

DEBT SERVICE

Why Incur Debt?

Most major capital outlays are too expensive to fund with current year operating revenue. Similar to most homeowners who finance their homes with mortgages, governments must also borrow funds for many large-scale projects. In most cases, the infrastructure being constructed will benefit future taxpayers. Therefore, it is reasonable to defer the cost of the project over a longer period of time even though financing the interest adds to the total cost. Typically, governments borrow funds through the issuance of local bonds, bank financed capital leasing, or special state-sponsored loans.

The debt is normally scheduled (amortized) to coincide with the life of the project, and before major renovation is needed. Interest rates for governments tend to be lower than commercial rates due to the government's ability to raise revenue through property taxes or other local forms of revenues without competition.

There are many different theories concerning the proper level of debt that should be maintained by local governments. One incentive for well-planned debt levels is a favorable bond rating given by credit rating agencies. Financially sound governments receive good bond ratings, which usually result in a lower interest rate on the debt they incur. The driving force of guidance for Charles County is the desire to remain in a fiscally sound position. This requires, among other things, a good bond rating, a low burden of debt for the tax payers, long and short range financial planning, and constant monitoring of economic conditions. The County has maintained a debt ceiling of less than 8% of the total general fund revenues for more than 20 years. The County Commissioners adopted a formal Debt Policy on September 22, 2009 which is located in the Financial Policies section of this book.

Bond Rating Agencies and Charles County's Rating

Charles County receives ratings from the three major bond credit rating agencies: Moody's Investor Service (Aa1), Standard & Poor's (AA), and Fitch Investors Service (AAA). During FY2012, the County maintained its rating with all three credit rating agencies. These independent rating services rate organizations by evaluating their creditworthiness. The chart below displays the various ratings each service provides. Charles County's rating is shaded.

Moody's	Standard & Poor's	Fitch
Rating Symbol		
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Ba1	BB+	BB+
Ba2	BB	BB
Ba3	BB-	BB-
B1	B+	B+
B2	B	B
B3	B-	B-

DEBT SERVICE

Types of bonds

There are several types of bonds that can be issued. Charles County typically issues General Obligation (G.O.) bonds and double-barrel revenue bonds for Enterprise Fund (EF) projects. G.O. bonds are backed by the full faith and credit of the government. These types of bonds get favorable ratings due to the taxing power of governments and their ability to raise revenues to repay the debt. The annual debt service on double-barreled revenue bonds is funded by the revenues from enterprise operations and is further insured by the general fund should the enterprise fund earnings fail or fall short in any given year. The County makes a point during the budgetary process for enterprise funds to include the borrowing cost in the budget estimates so that the General Fund's risk of insuring the debt service is significantly reduced.

Pursuant to Section 14.05 of Article 66B of the Annotated Code of Maryland, the County may issue bonds necessary to finance the cost incurred to construct new capacity for public school facilities within Charles County. The debt service on these bonds is paid for by a special tax assessment (excise tax) on new home starts after June 30, 2003, payable over a 10-year period at level amortized payments of principal and interest and may be prepaid at any time. The rate of interest payable by a property owner will be the rate of interest paid by the County on the new school capacity construction bonds issued in the first year the tax is levied on that property owner. The excise tax payment becomes part of the annual property tax bill. The proceeds of the fair share school construction excise tax may only be used to pay principal of and interest on a new school capacity construction bonds.

On March 25, 2008, the Board of County Commissioners approved the creation of the Swan Point Economic Development District (the "TIF District"), a tax increment district, and the Swan Point Special Taxing District (the "Special Taxing District"), a special taxing district, and approved the issuance of up to \$38,000,000 of tax increment bonds to finance public infrastructure improvements in the TIF District. The tax increment bonds will not be general obligations of the County, but will be payable solely from the incremental real property taxes, if any, collected from property owners in the TIF District and, if necessary, special taxes levied on the commercial properties located in the Special Taxing District. The incremental real property taxes must be used first to pay debt service on the bonds and related expenses before such funds can be used for other County purposes. The tax increment bonds have not yet been issued and no closing date has been scheduled.

