

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 typically borrow funds for many large-scale projects. In most cases, the infrastructure being constructed will benefit both existing and future taxpayers. Therefore, it is reasonable to amortize 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 tax exempt status and the 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 FY2013, the County received an upgrade in their Standard & Poor's rating from AA to AA+ and maintained its rating with Moody's and Fitch. 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 9-10B-01 of Article 24 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 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 may issue general obligation and revenue bonds under existing authority conferred by the Maryland General Assembly. As a Code Home Rule county, the County has also enacted public local laws authorizing the issuance of general obligation bonds. As of June 30, 2013, the County has \$183,691,100 of authority for future issues generally designated as follows:

Public Facilities	\$175,453,100
Detention Center Facilities	3,180,000
Landfill Facilities	5,058,000
Total	\$183,691,100

DEBT SERVICE

As a Code Home Rule county, the County may 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 Section 24 of Article 31 of the Annotated Code of Maryland. No referendum is required.

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 Number Two 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. 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:

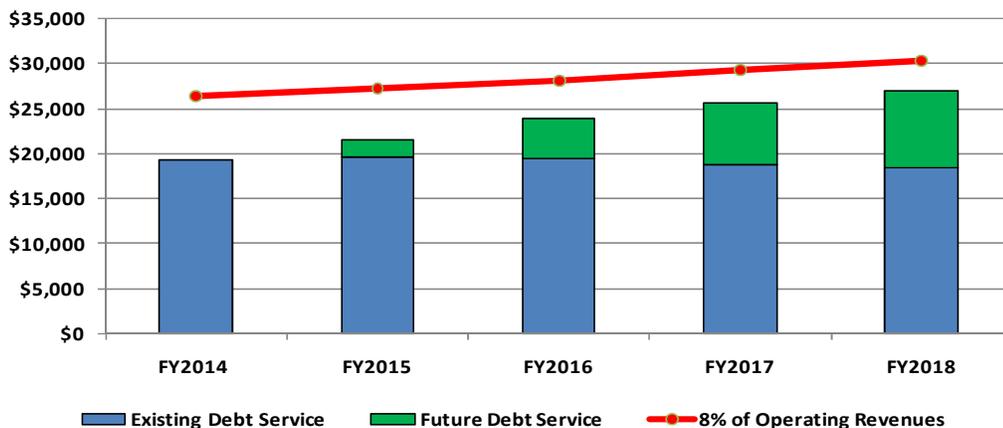
	Market Value*	Outstanding Principal Amount**	% of Market Value
Waldorf Special Taxing District	\$7,108,541,532	\$48,320,062	0.68%
Mattawoman Special Taxing District	3,990,126,233	38,211,098	0.96%
Special Taxing District Number Three	5,609,011,986	7,001,392	0.12%
Total	\$16,707,679,751	\$93,532,552	0.56%

*As of July 1, 2012

**As of June 30, 2013

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

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

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

<u>Fiscal</u> <u>Year</u>	Total Bond ----- Debt Service -----			Bonds Outstanding	% Outstanding
	<u>Principal</u>	<u>Interest</u>	<u>Principal +</u> <u>Interest</u>		
2015	\$30,665,000	\$12,127,251	\$42,792,251	\$261,785,000	89.5%
2016	29,665,000	10,981,745	40,646,745	232,120,000	79.4%
2017	28,365,000	9,555,863	37,920,863	203,755,000	69.7%
2018	27,155,000	8,314,453	35,469,453	176,600,000	60.4%
2019	26,545,000	7,166,178	33,711,178	150,055,000	51.3%
2020	24,540,000	6,003,528	30,543,528	125,515,000	42.9%
2021	23,200,000	4,919,503	28,119,503	102,315,000	35.0%
2022	21,770,000	3,904,316	25,674,316	80,545,000	27.5%
2023	20,645,000	3,004,927	23,649,927	59,900,000	20.5%
2024	15,255,000	2,239,492	17,494,492	44,645,000	15.3%
2025	12,385,000	1,732,227	14,117,227	32,260,000	11.0%
2026	8,365,000	1,292,408	9,657,408	23,895,000	8.2%
2027	8,720,000	944,809	9,664,809	15,175,000	5.2%
2028	6,520,000	579,659	7,099,659	8,655,000	3.0%
2029	4,685,000	336,519	5,021,519	3,970,000	1.4%
2030	595,000	167,506	762,506	3,375,000	1.2%
2031	615,000	141,231	756,231	2,760,000	0.9%
2032	635,000	114,069	749,069	2,125,000	0.7%
2033	135,000	85,894	220,894	1,990,000	0.7%
2034	140,000	79,019	219,019	1,850,000	0.6%
2035	150,000	72,519	222,519	1,700,000	0.6%
2036	155,000	66,419	221,419	1,545,000	0.5%
2037	160,000	60,119	220,119	1,385,000	0.5%
2038	170,000	53,519	223,519	1,215,000	0.4%
2039	180,000	46,406	226,406	1,035,000	0.4%
2040	190,000	38,775	228,775	845,000	0.3%
2041	195,000	30,834	225,834	650,000	0.2%
2042	205,000	22,584	227,584	445,000	0.2%
2043	215,000	13,922	228,922	230,000	0.1%
2044	230,000	4,744	234,744	0	0.0%
	<u>\$292,450,000</u>	<u>\$74,100,438</u>	<u>\$366,550,438</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 County issues Public Improvement Bonds (PIB), Excise Tax Bonds for school construction, and Taxable Bonds for third parties. 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 principal and interest payments have been incorporated into the various operating budgets of the County.

