownership to rebuild the aging infrastructure on the site, and managing a long-term strategy that includes active participation and guidance from the County, the State of Maryland and the Port of Baltimore

Tradepoint Atlantic (TPA) acquired the 3,250 acre former steel production facility at Sparrows Point. The new owners agreed to \$48 million in assurances to pay for the environmental cleanup. The property will be redeveloped for industrial use. In May 2017, Maryland's Public Service Commission (PSC) approved two development companies, U.S. Wind Inc. and Skipjack Offshore Wind LLC, to build offshore wind projects off the coast of Ocean City, Maryland. As part of its project approval order, the PSC set certain conditions for the developers, including the use of port facilities in Greater Baltimore and Ocean City, and collectively invest at least \$39.6 million to support port upgrades at Tradepoint Atlantic and \$76 million in a steel fabrication plant in Maryland. In July 2019, Tradepoint Atlantic announced a landmark agreement with Orsted U.S Offshore Wind to develop Maryland's first state-of-the-art offshore wind energy staging area and facility. This was a major milestone in the development of Orsted's Skipjack offshore wind farm 19.5 miles off Maryland's coast, and in the expansion of the offshore wind energy workforce in Baltimore County and Maryland. The agreement is part of Orsted's \$13.2 million commitment to invest at Tradepoint Atlantic. Tradepoint Atlantic purchased Sparrows Point Shipyard in the summer of 2018 for \$33.5 million to expand maritime operations. The property will be redeveloped for industrial use; recent activities include:

Perdue AgriBusiness – This division of Purdue Farms invested \$30 million to open an organic grain receiving and storage facility at Tradepoint Atlantic. This facility includes grain and oilseed processing and milling and will support more than 25 new jobs. The facility completed occupation of the entire 150,000 square foot facility in 2020, with possibility of expansion.

Gotham Greens LLC – This agriculture startup is building a 100,000 square foot hydroponic greenhouse at Tradepoint Atlantic in early 2019 and plans to open in early 2020, bringing in 50 new jobs.

U.S. Department of Transportation TIGER Grant – In March 2018, Tradepoint Atlantic was awarded a \$20 million grant from the U.S. Department of Transportation to upgrade its east-west port berth and deepen channels to improve efficient transport and movement of bulk cargo goods transfer. The grant is being administered by the Baltimore County Department of Economic & Workforce Development.

Floor & Décor – This specialty retailer of tile, wood, laminate, natural stone flooring and accessories opened a 1.5 million square foot distribution center in late 2019, bringing in 150 new jobs.

Host Terminals – In April 2017, Tradepoint Atlantic announced a 10 year agreement with Host Terminals to oversee marine cargo operations at the Baltimore County site, which includes \$30 million in combined investment toward infrastructure improvements to the site. It is expected to bring 9,500 jobs to the region. The International Union of Operating Engineers' Local 37 will provide union labor for the facility.

FedEx Ground – FedEx Ground secured a long term lease and in July 2017, opened a new 300,000 square foot distribution center at Tradepoint Atlantic that employs 150 with plans to hire up to another 150 long-term package handlers, drivers, and office workers.

BAE Systems – Tradepoint Atlantic's dry dock returned to service in June 2020, after last being used in 2017. The first client BAE Systems' Titan dry dock is scheduled to arrive in Baltimore and dock at Tradepoint Atlantic's onsite dry dock to undergo a five month long repair and maintenance program. The project ushers in a new era of ship maintenance and repair, and represents a year of work and planning to reopen this legacy industry in Baltimore.

Under Armour Omni Distribution House – Under Armour signed a deal with Tradepoint Atlantic to build a one million square foot distribution warehouse that will employ 1,000 people and be part of an overall \$175 million capital investment. The facility opened in 2019 and will serve as the company's national hub to fulfill consumers' online orders.

Amazon at Tradepoint Atlantic - Amazon will open its fourth fulfillment center in Maryland, and second at Tradepoint Atlantic, creating more than 500 new full-time jobs and hundreds of local construction jobs. The more than one million square foot facility adds to Amazon's presence at Tradepoint where the company currently operates an 855,000 square foot robotics fulfillment center with more than 2,000 full-time employees. When completed, the center will allow Amazon employees to pick, pack and ship larger consumer items, such as bulk paper goods, sports equipment, patio furniture and larger home goods and electronics. The facility, which will house innovative Amazon technologies and energy efficient zero emission power industrialized truck (PIT) equipment, is expected to launch in time for the 2020 holiday shopping season.

The Shoppes at Tradepoint Atlantic -- In November, 2017, Tradepoint Atlantic announced Royal Farms as the first tenant to occupy this 70 acre retail development. The Baltimore based convenience store chain has signed a long-term lease. The Shoppes at Tradepoint Atlantic is a planned retail development comprising more than 70 acres of Tradepoint Atlantic. The Royal Farms development includes retail gas and diesel fueling, a convenience store, and car wash.

Technology Locations

bwtech@UMBC

The bwtech@UMBC Research & Technology Park (the "Park") is a 71-acre community engaged in research, entrepreneurship, and economic development. The Park contains eight buildings, including multi- and single-tenant buildings and three incubators. Over 40 cyber security companies currently reside and do business in the Park. The Park is adjacent to the main UMBC campus with direct access to the innovative research and amenities of a major university.

The Park includes 133 tenants and 1,500 employees, including mature, emerging and incubator companies. This past year 10 new companies joined their incubator. bwtech@UMBC operates these distinct business incubators with specific industry orientation and has offered 10 workshops for over 100 businesses participating, and conducts direct advisory services to over 60 tenant companies. bwtech@UMBC companies have access to UMBC campus amenities and enjoy the strategic location only minutes away from BWI Thurgood Marshall Airport, downtown Baltimore, and the federal agencies located in the Washington, D.C. corridor. The location, coupled with the opportunity to collaborate with the talented students and faculty of UMBC's nationally recognized science and engineering programs, makes bwtech@UMBC an ideal location for technology, bioscience and research organizations at all stages of development.

Bwtech@UMBC recently announced the establishment of a new internal cybersecurity center called iCyberCenter. The iCyberCenter will provide an executive training session, a 12-month incubator program, and other support to companies from the United Kingdom and other nations to help them establish a foothold in the U.S. market. The new iCyberCenter connects to mentors, thought-leaders, potential customers, investors and partners while being part of an unparalleled cybersecurity ecosystem. Companies in the iCyberCenter's incubation program benefit from expert mentoring by highly experienced international cyber business experts and a continuous program of training, events, networking, and new business opportunities designed to help them accelerate entry into the U.S. market.

UMBC was designated as a RISE Zone institution by the State of Maryland. This designation provides income tax credits to incubator companies for each new job created. UMBC has significant resources and expertise in the areas of economic development and community relations that it expects to apply to these goals. Senior officials in charge of bwtech@UMBC, corporate relations, and community relations will lead planning for the RISE Zone. Virtually all the Park's 525,000 square feet are leased and the Park generated nearly \$500 million in income and business sales. These figures speak to UMBC's economic development ability.

The following list highlights tenants at bwtech@UMBC Research & Technology Park as of FY 2020:

FZata – This biotech company focuses on developing antibody based therapeutic and preventative medicines, as well as diagnostic products.

Syncopated Engineering – This is a creative solution provider of software applications and embedded systems for wireless communications, signal processing, and data analytics.

ACTIVECharge – This company creates novel technologies to harvest wasted vibrational and kinematic energy and convert it to electrical energy for battery-free sensor operations for wind and other energy related equipment.

Ardent Privac – This company maximizes the privacy and security of data within an enterprise by minimizing data to reduce liability and business risk.

4S – This NHO-owned 8(a) company provides leading edge software, optics, and technical management practices to federal clients.

iProove – This company creates unique biometric authentication solutions for a variety of clients including the U.K. and U.S. governments.

Potomac Laser – This UMBC alum-founded business is a micro-manufacturer for medical device micro-machining, biotech manufacturing and electronics.

Blue Wave Semiconductors – This technology company develops a variety of thin film deposition systems including pulsed laser deposition (PLD) systems, electron beam evaporators, thermal evaporators, reactive sputtering tools, hot filament chemical vapor deposition (HFCVD) systems, and thermal chemical vapor deposition (TCVD) systems.

Enterprise Zones

An enterprise zone is a tool the State of Maryland offers to local jurisdictions for promoting economic development in certain qualifying areas. The County has three Enterprise Zones - the Chesapeake Zone (formerly known as the North Point Zone), located along the industrial North Point corridor in eastern Baltimore County; the Southwest Zone, located in the Washington Boulevard/Hollins Ferry Road industrial corridor; and the Federal Center at Woodlawn Zone. These three areas contain over 10,000 acres of industrial and office-zoned land, and over 700 businesses. Since the approval of the first zone in December 1995, more than 130 businesses in the North Point and Southwest enterprise zones have committed to investing over \$315 million in real property improvements and \$270 million in machinery and equipment. In addition, approximately 3,700 new jobs have been created. The Halethorpe-Arbutus area in the Southwest Enterprise Zone has seen dramatic growth, with almost 600 new jobs in a four year period. The Southwest Enterprise Zone was amended and redesignated in June 2013. The North Point Zone expired and was replaced in 2015 by the Chesapeake Zone, a larger area that now includes the entire Sparrows Point peninsula, now known as Tradepoint Atlantic.

The program offers two primary benefits to businesses in the designated zone that make new investments or hire new employees:

1. **Property Tax Credits.** The local jurisdiction provides an annual property tax credit that is phased out over a ten year period. For the first five years, the credit is equal to 80% of the increase in property tax resulting from the new investment in real property. In the subsequent five years, the credit decreases 10% annually until it is phased out entirely in the eleventh year.
2. **Income Tax Credits.** For each new, fulltime job created in an enterprise zone, the State grants a \$1,000, onetime State income tax credit to the employer. If a worker who is certified as economically disadvantaged fills the new job, the credit can total as much as \$6,000 over three years.

The local property tax credit is applied only to the increased tax liability resulting from the new investment. Therefore, the County experiences no loss in property tax revenue as a result of the program; it simply foregoes a portion of the increase in property tax revenue that results from the new investment. Additionally, the State of Maryland reimburses the County for 50% of the property tax credits to businesses.

Opportunity Zones

The 2017 Tax Cuts and Jobs Act permits the designation of distressed communities as Opportunity Zones, a federal incentive which allows private investors to defer paying taxes on capital gains invested in an Opportunity Zone fund. If the investment is held for certain periods of time, investors may avoid taxes on a portion of such capital gains investments and on the amount of the capital gains derived from the investment in the Opportunity Zone fund. There are 149 census tracts in Maryland designated as Opportunity Zones, 10 of which are in Baltimore County. Baltimore County Opportunity Zones are: UMBC/Spring Grove, Woodlawn, Owings Mills, Middle River, Essex, and Southern Dundalk. The Woodlawn and Essex designated areas each contain two Opportunity Zones.

Economic Development Financing Assistance

In FY 2020 the County approved financial assistance to four businesses from the County's Revolving Financing Fund totaling \$295,000. Additionally, during FY 2020 the County approved four loans totaling \$645,000 from the County's Boost loan program. The Boost Fund provides flexible financing to assist in the acquisition of business assets, working capital, equipment, owner-occupied commercial real estate, construction of new facilities, and leasehold improvements.

Relevant Financial Policies

The County's debt and financial management policies as set forth by the County Executive were recognized by all major rating agencies with the continuation of the County's triple-A credit rating. The policies included target ratios to be met and ceiling or floor ratios. The County will take appropriate corrective action to ensure that ratios do not go above or drop below their respective desired ceiling or floor.

To protect the County from unforeseen emergencies and future economic downturns, the County took the fiscally prudent step of raising its target level for unreserved General Fund balances. Rather than the long-term policy level of 5% of the revenue budget, effective FY18 the County Council approved an amount equal to 10% of the revenue budget be transferred to the Revenue Stabilization Reserve Account (RSRA) with limited access for withdrawals. The County plans to maintain unreserved General Fund balances in excess of 10% of General Fund's revenues each year. Effective FY18, there is established a minimum level of reserves in the RSRA equal to 7% of the budgeted general fund revenue for the current fiscal year. Funds in the RSRA may not remain 7% for more than two consecutive years.

The County will ensure that any unreserved fund balance in excess of the target level of revenues will be retained to provide only short-term tax stabilization. Excess reserves well above the target level will be eliminated through dedicated one-time items such as PAYGO contributions in order to reduce the level of programmed borrowing in support of the capital budget.

Major Initiatives

The following are some selected highlights and budget priorities for FY 2020 that are expected to affect future financial position:

Education – The FY 2020 budget for the Baltimore County Public Schools (BCPS) is an increase of \$81.8 million or 5.3% over the FY 2019 budget. The budget exceeds Maintenance of Effort by 4.4% or \$35.5 million.

The FY20 capital budget and capital improvement program continues the Schools for Our Future program. The program was initiated to eliminate elementary school overcrowding, modernize schools and install air conditioning in all County schools. The Adopted FY 2020 Capital Budget shows an allocation of \$260.3 million to school projects and a six-year plan totaling over \$675 million. All County funding for the Schools for Our Future Initiative is in place with the FY20 Capital Budget. The FY 2020 budget includes \$15 million in capital funds for the planning and design of the replacement Landsdowne High School.

The Community College of Baltimore's County's (CCBC) FY 2020 Operating Budget reflects an increase of \$2.9 million from prior years funding. The FY 2020 Operating Budget also continues to reflect CCBC's Economic Stabilization and Enrollment Stabilization initiatives. Both of these initiatives were implemented in previous years to address the inter-dependent concerns of a continuous greater State Community College Aid for FY 2019 enrollment decline indicative of an improving local economy and the resultant destabilization of revenue streams that strongly correlate with credit enrollment and constitute the financial foundation of CCBC's operations. CCBC intends for the strategic results from these two initiatives to propel the college into the next decade via its Strategic Plan FY 2017-FY 2019 entitled "CCBC 2020 – A College on the Cutting Edge." Especially noteworthy in this regard is the implementation of CCBC's "Strategic Alignment Target," a plan to re-deploy dozens of vacant positions reclassified to complement new programs, such as additional online curricula offerings. Thus, CCBC will have adjusted its staff size and composition, consistent with mission-centric programs, and will have also taken the necessary steps to diversify its revenues and contain cost inefficiencies.

Public Safety – The Baltimore County Police Department continues to enhance its transparency and communication with citizens. The FY 2020 budget reflects the third full year of the County's new emergency medical transport billing initiated with the cooperation of the Baltimore County Volunteer Firemen Association. With projected FY 2020 revenue of \$25 million, a broader, deeper commitment has been made to Baltimore County's volunteer fire and EMS companies including a 1% percent increase in funding over the current operating budget.

Community Conservation and Preservation - The Department of Health and Human Services is the largest provider of social safety net activities for the County. Its mission is to promote the well-being of individuals and families through the provision of quality health and social services. The FY 2020 Adopted Budget includes more than \$100 million in its Health and Human Services Agencies' budgets. Although this amount includes a significant amount of federal and state funding, the County's overall commitment across all agencies includes more than \$36 million in County funds towards these worthy endeavors.

Health related services are wide ranging and address a myriad of issues including public health, care of pregnant women and children, care of disabled individuals, substance abuse, and mental health. Social Service functions are equally wide ranging and include services to vulnerable adults, care for abused and neglected children, provision of emergency resources to needy families and other services aiding families transitioning to self-sufficiency. More than \$20 million, of the previously mentioned \$36 million in County funds, has been budgeted in FY 2020 to address these issues.

Coronavirus Aid, Relief, and Economic Security (CARES) Act - The CARES Act was passed by Congress and signed into law on March 27, 2020. The purpose of the CARES Act was to create \$150 billion in Coronavirus relief funds for states and U.S. territories that can be used for necessary and justifiable expenditures incurred due to COVID-19 that were not accounted for in the most recently approved budget as of March 27, 2020. Necessary costs in the budget include costs that are now substantially dedicated to a different use than originally intended. These costs must be incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The allocation of these dollars is based on population and Baltimore County received \$144,369,685 directly from the U.S. Treasury.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The County has received a Certificate of Achievement for the last 41 consecutive years (fiscal years ended June 30, 1979 – 2019). We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Division. I would like to express my appreciation to them for their dedication to ensuring the financial integrity of the County and in the preparation of this report.

Credit also must be given to the County Executive and the County Council for their support in maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

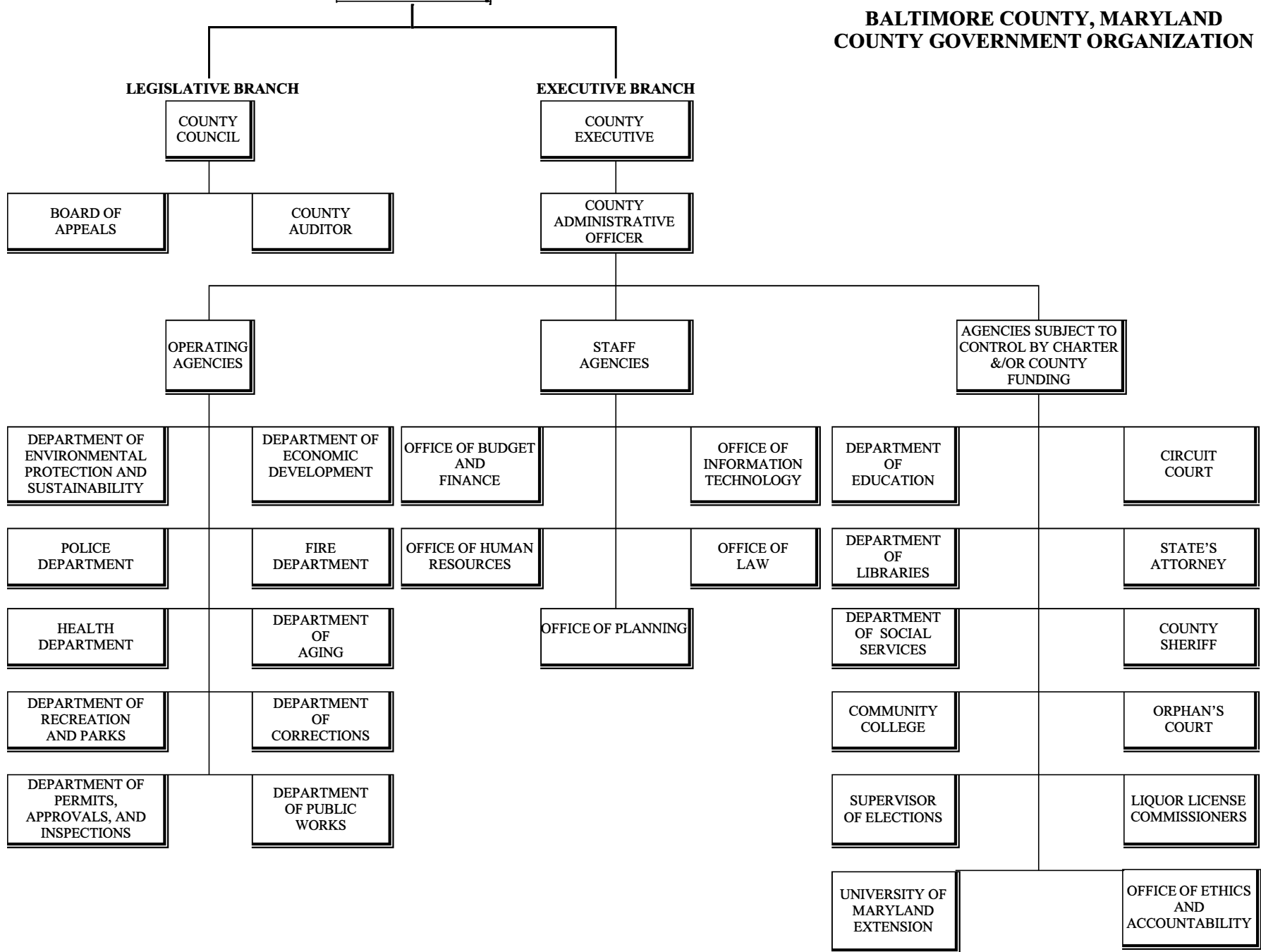
A handwritten signature in blue ink, appearing to read 'E. Blades', is written in a cursive style.

Edward Blades, Director
Office of Budget and Finance

CITIZENS

COUNTY

**BALTIMORE COUNTY, MARYLAND
COUNTY GOVERNMENT ORGANIZATION**



LIST OF PRINCIPAL OFFICIALS
June 30, 2020

Elective

**County Executive
County Council**

**John A. Olszewski, Jr
Tom Quirk
Izzy Patoka
Wade Kach
Julian E. Jones, Jr.
David Marks
Cathy Bevins
Todd K. Crandell**

Administrative

**Administrative Officer
Director of Budget and Finance
County Attorney
County Auditor
Director of Public Works
Chief of Police
Fire Chief
Director of Aging
Director of Economic and
Workforce Development
Director of Environmental Protection
and Sustainability
Director of Information Technology
Director of Permits, Approvals
and Inspections
Director of Human Resources
Director of Planning
Director of Recreation and Parks
Superintendent of Schools
Director of Health and Human Services
Director of Libraries
President of Community College
Director of Corrections
Administrative Law Judges**

**Stacy L. Rodgers
Edward P. Blades
James R. Benjamin
Lauren Smelkinson
D'Andrea Walker
Melissa Hyatt
Joanne Rund
Laura Riley

Leonard Howie

David Lykens
Rob O'Connor

Michael Mallinoff
Rhoda Benjamin
Pete Gutwald
Roslyn Johnson
Darryl Williams
Dr. Gregory Wm. Branch
Sonia Alcántara-Antoine
Sandra L. Kurtinitis, Ph.D
Gail Watts
Lawrence M. Stahl
Paul M. Mayhew**



Government Finance Officers Association

Certificate of
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**Baltimore County
Maryland**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL



SECTION



INDEPENDENT AUDITORS' REPORT

The Honorable County Executive and
Members of the County Council
Baltimore County, Maryland
Towson, 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 Baltimore County, Maryland (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

The Honorable County Executive and
Members of the County Council
Baltimore County, Maryland

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 15 and required supplementary information, as listed in the table of contents on pages 83 - 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund statements and schedules - supplementary information is 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 combining and individual fund statements and schedules - supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Honorable County Executive and
Members of the County Council
Baltimore County, Maryland

The introductory section and statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 30, 2020

BALTIMORE COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

Baltimore County, Maryland management is providing this narrative overview and analysis of the financial activities of the primary government (the County) as of and for the fiscal year ended June 30, 2020. Readers are to consider the data presented here in conjunction with the information presented in the transmittal letter at the front of this report and with all the County's financial statements and accompanying notes to those financial statements, which follow this section.

Financial Highlights

Government-wide:

- The County's assets and deferred outflows of resources were \$6.733 billion and its liabilities and deferred inflows were \$8.734 billion, resulting in negative net position of \$2.001 billion.
- The County's total net position decreased by \$305.762 million.

Fund Level:

- The County's governmental funds have combined fund balances of \$474.780 million.
- The General Fund's fund balance is \$518.103 million of which \$337.068 million is unassigned fund balance inclusive of \$215.634 million in a Revenue Stabilization account.

Long-term Debt:

- The County's total bond and note debt increased by \$134.550 million during the current year. The key factors in this increase were the issuance of \$350.000 million in bond anticipation notes, the issuance of \$288.000 million in general obligation bonds and \$87.264 draw on the Maryland Water Quality Revolving Loan Fund. These issuances and draws were offset by debt service payments of \$335.078 million.

Overview of the Financial Statements

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

Government-wide Statements (Reporting the County as a Whole)

The *Statement of Net Position* and the *Statement of Activities* are two financial statements that report information about the County's activities that should serve as a useful indicator of whether the County, as a whole, is better or worse off as a result of this year's activities. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* on page 18 presents all of the County's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position measure whether the County's financial position is improving or deteriorating.

The *Statement of Activities* on page 19 presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. Both statements report three activities, which include the governmental activities and business-type activities of the primary government and separate reporting for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The general government, public safety, public works, health and human services, culture and leisure services, economic and community development, and education functions fall within the governmental activities.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the costs of certain services it provides. The Metropolitan District water and sewer services are the only business-type activity reported.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County reports three component units that are described in the notes to the basic financial statements.

This report includes two summary reconciliations (pages 20 and 22) between the governmental fund financial statements (modified accrual accounting) and the governmental activities (full accrual accounting) reflected on the government-wide financial statements. Note 2 of the notes to the basic financial statements also provides more detail as to the transactions that impact the conversion from the modified accrual basis of accounting to the full accrual basis of accounting.

Fund Financial Statements (Reporting the County's Major Funds)

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. The County's funds are divided into three categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- *Governmental funds* – Most of the County's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The County reports the General Fund, Gifts and Grants Fund, and the Consolidated Public Improvement Construction Fund as major funds.
- *Proprietary funds* – When the County charges customers for the services it provides, whether to outside customers or to other agencies within the County, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. The County reports the Metropolitan District Fund as a major fund. Internal service funds report activities that provide supplies and services to the County's other programs and activities. Internal service funds are primarily reported as governmental activities on the government-wide statements.
- *Fiduciary funds* – The County is the trustee for its employee pension plans and the post employment healthcare benefits plan. These funds are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the County to finance its operations.

Notes to Basic 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 basic financial statements can be found starting on page 31.

Other Information

Required supplementary information includes schedules concerning the County's pension plans and its post-employment healthcare benefits provided to its employees. These schedules can be found starting on page 84. Other supplementary information includes combining and individual fund financial statements and schedules for the General Fund, Liquor License Fund, Stormwater Management Fund, internal service funds and fiduciary funds. These statements and schedules can be found starting on page 92.

Financial Analysis of the County as a Whole

The County's combined net position decreased \$305.762 million in FY 2020. The net position of the governmental activities decreased \$191.958 million and business-type activities decreased \$113.804 million. The schedule on page 7 presents the net position of the County's governmental and business-type activities as of June 30, 2020.

The largest component of the County's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related outstanding debt used to acquire the assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not liquid or available for future spending or liquidation of any liabilities. The liabilities associated with the County's net pension and net OPEB liabilities along debt used to finance capital projects, are the main cause of the County's negative unrestricted net position balance for both Governmental and Business-type Activities. It is important to note that counties in the State of Maryland issue debt for the construction of schools, yet the school buildings are owned by each public school system. The County also funds projects for the Community College of Baltimore County. Therefore, the County's financial statements include this outstanding debt, without the addition of the corresponding assets, which is a major reason for the governmental activities negative unrestricted net position. The County has a similar situation where it issues debt to finance capital contributions for Baltimore City owned assets. This is what causes the negative unrestricted net position in the business-type activities. These situations are described in more detail in Note 8.

Net Position as of June 30 (in thousands)

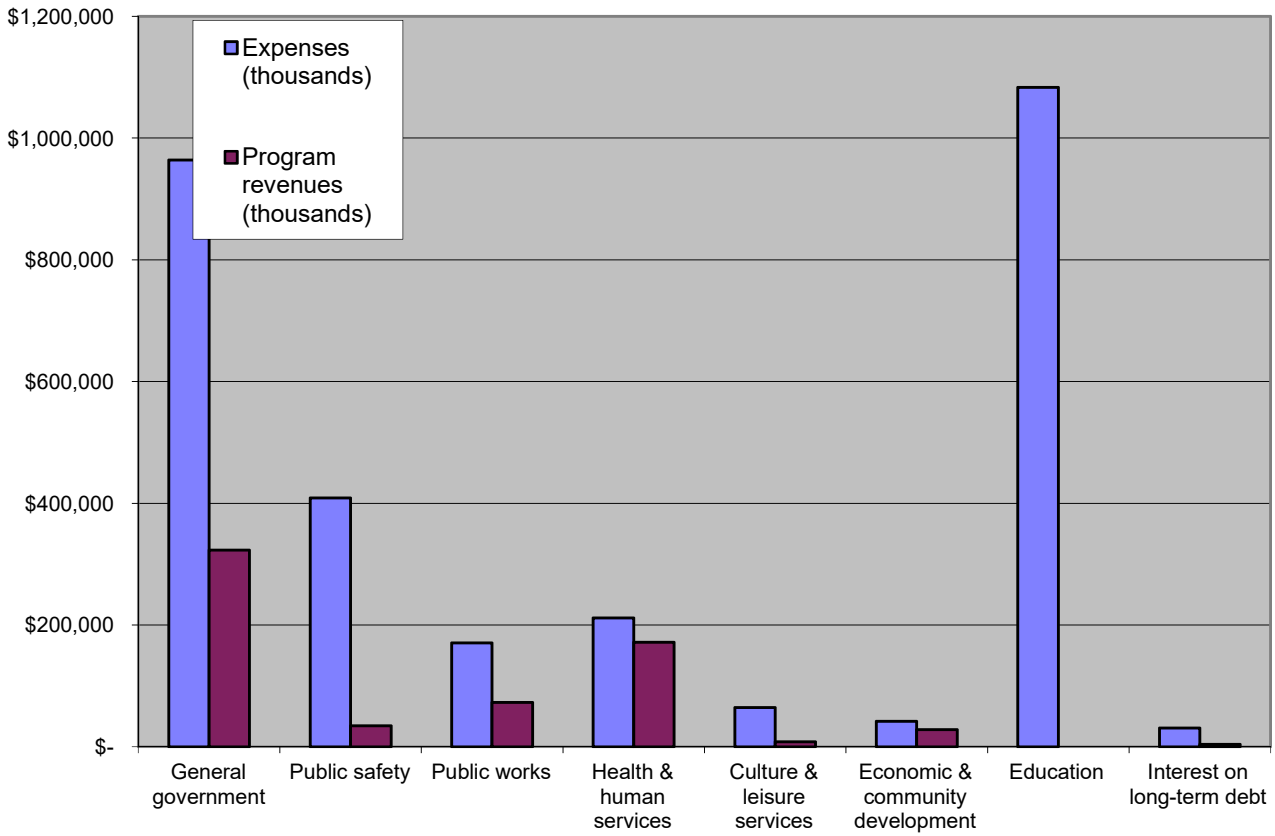
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and other non-current assets	\$ 1,147,884	\$ 921,744	\$ 308,935	\$ 247,137	\$ 1,456,819	\$ 1,168,881
Capital assets	<u>2,650,291</u>	<u>2,621,945</u>	<u>1,590,543</u>	<u>1,518,075</u>	<u>4,240,834</u>	<u>4,140,020</u>
Total assets	<u>3,798,175</u>	<u>3,543,689</u>	<u>1,899,478</u>	<u>1,765,212</u>	<u>5,697,653</u>	<u>5,308,901</u>
Total deferred outflow of resources	<u>973,351</u>	<u>627,851</u>	<u>62,033</u>	<u>44,363</u>	<u>1,035,384</u>	<u>672,214</u>
Liabilities:						
Current liabilities	720,380	686,511	416,656	220,300	1,137,036	906,811
Long-term liabilities	<u>5,666,062</u>	<u>4,904,631</u>	<u>1,837,882</u>	<u>1,768,668</u>	<u>7,503,944</u>	<u>6,673,299</u>
Total liabilities	<u>6,386,442</u>	<u>5,591,142</u>	<u>2,254,538</u>	<u>1,988,968</u>	<u>8,640,980</u>	<u>7,580,110</u>
Total deferred inflow of resources	<u>89,169</u>	<u>92,725</u>	<u>4,137</u>	<u>3,967</u>	<u>93,306</u>	<u>96,692</u>
Net position:						
Net investment in capital assets	1,723,439	1,498,138	455,042	552,407	2,178,481	2,050,545
Restricted	46,272	110,636	-	-	46,272	110,636
Unrestricted (deficit)	<u>(3,473,796)</u>	<u>(3,120,901)</u>	<u>(752,206)</u>	<u>(735,767)</u>	<u>(4,226,002)</u>	<u>(3,856,668)</u>
Total net position	<u>\$ (1,704,085)</u>	<u>\$ (1,512,127)</u>	<u>\$ (297,164)</u>	<u>\$ (183,360)</u>	<u>\$ (2,001,249)</u>	<u>\$ (1,695,487)</u>

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net position changed during the fiscal year.