Debt Limitations

The County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly. As a Code Home Rule county, the County may also authorize the issuance of general obligation and revenue bonds by a public local law enacted by the County Commissioners. There are no statutory limits on the amount of general obligation or revenue bonds that may be authorized by the County Commissioners. The County may refund any of its outstanding general obligation or revenue bonds under the authority of Chapter 825 of the Laws of Maryland of 1977, now codified as Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume). No referendum is required.

The County may issue economic development revenue bonds under State law which provides that such bonds shall not constitute indebtedness or charge against the general credit or taxing power of the County. In addition, the County may participate in State loans for school and highway construction, which is secured solely by the County's portion of certain State-shared revenues.

The County is authorized to issue bonds for water and sewer and solid waste management purposes in an amount not to exceed 10% of the total value of the property assessed, as described in the Water and Sewerage Debt section.

Future Plans to Incur Debt

The County through its Legislative Delegation received authority from the Maryland General Assembly to issue its general obligation bonds for the purpose of financing the cost of public facilities in Charles County. As of June 30, 2012, the County will have \$85,391,100 of authority for future issues generally designated as follows:

Public Facilities	\$77,153,100
Detention Center Facilities	3,180,000
Landfill Facilities	5,058,000
Total	\$85,391,100

DEBT SERVICE

Water and Sewerage Debt

The County is authorized to issue general obligation bonds to finance water systems, sewerage systems, solid waste disposal systems and solid waste acceptance systems in the Waldorf Special Taxing District One, the Mattawoman Special Taxing District and Special Taxing District Number three. The three special taxing districts are authorized to levy charges, assessments and taxes to pay the debt service on bonds previously issued by the respective districts and bonds issued by the County after their creation in 1976. The County expects to pay debt service on its water and sewerage debt from special assessments, connection charges, and charges for the upkeep of sewer, and sewer service charges pertaining to the respective systems for which the indebtedness was incurred. If required at any time to pay debt service on water and sewerage debt incurred to finance water and sewer facilities in a particular special taxing district, the County is authorized to levy a tax on the assessable property in the special taxing district. If for any reason any such levy should prove inadequate, the County is authorized to levy a tax on the assessable property throughout the County in order to raise the required funds to pay such debt service.

The principal amount of outstanding bonds relating to such improvements in any special taxing district cannot exceed 10% of the total value of the property assessed by County taxation purposes. The respective special taxing districts are as follows:

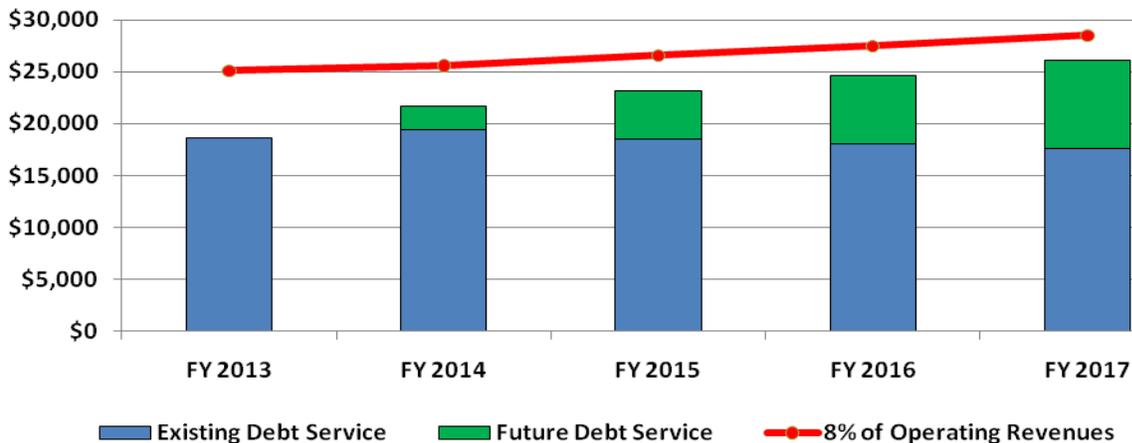
	Market Value*	Outstanding Principal Amount**	% of Market Value
Waldorf Special Taxing District	\$6,847,660,410	\$45,435,712	0.66%
Mattawoman Special Taxing District	4,098,547,798	33,980,753	0.83%
Special Taxing District Number Three	6,766,580,956	6,610,769	0.10%
Total	\$17,712,789,164	\$86,027,234	0.49%

