

# **CECIL COUNTY MARYLAND**



**Comprehensive Annual Financial Report  
For the Year Ended June 30, 2016**

# Cecil County Maryland



## Comprehensive Annual Financial Report For the Year Ended June 30, 2016

Prepared by the Cecil County Department of Finance

**CECIL COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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# CECIL COUNTY, MARYLAND

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**Office of the County Executive**

Tari Moore  
County Executive

Alfred C. Wein, Jr.  
Director of Administration

Office: 410.996.5202  
Fax: 410.996.1014



**Department of Finance**

Winston L. Robinson, Director  
410.996.5385

Front Desk & Payments  
410.996.5385

County Information  
410.996.5200  
410.658.4041

**CECIL COUNTY, MARYLAND**

Department of Finance  
200 Chesapeake Boulevard, Suite 1100, Elkton, MD 21921

October 31, 2016

To County Executive Tari Moore, the Members of County Council,  
and the Citizens of Cecil County, Maryland:

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) for Cecil County, Maryland for the fiscal year ended June 30, 2016. Pursuant to the Cecil County Charter and Maryland state law, our local government is required to prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning Cecil County's financial position and results of operations; consequently, management of the County assumes responsibility for the complete and fair presentation, including all disclosures. In order to provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to provide reasonable assurance that County assets are safeguarded from loss, theft or misuse and to provide sufficient information for the preparation of the County's financial statements in conformity with GAAP.

SB & Company, LLC, a firm of licensed certified public accountants, audited the County's financial statements. The objective of the independent audit is to provide a reasonable basis for the expression of an opinion regarding the financial statements taken as a whole. The audit involves examining, on a test basis, evidence supporting the amounts represented, disclosures in the financial statements; assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the testing, that there is a reasonable basis for the expression of an unmodified opinion, and that the financial statements of Cecil County present fairly in all material aspects the financial position as of June 30, 2016, and for the year then ended. The independent public accountant's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Cecil County is part of a broader, federally mandated, "Single Audit" 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 internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the County's separately issued Single Audit report.

Generally accepted accounting principles require 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 immediately follows the report of the independent public accountants.

### **Profile of the Government**

Incorporated in 1674, Cecil County is located in the northeast corner of the State of Maryland. Cecil County, Maryland is governed by a County Executive and County Council pursuant to the Charter of Cecil County, Maryland. The Charter provides, among other things, for the election of the County Executive and the organization, powers, and duties of the executive and administrative branches; the election, organization, powers, and duties of the legislative branch, and fiscal and budgetary matters. The Charter supersedes a Commissioner form of government that existed until December 2012 whereupon the five Commissioners (combined executive/legislative) became five Council members (legislative branch). Other elected officials include the Sheriff, the State's Attorney, and three Circuit Court Judges.

Cecil County Government serves an estimated population of 102,383 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and personal property used in connection with a business, an income tax on residents and non-residents working in the County, and to levy or collect various other taxes and charges for services. Cecil County provides a wide range of services to its citizens including police, a correctional facility, emergency management services, the construction and maintenance of roads, bridges, and other infrastructure, recreational activities and cultural events. Fire protection is provided by several volunteer fire departments located through the County and the County assists with the funding of these companies. The County maintains a landfill and provides wastewater services to certain areas. Cecil County is also financially accountable for and provides significant financial support to the legally separate Board of Education of Cecil County, Cecil College, the Cecil County Public Library, and Bainbridge Development Corporation. These entities, considered component units of the County, are included in these financial statements and are further described in Note 1 to the financial statements.

The annual budget serves as the foundation of Cecil County's financial planning and control. Annually, the County Executive directs the Department of Finance to prepare a proposed Budget including anticipated revenues and proposed expenditures which is submitted to County Council not later than April 1 of each year. County Council may not change the revenue estimates, may decrease or delete proposed expenditures, but may not increase proposed expenditures. County Council shall approve the budget by June 15 of each year. Activities of the General Fund, certain Special Revenue Funds, and the Debt Service Fund are included in the annual budget. The budget is presented by fund, function (e.g., public safety), and department (e.g., sheriff's office). Within the approval system established by the County Executive, Department heads may transfer resources within a department and a fund. New revenue estimates that result in increased expenditure appropriations and transfers between departments or funds require a Budget Amendment approved by County Council.



The County uses a six-year Capital Improvement Program to plan and budget for its capital projects. This plan is updated throughout the fiscal year and is used as a management tool for decisions involving the scheduling and funding of various capital projects. The County includes the current portion of the Capital Improvement Plan as its annual Capital Budget. The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented on page 24 as part of the basic financial statements for the governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report starting on page 86.

### **Economic Condition and Outlook**

**Looking Forward in County Government.** The Fiscal Year 2017 operating budget represents a 2.6% increase over the Fiscal Year 2016 budget (as adjusted for the segregation of most grant funds into a new special revenue fund at the beginning of Fiscal Year 2016). This budget is the fourth one to be developed following the transition from the Commissioner form of government to Charter. The budget reflects a balanced approach and was crafted by adhering to sound fiscal management policies and practices, and provides timely tax relief to our citizens. In part, the increase funds certain education and governmental expenses that were deferred while the economy was at its lowest.

The fiscal year 2017 budget reflects the following:

- Sets the property tax rate at the constant yield tax rate of .9914, an increase of .0007 over the current tax rate of .9907; if the County had maintained the current tax rate of .9907, revenues would have decline by \$61,959;
- Approved a \$25 minimum fee to be charged for a deed transfer fee for each instrument of writing;
- Provides for increased compensation for all County employee groups, including funding for Cecil College and Cecil County Public Library, as follows:
  - Law Enforcement Officers collectively bargained under the FOP agreement - 1% Cost of Living increase on July 1, 2016, two 2% step increases on July 1, 2016, which approximates a 5% increase; additionally, for Law Enforcement Officers collectively bargained under the FOP agreement with 5 years of service as of July 1, 2016, on January 1, 2017, a one grade increase (remain in same step), which approximates an 11.06% increase (14.56% year over year);
  - For Emergency Responders collectively bargained under the IAFF agreement and for Correctional Officers, Dispatchers and all other County Employees - 1% Cost of Living increase on July 1, 2016, two 2% step increases on July 1, 2016, which approximates a 5% increase;
  - For Cecil College and Cecil Public Library - funding from the County to support 5% wage increases;
  - This is the first step of a four-year compensation plan to improve the County's ability to attract and retain our employees;

- Provides a 1.3% increase in the County’s commitment to Cecil County Public Schools in operating expenses based on changes in enrollment and for small capital projects. Among other items, the increase provides a 1% COLA, and steps for all groups;
- Provides increased levels of funding to Cecil College and Cecil County Public Library, which are intended to fund increases in the cost of health care and maintenance of facilities;
- Continues to provide \$345,000 in critical funds to the Health Department to support initiatives to reduce substance abuse in the County, including outreach, early intervention and treatment services funded by casino revenue funds;
- Provides for the first in-house animal care and control operation operated by the County;



- Provides full funding for our Volunteer Fire Companies Vehicle Replacement Match at \$100,000, to acquire one ambulance for the Water Witch Volunteer Fire Company;
- Provides for a 30% cost increase of providing health benefits, shared between employer and employee, adds new participant tiers to allow for more employee choices;
- Reflects Debt Service savings of \$667,000 from the bond refunding completed in January 2016;
- Reflects a Solid Waste tipping fee increase of 5% to \$79 per ton for refuse based on tonnage projections, no increase for self-haulers;
- Reflects a Wastewater User Rate increase of 2.98% to \$10.02 per 1,000 gallons as the fourth part of a five year revenue initiative;
- Includes the continued development of the Information Technology expenses to centrally manage information systems, and telephone and copier resources; this helps manage cost containment and oversight of this area. During FY 16, additional costs for the CAD (Computer Aided Dispatch) implementation were identified within public safety departments (Emergency Services, Law Enforcement, and Detention Center) that are now accounted for within this Internal Services Fund;
- The Department of Senior Services and Community Transit was combined with the Department of Housing and Community Development to create the Department of Community Services effective July 1, 2016; this will provide both short-term and long-term savings, while creating efficiencies and coordination of community services. This reorganized department will also explore/administer/manage grant-funding opportunities, and provide enhanced public and community information;

- Includes the Grants and Property Management Funds for the first time; the Other Grants Fund, a special revenue fund, accounts for state and federal general fund grants and associated matching funds requirements and similar project funds while the Property Management Fund, an enterprise fund, accounts for the rental income and related expenses for the operation and efficient management of 107 Chesapeake Boulevard, acquired during FY 2016; the operation of the Property Management Fund for 2017 is expected to result in \$209,000 savings that benefits the General Fund;
- The County committed an additional \$617,000 of bond funds continuing Phase 2 of Calvert Regional Park; the park uses 104 acres of land purchased through the Open Space Program and Phase 2 consists of site preparation and construction of multi-purpose athletic fields, parking lots, and hard and soft trails for walking/running;
- Major capital projects for Cecil County Public Schools include \$7,633,000 of bond funds for the completion of the Perryville Elementary School renovation project, supports continued site work for the replacement of Gilpin Manor Elementary School, funding for boiler replacements at Bo Manor Middle/High School, Kenmore and Thomson Estates Elementary Schools, and Cherry Hill Middle School, a roof replacement at Cecilton Elementary, supports fiber-optic updates, and land acquisition for the Chesapeake City Elementary School;
- Supports Cecil College capital projects with \$1,083,000 of bond funds for Instructional Technology and ongoing Mechanical Infrastructure replacement;
- Provides Information Technology with \$50,000 of County bonds to start the upgrade of the permitting system;
- Various road and bridge replacements including the Racine School Road and Oldfield Point Road Improvement projects received \$6,195,000 in bond funds to replace aging infrastructure; and
- Various wastewater capital projects received \$2,800,000 in bond funds to upgrade or replace sewer collection and wastewater treatment infrastructure including the Principio North Sanitary Sewer.

### **Factors Affecting Financial Condition**

**Jobs.** The labor force in Cecil County has been over 50,000 for the last five years and averaged 53,245 in 2015. Local unemployment rates have continued to decline from a high in February 2010 of 11.8% to 5.2% in June 2015. The weekly wage in Cecil County increased from \$764 in 2010 to \$907 in the 4<sup>th</sup> quarter of 2015. Approximately 50% of the County's citizens find employment in nearby Baltimore or Wilmington metropolitan areas; this diversity mitigates the impact of specific economic events. The median household income as calculated by the American Community Survey (ACS) using three estimates 2009-2014 is \$66,689. The 2010 U.S. Census calculated the County's population as 101,108. The ACS reported that over 87% of County citizens over age 25 is a high school graduate or higher.

**Local Economy.** Cecil County has a diverse economy with northern and southern regions being highly agricultural with the middle more urban and a suburban region that is well connected by interstate highways, rail, and waterways with the Baltimore, Wilmington, and Philadelphia metropolitan areas. The County has adopted a Comprehensive Plan for Land Use (map on next page) that encourages development in the "Growth Corridor" between US Route 40 and Interstate 95. Much of the County's non-agricultural economy focuses on distribution, light

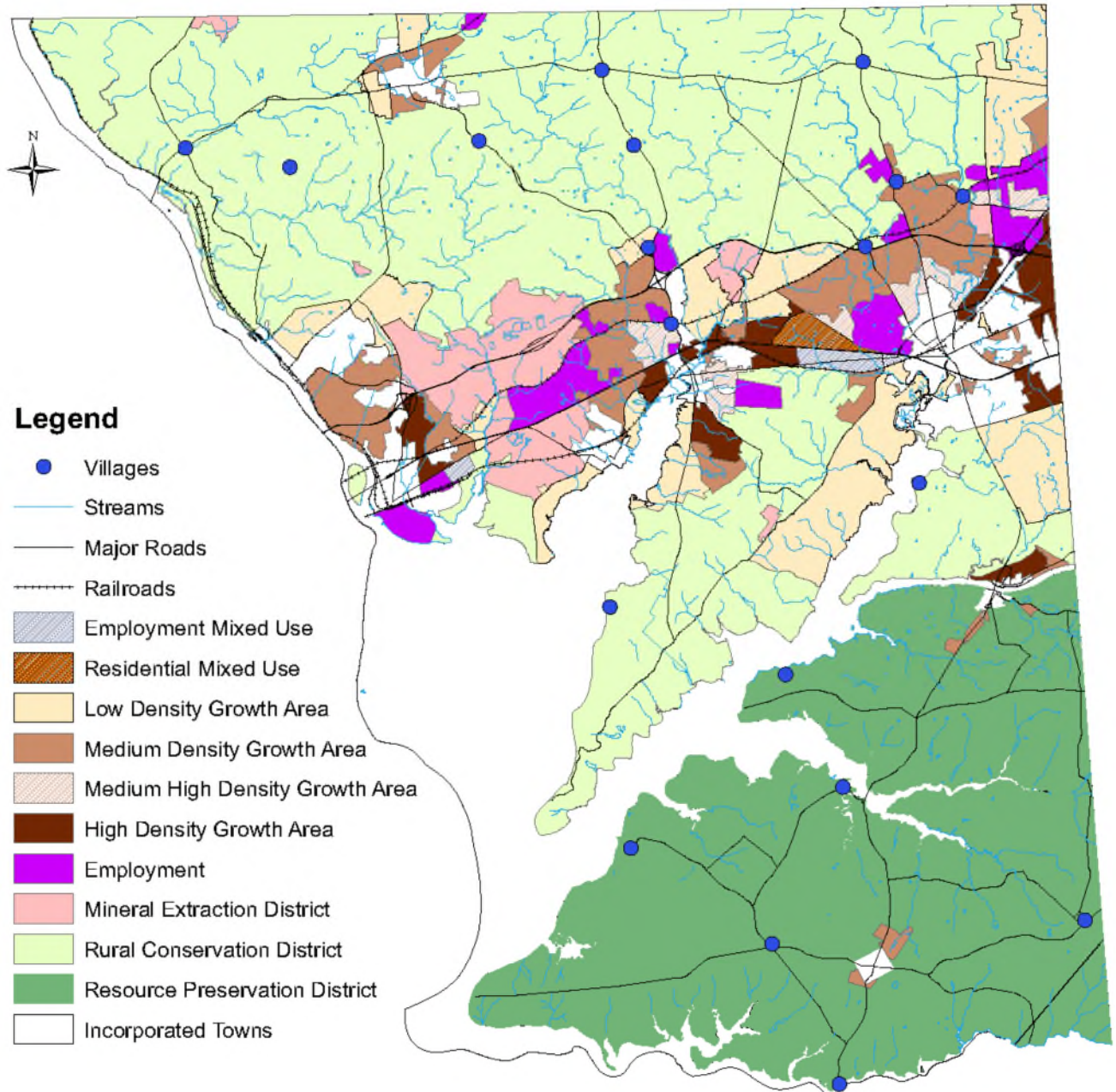
manufacturing, research and development, health care, leisure and hospitality, and corporate offices.

The State reported 1,950 businesses operating in Cecil County in 2014, employing nearly 31,000 people. The top employer in the County is W.L. Gore & Associates, which specializes in medical products and research and development and has a workforce of over 2,300. Forty-two County businesses employ over 100 workers.

Other highlights of economic development include:

- Old Dominion Electric Cooperative is expanding a state-of-the-art natural gas fueled electric generation facility near Rising Sun (the Wildcat Point generation facility) that is likely to create 600 temporary construction and 30 permanent jobs; groundbreaking occurred on October 14, 2014, and FERC approved its application to construct an 11 mile pipeline lateral connecting 192,000 dekatherms of natural gas per day to the site in March 2015. The site will generate approximately 1,000 megawatts, enough to power 390,000 homes in the region.
- Lidl, one of the world's largest retailers, will open a new regional headquarters and distribution center in the Principio Business Park in Cecil County as part of its U.S. expansion. The company will invest \$100 million in the project and create 100 new full-time jobs at the facility over the next three years;
- Transteck, Inc., a freightliner dealership with 13 locations in the Mid Atlantic region, is pleased to announce its expansion to 189 Belle Hill Road in Elkton, MD. The organization will occupy a 50,000 square foot facility on 7.75 acres just seconds from Interstate 95, and bring 40 to 60 new jobs to Cecil County;
- Chateau Bu-De is the County's newest vineyard, featuring 24,000 vines on the Bohemia River, with a barn tasting room and construction nearing completion on a 10,000 sq ft processing facility, bringing the County's vineyard inventory to five;
- Quantum Controls relocated their headquarters to the County which occupies 27,000 sq ft and brings 45 employees;
- Expansions to existing businesses include upgrades at AUI Power, I-Lighting, ISE America, and Micropore; and
- Development and construction continued on the 112-acre Calvert Regional Park site, which once complete, will feature synthetic turf fields designed for football, soccer, field hockey, lacrosse and rugby.

# CECIL COUNTY LAND USE MAP 2010 COMPREHENSIVE PLAN



### Legend

- Villages
- Streams
- Major Roads
- - - Railroads
- ▨ Employment Mixed Use
- ▨ Residential Mixed Use
- Low Density Growth Area
- Medium Density Growth Area
- Medium High Density Growth Area
- High Density Growth Area
- Employment
- Mineral Extraction District
- Rural Conservation District
- Resource Preservation District
- Incorporated Towns

Cecil County  
Office of Planning & Zoning  
April 13, 2010



**Long Term Financial Planning and Major Initiatives**

Cecil County continues to update, improve, and expand its infrastructure in order to attract businesses which will contribute to the economic health of its community without damaging the environment. Education and public safety remain top priorities as part of this plan.

The County's infrastructure investments include a well maintained system of County maintained roads in addition to I-95 and state highways. The improvements scheduled for the North East River Advanced Wastewater Treatment plant (Seneca Point) and sewer main improvements will assure that residential and commercial growth can occur in designated growth areas to provide living and career opportunities to County families. The agricultural economy of the County is supported in many ways including education, good transportation, and agricultural land preservation programs.

The County is investing for the long term often through initiatives in cooperation with businesses, its Public Schools, the Public Libraries, Cecil College, and its Parks.

- The County is supporting early learning programs in the Public Schools to give County children an early start on learning.
- The County and Public Schools have renovated Perryville Elementary School to provide modern mechanical systems and more efficient classroom layout and design. Also, we are constructing a new Gilpin Manor Elementary School to replace the current 64 year old facility providing a modern educational facility with increased student capacity.
- The County is annually expanding the Community Transit program by working with Cecil College to allow commuting to this resource, and by working with Harford County (MD), New Castle County (De), and Maryland Transportation Authority to expand integration with nearby transportation networks making available regional job opportunities.
- The County is supporting the Maryland Broadband Initiative to bring high speed internet capability to County businesses, the schools, the college, and the public libraries.
- The County and Cecil Public Libraries have acquired land for a new North East branch library that will create expanded space and modern resources serving an underserved and expanding demographic area of the County.
- The North East River Advanced Wastewater Treatment plant (Seneca Point) enhanced nutrient reduction project went into service in July 2016; the facility will not only reduce nutrients entering waterways but will allow Cecil County to provide job opportunities for its citizens and expanding population.
- Construction of new facilities at Calvert Regional Park were started to add more recreational resources to County citizens and provide job opportunities by providing a venue for Sports Tourism and Special Events activities.

Cecil County is updating its government and services to meet the increasing needs of its population. In December 2012, the County changed from a Commissioner form of government to a County Executive and County Council form of government. This is intended to provide a more responsive and efficient County government through a central executive while moving certain legislative responsibilities from the State legislature to the County Council.



To support the long term financial planning and to support a longer term perspective versus short term, the County has a six year capital improvement program, uses landfill and wastewater rate studies, and recently added an information technology internal service fund to manage the life-cycle costs of the County's information and communication assets.

Through actions and the budget, the County Executive has emphasized policies that will promote the current and future welfare of the County's citizens. These policies include the expansion of infrastructure for job creation, support for education, and building safer communities. Emergency Services has started installing new Computer Aided Dispatch (CAD) software to the 911 Center as well as a new Jail Management System. The Sheriff has created specialized units to provide outreach and crime prevention programs to diminish criminal activity and enhance coordination within the law enforcement community.

Cecil County was able to maintain services to its citizens throughout the recent economic recession because it obtained and maintained a strong fund balance in its General Fund. Strategic decisions are being made on the use of that fund balance to maintain quality services to meet the needs of Cecil County.

### **Relevant Financial Policies**

Cecil County balances its budgets and practices prudent financial planning in order to provide and maintain the quality of life that our residents expect for their tax dollars.

The County Executive's main objective in managing the budget process was to ensure that every citizen had a role in developing and balancing the budget. This process starts in January with a forum for the exchange of meaningful information between the public and the County Executive in the early stages of the budget development process. The County Executive proposes a budget by April 1 and County Council should pass a final budget by June 15, the County Executive presents a Budget Message and proposed Budget to Council.

The County has adopted financial policies in its County Charter, County Code, and administrative policies. These policies include guidance on levels of long-term debt, allocation and safety of investments, "rainy day" fund reserve levels, and the use of rate studies for enterprise funds.

**Awards and Acknowledgements**

**Awards** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the twenty-eighth consecutive year that the County has received this award. This award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfies generally accepted accounting principles as well as legal requirements.

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

**Acknowledgments** - The preparation of the report would not have been possible without the tireless and dedicated service of the entire staff of the Cecil County Department of Finance, the support of various elected and appointed officials and County departments. We wish to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. The Director thanks Lisa Saxton and Becky Anderson for their roles in successfully navigating key sections of the Department through the changes that occurred in 2016.

We wish to acknowledge the County Executive and the County Council for their unfailing support for the County's efforts to maintain the highest standards of professionalism in the management of Cecil County Maryland for the good of its citizens.

Respectfully submitted,



Winston L. Robinson  
Director of Finance



Lisa A. Saxton  
Deputy Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Cecil County**  
**Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**Cecil County, Maryland**

**Principal Officials**

**June 30, 2016**

**Elected Officials**

**Executive**

County Executive

Tari Moore

**County Council**

District 1 & Vice President

Alan McCarthy

District 2

Joyce Bowsbey

District 3

Dan Schneckenburger

District 4

George Patchell

District 5 & President

Robert J. Hodge

**Other Elected Officials**

Sheriff

Scott Adams

State's Attorney

Edward D. E. Rollins, III

Circuit Court

Administrative Judge

Keith A. Baynes

Associate Judge

Jane Cairns Murray

Associate Judge

Brenda A. Sexton

Associate Judge

Vacant

**Other Officials and Department Directors**

Director of Administration

Alfred C. Wein, Jr.

County Attorney

Jason L. Allison

Department Directors

Economic Development

Lisa Webb

Emergency Management

Richard K. Brooks, III

Finance

Winston L. Robinson

Housing & Community Development

David B. Mahaney

Human Resources

Donna M. Nichols

Information Technology

Scott R. Mesneak

Parks and Recreation

Clyde S. VanDyke

Permits and Inspections

Patrick T. Conway

Planning and Zoning

Eric S. Sennstrom

Public Works

W. Scott Flanigan

Community Services & Cecil Transit

David P. Trolio

District Court

Administrative Judge

Bonnie G. Schneider

Associate Judge

Vacant

## **Cecil County, Maryland**

### **County Executive**

Cecil County has an Elected County Executive.



Tari Moore

### **County Council**

Cecil County has five Council members elected from different geographic districts, but are elected at-large by all voting citizens. Council elects its own President and Vice President.



District 5 & President  
Robert J. Hodge



District 1 & Vice President  
Alan McCarthy



District 2  
Joyce Bowsbey

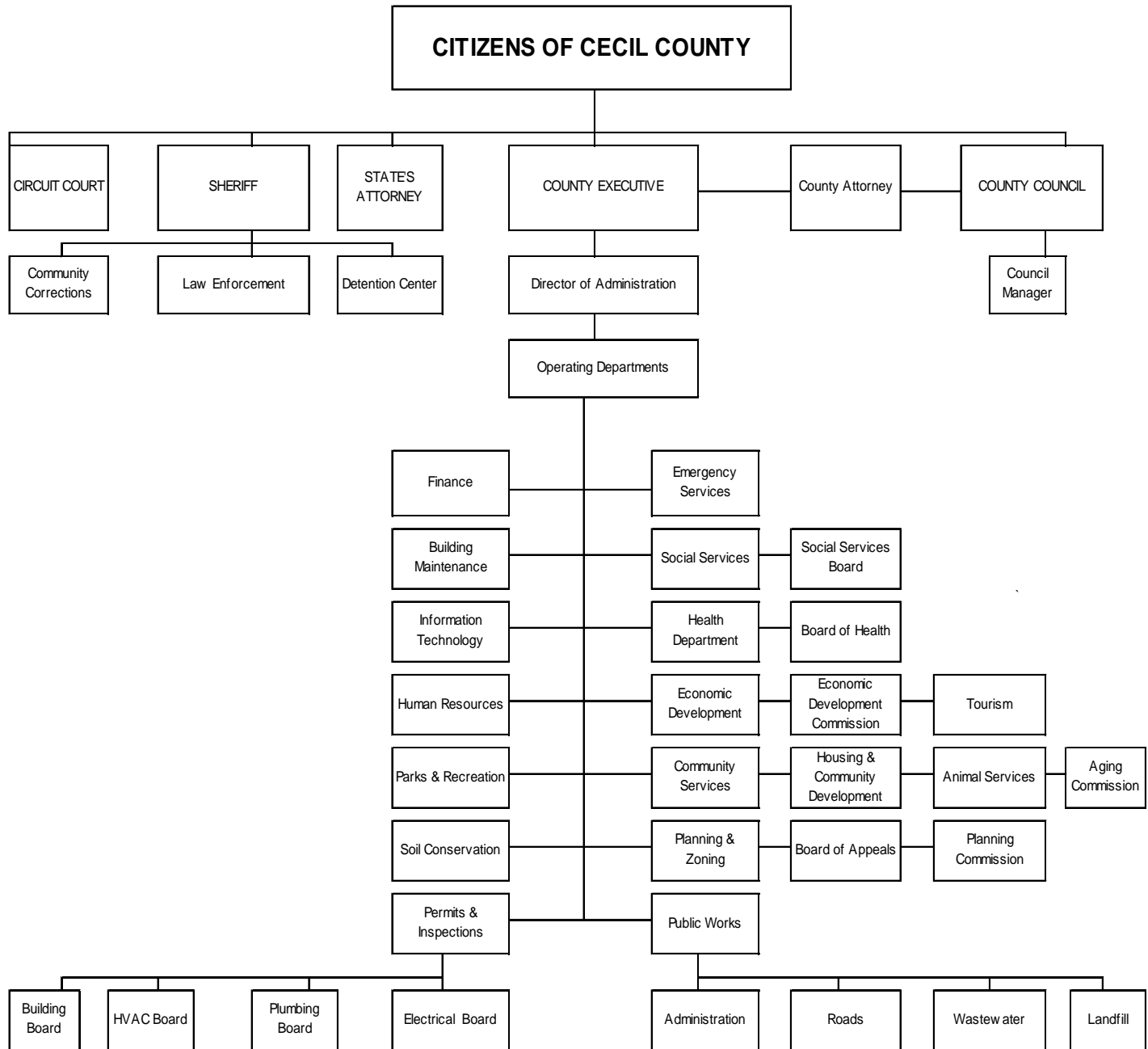


District 3  
Dan Schneckenburger



District 4  
George Patchell

**Cecil County, Maryland  
County Organizational Chart**





**S B & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Citizens of Cecil County, Maryland and  
The County Executive and County Council of Cecil County

### **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 Cecil County, Maryland (the County), as of and for the year ended June 30, 2016, 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***

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Cecil County, Cecil College, the Cecil County Public Library, and the Bainbridge Development Corporation. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of Cecil County, Maryland, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, housing programs, and casino local impact funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required supplemental schedules of funding progress and employer contributions for the Other Post Employment Benefits, the schedule of changes in the County's net pension liability and related ratios and schedule of county contributions for the Cecil County Pension Plan for Public Safety Employees, the schedule of County's proportionate share of the net pension liability and schedule of County contributions for the Maryland State Retirement and Pension System 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.

***Supplementary and Other Information***

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



**SB & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

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

Hunt Valley, Maryland  
October 28, 2016

*SB & Company, LLC*

## CECIL COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2016

The County Executive and County Council are pleased to present to the readers of the financial statements of the County this narrative overview and analysis of the financial activities of Cecil County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

### **Financial Highlights**

#### **Government-wide**

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$137,274,053 (net position). Of this amount, \$210,911,618 was invested in capital assets, net of related debt. The County reported \$17,513,461 restricted for specific purposes and a negative \$91,151,026 in unrestricted net position.
- Total net position of the County decreased by \$5,749,049. The net position of governmental activities decreased \$6,730,885 from the previous year; this was primarily caused by increased expenses for education programs and public safety activities. The net position from business activities increased \$981,836.
- Discretely presented component units reported net position of \$263,154,151, an increase of \$6,293,042 from the previous year. Unrestricted net position is reported as \$6,387,990, an increase of \$3,702,992.

#### **Fund Level**

- As of June 30, 2016, the County reported combined ending fund balances in governmental funds of \$57,729,581, an increase of \$7,750,170 from the previous year.
- The unrestricted fund balance of the General Fund was \$27,251,496 or 15% of total General Fund expenditures and transfers out. Of this balance, \$16,196,482 has been committed for fiscal year 2016 expenditures and contingencies and \$2,300,000 assigned to offset the potential refunds from the outcome of an income tax court case.
- The Capital Projects Fund had \$7,749,234 of restricted balances for County capital projects and \$2,361,577 committed to Component Unit capital projects.
- The Other Governmental Funds had \$7,618,374 of restricted fund balance.

#### **Long Term Debt**

- The County's total net general obligation debt increased by \$30,413,314 to \$242,469,293. The County has adopted biennial issuance of general obligation debt. The Wastewater and Landfill Funds had a net increase in debt of \$14,658,926 and governmental activities had a net increase of \$15,754,388.



## Overview of the Financial Statements

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

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

The Statement of Net Position (page 18) presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cecil County is improving or deteriorating.

The Statement of Activities (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 event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cecil County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include general administration, public safety, public works, social services, parks, education, libraries, and economic development.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the cost of the wastewater, landfill, and property management services it provides.
- *Discretely Presented Non-fiduciary Component Units (Component Units)* – Component units are legally separate organizations for which the County is financially accountable. The County includes in this report the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation.

**Fund Financial Statements.** The fund financial statements begin on page 20 and provide detailed information about the major individual funds. A fund is a grouping of related accounts designed to maintain control over specific resources that have been segregated for specific activities or objectives. Cecil County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Most of the County's basic services are reported in the governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, the fund statements focus on near-term inflows and outflows of spendable resources and the balances available for future spending at

fiscal yearend. This information may be useful in evaluating the County's near-term financing requirements.

Since the fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided (pages 21 and 23) to demonstrate the differences between the Governmental Funds Balance Sheet and the Statement of Net Position and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities. Comparison of the two sets of statements for the governmental funds and the governmental activities may provide the reader with insight into the long-term impact of short-term financing decisions as the fund statements are from a short-term perspective and the activities statements show long term information.

The County presents the following major governmental funds individually in the County's basic financial statements: the General Fund, Housing Programs, the Casino Local Impact Fund, and the General Capital Projects Fund. The remaining non-major governmental funds have been combined and presented in one column. Combining statements for the non-major funds is presented beginning on page 86.

- *Proprietary Funds* – When the County charges for the services it provides, proprietary funds are generally used to report these activities. Cecil County uses two types of proprietary funds; enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and internal service funds which are used to accumulate and allocate costs internally among the government funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method of accounting used by private sector businesses. Enterprise funds, the Wastewater, Landfill, and Property Management funds, report activities that provide supplies and services to the general public. Internal service funds, the Motor Vehicle, Information Technologies, Health Insurance, and Workers Compensation funds, report activities that provide supplies and services for the County's other programs and activities.
- *Fiduciary Funds* – The County acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County has agency funds to collect and remit certain taxes and fees on behalf of the state and several local municipalities and these are presented beginning on page 110. The County reports two pension funds that are reported beginning on page 106. The Cecil County Pension Plan for Public Safety Employees is used to report resources held in trust for retirement, disability and death benefits to participants. The Cecil County Maryland Non-Pension Post Employment Benefits Trust Fund is used to report resources held in trust for post-employment healthcare and other non-pension benefits of participants.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found beginning on page 79.

**Other information.** Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information, as well as, combining and individual non-major fund statements begins on page 84.

**Statistical Section.** The County also provides certain informational and statistical schedules that begin on page 115.

