

Carroll County

Maryland



Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2009**

Comprehensive Annual Financial Report

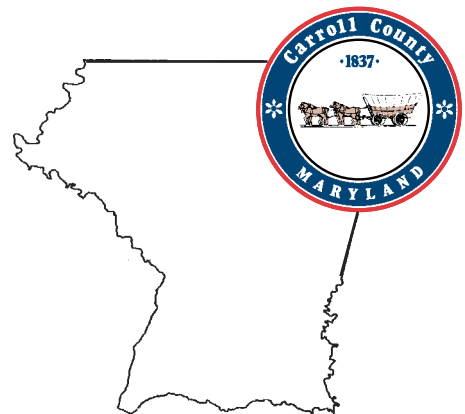
For The Fiscal Year Ended
June 30, 2009

Department of the Comptroller
Carroll County, Maryland

Robert M. Burk, Comptroller



Introductory Section



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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Westminster, Maryland

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CARROLL COUNTY MARYLAND
225 N. Center Street
Westminster, Maryland 21157-5195
410-386-2085
FAX 410-840-8932
TTY 410-848-9747



Department of the
Comptroller

Robert M. Burk
Comptroller

November 18, 2009

The Board of County Commissioners and
The Citizens of Carroll County, Maryland

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Carroll County, Maryland for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of Carroll County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh their benefits, Carroll County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Carroll County's financial statements have been audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that Carroll County's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Carroll County was 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 audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Report starts on page 167.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Carroll County was created pursuant to an Act of the General Assembly of the State of Maryland on January 19, 1837. Carroll County is situated in the north central part of Maryland lying south of the Pennsylvania state line, which is part of the historic Mason-Dixon line. It is bordered on the east by Baltimore County, on the south by Howard County and on the west by Frederick County. The County is 456 square miles in area and is approximately 27 miles both in length and width with a 2009 population estimate of 174,909. The County seat and principal city is Westminster. Carroll County is empowered to levy a property tax on both real and personal properties located within its boundaries. During the last two decades, the basic character of the County's land and citizens has changed from predominantly rural to suburban and rural.

Carroll County has operated under the commissioner form of government since the County was formed by the State of Maryland legislature. The County is governed by an elected three-member Board of County Commissioners (the "Board"). The Board may only exercise such powers as are conferred upon it by the General Assembly of Maryland. The Board operates under the Code of Public Local Laws of Carroll County, 2004 Edition, as amended, being Article 7 of the Code of Public Local Laws of Maryland. Both the executive and legislative functions of the County are vested in the elected three-member Board of County Commissioners. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing an Executive Assistant, a Clerk to the Board, and the directors of various departments. The Chief of Staff and Clerk to the Board are charged, generally, with the day-to-day management of the County. The commissioners are elected on a countywide basis and serve four-year terms.

Carroll County provides a full range of services including public safety (police, volunteer fire protection, and detention center), highways and streets, sanitation, planning and zoning, economic development, culture-recreation, education, a community college, libraries, and general administrative services. The County also operates, in conjunction with the state, services related to general community health and social services. In addition, the County operates a water and wastewater utility, a solid waste operations, a septage treatment operation, an airport, and a firearms facility (shooting range) as enterprise funds.

Carroll County is also financially accountable for a legally separate board of education, community college, library system, and economic development services to commercial enterprises, all of which are reported separately within Carroll County's financial statements. Additional information on these legally separate entities can be found in Note 1 of the notes to the financial statements.

The annual budget serves as the foundation for Carroll County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Department of Management and Budget in December of each year. Management and Budget uses these requests as the starting point for developing a proposed budget. Management and Budget then presents this proposed budget to the Commissioners for review prior to April 30. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than 30 days before the close of the County's current fiscal year. The appropriated budget is prepared by fund, function (e.g., general government), and department (e.g., planning). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the Board. A budget-to-actual comparison is provided in this report for the individual governmental funds for which a legal appropriated annual budget has been adopted. The general fund comparison is presented on page 33 as part of the basic financial statements for the governmental funds. For governmental funds, other than the

general fund, with appropriated annual budgets, this comparison is presented in the Supplementary Information subsection of the report, which starts on page 111.

Local Economy. Carroll County currently enjoys a favorable economic environment and local indicators point to continued stability. The County has a mix of manufacturing, industrial, and service businesses that when joined with the strong agri-business, provides for a stable business climate. The top ten employers in the County show the diversity as it contains the County Government, County Board of Education, two hospitals, a retirement community, two colleges, a warehouse and distribution business, a manufacturer, and a clothing manufacturer. Included in these employers are companies like Random House, General Dynamics Robotic Systems, and Jos. A. Banks Clothiers.

The County has a labor force of approximately 93,902 as of June 2009, which was an increase of 3% from last year.

Long-term Financial Planning. The County Commissioners six-year community investment plan is set up to meet numerous pressing needs. The six-year program includes \$26.7 million to extend the life of the existing analog radio system until a transition to digital can be accomplished. The program includes \$38.1 million for the modernization and addition to Mount Airy Middle School. The program also includes \$56.9 million to continue the County's efforts in purchasing agriculture land preservation easements. The program also includes \$61.2 million for water source development and infrastructure and \$84 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.

The program includes \$10 million for enhanced nutrient removal from the Freedom Waste Water Treatment Plant, with the funding being collected by way of connection fees and an annual assessment on current and future users. A funding program for water and sewer projects estimated to be needed to build-out has been put in place that would fund all needed projects through user assessments and connection fees and not require new debt financing. The program also includes \$74.1 million, funded primarily by the Federal Aviation Administration, for a runway expansion to meet the increasing demands of corporate aircraft which strengthen the County's economy.

Cash Management and Investment Policies and Practices. Cash held temporarily idle during the year by Carroll County, excluding component units, was invested in repurchase agreements, certificates of deposits, obligations of federal government agencies instrumentalities, the State of Maryland Local Government Investment Pool and Branch Banking and Trust money rate savings account, all of which are fully collateralized by United States government obligations for periods ranging from one day to 20 years. At June 30, 2009, \$37 million was invested in federal government instrumentality obligations, \$6 million in the Maryland Local Government Investment Pool, and \$10 million in certificates of deposits. As part of the County's program of purchasing agricultural land easements, the County had entered into several long-term purchase agreements and purchased U.S. Treasury Bonds and Strips totaling \$7,251,195 to fund the purchases. The County also had \$96,032,182 in Branch Banking & Trust's money rate savings account, which is fully collateralized. The average yield on the investments for fiscal year 2009 was 1.99 percent. Investment income includes appreciation or depreciation in the fair value of investments. Increases in fair value during the current year, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that are held to maturity.

The County has a written investment policy and procedures manual that insures that the investment program is strictly adhered to and the security of County investments are maximized. The County also has a delivered collateral policy and a master repurchase agreement as part of its overall investment program.

Self-Insurance/Risk Management. The County Risk Manager oversees the County's insurance coverage, self-insurance coverage, self-insurance retention, claims handling and all loss prevention programs. For property, general, excess, and environmental liability coverage, the County became a member of the Maryland Local Government Insurance Trust (LGIT). The Trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement. The County pays LGIT an annual premium, and claims are processed and recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits.

In 1997 the County established a limited risk management program for worker's compensation. A commercial insurer administers the plan. The County also is self-insuring its medical coverage for its employees and retirees. To limit its risks, the County's contract provides for an overall cap on claims it must pay in a given year. Additional information about the County's risk management activity can be found in Note 16 of the notes to the financial statements.

Pension and Other Post Employment Benefits. Employees of the County hired prior to July 1, 1985 are covered either by the State Employees Retirement Plan or the State Employees Non-contributory Pension Plan, cost sharing multiple-employer pension systems operated by the State of Maryland. The Maryland State Retirement Agency administers these defined benefit pension plans, and the benefits to plan members are specified in the State Personnel and Pension Article of the Annotated Code of Maryland.

Employees hired July 1, 1985 and after participate in the Carroll County Employee Pension Plan, a defined benefit plan established by the County in fiscal year 2004 and administered by the County.

With the exception of those who participate in the State Employees Retirement Plan, all regular employees also participate in the County's 401(k) defined contribution retirement plan. The benefits to members depend on amounts contributed to the Plan plus any investment earnings. Administration of this plan is provided by the County, with recordkeeping services provided by the American Funds Group. Additional information on the plans can be found in Note 11 of the notes to the financial statements.

During fiscal year 2004 the County established the Volunteer Firemen's Length Of Service Award Program (LOSAP) to account for the pension system for the volunteer fire personnel serving the various independent volunteer fire companies in the County. Additional information on the plans can be found in Note 11 of the notes to the financial statements.

The County provides access to medical insurance benefits to eligible retirees who retire from County service in accordance with County policy. Retirees with at least ten years of service may qualify for membership in the County's retiree group medical plan(s). Full-time employees who retire may also insure their spouses. As of June 30, 2009, retirees pay between 8 percent and 100 percent of the County's full premium equivalent cost, based upon their age and years of County service at retirement. The County started an other post employment benefits trust during fiscal year 2008 to accumulate funds and pay these obligations. Additional information on post-employment benefits can be found in Note 12 of the notes to the financial statements.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carroll County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. Carroll County, Maryland has received a Certificate of Achievement for the last twenty-four consecutive years (fiscal years 1985-2008). The Certificate of Achievement is a prestigious national award

that 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 County published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

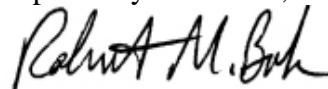
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2008 adopted budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The Distinguished Budget Presentation Award is valid for a period of one year only. Carroll County has received the Distinguished Budget Presentation Award for the last two consecutive years (2008-2009). Currently, the County has submitted its fiscal year 2010 adopted budget document for award consideration.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff in the Department of the Comptroller. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. In closing, I would like to thank the County Commissioners for their continuing interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Robert M. Burk, CPA
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carroll County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

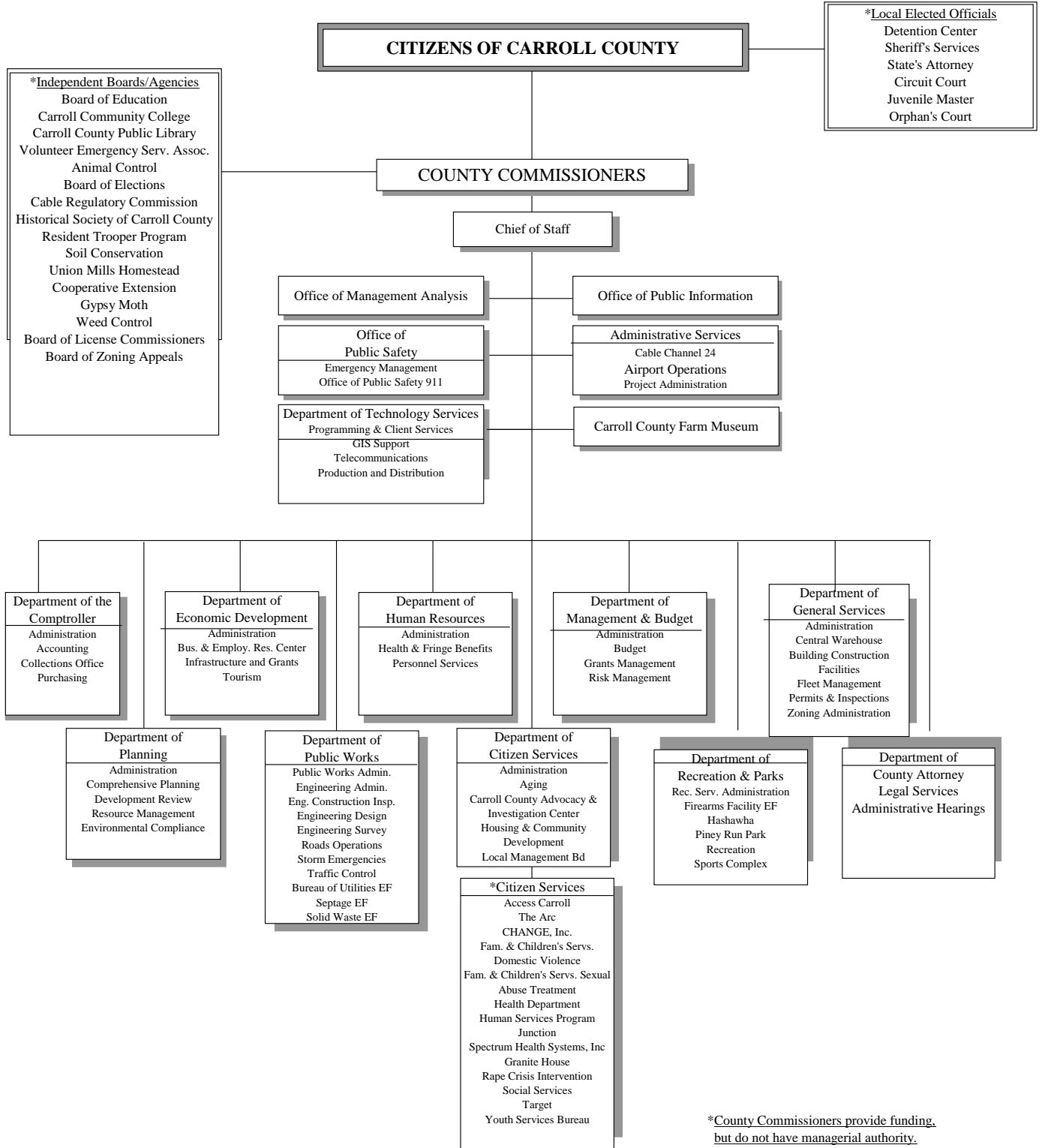
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CARROLL COUNTY GOVERNMENT

Organizational Chart



Carroll County, Maryland

225 North Center Street
Westminster, Maryland 21157
Telephone (410) 386-2085
Fax (410) 840-8932
ccgovernment.carr.org

Appointed Officials

Steven D. Powell
Chief of Staff
Kathryn L. Rauschenberg
County Clerk
Cynthia M. Parr
Chief of Administrative Services
Robert M. Burk
Comptroller
Theodore Zaleski, III
Director of Management and Budget
Kimberly A. Millender
County Attorney
Corale V. Hammen
Director of Human Resources
Jolene G. Sullivan
Director of Citizen Services
James Michael Evans
Director of Public Works
Jeff R. Degitz
Director of Recreation and Parks
Steven C. Horn
Director of Planning
Lawrence F. Twele
Director of Economic Development
Tom Rio
Director of General Services
Mark Ripper
Director of Technology Services

Independent Auditors

Clifton Gunderson LLP,
Timonium, Maryland

Bond Counsel

McKennon Shelton & Henn LLP,
Baltimore, Maryland

Financial Advisor

Davenport & Company LLC,
Baltimore, Maryland

Board of County Commissioners



Julia W. Gouge
President

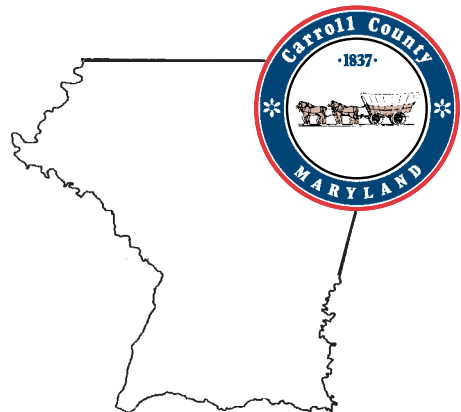


Dean L. Minnich
Vice President



Michael D. Zimmer
Secretary

Financial Section



Independent Auditor's Report

The County Commissioners of Carroll County
Westminster, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund and the aggregate remaining fund information of The County Commissioners of Carroll County (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Baltimore, Maryland
November 18, 2009

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

As management of Carroll County, MD we offer readers of Carroll County Government's financial statements this narrative overview and analysis of the financial activities of Carroll County Government for the fiscal year ended June 30, 2009. The objective of this overview and analysis is to assist readers in focusing on significant financial issues, provide an overview of the County's financial activity, identify changes in the County's financial position, identify any material deviations from the financial plan, and identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 3-10 of this report.

Financial Highlights

Government-wide:

- The assets of Carroll County exceeded its liabilities at the close of the fiscal year ended June 30, 2009 by \$370,668,652 (total net assets), compared to \$449,796,585 at June 30, 2008. For fiscal year ended June 30, 2009 total net assets were net of the \$23,946,830 deficit in unrestricted net assets. The deficit occurred because the County issues debt to fund construction costs for the Board of Education which is a component unit of the County. The assets are then recorded on the component unit's books and the related debt is recorded on the County's books. Of total net assets at June 30, 2009 \$29,318,758 were restricted for specific purpose (restricted net assets) in comparison to \$30,677,355 at June 30, 2008. The total invested in capital assets, net of related debt was \$365,296,724 at June 30, 2009 compared to \$338,457,450 at June 30, 2008.
- The total net assets decreased by \$79,127,933.

Fund level:

- At the close of the fiscal year, unreserved, undesignated fund balance for the general fund (primary operating fund) was \$8,103,281 or 2.5% of general fund revenues.
- As of June 30, 2009, the County's governmental funds reported combined fund balances of \$126,523,315, a decrease of \$41,767,060 from the prior year. Approximately 9 percent of the combined fund balances is available to meet the County's current and future needs (*unreserved and undesignated fund balance*), 43 percent is reserved, indicating that it is not available for new spending because it has already been committed for items such as existing purchase orders and construction contracts, 48 percent is unreserved and designated for future use, stabilization fund and other purposes.

Long-term Debt:

- Carroll County Government's total bonded debt increased by \$56,235,227 during the fiscal year. The main factor in this increase was the County's issuance of \$80,000,000 in bonded debt. The County also issued \$741,670 of agricultural land easements, due within five years or less and \$2,215,126 of Installment Purchase Agreements (IPA's) for agricultural land easements, due within 20 years or less.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Carroll County Government's basic financial statements. Carroll County Government's basic financial statements comprise three components:

- ✓ Government-wide financial statements.
- ✓ Fund financial statements.
- ✓ Notes to the financial statements.

This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of Carroll County Government's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position and condition of Carroll County Government is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 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 Carroll County Government that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Carroll County Government include general government, public safety, public works, health, social service, education, recreation and parks, libraries, conservation of natural resources, and economic development. The business-type activities of Carroll County Government include water and sewer service, waste disposal service, septage treatment, firearms facility, and an airport facility.

The government-wide financial statements include not only Carroll County Government itself (known as the *primary government*), but also legally separate component units. Carroll County Government has the following component units: Carroll County Board of Education, Carroll Community College, Carroll County Public Library, and Industrial Development Authority of Carroll County. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 29 and 30 of this report.

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

finance-related legal requirements. All of the funds of Carroll County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Carroll County Government maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements which can be found on pages 111 to 117 of this report.

Carroll County Government adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and can be found on page 35 of this report.

The basic governmental fund financial statements can be found on pages 32 and 33 of this report.

Proprietary funds: Carroll County Government maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Carroll County Government uses an enterprise fund to account for its Bureau of Utilities, Solid Waste, Airport, Septage, and Firearms Facility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Carroll County Government's various functions. Carroll County Government uses an internal service fund to account for risk management. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 36 to 38 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Bureau of Utilities, Solid Waste, and Airport, which are considered to be major funds of Carroll County Government. Individual fund data for each of the two non-major proprietary funds is provided in the form of combining statements which can be found on pages 121 to 123 of this report.

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Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Carroll County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County has three trust funds which are the Carroll County Employee Pension Trust Fund; the Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (OPEB); and the Volunteer Firemen Length of Service Award Program (LOSAP). In addition to the three trust funds the County has one agency fund which is the Carroll County Development Corporation (CCDC). The basic fiduciary funds financial statements can be found on pages 39 and 40 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 103 of this report.

Financial analysis of the County as a whole

As noted earlier, net assets may serve over time as a useful indicator of a government's overall financial condition and position. In the case of Carroll County Government, assets exceeded liabilities by \$370,668,652 at the close of the most recent fiscal year. Carroll County Government's net assets are divided into three categories, invested in capital assets (net of related debt), restricted net assets and unrestricted net assets. The largest portion of the County's net assets (99 percent) reflects its investment in capital assets net of depreciation (e.g., buildings, building improvements, water and sewer systems, vehicles, machinery, equipment, roads and bridges), less any related debt used to acquire those assets, that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that although counties in the State of Maryland issue debt for the construction of schools, school buildings are owned by each County's Public School System. Ownership reverts to the County if the local board determines a building is no longer needed. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. The negative unrestricted assets in governmental activities of \$18,700,701 reflects the imbalance of liabilities without corresponding assets.

Restricted net assets of \$29,518,758 represent 0.8 percent of total net assets. Restricted net assets are resources that are subject to external restrictions on how they may be used. Unrestricted net assets of the government are at a deficit of \$23,946,830, of which \$5,246,129 is attributable to business-type activities.

The County's net assets decreased by \$79,127,933 during the fiscal year. Increase budgeted expenses for education and conservation of natural resources are the primary reasons for the decrease.

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Carroll County Government's Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Current assets	\$ 214,094,904	\$ 263,146,313	\$ 24,823,808	\$ 36,297,244	\$ 238,918,712	\$ 299,443,557
Capital assets	426,475,086	387,124,133	120,432,180	101,319,190	546,907,266	488,443,323
Total assets	<u>640,569,990</u>	<u>650,270,446</u>	<u>145,255,988</u>	<u>137,616,434</u>	<u>785,825,978</u>	<u>787,886,880</u>
Current liabilities	104,553,746	84,534,709	6,794,731	8,392,743	111,348,477	92,927,452
Non-current liabilities	265,191,604	211,897,025	38,617,245	33,265,818	303,808,849	245,162,843
Total liabilities	<u>369,745,350</u>	<u>296,431,734</u>	<u>45,411,976</u>	<u>41,658,561</u>	<u>415,157,326</u>	<u>338,090,295</u>
Net assets:						
Invested in capital assets, net						
of related debt	269,641,878	255,882,342	95,654,846	82,575,108	365,296,724	338,457,450
Restricted	19,883,463	23,889,197	9,435,295	6,788,158	29,318,758	30,677,355
Unrestricted	(18,700,701)	74,067,173	(5,246,129)	6,594,607	(23,946,830)	80,661,780
Total Net Assets	<u>\$ 270,824,640</u>	<u>\$ 353,838,712</u>	<u>\$ 99,844,012</u>	<u>\$ 95,957,873</u>	<u>\$ 370,668,652</u>	<u>\$ 449,796,585</u>

The following table indicates the changes in net assets for governmental and business-type activities:

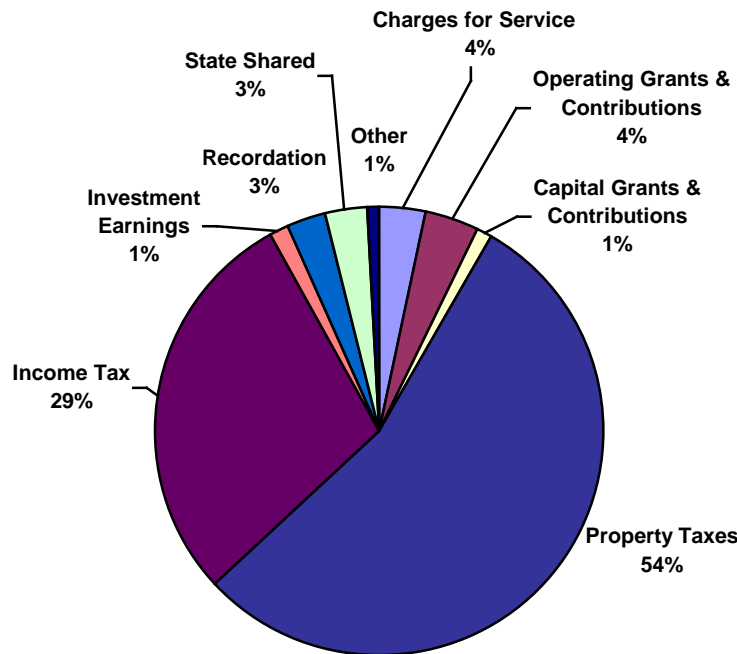
Carroll County Government's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Revenues:						
Program revenues:						
Charges for services	\$ 11,022,254	\$ 15,107,513	\$ 15,279,036	\$ 16,959,665	\$ 26,301,290	\$ 32,067,178
Operating grants & contributions	14,075,463	13,824,732	-	-	14,075,463	13,824,732
Capital grants & contributions	3,212,403	6,797,218	1,963,862	2,520,888	5,176,265	9,318,106
General revenues:						
Property taxes	189,079,529	174,354,873	-	-	189,079,529	174,354,873
Income tax	99,973,903	120,230,118	-	-	99,973,903	120,230,118
911 service fee	1,196,731	1,240,906	-	-	1,196,731	1,240,906
Recordation	9,220,249	14,948,705	-	-	9,220,249	14,948,705
Admission	335,125	386,186	-	-	335,125	386,186
Agricultural transfer tax	181,458	439,268	-	-	181,458	439,268
Hotel Tax	287,495	311,049	-	-	287,495	311,049
Cable franchise fee	1,303,472	981,457	-	-	1,303,472	981,457
State shared, unrestricted	10,300,922	11,744,961	-	-	10,300,922	11,744,961
Investment earnings	4,563,217	8,753,090	751,926	2,279,730	5,315,143	11,032,820
Impairment gain on fire damage						
Net of insurance recovery			-	93,425	-	93,425
Total Revenues	<u>\$ 344,752,221</u>	<u>\$ 369,120,076</u>	<u>\$ 17,994,824</u>	<u>\$ 21,853,708</u>	<u>\$ 362,747,045</u>	<u>\$ 390,973,784</u>
Program Expenses:						
General government	74,296,486	70,411,246	-	-	74,296,486	70,411,246
Public safety	38,658,117	35,583,985	-	-	38,658,117	35,583,985
Public works	30,238,005	30,496,143	-	-	30,238,005	30,496,143
Health	4,868,271	4,454,550	-	-	4,868,271	4,454,550
Social services	1,346,366	1,228,095	-	-	1,346,366	1,228,095
Education	219,824,282	188,609,030	-	-	219,824,282	188,609,030
Recreation and parks	2,606,230	2,596,212	-	-	2,606,230	2,596,212
Libraries	7,740,076	9,269,078	-	-	7,740,076	9,269,078
Conservation of natural resources	29,125,383	17,487,058	-	-	29,125,383	17,487,058
Economic development	5,988,296	4,715,075	-	-	5,988,296	4,715,075
Interest on long-term debt	10,282,801	8,963,131	-	-	10,282,801	8,963,131
Bureau of Utilities	-	-	8,169,257	10,056,546	8,169,257	10,056,546
Solid Waste	-	-	7,487,843	7,648,918	7,487,843	7,648,918
Septage	-	-	388,398	395,824	388,398	395,824
Firearms	-	-	77,475	74,497	77,475	74,497
Airport	-	-	777,692	3,097,618	777,692	3,097,618
Total Expenses	<u>424,974,313</u>	<u>373,813,603</u>	<u>16,900,665</u>	<u>21,273,403</u>	<u>441,874,978</u>	<u>395,087,006</u>
Excess (deficiency) before transfers	(80,222,092)	(4,693,527)	1,094,159	580,305	(79,127,933)	(4,113,222)
Transfers	(2,791,980)	(3,314,850)	2,791,980	3,314,850	-	-
Increase in Net Assets	(83,014,072)	(8,008,377)	3,886,139	3,895,155	(79,127,933)	(4,113,222)
Net Assets-Beginning	353,838,712	361,847,089	95,957,873	92,062,718	449,796,585	453,909,807
Net Assets - Ending	<u>\$ 270,824,640</u>	<u>\$ 353,838,712</u>	<u>\$ 99,844,012</u>	<u>\$ 95,957,873</u>	<u>\$ 370,668,652</u>	<u>\$ 449,796,585</u>

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- Governmental activities:** Overall revenue has decreased by \$24,367,855, which is a 7 percent decrease from fiscal year 2008. Income taxes decreased \$20,256,215 due to a combination of factors including rising unemployment, falling capital gains, expectations that recent changes enacted by the State of Maryland regarding personal exemption amounts and State tax rates have resulted in the Counties being over distributed in fiscal year 2009. Recordation decreased by \$5,728,456 due to the decline in real estate activity. Investment earnings decreased by \$4,189,873 due to the drop in interest rates and a reduction in our investment portfolio. The decrease of the County's investment portfolio was a result of the spending down of property tax dollars that were directly appropriated to the Capital budget over the past few years. Capital Grants and Contributions decreased by \$3,584,815 from fiscal year 2008. The primary cause of this decrease was a reduction of State funds for projects in Conservation and Natural Resources. Another factor contributing to the decrease is the reduction of interest earned on unspent bond money. The interest decreased for two reasons, (1) interest rates were lower in fiscal year 2009 than in fiscal year 2008 and (2) bond money was spent faster in fiscal year 2009 so it did not have the time to earn as much interest.

Revenues by Source-Primary Government



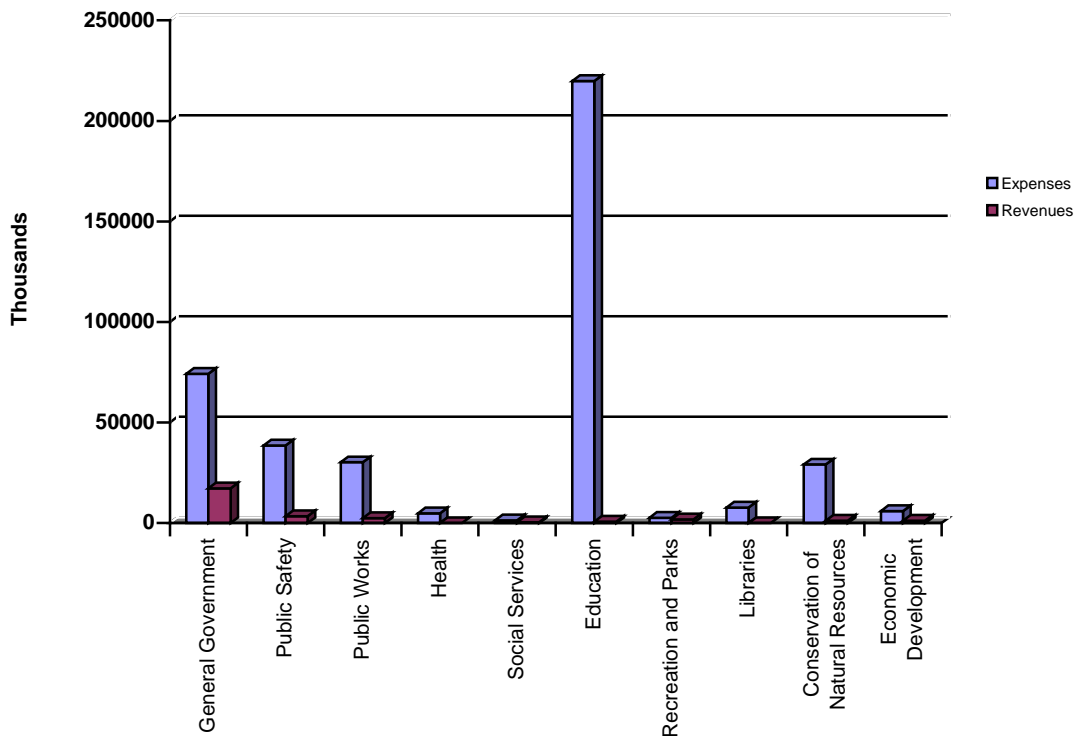
The expenses of the governmental activities have increased by \$51,160,710 or 13 percent from fiscal year 2008. Most functional categories have increased due to additional spending for capital projects and annual increases to the operation costs. Education expenses increased by \$31,215,252, or 16 percent from fiscal

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year 2008. The primary cause for the increase were payments to the Board of Education for operations which increased by \$16,675,671 and an increase in capital outlay of \$27,439,170 for school construction and renovation. Conservation of Natural Resources expenses increased by \$11,638,325 or by 66 percent. The primary cause was an increase in capital outlay for agriculture preservation and the start of the reservoir development project.

Expenses and Program Revenues -Primary Government

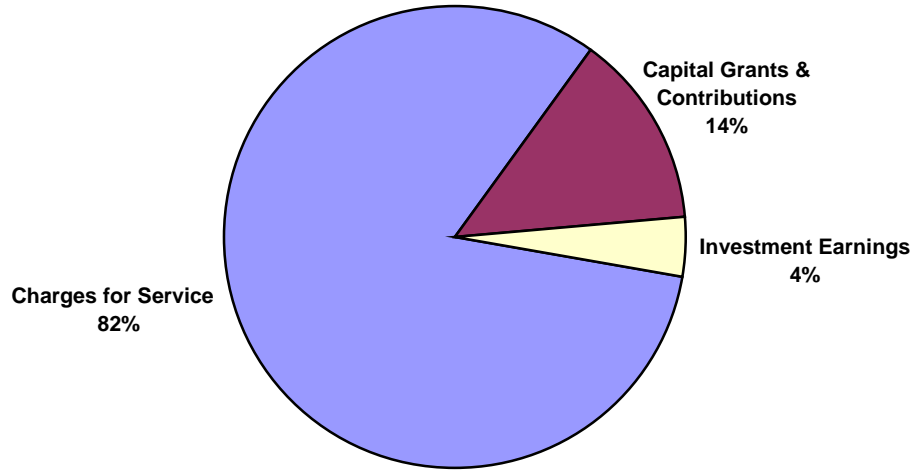


Business-type activities: There was an overall decrease in Charges for Services of \$1,680,629 or 9 percent from fiscal year 2008. The primary cause for the decrease is due to the decline in charges for services at the Airport. The reason for the decline is because the Airport no longer sells fuel directly. They have entered into a contract where they earn a commission from all fuel sales but, the Airport itself no longer purchases or sells the fuel. The expenses of the business type activities were reduced by \$4,372,738 or 21 percent from fiscal year 2008. Again, because the Airport has stopped selling fuel they no longer have to purchase it so that reduces expenses. Bureau of Utilities expenses decreased by \$1,887,289 from fiscal year 2008. The cause of this decrease was a decrease in contractual services due to a timing difference of an expense crossing over two fiscal years. Please see Note 7 for additional information.