*As of July 1, 2011

**As of June 30, 2012

Impact on Future Operations

By planning and managing for long-term debt, the County can determine how much of the annual operating budget will be dedicated for the cost of borrowing and how much of this burden will be carried in the future. To put this in perspective, a homeowner would review their ability to repay a loan prior to a major purchase or improvement. The decision to focus on maintaining financial stability and strength results in a more predictable impact on future operations. Sound financial planning and policies through the use of five-year estimates and debt limitations, provide the County with a managed control approach to the issuance of long-term debt. As existing debt service payments decrease and operating revenues increase, the County is able to determine the additional funds available to make debt service payments and size the future bond issues accordingly. Per the County's Debt Policy, payments will not exceed 8% of General Fund operating revenues. The County's ability to absorb new debt is shown below:



DEBT SERVICE

Schedule of Future Debt service Requirements

The following table shows the rapidity of all bonded debt repayment by the County:

<u>Fiscal</u> <u>Year</u>	Total Bond		Bonds		%
	----- Debt Service -----		Outstanding		Outstanding
	<u>Principal</u>	<u>Interest</u>	<u>Principal +</u> <u>Interest</u>		
2014	\$32,770,000	\$12,369,136	\$45,139,136	\$263,845,000	89.0%
2015	29,060,000	10,974,045	40,034,045	234,785,000	79.2%
2016	27,955,000	9,884,113	37,839,113	206,830,000	69.7%
2017	26,640,000	8,491,945	35,131,945	180,190,000	60.7%
2018	25,380,000	7,331,985	32,711,985	154,810,000	52.2%
2019	24,780,000	6,217,860	30,997,860	130,030,000	43.8%
2020	22,725,000	5,114,560	27,839,560	107,305,000	36.2%
2021	21,325,000	4,128,035	25,453,035	85,980,000	29.0%
2022	19,825,000	3,193,547	23,018,547	66,155,000	22.3%
2023	18,630,000	2,319,796	20,949,796	47,525,000	16.0%
2024	13,150,000	1,711,271	14,861,271	34,375,000	11.6%
2025	10,965,000	1,287,356	12,252,356	23,410,000	7.9%
2026	6,880,000	915,833	7,795,833	16,530,000	5.6%
2027	7,170,000	640,233	7,810,233	9,360,000	3.2%
2028	4,895,000	351,025	5,246,025	4,465,000	1.5%
2029	2,980,000	188,075	3,168,075	1,485,000	0.5%
2030	480,000	63,113	543,113	1,005,000	0.3%
2031	495,000	42,713	537,713	510,000	0.2%
2032	510,000	21,675	531,675	0	0.0%
	<u>\$296,615,000</u>	<u>\$75,246,311</u>	<u>\$371,861,311</u>		

The Schedule of Debt Outstanding

The Schedule of Debt Outstanding displays the actual principal and interest payments for all funds and includes bonds with dedicated revenue sources to fund the associated debt service. The schedule also reflects the amounts of capital lease financing associated with each type of fund. Capital leasing has become a popular financing mechanism, especially during times of low interest rate markets. This type of debt generally provides cash resources for major equipment and vehicles. The annual debt service payments have been incorporated into the various operating budgets of the County.