**Financial Analysis of the Government as a Whole**

**Net Position.** As noted earlier, Cecil County’s assets and deferred outflows of resources exceeded liabilities by \$137,274,053. Over time, changes in net position serves as a useful indicator of a government’s financial position. A year-to-year comparison of net position follows:

**Cecil County's Net Position as of June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Government-wide Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 79,542,206	\$ 73,365,785	\$ 22,055,399	\$ 22,243,046	\$101,597,605	\$ 95,608,831
Capital Assets	<u>226,821,314</u>	<u>222,978,051</u>	<u>113,557,138</u>	<u>97,336,322</u>	<u>340,378,452</u>	<u>320,314,373</u>
<b>Total Assets</b>	306,363,520	296,343,836	135,612,537	119,579,368	441,976,057	415,923,204
<b>Total Deferred Outflow of Resources</b>	<u>13,649,808</u>	<u>7,598,487</u>	<u>594,835</u>	<u>370,237</u>	<u>14,244,643</u>	<u>7,968,724</u>
Other Liabilities	12,762,654	15,672,271	4,112,444	4,079,681	16,875,098	19,751,952
Long Term Liabilities	<u>212,577,126</u>	<u>187,122,796</u>	<u>87,766,128</u>	<u>72,522,960</u>	<u>300,343,254</u>	<u>259,645,756</u>
<b>Total Liabilities</b>	225,339,780	202,795,067	91,878,572	76,602,641	317,218,352	279,397,708
<b>Total Deferred Inflow of Resources</b>	<u>1,728,295</u>	<u>1,471,118</u>	-	-	<u>1,728,295</u>	<u>1,471,118</u>
Net Position:						
Net Investment in						
Capital Assets	163,724,657	171,724,604	47,186,961	49,134,864	210,911,618	220,859,468
Restricted	17,513,461	12,254,006	-	-	17,513,461	12,254,006
Unrestricted (Deficit)	<u>(88,292,865)</u>	<u>(84,302,472)</u>	<u>(2,858,161)</u>	<u>(5,787,900)</u>	<u>(91,151,026)</u>	<u>(90,090,372)</u>
<b>Total Net Position</b>	<u>\$ 92,945,253</u>	<u>\$ 99,676,138</u>	<u>\$ 44,328,800</u>	<u>\$ 43,346,964</u>	<u>\$137,274,053</u>	<u>\$143,023,102</u>

The largest component of the County’s net position, \$210,911,618 reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt. Although the County’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be liquidated to repay these liabilities. Additionally, it should be noted that while the County issues debt for the construction and renovation of the public schools and the college, the buildings are owned by the legally separate component units. Consequently, the County’s financial statements reflect debt incurred on behalf of the Board of Education and Cecil College, but do not show the related assets.

Another portion of the County's net position, \$17,513,461, consists of resources subject to external restrictions such as state or county law provisions, or enabling legislation, on how these resources may be used. Restricted resources, all in governmental activities, increased by \$5,259,455.

The remaining portion of net position shows a negative unrestricted balance of \$91,151,026. Governmental activities' negative unrestricted position is \$88,292,865. Business-type activities unrestricted position of negative \$2,858,161 is derived from the Wastewater Fund and Property Management Fund which have a positive position of \$1,385,692 and \$277,772 respectively whereas the Landfill Fund has a negative position of \$4,521,625; these positions are essentially limited to use by the operation from which the net positions derive.

**Changes in Net Position.** As shown in the following schedule, the County's combined net position decreased \$5,749,049 over the course of this fiscal year's operations.

**Cecil County's Changes in Net Position**

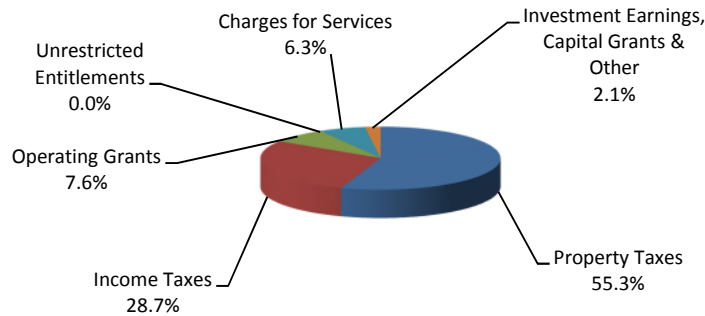
	Governmental Activities		Business-type Activities		Government-wide Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 12,214,819	\$ 9,524,728	\$ 13,273,422	\$ 12,287,082	\$ 25,488,241	\$ 21,811,810
Operating Grants & Contributions	14,730,843	13,742,967	-	-	14,730,843	13,742,967
Capital Grants & Contributions	3,620,846	5,558,647	2,810,889	6,496,436	6,431,735	12,055,083
General Revenues:						
Property Taxes	106,810,382	102,727,666	-	-	106,810,382	102,727,666
Income Taxes	55,496,525	56,937,725	-	-	55,496,525	56,937,725
Investment Earnings	130,596	226,259	73,285	20,392	203,881	246,651
Other Revenue & Gains/Losses	234,129	209,749	21,146	-	255,275	209,749
<b>Total Revenues</b>	<b>193,238,140</b>	<b>188,927,741</b>	<b>16,178,742</b>	<b>18,803,910</b>	<b>209,416,882</b>	<b>207,731,651</b>
<b>EXPENSES</b>						
General Government	13,103,376	12,826,539	-	-	13,103,376	12,826,539
Public Safety	41,637,795	40,998,732	-	-	41,637,795	40,998,732
Highways, Streets, & Bridges	17,134,114	16,162,586	-	-	17,134,114	16,162,586
Health and Welfare	15,163,709	14,331,807	-	-	15,163,709	14,331,807
Recreation and Culture	1,541,526	1,356,836	-	-	1,541,526	1,356,836
Education	98,805,396	102,085,334	-	-	98,805,396	102,085,334
Public Libraries	5,122,366	4,946,275	-	-	5,122,366	4,946,275
Economic Development	1,675,209	1,549,098	-	-	1,675,209	1,549,098
Agricultural Programs	851,667	614,728	-	-	851,667	614,728
Interest on Long Term Debt	4,933,867	5,135,996	-	-	4,933,867	5,135,996
Wastewater	-	-	8,004,698	6,971,250	8,004,698	6,971,250
Landfill	-	-	6,818,531	7,743,691	6,818,531	7,743,691
Property Management	-	-	373,677	-	373,677	-
<b>Total Expenses</b>	<b>199,969,025</b>	<b>200,007,931</b>	<b>15,196,906</b>	<b>14,714,941</b>	<b>215,165,931</b>	<b>214,722,872</b>
<b>Increase (Decrease) in Net Position</b>	<b>(6,730,885)</b>	<b>(11,080,190)</b>	<b>981,836</b>	<b>4,088,969</b>	<b>(5,749,049)</b>	<b>(6,991,221)</b>
<b>Net Position - Beginning</b>	<b>99,676,138</b>	<b>129,131,414</b>	<b>43,346,964</b>	<b>39,257,995</b>	<b>143,023,102</b>	<b>168,389,409</b>
<b>Change in Accounting Principles</b>	<b>-</b>	<b>(18,375,086)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,375,086)</b>
<b>Net Position - Beginning as Restated</b>	<b>99,676,138</b>	<b>110,756,328</b>	<b>43,346,964</b>	<b>39,257,995</b>	<b>143,023,102</b>	<b>150,014,323</b>
<b>Net Position - Ending</b>	<b>\$ 92,945,253</b>	<b>\$ 99,676,138</b>	<b>\$ 44,328,800</b>	<b>\$ 43,346,964</b>	<b>\$ 137,274,053</b>	<b>\$ 143,023,102</b>

**Governmental Activities**

Revenues of governmental activities for fiscal year 2016 showed an increase of \$4,310,399 over fiscal year 2015.

The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2016:

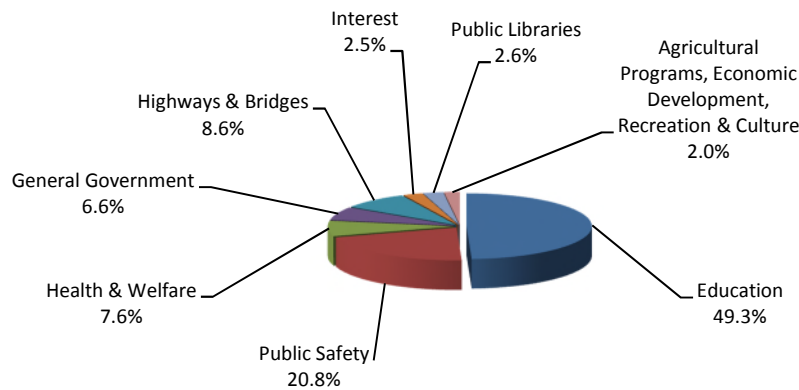
**Functional Revenue - Governmental Activities  
Fiscal Year Ending June 30, 2016**



Expenses of governmental activities (operating and capital) resulted in a decrease of \$38,906 over fiscal year 2015. The decrease in spending for education of \$3,279,938 was offset by increases in highways, streets, and bridges, public safety, and health & welfare.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2016:

**Functional Expenses - Governmental Activities  
Fiscal Year Ending June 30, 2016**



**Business-type Activities**

In 2016, the net position of business-type activities increased by \$981,836 from fiscal year 2015. The Wastewater, Landfill, and Property Management (established in FY2016) funds net position increased by \$437,929, \$530,439, and \$13,468 respectively. Detailed explanations of the variance are contained in the financial analysis of the County's Funds - Proprietary Funds section starting on page 12.

**Financial Analysis of the County's Funds**

As previously noted, Cecil County uses fund accounting as a means of ensuring and demonstrating compliance with finance-related legal requirements. Governmental funds provide useful information regarding near-term inflows, outflows, and balances of spendable resources. Unrestricted fund balance is particularly helpful in measuring the net resources available for spending at fiscal yearend.

**Governmental Funds**

As the County completed the fiscal year, its governmental funds reported combined fund balances of \$57,729,581, an increase of \$7,750,170 compared with 2015. Of the current ending fund balances, the following categories are recorded and primary uses noted:

- \$10,603,047 is recorded as Nonspendable due to a \$4,630,535 advance to the Landfill Fund, \$5,377,258 advance to the Motor Vehicle Fund, and \$595,254 is related to inventories and prepaid items;
- \$17,513,461 is recorded as Restricted; \$530,758 for Housing Programs, \$1,615,095 for the Casino Impact Fund, \$7,749,234 for Capital Projects and \$7,618,374 for other activities;
- \$18,558,059 is recorded as Committed; \$13,721,959 for the Reserve for Contingencies, \$2,474,523 for Fund Balance Appropriation in FY2017, and \$2,361,577 for Component Unit Capital Projects.
- \$2,300,000 is recorded as Assigned related to the potential income tax refunds related to a court decision; and
- \$8,755,014 is the remaining fund balance, thus this is classified as Unassigned.

**General Fund – Comparison to Prior Year.** The General Fund is the chief operating fund of the County. At the end of the fiscal year, the non-spendable fund balance was \$10,603,047 and the unrestricted fund balance was \$27,251,496. The statements show \$2,474,523 has been committed for fiscal year 2017 expenditures and \$13,721,959 to a reserve for contingencies. The County has \$2,300,000 of unrestricted fund balance for potential income tax refunds related to a court decision and subsequent taxpayer requests. The schedule on the following page presents General Fund revenues and expenditures for 2016 compared to budget and 2015.

The revenues for fiscal year 2016 increased \$5,767,273 compared to the prior fiscal year. Primary factors in these results are:

- Property taxes were higher than prior year by \$4,103,332 primarily due to the elimination of the discount and increases in public utility personal property and payment in lieu of taxes;
- Income taxes exceeded prior year by \$1,852,322 as the economy continues to pick up and income and capital gains increased but at a slowing pace;
- Real estate transfer taxes (recordation taxes and deed transfer fees) increased by \$1,734,538 primarily due to the imposition of a deed transfer fee based on a percent of the transaction versus a fixed fee.

**CECIL COUNTY, MARYLAND**  
**GENERAL FUND ACTIVITY vs PRIOR YEAR AND BUDGET**

	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>Variance Positive (Negative)</u>	<u>Final Budget</u>	<u>2016 Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>						
Property Taxes	\$ 102,729,742	\$ 106,833,074	\$ 4,103,332	\$ 106,987,439	\$ 106,833,074	\$ (154,365)
Income Taxes	53,954,296	55,806,618	1,852,322	55,400,000	55,806,618	406,618
Licenses and Permits	1,741,618	2,383,661	642,043	1,889,825	2,383,661	493,836
Intergovernmental	5,616,797	2,731,665	(2,885,132)	3,019,774	2,731,665	(288,109)
Charges for Services	7,223,495	9,335,358	2,111,863	8,793,228	9,335,358	542,130
Investment Earnings	194,448	103,144	(91,304)	250,000	103,144	(146,856)
Contributions & Other Revenues	17,600	51,749	34,149	25,800	51,749	25,949
<b>Total Revenues</b>	<u>171,477,996</u>	<u>177,245,269</u>	<u>5,767,273</u>	<u>176,366,066</u>	<u>177,245,269</u>	<u>879,203</u>
<b>Expenditures</b>						
<b>General Government</b>						
County Executive Office	620,265	679,547	(59,282)	691,891	679,547	12,344
County Council	345,528	335,243	10,285	407,748	335,243	72,505
Human Resources	1,064,774	1,116,000	(51,226)	1,168,768	1,116,000	52,768
Finance Department	2,842,025	2,756,461	85,564	2,827,593	2,756,461	71,132
Circuit Court	2,440,755	2,131,240	309,515	2,034,111	2,131,240	(97,129)
Board of Elections	669,343	764,176	(94,833)	887,678	764,176	123,502
Liquor Board Licensing	206,551	210,621	(4,070)	216,676	210,621	6,055
Planning and Zoning	993,643	1,041,287	(47,644)	1,077,320	1,041,287	36,033
Building Maintenance (Total)	3,865,702	3,733,074	132,628	4,053,292	3,733,074	320,218
Public Works Administration	2,845,360	2,564,083	281,277	2,745,170	2,564,083	181,087
Roads Administration & Maintenance	8,709,132	8,174,365	534,767	8,709,845	8,174,365	535,480
Board of Parks	1,077,710	886,801	190,909	883,749	886,801	(3,052)
State's Attorney's Office	2,175,545	2,255,889	(80,344)	2,149,773	2,255,889	(106,116)
Sheriff's - Law Enforcement & Special Assignments	10,658,520	11,078,277	(419,757)	10,376,389	11,078,277	(701,888)
Sheriff's - Detention Ctr & Work Release	10,049,722	9,992,982	56,740	10,050,521	9,992,982	57,539
Emergency Management	8,275,110	7,756,681	518,429	7,421,527	7,756,681	(335,154)
Volunteer Fire Departments	4,028,537	3,711,270	317,267	3,746,440	3,711,270	35,170
Permits and Licenses	900,588	989,875	(89,287)	1,073,857	989,875	83,982
Animal Control	720,000	657,035	62,965	660,000	657,035	2,965
Health Department	3,416,932	3,410,835	6,097	3,413,248	3,410,835	2,413
Social Services	1,342,418	753,337	589,081	903,574	753,337	150,237
Domestic Violence	940,877	650,853	290,024	729,667	650,853	78,814
Non-Profit Agencies	129,501	136,360	(6,859)	136,360	136,360	-
Cecil County Board of Education	76,955,980	80,553,713	(3,597,733)	80,553,713	80,553,713	-
Cecil College	8,490,084	9,392,115	(902,031)	9,392,115	9,392,115	-
Public Libraries	4,749,675	4,882,779	(133,104)	4,898,759	4,882,779	15,980
Economic Development	1,013,336	1,003,958	9,378	1,048,857	1,003,958	44,899
Agriculture	605,650	621,118	(15,468)	621,410	621,117	293
Municipalities	667,120	671,363	(4,243)	671,363	671,363	-
<b>Total Expenditures</b>	<u>160,800,383</u>	<u>162,911,338</u>	<u>(2,110,955)</u>	<u>163,551,414</u>	<u>162,911,337</u>	<u>640,077</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	2,719,353	1,854,991	(864,362)	1,749,000	1,854,991	105,991
Transfers out	(15,682,752)	(16,061,842)	(379,090)	(16,282,346)	(16,061,843)	220,503
Proceeds from Capital Asset Disposal	-	2,088	2,088	-	2,088	2,088
<b>Total Other Financing Sources (Uses)</b>	<u>(12,963,399)</u>	<u>(14,204,763)</u>	<u>(1,241,364)</u>	<u>(14,533,346)</u>	<u>(14,204,764)</u>	<u>328,582</u>
<b>Net Change in Fund Balance</b>	<u>(2,285,786)</u>	<u>129,168</u>	<u>\$ 2,414,954</u>	<u>(1,718,694)</u>	<u>129,168</u>	<u>\$ 1,847,862</u>
<b>Fund Balance - Beginning</b>	<u>40,011,161</u>	<u>37,725,375</u>		<u>40,011,161</u>	<u>37,725,375</u>	
<b>Fund Balance - Ending</b>	<u>\$ 37,725,375</u>	<u>\$ 37,854,543</u>		<u>\$ 38,292,467</u>	<u>\$ 37,854,543</u>	

The current year's expenditures and transfers out increased by \$2,490,045 compared to fiscal year 2015 spending levels.

- Expenditures on behalf of the Board of Education increased by \$3,597,733. The majority of this change was due to a \$3,636,066 increase in operating allocation, with a slight increase in the cost of teacher pensions, and slight decrease in capital construction cost.
- Expenditures on behalf of Cecil College increased \$902,031 compared to last fiscal year primarily due to increased health insurance costs and slight increases in operating allocation and capital construction cost.
- Transfers Out increased by \$379,091 primarily due to increased Community Services expenditures.

### **Other Major Funds – Comparison to Prior Year**

The Housing Program Fund had a \$96,527 increase to fund balance. Revenues increased by \$900,239 while expenditures increased \$404,907 from the previous year; the result is a positive net change in fund balance.

The Casino Local Impact Fund had a \$337,290 decrease to fund balance. Revenues increased by \$86,281 while expenditures and operating transfers out decreased \$274,051 from the previous year.

The Capital Projects Fund had a \$5,408,445 increase to fund balance. This change is consistent with the biennial issuance of bonds and funding for the FY2015 and FY2016 capital improvement programs that did not fully expend funds by June 30, 2016.

### **Proprietary Funds**

**Wastewater Services Fund.** Operating revenues for fiscal year 2016 decreased \$70,265 from last year to \$5,584,673, while operating expenses increased by \$859,446 to \$6,389,849 which resulted in an operating loss of \$805,176. Grants, capital contributions, and interest expense caused a change in Net Position of \$437,929.

**Landfill Fund.** Operating revenues in the fund increased by \$680,883 from 2015 primarily due to rate increases, while operating expenses decreased by \$833,085 in large part due to reduced tonnage added to the landfill. The resulting change in Net Position is \$530,439.

**Property Management Fund.** This fund began with the purchase of the 107 Chesapeake Blvd. property in January 2016. Operating revenues in the fund were \$386,868 for fiscal year, while operating expenses were \$158,400, and the fund made a \$105,991 transfer to the General Fund. This resulted in a change in Net Position of \$13,468 for fiscal year 2016.



**General Fund Budgetary Highlights**

Cecil County adopted its fiscal year 2016 budget on June 2, 2015, and amended it to meet operational needs during the year. The legal level of budgetary control is at the departmental level and while department heads may make budget transfers within their own department, the County Executive shall introduce and County Council must approve any budget amendments that increase or decrease revenue or move appropriations between departments.

Budget changes during the year subtracted \$3,007,689 from revenues and other financing sources while expenditures and transfers were decreased by \$2,312,104. Effective July 1, 2015, the County moved most General Fund grant funding to the newly created Other Special Revenue Fund. Also, at mid-year the County recorded an increase in projected income taxes to fund increased healthcare costs.

The final budget contained \$178,115,006 of revenues and other financing sources, \$179,833,760 of expenditures and transfers, and \$1,718,694 of appropriated fund balance. The actual revenues and other financing sources were \$987,282 more than the final budget and actual expenditures and transfers were \$860,580 below the final budget.

- Property taxes were close to, but under the budget by \$154,365.
- Income taxes exceeded budget by \$406,618 as actual economic growth starts to show signs of improvement but more slowly than hoped.
- Real estate transfer taxes (recordation taxes up by \$302,873 and deed transfer fee up \$409,468) were up versus budget as the real estate economy started to show positive signs of growth.
- Intergovernmental revenues were down compared to budget by \$288,109 due in part to inter-fiscal year timing and in part to opportunities that were not realized.
- Emergency Management was over budget by \$335,154 primarily due to slowing employee turnover resulting in less attrition savings.
- Public Works was under budget by \$716,567 primarily from reduced vehicle operating and maintenance costs of \$331,045, reduced snow removal costs of \$128,438, and \$257,084 of reduced special projects and other costs.
- The Sheriff's Office was over budget by \$644,348 which was primarily due to slowing employee turnover resulting in less attrition savings.
- Most other departments had reduced expenditures that primarily came from either personnel attrition, benefit savings or reduced equipment and vehicle maintenance expenditures.

**Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2016, Cecil County had invested \$340,378,452, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation and depletion charges for this fiscal year totaled \$17,238,624.

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

- Completion of Highway projects included Baron Road Bridge, Old Elk Neck Road Bridge, Mechanics Valley Road Bridge, and Old Elk Neck Road Improvements;
- Renovations at the Cecil County Courthouse in part to enhance security and save energy;
- Parks and Recreation completing construction of the Calvert Regional Park that has brought sports opportunities to County citizens and attracted regional events;

- Rehabilitation to the Animal Care and Control Facility to prepare for the July 1, 2016 opening of the County's new service to the constituents.
- Purchase of 107 Chesapeake Blvd to save on future payments of rent and as a source of proprietary income.
- Improvements to the North East River Advanced Wastewater Treatment Plant and upgrades to various sewer systems across the County.

The following table comprises the County's capital assets net of accumulated depreciation and depletion:

**Cecil County's Capital Assets as of June 30, 2016 and 2015**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 14,803,614	\$ 14,735,714	\$ 1,420,510	\$ 929,910	\$ 16,224,124	\$ 15,665,624
Construction in Progress	5,750,415	13,292,475	45,039,753	31,832,343	50,790,168	45,124,818
Landfill & Land Improvements	12,034,898	7,935,923	17,452,403	19,012,856	29,487,301	26,948,779
Highways & Bridges	100,834,913	92,876,023	-	-	100,834,913	92,876,023
Utility Systems	-	-	19,253,907	20,165,474	19,253,907	20,165,474
Buildings	69,391,581	70,246,490	16,023,664	9,948,906	85,415,245	80,195,396
Machinery & Equipment	24,005,893	23,891,426	14,366,901	15,446,833	38,372,794	39,338,259
<b>Total Capital Assets</b>	<b>\$ 226,821,314</b>	<b>\$ 222,978,051</b>	<b>\$ 113,557,138</b>	<b>\$ 97,336,322</b>	<b>\$ 340,378,452</b>	<b>\$ 320,314,373</b>

Additional information on the County's capital assets is contained in Note 6 to the financial statements.

**Long Term Debt.** At the end of the current fiscal year, the County had total general obligation debt of \$242,469,293. All of this debt is backed by the full faith and credit of the government. Governmental activities report \$164,411,216 and business-type activities report \$78,058,077 of general obligation bonds. Special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment consists of \$97,582. The Cecil County Charter restricts aggregate non-self-supporting indebtedness to 5% of the assessable real property of the County and 15% of the personal and operating real property. By County Code, sanitary district debt is limited to 15% of the assessed value of all property.

During 2016 the County issued \$50,530,000 in general obligation bonds to support current construction programs and to advance refund \$14,730,000 of 2009 bonds as further detailed in Note 8.

The County's bond rating remained stable with a rating of Aa2 from Moody's Investor's Service and received an upgrade from Standard and Poor's increasing the rating to AA+. Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

**Cecil County's Outstanding Debt**  
**General Obligation Bonds**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 164,411,216	\$ 148,656,828	\$ 78,058,077	\$ 63,399,151	\$ 242,469,293	\$ 212,055,979

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

Cecil County is expected to see modest growth for the next several years. The County has a diverse well-connected economy that includes agriculture, distribution, light manufacturing, research and development, health care, leisure and hospitality, and corporate offices. The County continues to face significant fiscal challenges as the state further reduces or eliminates funding often transferring programs or costs to the local level. The unemployment rate has decreased to 5.2% as of June 2016 and household income is growing.

There are many positive factors that will impact the County's economic future. Old Dominion Electric Cooperative is expanding a natural gas fueled electric generation facility known as Wildcat Point, due to be completed in the Spring of 2017. The County has a planned growth corridor that is intended to attract light industry and commercial operations like Lidl, a large international retailer. The continued commitment to Calvert Regional Park and the upgrade of the North East Advanced Wastewater Treatment Plant (Seneca Point) show strong support for the County's future.

The General Fund budget for fiscal year 2017 provided for the first in-house animal care and control facility, increased compensation for all county employee groups (including public safety employees, school employees, library, and college employees), funds drug rehabilitation programs, and continues volunteer fire vehicle replacements. The County Executive and Council held property tax rates to the constant yield. Wastewater and Landfill rates were increased to address recent operating losses. The capital improvement program continued funding for the Perryville Elementary Renovation, the Gilpin Manor Elementary Replacement, and the Calvert Regional Park development. The County's 2017 budget uses part of the 2016 debt refunding to reduce debt service costs. To meet the citizen's needs, the County adopted a 2017 budget of \$182,959,458 which is 2.6% higher than 2016 and will use \$2,474,523 of fund balance.

**Requests for Information**

This financial report is designed to provide a general overview of Cecil County's finances to the citizens of Cecil County and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to Winston L. Robinson, Cecil County Director of Finance, 200 Chesapeake Boulevard, Suite 1100, Elkton, MD 21921.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units. Their contact information can be found in Note 1A of the financial statements.

### Cecil College Life is About Study & Focus



# BASIC FINANCIAL STATEMENTS

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents (Note 3)	\$ 17,578,430	\$ 241,574	\$ 17,820,004	\$ 25,632,706
Investments (Note 3)	20,144,348	-	20,144,348	9,570,886
Receivables, Net (Note 4)	2,990,941	4,171,662	7,162,603	1,263,525
Due from Primary Government	-	-	-	3,240,407
Due from Other Governments	15,978,503	750,112	16,728,615	272,126
Internal Balances	4,630,535	(4,630,535)	-	-
Inventories	598,377	-	598,377	193,823
Prepaid Items & Other Assets	495,942	5,145	501,087	1,309,002
Restricted Assets:				
Cash and Investments (Note 3)	15,617,734	21,517,441	37,135,175	5,634,339
OPEB Overfunding	1,507,396	-	1,507,396	-
Capital Assets, Net: (Note 6)				
Land	14,803,614	1,420,510	16,224,124	10,890,816
Construction in Progress	5,750,415	45,039,753	50,790,168	16,389,334
Landfill & Land Improvements	12,034,898	17,452,403	29,487,301	11,177,881
Highways & Bridges	100,834,913	-	100,834,913	-
Wastewater Systems	-	19,253,907	19,253,907	-
Buildings & Improvements	69,391,581	16,023,664	85,415,245	206,861,106
Machinery & Equipment	24,005,893	14,366,901	38,372,794	9,799,813
<b>Total Assets</b>	<b>306,363,520</b>	<b>135,612,537</b>	<b>441,976,057</b>	<b>302,235,764</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge of Refunding	5,209,633	594,835	5,804,468	-
Contributions Subsequent to Measurement Date	1,419,302	-	1,419,302	3,240,086
Changes in Assumptions	1,760,923	-	1,760,923	-
Net difference projected vs. actual investment earnings	5,259,950	-	5,259,950	82,319
<b>Total Deferred Outflows of Resources</b>	<b>13,649,808</b>	<b>594,835</b>	<b>14,244,643</b>	<b>3,322,405</b>
<b>LIABILITIES</b>				
Accounts Payable	6,238,160	3,240,216	9,478,376	19,857,177
Salary and Benefits Payable	2,585,866	104,067	2,689,933	780,871
Due to Other Governments	212,793	-	212,793	-
Unearned Revenue (Note 11)	601,798	-	601,798	1,828,847
Other Liabilities	1,369,084	768,161	2,137,245	-
Liabilities Payable with Restricted Assets	1,754,953	-	1,754,953	-
Long Term Liabilities (Note 8)				
Due within one year:				
Bonds Payable	13,028,099	4,561,498	17,589,597	-
Capital Leases	-	-	-	937,470
Insurance Claims Payable	5,038,906	-	5,038,906	-
Compensated Absences	1,480,885	95,209	1,576,094	666,012
Due in more than one year:				
Bonds Payable	166,341,850	74,237,814	240,579,664	-
Capital Leases	-	-	-	3,388,727
Notes Payable	-	-	-	91,841
Compensated Absences	740,254	47,605	787,859	2,712,829
Accrued Landfill Closure/Postclosure	-	8,824,002	8,824,002	-
Net Pension Liability	25,947,132	-	25,947,132	11,189,240
<b>Total Liabilities</b>	<b>225,339,780</b>	<b>91,878,572</b>	<b>317,218,352</b>	<b>41,453,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Differences between expected and actual experience	1,728,295	-	1,728,295	-
Changes in Assumptions	-	-	-	919,861
Net difference projected vs. actual investment earnings	-	-	-	31,143
<b>Total Deferred Inflows of Resources</b>	<b>1,728,295</b>	<b>-</b>	<b>1,728,295</b>	<b>951,004</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	163,724,657	47,186,961	210,911,618	250,792,752
Restricted for:				
Capital Projects	7,749,234	-	7,749,234	42,732
Health and Welfare	537,708	-	537,708	-
Agriculture	957,484	-	957,484	-
Economic Development	2,499,963	-	2,499,963	-
Debt Service and Other	5,769,072	-	5,769,072	5,930,677
Unrestricted	(88,292,865)	(2,858,161)	(91,151,026)	6,387,990
<b>Total Net Position</b>	<b>\$ 92,945,253</b>	<b>\$ 44,328,800</b>	<b>\$ 137,274,053</b>	<b>\$ 263,154,151</b>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Grants and Contributions		Primary Government			Component Units
			Operating	Capital	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 13,103,376	\$ 8,471,469	\$ 1,007,166	\$ -	\$ (3,624,741)	\$ -	\$ (3,624,741)	\$ -
Public Safety	41,637,795	2,533,004	2,009,214	127,899	(36,967,678)	-	(36,967,678)	-
Highways, Streets, and Bridges	17,134,114	397,877	2,781,227	1,904,940	(12,050,070)	-	(12,050,070)	-
Health and Welfare	15,163,709	538,885	8,183,574	7,993	(6,433,257)	-	(6,433,257)	-
Recreation and Culture	1,541,526	273,584	-	1,580,014	312,072	-	312,072	-
Education	98,805,396	-	-	-	(98,805,396)	-	(98,805,396)	-
Public Libraries	5,122,366	-	-	-	(5,122,366)	-	(5,122,366)	-
Economic Development	1,675,209	-	723,518	-	(951,691)	-	(951,691)	-
Agriculture	851,667	-	26,144	-	(825,523)	-	(825,523)	-
Interest on Long-Term Debt	4,933,867	-	-	-	(4,933,867)	-	(4,933,867)	-
Total Governmental Activities	<u>199,969,025</u>	<u>12,214,819</u>	<u>14,730,843</u>	<u>3,620,846</u>	<u>(169,402,517)</u>	<u>-</u>	<u>(169,402,517)</u>	<u>-</u>
<b>Business-Type Activities:</b>								
Wastewater	8,004,698	5,584,673	-	2,810,889	-	390,864	390,864	-
Landfill	6,818,531	7,313,027	-	-	-	494,496	494,496	-
Property Mangement	373,677	386,868	-	-	-	13,191	13,191	-
Total Business-Type Activities	<u>15,196,906</u>	<u>13,284,568</u>	<u>-</u>	<u>2,810,889</u>	<u>-</u>	<u>898,551</u>	<u>898,551</u>	<u>-</u>
Total Primary Government	<u>\$ 215,165,931</u>	<u>\$ 25,499,387</u>	<u>\$ 14,730,843</u>	<u>\$ 6,431,735</u>	<u>\$ (169,402,517)</u>	<u>\$ 898,551</u>	<u>\$ (168,503,966)</u>	<u>-</u>
<b>Component Units:</b>								
Board of Education	\$ 215,791,247	\$ 2,079,125	\$ 63,273,384	\$ 13,321,048	-	-	-	(137,117,690)
Cecil College	35,373,276	7,834,578	5,642,256	1,590,565	-	-	-	(20,305,877)
Cecil County Library	6,349,234	187,562	-	493,903	-	-	-	(5,667,769)
Bainbridge Development Corporation	418,960	337,653	32,182	-	-	-	-	(49,125)
Total Component Units	<u>\$ 257,932,717</u>	<u>\$ 10,438,918</u>	<u>\$ 68,947,822</u>	<u>\$ 15,405,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,140,461)</u>
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes					106,810,382	-	106,810,382	-
Income Taxes					55,496,525	-	55,496,525	-
Investment Earnings					130,596	73,285	203,881	29,180
Other Revenues including Gains on Sale of Capital Assets					234,129	10,000	244,129	2,203,672
Payments From the Primary Government					-	-	-	93,136,385
Payments From the State Government					-	-	-	70,211,347
Entitlements, and Contributions not Restricted to Specific Programs					-	-	-	3,852,919
Total General Revenues, Special Items, and Transfers					<u>162,671,632</u>	<u>83,285</u>	<u>162,754,917</u>	<u>169,433,503</u>
Change in Net Position					(6,730,885)	981,836	(5,749,049)	6,293,042
<b>Net Position - Beginning</b>					<u>99,676,138</u>	<u>43,346,964</u>	<u>143,023,102</u>	<u>256,861,109</u>
<b>Net Position - Ending</b>					<u>\$ 92,945,253</u>	<u>\$ 44,328,800</u>	<u>\$ 137,274,053</u>	<u>\$ 263,154,151</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General	Housing Programs	Casino Local Impact	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash (Note 3)	\$ 11,627,523	\$ -	\$ -	\$ -	\$ 5,754,456	\$ 17,381,979
Investments (Note 3)	14,693,973	-	-	-	-	14,693,973
Receivables, Net (Note 4)	1,845,802	-	-	384,681	82,969	2,313,452
Due from Other Funds	943,974	-	-	-	-	943,974
Due from Other Governments	12,639,157	65,578	607,980	1,023,053	1,594,889	15,930,657
Inventory	557,488	-	-	-	-	557,488
Other Assets	40,347	-	-	-	-	40,347
Advances to Other Funds	10,007,793	-	-	-	-	10,007,793
Restricted Assets:						
Cash and Investments (Note 3)	-	627,091	1,297,697	10,621,785	1,801,442	14,348,015
<b>Total Assets</b>	<b>\$ 52,356,057</b>	<b>\$ 692,669</b>	<b>\$ 1,905,677</b>	<b>\$ 12,029,519</b>	<b>\$ 9,233,756</b>	<b>\$ 76,217,678</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 1,616,463	\$ 104	\$ 77,789	\$ -	\$ 270,195	\$ 1,964,551
Salaries and Benefits Payable	2,345,801	77,819	-	-	125,389	2,549,009
Due to Other Funds	-	-	-	-	943,974	943,974
Due to Other Governments	-	-	212,793	-	-	212,793
Other Liabilities	3,287,928	-	-	-	17,923	3,305,851
Unearned Revenue (Note 11)	86,659	-	-	247,743	257,901	592,303
Liabilities Payable from Restricted Funds	-	83,988	-	1,670,965	-	1,754,953
<b>Total Liabilities</b>	<b>7,336,851</b>	<b>161,911</b>	<b>290,582</b>	<b>1,918,708</b>	<b>1,615,382</b>	<b>11,323,434</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Income Taxes	6,958,226	-	-	-	-	6,958,226
Unavailable Revenue - Property Taxes	206,437	-	-	-	-	206,437
<b>Total Deferred Inflows of Resources</b>	<b>7,164,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,164,663</b>
<b>Fund Balances:</b>						
Non-Spendable	10,603,047	-	-	-	-	10,603,047
Restricted	-	530,758	1,615,095	7,749,234	7,618,374	17,513,461
Committed	16,196,482	-	-	2,361,577	-	18,558,059
Assigned	2,300,000	-	-	-	-	2,300,000
Unassigned	8,755,014	-	-	-	-	8,755,014
<b>Total Fund Balances</b>	<b>37,854,543</b>	<b>530,758</b>	<b>1,615,095</b>	<b>10,110,811</b>	<b>7,618,374</b>	<b>57,729,581</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 52,356,057</b>	<b>\$ 692,669</b>	<b>\$ 1,905,677</b>	<b>\$ 12,029,519</b>	<b>\$ 9,233,756</b>	<b>\$ 76,217,678</b>

The Notes to the Financial Statements are an integral part of this statement.