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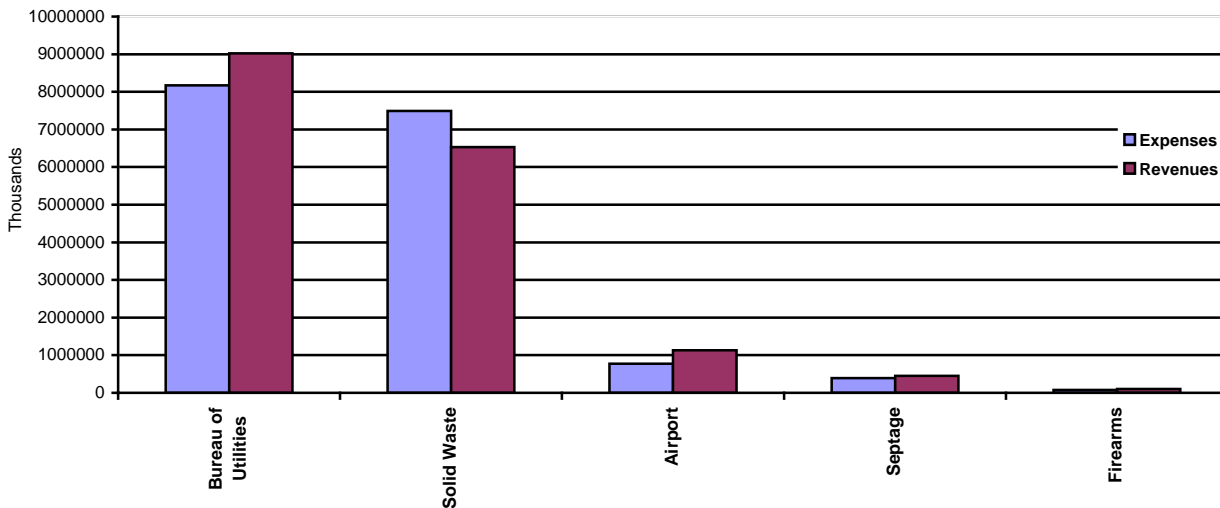
The County's transfers between governmental activities and business-type activities decreased by \$522,870 during fiscal year 2009. During the fiscal year 2009 \$2,791,980 was transferred between activities for continuation of operations.

Revenues by Source-Business-Type Activities



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Expenses and Program Revenues - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Carroll County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of Carroll County Government's *governmental funds* is to provide information on near-term outflows, and balances of *spendable* resources. Such information is useful in assessing Carroll County Government's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Carroll County Government's governmental funds reported combined ending fund balances of \$126,523,315, a decrease of \$41,754,966. Approximately 11.1 percent of this total (\$11,441,808) constitutes *unreserved undesignated fund balance*, which is available for future appropriation. The *reserved fund balance*, at 43.0 percent of total fund balance is not available for new spending because it has already been committed: 1) to cover loans receivable balances (\$30,994,107), 2) to liquidate contracts and purchase orders of the prior period (\$21,132,297), and 3) dedicated for inventory and advances to Industrial Development Authority (\$2,380,274). The remaining 45.8 percent of fund balance (\$60,574,829) constitutes *unreserved designated fund balance*.

The general fund is the primary operating fund of Carroll County Government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$42,727,043, while total fund balance was \$77,265,746. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.9 percent of total general fund expenditures, while total fund balance represents 23.4 percent of that same amount.

In accordance with County law, a decrease in fund balance was budgeted with an appropriation of \$11,302,102 of fund balance. This amount represents the fiscal year 2007 unreserved, undesignated fund

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balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$8,130,710 less in expenditures than budgeted. Total liabilities are fairly consistent with the previous year.

The revenues in the General Fund have increased by \$15,504,918 compared to the prior fiscal year. The main reason for this increase in revenues is that Property Taxes increased by \$14,724,656 over fiscal year 2008. Expenditures increased by \$24,365,375 compared to the prior fiscal year.

The Capital Project Fund's balance sheet shows \$39,009,201 less in assets in fiscal year 2009. The decrease in cash is mainly due to construction costs for the new high school and the new building at the community college which general obligation bonds will be issued for in November 2009. In fiscal year 2009 the General Fund provided \$12.3 million less in pay-go funding to the Capital Projects Fund compared to fiscal year 2008. The decrease in pay-go funding was a result of limited one-time money being appropriated to Capital Projects.

The Capital Projects Fund has a total fund balance of \$45,919,042, of which \$19,967,975 is reserved to liquidate purchase orders of the prior period and \$25,951,067 is unreserved but designated for future capital project expenditures. Unspent bond proceeds of \$2,726,998 make up 10.5 percent of the government activities restricted for capital projects.

The Non-Major Special Revenue Funds have a total fund balance of \$3,338,527, all of which is unreserved.

Proprietary funds: Carroll County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year the proprietary funds had a negative unrestricted net asset balance of \$5,246,129. This deficit is attributed to the liability for closure and of landfills in the Solid Waste fund. Unrestricted net assets in the Internal Service Fund totaled \$1,259,767. The net assets for the Internal Service Fund decreased by \$5,420,639. The decrease in Internal Service Fund net assets is a result of a legal settlement that the County entered into in fiscal year 2009. Other factors concerning these funds' finances have been addressed in the discussion of Carroll County Government's business-type activities.

General Fund Budgetary Highlights

In the original budget the Board of Commissioners approved a reserve for contingencies of 2.8 percent of total budget to provide funds for emergency and unforeseeable expenditures that may arise during the current fiscal year. Funds can only be moved from the reserve during the year with approval from the Board of Commissioners. Any balance left in the reserve at year end falls to unreserved undesignated fund balance.

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The budgetary statements of the General Fund show actual revenues of \$324,331,852, compared to budgeted amount of \$331,581,548, an overall shortfall of \$7,249,696. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Actual Property Taxes collected were more than budget by \$5.6 million because actual taxes were more than what the State provided estimates for which the budgets were based. Also, Homestead tax credits were lower than expected.
- Local other taxes came in \$11.3 less than the final budget due to recordation tax coming in \$5.8 million less than budget as a result of the drop off in real estate, mortgage activity and sale prices lower than anticipated. Income tax came in \$5.5 million less than budget due in part to lower than expected quarterly distributions of withholding and estimated payments. The decrease in income tax is also attributed to lower than expected reconciling distributions from previous years.
- State shared taxes collected were \$1.6 million less than final budget due to a decrease in Highway User fees. With higher fuel costs demand for fuel decreased which decreased the amount of tax the State collected on fuel sales. Also, lower automobile sales contributed to this decrease.
- Licenses and permit revenue came in \$0.6 million less than final budget due to the continued drop off in building permits. The slump in the housing market continues to negatively impact these fees.
- Charges for Service came in \$0.3 million less than budget due to fuel and maintenance recovery being lower than expected.
- Interest came in \$0.4 million lower than budget due to lower interest rates being available for investments that matured and were reinvested.
- Miscellaneous revenues increased \$1.5 million due to the increase of rent charged for the Board of Education headquarters and Kessler warehouse.

The budgetary statements of the General Fund show actual expenditures of \$330,756,339, compared to budgeted amount of \$338,887,049, resulting in \$8,130,710 or 2.4 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- Actual expenditures for pension, OPEB, and payroll taxes were reported in the correct functions. These expenditures were budgeted in the General Government so the reclassification of actuals did not effect the budget overall, it effected the individual functions with the offset in General Government.
- Public Safety expenditures came in \$2.1 more than final budget. This was due to the actual costs for pension, OPEB, and payroll taxes being recorded in the correct function.
- Public Works expenditures came in \$1.0 million more than final budget was due to the reclassification of pension costs, OPEB costs, and payroll taxes. Offsets were salary savings and cost cutting measures.
- Education expenditures came in \$2.1 million more than budget due to in-kind expenditures. The County provided the school system with in-kind aid, primarily for office and warehouse space. The County does not budget for in-kind aid.
- Actual expenditures for the Library came in \$0.5 million more than budget due to the pension costs, OPEB costs and payroll tax.
- The Reserve for Contingency is set up in case funds are needed to be moved into functions to address specific problems or opportunities. For fiscal year 2009 \$9 million was left in the Reserve for Contingency showing the function under budget.

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Capital Asset and Debt Administration

Capital assets: Carroll County Government's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$546,907,266 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. The total increase in Carroll County Government's investment in capital assets for the current fiscal year was 10 percent (a 6.7 percent increase for governmental activities and a 3.3 percent increase for business-type activities). Additional information on the County's capital assets can be found on pages 63 to 65 of this report.

Carroll County Government's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 49,104,905	\$ 32,483,709	\$ 8,625,748	\$ 8,625,748	\$ 57,730,653	\$ 41,109,457
Construction in progress	67,743,107	35,740,947	44,071,309	27,685,366	111,814,416	63,426,313
Building and contents	90,146,643	92,437,382	18,096,717	18,577,175	108,243,360	111,014,557
Improvements						
other than buildings	14,277,071	14,766,923	1,420,433	871,812	15,697,504	15,638,735
Auto, machinery & equipment	15,724,668	14,559,704	2,947,014	2,095,964	18,671,682	16,655,668
Infrastructure	189,478,692	197,135,468	45,270,959	43,463,125	234,749,651	240,598,593
Total	<u>\$ 426,475,086</u>	<u>\$ 387,124,133</u>	<u>\$ 120,432,180</u>	<u>\$ 101,319,190</u>	<u>\$ 546,907,266</u>	<u>\$ 488,443,323</u>

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

- The ongoing costs associated with the creation of the Carroll County Public Network totaled \$4.2 million which was funded by real property tax revenue and resulted in an increase of CIP.
- The ongoing construction costs of renovating the old New Windsor Middle School into the Carroll County Public Library Headquarters totaled \$1.2 million which was funded by general obligation bond proceeds and resulted in an increase of CIP.
- The construction costs associated with the Carroll County 800 MHZ & 911 project totaled \$1.9 million which was funded by general obligation bond proceeds and resulted in an increase of CIP.
- The ongoing construction costs of building Carroll Community College-Classroom Building #4 totaled \$15.3 million which was funded by general obligation bond proceeds and State of Maryland revenue, resulted in an increase of CIP.
- The ongoing design, engineering, and on-going construction costs of various Library and Senior Center projects totaled \$10.0 million which was funded by general obligation bond proceeds, real property tax revenue and general fund revenue, and resulted in an increase of CIP.
- The final costs associated with the ongoing construction and completion of various Public Works projects totaled \$1.7 million which some of the various funding sources included general obligation bond proceeds, real property tax revenue, and general fund revenue, and resulted in a decrease of CIP.
- The completion of various General fund projects totaled nearly \$1.0 million which some of the various funding sources included real property tax revenue, State of Maryland revenue, and general fund revenue, and resulted in a decrease of CIP.

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- The ongoing construction costs for the expansion of the Freedom District Water Treatment Plant totaled \$13.3 million which was funded by Proprietary fund revenue and resulted in an increase of CIP.
- The construction costs of the Freedom Water Treatment Plant Transmission Main totaled \$3.6 million which was funded by Proprietary fund revenue and resulted in an increase of CIP.
- The completion of various Bureau of Utilities projects totaled \$2.8 million which was funded by Proprietary fund revenue and resulted in a decrease of CIP

Long-term debt:

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$309,342,985, which is debt backed by the full faith and credit of the County.

Carroll County Government's Outstanding General Obligation Debt

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds, net	\$ 271,851,752	\$ 219,638,767	\$ 28,139,243	\$ 22,345,826	\$ 299,990,995	\$ 241,984,593
General Obligation Debt	9,351,990	7,136,864	-	-	9,351,990	7,136,864
Total	<u>\$ 281,203,742</u>	<u>\$ 226,775,631</u>	<u>\$ 28,139,243</u>	<u>\$ 22,345,826</u>	<u>\$ 309,342,985</u>	<u>\$ 249,121,457</u>

During the current fiscal year Carroll County Government's total debt increased by \$60,221,528. During the year, the County issued general obligation bonds totaling \$80,000,000. Of these bonds, \$71,908,000 was sold to cover capital projects in the governmental activities and \$7,912,000 was sold to cover capital projects in the business-type activities; \$180,000 was sold to cover fire company loans for building construction and equipment purchases. The new bonded debt will be repaid over twenty years. The County also issued \$741,670 in agricultural land preservation easements which will be paid within five years or less. In addition the County issued Installment Purchase Agreements (IPA) in the amount of \$2,215,126 for agricultural land preservation easements which will be paid within in 20 years or less. Additional information on Carroll County Government's long-term debt can be found in Note 8 of this report.

Carroll County Government was assigned an AA+ credit rating in November 2008 by Fitch Ratings. Fitch cited "the AA+ rating reflects the County's strong financial position, continued adherence to prudent fiscal policies, comprehensive long-term planning, the steadily growing tax base, and low to moderate debt levels." Standard and Poor's Rating Services upgraded Carroll County Government from an AA to AA+ in November 2008, citing "excellent management practices with long-range planning that guides County growth and development." Moody's Investors Service, Inc has continued to assign an Aa2 rating to Carroll County Government, citing "the Aa2 rating reflects the County's sound financial position, characterized by comprehensive fiscal policies, satisfactory fund balance levels, and an affordable debt position." All three rating agencies gave the County a rating outlook of stable.

Under charter counties, state statutes limit the amount of general obligation debt a government entity may issue up to 15.0 percent of its net assessed valuation of personal and corporate property plus 6.0 percent of the total assessed valuation of real property. While Carroll County isn't a charter county, and does not have a legal debt limit, it uses the state statute as a recommended guideline on debt limit. The current debt

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

limitation for Carroll County Government is \$1,274,735,984, which is significantly in excess of the Carroll County Government's outstanding general obligation debt. Additional information on the computation of the legal debt margin can be found in Table 13 of this report.

Economic Factors and Next Year's Budgets and Rates

- The fiscal year 2010 adopted budget appropriation for the general fund is \$354,500,000 representing an increase of \$1.5 million or 0.5 percent increase over fiscal year 2009. This growth is due to one-time revenues.
- Real property tax growth is 10%, largely due to the Homestead tax credit, which by capping residential property taxes by 7% a year effectively deferred revenue growth over many years. With the Homeowner's tax credit revenues increase in a more gradual way over a longer period of time.
- Income tax is expected to be less in fiscal year 2010 than fiscal year 2009 based on a combination of factors, including rising unemployment, falling capital gains and changes enacted by the State regarding personal exemptions. For fiscal year 2010 the income tax rate remains the same.
- Recordation is expected to be less in fiscal year 2010 than fiscal year 2009 as a result of the decline in the housing markets.
- Highway User Revenue is expected to decrease in fiscal year 2010 from fiscal 2009 due to fuel sales dropping as the price per gallon increases, auto sales slowing down across the nation and the State's decision to withhold \$5 million in fiscal year 2010 to help with their own budget.
- Interest revenue is expected to be lower because of the anticipation of lower rate of return in fiscal year 2010 and the County's portfolio is lower due to the spending down of property tax dollars appropriated to the capital budget.
- A 4.4% increase in appropriation to the Public Schools is due to the increased costs for health insurance and utilities and the operating impacts for Manchester Valley High which opened in August 2009.
- The appropriation to Carroll Community College increased 5.4% due to the operating impacts of the new classroom building four opening in the fall of 2009.
- Public Works appropriation increased in roads operations by 2.8% from fiscal year 2009 due to the rising prices of asphalt. Storm emergencies appropriation increased by 14% from fiscal year 2009 due to the rising prices of salt.
- Appropriations to health and fringe benefits increased 12.1% due to pension costs, partially due to an enhanced retirement package for law enforcement, and a projected 10% increase for medical costs.
- In fiscal year 2009 the Employee Pension Trust Fund's fair value decreased. This was primarily due to the risk associated with certain investments securities. It is reasonably possible changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.
- For fiscal year 2010 the property tax rate remains the same as fiscal year 2009.

All of these factors were considered in preparing the Carroll County Government's budget for the 2010 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$42.7 million in comparison to \$45.8 million at June 30, 2008. The County has appropriated \$14.9 million of this amount for spending in the 2010 fiscal year budget.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Requests for Information

This financial report is designed to provide a general overview of Carroll County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of the Comptroller, Carroll County Government, 225 North Center Street, Westminster, Maryland 21157 or call 410-386-2085. This report can also be found on the County's website at <http://ccgovernment.carr.org/ccg/comp/default.asp>.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit. Contact information can be found on page 42 of this report.



Basic Financial Statements

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
June 30, 2009

Exhibit A

	Primary Government			Component Units			
	Governmental	Business-type	Total	Board of	Carroll	Library	Industrial
	Activities	Activities		Education	Community College		Development Authority
ASSETS							
Equity in pooled cash and investments	\$ 147,470,284	\$ 23,320,004	\$ 170,790,288	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	-	35,670	35,670	7,808,252	4,773,195	941,442	178,360
Investments	-	-	-	1,423,668	3,220,729	89,220	4,777,677
Taxes and receivables, net (Note 5)	22,481,568	3,229,515	25,711,083	558,414	1,038,489	327,693	7,046,284
Due from component units	1,680,867	-	1,680,867	-	-	-	-
Due from primary government	-	-	-	33,005,000	-	-	-
Due from other governments	31,900,866	-	31,900,866	20,726,741	-	-	-
Due from fiduciary funds	616,931	-	616,931	-	-	-	-
Internal balances	2,224,994	(2,224,994)	-	-	-	-	-
Inventories	1,234,714	362,375	1,597,089	555,741	-	-	-
Prepaid expenses	650,108	101,238	751,346	212,272	160,891	-	-
Negative net pension obligation	4,864,572	-	4,864,572	-	-	-	-
Negative net LOSAP obligation	970,000	-	970,000	-	-	-	-
Capital assets not being depreciated:							
Land	49,104,905	8,625,748	57,730,653	12,549,603	-	-	3,392,449
Construction in progress	67,743,107	44,071,309	111,814,416	153,724,002	-	-	3,346,870
Art and doll collection	-	-	-	-	554,300	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	90,146,643	18,096,717	108,243,360	295,605,138	-	2,847,744	-
Improvements other than buildings	14,277,071	1,420,433	15,697,504	-	664,958	-	-
Auto, machinery and equipment	15,724,668	2,942,776	18,667,444	11,889,265	1,171,561	-	-
Infrastructure	189,478,692	45,275,197	234,753,889	-	-	-	-
Capital assets, net of depreciation	426,475,086	120,432,180	546,907,266	473,768,008	2,390,819	2,847,744	6,739,319
Total assets	640,569,990	145,255,988	785,825,978	538,058,096	11,584,123	4,206,099	18,741,640
LIABILITIES							
Accounts payable	14,296,016	2,987,474	17,283,490	19,643,271	727,196	128,092	4,737,484
Retainage and guarantees due contractors	919,221	-	919,221	-	-	-	-
Due to component units	33,005,000	-	33,005,000	-	-	-	-
Due to primary government	-	-	-	535,307	-	-	1,145,560
Due to other governments	-	-	-	117,292	-	-	-
Due to student groups	-	-	-	1,928,123	-	-	-
Unearned revenue (Note 5)	3,330,527	58,785	3,389,312	393,125	1,305,661	-	5,000,000
Accrued interest payable	2,002,946	291,793	2,294,739	48,288	-	-	186,842
Accrued expenses	7,999,448	337,340	8,336,788	30,109,335	1,143,864	286,167	-
Long-term liabilities (Note 8):							
Due within one year	26,798,892	3,119,339	29,918,231	2,661,126	-	417,971	-
Due in more than one year	281,393,300	38,617,245	320,010,545	41,952,542	4,115,631	-	-
Total liabilities	369,745,350	45,411,976	415,157,326	97,388,409	7,292,352	832,230	11,069,886
NET ASSETS							
Invested in capital assets, net of related debt	269,641,878	95,654,846	365,296,724	466,504,276	1,836,519	2,847,744	5,593,759
Restricted for:							
Investments	-	-	-	-	-	217,946	-
Agricultural Preservation IPA's and notes	11,321,893	-	11,321,893	-	-	-	-
Capital projects	2,726,998	9,435,295	12,162,293	-	-	-	-
Food services	-	-	-	334,747	-	-	-
Educational purposes	-	-	-	-	3,719,489	-	-
Pension	5,834,572	-	5,834,572	-	-	-	-
Unrestricted (deficit)	(18,700,701)	(5,246,129)	(23,946,830)	(26,169,336)	(1,264,237)	308,179	2,077,995
Total net assets	\$ 270,824,640	\$ 99,844,012	\$ 370,668,652	\$ 440,669,687	\$ 4,291,771	\$ 3,373,869	\$ 7,671,754

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Activities
For the Year Ended June 30, 2009

Exhibit B

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues				Component Units					
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Board of Education	Carroll Community College	Library
				Governmental Activities	Business-type Activities					
Primary government:										
General government	\$ 74,296,486	\$ 6,179,837	\$10,337,810	\$ 732,113	\$ (57,046,726)	\$ -	\$ (57,046,726)	\$ -	\$ -	\$ -
Public safety	38,658,117	1,741,472	1,638,378	-	(35,278,267)	-	(35,278,267)	-	-	-
Public works	30,238,005	1,520,812	-	914,241	(27,802,952)	-	(27,802,952)	-	-	-
Health	4,868,271	15,541	-	-	(4,852,730)	-	(4,852,730)	-	-	-
Social services	1,346,366	367,238	27,293	-	(951,835)	-	(951,835)	-	-	-
Education	219,824,282	425,150	86,412	173,290	(219,139,430)	-	(219,139,430)	-	-	-
Recreation and Parks	2,606,230	772,204	792,484	208,174	(833,368)	-	(833,368)	-	-	-
Libraries	7,740,076	-	-	-	(7,740,076)	-	(7,740,076)	-	-	-
Conservation of natural resources	29,125,383	-	26,540	1,184,585	(27,914,258)	-	(27,914,258)	-	-	-
Economic development	5,988,296	-	1,166,546	-	(4,821,750)	-	(4,821,750)	-	-	-
Interest on long-term debt	10,282,801	-	-	-	(10,282,801)	-	(10,282,801)	-	-	-
Total governmental activities	424,974,313	11,022,254	14,075,463	3,212,403	(396,664,193)	-	(396,664,193)	-	-	-
Business-type activities:										
Bureau of Utilities	8,169,257	7,519,559	-	1,503,408	-	853,710	853,710	-	-	-
Solid Waste	7,487,843	6,534,243	-	-	-	(953,600)	(953,600)	-	-	-
Airport	777,692	671,258	-	460,454	-	354,020	354,020	-	-	-
Septage	388,398	449,263	-	-	-	60,865	60,865	-	-	-
Firearms	77,475	104,713	-	-	-	27,238	27,238	-	-	-
Total business-type activities	16,900,665	15,279,036	-	1,963,862	-	342,233	342,233	-	-	-
Total primary government	\$ 441,874,978	\$ 26,301,290	\$ 14,075,463	\$ 5,176,265	(396,664,193)	342,233	(396,321,960)	-	-	-
Component units:										
Board of Education	166,116,764	4,921,528	49,588,771	57,978,465	-	-	(53,628,000)	-	-	-
Carroll Community College	22,729,919	8,545,045	3,459,515	-	-	-	-	(10,725,359)	-	-
Library	3,286,436	143,400	3,091,567	397,602	-	-	-	-	346,133	-
Industrial Development Authority	139,628	-	184,800	-	-	-	-	-	-	45,172
Total component units	\$ 192,272,747	\$ 13,609,973	\$ 56,139,853	\$ 58,560,867	-	-	(53,628,000)	(10,725,359)	346,133	45,172
General revenues:										
Property taxes					189,079,529	-	189,079,529	-	-	-
Income tax					99,973,903	-	99,973,903	-	-	-
911 service fee					1,196,731	-	1,196,731	-	-	-
Recordation tax					9,220,249	-	9,220,249	-	-	-
Admission					335,125	-	335,125	-	-	-
Agricultural transfer tax					181,458	-	181,458	-	-	-
Hotel rental tax					287,495	-	287,495	-	-	-
Cable franchise fee					1,303,472	-	1,303,472	-	-	-
State shared, unrestricted					10,300,922	-	10,300,922	129,471,486	6,990,882	-
Grants and contributions not restricted to specific programs					-	-	-	-	1,913,015	-
Investment earnings, (losses) and miscellaneous, unrestricted					4,563,217	751,926	5,315,143	238,534	(374,738)	37,181
Transfers					(2,791,980)	2,791,980	-	-	-	-
Total general revenues and transfers					313,650,121	3,543,906	317,194,027	129,710,020	8,529,159	37,181
Change in net assets					(83,014,072)	3,886,139	(79,127,933)	76,082,020	(2,196,200)	82,353
Net assets - beginning of year					353,838,712	95,957,873	449,796,585	364,587,667	6,487,971	7,589,401
Net assets - ending					\$ 270,824,640	\$ 99,844,012	\$ 370,668,652	\$ 440,669,687	\$ 4,291,771	\$ 3,373,869

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Balance Sheet
Governmental Funds
June 30, 2009

Exhibit C

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 81,815,455	\$ 58,230,908	\$ 4,627,009	\$ 144,673,372
Taxes and receivables, net	20,739,447	4,363	1,730,845	22,474,655
Due from component units	1,178,341	502,526	-	1,680,867
Due from other governments	30,349,433	1,551,433	-	31,900,866
Due from other governmental funds	69,207	-	-	69,207
Due from fiduciary funds	616,931	-	-	616,931
Due from other funds	2,224,994	-	-	2,224,994
Inventories	1,234,714	-	-	1,234,714
Prepaid costs	281,806	-	368,302	650,108
Total assets	\$ 138,510,328	\$ 60,289,230	\$ 6,726,156	\$ 205,525,714
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,359,457	\$ 8,776,305	\$ 945,192	\$ 14,080,954
Retainage and guarantees due contractors	919,221	-	-	919,221
Due to component units	33,005,000	-	-	33,005,000
Due to other funds	-	-	69,207	69,207
Accrued expenditures	2,268,307	5,593,110	134,492	7,995,909
Deferred revenue	20,692,597	773	2,238,738	22,932,108
Total liabilities	61,244,582	14,370,188	3,387,629	79,002,399
Fund Balances:				
Reserved	34,538,703	19,967,975	-	54,506,678
Unreserved and designated:				
Subsequent year's expenditures	14,858,762	25,951,067	-	40,809,829
Stabilization fund	10,700,000	-	-	10,700,000
Secondary reserve fund	6,750,000	-	-	6,750,000
ISF health	1,400,000	-	-	1,400,000
Designated for other purposes	915,000	-	-	915,000
Subtotal unreserved and designated	34,623,762	25,951,067	-	60,574,829
Unreserved, undesignated reported in:				
General fund	8,103,281	-	-	8,103,281
Special revenue fund	-	-	3,338,527	3,338,527
Subtotal unreserved, undesignated	8,103,281	-	3,338,527	11,441,808
Total fund balances	77,265,746	45,919,042	3,338,527	126,523,315
Total liabilities and fund balances	\$ 138,510,328	\$ 60,289,230	\$ 6,726,156	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				426,475,086
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				19,603,869
Negative net pension obligation, which is included in the governmental activities in the statement of net assets.				4,864,572
Negative net LOSAP obligation, which is included in the governmental activities in the statement of net assets.				970,000
Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net assets.				(16,201,696)
Internal service funds are used by management to charge the costs of health, liability and Local Government Insurance Trust insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.				1,259,767
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds and notes payable			\$ (290,667,327)	(292,670,273)
Accrued interest payable			(2,002,946)	
Net assets of governmental activities				\$ 270,824,640

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
-local property	\$ 185,209,798	\$ 3,869,731	\$ -	\$ 189,079,529
-local other	113,289,401	10,251,191	1,772,425	125,313,017
-state shared	10,300,922	500,000	-	10,800,922
Impact fees	-	-	869,347	869,347
Licenses and permits	1,288,525	-	-	1,288,525
Intergovernmental revenues	643,567	1,890,784	12,508,261	15,042,612
Charges for services	5,036,337	-	202,712	5,239,049
Fines and forfeits	90,840	-	-	90,840
Interest	5,165,523	266,749	31,154	5,463,426
Miscellaneous revenues	2,794,853	554,870	-	3,349,723
Total revenues	<u>323,819,766</u>	<u>17,333,325</u>	<u>15,383,899</u>	<u>356,536,990</u>
EXPENDITURES				
Current:				
General government	57,013,414	-	12,021,819	69,035,233
Public safety	34,045,848	-	1,210,995	35,256,843
Public works	11,325,405	-	-	11,325,405
Health	4,727,958	-	4,000	4,731,958
Social services	1,319,630	-	-	1,319,630
Education	172,156,658	-	-	172,156,658
Library	8,170,171	-	-	8,170,171
Recreation and parks	1,486,912	-	178,819	1,665,731
Conservation of natural resources	800,054	-	-	800,054
Economic development	5,072,440	-	618,381	5,690,821
Capital outlay:				
General government	-	14,274,939	-	14,274,939
Economic development	-	19,517	-	19,517
Health	-	11,486	-	11,486
Public safety	-	2,055,952	-	2,055,952
Public works	-	10,163,180	-	10,163,180
Education	-	61,700,179	-	61,700,179
Recreation and parks	-	723,657	-	723,657
Library/senior centers	-	10,532,173	-	10,532,173
Conservation of natural resources	-	28,297,492	-	28,297,492
Debt service:				
Principal	24,029,542	-	-	24,029,542
Interest	10,470,693	-	-	10,470,693
Total expenditures	<u>330,618,725</u>	<u>127,778,575</u>	<u>14,034,014</u>	<u>472,431,314</u>
Excess (deficiency) of revenues over (under) expenditures	(6,798,959)	(110,445,250)	1,349,885	(115,894,324)
OTHER FINANCING SOURCES (USES)				
Transfers in	8,574,450	6,139,700	1,323,041	16,037,191
Transfers out	(9,654,721)	(7,500,000)	(1,674,450)	(18,829,171)
Bonds issued	180,000	71,908,000	-	72,088,000
Bonds premium	1,874,448	-	-	1,874,448
Issuance of debt-long term notes	2,956,796	-	-	2,956,796
Total other financing sources (uses)	<u>3,930,973</u>	<u>70,547,700</u>	<u>(351,409)</u>	<u>74,127,264</u>
Net change in fund balances	(2,867,986)	(39,897,550)	998,476	(41,767,060)
Fund balance - beginning	80,121,638	85,816,592	2,340,051	168,278,281
Increase in reserve for inventory	12,094	-	-	12,094
Fund balance - ending	<u>\$ 77,265,746</u>	<u>\$ 45,919,042</u>	<u>\$ 3,338,527</u>	<u>\$ 126,523,315</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