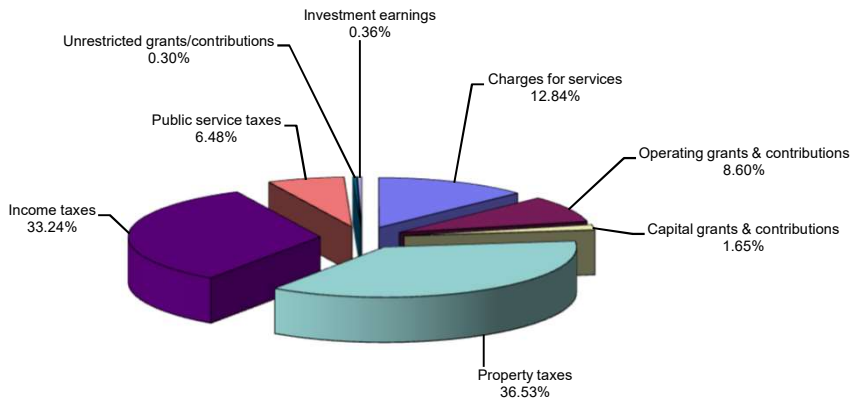
	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues						
Charges for services	\$ 357,632	\$ 335,754	\$ 309,305	\$ 311,638	\$ 666,937	\$ 647,392
Operating grants	239,493	185,783	1,836	2,774	241,329	188,557
Capital grants	45,829	28,381	70,098	27,148	115,927	55,529
General revenues						
Property taxes	1,017,005	979,118	-	-	1,017,005	979,118
Income taxes	925,511	776,555	-	-	925,511	776,555
Public service taxes	180,376	174,522	-	-	180,376	174,522
Unrestricted grants and contributions	8,363	9,907	-	-	8,363	9,907
Investment earnings	10,140	11,283	2,209	3,906	12,349	15,189
Total revenues	<u>2,784,349</u>	<u>2,501,303</u>	<u>383,448</u>	<u>345,466</u>	<u>3,167,797</u>	<u>2,846,769</u>
Expenses						
General government	964,187	847,073	-	-	964,187	847,073
Public safety	408,982	390,366	-	-	408,982	390,366
Public works	170,854	176,429	-	-	170,854	176,429
Health and human services	211,564	173,462	-	-	211,564	173,462
Culture and leisure services	64,319	64,575	-	-	64,319	64,575
Economic and community development	41,941	20,543	-	-	41,941	20,543
Education	1,083,287	991,165	-	-	1,083,287	991,165
Interest on long-term debt	31,173	33,433	-	-	31,173	33,433
Water and sewer services	-	-	497,252	409,220	497,252	409,220
Total expenses	<u>2,976,307</u>	<u>2,697,046</u>	<u>497,252</u>	<u>409,220</u>	<u>3,473,559</u>	<u>3,106,266</u>
Increase(decrease) in net position before transfers	(191,958)	(195,743)	(113,804)	(63,754)	(305,762)	(259,497)
Reversion of fund balance from component units	-	400	-	-	-	400
Increase (decrease) in net position	(191,958)	(195,343)	(113,804)	(63,754)	(305,762)	(259,097)
Net position - beginning	(1,512,127)	(1,316,784)	(183,360)	(119,606)	(1,695,487)	(1,436,390)
Net position - ending	<u>\$ (1,704,085)</u>	<u>\$ (1,512,127)</u>	<u>\$ (297,164)</u>	<u>\$ (183,360)</u>	<u>\$ (2,001,249)</u>	<u>\$ (1,695,487)</u>

The following graphs and charts depict the expenses and revenues of the governmental activities and business-type activities for the fiscal year which are derived from the government-wide Statement of Activities.

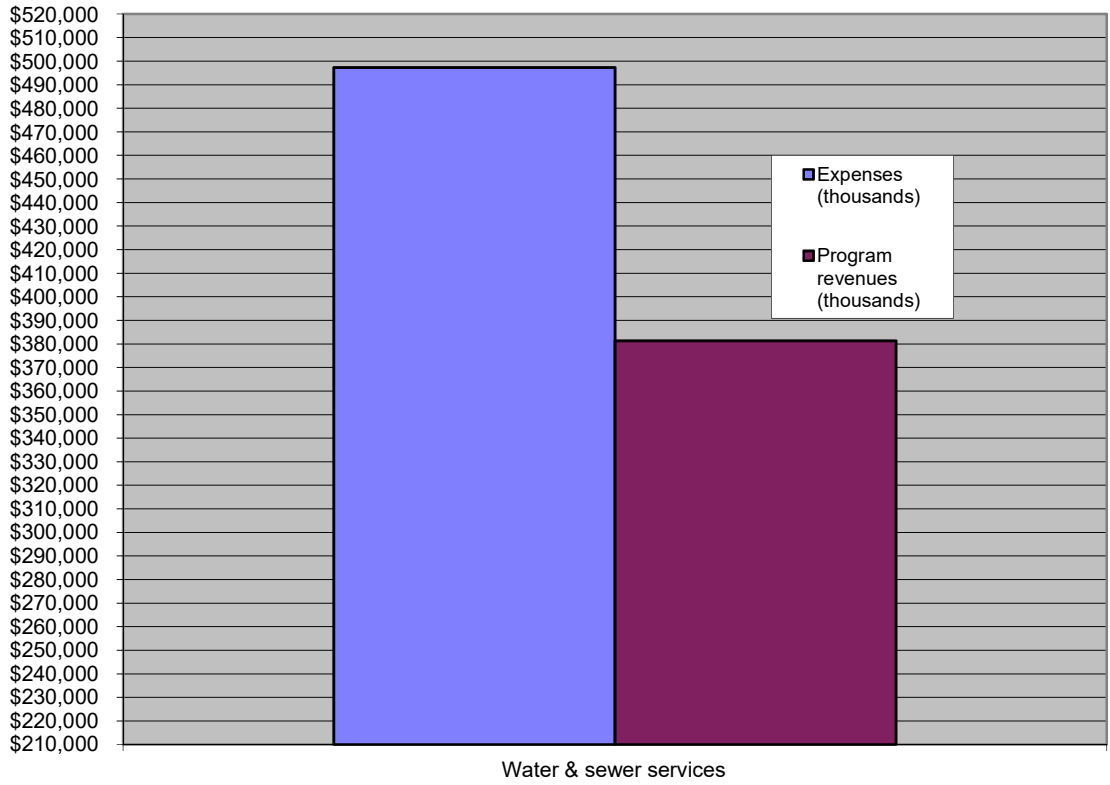
Expenses & Program Revenues-Governmental Activities



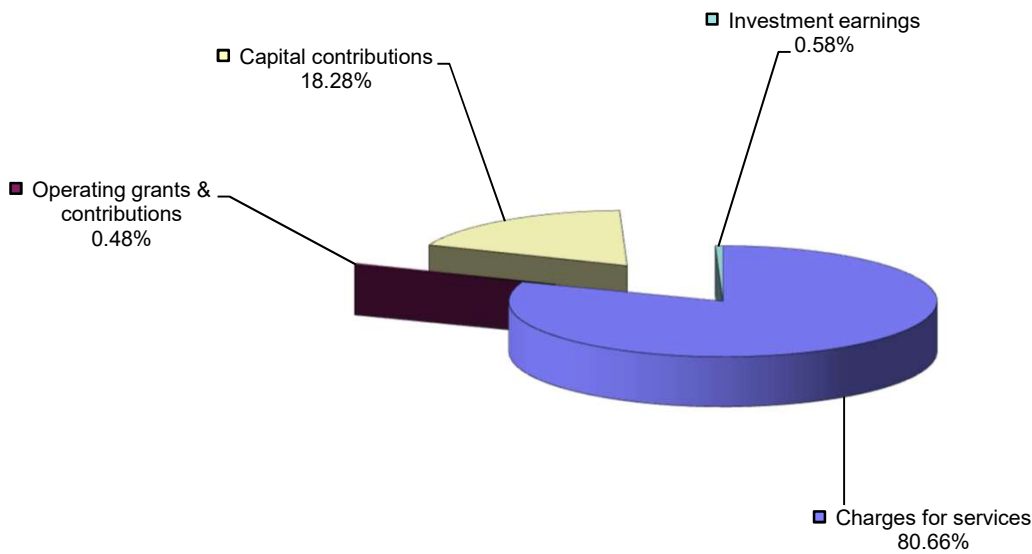
Revenues by Source-Governmental Activities



Expenses and Program Revenues-Business-type Activities



Revenues by Source-Business-type Activities



Governmental Activities

The net position of governmental activities decreased \$191.958 million during FY20. Key elements affecting the net position include:

- General revenues increased \$190.010 million over the prior fiscal year. Income tax revenue increased \$148.956 million after adjusting for the County's portion of income tax reserves held by the State that was recognized under full accrual accounting. Property taxes provided 36.53% of total revenue with an increase of \$37.887 million primarily due to new construction county-wide and from higher reassessed values on real property in the Eastern third of the County.
- Expenses increased by \$279.261 million, primarily due to the increase in general government expenses by \$117.114 million. The primary reason for this increase was due to an increase in pension and OPEB plan related expenses.
- Education expenses increased \$92.122 million over the prior fiscal year due to an increase in funding of capital costs for the Board of Education.

Business-type Activities

The net position of business-type activities decreased \$113,804 million during FY20. The key elements of the Metropolitan District operations that affect net position are as follows:

- Metropolitan District expenditures related to capital infrastructure increased by \$28.099 million during FY 20. This was attributable to increased costs totaling \$15 million for the Tradepoint Atlantic initiative as well as \$13 million for Sewer Rehab and Relief initiatives.
- The Metropolitan District operating expenditures increased by \$53.229 million during FY20 as a result of contributions to capital initiatives.
- The County's fringe costs increased \$5.350 million due to the effects of accounting for the County's Pension and OPEB plans as related to GASB 68 and 75.

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The governmental funds provide data on near-term inflows, outflows and balances of spendable resources. This data is useful in assessing the County's financing requirements. The unassigned fund balance serves as a useful measure of the County's financial resources available for appropriation at the end of the fiscal year.

The County's governmental funds reported combined ending fund balances of \$474.780 million as of June 30, 2020, an increase of \$12.847 million. Unassigned fund balance of the General Fund, as stated below, is available at the County's discretion. The remaining positive fund balance of \$233.593 million is not available for new spending because of varying constraints set on them.

The General Fund is the County's chief operating fund. At the end of FY20, unassigned fund balance of the General Fund was \$337.068 million, while total fund balance was \$518.103 million. Unassigned fund balance represents 16.35% of total budgetary expenditures, while total fund balance represents 25.14% of total budgetary expenditures. These ratios are typically useful as a measure of the General Fund's liquidity. The County has \$215.634 million in a Revenue Stabilization account.

The General Fund fund balance increased by \$41.928 million during the current fiscal year. Board of Education expenditures, increased by \$47.771 attributable to increased operating funding levels in FY20. The General Fund also had a \$13.125 million increase in public safety expenditures as a result of the County's continued focus on safe communities. Employer contributions to OPEB increased by \$29.708 million.

The Gifts and Grants Fund fund balance of \$34.64 million consists primarily of \$15.172 million of earned revenue in excess of grant expenditures restricted for various grant activities administered by the County. Specifically, the Asset Forfeiture, Speed Camera, Substance Abuse grants and Environmental Protection grants amounted to a combined \$10.405 million in excess revenue. In addition, \$11.995 million of earned revenue was assigned for the Affordable Housing Program.

In response to the Coronavirus Pandemic, the County received \$144 million in federal Coronavirus Relief Funding (CRF) for the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This funding has enabled the County to leverage its response to the rapid growing necessities and challenges that pandemic presented. As of June 30, 2020, the County utilized \$32 million in CRF funding to provide access to free testing sites, deployed a robust contact tracing program, implemented major business and economic supports, as well as provided millions of dollars in grants directly to small businesses, restaurants and artists. The County has also strengthened the social safety net for families, providing meals to residents in collaboration with the Baltimore County Public School system and other partners. The County continues to distribute millions of dollars for rental assistance and childcare stipends for working families. With cross-sector collaboration, the County has secured personal protective equipment (PPE) directly for nursing homes and for schools to support some of the community's most impacted. The County has utilized the remaining balance of CRF funding during the first half of FY 21 to continue to fund these key initiatives and to meet the needs of the demographic given the dynamic operational landscape the pandemic has created. The funds are anticipated to be fully utilized on allowable expenses by December 30, 2020, however, any monies unspent at the time will revert back to the U.S. Treasury.

The Consolidated Public Improvement Construction Fund fund balance decreased by \$15.554 million. Major fluctuations in fund balance are primarily the result of the timing of cash inflows from bond sale proceeds and capital expenditure outflows. The County issued \$145 million in new debt to fund capital projects in FY20. Capital expenditures for various County projects decreased \$12.782 million to \$92.201 million.

Proprietary Funds

The County's proprietary funds provide more detailed data of the information reported in the government-wide financial statements.

The Metropolitan District Fund net position decreased \$114.041 million during FY20. The main factors concerning this decrease have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The County had supplemental appropriations of \$11.825 million primarily due to the following: \$6.5 million to the Police department for back pay settlement, lateral class, and unanticipated COVID-19 related needs, \$3.3 million to the Fire department to cover excess salary costs, and \$1.5 million to the Health department to cover excess salary and contractual service costs.

Significant differences between the final budget and actual amounts are summarized as follows:

- A favorable revenue variance of \$48.646 million in County income tax revenue resulted because of the growth of personal income, mainly from capital gains. Also, the Tax Cuts and Jobs Act (TCJA) incentivized taxpayers to shift personal income from 2017 to 2018, for which the County budgeted conservatively.
- Healthcare contributions were \$24.501 million less than budget primarily because of a reversion due to the Council and administration reductions.
- The County incurred \$9.304 million worth of salary costs that were originally budgeted in the General Fund that was attributable to costs associated with administering CARES grant operations, and therefore allocated to the associated grants.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities totaled \$4.24 billion net of accumulated depreciation. The investment in capital assets includes land, buildings, machinery, vehicles and infrastructure assets.

Capital Assets as of June 30, net of accumulated depreciation (in thousands)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 300,659	\$ 299,686	\$ 1,317	\$ 1,317	\$ 301,976	\$ 301,003
Buildings and improvements	360,198	364,662	93,387	99,309	453,585	463,971
Vehicles and equipment	108,000	108,814	3,966	2,676	111,966	111,490
Infrastructure	1,108,246	1,145,258	1,093,915	1,085,756	2,202,161	2,231,014
Construction in progress	773,188	703,525	397,958	329,017	1,171,146	1,032,542
Total	\$ 2,650,291	\$ 2,621,945	\$ 1,590,543	\$ 1,518,075	\$ 4,240,834	\$ 4,140,020

The County added \$5.7 million for new or improved roads, \$6.1 million for coastal shoreline improvements, and \$23.7 million for water and sewer lines as a major part of its infrastructure assets for FY20.

Selected capital asset events during the current year were as follows:

- The County completed new and existing updates to County owned buildings at a cost of \$11.9 million
- The County purchased \$3.6 million of capital equipment.
- The County completed repairs and renovations to the Waldman, Old Battle Grove, Rettman's Lane and Peninsula pumping stations totaling \$7.5 million.

Additional capital asset information can be found in Note 7.

Long-term Debt

At the end of the current fiscal year, the County had general obligation debt outstanding of \$3.979 billion. This includes Consolidated Public Improvement bonds and notes of \$1.778 billion, Pension Funding bonds of \$.364 billion and Metropolitan District bonds and notes of \$1.837 billion. The bonds and notes are backed by the full faith and credit of the County.

Outstanding General Obligation Debt as of June 30 (in thousands)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 1,982,419	\$ 1,916,590	\$ 1,646,637	\$ 1,615,201	\$ 3,629,056	\$ 3,531,791
General obligation BANs	145,000	246,000	205,000	42,000	350,000	288,000
Total	\$ 2,127,419	\$ 2,162,590	\$ 1,851,637	\$ 1,657,201	\$ 3,979,056	\$ 3,819,791

The County's general obligation debt increased in 2020 by \$159.265 million (considering new borrowing and debt retirement).

The County maintains an "AAA" rating from both Standard & Poor's and Fitch Investor's Service, and a "Aaa" rating from Moody's Investor's Service for general obligation bonds.

The County Charter limits the amount of general obligation debt that the County may issue for Consolidated Public Improvements to 4% of the County's assessable property base. Metropolitan District debt may be issued up to debt limit of 3.2% of the District's assessable property base. The County's debt is significantly below the respective limits of \$3.628 billion and \$2.587 billion. Additional information on the County's long-term debt can be found in Note 8.

Economic Factors and Next Years Budgets and Rates

- The Spending Affordability Committee's consultant, Sage Policy Group Sage Policy Group, Inc. predicts decelerated growth in both County and State personal income (3.90%) and (4.00%) respectively, in FY21.
- The Committee further reported that employment had increased by 2.5% among Baltimore County residents, by 2.0% among Maryland residents, and by 1.6% nationally on an annual average basis from CY 2018 to CY 2019 – the tenth consecutive increase for the State and the ninth consecutive increase for the county and the nation. Employment growth in the State and County accelerated notably during CY 2019, exceeding the pace of growth in the labor market, and was the primary contributor to modest unemployment rate decreases. Baltimore County's and Maryland's unemployment rates reached their lowest levels since prior to the most recent recession, hitting 3.0% in December 2019 and averaged 3.7% and 3.6%, respectively, for all of CY 2019. Employment increased by 0.7% among Baltimore County residents, by 0.3% among Maryland
- During FY20, it became clear that the short and long range economic forecasts utilized for the FY 2021 budget formulation and spending affordability would no longer be relevant in a COVID-19 environment. By mid-March 2020, all Baltimore County Public Schools were closed and the County Executive had issued a series of orders and declarations regarding the COVID-19 pandemic precluding gatherings or events with ten or more people and restricting the operations of certain businesses in the County. Many businesses and retail establishments in Maryland, including the County, closed or reduced business activity. At the State Board of Revenue Estimates vote on FY 2020 and 2021 revenue, Comptroller Franchot stated "Without question, this is an unprecedented and highly volatile situation and each and every day entities within the public and private sectors make adjustments that impact our financial markets, consumer behavior and our way of life. Obviously we don't know how long this pandemic will last or how much worse it will get, so at this point it is not possible to assess the full impact of this pandemic on our state." In April the State's Bureau of Revenue Estimates outlined a potential shortfall of approximately \$2.8 billion during the final quarter of Fiscal Year 2020 that included a 22% decline in withholdings and a 59% loss in sales tax. Unemployment claims of 240,000 that had taken a period of 26 weeks to reach in the early 90s and 38 weeks during the Great Recession took only a period of 3 weeks to reach during the pandemic.
- Unlike the great recession, the economic crisis being created by the COVID-19 pandemic is caused by a shock in supply versus a shock in demand. Therefore, the initial stage of the economic recovery is expected to be sharp as businesses open and people return to work. The FY 2021 Budget assumes strict stay at home orders through the end of June 2020, with reopening and recovery beginning in July. However, the future of the County's economy remains uncertain and will be highly dependent on factors such as the length of the pandemic, the availability and success of Federal Stimulus programs, and future vaccine development.

These and other economic indicators were considered when preparing the FY21 General Fund budget, which estimates revenues at \$2.189 billion. General Fund appropriations for FY21 of \$2.161 billion reflects a 0.372% increase from the FY20 adjusted budget. The FY21 budget for Baltimore County Public

Schools (BCPS) includes an increase of \$40.2 million or 2.21% over FY20 funding levels. Although the county has exceeded maintenance of effort (MOE) levels by an average of 2% for the past six fiscal years, anticipated fiscal constraints resulting from the COVID-19 pandemic necessitated a maintenance of effort level budget for FY 2021. The FY 2021 budget reflects the forth full year of the County's new emergency medical transport billing initiated with the cooperation of the Baltimore County Volunteer Firemen Association. With projected FY 2021 revenue of \$26.5 million, a broader, deeper commitment has been made to Baltimore County's volunteer fire and EMS companies including a 4% percent increase in funding over the current operating budget.

The FY21 reflects the second year of the County increase of the income tax rate from 2.83% to 3.2% since FY20. The respective real property and personal property tax rates remain at \$1.10 and \$2.75 per \$100 of assessed value. The Homestead Assessment Growth Cap remains at 4%, excluding home sales, new construction, and non-principle residences.

Information Requests

This financial report is designed to provide a general overview of Baltimore County's finances for all those with an interest in good government. The report seeks to demonstrate the County's accountability for the monies it receives and for the services it provides. Requests for information regarding this report or additional financial information can be sent to the Baltimore County Office of Budget and Finance, 400 Washington Avenue, Room 149 Towson, Maryland 21204-4665.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit (see Note 1).





Basic Financial Statements

Government-wide financial statements combine all of Baltimore County's governmental and business-type activities, as well as its discretely presented components.

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

Notes to the Basic Financial Statements are an integral part of the financial statements.

Baltimore County, Maryland
Statement of Net Position
June 30, 2020
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments (Note 3)	\$ 607,103	\$ 197,274	\$ 804,377	\$ 189,117
Receivables, net (Note 5)	453,303	103,116	556,419	54,494
Due from primary government (Note 6)	-	-	-	30,801
Inventories	11,283	871	12,154	2,486
Prepaid costs	1,135	-	1,135	549
Restricted assets:				
Cash and investments (Note 3)	75,060	7,674	82,734	8,586
Capital assets (Note 7)				
Not being depreciated	1,073,847	399,275	1,473,122	358,541
Depreciable (net of accumulated depreciation)	1,576,444	1,191,268	2,767,712	1,877,719
Total assets	<u>3,798,175</u>	<u>1,899,478</u>	<u>5,697,653</u>	<u>2,522,293</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	12,009	15,598	27,607	-
Retirement and OPEB plans	961,342	46,435	1,007,777	1,049,974
Total deferred outflows of resources	<u>973,351</u>	<u>62,033</u>	<u>1,035,384</u>	<u>1,049,974</u>
LIABILITIES				
Accounts payable	57,740	121,173	178,913	70,086
Accrued payroll	17,700	972	18,672	38,385
Accrued interest payable	32,821	23,513	56,334	-
Internal balances	3,361	(3,361)	-	-
Due to component units (Note 6)	25,494	-	25,494	-
Other liabilities	49,801	6,203	56,004	4,728
Unearned revenue (Note 5)	126,306	-	126,306	8,156
Liabilities payable from restricted assets	-	-	-	8,586
Noncurrent liabilities (Note 8)				
Due within one year	407,157	268,156	675,313	33,285
Due in more than one year	5,666,062	1,837,882	7,503,944	2,515,351
Total liabilities	<u>6,386,442</u>	<u>2,254,538</u>	<u>8,640,980</u>	<u>2,678,577</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement and OPEB plans	89,169	4,137	93,306	23,100
NET POSITION				
Net investment in capital assets	1,723,439	455,042	2,178,481	2,123,658
Restricted for:				
Public works	17,674	-	17,674	-
Economic development	7,475	-	7,475	-
Education	-	-	-	26,836
Grant projects	15,172	-	15,172	-
Debt service	5,951	-	5,951	-
Unrestricted (deficit)	(3,473,796)	(752,206)	(4,226,002)	(1,279,904)
Total net position (deficit)	<u>\$ (1,704,085)</u>	<u>\$ (297,164)</u>	<u>\$ (2,001,249)</u>	<u>\$ 870,590</u>

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

Baltimore County, Maryland
Statement of Activities
For the Year Ended June 30, 2020
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 964,187	\$ 319,478	\$ 3,835	\$ -	\$ (640,874)	\$ -	\$ (640,874)	\$ -
Public safety	408,982	11,461	23,365	-	(374,156)	-	(374,156)	-
Public works	170,854	18,612	8,336	45,829	(98,077)	-	(98,077)	-
Health and human services	211,564	4,103	167,551	-	(39,910)	-	(39,910)	-
Culture and leisure services	64,319	3,239	5,019	-	(56,061)	-	(56,061)	-
Economic and community development	41,941	739	27,356	-	(13,846)	-	(13,846)	-
Education	1,083,287	-	-	-	(1,083,287)	-	(1,083,287)	-
Interest on long-term debt	31,173	-	4,031	-	(27,142)	-	(27,142)	-
Total governmental activities	<u>2,976,307</u>	<u>357,632</u>	<u>239,493</u>	<u>45,829</u>	<u>(2,333,353)</u>	<u>-</u>	<u>(2,333,353)</u>	<u>-</u>
Business-type activities:								
Water and sewer services	497,252	309,305	1,836	70,098	-	(116,013)	(116,013)	-
Total business-type activities	<u>497,252</u>	<u>309,305</u>	<u>1,836</u>	<u>70,098</u>	<u>-</u>	<u>(116,013)</u>	<u>(116,013)</u>	<u>-</u>
Total primary government	<u>\$ 3,473,559</u>	<u>\$ 666,937</u>	<u>\$ 241,329</u>	<u>\$ 115,927</u>	<u>(2,333,353)</u>	<u>(116,013)</u>	<u>(2,449,366)</u>	<u>-</u>
COMPONENT UNITS								
Board of Education	\$ 2,125,318	\$ 9,035	\$ 225,920	\$ 129,228	-	-	-	(1,761,135)
Community College	236,066	63,557	89,863	33,454	-	-	-	(49,192)
Board of Library Trustees	48,138	8,276	3,288	-	-	-	-	(36,574)
Total component units	<u>\$ 2,409,522</u>	<u>\$ 80,868</u>	<u>\$ 319,071</u>	<u>\$ 162,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,846,901)</u>
General revenues:								
Taxes:								
Property taxes					1,017,005	-	1,017,005	-
Income taxes					925,511	-	925,511	-
Public service taxes					180,376	-	180,376	-
Grants and contributions not restricted to specific programs:								
Baltimore County					-	-	-	941,323
State of Maryland					8,363	-	8,363	732,089
Unrestricted investment earnings					10,140	2,209	12,349	398
Other					-	-	-	7,922
Total general revenues and transfers					<u>2,141,395</u>	<u>2,209</u>	<u>2,143,604</u>	<u>1,681,732</u>
Change in net position					<u>(191,958)</u>	<u>(113,804)</u>	<u>(305,762)</u>	<u>(165,169)</u>
Net position (deficit) at beginning of the year					<u>(1,512,127)</u>	<u>(183,360)</u>	<u>(1,695,487)</u>	<u>1,035,759</u>
Net position (deficit) at end of the year					<u>\$ (1,704,085)</u>	<u>\$ (297,164)</u>	<u>\$ (2,001,249)</u>	<u>\$ 870,590</u>

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

Baltimore County, Maryland
Balance Sheet
Governmental Funds
June 30, 2020
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 360,954	\$ 141,833	\$ -	\$ 221	\$ 503,008
Cash and investments - restricted	75,060	-	-	-	75,060
Receivables, net	355,696	93,306	1,749	40	450,791
Due from other funds	17,478	-	-	-	17,478
Inventories	10,748	-	-	-	10,748
Total assets	<u>\$ 819,936</u>	<u>\$ 235,139</u>	<u>\$ 1,749</u>	<u>\$ 261</u>	<u>\$ 1,057,085</u>
LIABILITIES					
Accounts payable	\$ 22,791	\$ 18,037	\$ 14,881	\$ 2	\$ 55,711
Accrued expenditures	16,435	1,123	-	17	17,575
Due to other funds	-	-	17,478	-	17,478
Due to component units	826	-	24,668	-	25,494
Other liabilities	27,547	850	21,404	-	49,801
Unearned revenue - other (Note 5)	104	126,202	-	-	126,306
Total liabilities	<u>67,703</u>	<u>146,212</u>	<u>78,431</u>	<u>19</u>	<u>292,365</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue (Note 5)	234,130	54,285	1,525	-	289,940
Total deferred inflows of resources	<u>234,130</u>	<u>54,285</u>	<u>1,525</u>	<u>-</u>	<u>289,940</u>
FUND BALANCES (DEFICITS) (NOTE 14)					
Nonspendable	10,748	-	-	-	10,748
Restricted	74,540	22,647	17,674	-	114,861
Assigned	95,747	11,995	-	242	107,984
Unassigned	337,068	-	(95,881)	-	241,187
Total fund balances (deficit)	<u>518,103</u>	<u>34,642</u>	<u>(78,207)</u>	<u>242</u>	<u>474,780</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 819,936</u>	<u>\$ 235,139</u>	<u>\$ 1,749</u>	<u>\$ 261</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,631,763
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds.	289,940
Internal service funds are used by management to charge the costs of self insurance, fleet management and reproduction to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	44,127
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 2).	(6,016,868)
The net effect of the deferred outflows and deferred inflows of resources recorded in conjunction with the recognition of the County pension liability and OPEB liability is shown in the governmental activities but not included in the governmental statements.	872,173
Net deficit of governmental activities	<u>\$ (1,704,085)</u>

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

Baltimore County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 2,040,687	\$ -	\$ -	\$ 1,500	\$ 2,042,187
Licenses and permits	5,548	-	-	811	6,359
Intergovernmental	49,705	194,757	13,964	-	258,426
Repayment of loans	-	1,181	-	-	1,181
Charges for services	54,242	13,229	-	60	67,531
Assessments	-	-	1,329	-	1,329
Fines and forfeitures	5,101	-	-	-	5,101
Investment income	7,497	1,235	-	-	8,732
Miscellaneous	32,215	1,525	22,339	-	56,079
Total revenues	<u>2,194,995</u>	<u>211,927</u>	<u>37,632</u>	<u>2,371</u>	<u>2,446,925</u>
EXPENDITURES					
Current:					
General government	120,218	3,903	-	2,210	126,331
Public safety	392,013	13,594	-	-	405,607
Public works	124,003	37	-	-	124,040
Health and human services	40,203	169,543	-	-	209,746
Culture and leisure services	16,567	2,732	-	-	19,299
Economic and community development	1,043	47,377	-	-	48,420
Pension plan contributions	131,740	-	-	-	131,740
Healthcare contributions	86,225	-	-	-	86,225
Miscellaneous	19,711	229	-	-	19,940
Capital projects	-	-	92,201	-	92,201
Payments to component units	1,019,685	-	141,232	-	1,160,917
Debt service:					
Principal retirement	97,752	-	-	-	97,752
Interest	60,256	-	-	-	60,256
Fiscal charges	738	-	-	-	738
Total expenditures	<u>2,110,154</u>	<u>237,415</u>	<u>233,433</u>	<u>2,210</u>	<u>2,583,212</u>
Excess (deficiency) of revenues over expenditures	<u>84,841</u>	<u>(25,488)</u>	<u>(195,801)</u>	<u>161</u>	<u>(136,287)</u>
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	246,000	-	246,000
Bond anticipation notes issued	-	-	145,000	-	145,000
Payment to refunding escrow agents	(63,000)	-	-	-	(63,000)
Premiums on debt	64,919	-	-	-	64,919
Bond anticipation notes - retired	-	-	(246,000)	-	(246,000)
Transfers in	23,065	13,370	58,487	-	94,922
Transfers out	(67,897)	(1,120)	(23,240)	(450)	(92,707)
Total other financing sources (uses)	<u>(42,913)</u>	<u>12,250</u>	<u>180,247</u>	<u>(450)</u>	<u>149,134</u>
Net change in fund balances	<u>41,928</u>	<u>(13,238)</u>	<u>(15,554)</u>	<u>(289)</u>	<u>12,847</u>
Fund balances (deficit) at beginning of the year	476,175	47,880	(62,653)	531	461,933
Fund balances (deficit) at end of the year	<u>\$ 518,103</u>	<u>\$ 34,642</u>	<u>\$ (78,207)</u>	<u>\$ 242</u>	<u>\$ 474,780</u>

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

Baltimore County, Maryland
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020
(In Thousands)

Net change in fund balances-total governmental funds	\$ 12,847
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (Note 2).</p>	16,499
<p>The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position (Note 2).</p>	8,239
<p>Some revenues will not be collected for several months after the fiscal year ends. As such these revenues are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows increased this year.</p>	72,858
<p>The issuance of long-term debt 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 any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note 2).</p>	(6,607)
<p>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 (Note 2).</p>	(144,048)
<p>The net effect of the expenses for recording the County's pension liability from employee retirement plans.</p>	(168,469)
<p>Internal service funds are used by management to charge the costs of self insurance, fleet management, and reproduction services to individual funds. The net income of these internal service funds is reported with governmental activities.</p>	9,390
<p>The payment of a long-term liability for police salaries that was not reported in the governmental funds increases net position.</p>	7,333
<p>Change in net position of governmental activities</p>	<u><u>\$ (191,958)</u></u>

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

Baltimore County, Maryland
Budgetary Comparison Statement - General Fund (Non GAAP Budgetary Basis)
For the Year Ended June 30, 2020
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 1,984,780	\$ 1,984,780	2,040,687	\$ 55,907
Licenses and permits	5,482	5,482	5,548	66
Intergovernmental	53,081	53,081	49,705	(3,376)
Charges for services	50,523	50,523	54,242	3,719
Fines and forfeitures	6,055	6,055	5,101	(954)
Reimbursement from other funds	12,647	12,647	16,266	3,619
Interest on investments	10,461	10,461	8,156	(2,305)
Miscellaneous	33,140	33,140	28,684	(4,456)
Total revenues	<u>2,156,169</u>	<u>2,156,169</u>	<u>2,208,389</u>	<u>52,220</u>
EXPENDITURES				
Current:				
General government	137,052	138,452	129,075	9,377
Public safety	393,579	403,689	392,551	11,138
Public works	108,005	106,855	101,345	5,510
Health and human services	41,863	43,363	40,397	2,966
Culture and leisure services	17,482	18,322	16,810	1,512
Economic and community development	1,489	1,489	980	509
Pension plan contributions	131,747	131,747	131,740	7
Healthcare contributions	110,819	110,819	86,318	24,501
Miscellaneous	21,264	20,340	19,711	629
Payments to component units	1,002,081	1,002,907	1,002,861	46
Debt service:				
Principal retirement	97,752	97,752	97,752	-
Interest	42,005	42,005	42,001	4
Fiscal charges	105	105	55	50
Total expenditures	<u>2,105,243</u>	<u>2,117,845</u>	<u>2,061,596</u>	<u>56,249</u>
Excess (deficiency) of revenues over expenditures (budgetary basis)	<u>50,926</u>	<u>38,324</u>	<u>146,793</u>	<u>108,469</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	167	167	11,071	10,904
Transfers out	(48,438)	(47,661)	(39,661)	8,000
Total other financing sources (uses)	<u>(48,271)</u>	<u>(47,494)</u>	<u>(28,590)</u>	<u>18,904</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	<u>\$ 2,655</u>	<u>\$ (9,170)</u>	<u>\$ 118,203</u>	<u>\$ 127,373</u>
Adjustments required under generally accepted accounting principles:				
Net change during year in reserve for encumbrances			566	
Unbudgeted equipment financing activity			(35,702)	
Unbudgeted bond escrow payment			(61,421)	
Net change in reserve for inventories, imprest funds and other programs			19,524	
Prior year encumbrances liquidations			758	
Net change in fund balance-GAAP			<u>41,928</u>	
Fund balance at beginning of the year			476,175	
Fund balance at end of the year			<u>\$ 518,103</u>	