**CECIL COUNTY, MARYLAND**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Amounts reported for governmental activities in the statement of net position (page 18) are different because:

<b>Total Fund Balances for Government Funds (Page 20)</b>		<b>\$ 57,729,581</b>
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation, as detailed in Note 6, are included in the Statement of Net Position. Also excluded are \$13,328,830 of internal service fund capital assets accounted for in the following line.		213,492,484
Internal service funds are used by management to charge the costs of fleet management and health insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the internal service fund net position.		4,271,448
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unavailable revenue in the funds.		
Income Taxes	\$ 6,948,731	
Property Taxes	206,437	
Service Charges	1,511,874	8,667,042
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Over Funding of Net OPEB Obligation	\$ 1,507,396	
Compensated Absences	(2,183,515)	
Accrued interest on long-term debt	(1,369,084)	
Deferred - Bond Premium	(14,958,733)	
Deferred - Advance Refunding Difference	5,209,633	
Pension Deferred Outflows	8,440,175	
Pension Deferred Inflows	(1,728,295)	
Net Pension Liability	(25,947,132)	
Bonds and Notes Payable	(160,185,747)	(191,215,302)
<b>Net Position of Governmental Activities (Page 18)</b>		<b>\$ 92,945,253</b>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>General Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property Taxes	\$ 106,833,074	\$ -	\$ -	\$ -	\$ -	\$ 106,833,074
Special Assessments - Current	-	-	-	-	6,140	6,140
Income Taxes	55,806,618	-	-	-	-	55,806,618
Licenses and Permits	2,383,661	-	-	-	-	2,383,661
Intergovernmental	2,731,665	4,737,710	2,377,456	1,378,221	5,216,777	16,441,829
Charges for Services	9,335,358	25,452	-	-	470,348	9,831,158
Investment Earnings	103,144	831	1,521	-	4,393	109,889
Contributions & Other Revenues	<u>51,749</u>	<u>-</u>	<u>-</u>	<u>27,993</u>	<u>39,872</u>	<u>119,614</u>
<b>Total Revenues</b>	<u>177,245,269</u>	<u>4,763,993</u>	<u>2,378,977</u>	<u>1,406,214</u>	<u>5,737,530</u>	<u>191,531,983</u>
<b>EXPENDITURES</b>						
Current:						
General Government	10,901,332	-	-	-	511,484	11,412,816
Public Safety	38,112,290	-	-	-	1,076,450	39,188,740
Highways, Streets, and Bridges	10,738,448	-	-	-	479,480	11,217,928
Health and Welfare	5,095,478	4,793,160	-	-	4,890,088	14,778,726
Recreation and Culture	938,744	-	-	-	-	938,744
Education	89,945,828	-	-	-	-	89,945,828
Public Libraries	4,882,779	-	-	-	-	4,882,779
Economic Development	1,003,958	-	575,057	-	69,858	1,648,873
Agriculture	621,118	-	-	-	219,348	840,466
Municipalities	671,363	-	-	-	-	671,363
Debt Service:						
Principal	-	-	-	-	9,784,234	9,784,234
Interest and Fiscal Charges	-	-	-	-	5,397,046	5,397,046
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,720,867</u>	<u>-</u>	<u>19,720,867</u>
<b>Total Expenditures</b>	<u>162,911,338</u>	<u>4,793,160</u>	<u>575,057</u>	<u>19,720,867</u>	<u>22,427,988</u>	<u>210,428,410</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>14,333,931</u>	<u>(29,167)</u>	<u>1,803,920</u>	<u>(18,314,653)</u>	<u>(16,690,458)</u>	<u>(18,896,427)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from						
Capital Asset Disposal	2,088	-	-	-	-	2,088
Bonds Issued	-	-	-	23,210,000	-	23,210,000
Premium on Debt Issued	-	-	-	3,337,848	1,871,914	5,209,762
Bond Issuance Cost	-	-	-	(78,558)	-	(78,558)
Refunding Bonds Issued	-	-	-	-	12,243,531	12,243,531
Advance Refunding Agent	-	-	-	-	(14,038,367)	(14,038,367)
Transfers In	1,854,991	125,694	-	384,360	19,066,700	21,431,745
Transfers Out	<u>(16,061,842)</u>	<u>-</u>	<u>(2,141,210)</u>	<u>(3,130,552)</u>	<u>-</u>	<u>(21,333,604)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(14,204,763)</u>	<u>125,694</u>	<u>(2,141,210)</u>	<u>23,723,098</u>	<u>19,143,778</u>	<u>26,646,597</u>
<b>Net Change in Fund Balances</b>	129,168	96,527	(337,290)	5,408,445	2,453,320	7,750,170
<b>Fund Balances - Beginning</b>	<u>37,725,375</u>	<u>434,231</u>	<u>1,952,385</u>	<u>4,702,366</u>	<u>5,165,054</u>	<u>49,979,411</u>
<b>Fund Balances - Ending</b>	<u>\$ 37,854,543</u>	<u>\$ 530,758</u>	<u>\$ 1,615,095</u>	<u>\$ 10,110,811</u>	<u>\$ 7,618,374</u>	<u>\$ 57,729,581</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL 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, 2016**

Amounts reported for governmental activities in the Statement of Activities (Page 19) are different because:

**Net Change in Fund Balances - Total Government Funds (Page 22)** **\$ 7,750,170**

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 depreciation (\$10,154,900) exceed capital outlay (\$11,785,889) in the current period. Depreciation excludes \$2,853,167 from the internal service fund. 3,311,521

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset less accumulated depreciation. 232,041

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.

Property Taxes	\$	(22,692)	
Income Taxes		<u>(310,093)</u>	
Net Adjustment			(332,785)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

	<u>Debt Issued</u>	<u>Repayments:</u>	
General Obligation bonds	\$ (23,210,000)	\$ 9,784,234	
Current Refunding	(12,243,531)	14,038,367	
Premium on Debt Issued	<u>(5,209,762)</u>	<u>711,383</u>	
Net Adjustment	<u>(40,663,293)</u>	<u>24,533,984</u>	(16,129,309)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following are the impact of the net changes in balances.

Pension Expense	\$	(1,085,210)	
Change in OPEB Accrual		317,000	
Compensated Absences		(379,933)	
Accrued Interest on Long-term Debt		<u>(248,204)</u>	
Net Adjustment			(1,396,347)

The change in net assets of certain internal service funds are reported with governmental activities. (166,176)

**Change in Net Position of Governmental Activities (Page 19)** **\$ (6,730,885)**

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Property Taxes	\$ 106,987,439	\$ 106,987,439	\$ 106,833,074	\$ (154,365)
Income Taxes	53,900,000	55,400,000	55,806,618	406,618
Licenses and Permits	1,889,825	1,889,825	2,383,661	493,836
Intergovernmental	7,556,263	3,019,774	2,731,665	(288,109)
Charges for Services	8,788,228	8,793,228	9,335,358	542,130
Investment Earnings	250,000	250,000	103,144	(146,856)
Contributions & Other Revenues	2,000	25,800	51,749	25,949
<b>Total Revenues</b>	<u>179,373,755</u>	<u>176,366,066</u>	<u>177,245,269</u>	<u>879,203</u>
<b>EXPENDITURES</b>				
Current:				
General Government	11,754,830	11,347,968	10,901,332	446,636
Highways, Streets, and Bridges	11,839,307	11,455,015	10,738,448	716,567
Recreation and Culture	976,348	958,408	938,744	19,664
Public Safety	39,319,502	37,260,530	38,112,290	(851,760)
Health and Welfare	5,730,784	5,343,277	5,095,478	247,799
Education	89,205,953	89,945,828	89,945,828	-
Public Libraries	4,785,667	4,898,759	4,882,779	15,980
Economic Development	1,054,295	1,048,857	1,003,958	44,899
Agriculture	613,148	621,409	621,118	291
Municipalities	671,363	671,363	671,363	-
<b>Total Expenditures</b>	<u>165,951,197</u>	<u>163,551,414</u>	<u>162,911,338</u>	<u>640,076</u>
<b>Excess of Revenues</b> <b>Over Expenditures</b>	<u>13,422,558</u>	<u>12,814,652</u>	<u>14,333,931</u>	<u>1,519,279</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Asset Disposal	-	-	2,088	2,088
Transfers In	1,749,000	1,749,000	1,854,991	105,991
Transfers Out	(16,194,667)	(16,282,346)	(16,061,842)	220,504
<b>Total Other Financing Sources (Uses)</b>	<u>(14,445,667)</u>	<u>(14,533,346)</u>	<u>(14,204,763)</u>	<u>328,583</u>
<b>Net Change in Fund Balance</b>	(1,023,109)	(1,718,694)	129,168	1,847,862
<b>Fund Balance - Beginning</b>	<u>37,725,375</u>	<u>37,725,375</u>	<u>37,725,375</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 36,702,266</u>	<u>\$ 36,006,681</u>	<u>\$ 37,854,543</u>	<u>\$ 1,847,862</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**

**HOUSING PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,318,766	\$ 4,486,945	\$ 4,737,710	\$ 250,765
Other Program Revenue & Charges for Services	8,000	8,000	25,452	17,452
Investment Earnings	-	-	831	831
<b>Total Revenues</b>	<u>4,326,766</u>	<u>4,494,945</u>	<u>4,763,993</u>	<u>269,048</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>4,349,815</u>	<u>4,607,908</u>	<u>4,793,160</u>	<u>(185,252)</u>
<b>Total Expenditures</b>	<u>4,349,815</u>	<u>4,607,908</u>	<u>4,793,160</u>	<u>(185,252)</u>
<b>Deficiency of Revenues</b> <b>(Under) Expenditures</b>	<u>(23,049)</u>	<u>(112,963)</u>	<u>(29,167)</u>	<u>83,796</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	<u>23,049</u>	<u>112,963</u>	<u>125,694</u>	<u>12,731</u>
<b>Total Other Financing</b> <b>Sources (Uses)</b>	<u>23,049</u>	<u>112,963</u>	<u>125,694</u>	<u>12,731</u>
<b>Net Change in Fund Balance</b>	-	-	96,527	96,527
<b>Fund Balance - Beginning</b>	<u>434,231</u>	<u>434,231</u>	<u>434,231</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 434,231</u>	<u>\$ 434,231</u>	<u>\$ 530,758</u>	<u>\$ 96,527</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**

**CASINO LOCAL IMPACT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 2,184,500	\$ 2,184,500	\$ 2,377,456	\$ 192,956
Investment Earnings	<u>1,000</u>	<u>1,000</u>	<u>1,521</u>	<u>521</u>
<b>Total Revenues</b>	<u>2,185,500</u>	<u>2,185,500</u>	<u>2,378,977</u>	<u>193,477</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	<u>816,667</u>	<u>868,013</u>	<u>575,057</u>	<u>292,956</u>
<b>Total Expenditures</b>	<u>816,667</u>	<u>868,013</u>	<u>575,057</u>	<u>292,956</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,368,833</u>	<u>1,317,487</u>	<u>1,803,920</u>	<u>486,433</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(2,141,210)</u>	<u>(2,141,210)</u>	<u>(2,141,210)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,141,210)</u>	<u>(2,141,210)</u>	<u>(2,141,210)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(772,377)	(823,723)	(337,290)	486,433
<b>Fund Balance - Beginning</b>	<u>1,952,385</u>	<u>1,952,385</u>	<u>1,952,385</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,180,008</u>	<u>\$ 1,128,662</u>	<u>\$ 1,615,095</u>	<u>\$ 486,433</u>

The Notes to the Financial Statements are an integral part of this statement.

**Cecil County Public Library**  
**Bringing Reading to Citizens**



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Wastewater	Landfill	Property Management	Total	Internal Service Funds
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents (Note 3)	\$ 120,273	\$ 1,500	\$ 119,801	\$ 241,574	\$ 196,451
Investments (Note 3)	-	-	-	-	5,450,375
Receivables, Net: (Note 4)					
Accounts	1,662,556	542,426	23,392	2,228,374	263,554
Other	1,389	9,469	-	10,858	413,935
Due from Other Governments	748,912	1,200	-	750,112	47,846
Inventory	-	-	-	-	40,889
Other Assets	5,145	-	-	5,145	455,595
Restricted Assets					
Cash & Investments (Note 3)	12,429,135	8,824,002	264,304	21,517,441	1,269,719
<b>Total Current Assets</b>	<u>14,967,410</u>	<u>9,378,597</u>	<u>407,497</u>	<u>24,753,504</u>	<u>8,138,364</u>
<b>Non-Current Assets:</b>					
Accounts Receivable - Non-Current	1,932,430	-	-	1,932,430	-
Capital Assets, Net:					
Land	349,172	580,738	490,600	1,420,510	-
Construction in Progress	42,858,618	2,181,135	-	45,039,753	92,383
Vehicles	-	-	-	-	7,913,045
Landfill and Land Improvements	1,155,096	16,297,307	-	17,452,403	-
Wastewater Lines	19,253,907	-	-	19,253,907	-
Buildings	6,207,942	3,270,626	6,545,096	16,023,664	180,419
Machinery & Equipment	12,736,415	1,630,486	-	14,366,901	5,142,983
<b>Total Non-Current Assets</b>	<u>84,493,580</u>	<u>23,960,292</u>	<u>7,035,696</u>	<u>115,489,568</u>	<u>13,328,830</u>
<b>Total Assets</b>	<u>99,460,990</u>	<u>33,338,889</u>	<u>7,443,193</u>	<u>140,243,072</u>	<u>21,467,194</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge of Refunding	537,013	57,822	-	594,835	-
<b>Total Deferred Outflows of Resources</b>	<u>537,013</u>	<u>57,822</u>	<u>-</u>	<u>594,835</u>	<u>-</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	2,395,124	88,795	2,942	2,486,861	908,469
Construction Retainage Payable	710,796	42,559	-	753,355	-
Salary & Benefits Payable	47,364	56,703	-	104,067	36,857
Accrued Expenses & Other Liabilities	394,100	247,278	126,783	768,161	5,098,195
Unearned Revenue	-	-	-	-	1,511,874
Bonds Payable	3,343,849	968,878	248,771	4,561,498	152,294
Compensated Absences	49,761	45,448	-	95,209	25,208
<b>Total Current Liabilities</b>	<u>6,940,994</u>	<u>1,449,661</u>	<u>378,496</u>	<u>8,769,151</u>	<u>7,732,897</u>
<b>Non-Current Liabilities:</b>					
Bonds Payable					
(Net of Unamortized Discounts)	54,224,414	12,962,171	7,051,229	74,237,814	4,073,175
Advances From Other Funds	-	4,630,535	-	4,630,535	5,377,258
Compensated Absences	24,881	22,724	-	47,605	12,416
Accrued Landfill Closure and Postclosure Costs	-	8,824,002	-	8,824,002	-
<b>Total Non-Current Liabilities</b>	<u>54,249,295</u>	<u>26,439,432</u>	<u>7,051,229</u>	<u>87,739,956</u>	<u>9,462,849</u>
<b>Total Liabilities</b>	<u>61,190,289</u>	<u>27,889,093</u>	<u>7,429,725</u>	<u>96,509,107</u>	<u>17,195,746</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	37,422,022	10,029,243	(264,304)	47,186,961	10,373,080
Unrestricted	1,385,692	(4,521,625)	277,772	(2,858,161)	(6,101,632)
<b>Total Net Position</b>	<u>\$ 38,807,714</u>	<u>\$ 5,507,618</u>	<u>\$ 13,468</u>	<u>\$ 44,328,800</u>	<u>\$ 4,271,448</u>

The Notes to the Financial Statements are an integral part of this statement.



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities -</b>
	<b>Wastewater</b>	<b>Landfill</b>	<b>Property Management</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for Services:					
Sales and User Fees	\$ 5,567,744	\$ 7,248,794	\$ 386,868	\$13,203,406	\$20,935,975
Intergovernmental	-	49,998	-	49,998	13,342
Miscellaneous Revenue	<u>16,929</u>	<u>14,235</u>	<u>-</u>	<u>31,164</u>	<u>-</u>
<b>Total Operating Revenues</b>	5,584,673	7,313,027	386,868	13,284,568	20,949,317
<b>OPERATING EXPENSES</b>					
Salaries and Related	1,248,987	1,435,130	-	2,684,117	873,464
Materials, Supplies, and Services	2,796,775	2,875,042	75,551	5,747,368	5,204,110
Benefit Payments	-	-	-	-	11,819,940
Depreciation	2,344,087	767,208	82,849	3,194,144	2,853,167
Depletion	-	1,064,552	-	1,064,552	-
Landfill Closure and Postclosure	<u>-</u>	<u>255,635</u>	<u>-</u>	<u>255,635</u>	<u>-</u>
<b>Total Operating Expenses</b>	<u>6,389,849</u>	<u>6,397,567</u>	<u>158,400</u>	<u>12,945,816</u>	<u>20,750,681</u>
<b>Operating Income (Loss)</b>	<u>(805,176)</u>	<u>915,460</u>	<u>228,468</u>	<u>338,752</u>	<u>198,636</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Earnings	37,065	35,943	277	73,285	24,776
Interest Expense	(1,433,032)	(419,231)	(109,286)	(1,961,549)	(110,806)
Bond Issue Expense	(181,817)	(1,733)	-	(183,550)	-
Gain on Sale of Capital Assets	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>232,041</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(1,567,784)</u>	<u>(385,021)</u>	<u>(109,009)</u>	<u>(2,061,814)</u>	<u>146,011</u>
<b>Income (Loss) before Contributions and Transfers</b>	(2,372,960)	530,439	119,459	(1,723,062)	344,647
<b>Capital Contributions:</b>					
Intergovernmental Capital Grant	2,115,513	-	-	2,115,513	201,329
Wastewater Connection Fees	695,376	-	-	695,376	-
Transfers In	-	-	-	-	7,850
Transfers Out	<u>-</u>	<u>-</u>	<u>(105,991)</u>	<u>(105,991)</u>	<u>-</u>
<b>Change in Net Position</b>	437,929	530,439	13,468	981,836	553,826
<b>Net Position - Beginning</b>	<u>38,369,785</u>	<u>4,977,179</u>	<u>-</u>	<u>43,346,964</u>	<u>3,717,622</u>
<b>Net Position - Ending</b>	<u>\$ 38,807,714</u>	<u>\$ 5,507,618</u>	<u>\$ 13,468</u>	<u>\$44,328,800</u>	<u>\$ 4,271,448</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental Activities -	
	Property			Internal	
	Wastewater	Landfill	Management	Service Funds	
	Total				
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers and Users	\$ 5,477,905	\$ 7,257,845	\$ 363,476	\$ 13,099,226	\$ 19,610,821
Payments to Suppliers	(2,747,810)	(3,030,095)	(55,112)	(5,833,017)	(18,173,437)
Payments to Employees	(1,230,851)	(1,423,080)	-	(2,653,931)	(864,586)
<b>Net Cash from Operating Activities</b>	<u>1,499,244</u>	<u>2,804,670</u>	<u>308,364</u>	<u>4,612,278</u>	<u>572,798</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Advances from Other Funds	(3,148,554)	(1,093,482)	-	(4,242,036)	(1,744,723)
Transfers to Other Funds	-	-	(105,991)	(105,991)	-
<b>Net Cash from Non-Capital Financing Activities</b>	<u>(3,148,554)</u>	<u>(1,093,482)</u>	<u>(105,991)</u>	<u>(4,348,027)</u>	<u>(1,744,723)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from Bond Issues	12,909,557	518,568	7,300,000	20,728,125	2,800,000
Proceeds from Capital Grants Received	4,459,581	-	-	4,459,581	1,394,828
Proceeds from Sewage Connection Fees	695,376	-	-	695,376	-
Acquisition and Construction of Capital Assets	(12,889,145)	(471,821)	(7,118,545)	(20,479,511)	(3,016,993)
Principal Paid on Bond Maturities	(4,402,368)	(1,429,525)	-	(5,831,893)	(55,781)
Interest Paid on Bonds	(1,614,849)	(400,308)	-	(2,015,157)	(110,806)
Proceeds from Sale of Capital Assets	10,000	-	-	10,000	341,016
<b>Net Cash from Capital and Related Financing Activities</b>	<u>(831,848)</u>	<u>(1,783,086)</u>	<u>181,455</u>	<u>(2,433,479)</u>	<u>1,352,264</u>
<b>Cash Flows From Investing Activities:</b>					
Interest on Investments	37,065	35,943	277	73,285	24,776
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(2,444,093)</u>	<u>(35,955)</u>	<u>384,105</u>	<u>(2,095,943)</u>	<u>205,115</u>
<b>Cash and Cash Equivalents - June 30, 2015</b>	<u>14,993,501</u>	<u>8,861,457</u>	<u>-</u>	<u>23,854,958</u>	<u>6,711,430</u>
<small>(including \$14,993,501 and \$8,568,367 respectively reported in restricted accounts)</small>					
<b>Cash and Cash Equivalents - June 30, 2016</b>	<u>\$ 12,549,408</u>	<u>\$ 8,825,502</u>	<u>\$ 384,105</u>	<u>\$ 21,759,015</u>	<u>\$ 6,916,545</u>
<small>(including \$12,429,135, \$8,824,002 and \$264,304 respectively reported in restricted accounts)</small>					

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities</u> <u>- Enterprise Funds</u>			<u>Governmental</u>	
	<u>Wastewater</u>	<u>Landfill</u>	<u>Property Management</u>	<u>Internal Service Funds</u>	
<b>Reconciliation of Operating Income to Net Cash from Operating Activities:</b>					
Operating Income (Loss)	\$ (805,176)	\$ 915,460	\$ 228,468	\$ 338,752	\$ 198,636
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation and Depletion	2,344,087	1,831,760	82,849	4,258,696	2,853,167
Increase in Closure/Postclosure Liability	-	255,635	-	255,635	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	(106,768)	(52,092)	(23,392)	(182,252)	(610,372)
Inventory	-	-	-	-	(17,015)
Other Assets	5,145	-	-	5,145	(137,012)
Accounts Payable	(50,251)	(120,677)	2,942	(167,986)	(155,668)
Salaries & Benefits Payable	7,959	9,404	-	17,363	4,978
Compensated Absences	10,177	2,646	-	12,823	3,900
Accrued Expenses	94,071	(34,377)	17,497	77,191	(839,693)
Deferred Revenue	-	(3,089)	-	(3,089)	(728,123)
<b>Net Cash Provided from Operating Activities</b>	<u>\$ 1,499,244</u>	<u>\$ 2,804,670</u>	<u>\$ 308,364</u>	<u>\$ 4,612,278</u>	<u>\$ 572,798</u>
<b>Schedule of non-cash capital and related financing activities:</b>					
Decrease in Non-current Special Assessment/Connection Fees receivable	<u>\$ 92,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,270</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2016**

	<u>Total Pension Funds</u>	<u>Agency Funds State &amp; Town Collections</u>
<b>ASSETS</b>		
Cash	\$ 734,016	\$ 759,174
Receivables, Net:		
Property Taxes & Fees	-	209,062
Investments, at fair value:		
Institutional Separate Accounts	43,502,742	-
Mutual Funds	<u>4,877,017</u>	<u>-</u>
<b>Total Assets</b>	<u>49,113,775</u>	<u>968,236</u>
<b>LIABILITIES</b>		
Accounts Payable	9,641	-
Due to Other Governments	<u>-</u>	<u>968,236</u>
<b>Total Liabilities</b>	<u>9,641</u>	<u>968,236</u>
<b>NET POSITION</b>		
Held in Trust for:		
Employee Benefits	<u>49,104,134</u>	<u>-</u>
<b>Total Net Position</b>	<u>\$ 49,104,134</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Total Pension Funds</b>
<b>ADDITIONS</b>	
Contributions	
Cecil County	\$ 3,198,108
Participants	925,386
	4,123,494
Total Contributions	
<b>INVESTMENT INCOME</b>	
Investment Earnings:	
Net Depreciation	
in Fair Value of Investments	(2,151,365)
Interest and Dividends	1,107,130
	(1,044,235)
Investment Earnings Total	
Less: Investment Expense	(368,698)
	(1,412,933)
Net Investment Income (Loss)	
Total Additions	2,710,561
<b>DEDUCTIONS</b>	
Benefit Payments	2,186,762
Refunds of Contributions	205,504
Administrative Expense	87,143
	2,479,409
Total Deductions	
<b>Change in Net Position</b>	231,152
<b>Net Position - Beginning</b>	48,872,982
<b>Net Position - Ending</b>	\$ 49,104,134

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2016**

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Public Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 21,164,841	\$ 2,417,219	\$ 1,486,242	\$ 564,404	\$ 25,632,706
Investments	5,800,902	3,769,984	-	-	9,570,886
Receivables, Net	759,358	478,167	-	26,000	1,263,525
Due from Primary Government	2,884,362	285,001	71,044	-	3,240,407
Due from Other Governments	-	272,126	-	-	272,126
Inventories	193,823	-	-	-	193,823
Prepaid Expenses & Other Assets	640,769	543,664	124,569	-	1,309,002
Restricted Assets:					
Cash and Investments	-	5,634,339	-	-	5,634,339
Capital Assets, Net:					
Land	5,561,453	1,779,763	-	3,549,600	10,890,816
Construction in Progress	16,382,833	6,501	-	-	16,389,334
Land Improvements	11,160,035	-	-	17,846	11,177,881
Buildings & Leasehold Improvements	147,180,109	59,680,997	-	-	206,861,106
Machinery & Equipment	5,779,737	1,266,826	2,753,250	-	9,799,813
<b>Total Assets</b>	<u>217,508,222</u>	<u>76,134,587</u>	<u>4,435,105</u>	<u>4,157,850</u>	<u>302,235,764</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Contributions Subsequent to Measurement Date	3,203,965	-	36,121	-	3,240,086
Net difference projected vs. actual investment earnings	-	-	82,319	-	82,319
<b>Total Deferred Outflows</b>	<u>3,203,965</u>	<u>-</u>	<u>118,440</u>	<u>-</u>	<u>3,322,405</u>
<b>LIABILITIES</b>					
Accounts Payable	18,565,244	763,783	437,492	90,658	19,857,177
Accrued Salaries and Benefits	-	703,517	77,354	-	780,871
Unearned Revenue	654,723	1,165,200	8,924	-	1,828,847
Due within one year:					
Capital Leases	885,673	51,797	-	-	937,470
Compensated Absences	411,189	254,823	-	-	666,012
Due in more than one year:					
Notes Payable	-	-	-	91,841	91,841
Capital Leases	3,287,401	101,326	-	-	3,388,727
Compensated Absences	2,627,888	84,941	-	-	2,712,829
Net Pension Liability	10,817,616	-	371,624	-	11,189,240
<b>Total Liabilities</b>	<u>37,249,734</u>	<u>3,125,387</u>	<u>895,394</u>	<u>182,499</u>	<u>41,453,014</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Changes in Assumptions	919,861	-	-	-	919,861
Net difference projected vs. actual investment earnings	-	-	31,143	-	31,143
<b>Total Deferred Inflows</b>	<u>919,861</u>	<u>-</u>	<u>31,143</u>	<u>-</u>	<u>951,004</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	181,891,093	62,580,963	2,753,250	3,567,446	250,792,752
Restricted for:					
Capital Projects	42,732	-	-	-	42,732
Donor Restrictions	-	5,646,350	284,327	-	5,930,677
Unrestricted	608,767	4,781,887	589,431	407,905	6,387,990
<b>Total Net Position</b>	<u>\$182,542,592</u>	<u>\$ 73,009,200</u>	<u>\$ 3,627,008</u>	<u>\$ 3,975,351</u>	<u>\$ 263,154,151</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Grants and Contributions			Component Units				
		Charges for Services	Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	Total
<b>Board of Education</b>									
Instruction	\$ 209,516,534	\$ 254,839	\$ 58,386,832	\$ 13,321,048	\$ (137,553,815)	\$ -	\$ -	\$ -	\$ (137,553,815)
Student Services	6,274,713	1,824,286	4,886,552	-	436,125	-	-	-	436,125
Total Board of Education	<u>\$ 215,791,247</u>	<u>\$ 2,079,125</u>	<u>\$ 63,273,384</u>	<u>\$ 13,321,048</u>	<u>(137,117,690)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137,117,690)</u>
<b>Cecil College</b>									
Instruction	\$ 33,672,389	\$ 5,970,293	\$ 5,642,256	\$ 1,590,565	-	(20,469,275)	-	-	(20,469,275)
Student Services	1,700,887	1,864,285	-	-	-	163,398	-	-	163,398
Total Cecil Community College	<u>\$ 35,373,276</u>	<u>\$ 7,834,578</u>	<u>\$ 5,642,256</u>	<u>\$ 1,590,565</u>	<u>-</u>	<u>(20,305,877)</u>	<u>-</u>	<u>-</u>	<u>(20,305,877)</u>
<b>Cecil County Public Library</b>									
Public Libraries	\$ 6,349,234	\$ 187,562	\$ -	\$ 493,903	-	-	(5,667,769)	-	(5,667,769)
<b>Bainbridge Development Corporation</b>									
Economic Development	\$ 418,960	\$ 337,653	\$ 32,182	\$ -	-	-	-	(49,125)	(49,125)
<b>General Revenues:</b>									
Payments From the Primary Government					79,750,778	8,706,940	4,678,667	-	93,136,385
Payments From the State Government					63,567,371	5,508,041	1,135,935	-	70,211,347
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	3,852,919	-	-	3,852,919
Investment Earnings					18,242	8,156	1,529	1,253	29,180
Other Revenues including Capital Asset Gains					171,448	739,002	145,206	1,148,016	2,203,672
Total General Revenues, Special Items, and Transfers					<u>143,507,839</u>	<u>18,815,058</u>	<u>5,961,337</u>	<u>1,149,269</u>	<u>169,433,503</u>
Change in Net Position					6,390,149	(1,490,819)	293,568	1,100,144	6,293,042
<b>Net Position - Beginning</b>					<u>176,152,443</u>	<u>74,500,019</u>	<u>3,333,440</u>	<u>2,875,207</u>	<u>256,861,109</u>
<b>Net Position - Ending</b>					<u>\$ 182,542,592</u>	<u>\$ 73,009,200</u>	<u>\$ 3,627,008</u>	<u>\$ 3,975,351</u>	<u>\$ 263,154,151</u>

The Notes to the Financial Statements are an integral part of this statement.