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

Net change in fund balances - total governmental funds	\$ (41,767,060)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation, net of asset disposals, and transfers in the current period.	39,350,953
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(12,814,584)
Under payment of the Pension annual required contribution resulted in a reduction of the negative net pension obligation which is reported within the governmental activities as an asset.	(342,860)
Adjustment to LOSAP's annual pension cost for the negative net LOSAP obligation from prior period.	(30,000)
Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation from the prior period.	(530)
Adjustment to the Other Postemployment Benefit (OPEB) annual cost for the net OPEB obligation from the prior period.	(157,143)
Under payment of the Other Post Employment Benefit (OPEB) annual required contribution created a Net OPEB Obligation which is reported within the governmental activities as a liability.	(8,521,200)
Adjustment to the Net Other Post Employment Benefit (OPEB) Obligation for Medicare Part D received in FY09.	135,725
The issuance of long-term debt (i.e. bonds, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(53,022,142)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(424,592)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(5,420,639)
Change in net assets - governmental activities	<u>\$ (83,014,072)</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Taxes:				
-local property	\$ 180,165,300	\$ 180,165,300	\$ 185,721,884	\$ 5,556,584
-local other	124,625,000	124,625,000	113,289,401	(11,335,599)
-state shared	11,915,000	11,915,000	10,300,922	(1,614,078)
Licenses and permits	1,894,000	1,894,000	1,288,525	(605,475)
Intergovernmental revenues	664,000	664,000	643,567	(20,433)
Charges for services	5,374,200	5,374,200	5,036,337	(337,863)
Fines and forfeits	84,500	84,500	90,840	6,340
Interest	5,605,000	5,605,000	5,165,523	(439,477)
Miscellaneous revenues	1,254,548	1,254,548	2,794,853	1,540,305
Total revenues	<u>331,581,548</u>	<u>331,581,548</u>	<u>324,331,852</u>	<u>(7,249,696)</u>
EXPENDITURES				
Current:				
General government	61,851,093	61,836,303	56,987,560	4,848,743
Public safety	31,702,110	32,004,410	34,054,521	(2,050,111)
Public works	10,490,537	10,490,537	11,529,569	(1,039,032)
Health department	4,732,890	4,732,968	4,727,957	5,011
Social services	1,204,800	1,276,500	1,319,630	(43,130)
Education	170,056,330	170,079,930	172,156,658	(2,076,728)
Library	7,706,870	7,706,870	8,170,171	(463,301)
Recreation and parks	1,346,940	1,323,340	1,488,713	(165,373)
Conservation of natural resources	805,780	805,780	800,054	5,726
Economic development	5,090,760	5,090,760	5,021,271	69,489
Reserve for contingencies	9,956,162	9,039,413	-	9,039,413
Debt service:				
Principal	23,890,857	23,890,857	24,029,542	(138,685)
Interest	10,058,238	10,609,381	10,470,693	138,688
Total expenditures	<u>338,893,367</u>	<u>338,887,049</u>	<u>330,756,339</u>	<u>8,130,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,311,819)</u>	<u>(7,305,501)</u>	<u>(6,424,487)</u>	<u>881,014</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	11,302,102	11,302,102	-	(11,302,102)
Appropriated for Ag. pres. debt svc.	1,504,000	1,504,000	-	(1,504,000)
Transfers in	8,612,350	8,612,350	8,574,450	(37,900)
Transfers out	(14,106,633)	(14,112,951)	(9,654,721)	4,458,230
Bond proceeds	-	-	180,000	180,000
Bond premium	-	-	1,874,448	1,874,448
Issuance of debt-long term notes payable	-	-	2,956,796	2,956,796
Total other financing sources (uses)	<u>7,311,819</u>	<u>7,305,501</u>	<u>3,930,973</u>	<u>(3,374,528)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,493,514)</u>	<u>\$ (2,493,514)</u>
Fund balance - beginning			<u>80,745,217</u>	
Fund balance - ending			<u>\$ 78,251,703</u>	

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds	Total	
ASSETS						
Current Assets:						
Equity in pooled cash and investments	\$ 15,732,690	\$ 7,085,714	\$ -	\$ 501,600	\$ 23,320,004	\$ 2,796,912
Cash and cash equivalents	7,317	11,411	200	16,742	35,670	-
Receivables, net	2,648,629	411,361	82,578	86,947	3,229,515	6,913
Inventories	347,029	-	15,346	-	362,375	-
Prepaid items	47,144	46,807	7,287	-	101,238	-
Total current assets	<u>18,782,809</u>	<u>7,555,293</u>	<u>105,411</u>	<u>605,289</u>	<u>27,048,802</u>	<u>2,803,825</u>
Noncurrent Assets:						
Capital assets:						
Land	153,132	1,794,154	6,678,462	-	8,625,748	-
Buildings	17,681,654	1,486,710	4,569,596	274,051	24,012,011	-
Improvements other than buildings	1,634,129	57,773	378,311	191,856	2,262,069	-
Auto, machinery and equipment	1,959,199	4,351,339	752,299	25,069	7,087,906	-
Infrastructure	64,126,234	-	-	-	64,126,234	-
Construction in progress	36,068,752	6,210,162	1,792,395	-	44,071,309	-
Less accumulated depreciation	<u>(25,871,586)</u>	<u>(2,866,196)</u>	<u>(986,413)</u>	<u>(28,902)</u>	<u>(29,753,097)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>95,751,514</u>	<u>11,033,942</u>	<u>13,184,650</u>	<u>462,074</u>	<u>120,432,180</u>	<u>-</u>
Total assets	<u>114,534,323</u>	<u>18,589,235</u>	<u>13,290,061</u>	<u>1,067,363</u>	<u>147,480,982</u>	<u>2,803,825</u>
LIABILITIES						
Current liabilities:						
Accounts payable	2,355,994	398,677	110,994	121,809	2,987,474	215,062
Accrued interest payable	222,397	48,246	19,417	1,733	291,793	-
Unearned revenue	15,732	16,888	26,165	-	58,785	2,288
Accrued expenses	270,469	57,183	9,688	-	337,340	3,539
Due to other funds	-	-	2,224,994	-	2,224,994	-
Long-term liabilities due within one year:						
General obligation bonds payable	1,031,684	836,119	250,645	12,225	2,130,673	-
Unamortized Costs	(15,884)	4,852	(1,990)	-	(13,022)	-
Unpaid insurance claims	-	-	-	-	-	1,301,595
Loans payable	846,245	-	-	-	846,245	-
Compensated absences	91,730	58,543	5,170	-	155,443	-
Total long-term due within one year	<u>1,953,775</u>	<u>899,514</u>	<u>253,825</u>	<u>12,225</u>	<u>3,119,339</u>	<u>1,301,595</u>
Total current liabilities	<u>4,818,367</u>	<u>1,420,508</u>	<u>2,645,083</u>	<u>135,767</u>	<u>9,019,725</u>	<u>1,522,484</u>
Noncurrent liabilities:						
General obligation bonds payable	19,014,221	4,591,753	2,442,447	146,335	26,194,756	-
Unamortized Costs	(122,679)	(33,423)	(17,062)	-	(173,164)	-
Unpaid insurance claims	-	-	-	-	-	21,574
Loans payable	2,090,052	-	-	-	2,090,052	-
Landfill closure, postclosure remediation	-	10,253,241	-	-	10,253,241	-
Compensated absences	137,404	101,811	13,145	-	252,360	-
Total noncurrent liabilities	<u>21,118,998</u>	<u>14,913,382</u>	<u>2,438,530</u>	<u>146,335</u>	<u>38,617,245</u>	<u>21,574</u>
Total liabilities	<u>25,937,365</u>	<u>16,333,890</u>	<u>5,083,613</u>	<u>282,102</u>	<u>47,636,970</u>	<u>1,544,058</u>
NET ASSETS						
Invested in capital assets, net of related debt	75,720,870	9,133,325	10,497,137	303,514	95,654,846	-
Restricted for:						
Capital projects	8,370,138	964,054	101,103	-	9,435,295	-
Unrestricted (deficit)	4,505,950	(7,842,034)	(2,391,792)	481,747	(5,246,129)	1,259,767
Total net assets	<u>\$ 88,596,958</u>	<u>\$ 2,255,345</u>	<u>\$ 8,206,448</u>	<u>\$ 785,261</u>	<u>\$ 99,844,012</u>	<u>\$ 1,259,767</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds		
Operating revenues:						
Charges for services	\$ 7,519,559	\$ 6,534,243	\$ 671,258	\$ 553,976	\$ 15,279,036	\$ 15,267,039
Total operating revenues	7,519,559	6,534,243	671,258	553,976	15,279,036	15,267,039
Operating expenses:						
Personal services	2,499,181	1,633,309	256,173	57,959	4,446,622	-
Contractual services	1,652,756	4,686,660	47,953	177,340	6,564,709	-
Materials and supplies	597,229	245,027	130,825	50,655	1,023,736	-
Rents and utilities	798,928	47,843	50,999	96,854	994,624	-
Insurance	-	-	-	-	-	12,503,005
Settlements	-	-	-	-	-	8,295,676
Miscellaneous	108,970	384,159	37,432	49,738	580,299	-
Depreciation	1,579,651	266,818	140,983	26,262	2,013,714	-
Total operating expenses	7,236,715	7,263,816	664,365	458,808	15,623,704	20,798,681
Operating income (loss)	282,844	(729,573)	6,893	95,168	(344,668)	(5,531,642)
Nonoperating revenues (expenses):						
Penalties and interest	442,379	302,752	-	6,795	751,926	111,003
Maintenance fee assessment	1,428,013	-	-	-	1,428,013	-
Interest and fiscal charges	(932,542)	(224,027)	(113,327)	(7,065)	(1,276,961)	-
Total nonoperating revenues (expenses)	937,850	78,725	(113,327)	(270)	902,978	111,003
Income (loss) before contributions and transfers	1,220,694	(650,848)	(106,434)	94,898	558,310	(5,420,639)
Capital contributions (Area Connection Charges & Grants)	75,395	-	460,454	-	535,849	-
Transfers in	206,980	2,545,000	40,000	-	2,791,980	-
Change in net assets	1,503,069	1,894,152	394,020	94,898	3,886,139	(5,420,639)
Total net assets - beginning of year	87,093,889	361,193	7,812,428	690,363	95,957,873	6,680,406
Total net assets - ending	\$ 88,596,958	\$ 2,255,345	\$ 8,206,448	\$ 785,261	\$ 99,844,012	\$ 1,259,767

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 7,530,791	\$ 6,947,275	\$ 740,226	\$ 527,348	\$ 15,745,640	\$ 15,338,267
Receipts from other funds			494,302	-	494,302	-
Payments to suppliers	(4,875,611)	(1,585,794)	(165,656)	(312,701)	(6,939,762)	(21,262,347)
Payments to employees	(2,488,295)	(5,090,082)	(267,028)	(56,963)	(7,902,368)	-
Net cash provided (used) by operating activities	<u>166,885</u>	<u>271,399</u>	<u>801,844</u>	<u>157,684</u>	<u>1,397,812</u>	<u>(5,924,080)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	206,980	2,545,000	40,000	-	2,791,980	-
Net cash provided by operating and related noncapital financing activities	<u>206,980</u>	<u>2,545,000</u>	<u>40,000</u>	<u>-</u>	<u>2,791,980</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(19,117,796)	(1,070,329)	(938,578)	-	(21,126,703)	-
Principal paid on capital debt	(1,823,668)	(836,119)	(250,393)	(28,081)	(2,938,261)	-
Interest paid on capital debt	(877,058)	(233,535)	(113,327)	(7,198)	(1,231,118)	-
Proceeds from bond issue	7,616,000	296,000	-	-	7,912,000	-
Capital contributions (Area Connection Charges & Grants)	75,395	-	460,454	-	535,849	-
Front foot collections	(37)	-	-	-	(37)	-
Other assessment collected	1,633,800	-	-	-	1,633,800	-
Net cash provided (used) by capital and related financing activities	<u>(12,493,364)</u>	<u>(1,843,983)</u>	<u>(841,844)</u>	<u>(35,279)</u>	<u>(15,214,470)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments and cash	442,379	302,752	-	6,795	751,926	111,003
Net cash provided by investing activities	<u>442,379</u>	<u>302,752</u>	<u>-</u>	<u>6,795</u>	<u>751,926</u>	<u>111,003</u>
Net increase (decrease) in cash and cash equivalents	(11,677,120)	1,275,168	-	129,200	(10,272,752)	(5,813,077)
Cash and cash equivalents at beginning of year	27,417,127	5,821,957	200	389,142	33,628,426	8,609,989
Cash and cash equivalents at end of year	<u>\$ 15,740,007</u>	<u>\$ 7,097,125</u>	<u>\$ 200</u>	<u>\$ 518,342</u>	<u>\$ 23,355,674</u>	<u>\$ 2,796,912</u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:						
Operating income (Loss)	\$ 282,844	\$ (729,573)	\$ 6,893	\$ 95,168	\$ (344,668)	\$ (5,531,642)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,579,651	266,818	140,983	26,262	2,013,714	-
Affect of Changes in operating assets and liabilities:						
Due to other funds	-	-	494,302	-	494,302	-
Accounts receivable	44,074	428,212	59,615	(26,628)	505,273	2,526
Inventory	(99,567)	-	81,495	-	(18,072)	-
Prepaid items	(4,859)	(17,826)	36,113	-	13,428	80,031
Compensated absences payable	10,886	26,321	(9,572)	-	27,635	-
Accounts payable and accrued expenses	(1,657,376)	(25,214)	(17,338)	62,882	(1,637,046)	(463,665)
Unearned revenue	11,232	(15,180)	9,353	-	5,405	(11,330)
Landfill closure, postclosure, remediation costs	-	337,841	-	-	337,841	-
Total adjustments	<u>(115,959)</u>	<u>1,000,972</u>	<u>794,951</u>	<u>62,516</u>	<u>1,742,480</u>	<u>(392,438)</u>
Net cash provided (used) by operating activities	<u>\$ 166,885</u>	<u>\$ 271,399</u>	<u>\$ 801,844</u>	<u>\$ 157,684</u>	<u>\$ 1,397,812</u>	<u>\$ (5,924,080)</u>
Noncash investing, capital, and financing activities:						
Transfer of fully depreciated assets	\$ -	\$ 53,884	\$ 7,008	\$ -	\$ -	\$ -

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Fiduciary Net Assets
Trust and Agency Funds
June 30, 2009

	Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 1,631,253	\$ 51,945
Receivables:		
Other receivables	-	616,561
Total receivables	-	616,561
Investments at fair value:		
Bond funds	5,834,273	
Equity funds	16,038,904	-
Marketable securities	7,382,972	-
Total investments	29,256,149	-
Total assets	30,887,402	668,506
LIABILITIES:		
Accounts payable	13,864	-
Due to primary government	616,931	-
Due to CCDC	-	668,506
Total liabilities	630,795	\$ 668,506
NET ASSETS:		
Held in trust for pension, benefits, and other purposes	\$ 30,256,607	

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Change in Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2009

	Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 6,574,030
Plan members	864,410
Contributions from sources other than employer(s) and Plan members	129,435
Total contributions	7,567,875
Investment earnings:	
Interest and dividends	35,656
Net decrease in the fair value of investments	(5,871,766)
Total investment losses	(5,836,110)
Less investment expense	(73,840)
Net investment losses	(5,909,950)
Total additions	1,657,925
DEDUCTIONS:	
Benefits and refunds paid to plan members and beneficiaries	3,161,497
Administrative expenses	15,980
Total deductions	3,177,477
Net decrease in plan net assets	(1,519,552)
Net assets-beginning	31,776,159
Net assets-ending	\$ 30,256,607

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies

A. Reporting entity

Carroll County was created pursuant to an act of the General Assembly of the State of Maryland on January 19, 1837. Both executive and legislative functions of the County are vested in the elected three-member Board of County Commissioners of Carroll County. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component units

The Board of Education of Carroll County as currently constituted was established under Title 3, Subtitle 103, Education, of the Annotated Code of Maryland. The Board is a five member elected body responsible for the operation of Carroll County Public Schools. The Board of Education of Carroll County is a component unit of Carroll County, Maryland by virtue of the County's responsibility for levying taxes and its budgetary control over the Board of Education. The Board does not have any component units itself. The Board of Education's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded that the Board of Education's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information as of June 30, 2009.

The Carroll County Library Board of Trustees is established under Title 23, Subtitle 401, Education, of the Annotated Code of Maryland. The Board of Trustees is a seven member body and is responsible for the operation of Carroll County Public Library (the Library). The members are appointed by the county Commissioners from nominees submitted by the Library Board of Trustees. The Library is a component unit of Carroll County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and is the primary source of the Library Board of Trustees' budget. The Library's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements present fairly, in all material respects, the financial position of the governmental activities, and each major fund as of June 30, 2009.

Carroll Community College (the College) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State). The seven-member Board of Trustees of Carroll Community College governs the College. The Board of Trustees are appointed for six-year terms by the governor of the State with the advice and consent of the State Senate. Although the College is not a Carroll County Government agency, the College's financial statements are considered component unit financial statements. The College is a component of Carroll County Government by virtue of the County's responsibility for levying taxes and its power to appropriate funds to establish and operate a community college as referenced in The Annotated Code of Maryland §16-304. The College serves the constituents of the County.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

A. Reporting entity- continued

Carroll Community College Foundation, a component unit of Carroll Community College, is a separate legal entity. It has a separate Board of Directors that works closely with the College. The College President, Vice-President of Administration and a College Trustee are ex-officio members of the Foundation Board. Although the College does not control the timing or amount of receipts from the Foundation, all of the resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is discretely presented in the College's financial statements.

Carroll Community College's financial statements including the Carroll Community College Foundation, were audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded that Carroll Community College's financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit as of June 30, 2009.

The Industrial Development Authority (IDA) of Carroll County provides economic development services to commercial enterprises in the County. The County Government appoints a voting majority of the Authority, which is also fiscally dependent on the County Government. Typically the IDA is self supporting but the County periodically gives funding if the IDA has a shortfall. The IDA's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded that The IDA's financial statements present fairly, in all material respects, the financial position of the business-type activities as of June 30, 2009.

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

Board of Education of
Carroll County
55 North Court Street
Westminster, Maryland 21157

Carroll Community College
1601 Washington Road
Westminster, Maryland 21157

Industrial Development Authority
225 N. Center Street
Westminster, Maryland 21157

Carroll County Public Library
1100 Green Valley Road
New Windsor, Maryland 21776

The above are the only entities that qualify as component units based on the criteria set forth in GASB Statement No. 39, an amendment of GASB Statement 14.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

C. Measurement focus, basis of accounting, and financial statement presentation

Description of funds

The government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, and does not involve measurement of results of operations. Agency funds do not have a measurable focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

C. Measurement focus, basis of accounting, and financial statement presentation-continued

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

The *capital projects fund* is used to account for financial resources related to the acquisition or construction of major capital facilities of the County Commissioners of Carroll County (other than those financed by Proprietary Funds).

The *proprietary funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The government reports the following major proprietary funds:

The *Carroll County Bureau of Utilities* provides water and sewer services throughout the County. This fund accounts for the operations of the water and sewer facilities.

The *Carroll County Solid Waste Fund* provides solid waste disposal facilities for residential and commercial use. This fund accounts for the operations of landfill facilities.

The *Carroll County Regional Airport* accounts for the Airport operations and the corporate hangar facilities.

Additionally, the government reports the following additional funds:

Enterprise Funds:

The *Carroll County Septage Treatment* provides septage waste disposal services. This fund accounts for the operations of the treatment facilities.

The *Carroll County Firearms Facility* accounts for the operations of the Hap Baker Firearms Facility located at the Northern Landfill. This facility was named for a gentleman instrumental in establishing the firing range.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

C. Measurement focus, basis of accounting, and financial statement presentation-continued

Description of funds-continued

The *Internal Service Fund* is used to account for certain risk financing activities. The costs of self-insuring medical coverage for the County are accumulated in this fund.

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources, which by law are designated to finance particular functions or activities of the County.

The government reports the following Special Revenue Funds:

The Impact Fee Fund provides funding to capital projects for schools and parks that are eligible to receive impact fee funding. In order for a project to be eligible it must be created to alleviate pressures related to growth as described in the impact fee ordinance. Impact Fees are collected at the time a permit is issued for the construction of a new home.

The Agricultural Transfer Tax Fund provides funding for the Agricultural Land Preservation Program. Agricultural Transfer Tax is collected on the sale of agricultural property that is changing use from ag to another classification.

The Hotel Rental Tax Fund provides funding for tourism and promotion of the County. The Hotel Rental Tax is a 5% tax applied to the hotel room rate and paid by the hotel guest.

The Cable Franchise Fee Fund provides funding to public interest programming on cable TV. Cable Franchise Fees are 5% of gross cable television revenue.

The *Agency Funds* are used to account for assets that the County holds on behalf of others as their agent. The Agency Funds are custodial in nature (assets equal liabilities). The Carroll County Development Corporation (CCDC) Fund accounts for the transactions for economic development receivables collected by the County on behalf of a local nonprofit corporation.

The *Grant Funds* are revenues that are formally designated for a particular purpose or have specific requirements associated with eligible program costs.

Trust Funds:

The *Volunteer Firemen's Length Of Service Award Program (LOSAP) Fund* was established during fiscal year 2004 to account for the pension system for the volunteer fire personnel serving the various independent volunteer fire companies in the County. The LOSAP Fund is treated as a trust fund but, is not an established trust.

The *Pension Trust Fund* was established during fiscal year 2004 to account for the activities of the Carroll County Employee Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

C. Measurement focus, basis of accounting, and financial statement presentation-continued

Description of funds-continued

The *Other Post Employment Benefit (OPEB) Trust Fund* was established during fiscal year 2008 to account for the collection of medical premiums and the payments of medical claims for the County's retirees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Bureau of Utilities, the Solid Waste Fund, the Septage Treatment Fund, the Firearms Facility and the Airport Fund are charges to customers for sales and services. The Bureau of Utilities also recognizes as operating revenue the portion of hookup fees and lateral fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and the Capital Projects

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

Deposits and Investments

Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances in the governmental funds balance sheet, since they do not constitute expenditures or liabilities.

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as “equity in pooled cash and investments”. In addition to participating in the County’s cash and investment pool, each fund may maintain their own separate cash and investments that are specific to the individual fund. Investments are reported at fair value in accordance with GASB Statement No. 31.

Based on an average daily balance of each fund’s equity in pooled cash and investments, investment income earned on the cash and investment pool is distributed monthly to the General, Enterprise, Special Revenue, and Fiduciary funds. Investment income earned on individual funds’ separate cash and investments is recorded monthly in the corresponding fund.

State statutes authorize the County to invest in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers’ acceptances, the Maryland Local Government Investment Pool, repurchase agreements secured by direct government or agency obligations and mutual funds limited to a portfolio of direct obligations of the United States government and repurchase agreements fully collateralized by the United States government obligations. Statutes have clarified that obligations of federal instrumentalities are authorized investments.

The County has an independent third party as custodian for securities collateralizing most repurchase agreements and all other investments and certificates of deposits. The County has an agreement with the custodian used for the overnight repurchase agreement whereby the County’s authorization is needed to release any collateral being held in their name. The financial condition of this other custodian was monitored by the County throughout the year to mitigate the risk.

Investments of the County are recorded at fair value, which is based on quoted market prices provided by Carroll County’s Custodian, except for the investments in the Maryland Local Government Investment Pool (MLGIP), and Money Market funds. MLGIP investments are recorded at cost, which approximates fair value. Investments in Money Market funds are valued at the closing net asset value per share on the day of valuation. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

The County has in effect a master repurchase agreement, which adheres to the prototype master repurchase agreement produced by the Public Securities Association.

The County’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

Deposits continued

The County is a participant in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, has been managed by a single financial institution, PNC Institutional Investments. The pool has a AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares. The MLGIP issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: PNC Bank Institutional Investments; Maryland Local Government Investment Pool; Mr. David Rommel; 2 Hopkins Plaza; 4th Floor; Baltimore, Maryland 21201; or by calling 410-237-5629.

Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Taxes

Full year taxes and first semi-annual installments are billed and due on July 1st and may be paid without interest on or before September 30th. For fiscal year 2009 the following discounts were allowed: 1% on full year tax payments made on or before July 31st; 0.5% on full year tax payments made on or before August 31st. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1st and may be paid without interest on or before December 31st. A service charge is payable with the second installment unless both installments are paid by September 30th. Delinquent accounts are issued final bills and legal notices on April 1st. Following the required advertisements and notices, Tax Sale is held on the last business day of the fiscal year.

Real and personal property taxes are levied at rates enacted by the County Commissioners in the annual budget process on the assessed value as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings.

The real property tax rate during the year ended June 30, 2009 was \$1.048 per \$100 of assessed value

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

and the personal property rate was \$2.62 per \$100. Taxes are billed to property owners and collected by the County.

Inventories and prepaid items

Inventories shown in the General and Enterprise Funds of the primary government consist of expendable supplies held for consumption and are valued at average cost. The inventory in the General Fund of the primary government is reflected in the financial statements by the purchase method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Reservations of fund balances for the amounts of inventory have been made to reflect the non-availability of those amounts for appropriation for expenditures. All inventories are valued at the lower of cost or market using the First-In/First-Out (FIFO) method.

The inventory of expendable supplies and food held for consumption of the Board of Education is reflected in the financial statements by the consumption method and is valued at cost (first in, first out). Under this method, the expenditure is recognized when inventory is used. In the fund financial statements, these inventories are offset by a fund balance reserve which indicates that they do not constitute available expendable resources, even though they are a component of assets.

Disbursements to vendors for services that will benefit periods beyond June 30, 2009 along with payments made to creditors in advance of the fiscal year 2009 due dates are recorded as prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The primary government does reserve fund balance for inventory and prepaid items. The component units, do not require a reservation of fund balance since the consumption method of expenditure recognition is used by these entities.

Capital assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets

Buildings	50 years
Building Improvements	10 years
Water and sewer systems	50-75 years

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

Vehicles	5-10 years
Machinery and equipment	5-10 years
Roads	50-75 years
Bridges	30-50 years

Compensated absences

Employees of the County earn vacation, compensatory and sick leave in varying amounts. In the event of termination, employees are reimbursed for accumulated unused vacation and compensatory leave.

County employees who are participants in the State retirement program are given credited service days toward their retirement benefits for accumulated sick leave. County employees who are not in the State retirement program may be eligible to claim a portion of their unused sick days upon retirement.

Accrued unused vacations, compensatory, and sick leave, along with the employer paid portion of taxes and benefits, are reported as expenditures and/or liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Earned but unused vacation and compensatory leave of proprietary funds are recorded as an expense and liability of those funds.

Compensated absences

Component Units

Board of Education employees hired prior to July 1, 1997 meeting specified service requirements are eligible to accumulate sick time and upon retirement, are entitled to payment for unused sick time at 50% of their accrued sick leave balance at their previous three year average daily rate. The remaining employees, hired prior to July 1, 1997, may accumulate unused sick time and will be paid for a maximum of 250 days or their accumulated balance at June 30, 2003, whichever is greater. Employees hired June 30, 1997 and later are eligible to accumulate unlimited sick time, but are not entitled to payment for unused sick time upon retirement. There is a maximum accrual of 30 paid vacation days for those employees eligible to earn and accumulate vacation time. Library and Community College employees are permitted to accumulate vacation time and carry it over to future periods. In the event of termination, employees are reimbursed for accumulated vacation. Employees are not reimbursed for accumulated unused sick leave.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. It is the County's internal policy that bond premiums, discounts and issuance costs are not allocated to other funds. They all remain in the general fund.

Arbitrage Payable

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to general obligation bond issuances of 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999, and 1998 respectively.

The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate or return than the original bond issue. The County calculates arbitrage internally. As of June 30, 2009 there is no arbitrage liability due to the Internal Revenue Service.

Net Assets

Government-wide:

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted net assets and unrestricted net assets. Invested in capital assets, net of related debt, represents all capital assets, including infrastructure reduced by accumulated depreciation and the outstanding debt directly attributable to the acquisition, construction or improvement of these assets. Restricted net assets represent external restrictions by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets represent the net assets of the County, not restricted for any project or purpose.

The County issues debt to finance the construction of school facilities for the Board of Education component unit because the Board of Education does not have borrowing or taxing authority. The County reports this debt, whereas the Board of Education reports the related capital assets.

The County also issues debt to finance the construction of facilities and various equipment purchases for the County's Volunteer Fire Companies because the Fire Companies do not have taxing authority. The source of repayment of the debt are notes receivables due from the Volunteer Fire Companies.

In July 2004, the County issued \$12,800,000 taxable general obligation debt to pay the entirety of the County's unfunded accrued liability to the Employees' Retirement System of the State of Maryland. The County realized savings on a present value basis rather than paying the liability under the amortization plan offered by the Employees' Retirement System. This debt is also not related to any capital assets.

Business-Type:

In prior years, the Solid Waste Fund issued debt to finance the construction of closing of several County landfills. The landfills were not capitalized as assets. As of June 30, 2009, the total outstanding debt associated to landfills totaled \$3,527,254.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity-continued

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2009 fees collected through area connection charges and maintenance fees totaling \$8,370,138 have been restricted for future capital projects. The Solid Waste and Airport funds have net assets restricted for capital projects in the amounts of \$964,054 and \$101,103 respectively. These amounts totaling 9,435,295 are restricted in the business-type activities of the Statement of Net Assets.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$290,667,327 difference are as follows:

Bonds Payable	\$271,629,265
General Obligation Debt-Installment Purchases	9,351,990
Purchase Agreements Payable	2,432,323
Compensated Absences	5,061,359
Notes Payable	1,969,903
Deferred Loss	(3,563,853)
Premium on Bonds	4,725,028
Prepaid Bond Issuance Costs	(938,688)
	<u>\$ 290,667,327</u>

Another element of that reconciliation states “Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Deferred Income Taxes	<u>\$ 19,603,869</u>
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B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *change in net assets - governmental activities* as reported in the government-wide statement of activities. One element

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 2 – Reconciliation of Government-wide and Fund Financial Statements-continued

of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$39,350,953 difference are as follows:

Purchase of Capital Assets	\$ 55,456,416
Donated Assets	938,069
Depreciation	(16,993,366)
Disposal of Capital Assets	<u>(50,166)</u>
	<u>\$ 39,350,953</u>

Another element of that reconciliation states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this \$12,814,584 difference represents the net change in Income Taxes-Deferred in the fund statements.

Another element of that reconciliation states “The issuance of long-term debt (i.e., bonds, leases, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(53,022,142) difference are as follows:

Debt Issued or Incurred:

Issuance of New General Obligation Bonds	\$ (72,088,000)
Issuance of New Notes Payable Debt	(741,670)
Issuance of Installment Purchase Agreements	(2,215,126)
Principal Payments on General Obligation Bonds	21,633,167
Principal Payments on Notes Payable Debt	2,245,694
Principal Payments on Purchase Agreements Debt	150,681
Deferred loss on Refunding Bonds	(426,274)
Bond Issuance Cost	105,942
Net Change In Amortization of Bond Premium	1,404,550)
Net Change In Accrued Interest Expense	<u>(282,006)</u>
	<u>\$ (53,022,142)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of the \$(424,592) difference are as follows:

Increase in Compensated Absences Accrual	\$ (436,686)
Consumption Method of Inventory Used in Government wide Statements vs. the Purchase Method used in the Fund Statements	<u>12,094</u>
	<u>\$ (424,592)</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments

The cash equivalents on the balance sheet are comprised of investments in the Maryland Local Government Investment Pool and others.

The following is a reconciliation of cash and cash equivalents to the Statement of Net Assets:

	Primary Government		Subtotal Primary Government	Fiduciary Fund	Total
	Governmental Activities	Business-type Activities			
Equity in pooled cash and investments	\$ 147,470,284	\$ 23,320,004	\$ 170,790,288	\$ -	\$ 170,790,288
Cash and cash equivalents	-	35,670	35,670	1,683,198	1,718,868
Investments	-	-	-	29,256,149	29,256,149
	<u>\$ 147,470,284</u>	<u>\$ 23,355,674</u>	<u>\$ 170,825,958</u>	<u>\$ 30,939,347</u>	<u>\$ 201,765,305</u>

	Component Units			
	Board of Education	Carroll Community College	Library	Industrial Development
Cash and cash equivalents	\$ 7,808,252	\$ 4,773,195	\$ 941,442	\$ 178,360
Investments	1,423,668	3,220,729	89,220	4,777,677
	<u>\$ 9,231,920</u>	<u>\$ 7,993,924</u>	<u>\$ 1,030,662</u>	<u>\$ 4,956,037</u>

Primary Government

Investment Risk

Interest Rate Risk: The County plans its investments to match cash flow requirements. Generally the County does not invest in securities maturing more than two years from the date of purchase and only 30 percent of the lowest investment balance can be invested between one and two years. The only exception is the purchase of U.S Treasury bonds and U.S. Treasury strips for the Agricultural Land Preservation Program. These securities have no coupon and have long-term maturity lengths; therefore, they are very interest rate sensitive. If market rates were to rise, the market value of these securities would decline further than a similar coupon-paying Treasury security. Conversely, if market interest rates were to fall, the market value of these securities would rise further than a similar coupon-paying Treasury security. The County plans to hold these securities to their maturity.

Credit Risk: State law limits investments in bankers' acceptances and commercial paper to the highest letter and numerical rating by at least one nationally recognized statistical rating organization. As of June 30, 2009, the County did not invest in any of these types of investments.

Concentration of Credit Risk: The County places no limit on the amount the County may invest in any one issuer. Under state law, the County can not invest more that 10 percent of it's portfolio in commercial paper.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificate of deposits, repurchase

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments continued

agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government’s name. As of June 30, 2009, the County’s investments were not exposed to custodial credit risk.

The following table displays segmented time distribution investments for the primary government by maturity and investment type as of June 30, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
U.S. government securities	\$ 8,654,777	\$ -	\$ -	\$ 8,654,777
Agency/instrumentalities	37,205,170	32,203,620	5,001,550	-
Money market pools	17,469,811	17,469,811	-	-
Certificates of deposits	10,000,000	10,000,000	-	-
Money rate savings account	96,032,182	96,032,182	-	-
	<u>\$ 169,361,940</u>	<u>\$ 155,705,613</u>	<u>\$ 5,001,550</u>	<u>\$ 8,654,777</u>

Fiduciary Funds

Investment Risk

Investments for the Carroll County Employee Pension, volunteer firemen pension, and other post employment benefit plans are reported at fair value. The plans conform to the reporting requirements of Governmental Accounting Standards Board Statement No. 40.

The Plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Interest rate risk: The Carroll County Employee Pension, volunteer firemen pension and other post employment benefit plans do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following table displays investments for the Carroll County Employee Pension Plan by maturity and investment type as of June 30, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 399,395	\$ 399,395	\$ -	\$ -
Bond fund	4,018,046	-	-	4,018,046
Equity fund	12,103,107	-	-	12,103,107
	<u>\$ 16,520,548</u>	<u>\$ 399,395</u>	<u>\$ -</u>	<u>\$ 16,121,153</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

The following table displays investments for the Volunteer Firemen Pension Plan (LOSAP) by maturity and investment type as of June 30, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 340,013	\$ 340,013	\$ -	\$ -
Equities	3,935,797	-	-	3,935,797
Corporate Bonds	1,816,227	-	-	1,819,892
	<u>\$ 6,092,037</u>	<u>\$ 340,013</u>	<u>\$ -</u>	<u>\$ 5,755,689</u>

The following table displays investments for the Other Post Employment Benefits Plan by maturity and investment type as of June 30, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 891,845	\$ 511,308	\$ -	\$ -
Marketable securities	7,382,972	-	-	3,502,490
	<u>\$ 8,274,817</u>	<u>\$ 511,308</u>	<u>\$ -</u>	<u>\$ 3,502,490</u>

Foreign currency risk:

The Carroll County Pension Plan had the following unrated mutual fund investments with exposure to foreign currency risk from various international currency denominations:

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$1,305,658
Harbor International Fund	855,112

The Volunteer Firemen Pension Plan (LOSAP) had the following unrated mutual fund investments with exposure to foreign currency risk from various international currency denominations:

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$273,018
Harbor International Fund	270,910

Credit risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The manager may purchase any cash instruments having a quality rating of A-2, P-2 or higher by either Moody's or Standard and Poor's. Time deposits and repurchase agreements are also acceptable

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

investment vehicles. Any idle cash not invested by the investment managers shall be invested daily through an automatic interest bearing sweep vehicle.

<u>Ratings</u>	<u>Maximum</u>	<u>Allocation at June 30, 2009</u>
AAA/Aaa	100%	0%
AA/Aa	100%	100%
A/A	100%	0%
BAA/Baa	100%	0%
BBB	20%	0%

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

	<u>Carroll County Pension</u>		<u>LOSAP Pension</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Large Cap Equities	35.0%	55.0%	35.0%	55.0%
Domestic Small Cap Equities	4.5%	14.5%	4.5%	14.5%
Real Estate Equities	5.5%	15.5%	5.5%	15.5%
International Equities	5.0%	15.0%	5.0%	15.0%
Domestic Fixed Income	20.0%	30.0%	20.0%	30.0%
Cash Equivalents	0.0%	5.0%	0.0%	5.0%

Deposits

Primary Government

At year-end, the carrying amount of combined deposits was \$1,709,542, the bank balances were \$1,662,432 and cash on hand was \$485,939. There was \$96,032,182 invested in the banks money market account. Of the bank balances, \$250,000 was covered by federal depository insurance; \$113,884,310 was covered by collateral held by the pledging bank's agent in the entity's name.

Component Units

At year-end, the carrying value of the Board of Education's combined deposits including amounts invested in repurchase agreements was \$8,274,758 and \$1,423,668 was invested in the Maryland Local Government Investment Pool. The bank balance deposits, including amounts invested in repurchase agreements, was \$13,821,204 and cash on hand was \$150,000. Of the bank balance, \$443,584 was covered by federal depository insurance and \$13,377,620 was covered by collateral held by the financial institution's trust department in the Board's name. Statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40, the Board's deposits are not subject to custodial or credit risk at year end. Because of the short-term maturity and type of investments, there is limited interest rate risk.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

Component Units-continued

Deposits-continued

As of June 30, 2009, the cash on hand for petty cash and change in funds for Carroll Community College was \$2,500. The collected bank balance for the College was \$4,239,581. The deposits of the College were not exposed to custodial risk. The College has a savings account with the bank for funds to be transferred daily from the savings account to cover checks as presented.

At June 30, 2009, the College’s cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 2,500
Cash in bank	505,804
Bank money market	3,471,280
Maryland Local Government Investment Pool	413,655
Cash with Carroll Community College Foundation	<u>379,956</u>
	<u>\$4,773,195</u>

As of June 30, 2009, the carrying amount of the Library’s deposits was \$1,030,662 and the bank balance was \$1,485,387. There is no custodial credit risk for either of these investments as the amounts are fully collateralized.

Restricted investments consist of amounts contributed to the Library’s Endowment Fund. The Endowment Fund was established in 1996 by the Board of Trustees of the Library for the purpose of establishing a fund that will enable the Library both to continue and to expand programs that are or will be authorized in accordance with its mission. The funds were originally pooled and invested by the Community Foundation of Carroll County; however, in June 2006, the Library removed the funds from the Foundation and placed them in the bank segregated from operating funds.

As of June 30, 2009, the Industrial Development Authority’s bank balance was \$4,956,037. Of this total, \$10,325 is restricted by agreement for the Warfield Development Corporation redevelopment of the former Springfield Hospital site. As of June 30, 2009 up to \$250,000 of the bank balance is covered by federal depository insurance. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40 (GASB 40), the Industrial Development Authority does not have any custodial or credit risk at year end and the other requirements of GASB 40 are not applicable to the Industrial Development Authority’s cash and cash equivalents.

Note 4 - Budgets and Budgetary Accounting

In April, the budget officer presents recommendations to the County commissioners for review in a public session at which time estimates of revenues and budget requests are assembled for preparation of a proposed budget.

In May, a public hearing is scheduled on the budget. Taxpayers may comment on the operating and capital budgets and presentation of a proposed tax rate.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4 - Budgets and Budgetary Accounting-continued

Following the hearing, a public meeting is held with the County Commissioners for reviewing the comments made at the hearing. The proposed budget is adopted at this time.

In June, certifications of the adoption are made to the Director of Management and Budget who is charged with implementing those phases of operation which will insure that the approved budgets are submitted to all departments, bureaus, or agencies prior to July 1 as well as to insure that the tax billing, effective July 1, reflects the tax rate as set by the County Commissioners. Annual budgets are adopted for the General, Capital and Special Revenue Funds.

The appropriated budget for the General Fund is prepared by function, department, activity and object. The legal level of budgetary control for the County's General Fund is at the function level. Project-length budgets along with the current year's portion of each project are budgeted in the Capital Projects Fund. The appropriated budgets are prepared by individual grants for the Special Revenue Funds. The legal level of budgetary control is at the project level for the Capital Projects Fund and at the program level for the Grant Fund and on an annual basis for Impact Fees Fund, Agricultural Transfer Tax Fund, Hotel Rental Tax Fund, and Cable Franchise Fee Fund.

Transfers in the General Fund can be made between departments with the approval of the Director of Management and Budget. Transfers between functions require legislative approval.

A public hearing is necessary for supplemental budgetary appropriations excluding those pertaining to Grant Funds. Unused budget appropriations lapse at the end of the fiscal year for the General Fund and Special Revenue Funds and at the end of each project in the Capital Projects Fund.

The annual budgets for the General, Special Revenue Funds and the Capital Projects Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as expenditures and real property taxes are budgeted as estimated revenues when levied. All budgetary comparisons presented in this report are on this non-GAAP budgetary basis.

The budgeted amounts are as originally adopted, or as amended by the County Commissioners. There were no supplemental budgetary appropriations necessary for the year ending June 30, 2009.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 5 – Receivables and Unearned Revenues

Receivables

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

	<u>Tax</u>	<u>Accounts</u>	<u>Interest</u>	<u>Notes</u>	<u>Total</u>
<u>Governmental activities</u>					
General fund	\$ 909,291	\$ 315,957	\$ 343,761	\$ 19,253,438	\$ 20,822,447
Capital Projects fund	-	-	4,363	-	4,363
Non-major funds	-	1,730,845	-	-	1,730,845
Internal service fund	-	6,913	-	-	6,913
	<u>909,291</u>	<u>2,053,715</u>	<u>348,124</u>	<u>19,253,438</u>	<u>22,564,568</u>
Uncollectible allowance	(83,000)	-	-	-	(83,000)
Total governmental activities	<u>\$ 826,291</u>	<u>\$ 2,053,715</u>	<u>\$ 348,124</u>	<u>\$ 19,253,438</u>	<u>\$ 22,481,568</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,477,328</u>	<u>\$ 18,477,328</u>

	<u>Accounts</u>	<u>Front Foot Assessment</u>	<u>EDU Assessment</u>	<u>Total</u>
<u>Business-type activities</u>				
Bureau of Utilities fund	\$ 2,153,255	\$ 347	\$ 495,027	\$ 2,648,629
Solid Waste	411,361	-	-	411,361
Airport	209,517	-	-	209,517
Non-major funds	86,947	-	-	86,947
	<u>2,861,080</u>	<u>347</u>	<u>495,027</u>	<u>3,356,454</u>
Uncollectible allowance	(126,939)	-	-	(126,939)
Total business-type activities	<u>\$ 2,734,141</u>	<u>\$ 347</u>	<u>\$ 495,027</u>	<u>\$ 3,229,515</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,257</u>	<u>\$ 227,257</u>

Most of the receivables in the Enterprise Funds are liens on real property that will be collected via the annual tax sale process if not paid. The Airport does not have liens on real property therefore; it has established an allowance account for its receivables.

Activity for the component units for the year ended June 30, 2009 was as follows:

	<u>Accounts Restricted</u>	<u>Accounts Unrestricted</u>	<u>Other Governments</u>	<u>Students</u>	<u>Contributions</u>	<u>Total</u>
<u>Component Units</u>						
Board of Education	\$ -	\$ 558,414	\$ -	\$ -	\$ -	\$ 558,414
Carroll Community College	-	-	304,376	380,807	520,953	1,206,136
Library	272,782	54,911	-	-	-	327,693
Industrial Development Authority	-	7,046,284	-	-	-	7,046,284
	<u>272,782</u>	<u>7,659,609</u>	<u>304,376</u>	<u>380,807</u>	<u>520,953</u>	<u>9,138,527</u>
Uncollectible allowance	-	-	-	(167,647)	-	(167,647)
Total component unit activities	<u>\$ 272,782</u>	<u>\$ 7,659,609</u>	<u>\$ 304,376</u>	<u>\$ 213,160</u>	<u>\$ 520,953</u>	<u>\$ 8,970,880</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,668</u>	<u>\$ 157,668</u>

Component units

Unearned Revenues

Governmental funds report unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and Enterprise Funds

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 5 – Receivables and Unearned Revenues-continued

also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2009, the various components of unearned revenue reported were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<u>Governmental funds</u>			
General Fund:			
Income taxes	\$ 19,603,869	\$ -	\$ 19,603,869
Other	-	1,003,937	1,003,937
City of Westminster	-	84,791	84,791
Capital Projects Fund:			-
Long-term receivable	-	773	773
Grants Fund:			-
Draw down of excess of expenditures	-	2,238,738	2,238,738
Internal Service Fund:			-
Future benefit payments from retirees	-	2,288	2,288
Total governmental funds	<u>\$ 19,603,869</u>	<u>\$ 3,330,527</u>	<u>\$ 22,934,396</u>
<u>Business-type funds</u>			
Bureau of Utilities -cell phone tower rent		\$ 15,732	\$ 15,732
Solid Waste- BGE natural gas		16,888	16,888
Airport-FAA Rentals		26,165	26,165
Total business-type funds		<u>\$ 58,785</u>	<u>\$ 58,785</u>

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers

At June 30, 2009, the Interfund transfers between primary government major and non-major funds were as follows:

	Transfers Out			Total
	General Fund	Capital Projects Fund	Non-Major Fund	
Transfers In:				
General Fund	\$ -	\$ 7,500,000	\$ 1,074,450	\$ 8,574,450
Capital Projects Fund	5,539,700	-	600,000	6,139,700
Bureau of Utilities Fund	206,980	-	-	206,980
Solid Waste Management Fund	2,545,000	-	-	2,545,000
Airport Fund	40,000	-	-	40,000
Non-Major Governmental Funds	1,323,041	-	-	1,323,041
Total transfers	<u>\$ 9,654,721</u>	<u>\$ 7,500,000</u>	<u>\$ 1,674,450</u>	<u>\$ 18,829,171</u>

The primary reason Interfund Transfers are made between the general fund to other major and non-major funds is for the continuation of operations and/or the funding of capital projects.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 – Interfund Receivables, Payables and Transfers-continued

Due to/from Component Units

The due to/from component units at June 30, 2009 consisted of the following:

	<u>Due From</u>	<u>Due to</u>
Primary Government:		
Board of Education	\$ 535,307	\$ 33,005,000
Industrial Development Authority	1,145,560	-
Component Units:		
Primary Government	33,005,000	535,307
Primary Government	-	1,145,560
Total all Funds	<u>\$ 34,685,867</u>	<u>\$ 34,685,867</u>

Due to/from Fiduciary Funds

Due to primary government and due from Other Postemployment Benefit Trust Fund:

	<u>Due From</u>	<u>Due To</u>
Governmental Activities:		
General Fund	\$ -	\$ 616,931
Trust Fund:		
Other Postemployment Benefit Trust	616,931	-
	<u>\$ 616,931</u>	<u>\$ 616,931</u>

Due to/from Other Governmental Funds

Due to primary government and due from Other Governmental Funds-Agricultural Transfer Tax:

	<u>Due From</u>	<u>Due To</u>
Governmental Activities:		
General Fund	\$ -	\$ 69,207
Special Revenue Fund:		
Other Governmental Funds	69,207	-
	<u>\$ 69,207</u>	<u>\$ 69,207</u>

The Agricultural Transfer Tax Fund overdraw their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund.

Internal Balances

Due to primary government and due from Airport Business-type fund:

	<u>Due From</u>	<u>Due To</u>
Governmental Activities:		
General Fund	\$ -	\$ 2,224,994
Business-type Activities:		
Airport Fund	2,224,994	-
	<u>\$ 2,224,994</u>	<u>\$ 2,224,994</u>

The Airport Fund overdraw their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance June 30, 2008	Additions	Transfers and Retirements	Balance June 30, 2009
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 32,483,709	\$ 16,636,471	\$ (15,275)	\$ 49,104,905
Construction in progress	35,740,947	35,452,502	(3,450,342)	67,743,107
Total capital assets, not being depreciated	<u>68,224,656</u>	<u>52,088,973</u>	<u>(3,465,617)</u>	<u>116,848,012</u>
Capital assets, being depreciated:				
Buildings and contents	119,495,960	112,850	-	119,608,810
Improvements other than buildings	26,711,254	1,306,172	-	28,017,426
Automobiles, machinery and equipment	34,607,864	3,767,158	(1,220,246)	37,154,776
Roads and bridges	548,840,232	2,569,674	(114,167)	551,295,739
Total capital assets, being depreciated	<u>729,655,310</u>	<u>7,755,854</u>	<u>(1,334,413)</u>	<u>736,076,751</u>
Less accumulated depreciation for:				
Buildings and contents	27,058,578	2,403,589	-	29,462,167
Improvements other than buildings	11,944,331	1,796,024	-	13,740,355
Automobiles, machinery and equipment	20,048,160	2,587,146	(1,205,198)	21,430,108
Roads and bridges	351,704,764	10,206,607	(94,324)	361,817,047
Total accumulated depreciation	<u>410,755,833</u>	<u>16,993,366</u>	<u>(1,299,522)</u>	<u>426,449,677</u>
Total capital assets, being depreciated, net	<u>318,899,477</u>	<u>(9,237,512)</u>	<u>(34,891)</u>	<u>309,627,074</u>
Governmental activities capital assets, net	<u><u>\$ 387,124,133</u></u>	<u><u>\$ 42,851,461</u></u>	<u><u>\$ (3,500,508)</u></u>	<u><u>\$ 426,475,086</u></u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,625,748	\$ -	\$ -	\$ 8,625,748
Construction in progress	27,685,366	19,818,679	(3,432,736)	44,071,309
Total capital assets, not being depreciated	<u>36,311,114</u>	<u>19,818,679</u>	<u>(3,432,736)</u>	<u>52,697,057</u>
Capital assets, being depreciated:				
Buildings and contents	24,012,011	-	-	24,012,011
Improvements other than buildings	1,530,802	731,267	-	2,262,069
Automobiles, machinery and equipment	5,782,672	1,374,722	(69,488)	7,087,906
Water facilities	22,157,234	628,579	(284,927)	22,500,886
Sewer facilities	39,305,248	2,117,275	202,825	41,625,348
Total capital assets, being depreciated	<u>92,787,967</u>	<u>4,851,843</u>	<u>(151,590)</u>	<u>97,488,220</u>
Less accumulated depreciation for:				
Buildings and contents	5,434,836	480,458	-	5,915,294
Improvements other than buildings	658,990	182,646	-	841,636
Automobiles, machinery and equipment	3,686,708	467,018	(8,596)	4,145,130
Water facilities	5,675,674	327,450	(58,956)	5,944,168
Sewer facilities	12,323,683	556,142	27,044	12,906,869
Total accumulated depreciation	<u>27,779,891</u>	<u>2,013,714</u>	<u>(40,508)</u>	<u>29,753,097</u>
Total capital assets, being depreciated, net	<u>65,008,076</u>	<u>2,838,129</u>	<u>(111,082)</u>	<u>67,735,123</u>
Business-type activities capital assets, net	<u><u>\$ 101,319,190</u></u>	<u><u>\$ 22,656,808</u></u>	<u><u>\$ (3,543,818)</u></u>	<u><u>\$ 120,432,180</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 – Capital Assets-continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$1,887,675
Public Safety	1,415,865
Public Works	10,916,279
Health	136,314
Education	1,176,623
Recreation & Parks	642,122
Economic Development	217,266
Conservation of Natural Resources	17,599
Library/Senior Center	<u>583,623</u>
Total depreciation expense-governmental activities	<u>\$16,993,366</u>

Business-type activities:

Bureau of Utilities	\$1,579,651
Solid Waste	266,818
Septage	16,984
Airport	140,983
Firearms Facility	<u>9,278</u>
Total depreciation expense-business-type activities	<u>\$2,013,714</u>

Component units

Activity for the Board of Education for the year ended June 30, 2009 was as follows:

	Balance at June 30, 2008	Additions	Transfers and Retirements	Balance June 30, 2009
Capital assets not being depreciated				
Land and improvements	\$ 12,549,603	\$ -	\$ -	\$ 12,549,603
Construction in Progress	77,032,529	81,745,203	5,053,730	153,724,002
Total capital assets, not being depreciated	<u>89,582,132</u>	<u>81,745,203</u>	<u>5,053,730</u>	<u>166,273,605</u>
Capital assets being depreciated				
Building and improvements	412,409,198	7,064,930	-	419,474,128
Equipment	41,681,031	2,616,348	1,422,437	42,874,942
Equipment under capital lease	4,816,683	-	-	4,816,683
Total capital assets being depreciated	<u>458,906,912</u>	<u>9,681,278</u>	<u>1,422,437</u>	<u>467,165,753</u>
Less accumulated depreciation				
Buildings and improvements	113,706,075	10,162,915	-	123,868,990
Equipment	29,178,609	3,224,225	1,417,157	30,985,677
Equipment under capital lease	4,816,683	-	-	4,816,683
Total accumulated depreciation	<u>147,701,367</u>	<u>13,387,140</u>	<u>1,417,157</u>	<u>159,671,350</u>
Total capital assets, being depreciated, net	<u>311,205,545</u>	<u>(3,705,862)</u>	<u>5,280</u>	<u>307,494,403</u>
Capital assets, net	<u>\$ 400,787,677</u>	<u>\$ 78,039,341</u>	<u>\$ 5,059,010</u>	<u>\$ 473,768,008</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7 – Capital Assets-continued

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2009 was as follows:

	Balance at June 30, 2008	Additions	Transfers and Retirements	Balance at June 30, 2009
Capital assets not being depreciated				
Art and Doll collection	\$ 348,750	\$ 205,550	\$ -	\$ 554,300
Capital assets being depreciated				
Building Improvements	980,036	56,047	-	1,036,083
Equipment	3,000,287	447,955	324,153	3,124,089
Vehicles	85,656	-	-	85,656
Library Books	1,665,834	88,201	46,618	1,707,417
Total capital assets being depreciated	5,731,813	592,203	370,771	5,953,245
Less accumulated depreciation				
Building improvements	303,921	67,204	-	371,125
Equipment	2,083,451	352,495	324,239	2,111,707
Vehicles	57,425	7,558	-	64,983
Library books	1,525,402	88,180	44,671	1,568,911
Total accumulated depreciation	3,970,199	515,437	368,910	4,116,726
Total capital assets, being depreciated, net	1,761,614	76,766	1,861	1,836,519
Capital assets, net	<u>\$ 2,110,364</u>	<u>\$ 282,316</u>	<u>\$ 1,861</u>	<u>\$ 2,390,819</u>

Activity for the Carroll County Public Library for the year ended June 30, 2009 was as follows:

	Balance at June 30, 2008	Additions	Transfers and Retirements	Balance at June 30, 2009
Capital assets being depreciated by location				
Headquarters	\$ 1,940,248	\$ 134,798	\$ 21,883	\$ 2,053,163
Westminster	419,437	657,090	33,844	1,042,683
Eldersburg	255,716	-	2,466	253,250
Mt. Airy	92,977	14,270	2,825	104,422
North Carroll	86,080	-	918	85,162
Taneytown	137,952	70,193	1,783	206,362
Finksburg	-	63,044	-	63,044
Detention Center	4,923	-	247	4,676
Bookmobile	29,545	-	-	29,545
Circulation materials	2,669,556	1,081,071	836,887	2,913,740
Total capital assets, being depreciated	5,636,434	2,020,466	900,853	6,756,047
Less accumulated depreciation	3,746,928	-	161,375	3,908,303
Capital assets, net	<u>\$ 1,889,506</u>	<u>\$ 2,020,466</u>	<u>\$ 739,478</u>	<u>\$ 2,847,744</u>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2009 was as follows:

	Balance at June 30, 2008	Additions	Transfers and Retirements	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ 3,386,144	\$ 6,305	\$ -	\$ 3,392,449
Construction in Progress	3,345,540	1,330	-	3,346,870
Total capital assets, not being depreciated	6,731,684	7,635	-	6,739,319
Capital assets being depreciated				
Equipment	22,081	-	17,081	5,000
Total capital assets being depreciated	22,081	-	17,081	5,000
Less accumulated depreciation				
Equipment	22,081	-	17,081	5,000
Total capital assets, being depreciated, net	-	-	-	-
Capital assets, net	<u>\$ 6,731,684</u>	<u>\$ 7,635</u>	<u>\$ -</u>	<u>\$ 6,739,319</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt

The following is an analysis of the changes in long-term obligations of the reporting entity for the year ended June 30, 2009.

	Balance July 1, 2008	Additions	Principal Repayments/ Amortization	Balance June 30, 2009	Due Within One Year
Governmental activities:					
Mortgage/Notes Payable	\$ 3,473,927	\$ 741,670	\$ 2,245,694	\$ 1,969,903	\$ 1,031,938
Purchase Agreements	2,583,004	-	150,681	2,432,323	106,112
General Obligation Debt	7,136,864	2,215,126	-	9,351,990	-
General Obligation Bonds	221,174,432	72,088,000	21,633,167	271,629,265	21,694,138
Bonds premium/discount	3,320,478	1,874,448	469,898	4,725,028	515,096
Bond Issuance Costs	(832,746)	(188,749)	(82,807)	(938,688)	(88,427)
Less deferred charges	(3,990,127)	-	(426,274)	(3,563,853)	(426,274)
Subtotal	232,865,832	76,730,495	23,990,359	285,605,968	22,832,583
Net other post employment benefit obligation	7,659,078	8,678,343	135,725	16,201,696	-
Estimated liability for claims in process	1,699,867	1,337,177	1,713,875	1,323,169	1,301,595
Compensated Absences	4,624,673	3,101,400	2,664,714	5,061,359	2,664,714
Governmental activity Long-term liabilities	<u>\$ 246,849,450</u>	<u>\$ 89,847,415</u>	<u>\$ 28,504,673</u>	<u>\$ 308,192,192</u>	<u>\$ 26,798,892</u>
Business-type activities:					
Loans Payable	\$ 3,742,952	\$ -	\$ 806,655	\$ 2,936,297	\$ 846,245
General Obligation Bonds	22,545,035	7,912,000	2,131,606	28,325,429	2,130,673
Unamortized charges	(199,209)	-	(13,023)	(186,186)	(13,022)
Subtotal	26,088,778	7,912,000	2,925,238	31,075,540	2,963,896
Landfill closure/postclosure	9,915,400	337,841	-	10,253,241	-
Compensated Absences	380,168	173,139	145,504	407,803	155,443
Business-type activity Long-term liabilities	<u>\$ 36,384,346</u>	<u>\$ 8,422,980</u>	<u>\$ 3,070,742</u>	<u>\$ 41,736,584</u>	<u>\$ 3,119,339</u>
Component Units:					
Board of Education:					
Net other post employment benefit obligation	\$ 6,653,345	\$ 7,907,000	\$ 3,802,208	\$ 10,758,137	\$ -
Compensated Absences	26,516,905	1,739,279	1,664,385	26,591,799	2,135,000
Capital Lease Obligations	7,749,836	-	486,104	7,263,732	526,126
Total Board of Education	<u>\$ 40,920,086</u>	<u>\$ 9,646,279</u>	<u>\$ 5,952,697</u>	<u>\$ 44,613,668</u>	<u>\$ 2,661,126</u>
Total Reporting Entity	<u>\$ 324,153,882</u>	<u>\$ 107,916,674</u>	<u>\$ 37,528,112</u>	<u>\$ 394,542,444</u>	<u>\$ 32,579,357</u>

For governmental activities, compensated absences and arbitrage liabilities are generally liquidated by the General Fund. Claims liabilities typically have been liquidated in the Internal Service Fund.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

A.) Governmental Activities

Long-term obligations at June 30, 2009 consist of the following:

Mortgage and Notes Payable

The County has entered into several loan agreements with citizens of the County to purchase land easements under the Agricultural Preservation Program. The principal sources of repayment for these notes are the general revenues of the County including property taxes and income taxes. These loans range in maturity dates from April 1, 2010 to April 1, 2012. The principal is fixed with a variable rate of interest. The interest is calculated by taking an average interest rate of what the County’s investment portfolio earned. For fiscal year 2009 the interest rate was 2.12%.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,031,938	\$ 49,248	\$ 1,081,186
2011	737,965	23,449	761,414
2012	200,000	5,000	205,000
Total mortgage and notes payable	<u>\$ 1,969,903</u>	<u>\$ 77,697</u>	<u>\$ 2,047,600</u>

Purchase Agreement

The County entered into a purchase agreement with AAIG Johnson Controls to purchase the installation of energy saving fixtures for various County buildings. The maturity date for this purchase agreement is February 15, 2021. Payments are due semi-annually at an interest rate of 4.04%. The principal sources of repayment for this debt are general revenues of the County including property taxes and income taxes.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 163,752	\$ 99,549	\$ 263,301
2011	170,735	92,566	263,301
2012	178,016	85,285	263,301
2013	185,607	77,694	263,301
2014	193,522	69,779	263,301
2015-2019	1,098,663	217,842	1,316,505
2020-2021	442,028	18,749	460,777
Total purchase agreement	<u>\$ 2,432,323</u>	<u>\$ 661,464</u>	<u>\$ 3,093,787</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued
General Obligation Debt

The County issues general obligation debt to provide funds for the Agricultural Preservation Program to finance Installment Purchase Agreements for land easements. This debt is an obligation of the County for which its full faith and credit are pledged. The principal sources of repayment for this debt are the general revenues of the County including property taxes and income taxes and dedicated interest earnings from federal obligation securities with a maturity of 10-20 years. These loans range in maturity dates from fiscal year 2019 to fiscal year 2029. The interest rates on these purchase agreements range from 4.641% to 6.00%.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ -	\$ 492,328	\$ 492,328
2011	-	492,328	492,328
2012	-	492,328	492,328
2013	-	492,328	492,328
2014	-	492,328	492,328
2015-2019	1,201,212	2,461,640	3,662,852
2020-2024	1,933,554	2,018,074	3,951,628
2025-2029	6,217,224	605,128	6,822,352
Total general obligation debt	<u>\$ 9,351,990</u>	<u>\$ 7,546,482</u>	<u>\$ 16,898,472</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued

General Obligation Debt

The County issues general obligation bonds to provide funds for construction of major capital facilities such as libraries, parks and schools, to loan to the volunteer fire companies and for other general county uses such as construction of roads and bridges. The bonds are obligations of the County for which its full faith and credit are pledged. The principal sources of repayment for the bonds are the general revenues of the County including property taxes and income taxes and to the extent bond proceeds are used to finance loans to the volunteer fire companies loan payments from such entities.

Years Ending June 30,	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2009	Due Within One Year
<u>General Government:</u>					
Watershed Bond of 1972	3.502%	2022	\$ 769,700	\$ 346,250	\$ 20,702
Watershed Bond of 1974	3.649%	2024	253,000	142,628	6,919
Watershed Bond of 1979	3.649%	2031	678,800	444,144	13,518
1998 Public Improvement Bonds	3.50%-4.75%	2018	34,370,665	3,887,637	805,403
1999 Public Improvement Bonds	5.00%-5.505%	2019	21,578,939	488,497	488,497
2000 Public Improvement Bonds	4.25%-5.125%	2020	20,100,000	913,291	228,323
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	3,757,154	471,174
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	5,172,716	592,707
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	6,008,642	2,132,514
2003 Public Improvement Bonds	2.00%-3.85%	2018	7,600,000	3,981,808	341,653
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	16,906,087	1,310,424
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	16,034,927	1,461,268
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	21,781,746	1,817,325
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	13,775,895	1,062,052
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	9,214,154	391,565
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	16,286,540	1,164,829
2007 Refunding Bonds (November)	3.75%-5.25%	2022	6,670,000	6,670,000	385,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	28,294,094	28,294,094	-
Subtotal General Government				\$ 154,106,210	\$ 12,693,873
<u>Board of Education:</u>					
1998 Public Improvement Bonds	3.50%-4.75%	2018	34,370,665	6,181,583	1,326,823
1999 Public Improvement Bonds	5.00%-5.505%	2019	21,578,939	590,450	590,450
2000 Public Improvement Bonds	4.25%-5.125%	2020	20,100,000	3,106,709	776,677
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	2,189,777	274,614
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	3,958,034	453,525
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	4,337,046	1,539,252
2003 Public Improvement Bonds	2.00%-3.85%	2018	7,600,000	1,422,075	122,019
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	11,400,964	883,711
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	84,278	7,680
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	2,919,779	243,607
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	3,257,696	251,153
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	12,395,508	526,761
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	1,431,265	102,365
2008 Public Improvement Bonds	3.25%-5.00%	2028	43,613,906	43,613,906	-
Subtotal Board of Education				\$ 96,889,070	\$ 7,098,637

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued
General Obligation Debt

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
<u>Volunteer Fire Companies:</u>					
1997 Fire Company Bonds	4.00%-5.00%	2017	\$ 5,525,000	\$ 2,475,000	\$ 275,000
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	183,218	22,977
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	469,250	53,768
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	1,490,000	130,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	1,626,670	119,806
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	670,000	85,000
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	2,315,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	519,847	40,078
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	1,325,000	125,000
2008 Public Imporvement Bonds	3.25%-5.00%	2028	180,000	180,000	-
Subtotal Volunteer Fire Companies				<u>\$ 11,253,985</u>	<u>\$ 1,046,629</u>
2004 Taxable Pension Bonds	4.25%-5.25%	2019	\$ 12,800,000	<u>\$ 9,380,000</u>	<u>\$ 855,000</u>
Subtotal Bonds Payable				<u>\$ 271,629,265</u>	<u>\$ 21,694,139</u>
Bond premium/ discount				4,725,028	515,096
Bond Issuance Costs				(938,688)	(88,427)
Deferred loss on refunding issues				(3,563,853)	(426,275)
Total Bonds payable, net of bond costs				<u>\$ 271,851,752</u>	<u>\$ 21,694,533</u>

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2009, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Governmental activities:</u>			
2010	\$ 21,694,140	\$ 10,991,658	\$ 32,685,798
2011	21,038,084	10,147,523	31,185,607
2012	23,808,434	9,250,159	33,058,593
2013	21,804,601	8,346,700	30,151,301
2014	21,709,998	7,482,330	29,192,328
2015-2019	97,098,996	24,298,370	121,397,366
2020-2024	45,358,394	8,467,483	53,825,877
2025-2029	19,060,671	2,354,270	21,414,941
2030-2031	55,947	3,073	59,020
Total governmental activities	<u>\$ 271,629,265</u>	<u>\$ 81,341,566</u>	<u>\$ 352,970,831</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

B.) Business-type activities

Bureau of Utilities

Loans Payable-Special Assessment Debt with Governmental Commitment

The County has issued the following special assessment debt to provide funds for upgrading the Freedom District Sewer Treatment Plant and the Filters and Clarifiers for the Hampstead Wastewater Treatment Plant. These bonds are being repaid from Area Connection Charges and Front Foot Assessments charged to the users of the plants. In the event revenues collected for Front Foot Assessments and Area Connection Charges do not cover the debt service payment when due, the County must provide resources to cover the deficiency until other resources are received. This debt is backed by the full faith and credit of the County.

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
Maryland Water Quality Financing:					
1990 Revolving Loan- Freedom	3.00%-4.894%	2012	\$ 11,541,350	\$ 2,586,899	\$ 821,061
2002 Revolving Loan- Hampstead	2.60%	2021	532,680	349,398	25,184
Total Loans Payable				<u>\$ 2,936,297</u>	<u>\$ 846,245</u>

The annual requirements to amortize loans payable outstanding as of June 30, 2009, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 846,245	\$ 157,979	\$ 1,004,224
2011	887,793	124,712	1,012,505
2012	930,395	89,796	1,020,191
2013	27,200	8,783	35,983
2014	27,907	8,076	35,983
2015-2019	150,804	29,112	179,916
2020-2021	65,953	6,013	71,966
Total Loans Payable	<u>\$ 2,936,297</u>	<u>\$ 424,471</u>	<u>\$ 3,360,768</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

B.) Business-type activities—continued
General Obligation Bonds

General obligation bonds have been issued for proprietary activities in addition to those of the general government. Bonds reported in the proprietary funds are expected to be repaid from proprietary revenues.