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

Baltimore County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2020
(In Thousands)

	Metropolitan District Enterprise Fund	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 197,274	\$ 104,095
Cash and investments - restricted	7,674	-
Receivables, net (Note 5)	16,708	2,512
Inventories	871	535
Prepaid costs	-	1,135
Total current assets	222,527	108,277
Noncurrent assets:		
Assessments receivable (Note 5)	86,408	-
Capital assets: (Note 7)		
Non-depreciable	399,275	705
Depreciable (net of accumulated depreciation)	1,191,268	17,823
Total noncurrent assets	1,676,951	18,528
Total assets	1,899,478	126,805
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	15,598	-
Retirement and OPEB plans	46,435	-
Total deferred outflows of resources	62,033	-
LIABILITIES		
Current liabilities:		
Accounts payable	121,173	2,029
Accrued payroll	972	125
Accrued interest payable	23,513	-
Compensated absences (Note 8)	2,282	262
Claims and judgments (Note 8)	-	39,280
General obligation debt (Note 8)	263,846	-
Pension funding bonds (Note 8)	419	-
Certificates of participation (Note 8)	1,609	-
Other liabilities	6,203	-
Total current liabilities	420,017	41,696
Noncurrent liabilities (Note 8):		
Compensated absences	126	-
Claims and judgments	-	37,621
General obligation debt	1,669,089	-
Pension funding bonds	14,122	-
Net pension and OPEB liability	142,014	-
Certificates of participation	12,531	-
Total noncurrent liabilities	1,837,882	37,621
Total liabilities	2,257,899	79,317
DEFERRED INFLOWS OF RESOURCES		
Retirement and OPEB plans	4,137	-
Total deferred inflows of resources	4,137	-
NET POSITION		
Net investment in capital assets	461,286	18,528
Unrestricted (deficit)	(761,811)	28,960
Total net position (deficit)	(300,525)	\$ 47,488
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	3,361	
Net position (deficit) of business-type activities	\$ (297,164)	

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

Baltimore County, Maryland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020
(In Thousands)

	Metropolitan District Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES			
Licenses and permits	\$ 796	\$ 796	\$ -
Charges for services	298,283	298,283	348,072
Assessments	9,991	9,991	-
Intergovernmental	1,836	1,836	-
Miscellaneous	242	242	224
Total operating revenues	<u>311,148</u>	<u>311,148</u>	<u>348,296</u>
OPERATING EXPENSES			
Personal services	23,739	23,739	3,117
Business and travel	106	106	-
Contractual services	80,912	80,912	660
Rents and utilities	4,954	4,954	195
Supplies and maintenance	67,865	67,865	9,888
Insurance claims and expenses	-	-	321,684
Equipment	57,018	57,018	-
Fringe benefits and overhead	34,185	34,185	-
Depreciation expense	34,283	34,283	3,155
Other	492	492	621
Total operating expenses	<u>303,554</u>	<u>303,554</u>	<u>339,320</u>
Operating income (loss)	<u>7,594</u>	<u>7,594</u>	<u>8,976</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	2,209	2,209	2,866
Interest expense	(50,936)	(50,936)	-
Capital contributions to other subdivisions	(142,999)	(142,999)	-
Total nonoperating revenues (expenses)	<u>(191,726)</u>	<u>(191,726)</u>	<u>2,866</u>
Income/(loss) before transfers and capital contributions	<u>(184,132)</u>	<u>(184,132)</u>	<u>11,842</u>
Capital contributions from external parties	70,091	70,091	-
Transfers out	-	-	(2,215)
Change in net position	<u>(114,041)</u>	<u>(114,041)</u>	<u>9,627</u>
Net position at beginning of the year	<u>(186,484)</u>		<u>37,861</u>
Net position at end of the year	<u>\$ (300,525)</u>		<u>\$ 47,488</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		237	
Change in net position of business-type activities		<u>\$ (113,804)</u>	

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

Baltimore County, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020
(In Thousands)

	Metropolitan District Enterprise Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from external customers	\$ 313,812	\$ 259,867
Receipts for interfund services	-	88,046
Payments to suppliers	(204,403)	(10,710)
Payments to employees	(42,028)	(3,105)
Payment for interfund services used	-	(621)
Claims paid	-	(315,576)
Other receipts	-	224
Net cash provided by (used in) operating activities	<u>67,381</u>	<u>18,125</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out		(2,215)
Capital contributions paid to other subdivisions	(121,977)	-
Net cash used in noncapital financing activities	<u>(121,977)</u>	<u>(2,215)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	315,273	-
Retirement of bond anticipation notes	(42,000)	-
Capital contributions from external parties	63,837	-
Acquisition and construction of capital assets	(97,400)	(6,957)
Principal paid on capital debt	(61,165)	-
Interest paid on capital debt	(62,495)	-
Sales of capital assets	-	194
Net cash provided by (used in) capital and related financing activities	<u>116,050</u>	<u>(6,763)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	2,209	2,866
Net cash provided by investing activities	<u>2,209</u>	<u>2,866</u>
Net increase (decrease) in cash and cash equivalents	63,663	12,013
Cash and cash equivalents at beginning of the year	141,285	92,082
Cash and cash equivalents at end of the year	<u>\$ 204,948</u>	<u>\$ 104,095</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 7,594	\$ 8,976
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	34,283	3,155
Effect of changes in operating accounts:		
Receivables, net	3,534	(159)
Inventories	(47)	52
Deferred outflows	(18,285)	-
Accounts and other payables	6,015	(332)
Accrued expenses	34,287	12
Claims and judgements	-	6,421
Net cash provided by (used in) operating activities	<u>\$ 67,381</u>	<u>\$ 18,125</u>
NONCASH CAPITAL AND NONCAPITAL FINANCING ACTIVITIES		
Capital assets acquired through contributions from developers.	\$ 4,637	\$ -

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

Baltimore County, Maryland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020
(In Thousands)

	Benefits Trust Funds
ASSETS	
Cash and cash equivalents (Note 3)	\$ 63,776
Collateral for loaned securities (Note 3)	15,119
Receivables:	
Accrued interest & dividend income	3,617
Receivable for investments sold	18,831
Receivables other	2,655
Total receivables	25,103
Investments, at fair value (Note 3):	
U.S. Government and Agency securities	66,584
Municipal bonds	4,409
Foreign bonds	42,384
Corporate bonds	212,159
Stocks	525,906
Bond mutual funds	459,101
Stock mutual funds	954,215
Real estate equity funds	161,592
Hedge funds	9
Private equity funds	204,434
Global asset allocation	284,221
Total investments	2,915,014
Total assets	3,019,012
LIABILITIES	
Securities lending payable	15,119
Investments purchased	35,218
Investment expenses payable	4,681
Refunds payable	4,824
Other	5,239
Total liabilities	65,081
NET POSITION	
Net position restricted for pensions and OPEB	\$ 2,953,931

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

Baltimore County, Maryland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(In Thousands)

	Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 180,040
Employees	89,114
Other	26,700
Total contributions	295,854
Investment earnings:	
Net increase in the fair value of plan assets	(9,952)
Interest and dividends	39,838
Investment expenses	(22,684)
Net investment gain	7,202
Net income from securities lending:	
Securities lending income	179
Borrower rebates	38
Agent fees	(53)
Net income from securities lending	164
Total net investment gain	7,366
Total additions	303,220
DEDUCTIONS	
Benefits	449,044
Refunds	7,490
Administrative expense	1,382
Total deductions	457,916
Change in net position	(154,696)
Net position at beginning of the year	3,108,627
Net position at end of the year	\$ 2,953,931

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

Baltimore County, Maryland
Statement of Net Position
Component Units
June 30, 2020
(In Thousands)

	Board of Education	Community College	Board of Library Trustees	Total
ASSETS				
Cash and investments (Note 3)	\$ 143,959	\$ 33,602	\$ 11,556	\$ 189,117
Receivables	42,474	11,810	210	54,494
Due from primary government	27,467	3,213	121	30,801
Inventories	2,404	-	82	2,486
Prepaid costs and other assets	353	191	5	549
Cash restricted for lease purchase	8,586	-	-	8,586
Capital assets (Note 7)				
Non-depreciable	292,073	66,468	-	358,541
Depreciable (net of accumulated depreciation)	1,725,799	145,226	6,694	1,877,719
Total assets	<u>2,243,115</u>	<u>260,510</u>	<u>18,668</u>	<u>2,522,293</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement and OPEB plans	<u>958,130</u>	<u>74,224</u>	<u>17,620</u>	<u>1,049,974</u>
LIABILITIES				
Accounts payable	50,456	18,383	1,247	70,086
Accrued payroll	32,893	3,537	1,955	38,385
Other liabilities	2,596	2,132	-	4,728
Unearned revenue	4,292	3,850	14	8,156
Liabilities payable from restricted assets	8,586	-	-	8,586
Noncurrent liabilities (Note 8)				
Due within one year	24,389	7,578	1,318	33,285
Due in more than one year	2,304,798	171,560	38,993	2,515,351
Total liabilities	<u>2,428,010</u>	<u>207,040</u>	<u>43,527</u>	<u>2,678,577</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement and OPEB plans	<u>15,168</u>	<u>5,994</u>	<u>1,938</u>	<u>23,100</u>
NET POSITION				
Net investment in capital assets	1,907,406	209,559	6,693	2,123,658
Restricted for:				
Education	10,565	15,700	571	26,836
Unrestricted	(1,159,904)	(103,559)	(16,441)	(1,279,904)
Total net position	<u>\$ 758,067</u>	<u>\$ 121,700</u>	<u>\$ (9,177)</u>	<u>\$ 870,590</u>

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

Baltimore County, Maryland
Statement of Activities
Component Units
For the Year Ended June 30, 2020
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Education	Community College	Board of Library Trustees	Total
BOARD OF EDUCATION								
Public education	\$ 1,879,909	\$ 228	\$ 191,907	\$ 129,228	\$ (1,558,546)	\$ -	\$ -	\$ (1,558,546)
Facilities operations	200,137		1,369	-	(198,768)	-	-	(198,768)
Food service	45,272	8,807	32,644	-	(3,821)	-	-	(3,821)
Total Board of Education	<u>2,125,318</u>	<u>9,035</u>	<u>225,920</u>	<u>129,228</u>	<u>(1,761,135)</u>	<u>-</u>	<u>-</u>	<u>(1,761,135)</u>
COMMUNITY COLLEGE								
Educational and general expenses	205,857	62,601	89,863	-	-	(53,393)	-	(53,393)
Facilities operations	29,594	-	-	33,454	-	3,860	-	3,860
Auxiliary enterprises	615	956	-	-	-	341	-	341
Total Community College	<u>236,066</u>	<u>63,557</u>	<u>89,863</u>	<u>33,454</u>	<u>-</u>	<u>(49,192)</u>	<u>-</u>	<u>(49,192)</u>
BOARD OF LIBRARY TRUSTEES								
Culture and leisure services	48,138	8,276	3,288	-	-	-	(36,574)	(36,574)
Total component units	<u>\$ 2,409,522</u>	<u>\$ 80,868</u>	<u>\$ 319,071</u>	<u>\$ 162,682</u>	<u>(1,761,135)</u>	<u>(49,192)</u>	<u>(36,574)</u>	<u>(1,846,901)</u>
General Revenues:								
Baltimore County					851,563	54,734	35,026	941,323
State of Maryland					732,089	-	-	732,089
Unrestricted investment earnings					-	398	-	398
Other					7,922	-	-	7,922
Reversion of fund balance to Baltimore County					-	-	-	-
Total general revenues					<u>1,591,574</u>	<u>55,132</u>	<u>35,026</u>	<u>1,681,732</u>
Change in net position					<u>(169,561)</u>	<u>5,940</u>	<u>(1,548)</u>	<u>(165,169)</u>
Net position at beginning of the year					<u>927,628</u>	<u>115,760</u>	<u>(7,629)</u>	<u>1,035,759</u>
Net position at end of the year					<u>\$ 758,067</u>	<u>\$ 121,700</u>	<u>\$ (9,177)</u>	<u>\$ 870,590</u>

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

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The following is a summary of significant policies.

Financial Reporting Entity

Baltimore County, Maryland (the "County") is a corporate polity, performing all local governmental functions within its jurisdiction. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council, with each serving executive and legislative functions, respectively.

In accordance with GAAP, the accompanying financial statements include the various departments and agencies governed by the County Executive and County Council (the primary government) and the County's component units. Discretely presented component units are reported separately from the primary government to emphasize that they are legally separate from the County. The component units are included as part of the County's reporting entity because of the significance of their operational or financial relationships with the County. The component units are fiscally dependent on the County because the County approves budget requests providing a significant amount of funding for each of these units, levies taxes to provide the majority of their fiscal support, and issues debt for construction of their capital facilities.

Discretely Presented Component Units

The discretely presented component units are all governed by individual boards. The Board of Education of Baltimore County and the Board of Trustees of the Community College of Baltimore County are appointed by the Governor of Maryland. The Board of Library Trustees is appointed by the County Executive. A brief description of the component units follows.

1. The Board of Education of Baltimore County operates all public schools (grades K through 12) within the County.
2. The Board of Library Trustees operates all public libraries within the County.
3. The Board of Trustees of the Community College of Baltimore County operates a two-year college program at three campuses: Catonsville, Dundalk and Essex.

Annual financial reports can be obtained from the respective administrative offices listed below:

Baltimore County Public Schools
Department of Fiscal Services
6901 N. Charles St.
Towson, Maryland 21204

Community College of Baltimore County
Office of Finance
7200 Sollers Point Road
Baltimore, Maryland 21222

Board of Library Trustees
320 York Road
Towson, Maryland 21204

Related Organizations

The County Executive is also responsible for appointing the members of numerous boards, but the County's accountability for these organizations does not extend beyond making appointments. These boards include:

Adult Public Guardianship Review Board
Advisory Arbitration Panel
Animal Hearing Board
Board of Architectural Review
Board of Liquor License Commissioners

Advisory Commission on Environmental Quality
Agricultural Land Preservation Advisory Board
Board of Appeals
Board of Health
Board of Recreation and Parks

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Board of Social Services	Child Protection Panel
Commission for Women	Commission on Aging
Commission on Arts and Sciences	Commission on Disabilities
Commission on Veterans' Affairs	Conference and Tourism Advisory Council
Criminal Justice Coordinating Council	Design Review Panel
Drug and Alcohol Abuse Advisory Council	Electrical Administrative Board
Ethics Commission	Ethnic Diversity Advisory Council
Human Relations Commission	Landmarks Preservation Commission
Library Board of Trustees	Local Management Board
Mental Health Advisory Council	Minority and Women Business
Pedestrian and Bicycle Advisory Committee	Enterprise Commission
Personnel and Salary Advisory Board	Planning Board
Plumbing Board	Professional Services Selection Committee
Revenue Authority	Soil Conservation District Board
Workforce Development Council	

The amounts that the County appropriated to these organizations during the fiscal year ended June 30, 2020 were immaterial to the basic financial statements taken as a whole.

Government-Wide and Fund Financial Statements

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, liabilities and deferrals and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government-Wide Financial Statements

The statement of net position and statement of activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Interfund activity within the governmental activities and within the business-type activities have been eliminated/and or reclassified from these statements.

The **Statement of Net Position** presents the reporting entity's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is assigned to indicate that management does not consider it to be available for general operations. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified.

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 within a specific function.

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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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, major individual proprietary funds and three combined nonmajor governmental (Liquor License, Owings Mills Tax District and Stormwater Management) funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund is the County's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The Gifts and Grants Fund accounts for a number of gifts and grants awarded to the County that are not accounted for in another fund.

The Consolidated Public Improvement Construction Fund accounts for the acquisition or construction and related financing sources for capital facilities of the primary government and for capital contributions made to the County's component units for their capital facilities.

The County reports the following major enterprise fund:

The Metropolitan District Fund accounts for the operation of the Metropolitan District, which provides water supply and sewerage systems to County residents within the District.

The County also reports the following fund types:

Internal Service Funds account for the operation of a motor pool of passenger vehicles and light duty trucks, a printing facility and a self-insurance program for workers' compensation; general and auto liability insurance; and employee health insurance.

Benefits Trust Funds, which include the following:

Pension Trust Funds account for the accumulation of assets to be used for pension benefit payments to qualified employees.

Other Post-Employment Benefits Trust Fund accounts for the accumulation of assets to be used for healthcare and life insurance benefit payments to qualified employees.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. 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 have been met.

The governmental funds financial statements are reported using the modified accrual basis of accounting. The measurement focus of these funds is the determination of financial position and changes in financial position ("current financial resources" focus). Under the modified accrual basis of accounting, revenues are recorded when

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they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon thereafter to pay liabilities of the current period. The County considers sales and income taxes, interest income and various intergovernmental revenues available if they are collected within 60 days after year-end. Property tax revenue is recognized on receipts within 30 days of year-end. Revenue related to expenditure driven grants is recognized when the applicable eligibility requirements have been met and to the extent that cash is expected to be received within one year of year-end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures, other than principal and interest on long-term debt and compensated absences as described below, are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded in the governmental funds as liabilities when due.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Enterprise and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

The pension trust funds and the other postemployment benefit trust fund use the accrual basis of accounting. Member contributions are recognized in the period when due. Employer contributions are recognized when due and a formal contribution commitment has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. These transactions are not finalized until settlement date, which occurs approximately three business days after the trade date.

The County reports unearned revenue in the government-wide, governmental funds and proprietary fund financial statements when cash is received prior to being earned. Deferred inflows are recognized in the governmental fund statements when revenue is unavailable.

Budgetary Data

As required by Article VII of the Baltimore County Charter, the annual operating budget and the capital budget are prepared by the County Executive and submitted to the County Council for adoption. Such budgets are generally prepared on the modified accrual basis of accounting described above and reflect encumbrance accounting. Prior to adoption of the budgets, the County Council may decrease or delete any item with the exception of those required by the general laws of the State of Maryland, provisions for debt service on outstanding obligations and provisions to eliminate any estimated cash deficits. Requests for supplementary and emergency appropriations may be prepared during the year by the County Executive and adopted by the County Council. There were \$11.825 million in supplementary and emergency appropriations adopted for the General Fund operating budget during fiscal year 2020.

Annual budgets are adopted for the General Fund and the nonmajor Special Revenue Funds - Liquor License Fund. The nonmajor Special Revenue Funds – Owings Mills Tax District Fund and the Stormwater Management Fund had no adopted budget. All other governmental funds have an adopted project-length budget. The operating budget reflects appropriations for the General Fund and the Special Revenue Funds on a function/agency/program basis. Expenditures and encumbrances of such funds may not legally exceed appropriations at the program level. Inter-program transfers of no more than ten percent of appropriations may be authorized by the County Administrative Officer. Inter-program transfers in excess of ten percent of appropriations require the approval of the County Executive and the County Council. Inter-agency transfers between County offices, departments or agencies may be made during the last quarter of the fiscal year only on the recommendation of the County Executive with the approval of the County Council. All unencumbered appropriations of annual budgets lapse at the end of the fiscal year.

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The County presents its General Fund budgetary comparison statement as part of the basic financial statements. Unbudgeted equipment financing activity in the General Fund comparison consists \$1.474 million of interest income, and decreased by \$37.176 million of equipment purchases. The unspent equipment financing proceeds of \$68.589 million are reported as a restriction of fund balance at fiscal year-end.

The capital budget reflects appropriations for the Consolidated Public Improvement Construction 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. Transfers of appropriations between projects must be approved by the County Executive and the County Council.

Pooled Cash, Cash Equivalents and Investment Income

The County maintains a cash and investment income pool for all funds except for the fiduciary funds. Based on the availability of cash in various funds, marketable securities are purchased and income on investments is credited to the General, Metropolitan District, and Self-Insurance Program Funds.

For purposes of the statements of cash flows, the County defines cash equivalents to include the following: all highly liquid, unrestricted investments with a maturity of three months or less when purchased; all cash and investment pools that are used essentially as demand accounts; all cash with fiscal agents; and all restricted cash and investments that have been determined to be cash equivalents.

Debt Retirement

Debt retirements for general obligation long-term debt, net pension liability and the net liability for Other Post Employee Benefits (OPEB) are paid from the General and Metropolitan District Funds. Other long-term obligations of the County include compensated absences, general and workers compensation claims and landfill closing costs, the liquidation procedures for these liabilities are described below. The Metropolitan District Fund includes \$71.3 million of receivables for future billings of assessments for water and sewer lateral pipe abutting properties within the District. These assessments, which are levied on individual properties for a period of forty years from the date of installation, represent a significant cash stream that is designated to retire the Metropolitan District long-term debt.

Investments

Money market investments and participating interest-earning investment contracts are carried at amortized cost, which approximates fair value. Other investment securities are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at the prevailing exchange rates as of June 30, 2020. The fair value of mutual funds is based on the fair values of the underlying securities. The fair value of real estate equity funds is based on independent appraisals. Private equity funds and hedge funds are valued based on information provided by the respective fund managers.

Inventories

Inventories are valued at cost. They are accounted for using the purchases method in the General Fund. Under the purchases method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets. Non-spendable fund balance for the amount of General Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure.

Capital Assets

Capital assets of governmental funds are recorded in the statement of net position at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value at the date of donation. The County's capitalization levels are \$5,000 for individual vehicles, machinery and

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equipment, and \$25,000 for buildings and infrastructure. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. An allowance for depreciation has been provided using the straight-line method over the estimated useful life. The estimated useful lives range from two to fifteen years for vehicles, machinery and equipment, twenty to fifty years for buildings, and twenty to seventy-five years for infrastructure. Major outlays for the construction of buildings and infrastructure are capitalized as constructed.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until the future period. At June 30, 2020, the County had deferred outflows of resources for deferred charges on bond refundings and for changes in activity, experience, assumptions and contributions related to the County Employees Retirement System and for the differences between projected and actual experience and assumptions in addition to differences in projected and actual earnings on investments related to the County's Other Post-Employment Benefits (OPEB) plan.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2020, the County had deferred inflows of resources related to the difference between actual and expected experience, changes in proportion and the difference between projected and actual earnings on investments of the County pensions and OPEB plans.

Outstanding Claims

The outstanding claims liability includes estimates for all known workers' compensation, personal injury, property damage and health claims and an estimate for claims incurred but not reported at June 30, 2020.

Compensated Absences

County employees are granted vacation, personal, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and personal leave days up to a certain maximum depending on employment classification. Employees are not reimbursed for accumulated sick leave. Payments made to terminated employees for accumulated leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds, when paid. Accumulated vacation, personal leave and compensatory time benefits at year-end are recorded as obligations in the statement of net position and proprietary fund statements.

Restricted Net Position

The government-wide statement of net position reports \$46,272 million of restricted net position, of which \$17,674 million is restricted by enabling legislation.

Governmental Funds' Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance amounts are properly reported within one of the fund balance categories listed below:

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

Restricted – Includes amounts that are restricted to a specific purpose when constraints are placed on the use of resources by constitution, external resource providers, or through enabling legislation.

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Committed – Includes fund balance amounts that can be used only for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The County Council is the highest level of decision-making authority for the County that can commit fund balance by adoption of a Council bill prior to fiscal year end. Similar action of the County Council is required to modify or rescind such commitments.

Assigned – Includes fund balance amounts that are intended to be used by the County for specific purposes as determined by the County Executive or County Administrative Officer in accordance with County Charter. Additionally, in accordance with Section 715 of the County Charter on certification of funds availability, the Director of Budget & Finance may assign fund balance for contractual commitments encumbered prior to year-end. Constraints imposed on the use of assigned amounts do not rise to the level required to be classified as either restricted or committed.

Unassigned – Represents the residual classification for the County’s funds and includes all spendable amounts not contained in the four classifications described above. Unassigned fund balance can only be used in the General fund or, if negative, in other governmental funds.

Order of Fund Balance Spending Policy

The County has established a fund balance spending policy for those instances where an expenditure is incurred for a purpose for which amounts in any of the restricted or unrestricted fund balance classifications (committed, assigned, or unassigned) could be used. The County will apply expenditures against restricted amounts first, followed by the committed, assigned and unassigned amounts.

Amounts reported as encumbrances may be classified as either restricted, committed or assigned depending on the constraints and approval in place at year end. Encumbrances outstanding at year-end are reported as assignments of fund balance in the General Fund and Special Revenue Funds and do not constitute expenditures or liabilities because the obligation will be honored during the subsequent year.

Revenue Stabilization Account

Section 10-8-101 of the County Code gives the County the authority to establish and maintain a Revenue Stabilization Reserve Account (RSRA) to provide financial resources for unanticipated decreases in revenues, primarily intergovernmental revenues. The County plans to maintain unreserved General Fund balances in excess of 10% of General Fund’s revenues each year. Effective FY18, the County established a minimum level of reserves in the RSRA equal to 7% of the budgeted general fund revenue for the current fiscal year. Funds in the RSRA may not remain 7% for more than two consecutive years.

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 County’s pension plans (Employees’ Retirement System Plan and Police, Fire and Widows’ Pension Plan) and additions to/deductions from their respective fiduciary net position have been determined on the same basis as they are reported by each pension plan. 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.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County’s OPEB Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are

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reported by the County's OPEB Plan. For this purpose, the County's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (expressed in thousands):

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund 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 the reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$6,016,868 difference are as follows:

General obligation debt	\$ 2,127,419
Certificates of participation and loan payable	149,997
Add: Issuance premium (to be amortized as a reduction to interest)	178,819
Less: Issuance discount (to be amortized as interest expense)	(920)
Less: Deferred charge on refunding (to be amortized as interest expense)	(12,009)
Accrued interest payable	32,821
Compensated absences	80,281
Net other post employment benefits liability	1,611,211
Net pension liability	1,774,994
Disputed taxes	52,285
Estimated landfill closing costs	21,970
Net adjustment to reduce fund balance - total funds to arrive at net position of governmental activities	\$ 6,016,868

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes 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 the 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 \$16,499 difference are as follows:

Capital outlay	\$ 103,080
Depreciation expense	(86,581)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 16,499

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Another element of the reconciliation states that “The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$8,239 difference are as follows:

In the statement of activities, only the gain/(loss) on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	\$ (341)
Donations and transfers in of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>8,580</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 8,239</u></u>

Another element of the reconciliation states that “The issuance of long-term debt (e.g., bonds, certificates of participation) 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 any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$6,607 difference are as follows:

Debt issued or incurred:	
General obligation debt	\$ (391,000)
Add: premium	(64,919)
Principal repayments:	
General obligation debt	363,171
Payment to bond escrow agent for refundings	63,000
Certificates of participation and loans	<u>23,141</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (6,607)</u></u>

BALTIMORE COUNTY, MARYLAND
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Another element of the 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 \$144,048 difference are as follows:

Increase in compensated absences	\$ (7,238)
Increase in accrued interest	(308)
Increase in net other post employment benefits liability	(165,446)
Increase in landfill closure and post-closure costs	(447)
Amortization of deferred charge on refunding	(1,894)
Amortization of premiums	31,425
Amortization of discounts	<u>(140)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ (144,048)</u></u>

3. CASH, INVESTMENTS AND SECURITIES LENDING:

The County maintains a cash and investment pool that is available for use by all funds, except for the fiduciary funds. Each fund's portion of this pool is reported on the statement of net position as "Cash and investments." The fiduciary funds investments are held and managed separately from those of other County funds.

Deposits

The County maintains cash balances, which are covered by FDIC insurance and collateral held at the Federal Reserve in the County's name. The component units' cash in banks are covered either by FDIC insurance or the County's blanket collateral coverage. At June 30, 2020, the carrying amounts of cash for the primary government and its component units were \$(5,234) million and \$136.920 million respectively.

Investments

Internal Investment Pool (the "Pool") - The County has adopted an investment policy to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds. Permissible investments include U.S. Government obligations, U.S. Government agency obligations, money market mutual funds, repurchase agreements, banker's acceptances, commercial paper (no more than 10% of the portfolio) and the Maryland Local Government Investment Pool (MLGIP) that is administered by the State Treasurer. Repurchase agreements are collateralized according to Maryland State Investment Code and marked to market daily.

The MLGIP was established under the Annotated Code of Maryland and is rated AAAM by Standard and Poors, their highest rating for money market funds. MLGIP is a 2a7 like pool, which is not registered with the Securities and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). Unit value is computed using the amortized cost method and maintains a \$1 per share value.

Pension Trust Funds and Other Post Employment Benefits ("OPEB Plan") – As provided in Article 5, Title 1 and § 10-14-106 of the Baltimore County Code, the Board of Trustees of the Employees' Retirement System (the "System") is empowered to invest the System's and the OPEB Plan's assets jointly and to take appropriate action regarding the investment, management and custodianship of the System's and the OPEB Plan's assets. The System's and the OPEB Plan's investment policy targets 28% in U.S. equities, 21% in international equities, 27% in core-plus fixed income investments, 5% in real estate equity, 9% in private equities and 10% in Global Asset

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Allocation Funds. Certain System and the OPEB Plan's investment managers have invested in the following types of instruments: asset backed securities, warrants, variable rate securities and interest rate swaps, U.S. Treasury interest and principal strips, U.S. Treasury futures and options, and collateralized mortgage obligations. The System's and the OPEB Plan's fixed income managers primarily acquire these types of instruments to increase investment yield and/or decrease investment risk. The Police, Fire and Widows' Pension Plan (the "Pension Plan") invests 73.5% in fixed income securities and 26.5% in equities.

Investments for the primary government as of June 30, 2020 are as follows (in thousands):

Primary Government Investments	<u>The System</u>				Pension Plan	Total Primary Government
	The Pool	Plan A	Plan B	OPEB Plan		
U.S. securities and agencies						
Not on securities loan	\$ 5,951	\$ 57,154	\$ 2,990	\$ 5,248	\$ -	\$ 71,343
On securities loan for						
securities or cash collateral	-	1,042	54	96	-	1,192
MLGIP	816,316	-	-	-	-	816,316
Municipal bonds	-	30	1	3	4,375	4,409
Foreign bonds	-	32,075	1,678	2,945	5,686	42,384
Corporate bonds						
Not on securities loan	-	180,000	9,416	16,529	-	205,945
On securities loan for						
securities or cash collateral	-	5,431	284	499	-	6,214
Bond mutual funds	-	401,264	20,990	36,847	-	459,101
Money market funds	76,793	49,869	2,609	4,579	5	133,855
Real estate equity funds	-	141,235	7,388	12,969	-	161,592
Stocks						
Not on securities loan	-	409,488	21,420	37,602	-	468,510
On securities loan for						
securities or cash collateral	-	50,165	2,624	4,607	-	57,396
Stock mutual funds - domestic	-	451,705	23,629	41,479	2,077	518,890
Stock mutual funds - international	-	379,119	19,831	34,814	1,561	435,325
Hedge funds	-	7	1	1	-	9
Private equity funds	-	178,680	9,346	16,408	-	204,434
Global Asset Allocation fund	-	248,415	12,995	22,811	-	284,221
Securities lending short-term collateral investment pool	-	13,215	691	1,213	-	15,119
Total	\$ 899,060	\$ 2,598,894	\$ 135,947	\$ 238,650	\$ 13,704	\$ 3,886,255

Component units' investments of \$60.782 million include \$39.264 million of MLGIP and \$21.518 million of money market funds.

Securities Lending Transactions - The System's, the OPEB Plan's and the Pension Plan's policies authorize the lending of their securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The System's, the OPEB Plan's and the Pension Plan's custodian may lend U.S. government and agency securities, corporate bonds and stocks for collateral in the form of cash, other securities and irrevocable bank letters of credit. Collateral securities, letters of credit and cash are initially pledged at 102% of the fair value of the securities lent. Additional collateral is to be provided by the next business day if the collateral value falls to less than 100% of the fair value of the securities lent. The System, the OPEB Plan and the Pension Plan did not impose any restrictions during the fiscal year on security loans the custodian made on its behalf. The System, the OPEB Plan and the Pension Plan at year-end had no credit risk exposure to borrowers because the amounts owed to borrowers exceed the amounts the borrowers owe. The System, the OPEB Plan,

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the Pension Plan or the borrower can terminate securities loans on demand. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 1.34 days. The System, the OPEB Plan and the Pension Plan cannot pledge or sell collateral securities received unless the borrower defaults. The collateral held and the fair value of securities on loan as of June 30, 2020 totaled \$66.6 million and \$64.8 million, respectively.