## Calvert Regional Park Facilities

Ready – Set – Use





**1. Summary of Significant Accounting Policies**

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. During the year ending June 30, 2016 the County has adopted all GASB Statements through No. 72, entitled Fair Value Measurement and Application; Statement No. 76; entitled, The Hierarchy of Generally Accepted Accounting Principles for State and Local Government; These statements did not have a material effect on the County's financial statements.

GASB has issued the following Statements which the County plans to adopt by their effective dates after evaluating the effects of these pronouncements.

Statement No. 74 Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans.

Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Statement No. 77 Tax Abatement Disclosures.

The significant accounting policies of the County are described below.

**A. Financial Reporting Entity**

Cecil County (the County) was incorporated in 1674. Cecil County is governed by an elected County Executive and an elected County Council pursuant to the Charter of Cecil County, Maryland pursuant to a Charter that became effective in December 2012. The Charter provides, among other things, for the election of the County Executive and the organization, powers, and duties of the executive and administrative branches; the election, organization, powers, and duties of the legislative branch, and fiscal and budgetary matters. The Charter supersedes a Commissioner form of government where the five Commissioners (combined executive/legislative) exercised powers granted by the General Assembly of Maryland. The County principally provides general administrative services; public safety services; street, highway, and bridge repairs and maintenance; education; a correctional institution; and sanitation system maintenance.

The County is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Cecil County, Maryland (the primary government), and the County's blended and discretely presented component units; entities for which the government is considered financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Cecil County Pension Plan for Public Safety Employees (the Plan) is a public employee retirement plan that covers certain public safety employees. The County appoints all members of the Plan's trustees, makes all employer contributions to the Plan, only County public safety employees can be members of the Plan, and the County is financially responsible for the Plan's pension obligations.

The Cecil County Maryland Non-Pension Employment Benefits Plan collects monies to assist retirees with payment of post-retirement health insurance premiums. Both Plans are fiduciary funds of the County.

**Discretely Presented Component Units**

The Board of Education of Cecil County is responsible for elementary and secondary education in the County and operates all public schools (grades K through 12). The County is financially accountable for the Board of Education because the County approves the Board's annual budget and provides a substantial portion of the Board's operating and capital funding.

Cecil College provides post-secondary and continuing education for residents of Cecil County and its surrounding counties. The County is financially accountable for the College because the County approves the annual budget and provides a substantial portion of the College's operating and capital budgets.

The Cecil County Public Library operates all public libraries within the County. The County is financially accountable for the Library because the County approves the annual budget and provides the majority of the Library's operating and capital budgets.

The Bainbridge Development Corporation was established to develop the closed Bainbridge Naval Training Center located outside Port Deposit. The Corporation received the property of the former Center from the U. S. Navy and may grant, sell, or conduct business activity to develop the property to the benefit of Cecil County. The County appoints all members of the Corporation's Board of Directors and the County is the recipient of net earnings in excess of the needs of the Corporation.

Each of the discretely presented component units has been audited by other independent auditors and these reports have been issued under separate covers. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Board of Education of Cecil County  
201 Booth Street  
Elkton, MD 21921

Cecil College  
One Seahawk Drive  
North East, MD 21901

Cecil County Public Library  
301 Newark Avenue  
Elkton, MD 21921

Bainbridge Development Corporation  
98 North Main Street, PO Box 2  
Port Deposit, MD 21904

## Related Organizations

Officials of the Cecil County have been instrumental in the establishment of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., and CASA. Two additional organizations are in the process of being formed and receiving 501(c)(3) approval from IRS: Friends of Cecil County Parks and Recreation, Inc. and Cecil County, Maryland Animal Services Foundation, Inc. Although the County appoints some of the governing board members, these members do not represent substantially the same governing body of the County. The County is not able to impose its will on the organizations and the organizations do not provide specific financial benefits or impose specific financial burdens to the County. Accordingly, the financial activities of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., CASA, Friends of Cecil County Parks and Recreation, Inc., and Cecil County, Maryland Animal Services Foundation, Inc. are not included in the County's financial statements.

## B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County (the primary government) and its component units. Eliminations of inter-fund activity have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

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

### **Government-wide, Proprietary, and Fiduciary Fund Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds report only assets and liabilities as they do not have a measurement focus, but do use the accrual basis of accounting.

With limited exceptions, the effects of internal activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

### **Government Fund Financial Statements**

The government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the County considers all revenues to be available if they are collected within 60 days after fiscal year-end. Revenues considered susceptible to accrual include property taxes, income taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is considered to be susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the County.

Amounts recorded as program revenues include a) charges to customers or applicants for materials, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources including all taxes are reported as general revenues. Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, and landfill enterprise funds and the garage and health insurance internal service funds are charges to internal and external 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The pension trust fund and other postemployment benefit trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for assets and liabilities.

The County reports the following major governmental funds:

The **General Fund** is the primary operating fund of the County. It accounts for all financial resources of the County except those resources required to be accounted for in another fund. The general tax revenues of the County, as well as other resources received and not designated for a specified purpose, are accounted for in the General Fund.

The **Housing Programs Fund**, a special revenue fund, accounts for state and federal grants legally restricted to assist low income families and individuals with paying their rent, utility, and other housing costs.

The **Casino Local Impact Fund**, a special revenue fund, was established to account for the County's share of the revenue generated at Penn National's Hollywood Casino in Perryville. The County has agreed to share 35% of the revenue with the Town of Perryville.

The **General Capital Projects – Construction Fund**, a capital projects fund, was established to account for the expenditures on buildings and other facilities intended for general use by the County and its component units. Bonds and other general County resources fund these expenditures.

The County reports the following major enterprise funds:

The **Wastewater Fund** accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges. The Wastewater Fund operates sewage collection and treatment systems.

The **Landfill Fund** accounts for the solid waste operations and is intended to be self-supporting through user charges. The Landfill Fund operates solid waste collection points, recycling programs, and a central landfill.

The **Property Management Fund** accounts for the County's landlord responsibilities. The Fund was established in 2016 based on the economics of ownership versus lease of a multi-tenant building where the County was a tenant. The Fund currently manages a multi-tenant office building located at 107 Chesapeake Blvd. in Elkton.

The County also reports the following fund types:

The **Internal Service Funds** are used to account for vehicle and information systems services and financing of workers compensation and health insurance provided by the County to other departments and component units of the County on a cost-reimbursement basis. In addition, employee contributions to the health insurance plan and related expenses are accounted for within these funds.

The **Pension Funds** are fiduciary funds of the County and are used to account for monies set aside by the County to pay for future post-retirement benefits. This group consists of The Cecil County Pension Plan for Public Safety Employees Trust Fund which accumulates resources for pension benefit payments to qualified public safety employees or their beneficiaries and The Cecil County Maryland Non-Pension Post-Employment Benefits Trust Fund which collects monies to assist retirees with payment of post-retirement health insurance premiums.

The **Agency Funds** account for assets held by the County in a custodial capacity (assets equal liabilities) and do not present results of operations or have a measurement focus. The State Tax Collection Fund and the State Bay Restoration Fund are used to account for taxes and fees collected by the County on behalf of the State of Maryland. The Town Collection Funds are used to account for taxes and fees collected by the County on behalf of the towns of Cecilton, Charlestown, Chesapeake City, Elkton, North East, Perryville, Port Deposit and Rising Sun.

The preparation of the County's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent items

at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could differ from those estimates.

**D. Assets, Liabilities and Net Assets or Equity**

**i. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments maturing within 90 days. Available funds are pooled in the General Fund and investment income is recorded in the General Fund unless required to do otherwise by statute, grant, or covenant.

**Restricted Investments** may occur in connection with various bond and trust agreements. Investments are deposited into restricted accounts for the purpose of constructing capital additions.

**Investments** of the pension plans are recorded at fair value. Securities traded on a national or international exchange are valued at the last reported sales price using current exchange rates.

**ii. Receivables and Payables**

**Property taxes** on real estate are recorded as receivables and attached as an enforceable lien on property on July 1, the date levied. Semi-annual installment payments are mandatory for qualified properties unless the taxpayer chooses to pay in one installment. Qualified property is defined as "an owner-occupied principal residence or certain commercial properties whose real estate tax amount is less than \$50,000." Under the semi-annual plan, one-half of the tax bill is due September 30 with the balance due on December 31. For all other properties, the bill is due in its entirety on September 30. After the due date, interest is charged on the delinquent portion at one percent per month. A three percent penalty is charged March 1 and thereafter. The County holds an annual property tax lien certificate sale the first Monday of June to collect all unpaid property taxes as of that date.

**Personal property taxes** are imposed on certain machinery and equipment used in business. Personal property taxes are billed and recorded as receivables annually throughout the year. Payment is due in 30 days. The County charges one percent per month interest on all delinquent business taxes. The County bills and collects its own property taxes, and revenues are recognized in the government funds in the period in which they become susceptible to accrual, that is, when they become both measurable and available. Outstanding tax levies are offset on the government fund balance sheet by deferred revenues in the liabilities section. Annual, interim and delinquent property taxes as yet uncollected are included as unavailable revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2016, are recorded as revenue.

**Local income taxes** are collected on behalf of the County by the State of Maryland and are remitted to the County monthly except for the months of April and December. In the event a taxpayer lives in an incorporated municipality, the County only receives 33 percent of the income tax, with the remainder going to the respective municipality. The tax rate may be changed annually at the recommendation of the County Executive and approval by the County Council. For the tax years ended December 31, 2015 and 2016, the local income tax rate was 2.80 percent of Maryland taxable income. Income taxes collected by the State and remitted within the first 60 days of the next fiscal year, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due to the County from transactions prior to year-end but not collected within 60 days are recorded in the governmental fund balance sheet as a receivable and an equal amount as unavailable revenue.

**Wastewater and Landfill customer charges** are recorded when billed except that an amount is recorded for services rendered, but not yet billed, as of the close of the fiscal year. The accrued amount is based on actual billings made subsequent to year-end for wastewater customers that are billed quarterly based on consumption/use through the end of the quarter.

**Revenues** in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenues and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific account evaluation as necessary.

**Due to/from Other Funds** which are recorded in the fund financial statements, is the year-end outstanding balance of a variety of transactions between funds to finance operations, service debt and otherwise meet obligations as they become due. Interfund receivables that are unlikely to be paid within a year are considered to be Advances.

**Due to/from Other Governments (or Component Units)** primarily consist of amounts arising from transfer payments and amounts due from grantors or to grantees for specific programs and capital projects.

**Internal Balances** are the residual balances outstanding between governmental activities and business-type activities as reported in the government-wide financial statements.

### iii. Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories of the General Fund and Enterprise Funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

### iv. Restricted Assets

Certain assets of the County are classified as restricted as their use is limited by third party restrictions and or enabling legislation.

### v. Capital Assets

Capital assets including property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County has defined capital assets as assets with a minimum cost of \$5,000 (\$25,000 to \$50,000 for land improvements, buildings, and infrastructure) and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Estimated historic costs are either based on similar assets of the same era or on deflated current values obtained from the Maryland Department of Assessments and Taxation. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the County and its components are depreciated using the straight-line method over the estimated useful lives of the related assets. The County records six months' depreciation in the year the

asset is acquired. Depletion of the landfill is based on usage of estimated capacity. The County and its components generally use the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

<u>Asset Class</u>	<u>Years</u>
Leasehold Improvements	15 – 30
Roads and Bridges	8 – 50
Buildings	20 – 50
Building Improvements	20 – 30
Vehicles, Computers, Equipment	5 – 15

**vi. Liabilities**

**Compensated Absences**

Compensated absences are those earned but unused vacation and personal time for which employees will be paid. Employees are granted vacation in varying amounts. It is the County's policy to permit employees to accumulate all earned but unused vacation leave up to 35 days. Vacation pay is accrued as applicable in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

**Long-Term Liabilities**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts as well as issuance costs are expensed when incurred.

**Self-Insurance**

The County is exposed to various risks of losses relating to workers compensation and employee health and accident claims. It is the policy of the County not to purchase commercial insurance to cover these risks because of its prohibitive cost. Instead the County covers these claims through Internal Service Funds. The County does maintain commercial insurance coverage for general liability and property losses. The County also maintains commercial insurance coverage to cap its exposure to one time and total annual loss amounts.

The claims liabilities included in the Workers Compensation and Health Insurance Funds are based on the results of actuarial studies and include amounts for claims preciously incurred, including both reported and unreported claims. It is the County's practice to obtain actuarial studies no less than bi-annually. Costs are charged back to other funds by these internal service funds using various allocation methods.

**vii. Deferred Outflows and Deferred Inflows of Resources**

**Deferred outflows of resources** are reported in addition to assets. These represent the acquisition of net position that applies to future periods and will be recognized as an outflow of resources (expense or expenditure) in those future periods. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge of refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Deferred inflows of resources** are reported in addition to liabilities. These represent the acquisition of



net position that applies to future periods and will be recognized as an inflow of resources (revenue) in those future periods. The County's financial statement reports unavailable revenue in the governmental funds balance sheet. Unavailable revenue results primarily from property and income taxes but also various fees that are imposed but not paid within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available (primarily through payment).

**Deferred outflows / inflows of resources related to pensions** are recognized and classified as either deferred outflows of resources or deferred inflows of resources accordingly, these are deferred, amortized, and recognized as outflows or inflows future periods:

- Differences between expected and actual experience in the measurement of the total pension liability;
- Changes of assumptions or other inputs;
- Net difference between projected and actual earnings on pension plan investments;
- Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer's proportionate share of contributions; and
- Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.

#### **viii. Net Position Flow Assumption**

The County may fund outlays from both restricted (e.g., bond or grant proceeds) and unrestricted resources. In order to calculate the amounts reported as restricted - net position, and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption is made as to the order in which resources are expected to be used or consumed. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **ix. Fund Balance Flow Assumptions**

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

#### **x. Net Position and Fund Equity**

The difference between assets, deferred inflows, liabilities, deferred outflows is "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net Position includes items classified as Net Investment in Capital Assets, balances "Restricted" for a specific purpose or "Unrestricted" and available for appropriation for the general purposes.

In the governmental fund financial statements, the difference between assets, deferred inflows, liabilities, deferred outflows is "Fund Balance." Non-spendable and restricted fund balance represent amounts that

are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Committed fund balance represents amounts that are reserved for a particular purpose by the County Council and would require action by the council to release the fund balance from its commitment. Assigned fund balance represents tentative management plans that are subject to change. Further discussion of these items is in Note 12.

**xi. Fair Value Measurements**

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

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

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Accounting and Control**

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. The County adopts legal annual budgets for the general fund, certain special revenue funds and the debt service fund. The County legally adopts project length budgets for its capital projects funds. Since project periods may differ from the County's fiscal year, a comparison of budgetary information for the combined capital projects funds would not be meaningful and has not been presented in the accompanying financial statements.
- b. In January of each year, County department heads are required to submit to the County Executive preliminary operating budgets for the fiscal year commencing the following July 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases of operating expenditures (i.e. additional employees, capital expenditures).
- c. The County Executive reviews the departmental requests and prepares a Proposed Budget with the assistance of the Department of Finance and submits it to County Council not later than April 1. The Proposed budget consists of a Current Expense Budget, the Current Revenue Budget, the Capital Budget, and the Capital Improvement Program. The County Executive also proposes the tax and fee rates for the fiscal year. This review process includes meetings with the department heads, comparisons with prior years' spending patterns, and forecasts of future needs.
- d. The proposed budget is reviewed by County Council through a process that includes one or more public hearings. Council may decrease or delete expenditure items, but may not change revenue projections. The Budget is required to be adopted not later than June 15. After the budget adoption,

County Council must levy the amount of taxes or fees required by the Budget to endure that the Budget is balanced so that proposed revenues equal proposed expenditures.

- e. Should supplemental budget appropriations be required, the County Executive shall propose and County Council shall consider such budget changes at the scheduled Council meetings and public hearings.
- f. The County's legal level of budgetary control is at the departmental level. With the approval of the County Executive, Department heads may make budget amendments within their respective departments, however all amendments above the departmental level, i.e., interdepartmental and inter-fund, require formal proposal by the County Executive and consideration and approval by the County Council. The original budget adopted for the fiscal year ended June 30, 2016, and the budget as revised for budget amendments approved by the County Council during the year are presented as part of the budget versus actual schedules presented in these financial statements.
- f. Expenditures may not legally exceed budgeted appropriations at the departmental level. Appropriations lapse at fiscal year-end for all funds except the capital projects funds. The County legally adopts project-length budgets for its capital projects funds and unexpended appropriations automatically carry forward to the next fiscal year.

**B. Legally Adopted Budgets – General and Major Special Revenue Funds**

Governmental funds, for which budgets have been legally adopted and included in the appropriate Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the year ended June 30, 2016, were the General Fund and certain Special Revenue Funds.

All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted deficiencies within each governmental fund are provided for by prior year designations of fund balance.

**C. Expenditures Over Appropriations**

During the year ended June 30, 2016, expenditures exceeded appropriations for the following departments.

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Executive Office	\$ 4,401
	Legal	1,367
	Circuit Court	96,081
	Orphans Court	1,048
	Board of Parks	3,052
	Sheriff's Office	644,348
	State's Attorney's Office	106,116
	Emergency Management	335,154

**3. Deposits and Investments**

The County maintains a cash and investment pool that is available for use by all funds except the trust funds, which are managed separately. Each fund type's portion of this pool is displayed on the combined balance sheet under the caption "Cash and Investments." Each component unit manages its cash and investments in a similar manner.

Custodial Risk In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits in excess of FDIC insurance.

The summary below identifies the investment type of the deposits and investments of the primary government and its component units.

	Primary Government	Fiduciary Funds	Discretely Presented Component Units
<b>Cash</b>			
Insured Deposits (FDIC)	\$ 1,689,639	\$ 147,460	\$ 1,690,478
Money Market Mutual Funds	-	586,556	104,566
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	16,679,773	-	21,313,824
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	2,017,416	-	2,515,273
CDARS due within 90 days (FDIC Insured)	4,807,561	-	-
<b>Total Cash</b>	<b>\$ 25,194,389</b>	<b>\$ 734,016</b>	<b>\$ 25,624,141</b>
<b>Investments</b>			
Certificates of Deposit due greater than 90 days - Collateral held by pledging bank's agent in the County or Unit's name	\$ 20,052,363	\$ -	\$ 640,000
CDARS due greater than 90 days (FDIC Insured)	458,298	-	-
Other governmental agencies	2,502,781	-	-
Investment in Maryland Local Government Investment Pool	26,871,446	-	9,160,902
Institutional Separate Accounts *	-	43,502,742	-
Balanced Fund Mutual Fund *	-	4,877,017	5,404,323
<b>Total Investments</b>	<b>\$ 49,884,888</b>	<b>\$ 48,379,759</b>	<b>\$ 15,205,225</b>

\* The above investments are invested in the Cecil County Pension Plan for Public Safety Employees, the Cecil County Non-Pension Post Employment Trust Fund and the Cecil Community College Foundation.

The summary below identifies the fair market value level of the investments of the primary government and fiduciary funds.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2016
<b>Investments by Fair Value Level:</b>				
Federal Agencies	\$ -	\$ 2,502,781	\$ -	\$ 2,502,781
Other Post Employment Benefits and Pension Funds:				
Institutional Separate Accounts	-	38,318,266	-	38,318,266
Fixed Income Funds	1,758,831	-	-	1,758,831
Equity Mutual Funds	8,302,662	-	-	8,302,662
<b>Total Investments at Fair Value</b>	<b>\$ 10,061,493</b>	<b>\$ 40,821,047</b>	<b>\$ -</b>	<b>\$ 50,882,540</b>
<b>Investments Carried at Amortized Cost:</b>				
MLGIP	\$ -	\$ -	\$ -	\$ 26,871,446
CDARS	-	-	-	458,298
Collateralized Certificates of Deposit	-	-	-	20,052,363
<b>Total Investments at Amortized Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,382,107</b>
<b>Total Investments</b>	<b>\$ 10,061,493</b>	<b>\$ 40,821,047</b>	<b>\$ -</b>	<b>\$ 98,264,647</b>

Fair Market Value Levels Debt securities (Fixed Income funds) classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Equity Mutual funds listed on a national market or exchange are valued at the last sales price, or , if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. Institutional Separate accounts classified in level 2 of the fair value hierarchy are valued based on quoted prices for similar assets in active markets or identical assets in less active markets, such as dealers or broker markets.

Credit Risk It is the County’s policy to minimize credit risk by investing only in the highest quality investments including U.S. Treasury and U.S. Government Agency obligations; collateralized repurchase agreements and certificates of deposit; the Maryland Local Government Investment Pool; commercial paper and money market mutual funds of the highest rating; and bankers’ acceptances guaranteed by a financial institution with the highest rating.

With regards to the Pension Plan, no rating was available for the money market fund. The Plan holds ten institutional separate accounts, which were rated by Morning Star, of which one received a 5 star rating, four received a 4 star rating, four received a 3 star rating and one account received a 2 star rating, with 5 being the best and 1 being the worst.

The Maryland Local Government Investment Pool is duly chartered, administered and subject to regulatory oversight by the State of Maryland. This pool is managed in a “Rule 2(a)-7” like manner and has an S&P rating of AAA. All money market funds have a Moody’s rating of Aaa. A bank sponsored collateral pool for governmental entities is 102% collateralized with U.S. Treasury and federal agency securities, securities of agencies of the U.S. government that have an implied and not explicit guarantee are classified as U.S. Agencies – Other.

Interest Rate Risk The County limits its interest rate risk by primarily investing in securities with maturity dates under five years. All U.S. Treasury, and U.S. Agencies investments are held by the general fund. It is the policy of the general fund to hold investments until maturity unless there is an economic reason to do otherwise. Listed below are the investments and maturities as of June 30, 2016:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Over 10 Years</u>
U.S. Agencies - Other	\$ 2,502,781	\$ -	\$ 2,502,781	\$ -	\$ -

Concentration Risk. The County limits the investment in certain instruments to a certain percentage of its portfolio as follows: U.S Treasury Obligations and U.S. Government Agency or sponsored instrumentalities, 100%; Repurchase agreements, 100%; Maryland Local Government Investment Pool, 100%; collateralized, non-negotiable certificates of deposit, 80%; money market mutual funds, 60%, bankers acceptances, 40% and commercial paper, 5%. The County’s portfolio was in compliance with this policy.

The Pension Plan’s investment policy applies the prudent person rule to its investments. The Plan invests in Institutional Separate Accounts, which are essentially mutual funds. This sub-advised approach provides the Plan with access to some of the most respected investment professionals in the industry. The investment policy establishes an asset allocation by asset class where allowable ranges are identified by asset class. Rebalancing is performed on at least a quarterly basis, as appropriate, such that the allocation for each asset class shall not exceed the bounds of the allowable ranges. During the years ended June 30, 2016, 2015, and 2014, the Plan complied with the Plan’s investment policy.

The OPEB Trust’s investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

**Restricted Cash and Investments**

As of June 30, 2016, the County had \$37,135,175 in temporarily restricted cash and investments. Of this, unspent proceeds of bond offerings consist of \$10,621,785 in Capital Projects Funds, \$1,297,697 in the Information Technology Internal Service Fund, \$12,429,135 in the Wastewater Fund, and \$264,304 in the Property Management Fund. Restrictions related to the Landfill Closure and Postclosure Costs account for \$8,824,002. The remaining \$3,698,252 is funds restricted by various grants or state laws. The bond proceeds and other funds as required are invested, tracked and managed separately from operating cash. The funds are subject to the imposed expenditure restrictions.

The chart below provides reconciliation between the amounts disclosed in the chart below and the amounts presented in the Statement of Net Position:

	<b>Primary Government</b>	<b>Fiduciary Funds</b>	<b>Component Units</b>	<b>Total</b>
Cash	\$ 25,194,389	\$ 734,016	\$ 25,624,141	\$ 51,552,546
Investments	49,884,888	48,379,759	15,205,225	113,469,872
Petty Cash Amounts	<u>20,250</u>	<u>-</u>	<u>8,565</u>	<u>28,815</u>
Total	<u>\$ 75,099,527</u>	<u>\$ 49,113,775</u>	<u>\$ 40,837,931</u>	<u>\$ 165,051,233</u>
Unrestricted	\$ 37,964,352	\$ -	\$ 35,203,592	\$ 73,167,944
Restricted	37,135,175	-	5,634,339	42,769,514
Fiduciary Funds	<u>-</u>	<u>49,113,775</u>	<u>-</u>	<u>49,113,775</u>
Total Cash and Investments	<u>\$ 75,099,527</u>	<u>\$ 49,113,775</u>	<u>\$ 40,837,931</u>	<u>\$ 165,051,233</u>

4. Receivables

Primary Government

The following are receivables as of June 30, 2016, for the Government's major and non-major funds including applicable allowances for uncollectible accounts. Receivables of the internal service funds in the amount of \$677,489 are included in the governmental activities of the government-wide statement.

	Governmental Fund Financial Statements					Government-wide Statements
	General	Housing Programs	Capital Projects	Non-Major Funds	Total	Governmental Activities
Receivables:						
Property Taxes	\$ 1,779,371	\$ -	\$ -	\$ -	\$ 1,779,371	\$ 1,779,371
Accounts	-	211,015	384,681	6,518	602,214	865,819
Notes	-	-	-	76,279	76,279	76,279
Interest and Other	572,076	-	-	121	572,197	986,132
Gross Receivables	2,351,447	211,015	384,681	82,918	3,030,061	3,707,601
Less: Allowances for Uncollectibles	(505,645)	(211,015)	-	-	(716,660)	(716,660)
Net Total Receivables	<u>\$ 1,845,802</u>	<u>\$ -</u>	<u>\$ 384,681</u>	<u>\$ 82,918</u>	<u>\$ 2,313,401</u>	<u>\$ 2,990,941</u>

Receivables as of June 30, 2016, for the Government's enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	Enterprise Fund Financial Statements					Government-wide Statements
	Current				Non-Current	Business-type Activities
	Wastewater Services	Landfill Services	Property Management	Total	Wastewater Services	
Receivables:						
Accounts	\$ 1,745,191	\$ 570,975	\$ 23,392	\$ 2,339,558	\$ -	\$ 2,339,558
Other	1,389	9,469	-	10,858	-	10,858
Non-Current	-	-	-	-	1,932,430	1,932,430
Gross Receivables	1,746,580	580,444	23,392	2,350,416	1,932,430	4,282,846
Less: Allowances for Uncollectibles	(82,635)	(28,549)	-	(111,184)	-	(111,184)
Net Total Receivables	<u>\$ 1,663,945</u>	<u>\$ 551,895</u>	<u>\$ 23,392</u>	<u>\$ 2,239,232</u>	<u>\$ 1,932,430</u>	<u>\$ 4,171,662</u>

**Component Units**

Receivables as of June 30, 2016, for the Component Units were as follows:

	<u>Board of</u> <u>Education</u>	<u>Cecil</u> <u>College</u>	<u>Bainbridge</u> <u>Development</u> <u>Corporation</u>	<u>Total</u>
Receivables:				
Accounts	\$ 759,358	\$ -	\$ 26,000	\$ 785,358
Other	-	1,358,558	-	1,358,558
Gross Receivables	759,358	1,358,558	-	2,143,916
Less: Allow ances for				
Uncollectibles	-	(880,391)	-	(880,391)
Net Total Receivables	<u>\$ 759,358</u>	<u>\$ 478,167</u>	<u>\$ 26,000</u>	<u>\$ 1,263,525</u>

**5. Notes Receivable**

**Economic Development Revolving Loan Fund**

The fund provides small loans, through a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2016, there were three outstanding loans totaling \$76,279.