FY2013 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-13 PRINCIPAL	FY-13 INTEREST	FY-13 TOTAL	PRINCIPAL OUTSTANDING
GENERAL FUND						
2003 Public Improvement Bond	2018	2.000-4.000	66,216	4,523	70,739	68,758
2004 Public Improvement Bond	2019	2.000-4.250	15,382	1,605	16,987	32,407
2005 Public Improvement Bond	2020	3.000-5.000	110,866	19,117	129,983	366,843
2006 Public Improvement Bond	2021	4.000-5.000	364,112	79,475	443,587	1,302,163
2007 Public Improvement Bond	2022	3.500-5.000	33,375	17,024	50,399	366,068
2008 Public Improvement Bond	2023	3.000-5.000	796,494	453,445	1,249,939	9,790,460
2009 Public Improvement Bond	2029	2.000-4.250	114,462	102,475	216,937	2,411,487
2009 PIB refunding	2016	2.000-4.250	769,309	57,989	827,298	942,116
2010 Public Improvement Bond	2025	2.000-5.300	65,743	41,865	107,608	986,354
2010 PIB refunding	2017	2.000-5.300	112,642	27,188	139,830	537,299
2011 Public Improvement Bond	2028	2.000-5.000	0	120,136	120,136	3,395,000
2011 PIB refunding	2020	4.000-5.000	0	37,868	37,868	932,304
2012 Public Improvement Bond	2027	2.000-5.000	135,077	60,973	196,050	2,059,923
2012 PIB refunding	2022	5.00	0	82,684	82,684	2,577,171
Subtotal Board of Education			\$2,583,677	\$1,106,367	\$3,690,044	\$25,768,355
2004 Public Improvement Bond	2019	2.000-4.250	107,003	11,168	118,171	225,442
2005 Public Improvement Bond	2020	3.000-5.000	20,886	3,601	24,487	69,108
2006 Public Improvement Bond	2021	4.000-5.000	206,873	45,154	252,027	739,834
2007 Public Improvement Bond	2022	3.500-5.000	12,136	6,191	18,327	133,116
2008 Public Improvement Bond	2023	3.000-5.000	19,798	11,271	31,069	243,355
2009 PIB refunding	2016	2.000-4.250	186,092	16,578	202,670	276,304
2010 Public Improvement Bond	2025	2.000-5.300	94,714	60,314	155,028	1,421,018
2011 Public Improvement Bond	2028	2.000-5.000	0	40,694	40,694	1,150,000
2011 PIB refunding	2020	4.000-5.000	0	24,355	24,355	608,871
2012 Public Improvement Bond	2027	2.000-5.000	229,231	103,473	332,704	3,495,769
2012 PIB refunding	2022	5.00	0	46,978	46,978	1,464,241
Subtotal College of Southern MD			\$876,733	\$369,777	\$1,246,510	\$9,827,059
2003 Public Improvement Bond	2018	2.000-4.000	118,756	8,111	126,867	123,316
2004 Public Improvement Bond	2019	2.000-4.250	69,070	7,209	76,279	145,523
2005 Public Improvement Bond	2020	3.000-5.000	85,271	14,704	99,975	282,152
2006 Public Improvement Bond	2021	4.000-5.000	88,072	19,224	107,296	314,969
2007 Public Improvement Bond	2022	3.500-5.000	434,587	221,594	656,181	4,762,019
2008 Public Improvement Bond	2023	3.000-5.000	77,140	43,916	121,056	948,198
2008 Taxable Bond	2023	5.00-5.75	436,039	311,132	747,171	5,695,635
2009 Public Improvement Bond	2029	2.000-4.250	629,896	563,932	1,193,828	13,270,715
2009 PIB refunding	2016	2.000-4.250	503,920	47,809	551,729	835,653
2010 Public Improvement Bond	2025	2.000-5.300	343,066	218,463	561,529	5,147,094
2010 PIB refunding	2017	2.000-5.300	135,433	32,688	168,121	646,011
2011 Public Improvement Bond	2028	2.000-5.000	0	202,763	202,763	5,730,000
2011 PIB refunding	2020	4.000-5.000	0	52,275	52,275	1,281,064
2012 Public Improvement Bond	2027	2.000-5.000	221,538	100,001	321,539	3,378,462
2012 PIB refunding	2022	5.00	0	20,000	20,000	623,371
Subtotal General Government			\$3,142,789	\$1,863,820	\$5,006,609	\$43,184,183