FY2014 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-14 PRINCIPAL	FY-14 INTEREST	FY-14 TOTAL	PRINCIPAL OUTSTANDING
GENERAL FUND						
2004 Public Improvement Bond	2019	2.000-4.250	15,911	1,173	17,084	16,496
2005 Public Improvement Bond	2020	3.000-5.000	116,286	11,003	127,289	122,199
2006 Public Improvement Bond	2021	4.000-5.000	418,420	60,776	479,196	883,743
2007 Public Improvement Bond	2022	3.500-5.000	29,377	6,059	35,436	112,366
2008 Public Improvement Bond	2023	3.000-5.000	767,093	205,368	972,461	3,589,568
2009 Public Improvement Bond	2029	2.000-4.250	116,513	97,732	214,245	2,294,974
2009 PIB refunding	2016	2.000-4.250	571,491	34,910	606,401	370,624
2010 Public Improvement Bond	2025	2.000-5.300	67,150	39,211	106,361	919,401
2010 PIB refunding	2017	2.000-5.300	125,902	22,689	148,591	411,562
2011 Public Improvement Bond	2028	2.000-5.000	178,025	118,356	296,381	3,216,975
2011 PIB refunding	2020	4.000-5.000	0	37,868	37,868	932,304
2012 Public Improvement Bond	2027	2.000-5.000	112,564	92,321	204,885	1,947,359
2012 PIB refunding	2021	5.00	0	128,859	128,859	2,577,171
2013 PIB refunding	2023	2.000-4.000	69,619	220,326	289,945	5,729,882
2013 Public Improvement Bond	2029	3.000-5.000	0	62,158	62,158	2,480,000
Subtotal Board of Education			\$2,588,351	\$1,138,808	\$3,727,159	\$25,604,626
2004 Public Improvement Bond	2019	2.000-4.250	110,686	8,159	118,844	114,756
2005 Public Improvement Bond	2020	3.000-5.000	21,907	2,073	23,980	23,021
2006 Public Improvement Bond	2021	4.000-5.000	237,729	34,530	272,259	502,106
2007 Public Improvement Bond	2022	3.500-5.000	10,682	2,203	12,885	40,861
2008 Public Improvement Bond	2023	3.000-5.000	19,067	5,105	24,172	89,224
2009 PIB refunding	2016	2.000-4.250	110,980	10,996	121,976	165,324
2010 Public Improvement Bond	2025	2.000-5.300	96,817	56,517	153,334	1,324,267
2011 Public Improvement Bond	2028	2.000-5.000	60,303	40,091	100,394	1,089,697
2011 PIB refunding	2020	4.000-5.000	0	24,355	24,355	608,871
2012 Public Improvement Bond	2027	2.000-5.000	191,026	156,672	347,698	3,304,744
2012 PIB refunding	2021	5.00	0	73,212	73,212	1,464,241
2013 PIB refunding	2023	2.000-4.000	108	8,544	8,652	234,863
2013 Public Improvement Bond	2029	3.000-5.000	0	7,068	7,068	282,000
Subtotal College of Southern MD			\$859,304	\$429,525	\$1,288,829	\$9,243,974
2004 Public Improvement Bond	2019	2.000-4.250	344,987	25,429	370,416	357,674
2005 Public Improvement Bond	2020	3.000-5.000	280,396	27,271	307,667	300,914
2009 Public Improvement Bond	2029	2.000-4.250	253,385	209,242	462,627	4,904,803
2009 PIB refunding	2016	2.000-4.250	341,868	12,394	354,262	47,323
2010 Public Improvement Bond	2025	2.000-5.300	12,122	7,070	19,192	165,356
2010 PIB refunding	2017	2.000-5.300	124,950	22,517	147,467	408,450
2011 Public Improvement Bond	2028	2.000-5.000	0	180,712	180,712	4,444,981
2013 PIB refunding	2023	2.000-4.000	350,911	11,627	362,538	250,511
2013 Public Improvement Bond	2029	3.000-5.000	0	3,509	3,509	140,000
Subtotal Public Safety			\$1,708,619	\$499,772	\$2,208,391	\$11,020,012