6. Capital Assets

A. **Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2016, was as follows:

	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 14,735,714	\$ 67,900	\$ -	\$ 14,803,614
Construction in Progress	<u>13,292,475</u>	<u>10,992,565</u>	<u>(18,534,625)</u>	<u>5,750,415</u>
Total Capital Assets Not Being Depreciated	<u>28,028,189</u>	<u>11,060,465</u>	<u>(18,534,625)</u>	<u>20,554,029</u>
Capital Assets Being Depreciated:				
Land Improvements	10,227,306	4,727,052	-	14,954,358
Highways & Bridges	229,532,180	13,884,285	(1,220,070)	242,196,395
Building & Improvements	89,399,110	1,281,884	-	90,680,994
Machinery & Equipment	<u>53,444,799</u>	<u>4,507,159</u>	<u>(1,162,913)</u>	<u>56,789,045</u>
Total Capital Assets Being Depreciated	<u>382,603,395</u>	<u>24,400,380</u>	<u>(2,382,983)</u>	<u>404,620,792</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,291,383)	(628,077)	-	(2,919,460)
Highways & Bridges	(136,656,157)	(5,925,395)	1,220,070	(141,361,482)
Building & Improvements	(19,152,620)	(2,136,793)	-	(21,289,413)
Machinery & Equipment	<u>(29,553,373)</u>	<u>(4,289,663)</u>	<u>1,059,884</u>	<u>(32,783,152)</u>
Total Accumulated Depreciation	<u>(187,653,533)</u>	<u>(12,979,928)</u>	<u>2,279,954</u>	<u>(198,353,507)</u>
Total Capital Assets Being Depreciated, Net	<u>194,949,862</u>	<u>11,420,452</u>	<u>(103,029)</u>	<u>206,267,285</u>
Governmental Activities Capital Assets, Net	<u>\$222,978,051</u>	<u>\$ 22,480,917</u>	<u>\$ (18,637,654)</u>	<u>\$226,821,314</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2016, was as follows:

	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b><u>Business-Type Activities:</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 929,910	\$ 490,600	\$ -	\$ 1,420,510
Construction in Progress	<u>31,832,343</u>	<u>13,214,964</u>	<u>(7,554)</u>	<u>45,039,753</u>
Total Capital Assets Not Being Depreciated	<u>32,762,253</u>	<u>13,705,564</u>	<u>(7,554)</u>	<u>46,460,263</u>
Capital Assets Being Depreciated:				
Landfill & Land Improvements	37,501,180	-	-	37,501,180
Wastewater Lines	36,212,542	-	-	36,212,542
Buildings & Improvements	18,002,540	6,645,592	-	24,648,132
Machinery & Equipment	<u>27,740,426</u>	<u>135,910</u>	<u>-</u>	<u>27,876,336</u>
Total Capital Assets Being Depreciated	<u>119,456,688</u>	<u>6,781,502</u>	<u>-</u>	<u>126,238,190</u>
Less Accumulated Depreciation for:				
Landfill & Land Improvements	(18,488,324)	(1,560,453)	-	(20,048,777)
Wastewater Lines	(16,047,068)	(911,567)	-	(16,958,635)
Building & Improvements	(8,053,634)	(570,834)	-	(8,624,468)
Machinery & Equipment	<u>(12,293,593)</u>	<u>(1,215,842)</u>	<u>-</u>	<u>(13,509,435)</u>
Total Accumulated Depreciation	<u>(54,882,619)</u>	<u>(4,258,696)</u>	<u>-</u>	<u>(59,141,315)</u>
Total Capital Assets Being Depreciated, Net	<u>64,574,069</u>	<u>2,522,806</u>	<u>-</u>	<u>67,096,875</u>
Business-Type Activities Capital Assets, Net	<u>\$ 97,336,322</u>	<u>\$ 16,228,370</u>	<u>\$ (7,554)</u>	<u>\$ 113,557,138</u>

Depreciation and depletion expense was charged to the following activities:

**Governmental Activities:**

General Government	\$ 1,066,349
Public Safety	3,369,890
Highways, Streets, and Bridges	7,401,889
Health and Welfare	337,183
Recreation and Culture	586,400
Public Libraries	215,757
Economic Development	2,460
	<u>\$ 12,979,928</u>

**Business-type Activities:**

Enterprise Funds:	
Wastewater	\$ 2,344,087
Landfill	1,831,760
Property Management	82,849
	<u>\$ 4,258,696</u>

**Construction Commitments**

Cecil County has active construction contracts as of June 30, 2016. The programs include highway, streets, bridges, wastewater treatment facilities, and upgrades to sewers. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Oldfieldpoint Road Improvements	\$ 1,601,113	\$ 681,190
Waibel Road Bridge & Road Improvements	398,731	1,829,848
North East River WWTP	31,782,236	2,249,277
Highlands Interceptor	4,528,129	354,983
Elkton West Sanitary Sewer	1,253,967	538,136
Washington Street Pump Station	113,022	459,157
Total	<u>\$ 39,677,198</u>	<u>\$ 6,112,591</u>

**B. Discretely Presented Component Units**

The following summarizes the capital asset activity of the County's component units for the year ended June 30, 2016:

	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b><u>Board of Education</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,561,453	\$ -	\$ -	\$ 5,561,453
Construction in Progress	17,228,895	13,326,357	(14,172,419)	16,382,833
Total Capital Assets Not Being Depreciated	<u>22,790,348</u>	<u>13,326,357</u>	<u>(14,172,419)</u>	<u>21,944,286</u>
Capital Assets Being Depreciated:				
Building & Improvements	267,195,979	12,340,166	-	279,536,145
Land Improvements	16,662,251	571,700	-	17,233,951
Machinery & Equipment	22,981,610	1,157,001	(2,268,665)	21,869,946
Total Capital Assets Being Depreciated	<u>306,839,840</u>	<u>14,068,867</u>	<u>(2,268,665)</u>	<u>318,640,042</u>
Less Accumulated Depreciation for:				
Building & Improvements	(124,908,724)	(7,447,312)	-	(132,356,036)
Land Improvements	(5,257,791)	(816,125)	-	(6,073,916)
Machinery & Equipment	(17,009,293)	(1,233,702)	2,152,786	(16,090,209)
Total Accumulated Depreciation	<u>(147,175,808)</u>	<u>(9,497,139)</u>	<u>2,152,786</u>	<u>(154,520,161)</u>
Total Capital Assets Being Depreciated, Net	<u>159,664,032</u>	<u>4,571,728</u>	<u>(115,879)</u>	<u>164,119,881</u>
Board of Education Capital Assets, Net	<u>\$ 182,454,380</u>	<u>\$ 17,898,085</u>	<u>\$ 14,288,298</u>	<u>\$ 186,064,167</u>

Capital assets of the County's component units (continued):

	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b><u>Cecil College</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	<u>6,501</u>	<u>-</u>	<u>-</u>	<u>6,501</u>
Total Capital Assets Not Being Depreciated	<u>1,786,264</u>	<u>-</u>	<u>-</u>	<u>1,786,264</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	28,943,422	83,339	-	29,026,761
Building and Improvements	58,961,631	111,114	-	59,072,745
Machinery & Equipment	<u>7,151,334</u>	<u>444,708</u>	<u>(414,249)</u>	<u>7,181,793</u>
Total Capital Assets Being Depreciated	<u>95,056,387</u>	<u>639,161</u>	<u>(414,249)</u>	<u>95,281,299</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(10,900,169)	(1,881,184)	-	(12,781,353)
Building & Improvements	(15,029,607)	(607,549)	-	(15,637,156)
Machinery & Equipment	<u>(5,938,336)</u>	<u>(384,430)</u>	<u>407,799</u>	<u>(5,914,967)</u>
Total Accumulated Depreciation	<u>(31,868,112)</u>	<u>(2,873,163)</u>	<u>407,799</u>	<u>(34,333,476)</u>
Total Capital Assets Being Depreciated, Net	<u>63,188,275</u>	<u>(2,234,002)</u>	<u>(6,450)</u>	<u>60,947,823</u>
Cecil College Capital Assets, Net	<u>\$ 64,974,539</u>	<u>\$ (2,234,002)</u>	<u>\$ (6,450)</u>	<u>\$ 62,734,087</u>
<b><u>Public Library</u></b>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 4,739,363	\$ 1,110,153	\$ (711,357)	\$ 5,138,159
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(2,366,766)</u>	<u>(729,500)</u>	<u>711,357</u>	<u>(2,384,909)</u>
Total Accumulated Depreciation	<u>(2,366,766)</u>	<u>(729,500)</u>	<u>711,357</u>	<u>(2,384,909)</u>
Total Capital Assets Being Depreciated, Net	<u>2,372,597</u>	<u>380,653</u>	<u>-</u>	<u>2,753,250</u>
Public Library Capital Assets, Net	<u>\$ 2,372,597</u>	<u>\$ 380,653</u>	<u>\$ -</u>	<u>\$ 2,753,250</u>
<b><u>Bainbridge Development Corporation</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ -	\$ 3,549,600
Capital Assets Being Depreciated:				
Machinery & Equipment	<u>11,895</u>	<u>17,511</u>	<u>-</u>	<u>29,406</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(8,491)</u>	<u>(3,069)</u>	<u>-</u>	<u>(11,560)</u>
Total Accumulated Depreciation	<u>(8,491)</u>	<u>(3,069)</u>	<u>-</u>	<u>(11,560)</u>
Total Capital Assets Being Depreciated, Net	<u>3,404</u>	<u>14,442</u>	<u>-</u>	<u>17,846</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,553,004</u>	<u>\$ 14,442</u>	<u>\$ -</u>	<u>\$ 3,567,446</u>

**7. Interfund Balances and Transfers**

Interfund balances arise primarily from the General Fund’s role as receiver, investor, and disbursing officer of cash. Transactions that are short-term were classified as inter-fund receivables. The Landfill Fund required an Advance of \$4,630,535 to assure cash funding of the Closure and Post closure Liability in accordance with State Law; this is classified as an advance because the Landfill’s cash flow is insufficient to repay the balance in the short term. The Motor Vehicle internal service fund holds depreciable assets; the receivables from this fund is considered an advance because the cash flow from service charges is insufficient to repay the balances in the short term. The inter-fund receivables as of June 30, 2016, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 943,974
	Advance to Landfill Fund	4,630,535
	Advance to Motor Vehicle Fund	5,377,258
		<u>\$ 10,951,767</u>

Inter-fund transfers from the General Fund consist of operating transfers to finance debt service of \$14,609,516 and \$1,452,326 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2016, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Housing Fund</u>	<u>Motor Vehicle Fund</u>	<u>General Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>General Fund</u>	
General Fund	\$ 125,694	\$ -	\$ -	\$ 15,936,148	\$ -	\$ 16,061,842
Property Management	-	-	-	-	105,991	105,991
Casino Local Impact	-	7,850	384,360	-	1,749,000	2,141,210
General Capital Projects	-	-	-	3,130,552	-	3,130,552
<b>Total</b>	<u>\$ 125,694</u>	<u>\$ 7,850</u>	<u>\$ 384,360</u>	<u>\$ 19,066,700</u>	<u>\$ 1,854,991</u>	<u>\$ 21,439,595</u>

8. Long-Term Debt

A. Changes in Long-Term Liabilities

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 148,656,828	\$ 38,253,531	\$ (22,499,143)	\$ 164,411,216	\$ 11,123,769
Premium on Debts Issued	<u>11,284,472</u>	<u>5,209,763</u>	<u>(1,535,502)</u>	<u>14,958,733</u>	<u>1,904,330</u>
Total Bonds Payable	159,941,300	43,463,294	(24,034,645)	179,369,949	13,028,099
Insurance Claims Payable	5,937,886	10,920,960	(11,819,940)	5,038,906	5,038,906
Compensated Absences	1,837,307	2,060,147	(1,676,315)	2,221,139	1,480,885
Net Pension Liability	<u>19,406,303</u>	<u>6,540,829</u>	<u>-</u>	<u>25,947,132</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 187,122,796</u>	<u>\$ 62,985,230</u>	<u>\$ (37,530,900)</u>	<u>\$ 212,577,126</u>	<u>\$ 19,547,890</u>
	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Bonds Payable	\$ 63,399,151	\$ 20,490,820	\$ (5,831,894)	\$ 78,058,077	\$ 4,459,078
Premium on Debt Issued	<u>425,451</u>	<u>380,156</u>	<u>(64,372)</u>	<u>741,235</u>	<u>102,420</u>
Total Bonds Payable	63,824,602	20,870,976	(5,896,266)	78,799,312	4,561,498
Compensated Absences	129,991	123,786	(110,963)	142,814	95,209
Accrued Landfill Closure and Postclosure Costs	<u>8,568,367</u>	<u>255,635</u>	<u>-</u>	<u>8,824,002</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 72,522,960</u>	<u>\$ 21,250,397</u>	<u>\$ (6,007,229)</u>	<u>\$ 87,766,128</u>	<u>\$ 4,656,707</u>
<b>Component Units</b>					
Board of Education	\$ 15,830,424	\$ 4,264,114	\$ (2,064,771)	\$ 18,029,767	\$ 1,296,862
Cecil College	530,971	1,163	(39,246)	492,888	278,306
Cecil County Public Library	286,661	84,962	-	371,623	28,314
Bainbridge Development	<u>91,841</u>	<u>-</u>	<u>-</u>	<u>91,841</u>	<u>-</u>
Component Units Long-Term Liabilities	<u>\$ 16,739,897</u>	<u>\$ 4,350,239</u>	<u>\$ (2,104,017)</u>	<u>\$ 18,986,119</u>	<u>\$ 1,603,482</u>

Compensated absences are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The General Fund normally pays compensated absence liabilities not recorded in internal service funds.

**B. General Obligation Bonds**

Cecil County issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds have been issued for both governmental and business-type activities; they are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 10 to 20 year serial bonds with varying amounts of principal due each year.

Cecil County has also issued special assessment debt to provide for the construction of shore erosion control projects. These funds will be repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources are received.

Bond issues described as “Consolidated Public Improvement Bonds” are used to finance the design, planning, renovation, construction, and equipping of public facilities in Cecil County. Funding from Sanitary District Bonds is used to design, plan, renovate, construct or equip various wastewater facilities.

There are certain limitations and restrictions contained in the various bond indentures including call provisions. The County is in compliance with the limitations and restrictions.

A detailed list of bonds outstanding as of June 30, 2016, is contained on pages 60 and 61.

The annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2016, were as follows:

Year Ending June 30	General Obligation Bonds				Special Assessment Bonds	
	Governmental Activities		Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 11,117,670	\$ 5,935,470	\$ 4,459,078	\$ 2,531,666	\$ 6,099	\$ -
2018	11,874,355	5,518,474	4,667,407	2,407,064	6,099	-
2019	11,971,138	5,094,546	4,714,319	2,278,012	6,099	-
2020	11,566,708	4,676,758	4,868,141	2,144,187	6,099	-
2021	11,890,694	4,227,477	4,972,256	2,003,539	6,099	-
2022-2026	57,648,518	14,295,495	24,034,174	7,609,949	30,494	-
2027-2031	32,133,054	5,647,308	20,013,841	3,930,532	30,494	-
2032-2036	16,111,497	1,391,947	13,141,719	1,170,499	6,099	-
2037-2041	-	-	510,146	138,355	-	-
2042-2045	-	-	348,313	29,166	-	-
Total	<u>\$ 164,313,634</u>	<u>\$ 46,787,475</u>	<u>\$ 81,729,394</u>	<u>\$ 24,242,969</u>	<u>\$ 97,582</u>	<u>\$ -</u>
Less: Funds not Draw n	-		(3,671,317)		-	
Total	<u>\$ 164,313,634</u>		<u>\$ 78,058,077</u>		<u>\$ 97,582</u>	

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2016:

<b>Date of Issue / Maturity</b>	<b>Amount of Original Issue</b>	<b>Description</b>	<b>Interest Rates</b>	<b>Balance Outstanding June 30, 2016</b>
2002/2023	\$ 2,050,000	Sanitary District Bond 2002A Cherry Hill WWTP	2.00%	\$ 811,402
2002/2024	6,279,112	Sanitary District Bond 2002B North East River WWTP	1.90%	2,547,014
2003/2043	845,000	Sanitary District Bond 2003A Cherry Hill WWTP	4.25%	708,657
2004/2023	2,616,645	Sanitary District Bond, Series 2003B Lakeside/Rt 272 Sewer Upgrades	1.20%	1,033,245
2004/2044	1,585,000	Sanitary District Bond, Series 2004A Carpenters Point Ph I Collection System	4.58%	1,364,682
2004/2025	8,000,000	Sanitary District Bond, Series 2004B Meadowview WWTP	1.10%	3,931,276
2007/2027	26,720,000	Consolidated Public Improvement Bonds 2006 General \$4,407,443 BOE \$20,205,776 Library \$2,106,781	3.5%-5%	1,270,000
2008/2027	32,045,000	Consolidated Public Improvement Bonds 2007 General \$9,401,700 BOE \$15,530,046 College \$743,254 Waste Water \$6,370,000	4%-5%	2,965,000
2008/2027	2,702,000	Sanitary District Bond 2008A Washington Street Pump Station Carpenters Point Ph II Collection System	1%	1,517,612
2009/2028	800,000	Sanitary District Bond 2008B Septage Receiving Facility	None	480,000
2009/2028	27,695,000	Consolidated Public Improvement Bonds 2009 General \$6,857,437 BOE \$9,175,563 College \$6,987,000 Waste Water \$3,700,000 Solid Waste \$975,000	3.0%-4.375%	2,770,000



List of Bonds outstanding at June 30, 2016 (continued):

<b>Date of Issue / Maturity</b>	<b>Amount of Original Issue</b>	<b>Description</b>	<b>Interest Rates</b>	<b>Balance Outstanding June 30, 2016</b>
2010/2021	\$25,160,000	Consolidated Public Improvement and Refunding Bonds 2010A General \$4,553,000 BOE \$1,646,000 College \$751,000 Solid Waste \$8,500,000 Refunding 2001B \$9,710,000	2.0%-3.0%	\$ 14,020,000
2010/2030	15,420,000	Consolidated Public Improvement and Refunding Bonds 2010B General \$6,920,000 Solid Waste \$8,500,000	4.75%-5.7%	15,420,000
2010/2030	1,257,000	Sanitary District Bond 2010A Carpenters Point Ph III Collection System	1%	948,139
2011/2024	6,615,000	2011 GO Refunding Bond Refunding 2003 and 2004	2.35%	6,537,000
2012/2032	33,995,000	Consolidated Public Improvement and Refunding Bonds of 2012 General \$11,504,000 BOE \$560,000 College \$1,203,000 Waste Water \$1,483,000 Refunding 2002,2003,2004 & 2005 \$19,245,000	2.25%-5.0%	29,190,000
2013/2025	9,290,000	Consolidated Public Improvement and Refunding Bonds of 2013 Refunding 2002 & 2005 \$9,290,000	2.0%-5.0%	8,530,000
2014/2036	20,879,000	Sanitary District Bond 2014 Northeast River WWTP ENR Upgrade (Only \$17,207,684 drawn at June 30, 2016)	2%	17,207,684
2014/2034	48,000,000	Consolidated Public Improvement 2014 General \$17,015,000 BOE \$14,325,000 Waste Water \$16,660,000	3.0%-5.0%	45,615,000
2015/2027	34,975,000	2015 GO Refunding Bond Refunding 2006 and 2007	3.0%-4.0%	34,975,000
2016/2036	50,530,000	Consolidated Public Improvement and Refunding Bonds of 2016 General \$12,343,200 BOE \$11,664,800 College \$2,002,000 Property Management \$7,300,000 Waste Water \$2,490,000 Refunding 2009 \$14,730,000	2.25%-5.0%	<u>50,530,000</u>
Sub-Total General Obligation Bonds				<u>242,371,711</u>
2004/2031	149,000	West View Shores II - Erosion Control	None	<u>97,582</u>
Sub-Total Special Assessment Debt				<u>97,582</u>
Total				<u><u>\$ 242,469,293</u></u>

**C. Defeasance of Debt**

In 2016 the County issued \$14,730,000 in general obligation bonds to advance refund \$15,230,000 of outstanding series 2009 General Obligation Bonds. The net proceeds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the refunded portion of the series 2009 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,659,338; this amount is being netted against the new debt and amortized over the remaining life of the refunded debt. An economic gain was realized on the transaction; the savings resulting from the transaction were calculated as:

Cash flow requirements of debt service on the old debt	\$ 20,602,578
Cash flow requirements of debt service on the new debt	19,498,127
Net savings from refunding (Economic gain)	\$ 1,104,451

Prior Year Defeasance of Debt. In prior years, Cecil County defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. As of June 30, 2016, \$50,245,000 of Cecil County Maryland bonds outstanding from this defeasement are considered defeased.

**9. Leases**

**A. Operating Leases**

The County no longer leases office facilities after the purchase of 107 Chesapeake Blvd in Elkton. The Board of Education leases office and warehouse space, and bus parking. The future minimum lease payments for these leases were as of June 30, 2016:

<u>Years Ending June 30</u>	<u>Board of Education</u>
2017	\$ 431,551
2018	431,551
2019	430,994
2020	431,551
Total Commitment under the Operating Lease	<u>\$ 1,725,647</u>

**B. Capital Leases**

The Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As of June 30, 2016, future minimum payments under capital leases were as follows:

<u>Years Ending June 30</u>	<u>Board of Education</u>
2017	\$ 941,268
2018	941,268
2019	838,252
2020	803,913
2021	<u>803,913</u>
Total Payments	4,328,614
Less Interest	<u>(155,540)</u>
Capitalized lease obligations	<u>\$ 4,173,074</u>

**10. Landfill Closure and Post-closure Care Costs**

State and federal laws and regulations require the County to place a final cover on its central refuse landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

The landfill closure and post-closure care liability of \$8,824,002 as of June 30, 2016, represented the cumulative amount reported to date based on the use of approximately 75% of the estimated capacity of the currently constructed cells at the landfill. Based on the historical average disposal volume in the last 5 years, it is anticipated that the existing landfill has approximately 10-12 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$2,590,306 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2016 costs. Actual cost may be different because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements relative to financing the expected cost of closure and post-closure care. The County is in compliance with these requirements.

11. Deferred Revenues

Government Funds report deferred revenues in connection with revenues that are not considered to be available to liquidate liabilities of the current period. In the government-wide statement, deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
<b><u>Unavailable Revenues</u></b>		
<b>General Fund</b>		
Income Taxes	\$ 6,958,226	\$ -
Property Taxes	206,437	-
<b>Total Governmental Activities</b>	<b><u>\$ 7,164,663</u></b>	<b><u>\$ -</u></b>
<b><u>Unearned Revenues</u></b>		
<b>General Fund</b>		
Unearned Grant Revenue	\$ 86,659	\$ 86,659
<b>General Capital Project Fund</b>		
Unearned Grant Revenue	247,743	247,743
<b>Non-Major Funds</b>		
Other Special Revenues	103,290	103,290
Senior Services & Community Transit	154,611	154,611
	<u>257,901</u>	<u>257,901</u>
<b>Internal Service Fund</b>		
Motor Vehicle Fund	-	1,511,874
	<u>-</u>	<u>1,511,874</u>
<b>Total Governmental Activities</b>	<b><u>\$ 592,303</u></b>	<b><u>\$ 2,104,177</u></b>

**12. Fund Balance**

The County has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted** – Amounts that can be spent only for specific purposes because of the County Charter, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed** – Amounts that can be used only for specific purposes determined by formal County Council legislative action. This includes the Reserve for Contingencies (Rainy Day).
- Assigned** – Amounts that are allocated for a future use by the County Executive but are not spendable until a budget ordinance is passed by County Council.
- Unassigned** – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet of Governmental Funds. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the County Executive. Decreases to fund balance first reduce Unassigned Fund Balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

**General Fund**

The General Fund had Nonspendable fund balances of \$10,603,407 as of June 30, 2016. The \$4,630,535 due from the Landfill Fund is considered an Advance (discussed in Note 7) and therefore is classified as Nonspendable fund balance; the fund has not generated enough cash flow over time to maintain state mandated Closure/Post-Closure reserves and that cash has been advanced by the General Fund. The Motor Vehicle internal service fund holds depreciable assets; the receivables from this fund is considered as Advances and classified as Nonspendable because the cash flow from service charges is insufficient to repay the balance in the short term. The County’s Nonspendable fund balance detail is as follows:

<b>Non-spendable</b>	
Advance to Landfill Fund	\$ 4,630,535
Advance to Motor Vehicle Fund	5,377,258
Inventory and Prepaid	<u>595,254</u>
	<u>\$ 10,603,047</u>

The General Fund had Committed fund balances of \$16,196,482 as of June 30, 2016. The Reserve for Contingencies was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The Reserve for Contingencies has not been utilized since the reserve was created in the year 1999. This is equal to 7.5% of \$182,959,458 - fiscal year 2017 expenditures budgeted as of the end of June 30, 2016. The County’s Committed fund balance detail is as follows:

<b>Committed</b>	
Reserve for Contingencies (Rainy Day)	\$ 13,721,959
Fund Balance Appropriation FY2017	<u>2,474,523</u>
	<u>\$ 16,196,482</u>

The General Fund had Assigned fund balances of \$2,300,000 as of June 30, 2016. The Assigned amount is related to a state and local income tax court case that has resulted in potential refunds of local income tax. The Assigned fund balance detail is as follows:

<b>Assigned</b>		
Income Tax Refunds - Wynne Case	\$	2,300,000

The General Fund is the only governmental fund that can report a positive Unassigned fund balance; the Unassigned balance as of June 30, 2016 is \$8,755,014.

**Other Funds**

The restricted fund balances for all special revenue funds amounted to \$9,764,227 and are intended to be used for subsequent years' expenditures for various grants and activities. The \$7,749,234 restricted funds for all capital projects are bond funds intended to be used for on-going capital projects. The balances as of June 30, 2016 consist of the following:

<b>Restricted</b>		
Major Fund	Housing	\$ 530,758
Major Fund	Casino Local Impact	1,615,095
Major Fund	General Capital Projects	7,749,234
Non-Major Funds	Other Governmental	7,618,374
		\$ 17,513,461

**13. Risk Management**

**A. Health Insurance**

The County is self-insured for health care benefits provided to employees. The County pays 85% of the cost of providing benefits with employees contributing 15% of the cost. Benefits are provided through the Health Insurance Internal Service Fund. The Fund was established in fiscal year 1993 to provide health care benefits to employees of the County government, and two component units (Cecil College and Cecil County Public Library). Under the Plan, charges are made to employers on a formula basis. Inter-fund charges within the County are recorded as revenue in the Health Insurance Fund and as expenditure/expense to the benefiting department.

The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of health-related claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$200,000 per plan year. During the fiscal year ended June 30, 2016, the County incurred a series of claims that exceeded the stop loss limit; the County received reimbursement for these claims.

The liability for Health Insurance Fund claims of \$1,030,906 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2016. Historical claims experience and other relevant reports are the basis for these estimates.

An analysis of claims liabilities recorded in the Health Insurance Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2014-2015	\$ 1,720,117	\$ 10,211,300	\$ (10,456,531)	\$ 1,474,886
2015-2016	1,474,886	9,549,639	(9,993,619)	1,030,906

**B. Workers Compensation Insurance**

Effective July 1, 2009, the County became self-insured for workers compensation benefits provided to employees. The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of workers compensation claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$500,000 per plan year.

The liability for Workers Compensation Fund claims of \$4,008,000 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2016. The resolution of claims and the actuarial adjustment caused the 2015-2016 Claims and Claims Incurred to fall below zero.

An analysis of claims liabilities recorded in the Workers' Compensation Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2014-2015	\$ 3,870,000	\$ 2,034,471	\$ (1,441,471)	\$ 4,463,000
2015-2016	4,463,000	(92,801)	(362,199)	4,008,000

**C. Other Insurance**

The County is exposed to various risks of loss related to torts, thefts or damage to assets, destruction of assets, errors and omissions, injuries to employees and other losses. The County participates in the Maryland Local Government Insurance Trust (LGIT). Coverage and deductibles under LGIT vary depending on type of incident.

The County insures its primary liability, property damage, and excess liability coverage through participation in LGIT, a public entity risk pool. For the pooled coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Stop loss insurance is provided to protect against catastrophic losses. Premiums are paid by the General Fund. The County does not have any claim liability in addition to premiums, unless an assessment is made by the Trust.

**14. Commitments and Contingencies****A. Educational Funding Commitments**

The Annotated Code of Maryland (the Code) requires that the County provide funding equal to at least 32% of the Cecil College current expenditures. The County has met the funding requirement for the year ended June 30, 2016. Funding for the year ending June 30, 2017, is estimated to be \$9,934,415. The Code also requires that the County maintain its funding level from year to year for the Board of Education. For the year ended June 30, 2016, such funding amounted to \$75,807,033 and is estimated to be \$76,666,693 for the year ending June 30, 2017.

**B. Grant Compliance**

The County receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations become known. County officials do not expect any significant adjustment as a result of these examinations.

**C. Litigation Compliance**

The County is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the County's attorneys, likely to have a material adverse impact on the County's financial position.

**15. Employee Retirement Systems and Pension Plans****A. Pension Plans – Primary Government**

The County sponsors a single-employer, defined benefit pension plan, the Cecil County Pension Plan for Public Safety Employees (PPPSE), to provide benefits to certain law enforcement and public safety personnel. Except for employees of the Bainbridge Development Corporation, all other County employees and the employees of its component units are covered by the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple employer public employee retirement system.

**Cecil County Pension Plan for Public Safety Employees (PPPSE)**

Plan description. Established by Cecil County on July 1, 2002, the Cecil County Pension Plan for Public Safety Employees (PPPSE) is a single-employer, defined benefit pension plan which provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan covers all full-time employees on the County's Public Safety Pay Scale hired after June 30, 2002, the Cecil County Sheriff, and eligible public safety employees who have opted to convert from the Maryland State Retirement and Pension System Plan. As of June 30, 2016, there were 253 active Plan members, 80 retirees receiving benefits, 4 disabled beneficiary receiving benefits and 25 members entitled to but not yet receiving retirement benefits. Responsibility for the administration and operation of the Plan is vested with a 9-member Board of Trustees. The Plan issues publicly available financial statements which are available from the Cecil County Department of Human Resources, 200 Chesapeake Blvd. Elkton, MD 21921.



Summary of significant accounting policies – basis of accounting and valuation of investments.

The Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

Funding Policy. The contribution requirements of Plan members and the County are established by resolution of the former Board of County Commissioners and may be amended by resolution. Plan members are required to contribute 8% of the base compensation. Cecil County, as the employer, is required to make actuarially determined annual contribution amounts; the current rate is 17.06% of covered payroll.

Annual Pension Cost. For the fiscal year ended June 30, 2016, the County’s annual contribution to the PPPSE was \$2,288,108 which was higher than its required contribution of \$2,171,030 by \$117,078. The required contribution to the Public Safety Plan was determined as part of the July 1, 2015, actuarial valuation using the projected unit actuarial cost method and level percentage – closed amortization method. The actuarial assumptions included: (a) 7.0% investment rate of return compounded annually, net of investment expenses; (b) projected salary increases vary by years of service; (c) termination of service rates vary by years of service; (d) an inflation rate of 2.5% resulting in post-retirement benefit increases of the maximum 2%; (e) rates of mortality rates vary by participant age and service. For healthy participants and beneficiaries, the RFP-2000 Combined Healthy tables with the Blue Collar adjustment and generational; projection by Scale AA. For disabled participants, the table is set forward five years; (f) the remaining amortization period for the original unfunded liability is 16 years, additional changes to Unfunded Actuarial Accrued Liability (UAL) due to changes in plan terms are amortized over a closed period of 30 years. Changes to UAL due to actuarial gains or losses and actuarial assumptions are amortized over closed periods of 15 years.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (2.5%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	52%	6.62%
International	12%	7.30%
Emerging Markets	3%	9.66%
Fixed Income	33%	1.72%
Cash	0%	0.00%

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

	<b>Changes in the Net Pension Liability</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 6/30/15</b>	\$ 51,699,078	\$ 43,952,079	\$ 7,746,999
<b>Changes for the year:</b>			
Service cost	2,338,610	-	2,338,610
Interest	3,553,215	-	3,553,215
Difference between Expected/Actual Experience	(736,331)	-	(736,331)
Contributions - Employer	-	2,288,108	(2,288,108)
Contributions - Member	-	925,386	(925,386)
Net Investment Income	-	(1,304,390)	1,304,390
Benefit Payments/ Refunds	(1,877,716)	(1,877,716)	-
Administrative Expense	-	(66,571)	66,571
<b>Net Changes</b>	<b>3,277,778</b>	<b>(35,183)</b>	<b>3,312,961</b>
<b>Balances at 6/30/16</b>	<b>\$ 54,976,856</b>	<b>\$ 43,916,896</b>	<b>\$ 11,059,960</b>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
County's Net Pension Liability	\$ 19,364,500	\$ 11,059,960	\$ 4,353,260

Detailed information about the pension plan’s net position is available in the separately issued PSPP financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the County recognized pension expense of \$2,909,066. As of June 30, 2016 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,423,418
Changes in Assumptions	449,673	-
Net difference between projected and actual earnings on pension plan investments	4,514,729	-
Total	<u>\$ 4,964,402</u>	<u>\$ 1,423,418</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2017	\$ 997,125
2018	997,125
2019	997,123
2020	672,332
2021	(122,721)
Total	<u>\$ 3,540,984</u>

**Maryland State Retirement and Pension System (MSRPS)**

Plan description. Except for public safety personnel participating in the Pension Plan for Public Safety described previously and employees of Bainbridge Development Corporation, the employees of the County and its component units are covered by a plan within either the Employees’ Retirement and Pension System or the Teachers’ Retirement and Pension System. These plans are part of the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer public employee retirement system administered by the State Retirement Agency. The MSRPS was established by the State Personnel and Pensions Article of the Annotated Code of Maryland (State law) to provide retirement allowances and other benefits to state employees, teachers, police, judges, legislators and employees of participating governmental units. Responsibility for the administration and operation of the MSRPS is vested in a 14-member Board of Trustees. The MSRPS issues annual financial statements which are publicly available at [www.sra.state.md.us](http://www.sra.state.md.us) or may be obtained by writing to the State Retirement and Pension System of Maryland, 301 West Preston Street, Baltimore, MD 21201, or by calling 1-800-492-5909.

Funding policy. The contribution requirements for plan members, the County and its component units are established by State law. Employees are required to contribute two percent to seven percent of their compensation, depending on the plan in which they are enrolled. Employers, including the County, are required to contribute at an actuarially determined rate based on annual actuarial valuations using the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of

Trustees. Current employer contribution rates to the Employees' Retirement and Employees' Pension plans vary from 8.1% to 13.1% of covered payroll depending on the plan. The County's contributions to the MSRPS for the years ending June 30, 2016, 2015, and 2014, were \$1,462,786, \$1,516,240, and \$2,280,940 respectively and equaled the required contribution for each year. Amounts contributed by the State on behalf of the component units can be found in their respective financial statements.

Summary of total pension costs. The total annual pension cost for the County and its component units to the MSRPS and the Pension Plan for Public Safety Employees for the year ended June 30, 2016, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 1,462,786	\$ 2,288,108	\$ 3,750,894
Component Units			
Board of Education	16,731,838	-	16,731,838
Community College	586,062	-	586,062
Public Library	432,590	-	432,590
Total	<u>\$ 19,213,276</u>	<u>\$ 2,288,108</u>	<u>\$ 21,501,384</u>

Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2016, the County reported a liability of \$14,887,172 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2016, the County's proportion was .0716359%.

For the year ended June 30, 2016, the County recognized pension expense of \$2,143,629. As of June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to Measurement Date	\$ 1,419,302	\$ -
Differences between expected and actual experience	-	1,728,295
Changes in Assumptions	1,760,923	-
Net difference between projected and actual earnings on pension plan investments	<u>5,259,950</u>	<u>-</u>
Total	<u>\$ 8,440,175</u>	<u>\$ 1,728,295</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2017	\$ 350,319
2018	350,319
2019	350,319
2020	350,319
2021	<u>350,318</u>
Total	<u>\$ 1,751,594</u>

Actuarial Assumptions. The key actuarial assumptions used to perform the June 30, 2016 pension liability calculation are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Inflation	2.95% General, 3.45% Wage
Salary Increases	3.45% to 10.70% Including Inflation
Investment Rate of Return	7.55%

Mortality rates were based on the RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the System’s Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset allocation, the best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	6.30%
Fixed Income	10%	0.60%
Credit Opportunity	10%	3.20%
Real Return	14%	1.80%
Absolute Return	10%	4.20%
Private Return	10%	7.20%
Real Estate	10%	4.40%
Cash	1%	0.00%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension calculated using the discount rate of 7.55 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 (6.55 percent) or 1 percentage point higher (8.55 percent) than the current rate:

	<b>1% Decrease</b> <b>6.55%</b>	<b>Current Discount Rate</b> <b>7.55%</b>	<b>1% Increase</b> <b>8.55%</b>
County's Net Pension Liability	\$ 21,040,735	\$ 14,887,172	\$ 9,784,642

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s Comprehensive Annual Report for the fiscal year ended June 30, 2015. This can be found at [www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2015.pdf](http://www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2015.pdf).