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
<u>Bureau of Utilities:</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	\$ 2,521,062	\$ 126,053	\$ 126,053
2001 Public Improvement Bonds	3.25%-4.20%	2016	18,501	9,852	1,236
2003 Public Improvement Bonds	2.00%-3.85%	2018	990,000	703,927	60,399
2004 Refunding Bonds	2.00%-3.70%	2019	2,166,412	1,911,002	148,126
2004 Public Improvement Bonds	3.00%-4.00%	2019	378,474	277,368	25,277
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	241,962	20,188
2006 Public Improvement Bonds	3.50% -4.00%	2021	200,000	188,004	14,493
2007 Refunding Bonds (January)	3.50%-5.00%	2020	212,504	198,227	8,423
2007 Public Improvement Bonds	3.75%-5.25%	2022	9,401,000	8,773,510	627,490
2008 Public Improvement Bonds	3.25%-5.00%	2029	7,616,000	7,616,000	-
Subtotal Bureau of Utilities				<u>\$ 20,045,905</u>	<u>\$ 1,031,685</u>
<u>Solid Waste Fund</u>					
1998 Refunding Bonds	3.50%-4.75%	2018	454,335	245,780	42,775
2003 Refunding Bonds	2.0%-3.85%	2018	3,727,776	1,319,312	468,234
2004 Refunding Bonds	2.00%-3.70%	2019	1,004,270	885,871	68,666
2004 Public Improvement Bonds	3.00%-4.00%	2019	2,449,026	1,794,788	163,560
2007 Refunding Bonds (January)	3.50%-5.00%	2020	345,658	322,436	13,702
2007 Public Improvement Bonds	3.75%-5.25%	2022	604,000	563,685	40,315
2008 Public Improvement Bonds	3.25%-5.00%	2029	296,000	296,000	-
Subtotal Solid Waste Fund				<u>\$ 5,427,872</u>	<u>\$ 797,252</u>
<u>Airport Fund</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	500,000	25,000	25,000
2000 Public Improvement Bonds	4.25%-5.125%	2020	600,000	120,000	30,000
2001 Public Imp. Bonds-Taxable	3.25%-4.75%	2021	2,200,000	1,430,000	110,000
2003 Public Improvement Bonds	2.00%-3.85%	2018	425,000	302,191	25,929
2004 Refunding Bonds	2.00%-3.70%	2019	278,964	246,075	19,074
2004 Public Improvement Bonds	3.00%-4.00%	2019	407,500	298,640	27,215
2005 Public Improvement Bonds	3.50%-4.125%	2020	58,555	46,512	3,881
2007 Refunding Bonds (January)	3.50%-5.00%	2020	240,854	224,674	9,548
Subtotal Airport Fund				<u>\$ 2,693,092</u>	<u>\$ 250,647</u>
<u>Septage Fund</u>					
2006 Public Improvement Bonds	3.50%-4.00%	2021	200,000	158,560	12,224
Subtotal Septage Fund				<u>\$ 158,560</u>	<u>\$ 12,224</u>
Subtotal Bonds Payable				28,325,429	2,091,808
Unamortized Charges				(186,186)	(13,022)
Total Bonds Payable, net of bond costs				<u>\$ 28,139,243</u>	<u>\$ 2,078,786</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

B.) Business-type activities-continued
General Obligation Bonds-continued

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2009, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-type activities:</u>			
2010	\$ 2,091,808	\$ 1,127,702	\$ 3,219,510
2011	1,964,280	1,049,053	3,013,333
2012	2,250,606	964,260	3,214,866
2013	1,991,382	871,450	2,862,832
2014	2,043,206	794,388	2,837,594
2015-2019	9,585,876	2,780,484	12,366,360
2020-2024	6,126,842	1,100,332	7,227,174
2025-2029	2,271,429	279,560	2,550,989
Total business-type activities	<u>\$ 28,325,429</u>	<u>\$ 8,967,229</u>	<u>\$ 37,292,658</u>

Advance Refunding – Prior Years

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. On June 30, 2009, \$31,252,303 of general obligation bonds outstanding from prior years is considered defeased.

Other

The County actively encourages industrial and commercial enterprises to locate and remain in the county by, among other things, the issuance of industrial development revenue bonds pursuant to the Industrial Development Bond Act and the Maryland Industrial Development Financing Authority (MIDFA). These bonds do not constitute an indebtedness of, or a charge against, the general credit or taxing powers of the County. All issues are prepared under the direction of the Carroll County Economic Development Commission. The issues that have been sold as of June 30, 2009 amounted to \$56,585,000.

C.) Component Units

During the fiscal year ended June 30, 2009, no new capital leases were entered into by the Board of Education. In October of 2004, Phase IV of any energy management plan was entered into providing air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8 – Long-Term Debt—continued

The Board of Education leases energy management equipment pursuant to capital lease agreements entered into in prior years. Payments made on capital leases are recorded in the General Fund. Future minimum lease obligations are as follows:

<u>Years Ending June 30,</u>	<u>Energy Management Equipment</u>
2010	783,286
2011	806,785
2012	830,988
2013	855,918
2014	881,595
2015-2019	<u>4,643,149</u>
	8,801,721
less interest	<u>(1,537,989)</u>
Present value of future minimum lease payments	<u><u>\$ 7,263,732</u></u>

Interest expense related to capital leases was \$274,368 for the year ended June 30, 2009.

Changes in compensated absences payable for the year ended June 30, 2009 for the Board of Education were as follows:

Balance at June 30, 2008	\$26,516,905
Additions	1,739,279
Reductions	<u>(1,664,385)</u>
Balance at June 30, 2009	\$26,591,799
Amounts due within one year	<u>(2,135,000)</u>
Compensated absence non-current portion	<u><u>\$24,456,799</u></u>

Capital lease and compensated absence liabilities are generally liquidated by the general fund.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 – Lease Obligations

Operating Leases

Primary Government

The County is committed under various leases for office space, other equipment and preventative maintenance as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2009 for the County amounted to \$244,991. Future lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2010	\$254,515

The County is committed under various rental lease agreements as lessor. All leases are considered for accounting purposes to be collectable leases. Lease revenues for the year ended June 30, 2009 amounted to \$1,363,239. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2010	\$931,514
2011	931,514
2012	931,514
2013	931,514
2014	931,514
2015-2019	4,657,570
2020-2024	3,190,324
2025-2092 (\$1 per year)	68

The cost and carrying amount of the leased assets are as follows:

Asset: Buildings	\$39,155,044
Less: Accumulated depreciation	<u>(7,527,622)</u>
Net carrying value	<u>\$31,627,422</u>

Component Units

The Library's administrative offices were located in a business park near the Westminster airport. During fiscal year 2008, the lease on this facility was extended to September 30, 2008 until which time they were able to move to their new location in New Windsor. Rent expense for the year ended June 30, 2009 was \$74,706. The Library was also charged \$4,561 per month for common area maintenance as specified in the lease.

The Community College entered into a ninety-nine year lease agreement with the County for instructional facilities commencing December 30, 1993 with annual rent in the amount of \$1.

The College has also entered into an operating lease with the Xerox Corporation for copier services. The total lease expense for fiscal year 2009 totaled \$182,706. The College renewed its operating lease in July 2009, extending the lease agreement until July 2013.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9 – Lease Obligations-continued

Future minimum payments on operating leases are as follows:

2010	\$189,446
2011	189,446
2012	189,446
2013	189,446
2014	189,446
Thereafter	<u>15,787</u>
Total	<u>\$ 773,571</u>

Note 10 – Landfill Closure, Postclosure and Remediation Costs

The County operates one public disposal facility, Northern landfill that opened in 1988. The landfill opened a new cell in April 2008. The landfill currently has three closed cells and two active cells which are 97.0 percent and 15 percent filled. In addition, two cells are available for construction and use. However, beginning July 1, 1997 the County elected to transfer all solid waste out-of-state. The remaining life of the landfill's active and new cells cannot be projected at this time.

Total closure and postclosure costs of Northern landfill are estimated to be \$3,802,800 of which 100% has been accrued as of June 30, 2009. In 1994, the County stopped accepting solid waste at its Hoods Mill landfill, with only 30 of 60 acres available being used for landfill deposits.

In addition, the County has recorded an estimated liability of \$1,450,441 for annual monitoring costs of closed landfills. An additional \$5,000,000 for remedial care of two landfills closed in prior years, as well as other environmental concerns, has also been accrued.

The County is currently in compliance with a consent order with the Maryland Department of the Environment requiring remedial action. The County is currently working with the department to comply with the consent order and the estimated costs to comply are included in the postclosure and remediation cost liability stated above.

The County uses the local government financial test to demonstrate financial assurance for closure and post-closure costs, as specified by the Environment Protection Agency, subpart G of 40 CFR part 258. The current costs of closure and postclosure care are estimates and are subject to change resulting from inflation/deflation, technology or changes in applicable laws or regulations. These costs are subject to annual evaluation. The County intends on using general obligation bonds and tipping fee user revenues to fund this liability.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans

Carroll County Employee Pension Plan

The Carroll County Government administers the defined benefit pension plan for its employees.

Plan Description: The Carroll County Employee Pension Plan (CCEPP) is a single-employer defined benefit pension plan that covers regular employees employed on or after July 1, 2003 who are not eligible to participate in the Maryland State Pension or Retirement Plans. The defined benefit is determined by the creditable years of service an employee has. After July 1, 2003, creditable service is provided for each pay period worked, with service pro-rated for employees with less than 60 hours worked in a pay period. For those employees with service between July 1, 1985 and June 30, 2003 creditable service is based on the amount of time between their date of hire and June 30, 2003. The Carroll County Government does not issue a separate audited financial statement for CCEPP.

Employees will be eligible to begin drawing their pension when they retire after 30 years of service or at age 62. The County does provide an early retirement at age 55 if the employee has at least 3 years of Eligibility Service and the sum of age and the employee’s service years equals or exceeds 80.

The plan provides retirement and death benefits to plan members or the plan member’s beneficiaries.

Basis of Accounting: The Carroll County Employee Pension 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 are recognized when due and payable in accordance with the terms of the plan.

The most current actuarial valuation was completed as of July 1, 2008. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	53
Terminated plan members entitled to, but not yet receiving benefits	117
Active plan members	<u>844</u>
Total	<u>1,014</u>

Contributions: Plan members are required to contribute 2 percent of their annual base pay. The County contributed 2.7 percent of the employees’ annual base pay. Administrative costs of CCEPP are financed through investment earnings.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

Annual Pension Cost (APC) and Net Pension Obligation (NPO) to Carroll County for the CCEPP are as follows:

Annual Pension Cost	\$ (1,301,090)
Interest	364,557
Adjustment to annual required contribution	<u>(365,087)</u>
Adjusted Annual Pension Cost	(1,301,620)
Contributions made	<u>958,230</u>
Decrease in negative net pension obligation	(343,390)
Negative net pension obligation - beginning of year	<u>5,207,962</u>
Negative net pension obligation - end of year	<u>\$ 4,864,572</u>

The annual required contribution was determined as part of the July 1, 2008, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return compounded annually (b) projected salary increases due to inflation and seniority/merit raises as follows:

<u>Age</u>	<u>Rate</u>
25	8.75%
35	5.75%
45	5.25%

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2008, was 15 years.

During the year ended June 30, 2008, the Carroll County Employee Pension Plan (CCEPP) experienced an investment return of -8.8%. The impact of the current year loss on the schedules of funding progress will not be known until the annual actuarial valuation process is completed later in the year, however, estimates indicate a probable decline in the ratio of valuation assets to the unfunded actuarial accrued liabilities (AAL) from 105% as of June 30, 2007 to 83.7% as of June 30, 2008 for the CCEPP. In addition, the actuarial valuation of assets is determined by smoothing the asset gain or loss over a four year period. The impact of the investment loss experienced during the year ended June 30, 2008 on the future actuarial valuation of assets has not been determined and could have a significant impact on the ratio of assets to AAL for the pension in the future years.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued
Trend Information since inception for CCEPP:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	% of APC <u>Contributed</u>	Actual <u>Contribution</u>	Negative Net <u>Pension Obligation</u>
2004	\$ 971,673	100%	\$ 971,673	\$0
2005	1,102,651	100%	1,102,651	0
2006	1,207,814	492%	5,937,730	4,729,916
2007	920,956	140%	1,292,361	371,405
2008	877,783	112%	985,423	107,640
2009	1,301,090	74%	958,230	(342,860)

Statement of Plan Net Assets
Carroll County Employee Pension Plan

Assets:	
Cash and cash equivalents	\$ 399,395
Investments at fair value:	
Bond funds	4,018,046
Equity funds	12,103,107
Total assets	<u>16,520,548</u>
Liabilities:	
Accounts payable	8,637
Total Liabilities	<u>8,637</u>
Net Assets:	
Held in trust for pension benefits and other purposes	<u><u>\$ 16,511,911</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

Statement of Changes in Plan Net Assets
Carroll County Employee Pension Plan

ADDITIONS	
Contributions:	
Employer	\$ 958,230
Plan Members	703,808
Total Contributions	1,662,038
Investment earnings:	
Interest and dividends	5,090
Net increase or (decrease) in the fair value of investments	(4,606,863)
Total investment earnings	(4,601,773)
Less investment expense	(48,213)
Net investment earnings	(4,649,986)
Total additions	(2,987,948)
DEDUCTIONS	
Benefits	302,083
Administrative expenses	10,780
Total deductions	312,863
Change in net assets	(3,300,811)
Net assets-beginning of year	19,812,722
Net assets-end of year	\$ 16,511,911

The Schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress-(Inception to Date)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2003	\$ 4,202,389	\$ 9,102,026	46.17%	\$ 4,899,637	\$ 22,776,364	21.51%
July 2, 2004	5,674,732	11,194,171	50.69%	5,519,439	24,418,750	22.60%
July 1, 2005	7,756,722	13,869,601	55.93%	6,112,879	26,845,507	22.77%
July 1, 2006	15,565,298	16,521,545	94.21%	956,247	29,792,411	3.21%
July 1, 2007	20,292,642	19,319,341	105.04%	(973,301)	32,402,466	-3.00%
July 1, 2008	19,812,722	23,665,095	83.72%	3,852,373	34,985,753	11.01%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

For the CCEPP, the annual pension cost (APC) and negative net pension obligation (NPO) were:

Fiscal Year Ended	Annual Pension Cost	Interest on Negative NPO	APC Adjustment	Actual Pension Costs	Total Employer Contribution	Change in Negative NPO	Beginning Negative NPO	Ending Negative NPO
2006	\$ 1,207,814	\$ -	\$ -	\$ -	\$ 5,937,730	\$ 4,729,916	\$ -	\$ 4,729,916
2007	920,956	(331,094)	331,575	921,437	1,292,361	370,924	4,729,916	5,100,840
2008	877,783	(357,059)	357,577	878,301	985,423	107,122	5,100,840	5,207,962
2009	1,301,090	(364,557)	365,087	1,301,620	958,230	(343,390)	5,207,962	4,864,572

Schedule of Employer Contributions- (Inception to Date)

Year Ended June 30:	Annual Pension Cost	Actual Contribution	Percentage Contributed
2004	\$ 971,673	\$ 971,673	100%
2005	1,102,651	1,102,651	100%
2006	1,207,814	5,937,730	492%
2007	920,956	1,292,361	140%
2008	877,783	985,423	112%
2009	1,301,090	958,230	74%

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

Valuation date	7/1/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	Varies by age (8.75% at age 25 to 5.25% at age 45)
Projected payroll increases	3% per year
Salary valuation	36-month average highest pay
Post retirement cost-of-living adjustments	2%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)

The Carroll County Government administers a single employer defined benefit length of service award program (LOSAP) for volunteer members of all Carroll County Fire Companies or Departments. Members are eligible to participate in the service award plan if they are certified as an active member and attain 50 points for each year of service. Once they reach 25 years of service and age 60, they may begin receiving disbursements from LOSAP. Benefits are calculated at \$125 per month for life for the first 25 years. An additional payment of \$8 per month shall be added to the benefits for each full year of service in excess of 25 years. LOSAP provides a burial benefit of \$5,000 for qualified volunteer firemen upon their death.

Basis of Accounting: The LOSAP plan’s financial statements are prepared using the accrual basis of accounting. The county contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds 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 exchange are valued at the last reported sales price on the government’s balance sheet date. The Carroll County Government does not issue a separate audited financial statement for LOSAP.

The most current actuarial valuation was completed as of January 1, 2009. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	180
Terminated plan members entitled to, but not yet receiving benefits	22
Active plan members	<u>711</u>
Total	<u>913</u>

Funding Policy: Carroll County must provide annual contributions that satisfy the required amount to fund this program. Funding of this program shall be reviewed every 5th year to determine if any changes should be made. There are no participant-financed benefits in this plan. Administrative costs are financed through investment earnings.

Annual Pension Cost (APC) and Net Pension Obligation (NPO) to Carroll County for LOSAP are as follows:

Annual Pension Cost	\$ 0
Interest	70,000
Adjustment to annual required contribution	<u>(100,000)</u>
Adjusted Annual Pension Cost	(30,000)
Contributions made	<u>0</u>
Decrease in negative net LOSAP obligation	(30,000)
Negative net LOSAP obligation - beginning of year	<u>1,000,000</u>
Negative net LOSAP obligation - end of year	<u>\$ 970,000</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

The annual required contribution was determined as part of the January 1, 2009, actuarial valuation using the traditional unit credit actuarial cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return compounded annually. The Firemen are volunteers and therefore would not have a projected salary increase. The assumptions did not include post retirement benefit increases since none are provided. The actuarial value of assets was determined using market value as of January 1, 2009. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at January 1, 2009, was 4 years.

Trend Information for LOSAP:

Fiscal Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Actual Contribution	Negative Net LOSAP Obligation
2004	\$0	N/A	\$0	\$0
2005	0	N/A	0	0
2006	0	N/A	0	0
2007	0	N/A	0	0
2008	0	N/A	1,000,000	1,000,000
2009	0	N/A	0	970,000

Statement of Plan Net Assets
Volunteer Firemen Pension Plan (LOSAP)

Assets:

Cash and cash equivalents	\$ 340,013
Investments at fair value:	
Bond funds	1,816,227
Equity funds	3,935,797
Total assets	<u>6,092,037</u>

Liabilities:

Accounts payable	<u>5,227</u>
Total liabilities	<u>5,227</u>

Net Assets:

Held in trust for pension benefits and other purposes	<u><u>\$ 6,086,810</u></u>
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THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

Statement of Changes in Plan Net Assets
Volunteer Firemen Pension Plan (LOSAP)

ADDITIONS

Contributions:

Investment earnings:

Interest and dividends	\$	4,155
Net decrease in the fair value of investments		(1,645,385)
Total investment losses		(1,641,230)
Less investment expense		(12,825)
Net investment losses		(1,654,055)
Total losses		(1,654,055)

DEDUCTIONS

Benefits		536,314
Administrative expenses		2,200
Total deductions		538,514
Change in net assets		(2,192,569)
Net assets-beginning of year		8,279,379
Net assets-end of year	\$	6,086,810

The Schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)
January 1, 1997	\$ 1,000,000	\$ 3,068,020	32.59%	\$ 2,068,020
January 1, 2003	6,767,155	4,465,745	151.53%	(2,301,410)
January 1, 2006	7,233,605	5,259,708	137.53%	(1,973,897)
January 1, 2009	6,218,088	7,327,879	84.86%	1,109,791

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

Schedule of Employer Contributions

Year Ended June 30:	Actual Contribution	Percentage Contributed
2004	\$ -	N/A
2005	-	N/A
2006	-	N/A
2007	-	N/A
2008	1,000,000	N/A
2009	-	N/A

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

Valuation date	1/1/2009
Actuarial cost method	Traditional unit credit
Amortization method	Level dollar
Remaining amortization period	4 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	N/A
Post retirement cost-of-living adjustments	N/A
Service Credit after Retirement	Potential to earn additional service and benefits after “retire” allowing their benefit to increase further.

Component Units

The Maryland State Retirement and Pension System (the State System) includes the Teachers Retirement System of State of Maryland and the Teachers Pension System of the State of Maryland, and are cost-sharing multiple-employer public employee retirement systems. The State System provides pension, death and disability benefits to plan members and beneficiaries. The plan is administered by the State

Retirement Agency (the Agency). Responsibility for the administration and operation of the State System is vested in a 14-member Board of Trustees. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland. The Agency issued a publicly available financial report that includes financial statements and required supplementary information for the State System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202, or by calling 410-625-5555.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

Professional and classified employees, other than security and plant operations employees, for the College and the Library are covered by either the Teachers Retirement System of the State of Maryland or the Teachers Pension System of the State of Maryland.

The employees of the Board of Education are covered by the State Retirement and Pension system of Maryland. Most employees participate in the State System. The Board accounts for the plan as a cost-sharing multiple-employer public employee retirement system, as a separate valuation is not performed for the Board, and the only obligation to the System is its required annual contributions.

Funding Policy: The State Personnel and Pensions Article require active members of the Library and the College to contribute to the System at the rate of 5 percent or 7 percent of their covered salary depending upon the retirement option selected. The combined State contribution rate for the Library for 2007 of 10.27 percent of covered payroll is established by annual actuarial valuations. The covered payroll for the College was \$4,812,807. The rate is sufficient to fund normal costs and amortize the unfunded actuarial accrued liability over a 40-year period (as provided by law) from July 1, 1980.

The Board of Education’s required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State System, all benefits of the State System are funded in advance. The entry age normal cost method is the actuarial cost method used. Both the Board and covered employees are required by State statute to contribute to the State System. The employees contribute 5 percent to 7 percent of compensation, as defined, depending on the participant’s plan.

The State’s contributions on behalf of respective component units for the years ended June 30, 2009, 2008 and 2007 were as follows:

Component Units	<u>2009</u>	<u>2008</u>	<u>2007</u>
Board of Education	\$18,818,980	\$17,271,292	\$13,436,187
Community College	540,890	518,887	398,618
Library	480,443	476,223	379,045

401(k) Retirement Plan

The County offers a defined contribution 401(k) retirement plan to all its eligible employees. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. This plan is self administered, with record keeping provided through the American Funds Group. This plan is governed by regulations and statutes promulgated by the Internal Revenue Service. The authorization for this plan was made by the County Commissioners effective July 1, 1985. The plan was most recently amended and restated effective July 1, 2006.

Employees are eligible to participate upon hire if employment is at least at the half-time level. In addition, the employee cannot be a member of the “Maryland State Employees’ Retirement System.”

Employees may contribute up to an amount as limited by applicable law, and not in excess of a member’s annual compensation. The plan is contributory on a voluntary basis with all contributions being paid to the trustee. The County makes a basic contribution for each participant equal to 3 percent of

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11– Pension Plans–continued

compensation. In addition, the County matches the employee’s contribution up to 4 percent of compensation, at the rate of \$0.75 for each dollar contributed by the employee. The County’s basic contributions for each employee and the interest allocated to the employee’s account are fully vested immediately. The additional matching contributions made by the County are 100 percent vested after two years’ service or if the participant dies, becomes disabled or reaches age sixty-five. Participants who leave employment before being fully vested forfeit the portion of their account that resulted from the employer’s matching contributions.

The County’s and the employees’ contributions for the year ended June 30, 2009 were \$2,220,641 and \$2,853,296, respectively.

The County amended the current 401(k) Plan document to allow employees to make post-tax “Roth” contributions effective January 1, 2007. Approximately 5% of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2009.

Note 12 – Postemployment Benefits Other Than Pension Benefits

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland

Plan Description: The Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (RBTCCCC) is a single-employer defined benefit plan that provides access to medical insurance benefits to eligible retirees who retire from County service in accordance with County policy.

The County incurred total post-employment medical plan benefit expenditures of \$2,323,100 during the fiscal period ending June 30, 2009. Of this amount, the County paid \$2,162,498 and the retirees paid \$160,602.

Retirees with at least ten years of continuous County service may qualify for membership in the County’s retiree group medical plan(s). Full-time employees who retire can also insure their spouses. As of June 30, 2009 retirees pay between 8 percent and 100 percent of the County’s full premium equivalent cost, based upon their age and years of County service at retirement. As of June 30, 2009, 168 Primary Government retirees and 139 retiree spouses were eligible to receive benefits. Of these, 164 retirees and 134 spouses were enrolled. Retirees who are eligible for County contributions toward the cost of their medical plan may elect to discontinue coverage and re-enroll at future “open enrollment” periods.

Basis of Accounting: The Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (RBTCCCC) 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. Medicare Part D funds are recognized in the period in which they are received. Benefits and refunds are recognized when due and payable in accordance with the term of the plan.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

The most current actuarial valuation was completed as of July 1, 2008. The membership data related to the plan was as follows:

Number of Participants	
Active employees	987
Deferred vested terminations	-
Retirees in pay status (pre Medicare)	91
Retirees in pay status (Medicare age)	<u>196</u>
 Total	 <u>1,274</u>

Contributions: The County appropriated in FY 2009 to contribute \$5,615,800 towards the ARC for the Other Postemployment Benefit fund. Retirees contribute a portion of their health care cost which is based on their age and years of service with the County. Administrative costs of the RBTCCCC are financed through investment earnings.

Annual other postemployment benefit cost (AOPEBC) and net other post employment benefit obligation to the Retiree Benefit Trust, Board of County Commissioners of Carroll County, Maryland are as follows:

Annual required contribution	\$ 14,137,000
Interest on net OPEB obligation	(264,106)
Adjustment to annual required contribution	<u>421,249</u>
Annual OPEB cost	14,294,143
Contributions made	<u>(5,751,525)</u>
Increase in net OPEB obligation	8,542,618
Net OPEB obligation - beginning of year	<u>7,659,078</u>
Net OPEB obligation - end of year	<u>\$16,201,696</u>

The annual OPEB cost was determined as part of the July 1, 2009, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.5% investment rate of return compounded annually, (b) projected turnover rates are as follows:

<u>Age</u>	<u>Rate</u>
25	13.1%
35	7.3%
45	3.6%

The actuarial value of assets was determined using the fair value as of July 1, 2009.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2008, was 20 years.

Trend Information since inception for RBTCCCC:

Fiscal Year <u>Ending</u>	Annual OPEB <u>Cost (AOPEBC)</u>	% of AOPEBC <u>Contributed</u>	Actual <u>Contribution</u>	Net OPEB <u>Obligation</u>
2008	\$12,949,370	41%	\$5,290,292	(\$7,659,078)
2009	\$14,137,000	41%	\$5,751,525	(\$8,385,475)

Statement of Plan Net Assets
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

Assets:	
Cash and cash equivalents	\$ 891,845
Investments at fair value:	
Marketable securities	7,382,972
Total assets	<u>8,274,817</u>
Liabilities:	
Due to primary government	616,931
Total liabilities	<u>616,931</u>
Net Assets:	
Held in trust for OPEB and other purposes	<u><u>\$ 7,657,886</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Statement of Changes in Plan Net Assets
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

ADDITIONS

Contributions:	
Employer	\$ 5,615,800
Plan members	160,602
Contributions from sources other than employer(s) and plan members	<u>129,435</u>
Total contributions	5,905,837
Investment earnings:	
Interest and dividends	26,411
Net increase or decrease in the fair value of investments	<u>380,482</u>
Total investment earnings	<u>406,893</u>
Less investment expense	<u>(12,802)</u>
Net investment earnings	394,091
Total additions	6,299,928
DEDUCTIONS	
Benefits	2,323,100
Administrative expenses	<u>3,000</u>
Total deductions	<u>2,326,100</u>
Change in net assets	3,973,828
Net assets-beginning of year	<u>3,684,058</u>
Net assets-end of year	<u><u>\$ 7,657,886</u></u>

The Schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Annual Covered Payrol (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2007	\$ -	\$ 130,235,824	0.00%	\$ 130,235,824	\$ 45,254,838	287.78%
July 1, 2008	3,684,058	141,592,000	2.60%	137,907,942	47,311,688	291.49%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Schedule of Employer Contributions

Year Ended June 30:	Annual Required Cost	Amount Contributed by Employer	Percentage Contributed by Employer	Federal Subsidy	Total Percentage Contributed
2008	\$ 12,949,370	\$ 5,290,292	41%	\$ 6,290	41%
2009	14,137,000	5,615,800	40%	129,435	41%

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

Valuation date	7/1/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	20 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	5.5%
Projected salary increases	3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, the plan, and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods of Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Employees with current medical enrollment with Carroll County Government that were hired before 5/1/2005 are assumed to elect medical coverage 98% of the time. After 5/1/2005, the election of medical enrollment that will elect medical coverage at retirement is based on the following rates:

<u>Years of Service</u>	<u>Election Rate</u>
Less than 10	N/A
10 to 14	80%
15 to 19	90%
20 to 24	95%
25 or more	100%

Component Units

Library

Plan Description. The Library provides medical insurance benefits to eligible employees who retire from employment with the Carroll County Public Library in accordance with a contractual agreement through the County.

Retirees with at least ten years of service (fifteen years for those hired after May 1, 2005), are eligible for medical insurance coverage during retirement. The cost of this coverage is subsidized by the employer for those who meet certain age and service requirements. Spousal coverage is also available for eligible full time employees who retire. Retirees who are eligible for this subsidy may elect to discontinue and re-enroll at a later date.

Funding Policy. Retirees pay between 6 percent and 100 percent of the County’s full premium equivalent cost, based upon age and years of service at retirement. The County pays the Library’s share of the employer contribution on behalf of the Library based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The payments made by the County on behalf of the Library for the year ended June 30, 2009 and 2008 was \$678,301 and \$581,198 respectively.

Board of Education

The Board provides medical benefits to retirees pursuant to two medical benefit plans for retired employees based on negotiated agreements with various bargaining groups. For retirees over the age of 65 who retired prior to September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree’s years of service and ranges from 10% to 100%. For retirees who retired after September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree’s years of service and ranges from 0% to 100%. These percentages are applied to premiums established annually by the Board for individual, husband/wife, parent/child, and family coverages. Only Carroll

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

County Board of Education years of service are considered. As of June 30, 2009, 751 eligible participants were receiving benefits.

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

Annual required contribution	\$ 7,558,000
Interest on net OPEB obligation	349,000
Adjustment to annual required contribution	<u>(305,000)</u>
Annual OPEB cost	7,602,000
Contributions made	<u>(3,497,208)</u>
Increase in net OPEB obligation	4,104,792
Net OPEB obligation - beginning of year	<u>6,653,345</u>
Net OPEB obligation - end of year	<u>\$10,758,137</u>

The Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2009 was as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost (AOPEBC)</u>	<u>% of AOPEBC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2008	\$8,570,000	22.36%	\$6,653,345
2009	7,602,000	46.00%	10,758,137

Funding Policy:

The unfunded actuarial accrued liability (UAAL) for benefits was \$75,282,000. The covered payroll (annual payroll of active employees covered by the plan) was \$205,042,209, and the ratio of the UAAL to the covered payroll was 36.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Actuarial Methods and Assumptions:

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

In the June 30, 2009 actuarial valuation, the projected unit credit method, with linear pro-ratio to assumed benefit commencement method was used. The actuarial assumptions included a 4% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4% over the long term. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was fourteen years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2009*
Actuarial Cost Method	Projected unit method
Amortization Method	Level percentage of projected payroll over a 30-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	4%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)
Post-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)

*The June 30, 2009 valuation only updated the annual required contribution and unfunded liability at year-end and did not take into consideration the market value of assets at June 30, 2009.

Carroll Community College

Plan Description. Carroll Community College administers a single employer defined benefit health care plan. The College allows employees who retire with at least ten years of continuous service to continue participation in some benefit program. To be eligible for post retirement benefits, an employee must collect a retirement benefit from his/her retirement system immediately following separation. Retirees who collect a benefit from the ORP must meet the age and service requirements for early or normal retirement as defined in the Maryland State Teachers Pension/Retirement System. Services for retirees include the following:

Medical Insurance – Retired employees and their spouses under age 65 may continue to be covered by medical insurance offered to current employees at regular group rates. Interested retirees and/or their spouses age 65 or over must convert to coverage under a College contract which supplements Medicare. The College continues contributions toward the premiums for medical insurance for such employees with at least ten years of service. Contributions by the College are made as follows:

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

10 to 14 years of service	50%
15 to 19 years of service	75%
20 or more years of service currently	90%

Employees with less than 10 years of service may continue coverage at the full cost of the specified plan.

Life Insurance – All employees who are participants in the Group Life Insurance Plan at retirement are eligible for continued life insurance coverage. The College currently pays one-half of premium costs.

Vision and Dental Insurance – Retirees and their spouses may also continue coverage under the College’s policies after retirement, but must pay 100% of the premium. This arrangement may continue for the spouse following a retiree’s death, provided the spouse was covered at the time of death.