FY2014 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-14 PRINCIPAL	FY-14 INTEREST	FY-14 TOTAL	PRINCIPAL OUTSTANDING
2004 Public Improvement Bond	2019	2.000-4.250	71,448	5,266	76,714	74,075
2005 Public Improvement Bond	2020	3.000-5.000	89,440	8,463	97,903	93,987
2006 Public Improvement Bond	2021	4.000-5.000	101,208	14,701	115,909	213,761
2007 Public Improvement Bond	2022	3.500-5.000	379,539	78,866	458,405	1,462,597
2008 Public Improvement Bond	2023	3.000-5.000	74,292	19,890	94,182	347,647
2008 Taxable Bond	2023	5.00-5.75	453,480	289,330	742,810	5,242,155
2009 Public Improvement Bond	2029	2.000-4.250	641,185	537,833	1,179,018	12,629,531
2009 PIB refunding	2016	2.000-4.250	400,534	32,691	433,225	435,118
2010 Public Improvement Bond	2025	2.000-5.300	350,741	204,732	555,473	4,796,419
2010 PIB refunding	2017	2.000-5.300	151,368	27,278	178,646	494,808
2011 Public Improvement Bond	2028	2.000-5.000	300,466	199,759	500,225	5,429,534
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	184,615	151,415	336,030	3,193,846
2012 PIB refunding	2021	5.00	0	31,169	31,169	623,371
2013 PIB refunding	2023	2.000-4.000	124,273	130,786	255,059	3,512,369
2013 Public Improvement Bond	2029	3.000-5.000	0	70,955	70,955	2,831,000
Subtotal General Government			\$3,322,590	\$1,855,408	\$5,177,998	\$42,661,281
2004 Public Improvement Bond	2019	2.000-4.250	3,775	278	4,053	4,737
2005 Public Improvement Bond	2020	3.000-5.000	342,172	37,280	379,452	218,988
2006 Public Improvement Bond	2021	4.000-5.000	682,889	99,190	782,079	1,442,325
2007 Public Improvement Bond	2022	3.500-5.000	966,797	198,816	1,165,613	3,687,138
2008 Public Improvement Bond	2023	3.000-5.000	37,835	10,129	47,964	177,046
2009 Public Improvement Bond	2029	2.000-4.250	0	125,122	125,122	3,040,749
2009 PIB refunding	2016	2.000-4.250	530,717	62,069	592,786	1,017,015
2010 Public Improvement Bond	2025	2.000-5.300	327,613	191,211	518,824	4,478,574
2010 PIB refunding	2017	2.000-5.300	530,026	95,516	625,542	1,732,606
2011 Public Improvement Bond	2028	2.000-5.000	373,617	248,391	622,008	6,751,383
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	270,769	222,075	492,844	4,684,308
2012 PIB refunding	2021	5.00	0	210,305	210,305	4,206,110
2013 PIB refunding	2023	2.000-4.000	3,968	293,071	297,039	8,314,833
2013 Public Improvement Bond	2029	3.000-5.000	0	164,593	164,593	6,567,000
Subtotal Roads			\$4,070,178	\$2,795,684	\$6,865,862	\$69,880,851
TOTAL GENERAL FUND BONDS			\$12,549,042	\$6,719,196	\$19,268,238	\$158,410,744
73 FHA Loan	2024	3.649	\$8,711	\$2,237	\$10,948	\$43,109
TOTAL GENERAL FUND OTHER OBLIGATIONS			\$8,711	\$2,237	\$10,948	\$43,109
2009 Capital Lease	2014	3.720	217,687	3,972	221,659	0
2010 Capital Lease	2015	4.000	33,042	1,379	34,421	16,931
2012 Capital Lease	2017	1.652	207,235	11,377	218,612	533,247
2013 Capital Lease	2018	1.100	340,155	16,233	356,388	1,220,362
2014 Capital Lease	2019	1.100	247,786	13,971	261,757	2,292,314
TOTAL GENERAL FUND LEASE DEBT			\$1,045,905	\$46,932	\$1,092,837	\$4,062,854
TOTAL GENERAL FUND DEBT			\$13,603,658	\$6,768,365	\$20,372,023	\$162,516,706