**B. Pension Plans – Component Units**

Cecil County Public Schools: As of June 30, 2016, the Public Schools reported a liability of approximately \$10.8 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public School’s proportion of the ERS net pension liability was based on a projection of the Board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2016, the Board’s proportion for ERS was 0.0521%, which was substantially the same from its proportion measured as of June 30, 2015. For the year ended June 30, 2016, the Public Schools recognized pension expense for ERS of approximately \$953 thousand. Detailed retirement plan information for the Public Schools is available in their current year audited financial statements.

Cecil County Library: As of June 30, 2016, the Library reported a liability of approximately \$372 thousand for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library’s proportion of the ERS net pension liability was based on a projection of the Board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2016, the Board’s proportion for ERS was 0.0018%, which was substantially the same from its proportion measured as of June 30, 2015. For the year ended June 30, 2016, the Library recognized pension expense for ERS of approximately \$36 thousand. Detailed retirement plan information for the Library is available in their current year audited financial statements.

**C. Defined Contribution Plan**

Employees of Cecil College are eligible to be covered under the Teachers' Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF). TIAA-CREF, a private insurance company, is the optional retirement program chosen by the State Board of Community Colleges for professional staff only. The College has also chosen a TIAA-CREF plan to provide retirement benefits to certain employees not eligible to participate in any other plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$6,384,347 in 2016.

**16. Other Post-Employment Benefits****A. Plan Description**

The Cecil County Maryland Non-Pension Post-Employment Benefits Trust (the "Plan") is a single employer defined benefit plan administered by the County. The Plan provides medical, prescription drug, dental and vision to all eligible retired employees of the County, Cecil County Public Library and Cecil College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must meet the eligibility requirements of the plan. In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement depending on the employee's years of service, the County contributes \$75 to \$150 per month per participant to the Plan, and the participant is required to pay the balance of the Plan's insurance premiums, as well as any annual deductibles. As of July 1, 2016, the date of the last actuarial valuation, approximately 87 retirees and their beneficiaries were receiving benefits, and an estimated 698 active employees are potentially eligible to receive future benefits. The Plan issues publicly available financial statements, which are available from the Cecil County Department of Finance, 200 Chesapeake Blvd. Elkton, MD 21921.

**B. Funding Policy**

The County pays a portion of retiree healthcare premiums based on years of service. The retiree pays the remaining premium, including the cost of eligible dependents. The Cecil County Maryland, Non-Pension Post-Employment Benefits Trust was established by Cecil County to provide funding for post-retirement non-pension benefits for certain employees of the County, Cecil College and the Cecil County Library. The County funded the Annual Required Contribution (ARC) in the amount of \$602,000.

**C. Annual OPEB Cost and Net OPEB Obligation**

An actuarial study was prepared calculating the postemployment healthcare cost as of July 1, 2016. The actuarial evaluation estimated the Unfunded Actuarial Accrued Liability ("UAAL") at \$617,638 and the Annual Required Contribution ("ARC") of \$322,000. The post-employment healthcare cost was determined under the Projected Unit Credit Actuarial Cost Method and uses a level percentage closed amortization method. The calculation uses a 7 percent discount rate and the amortization of the UAAL over 30 years. This ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus any unfunded liability amortized over a period not to exceed thirty years. The County pays post-retirement medical benefits (normal cost) from the General Fund, not from the trust.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB Plan for the year ended June 30, 2016:

Annual Required Contribution (ARC)	\$ 602,000
Interest on Net OPEB Obligation	(83,000)
Adjustment to the ARC	<u>74,000</u>
Annual OPEB Cost (Expenses)	593,000
Payments to retirees from General Fund	(514,550)
Contributions made	<u>(395,450)</u>
Increase in Net OPEB Obligation	(317,000)
Net OPEB obligation (asset) - beginning of year	<u>(1,190,396)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (1,507,396)</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016, were as follows:

<u>Fiscal Years Ended June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Covered</u>	<u>Net OPEB Obligation (Asset)</u>
2014	\$ 959,000	100%	\$ (1,003,488)
2015	872,000	121%	(1,190,396)
2016	593,000	153%	(1,507,396)

**D. Funding Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$5,658,000. The County fully funded the annual required contribution (ARC). As of June 30, 2016, there is \$5,187,238 in net assets. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality, and health care cost trends. The amounts determined from the actuarial study regarding the funded status of the Plan and annual required contributions of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

<u>Actuarial Valuation Date July 1</u>	<u>Actuarial Value of Assets (a)</u>	<u>Liability (AAL) - Projected Unit Cost Method (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2014	\$ 4,310,910	\$ 10,400,000	\$ 6,089,090	41.5%	\$ 26,852,179	22.7%
2015	4,805,577	8,396,000	3,590,423	57.2%	27,669,211	13.0%
2016	5,040,362	5,658,000	617,638	89.1%	29,774,797	2.1%



**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and Plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the July 1, 2016, actuarial valuation, the cost method used was the projected unit credit, with linear proration to assumed benefit commencement. The Society of Actuaries (SOA) Long Term Medical Trend model is used to develop the medical trend assumption; among the variables used in this model is a rate of inflation of 2.3%. Based on the SOA model, the initial medical trend rate is 5.9% decreasing gradually to 4.00% in 2076. The actuarial assumptions included a 7.0 percent rate of return and a 4.0% annual projected salary increase. The UAAL is being amortized over 30 years based on a level percentage of projected payroll.

**Board of Education**

The Board of Education (the Board) offers post-retirement health care benefits, in accordance with a Board-adopted plan, to all retired employees who have completed fourteen years or more of service and have been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 668 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$8,583 per year based on years of service and employee classification. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include an accrual for the estimate of the amount payable at the end of the fiscal year. During fiscal year 2016, \$6,489,720 was recorded for current post-retirement health care costs.

**17. Subsequent Events**

In September 2016, the County through its Wastewater Fund settled a dispute dating to 2016 and prior years with a project vendor resulting in \$812,086 of operating expense accrued into FY2016.

As part of the fiscal year 2017 budget and related legislation passed in June 2016, the County was authorized to initiate a \$2,000,000 capital lease. In September 2016 the County recorded an initial draw against the lease of \$467,715.

## REQUIRED SUPPLEMENTARY INFORMATION

**THE CECIL COUNTY PENSION PLAN  
FOR PUBLIC SAFETY EMPLOYEES  
SCHEDULE OF CHANGES IN THE COUNTY'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Total Pension Liability</b>			
Service cost	\$ 2,197,590	\$ 2,283,832	\$ 2,338,610
Interest	2,922,270	3,327,286	3,553,215
Differences between expected and actual experience	-	(1,214,713)	(736,331)
Changes of assumptions	2,298,433	674,511	-
Benefit payments, including refunds of member contributions	<u>(1,455,709)</u>	<u>(1,808,984)</u>	<u>(1,877,716)</u>
Net change in total pension liability	5,962,584	3,261,932	3,277,778
Total pension liability - beginning	<u>42,474,563</u>	<u>48,437,146</u>	<u>51,699,078</u>
Total pension liability - ending (a)	<u>\$ 48,437,147</u>	<u>\$ 51,699,078</u>	<u>\$ 54,976,856</u>
<b>Plan Fiduciary net position</b>			
Contributions - employer	\$ 2,267,679	\$ 2,199,663	\$ 2,288,108
Contributions - member	877,946	909,516	925,386
Net investment income	6,148,908	1,316,789	(1,304,390)
Benefit payments, including refunds of member contributions	(1,455,709)	(1,808,984)	(1,877,716)
Administrative expense	<u>(33,352)</u>	<u>(50,396)</u>	<u>(66,571)</u>
Net change in plan fiduciary net position	7,805,472	2,566,588	(35,183)
Plan fiduciary net position - beginning	<u>33,580,020</u>	<u>41,385,491</u>	<u>43,952,079</u>
Plan fiduciary net position - ending (b)	<u>\$ 41,385,492</u>	<u>\$ 43,952,079</u>	<u>\$ 43,916,896</u>
<b>County's net pension liability - ending (a)-(b)</b>	<u>\$ 7,051,655</u>	<u>\$ 7,746,999</u>	<u>\$ 11,059,960</u>
Plan fiduciary net position as a percentage of the total pension liability	85.44%	85.02%	79.88%
Covered employee payroll <sup>1</sup>	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624
County's net pension liability as a percentage of covered-employee payroll	64.29%	67.33%	95.04%
Expected average remaining service years of all participants	6	6	6

Benefit Changes: None

Change of assumptions: In fiscal year 2015, the assumed rates of mortality for disabled participants were adjusted.

<sup>1</sup> Per GASB 82, the amount shown reflect pensionable earnings only

**Notes to schedule:**

Information for fiscal year 2013 and earlier is not available.

Benefit Changes: None

Change of Assumptions: None

**Source:** Cecil County Public Safety Pension Plan Actuarial Reports

**THE CECIL COUNTY PENSION PLAN  
FOR PUBLIC SAFETY EMPLOYEES  
SCHEDULE OF COUNTY CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,267,679	\$ 2,199,663	\$ 2,171,030
Contributions in relation to the actuarially determined contribution	<u>2,267,679</u>	<u>2,199,663</u>	<u>2,288,108</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (117,078)</u>
Covered-employee payroll	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624
Contributions as a percentage of covered employee payroll	20.68%	19.12%	19.66%

**Notes to schedule:**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Percentage of Payroll
Remaining amortization period	No more than 22 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	Rates vary by participant service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries, the RFP-2000 Combined Healthy tables with the Blue Collar adjustment and generational projection by Scale AA. For disabled participants, the table is set forward five years

Prior Year Information:

Information for fiscal year 2013 and earlier is not available

**Source:** Cecil County Public Safety Pension Plan Actuarial Reports

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
County's portion of the net pension liability	0.0575%	0.0657%	0.0716%
County's porportionate share of the net pension liability	\$ 11,323,431	\$ 11,629,304	\$ 14,887,172
Covered-employee payroll	26,603,993	26,852,179	27,669,211
County's Net Pension Liability as a percentage of covered employee payroll	42.56%	43.31%	53.80%
Plan fiduciary net position as a percentage of the total pension liability	67.20%	71.87%	68.78%

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
SCHEDULE OF COUNTY CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,531,008	\$ 1,509,892	\$ 1,419,302
Contributions in relation to the actuarially determined contribution	<u>1,531,008</u>	<u>1,509,892</u>	<u>1,419,302</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 26,603,993	\$ 26,852,179	\$ 27,669,211
Contributions as a percentage of covered employee payroll	5.75%	5.62%	5.13%

**Source:** Maryland State Retirement and Pension System

**Note:** Information for fiscal year 2013 and earlier is not available

The following schedule presents the County's actuarially determined funding progress for the Cecil County Non-Pension Post Employment Trust Fund.

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
2009	\$ 1,100,000	\$ 7,039,000	\$ 5,939,000	15.6%	\$ 28,693,498	20.7%
2011	2,025,000	9,286,000	7,261,000	21.8%	25,443,669	28.5%
2012	2,573,261	10,114,000	7,540,739	25.4%	25,795,025	29.2%
2013	3,185,000	10,833,000	7,648,000	29.4%	26,603,993	28.7%
2014	4,310,910	10,400,000	6,089,090	41.5%	26,852,179	22.7%
2015	4,805,577	8,396,000	3,590,423	57.2%	27,669,211	13.0%
2016	5,040,363	5,658,000	617,637	89.1%	29,774,797	2.1%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended June 30</b>	<b>OPEB Cost (AOC)</b>	<b>Percentage of AOC Covered</b>	<b>Net Pension Obligation **</b>
2009*	\$ 516,000	100%	\$ (1,003,488)
2010	648,000	100%	(1,003,488)
2011	879,000	100%	(1,003,488)
2012	915,000	100%	(1,003,488)
2013	920,000	100%	(1,003,488)
2014	959,000	100%	(1,003,488)
2015	872,000	121%	(1,190,396)
2016	593,000	153%	(1,507,396)

\* First year of plan

\*\* It should be noted that the County has a negative OPEB obligation, which means that the Plan is currently funded in excess of the required amount.

# **CECIL COUNTY, MARYLAND**

## **Major Governmental Fund**

### **General Fund**

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

The schedules on the following pages present General Fund budget and actual activity in its lowest level of legal budgetary control - the department.

Note that due to the size of the Department of Public Works and the Sheriff's Office, the divisions of those departments are shown and totaled. Also, the divisions of Building Maintenance are shown in the four primary functions that they serve to more closely disclose the costs of each function.

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Property Taxes	\$ 106,987,439	\$ 106,987,439	\$ 106,833,074	\$ (154,365)
Income Taxes	53,900,000	55,400,000	55,806,618	406,618
Licenses and Permits	1,889,825	1,889,825	2,383,661	493,836
Intergovernmental	7,556,263	3,019,774	2,731,665	(288,109)
Charges for Services	8,788,228	8,793,228	9,335,358	542,130
Investment Earnings	250,000	250,000	103,144	(146,856)
Contributions & Other Revenues	2,000	25,800	51,749	25,949
<b>Total Revenues</b>	<u>179,373,755</u>	<u>176,366,066</u>	<u>177,245,269</u>	<u>879,203</u>
<b>Other Financing Sources</b>				
Proceeds from Capital Asset Disposal	-	-	2,088	2,088
Transfers in from Other Funds	1,749,000	1,749,000	1,854,991	105,991
<b>Total Other Financing Sources</b>	<u>1,749,000</u>	<u>1,749,000</u>	<u>1,857,079</u>	<u>108,079</u>
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 181,122,755</u>	<u>\$ 178,115,066</u>	<u>\$ 179,102,348</u>	<u>\$ 987,282</u>
<b>Expenditures</b>				
<b>General Government</b>				
County Executive	\$ 186,310	\$ 189,513	\$ 193,914	\$ (4,401)
County Council	404,545	407,748	335,243	72,505
Office of Administrator	320,201	324,470	306,358	18,112
County Attorney & Legal	176,842	177,908	179,275	(1,367)
Human Resources	1,238,126	1,168,768	1,116,000	52,768
Finance Department	2,773,345	2,827,593	2,756,461	71,132
Circuit Court	2,489,926	1,999,072	2,095,153	(96,081)
Orphans Court	35,039	35,039	36,087	(1,048)
Board of Elections	887,678	887,678	764,176	123,502
Liquor Board Licensing	221,840	216,676	210,621	6,055
Planning and Zoning	1,049,668	1,077,320	1,041,287	36,033
Building Maintenance	1,971,310	2,036,183	1,866,757	169,426
<b>Total General Government</b>	<u>11,754,830</u>	<u>11,347,968</u>	<u>10,901,332</u>	<u>446,636</u>
<b>Highways, Streets, and Bridges</b>				
Public Works - Administration	3,479,944	2,745,170	2,564,083	181,087
Public Works - Roads Administration	4,639,558	4,769,207	4,371,160	398,047
Public Works - Roads Maintenance	3,719,805	3,940,638	3,803,205	137,433
<b>Total Highways, Streets, and Bridges</b>	<u>11,839,307</u>	<u>11,455,015</u>	<u>10,738,448</u>	<u>716,567</u>
<b>Recreation and Culture</b>				
Board of Parks	875,615	883,749	886,801	(3,052)
Building Maintenance	100,733	74,659	51,943	22,716
<b>Total Recreation and Culture</b>	<u>\$ 976,348</u>	<u>\$ 958,408</u>	<u>\$ 938,744</u>	<u>\$ 19,664</u>



**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Expenditures (Continued)</b>				
<b>Public Safety</b>				
Sheriff's Office - Law Enforcement	\$ 10,184,932	\$ 10,035,659	\$ 10,622,122	\$ (586,463)
Sheriff's Office - Special Assignments	340,730	340,730	456,155	(115,425)
Sheriff's Office - Detention Center	7,788,470	7,782,024	7,642,082	139,942
Sheriff's Office - Work Release Program	2,234,517	2,268,497	2,350,900	(82,403)
Sheriff's Office - Department Total	20,548,649	20,426,910	21,071,259	(644,349)
State's Attorney's Office	2,176,294	2,149,773	2,255,889	(106,116)
Emergency Management	9,140,244	7,421,527	7,756,681	(335,154)
Volunteer Fire Departments	4,027,465	3,746,440	3,711,270	35,170
Permits and Licenses	1,051,977	1,073,857	989,875	83,982
Animal Control	660,000	660,000	657,035	2,965
Building Maintenance	1,714,873	1,782,023	1,670,281	111,742
<b>Total Public Safety</b>	<u>39,319,502</u>	<u>37,260,530</u>	<u>38,112,290</u>	<u>(851,760)</u>
<b>Health and Welfare</b>				
Health Department	3,413,248	3,413,248	3,410,835	2,413
Social Services	938,035	903,574	753,337	150,237
Domestic Violence	1,090,605	729,667	650,853	78,814
Non-Profit Agencies	130,775	136,360	136,360	-
Building Maintenance	158,121	160,428	144,093	16,335
<b>Total Health and Welfare</b>	<u>5,730,784</u>	<u>5,343,277</u>	<u>5,095,478</u>	<u>247,799</u>
<b>Education</b>				
Cecil County Board of Education	80,353,713	80,553,713	80,553,713	-
Cecil Community College	8,852,240	9,392,115	9,392,115	-
<b>Total Education</b>	<u>89,205,953</u>	<u>89,945,828</u>	<u>89,945,828</u>	<u>-</u>
<b>Public Libraries</b>				
	<u>4,785,667</u>	<u>4,898,759</u>	<u>4,882,779</u>	<u>15,980</u>
<b>Economic Development</b>				
	<u>1,054,295</u>	<u>1,048,857</u>	<u>1,003,958</u>	<u>44,899</u>
<b>Agriculture</b>				
	<u>613,148</u>	<u>621,409</u>	<u>621,118</u>	<u>291</u>
<b>Municipalities</b>				
	<u>671,363</u>	<u>671,363</u>	<u>671,363</u>	<u>-</u>
<b>Total Expenditures</b>	<u>165,951,197</u>	<u>163,551,414</u>	<u>162,911,338</u>	<u>640,076</u>
<b>Other Financing Uses</b>				
Transfers to Special Revenue Funds	1,451,481	1,539,160	1,452,326	86,834
Transfers to Debt Service Fund	14,743,186	14,743,186	14,609,516	133,670
<b>Total Other Financing Uses</b>	<u>16,194,667</u>	<u>16,282,346</u>	<u>16,061,842</u>	<u>220,504</u>
<b>Total Expenditures and</b>				
<b>Other Financing Uses</b>	<u>\$ 182,145,864</u>	<u>\$ 179,833,760</u>	<u>\$ 178,973,180</u>	<u>\$ 860,580</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>			
Cash (Note 3)	\$ -	\$ 5,754,456	\$ 5,754,456
Receivables, Net (Note 4)	82,918	51	82,969
Due from Other Governments	1,594,889	-	1,594,889
Restricted Assets: Cash and Investments (Note 3)	<u>1,801,442</u>	<u>-</u>	<u>1,801,442</u>
<b>Total Assets</b>	<u>\$ 3,479,249</u>	<u>\$ 5,754,507</u>	<u>\$ 9,233,756</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 270,195	\$ -	\$ 270,195
Salaries and Benefits Payable	125,389	-	125,389
Due to Other Funds	943,974	-	943,974
Deferred Revenue	257,901	-	257,901
Other Liabilities	<u>17,923</u>	<u>-</u>	<u>17,923</u>
<b>Total Liabilities</b>	<u>1,615,382</u>	<u>-</u>	<u>1,615,382</u>
<b>Fund Balances:</b>			
Restricted	<u>1,863,867</u>	<u>5,754,507</u>	<u>7,618,374</u>
<b>Total Fund Balances</b>	<u>1,863,867</u>	<u>5,754,507</u>	<u>7,618,374</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,479,249</u>	<u>\$ 5,754,507</u>	<u>\$ 9,233,756</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGE IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>			
Special Assessments	\$ -	\$ 6,140	\$ 6,140
Intergovernmental	5,216,777	-	5,216,777
Charges for Services	470,348	-	470,348
Investment Earnings	4,393	-	4,393
Contributions & Other Revenues	<u>39,872</u>	<u>-</u>	<u>39,872</u>
<b>Total Revenues</b>	<u>5,731,390</u>	<u>6,140</u>	<u>5,737,530</u>
<b>EXPENDITURES</b>			
Current:			
General Government	511,484	-	511,484
Highways, Streets, and Bridges	479,480	-	479,480
Public Safety	1,076,450	-	1,076,450
Health and Welfare	4,890,088	-	4,890,088
Economic Development	69,858	-	69,858
Agriculture	219,348	-	219,348
Debt Service:			
Principal	-	9,784,234	9,784,234
Interest and Fiscal Charges	<u>-</u>	<u>5,397,046</u>	<u>5,397,046</u>
<b>Total Expenditures</b>	<u>7,246,708</u>	<u>15,181,280</u>	<u>22,427,988</u>
<b>Deficiency of Revenues (Under) Expenditures</b>	<u>(1,515,318)</u>	<u>(15,175,140)</u>	<u>(16,690,458)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on Debt Issued	-	1,871,914	1,871,914
Refunding Bonds Issued	-	12,243,531	12,243,531
Advance Refunding Agent	-	(14,038,367)	(14,038,367)
Transfers In	<u>1,326,632</u>	<u>17,740,068</u>	<u>19,066,700</u>
<b>Total Other Financing Sources</b>	<u>1,326,632</u>	<u>17,817,146</u>	<u>19,143,778</u>
<b>Net Change in Fund Balances</b>	(188,686)	2,642,006	2,453,320
<b>Fund Balances - Beginning</b>	<u>2,052,553</u>	<u>3,112,501</u>	<u>5,165,054</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,863,867</u>	<u>\$ 5,754,507</u>	<u>\$ 7,618,374</u>

## Cecil County Facilities Maintenance Working Inside and Outside



## CECIL COUNTY, MARYLAND

### Non-Major Governmental Funds

#### Special Revenue Funds

Special Revenue Funds are used to account for operating revenues that are restricted to finance particular functions or activities of government.

**Other Special Revenue Funds** - These funds are used to account for granted funds legally restricted to specific purposes.

**Agricultural Land Preservation Fund** - This fund is used to account for federal, state (including the Maryland Agricultural Land Preservation Foundation programs), and County funding of agricultural land easement purchases and direct land purchases.

**Senior Services & Community Transit Fund** - This fund is used to account for services, programs, and activities supported by legally restricted state and federal grants, and funds from County government resources.

**Economic Development Revolving Loan Fund** - This fund is used to account for federal Community Development Block Grants and State revolving loan programs legally restricted to economic development programs within the County.

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	<u>Other Special Revenues</u>	<u>Agricultural Land Preservation</u>	<u>Senior Services &amp; Community Transit</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Receivables, Net:					
Accounts	\$ -	\$ 5,675	\$ 843	\$ -	\$ 6,518
Interest	-	-	-	121	121
Notes	-	-	-	76,279	76,279
Due from Other Governments	560,342	-	1,034,547	-	1,594,889
Restricted Assets: Cash and Investments	<u>41,165</u>	<u>951,809</u>	<u>-</u>	<u>808,468</u>	<u>1,801,442</u>
<b>Total Assets</b>	<u>\$ 601,507</u>	<u>\$ 957,484</u>	<u>\$ 1,035,390</u>	<u>\$ 884,868</u>	<u>\$ 3,479,249</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 75,877	\$ -	\$ 194,318	\$ -	\$ 270,195
Salaries and Benefits Payable	16,794	-	108,595	-	125,389
Due to Other Funds	373,158	-	570,816	-	943,974
Deferred Revenue	103,290	-	154,611	-	257,901
Other Liabilities	<u>17,823</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>17,923</u>
<b>Total Liabilities</b>	<u>586,942</u>	<u>-</u>	<u>1,028,440</u>	<u>-</u>	<u>1,615,382</u>
<b>Fund Balances:</b>					
Restricted	<u>14,565</u>	<u>957,484</u>	<u>6,950</u>	<u>884,868</u>	<u>1,863,867</u>
<b>Total Fund Balances</b>	<u>14,565</u>	<u>957,484</u>	<u>6,950</u>	<u>884,868</u>	<u>1,863,867</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 601,507</u>	<u>\$ 957,484</u>	<u>\$ 1,035,390</u>	<u>\$ 884,868</u>	<u>\$ 3,479,249</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Other Special Revenue</b>	<b>Agricultural Land Preservation</b>	<b>Senior Services &amp; Community Transit</b>	<b>Economic Development Revolving Loan Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Intergovernmental	\$ 2,655,826	\$ 26,144	\$ 2,534,807	\$ -	\$ 5,216,777
Charges for Services	-	-	470,348	-	470,348
Investment Earnings	-	-	-	4,393	4,393
Contributions & Other Revenues	<u>39,872</u>	-	-	-	<u>39,872</u>
<b>Total Revenues</b>	<u>2,695,698</u>	<u>26,144</u>	<u>3,005,155</u>	<u>4,393</u>	<u>5,731,390</u>
<b>EXPENDITURES</b>					
Current:					
General Government	511,484	-	-	-	511,484
Highways, Streets, and Bridges	479,480	-	-	-	479,480
Public Safety	1,076,450	-	-	-	1,076,450
Health and Welfare	558,301	-	4,331,787	-	4,890,088
Economic Development	69,858	-	-	-	69,858
Agriculture	-	<u>219,348</u>	-	-	<u>219,348</u>
<b>Total Expenditures</b>	<u>2,695,573</u>	<u>219,348</u>	<u>4,331,787</u>	<u>-</u>	<u>7,246,708</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>125</u>	<u>(193,204)</u>	<u>(1,326,632)</u>	<u>4,393</u>	<u>(1,515,318)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	<u>1,326,632</u>	-	<u>1,326,632</u>
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>1,326,632</u>	<u>-</u>	<u>1,326,632</u>
<b>Net Change in Fund Balances</b>	125	(193,204)	-	4,393	(188,686)
<b>Fund Balances - Beginning</b>	14,440	1,150,688	6,950	880,475	2,052,553
<b>Fund Balances - Ending</b>	<u>\$ 14,565</u>	<u>\$ 957,484</u>	<u>\$ 6,950</u>	<u>\$ 884,868</u>	<u>\$ 1,863,867</u>

**CECIL COUNTY, MARYLAND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**OTHER SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 5,986,641	\$ 2,655,826	\$ (3,330,815)
Contributions & Other Revenues	-	68,528	39,872	(28,656)
<b>Total Revenues</b>	-	6,055,169	2,695,698	(3,359,471)
<b>EXPENDITURES</b>				
Current:				
General Government	\$ -	\$ 598,238	\$ 511,484	86,754
Highways, Streets, and Bridges	-	1,247,227	479,480	767,747
Recreation and Culture	-	548,475	-	548,475
Public Safety	23,965	2,845,220	1,076,450	1,768,770
Health and Welfare	-	797,738	558,301	239,437
Economic Development	-	57,422	69,858	(12,436)
<b>Total Expenditures</b>	23,965	6,094,320	2,695,573	3,398,747
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(23,965)	(39,151)	125	39,276
<b>OTHER FINANCING SOURCES</b>				
Transfers In	713	713	-	(713)
<b>Total Other Financing Sources</b>	713	713	-	(713)
<b>Net Change in Fund Balance</b>	(23,252)	(38,438)	125	38,563
<b>Fund Balance - Beginning</b>	14,440	14,440	14,440	-
<b>Fund Balance - Ending</b>	<u>\$ (8,812)</u>	<u>\$ (23,998)</u>	<u>\$ 14,565</u>	<u>\$ 38,563</u>



**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**AGRICULTURAL LAND PRESERVATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 26,144	\$ 26,144
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>26,144</u>	<u>26,144</u>
<b>EXPENDITURES</b>				
Current:				
Agriculture	<u>1,178,680</u>	<u>1,178,680</u>	<u>219,348</u>	<u>959,332</u>
<b>Total Expenditures</b>	<u>1,178,680</u>	<u>1,178,680</u>	<u>219,348</u>	<u>959,332</u>
<b>Deficiency of Revenues (Under) Expenditures</b>	<u>(1,178,680)</u>	<u>(1,178,680)</u>	<u>(193,204)</u>	<u>985,476</u>
<b>Net Change in Fund Balance</b>	(1,178,680)	(1,178,680)	(193,204)	985,476
<b>Fund Balance - Beginning</b>	<u>1,150,688</u>	<u>1,150,688</u>	<u>1,150,688</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ (27,992)</u>	<u>\$ (27,992)</u>	<u>\$ 957,484</u>	<u>\$ 985,476</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**SENIOR SERVICES & COMMUNITY TRANSIT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

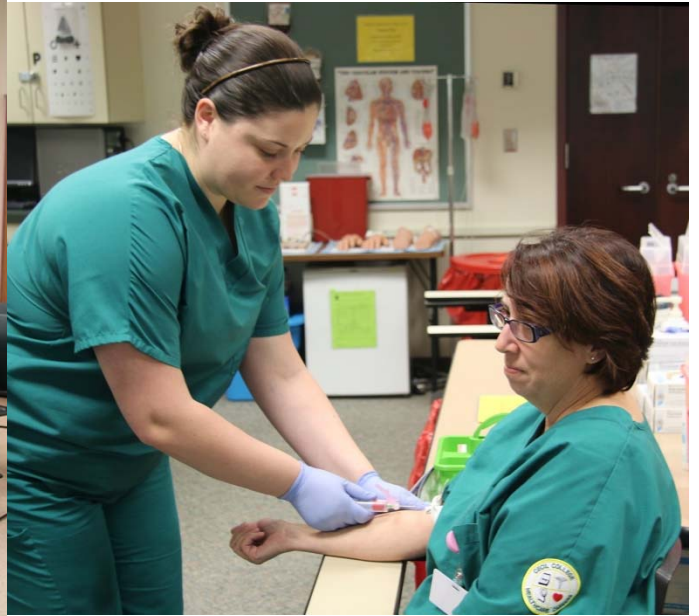
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,915,422	\$ 2,718,983	\$ 2,534,807	\$ (184,176)
Charges for Services	340,500	386,189	470,348	84,159
<b>Total Revenues</b>	<u>2,255,922</u>	<u>3,105,172</u>	<u>3,005,155</u>	<u>(100,017)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	4,365,314	4,756,372	4,331,787	424,585
<b>Total Expenditures</b>	<u>4,365,314</u>	<u>4,756,372</u>	<u>4,331,787</u>	<u>424,585</u>
<b>Deficiency of Revenues</b>				
<b>(Under) Expenditures</b>	<u>(2,109,392)</u>	<u>(1,651,200)</u>	<u>(1,326,632)</u>	<u>324,568</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,428,432	1,428,432	1,326,632	(101,800)
<b>Total Other Financing</b>				
<b>Sources</b>	<u>1,428,432</u>	<u>1,428,432</u>	<u>1,326,632</u>	<u>(101,800)</u>
<b>Net Change in Fund Balance</b>	(680,960)	(222,768)	-	222,768
<b>Fund Balance - Beginning</b>	<u>6,950</u>	<u>6,950</u>	<u>6,950</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ (674,010)</u>	<u>\$ (215,818)</u>	<u>\$ 6,950</u>	<u>\$ 222,768</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**ECONOMIC DEVELOPMENT REVOLVING LOAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 4,393	\$ 4,393
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>4,393</u>	<u>4,393</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues</b>				
<b>Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>4,393</u>	<u>4,393</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>4,393</u>	<u>4,393</u>
<b>Fund Balance - Beginning</b>	<u>880,475</u>	<u>880,475</u>	<u>880,475</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 880,475</u>	<u>\$ 880,475</u>	<u>\$ 884,868</u>	<u>\$ 4,393</u>

## Cecil College – Adding Medical Professionals



# **CECIL COUNTY, MARYLAND**

## **Non-Major Governmental Funds**

### **Debt Service Fund**

The Debt Service Fund is maintained to account for the issuance and payment of long term general obligation bonds and other long term debt.

**CECIL COUNTY, MARYLAND**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUND**  
**DEBT SERVICE FUND**  
**JUNE 30, 2016**

<b>ASSETS</b>	
Cash	\$ 5,754,456
Receivables, Net	<u>51</u>
<b>Total Assets</b>	<b><u>\$ 5,754,507</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ <u>-</u>
<b>Total Liabilities</b>	<u>-</u>
 <b>Fund Balance:</b>	
Restricted	<u>5,754,507</u>
<b>Total Fund Balances</b>	<u>5,754,507</u>
 <b>Total Liabilities and Fund Balance</b>	 <b><u>\$ 5,754,507</u></b>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUND**

**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special Assessments	\$ 6,140	\$ 6,140	\$ 6,140	\$ -
<b>Total Revenues</b>	<u>6,140</u>	<u>6,140</u>	<u>6,140</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	9,840,016	9,840,016	9,784,234	55,782
Interest & Fiscal Charges	<u>5,531,365</u>	<u>5,531,365</u>	<u>5,397,046</u>	<u>134,319</u>
<b>Total Expenditures</b>	<u>15,371,381</u>	<u>15,371,381</u>	<u>15,181,280</u>	<u>190,101</u>
<b>Deficiency of Revenues</b> <b>(Under) Expenditures</b>	<u>(15,365,241)</u>	<u>(15,365,241)</u>	<u>(15,175,140)</u>	<u>190,101</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on Debt Issued	-	-	1,871,914	1,871,914
Refunding Bonds Issued	-	-	12,243,531	12,243,531
Advance Refunding Agent	-	-	(14,038,367)	(14,038,367)
Transfers In	<u>14,743,186</u>	<u>14,743,186</u>	<u>17,740,068</u>	<u>2,996,882</u>
<b>Total Other Financing</b> <b>Sources</b>	<u>14,743,186</u>	<u>14,743,186</u>	<u>17,817,146</u>	<u>3,073,960</u>
<b>Net Change in Fund Balance</b>	(622,055)	(622,055)	2,642,006	3,264,061
<b>Fund Balance - Beginning</b>	<u>3,112,501</u>	<u>3,112,501</u>	<u>3,112,501</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,490,446</u>	<u>\$ 2,490,446</u>	<u>\$ 5,754,507</u>	<u>\$ 3,264,061</u>



# Cecil County Wastewater Services Expanding & Modernizing





## CECIL COUNTY, MARYLAND

### Internal Service Funds

Internal Service Funds are maintained to account for the financing of goods and/or services provided by one department to other departments or governmental units on a cost-reimbursement basis.