The following is a listing of the Pool's, the OPEB Plan's and the Pension Trust Funds' fixed income investments of bonds, short-term investments and related maturity schedule (in thousands):

Investment Type	Fair Value	Investment Maturities (in years)					
		Less than 1	1 - 4.9	5 - 9.9	10 - 19.9	20 - 30	More than 30
The Pool							
U.S. Government Obligations	\$ 899,060	\$ 893,109	\$ -	\$ 5,951	\$ -	\$ -	\$ -
The System - Plan A							
U.S. Government Obligations	8,601	564	311	1,126	1,011	5,589	-
U.S. Agency Securities	49,595	31,686	2,688	4,852	1,993	7,844	532
Municipals	30	-	-	-	-	30	-
Corporate Debt	185,431	18,416	81,733	51,935	13,326	14,829	5,192
Bond Mutual Funds	401,264	-	83,080	318,184	-	-	-
Foreign Debt	32,075	12,800	12,331	4,452	1,618	778	96
Total	<u>676,996</u>	<u>63,466</u>	<u>180,143</u>	<u>380,549</u>	<u>17,948</u>	<u>29,070</u>	<u>5,820</u>
The System - Plan B							
U.S. Government Obligations	450	30	16	59	53	292	-
U.S. Agency Securities	2,594	1,657	141	254	104	410	28
Municipals	1	-	-	-	-	1	-
Corporate Debt	9,700	963	4,275	2,717	697	776	272
Bond Mutual Funds	20,990	-	4,346	16,644	-	-	-
Foreign Debt	1,678	670	645	232	85	41	5
Total	<u>35,413</u>	<u>3,320</u>	<u>9,423</u>	<u>19,906</u>	<u>939</u>	<u>1,520</u>	<u>305</u>
OPEB Plan							
U.S. Government Obligations	790	52	29	103	93	513	-
U.S. Agency Securities	4,554	2,910	247	446	183	720	48
Municipals	3	-	-	-	-	3	-
Corporate Debt	17,028	1,691	7,505	4,769	1,224	1,362	477
Bond Mutual Funds	36,847	-	7,629	29,218	-	-	-
Foreign Debt	2,945	1,175	1,132	409	149	71	9
Total	<u>62,167</u>	<u>5,828</u>	<u>16,542</u>	<u>34,945</u>	<u>1,649</u>	<u>2,669</u>	<u>534</u>
Pension Plan							
Municipal bonds	4,375	4,375	-	-	-	-	-
Foreign Debt	5,686	1,000	1,500	-	-	3,186	-
Total	<u>10,061</u>	<u>5,375</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>3,186</u>	<u>-</u>
Total Primary Government	<u>\$ 1,683,697</u>	<u>\$ 971,098</u>	<u>\$ 207,608</u>	<u>\$ 441,351</u>	<u>\$ 20,536</u>	<u>\$ 36,445</u>	<u>\$ 6,659</u>

Interest Rate Risk – To the extent possible, the Pool attempts to match investments with anticipated cash flow requirements. Unless matched to specific cash flow, the Pool will not directly invest in securities maturing more than one year from the date of purchase. The Pension Trust Funds' and the OPEB Plan's policy guidelines do not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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Credit Risk – The Pool’s, the Pension Trust Funds’ and the OPEB Plan’s investment policies are to apply the prudent-person rule; investments are made as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital and in general, avoid speculative investments. As of June 30, 2020, the Pension Trust Funds’ and the OPEB Plan’s fixed income investments had the following risk characteristics:

Moody's Rating or Comparable	The System - Plan A		The System - Plan B		OPEB Plan		Pension Plan	
	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)
AAA	11.1%	\$ 74,809	11.1%	\$ 3,913	11.1%	\$ 6,869	0.0%	\$ -
AA	2.7%	18,532	2.7%	969	2.7%	1,702	0.0%	-
A	14.1%	95,702	14.1%	5,006	14.1%	8,788	0.0%	-
BBB	8.8%	59,716	8.8%	3,124	8.8%	5,484	0.0%	-
BB	1.2%	7,846	1.2%	410	1.2%	720	0.0%	-
B	0.2%	1,101	0.2%	58	0.2%	101	0.0%	-
CCC	0.0%	240	0.0%	13	0.0%	22	0.0%	-
CC	0.0%	204	0.0%	10	0.0%	19	0.0%	-
Not Rated	61.9%	418,846	61.9%	21,910	61.9%	38,462	100.0%	10,061
Total	100.0%	\$ 676,996	100.0%	\$ 35,413	100.0%	\$ 62,167	100.0%	\$ 10,061

The Pool’s fixed income investments of \$899,060 were invested 100% in AAA rated investments.

Foreign Currency Risk – The System’s and the OPEB Plan’s exposure to foreign currency risk is derived from its positions in foreign currency-denominated common stock and fixed asset investments. Managers are allowed to use derivatives to hedge out foreign currency, however, there is no formal policy regarding foreign currency risk. The System’s and the OPEB Plan’s exposure to foreign currency risk is as follows:

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Currency	Fair Value (in thousands)			
	The System			Total
	Plan A	Plan B	OPEB Plan	
Australian Dollar	\$ 5,122	\$ 268	\$ 470	\$ 5,860
Brazil Real	482	25	44	551
Canadian Dollar	1,891	99	174	2,164
Chinese Yuan Renminbi	13	1	1	15
Danish Krone	1,228	64	113	1,405
Euro Currency Unit	67,056	3,508	6,158	76,722
Hong Kong Dollar	14,715	770	1,772	17,257
Israeli Shekel	456	23	50	529
Japanese Yen	40,337	2,110	3,704	46,151
Mexican Peso	162	8	15	185
New Taiwan Dollar	510	27	47	584
New Zealand Dollar	314	16	29	359
Norwegian Krone	1,246	65	114	1,425
Polish Zloty	443	23	41	507
Pound Sterling	21,101	1,104	1,938	24,143
Singapore Dollar	3,585	187	329	4,101
South African Rand	431	23	40	494
South Korean Won	5,508	288	506	6,302
Swedish Krona	9,465	495	869	10,829
Swiss Franc	12,365	647	1,135	14,147
	<u>\$ 186,430</u>	<u>\$ 9,751</u>	<u>\$ 17,549</u>	<u>\$ 213,730</u>

Derivative Policy:

As permitted by guidelines established by the Board of Trustees the System may invest in Derivatives.

A derivative is a security or contractual agreement, which derives its value from some underlying security, commodity, currency, or index.

1. Types of derivative contracts

- a. Forward-based derivatives, including forward contracts, futures contracts, swaps, and similar instruments, and
- b. Option-based derivatives, including put options, call options, interest rate caps and floors, and similar instruments.

2. Types of Derivative Securities

- a. Collateralized Mortgage Obligations (CMOs)
- b. Structured Notes

3. Domestic Debt Securities are permitted and may include U.S. Government and Agency obligations, corporate bonds, asset backed securities, agency guaranteed mortgage pass-through securities and low risk collateralized mortgage obligations of comparable or lower risk, such as Planned Amortizations Class Level 1 and Sequentials, commercial paper, and certificates of deposit. Managers may also invest in U.S. dollar denominated issues of international agencies, foreign governments and foreign corporations (i.e., Eurodollar and Yankee bonds).

4. Futures and Options strategies may be employed, upon specific authorization of the Board, on equity and fixed income investments to provide volatility protection or enhance

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the rate of return over time.

5. Where appropriate, managers may use derivative contracts for the following reasons:
 - a. Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross hedging of currency exposures.
 - b. Creation of Market Exposures. Managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the Manager allow for such exposures to be created with the underlying assets themselves.

6. The following two uses of derivative contracts and securities are strictly prohibited:
 - a. Leverage. Derivatives shall not be used to magnify overall portfolio exposure to an asset, asset class, interest rate, or any other financial variable beyond that which would be allowed by a portfolio's investment guidelines if derivatives were not used.
 - b. Unrelated speculation. Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by a portfolio's investment guidelines if created with non-derivative securities.

The System and the OPEB Plan utilizes certain derivative instruments for the purpose of obtaining income or profit. The derivatives are subject to credit risks, interest rate risk, and foreign currency risk. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type and the changes in fair value of such derivative instruments for the year then ended are as follows:

Investment Derivatives	Changes in Fair Value (expressed in thousands)		Fair Value as of June 30, 2020 (expressed in thousands)	
	Classification	Amount	Amount	Notional Value
The System - Plan A				
Futures	Investment revenue	\$ -	\$ 39	\$ 554
Options	Investment revenue	12	(11)	(226)
Swaps	Investment revenue	(476)	(632)	(632)
TBA Transactions	Investment revenue	52	13,594	13,594
The System - Plan B				
Futures	Investment revenue	\$ -	\$ 2	\$ 29
Options	Investment revenue	1	(1)	(12)
Swaps	Investment revenue	(25)	(33)	(33)
TBA Transactions	Investment revenue	3	711	711
OPEB Plan				
Futures	Investment revenue	\$ -	\$ 4	\$ 51
Options	Investment revenue	1	(1)	21
Swaps	Investment revenue	(44)	(58)	(58)
TBA Transactions	Investment revenue	5	1,248	1,248

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Fair Value Measurement - Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are observable for the asset or liability, whether directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources, where there is little, if any market activity.

The following table presents the primary government’s recurring fair value measurements as of June 30, 2020

<u>INVESTMENT VALUATION (in Thousands)</u>	<u>Fair Value Measurement Using</u>			
	6/30/2020 Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by Fair Value Level				
Fixed Income:				
U.S. Government Obligations	\$ 15,584	\$ 11,235	\$ 4,349	\$ -
U.S. Securities and Agencies	41,296	-	41,296	-
Municipal debt	4,409	-	4,409	-
Corporate debt	212,159	-	207,870	4,289
Foreign debt	43,177	-	32,389	10,788
Total Debt Securities	<u>316,625</u>	<u>11,235</u>	<u>290,313</u>	<u>15,077</u>
Equity Securities:				
Domestic	307,689	307,689	-	-
International	218,217	218,217	-	-
Total Equity Securities:	<u>525,906</u>	<u>525,906</u>	<u>-</u>	<u>-</u>
Securities Lending Cash Collateral	<u>15,119</u>	<u>-</u>	<u>15,119</u>	<u>-</u>
Investments Derivative Instruments:				
Futures	45	45	-	-
Options	(13)	(13)	-	-
Swaps	(723)	-	(723)	-
TBAs	15,553	-	15,553	-
Total Investments Derivative Instruments	<u>14,862</u>	<u>32</u>	<u>14,830</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 872,512</u>	<u>\$ 537,173</u>	<u>\$ 320,262</u>	<u>\$ 15,077</u>
Investments Measured at the Net Asset Value (NAV):				
Commingled Fixed Income Funds	459,101			
Commingled Domestic Equity	518,890			
Commingled International Equity	435,325			
Real Estate Funds	161,592			
Hedge Fund of Funds	9			
Private Equity Funds	204,434			
Global Asset Allocation	284,221			
Total Investments Measured at the NAV	<u>2,063,572</u>			
Total Investments and Collateral for Loaned Securities	<u>\$ 2,936,084</u>			

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities, such as the New York Stock Exchange or the Nasdaq stock market. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique, which is based on the securities’ relationship to benchmark quoted prices. Derivative instruments classified in Level 2 of the

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fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Securities classified in Level 3 of the fair value hierarchy are valued using unobservable inputs for the asset or liability.

Investments in Entities That Calculate Net Asset Value Per Share - The fair values of investments in certain equity, fixed income, and marketable alternatives funds are based on the investments' net asset value (NAV) per share (or its equivalent) of the Pool's, the System's and the OPEB Plan's ownership interest in the partners' capital provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

The following table presents the primary government's unfunded commitments, redemption terms and investments measured at the NAV as of June 30, 2020.

Investments Measured at the NAV (expressed in thousands)	Fair Value	Strategy Type	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pimco Diversified Income	242,599	Global, High Yield , Emg. Mkt.	-	Daily	1 day
Stone Harbor Local Market	121,447	Emerging Market Debt	-	Daily	1 day
Guggenheim Investments	56,732	Bank Loans	-	Monthly	21 days
Pacific Asset Management	38,323	Bank Loans	-	Monthly	30 days
(a) Commingled Fixed Income Funds	<u>459,101</u>				
Benchmark	28,403	Portable Alpha	-	Annually	90 days
Blackrock US Equity	490,487	Wilshire 5000 Index	-	Daily	3 days
(b) Commingled Domestic Equity	<u>518,890</u>				
Blackrock ACWI Ex-US	149,434	International Equity Index	-	Daily	4 days
Mondrian Emerging Markets	140,668	Emerging Market Equity	-	Monthly	15 days
Strategic Global Advisors	32,640	International Equity - Small Cap	-	Daily	5 days
LMCG Investments	35,196	Emerging Mkt Equity - Small Cap	-	Monthly	5 days
Metis Intl. Small Cap	23,775	International Equity - Small Cap	-	Monthly	30 Days
Invesco Emerging Mkts Innovators	53,612	Emerging Mkt Equity - Small Cap	-	Daily	5 days
(c) Commingled International Equity	<u>435,325</u>				
JP Morgan	56,995	Value Added Real Estate	-	Monthly	15 days
Clarion Lion	55,285	Core Real Estate	-	Quarterly	90 days
UBS Real Estate	49,312	Core Real Estate	-	Quarterly	60 days
(d) Real Estate Funds	<u>161,592</u>				
EIM Management Alternative	9	Hedge Fund-of-Funds	-	N/A	N/A
(e) Hedge Fund of Funds	<u>9</u>				
(f) Private Equity	<u>204,434</u>	Private Equity	165,721	N/A	N/A
Bridgewater All Weather	141,442	Risk Parity	-	Monthly	5 days
BNYM Mellon DB SL Dyn Growth	142,779	Global Asset Allocation	-	Daily	3 days
(g) Global Asset Allocation	<u>284,221</u>				
Total Investments Measured at NAV	<u>\$ 2,063,572</u>				

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Investments measured at the NAV above comprise of the following:

- (a) Commingled Fixed Income Funds – This type includes investments in four funds, utilizing a variety of strategies which include High Yield Debt and Emerging Market Debt, and Bank Loans. Two of the funds may be redeemed daily and the other two funds may be redeemed monthly. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (b) Commingled Domestic Equity Funds – This type includes two funds with investments in U.S. common stocks. The strategy type employed are Portable Alpha and the Wilshire 5000 index. The fund utilizing the Portable Alpha strategy may only be redeemed annually with a redemption notice period of ninety days. The fund utilizing the Wilshire 5000 index strategy may be redeemed daily with a redemption notice period of three days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (c) Commingled International Equity Funds – This type includes six funds. One of the funds utilizes the International Equity Index, with a daily redemption frequency and a redemption notice period of four days. One fund utilizes an Emerging Market Equity strategy with a monthly redemption frequency and a redemption notice period of fifteen days. Two funds utilize the International Equity Small Cap index strategy with a daily redemption frequency and a redemption notice period of five days, and a monthly redemption frequency and a redemption notice period of 30 days, respectively. The other two funds utilize an Emerging Market Equity- Small Cap strategy with a daily redemption frequency and a redemption notice period of five days, and a monthly redemption frequency and a redemption notice period of five days, respectively. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (d) Real Estate Funds – This type includes three funds that invest primarily in U.S. commercial real estate. The strategy type for two of these funds is Core Real Estate and the third fund employs a Value Added Real Estate strategy. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (e) Hedge Fund of Funds – This type includes one fund which is in liquidation. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (f) Private Equity Funds – This type includes forty-two funds whose investments are not publicly traded on a stock exchange. These investments cannot be redeemed with the funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the underlying assets of the fund would be generally liquidated over ten years. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.
- (g) Global Asset Allocation – This type includes two funds. One fund utilizes the Risk Parity strategy and the other fund employs Global Tactical Asset Allocation (GTAA). GTAA is designed to balance risk by investing in a variety of asset classes through active management. Funds may be invested in global equities, bonds and commodities. One fund allows daily redemptions with a redemption notice period of three days. The other fund allows only monthly redemptions. The redemption notice period is five days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.

4. PROPERTY TAX:

The major portion of the County's property tax is levied each July 1 on the assessed value listed as of that date for all real and personal property located in the County.

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Assessed values are established by the Maryland Department of Assessments and Taxation at one hundred percent of estimated market value. The assessed value of taxable real and personal property in the County for fiscal year 2020 was \$90.7 billion.

The property tax rate for the year ended June 30, 2020 was \$1.10 for real property and \$2.75 for personal property per \$100 of assessed valuation. The current tax collections for the year were 99.0% of the tax levied. Property taxes are recorded as receivables in the General Fund at the levy date with appropriate allowances for estimated uncollectible amounts as described in Note 5.

The full year property tax calendar is as follows:

July 1 - Full year levy assessed for current fiscal year.

July 31 - Bills paid during July are granted a 1% discount.

August 31 - Bills paid during August are granted a ½% discount.

September 30 - First semiannual installment is due if eligible property owners elect the semiannual payment option for real property taxes. Gross amount of levy is due on all other real and personal property taxes.

October-April - Delinquent taxes accrue interest at the rate of 1% a month from October 1 to date of payment

December 1 - Second installment due on real property taxes if paying on a semiannual basis.

June - Delinquent real properties are sold at the annual tax sale.

5. RECEIVABLES (in thousands):

Receivables as of June 30, 2020 for the County's major funds and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					Total Receivables
	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor and Internal Service	Metropolitan District	
Property taxes	\$ 16,567	\$ -	\$ -	\$ -	\$ -	\$ 16,567
Accounts	34,061	-	-	2,512	1,025	37,598
Intergovernmental	306,992	38,997	208	-	3,573	349,770
Assessments	-	-	1,541	-	98,518	100,059
Loans	8	83,228	-	40	-	83,276
Interest	110	-	-	-	-	110
Total receivables	357,738	122,225	1,749	2,552	103,116	587,380
Allowance for uncollectible accounts	(2,042)	(28,919)	-	-	-	(30,961)
Net total receivables	<u>\$ 355,696</u>	<u>\$ 93,306</u>	<u>\$ 1,749</u>	<u>\$ 2,552</u>	<u>\$ 103,116</u>	<u>\$ 556,419</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 52,743</u>	<u>\$ 1,154</u>	<u>\$ -</u>	<u>\$ 86,408</u>	<u>\$ 140,305</u>

At June 30, 2020, the County has recorded \$83,228 million of outstanding loans receivable in the Gifts and Grants Fund. Of these receivables, \$57,652 million are for loans made to residents and developers to acquire, rehab, or repair low-income housing units or to provide funds for settlement costs to qualified first-time home buyers under various federally funded financial assistance programs. Approximately \$28,919 million of these loans are offset by an allowance for uncollectible accounts because collections are highly uncertain. In many cases, the loan repayment is forgiven if the resident/developer complies with certain federal requirements, which may include residing in the property for a stated number of years.

Governmental funds report deferred inflows of resources 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 earned. The various components of

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deferred inflows and unearned revenue reported in the governmental funds as of June 30, 2020 were as follows:

	Unavailable	Unearned	Total
Property taxes	\$ 12,197	\$ 104	\$ 12,301
Income taxes	221,365	-	221,365
Interest subsidy	560	-	560
Economic and community development loans	54,293	-	54,293
Special assessments not yet due	1,525	-	1,525
Grant funds received prior to meeting all eligibility requirements	-	126,202	126,202
Total	\$ 289,940	\$ 126,306	\$ 416,246

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (in thousands):

The composition of interfund balances as of June 30, 2020 is as follows:

Receivable fund	Payable fund	Purpose	Amount
General	Consolidated Public Improvement Construction	Deficit cash balance	\$ 17,478
		Total	<u>\$ 17,478</u>

Interfund transfers for the fiscal year ended June 30, 2020 were as follows:

Transferred from	Transferred to			
	General	Gifts and Grants	Consolidated Public Improvement Construction	Total
General	\$ -	\$ 9,410	\$ 58,487	\$ 67,897
Gifts and Grants	1,120	-	-	1,120
Consolidated Public Improvement Construction	19,730	3,510	-	23,240
Nonmajor Governmental Funds	-	450	-	450
Internal Service Funds	2,215	-	-	2,215
Total transfers	\$ 23,065	\$ 13,370	\$ 58,487	\$ 94,922

The transfers of \$58,487 million from the General Fund to the Consolidated Public Improvement Construction Fund (CPI) are pay-as-you-go funding for capital projects. Net transfers of \$8,290 million between the General Fund and the Gifts and Grants Fund are County matching funds for grant funded programs. Transfers totaling \$3,510 million from CPI to the Gifts and Grants Fund are contributions for loans and grants and transfers totaling \$19,730 million are for transfers from CPI appropriations to the General Fund in FY20. The remaining transfers are various funding contributions for designated grant programs.

As of June 30, 2020, receivable and payable balances remained between the primary government and its discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs. Receivables and payables between the primary

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government and the component units do not equal due to timing differences.

7. CAPITAL ASSETS (in thousands):

A summary of the primary government's changes in capital assets for the year ended June 30, 2020 is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 299,686	\$ 973	\$ -	\$ 300,659
Construction in progress	703,525	102,057	(32,394)	773,188
Total capital assets not being depreciated	<u>1,003,211</u>	<u>103,030</u>	<u>(32,394)</u>	<u>1,073,847</u>
Capital assets being depreciated:				
Buildings and improvements	608,021	11,952	-	619,973
Machinery and equipment	131,744	3,991	(1,072)	134,663
Vehicles	150,396	16,488	(8,106)	158,778
Infrastructure	2,639,860	15,550	-	2,655,410
Total capital assets being depreciated	<u>3,530,021</u>	<u>47,981</u>	<u>(9,178)</u>	<u>3,568,824</u>
Less accumulated depreciation for:				
Buildings and improvements	(243,359)	(16,416)	-	(259,775)
Machinery and equipment	(81,663)	(9,099)	873	(89,889)
Vehicles	(91,663)	(11,659)	7,770	(95,552)
Infrastructure	(1,494,602)	(52,562)	-	(1,547,164)
Total accumulated depreciation	<u>(1,911,287)</u>	<u>(89,736)</u>	<u>8,643</u>	<u>(1,992,380)</u>
Total capital assets being depreciated, net	<u>1,618,734</u>	<u>(41,755)</u>	<u>(535)</u>	<u>1,576,444</u>
Governmental activities capital assets, net	<u>\$ 2,621,945</u>	<u>\$ 61,275</u>	<u>\$ (32,929)</u>	<u>\$ 2,650,291</u>

BALTIMORE COUNTY, MARYLAND
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JUNE 30, 2020

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,317	\$ -	\$ -	\$ 1,317
Construction in progress	329,017	107,594	(38,653)	397,958
Total capital assets not being depreciated	<u>330,334</u>	<u>107,594</u>	<u>(38,653)</u>	<u>399,275</u>
Capital assets being depreciated:				
Buildings and improvements	205,404	-	-	205,404
Machinery and equipment	1,309	262	-	1,571
Vehicles	10,271	1,730	(1,590)	10,411
Infrastructure	1,543,462	35,818	-	1,579,280
Total capital assets being depreciated	<u>1,760,446</u>	<u>37,810</u>	<u>(1,590)</u>	<u>1,796,666</u>
Less accumulated depreciation for:				
Buildings and improvements	(106,095)	(5,922)	-	(112,017)
Machinery and equipment	(857)	(83)	-	(940)
Vehicles	(8,047)	(619)	1,590	(7,076)
Infrastructure	(457,706)	(27,659)	-	(485,365)
Total accumulated depreciation	<u>(572,705)</u>	<u>(34,283)</u>	<u>1,590</u>	<u>(605,398)</u>
Total capital assets being depreciated, net	<u>1,187,741</u>	<u>3,527</u>	<u>-</u>	<u>1,191,268</u>
Business-type activities capital assets, net	<u>\$ 1,518,075</u>	<u>\$ 111,121</u>	<u>\$ (38,653)</u>	<u>\$ 1,590,543</u>

BALTIMORE COUNTY, MARYLAND
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Depreciation expense was charged to primary government functions as follows:

Governmental activities:	
General government	\$ 14,441
Public safety	7,540
Public works, which includes the depreciation of infrastructure assets	53,529
Health and human services	1,279
Culture and leisure services	9,792
Capital assets held by the County's internal service funds is charged to the various activities based on their usage of the assets.	3,155
Total depreciation expense - governmental activities	<u>\$ 89,736</u>

Business-type activities:	
Water and sewer services, which include the depreciation of infrastructure assets	\$ 34,283
Total depreciation expense - business-type activities	<u>\$ 34,283</u>

A summary of the component units' changes in capital assets is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Board of Education of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 32,051	\$ -	\$ -	\$ 32,051
Construction in progress	267,871	121,740	(129,589)	260,022
Total capital assets not being depreciated	<u>299,922</u>	<u>121,740</u>	<u>(129,589)</u>	<u>292,073</u>
Capital assets being depreciated:				
Buildings	2,395,429	129,638	(19,850)	2,505,217
Improvements other than buildings	102,242	567	(3,296)	99,513
Equipment and vehicles	176,212	12,486	(9,072)	179,626
Total capital assets being depreciated	<u>2,673,883</u>	<u>142,691</u>	<u>(32,218)</u>	<u>2,784,356</u>
Less accumulated depreciation	<u>(990,261)</u>	<u>(91,901)</u>	<u>23,605</u>	<u>(1,058,557)</u>
Total capital assets being depreciated, net	<u>1,683,622</u>	<u>50,790</u>	<u>(8,613)</u>	<u>1,725,799</u>
Board of Education capital assets, net	<u>\$ 1,983,544</u>	<u>\$ 172,530</u>	<u>\$ (138,202)</u>	<u>\$ 2,017,872</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
The Community College of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 4,798	\$ -	\$ -	\$ 4,798
Construction in progress	23,733	38,881	(944)	61,670
Total capital assets not being depreciated	<u>28,531</u>	<u>38,881</u>	<u>(944)</u>	<u>66,468</u>
Capital assets being depreciated:				
Buildings and improvements	259,157	944	-	260,101
Infrastructure	29,587	-	-	29,587
Equipment and vehicles	32,462	2,819	(3,406)	31,875
Library materials	3,131	51	(2,756)	426
Total capital assets being depreciated	<u>324,337</u>	<u>3,814</u>	<u>(6,162)</u>	<u>321,989</u>
Less accumulated depreciation	<u>(169,472)</u>	<u>(13,374)</u>	<u>6,083</u>	<u>(176,763)</u>
Total capital assets being depreciated, net	<u>154,865</u>	<u>(9,560)</u>	<u>(79)</u>	<u>145,226</u>
The Community College of Baltimore County capital assets, net	<u>\$ 183,396</u>	<u>\$ 29,321</u>	<u>\$ (1,023)</u>	<u>\$ 211,694</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Board of Library Trustees for Baltimore County				
Capital assets being depreciated:				
Equipment and vehicles	\$ 8,813	\$ 108	\$ -	\$ 8,921
Circulation materials	14,671	3,653	(5,089)	13,235
Total capital assets being depreciated	<u>23,484</u>	<u>3,761</u>	<u>(5,089)</u>	<u>22,156</u>
Less accumulated depreciation	<u>(15,676)</u>	<u>(4,875)</u>	<u>5,089</u>	<u>(15,462)</u>
Board of Library Trustees for Baltimore County capital assets, net	<u>\$ 7,808</u>	<u>\$ (1,114)</u>	<u>\$ -</u>	<u>\$ 6,694</u>

8. LONG-TERM OBLIGATIONS:

The County's principal long-term obligations are general obligation bonds and commercial paper bond anticipation notes (BANs) issued to finance the construction of county-wide public capital projects, water and sewer facilities within the County's Metropolitan District, and to finance pension obligations of the System and the Pension Plan. The County's full faith, credit and unlimited taxing power are irrevocably pledged to the payment of the principal and interest of these bonds and notes.

Other long-term obligations include the accrued liability for vested compensated absences, estimated landfill closing costs, certificates of participation and loans payable. The County considers all non-proprietary funds vested compensated absences to be long-term debt. Of the primary government's general long-term debt, only the redemption of the BANs and the liability for landfill closing costs are expected to be paid with bond proceeds.

The County Charter authorizes the County Council by appropriate resolution to issue bonds, other than Metropolitan District bonds, up to a debt limit of 4% of the County's assessable property base, and Metropolitan District bonds up to a debt limit of 3.2% of the District's assessable property base. Information related to these limitations are as follows:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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	(in thousands)	
	General Bonds	Metropolitan District
Legal limitation for the borrowing of funds and issuance of bonds	\$ 3,628,006	\$ 2,586,774
General obligation debt outstanding applicable to debt limit	2,127,419	1,851,637

General obligation debt issuances require approval by voter referendum. Approved and unissued general obligation bonded debt totaled \$652,805,347 as of June 30, 2020, comprised of \$370,262,881 for public schools, \$263,602,896 for public facilities and \$18,939,570 for the Community College. Appropriated and unissued Metropolitan District bonded debt totaled \$943,785,124 as of June 30, 2020.

General Obligation Bonds

On August 6, 2019, the County settled the issuance of \$32,365,000 Metropolitan District Bonds – 2019 Refunding Series. The Bonds were issued for the redemption of the Baltimore County Metropolitan District Bonds (72nd Issue – Series B) (Federally Taxable – Issuer Subsidy Build America Bonds), the proceeds of which were used to finance and refinance the design and construction, purchase or acquisition of the water supply, sewerage and drainage systems provided for by the Baltimore County Code.

The bonds are due November 1, in each of the years 2020 to 2039, inclusive. The interest rate ranges from 3.000% to 5.000%. The net proceeds of the refunding were invested in State and Local Government Securities (SLGS) and deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result of the refunding, the aggregate difference between the refunding debt and the refunded debt was \$6,844,773 or an economic gain of \$5,251,428. The refunded bonds will be considered defeased and the liability for those bonds will be removed from the government-wide statement of net position.

On March 19, 2020, the County sold \$288,000,000 General Obligation Bonds, consisting of \$42,000,000 Metropolitan District Bonds – 82nd Issue, for the payment of Baltimore County Metropolitan District Bond Anticipation Notes and \$246,000,000 Consolidated Public Improvement Bonds 2020 Series, for the payment of Baltimore County Consolidated Public Improvement Bond Anticipation Notes. The Metropolitan District Bonds are due March 1, in each of the years 2021 to 2050, inclusive, and bear a true interest cost of 2.58% The Consolidated Public Improvement Bonds are due March 1, in each of the years 2022 to 2040, inclusive, and bear a true interest cost of 1.97%.

General Obligation Bond Anticipation Notes (BANs)

On March 19, 2020, the County issued \$350 million Fixed Rate (FR) BANs for the purpose of providing funds for capital improvement projects. Of the \$350 million FR BANs, \$145 million were issued as Consolidated Public Improvement (CPI) FR BANs, and \$205 million were issued as Metropolitan District (MD) FR BANs, maturing on March 22, 2021. The true interest cost was 0.83% for the CPI FR BANs and 0.84% for the MD FR BANs.

Maryland Water Quality Financing Agreement

During fiscal year 2020, the County issued \$87,263,573 in Metropolitan District Bonds through the Maryland Water Quality Revolving Loan Fund. The Fund subsidizes the interest rate on sewer and water projects. As of June 30, 2020, the balance outstanding was \$317,996,101.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Single Stream Recycling Loan

The County has a conditional purchase agreement with the Baltimore County Police, Fire and Widows Pension Plan that was used to finance a waste transfer station upgrade and to procure and install a single stream recyclables processing system at the County's Resource Recovery Facility in Cockeysville, Maryland. On September 15, 2017, the County and the Baltimore County Police, Fire and Widows' Pension Plan amended the Single Stream Recycling Loan Agreement so that the remaining principal of the Loan will be repaid June 30, 2021 in the amount of \$4,374,709. The interest component of the loan will continue to be repaid monthly through June 30, 2021 at an annual rate of 7.875%.

Other

The County issues debt to finance the construction of certain capital facilities of its component units and for major water and sewer projects done in conjunction with the City of Baltimore (the "City"), which decreases the "Unrestricted" net position component in the statement of net position. The following summarizes these situations where the County is reporting the debt in its financial statements, while the corresponding assets are reported by the other reporting entity.

- The Board of Education and the Community College have no authority to issue bonded debt. That authority rests with the County subject to voter approval. The County had \$1,074.012 million of its net Consolidated Public Improvement general obligation debt outstanding (net of unamortized premiums and deferred charges) that is related to capital facilities of the component units as of June 30, 2020.
- The Metropolitan District Act requires the City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro-rata basis for construction of certain City owned sewer and water capital projects that serve the Metropolitan District. The County's contributions towards these City owned facilities are funded primarily with bond proceeds. The County estimates 41.44% of its net Metropolitan District general obligation bonds outstanding or \$767.318 million is related to these facilities as of June 30, 2020.