FY2013 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-13 PRINCIPAL	FY-13 INTEREST	FY-13 TOTAL	PRINCIPAL OUTSTANDING
2003 Public Improvement Bond	2018	2.000-4.000	333,343	22,453	355,796	348,043
2004 Public Improvement Bond	2019	2.000-4.250	333,507	34,474	367,981	702,661
2005 Public Improvement Bond	2020	3.000-5.000	276,262	47,150	323,412	897,392
2009 Public Improvement Bond	2029	2.000-4.250	246,283	219,396	465,679	5,158,188
2009 PIB refunding	2016	2.000-4.250	356,782	23,092	379,874	389,010
2010 Public Improvement Bond	2025	2.000-5.300	11,834	7,536	19,370	177,544
2010 PIB refunding	2017	2.000-5.300	111,852	26,997	138,849	533,530
2011 Public Improvement Bond	2028	2.000-5.000	0	180,712	180,712	4,444,981
Subtotal Public Safety			\$1,669,864	\$561,809	\$2,231,673	\$12,651,349
2003 Public Improvement Bond	2018	2.000-4.000	386,022	13,122	399,144	0
2004 Public Improvement Bond	2019	2.000-4.250	1,076,714	36,075	1,112,789	8,512
2005 Public Improvement Bond	2020	3.000-5.000	0	82,950	82,950	915,328
2006 Public Improvement Bond	2021	4.000-5.000	594,254	129,709	723,963	2,125,214
2007 Public Improvement Bond	2022	3.500-5.000	0	520,302	520,302	12,014,822
2008 Public Improvement Bond	2023	3.000-5.000	39,285	22,365	61,650	482,888
2009 Public Improvement Bond	2029	2.000-4.250	0	123,388	123,388	3,040,749
2009 PIB refunding	2016	2.000-4.250	519,665	77,658	597,323	1,547,456
2010 Public Improvement Bond	2025	2.000-5.300	320,357	204,002	524,359	4,806,384
2010 PIB refunding	2017	2.000-5.300	474,392	114,500	588,892	2,262,826
2011 Public Improvement Bond	2028	2.000-5.000	0	252,127	252,127	7,125,000
2011 PIB refunding	2029	3.000-5.000	0	614,715	614,715	17,985,000
2011 PIB refunding	2020	4.000-5.000	0	222,922	222,922	5,573,040
2012 Public Improvement Bond	2027	2.000-5.000	324,923	146,668	471,591	4,955,077
2012 PIB refunding	2022	5.00	0	134,946	134,946	4,206,110
Subtotal Roads			\$3,735,613	\$2,695,446	\$6,431,059	\$67,048,404
TOTAL GENERAL FUND BONDS			\$12,008,675	\$6,597,220	\$18,605,894	\$158,479,349
73 FHA Loan	2024	3.649	\$8,667	\$2,281	\$10,948	\$51,637
TOTAL GENERAL FUND OTHER OBLIGATIONS			\$8,667	\$2,281	\$10,948	\$51,637
2008 Capital Lease	2013	3.720	173,414	3,224	176,638	0
2008 Capital Lease	2013	3.500	192,737	5,074	197,811	0
2009 Capital Lease	2014	3.720	423,643	19,576	443,219	216,675
2010 Capital Lease	2015	4.000	177,832	6,062	183,894	49,973
2012 Capital Lease	2017	1.652	220,335	15,951	236,286	800,348
2013 Capital Lease	2018	1.196	168,318	10,341	178,658	1,560,882
TOTAL GENERAL FUND LEASE DEBT			\$1,356,279	\$60,228	\$1,416,507	\$2,627,878
TOTAL GENERAL FUND DEBT			\$13,373,621	\$6,659,728	\$20,033,349	\$161,158,864
DEBT SERVICE FUND						
2003 Excise Tax Bond	2013	2.000-3.300	785,000	25,905	810,905	0
2004 Excise Tax Bond	2014	2.000-4.250	3,440,000	245,400	3,685,400	3,555,000
2005 Excise Tax Bond	2015	3.000-5.000	1,125,000	177,250	1,302,250	2,420,000
2006 Excise Tax Bond	2016	4.000-5.000	1,685,000	338,600	2,023,600	5,450,000
2007 Excise Tax Bond	2017	3.500-5.000	1,650,000	366,700	2,016,700	7,245,000
2008 Excise Tax Bond	2018	3.000-5.000	155,000	45,688	200,688	865,000
2009 Excise Tax Bond	2019	2.000-4.250	85,000	25,800	110,800	560,000
2011 Excise Tax Bond	2023	2.000-5.300	0	532,150	532,150	15,500,000
Subtotal Excise Tax			\$8,925,000	\$1,757,493	\$10,682,493	\$35,595,000
2004 Public Improvement Bond	2019	2.000-4.250	854,015	249,150	1,103,165	5,799,714
Subtotal CIVISTA			\$854,015	\$249,150	\$1,103,165	\$5,799,714
2005 Public Improvement Bond	2020	3.000-5.000	65,227	24,695	89,922	552,011
Subtotal CSM (St. Charles Children Center)			\$65,227	\$24,695	\$89,922	\$552,011