Funding Policy. The contribution requirements of plan members and the college are established and may be amended by the Carroll Community College Board of Trustees. The College’s contribution is based on a pay as you go basis with no funds set aside for future post retirement funding. For fiscal year 2009, Carroll Community College contributed \$152,189 to the plan, which is recorded in the statement of revenues, expenses and changes in net assets allocated among the functional expense accounts.

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

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

Annual required contribution	\$2,286,000
Interest on net OPEB obligation	79,000
Adjustment to annual required contribution	<u>(78,000)</u>
Annual OPEB costs (expense)	2,287,000
Contributions made	<u>(152,189)</u>
Increase in net OPEB obligation	2,134,811
Net OPEB obligation-beginning of year	<u>1,980,820</u>
Net OPEB obligation-end of year	<u>\$4,115,631</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/08	\$2,110,000	6.1%	\$1,980,820
6/30/09	2,287,000	6.7%	4,115,631

Schedule of Funding Progress-4% Discount Rate

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
June 30, 2008	\$ -	\$ 19,685,000	0.00%	\$ 19,685,000	\$ 9,631,527	204%
June 30, 2009	-	21,673,000	0.00%	21,673,000	9,631,527	225%

Funded Status and Funding Progress. As of July 1, 2008, the most recent actual valuation date, the plan was 6.7% funded which is based on payments made to the retirement benefit plans during fiscal year 2009. The actuarial accrued liability for benefits was \$21.673 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21.673 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9,631,527, and the ratio of the UAAL to the covered payroll was 225 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in to the future. Examples include assumptions about future employment, mortality, and the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented on the previous page, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods of Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

the calculations. In the July 2007, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included and interest discount rate of 7% for funded and 4% return for unfunded. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2009, was twenty-nine years.

Note 13 – Fund Equity

A summary of fund balances as of June 30, 2009 follows:

	General Fund	Capital Projects Funds	Non-Major Funds	Total Governmental Funds
<u>Reserved For</u>				
Encumbrances	\$ 1,164,322	\$ 19,967,975	\$ -	\$ 21,132,297
Inventory	1,234,714	-	-	1,234,714
Prepaid	281,806	-	-	281,806
Weed Control	5,114	-	-	5,114
Loans to community organizations	5,390,252	-	-	5,390,252
Loans to fire companies	13,616,959	-	-	13,616,959
Loans to municipalities	161,436	-	-	161,436
Agricultural preservation investments	11,538,540	-	-	11,538,540
Advances and proceeds to Industrial Development Authority	1,145,560	-	-	1,145,560
Total reserved fund balance	<u>34,538,703</u>	<u>19,967,975</u>	<u>-</u>	<u>54,506,678</u>
<u>Unreserved - Designated For</u>				
Subsequent year's expenditures	\$ 14,858,762	\$ 25,951,067	\$ -	\$ 40,809,829
Stabilization fund	10,700,000	-	-	10,700,000
Secondary reserve fund	6,750,000	-	-	6,750,000
ISF health	1,400,000	-	-	1,400,000
Designated for other purposes:				
Lien certification	15,000	-	-	15,000
Vehicle replacement	500,000	-	-	500,000
Worker's comp claims	400,000	-	-	400,000
Total unreserved-designated balance	<u>34,623,762</u>	<u>25,951,067</u>	<u>-</u>	<u>60,574,829</u>
<u>Unreserved - Undesignated reported in:</u>				
General fund	\$ 8,103,281	\$ -	\$ -	\$ 8,103,281
Special Revenue Funds	-	-	3,338,527	3,338,527
Total unreserved-undesignated balance	<u>8,103,281</u>	<u>-</u>	<u>3,338,527</u>	<u>11,441,808</u>
Grand total fund balance	<u>\$ 77,265,746</u>	<u>\$ 45,919,042</u>	<u>\$ 3,338,527</u>	<u>\$ 126,523,315</u>

The County has loaned to various Carroll County fire companies \$26,148,362 for expansion and equipment acquisition. The loans are repayable over terms of from 5 to 20 years, bearing interest at fixed rates ranging from 3.33 percent to 5.088 percent. The balance of these loans at June 30, 2009 is

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 13 – Fund Equity-continued

\$13,616,959 and is secured by land, buildings and equipment. The County made eight loans totaling \$5,587,902 to various community investment programs. The revenue source for the loans by the County from the General Fund was obtained through promissory notes. The balance of these eight loans at June 30, 2009 is \$5,390,252. Maryland Department of Agriculture agreed to supply funding for 50 percent of the cost for a replacement truck for the County Weed Control Program. In prior years, any excess funds for Weed Control Program were returned to the Department of Agriculture. During fiscal year 2009, an agreement was made for the County to accumulate the excess funds in a reserve account for the future truck purchase.

Note 14 – GAAP Reconciliation

A reconciliation of the revenues and expenditures of the General Fund affected by the adjustments necessary to present the combined statement of revenues and expenditures on a GAAP basis follows:

<u>Budgetary Funds</u>	<u>General Fund</u>
<u>Revenues</u>	
Actual amount (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 324,331,852
Deferred property tax revenues	(512,086)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	\$ 323,819,766
<u>Expenditures</u>	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 330,756,339
Encumbrance adjustment	(137,614)
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	\$ 330,618,725

Note 15 – Commitments and Contingencies

Primary Government

Management and the County attorney estimate that potential claims against the County, not covered by insurance, resulting from various claims and lawsuits would not materially affect the financial statements of the County.

The County participates in a number of federally assisted grant programs, principal of which are the Housing and Urban Development, Commission on Aging, and the Workforce Investment Act programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the County's compliance with applicable grant requirements will be established at some

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 15 – Commitments and Contingencies - continued

Primary Government-continued

future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

As of June 30, 2009, the County had the following commitments with respect to unfinished capital projects:

	Project <u>Appropriation</u>	Total <u>Expenditures</u>	Amount <u>Funded</u>	Required Future <u>Funding</u>
General Government	\$ 108,842,528	\$ 88,216,587	\$ 96,955,850	\$ 11,886,678
Health	3,874,307	3,736,562	3,874,307	-
Public Safety	22,017,845	2,890,556	8,222,029	13,795,816
Public Works	68,377,596	33,105,062	49,925,289	18,452,307
Board of Education	203,221,935	132,705,804	165,917,401	37,304,534
Carroll Community College	40,995,384	21,990,478	16,971,007	24,024,377
Recreation and Parks	14,551,777	4,248,098	7,104,362	7,447,415
Libraries/Senior Centers	22,341,202	17,023,781	18,425,408	3,915,794
Conservation	133,224,093	126,879,588	122,309,833	10,914,260
Water Resources	14,460,402	10,258,162	5,606,002	8,854,400
Governmental Activities	<u>\$ 631,907,069</u>	<u>\$ 441,054,678</u>	<u>\$ 495,311,488</u>	<u>\$ 136,595,581</u>
Water Treatment Facilities	\$ 32,003,548	\$ 28,078,928	\$ 21,660,517	\$ 10,343,031
Wastewater Treatment Facilities	9,610,965	3,381,055	3,738,008	5,872,957
Other Water Projects	7,281,883	5,089,042	5,050,912	2,230,971
Other Wastewater Projects	1,406,239	1,222,090	1,406,239	-
New Landfill Cell	6,288,000	5,840,657	6,288,000	-
Landfill Upgrades	1,156,250	460,256	485,255	670,995
Landfill Remediations	1,745,626	516,315	1,005,626	740,000
Airport	28,514,850	6,552,023	6,014,044	22,500,806
Business-Type Activities	<u>\$ 88,007,361</u>	<u>\$ 51,140,366</u>	<u>\$ 45,648,601</u>	<u>\$ 42,358,760</u>
Total Commitments	<u>\$ 719,914,430</u>	<u>\$ 492,195,044</u>	<u>\$ 540,960,089</u>	<u>\$ 178,954,341</u>

Component Units

Board of Education

Several suits have been filed arising from personnel grievances, personal injury, and other matters. It is anticipated by the Board that an adverse decision in excess of insurance coverage on any or all of these suits would not have a material adverse affect on these financial statements.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Amounts, if any, of expenditures that may be disallowed by grantors cannot be determined at this time, although the Board expects such amounts, if any to be immaterial.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 16 – Risk Management

Primary Government

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As of January 2003 the office of Risk Management initiated an enterprise wide risk management program. This program includes review of all legal contracts for insurance sufficiency and verification of certificates of insurance from all vendors. This program helps insure that all vendors maintain sufficient insurance coverage to protect the County from loss.

The County's risk financing techniques include participation in the Local Government Insurance Trust (LGIT), a public entity risk pool, for its property, general, excess, and business automobile.

LGIT is a joint association of Maryland local governments established to provide an alternative to the diminishing availability of insurance coverages to the public sector and the increasing premium costs in the municipal insurance market. LGIT is owned by the members and is directed by the trust agreement effective July 1, 1992.

The Trust Agreement provides that funds in the Capital Account may be used to satisfy obligations of LGIT if monies are not otherwise available in the General and Surplus Account to meet obligations. If the amount of deposit in the Capital Account falls below a certain level, the Capital Account must be replenished. The means for replenishing Capital Account balances would be: (a) one-time assessment not to exceed two times the participant's annual premium in the year of the deficit, (b) prospective premium increases, or (c) the issuance of Certificates of Participation.

Subscribers to coverage provided by LGIT share the risk among participants of the pools. As a result, the County's annual premium requirements will be affected by the loss experience of the various insurance pools in which it participates. Also, the County may be subject to additional assessments from time to time. These amounts would be recorded as expenditures when they are probable and can be reasonably estimated. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The Trust uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, up to certain per occurrence limits.

The County is self-insuring its medical coverage for its employees. A commercial insurer administers the plan. In addition, the County's contract with this insurer includes a \$250,000 stop-loss per claim. To further minimize its risks, the County's contract provides for an overall cap on claims it must pay in a given year. The cap is determined by reference to pre-agreed rates, times the number of covered employees. Dental benefits are also administered by a commercial insurer. One dental plan is self-insured, and the other is fully insured. The County is fully self-insured for worker's compensation with a third party administrator paying all claims.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 16 – Risk Management-continued

Primary Government continued

The County is using an internal service fund to account for and finance its uninsured risks of loss except for worker’s compensation. All funds of the County make payments to the internal service fund based on historical cost data. The payments charged at least cover prior and current year claims.

Claims liabilities at June 30, 2009 for the deductible portions of general, property and casualty claims covered under LGIT and employee health care coverage are \$176,625 and \$1,146,544, respectively.

The total claims liability of \$1,323,169 reported in the internal service fund at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability was incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liabilities are calculated based on historical claim settlement trends and analysis of all outstanding and potential claims.

Changes in the claims for employee health care coverage and the deductible portions of general, property and casualty claims under LGIT were as follows:

	Beginning- Of-Fiscal Year <u>Liability</u>	Current-Year Claims and Changes in <u>Estimates</u>	<u>Claim Payments</u>	Balance at Fiscal <u>Year-End</u>
General, property and casualty:				
July 1, 2006 – June 30, 2007	\$ 393,550	\$(62,989)	\$(34,139)	\$296,422
July 1, 2007 – June 30, 2008	296,422	(165,128)	358,745	490,039
July 1, 2008 – June 30, 2009	490,039	(8,739,115)	8,425,701	1 76,625
Employee Health Care Coverage:				
July 1, 2006 – June 30, 2007	\$1,034,048	\$10,071,444	\$ (9,987,894)	\$1,117,598
July 1, 2007 – June 30, 2008	1,117,598	9,983,734	(9,891,504)	1,209,828
July 1, 2008 – June 30, 2009	1,209,828	10,076,292	(10,139,576)	1,146,544

The County established a limited risk management program for worker’s compensation beginning as of July 1, 1997. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claim expenditures reported in the general fund. As of June 30, 2009 such interfund premiums did not exceed reimbursable expenditures. As of July 1, 2004 the County became self insured for its worker’s compensation. The County contracts with a third party administrator to pay all worker’s compensation cost. The County purchases a specific excess and aggregate excess worker’s compensation and employer’s liability indemnity policy. The County retains a specific retention of

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 16 – Risk Management-continued

\$350,000 for each accident and for each employee for occupational disease. To date the County has not exceeded its retention limits.

The plan is administered by a commercial insurer. The County’s contract with this insurer includes a \$500,000 Self Insured Retention for all employees. The total claims liability of \$2,240 has been reported at June 30, 2009 in the general fund since it is anticipated that they will be paid from expendable available financial resources. This liability is calculated based on historical claim settlement trends.

Changes in the claims for worker’s compensation were as follows:

<u>Worker’s Compensation:</u>	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current- Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
July 1, 2006 – June 30, 2007	\$ 7,389	\$ 28,970	\$ (30,097)	\$ 6,262
July 1, 2007 – June 30, 2008	6,262	264,019	(266,831)	3,450
July 1, 2008 – June 30, 2009	3,450	384,565	(385,775)	2,240

Due to specific exclusions in the County’s property insurance, the County also has commercial insurance coverage for its boilers and machinery and its boats. Employees are bonded through commercial insurance carriers to limit the loss to the County in the event of employees committing acts of embezzlement or theft. No claims for embezzlement or theft have been filed in the past three fiscal years.

Component Units

The Board of Education, the Library and the Community College are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Library is included in the commercial insurance and self-insurance programs of the County. The Board of Education and the Community College use commercial policies to provide insurance coverage excluding health care. Settled claims have not exceeded coverage in any of the past three years.

The Board of Education established a limited risk management program for health care insurance. In the past, health care insurance was covered by a third party carrier. Effective January 1, 1998, the Board, with Aetna U.S. Healthcare, established a new arrangement for providing coverage for future medical claims. Effective July 1, 2005 employees contribute 15% towards this coverage. Deposits are made by the Board into a bank account used only for payments resulting from health insurance claims.

At June 30, 2009 liabilities include an amount for claims that have been incurred but not reported (IBNR’s). Claim liabilities are calculated by an actuary based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgements is reported in the General Current Expense Fund.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 16 – Risk Management-continued

Component Units -continued

Changes in the balances of claims liabilities not including actuarial liabilities were as follows:

	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
Health Care:				
July 1, 2006 – June 30, 2007	2,922,528	28,363,400	(28,406,482)	2,879,446
July 1, 2007 – June 30, 2008	2,879,446	31,504,731	(31,086,384)	3,297,393
July 1, 2008 – June 30, 2009	3,297,393	35,921,196	(35,620,099)	3,598,490

Note 17 – Subsequent Events

The County plans to issue \$58,740,000 of general obligation bonds and refunding approximately \$8,030,000 of refunding bonds from the 1998 issue, during fiscal year 2010. The proceeds of the sale of these securities will be used to finance the construction of a new high school and school additions, water and sewer projects, several road and bridge projects and Volunteer Fire Company loans. The County will receive an estimated net present value savings of approximately \$462,000 by refunding the 1998 bonds.

During fiscal year 2010 the County will be adding a pension plan for law enforcement officers. This plan will allow law enforcement officers to receive a pension after 25 years of service. Each officer will be required to contribute 8% of their salary into the pension plan. The plan will include disability provisions for those totally and permanently disabled in the line of duty. In addition to this new pension plan the County will be making revisions to its current pension plan for civilian employees. The change to the plan will require employees to contribute 5% of their salary instead of 2% which will increase the amount the employee receives at retirement. The County will no longer be contributing to the 401(k) plan but, instead placing those contributions into the pension plans. The new pension plan and the revisions to the current plan will take effect October 1, 2009.

Note 18 – Compliance and Accountability

A. Revenue Variances

Included in Taxes Other are Income Taxes and Recordation Taxes. Income Tax was lower than budget by \$5,488,089 due to a combination of factors including rising unemployment, falling capital gains, and expectations that recent changes enacted by the State regarding personal exemption amounts. Recordation Tax was lower than the budget by \$5,779,752 due to the decline the sales and refinancing activity in the housing market.



Supplementary Information

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Revenues				
Taxes - Local Property				
Real property	\$ 199,640,300	\$ 199,640,300	\$ 203,893,375	\$ 4,253,075
Real property - prior years	250,000	250,000	220,228	(29,772)
Personal property	300,000	300,000	313,320	13,320
Railroad and public utilities	6,800,000	6,800,000	7,077,920	277,920
Ordinary business corporations	7,000,000	7,000,000	7,178,084	178,084
Penalties and interest-delinquent taxes	700,000	700,000	905,498	205,498
Semi-annual service charges	500,000	500,000	468,572	(31,428)
	<u>215,190,300</u>	<u>215,190,300</u>	<u>220,056,997</u>	<u>4,866,697</u>
Deductions				
Discounts allowed on taxes	(750,000)	(750,000)	(760,681)	(10,681)
Senior tax credit	-	-	(9,692)	(9,692)
Homestead tax credit	(34,275,000)	(34,275,000)	(33,564,740)	710,260
	<u>(35,025,000)</u>	<u>(35,025,000)</u>	<u>(34,335,113)</u>	<u>689,887</u>
Net Taxes - Local Property	<u>180,165,300</u>	<u>180,165,300</u>	<u>185,721,884</u>	<u>5,556,584</u>
Taxes - Local Other				
Payment in Lieu of Taxes	-	-	25,386	25,386
Income tax	108,000,000	108,000,000	102,511,911	(5,488,089)
911 service fees	1,225,000	1,225,000	1,196,731	(28,269)
Recordation	15,000,000	15,000,000	9,220,248	(5,779,752)
Admissions	400,000	400,000	335,125	(64,875)
Total Taxes - Local Other	<u>124,625,000</u>	<u>124,625,000</u>	<u>113,289,401</u>	<u>(11,335,599)</u>
Taxes - State Shared				
Police aid	915,000	915,000	922,723	7,723
Highway	11,000,000	11,000,000	9,378,199	(1,621,801)
Total Taxes - State Shared	<u>11,915,000</u>	<u>11,915,000</u>	<u>10,300,922</u>	<u>(1,614,078)</u>
Licenses and Permits				
Beer, wine and liquor licenses	200,000	200,000	207,613	7,613
Amusement	8,000	8,000	12,990	4,990
Traders	140,000	140,000	134,618	(5,382)
Animal	110,000	110,000	110,599	599
Buildings	1,287,000	1,287,000	717,274	(569,726)
Mobile home licenses	72,000	72,000	55,146	(16,854)
Marriage	33,000	33,000	29,980	(3,020)
Grading	41,000	41,000	18,455	(22,545)
Inspection Fees	3,000	3,000	1,850	(1,150)
Total Licenses and Permits	<u>1,894,000</u>	<u>1,894,000</u>	<u>1,288,525</u>	<u>(605,475)</u>
Intergovernmental Revenues-Grants from State				
Johnson Grass	4,000	4,000	3,249	(751)
State Aid-Fire Companies	265,000	265,000	263,117	(1,883)
Parks/Recreation Facilities	12,000	12,000	9,550	(2,450)
Security Interest Filing Fee	-	-	300	300
Grand & Petit Jury Reimburse	33,000	33,000	28,890	(4,110)
Circuit Court Master Reimb	350,000	350,000	267,296	(82,704)
LT Treatment-State	-	-	67,946	67,946

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Intergovernmental Revenues continued				
City of Westminster	\$ -	\$ -	\$ 3,219	\$ 3,219
Total Intergovernmental Revenues	664,000	664,000	643,567	(20,433)
Charges for Services				
General Government				
Lien certificates	145,000	145,000	113,267	(31,733)
Data processing	10,000	10,000	6,250	(3,750)
Hearing fees-zoning appeals	24,000	24,000	7,500	(16,500)
Copy fees and code books	19,000	19,000	11,903	(7,097)
Telephone	60,000	60,000	48,973	(11,027)
Health depart-telephone and janitorial	50,000	50,000	70,519	20,519
Hearing fees-zoning administration	6,000	6,000	1,350	(4,650)
Total Serv Chrg - General Government	314,000	314,000	259,762	(54,238)
Public Safety				
Sheriff's services-salary recovery	3,000	3,000	2,140	(860)
Sheriff's services-fees	100,000	100,000	112,114	12,114
Sheriff's services-detention center	900,000	900,000	739,742	(160,258)
Resident trooper reimbursement	125,000	125,000	129,390	4,390
Inspection fees-towns	-	-	1,740	1,740
Inspections fees-roads	100,000	100,000	29,450	(70,550)
Inspections fees-development review	15,000	15,000	48,755	33,755
Detention center-commissary	28,000	28,000	43,199	15,199
Detention center-work release	145,000	145,000	90,333	(54,667)
Sheriff-INS inmate days	150,000	150,000	176,508	26,508
Sheriff/INS-transport	45,000	45,000	194,301	149,301
Sheriff-home detention	48,000	48,000	37,686	(10,314)
Sheriff-INS-medical	1,000	1,000	-	(1,000)
Grade/Sed Control Inspect Fees	-	-	55	55
Soc Sec admin incentive program	1,000	1,000	200	(800)
Juvenile transport	60,000	60,000	86,371	26,371
State criminal alien assistance program	-	-	6,237	6,237
Total Serv Chrg - Public Safety	1,721,000	1,721,000	1,698,221	(22,779)
Public Works				
Vehicle maintenance	500,000	500,000	377,636	(122,364)
Road maintenance	70,000	70,000	127,782	57,782
Development review	310,000	310,000	249,656	(60,344)
Fuel reimbursements	1,000,000	1,000,000	637,709	(362,291)
Stormwater/environment review fee	105,000	105,000	68,992	(36,008)
Engineering review fees	50,000	50,000	38,527	(11,473)
Engineering review fees	-	-	2,000	2,000
Forest conservation review fee	47,000	47,000	18,510	(28,490)
Tower location analysis fee	2,500	2,500	-	(2,500)
Weed control spraying	7,000	7,000	12,442	5,442
Total Serv Chrg - Public Works	2,091,500	2,091,500	1,533,254	(558,246)
Recreation and Parks				
Farm museum	404,500	404,500	466,180	61,680

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Recreation and Parks continued				
Piney Run Park	\$ 151,000	\$ 151,000	\$ 149,792	\$ (1,208)
Hashawha environmental center	359,000	359,000	581,192	222,192
Interpretation and conservation	61,200	61,200	57,927	(3,273)
General public & school/youth programs	17,000	17,000	15,525	(1,475)
Outdoor school meals/concessions	154,000	154,000	157,882	3,882
Sports complex	96,000	96,000	109,954	13,954
Pavilion & facility rentals	5,000	5,000	5,172	172
Bus Trips	-	-	1,476	1,476
Total Recreation and Parks	<u>1,247,700</u>	<u>1,247,700</u>	<u>1,545,100</u>	<u>297,400</u>
Total Charges for Services	<u>5,374,200</u>	<u>5,374,200</u>	<u>5,036,337</u>	<u>(337,863)</u>
Fines and Forfeits				
Circuit court fines	42,000	42,000	42,403	403
Liquor license fines	5,000	5,000	1,750	(3,250)
Animal violation fines	23,000	23,000	14,650	(8,350)
Civil zoning violations	1,000	1,000	3,434	2,434
Humane society impoundment fees	13,000	13,000	26,603	13,603
Parking violations-sheriff	500	500	2,000	1,500
Total Fines and Forfeits	<u>84,500</u>	<u>84,500</u>	<u>90,840</u>	<u>6,340</u>
Interest	5,605,000	5,605,000	5,165,523	(439,477)
Miscellaneous Revenues				
Rents and concessions	185,000	185,000	1,437,101	1,252,101
Refunds	410,000	410,000	394,985	(15,015)
Equipment sales	32,000	32,000	21,521	(10,479)
Postage	300	300	279	(21)
Pension Recovery	175,000	175,000	-	(175,000)
Health department	1,000	1,000	3,099	2,099
County attorney fees	183,000	183,000	174,280	(8,720)
Board of education surplus	73,448	73,448	-	(73,448)
Activities/special events	40,000	40,000	34,432	(5,568)
Advertising	14,000	14,000	10,350	(3,650)
Miscellaneous	140,800	140,800	718,806	578,006
Total Miscellaneous Revenues	<u>1,254,548</u>	<u>1,254,548</u>	<u>2,794,853</u>	<u>1,540,305</u>
Total Revenues	<u>331,581,548</u>	<u>331,581,548</u>	<u>324,331,852</u>	<u>(7,249,696)</u>
Expenditures				
General Government				
County Commissioners				
Legislative	711,240	711,240	795,636	(84,396)
Management Analysis	170,170	170,170	195,574	(25,404)
Farm Museum	796,870	834,570	953,217	(118,647)
Media Relations	224,650	225,560	245,565	(20,005)
Zoning Administrator	172,710	212,710	248,386	(35,676)
Technology Services	2,929,400	2,920,400	3,127,498	(207,098)
Production/Distribution Service	389,250	398,250	422,566	(24,316)
Total County Commissioners	<u>5,394,290</u>	<u>5,472,900</u>	<u>5,988,442</u>	<u>(515,542)</u>

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Judicial				
Adjudication-Criminal/Civil	\$ 1,321,210	\$ 1,317,015	\$ 1,510,152	\$ (193,137)
Voluntary Community Services	133,670	135,940	164,113	(28,173)
Circuit Court Masters	490,230	492,155	584,293	(92,138)
Adjudication of Estates	31,960	31,960	29,841	2,119
Criminal Prosecution	2,118,860	2,136,960	2,579,191	(442,231)
County Attorney	948,860	948,860	1,049,944	(101,084)
Total Judicial	5,044,790	5,062,890	5,917,534	(854,644)
Carroll County Board of Elections	732,230	732,230	595,856	136,374
Total Carroll County Board of Elections	732,230	732,230	595,856	136,374
Office of the Comptroller				
Comptroller Administration	264,440	264,440	311,697	(47,257)
Accounting	709,340	709,340	851,094	(141,754)
Purchasing	420,690	393,690	431,937	(38,247)
Independent Post - Auditing	50,000	50,000	40,750	9,250
Bond Issuance Expense	179,370	206,370	206,190	180
Collections Office	432,740	432,740	533,681	(100,941)
Total Office of the Comptroller	2,056,580	2,056,580	2,375,349	(318,769)
Human Resources & Personnel Services				
Human Resources Administration	775,130	775,130	888,985	(113,855)
Fringe Benefits	18,664,190	18,664,190	12,552,132	6,112,058
Personnel Services	129,900	129,900	150,872	(20,972)
Total Human Resources & Personnel Services	19,569,220	19,569,220	13,591,989	5,977,231
Management and Budget				
Management and Budget Administration	189,450	161,809	192,979	(31,170)
Risk Management	2,262,080	2,244,580	2,266,977	(22,397)
Budget	462,900	508,041	615,846	(107,805)
Grant Management	118,600	118,600	140,297	(21,697)
Total Management and Budget	3,033,030	3,033,030	3,216,099	(183,069)
Planning				
Planning Administration	624,360	624,360	737,457	(113,097)
Planning	692,710	692,710	709,248	(16,538)
Development Review	409,300	409,300	408,170	1,130
Environment & Resource Protect	228,220	228,220	265,343	(37,123)
Resources Management	917,910	917,910	1,059,701	(141,791)
Total Planning	2,872,500	2,872,500	3,179,919	(307,419)
General Services				
General Services Administrative	230,400	230,400	233,475	(3,075)
Permits & Inspections	1,220,690	1,220,690	1,449,120	(228,430)
Building Construction	427,630	387,630	442,328	(54,698)
Facilities Administration	5,180,265	5,180,265	5,523,774	(343,509)
Facilities	3,118,695	3,118,695	2,498,061	620,634
Fleet Management	7,131,360	7,131,360	5,944,025	1,187,335

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
General Services continued				
Warehouse Operations	\$ 221,870	\$ 221,870	\$ 271,750	\$ (49,880)
Total General Services	17,530,910	17,490,910	16,362,533	1,128,377
Miscellaneous				
Youth services	561,450	561,450	561,450	-
Administrative Hearings	92,250	92,250	95,324	(3,074)
Board of License Commissioners	104,000	104,000	125,494	(21,494)
Citizen Services	431,340	431,340	480,470	(49,130)
Long Term Treatment Facility	1,125,500	1,125,500	1,106,483	19,017
Aging	915,760	915,760	1,096,160	(180,400)
CC Advocacy/Investigation Center	147,630	75,930	54,749	21,181
Property tax payments to municipalities	15,526	15,526	15,526	-
Permits and fee payments to municipalities	18,000	18,200	18,199	1
Liquor license payments to municipalities	24,465	24,465	24,363	102
Town programs	2,181,622	2,181,622	2,181,621	1
Total Miscellaneous	5,617,543	5,546,043	5,759,839	(213,796)
Total General Government	61,851,093	61,836,303	56,987,560	4,848,743
Public Safety				
Police Protection				
Detention Center	6,525,000	6,525,000	7,663,945	(1,138,945)
Resident Trooper Program	5,585,220	5,799,220	5,799,183	37
Sheriff Services	5,112,350	5,112,350	6,023,745	(911,395)
Law Enforcement	158,040	158,040	12	158,028
Total Police Protection	17,380,610	17,594,610	19,486,885	(1,892,275)
Fire Department				
Volunteer Companies	6,291,280	6,291,280	6,291,280	-
EMS24/7 Services	3,637,760	3,676,260	3,676,260	-
Total Fire Department	9,929,040	9,967,540	9,967,540	-
Emergency Services				
Emergency Service Operations	1,723,575	1,773,575	1,708,321	65,254
911 - Emergency Service	1,626,425	1,626,425	1,812,229	(185,804)
Civil Defense	24,960	24,960	12,435	12,525
Total Emergency Services	3,374,960	3,424,960	3,532,985	(108,025)
Other Protection				
Humane Society	752,500	752,500	805,355	(52,855)
State aid-fire protection	265,000	264,800	261,756	3,044
Total Other Protection	1,017,500	1,017,300	1,067,111	(49,811)
Total Public Safety	31,702,110	32,004,410	34,054,521	(2,050,111)
Public Works				
Public Works-Administration	307,920	307,920	358,664	(50,744)
Roads Operations	7,204,000	7,129,600	7,890,034	(760,434)
Traffic Control	265,790	265,790	259,198	6,592
Engineering-Design	331,890	331,890	388,167	(56,277)
Engineering-Inspection	344,090	344,090	420,136	(76,046)

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Public Works continued				
Emergency Maintenance-Snow	\$ 1,500,000	\$ 1,572,000	\$ 1,571,956	\$ 44
Engineering	296,630	296,630	351,722	(55,092)
Engineering-Survey	204,830	207,230	254,306	(47,076)
Road Grant - Local	35,387	35,387	35,386	1
Total Public Works	10,490,537	10,490,537	11,529,569	(1,039,032)
Health				
Health Department	3,426,910	3,426,988	3,427,384	(396)
Weed Control	29,700	29,700	29,637	63
Gypsy Moth Control	30,000	30,000	24,656	5,344
Domestic Violence Change, Inc.	73,150	73,150	73,150	-
Sexual Abuse Treatment Center	246,340	246,340	246,340	-
Junction	202,100	202,100	202,100	-
CCARC-Non Matching	146,770	146,770	146,770	-
Target, Inc.	246,340	246,340	246,340	-
Rape Crisis	85,240	85,240	85,240	-
Total Health	4,732,890	4,732,968	4,727,957	5,011
Social Services				
Social Services-Local Funds	203,580	203,580	203,580	-
Human Services	821,020	821,020	821,020	-
Victim Witness Assistance	180,200	180,200	221,723	(41,523)
CC Advocacy & Investigation	0	71,700	73,307	(1,607)
Total Social Services	1,204,800	1,276,500	1,319,630	(43,130)
Education				
CC Public Ed & Gov Cable Access	547,000	547,000	533,445	13,555
Hashawha	734,330	757,930	883,337	(125,407)
CC Board of Ed-Local Funds	162,200,000	162,200,000	164,164,876	(1,964,876)
Community College	6,575,000	6,575,000	6,575,000	-
Total Education	170,056,330	170,079,930	172,156,658	(2,076,728)
Library	7,706,870	7,706,870	8,170,171	(463,301)
Recreation and Parks				
Participation Recreation				
Recreation & Parks-Administration	279,300	275,500	325,690	(50,190)
Recreation	304,080	284,280	326,741	(42,461)
Piney Run	481,520	481,520	545,025	(63,505)
Sports Complex	202,040	202,040	211,257	(9,217)
Total Participation Recreation	1,266,940	1,243,340	1,408,713	(165,373)
Spectator Recreation				
Historical Society	60,000	60,000	60,000	-
Homestead Museum	20,000	20,000	20,000	-
Total Spectator Recreation	80,000	80,000	80,000	-
Total Recreation and Parks	1,346,940	1,323,340	1,488,713	(165,373)