**Health Insurance Fund** - This fund is used to account for the expenditures and allocations of costs of the group health insurance plan. The Plan employer participants are Cecil County Government, Cecil College, and Cecil County Public Library.

**Workers Compensation Fund** - This fund is used to account for the expenditures and allocations of the costs of the self-insured workers compensation benefits. The expenditures consist of payments for work related injuries to employees. Stop loss insurance is provided to protect against catastrophic losses.

**Motor Vehicle Fund** - This fund is used to account for the expenditures and allocations of the costs of the County fleet of vehicles. The expenditures consist of depreciation and the operating costs of the County central garage including utilities and a contract maintenance services. In 2014, the County changed this fund from just a maintenance service cost allocation fund to a fund that owned and depreciated the vehicles as well as performed maintenance services. As part of this change, the County acquired vehicles from the General Fund and Enterprise Funds.

**Information Technology Fund** - This fund is used to account for the expenditures and allocations of the costs of the County's information technology department. The expenditures consist of depreciation and operating costs related to maintaining the County's computer and network infrastructure, communication and telephone infrastructure, and copier services. In 2014, the County created this fund and transferred in the budget and responsibilities from the General Fund.

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2016**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents (Note 3)	\$ 196,451	\$ -	\$ -	\$ -	\$ 196,451
Investments (Note 3)	-	5,450,375	-	-	5,450,375
Receivables, Net:					
Accounts	263,554	-	-	-	263,554
Other	412,913	-	-	1,022	413,935
Due from Other Governments	-	-	3,566	44,280	47,846
Inventory	-	-	-	40,889	40,889
Other Assets	185,400	75,000	195,195	-	455,595
Restricted Assets					
Cash & Investments (Note 3)	-	-	1,269,719	-	1,269,719
<b>Total Current Assets</b>	<u>1,058,318</u>	<u>5,525,375</u>	<u>1,468,480</u>	<u>86,191</u>	<u>8,138,364</u>
<b>Non-Current Assets:</b>					
Capital Assets, Net:					
Construction In Progress	-	-	92,383	-	92,383
Vehicles	-	-	-	7,913,045	7,913,045
Buildings	-	-	-	180,419	180,419
Machinery & Equipment	-	-	5,142,983	-	5,142,983
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>	<u>5,235,366</u>	<u>8,093,464</u>	<u>13,328,830</u>
<b>Total Assets</b>	<u>1,058,318</u>	<u>5,525,375</u>	<u>6,703,846</u>	<u>8,179,655</u>	<u>21,467,194</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	9,316	39,531	492,259	367,363	908,469
Salary & Benefits Payable	-	-	36,857	-	36,857
Accrued Expenses	1,030,906	4,008,000	59,289	-	5,098,195
Unearned Revenue (Note 11)	-	-	-	1,511,874	1,511,874
Bonds Payable	-	-	152,294	-	152,294
Compensated Absences	-	-	25,208	-	25,208
<b>Total Current Liabilities</b>	<u>1,040,222</u>	<u>4,047,531</u>	<u>765,907</u>	<u>1,879,237</u>	<u>7,732,897</u>
<b>Non-Current Liabilities:</b>					
Bonds Payable	-	-	4,073,175	-	4,073,175
Advances from Other Funds (Note 7)	-	-	-	5,377,258	5,377,258
Compensated Absences	-	-	12,416	-	12,416
<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>4,085,591</u>	<u>5,377,258</u>	<u>9,462,849</u>
<b>Total Liabilities</b>	<u>1,040,222</u>	<u>4,047,531</u>	<u>4,851,498</u>	<u>7,256,495</u>	<u>17,195,746</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	-	2,279,616	8,093,464	10,373,080
Unrestricted (Deficit)	18,096	1,477,844	(427,268)	(7,170,304)	(6,101,632)
<b>Total Net Position</b>	<u>\$ 18,096</u>	<u>\$ 1,477,844</u>	<u>\$ 1,852,348</u>	<u>\$ 923,160</u>	<u>\$ 4,271,448</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>					
Charges for Services	\$ 11,634,677	\$ 1,622,901	\$ 3,147,092	\$ 4,531,305	\$20,935,975
Miscellaneous Revenue	-	-	-	13,342	13,342
	<u>11,634,677</u>	<u>1,622,901</u>	<u>3,147,092</u>	<u>4,544,647</u>	<u>20,949,317</u>
<b>Operating Expenses:</b>					
Benefit Payments	11,457,741	362,199	-	-	11,819,940
Salaries and Related	-	-	873,464	-	873,464
Materials, Supplies, and Services	633,702	57,712	1,861,418	2,651,278	5,204,110
Depreciation	-	-	589,665	2,263,502	2,853,167
	<u>12,091,443</u>	<u>419,911</u>	<u>3,324,547</u>	<u>4,914,780</u>	<u>20,750,681</u>
<b>Total Operating Expenses</b>					
	<u>12,091,443</u>	<u>419,911</u>	<u>3,324,547</u>	<u>4,914,780</u>	<u>20,750,681</u>
<b>Operating Income (Loss)</b>	<u>(456,766)</u>	<u>1,202,990</u>	<u>(177,455)</u>	<u>(370,133)</u>	<u>198,636</u>
<b>Non-Operating Revenues (Expenses)</b>					
Investment Earnings	1,240	19,467	4,069	-	24,776
Interest Expense	-	-	(110,806)	-	(110,806)
Gain on Fixed Asset Disposals	-	-	-	232,041	232,041
	<u>1,240</u>	<u>19,467</u>	<u>(106,737)</u>	<u>232,041</u>	<u>146,011</u>
<b>Total Non-Operating Revenues</b>					
	<u>1,240</u>	<u>19,467</u>	<u>(106,737)</u>	<u>232,041</u>	<u>146,011</u>
<b>Income (Loss) Before</b>					
<b>Contributions and Transfers</b>	(455,526)	1,222,457	(284,192)	(138,092)	344,647
<b>Capital Contributions and Transfers:</b>					
Intergovernmental Grants	-	-	157,049	44,280	201,329
Transfers In	-	-	-	7,850	7,850
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,850</u>	<u>7,850</u>
<b>Change in Net Position</b>	(455,526)	1,222,457	(127,143)	(85,962)	553,826
<b>Net Position - Beginning</b>	<u>473,622</u>	<u>255,387</u>	<u>1,979,491</u>	<u>1,009,122</u>	<u>3,717,622</u>
<b>Net Position - Ending</b>	<u>\$ 18,096</u>	<u>\$ 1,477,844</u>	<u>\$ 1,852,348</u>	<u>\$ 923,160</u>	<u>\$ 4,271,448</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>					
Receipts from Service Charges & Insured	\$ 11,017,021	\$ 1,622,901	\$ 3,147,092	\$ 3,823,807	\$19,610,821
Payments to Suppliers and Providers	(12,547,603)	(900,180)	(1,993,061)	(2,732,593)	(18,173,437)
Payments to Employees	-	-	(864,586)	-	(864,586)
<b>Net Cash Provided by Operating Activities</b>	<u>(1,530,582)</u>	<u>722,721</u>	<u>289,445</u>	<u>1,091,214</u>	<u>572,798</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Advances from Other Funds	-	-	(1,975,429)	230,706	(1,744,723)
<b>Cash Flows From Non-Capital Financing Activities:</b>	<u>-</u>	<u>-</u>	<u>(1,975,429)</u>	<u>230,706</u>	<u>(1,744,723)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from Bonds Received	-	-	2,800,000	-	2,800,000
Proceeds from Capital Grants Received	-	-	1,357,599	37,229	1,394,828
Acquisition of Capital Assets	-	-	(1,316,828)	(1,700,165)	(3,016,993)
Principal Paid on Bond Maturities	-	-	(55,781)	-	(55,781)
Interest Paid on Bonds	-	-	(110,806)	-	(110,806)
Proceeds from Sale of Capital Assets	-	-	-	341,016	341,016
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>2,674,184</u>	<u>(1,321,920)</u>	<u>1,352,264</u>
<b>Cash Flows From Investing Activities:</b>					
Interest on Investments	1,240	19,467	4,069	-	24,776
<b>Net Cash Flows From Investment Activities</b>	<u>1,240</u>	<u>19,467</u>	<u>4,069</u>	<u>-</u>	<u>24,776</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(1,529,342)	742,188	992,269	-	205,115
<b>Cash and Cash Equivalents - June 30, 2015</b>	<u>1,725,793</u>	<u>4,708,187</u>	<u>277,450</u>	<u>-</u>	<u>6,711,430</u>
<b>Cash and Cash Equivalents - June 30, 2016</b>	<u>\$ 196,451</u>	<u>\$ 5,450,375</u>	<u>\$ 1,269,719</u>	<u>\$ -</u>	<u>\$ 6,916,545</u>

(including \$1,269,719 reported in restricted accounts of the Information technology Fund.)

**Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (456,766)	\$ 1,202,990	\$ (177,455)	\$ (370,133)	\$ 198,636
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	589,665	2,263,502	2,853,167
Effect of changes in Assets and Liabilities:					
Accounts Receivable	(609,536)	-	-	(836)	(610,372)
Inventory	-	-	-	(17,015)	(17,015)
Other Assets	-	-	(137,012)	-	(137,012)
Accounts Payable	(12,180)	(25,269)	(53,918)	(64,301)	(155,668)
Salary & Benefits Payable	-	-	4,978	-	4,978
Compensated Absences	-	-	3,900	-	3,900
Accrued Expenses	(443,980)	(455,000)	59,287	-	(839,693)
Unearned Revenue	(8,120)	-	-	(720,003)	(728,123)
Total Adjustments	<u>(1,073,816)</u>	<u>(480,269)</u>	<u>466,900</u>	<u>1,461,347</u>	<u>374,162</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ (1,530,582)</u>	<u>\$ 722,721</u>	<u>\$ 289,445</u>	<u>\$ 1,091,214</u>	<u>\$ 572,798</u>

## CECIL COUNTY, MARYLAND

### Fiduciary Fund Type - Pension Funds

**Public Safety Retirement Fund** - This fund is used to account for the pension system of certain law enforcement and public safety employees of Cecil County.

**Other Post Employment Benefits Fund** - This fund is used to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employer's cost of retiree benefits.

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**JUNE 30, 2016**

	<b>Public Safety Retirement Fund</b>	<b>Other Post Employment Benefits Fund</b>	<b>Total Pension Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 423,211	\$ 310,805	\$ 734,016
Investments, at fair value:			
Institutional Separate Accounts	43,502,742	-	43,502,742
Mutual Funds	<u>-</u>	<u>4,877,017</u>	<u>4,877,017</u>
Total Investments	<u>43,502,742</u>	<u>4,877,017</u>	<u>48,379,759</u>
<b>Total Assets</b>	<u>43,925,953</u>	<u>5,187,822</u>	<u>49,113,775</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>9,057</u>	<u>584</u>	<u>9,641</u>
<b>Total Liabilities</b>	<u>9,057</u>	<u>584</u>	<u>9,641</u>
<b>NET POSITION</b>			
Held in Trust for:			
Employee Benefits	<u>43,916,896</u>	<u>5,187,238</u>	<u>49,104,134</u>
<b>Total Net Position</b>	<u>\$ 43,916,896</u>	<u>\$ 5,187,238</u>	<u>\$ 49,104,134</u>

The Notes to the Financial Statements are an integral part of this statement.

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>Total Pension Funds</u>
<b>ADDITIONS</b>			
Contributions			
Cecil County	\$ 2,288,108	\$ 910,000	\$ 3,198,108
Participants	<u>925,386</u>	<u>-</u>	<u>925,386</u>
Total Contributions	<u>3,213,494</u>	<u>910,000</u>	<u>4,123,494</u>
<b>INVESTMENT INCOME</b>			
Investment Earnings:			
Net Depreciation			
in Fair Value of Investments	(1,880,876)	(270,489)	(2,151,365)
Interest and Dividends	<u>911,647</u>	<u>195,483</u>	<u>1,107,130</u>
Total Investment Earnings	(969,229)	(75,006)	(1,044,235)
Less: Investment Expense	<u>(335,161)</u>	<u>(33,537)</u>	<u>(368,698)</u>
Net Investment Income (Loss)	<u>(1,304,390)</u>	<u>(108,543)</u>	<u>(1,412,933)</u>
Total Additions	<u>1,909,104</u>	<u>801,457</u>	<u>2,710,561</u>
<b>DEDUCTIONS</b>			
Benefit Payments	1,672,212	514,550	2,186,762
Refunds of Contributions	205,504	-	205,504
Administrative Expense	<u>66,571</u>	<u>20,572</u>	<u>87,143</u>
Total Deductions	<u>1,944,287</u>	<u>535,122</u>	<u>2,479,409</u>
<b>Change in Net Position</b>	(35,183)	266,335	231,152
<b>Net Position - Beginning</b>	<u>43,952,079</u>	<u>4,920,903</u>	<u>48,872,982</u>
<b>Net Position - Ending</b>	<u>\$ 43,916,896</u>	<u>\$ 5,187,238</u>	<u>\$ 49,104,134</u>

The Notes to the Financial Statements are an integral part of this statement.

## The Senior Center – Crafts to Exercise





## CECIL COUNTY, MARYLAND

### **Fiduciary Fund Type - Agency Funds**

The Agency Funds are maintained to account for assets held by the County in an agency capacity.

**State Tax Collection Fund** - This fund is maintained to account for state taxes collected and held in an agency capacity.

**State Bay Restoration Fee Collection Fund** - This fund is maintained to account for State Bay Restoration Fees collected and held in an agency capacity.

**Town Collection Funds** - These funds are maintained to account for taxes billed and collected on behalf of the County's incorporated towns and held in an agency capacity.

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>COLLECTIONS - STATE TAXES</b>				
<b>Assets</b>				
Cash	\$ 76,156	\$ 10,574,694	\$ (10,526,258)	\$ 124,592
Accounts Receivable - Property Taxes	<u>13,243</u>	<u>12,468,358</u>	<u>(12,470,235)</u>	<u>11,366</u>
<b>Total Assets</b>	<u>\$ 89,399</u>	<u>\$ 23,043,052</u>	<u>\$ (22,996,493)</u>	<u>\$ 135,958</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 89,399	\$ 30,470,495	\$ (30,423,936)	\$ 135,958
<b>Total Liabilities</b>	<u>\$ 89,399</u>	<u>\$ 30,470,495</u>	<u>\$ (30,423,936)</u>	<u>\$ 135,958</u>
<b>COLLECTIONS - STATE BAY RESTORATION FEE</b>				
<b>Assets</b>				
Cash	\$ 474,064	\$ 1,842,134	\$ (1,876,662)	\$ 439,536
Accounts Receivable - Fees	<u>157,660</u>	<u>3,757,198</u>	<u>(3,754,562)</u>	<u>160,296</u>
<b>Total Assets</b>	<u>\$ 631,724</u>	<u>\$ 5,599,332</u>	<u>\$ (5,631,224)</u>	<u>\$ 599,832</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 631,724	\$ 4,950,118	\$ (4,982,010)	\$ 599,832
<b>Total Liabilities</b>	<u>\$ 631,724</u>	<u>\$ 4,950,118</u>	<u>\$ (4,982,010)</u>	<u>\$ 599,832</u>
<b>COLLECTIONS - CECILTON</b>				
<b>Assets</b>				
Cash	\$ 1,316	\$ 168,905	\$ (164,455)	\$ 5,766
Accounts Receivable - Fees & Taxes	<u>-</u>	<u>340,004</u>	<u>(339,995)</u>	<u>9</u>
<b>Total Assets</b>	<u>\$ 1,316</u>	<u>\$ 508,909</u>	<u>\$ (504,450)</u>	<u>\$ 5,775</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 1,316	\$ 496,591	\$ (492,132)	\$ 5,775
<b>Total Liabilities</b>	<u>\$ 1,316</u>	<u>\$ 496,591</u>	<u>\$ (492,132)</u>	<u>\$ 5,775</u>
<b>COLLECTIONS - CHESAPEAKE CITY</b>				
<b>Assets</b>				
Cash	\$ 3,529	\$ 382,080	\$ (378,571)	\$ 7,038
Accounts Receivable - Property Taxes	<u>845</u>	<u>771,079</u>	<u>(771,864)</u>	<u>60</u>
<b>Total Assets</b>	<u>\$ 4,374</u>	<u>\$ 1,153,159</u>	<u>\$ (1,150,435)</u>	<u>\$ 7,098</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 4,374	\$ 1,136,249	\$ (1,133,525)	\$ 7,098
<b>Total Liabilities</b>	<u>\$ 4,374</u>	<u>\$ 1,136,249</u>	<u>\$ (1,133,525)</u>	<u>\$ 7,098</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>COLLECTIONS - CHARLESTOWN</b>				
<b>Assets</b>				
Cash	\$ 3,591	\$ 445,969	\$ (445,013)	\$ 4,547
Accounts Receivable - Property Taxes	<u>4,289</u>	<u>914,322</u>	<u>(914,246)</u>	<u>4,365</u>
<b>Total Assets</b>	<u>\$ 7,880</u>	<u>\$ 1,360,291</u>	<u>\$ (1,359,259)</u>	<u>\$ 8,912</u>
<b>Liabilities</b>				
Due to Other Governments	\$ <u>7,880</u>	\$ 1,333,643	\$ (1,332,611)	\$ <u>8,912</u>
<b>Total Liabilities</b>	<u>\$ 7,880</u>	<u>\$ 1,333,643</u>	<u>\$ (1,332,611)</u>	<u>\$ 8,912</u>
<b>COLLECTIONS - ELKTON</b>				
<b>Assets</b>				
Cash	\$ 60,704	\$ 6,417,655	\$ (6,385,420)	\$ 92,939
Accounts Receivable - Property Taxes	<u>24,968</u>	<u>12,967,625</u>	<u>(12,980,407)</u>	<u>12,186</u>
<b>Total Assets</b>	<u>\$ 85,672</u>	<u>\$ 19,385,280</u>	<u>\$ (19,365,827)</u>	<u>\$ 105,125</u>
<b>Liabilities</b>				
Due to Other Governments	\$ <u>85,672</u>	\$ 19,178,775	\$ (19,159,322)	\$ <u>105,125</u>
<b>Total Liabilities</b>	<u>\$ 85,672</u>	<u>\$ 19,178,775</u>	<u>\$ (19,159,322)</u>	<u>\$ 105,125</u>
<b>COLLECTIONS - NORTH EAST</b>				
<b>Assets</b>				
Cash	\$ 12,367	\$ 1,632,920	\$ (1,628,537)	\$ 16,750
Accounts Receivable - Fees & Taxes	<u>6,432</u>	<u>3,291,986</u>	<u>(3,296,260)</u>	<u>2,158</u>
<b>Total Assets</b>	<u>\$ 18,799</u>	<u>\$ 4,924,906</u>	<u>\$ (4,924,797)</u>	<u>\$ 18,908</u>
<b>Liabilities</b>				
Due to Other Governments	\$ <u>18,799</u>	\$ 4,889,580	\$ (4,889,471)	\$ <u>18,908</u>
<b>Total Liabilities</b>	<u>\$ 18,799</u>	<u>\$ 4,889,580</u>	<u>\$ (4,889,471)</u>	<u>\$ 18,908</u>
<b>COLLECTIONS - PORT DEPOSIT</b>				
<b>Assets</b>				
Cash	\$ 4,671	\$ 414,450	\$ (387,062)	\$ 32,059
Accounts Receivable - Property Taxes	<u>25,670</u>	<u>816,974</u>	<u>(828,749)</u>	<u>13,895</u>
<b>Total Assets</b>	<u>\$ 30,341</u>	<u>\$ 1,231,424</u>	<u>\$ (1,215,811)</u>	<u>\$ 45,954</u>
<b>Liabilities</b>				
Due to Other Governments	\$ <u>30,341</u>	\$ 1,153,836	\$ (1,138,223)	\$ <u>45,954</u>
<b>Total Liabilities</b>	<u>\$ 30,341</u>	<u>\$ 1,153,836</u>	<u>\$ (1,138,223)</u>	<u>\$ 45,954</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>COLLECTIONS - PERRYVILLE</b>				
<b>Assets</b>				
Cash	\$ 5,890	\$ 1,409,645	\$ (1,381,891)	\$ 33,644
Accounts Receivable - Property Taxes	<u>2,173</u>	<u>2,848,730</u>	<u>(2,850,186)</u>	<u>717</u>
<b>Total Assets</b>	<u>\$ 8,063</u>	<u>\$ 4,258,375</u>	<u>\$ (4,232,077)</u>	<u>\$ 34,361</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 8,063</u>	<u>\$ 1,176,113</u>	<u>\$ (1,149,815)</u>	<u>\$ 34,361</u>
<b>Total Liabilities</b>	<u>\$ 8,063</u>	<u>\$ 1,176,113</u>	<u>\$ (1,149,815)</u>	<u>\$ 34,361</u>
<b>COLLECTIONS - RISING SUN</b>				
<b>Assets</b>				
Cash	\$ 3,249	\$ 768,964	\$ (769,910)	\$ 2,303
Accounts Receivable - Property Taxes	<u>2,070</u>	<u>1,568,989</u>	<u>(1,567,049)</u>	<u>4,010</u>
<b>Total Assets</b>	<u>\$ 5,319</u>	<u>\$ 2,337,953</u>	<u>\$ (2,336,959)</u>	<u>\$ 6,313</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 5,319</u>	<u>\$ 2,299,451</u>	<u>\$ (2,298,457)</u>	<u>\$ 6,313</u>
<b>Total Liabilities</b>	<u>\$ 5,319</u>	<u>\$ 2,299,451</u>	<u>\$ (2,298,457)</u>	<u>\$ 6,313</u>
<b>TOTALS - ALL FUNDS</b>				
<b>Assets</b>				
Cash	\$ 645,537	\$ 24,057,416	\$ (23,943,779)	\$ 759,174
Accounts Receivable - Fees & Taxes	<u>237,350</u>	<u>39,745,265</u>	<u>(39,773,553)</u>	<u>209,062</u>
<b>Total Assets</b>	<u>\$ 882,887</u>	<u>\$ 63,802,681</u>	<u>\$ (63,717,332)</u>	<u>\$ 968,236</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 882,887</u>	<u>\$ 67,084,851</u>	<u>\$ (66,999,502)</u>	<u>\$ 968,236</u>
<b>Total Liabilities</b>	<u>\$ 882,887</u>	<u>\$ 67,084,851</u>	<u>\$ (66,999,502)</u>	<u>\$ 968,236</u>

# CECIL COUNTY, MARYLAND

## STATISTICAL SECTION

This part of Cecil County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b>Contents</b>	<b><u>Page</u></b>
<b>Financial Trends - Tables I to IV</b>	115
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity - Tables V to VIII</b>	120
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.	
<b>Debt Capacity - Tables IX to XIII</b>	124
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.	
<b>Demographic and Economic Information - Tables XIV - XVI</b>	128
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information - Tables XVII to XVIII</b>	131
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 services it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003 and GASB 54 was implemented in 2010; Table III has been restated to reflect the change in fund balance presentation.

## Chesapeake City Elementary School Learning about the Watershed



Table I

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 109,193,073	\$ 118,947,569	\$ 121,977,339	\$ 116,206,965	\$ 144,335,428	\$ 131,319,211	\$ 157,253,521	\$ 166,819,030	\$ 171,724,604	\$ 163,724,657
Restricted	4,461,531	4,964,961	4,429,739	27,864,318	15,691,081	21,257,511	6,857,073	15,914,261	12,254,006	17,513,461
Unrestricted (Deficit)	<u>(12,806,585)</u>	<u>(17,557,877)</u>	<u>(26,085,408)</u>	<u>(43,751,070)</u>	<u>(45,695,780)</u>	<u>(14,643,027)</u>	<u>(22,670,285)</u>	<u>(53,601,877)</u>	<u>(84,302,472)</u>	<u>(88,292,865)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 100,848,019</u>	<u>\$ 106,354,653</u>	<u>\$ 100,321,670</u>	<u>\$ 100,320,213</u>	<u>\$ 114,330,729</u>	<u>\$ 137,933,695</u>	<u>\$ 141,440,309</u>	<u>\$ 129,131,414</u>	<u>\$ 99,676,138</u>	<u>\$ 92,945,253</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 23,793,438	\$ 31,193,004	\$ 33,060,858	\$ 42,218,878	\$ 42,443,506	\$ 38,470,096	\$ 36,274,177	\$ 40,395,599	\$ 49,134,864	\$ 47,186,961
Restricted	923,596	728,355	8,603,936	19,166,532	9,715,314	4,748,159	-	-	-	-
Unrestricted	<u>7,598,950</u>	<u>8,216,737</u>	<u>(221,754)</u>	<u>(21,412,356)</u>	<u>(13,411,799)</u>	<u>(5,222,061)</u>	<u>2,237,683</u>	<u>(1,137,604)</u>	<u>(5,787,900)</u>	<u>(2,858,161)</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 32,315,984</u>	<u>\$ 40,138,096</u>	<u>\$ 41,443,040</u>	<u>\$ 39,973,054</u>	<u>\$ 38,747,021</u>	<u>\$ 37,996,194</u>	<u>\$ 38,511,860</u>	<u>\$ 39,257,995</u>	<u>\$ 43,346,964</u>	<u>\$ 44,328,800</u>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 132,986,511	\$ 150,140,573	\$ 155,038,197	\$ 158,425,843	\$ 186,778,934	\$ 169,789,307	\$ 193,527,698	\$ 207,214,629	\$ 220,859,468	\$ 210,911,618
Restricted	5,385,127	5,693,316	13,033,675	47,030,850	25,406,395	26,005,670	6,857,073	15,914,261	12,254,006	17,513,461
Unrestricted	<u>(5,207,635)</u>	<u>(9,341,140)</u>	<u>(26,307,162)</u>	<u>(65,163,426)</u>	<u>(59,107,579)</u>	<u>(19,865,088)</u>	<u>(20,432,602)</u>	<u>(54,739,481)</u>	<u>(90,090,372)</u>	<u>(91,151,026)</u>
<b>Total Primary Government Net Position</b>	<u>\$ 133,164,003</u>	<u>\$ 146,492,749</u>	<u>\$ 141,764,710</u>	<u>\$ 140,293,267</u>	<u>\$ 153,077,750</u>	<u>\$ 175,929,889</u>	<u>\$ 179,952,169</u>	<u>\$ 168,389,409</u>	<u>\$ 143,023,102</u>	<u>\$ 137,274,053</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
General Government	\$ 10,421,607	\$ 11,919,037	\$ 13,303,837	\$ 13,294,360	\$ 13,541,706	\$ 13,473,632	\$ 14,265,775	\$ 12,609,671	\$ 12,826,539	\$ 13,103,376
Public Safety	28,205,141	31,247,533	33,334,883	34,059,214	34,124,715	34,008,873	35,046,031	40,619,762	40,998,732	41,637,796
Highways, Streets, and Bridges	13,348,855	13,669,424	13,981,175	13,432,401	14,174,041	13,893,866	13,317,166	16,513,958	16,162,586	17,134,114
Health and Welfare	10,219,407	10,937,738	11,756,789	12,100,852	12,498,027	12,177,894	12,159,676	14,227,016	14,331,807	15,163,709
Recreation and Culture	340,882	665,321	880,408	1,008,810	983,512	1,020,488	1,091,711	1,291,050	1,356,836	1,541,526
Education	96,385,038	87,757,907	96,520,700	83,991,156	81,391,571	78,627,416	83,905,699	92,433,904	102,085,334	98,805,396
Public Libraries	3,876,453	5,056,857	4,681,578	4,613,704	4,599,509	4,480,298	4,318,158	4,576,546	4,946,275	5,122,366
Economic Development	1,181,638	1,130,391	1,214,647	1,100,961	960,743	1,589,105	1,500,430	2,703,849	1,549,098	1,675,209
Agriculture	2,386,359	2,184,443	2,131,412	1,230,023	546,120	551,134	1,241,922	2,115,454	614,728	851,666
Interest on Long-Term Debt	4,330,990	5,393,680	5,492,318	6,060,747	5,550,175	4,939,364	9,353,839	4,658,763	5,135,996	4,933,867
Total Governmental Activities Expenses	<u>170,696,370</u>	<u>169,962,331</u>	<u>183,297,747</u>	<u>170,892,228</u>	<u>168,370,119</u>	<u>164,762,070</u>	<u>176,200,407</u>	<u>191,749,973</u>	<u>200,007,931</u>	<u>199,969,025</u>
<b>Business-Type Activities:</b>										
Water	867,921	922,353	1,103,638	1,097,403	1,168,243	672,752	-	-	-	-
Wastewater	3,953,215	4,303,249	5,069,605	5,290,073	5,200,826	5,734,358	6,094,709	6,610,145	6,971,250	8,004,698
Landfill	4,631,952	4,473,534	4,830,035	6,165,937	5,538,979	6,180,447	6,504,396	8,276,214	7,743,691	6,818,531
Property Management	-	-	-	-	-	-	-	-	-	373,677
Total Business-Type Activities Expenses	<u>9,453,088</u>	<u>9,699,136</u>	<u>11,003,278</u>	<u>12,553,413</u>	<u>11,908,048</u>	<u>12,587,557</u>	<u>12,599,105</u>	<u>14,886,359</u>	<u>14,714,941</u>	<u>15,196,906</u>
<b>Total Primary Government Expenses</b>	<b><u>\$ 180,149,458</u></b>	<b><u>\$ 179,661,467</u></b>	<b><u>\$ 194,301,025</u></b>	<b><u>\$ 183,445,641</u></b>	<b><u>\$ 180,278,167</u></b>	<b><u>\$ 177,349,627</u></b>	<b><u>\$ 188,799,512</u></b>	<b><u>\$ 206,636,332</u></b>	<b><u>\$ 214,722,872</u></b>	<b><u>\$ 215,165,931</u></b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 1,092,989	\$ 1,214,042	\$ 1,163,371	\$ 5,319,506	\$ 5,420,162	\$ 4,572,364	\$ 6,781,040	\$ 5,902,590	\$ 6,598,891	\$ 8,471,469
Public Safety	2,598,355	2,317,402	2,136,375	2,102,300	2,038,347	2,114,895	2,178,875	1,891,611	1,960,971	2,533,004
Highways, Streets, and Bridges	1,206,587	511,444	376,370	404,378	311,194	236,162	289,249	375,530	191,757	397,877
Other Activities	240,852	229,465	322,033	388,457	449,605	515,874	628,754	621,065	773,109	812,469
Operating Grants and Contributions	16,731,002	22,453,267	17,265,269	12,792,599	15,499,994	17,745,716	14,400,458	14,555,600	13,742,967	14,730,843
Capital Grants and Contributions	3,224,095	1,183,860	3,150,745	1,518,598	7,248,329	12,722,681	3,272,737	3,827,146	5,558,647	3,620,846
Total Governmental Activities Revenues	<u>25,093,880</u>	<u>27,909,480</u>	<u>24,414,163</u>	<u>22,525,838</u>	<u>30,967,631</u>	<u>37,907,692</u>	<u>27,551,113</u>	<u>27,173,542</u>	<u>28,826,342</u>	<u>30,566,508</u>