FY2013 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-13 PRINCIPAL	FY-13 INTEREST	FY-13 TOTAL	PRINCIPAL OUTSTANDING
2003 Public Improvement Bond	2018	2.000-4.000	10,423	712	11,135	10,824
2005 Public Improvement Bond	2020	3.000-5.000	6,523	1,125	7,648	21,583
2006 Public Improvement Bond	2021	4.000-5.000	21,949	4,791	26,740	78,497
2009 PIB refunding	2022	2.000-4.250	63,487	8,155	71,642	155,700
2010 PIB refunding	2017	2.000-5.300	6,871	1,658	8,529	32,774
2011 PIB refunding	2029	3.000-5.000	0	3,254	3,254	79,086
2012 PIB refunding	2022	5.00	0	4,984	4,984	155,357
Subtotal Nursing Homes			\$109,253	\$24,679	\$133,932	\$533,821
2004 Taxable Bond	2019	4.00-5.00	535,000	50,630	585,630	565,000
2005 Taxable Bond	2020	5.00-5.125	390,000	61,000	451,000	830,000
2006 Taxable Bond	2021	5.125-8.000	620,000	146,575	766,575	2,045,000
2007 Taxable Bond	2022	5.25-5.75	175,000	53,625	228,625	800,000
2008 Taxable Bond	2023	5.00-5.75	168,750	120,410	289,160	2,204,250
2009 Taxable Bond	2024	4.00-5.375	110,000	79,888	189,888	1,570,000
2011 Taxable Bond	2028	2.000-4.500	0	146,050	146,050	4,000,000
2012 Taxable Bond	2027	2.000-3.250	155,000	70,174	225,174	3,845,000
2012 PIB refunding	2022	2.00-5.00	5,000	340,308	345,308	10,795,000
Subtotal St. Charles Companies			\$2,158,750	\$1,068,660	\$3,227,410	\$26,654,250
2008 Taxable Bond	2023	5.00-5.75	520,211	371,193	891,404	6,795,115
Subtotal Southern MD Sports & Entertainment Complex			\$520,211	\$371,193	\$891,404	\$6,795,115
TOTAL DEBT SERVICE FUND DEBT			\$12,632,456	\$3,495,870	\$16,128,326	\$75,929,911
ENVIRONMENTAL SERVICE						
2004 Public Improvement Bond	2019	2.000-4.250	2,675	279	2,954	5,636
2006 Public Improvement Bond	2021	4.000-5.000	5,487	1,198	6,685	19,624
2007 Public Improvement Bond	2022	3.500-5.000	60,682	30,953	91,635	665,579
2008 Public Improvement Bond	2023	3.000-5.000	23,465	13,358	36,823	288,425
2009 Public Improvement Bond	2029	2.000-4.250	21,859	19,570	41,429	460,527
2009 PIB refunding	2016	2.000-4.250	21,175	1,289	22,464	21,780
2010 Public Improvement Bond	2025	2.000-5.300	27,857	17,739	45,596	417,946
2011 Public Improvement Bond	2028	2.000-5.000	0	49,541	49,541	1,400,000
2011 PIB refunding	2020	4.000-5.000		501	501	12,531
2012 Public Improvement Bond	2027	2.000-5.000	43,077	19,445	62,522	656,923
2012 PIB refunding	2022	5.00	0	1,246	1,246	38,839
TOTAL ENVIRONMENTAL SERVICE BONDS			\$206,277	\$155,119	\$361,396	\$3,987,810
2008 Capital Lease	2013	4.000	2,752	52	2,804	0
2009 Capital Lease	2014	3.720	18,104	837	18,941	91,310
2012 Capital Lease	2017	1.652	9,754	706	10,460	35,429
2013 Capital Lease	2018	1.196	2,433	150	2,583	22,567
TOTAL ENVIRONMENTAL OTHER OBLIGATIONS			\$33,043	\$1,745	\$34,788	\$149,306
TOTAL ENVIRONMENTAL SERVICE DEBT			\$239,320	\$156,864	\$396,184	\$4,137,116
INSPECTION & REVIEW						
2009 Capital Lease	2014	3.720	41,693	1,927	43,620	21,422
TOTAL INSPECTION & REVIEW DEBT			\$41,693	\$1,927	\$43,620	\$21,422
SOLID WASTE FUND						
2009 Capital Lease	2014	3.65	29,339	1,356	30,695	15,070
TOTAL SOLID WASTE FUND DEBT			\$29,339	\$1,356	\$30,695	\$15,070