General-NON GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Conservation of Natural Resources				
Agriculture Extension Service	\$ 452,600	\$ 452,600	\$ 450,362	\$ 2,238
Soil Conservation Service	353,180	353,180	349,692	3,488
Total Conservation of Natural Resources	805,780	805,780	800,054	5,726
Economic Development				
Economic Development-Administration	632,920	632,920	694,909	(61,989)
BERC Management	146,490	146,490	169,708	(23,218)
Economic Development-Marketing	-	-	-	-
Econ Devl-Industrial Grants	4,000,000	4,000,000	3,856,711	143,289
Tourism	311,350	311,350	299,943	11,407
Total Economic Development	5,090,760	5,090,760	5,021,271	69,489
Reserve for Contingencies	9,956,162	9,039,413	-	9,039,413
Debt Service				
Debt Service - Board of Education	10,263,940	10,566,823	10,566,822	1
Debt Service - County	23,685,155	23,933,415	23,933,413	2
Total Debt Service	33,949,095	34,500,238	34,500,235	3
Total Expenditures	338,893,367	338,887,049	330,756,339	8,130,710
Excess (Deficiency) of Revenues over Expenditures	(7,311,819)	(7,305,501)	(6,424,487)	881,014
Other Financing Sources (Uses)				
Appropriated fund balance	11,302,102	11,302,102	-	11,302,102
Appropriated Ag Pres Debt Svc	1,504,000	1,504,000	-	1,504,000
Transfers In	8,612,350	8,612,350	8,574,450	37,900
Bonds issued	-	-	180,000	(180,000)
Bonds premium	-	-	1,874,448	(1,874,448)
Long term notes payable	-	-	2,956,796	(2,956,796)
Total Other Financing Sources	21,418,452	21,418,452	13,585,694	7,832,758
Other Financing Uses				
Transfer to Escrow Account	-	-	-	-
Operating Transfers Out:				
Transfer to Capital Fund	(5,539,700)	(5,539,700)	(5,539,700)	-
Transfer to Special Revenue Funds - Grants	(1,316,723)	(1,323,041)	(1,323,041)	-
Transfer to Enterprise Funds	(2,791,980)	(2,791,980)	(2,791,980)	-
Transfer to PensionFund	(958,230)	(958,230)	-	(958,230)
Transfer to OPEB Fund	(3,500,000)	(3,500,000)	-	(3,500,000)
Total Other Financing Uses	(14,106,633)	(14,112,951)	(9,654,721)	(4,458,230)
Total Other Financing Sources (Uses)	7,311,819	7,305,501	3,930,973	3,374,528
Net Change in Fund Balance	\$ -	\$ -	(2,493,514)	\$ (2,493,514)
Fund Balance - Beginning			80,745,217	
Fund Balance - Ending			\$ 78,251,703	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Balance Sheet
Other Governmental Funds
June 30, 2009

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
Assets						
Equity in pooled cash and investments	\$ 1,567,739	\$ -	\$ 330,224	\$ 1,243,493	\$ 1,485,553	\$ 4,627,009
Accounts receivable	-	-	-	267,823	1,463,022	1,730,845
Prepaid costs	-	-	-	-	368,302	368,302
Total assets	<u>\$ 1,567,739</u>	<u>\$ -</u>	<u>\$ 330,224</u>	<u>\$ 1,511,316</u>	<u>\$ 3,316,877</u>	<u>\$ 6,726,156</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 1,545	\$ -	\$ -	\$ 943,647	\$ 945,192
Accrued expenditures	-	-	-	-	134,492	134,492
Due to other Funds	-	69,207	-	-	-	69,207
Deferred revenue	-	-	-	-	2,238,738	2,238,738
Total liabilities	-	70,752	-	-	3,316,877	3,387,629
Fund balances						
Unreserved and undesignated	1,567,739	(70,752)	330,224	1,511,316	-	3,338,527
Total Fund Balances	1,567,739	(70,752)	330,224	1,511,316	-	3,338,527
Total liabilities and fund balances	<u>\$ 1,567,739</u>	<u>\$ -</u>	<u>\$ 330,224</u>	<u>\$ 1,511,316</u>	<u>\$ 3,316,877</u>	<u>\$ 6,726,156</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2009

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
Revenues						
Charges for service:						
Farm museum	\$ -	\$ -	\$ -	\$ -	\$ 31,993	\$ 31,993
Recreation and parks	-	-	-	-	170,719	170,719
Intergovernmental revenues:						
Commission on aging	-	-	-	-	1,334,928	1,334,928
Housing & community development	-	-	-	-	5,449,097	5,449,097
Job training partnership act	-	-	-	-	577,410	577,410
Sheriff	-	-	-	-	606,884	606,884
Citizen services	-	-	-	-	2,030,663	2,030,663
States attorney	-	-	-	-	575,455	575,455
Circuit court	-	-	-	-	537,886	537,886
EOC	-	-	-	-	764,672	764,672
Risk Management	-	-	-	-	1,783	1,783
Tourism	-	-	-	-	40,347	40,347
Planning	-	-	-	-	589,136	589,136
Impact fees	869,347	-	-	-	-	869,347
Agricultural transfer tax	-	181,458	-	-	-	181,458
Hotel Rental Tax	-	-	287,495	-	-	287,495
Cable Franchise Fee	-	-	-	1,303,472	-	1,303,472
Interest	19,953	-	1,948	9,253	-	31,154
Total revenues	<u>889,300</u>	<u>181,458</u>	<u>289,443</u>	<u>1,312,725</u>	<u>12,710,973</u>	<u>15,383,899</u>
Expenditures						
General government	-	-	-	-	12,021,819	12,021,819
Public safety	-	-	-	-	1,210,995	1,210,995
Health	-	-	-	-	4,000	4,000
Recreation and parks	-	-	-	-	178,819	178,819
Economic development	-	-	-	-	618,381	618,381
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,034,014</u>	<u>14,034,014</u>
Excess (deficiency) of revenues over (under) expenditures	889,300	181,458	289,443	1,312,725	(1,323,041)	1,349,885
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	1,323,041	1,323,041
Transfers out	-	(600,000)	(273,450)	(801,000)	-	(1,674,450)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(600,000)</u>	<u>(273,450)</u>	<u>(801,000)</u>	<u>1,323,041</u>	<u>(351,409)</u>
Net change in fund balances	889,300	(418,542)	15,993	511,725	-	998,476
Fund balances - beginning	678,439	347,790	314,231	999,591	-	2,340,051
Fund balances - ending	<u>\$ 1,567,739</u>	<u>\$ (70,752)</u>	<u>\$ 330,224</u>	<u>\$ 1,511,316</u>	<u>\$ -</u>	<u>\$ 3,338,527</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Impact Fees Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ -	\$ -	\$ 869,347	\$ 869,347
Interest			19,953	19,953
Total revenues	-	-	889,300	889,300
EXPENDITURES				
Total expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	889,300	\$ 889,300
Fund balance - beginning			678,439	
Fund balance - ending			\$ 1,567,739	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Agricultural Transfer Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Agricultural Transfer Tax	\$ 600,000	\$ 600,000	\$ 181,458	\$ (418,542)
Total revenues	600,000	600,000	181,458	(418,542)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	600,000	600,000	181,458	(418,542)
OTHER FINANCING SOURCES (USES)				
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	(600,000)	(600,000)	(600,000)	-
Net change in fund balance	\$ -	\$ -	(418,542)	\$ (418,542)
Fund balance - beginning			347,790	
Fund balance - ending			\$ (70,752)	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Hotel Rental Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Hotel Rental Tax	\$ 311,350	\$ 311,350	\$ 287,495	\$ (23,855)
Interest	-	-	1,948	1,948
Total revenues	<u>311,350</u>	<u>311,350</u>	<u>289,443</u>	<u>(21,907)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>311,350</u>	<u>311,350</u>	<u>289,443</u>	<u>(21,907)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(311,350)</u>	<u>(311,350)</u>	<u>(273,450)</u>	<u>37,900</u>
Total other financing sources (uses)	<u>(311,350)</u>	<u>(311,350)</u>	<u>(273,450)</u>	<u>37,900</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,993	<u>\$ 15,993</u>
Fund balance - beginning			<u>314,231</u>	
Fund balance - ending			<u>\$ 330,224</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Cable Franchise Fee Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Cable Franchise Fee	\$ 801,000	\$ 801,000	\$ 1,303,472	\$ 502,472
Interest	-	-	9,253	9,253
Total revenues	<u>801,000</u>	<u>801,000</u>	<u>1,312,725</u>	<u>511,725</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>801,000</u>	<u>801,000</u>	<u>1,312,725</u>	<u>511,725</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(801,000)</u>	<u>(801,000)</u>	<u>(801,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(801,000)</u>	<u>(801,000)</u>	<u>(801,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>511,725</u>	<u>\$ 511,725</u>
Fund balance - beginning			<u>999,591</u>	
Fund balance - ending			<u>\$ 1,511,316</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Grant Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues				
Commission on aging	\$ 1,265,031	\$ 1,309,950	\$ 1,327,762	\$ 17,812
Housing & community development	4,737,726	5,759,440	5,415,450	(343,990)
Job training partnership act	495,752	995,086	626,270	(368,816)
Sheriff	542,794	301,107	624,916	323,809
Citizen services	1,728,469	2,411,830	2,064,310	(347,520)
States attorney	599,374	646,517	575,882	(70,635)
Circuit court	632,729	461,688	538,445	76,757
EOC	525,000	1,050,797	807,547	(243,250)
Risk Management	-	1,783	1,783	-
Tourism	35,000	45,018	40,347	(4,671)
Farm Museum	32,025	162,025	22,478	(139,547)
Planning	1,145,147	2,089,615	691,076	(1,398,539)
Recreation and parks	207,000	264,379	180,508	(83,871)
Total revenues	<u>11,946,047</u>	<u>15,499,235</u>	<u>12,916,774</u>	<u>(2,582,461)</u>
EXPENDITURES				
General government	11,651,152	14,360,972	12,077,262	2,283,710
Public safety	911,360	1,187,997	730,956	457,041
Health	4,000	4,000	4,000	-
Recreation and parks	215,100	272,479	185,631	86,848
Economic development	487,476	996,828	623,341	373,487
Capital outlay	-	-	618,625	(618,625)
Total expenditures	<u>13,269,088</u>	<u>16,822,276</u>	<u>14,239,815</u>	<u>2,582,461</u>
Excess (deficiency) of revenues over expenditures	<u>(1,323,041)</u>	<u>(1,323,041)</u>	<u>(1,323,041)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,323,041	1,323,041
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,323,041</u>	<u>1,323,041</u>
Net change in fund balance	<u>\$ (1,323,041)</u>	<u>\$ (1,323,041)</u>	<u>-</u>	<u>\$ 1,323,041</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Fiduciary Net Assets
Trust Funds
June 30, 2009

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ASSETS:				
Cash and cash equivalents	\$ 399,395	\$ 340,013	\$ 891,845	\$ 1,631,253
Investments, at fair value:				
Bond funds	4,018,046	1,816,227	-	5,834,273
Equity funds	12,103,107	3,935,797	-	16,038,904
Marketable securities	-	-	7,382,972	7,382,972
Total assets	<u>16,520,548</u>	<u>6,092,037</u>	<u>8,274,817</u>	<u>30,887,402</u>
LIABILITIES:				
Accounts payable	8,637	5,227	-	13,864
Due to primary government	-	-	616,931	616,931
Total liabilities	<u>8,637</u>	<u>5,227</u>	<u>616,931</u>	<u>630,795</u>
NET ASSETS:				
Held in trust for pension and OPEB benefits and other purposes	<u>\$ 16,511,911</u>	<u>\$ 6,086,810</u>	<u>\$ 7,657,886</u>	<u>\$ 30,256,607</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Changes Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2009

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ADDITIONS:				
Contributions:				
Employer	\$ 958,230	\$ -	\$ 5,615,800	\$ 6,574,030
Plan members	703,808	-	160,602	864,410
Contributions from sources other than employer(s) and plan members	-	-	129,435	129,435
Total contributions	<u>1,662,038</u>	<u>-</u>	<u>5,905,837</u>	<u>7,567,875</u>
Investment earnings:				
Interest and dividends	5,090	4,155	26,411	35,656
Net increase(decrease) in the fair value of investments	<u>(4,606,863)</u>	<u>(1,645,385)</u>	<u>380,482</u>	<u>(5,871,766)</u>
Total investment earnings (losses)	<u>(4,601,773)</u>	<u>(1,641,230)</u>	<u>406,893</u>	<u>(5,836,110)</u>
Less investment expense	<u>(48,213)</u>	<u>(12,825)</u>	<u>(12,802)</u>	<u>(73,840)</u>
Net investment earnings (losses)	<u>(4,649,986)</u>	<u>(1,654,055)</u>	<u>394,091</u>	<u>(5,909,950)</u>
Total additions (losses)	<u>(2,987,948)</u>	<u>(1,654,055)</u>	<u>6,299,928</u>	<u>1,657,925</u>
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries				
	302,083	536,314	2,323,100	3,161,497
Administrative expenses	10,780	2,200	3,000	15,980
Total deductions	<u>312,863</u>	<u>538,514</u>	<u>2,326,100</u>	<u>3,177,477</u>
Change in net assets	<u>(3,300,811)</u>	<u>(2,192,569)</u>	<u>3,973,828</u>	<u>(1,519,552)</u>
Net assets-beginning	19,812,722	8,279,379	3,684,058	31,776,159
Net assets-ending	<u>\$ 16,511,911</u>	<u>\$ 6,086,810</u>	<u>\$ 7,657,886</u>	<u>\$ 30,256,607</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2009

<u>Carroll County Development Corporation</u>	Balance			Balance
	<u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2009</u>
ASSETS				
Equity in pooled cash and investments	\$ 181,062	\$ 31,345	\$ 160,462	\$ 51,945
Receivables-notes, mortgages and leases	490,023	150,000	23,462	616,561
Total assets	<u>\$ 671,085</u>	<u>\$ 181,345</u>	<u>\$ 183,924</u>	<u>\$ 668,506</u>
LIABILITIES				
Due to Carroll County Development Corporation	\$ 671,085	\$ 31,345	\$ 33,924	\$ 668,506
Total liabilities	<u>\$ 671,085</u>	<u>\$ 31,345</u>	<u>\$ 33,924</u>	<u>\$ 668,506</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Net Assets
Other Proprietary Funds
June 30, 2009

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
ASSETS			
Current Assets:			
Equity in pooled cash	\$ 351,350	\$ 150,250	\$ 501,600
Cash and cash equivalents	16,742	-	16,742
Accounts receivables, net	86,947	-	86,947
Total current assets	<u>455,039</u>	<u>150,250</u>	<u>605,289</u>
Noncurrent Assets:			
Capital assets:			
Buildings	-	274,051	274,051
Improvements other than buildings	185,278	6,578	191,856
Autos, machinery, equipment	-	25,069	25,069
Less accumulated depreciation	<u>(16,984)</u>	<u>(11,918)</u>	<u>(28,902)</u>
Total capital assets (net of accumulated depreciation)	<u>168,294</u>	<u>293,780</u>	<u>462,074</u>
Total assets	<u>623,333</u>	<u>444,030</u>	<u>1,067,363</u>
LIABILITIES			
Current liabilities:			
Accounts payable	117,894	3,915	121,809
Accrued interest payable	1,733	-	1,733
Long-term liabilities due within one year:			
General obligation bonds payable	<u>12,225</u>	<u>-</u>	<u>12,225</u>
Total current liabilities	<u>131,852</u>	<u>3,915</u>	<u>135,767</u>
Noncurrent liabilities:			
General obligation bonds payable	<u>146,335</u>	<u>-</u>	<u>146,335</u>
Total noncurrent liabilities	<u>146,335</u>	<u>-</u>	<u>146,335</u>
Total liabilities	<u>278,187</u>	<u>3,915</u>	<u>282,102</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,734	293,780	303,514
Unrestricted	335,412	146,335	481,747
Total net assets	<u>345,146</u>	<u>440,115</u>	<u>785,261</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Other Proprietary Funds
For the Year Ended June 30, 2009

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 449,263	\$ 104,713	\$ 553,976
Total operating revenues	<u>449,263</u>	<u>104,713</u>	<u>553,976</u>
Operating expenses:			
Personal services	-	57,959	57,959
Contractual services	175,565	1,775	177,340
Materials and supplies	44,537	6,118	50,655
Rents and utilities	94,509	2,345	96,854
Miscellaneous	49,738	-	49,738
Depreciation	16,984	9,278	26,262
Total operating expenses	<u>381,333</u>	<u>77,475</u>	<u>458,808</u>
Operating income	<u>67,930</u>	<u>27,238</u>	<u>95,168</u>
Nonoperating revenues (expenses):			
Penalties and interest	4,603	2,192	6,795
Interest and fiscal charges	(7,065)	-	(7,065)
Total nonoperating revenues (expenses)	<u>(2,462)</u>	<u>2,192</u>	<u>(270)</u>
Income before extraordinary gain	<u>65,468</u>	<u>29,430</u>	<u>94,898</u>
Change in net assets	65,468	29,430	94,898
Total net assets - beginning of year	<u>279,678</u>	<u>410,685</u>	<u>690,363</u>
Total net assets - ending	<u>\$ 345,146</u>	<u>\$ 440,115</u>	<u>\$ 785,261</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Cash Flows
Other Proprietary Funds
For the Year Ended June 30, 2009

	Septage	Firearms	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 422,635	\$ 104,713	\$ 527,348
Payments to suppliers and other funds	(296,247)	(16,454)	(312,701)
Payments to employees	-	(56,963)	(56,963)
Net cash provided (used) by operating activities	126,388	31,296	157,684
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(28,081)	-	(28,081)
Interest paid on capital debt	(7,198)	-	(7,198)
Net cash provided (used) by capital and related financing activities	(35,279)	-	(35,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments and cash	4,603	2,192	6,795
Net cash provided by investing activities	4,603	2,192	6,795
Net increase (decrease) in cash and cash equivalents	95,712	33,488	129,200
Cash and cash equivalents at beginning of year	272,380	116,762	389,142
Cash and cash equivalents at end of year	\$ 368,092	\$ 150,250	\$ 518,342
Reconciliation of Operating Income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 67,930	\$ 27,238	\$ 95,168
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	16,984	9,278	26,262
Changes in assets and liabilities:			
Accounts receivable	(26,628)	-	(26,628)
Accounts payable and accrued expenses	68,102	(5,220)	62,882
Total adjustments	58,458	4,058	62,516
Net cash provided (used) by operating activities	\$ 126,388	\$ 31,296	\$ 157,684

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2009

Governmental funds capital assets:	
Land	\$ 49,104,905
Buildings and contents	119,608,810
Improvements other than buildings	28,017,426
Automobiles, machinery and equipment	37,154,776
Roads and bridges	551,295,739
Construction in progress	67,743,107
Total governmental funds capital assets	<u>\$ 852,924,763</u>
Investments in governmental funds capital assets by source:	
General fund revenues	\$ 520,803,084
Special revenue funds	6,143,854
State grants	43,180,671
Federal grants	16,939,308
General obligation bonds	140,862,912
Contributions	124,994,934
Total investments in governmental funds capital assets by source	<u>\$ 852,924,763</u>

- (1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

Schedule 5-2

**Capital Assets Used in the Operation of Governmental Funds
Schedule By Function
JUNE 30, 2009**

	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 22,732,040	\$ 30,338,311	\$ 9,702,972	\$ 7,700,068	\$ -	\$ -	\$ 70,473,391
Public safety	298,249	11,829,092	1,406,435	15,161,296	-	-	28,695,072
Public works	4,853,972	177,463	6,958	11,374,417	544,378,500	-	560,791,310
Health	53,093	4,291,217	673,193	-	-	-	5,017,503
Education	5,296,130	47,431,101	2,706,071	389,448	-	-	55,822,750
Recreation & Parks	4,937,040	2,047,599	7,787,987	1,253,284	-	-	16,025,910
Economic development	-	2,695,072	4,305,691	191,783	6,917,239	-	14,109,785
Conservation of natural resources	9,358,212	622,527	-	75,976	-	-	10,056,715
Library/senior centers	1,576,169	20,176,428	1,428,119	1,008,504	-	-	24,189,220
Construction in progress	-	-	-	-	-	67,743,107	67,743,107
Subtotal	<u>49,104,905</u>	<u>119,608,810</u>	<u>28,017,426</u>	<u>37,154,776</u>	<u>551,295,739</u>	<u>67,743,107</u>	<u>852,924,763</u>
Less accumulated depreciation	<u>-</u>	<u>(29,462,167)</u>	<u>(13,740,355)</u>	<u>(21,430,108)</u>	<u>(361,817,047)</u>	<u>-</u>	<u>(426,449,677)</u>
Net governmental funds capital assets	<u>\$ 49,104,905</u>	<u>\$ 90,146,643</u>	<u>\$ 14,277,071</u>	<u>\$ 15,724,668</u>	<u>\$ 189,478,692</u>	<u>\$ 67,743,107</u>	<u>\$ 426,475,086</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Schedule 5-3

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2009

	Governmental Funds Capital Assets July 1, 2008	Additions	Transfers and Retirements	Governmental Funds Capital Assets June 30, 2009
General government	\$ 53,480,806	\$ 17,663,349	\$ (670,764)	\$ 70,473,391
Public safety	27,731,453	1,232,827	(269,208)	28,695,072
Public works	557,325,704	4,094,542	(628,936)	560,791,310
Health	4,340,639	673,193	3,671	5,017,503
Education	47,401,587	112,850	8,308,313	55,822,750
Recreation & Parks	15,014,886	190,250	820,774	16,025,910
Economic development	13,960,572	156,222	(7,009)	14,109,785
Conservation of natural resources	10,632,928	23,276	(599,489)	10,056,715
Library/senior centers	32,250,444	245,816	(8,307,040)	24,189,220
Construction in progress	35,740,947	35,452,502	(3,450,342)	67,743,107
Subtotal	<u>797,879,966</u>	<u>59,844,827</u>	<u>(4,800,030)</u>	<u>852,924,763</u>
Less accumulated depreciation	<u>(410,755,833)</u>	<u>(16,993,366)</u>	<u>1,299,522</u>	<u>(426,449,677)</u>
Net governmental funds capital assets	<u>\$ 387,124,133</u>	<u>\$ 42,851,461</u>	<u>\$ (6,099,552)</u>	<u>\$ 426,475,086</u>

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
<u>Governmental Activities:</u>					
<u>General Government</u>					
8005 * Govt Campus Data Sys 03	\$ 147,830	\$ 147,830	\$ -	\$ -	\$ -
8006 IT Sys Comp Replacement 03	2,620,666	1,451,404	194,665	31,957	942,641
8011 County Facilities Security 03	480,410	78,095	51,851	50,540	299,924
8036 Junction Renovation 03	50,000	45,764	-	-	4,236
8038 300 S. Center St. Renovations	4,923,989	4,483,996	371,438	-	68,555
8060 New Voting System 04	937,045	616,622	93,292	-	227,130
8111 Econ Devel Tech Infrastructure	2,000,000	9,300	1,966,557	22,070	2,073
8162 County Master Plan	900,800	342,470	229,822	3,241	325,267
8168 Winchester Building Elevator	131,400	-	-	-	131,400
8198 * Safe Haven Expansion FY06	673,193	673,193	-	-	-
8199 Government Complex	7,000,000	-	1,786,517	-	5,213,483
8226 Carroll County Public Network	8,869,500	2,720,711	4,348,609	97,607	1,702,573
8228 GIS Planimetric Data	750,000	590,605	136,591	15,731	7,074
8230 Ebb Valley Water Tank	1,046,125	-	1,046,125	-	-
8246 New Windsor MS-Office Complex	9,492,464	7,532,677	1,217,421	-	742,366
8265 County Voice Mail System Repl.	100,000	877	88,180	-	10,943
8273 PW Asset/Pavement Manage Sys	695,000	-	-	-	695,000
8274 Records Management	153,000	73,927	19,738	-	59,335
8309 Government Office Building	4,500,000	-	1,960,945	104,777	2,434,279
8311 GIS/Planning/Public Safety-Par	715,000	-	-	462,008	252,993
8362 Cats ARRA	758,403	-	-	-	758,403
9001 Comptroller/Acct-Capital	47,878,941	40,378,941	7,500,000	-	-
9418 Handicapped Accessibility 92	904,600	807,225	10,325	2,917	84,133
9541 * Airport Grnds & Facil Improve	284,659	265,142	19,517	-	-
9648 Computer System Improvements	4,781,140	4,229,504	433,058	2,288	116,291
9921 Parking Lot Overlays (Fr 9658)	535,471	377,195	255	-	158,021
9941 Courthouse Annex Renovations	834,192	828,730	-	-	5,462
9952 Multi-Purpose Bldg Improvement	330,100	87,535	204,558	-	38,007
9954 Cnty Bldg Systemic Renovations	1,349,100	992,014	49,390	149,222	158,474
9957 General Government Unallocated	767,765	-	-	-	767,765
Total	104,610,793	66,733,756	21,728,851	942,357	15,205,829
<u>Health</u>					
4023 Drug Treatment Facility	3,874,307	3,725,075	11,487	-	137,745
Total	3,874,307	3,725,075	11,487	-	137,745
<u>Public Safety</u>					
4031 EOC Relocation 03	3,257,016	-	-	-	3,257,016
8003 800 MHz Phase 3	598,282	598,282	-	-	-
8107 * Criminal Justice Building	200,000	130,388	-	-	69,612
8118 CC Public Safety Training Cntr	7,000,000	16,427	-	-	6,983,573
8163 9-1-1 Work Stations	170,651	160,523	-	-	10,128
8209 Carroll County 800 MHz & 911	3,384,468	136,922	1,958,679	-	1,288,867
8264 Humane Society-Add Parking	41,210	-	-	-	41,210
8269 Minimum Security Facility	6,920,000	-	-	-	6,920,000
8272 Humane Society Generator	44,700	-	-	-	44,700
8312 Dry Hydrant Project	999,800	390,343	97,273	-	512,184
Total	22,616,127	1,432,886	2,055,952	-	19,127,290
<u>Highways & Streets</u>					
4041 Georgetown Boulevard 03	2,152,980	-	85,309	-	2,067,672
8023 Rowe Road 03	707,100	-	-	-	707,100
8028 Gravel Roads 04	1,200,000	613,088	99,486	-	487,426
8065 Albert Rill Road	1,982,180	-	-	-	1,982,180
8177 Falls Road	797,990	72,939	4,398	12,721	707,932
8178 John Pickett Road Fy'06	2,454,560	-	-	-	2,454,560
8179 Overlays FY'06	4,221,481	4,116,089	-	-	105,392
8182 Turkeyfoot Road	1,888,790	135,964	-	38,126	1,714,700
8184 Manchester Valley HS Road	2,445,753	101,474	882,542	971,571	490,166

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

	<u>Description</u>	<u>Total</u> <u>Appropriation</u>	<u>Prior Years</u> <u>Expenditures</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended</u> <u>Appropriation</u>
8283	Englar Road Roundabout	\$ 1,044,000	\$ -	\$ 17,537	\$ 118,005	\$ 908,458
8284	Low Volume Rd Improvements '08	1,269,263	1,121,713	59,038	-	88,513
8285	Neighborhood Overlays '08	1,884,627	952,712	908,714	-	23,201
8286	Overlays '08	6,008,515	1,938,591	2,950,431	-	1,119,493
8308	Ridenour Way 08	20,000	-	-	-	20,000
8316	Dickenson Road	35,000	-	-	-	35,000
8317	Low Volume Road Improve '09	1,095,000	-	802,284	140,313	152,403
8318	Market Street Extended	995,000	-	578,614	-	416,386
8319	Neighborhood Overlays '09	1,728,000	-	-	1,278,291	449,709
8320	Overlays '09	5,619,087	-	887,041	3,657,782	1,074,264
8321	Ridge Road Improvements	250,000	-	12,408	-	237,592
9604	Ridge Road Relocation	50,000	475	2,627	-	46,898
9674	Highway Safety Improvements	1,232,860	955,667	228	-	276,965
9797	Shepards Mill Road-Ladiesburg	4,777,260	4,530,861	82,734	-	163,665
9847	Small Drainage Structures	1,465,207	1,158,932	67,161	-	239,115
9875	Maryland 26 Service Roads	3,968,905	2,994,689	801,466	-	172,751
9877	Macbeth Way	596,000	71,686	-	-	524,314
9878	WestRdPlan	4,000,000	799,267	-	-	3,200,733
9881	Westminster Area Alt Road Plan	338,000	48,533	2,757	-	286,710
9964 *	Jasontown Road	240,318	240,318	-	-	-
9966	Monroe Av(Oklahoma to Bennett)	2,029,140	-	-	-	2,029,140
9968	Obrecht Rd(White Rock-Gaither)	1,216,850	-	8,379	-	1,208,471
	Total	57,713,867	19,852,997	8,253,153	6,216,809	23,390,908
4042	<u>Traffic Signals</u>					
9051	Traffic Signals	755,000	549,132	36,855	18,527	150,486
	Total	755,000	549,132	36,855	18,527	150,486
4043	<u>Bridges</u>					
8030 *	Bucher John Rd over Ltl PipeCr	506,023	506,023	-	-	-
8031	Greenmount Ch Rd over MurphyRn	773,300	38,505	7,498	-	727,297
8032	Silver Run Valley Rd-BigSillRun	790,300	19,978	13,189	-	757,133
8033	Starners Dam Rd over Monocacy	371,000	73,466	-	-	297,534
8071	Mumma Ford Rd over Monocacy 04	110,000	-	-	-	110,000
8129	Keysville Fred Co Road Bridge	593,407	57,622	192,047	270,996	72,742
8130 *	Twin Arch Road Bridge	262,059	262,059	-	-	-
8131	Warfieldsburg Rd/Little Morgan	289,191	273,295	-	-	15,896
8239	Bollinger Road/Beaver Run	696,000	57	7,852	-	688,090
8240	Falls Road/Indian Run	528,539	75,374	23,186	13,112	416,867
8287	Grand Valley Road/Stream	90,000	-	37,238	-	52,762
8322	Babylon road over Silver Run	182,000	-	-	-	182,000
8323	McKinstry'sMill Rd/Sam's Creek	182,000	-	-	-	182,000
8324	Sullivan Rd/W Branch Patap Rvr	155,000	-	148,098	-	6,902
8332	Hughes Shop over Bear Branch	182,000	-	-	-	182,000
9083 *	Sams Creek Rd Bridge/SE Marstn	568,354	568,354	-	-	-
9684	Bridge Inspection & Inventory	208,505	161,868	-	44,765	1,873
9686	Clean & Paint Structural Steel	655,350	326,785	285,044	26,180	17,342
9799	Bear Run Rd Bridge/Bear Branch	450,000	26,068	-	-	423,932
9882	Bridge Maint/Structural Repair	478,000	328,382	-	-	149,618
9883 *	Davis Rd Bridge/Cabbage Spring	202,522	202,522	-	-	-
9916	Saw Mill Rd Bridge/Bear Run	745,758	40,883	240,608	-	464,267
	Total	9,019,308	2,961,240	954,761	355,052	4,748,255
4045	<u>Buildings</u>					
8176	Salt Barns	2,783,750	-	5,285	-	2,778,465
8267	Fleet-Vehicle/Equipment Wash	1,208,680	-	4,612	1,077,016	127,053
8268	Fuel Tank Replacement	168,000	-	-	-	168,000
8347	Youth Srvc Bureau - DHCD	612,372	-	612,372	-	-
9866	Maint Facility-Additions/Renov	225,700	12,788	20,853	92,747	99,312
9956	Fleet-Lifts Replacements	338,915	62,554	141,199	134,015	1,147
	Total	5,337,417	75,342	784,320	1,303,778	3,173,976

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
4047	<u>Utilities</u>					
8146	FSK WWPS & Force Main (6391)	\$ 2,034,398	\$ 1,955,086	\$ 76	\$ -	\$ 79,236
9983	Maple Crest Water Line	323,688	321,038	-	-	2,650
	Total	2,358,086	2,276,124	76	-	81,886
4049	<u>General Public Works</u>					
9902	Public Works-Unallocated	310,611	-	-	-	310,611
	Total	310,611	-	-	-	310,611
4061	<u>Board of Education</u>					
8089	Vo-Tech Students-Capital-0801	220,457	152,293	(87,002)	-	155,166
8132	HVAC Addition Westminster MS	2,244,725	2,191,905	45,820	-	7,000
8133	Manchester Valley High School	79,040,300	22,173,565	34,387,566	-	22,479,169
8185	Ebb Valley Elementary School	11,825,832	9,709,125	1,345,147	-	771,560
8186	Full Day K-Eldersburg ES	492,844	491,250	1,104	-	490
8187	Full Day K-Linton Springs ES	472,429	470,283	1,656	-	490
8188	Full Day K-Piney Ridge ES	628,800	560,466	53,566	-	14,768
8189	Full Day K-Spring Garden ES	813,071	811,477	1,104	-	490
8190	Full Day K-Westminster ES	504,748	503,254	1,104	-	390
8191	Full Day K-State Plan Approvl	697,916	537,241	6,682	-	153,993
8194	Vehicle Storage-Pole Shed	80,000	-	60,961	-	19,039
8210	Full Day K-Carrolltowne	589,056	587,462	1,104	-	490
8241	FDK-Manchester ES	1,038,500	758,989	27,201	-	252,310
8244	HVAC Replace-Robert Moton ES	2,251,701	1,364,847	621,613	-	265,241
8245	Roof Replace-Sykesville MS	709,854	688,564	7,328	-	13,963
8288	Freedom Ele Kindergarten Add	2,809,700	174,692	552,062	-	2,082,947
8289	SC High School Fine Arts Add	19,744,500	1,054,926	2,131,629	-	16,557,946
8290	Westminster HS HVAC Replace	18,435,953	583,427	649,256	-	17,203,270
8291	Mt Airy MS Roof Replacement	326,030	42,121	190,710	-	93,199
8292	Open Space Classroom Enclosure	8,000,000	251,224	2,141,356	-	5,607,420
8325	William Win Elem Kinder Additi	205,000	-	195,875	-	9,125
8326	Winfield Elem Kindergarten Add	156,000	-	117,800	-	38,200
8327	Roof Replace-Mt Airy Elementar	200,000	-	21,497	-	178,503
9554	Handicapped Accessibility	1,449,684	1,310,841	2,473	-	136,369
9745	Relocatables	5,027,376	4,508,728	518,648	-	-
9746	General Roofing Improvements	1,081,788	560,010	363,365	-	158,413
9748	Paving	2,907,241	2,314,636	186,001	-	406,605
9792	Technology Improvements	4,807,105	3,916,566	536,540	-	354,000
9850	School Construction-General	-	-	(3,208,794)	-	3,208,794
9885	Winters Mill High School	25,252,267	25,162,263	1,190	-	88,814
9973	NC Middle School Renovations	11,130,621	10,936,415	14,677	-	179,529
9974	HVAC-Improvement & Replacement	78,437	-	-	-	78,437
	Total	203,221,935	91,816,565	40,889,239	-	70,516,131
4062	<u>Community College</u>					
8225	CCC-Classroom Building #4	36,484,784	3,103,381	15,327,839	9,016,885	9,036,679
9782	Comm Coll-Technology	4,510,600	3,203,544	355,715	-	951,342
	Total	40,995,384	6,306,925	15,683,553	9,016,885	9,988,021
4071	<u>Recreation & Parks</u>					
8016	Deer Park Lighting 03	197,917	186,671	-	11,245	-
8121	Leister Park	1,874,534	206,054	17,454	51,881	1,599,145
8169	Barkhill Ballfields	456,000	53,828	227,823	114,987	59,363
8175	West Carroll Regional Park	1,250,000	-	-	-	1,250,000
8231	Deer Park Linear Trail	66,000	51,451	-	-	14,549
8232	Park Restoration Fund	315,985	104,098	174,720	34,253	2,914
8233	Parkland Acq (POS) County	286,086	-	-	-	286,086
8234	Parkland Devel (POS) County	1,572	-	-	-	1,572
8252	Freedom Park Playground Equip	40,000	39,697	-	-	303
8275	Deer Park Practice Field	144,000	-	830	-	143,170