FY2014 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-14 PRINCIPAL	FY-14 INTEREST	FY-14 TOTAL	PRINCIPAL OUTSTANDING
<u>DEBT SERVICE FUND</u>						
2004 Public Improvement Bond	2019	2.000-4.250	883,410	225,133	1,108,543	4,916,303
Subtotal CIVISTA			\$883,410	\$225,133	\$1,108,543	\$4,916,303
2005 Public Improvement Bond	2020	3.000-5.000	68,753	21,084	89,837	467,929
Subtotal CSM (St. Charles Children Center)			\$68,753	\$21,084	\$89,837	\$467,929
2004 Excise Tax Bond	2014	2.000-4.250	3,555,000	142,200	3,697,200	0
2005 Excise Tax Bond	2015	3.000-5.000	1,180,000	121,000	1,301,000	1,240,000
2006 Excise Tax Bond	2016	4.000-5.000	1,750,000	254,350	2,004,350	3,700,000
2007 Excise Tax Bond	2017	3.500-5.000	1,710,000	308,950	2,018,950	5,535,000
2008 Excise Tax Bond	2018	3.000-5.000	160,000	40,650	200,650	705,000
2009 Excise Tax Bond	2019	2.000-4.250	90,000	22,400	112,400	470,000
2011 Excise Tax Bond	2023	2.000-5.300	1,365,000	518,500	1,883,500	14,135,000
2013 Excise Tax Bond	2024	3.000-5.000	0	122,544	122,544	5,000,000
Subtotal Excise Tax			\$9,810,000	\$1,530,594	\$11,340,594	\$30,785,000
2005 Public Improvement Bond	2020	3.000-5.000	6,842	647	7,489	7,189
2006 Public Improvement Bond	2021	4.000-5.000	25,223	3,664	28,887	53,274
2009 PIB refunding	2022	2.000-4.250	65,568	6,251	71,819	89,971
2010 PIB refunding	2017	2.000-5.300	7,735	1,394	9,129	25,285
2011 PIB refunding	2029	3.000-5.000	0	3,254	3,254	79,086
2012 PIB refunding	2021	5.00	0	7,768	7,768	155,357
2013 PIB refunding	2023	2.000-4.000	10,903	326	11,229	5,985
Subtotal Nursing Homes			\$116,270	\$23,304	\$139,574	\$416,148
2004 Taxable Bond	2019	4.00-5.00	565,000	26,555	591,555	0
2005 Taxable Bond	2020	5.00-5.125	405,000	41,500	446,500	425,000
2006 Taxable Bond	2021	5.125-8.000	650,000	112,475	762,475	1,395,000
2007 Taxable Bond	2022	5.25-5.75	185,000	44,000	229,000	615,000
2008 Taxable Bond	2023	5.00-5.75	175,500	111,973	287,473	2,028,750
2009 Taxable Bond	2024	4.00-5.375	115,000	75,763	190,763	1,455,000
2011 Taxable Bond	2028	2.000-4.500	210,000	143,950	353,950	3,790,000
2012 Taxable Bond	2027	2.000-3.250	245,000	106,263	351,263	3,600,000
2012 PIB refunding	2021	2.00-5.00	0	530,250	530,250	10,795,000
2013 Taxable Bond	2029	3.000-4.000	0	61,937	61,937	3,700,000
Subtotal St. Charles Companies			\$2,550,500	\$1,254,664	\$3,805,164	\$27,803,750
2008 Taxable Bond	2023	5.00-5.75	541,020	345,182	886,202	6,254,095
Subtotal Southern MD Sports & Entertainment Complex			\$541,020	\$345,182	\$886,202	\$6,254,095
TOTAL DEBT SERVICE FUND DEBT			\$13,969,953	\$3,399,961	\$17,369,914	\$70,643,225
<u>INSPECTION & REVIEW</u>						
2009 Capital Lease	2014	3.720	21,425	391	21,816	0
2014 Capital Lease	2019	1.100	12,516	706	13,221	115,784
TOTAL INSPECTION & REVIEW DEBT			\$33,941	\$1,097	\$35,037	\$115,784
<u>SOLID WASTE FUND</u>						
2009 Capital Lease	2014	3.65	15,069	275	15,344	0
TOTAL SOLID WASTE FUND DEBT			\$15,069	\$275	\$15,344	\$0