At June 30, 2020, the County has accrued \$21.97 million of estimated closure and postclosure care costs for its one active landfill. State and federal laws require the County to place a final cover on its open landfill when it stops accepting waste in approximately 2028 and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure costs generally will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as a liability in the Governmental Activities of the Statement of Net Position based on the landfill capacity used as of the end of the fiscal year. The amount included in the landfill closure and postclosure care costs liability at June 30, 2020 represents the cumulative unspent amount reported to date based on the use of 69% of the estimated landfill capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$9.87 million as the remaining estimated capacity is filled. The actual cost may differ due to inflation, changes in technology, or changes in regulations. The County intends to finance these costs primarily with bond proceeds in its Consolidated Public Improvement Construction Fund.

Financial assurance provisions of federal regulations require owners and operators of municipal solid waste landfills to demonstrate that adequate funds will be readily available for the costs of closure, post closure care, and corrective action associated with their facilities. The County had demonstrated that it met the local government financial test assurance mechanism as of December 31, 2019 and has placed appropriate documents in the operating record of its active landfill.

The County has participated in the issuance of economic development revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities. The County is not obligated in any manner for repayment of the bonds, and therefore they are not reported as liabilities in the financial statements. The aggregate outstanding principal amount as of June 30, 2020 for bonds issued prior to July 1, 1996 was \$368.96 million. The aggregate principal amount payable for bonds issued after July 1, 1996

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

was \$110.15 million at June 30, 2020.

The State of Maryland allows Maryland residents who earn personal income in jurisdictions outside Maryland to take a credit against their Maryland State income taxes for the income taxes paid to other jurisdictions. In prior years, Maryland had not allowed this credit against Maryland County or Municipal income taxes. A suit was brought against the State, the Wynne Case, asserting that this unequal treatment violated the Federal Commerce Clause. The State lost the case before the Maryland Court of Appeals and the U.S. Supreme Court has upheld that ruling. As a result, the State must allow credits against county income taxes. The impact to the County will be a loss of current revenues, as well as refunds of overpayments for the prior tax years which the state will recoup from income tax revenue distributions to the County over 20 quarters starting May 2021. The County has recognized an estimated \$52.285 million liability in its government-wide statements and has assigned \$25.427 million of its General Fund fund balance for these refunds.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Long-term liability activity for the year ended June 30, 2020 is as follows (in thousands):

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Primary Government:					
Governmental activities:					
General obligation debt					
Consolidated public improvement bonds	\$ 1,557,695	\$ 246,000	\$ (170,255)	\$ 1,633,440	\$ 105,775
Pension funding bonds	358,895	-	(9,916)	348,979	10,071
Bond anticipation notes	246,000	145,000	(246,000)	145,000	145,000
	<u>2,162,590</u>	<u>391,000</u>	<u>(426,171)</u>	<u>2,127,419</u>	<u>260,846</u>
Add remaining original issue premium	125,169	64,919	(26,920)	163,168	-
Less remaining original issue discount	(1,060)	-	140	(920)	-
Total general obligation debt	<u>2,286,699</u>	<u>455,919</u>	<u>(452,951)</u>	<u>2,289,667</u>	<u>260,846</u>
Certificates of participation	168,763	-	(23,141)	145,622	23,491
Add remaining original issue premium	20,156	-	(4,505)	15,651	-
Total certificates of participation	<u>188,919</u>	<u>-</u>	<u>(27,646)</u>	<u>161,273</u>	<u>23,491</u>
Other long-term liabilities					
Loan payable	4,375	-	-	4,375	-
Compensated absences	73,280	64,487	(57,224)	80,543	78,312
Claims payable	70,480	321,684	(315,263)	76,901	39,280
Net other post employment benefits liability	1,080,739	530,472	-	1,611,211	-
Net pension liability	1,620,601	154,393	-	1,774,994	-
Disputed taxes	52,285	-	-	52,285	5,228
Estimated landfill closing costs	21,523	447	-	21,970	-
Total other long-term liabilities	<u>2,923,283</u>	<u>1,071,483</u>	<u>(372,487)</u>	<u>3,622,279</u>	<u>122,820</u>
Total governmental activities long-term liabilities	<u>\$ 5,398,901</u>	<u>\$ 1,527,402</u>	<u>\$ (853,084)</u>	<u>\$ 6,073,219</u>	<u>\$ 407,157</u>
Business-type activities:					
General obligation debt					
Metropolitan District bonds	\$ 1,600,246	\$ 161,628	\$ (129,778)	\$ 1,632,096	\$ 58,846
Pension funding bonds	14,955	-	(414)	14,541	419
Bond anticipation notes	42,000	205,000	(42,000)	205,000	205,000
	<u>1,657,201</u>	<u>366,628</u>	<u>(172,192)</u>	<u>1,851,637</u>	<u>264,265</u>
Add remaining original issue premium	90,469	19,245	(13,875)	95,839	-
Total general obligation debt	<u>1,747,670</u>	<u>385,873</u>	<u>(186,067)</u>	<u>1,947,476</u>	<u>264,265</u>
Certificates of participation	14,197	-	(1,574)	12,623	1,609
Add remaining original issue premium	1,907	-	(390)	1,517	-
Total certificates of participation	<u>16,104</u>	<u>-</u>	<u>(1,964)</u>	<u>14,140</u>	<u>1,609</u>
Compensated absences	2,172	1,184	(948)	2,408	2,282
Net pension liability	50,669	5,945	-	56,614	-
Net other post employment benefits liability	57,283	28,117	-	85,400	-
Total business-type activities long-term liabilities	<u>\$ 1,873,898</u>	<u>\$ 421,119</u>	<u>\$ (188,979)</u>	<u>\$ 2,106,038</u>	<u>\$ 268,156</u>

* Net increase is shown

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Component Units:					
Board of Education:					
Compensated absences	\$ 26,171	\$ 16,978	\$ (12,897)	\$ 30,252	\$ 12,897
Capital leases	103,507	8,398	(9,338)	102,567	7,324
Claims payable	14,211	4,735	(6,496)	12,450	4,168
Net OPEB obligation	1,250,360	795,589	-	2,045,949	-
Net Pension Liability	126,242	11,727	-	137,969	-
Total Board of Education	<u>1,520,491</u>	<u>837,427</u>	<u>(28,731)</u>	<u>2,329,187</u>	<u>24,389</u>
Community College:					
Compensated absences	6,776	6,295	(3,987)	9,084	6,627
Capital leases	1,499	1,900	(1,249)	2,150	951
Net OPEB obligation	110,066	51,985	-	162,051	-
Net Pension Liability	5,954	-	(101)	5,853	-
Total Community College	<u>124,295</u>	<u>60,180</u>	<u>(5,337)</u>	<u>179,138</u>	<u>7,578</u>
Board of Library Trustees:					
Compensated absences	1,070	248	-	1,318	1,318
Net OPEB obligation	26,002	12,244	-	38,246	-
Net pension liability	835	347	(435)	747	-
Total Board of Library Trustees	<u>27,907</u>	<u>12,839</u>	<u>(435)</u>	<u>40,311</u>	<u>1,318</u>
Total component unit long-term liabilities	<u>\$ 1,672,693</u>	<u>\$ 910,446</u>	<u>\$ (34,503)</u>	<u>\$ 2,548,636</u>	<u>\$ 33,285</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

General long-term debt currently outstanding as of June 30, 2020 is as follows:

Governmental Activities:
(in thousands)

General Obligation Debt:

Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2020	Unamortized Premium/ (Discount)	Carrying Value 6/30/2020
11/05/09	2010-2025	6.150 - 6.150	19,400	19,400	(920)	18,480
11/10/09	2010-2029	0.650 - 5.650	155,570	17,000	33	17,033
08/10/10	2011-2022	2.500 - 4.000	13,565 *	13,520	209	13,729
11/09/10	2012-2029	3.110 - 4.900	19,950	19,950	-	19,950
11/09/10	2018-2030	4.970 - 4.970	177,000	149,000	-	149,000
11/30/11	2013-2032	3.000 - 5.000	170,000	108,000	5,838	113,838
12/12/12	2013-2024	2.000 - 5.000	94,080 *	38,190	1,039	39,229
12/12/12	2013-2032	3.000 - 5.000	193,000	136,000	7,838	143,838
12/13/12	2014-2042	0.416 - 3.739	246,077 **	213,801	-	213,801
02/20/14	2016-2034	3.000 - 5.000	140,000	107,000	3,230	110,230
06/26/14	2015-2020	4.000 - 5.000	39,530 *	6,760	14	6,774
07/15/14	2015-2025	3.000 - 4.500	48,235 *	30,585	1,278	31,863
12/23/14	2015-2038	2.000 - 5.000	116,000	87,000	10,405	97,405
06/30/15	2016-2027	2.000 - 5.000	69,130 *	56,115	4,968	61,083
03/08/16	2018-2036	5.000 - 5.000	112,000	94,000	14,077	108,077
08/03/16	2017-2036	0.600 - 3.303	144,000 **	135,178	-	135,178
03/15/17	2019-2037	4.000 - 5.000	99,800	89,200	7,091	96,291
11/16/17	2020-2030	3.000 - 4.000	60,130 *	60,125	3,091	63,216
03/16/18	2020-2038	4.000 - 5.000	121,000	117,035	11,502	128,537
03/18/19	2020-2039	4.000 - 5.000	246,000	238,560	30,538	269,098
03/19/20	2022-2040	4.000 - 5.000	246,000	246,000	58,685	304,685
			<u>2,530,467</u>	<u>1,982,419</u>	<u>158,916</u>	<u>2,141,335</u>

Bond Anticipation Notes

03/19/20	2020-2021	4.000 - 4.000	145,000	145,000	3,332	148,332
			<u>145,000</u>	<u>145,000</u>	<u>3,332</u>	<u>148,332</u>

Total General Obligation Debt

\$ 2,675,467 \$ 2,127,419 \$ 162,248 \$ 2,289,667

Certificates of Participation

06/19/12	2013-2022	3.000 - 5.000	78,430	25,000	795	25,795
02/06/13	2013-2021	1.500 - 3.000	11,830 *	2,865	32	2,897
09/27/16	2017-2026	5.000 - 5.000	59,810	45,997	4,894	50,891
03/26/19	2020-2029	5.000 - 5.000	77,960	71,760	9,930	81,690
			<u>\$ 228,030</u>	<u>\$ 145,622</u>	<u>\$ 15,651</u>	<u>\$ 161,273</u>

Total Certificates of Participation

Loan Payable

08/15/13	2014-2021	7.875 - 7.875	\$ 18,617	\$ 4,375	\$ -	\$ 4,375
			<u>\$ 18,617</u>	<u>\$ 4,375</u>	<u>\$ -</u>	<u>\$ 4,375</u>

Total Loan Payable

* Refunding issue

** Taxable Issue

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Business-type Activities:
(in thousands)

General Obligation Debt:
Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2020	Unamortized Premium	Carrying Value 6/30/2020
06/22/01	2003-2022	2.300 - 2.300	14,105	1,787	-	1,787
06/26/02	2004-2023	2.000 - 2.000	7,006	745	-	745
03/11/03	2004-2023	1.100 - 1.100	8,638	1,246	-	1,246
07/16/04	2005-2025	1.200 - 1.200	8,501	153	-	153
09/12/05	2006-2024	1.000 - 1.000	21,146	4,087	-	4,087
07/31/07	2008-2027	1.000 - 1.000	16,794	6,437	-	6,437
12/18/09	2011-2032	1.000 - 1.000	15,625	9,874	-	9,874
08/10/10	2011-2030	2.000 - 4.500	61,720 *	56,565	1,095	57,660
11/09/10	2019-2040	2.000 - 5.050	93,900	89,600	-	89,600
11/30/11	2013-2042	3.000 - 5.000	85,000	61,800	2,047	63,847
05/31/12	2014-2032	1.800 - 1.800	44,326	29,684	-	29,684
12/12/12	2013-2042	2.000 - 5.000	60,000	46,000	731	46,731
12/12/12	2013-2032	2.250 - 5.000	18,005	8,230	42	8,272
12/13/12	2015-2042	0.416 - 3.739	10,213 **	8,909	-	8,909
09/10/13	2013-2034	2.200 - 2.200	9,198	6,204	-	6,204
02/20/14	2016-2034	3.000 - 5.000	60,000	49,500	806	50,306
02/20/14	2015-2020	4.000 - 5.000	30,325 *	22,425	596	23,021
07/15/14	2015-2025	3.000 - 4.500	26,370 *	17,515	609	18,124
12/23/14	2015-2038	2.000 - 5.000	84,000	70,000	9,323	79,323
06/30/15	2016-2027	2.000 - 5.000	101,765 *	88,275	5,085	93,360
09/25/15	2016-2035	1.600 - 1.600	86,311	62,410	-	62,410
03/08/16	2017-2046	5.000 - 5.000	88,000	76,000	11,745	87,745
03/08/16	2017-2038	2.000 - 4.000	65,705 *	65,105	1,054	66,159
07/29/16	2017-2046	1.300 - 1.300	13,475	12,888	-	12,888
08/03/16	2017-2036	0.600 - 3.303	6,000 **	5,632	-	5,632
03/15/17	2019-2047	4.000 - 5.000	99,300	92,300	6,291	98,591
11/16/17	2019-2029	5.000 - 5.000	31,035 *	31,030	4,232	35,262
11/17/17	2018-2047	0.700 - 0.700	37,066	36,782	-	36,782
03/16/18	2020-2049	4.000 - 5.000	225,000	221,390	16,545	237,935
10/25/18	2019-2048	0.800 - 0.800	145,700	145,699	-	145,699
03/18/19	2020-2049	2.000 - 5.000	245,000	244,000	18,612	262,612
08/06/19	2020-2039	3.000 - 5.000	32,365 *	32,365	3,507	35,872
03/19/20	2021-2050	4.000 - 5.000	42,000	42,000	8,825	50,825
			<u>1,893,594</u>	<u>1,646,637</u>	<u>91,145</u>	<u>1,737,782</u>
Bond Anticipation Notes						
03/19/20	2020-2021	4.000 - 4.000	205,000	205,000	4,694	209,694
			<u>205,000</u>	<u>205,000</u>	<u>4,694</u>	<u>209,694</u>
Total General Obligation Debt			<u>\$ 2,098,594</u>	<u>\$ 1,851,637</u>	<u>\$ 95,839</u>	<u>\$ 1,947,476</u>
Certificates of Participation						
06/19/12	2013-2022	3.000 - 5.000	\$ 4,250	\$ 1,275	\$ 43	\$ 1,318
09/27/16	2017-2026	5.000 - 5.000	3,905	3,003	319	3,322
03/26/19	2020-2029	5.000 - 5.000	9,065	8,345	1,155	9,500
Total Certificates of Participation			<u>\$ 17,220</u>	<u>\$ 12,623</u>	<u>\$ 1,517</u>	<u>\$ 14,140</u>

* Refunding issue
** Taxable issue

BALTIMORE COUNTY, MARYLAND
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The following is a schedule of the primary government's debt service payments for certain long-term debt as of June 30, 2020:

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Debt		COPs & Other Long-term Debt		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 260,846	\$ 70,436	\$ 23,491	\$ 1,434	\$ 284,337	\$ 71,870
2022	124,328	65,393	27,236	2,458	151,564	67,851
2023	124,479	70,757	21,746	4,599	146,225	75,356
2024	119,040	65,456	14,106	3,712	133,146	69,168
2025	120,185	60,319	14,481	3,007	134,666	63,326
2026-2030	578,590	227,089	48,937	5,241	627,527	232,330
2031-2035	430,310	117,270	-	-	430,310	117,270
2036-2040	284,623	40,713	-	-	284,623	40,713
2041-2045	70,719	7,278	-	-	70,719	7,278
2046-2050	14,299	476	-	-	14,299	476
Total	<u>\$ 2,127,419</u>	<u>\$ 725,187</u>	<u>\$ 149,997</u>	<u>\$ 20,451</u>	<u>\$ 2,277,416</u>	<u>\$ 745,638</u>

Fiscal Year Ended June 30	Business-type Activities					
	General Obligation Debt		COPs		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 264,265	\$ 48,113	\$ 1,609	\$ 53	\$ 265,874	\$ 48,166
2022	69,195	55,518	1,649	150	70,844	55,668
2023	68,192	54,726	1,689	447	69,881	55,173
2024	67,224	52,190	1,304	373	68,528	52,563
2025	67,869	49,775	1,349	308	69,218	50,083
2026-2030	345,691	210,824	5,023	576	350,714	211,400
2031-2035	325,151	149,549	-	-	325,151	149,549
2036-2040	278,719	95,515	-	-	278,719	95,515
2041-2045	226,780	49,114	-	-	226,780	49,114
2046-2050	138,551	11,593	-	-	138,551	11,593
Total	<u>\$ 1,851,637</u>	<u>\$ 776,917</u>	<u>\$ 12,623</u>	<u>\$ 1,907</u>	<u>\$ 1,864,260</u>	<u>\$ 778,824</u>

BALTIMORE COUNTY, MARYLAND
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9. COMMITMENTS AND CONTINGENCIES:

Leases

The following is a schedule by years of future minimum rental payments for facilities and equipment under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2020 (in thousands):

Year ending June 30	Primary Government	Component Unit
2021	1,286	32,520
2022	1,700	19,443
2023	1,724	6,160
2024	1,739	4,821
2025	1,740	4,604
2026-2030	9,086	11,766
2031-2035	1,090	-
2036-2040	280	-
2041-2045	183	-
	<u>\$ 18,828</u>	<u>\$ 79,314</u>

The total rental expenditures for the year ended June 30, 2020, for all leases except those with terms of a month or less that were not renewed were approximately \$5.6 million for the primary government and \$52.4 million for the component units.

Contracts and Commitments

Contract commitments in the Consolidated Public Improvement Construction Fund, the Metropolitan District Enterprise Fund, and the Gifts and Grants Fund amounted to approximately \$88 million, \$236.2 million, and \$36.1 million, respectively, at June 30, 2020. Such amounts will be funded by future bond proceeds, approved federal and state grants, and future assessments.

Federal Grants

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$144,369,685 from the Coronavirus Relief Fund (CRF) to the County, with \$111,599,617 remaining to be spent at June 30, 2020. The funds are anticipated to be fully utilized on allowable expenses by December 30, 2020, however, any monies unspent at that time will revert back to the U.S. Treasury.

Other Contingencies

The County receives 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 disallowances as a result of these audits become a liability of the County. The County estimates that no material liabilities will result from such audits.

The County is contingently liable for loans guaranteed in the Gifts & Grants Fund that aggregate approximately \$0.849 million as of June 30, 2020. A restriction of fund balance has been made for this amount.

BALTIMORE COUNTY, MARYLAND
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10. LITIGATION:

The County is a defendant in various suits claiming damages for personal injury and property damage in automobile and general liability cases, and various personnel actions. In addition, there are various other tort suits alleging violations of individual civil rights pending against the County as well as miscellaneous other litigation, mostly contract claims. Amounts claimed in some of these matters are substantial. In the opinion of the County Attorney, the County should prevail in most of said various tort suits, suits alleging violations of individual civil rights and in miscellaneous other litigation (although the outcome of litigation cannot be predicted with certainty). It is the further opinion of the County Attorney that the likelihood of the County incurring aggregate liability arising from such litigation in an amount that would be material in relation to its financial position is remote.

Litigation against the Employees' Retirement System of Baltimore County is addressed in its separate Comprehensive Annual Financial Report (CAFR). See note 12 for CAFR availability.

11. RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident; and natural disasters. The County manages its risks internally and sets aside assets for claims settlement in an Internal Service Fund, the Self-Insurance Program Fund (SIPF). The County services all claims for risk of loss to which the County is exposed except as noted below. The SIPF allocates County claims payments by charging a "premium" to each fund, or component unit, based on the actuarially determined liability and SIPF net assets.

The County purchases commercial insurance for claims that exceed 120% of projected health care claims and associated administrative expenses, and for real and personal property losses subject to policy deductibles. Settled claims have not exceeded this commercial health care excess coverage for the past three fiscal years.

SIPF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Since actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability results in an estimate. Certain liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their actual value and are not discounted.

Changes in the balances of claim liabilities during fiscal years 2019 and 2020 were as follows (in thousands):

Fiscal Year	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019	63,810	337,831	(331,161)	70,480
2020	70,480	321,684	(315,263)	76,901

12. BENEFIT PLANS (in thousands):

Employees' Retirement System

Plan Description: The Employees' Retirement System of Baltimore County (the "System") is a cost-sharing multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative

BALTIMORE COUNTY, MARYLAND
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agent serving five entities including the County and certain employees of the Baltimore County Board of Education, Baltimore County Board of Library Trustees, the Community College of Baltimore County and the Baltimore County Revenue Authority. The System is not an employer. The System provides retirement and disability benefits, cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and maintain the System is specified in Section 5-1-101 of the Baltimore County Code (the "Code").

On October 15, 2012, the County Council passed Bill No. 65-12 that formally closed the System for members hired prior to July 1, 2007, now known as members of "Plan A". Members hired on or after July 1, 2007 are considered members of "Plan B". Plan A and Plan B are unitized plans of the System. The System is considered part of the County's reporting entity and its financial statements are included in the County's basic financial statements as a benefit trust fund. Separate Plan A and Plan B financial statements are included in the combining fiduciary fund statements in the supplementary information section of this report. The County is obligated for the payment of all pensions, annuities, retirement allowances, refunds, reserves and other benefits. The System is fiscally dependent on the County by virtue of the legislative and executive controls exercised with respect to its operations, policies and administrative budget. In accordance with Section 5-1-238 of the Code, responsibility for the proper operation of the System is vested in an eight-member Board of Trustees (the "Board"), the majority of which are appointed by the County Executive. The general administration of the System is vested in the Director of Budget and Finance.

The System issues a separately prepared Comprehensive Annual Financial Report that includes financial statements, note disclosures and required supplementary information. The report may be obtained by writing to the Office of Budget and Finance, Mezzanine, Historic Court House, 400 Washington Avenue, Towson, Maryland 21204, or online at <http://www.baltimorecountymd.gov>.

Funding Policy: Per Section 5-1-203 of the County Code, contribution requirements of the plan members and the participating employers are established and may be amended by the Board. System members contribute a percentage of their salary to the System. The contribution rates for members are based on employee classification.

Participating employers are required to make contributions on an actuarially determined basis. Level percentages of payroll employer contribution rates are determined using the projected unit credit actuarial funding method. The employer contributions to the System for the fiscal years ended June 30, 2020, 2019 and 2018, were \$144,606, \$138,200 and \$128,896, respectively, which were equal to or greater than the required contributions for each year. The primary government's contributions for the three aforementioned fiscal years were \$136,000, \$127,976 and \$119,253, respectively.

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

Net Pension Liability: At June 30, 2020, the County reported a liability of \$1,818,497 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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 the participating agencies, actuarially determined. At June 30, 2019, the County's proportion was 92.47 percent, which is a decrease of .07 percent from its proportion as of June 30, 2018.

There have been no changes in the benefit terms that would affect the measurement of the total pension liability since the last measurement date.

Pension Expense: For the year ended June 30, 2020, the County recognized pension expense of \$315,185. At June 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 84,891	\$ 8,615
Changes in assumptions	63,675	8,034
Net difference between projected and actual earnings on pension plan investments	-	10,942
Changes in proportion and differences between County contributions and proportionate share of contributions	7,054	10,496
County contributions subsequent to the measurement date	136,000	-
Total	\$ 291,620	\$ 38,087

Deferred outflows of \$136,000 are reported as resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other 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:	
2021	\$ 116,113
2022	(1,447)
2023	1,660
2024	9,921
2025	(1,597)
Thereafter	(7,117)

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

Inflation	3 percent
Salary increases	Rates vary by participant service
Investment rate of return	6.375 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Entry Age Normal
Asset valuation method	Ten-year smoothed market

Mortality rates were based on RP-2000 Combined Mortality Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. As a result of this experience study the following actuarial assumptions and method changes were made:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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- Salary increase assumptions were updated to reflect recent experience.
- The mortality tables for health and disabled pensioners were updated to reflect future expected increases in life expectancy.
- The rates of withdrawal from active service due to termination of employment, death and accidental death, ordinary disability, and accidental disability were updated to reflect recent plan experience.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the table below:

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.75%	19.00%
Small/Mid Cap Equities	5.00%	7.00%
International Equities (Unhedged)	5.00%	16.00%
Emerging International Equities	6.50%	8.00%
Core Bonds	1.62%	5.00%
Core Bonds (Short)	0.25%	5.00%
Bank Loans	2.75%	3.00%
EMD (Local Currency)	4.00%	4.00%
Diversified Fixed Income	1.70%	9.00%
Private Equity	8.40%	7.00%
Real Estate (Core)	3.50%	5.00%
Global Asset Allocation	3.47%	6.00%
Risk Parity	2.27%	6.00%

Discount Rate: The discount rate used to measure the total pension liability was the funding valuation interest rate of 6.375 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to make all 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.

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 6.375 percent, 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 (5.375 percent) or 1-percentage-point higher (7.375 percent) than the current rate:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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	1.00% Decrease (5.375%)	Current Discount Rate (6.375%)	1.00% Increase (7.375%)
County's proportionate share of the net pension liability	\$ 2,342,024	\$ 1,818,497	\$ 1,379,193

Pension Plan Fiduciary Net Position: Detail information about the System's fiduciary net position is available in its separately issued financial report.

Police, Fire and Widows' Pension Plan

Plan Description: The County administers the Police, Fire, and Widow's Pension Plan (Pension Plan) which is a single-employer defined benefit pension plan that provides pensions for policemen and firemen hired prior to October 1, 1959 and for their widows. The Pension Plan has been closed and frozen. The Pension Plan valuation was based on the plan provisions as described in the Baltimore County Code for Pensions and Retirements, Article III for Fire and Police Departments, Section 23-141 through Section 23-204. The pension allowance for retired firefighters and police officers is one-half of the salary of a current employee with the same rank the pensioner held at the time of his retirement. The pension allowance to a widow of a deceased pensioner is one-fourth of the base salary of an active member of the County Police and Fire departments.

Funding Policy: The County intends to fund the Pension Plan on a pay-as-you-go basis if Pension Plan assets are depleted. Management of the Pension Plan is vested in an eight-member Board of Trustees, comprised of ex-officio and elected representatives. The general administration of the Pension Plan is vested in the Director of Budget and Finance.

At June 30, 2019, pension plan membership consisted of 144 inactive plan members or beneficiaries currently receiving benefits with no other inactive members or beneficiaries entitled to receive benefits.

Investments: For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: At June 30, 2020, the County reported a liability of \$13,111 for the Pension Plan. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the County at June 30, 2020, were as follows:

Total pension liability	\$ 31,731
Plan fiduciary net position	(18,620)
County's net pension liability	\$ 13,111
Plan fiduciary net position as a percentage of the total pension liability	58.68%

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

BALTIMORE COUNTY, MARYLAND
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Inflation	3.0%
Salary increases	Not applicable
Investment rate of return	3.60% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	3.0%

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the table below.

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.75%	19.00%
Small/Mid Cap Equities	5.00%	7.00%
International Equities (Unhedged)	5.00%	16.00%
Emerging International Equities	6.50%	8.00%
Core Bonds	1.62%	5.00%
Core Bonds (Short)	0.25%	5.00%
Bank Loans	2.75%	3.00%
EMD (Local Currency)	4.00%	4.00%
Diversified Fixed Income	1.70%	9.00%
Private Equity	8.40%	7.00%
Real Estate (Core)	3.50%	5.00%
Global Asset Allocation	3.47%	6.00%
Risk Parity	2.27%	6.00%

Discount Rate: The discount rate used to measure the total pension liability was 3.60%. The projection of cash flows used to determine the discount rate assumed that County contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the year 2021. A municipal bond rate of 2.79% was used in the development of the blended GASB discount rate after that point. The 2.79% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019. Based on the long-term rate of return of 5.00% and the municipal bond rate of 2.79%, the blended GASB discount rate would be 3.60%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/18	\$ 39,504	\$ 23,269	\$ 16,235
Changes for the year:			
Interest	1,447	-	1,447
Differences between expected and actual experience	(1,016)	-	(1,016)
Changes of assumptions	(2,296)	-	(2,296)
Net investment income	-	1,247	(1,247)
Benefit payments, including refunds of member contributions	(5,908)	(5,908)	-
Other	-	12	(12)
Net Changes	(7,773)	(4,649)	(3,124)
Balances at 6/30/19	\$ 31,731	\$ 18,620	\$ 13,111

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 3.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.60%) or 1-percentage-point higher (4.60%) than the current rate:

	1.00% Decrease (2.60%)	Current Discount Rate (3.60%)	1.00% Increase (4.60%)
County's net pension liability	\$ 14,658	\$ 13,111	\$ 11,699

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

Pension Expense: For the year ended June 30, 2020, the County recognized pension expense of (\$3,537). At June 30, 2020, 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 projected and actual earnings on pension plan investments	\$ -	\$ 1,256
Total	\$ -	\$ 1,256

Deferred outflows and deferred inflows of resources resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense as follows:

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Year ended June 30:		
2021	\$	(477)
2022		(560)
2023		(174)
2024		(45)

The condensed financial statements as of and for the year ended June 30, 2020 are as follows:

Statement of Fiduciary Net Position
Police, Fire, and Widows' Pension Plan
As of June 30, 2020

Assets		
Cash and cash equivalents	\$	7
Investment securities		13,699
Interest and dividends receivable		10
Total assets		<u>13,716</u>
Liabilities		
Accounts payable		<u>1</u>
Total liabilities		<u>1</u>
Net position restricted for pensions	\$	<u>13,715</u>

Statement of Changes in Fiduciary Net Position
Police, Fire and Widows' Pension Plan
For the year ended June 30, 2020

Additions		
Contributions:		
Other	\$	12
Total contributions		<u>12</u>
Investment earnings:		
Net increase in the fair value of plan assets		(27)
Interest and dividends		553
Investment expenses		(9)
Net investment gain		<u>517</u>
Total additions		<u>529</u>
Deductions		
Benefits		<u>5,434</u>
Total deductions		<u>5,434</u>
Net decrease in net position		(4,905)
Net position restricted for pensions		
Beginning of the year		18,620
End of the year	\$	<u><u>13,715</u></u>

BALTIMORE COUNTY, MARYLAND
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Other Pension Plans

The County provides supplemental pension benefits through General Fund appropriations to certain judges, judges' widows and families of members of volunteer fire and ambulance companies killed in the line of duty. The respective costs and related net pension liability of these plans are not significant.

Substantially all employees of the component units who do not participate in the System participate in the State of Maryland Teachers' Retirement and Pension Systems. Employer contributions to these systems for the years ended June 30, 2020, 2019, 2018, of approximately \$101,758, \$97,386 and \$95,089, respectively, were made directly by the State of Maryland on behalf of the component units according to State statute. The contributions have been recognized as a revenue and an expense in the component unit statement of activities. Additionally, some professional employees of the Community College participate in an optional private retirement system.

13. OTHER POST EMPLOYMENT BENEFIT PLAN:

Plan Description and Contribution Information

Plan Description: The County's Other Post Employment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the primary government, the Baltimore County Board of Education, the Community College of Baltimore County, the Board of Library Trustees for Baltimore County and the Baltimore County Revenue Authority. The OPEB Plan was established and is maintained by the County as a trust fund as specified in Article 10, Title 14 of the County Code. The trust fund is included in these financial statements as an Other Post-Employment Benefits Trust Fund. Separate financial statements are not issued for the OPEB Plan. The OPEB Plan provides healthcare and life insurance benefits to eligible retirees and their beneficiaries who receive retirement benefits either from the Employees' Retirement System of Baltimore County under Article 5, Title 1 of the County Code or the State Retirement and Pension System of Maryland. Retiree benefits are in accordance with bargaining unit agreements negotiated between each employer's governing body/board and each employee's representative labor organization. At June 30, 2020, the date of the latest available valuation, the OPEB Plan covered a projected 32,692 members; 20,041 active plan members and 12,651 retirees receiving benefits. County employees covered at June 30, 2020 included a projected 13,581 members; 6,164 active plan members, 5,144 inactive plan members receiving benefits and 2,273 inactive plan members entitled to but not receiving benefits.

Contributions: Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward healthcare based on their hire date, years of active service, the medical plan chosen and whether they are Medicare eligible (age 65). The County receives Prescription Drug Plan reimbursements on Medicare eligible retirees. The OPEB Plan does not have any required contributions from active employees.

Funding Policy: There are no statutory or contractual requirements for County contributions to the plan. The funding of the plan is determined by the Director of Budget and Finance after reviewing the actuarial GASB 74 and 75 reports.