FY2013 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-13 PRINCIPAL	FY-13 INTEREST	FY-13 TOTAL	PRINCIPAL OUTSTANDING
<u>WATER & SEWER</u>						
2003 Public Improvement Bond	2018	2.000-4.000	610,074	41,670	651,744	633,502
2004 Public Improvement Bond	2019	2.000-4.250	300,945	31,410	332,355	634,056
2005 Public Improvement Bond	2020	3.000-5.000	604,966	104,318	709,284	2,001,765
2006 Public Improvement Bond	2021	4.000-5.000	194,252	42,400	236,652	694,699
2007 Public Improvement Bond	2022	3.500-5.000	409,218	208,736	617,954	4,488,396
2008 Public Improvement Bond	2023	3.000-5.000	533,819	303,904	837,723	6,561,673
2009 Public Improvement Bond	2029	2.000-4.250	232,500	208,152	440,652	4,898,333
2009 PIB refunding	2016	2.000-4.250	653,620	83,247	736,866	1,585,611
2010 Public Improvement Bond	2020	2.000-5.000	190,000	73,800	263,800	1,445,000
2010 Public Improvement Bond	2025	2.000-5.300	696,429	443,482	1,139,911	10,448,661
2010 PIB refunding	2017	2.000-5.300	110,789	26,740	137,529	528,457
2011 Public Improvement Bond	2023	2.000-5.000	0	45,600	45,600	1,325,000
2011 Public Improvement Bond	2028	2.000-5.000	0	6,193	6,193	175,000
2011 PIB refunding	2020	4.000-5.000	0	292,860	292,860	7,188,965
2012 Public Improvement Bond	2027	2.000-5.000	246,154	111,112	357,266	3,753,846
2012 Public Improvement Bond	2022	2.000-5.000	290,000	87,235	377,235	2,710,000
2012 Public Improvement Bond	2032	2.000-5.000	335,000	206,745	541,745	7,165,000
2012 PIB refunding	2022	5.00	0	44,112	44,112	1,374,911
TOTAL WATER & SEWER BONDS			\$5,407,765	\$2,361,714	\$7,769,479	\$57,612,875
Revolving Loan (BNR)	2026	1.20	706,529	128,415	834,944	9,994,694
2007 Meter Replacement Lease	2022	4.14	295,721	174,821	470,542	3,995,709
2008 Capital Lease	2013	4.000	34,162	637	34,799	0
2009 Capital Lease	2014	3.720	116,760	5,395	122,155	59,962
2010 Capital Lease	2015	4.000	51,374	1,751	53,125	14,437
2012 Capital Lease	2017	1.652	68,705	4,974	73,679	249,564
2013 Capital Lease	2018	1.196	68,672	4,219	72,891	636,828
TOTAL WATER & SEWER OTHER OBLIGATIONS			\$1,341,923	\$320,212	\$1,662,135	\$14,951,194
TOTAL WATER & SEWER DEBT			\$6,749,688	\$2,681,926	\$9,431,614	\$72,564,069
<u>RECREATION FUND</u>						
2002 Public Improvement Bond	2017	3.000-5.000	113,020	27,279	140,299	539,102
2003 Public Improvement Bond	2018	2.000-4.000	10,166	1,150	11,316	21,408
2004 Public Improvement Bond	2019	2.000-4.250	689	72	761	1,451
2009 PIB refunding	2016	2.000-4.250	10,950	584	11,534	6,374
2011 PIB refunding	2020	4.000-5.000	0	1,536	1,536	36,721
TOTAL RECREATION BONDS			\$134,825	\$30,621	\$165,446	\$605,056
2009 Capital Lease	2014	3.720	3,086	143	3,229	1,573
2010 Capital Lease	2015	4.000	3,871	132	4,003	1,088
TOTAL RECREATION OTHER OBLIGATIONS			\$6,957	\$275	\$7,232	\$2,661
TOTAL RECREATION DEBT			\$141,782	\$30,896	\$172,678	\$607,717
<u>TOTAL ALL FUNDS</u>						
TOTAL BONDS			\$30,389,998	\$12,640,544	\$43,030,542	\$296,615,000
TOTAL OTHER OBLIGATIONS			2,817,901	388,024	3,205,925	17,819,168
TOTAL DEBT SERVICE OBLIGATIONS			\$33,207,899	\$13,028,568	\$46,236,467	\$314,434,169