FY2014 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-14 PRINCIPAL	FY-14 INTEREST	FY-14 TOTAL	PRINCIPAL OUTSTANDING
RECREATION FUND						
2002 Public Improvement Bond	2017	3.000-5.000	126,259	22,753	149,012	412,729
2004 Public Improvement Bond	2019	2.000-4.250	713	53	766	739
2009 PIB refunding	2016	2.000-4.250	2,016	252	2,268	4,410
2011 PIB refunding	2020	4.000-5.000	0	1,992	1,992	47,573
2013 PIB refunding	2023	2.000-4.000	10,601	205	10,806	0
TOTAL RECREATION BONDS			\$139,589	\$25,255	\$164,844	\$465,451
2009 Capital Lease	2014	3.720	1,559	29	1,588	0
2010 Capital Lease	2015	4.000	719	30	749	369
2014 Capital Lease	2019	1.100	1,912	108	2,020	17,688
TOTAL RECREATION OTHER OBLIGATIONS			\$4,190	\$167	\$4,357	\$18,057
TOTAL RECREATION DEBT			\$143,779	\$25,422	\$169,201	\$483,508
ENVIRONMENTAL SERVICE						
2009 Public Improvement Bond	2029	2.000-4.250	2,553	2,141	4,694	50,282
2009 PIB refunding	2016	2.000-4.250	21,600	648	22,248	0
TOTAL ENVIRONMENTAL SERVICE BONDS			\$24,153	\$2,789	\$26,942	\$50,282
2009 Capital Lease	2014	3.720	9,320	170	9,490	0
2012 Capital Lease	2017	1.652	8,692	477	9,169	22,366
2014 Capital Lease	2019	1.100	247,874	13,976	261,850	2,293,126
TOTAL ENVIRONMENTAL SERVICE OTHER OBLIGATION			\$265,886	\$14,623	\$280,509	\$2,315,492
TOTAL ENVIRONMENTAL SERVICE DEBT			\$290,039	\$17,412	\$307,451	\$2,365,774
WATERSHED PROTECTION AND RESTORATION FUND (WPRF)						
2004 Public Improvement Bond	2019	2.000-4.250	2,767	204	2,971	2,869
2006 Public Improvement Bond	2021	4.000-5.000	6,306	916	7,222	13,318
2007 Public Improvement Bond	2022	3.500-5.000	53,412	11,016	64,428	204,303
2008 Public Improvement Bond	2023	3.000-5.000	22,598	6,050	28,648	105,748
2009 Public Improvement Bond	2029	2.000-4.250	19,698	16,523	36,221	387,994
2010 Public Improvement Bond	2025	2.000-5.300	28,551	16,649	45,199	389,199
2011 Public Improvement Bond	2028	2.000-5.000	73,412	48,807	122,219	1,326,588
2011 PIB refunding	2020	4.000-5.000	0	501	501	12,531
2012 Public Improvement Bond	2027	2.000-5.000	35,897	29,442	65,339	621,026
2012 PIB refunding	2021	5.00	0	1,942	1,942	38,839
2013 PIB refunding	2023	2.000-4.000	0	21,058	21,058	566,038
2013 Public Improvement Bond	2044	3.000-5.000	0	39,494	39,494	1,700,000
TOTAL WPRF BONDS			\$242,642	\$192,601	\$435,242	\$5,368,452
2013 Capital Lease	2018	1.100	4,918	235	5,152	17,643
TOTAL WPRF OTHER OBLIGATIONS			\$4,918	\$235	\$5,152	\$17,643
TOTAL WPRF DEBT			\$247,559	\$192,836	\$440,394	\$5,386,095