GASB 74 – Financial Reporting for Postemployment Benefits Other Than Pensions

Investments: Per Section 10-14-106 of the County Code, Other Post-Employment Benefits Trust Fund money identified by the Director of Budget and Finance as available for investment shall be jointly invested with retirement funds as per Section 5-1-247. Pursuant to Section 5-1-247 of the Baltimore County Code, the Board of Trustees utilizes the "prudent person" standard for managing the assets of the System. The Board has established the following policies:

BALTIMORE COUNTY, MARYLAND
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- 1) Assure that the System's investment policy has been designed to provide broad diversification among asset classes in order to maximize return at an appropriate level of risk and minimize the risk of large losses to the System.
- 2) Employ a diversity of investment managers with different investment styles on how to obtain their investment objective.
- 3) Closely monitor the performance of all investment managers not only in relation to specific objectives, but also in relation to other fund managers following the same investment objectives.

The System is currently invested in stocks (domestic and foreign), fixed income securities, private equity funds, real estate funds, and global asset allocation funds. The Code provides for full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in any of the System's funds. For the year ended June 30, 2020, the System has operated in all material respects in accordance with the System's investment policy.

The System's investment policy as of June 30, 2020, is shown below for the broad investment categories:

Asset Class	Allocation Target	Allocation Range
U. S. Equities	28%	22 - 34%
International Equities	21%	15 - 27%
Private Equities	9%	0 - 12%
Fixed Income	27%	21 - 33%
Real Estate	5%	0 - 7%
Global Asset Allocation	10%	7 - 13%
Cash and Cash equivalents	<u>0%</u>	0 - 5%
Total	<u>100%</u>	

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB investment expense, was 0.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (including component units): At June 30, 2020, the County has a net OPEB liability of \$4,594,358. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability at June 30, 2020, were as follows:

Total OPEB liability	\$ 4,836,399
Fiduciary net position	<u>(242,041)</u>
County's net OPEB liability	<u>\$ 4,594,358</u>

Plan fiduciary net position as a percentage of the total OPEB liability	5.00%
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Actuarial Assumptions: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.2%
Salary increases	0%-6.55%
Investment rate of return	6.375%
Health Mortality	RP 2000 projected by scale AA
Cost of living adjustments	N/A
Healthcare cost trend rates	3.9%-5.4%

The long-term expected rate of return on OPEB investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the table below.

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Cash	-0.36%	0.00%
Large Cap Equities	3.85%	21.00%
Small/Mid Cap Equities	4.29%	7.00%
International Equities (Unhedged)	4.10%	14.00%
Emerging International Equities	6.35%	7.00%
Core Bonds	0.66%	5.00%
Core Bonds - Short	0.37%	5.00%
Bank Loans	2.40%	3.00%
EMD (Local Currency)	2.38%	5.00%
Diversified Fixed Income	1.86%	9.00%
Private Equity	7.75%	9.00%
Real Estate (Core)	3.11%	5.00%
Risk Parity	3.13%	5.00%
Global Asset Allocation	3.46%	5.00%

Discount Rate: The discount rate used to measure the total OPEB liability was the funding valuation interest rate of 2.46% as of June 30, 2020. The projection of cash flow used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability, in accordance with the method prescribed by GASB Statement No. 74. In the event of benefit payments not covered by the Plan's fiduciary net position, a municipal bond rate of 2.45% for FY20 would be used to discount the benefit payments not covered by the Plan's fiduciary net position. The 2.45% rate equals the S&P Municipal Bond 20-Year High Grade Rate index at June 30, 2020. In determining the discount rate, the actuary estimated future contributions based on the average of the County contributions over the 5 year period between fiscal years

BALTIMORE COUNTY, MARYLAND
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2016-2020.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability, calculated using the discount rate of 2.46%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.46%) or 1-percentage-point higher (3.46%) than the current rate:

	1.00% Decrease (1.46%)	Current Discount Rate (2.46%)	1.00% Increase (3.46%)
Net OPEB Liability	\$ 5,539,719	\$ 4,594,358	\$ 3,851,873

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, calculated using the healthcare trend rate of 3.90% and a trend rate that is 1-percentage-point lower (2.90%) and 1-percentage-point higher (4.90%) than the current rate:

	1.00% Decrease (2.90%)	Healthcare Cost Trend Rate (3.90%)	1.00% Increase (4.90%)
Net OPEB Liability	\$ 3,788,014	\$ 4,594,358	\$ 5,669,825

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Net OPEB Liability: At June 30, 2020, the County reported a net OPEB liability of \$1,696,611 which was measured as of June 30, 2019 and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability at June 30, 2019, were as follows:

Total OPEB liability	\$ 1,822,918
Fiduciary net position	(126,307)
County's net OPEB liability	\$ 1,696,611

Plan fiduciary net position as a percentage of the total OPEB liability	6.93%
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Actuarial Assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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Inflation	3.0%
Salary increases	0%-5.70%
Investment rate of return	6.375% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	N/A

The long-term expected rate of return on OPEB 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 OPEB 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 rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the table below:

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.75%	19.00%
Small/Mid Cap Equities	5.00%	7.00%
International Equities (Unhedged)	5.00%	16.00%
Emerging International Equities	6.50%	8.00%
Core Bonds	1.62%	5.00%
Core Bonds (Short)	0.25%	5.00%
Bank Loans	2.75%	3.00%
EMD (Local Currency)	4.00%	4.00%
Diversified Fixed Income	1.70%	9.00%
Private Equity	8.40%	7.00%
Real Estate (Core)	3.50%	5.00%
Global Asset Allocation	3.47%	6.00%
Risk Parity	2.27%	6.00%

Discount Rate: The discount rate used to measure the total OPEB liability was the funding valuation interest rate of 3.15 % as of June 30, 2019. The projection of cash flow used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability, in accordance with the method prescribed by GASB Statement No. 74. In the event of benefit payments not covered by the System's fiduciary net position, a municipal bond rate of 2.79% for FY19, would be used to discount the benefit payments not covered by the System's fiduciary net position. The 2.79% rate equals the S&P Municipal Bond 20-Year High Grade Rate index at June 30 2019.

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JUNE 30, 2020

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/18	\$ 1,308,041	\$ 170,019	\$ 1,138,022
Changes for the year:			
Service Cost	30,677	-	30,677
Interest	49,217	-	49,217
Changes of Benefit Terms	(183)	-	(183)
Experience Losses	184,129	-	184,129
ER Trust Contribution	-	2,392	(2,392)
Net Investment Income	-	4,012	(4,012)
Changes in Assumptions	352,905	-	352,905
Changes in Proportion	(59,483)	(7,731)	(51,752)
Benefit Payments	(42,385)	(42,385)	-
Administrative Expense	-		
Net Changes	514,877	(43,712)	558,589
Balances at 6/30/19	\$ 1,822,918	\$ 126,307	\$ 1,696,611

Sensitivity of the County's proportionate share of the OPEB liability to changes in the discount rate: The following presents the County's proportionate share of the OPEB liability calculated using the discount rate of 3.15 percent, 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 (2.15 percent) or 1-percentage-point higher (4.15 percent) than the current rate:

	1.00% Decrease (2.15%)	Current Discount Rate (3.15%)	1.00% Increase (4.15%)
County's proportionate share of the OPEB liability	\$ 2,037,650	\$ 1,696,611	\$ 1,426,906

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, calculated using the healthcare trend rate of 3.90% and a trend rate that is 1-percentage-point lower (2.90%) and 1-percentage-point higher (4.90%) than the current rate:

	1.00% Decrease (2.90%)	Healthcare Cost Trend Rate (3.90%)	1.00% Increase (4.90%)
Net OPEB Liability	\$ 1,416,676	\$ 1,696,611	\$ 2,064,634

OPEB Expense: For the year ended June 30, 2020 the County recognized OPEB expense of \$176,608. At June 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 165,295	\$ -
Changes in assumptions	546,815	-
Net difference between projected and actual earnings on OPEB plan investments	4,047	6,893
Change in proportion	-	47,070
Total	\$ 716,157	\$ 53,963

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

Year ended June 30:		
2021	\$	105,968
2022		105,968
2023		108,460
2024		109,096
2025		108,037
Thereafter		124,665

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The condensed financial statements as of and for the year ended June 30, 2020 are as follows (in thousands):

Statement of Fiduciary Net Position
OPEB Plan
As of June 30, 2020

Assets	
Cash and cash equivalents	\$ 9,903
Investments, at fair value	232,858
Collateral for loaned securities (net of unrealized loss)	1,213
Receivables:	
Accrued interest & dividend income	295
Receivable for investments sold	1,511
Receivables other	1,450
Total assets	<u>247,230</u>
Liabilities	
Payable for collateral for loaned securities	1,213
Investments purchased	2,827
Investment expenses payable	443
Other	706
Total liabilities	<u>5,189</u>
Net position	
Net position restricted for benefits	<u>\$ 242,041</u>

Statement of Changes in Fiduciary Net Position
OPEB Plan
For the year ended June 30, 2020

Additions	
Contributions:	
Employer	\$ 35,435
Employee	37,921
On-behalf	26,688
Total contributions	<u>100,044</u>
Investment earnings:	
Net decrease in the fair value of plan assets	(2,064)
Interest and dividends	3,597
Securities lending net income	14
Investment expenses	(2,074)
Net investment gain	<u>(527)</u>
Total additions	<u>99,517</u>
Deductions	
Benefits	153,575
Total deductions	<u>153,575</u>
Change in net position	(54,058)
Net position at beginning of the year	296,099
Net position at end of the year	<u>\$ 242,041</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

14. INDIVIDUAL FUND DISCLOSURES:

Details of Fund Balances

The details of the Governmental Funds balances at June 30, 2020 are shown as follows (in thousands):

	<u>General</u>	<u>Gifts and Grants</u>	<u>Consolidated Public Improvement Construction</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
Fund balances					
Nonspendable:					
Inventories	\$ 10,748	\$ -	\$ -	\$ -	\$ 10,748
Total Nonspendable	<u>10,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,748</u>
Restricted for:					
Equipment financing	68,589	-	-	-	68,589
Bond escrow	5,951	-	-	-	5,951
Loans, guarantees and grants	-	22,647	-	-	22,647
In lieu of fee arrangements	-	-	17,674	-	17,674
Total Restricted	<u>74,540</u>	<u>22,647</u>	<u>17,674</u>	<u>-</u>	<u>114,861</u>
Assigned to:					
Encumbrances for:					
Contractual services	3,316	-	-	-	3,316
Supplies & materials	964	-	-	-	964
Equipment & other	1,730	-	-	-	1,730
Imprest funds	74	-	-	-	74
Loans & grants	-	11,995	-	-	11,995
Retirement of long-term debt	64,236	-	-	-	64,236
Disputed taxes	25,427	-	-	-	25,427
Stormwater remediation	-	-	-	100	100
Liquor license regulation	-	-	-	142	142
Total Assigned	<u>95,747</u>	<u>11,995</u>	<u>-</u>	<u>242</u>	<u>107,984</u>
Unassigned:					
Revenue stabilization	215,634	-	-	-	215,634
Other	121,434	-	(95,881)	-	25,553
Total Unassigned	<u>337,068</u>	<u>-</u>	<u>(95,881)</u>	<u>-</u>	<u>241,187</u>
Total fund balances(deficit)	<u>\$ 518,103</u>	<u>\$ 34,642</u>	<u>\$ (78,207)</u>	<u>\$ 242</u>	<u>\$ 474,780</u>

Deficit Fund Balance

At June 30, 2020, the Consolidated Public Improvement Construction Fund had an unassigned fund deficit of \$95.881 million. This deficit will be eliminated by pay-as-you-go contributions from the General Fund and from bond proceeds.

15. TAX ABATEMENTS:

As of June 30, 2020, the County provides tax abatements through four programs – Payment in Lieu of Taxes (PILOT), Historical Property County Tax Credit, Enterprise Zone Tax Credit, and Conservation Land Tax Credit. The Payment in Lieu of Taxes Program provides property tax abatements to encourage an increase in the number of senior and low income housing and is authorized under Maryland State Law, Tax – Property Article Section 7-502. Abatements are obtained through contract between property owner and the County; under the agreement, the owner pays the County a negotiated amount in lieu of property tax. The amount of abatement is deducted from the recipient’s tax bill.

Historical Property Tax Credit provides property tax abatements to encourage the renovation or rehabilitation of properties listed in a historical register or in a historic district and is authorized under County Code Section 11-2-201. Abatements are obtained through application by the property owner, including proof that the improvements

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

have been made. Commercial property tax abatements are based on the increase of the assessed value as a result of the improvements made. Residential property tax abatements are 20% of actual approved renovation or rehabilitation expenses. Both commercial and residential properties must not be altered so that it no longer complies with the rehabilitation standards by which the property obtained eligibility. The amount of abatement is deducted from the recipient's tax bill.

Enterprise Zone Tax Credit provides property tax abatements to encourage economic growth in distressed areas of the County and is authorized under Maryland State Law, Tax – Property Article Section 9-103. Abatements are obtained through an application process. Taxpayer submits application to the Baltimore County Department of Economic and Workforce Development which is forwarded to the Maryland State Department of Commerce for review and approval. Approved applications are returned to the County; award letters are sent to the taxpayer and the State Department of Assessments and Taxation (SDAT). SDAT then certifies the credit base to Baltimore County Office of Budget and Finance. Eligible companies that make improvements to real property in one of the Enterprise Zones can benefit from property tax credits over a 10 year period. For the first 5 years, the tax credit is equal to 80% of the increase in property tax owed resulting from the new investment. The tax credit declines in the remaining five years by 10% annually. The amount of abatement is deducted from the recipient's tax bill. (See page XII for more information.)

Conservation Land Tax Credit provides property tax abatements to encourage preservation of natural areas and agricultural land under County Code Section 11-2-110. Abatements are obtained through application by the property owner, accompanied by proof that the property meets the definition of "conservation land". Conservation land is defined as real property that is subject to a perpetual conservation easement that was donated to a land trust on or after July 1, 1991. Conservation land also includes real property that is owned in fee by a qualified land trust and was acquired by the trust on or after July 1, 1991. The credit is for 100% of the property tax obligation and has a duration of five years. If the property is transferred to an entity other than a government agency or another qualified trust, the credit will lapse and the property owner will become liable for all the property taxes had the credit not been granted, as well as interest on those taxes. The amount of abatement is deducted from the recipient's tax bill.

Property Taxes Abated
Fiscal Year 2020
(in thousands)

Payment in Lieu of Taxes	\$	3,898
Historical Property Tax Credit		136
Enterprise Zone Tax Credit		2,730
Conservation Land Tax Credit		8
Total	<u>\$</u>	<u>6,772</u>

16. NEW ACCOUNTING PRONOUNCEMENTS:

The County has adopted the provisions of Governmental Accounting Standard Board (GASB) issued Statement No. 95, entitled Postponement of the Effective Dates of Certain Authoritative Guidance. The adoption of this standard did not have a material effect on these statements.

17. SUBSEQUENT EVENTS:

On July 29, 2020, the County sold \$41,460,000 Metropolitan District Bonds – 2020 Refunding Series and \$12,735,000 Consolidated Public Improvement Bonds 2020 Refunding Series. The Baltimore County Metropolitan

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

District Bonds – 2020 Refunding Series were issued for the purpose of refunding \$50,730,000 principal amount of Baltimore County Metropolitan District Refunding Bonds – 2010 Refunding Series. The Baltimore County Consolidated Public Improvement Bonds – 2020 Refunding Series were issued for the purpose of refunding \$13,315,000 principal amount of Baltimore County Consolidated Public Improvement Bonds – 2010 Refunding Series.

The Metropolitan District Bonds – 2020 Refunding Series are due August 1, in each of the years 2022 to 2030, inclusive. The Consolidated Public Improvement Bonds – 2020 Refunding Series are due August 1, in each of the years 2021 to 2022, inclusive. The interest rate is 5.000%. The net proceeds of the refunding were invested in State and Local Government Securities (SLGS) and deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result of the refunding, the aggregate difference between the refunding debt and the refunded debt was \$9,485,821 or an economic gain of \$9,442,622. The refunded bonds will be considered defeased and the liability for those bonds will be removed from the government-wide statement of net position.

On November 25, 2020, Baltimore County Public Schools (BCPS), a component unit of the County, was the victim of a ransomware attack. The County has been closely working with BCPS in offering technical assistance and guidance. This event has no impact on the financial statements presented June 30, 2020. At this time, the long-term impact on the operations of BCPS cannot be determined.



Required Supplementary Information

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Employees' Retirement System (dollars in thousands):

Schedule of the County's Proportionate Share of the Net Pension Liability and Related Ratios

(Measurement date June 30 of the stated year)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension liability	92.47%	92.40%	91.81%	92.23%	90.45%
County's proportionate share of the net pension liability	\$ 1,818,497	\$ 1,655,035	\$ 1,546,969	\$ 1,610,549	\$ 1,315,135
County's covered payroll	\$ 470,920	\$ 458,692	\$ 457,327	\$ 435,266	\$ 418,026
County's proportionate share of the net pension liability as a percentage of its covered payroll	386.16%	360.82%	338.26%	370.02%	314.61%
Plan fiduciary net position as a percentage of the total pension liability	58.7%	60.9%	61.5%	57.1%	62.8%

Schedule of the County's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)

(Measurement date June 30 of the stated year)

	<u>2014</u>
County's proportionate share of the net pension liability	91.96%
County's proportionate share of the net pension liability	\$ 1,088,771
County's covered payroll	\$ 411,453
County's proportionate share of the net pension liability as a percentage of its covered payroll	264.62%
Plan fiduciary net position as a percentage of the total pension liability	68.2%

Notes to the Schedule:

The County implemented GASB 68 in fiscal year 2015. As such, only six years of information is available.

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Schedule of County Contributions

The last 7 fiscal years are presented only

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 136,000	\$ 127,976	\$ 119,253	\$ 108,549	\$ 101,927	\$ 93,495
Contributions in relation to the actuarially determined contribution	136,000	127,976	119,253	108,549	97,108	93,495
Prefunding of the FY2016 contribution in FY2015	-	-	-	-	-	4,819
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,819</u>	<u>\$ (4,819)</u>
Covered payroll	\$ 488,565	\$ 470,920	\$ 458,692	\$ 457,327	\$ 435,266	\$ 418,026
Contributions as a percentage of covered payroll	27.84%	27.18%	26.00%	23.74%	22.31%	23.52%

Schedule of County Contributions (Continued)

The last 7 fiscal years are presented only

	2014
Actuarially determined contribution	\$ 73,586
Contributions in relation to the actuarially determined contribution	73,586
Prefunding of the FY2016 contribution in FY2015	-
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 411,453
Contributions as a percentage of covered payroll	17.88%

Notes to the 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:

Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll
Amortization period	27 year layered amortization
Asset valuation method	10-year smoothed market
Inflation	3.0%
Salary increases	Rates vary by participant age and service

**BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Investment rate of return	6.375%, net of investment expense and gain sharing, and including inflation
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries: For males 108% of the RP-2000 Combined Healthy male table projected to 2032 by Scale AA and for females 100% of the RP-2000 Combined Healthy female table projected to 2032 by Scale AA. For disabled members, RP-2000 Disabled Annuitant Tables projected to 2032 with Scale AA.

Police, Fire and Widow's Pension Plan (dollars in thousands):

The following schedules are presented for six years. Additional years will be presented as the information becomes available.

Schedule of Changes in County's Net Pension Liability and Related Ratios
(Measurement date June 30 of the stated year)

	2019	2018	2017	2016	2015	2014
Total pension liability						
Interest	1,447	1,681	1,735	2,255	2,597	3,341
Differences between expected and actual experience	(1,016)	(1,796)	(2,929)	620	(3,272)	-
Changes of assumptions	(2,296)	(99)	(1,502)	2,356	(186)	3,425
Benefit payments	(5,908)	(6,463)	(7,353)	(8,210)	(8,657)	(9,622)
Net change in total pension liability	(7,773)	(6,677)	(10,049)	(2,978)	(9,518)	(2,856)
Beginning total pension liability	39,504	46,181	56,230	59,208	68,726	71,582
Ending total pension liability: (a)	\$ 31,731	\$ 39,504	\$ 46,181	\$ 56,230	\$ 59,208	\$ 68,726
Plan fiduciary net position						
Net investment income	1,247	1,872	3,340	1,017	2,486	4,671
Benefit payments	(5,908)	(6,463)	(7,353)	(8,210)	(8,657)	(9,622)
Other income	12	11	13	14	15	14
Net change in plan fiduciary net position	\$ (4,649)	\$ (4,580)	\$ (4,000)	\$ (7,179)	\$ (6,156)	\$ (4,937)
Beginning Plan fiduciary net position	23,269	27,849	31,849	39,028	45,184	50,121
Ending Plan fiduciary net position: (b)	\$ 18,620	\$ 23,269	\$ 27,849	\$ 31,849	\$ 39,028	\$ 45,184
Ending County's net pension liability: (a) - (b)	\$ 13,111	\$ 16,235	\$ 18,332	\$ 24,380	\$ 20,180	\$ 23,542
Plan fiduciary net position as a percentage of the total pension liability	58.68%	58.90%	60.30%	56.64%	65.92%	65.74%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
County's net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Schedule of County Contributions

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	Not calculated	Not calculated	Not calculated	Not calculated	Not calculated	Not calculated
Contributions related to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note to Schedule:

County contributions were not calculated because the Pension Plan has been closed since October 1, 1959 and the County intends to fund the Pension Plan on a pay-as-you-go basis if the Pension Plan assets are depleted. Also, the number of pension recipients was considered insignificant and the recipients' ages are at the higher end of the mortality tables.

Schedule of Investment Returns

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	3.60%	7.13%	12.04%	3.36%	5.70%	10.31%

**BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Schedule of Changes in Total Liability and Related Ratios

Total OPEB Liability

	2020	2019	2018	2017
Service Cost	\$ 110,599	\$ 71,426	\$ 37,165	\$ 34,938
Interest Cost	131,864	114,929	128,366	124,086
Difference of Expected and Actual Experience	(25,687)	425,827	13,026	766
Change in Benefit Terms	-	(425)	-	-
Changes in Assumptions	465,123	820,137	777,119	-
Benefit Payments	(88,966)	(98,501)	(105,352)	(92,979)
Net Change in Total OPEB Liability	592,933	1,333,393	850,324	66,811
Total OPEB Liability - Beginning of Year	4,243,466	2,910,073	2,059,749	1,992,938
Total OPEB Liability - End of Year	<u>\$ 4,836,399</u>	<u>\$ 4,243,466</u>	<u>\$ 2,910,073</u>	<u>\$ 2,059,749</u>

Plan Fiduciary Net Position

	2020	2019	2018	2017
Contributions Employer	\$ 35,435	\$ 5,727	\$ 30,672	\$ 65,729
Net Investment Income	(527)	9,473	32,023	53,408
Benefit Payments	(88,966)	(98,501)	(105,352)	(92,979)
Net Change in Fiduciary net Position	(54,058)	(83,301)	(42,657)	26,158
Fiduciary Net Position - Beginning of Year	296,099	379,400	422,057	395,899
Fiduciary Net Position - End of Year	<u>\$ 242,041</u>	<u>\$ 296,099</u>	<u>\$ 379,400</u>	<u>\$ 422,057</u>
Net OPEB Liability	4,594,358	3,947,367	2,530,673	1,637,692
Fiduciary Net Position as a percentage of Total OPEB Liability	<u>5.00%</u>	<u>6.98%</u>	<u>13.04%</u>	<u>20.49%</u>

Covered Payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net OPEB Liability as a percentage of Covered Payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(OPEB benefits do not depend on salary; therefore, salary information is not applicable)

Expected Average Remaining Service Years of All Participants	8	8	7	7
Money-Weighted Rate of Return	0.27%	3.90%	7.60%	13.60%

Notes to Schedule

Amounts in the schedule represent totals for the County, BCPS, CCBC and BCPL. Individual amounts are not available and therefore not reported. The County implemented GASB 74 during Fiscal Year 2017. Therefore, only four years information is available.

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Schedule of the County's Proportionate Share of the OPEB Liability and Related Ratios

(Measurement date June 30 of the stated fiscal year)

	2019	2018	2017
County's proportionate share of the OPEB liability	43.03%	45.08%	46.13%
County's proportionate share of the OPEB liability	\$ 1,696,611	\$ 1,138,022	\$ 755,274
County's covered payroll	\$ 488,565	\$ 458,692	\$ 457,327
County's proportionate share of the net OPEB as a percentage of its covered payroll	347.26%	248.10%	165.15%
Plan fiduciary net position as a percentage of the total OPEB liability	6.93%	13.00%	20.46%

Notes to Schedule

The County implemented GASB 75 during fiscal year 2018 using a measurement date of 6/30/2017. As such, only three years of information is available.





Supplementary Information Schedules & Combining Financial Statements

The schedules provide selected budgetary information concerning the General Fund, the Stormwater Management Fund and the Liquor License Fund. The combining financial statements provide detailed information concerning financial position and results of operations for the Internal Service funds and Fiduciary funds.

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Legislative:				
County Council	2,660	2,660	2,320	340
Judicial:				
Circuit Court:				
Criminal and civil adjudication	5,065	5,065	4,881	184
Orphans Court:				
Adjudication of estates	267	267	267	-
States Attorney:				
Criminal prosecution	10,059	10,059	9,665	394
County Sheriff:				
Conveying prisoners and serving summonses	5,466	5,541	4,868	673
Total	<u>20,857</u>	<u>20,932</u>	<u>19,681</u>	<u>1,251</u>
Executive:				
Office of the County Executive	1,065	1,065	856	209
County Administrative Officer:				
General administration	1,860	1,860	1,576	284
Baltimore metropolitan council	146	146	146	-
Government reform and strategic initiatives	1,196	1,196	877	319
Total	<u>4,267</u>	<u>4,267</u>	<u>3,455</u>	<u>812</u>
Elections:				
Board of Supervisors of Elections	5,573	5,898	4,198	1,700
Financial Administration:				
Office of Budget and Finance:				
Budget formulation and administration	1,423	1,518	1,431	87
Financial operations	4,133	4,133	4,034	99
Pay systems	228	233	231	2
Investment and debt management	429	429	422	7
Insurance administration	1,019	1,120	1,113	7
Purchasing and disbursements	1,386	1,456	1,451	5
Total	<u>8,618</u>	<u>8,889</u>	<u>8,682</u>	<u>207</u>
County Auditor	1,688	1,688	1,515	173
Office of Law:				
General legal services	2,818	2,818	2,734	84
Legislative relations	345	345	336	9
Workers compensation	1,137	1,137	1,120	17
Total	<u>4,300</u>	<u>4,300</u>	<u>4,190</u>	<u>110</u>
Other:				
Vehicle Operations and Maintenance	459	459	412	47
Office of Planning and Community Conservation				
General administration	2,295	2,495	2,269	226
Zoning commissioner	473	473	460	13
People's counsel	203	204	204	-
Community conservation	4,882	4,882	4,677	205
Office of Human Resources:				
Personnel administration	3,174	3,174	2,762	412

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Department of Permits and Development Management:				
General administration	1,650	1,650	1,613	37
Electrical licensing and regulation	19	19	12	7
Plumbing licensing and regulation	31	31	31	-
Real estate compliance (1713)	970	924	857	67
Development processing	986	994	992	2
Code inspections and enforcement	5,552	5,552	5,372	180
Permits and licenses	861	898	880	18
Board of Appeals	246	246	241	5
Cooperative Extension Service	266	266	227	39
Office of Information Technology:				
General administration	3,337	3,397	3,337	60
Applications development	9,557	9,497	9,384	113
Computer and technical services	14,229	14,229	13,934	295
Telecommunications Services	3,240	3,240	3,189	51
Office of Ethics and Accountability	164	164	82	82
Property Management				
Administration	1,557	1,557	1,488	69
Building maintenance	8,929	8,929	8,529	400
Building operation and management	17,886	18,415	16,608	1,807
Maintenance of grounds and recreation sites	8,123	8,123	7,474	649
Total	<u>89,089</u>	<u>89,818</u>	<u>85,034</u>	<u>4,784</u>
General Government Total	<u>137,052</u>	<u>138,452</u>	<u>129,075</u>	<u>9,377</u>
Public Safety:				
Police Department:				
General administration	4,165	4,688	4,335	353
Administrative & technical services	28,578	29,086	26,722	2,364
Criminal/forensic investigations	31,882	32,581	32,443	138
Vice/intelligence/narcotics	10,417	10,615	10,286	329
Patrol/precincts	133,352	136,822	133,022	3,800
Support operations	15,448	16,217	15,996	221
Human resources	5,906	6,204	5,978	226
School safety	1,365	1,400	1,296	104
Total	<u>231,113</u>	<u>237,613</u>	<u>230,078</u>	<u>7,535</u>
Bureau of Corrections:				
Custodial care of prisoners	43,467	43,467	43,025	442
Fire Department:				
General administration	1,422	1,422	1,181	241
Investigative services	1,747	1,747	1,656	91
Alarm and communication system	541	592	550	42
Field operations	86,875	90,175	88,486	1,689
Office of emergency preparedness	238	238	156	82
Field operation administration	2,024	2,024	1,888	136
Fire/rescue academy	1,326	1,275	1,099	176
Contributions - volunteer fire companies	9,820	9,820	9,560	260
Total	<u>103,993</u>	<u>107,293</u>	<u>104,576</u>	<u>2,717</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Communications:				
Central communications center	15,006	15,316	14,872	444
Public Safety Total	<u>393,579</u>	<u>403,689</u>	<u>392,551</u>	<u>11,138</u>
Public Works:				
Office of Director of Public Works:				
General administration	656	590	546	44
Metro Financing/Petition Proc	54	55	54	1
	<u>710</u>	<u>645</u>	<u>600</u>	<u>45</u>
Bureau of Engineering and Construction:				
General administration	387	387	341	46
Structural design	1,812	1,732	1,721	11
General surveying	382	402	400	2
Contracts and construction inspection	1,717	1,812	1,805	7
Total	<u>4,298</u>	<u>4,333</u>	<u>4,267</u>	<u>66</u>
Bureau of Highways & Equipment Management:				
General administration	648	638	591	47
General operations and maintenance	13,469	13,554	11,661	1,893
Storm emergencies	8,422	4,292	3,626	666
Total	<u>22,539</u>	<u>18,484</u>	<u>15,878</u>	<u>2,606</u>
Bureau of Solid Waste Management:				
General administration	524	509	506	3
Refuse collection	33,829	33,884	33,747	137
Refuse disposal	20,714	22,439	22,269	170
Recycling	1,996	1,946	1,837	109
MRF operations	4,021	4,621	4,137	484
Total	<u>61,084</u>	<u>63,399</u>	<u>62,496</u>	<u>903</u>
Bureau of Traffic Engineering and Transportation Planning:				
Traffic planning	8,391	8,141	7,473	668
Traffic sign installation and maintenance	1,874	1,874	1,818	56
Traffic signal operation and maintenance	982	972	942	30
Total	<u>11,247</u>	<u>10,987</u>	<u>10,233</u>	<u>754</u>
Bureau of Utilities:				
Sewer and water maintenance	574	574	4	570
Bureau of Building and Equipment Services:				
Equipment maintenance	7,553	8,433	7,867	566
Public Works Total	<u>108,005</u>	<u>106,855</u>	<u>101,345</u>	<u>5,510</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020
(In Thousands)