Debt Ratios

The table below shows trends for the County for the eight most recent fiscal years ended 2011, in various debt and property value ratios, and an estimate for the fiscal year ending June 30, 2012 and 2013.

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Assessed Value per capita	Net Direct Debt	Net Direct Debt to Assessed Value	Net Direct Debt Per Capita
2004	131,448	\$9,450,753,013	\$71,897	\$103,194,315	1.09%	\$785.06
2005	134,531	10,343,466,135	76,885	116,843,957	1.13	868.53
2006	137,144	11,501,969,435	83,868	129,351,404	1.12	943.18
2007	139,383	13,470,645,401	96,645	137,302,481	1.02	985.07
2008	140,169	16,036,771,870	114,410	149,387,085	0.93	1,065.76
2009	140,764	18,767,010,361	133,323	165,009,967	0.88	1,172.25
2010	142,226	20,022,850,978	140,782	164,498,278	0.82	1,156.60
2011	146,551	18,973,018,802	129,464	185,931,569	0.98	1,268.72
2012 Est.	148,642	17,662,354,499	118,825	174,532,487	0.99	1,174.18
2013 Est.	150,589	16,936,671,000	112,469	161,158,864	0.95	1,070.19

(1) Source: U.S. Department of Commerce, Bureau of the Census, Maryland Office of Planning, and Charles County Planning Division.

(2) Source: Maryland State Department of Assessments and Taxation.

(3) Source: Charles County Department of Fiscal Services and Administrative Services, estimate.

General Fund Bonded Debt Service Expenditures as a percentage of General Fund Revenues:

Fiscal Year	General Fund Total Debt Service ⁽¹⁾	General Fund G.O. Bond Debt Service	Total Operating Revenue	Bonded Debt as % of Revenue
2004.....	\$14,433,480	\$12,895,549	\$196,711,399	6.6%
2005.....	16,713,958	14,784,827	237,143,608	6.2%
2006.....	17,292,137	15,196,420	274,549,933	5.5%
2007.....	18,563,791	14,872,426	275,482,738	5.4%
2008.....	20,196,012	18,536,657	280,935,047	6.6%
2009.....	21,798,358	19,540,758	288,810,092	6.8%
2010.....	22,780,796	20,585,793	296,522,992	6.9%
2011.....	23,983,867	21,992,000	299,652,649	7.3%
2012 Budget.....	20,987,000	19,026,200	305,365,500	6.2%
2013 Budget.....	20,223,400	18,198,500	318,348,000	5.7%

(1) Total Debt Service includes debt payments for capital leases, loans, and General Obligation bond issues related to General Fund activity.