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-Type Activities:</b>										
Charges for Services:										
Water	787,028	1,263,870	1,308,395	1,228,117	1,275,093	653,831	-	-	-	-
Wastewater	2,477,454	2,986,929	3,372,665	3,362,841	3,683,375	4,737,750	4,883,880	6,504,839	5,654,938	5,584,673
Landfill	5,410,707	5,356,985	4,556,694	4,566,354	5,275,317	5,191,842	5,294,063	5,903,453	6,632,144	7,313,027
Property Management	-	-	-	-	-	-	-	-	-	386,868
Capital Grants and Contributions	1,373,258	4,803,214	2,964,543	1,901,600	645,117	1,710,837	2,869,610	3,210,932	6,496,436	2,810,889
Total Business-Type Activities Revenues	<u>10,048,447</u>	<u>14,410,998</u>	<u>12,202,297</u>	<u>11,058,912</u>	<u>10,878,902</u>	<u>12,294,260</u>	<u>13,047,553</u>	<u>15,619,224</u>	<u>18,783,518</u>	<u>16,095,457</u>
<b>Total Primary Government Revenues</b>	<u>\$ 35,142,327</u>	<u>\$ 42,320,478</u>	<u>\$ 36,616,460</u>	<u>\$ 33,584,750</u>	<u>\$ 41,846,533</u>	<u>\$ 50,201,952</u>	<u>\$ 40,598,666</u>	<u>\$ 42,792,766</u>	<u>\$ 47,609,860</u>	<u>\$ 46,661,965</u>
<b>OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes	\$ 80,546,737	\$ 86,399,908	\$ 96,078,658	\$ 101,463,330	\$ 101,274,085	\$ 102,575,768	\$ 104,706,894	\$ 103,397,531	\$ 102,727,666	\$ 106,810,382
Income Taxes	46,864,546	50,565,845	49,358,649	45,825,168	49,000,281	47,342,973	46,755,227	48,064,353	56,937,725	55,496,525
Investment Earnings	5,159,287	3,800,175	2,054,515	969,436	571,783	334,147	270,374	236,961	226,259	130,596
Other Revenues including Capital Asset Sales Gains (Losses)	1,965,275	61,174	345,432	(2,514)	48,787	40,831	117,277	568,691	209,749	234,129
Grants, Entitlements, and Contributions not Restricted to Specific Programs	8,701,341	6,714,410	5,013,347	109,595	518,068	163,625	306,136	-	-	-
Total Governmental Activities	<u>143,237,186</u>	<u>147,541,512</u>	<u>152,850,601</u>	<u>148,365,015</u>	<u>151,413,004</u>	<u>150,457,344</u>	<u>152,155,908</u>	<u>152,267,536</u>	<u>160,101,399</u>	<u>162,671,632</u>
<b>Business-Type Activities:</b>										
Investment Earnings	63,057	147,605	87,616	23,167	32,233	13,410	57,916	13,270	20,392	73,285
Other Revenues including Capital Asset Sales Gains (Losses)	39,500	2,905,486	18,309	1,348	(229,120)	(470,940)	9,302	-	-	10,000
Total Business-Type Activities	<u>102,557</u>	<u>3,053,091</u>	<u>105,925</u>	<u>24,515</u>	<u>(196,887)</u>	<u>(457,530)</u>	<u>67,218</u>	<u>13,270</u>	<u>20,392</u>	<u>83,285</u>
<b>Total Primary Government</b>	<u>\$ 143,339,743</u>	<u>\$ 150,594,603</u>	<u>\$ 152,956,526</u>	<u>\$ 148,389,530</u>	<u>\$ 151,216,117</u>	<u>\$ 149,999,814</u>	<u>\$ 152,223,126</u>	<u>\$ 152,280,806</u>	<u>\$ 160,121,791</u>	<u>\$ 162,754,917</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ (2,365,304)	\$ 5,488,661	\$ (6,032,983)	\$ (1,375)	\$ 14,010,516	\$ 23,602,966	\$ 3,506,614	\$ (12,308,895)	\$ (11,080,190)	\$ (6,730,885)
Business-Type Activities	<u>697,916</u>	<u>7,764,953</u>	<u>1,304,944</u>	<u>(1,469,986)</u>	<u>(1,226,033)</u>	<u>(750,827)</u>	<u>515,666</u>	<u>746,135</u>	<u>4,088,969</u>	<u>981,836</u>
Total Primary Government	<u>\$ (1,667,388)</u>	<u>\$ 13,253,614</u>	<u>\$ (4,728,039)</u>	<u>\$ (1,471,361)</u>	<u>\$ 12,784,483</u>	<u>\$ 22,852,139</u>	<u>\$ 4,022,280</u>	<u>\$ (11,562,760)</u>	<u>\$ (6,991,221)</u>	<u>\$ (5,749,049)</u>

Table III

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>GENERAL FUND</b>										
Non-Spendable Fund Balance	\$ 1,200,339	\$ 650,647	\$ 885,779	\$ 1,304,977	\$ 1,807,790	\$ 477,087	\$ 6,400,689	\$ 10,982,077	\$ 13,335,406	\$ 10,603,047
Unrestricted Fund Balance										
Committed Fund Balance	11,508,756	12,091,588	12,254,857	15,089,601	13,885,400	13,118,597	16,363,777	17,548,538	14,683,298	16,196,482
Assigned Fund Balance	17,986,174	18,350,751	11,466,595	8,267,000	7,784,000	4,541,000	7,541,000	4,055,000	3,500,000	2,300,000
Unassigned Fund Balance	<u>5,106,793</u>	<u>7,629,769</u>	<u>11,762,656</u>	<u>9,979,387</u>	<u>12,876,339</u>	<u>19,632,997</u>	<u>15,015,485</u>	<u>7,425,546</u>	<u>6,206,671</u>	<u>8,755,014</u>
<b>Total General Fund</b>	<u>\$ 35,802,062</u>	<u>\$ 38,722,755</u>	<u>\$ 36,369,887</u>	<u>\$ 34,640,965</u>	<u>\$ 36,353,529</u>	<u>\$ 37,769,681</u>	<u>\$ 45,320,951</u>	<u>\$ 40,011,161</u>	<u>\$ 37,725,375</u>	<u>\$ 37,854,543</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Non-Spendable Fund Balance	\$ 280,791	\$ 504,735	\$ 452,524	\$ 415,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fund Balance	4,461,531	4,964,961	4,429,739	3,808,570	6,804,178	7,457,083	13,274,563	38,089,278	12,254,036	17,513,461
Unrestricted Fund Balance:										
Committed Fund Balance	<u>21,888,689</u>	<u>23,923,855</u>	<u>28,322,186</u>	<u>34,784,997</u>	<u>13,006,747</u>	<u>18,650,074</u>	<u>2,190,137</u>	<u>482,681</u>	<u>-</u>	<u>2,361,577</u>
<b>Total All Other Governmental Funds</b>	<u>\$ 26,631,011</u>	<u>\$ 29,393,551</u>	<u>\$ 33,204,449</u>	<u>\$ 39,009,167</u>	<u>\$ 19,810,925</u>	<u>\$ 26,107,157</u>	<u>\$ 15,464,700</u>	<u>\$ 38,571,959</u>	<u>\$ 12,254,036</u>	<u>\$ 19,875,038</u>

Table IV

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUES</b>										
Property Taxes	\$ 78,510,957	\$ 86,506,000	\$ 96,173,901	\$ 101,345,357	\$ 101,811,471	\$ 102,628,643	\$ 104,235,995	\$ 103,371,143	\$ 102,735,882	\$ 106,839,214
Income Taxes	46,864,546	50,192,279	48,851,186	46,816,208	46,835,947	49,813,198	50,421,108	50,800,381	53,954,296	55,806,618
Licenses and Permits	1,663,294	1,534,913	1,298,179	1,320,505	1,427,706	1,545,645	1,736,610	1,682,772	1,741,618	2,383,661
Intergovernmental	25,679,805	29,783,816	24,422,814	13,787,534	22,873,190	27,651,332	16,238,456	14,465,177	16,122,745	16,441,829
Charges for Services	3,471,173	2,737,440	2,772,393	6,917,459	6,898,159	5,891,840	8,135,280	7,108,024	7,783,110	9,831,158
Investment Earnings	4,940,692	3,559,933	1,911,428	885,570	491,228	292,787	232,228	202,803	200,176	109,889
Contributions and Other Revenues	2,195,852	136,666	178,025	221,808	111,188	85,982	336,928	727,073	-	119,614
<b>Total Revenues</b>	<b>163,326,319</b>	<b>174,451,047</b>	<b>175,607,926</b>	<b>171,294,441</b>	<b>180,448,889</b>	<b>187,909,427</b>	<b>181,336,605</b>	<b>178,357,373</b>	<b>182,537,827</b>	<b>191,531,983</b>
<b>EXPENDITURES</b>										
General Government	9,750,668	10,819,769	11,643,833	11,767,891	12,158,101	13,106,207	12,903,976	11,088,643	11,176,755	11,412,816
Public Safety	27,881,771	30,385,329	32,059,207	33,410,429	33,121,253	33,444,470	33,873,650	37,063,402	38,531,809	39,188,740
Highways, Streets, and Bridges	16,931,434	11,711,984	12,915,367	8,525,908	9,438,103	9,601,220	8,793,209	11,131,474	11,554,492	11,217,928
Health and Welfare	10,141,388	10,733,945	11,664,982	12,271,033	12,416,523	12,078,386	12,119,555	13,083,185	13,841,044	14,778,726
Recreation and Culture	1,084,736	5,057,786	825,005	869,993	817,817	928,135	752,279	990,382	1,077,710	938,744
Education	73,076,278	72,085,349	78,055,262	76,577,821	76,475,835	75,267,220	79,225,368	82,888,100	85,446,064	89,945,828
Public Libraries	3,449,390	3,982,188	4,425,607	4,438,926	4,462,309	4,283,817	4,283,817	4,417,020	4,749,675	4,882,779
Economic Development	1,182,390	1,151,965	1,201,887	1,096,197	967,940	1,606,236	1,501,779	1,628,989	1,528,922	1,648,873
Agriculture	2,388,275	2,182,731	2,126,544	1,233,444	552,009	558,768	1,244,247	2,097,608	605,650	840,466
Municipalities	558,077	691,663	757,448	820,631	840,039	725,251	697,502	664,218	667,120	671,363
Capital Outlay	40,256,236	35,527,552	28,638,924	14,442,264	31,032,515	27,011,212	14,394,252	15,246,843	26,832,434	19,720,867
Debt Service:										
Principal	7,668,902	8,240,914	8,843,764	10,127,743	10,038,418	10,935,206	9,395,046	9,858,406	9,794,710	9,784,234
Interest	4,026,203	5,102,747	5,399,155	5,856,178	5,694,206	4,838,557	5,623,335	4,851,033	5,568,661	5,397,046
<b>Total Expenditures</b>	<b>198,395,748</b>	<b>197,673,922</b>	<b>198,556,985</b>	<b>181,438,458</b>	<b>198,015,068</b>	<b>194,384,685</b>	<b>184,808,015</b>	<b>195,009,303</b>	<b>211,375,046</b>	<b>210,428,410</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(35,069,429)</b>	<b>(23,222,875)</b>	<b>(22,949,059)</b>	<b>(10,144,017)</b>	<b>(17,566,179)</b>	<b>(6,475,258)</b>	<b>(3,471,410)</b>	<b>(16,651,930)</b>	<b>(28,837,219)</b>	<b>(18,896,427)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Capital Asset Disposal	95,045	129,571	772,086	70,529	80,500	74,639	146,905	440,893	17,600	2,088
Proceeds from Bonds Issued	26,727,140	28,575,000	23,020,000	13,870,000	-	13,267,000	-	29,840,000	-	23,210,000
Premium on Debt Issued	274,166	485,778	732,707	697,594	-	3,370,242	463,827	4,401,727	3,730,456	5,209,762
Refunding Bonds Issued	-	-	-	9,710,000	-	25,860,000	9,290,000	-	31,128,617	12,243,531
Bond Issuance Cost	(274,166)	(302,215)	(117,704)	(309,186)	-	(227,458)	-	(233,221)	-	(78,558)
Advance Refunding Agent	-	-	-	(9,819,040)	-	(28,156,780)	(9,531,073)	-	(34,643,163)	(14,038,367)
Transfers In	31,232,300	26,342,555	28,360,406	27,613,044	19,374,828	23,922,626	21,118,974	26,387,095	18,761,837	21,431,745
Transfers Out	(31,232,300)	(26,342,555)	(28,360,406)	(27,613,044)	(19,374,828)	(23,922,626)	(21,108,409)	(26,387,095)	(18,761,837)	(21,333,604)
<b>Total Other Financing Sources (Uses)</b>	<b>26,822,185</b>	<b>28,888,134</b>	<b>24,407,089</b>	<b>14,219,897</b>	<b>80,500</b>	<b>14,187,643</b>	<b>380,224</b>	<b>34,449,399</b>	<b>233,510</b>	<b>26,646,597</b>
<b>Net Change in Fund Balances</b>	<b>\$ (8,247,245)</b>	<b>\$ 5,665,259</b>	<b>\$ 1,458,030</b>	<b>\$ 4,075,880</b>	<b>\$ (17,485,679)</b>	<b>\$ 7,712,385</b>	<b>\$ (3,091,186)</b>	<b>\$ 17,797,469</b>	<b>\$ (28,603,709)</b>	<b>\$ 7,750,170</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	7.99%	8.97%	9.15%	9.57%	9.26%	9.54%	8.75%	7.93%	7.79%	7.64%

Table V

**ASSESSED VALUE AND ACTUAL VALUE  
OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Property				Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>
	Residential Property	Governmental	Commercial / Industrial	Agricultural	Public Utilities	Other			
2016	\$ 7,204,868,497	n/a	\$ 2,643,369,801	\$ 507,534,006	\$ 198,056,000	\$ 233,500,000	\$ 1,015,229,774	\$ 9,772,098,530	1.056
2015	6,933,465,147	n/a	1,871,273,169	489,623,429	141,257,000	230,000,000	995,209,501	8,670,409,244	1.054
2014	6,963,756,250	n/a	1,830,995,567	504,922,966	141,257,000	230,000,000	953,466,796	8,717,464,987	1.054
2013	7,183,574,528	n/a	1,904,424,331	528,946,520	149,296,000	236,000,000	960,909,069	9,041,332,310	1.054
2012	7,682,905,130	n/a	1,952,981,591	539,244,741	117,881,000	259,900,000	975,324,958	9,577,587,504	0.996
2011	8,289,959,319	n/a	1,865,379,056	580,610,700	129,707,850	165,677,050	1,013,288,272	10,018,045,703	0.956
2010	8,378,308,042	n/a	1,808,137,513	601,504,059	133,390,680	183,492,540	677,356,425	10,427,476,409	0.983
2009	7,810,141,161	n/a	1,679,833,744	548,985,870	133,234,270	180,868,020	1,066,412,895	9,286,650,170	1.009
2008	6,881,115,239	\$ 484,633,433	1,346,611,854	483,730,198	133,224,330	168,821,610	1,169,189,852	8,328,946,812	1.012
2007	5,763,862,087	436,840,091	1,547,882,305	422,341,717	138,899,260	189,847,330	901,625,706	7,598,047,084	1.041

**Source:** Maryland State Department of Assessment and Taxation  
Cecil County Department of Finance

**Notes:**

<sup>1</sup> The total direct tax rate is a weighted average of real and personal property rates.

Table VI

**DIRECT AND OVERLAPPING  
PROPERTY TAX RATES  
(per \$100 of Assessed Value)  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Cecil County Direct Rates</b>										
Real Property	\$0.960	\$0.960	\$0.960	\$0.940	\$0.915	\$0.940	\$0.991	\$0.991	\$0.991	\$0.991
Personal Property	2.400	2.400	2.400	2.350	2.288	2.350	2.477	2.477	2.477	2.477
<sup>1</sup> Total Direct Tax Rate	1.041	1.012	1.009	0.983	0.956	0.996	1.054	1.054	1.054	1.056
<b>Towns</b>										
Cecilton	0.240	0.240	0.240	0.219	0.219	0.219	0.217	0.217	0.220	0.220
Charlestown	0.280	0.280	0.280	0.280	0.280	0.280	0.314	0.314	0.333	0.333
Chesapeake City	0.462	0.420	0.420	0.425	0.432	0.425	0.422	0.448	0.449	0.449
Elkton	0.544	0.504	0.504	0.464	0.473	0.466	0.463	0.586	0.586	0.586
North East	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480
Perryville	0.362	0.362	0.362	0.353	0.353	0.339	0.314	0.314	0.313	0.313
Port Deposit	0.551	0.551	0.551	0.551	0.551	0.551	0.551	0.551	0.554	0.551
Rising Sun	0.360	0.360	0.360	0.360	0.360	0.406	0.406	0.406	0.406	0.406

**Sources:** Cecil County Department of Finance  
The government of each town establishes its respective tax rate.

**Note:** <sup>1</sup> The total direct tax rate is a weighted average of real and personal property rates.

Table VII

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>FISCAL YEAR 2016</b>			
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Assessed Value</b>
Delmarva Power & Light Company	Utility	\$ 115,501,687	1.18%
W.L. Gore & Associates, Inc.	Manufacturing	115,497,060	1.18%
Ikea Property, Inc.	Retail	92,122,427	0.94%
Mid Atlantic Distribution Center	Distribution	63,730,133	0.65%
Cole ID North East MD LLC	Distribution	54,442,467	0.56%
Penn Cecil Maryland	Casino Gaming	43,083,780	0.44%
Wal-Mart Real Estate Business	Property Mgmt	30,610,710	0.31%
Charlestown Crossing Apts	Property Mgmt	27,831,067	0.28%
Chesapeake Ridge LLC	Property Mgmt	24,151,410	0.25%
Mason Dixon Sand & Gravel Co	Manufacturing	22,618,733	0.23%
Totals		<u>\$ 589,589,474</u>	<u>6.03%</u>

<b>FISCAL YEAR 2007</b>			
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Assessed Value</b>
W.L. Gore & Associates, Inc.	Manufacturing	\$ 106,703,105	1.40%
Delmarva Power & Light Company	Utility	64,926,800	0.85%
Ikea Property, Inc.	Retail	42,690,303	0.56%
Verizon-Maryland	Communications	32,627,460	0.43%
Pine Valley, LLC	Property Mgmt	27,346,360	0.36%
Wal-Mart Real Estate Business	Property Mgmt	22,399,066	0.29%
Basell USA, Inc.	Research	19,556,616	0.26%
Terumo Medical Corporation	Research	19,371,320	0.25%
Kenneth O. Lester Company, Inc	Distribution	17,930,936	0.23%
Magazine Stonegate, LLC	Property Mgmt	17,371,566	0.23%
Totals		<u>\$ 370,923,532</u>	<u>4.86%</u>

**Source:** Cecil County Department of Finance

**Note:** Taxpayer data included only if in the top ten for that year.

Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy <sup>1</sup> for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 101,636,001	\$ 101,463,753	99.8%	\$ -	\$ 101,463,753	99.8%
2015	99,732,494	99,440,061	99.7%	173,853	99,613,914	99.9%
2014	100,162,002	99,753,092	99.6%	344,463	100,097,555	99.9%
2013	101,864,701	101,573,341	99.7%	231,508	101,804,849	99.9%
2012	100,215,039	99,666,488	99.5%	507,927	100,174,415	100.0%
2011	97,464,433	97,214,771	99.7%	200,479	97,415,250	99.9%
2010	95,516,854	94,315,657	98.7%	1,149,844	95,465,501	99.9%
2009	93,799,686	93,433,467	99.6%	230,590	93,664,057	99.9%
2008	84,487,760	84,094,382	99.5%	333,343	84,427,725	99.9%
2007	76,292,949	75,856,903	99.4%	409,802	76,266,705	100.0%

**Source:** Cecil County Department of Finance

**Note:** <sup>1</sup> For presentation purposes, the County considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.

**Note:** Total tax levy is all tax bill additions and insolvencies from general ledger for fiscal year. Amount collected is the total tax levy reduced by the ending general ledger balance.

Table IX

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>
	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Property Mgmt.	Capital Leases			
2016	\$ 179,272,367	\$ -	\$ 97,582	\$ 57,568,263	\$ 13,931,049	\$ 7,300,000	\$ -	\$ 258,169,261	6.06%	\$ 2,522
2015	159,837,619	-	103,681	49,061,076	14,763,528	-	-	223,765,904	5.16%	2,186
2014	168,262,646	-	109,780	42,685,905	16,265,125	-	-	227,323,456	5.19%	2,231
2013	139,637,122	-	115,879	26,776,659	17,749,965	-	-	184,279,625	4.57%	1,812
2012	151,143,753	316,247	121,978	28,440,508	19,116,764	-	-	199,139,250	5.11%	1,958
2011	144,302,654	930,441	135,263	28,568,841	20,017,483	-	-	193,954,682	5.22%	1,918
2010	153,837,331	1,521,017	148,548	46,887,137	3,190,000	-	-	205,584,033	5.50%	2,040
2009	149,203,547	2,088,882	161,836	31,324,561	3,625,000	-	699,344	187,103,170	5.25%	1,872
2008	133,701,683	2,634,911	173,384	27,435,710	4,040,000	-	912,603	168,898,291	5.45%	1,700
2007	115,555,619	-	184,934	19,289,499	4,430,000	-	-	139,460,052	4.22%	1,402

**Source:** Cecil County Department of Finance

**Notes:** Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See Schedule XIV for population data.

This ratio uses population data from the prior calendar year.



Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
2016	\$ 258,071,679	2.64%	\$ 2,520.67
2015	223,662,223	2.58%	2,184.56
2014	227,213,676	2.61%	2,229.49
2013	184,163,746	2.04%	1,810.92
2012	198,701,025	2.07%	1,953.91
2011	192,888,978	1.93%	1,907.75
2010	203,914,468	1.96%	2,023.04
2009	184,153,108	1.98%	1,842.89
2008	165,177,393	1.98%	1,662.28
2007	139,275,118	1.83%	1,399.67

**Source:** Cecil County Department of Finance

**Note:** <sup>1</sup> See Schedule V for Actual Taxable Value of Property data.

<sup>2</sup> See Schedule XIV for population data.

This ratio uses population data from the prior calendar year.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Cecil County</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property and Income Taxes</b>			
Elkton	\$ 909,246	100%	\$ 909,246
North East	1,868,000	100%	1,868,000
Perryville	145,000	100%	145,000
Rising Sun	1,883,645	100%	<u>1,883,645</u>
Subtotal - Overlapping Debt			4,805,891
<b>Cecil County Direct Debt</b>	179,272,367	100%	<u>179,272,367</u>
Totals			<u>\$ 184,078,258</u>

**Sources:** Cecil County Department of Finance  
The government of each town is the source of its respective debt.

Table XII

**LEGAL DEBT LIMITATION INFORMATION  
(Unaudited)**

There is no aggregate limit to the amount of bonds and other evidences of indebtedness that may be outstanding at any one time for Cecil County. There is a general limitation for short-term borrowing in any fiscal year; the County is authorized to borrow up to \$2,500,000 on a temporary basis provided that all such borrowing be repaid and all demands fully satisfied on or before June 30 of the fiscal year in which the money is borrowed.

Table XIII

**PLEGGED - REVENUES COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Wastewater Revenue Bonds						Water Revenue Bonds		
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Water Charges and Other	Less: Operating Expenses	Net Available Revenue
				Principal	Interest				
2016	\$ 5,631,738	\$ 6,571,666	\$ (939,928)	\$ 2,367,669	\$ 1,433,032	-25%	\$ -	\$ -	\$ -
2015	8,586,607	5,696,015	2,890,592	1,999,804	1,275,235	88%	-	-	-
2014	6,505,751	5,874,501	631,250	1,763,754	735,644	25%	-	-	-
2013	4,939,317	5,309,937	(370,620)	1,663,849	784,772	-15%	-	-	-
2012	4,641,400	4,976,129	(334,729)	1,638,654	758,229	-14%	653,831	672,752	(18,921)
2011	3,696,270	4,425,922	(729,652)	1,571,460	774,904	-31%	1,289,093	1,168,243	120,850
2010	3,375,394	4,483,019	(1,107,625)	1,554,451	807,054	-47%	1,234,117	1,097,403	136,714
2009	3,455,046	4,386,638	(931,592)	1,346,574	682,966	-46%	1,308,395	1,103,638	204,757
2008	3,108,223	3,731,492	(623,269)	941,842	571,757	-41%	1,263,870	922,353	341,517
2007	2,498,596	3,520,669	(1,022,073)	927,856	432,546	-75%	787,028	867,921	(80,893)

Fiscal Year	Landfill Revenue Bonds						Special Assessment Bonds		
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service	
				Principal	Interest			Principal	Coverage
2016	\$ 7,348,970	\$ 6,399,300	\$ 949,670	\$ 893,354	\$ 419,231	72%	\$ 6,099	\$ 6,099	100%
2015	6,652,536	7,230,652	(578,116)	1,501,597	513,039	-29%	6,099	6,099	100%
2014	5,915,811	7,765,909	(1,850,098)	1,484,840	510,305	-93%	6,099	6,099	100%
2013	5,296,542	5,965,106	(668,564)	1,366,799	539,290	-35%	6,099	6,099	100%
2012	5,196,182	5,619,803	(423,621)	900,718	560,644	-29%	13,287	13,287	100%
2011	5,294,655	4,822,085	472,570	508,759	716,894	39%	13,994	13,994	100%
2010	4,576,968	5,707,285	(1,130,317)	1,183,102	451,555	-69%	50,051	50,051	100%
2009	4,561,929	4,558,610	3,319	628,260	271,426	0%	50,132	50,132	100%
2008	5,383,296	4,245,780	1,137,516	645,989	227,754	130%	50,203	50,203	100%
2007	5,452,622	4,383,786	1,068,836	370,000	248,166	173%	44,242	44,242	100%

Source: Cecil County Department of Finance

Table XIV

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<b>Calendar Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>a,1</sup></b>	<b>Per Capita Income<sup>a</sup></b>	<b>Average Employment<sup>b,2</sup></b>	<b>Average Unemployment Rate<sup>b,2</sup></b>	<b>Median Price of Housing Sales<sup>d</sup></b>	<b>School Enrollment<sup>c,3</sup></b>
2015	102,382	\$ 4,262,448,000	\$ 41,632	50,042	6.0%	\$ 197,902	15,859
2014	102,383	4,337,575,000	42,562	48,665	6.6%	194,000	15,681
2013	101,913	4,383,534,000	43,104	47,269	7.7%	193,000	15,824
2012	101,696	4,036,174,000	39,689	46,810	8.4%	218,278	15,634
2011	101,694	3,897,356,000	38,508	46,188	8.9%	199,900	15,827
2010	101,108	3,715,479,000	36,861	44,944	9.9%	214,000	15,937
2009	100,796	3,736,203,000	37,381	46,259	9.0%	225,000	16,271
2008	99,926	3,562,166,000	35,648	48,310	5.3%	235,000	16,290
2007	99,368	3,562,166,000	35,848	48,844	3.9%	255,000	16,421
2006	99,506	3,304,992,284	33,214	48,621	4.3%	299,000	16,521

- Sources:**
- <sup>a</sup> U.S. Census Bureau
  - <sup>b</sup> Maryland Department of Labor, Licensing, and Regulation (DLLR)  
BEA and DLLR data is presented as revised periodically based on census and survey results and analysis, and changes to statistical benchmarks.
  - <sup>c</sup> Maryland Department of Planning, Planning Data Services
  - <sup>c</sup> Cecil County Board of Education Annual Budgets
  - <sup>d</sup> Maryland Association of Realtors

- Notes:**
- <sup>1</sup> Personal Income is a total for the year.
  - <sup>2</sup> Employment and unemployment rates are adjusted annual averages. Employment is calculated as the count of County citizens employed in any location (i.e., inside or outside the County).
  - <sup>3</sup> School enrollment is for the school year ended in June of the calendar year.

Table XV

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Calendar Year 2006			Calendar Year 2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates, Inc.	2,506	1	5.15%	2,405	1	4.81%
Cecil County Board of Education	2,132	2	4.38%	2,019	2	4.03%
Perry Point V.A. Hospital	1,000	3	2.06%	1,500	3	3.00%
Union Hospital	900	4	1.85%	1,236	4	2.47%
Terumo Medical Group	400	7	0.82%	639	5	1.28%
Cecil County Government	500	6	1.03%	590	6	1.18%
IKEA/Genco	370	8	0.76%	580	7	1.16%
Cecil College	300	9	0.62%	515	8	1.03%
Wal-Mart Stores, Inc.	300	10	0.62%	500	9	1.00%
ATK Tactical Systems	591	5	1.22%	464	10	0.93%
Totals	<u>8,999</u>		<u>18.51%</u>	<u>10,448</u>		<u>20.89%</u>

\*Note: Employer is not one of the principal employers during the year noted

Sources: Cecil County Department of Economic Development

Table XVI

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES  
BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Government	91	91	103	104	102	107	104	99	110	99
Public Safety	260	282	298	289	291	284	303	302	303	315
Law Enforcement	83	87	92	96	97	97	95	99	105	105
Detention Center	57	66	62	55	65	63	84	81	70	78
EMS & Emergency Services	61	67	86	80	81	80	77	74	77	84
Other	59	62	58	58	48	44	47	48	51	48
Highways, Streets, and Bridges	70	76	72	67	68	64	68	65	68	67
Roads Maintenance	45	47	45	43	45	44	45	42	41	44
Engineering and Other	25	29	27	24	23	20	23	23	27	23
Health and Welfare	49	44	50	60	50	51	43	43	61	47
Senior Services	33	24	27	27	24	24	23	23	39	30
Other	16	20	23	33	26	27	20	20	22	17
Recreation and Culture	3	5	6	7	8	6	7	8	8	8
Economic Development	5	4	6	6	5	6	6	6	7	6
Agriculture	4	5	5	5	5	5	5	5	5	5
Water	4	5	3	3	3	-	-	-	-	-
Wastewater	14	14	11	12	12	14	16	16	15	14
Landfill	24	25	24	24	25	25	22	25	24	22
Totals	524	551	578	577	569	562	574	569	601	583

Sources: Cecil County Finance and Human Resources Departments

Table XVII

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Public Safety</b>										
Physical Arrests	1,941	2,327	2,666	2,430	2,577	2,611	2,608	2,422	2,548	2,743
911 Calls	198,706	193,323	215,419	191,866	207,019	164,265	171,258	168,535	224,643	135,127
Fire/Paramedic Calls	n/a	16,207	16,553	13,201	13,525	22,751	23,217	28,845	29,820	12,360
Building Permits Issued	407	362	276	282	323	220	464	234	202	192
<b>Highways, Streets, and Bridges</b>										
Street Resurfacing (miles)	48.11	16.26	13.06	3.32	12.67	15.76	13.11	15.93	18.07	15.49
<b>Health and Welfare</b>										
Participants (avg. monthly)	1,300	1,600	1,155	1,078	1,170	1,327	1,434	1,135	1,235	1,765
Meals served	24,640	23,783	24,887	23,004	21,276	21,433	21,868	25,005	18,052	29,066
Bus Passengers	43,674	46,043	49,875	49,709	60,066	66,892	76,990	92,314	100,929	101,251
<b>Recreation and Culture</b>										
Recreation Registrations	n/a	n/a	n/a	n/a	n/a	11,000	14,000	15,750	15,130	14,620
Recreation Programs	n/a	n/a	n/a	n/a	n/a	150	180	197	157	162
Safetyville (attendance)	110	116	102	103	88	71	106	147	64	86
<b>Agriculture</b>										
Acres under Preservation Agreements	12,890	12,890	13,750	13,808	23,900	24,739	25,108	25,799	26,382	26,497
<b>Water</b>										
Average Daily Consumption (thousands of gallons)	185,890	168,195	162,417	162,748	169,546	87,039	n/a	n/a	n/a	n/a
<b>Wastewater</b>										
Annual Sewage Treatment (thousands of gallons)	480,524	408,599	469,597	509,706	496,752	520,077	526,507	648,139	592,333	603,017
<b>Landfill</b>										
Annual Tons of Refuse	128,213	117,876	102,236	108,033	91,475	84,855	83,428	84,796	83,449	85,172

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful operating indicators are not available for all functions.  
 NA = Not available  
 As of FY2007 a new Communication Systems came online to accept County-wide emergency calls.  
 The County sold the Water Operations effective December 21, 2011.

Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Public Safety</b>										
Police Patrol Units	82	80	85	85	85	89	83	95	100	100
Paramedic Units	7	8	8	8	8	8	8	8	8	8
<b>Highways, Streets, and Bridges</b>										
Roads & Highways (miles)	601	601	601	601	601	601	599	599	600	604
Bridges	95	95	95	95	95	95	95	97	97	97
<b>Health and Welfare</b>										
Buses	11	10	13	15	14	11	11	13	17	17
<b>Recreation and Culture</b>										
Park Acreage	501	525	525	525	531	531	531	535	388	388
<b>Water</b>										
Production Capacity (millions of gallons per day)	0.529	0.800	1.348	1.348	1.348	n/a	n/a	n/a	n/a	n/a
<b>Wastewater</b>										
Wastewater Treatment Capacity (millions of gallons per day)	3.065	3.065	3.065	3.065	3.065	3.065	3.490	3.490	3.490	3.465
<b>Landfill</b>										
Remaining Built Capacity (cubic yards)	426,427	2,003,582	1,800,984	2,420,000	2,215,500	2,137,740	1,975,875	1,800,200	1,628,300	1,501,646

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful capital asset statistics are not available for all functions.  
FY2010 remaining Landfill capacity increased due to ongoing redevelopment project.  
The County sold the Water Operations effective December 21, 2011.