	<u>Budgeted Amounts</u>		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Health and Human Services:				
Health:				
Department of Health:				
General administration	3,279	3,684	3,586	98
Nursing services	3,131	3,329	3,119	210
Acute communicable disease control	1,400	1,857	1,353	504
Medical environmental health	2,842	2,894	2,701	193
Medical social work service	1,300	1,300	1,143	157
Animal services	3,235	3,382	3,336	46
School Health Services	1,014	1,014	839	175
Developmental disabilities	2,141	2,161	2,032	129
Long-term care services	2,377	2,461	2,302	159
Medical assistance and hospital support	1,401	1,498	1,425	73
Dental health services	917	957	935	22
Total	<u>23,037</u>	<u>24,537</u>	<u>22,771</u>	<u>1,766</u>
Department of Environmental Protection and Resource Management	<u>5,694</u>	<u>5,694</u>	<u>5,483</u>	<u>211</u>
Human Services:				
Department of Social Services:				
Adult foster care assistance	145	145	145	-
Welfare to work program	400	400	400	-
Human relations	112	112	103	9
Emergency funds/housing for the homeless	685	685	405	280
Battered spouse program	127	127	127	-
Day Resource Center	164	164	67	97
In-home care program	323	323	297	26
Adult services	1,422	1,416	1,335	81
General administration	1,892	1,892	1,879	13
Children's services	529	534	533	1
Income maintenance	992	992	859	133
Family services	1,716	1,716	1,525	191
Total	<u>8,507</u>	<u>8,506</u>	<u>7,675</u>	<u>831</u>
Aging Programs & Services:				
Department of Aging:				
General administration	810	810	802	8
Adult medical day care	50	50	35	15
Senior centers network	2,194	2,213	2,203	10
Special geriatric services	210	210	199	11
Facilities	253	253	235	18
Transportation	872	872	817	55
Program and volunteer services	236	218	177	41
Total	<u>4,625</u>	<u>4,626</u>	<u>4,468</u>	<u>158</u>
Health and Human Services Total	<u>41,863</u>	<u>43,363</u>	<u>40,397</u>	<u>2,966</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Leisure Services:				
Department of Recreation and Parks:				
General administration	1,079	1,079	936	143
Community & neighborhood recreation, organization, direction and development	10,453	11,293	10,015	1,278
Organization Contributions:				
Organization contributions	2,623	2,623	2,618	5
General grant program	3,327	3,327	3,241	86
Culture and Leisure Services Total	<u>17,482</u>	<u>18,322</u>	<u>16,810</u>	<u>1,512</u>
Economic and Community Development:				
Economic Development Commission	1,489	1,489	980	509
Economic and Community Development Total	<u>1,489</u>	<u>1,489</u>	<u>980</u>	<u>509</u>
Pension Plan Contributions:				
Employees' retirement contributions	131,419	131,419	131,419	-
Non-system retirement	328	328	321	7
Pension Total	<u>131,747</u>	<u>131,747</u>	<u>131,740</u>	<u>7</u>
Insurance Contributions				
Employee health & life insurance	110,819	110,819	86,318	24,501
Insurance Total	<u>110,819</u>	<u>110,819</u>	<u>86,318</u>	<u>24,501</u>
Miscellaneous:				
Social Security	20,264	20,189	19,636	553
Reserve for Contingencies	1,000	1	-	1
Local share - State & Federal	-	150	75	75
Miscellaneous Total	<u>21,264</u>	<u>20,340</u>	<u>19,711</u>	<u>629</u>
Payments to Component Units:				
Community College	53,908	54,734	54,734	-
Board of Education	913,149	913,149	913,149	-
Library	35,024	35,024	34,978	46
Total Payments to Component Units	<u>1,002,081</u>	<u>1,002,907</u>	<u>1,002,861</u>	<u>46</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
General Fund
For the Year Ended June 30, 2020
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal retirement:				
General obligation bonds:				
Community College	7,615	7,615	7,615	-
General public facilities	57,080	57,080	57,080	-
Pension funding bonds	9,916	9,916	9,916	-
Non-general obligation debt	23,141	23,141	23,141	-
Total	<u>97,752</u>	<u>97,752</u>	<u>97,752</u>	<u>-</u>
Interest:				
General obligation bonds:				
Community College	4,168	4,168	4,168	-
General public facilities	24,714	24,714	24,714	-
Pension funding bonds	11,197	11,197	11,197	-
Non-general obligation debt	1,926	1,926	1,922	4
Total	<u>42,005</u>	<u>42,005</u>	<u>42,001</u>	<u>4</u>
Fiscal charges:				
General obligation bonds:				
General public facilities	100	100	52	48
Non-general obligation debt	5	5	3	2
Total	<u>105</u>	<u>105</u>	<u>55</u>	<u>50</u>
Debt Service Total	<u>139,862</u>	<u>139,862</u>	<u>139,808</u>	<u>54</u>
Operating Transfers Out:				
Contribution to capital budget	39,077	38,251	30,251	8,000
Gifts and Grants	9,361	9,410	9,410	-
Operating Transfers Out Total	<u>48,438</u>	<u>47,661</u>	<u>39,661</u>	<u>8,000</u>
General Fund Total	<u>\$ 2,153,681</u>	<u>\$ 2,165,506</u>	<u>\$ 2,101,257</u>	<u>\$ 64,249</u>

**Baltimore County, Maryland
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020
(In Thousands)**

Special Revenue Funds

	<u>Liquor License</u>	<u>Owings Mills Tax District</u>	<u>Stormwater Management</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 161	\$ -	\$ 60	\$ 221
Receivables, net	-	-	40	40
Total assets	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 261</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2	\$ -	\$ -	\$ 2
Accrued expenditures	17	-	-	17
Total liabilities	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>
Fund Balance				
Assigned	142	-	100	242
Total fund balances	<u>142</u>	<u>-</u>	<u>100</u>	<u>242</u>
Total liabilities and fund balances	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 261</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020
(In Thousands)

	Special Revenue Funds			
	Liquor License	Owings Mills Tax District	Stormwater Management	Total
REVENUES				
Taxes	\$ -	\$ 1,500	\$ -	\$ 1,500
Licenses and fees	811	-	-	811
Charges for services	60	-	-	60
Interest revenue	-	-	-	-
Total revenues	871	1,500	-	2,371
EXPENDITURES				
General government	710	1,500	-	2,210
Total expenditures	710	1,500	-	2,210
Excess of revenues over expenditures	161	-	-	161
OTHER FINANCING USES				
Transfers out	(450)	-	-	(450)
Total other financing uses	(450)	-	-	(450)
Net change in fund balances	(289)	-	-	(289)
Fund balances at beginning of the year	431	-	100	531
Fund balances at end of the year	\$ 142	\$ -	\$ 100	\$ 242

Baltimore County, Maryland
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Liquor License Fund
For the Year Ended June 30, 2020
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 1,140	\$ 811	\$ (329)
Charges for services	110	60	(50)
Total revenues	<u>1,250</u>	<u>871</u>	<u>(379)</u>
Expenditures:			
General government:			
License sale and control	731	710	21
Total expenditures	<u>731</u>	<u>710</u>	<u>21</u>
Excess of revenues over expenditures	<u>519</u>	<u>161</u>	<u>(358)</u>
Other financing uses:			
Operating transfers out	<u>(450)</u>	<u>(450)</u>	<u>-</u>
Excess of revenues over expenditures, and other uses	<u>\$ 69</u>	<u>(289)</u>	<u>\$ (358)</u>
Fund balance at beginning of year		<u>431</u>	
Fund balance at end of year		<u>\$ 142</u>	

Baltimore County, Maryland
Combining Statement of Net Position
Internal Service Funds
June 30, 2020
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,058	\$ 280	\$ 99,757	\$ 104,095
Receivables, net	41	-	2,471	2,512
Inventories	535	-	-	535
Prepaid costs	-	-	1,135	1,135
Total current assets	<u>4,634</u>	<u>280</u>	<u>103,363</u>	<u>108,277</u>
Capital assets:				
Non-depreciable	705	-	-	705
Depreciable (net of accumulated depreciation)	17,815	8	-	17,823
Total assets	<u>23,154</u>	<u>288</u>	<u>103,363</u>	<u>126,805</u>
LIABILITIES				
Current liabilities:				
Accounts payable	773	23	1,233	2,029
Accrued payroll	119	6	-	125
Compensated absences	249	13	-	262
Claims and judgments	-	-	39,280	39,280
Total current liabilities	<u>1,141</u>	<u>42</u>	<u>40,513</u>	<u>41,696</u>
Noncurrent liabilities:				
Claims and judgments	-	-	37,621	37,621
Total liabilities	<u>1,141</u>	<u>42</u>	<u>78,134</u>	<u>79,317</u>
NET POSITION				
Net investment in capital assets	18,520	8	-	18,528
Unrestricted	3,493	238	25,229	28,960
Total net position	<u>\$ 22,013</u>	<u>\$ 246</u>	<u>\$ 25,229</u>	<u>\$ 47,488</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2020
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
OPERATING REVENUES				
Charges for services-internal	\$ 15,768	\$ 586	\$ 71,692	\$ 88,046
Charges for services-component units	2,364	3	257,659	260,026
Miscellaneous	224	-	-	224
Total operating revenues	<u>18,356</u>	<u>589</u>	<u>329,351</u>	<u>348,296</u>
OPERATING EXPENSES				
Personal services	2,949	168	-	3,117
Contractual services	589	71	-	660
Rents and utilities	25	170	-	195
Supplies and maintenance	9,724	164	-	9,888
Insurance claims and expenses	-	-	321,684	321,684
Depreciation	3,154	1	-	3,155
Other expenses	601	20	-	621
Total operating expenses	<u>17,042</u>	<u>594</u>	<u>321,684</u>	<u>339,320</u>
Operating income (loss)	<u>1,314</u>	<u>(5)</u>	<u>7,667</u>	<u>8,976</u>
NONOPERATING REVENUES				
Interest on investments	-	-	2,866	2,866
Total nonoperating revenues	-	-	2,866	2,866
Income (loss) before transfers	1,314	(5)	10,533	11,842
Transfers out	-	-	(2,215)	(2,215)
Changes in net position	1,314	(5)	8,318	9,627
Net position at beginning of the year	20,699	251	16,911	37,861
Net position at end of the year	<u>\$ 22,013</u>	<u>\$ 246</u>	<u>\$ 25,229</u>	<u>\$ 47,488</u>

Baltimore County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from external customers	\$ 2,336	\$ 3	\$ 257,528	\$ 259,867
Receipts for interfund services	15,768	586	71,692	88,046
Payments to suppliers	(10,281)	(429)	-	(10,710)
Payments to employees	(2,933)	(172)	-	(3,105)
Payment for interfund services used	(601)	(20)	-	(621)
Claims paid	-	-	(315,576)	(315,576)
Other receipts	224	-	-	224
Net cash provided by (used in) operating activities	<u>4,513</u>	<u>(32)</u>	<u>13,644</u>	<u>18,125</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	-	-	(2,215)	(2,215)
Net cash provided by (used in) noncapital activities	<u>-</u>	<u>-</u>	<u>(2,215)</u>	<u>(2,215)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(6,957)	-	-	(6,957)
Sales of capital assets	194	-	-	194
Net cash used for capital and related financing activities	<u>(6,763)</u>	<u>-</u>	<u>-</u>	<u>(6,763)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	2,866	2,866
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>2,866</u>	<u>2,866</u>
Net increase (decrease) in cash and cash equivalents	(2,250)	(32)	14,295	12,013
Cash and cash equivalents at beginning of the year	6,308	312	85,462	92,082
Cash and cash equivalents at end of the year	<u>\$ 4,058</u>	<u>\$ 280</u>	<u>\$ 99,757</u>	<u>\$ 104,095</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,314	\$ (5)	\$ 7,667	\$ 8,976
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	3,154	1	-	3,155
Effect of changes in operating assets and liabilities:				
Receivables, net	(28)	-	(131)	(159)
Inventories	52	-	-	52
Accounts and other payables	5	(24)	(313)	(332)
Accrued expenses	16	(4)	-	12
Claims and judgements	-	-	6,421	6,421
Net cash provided by (used in) operating activities	<u>\$ 4,513</u>	<u>\$ (32)</u>	<u>\$ 13,644</u>	<u>\$ 18,125</u>

Baltimore County, Maryland
Combining Statement of Fiduciary Net Position
Benefits Trust Funds
June 30, 2020
(In Thousands)

	Employees' Retirement System Plan A	Employees' Retirement System Plan B	Police, Fire, and Widows' Pension Plan	OPEB Plan	Total
ASSETS					
Cash and cash equivalents	\$ 50,957	\$ 2,909	\$ 7	\$ 9,903	\$ 63,776
Collateral for loaned securities	13,215	691	-	1,213	15,119
Receivables:					
Accrued interest & dividend income	3,150	162	10	295	3,617
Due from other funds	-	21,000	-	-	21,000
Receivable for investments sold	16,459	861	-	1,511	18,831
Receivables other	682	523	-	1,450	2,655
Total receivables	<u>20,291</u>	<u>22,546</u>	<u>10</u>	<u>3,256</u>	<u>46,103</u>
Investments, at fair value:					
U.S. Government and Agency securities	58,196	3,044	-	5,344	66,584
Municipal bonds	30	1	4,375	3	4,409
Foreign bonds	32,075	1,678	5,686	2,945	42,384
Corporate bonds	185,431	9,700	-	17,028	212,159
Stocks	459,653	24,044	-	42,209	525,906
Bond mutual funds	401,264	20,990	-	36,847	459,101
Stock mutual funds	830,824	43,460	3,638	76,293	954,215
Real estate equity funds	141,235	7,388	-	12,969	161,592
Hedge funds	7	1	-	1	9
Private equity funds	178,680	9,346	-	16,408	204,434
Global asset allocation	248,415	12,995	-	22,811	284,221
Total investments	<u>2,535,810</u>	<u>132,647</u>	<u>13,699</u>	<u>232,858</u>	<u>2,915,014</u>
Total assets	<u>2,620,273</u>	<u>158,793</u>	<u>13,716</u>	<u>247,230</u>	<u>3,040,012</u>
LIABILITIES					
Securities lending payable	13,215	691	-	1,213	15,119
Investments purchased	30,781	1,610	-	2,827	35,218
Investment expenses payable	4,035	202	1	443	4,681
Refunds payable	56	4,768	-	-	4,824
Due to other funds	21,000	-	-	-	21,000
Other	4,533	-	-	706	5,239
Total liabilities	<u>73,620</u>	<u>7,271</u>	<u>1</u>	<u>5,189</u>	<u>86,081</u>
NET POSITION					
Net position restricted for pensions and OPEB	<u>\$ 2,546,653</u>	<u>\$ 151,522</u>	<u>\$ 13,715</u>	<u>\$ 242,041</u>	<u>\$ 2,953,931</u>

Baltimore County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Benefits Trust Funds
For the Year Ended June 30, 2020
(In Thousands)

	Employees' Retirement System Plan A	Employees' Retirement System Plan B	Police, Fire, and Widows' Pension Plan	OPEB Plan	Total
ADDITIONS					
Contributions:					
Employer	\$ 140,583	\$ 4,022	\$ -	\$ 35,435	\$ 180,040
Employees	29,377	21,816	-	37,921	89,114
Other	-	-	12	26,688	26,700
Total contributions	<u>169,960</u>	<u>25,838</u>	<u>12</u>	<u>100,044</u>	<u>295,854</u>
Investment earnings:					
Net increase (decrease) in the fair value of plan assets	(7,756)	(105)	(27)	(2,064)	(9,952)
Interest and dividends	33,971	1,717	553	3,597	39,838
Investment expenses	(19,615)	(986)	(9)	(2,074)	(22,684)
Net investment gain	<u>6,600</u>	<u>626</u>	<u>517</u>	<u>(541)</u>	<u>7,202</u>
Net income from securities lending:					
Securities lending income	155	8	-	16	179
Borrower rebates	33	2	-	3	38
Agent fees	(46)	(2)	-	(5)	(53)
Net income from securities lending	<u>142</u>	<u>8</u>	<u>-</u>	<u>14</u>	<u>164</u>
Total net investment gain	<u>6,742</u>	<u>634</u>	<u>517</u>	<u>(527)</u>	<u>7,366</u>
Total additions	<u>176,702</u>	<u>26,472</u>	<u>529</u>	<u>99,517</u>	<u>303,220</u>
DEDUCTIONS					
Benefits	289,646	389	5,434	153,575	449,044
Refunds	1,761	5,729	-	-	7,490
Administrative expense	1,313	69	-	-	1,382
Total deductions	<u>292,720</u>	<u>6,187</u>	<u>5,434</u>	<u>153,575</u>	<u>457,916</u>
Change in net position	(116,018)	20,285	(4,905)	(54,058)	(154,696)
Net position at beginning of the year	<u>2,662,671</u>	<u>131,237</u>	<u>18,620</u>	<u>296,099</u>	<u>3,108,627</u>
Net position at end of the year	<u>\$ 2,546,653</u>	<u>\$ 151,522</u>	<u>\$ 13,715</u>	<u>\$ 242,041</u>	<u>\$ 2,953,931</u>



STATISTICAL



SECTION

The Statistical Section presents data to assist users of this report to assess the economic condition of the County. They are intended to provide a broader and more complete understanding of the County and its financial affairs than is possible from the basic financial statements and supporting schedules included in the “Financial Section.” Many of these schedules cover more than two fiscal years and present data from sources other than the accounting records. Therefore, the data contained in the Statistical Section has not been subjected to independent audit. The five categories of information are as follows:

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s activities take place.

Operating Information

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

**Baltimore County, Maryland
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)**

	2011*	2012**	2013	2014	2015***	2016	2017	2018****	2019	2020
Governmental activities										
Net investment in capital assets	\$ 1,550,280	\$ 1,386,096	\$ 1,313,131	\$ 1,277,986	\$ 1,346,549	\$ 1,529,027	\$ 1,602,876	\$ 1,482,372	\$ 1,498,138	\$ 1,723,439
Restricted	26,653	27,251	26,972	29,053	31,871	42,647	49,922	106,103	110,636	46,272
Unrestricted (deficit)	(335,775)	(349,899)	(352,908)	(363,126)	(1,747,908)	(2,067,561)	(2,425,266)	(2,905,259)	(3,120,901)	(3,473,796)
Total governmental activities net position	\$ 1,241,158	\$ 1,063,448	\$ 987,195	\$ 943,913	\$ (369,488)	\$ (495,887)	\$ (772,468)	\$ (1,316,784)	\$ (1,512,127)	\$ (1,704,085)
Business-type activities										
Net investment in capital assets	\$ 588,201	\$ 566,002	\$ 553,132	\$ 526,907	\$ 540,690	\$ 614,609	\$ 538,172	\$ 533,456	\$ 552,407	\$ 455,042
Unrestricted (deficit)	(155,226)	(178,355)	(200,295)	(214,318)	(351,497)	(526,541)	(540,754)	(652,992)	(735,767)	(752,206)
Total business-type activities net position	\$ 432,975	\$ 387,647	\$ 352,837	\$ 312,589	\$ 189,193	\$ 88,068	\$ (2,582)	\$ (119,536)	\$ (183,360)	\$ (297,164)
Primary government										
Net investment in capital assets	\$ 2,138,481	\$ 1,952,098	\$ 1,866,263	\$ 1,804,893	\$ 1,887,239	\$ 2,143,636	\$ 2,141,048	\$ 2,015,828	\$ 2,050,545	\$ 2,178,481
Restricted	26,653	27,251	26,972	29,053	31,871	42,647	49,922	106,103	110,636	46,272
Unrestricted (deficit)	(491,001)	(528,254)	(553,203)	(577,444)	(2,099,405)	(2,594,102)	(2,966,020)	(3,558,251)	(3,856,668)	(4,226,002)
Total primary government net position	\$ 1,674,133	\$ 1,451,095	\$ 1,340,032	\$ 1,256,502	\$ (180,295)	\$ (407,819)	\$ (775,050)	\$ (1,436,320)	\$ (1,695,487)	\$ (2,001,249)

* The amounts for FY 2011 net position components have been restated to affect the change in amortization of bond/COPs premium and discount from the straight-line method to the effective interest method.

** The amounts for FY 2012 net position components have been restated to affect the change in no longer amortizing the issuance costs related to debt

*** The amounts for FY15 unrestricted (deficit) net position have been restated to affect the change in the County reporting its net pension liability required by GASB No. 68.

**** The amounts for FY18 unrestricted (deficit) net position have been restated to affect the change in the County reporting its OPEB liability required by GASB No. 75.

Baltimore County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 449,008	\$ 510,219	\$ 499,598	\$ 507,968	\$ 511,254	\$ 615,205	\$ 864,527	\$ 600,687	\$ 847,073	\$ 964,187
Public safety	346,253	340,263	336,402	345,801	346,834	368,337	372,623	373,651	390,366	408,982
Public works	150,606	187,816	153,997	192,092	177,495	178,728	185,743	188,893	176,429	170,854
Health and human services	144,972	152,490	149,078	147,998	158,431	164,430	167,861	173,638	173,462	211,564
Culture and leisure services	69,368	70,803	64,554	65,487	63,742	64,165	64,520	62,790	64,575	64,319
Economic and community development	16,232	13,379	21,126	19,637	13,838	12,449	12,598	9,581	20,543	41,941
Education	803,828	841,494	807,336	852,799	888,832	943,217	956,006	1,046,755	991,165	1,083,287
Interest on long-term debt	22,844	25,568	26,885	26,081	25,257	26,648	33,651	33,044	33,433	31,173
Total governmental activities expenses	2,003,111	2,142,032	2,058,976	2,157,863	2,185,683	2,373,179	2,657,529	2,489,039	2,697,046	2,976,307
Business-type activities:										
Water and sewer services	223,858	278,104	270,090	272,177	302,014	356,593	361,069	386,405	409,220	497,252
Total business-type activities expenses	223,858	278,104	270,090	272,177	302,014	356,593	361,069	386,405	409,220	497,252
Total primary government expenses	\$ 2,226,969	\$ 2,420,136	\$ 2,329,066	\$ 2,430,040	\$ 2,487,697	\$ 2,729,772	\$ 3,018,598	\$ 2,875,444	\$ 3,106,266	\$ 3,473,559
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 190,247	\$ 212,958	\$ 201,032	\$ 202,899	\$ 206,918	\$ 253,728	\$ 309,123	\$ 290,376	\$ 299,711	\$ 319,478
Public safety	5,077	5,958	6,950	9,205	10,979	11,210	11,802	10,536	9,163	11,461
Public works	3,195	2,942	3,379	3,681	4,702	7,257	13,920	15,771	16,936	18,612
Health and human services	3,652	3,622	4,031	28,872	28,590	20,251	15,231	3,841	4,401	4,103
Culture and leisure services	3,382	3,653	3,769	4,018	4,303	3,971	4,260	3,934	4,510	3,239
Economic and community development	851	487	876	585	429	983	457	592	1,033	739
Operating grants and contributions:										
General government	5,778	2,457	3,016	3,849	3,210	2,781	2,996	3,148	2,396	3,835
Public safety	14,093	12,879	12,930	16,175	19,602	18,316	18,163	19,453	18,408	23,365
Public works	2,865	2,260	3,772	5,614	4,300	5,033	4,826	6,081	8,733	8,336
Health and human services	100,326	114,528	113,800	114,841	126,609	125,413	129,450	132,523	135,533	167,551
Culture and leisure services	1,124	1,145	4,350	4,124	4,251	4,303	4,294	4,419	4,878	5,019
Economic and community development	24,115	16,386	12,148	9,524	8,679	11,899	11,220	10,230	11,014	27,356
Interest on long-term debt	4,064	6,853	5,671	5,422	5,255	5,186	5,079	4,992	4,821	4,031
Capital grants and contributions	37,614	41,519	32,015	25,843	48,492	35,781	36,021	40,068	28,381	45,829
Total governmental activities program revenues	396,383	427,647	407,739	434,652	476,319	506,112	566,842	545,964	549,918	642,954
Business-type activities:										
Charges for services:										
Water and sewer services	224,510	220,188	215,703	214,154	202,674	237,071	246,175	270,963	311,638	309,305
Operating grants and contributions:										
Capital grants and contributions	14,126	11,282	16,071	14,641	14,196	16,186	21,602	34,503	27,148	70,098
Total business-type activities program revenues	241,098	235,247	234,958	231,737	219,788	256,150	270,627	308,276	341,560	381,239
Total primary government program revenues	\$ 637,481	\$ 662,894	\$ 642,697	\$ 666,389	\$ 696,107	\$ 762,262	\$ 837,469	\$ 854,240	\$ 891,478	\$ 1,024,193

(continued)

Baltimore County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (1,606,728)	\$ (1,714,385)	\$ (1,651,237)	\$ (1,723,211)	\$ (1,709,364)	\$ (1,867,067)	\$ (2,090,687)	\$ (1,943,075)	\$ (2,147,128)	\$ (2,333,353)
Business-type activities	17,240	(42,857)	(35,132)	(40,440)	(82,226)	(100,443)	(90,442)	(78,129)	(67,660)	(116,013)
Total primary government net expense	<u>\$ (1,589,488)</u>	<u>\$ (1,757,242)</u>	<u>\$ (1,686,369)</u>	<u>\$ (1,763,651)</u>	<u>\$ (1,791,590)</u>	<u>\$ (1,967,510)</u>	<u>\$ (2,181,129)</u>	<u>\$ (2,021,204)</u>	<u>\$ (2,214,788)</u>	<u>\$ (2,449,366)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 837,092	\$ 844,069	\$ 847,439	\$ 850,367	\$ 866,698	\$ 891,823	\$ 916,768	\$ 944,733	\$ 979,118	\$ 1,017,005
Income taxes	534,553	565,571	573,376	679,371	736,760	663,510	689,515	718,980	776,555	925,511
Public service taxes	110,405	121,099	143,067	140,032	153,522	174,239	176,124	171,967	174,522	180,376
Grants and contributions not restricted to specific programs:										
State of Maryland	8,823	9,423	9,686	9,063	9,210	8,966	8,926	9,635	9,907	8,363
Unrestricted investment earnings	966	1,077	1,416	1,096	749	1,392	2,068	5,537	11,283	10,140
Reversion of fund balance from component units	-	-	-	-	-	-	20,463	600	400	-
Transfers	-	-	-	-	10,213	738	242	3,551	-	-
Total governmental activities	<u>1,491,839</u>	<u>1,541,239</u>	<u>1,574,984</u>	<u>1,679,929</u>	<u>1,777,152</u>	<u>1,740,668</u>	<u>1,814,106</u>	<u>1,855,003</u>	<u>1,951,785</u>	<u>2,141,395</u>
Business-type activities										
Unrestricted investment earnings	256	360	322	192	98	56	34	924	3,906	2,209
Transfers	-	-	-	-	(10,213)	(738)	(242)	(3,551)	-	-
Total business-type activities	<u>256</u>	<u>360</u>	<u>322</u>	<u>192</u>	<u>(10,115)</u>	<u>(682)</u>	<u>(208)</u>	<u>(2,627)</u>	<u>3,906</u>	<u>2,209</u>
Total primary government	<u>\$ 1,492,095</u>	<u>\$ 1,541,599</u>	<u>\$ 1,575,306</u>	<u>\$ 1,680,121</u>	<u>\$ 1,767,037</u>	<u>\$ 1,739,986</u>	<u>\$ 1,813,898</u>	<u>\$ 1,852,376</u>	<u>\$ 1,955,691</u>	<u>\$ 2,143,604</u>
Change in Net Position										
Governmental activities	\$ (114,889)	\$ (173,146)	\$ (76,253)	\$ (43,282)	\$ 67,788	\$ (126,399)	\$ (276,581)	\$ (88,072)	\$ (195,343)	\$ (191,958)
Business-type activities	17,496	(42,497)	(34,810)	(40,248)	(92,341)	(101,125)	(90,650)	(80,756)	(63,754)	(113,804)
Total primary government	<u>\$ (97,393)</u>	<u>\$ (215,643)</u>	<u>\$ (111,063)</u>	<u>\$ (83,530)</u>	<u>\$ (24,553)</u>	<u>\$ (227,524)</u>	<u>\$ (367,231)</u>	<u>\$ (168,828)</u>	<u>\$ (259,097)</u>	<u>\$ (305,762)</u>

Baltimore County, Maryland
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 6,942	\$ 7,109	\$ 6,772	\$ 5,574	\$ 6,998	\$ 7,489	\$ 9,251	\$ 9,420	\$ 8,724	\$ 10,748
Restricted	12,689	99,492	69,140	34,889	17,490	5,194	61,062	93,015	171,664	74,540
Assigned	65,223	65,659	91,286	108,855	151,283	83,161	53,984	56,575	78,286	95,747
Unassigned	165,200	229,972	294,935	284,664	229,819	239,528	205,391	204,444	217,501	337,068
Total General Fund	<u>250,054</u>	<u>402,232</u>	<u>462,133</u>	<u>433,982</u>	<u>405,590</u>	<u>335,372</u>	<u>329,688</u>	<u>363,454</u>	<u>476,175</u>	<u>518,103</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	21,365	22,161	21,770	18,667	31,285	41,444	48,276	39,160	43,260	40,321
Assigned	7,184	4,699	14,365	16,058	20,789	16,089	15,644	12,134	22,975	12,237
Unassigned	(157,090)	(112,730)	(48,347)	(23,256)	(29,387)	(164,685)	(134,959)	(135,619)	(80,477)	(95,881)
Total all other governmental funds	<u>(128,541)</u>	<u>(85,870)</u>	<u>(12,212)</u>	<u>11,469</u>	<u>22,687</u>	<u>(107,152)</u>	<u>(71,039)</u>	<u>(84,325)</u>	<u>(14,242)</u>	<u>(43,323)</u>
Total governmental funds	<u>\$ 121,513</u>	<u>\$ 316,362</u>	<u>\$ 449,921</u>	<u>\$ 445,451</u>	<u>\$ 428,277</u>	<u>\$ 228,220</u>	<u>\$ 258,649</u>	<u>\$ 279,129</u>	<u>\$ 461,933</u>	<u>\$ 474,780</u>

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 1,448,849	\$ 1,545,610	\$ 1,605,959	\$ 1,645,650	\$ 1,703,481	\$ 1,761,006	\$ 1,776,875	\$ 1,784,245	\$ 1,875,069	\$ 2,042,187
Licenses and permits	4,480	5,867	5,933	30,585	30,747	22,477	17,749	6,530	7,478	6,359
Intergovernmental	186,868	187,089	182,690	177,093	194,620	193,332	202,695	209,376	201,226	258,198
Repayment of loans	3,990	1,695	2,954	2,978	3,042	1,759	1,270	2,099	1,212	1,181
Charges for services	17,923	18,365	19,775	23,670	26,035	35,050	56,962	59,554	63,726	67,531
Assessments	2,475	2,183	2,017	2,745	2,243	1,645	2,177	2,034	1,761	1,329
Fines and forfeitures	3,876	5,149	4,844	5,066	6,033	7,099	7,056	7,336	5,955	5,101
Interest revenue	852	1,015	1,847	1,428	952	1,714	1,525	4,232	8,852	8,732
Miscellaneous	32,468	27,042	30,316	33,704	43,265	42,564	62,149	46,485	37,434	56,307
Total revenues	1,701,781	1,794,015	1,856,335	1,922,919	2,010,418	2,066,646	2,128,458	2,121,891	2,202,713	2,446,925
Expenditures										
General government	76,667	74,636	112,682	113,669	112,732	111,204	116,215	128,209	126,216	126,331
Public safety	341,131	339,984	334,669	342,776	350,395	359,811	367,595	374,722	389,615	405,607
Public works	127,513	115,497	100,688	116,419	112,565	117,785	117,670	138,218	112,961	124,040
Health and human services	143,731	151,924	147,854	146,612	156,519	163,418	166,968	172,544	172,028	209,746
Culture and leisure services	26,771	27,050	19,777	20,507	20,983	22,128	22,951	20,284	20,571	19,299
Economic and community development	18,244	22,387	21,245	20,921	15,133	19,973	16,405	20,315	25,404	48,420
Pension plan contributions	53,795	58,985	320,818	71,791	95,585	92,550	247,707	114,983	123,512	131,740
Healthcare contributions	56,367	66,676	92,311	99,447	99,924	126,386	102,742	71,568	91,045	86,225
Miscellaneous	17,384	16,942	16,067	16,532	17,571	17,963	18,599	19,026	19,593	19,940
Capital projects	108,827	102,145	97,928	95,334	118,430	131,710	139,167	121,788	104,983	92,201
Payments to component units	857,010	895,901	864,835	911,309	947,156	1,001,289	1,020,500	1,114,973	1,060,560	1,160,917
Debt service:										
Principal retirement	48,149	50,765	54,543	59,631	68,647	77,829	83,421	83,574	94,375	97,752
Interest	28,454	32,133	36,774	49,256	45,664	49,458	49,925	58,318	58,568	60,256
Fiscal charges	2,413	2,051	3,517	1,250	3,150	1,082	2,355	946	1,345	738
Total expenditures	1,906,456	1,957,076	2,223,708	2,065,454	2,164,454	2,292,586	2,472,220	2,439,468	2,400,776	2,583,212
Deficiency of revenues over expenditures	(204,675)	(163,061)	(367,373)	(142,535)	(154,036)	(225,940)	(343,762)	(317,577)	(198,063)	(136,287)

(continued)

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Bonds issued	267,000	170,000	449,290	140,000	116,000	112,000	243,800	181,130	246,000	246,000
Bond premium	12,041	26,285	36,013	20,659	44,998	25,010	12,340	19,976	35,393	60,290
Bond anticipation notes issued	70,050	235,100	193,000	116,000	112,000	-	121,000	246,000	246,000	145,000
Bond anticipation notes premium	-	3,307	1,967	-	-	-	2,592	6,239	5,601	4,629
Refunding bonds issued	13,565	-	94,080	39,530	-	-	-	-	-	-
Bond premium - refunding	1,387	-	16,228	-	117,365	-	-	-	-	-
Certificates of participation issued	-	78,430	-	-	-	-	59,810	-	77,960	-
Refunding certificates of participation issued	-	-	11,830	-	-	-	-	-	-	-
Certificates of participation premium	-	14,259	786	-	-	-	11,950	-	12,606	-
Installment purchase agreement	-	320	-	-	-	-	-	-	-	-
Loans	-	-	12,946	6,088	-	-	1,091	-	-	-
Bond anticipation notes retired	(70,050)	(170,000)	(193,000)	(140,000)	(116,000)	(112,000)	(99,800)	(121,000)	(246,000)	(246,000)
Payment to refunding escrow agent	(14,879)	-	(122,342)	(44,190)	(137,501)	-	-	-	-	(63,000)
Reversion of fund balance from component units	-	-	-	-	-	-	20,463	600	400	-
Transfers in	61,265	10,866	36,366	71,776	87,684	139,543	179,757	54,643	102,376	94,922
Transfers out	(61,087)	(10,657)	(36,232)	(71,798)	(87,684)	(138,670)	(178,812)	(49,531)	(99,469)	(92,707)
Total other financing sources	279,292	357,910	500,932	138,065	136,862	25,883	374,191	338,057	380,867	149,134
Net change in fund balances	\$ 74,617	\$ 194,849	\$ 133,559	\$ (4,470)	\$ (17,174)	\$ (200,057)	\$ 30,429	\$ 20,480	\$ 182,804	\$ 12,847
Debt service as a percentage of noncapital expenditures	4.33%	4.42%	4.30%	5.49%	5.58%	5.88%	5.68%	6.14%	6.72%	6.37%

Baltimore County, Maryland
Unreserved Fund Balance and Revenue Stabilization Reserve Account Expressed as a Percentage of General Fund Revenues and Transfers In
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total General Fund Revenues	Unreserved Fund Balance	Unreserved Fund Balance as a % of General Fund Revenues	Revenue Stabilization Reserve Account ("RSRA")	Undesignated Fund Balance	Undesignated Fund Balance PLUS RSRA as % of G.F. Revenues
2011	\$ 1,547,926	\$ 225,768	14.6	\$ 84,610	\$ 80,590	10.7
2012	1,722,890	291,870	16.9	84,822	145,150	13.3
2013	1,701,812	380,942	22.4	85,034	209,901	17.3
2014	1,750,110	387,795	22.2	85,187	199,477	16.3
2015	1,820,656	349,367	19.2	89,341	140,478	12.6
2016	1,887,247	293,192	15.5	93,107	146,421	12.7
2017	1,972,182	227,650	11.5	99,360	106,031	10.4
2018	1,952,908	231,418	11.8	198,995	5,449	10.5
2019	2,042,735	217,501	10.6	207,223	10,278	10.6
2020	2,208,389	337,068	15.3	215,634	121,434	15.3

The General Fund Unassigned Fund Balance includes the Revenue Stabilization Reserve Account (the Account) which is a designation of General Fund fund balance to provide a financial cushion for unanticipated decreases in revenues; primarily intergovernmental revenues. Section 10-8-101 of the County Code gives the County the authority to establish and maintain the Account. Revenues in excess of estimates and any unexpended appropriations at the close of the fiscal year shall be transferred to the Account if the Account balance does not exceed five percent of the current fiscal year General Fund budgeted revenue after interest is credited to the Account. If a deficit exists in the General Fund at the end of any fiscal year, the Director of Budget and Finance shall notify the County Executive and County Council; and request that sufficient monies to the extent available be transferred from the Account to eliminate the deficit. Funds in the Account are not to be used for any other purpose except upon the recommendation of the County Executive and approval of a majority plus one of the County Council.