FY2014 Schedule of Debt Outstanding

	SERIES MATURES	INTEREST RATE	FY-14 PRINCIPAL	FY-14 INTEREST	FY-14 TOTAL	PRINCIPAL OUTSTANDING
<u>WATER & SEWER</u>						
2004 Public Improvement Bond	2019	2.000-4.250	311,304	22,946	334,250	322,753
2005 Public Improvement Bond	2020	3.000-5.000	634,542	60,040	694,582	666,807
2006 Public Improvement Bond	2021	4.000-5.000	223,225	32,424	255,649	471,473
2007 Public Improvement Bond	2022	3.500-5.000	360,192	74,290	434,482	1,377,735
2008 Public Improvement Bond	2023	3.000-5.000	514,114	137,640	651,754	2,405,768
2009 Public Improvement Bond	2029	2.000-4.250	236,667	198,519	435,186	4,661,667
2009 PIB refunding	2016	2.000-4.250	640,224	63,639	703,863	945,216
2010 Public Improvement Bond	2020	2.000-5.000	190,000	66,200	256,200	1,255,000
2010 Public Improvement Bond	2025	2.000-5.300	712,008	415,609	1,127,617	9,736,784
2010 PIB refunding	2017	2.000-5.300	123,760	22,303	146,063	404,560
2011 Public Improvement Bond	2023	2.000-5.000	115,000	44,450	159,450	1,210,000
2011 Public Improvement Bond	2028	2.000-5.000	9,177	6,101	15,278	165,823
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	205,128	168,238	373,366	3,548,718
2012 Public Improvement Bond	2022	2.000-5.000	260,000	130,150	390,150	2,450,000
2012 Public Improvement Bond	2032	2.000-5.000	260,000	315,500	575,500	6,905,000
2012 PIB refunding	2021	5.00	0	68,746	68,746	1,374,911
2013 PIB refunding	2023	2.000-4.000	639,280	263,561	902,841	6,920,667
2013 Public Improvement Bond	2029	3.000-5.000	0	55,140	55,140	2,200,000
2013 Public Improvement Bond	2024	3.000-5.000	0	31,862	31,862	1,300,000
2013 Public Improvement Bond	2044	3.000-5.000	0	46,463	46,463	2,000,000
TOTAL WATER & SEWER BONDS			\$5,434,621	\$2,516,680	\$7,951,301	\$57,511,846
Revolving Loan (BNR)	2026	1.20	715,008	119,936	834,944	9,279,687
2007 Meter Replacement Lease	2022	4.14	322,366	162,292	484,658	3,673,343
2009 Capital Lease	2014	3.720	59,940	1,095	61,035	0
2010 Capital Lease	2015	4.000	9,546	398	9,944	4,891
2012 Capital Lease	2017	1.652	41,402	2,273	43,675	106,534
2013 Capital Lease	2018	1.100	138,781	6,623	145,404	497,898
2014 Capital Lease	2019	1.100	109,041	6,148	115,189	1,008,759
TOTAL WATER & SEWER OTHER OBLIGATIONS			\$1,396,082	\$298,765	\$1,694,847	\$14,571,112
TOTAL WATER & SEWER DEBT			\$6,830,703	\$2,815,445	\$9,646,148	\$72,082,958
<u>TOTAL ALL FUNDS</u>						
TOTAL BONDS			\$32,359,999	\$12,856,483	\$45,216,481	\$292,450,000
TOTAL OTHER OBLIGATIONS			2,774,702	364,329	3,139,031	21,144,050
TOTAL DEBT SERVICE OBLIGATIONS			\$35,134,701	\$13,220,812	\$48,355,512	\$313,594,050

Debt Ratios

The table below shows trends for the County for the eight most recent fiscal years ended 2012, in various debt and property value ratios, and an estimate for the fiscal year ending June 30, 2013 and 2014.

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
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	149,130	17,662,354,499	118,436	174,532,487	0.99	1,170.34
2013 Est.	151,148	16,855,700,814	111,518	173,580,264	1.03	1,148.41
2014 Est.	152,833	16,464,383,567	107,728	160,224,393	0.97	1,048.36

(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
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	21,664,085	299,652,649	7.2%
2012	20,438,481	18,724,785	310,728,262	6.0%
2013 Budget.....	20,223,400	18,198,500	317,998,000	5.7%
2014 Budget.....	20,429,600	18,770,300	334,490,600	5.6%

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