Baltimore County, Maryland
General Fund Revenues
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Taxes (1)	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Interest on Investments and Miscellaneous	Reimbursements and Other Financing Sources	Total
2011	\$ 1,448,849	\$ 3,858	\$ 34,186	\$ 9,963	\$ 3,876	\$ 26,214	\$ 20,980	\$ 1,547,926
2012	1,545,610	4,916	31,517	10,068	5,149	25,089	100,541	1,722,890
2013	1,605,959	4,970	37,717	10,378	4,844	29,419	8,525	1,701,812
2014	1,645,650	4,925	43,473	11,118	5,066	30,966	8,912	1,750,110
2015	1,703,481	5,306	43,739	12,544	6,033	39,173	10,380	1,820,656
2016	1,759,834	5,194	46,609	22,404	7,099	33,686	12,421	1,887,247
2017	1,775,935	5,767	47,764	43,822	7,056	78,736	13,102	1,972,182
2018	1,783,112	5,453	49,190	47,998	7,336	47,433	12,386	1,952,908
2019	1,873,642	6,180	52,519	52,591	5,955	39,143	37,940	2,067,970
2020	2,040,687	5,548	49,705	54,242	5,101	36,840	27,337	2,219,460

Note: Table does not include major interfund transfers that occurred in FY 2011.

(1) See the General Fund Tax Revenues by Source table for detail

Baltimore County, Maryland
General Fund Tax Revenues by Source
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total Taxes	General Property Taxes	Income Taxes	Other Local Taxes (1)
2011	\$ 1,448,849	\$ 837,056	\$ 514,715	\$ 97,078
2012	1,545,610	845,238	593,204	107,168
2013	1,605,959	853,860	624,060	128,039
2014	1,645,650	853,317	667,924	124,409
2015	1,703,481	870,115	696,335	137,031
2016	1,759,834	892,906	709,377	157,551
2017	1,775,935	919,193	697,694	159,048
2018	1,783,112	947,350	680,282	155,480
2019	1,873,642	980,124	734,948	158,570
2020	2,040,687	1,013,000	862,704	164,983

(1) Fiscal year 2020 other local taxes include: title transfer tax - \$78.571 million, recordation tax - \$35.803 million, electricity - \$13.515 million, telephone tax - \$7.576 million, admissions and amusement tax - \$5.047 million, motel and hotel occupancy tax - \$10.295 million, 911 fee - \$9.221 million and cell phone tax - \$4.955 million.

Baltimore County, Maryland
General Fund Expenditures and Transfers by Function
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	General Government	Public Safety	Public Works	Health and Human Services	Culture and Leisure Services	Economic and Community Development	Debt Service	Non-Departmental (1)	Payments to Component Units	Interfund Transfers	Total
2011	\$ 76,761	\$ 330,042	\$ 126,883	\$ 37,537	\$ 23,622	\$ 1,889	\$ 77,221	\$ 127,467	\$ 766,829	\$ 9,938	\$ 1,578,189
2012	73,710	330,137	116,079	37,595	23,812	1,419	78,370	142,789	775,282	7,390	1,586,583
2013	102,135	323,636	89,235	34,311	16,684	1,295	81,835	174,216	795,428	20,590	1,639,365
2014	103,973	324,374	104,495	34,837	17,289	1,170	95,922	187,839	821,274	32,233	1,723,406
2015	109,697	334,171	110,129	36,448	17,940	1,015	109,664	213,177	849,915	57,297	1,839,453
2016	113,437	340,701	113,532	37,936	18,307	1,192	118,692	236,896	862,811	107,568	1,951,072
2017	119,786	352,432	113,328	40,076	19,514	1,285	125,568	225,811	882,629	142,990	2,023,419
2018	127,054	361,101	115,958	41,074	16,765	1,295	129,162	205,504	923,401	38,941	1,960,255
2019	130,212	370,994	108,080	41,880	17,132	1,357	139,403	233,991	956,168	49,195	2,048,412
2020	129,075	392,551	101,345	40,397	16,810	980	139,808	237,769	1,002,861	39,661	2,101,257

(1) Non-Departmental expenditures include costs incurred for pension plan contributions, social security, workers compensation, general and auto liability insurance, employees health and life insurance and miscellaneous programs.

Baltimore County, Maryland
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended June 30	Real Property (1)			Personal Property			Total Taxable Assessed Value (1)	Estimated Actual Value	Total Direct Rate (2)
	Residential Property	Commercial Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property			
2011	\$ 66,400,696	\$19,833,974	\$86,234,670	\$ 1,241,027	\$1,703,753	\$2,944,780	\$89,179,450	\$89,179,450	\$ 1.155
2012	61,900,847	19,547,635	81,448,482	1,229,659	1,794,683	3,024,342	84,472,824	84,472,824	1.159
2013	58,402,524	19,467,508	77,870,032	1,271,351	1,753,389	3,024,740	80,894,772	80,894,772	1.161
2014	56,661,374	18,887,124	75,548,498	1,245,132	1,741,590	2,986,722	78,535,220	78,535,220	1.162
2015	55,714,387	19,575,325	75,289,712	1,306,763	1,716,549	3,023,312	78,313,024	78,313,024	1.164
2016	56,669,097	19,910,764	76,579,861	1,347,311	1,897,128	3,244,439	79,824,300	79,824,300	1.167
2017	58,287,682	20,479,456	78,767,138	1,424,762	1,909,921	3,334,683	82,101,821	82,101,821	1.167
2018	61,084,509	20,361,503	81,446,012	1,544,456	1,897,163	3,441,619	84,887,631	84,887,631	1.167
2019	56,384,341	27,771,392	84,155,733	1,656,565	1,931,896	3,588,461	87,744,194	87,744,194	1.167
2020	65,216,577	21,738,859	86,955,436	1,684,088	2,060,628	3,744,716	90,700,152	90,700,152	1.168

Note:

(1) Tax exempt properties are not included

(2) Expressed in dollars per \$100 of assessed value

**Baltimore County, Maryland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	County Direct Rates		
	Real	Personal	Total (a)
2011	1.100	2.7500	1.155
2012	1.100	2.7500	1.159
2013	1.100	2.7500	1.161
2014	1.100	2.7500	1.162
2015	1.100	2.7500	1.164
2016	1.100	2.7500	1.167
2017	1.100	2.7500	1.167
2018	1.100	2.7500	1.167
2019	1.100	2.7500	1.167
2020	1.100	2.7500	1.168

Notes:

- (1) Rates are per \$100 of assessed value.
- (2) Except for the State of Maryland, there is no separate taxing authority that overlaps the County geographically.
- (3) There are no tax limits.
- (a) Weighted average of the individual Real & Personal direct rates.

**Baltimore County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars expressed in thousands)**

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value
BGE	\$ 1,305,652,610	1.44%	BGE	\$ 979,411,208	1.10%
Trade Point Atlantic LLC	2,101,554,115	2.32%	Verizon	336,238,560	0.38%
Verizon	254,040,180	0.28%	Merritt Mgt Corp	414,496,406	0.46%
Amazon	160,826,750	0.18%	Towson Town Center	238,679,800	0.27%
TRP Suburban	226,652,703	0.25%	TRP Suburban	182,581,650	0.20%
Comcast	113,461,980	0.13%	ISG	204,043,740	0.23%
Home Properties	268,742,863	0.30%	Wal Mart	185,402,834	0.21%
Merritt Mgt Corp	215,660,629	0.24%	Oak Campus Partners LLC	167,259,660	0.19%
Towson Town Center	268,947,400	0.30%	Maryland Health and Higher Education	140,164,666	0.16%
Wal Mart	168,095,639	0.19%	Comcast	89,196,300	0.10%
	<u>\$ 5,083,634,869</u>	<u>5.63%</u>		<u>\$ 2,937,474,824</u>	<u>3.30%</u>

Source: State of Maryland Assessment Files and Baltimore County Office of Budget and Finance Tax Files

Baltimore County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2011	\$ 839,080	\$ 834,831	99.49	\$ 3,501	\$ 838,332	99.91
2012	846,418	841,983	99.48	3,536	845,519	99.89
2013	853,307	851,115	99.74	1,365	852,480	99.90
2014	856,946	854,254	99.69	1,824	856,078	99.90
2015	872,676	869,303	99.61	2,452	871,755	99.89
2016	888,230	886,008	99.75	973	886,981	99.86
2017	921,713	918,421	99.64	-	918,421	99.64
2018	953,533	947,231	99.70	-	950,641	99.70
2019	987,128	982,261	99.60	-	982,774	99.60
2020	1,022,700	1,012,379	98.99	-	1,012,379	98.99

Baltimore County, Maryland
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2) (3)
	General Obligation Debt (1)	Certificates of Participation (1)	Loan Payable	General Obligation Debt (1)	Certificates of Participation (1)				
2011	\$ 1,168,253	\$ 62,586	\$ 3,321	\$ 882,556	\$ 2,930	\$ 2,119,646	5.34	\$ 2,629.95	
2012	1,348,019	146,016	-	1,003,942	7,264	2,505,241	5.76	3,093.12	
2013	1,759,768	134,490	12,946	1,032,220	6,522	2,945,946	6.83	3,621.07	
2014	1,805,692	118,209	18,993	1,085,389	5,361	3,033,644	6.90	3,670.27	
2015	1,846,087	104,500	14,496	1,168,797	4,610	3,138,490	6.93	3,784.14	
2016	1,762,843	88,566	10,038	1,164,150	3,875	3,029,472	6.48	3,643.68	
2017	1,927,873	142,205	5,216	1,399,888	7,743	3,482,925	7.12	4,169.55	
2018	2,133,900	123,264	4,375	1,663,290	6,869	3,931,698	7.70	4,684.97	
2019	2,286,699	188,919	4,375	1,747,670	16,104	4,243,767	8.07	5,060.53	
2020	2,289,667	161,273	4,375	1,947,476	14,140	4,416,931	8.50	5,279.66	

(1) Presented net of original issuance discounts and premiums

(2) See the Demographic and Economic Statistics schedule for personal income and population data.

(3) Expressed in dollars

Baltimore County, Maryland
Ratios of Net General Obligation (GO) Debt to
Estimated Actual Value of Property and Net GO Debt Per Capita
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Estimated Population (1)	Estimated Actual Value of Real & Personal Property	GO Debt (2)	Less: Amounts Available in Escrow for Debt Service (3)	Net GO Debt	Percent of Net GO Debt to Estimated Actual Value of Property	GO Debt per Capita (4)
2011	809,941	\$ 89,179,450	\$ 2,050,809	\$ -	\$ 2,050,809	2.30	\$ 2,532.05
2012	813,556	84,472,824	2,351,961	232	2,351,729	2.78	2,890.68
2013	817,993	80,894,772	2,791,988	319	2,791,669	3.45	3,412.83
2014	826,784	78,535,220	2,891,081	448	2,890,633	3.68	3,496.24
2015	829,379	78,313,024	3,014,884	586	3,014,298	3.85	3,634.40
2016	828,616	79,824,300	2,926,993	1,203	2,925,790	3.67	3,530.94
2017	828,603	82,101,821	3,327,761	1,647	3,326,114	4.05	4,014.12
2018	828,431	84,887,632	3,797,190	103,996	3,693,194	4.47	4,458.06
2019	832,512	87,744,194	4,034,369	103,461	3,930,908	4.60	4,687.46
2020	836,594	90,700,152	4,237,143	5,951	4,231,192	4.67	5,057.64

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch. Last year based on budgetary estimates
- (2) This is the general obligation debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (3) The County has resources restricted to repaying the principal of outstanding debt.
- (4) Expressed in dollars

**Baltimore County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars expressed in thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consolidated Public Improvement (CPI) General Obligation Debt										
Assessed value										
Real property	\$ 86,234,670	\$ 81,448,482	\$ 77,870,032	\$ 75,548,498	\$ 75,289,712	\$ 76,579,861	\$ 78,767,139	\$ 81,446,013	\$ 84,155,733	\$ 86,955,435
Personal property	2,944,780	3,024,342	3,024,740	2,986,722	3,023,312	3,244,439	3,334,682	3,441,619	3,588,461	3,744,717
Total assessed value	89,179,450	84,472,824	80,894,772	78,535,220	78,313,024	79,824,300	82,101,821	84,887,632	87,744,194	90,700,152
Debt limit (4% of total assessed value)	3,567,178	3,378,913	3,235,791	3,141,409	3,132,521	3,192,972	3,284,073	3,395,505	3,509,768	3,628,006
Debt applicable to limit:										
Consolidated public improvement bonds	918,085	1,036,500	1,161,100	1,235,730	1,274,405	1,311,740	1,323,355	1,410,445	1,557,695	1,633,440
Pension liability funding	31,805	24,735	274,010	267,085	249,082	238,928	376,741	368,682	358,895	348,979
CPI commercial paper notes	174,900	240,000	240,000	216,000	211,900	99,800	121,000	246,000	246,000	145,000
Total debt applicable to debt limit	1,124,790	1,301,235	1,675,110	1,718,815	1,735,387	1,650,468	1,821,096	2,025,127	2,162,590	2,127,419
Legal debt margin	\$ 2,442,388	\$ 2,077,678	\$ 1,560,681	\$ 1,422,594	\$ 1,397,134	\$ 1,542,504	\$ 1,462,977	\$ 1,370,378	\$ 1,347,178	\$ 1,500,587
Metropolitan District General Obligation Debt										
Assessed value (1)										
Real property	\$ 76,836,626	\$ 72,056,007	\$ 68,888,892	\$ 67,005,625	\$ 64,936,021	\$ 67,958,118	\$ 69,971,527	\$ 72,576,110	\$ 75,003,966	\$ 77,499,206
Personal property	2,623,851	2,675,581	2,675,882	2,648,990	2,607,552	2,879,164	2,962,312	3,066,809	3,198,222	3,337,486
Total assessed value	79,460,477	74,731,588	71,564,774	69,654,615	67,543,573	70,837,282	72,933,839	75,642,919	78,202,188	80,836,692
Debt limit (3.2% of total assessed value)	2,542,735	2,391,411	2,290,073	2,228,948	2,161,394	2,266,793	2,333,883	2,420,573	2,502,470	2,586,774
Debt applicable to limit:										
Metropolitan District (MD) bonds	750,917	822,490	850,645	875,708	928,611	1,003,368	1,107,298	1,334,052	1,615,201	1,646,637
MD commercial paper notes	106,500	160,000	160,000	183,800	187,500	99,300	225,000	245,000	42,000	205,000
Total debt applicable to debt limit	857,417	982,490	1,010,645	1,059,508	1,116,111	1,102,668	1,332,298	1,579,052	1,657,201	1,851,637
Legal debt margin	\$ 1,685,318	\$ 1,408,921	\$ 1,279,428	\$ 1,169,440	\$ 1,045,283	\$ 1,164,125	\$ 1,001,585	\$ 841,521	\$ 845,269	\$ 735,137

Notes:

(1) Assessed value of property in the Metropolitan District.

* The County has \$103.461 million restricted to repaying the principal of outstanding debt as of June 30, 2019.

**Baltimore County, Maryland
Demographic and Economic Statistics
Fiscal Years 2010 - 2019**

Fiscal Year	Estimated Population (1)	Total Personal Income (expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (3)	School Enrollment (4)	Unemployment Rate (5)
2010	805,964	\$ 39,717,586	\$ 49,280	38.4	15.0	103,832	7.8%
2011	809,941	41,510,448	51,251	39.1	15.0	104,331	7.9
2012	813,556	43,379,449	53,321	39.1	15.4	105,315	7.7
2013	817,993	43,128,806	52,348	39.2	15.4	107,033	7.3
2014	826,784	44,611,807	53,949	39.2	15.4	108,376	6.5
2015	829,379	46,234,945	55,568	39.2	15.3	109,984	5.9
2016	828,616	47,396,114	57,199	39.1	15.3	111,126	5.4
2017	828,603	48,587,420	58,638	39.1	15.3	112,351	4.4
2018	828,431	50,994,500	61,556	39.4	15.4	113,282	4.2
2019	832,512	52,783,511	63,403	39.5	15.6	113,814	3.7

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch
- (2) Data extracts prepared by the U.S. Bureau of the Census and Maryland Office of Planning
- (3) Baltimore County Office of Planning
- (4) Baltimore County Board of Education
- (5) Maryland Department of Labor and Licensing Regulation

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

Employer	2020		Employer	2011	
	Employees	Percentage of Total County Employment		Employees	Percentage of Total County Employment
Baltimore County Public Schools	15,770	3.55	Social Security Administration/CMS	14,948	3.82
Social Security Administration/CMS	15,415	3.47	Baltimore County Public Schools	14,608	3.73
Baltimore County Government	8,237	1.85	Baltimore County Government	8,429	2.15
T. Rowe Price Associates, Inc.	4,200	0.95	Franklin Square Hospital	3,500	0.89
Community College of Baltimore Co.	4,184	0.94	Towson University	3,344	0.86
Greater Baltimore Medical Center	3,900	0.88	Greater Baltimore Medical Center	3,331	0.85
Franklin Square Hospital	3,900	0.88	St. Joseph Medical Center	3,330	0.85
UMBC	3,612	0.81	UMBC	3,258	0.83
Towson University	3,476	0.78	Erickson Retirement Communities	3,070	0.78
McCormick & Company, Inc.	2,300	0.52	Erickson Retirement Communities	3,070	0.78
Saint Joseph Medical Center	2,250	0.51	Sheppard Pratt Health System	2,380	0.61
Total	67,244	16.13	Total	63,268	16.15

Source: Baltimore County Department of Economic Development

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GENERAL GOVERNMENT										
County Executive	14	14	14	14	14	14	14	14	12	10
Administrative Office	23	13	13	13	13	13	13	11	10	27
Office of Budget and Finance	184	132	122	123	124	122	121	121	121	121
Office of Law	30	39	37	33	33	29	29	29	30	43
Planning & Community Conservation	49	49	42	41	44	44	44	44	44	44
Office of Human Resources	32	34	31	33	44	49	49	48	48	40
Permits, Approvals and Inspections	188	202	182	184	186	188	188	188	188	190
Property Management	-	-	315 *	291	288	279	270	245	243	243
County Council	37	37	36	36	36	36	36	36	36	36
County Auditor	19	19	19	18	18	18	18	18	17	17
Board of Appeals	10	9	9	9	9	9	9	9	9	9
Information Technology	186	186	173	173	204	209	216	223	225	231
Internal Service Funds	59	59	55	53	50	50	50	49	49	49
Ethics & Accountability	-	-	-	-	-	-	-	-	-	2
HEALTH & HUMAN SERVICES										
Department of Health	531	526	524	521	541	546	581	599	599	625
Social Services	214	237	190	185	185	197	197	206	209	197
Social Services - State	12	12	12	12	10	10	10	10	10	10
Department of Aging	331	322	285	285	283	283	282	238	238	241
Environmental Protection and Sustainability	119	89	79	97	95	91	83	79	79	80
Local Management Board	7	5	5	5	3	3	3	3	4	4
Housing Office	59	64	49	49	48	59	60	60	60	63
RECREATION & COMM. SERV.										
Recreation & Parks	315	329	191	190	189	174	176	176	176	183
Economic Development	21	16	11	11	11	11	11	14	15	17
Community Development Block Grants	30	27	29	28	27	27	27	27	27	27
Workforce Development	45	48	44	44	46	50	47	46	46	44
Organization Contributions	-	-	-	-	-	-	-	-	-	-
PUBLIC WORKS	<u>1,181</u>	<u>1,128</u>	<u>867</u>	<u>867</u>	<u>865</u>	<u>865</u>	<u>871</u>	<u>956</u>	<u>957</u>	<u>957</u>
SUBTOTAL	<u>3,696</u>	<u>3,596</u>	<u>3,334</u>	<u>3,315</u>	<u>3,366</u>	<u>3,376</u>	<u>3,405</u>	<u>3,449</u>	<u>3,452</u>	<u>3,510</u>

(continued)

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
PUBLIC SAFETY										
Department of Corrections	473	470	462	463	463	463	472	470	485	482
Communications Center	187	186	186	186	190	190	193	193	205	205
Police Department	2,575	2,534	2,524	2,531	2,519	2,527	2,529	2,543	2,557	2,559
Fire Department	1,090	1,082	1,062	1,062	1,062	1,064	1,076	1,076	1,091	1,087
SUBTOTAL	<u>4,325</u>	<u>4,272</u>	<u>4,234</u>	<u>4,242</u>	<u>4,234</u>	<u>4,244</u>	<u>4,270</u>	<u>4,282</u>	<u>4,338</u>	<u>4,333</u>
STATE MANDATED AGENCIES										
Circuit Court	100	89	89	89	91	91	93	92	92	91
Orphan's Court	5	5	5	5	5	5	5	5	5	5
Board Of Elections	14	14	12	12	12	12	12	12	12	12
Board Of Elections - State	26	26	26	26	26	26	26	26	26	26
State's Attorney	124	122	120	120	120	120	123	133	133	136
County Sheriff	104	104	99	95	95	90	90	90	90	90
Liquor License Commission	25	24	24	24	24	24	24	24	24	24
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Cooperative Extension - State	8	8	8	8	8	8	8	8	8	8
SUBTOTAL	<u>408</u>	<u>394</u>	<u>385</u>	<u>381</u>	<u>383</u>	<u>378</u>	<u>383</u>	<u>392</u>	<u>392</u>	<u>394</u>
EDUCATION, COMMUNITY										
COLLEGE & LIBRARY										
Community College	1,974	2,060	2,040	1,976	1,936	1,929	1,779	1,752	1,701	1,632
Education	14,606	14,327	14,342	14,472	14,626	14,753	15,015	15,228	15,531	15,770
Library	495	492	521	522	478	485	489	489	493	492
SUBTOTAL	<u>17,075</u>	<u>16,879</u>	<u>16,903</u>	<u>16,970</u>	<u>17,040</u>	<u>17,167</u>	<u>17,283</u>	<u>17,469</u>	<u>17,725</u>	<u>17,894</u>
TOTAL	<u>25,504</u>	<u>25,141</u>	<u>24,856</u>	<u>24,908</u>	<u>25,023</u>	<u>25,165</u>	<u>25,341</u>	<u>25,592</u>	<u>25,907</u>	<u>26,131</u>

Source: Baltimore County Office of Budget and Finance Budget Documents

* Organizational shift in personnel with the majority of employees coming from the Department of Public Works and Recreation and Parks.

**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2010 - 2019**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CIRCUIT COURT										
Cases and Appeals Filed										
Civil	19,885	15,924	16,443	17,116	18,008	17,855	18,190	16,489	16,812	16,700
Criminal	10,211	10,648	10,751	10,536	10,159	10,158	11,235	15,140	8,577	8,600
Juvenile	3,852	3,495	3,362	3,452	2,980	2,777	2,773	2,773	2,617	2,550
Custody Mediation & Investigations	783	827	815	816	859	806	838	838	783	650
OFFICE OF STATE'S ATTORNEY										
Defendants Disposed										
New and Reopened Crime Cases	64,097	63,653	63,540	64,520	65,927	63,970	63,500	75,000	22,315	79,000
POLICE DEPT. (calendar year)										
Calls for Service	604,706	579,614	564,898	609,026	571,436	582,894	580,000	600,071	618,072	668,736
Patrol Car Posts	118	118	118	118	118	118	118	118	118	118
FIRE DEPT. (calendar year)										
Fire Calls	30,175	31,197	29,939	30,084	53,211	51,689	54,970	55,761	57,819	62,424
Medical Calls	86,844	87,454	91,083	95,724	103,557	108,643	113,382	119,227	120,465	125,611
DEPT. OF PERMITS & DEV. MGT.										
Applications, Permits and Licenses										
Building Permit Applications	21,174	21,835	22,480	23,286	28,155	33,857	35,000	11,418	32,583	17,635
Electrical Licenses	3,934	4,134	4,201	4,329	4,204	150	4,500	4,869	4,925	4,900
Plumbing Licenses	2,758	2,850	2,949	3,002	108	2,843	25	3,130	3,150	3,149
Animal Licenses	18,672	18,000	18,000	18,000	13,000	14,054	17,062	19,207	18,000	18,000
Miscellaneous Permits	7,003	7,000	8,806	8,900	8,391	8,104	7,753	7,132	6,839	5,508
BUREAU OF CORRECTIONS										
Prisoner Days (daily population x 365 days)	502,014	508,473	530,122	518,300	472,373	457,358	441,102	444,091	438,000	456,615
COUNTY SHERIFF										
Summons, Writs Served	43,855	40,687	42,362	45,000	44,213	42,043	33,000	23,500	33,000	23,022
DEPT. OF SOCIAL SERVICES										
Average Caseload										
Temporary Cash Assistance	2,304	2,919	3,163	3,149	2,962	2,969	2,720	2,720	2,309	3,500
Transitional Emergency Assist.	1,225	1,408	1,333	1,293	1,798	1,645	1,682	1,982	1,257	1,200
Housing Choice Voucher Unit	66,186	71,688	72,288	73,188	73,488	75,918	76,068	76,068	76,068	76,088

(continued)

**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2010 - 2019**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
COMMUNITY COLLEGE										
Equivalent Full Time Students	20,137	20,966	20,894	19,883	19,628	18,234	18,400	16,704	16,517	29,115
DEPARTMENT OF AGING										
Senior Centers Registered Membership	14,991	16,477	17,600	18,000	19,038	19,081	19,870	17,398	21,142	21,988
County Ride Trips	65,720	66,686	68,225	70,229	40,963	44,800	54,068	39,836	38,301	40,217
DEPARTMENT OF HEALTH										
Center Based Services Visits	13,231	13,019	12,894	12,680	11,829	13,453	12,737	12,737	14,242	13,927
W.I.C. Nutrition Program Visits	75,584	79,359	80,089	75,000	78,636	79,570	79,000	76,055	75,997	72,000
Home Health Visits	11,477	10,466	10,290	10,444	10,270	7,484	10,449	10,449	9,123	10,750
DEPT. OF EDUCATION										
Student Enrollment	103,832	104,331	105,315	106,885	108,376	109,984	111,126	111,126	113,282	113,814
BOARD OF LIBRARY TRUSTEES										
Books in Library	1,718,261	1,678,782	1,805,836	1,800,000	1,917,385	1,764,617	1,750,000	1,798,810	1,800,238	1,800,238
Circulation of Materials	10,130,476	10,507,820	10,577,067	10,437,437	11,287,133	11,212,886	11,200,000	11,188,247	10,701,227	10,917,965
Requests for Information	1,951,241	2,115,860	1,984,668	1,984,668	1,513,434	1,473,342	1,500,000	1,473,307	1,573,520	1,624,449
DEPT. OF PUBLIC WORKS										
Highways										
Miles of Road Paved	2,666	2,678	2,680	2,684	2,689	2,692	2,692	2,700	2,712	2,712
Miles of Streets Swept	3,777	3,397	3,800	3,800	3,861	1,598	1,917	1,837	1,837	2,087
Solid Waste										
Refuse Collection Units Served	328,325	328,918	329,688	330,213	331,287	332,463	333,824	331,795	332,673	333,781
Tons of Refuse Collected	347,010	342,557	340,835	341,000	348,730	321,426	322,500	319,807	415,083	417,000
Traffic Engineering										
Signs Installed and Repaired	8,500	13,500	14,464	15,500	10,960	11,913	12,000	5,850	5,909	5,131
Signals and Flashers Maintained	403	403	404	406	406	406	350	350	379	395
Number of Street Lights	41,279	41,448	41,546	41,650	41,788	41,900	42,392	41,179	42,640	42,817
Utilities										
Miles of Sanitary Sewer Lines	3,137	3,142	3,149	3,145	3,160	3,164	3,168	3,170	3,175	3,170
Miles of Water Main	2,105	2,109	2,107	2,108	2,139	2,143	2,146	2,260	1,437	2,266
Miles of Storm Drain Lines	844	902	899	900	1,393	1,357	1,364	1,442	1,437	1,462
RECREATION AND PARKS										
Community Center Participants	319,400	299,089	275,462	280,000	208,159	200,876	229,703	231,033	206,366	239,074
Attendance:										
Beaches	58,454	57,900	41,392	42,000	46,120	38,752	32,030	40,773	40,799	40,851
Lodge	171,533	176,366	186,696	188,000	167,204	188,355	184,345	169,059	170,809	171,709
Fishing Center	26,647	23,561	27,888	28,000	23,704	22,890	38,103	26,003	26,514	26,514

Source: Baltimore County Office of Budget and Finance Budget Documents

**Baltimore County, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2011	2012	2013*	2014	2015	2016**	2017***	2018	2019	2020
Public safety										
Police stations	10	10	10	10	10	10	10	10	10	10
Fire stations	25	25	25	25	25	25	25	25	25	25
Public works										
Highways and streets										
Streets (miles)	2,676	2,679	2,684	2,684	2,691	2,692	2,705	2,705	2,706	2,706
Streetlights	42,000	42,000	42,020	42,100	42,240	42,255	42,392	42,817	42,817	42,817
Traffic signals	401	401	401	401	401	401	401	401	401	401
Utilities										
Water mains (miles)	2,109	2,107	2,109	2,110	2,112	2,112	2,146	2,260	2,266	2,270
Fire hydrants	13,260	13,295	13,347	13,357	13,370	14,288	13,873	14,444	14,444	14,452
Sanitary sewers (miles)	3,142	3,148	3,151	3,153	3,160	3,164	3,170	3,170	3,170	3,176
Storm drains (miles)	902	899	1,416	1,423	1,423	1,462	1,458	1,462	1,462	1,452
Solid waste										
Citizen drop-off centers	3	3	3	3	3	3	3	3	3	3
Culture and leisure										
Parks acreage	16,435	16,641	16,743	16,797	16,873	13,202	13,648	13,862	14,067	17,768
Recreation centers	202	205	205	205	206	206	206	205	205	206
Health and human services										
Senior centers	19	20	20	20	20	20	20	20	20	20
Health centers	7	7	7	7	7	7	7	7	7	7

Source: Baltimore County Office of Budget and Finance Budget Documents and Accounting Records

* The large increase in storm drain pipe miles is due to this being the first year using the GIS as a data source.

** The large decrease in park acreage has occurred because prior to FY 2016 park acreage was estimated based on the Maryland State standard calculation of providing 30 acres of parkland per thousand citizens. The number presented above for FY 2016 is the total acres of County owned and leased parks, undeveloped park sites, greenway reservations, and open spaces.

*** The large decrease in fire hydrants reflects the count less private hydrants and those owned by other jurisdictions. Decrease in sanitary sewers reflects no longer including mileage for laterals extending from