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
8276	Double Pipe Creek Park	109,078	108,647	326	-	104
8277	Freedom Park Shelters/Paly Eqp	67,580	60,502	-	6,500	578
8278	Middlebrooke Trail	223,900	-	-	-	223,900
8279	Parkland Acq-(POS) County '08	750,000	-	-	-	750,000
8280	ParkInd Dev-(POS) County '08	473,440	-	-	-	473,440
8282	Westminster Comm Pond Renovate	392,300	166,720	6,738	-	218,842
8315	Program Open Space Unallocated	365,000	-	-	-	365,000
8330	* Bennett Cerf Park Revitalize	64,950	-	64,950	-	-
8331	DPC Water Tr. Pavilions	8,000	-	6,884	-	1,116
9139	Recs & Parks/Local-Unallocated	34,760	-	-	-	34,760
9736	Town Fund	342,901	243,654	7,263	-	91,985
9870	Gillis Falls Park Development	680,363	236,927	-	63,336	380,100
9874	* Watersville Road Ballfields	28,463	28,463	-	-	-
9925	Tot Lot Replacement	184,238	177,848	-	-	6,391
9926	South Carroll Regional Park	4,820,551	1,193,572	5,839	17,845	3,603,294
9963	Sandymount Park Lighting	149,315	143,987	-	5,327	-
	Total	13,326,932	3,002,120	512,827	305,374	9,506,611
4072	<u>Farm Museum</u>					
8113	Farm Museum Electrical Upgrade	247,200	245,102	-	-	2,098
8266	Farm Museum-Maint Bldg Add	77,900	16,366	60,217	-	1,318
8307	Farm Museum Stormwater Drain	24,000	-	-	-	24,000
	Total	349,100	261,467	60,217	-	27,416
4073	<u>Hashawha/Bear Branch</u>					
9871	Hashawha Building Renovations	489,636	171,880	-	-	317,755
	Total	489,636	171,880	-	-	317,755
4074	<u>Piney Run Park</u>					
8197	Piney Run Pier Replacement	122,000	102,327	16,599	-	3,073
8281	PR Nature Center-Aux Classroom	110,000	29,582	18,741	-	61,677
8314	Piney Run Tennis Court Resurf	65,000	-	37,619	5,829	21,552
	Total	297,000	131,909	72,959	5,829	86,303
4076	<u>Self-Help Projects</u>					
8079	Union Mills Trail Upgrade SH	2,304	1,230	-	-	1,074
8105	Salt Box Park Upgrade SH 04	7,860	6,024	1,466	-	369
8139	FA Hodges Park Fld Upgrade-SH	1,750	632	-	-	1,119
8149	Cherrytown Ballfld Park Lot-SH	2,330	2,194	-	-	136
8150	* Cherrytown Ballfld Pavilion-SH	12,403	11,877	526	-	-
8215	PR Butterfly & Wildflower SH	4,021	2,549	-	-	1,472
8256	Freedom Pk Ballfield Improv	1,501	371	-	-	1,130
8257	GreenHouse-Wetland Classrm	20,810	20,618	189	-	4
8300	* CT Park Press Box SH 08	7,846	-	7,846	-	-
8301	CT Park Pad/Bleachers SH 08	12,401	4,262	139	8,000	-
8304	Hodges Park F2 Pad Sh 08	2,600	1,379	-	-	1,221
8305	Hodges Park Bleachers SH 08	3,107	3,086	-	-	21
8333	Equestrian Ring Surf Upgrd 1,2	13,100	-	12,867	-	233
8334	Cherrytwn Blfld Pav Concrete	4,350	-	4,350	-	-
8335	Freedom Prk Concession Shed	5,300	-	5,300	-	-
8336	Freedom Area Balldiamond Mix	15,750	-	15,528	-	222
8337	Piny Run Picnic Pavilion	6,900	-	6,550	-	350
8338	Landon C Burns Prk Ball Field	19,940	-	-	-	19,940
8339	FSK Field #1 Conditioner	2,750	-	2,730	-	20
8340	Union Bridge Flds Balldmd Mix	4,800	-	1,934	-	2,866
8341	NW Lions Club Balldmd Mix	2,400	-	1,180	-	1,220
8342	Siebel Fields Balldmd Mix	3,600	-	1,368	-	2,232
8343	FSK Field #2 Conditioner	2,750	-	2,730	-	20
8344	NW Lions Clb Field Conditioner	5,500	-	4,620	-	880
8345	Winfield Backstop Fencing	6,172	-	6,172	-	-
8346	Linton Springs ES Lwr Fld Impr	8,275	-	-	-	8,275

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

	Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
9735	Community Self Help	\$ 2,021	\$ -	\$ -	\$ -	\$ 2,021
9764	Ball Diamond Mayeski Park	6,885	4,987	-	-	1,898
9775	Gymnastic Equip Carr Gym Center	2,157	-	2,157	-	-
9785	Foot Bridge Piney Run Park	4,000	-	-	-	4,000
9812	Ball Diam North Carr Middle Sc	1,272	1,090	-	-	182
9997	Bleach & bal diam Char Car Elm	2,100	2,057	-	-	43
9998	Ball Diam Fld C Christmas Tree	2,544	-	-	-	2,544
9999	Ball Diam Fld C Christmas Tree	1,272	-	-	-	1,272
	Total	<u>202,771</u>	<u>62,355</u>	<u>77,654</u>	<u>8,000</u>	<u>54,762</u>
4081	<u>Library/Senior Centers</u>					
8059	Taneytown Libr Branch Exp 04	1,906,277	518,296	1,083,651	-	304,330
8062	Senior Center-South Carroll 04	11,956,420	778,989	6,545,266	1,682,540	2,949,625
8270 *	Library-Telephone Replacement	205,000	113,972	17,583	-	73,445
8271	Library-Westminster Branch Ren	150,000	-	150,000	-	-
8313	Taneytown Sr/Comm Ctr Add Park	93,200	-	-	-	93,200
9784	Finksburg Library Branch	6,594,505	3,947,824	2,382,480	27,713	236,489
9822	Library-Technology Improvemnts	1,640,800	1,264,084	353,193	-	23,523
	Total	<u>22,546,202</u>	<u>6,623,163</u>	<u>10,532,173</u>	<u>1,710,253</u>	<u>3,680,613</u>
4091	<u>Conservation & Open Space</u>					
9002	Land Bank	17,942,920	10,300,975	4,561,743	-	3,080,202
9004	Reservoir Land Acquisition	2,322,270	2,122,270	-	-	200,000
9007	Ag Land Preservation	96,588,222	80,733,549	13,067,335	-	2,787,338
9701	Major Street Plan-Align/Stream	400,538	317,167	-	-	83,371
9702	Traffic Impact Studies/Develop	77,271	57,796	17,541	-	1,935
9851	Rural Legacy-Easement Purchase	15,682,871	14,679,065	828,528	-	175,279
9919	Soil Surveys	210,000	173,250	20,370	-	16,380
	Total	<u>133,224,093</u>	<u>108,384,072</u>	<u>18,495,516</u>	<u>-</u>	<u>6,344,505</u>
4092	<u>Water Resources</u>					
8293	Patapsco Rd Watershed Project	617,400	160,098	53,499	161	403,643
8294	Reservoir Development	9,257,009	151,169	7,144,234	84,949	1,876,657
8295	Storm Water Facility Maint	825,000	130,539	398,964	-	295,497
8328	Environmental Compliance	355,000	-	58,459	-	296,541
8329	Hydes Quarry	1,258,224	-	1,258,224	-	-
9920	Watershed Assessment & Improve	2,147,769	14,379	888,596	-	1,244,794
	Total	<u>14,460,402</u>	<u>456,185</u>	<u>9,801,977</u>	<u>85,110</u>	<u>4,117,131</u>
	Total Governmental Activities	<u><u>\$ 635,708,970</u></u>	<u><u>\$ 314,823,193</u></u>	<u><u>\$ 129,951,569</u></u>	<u><u>\$ 19,967,975</u></u>	<u><u>\$ 170,966,234</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Business-type Activities					
Bureau of Utilities					
6311 Water & Sewer Meters	\$ 1,161,255	\$ 1,000,105	\$ 150,720	\$ -	\$ 10,430
6332 Tank Painting	509,182	131,566	55,040	-	322,575
6337 * FS-Sykesville Pump Sta Upgrade	1,107,577	1,107,502	76	-	-
6339 FW-Ground Water Supply-975706	3,329,457	2,824,090	-	-	505,367
6343 Small Comm Sanitary Surveys	50,165	10,228	-	-	39,937
6344 HWWTP-Effluent Chillers	2,436,967	512,307	2,843	-	1,921,817
6347 FDWTP-Expansion	27,350,898	12,551,225	11,841,224	598,194	2,360,256
6350 * HS-Bio Solids Improvements	37,658	37,658	-	-	-
6352 * Bark Hill Water TP Upgrade	102,714	102,714	-	-	-
6358 8-12-16 Mains/Hydraulic Loop	634,221	-	-	-	634,221
6359 Hydrant Replacement	721,950	606,170	92,093	-	23,688
6370 Pine Hill WWPS Upgrade	894,200	50,152	455,154	43,450	345,445
6371 Piney Run WWPS Renovation	2,951,195	148,092	2,219	-	2,800,883
6385 Sewer Study Update	275,000	92,713	75,483	-	106,804
6387 * Bunker Hill Sewer Replace 04	168,480	144,909	23,571	-	-
6388 Pleasant Valley Backup Well 04	280,993	-	-	-	280,993
6389 Shiloh Pumping Station 04	1,376,000	365,786	1,003,487	-	6,726
6390 Sykesville Eleva W/Tank #6 04	62,000	-	-	-	62,000
6394 * Poly Aluminum Chlorid Facility	841,218	801,037	40,180	-	-
6395 Ridge Road & Stafford Court	185,000	2,123	182,878	-	-
6398 Gravity Main to North Station	258,025	-	862	-	257,163
6400 Bramble Hills Well Sys Replace	529,000	51,076	-	-	477,924
6403 Sanitary Sewer Manhole Rehab	450,000	202,045	58,531	11,200	178,224
6404 Sludge Dewatering Facility Rep	956,239	836,884	124,630	-	(5,275)
6405 * Pine Knob Rd WM Loop	409,634	409,634	-	-	-
6407 Carroll Highlands PS Renovatns	236,280	30,968	25,918	-	179,394
6408 * FD-Hydraulic Looping-Sandosky	124,060	113,808	10,252	-	-
6409 FD Looping Monroe (Okla-Benn)	74,800	-	-	-	74,800
6410 FWTP-Water Transmission Main	4,123,650	-	3,635,403	-	488,247
6411 * Hampstead Office Renovations	100,761	100,761	-	-	-
6413 Hampstead Sludge Tank Renovate	828,200	7,820	87,822	-	732,558
6414 Meter Vault Replacement	60,000	17,153	26,242	-	16,604
6415 Snowden's Run WWPS Rehab	562,958	368,328	141,735	-	52,895
6416 FD-Looping-DickensonRd	5,000	-	-	-	5,000
Total	53,194,737	22,626,854	18,036,362	652,844	11,878,677
Solid Waste					
6520 Hoods Mill Remediation	445,626	152,260	6,762	11,909	274,695
6521 Northern Landfill Remediation	400,000	256,318	1,496	7,706	134,480
6522 Northern Landfill Cell 3	6,288,000	5,653,720	186,937	-	447,343
6528 John Owings LF Remediation	800,000	75,501	23,978	9,936	690,585
6530 Northern-Maintenance Building	381,250	265,586	90,750	-	24,914
6531 Northern Landfill Scalehouse	110,000	100,389	1,131	-	8,480
6532 Closed Landfill Remediation	100,000	-	-	-	100,000
6533 Entrance-Northern Landfill	665,000	-	2,400	-	662,600
Total	9,189,875	6,503,773	313,454	29,551	2,343,097
Septage Treatment					
6703 * Septage Rec. Facility Improve.	185,278	185,278	-	-	-
Total	185,278	185,278	-	-	-
Airport					
6802 Corporate Hangar Facilities	4,884,450	4,787,725	19,829	-	76,896
6804 Obstruction Study/Tree Removal	85,364	71,264	-	-	14,100
6805 Airport Land Sales	242,910	67,910	-	-	175,000
6807 * Airport Perimeter Fence	363,186	363,186	-	-	-
6810 Fuel Farm Expansion	161,021	143,603	-	-	17,418

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Schedule 6

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Business-type Activities					
6812 T-Hangars	\$ 4,771,250	\$ -	\$ -	\$ -	\$ 4,771,250
6813 Precision Appr Path Indicators	180,854	151,719	17,322	5,543	6,270
6814 Runway Expansion	5,479,000	216,223	829,240	-	4,433,537
6815 Security System	521,000	175,000	-	-	346,000
6816 Corporate Hangars	9,463,000	-	-	-	9,463,000
6817 New Terminal Building	2,660,000	-	-	-	2,660,000
6818 Grounds & Facility Impr (9541)	66,000	-	72,188	-	(6,188)
Total	<u>28,878,036</u>	<u>5,976,630</u>	<u>938,579</u>	<u>5,543</u>	<u>21,957,284</u>
Total Business-type Activities	<u><u>\$ 91,447,926</u></u>	<u><u>\$ 35,292,535</u></u>	<u><u>\$ 19,288,394</u></u>	<u><u>\$ 687,938</u></u>	<u><u>\$ 36,179,058</u></u>

* Denotes Completed Projects

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Investments for
Governmental Activities, Business Activities, and Trust Funds
June 30, 2009

Schedule 7

	Length (in Days)	Maturity Date	Rate (%)	Amount	Totals
GOVERNMENTAL ACTIVITIES-Par Value					
Federal Home Loan Bank	238	2-Nov-09	0.70	\$ 12,000,000	
Federal Home Loan Bank	720	10-Mar-10	3.00	5,000,000	
Federal Agricultural Mortgage Corporation	450	18-Jun-10	1.20	15,000,000	
Federal National Mortgage Corporation	720	11-May-11	1.69	5,000,000	
Treasury Bonds	20 yrs	15-Nov-21	5.66	217,793	
Treasury Bonds	20 yrs	15-Aug-22	5.97	136,360	
Treasury Bonds	20 yrs	15-Aug-22	5.44	204,841	
Treasury Bonds	20 yrs	15-Nov-22	5.05	262,952	
Treasury Bonds	20 yrs	15-Aug-23	5.05	90,718	
Treasury Bonds	20 yrs	15-Nov-24	4.86	1,899,238	
Treasury Bonds	20 yrs	15-Aug-25	4.75	1,153,733	
Treasury Bonds	20 yrs	15-Nov-26	4.93	1,546,169	
Treasury Bonds	20 yrs	15-Feb-27	4.72	995,125	
Treasury Strips	20 yrs	15-Nov-21	5.83	24,430	
Treasury Strips	20 yrs	15-Aug-22	5.97	10,758	
Treasury Strips	20 yrs	15-Aug-22	5.78	20,095	
Treasury Strips	20 yrs	15-Nov-22	5.39	34,901	
Treasury Strips	20 yrs	15-Aug-23	5.42	7,333	
Treasury Strips	20 yrs	15-Nov-24	5.12	279,781	
Treasury Strips	20 yrs	15-Nov-25	4.76	177,126	
Treasury Strips	20 yrs	15-Nov-26	4.95	111,097	
Treasury Strips	20 yrs	15-Feb-27	4.73	78,742	
Maryland Local Government Investment Pool	---	---	0.54	6,199,924	
Branch Banking & Trust-CD	248	10-Sep-09	1.10	10,000,000	
Branch Banking & Trust-Money Rate Savings	---	---	0.64	96,032,182	\$ 156,483,298
BUSINESS-TYPE ACTIVITIES-Par Value					
Maryland Local Government Investment Pool-Utilites	---	---	0.54	4,175,565	4,175,565
TRUST FUNDS-Fair Value					
<u>Pension</u>					
Charles Schwab Employee Pension Account				16,123,095	
Maryland Local Government Investment Pool-Pension			0.54	333,474	
<u>Other postemployment benefits (OPEB)</u>					
Maryland Local Government Investment Pool-OPEB			0.54	891,845	
Master OPEB Investment Trust				7,382,972	
<u>LOSAP</u>					
Charles Schwab LOSAP Account				6,085,966	
Maryland Local Government Investment Pool-LOSAP			0.54	6,071	30,823,423
TOTAL					<u><u>\$ 191,482,286</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2009

	Amount Outstanding July 1, 2008	New Debt Activity	Principal Payments For Year 2009	Amount Outstanding June 30, 2009	Interest Payments For Year 2009
Governmental Activities					
General Obligation Bonds Payable					
Volunteer Fire Dept. Project - 1997	\$ 2,750,000	\$ -	\$ 275,000	\$ 2,475,000	\$ 126,638
General Obligation Bonds - 1998	12,215,752	-	2,146,532	10,069,220	476,458
General Obligation Bonds - 1999	2,157,894	-	1,078,947	1,078,947	80,921
General Obligation Bonds - 2000	5,025,000	-	1,005,000	4,020,000	213,802
General Obligation Bonds - 2001	6,898,913	-	768,764	6,130,149	247,311
General Obligation Bonds - 2002	10,700,000	-	1,100,000	9,600,000	395,825
General Obligation Refunding Bonds-Aug. 2003	14,305,697	-	3,960,009	10,345,688	616,285
General Obligation Bonds - 2003	5,854,909	-	451,026	5,403,883	186,830
Volunteer Fire Dept. Project - 2003	1,615,000	-	125,000	1,490,000	51,505
General Obligation Refunding Bonds-Feb 2004	30,541,818	-	2,234,767	28,307,051	931,805
General Obligation Bonds - July 2004	17,588,154	-	1,468,949	16,119,205	616,936
General Obligation Bonds - Taxable Pension 2004	10,235,000	-	855,000	9,380,000	512,505
Volunteer Fire Dept. Project - 2004	1,741,724	-	115,054	1,626,670	69,557
General Obligation Bonds- 2005	27,517,457	-	2,145,932	25,371,525	1,056,630
Volunteer Fire Dept. Project- 2005	2,510,000	-	195,000	2,315,000	96,438
General Obligation Bonds-2006	18,906,717	-	1,353,279	17,553,438	729,203
General Obligation Refunding Bonds- Jan 2007	22,537,655	-	927,993	21,609,662	972,691
General Obligation Bonds-2007	20,430,000	-	1,387,195	19,042,805	823,400
General Obligation Refunding Bonds-Nov 2007	6,670,000	-	-	6,670,000	280,375
General Obligation Refunding Bonds-Nov 2008	-	72,088,000	-	72,088,000	1,653,751
Total General Obligation Bonds	220,201,690	72,088,000	21,593,447	270,696,243	10,138,866
Farmers Home Administration					
Federal Loan - 1972	366,252	-	20,002	346,250	12,826
Federal Loan - 1974	149,304	-	6,676	142,628	5,448
Federal Loan - 1979	457,186	-	13,042	444,144	16,683
Total Farmers Home Administration	972,742	-	39,720	933,022	34,957
General Obligation Debt					
Gorsuch Property	246,000	-	-	246,000	13,600
Spangler Property	150,000	-	-	150,000	8,337
Rodkey Property	230,930	-	-	230,930	12,180
Dell Property	300,000	-	-	300,000	15,174
Vaughn Property	100,000	-	-	100,000	4,938
Hoff Property	600,000	-	-	600,000	28,800
Nevius Property	647,946	-	-	647,946	31,742
Seiler etal Property	684,350	-	-	684,350	33,526
Seiler Property	147,638	-	-	147,638	7,233
Leister Property	100,000	-	-	100,000	4,899
Stonesifer Property	450,000	-	-	450,000	20,969
Reddick Property	200,000	-	-	200,000	9,281
Haines Property	696,000	-	-	696,000	31,763
Sherwood Property	1,584,000	-	-	1,584,000	83,980
Barnes Property	1,000,000	-	-	1,000,000	53,000
W. Hoff Property	-	1,201,212	-	1,201,212	-
Strawbridge Property	-	107,290	-	107,290	-
Owings Property	-	906,624	-	906,624	-
Total General Obligation Debt	7,136,864	2,215,126	-	9,351,990	359,422
Total General Obligation Debt Payable	228,311,296	74,303,126	21,633,167	280,981,255	10,533,245
Other Notes Payable					
Mirfin Property	133,580	-	66,789	66,791	2,832
Mirfin Property	89,299	-	44,650	44,649	1,893
Mahanna Property	74,460	-	74,460	-	1,579

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2009

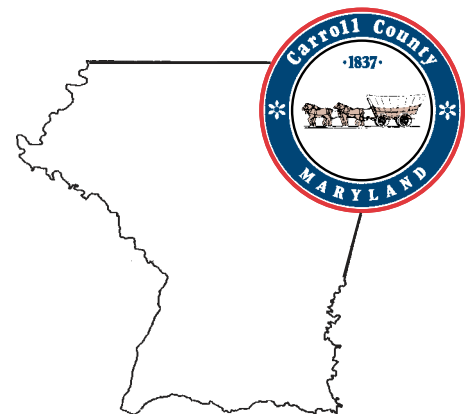
	Amount Outstanding July 1, 2008	New Debt Activity	Principal Payments For Year 2009	Amount Outstanding June 30, 2009	Interest Payments For Year 2009
Governmental Activities continued					
Other Notes Payable continued					
Linton Property	\$ 600,000	\$ -	\$ 200,000	\$ 400,000	\$ 12,720
Raver Property	71,775	-	71,775	-	1,522
Raver Property	43,412	-	43,412	-	920
Hidey Property	264,084	-	88,028	176,056	5,599
Maring Property	193,850	-	193,850	-	4,110
Reeves Property	273,798	-	136,899	136,899	5,805
Reeves Property	91,266	-	45,633	45,633	1,935
Green Property	400,000	-	100,000	300,000	8,480
Green Property	475,000	-	125,000	350,000	10,070
White Rose LLC	88,590	-	88,590	-	1,878
Rill Property	180,000	-	60,000	120,000	3,816
Miller Property	249,647	-	83,216	166,431	5,292
Miller Property	245,166	-	81,722	163,444	5,198
Soper Property	-	741,670	741,670	-	771
Total Other Notes Payable	<u>3,473,927</u>	<u>741,670</u>	<u>2,245,694</u>	<u>1,969,903</u>	<u>74,420</u>
Total Notes and Loans Payable	3,473,927	741,670	2,245,694	1,969,903	74,420
Purchase Agreements					
Johnson Controls	2,583,004	-	150,681	2,432,323	106,112
Total Purchase Agreements	<u>2,583,004</u>	<u>-</u>	<u>150,681</u>	<u>2,432,323</u>	<u>106,112</u>
Total Governmental Activities	<u>\$ 234,368,227</u>	<u>\$ 75,044,796</u>	<u>\$ 24,029,542</u>	<u>\$ 285,383,481</u>	<u>\$ 10,713,777</u>
Business-Type Activities					
General Obligation Bonds Payable					
Bureau of Utilities					
General Obligation Bonds - 1999	\$ 252,106	\$ -	\$ 126,053	\$ 126,053	\$ 9,454
General Obligation Bonds - 2001	11,088	-	1,236	9,852	397
General Obligation Bonds - 2003	762,679	-	58,752	703,927	24,337
General Obligation Refunding Bonds-Feb 2004	2,061,871	-	150,869	1,911,002	62,906
General Obligation Bonds - July 2004	302,644	-	25,276	277,368	10,616
General Obligation Bonds - 2005	262,150	-	20,188	241,962	10,082
General Obligation Bonds - 2006	186,641	14,722	13,359	188,004	7,198
General Obligation Refunding Bonds-Jan 2007	206,740	-	8,512	198,228	8,923
General Obligation Bonds- 2007	9,401,000	-	627,490	8,773,510	378,509
General Obligation Bonds- 2008	-	7,616,000	-	7,616,000	174,964
Solid Waste Fund					
General Obligation Bonds - 1998	289,249	-	43,468	245,781	11,540
General Obligation Refunding Bonds-Aug. 2003	1,824,303	-	504,992	1,319,311	78,590
General Obligation Refunding Bonds-Feb 2004	955,808	-	69,937	885,871	29,161
General Obligation Bonds - July 2004	1,958,347	-	163,560	1,794,787	68,692
General Obligation Refunding Bonds- Jan 2007	336,283	-	13,847	322,436	14,513
General Obligation Bonds- 2007	604,000	-	40,315	563,685	24,318
General Obligation Bonds- 2008	-	296,000	-	296,000	6,720
Airport Fund					
General Obligation Bonds - 1999	50,000	-	25,000	25,000	1,875
General Obligation Bonds - 2000	150,000	-	30,000	120,000	6,395
General Obligation Bonds - 2001- Taxable	1,540,000	-	110,000	1,430,000	62,452
General Obligation Bonds - 2003	327,413	-	25,222	302,191	10,448
General Obligation Refunding Bonds-Feb 2004	265,502	-	19,427	246,075	8,100
Business Type Activities continued					

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2009

	<u>Amount Outstanding July 1, 2008</u>	<u>New Debt Activity</u>	<u>Principal Payments For Year 2009</u>	<u>Amount Outstanding June 30, 2009</u>	<u>Interest Payments For Year 2009</u>
General Obligation Bonds Payable continued					
Airport Fund Continued					
General Obligation Bonds - July 2004	\$ 325,855	\$ -	\$ 27,215	\$ 298,640	\$ 11,430
General Obligation Bonds- 2005	50,393	-	3,881	46,512	1,938
General Obligation Refunding Bonds-2007	234,322	-	9,648	224,674	10,113
Septage Fund					
General Obligation Bonds - 2006	186,641	(14,722)	13,359	158,560	7,198
Total General Obligation Bonds	<u>22,545,035</u>	<u>7,912,000</u>	<u>2,131,606</u>	<u>28,325,429</u>	<u>1,040,869</u>
Notes Payable					
Water Quality Loan - Maryland Department of the Environment - 1990	3,369,008	-	782,109	2,586,899	178,235
Water Quality Loan - Maryland Department of the Environment - 2000	373,944	-	24,546	349,398	11,437
Total Notes Payable	<u>3,742,952</u>	<u>-</u>	<u>806,655</u>	<u>2,936,297</u>	<u>189,672</u>
Total Business-type Activities	<u>\$ 26,287,987</u>	<u>\$ 7,912,000</u>	<u>\$ 2,938,261</u>	<u>\$ 31,261,726</u>	<u>\$ 1,230,541</u>



Statistical Section



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

STATISTICAL SECTION

This part of Carroll 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 say about the County’s overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	140-147
Revenue Capacity These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax.....	148-152
Debt Capacity These tables contain 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.	153-156
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the County’s financial activities take place.	157-158
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	159-166

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; tables presenting government-wide information include information beginning in that year.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 269,641,878	\$ 255,882,342	\$ 270,193,492	\$ 279,457,684	\$ 293,878,857	\$ 99,396,330	\$ 92,960,320	\$ 84,536,191
Restricted	19,883,463	23,889,197	21,321,426	21,667,901	14,091,970	14,534,627	16,942,101	7,292,478
Unrestricted	(18,700,701)	74,067,173	70,332,171	57,753,704	23,949,365	(1,601,245)	(2,476,673)	5,308,274
<i>Total Governmental Activities Net Assets</i>	<u>270,824,640</u>	<u>353,838,712</u>	<u>361,847,089</u>	<u>358,879,289</u>	<u>331,920,192</u>	<u>112,329,712</u>	<u>107,425,748</u>	<u>97,136,943</u>
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	95,654,846	82,575,108	78,066,986	64,416,046	69,310,436	60,863,614	64,212,763	61,001,418
Restricted	9,435,295	6,788,158	7,077,515	12,111,572	12,439,395	8,631,616	10,850,857	13,290,029
Unrestricted	(5,246,129)	6,594,607	6,918,217	3,660,752	(5,209,355)	655,260	(9,333,600)	(10,703,367)
<i>Total Business-Type Activities Net Assets</i>	<u>99,844,012</u>	<u>95,957,873</u>	<u>92,062,718</u>	<u>80,188,370</u>	<u>76,540,476</u>	<u>70,150,490</u>	<u>65,730,020</u>	<u>63,588,080</u>
Primary government								
Invested in Capital Assets, Net of Related Debt	365,296,724	338,457,450	348,260,478	343,873,730	363,189,293	160,259,944	157,173,083	145,537,609
Restricted	29,318,758	30,677,355	28,398,941	33,779,473	26,531,365	23,166,243	27,792,958	20,582,507
Unrestricted	(23,946,830)	80,661,780	77,250,388	55,150,087	18,740,010	(945,985)	(11,810,273)	(5,395,093)
<i>Total Primary Government Net Assets</i>	<u>\$ 370,668,652</u>	<u>\$ 449,796,585</u>	<u>\$ 453,909,807</u>	<u>\$ 432,803,290</u>	<u>\$ 408,460,668</u>	<u>\$ 182,480,202</u>	<u>\$ 173,155,768</u>	<u>\$ 160,725,023</u>

Fiscal years 2002 – 2005 were reclassified to show the correct classification of net assets.
Fiscal year 2005 was restated to reflect recognition of retroactive infrastructure..

Source: Carroll County Department of the Comptroller.

Table 2

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Changes in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses								
Governmental Activities:								
General government	\$ 74,296,486	\$ 70,411,246	\$ 63,412,621	\$ 56,180,288	\$ 67,923,735	\$ 64,812,090	\$ 51,165,541	\$ 39,719,277
Public safety	38,658,117	35,583,985	28,609,006	27,078,499	24,593,665	23,782,605	21,482,313	20,334,755
Public works	30,238,005	30,496,143	20,775,987	28,093,744	13,108,072	17,945,492	12,791,981	14,734,225
Health	4,868,271	4,454,550	4,397,039	4,310,828	4,040,821	3,876,743	3,797,019	3,764,843
Social services	1,346,366	1,228,095	1,131,873	1,099,690	1,049,646	1,063,896	968,231	959,026
Education	219,824,282	188,609,030	168,198,541	152,201,781	144,886,450	140,695,342	119,340,068	129,958,199
Recreation and parks	2,606,230	2,596,212	2,772,654	2,005,587	2,195,996	2,399,444	1,883,056	4,022,001
Libraries	7,740,076	9,269,078	7,511,036	6,812,087	6,293,406	5,265,679	5,518,118	5,499,725
Conservation of natural resources	29,125,383	17,487,058	16,711,700	13,395,013	10,994,208	5,985,065	8,590,299	7,697,222
Economic development	5,988,296	4,715,075	3,076,751	2,058,988	2,195,167	886,661	3,258,504	3,585,522
Interest on long-term debt	10,282,801	8,963,131	8,984,385	8,700,181	8,498,183	7,377,968	8,785,009	9,288,223
<i>Total Governmental Activities Expenses</i>	<u>424,974,313</u>	<u>373,813,603</u>	<u>325,581,593</u>	<u>301,936,686</u>	<u>285,779,349</u>	<u>274,090,985</u>	<u>237,580,139</u>	<u>239,563,018</u>
Business-Type Activities:								
Bureau of Utilities	8,169,257	10,056,546	7,849,747	7,510,988	10,486,631	6,184,846	6,322,675	6,524,802
Solid Waste	7,487,843	7,648,918	7,935,237	7,480,908	6,947,808	6,827,590	6,559,559	5,996,884
Airport	777,692	3,097,618	2,086,621	2,235,048	1,991,862	1,084,862	940,440	510,455
Septage	388,398	395,824	402,898	364,010	333,229	437,397	386,527	422,084
Firearms	77,475	74,497	58,238	60,267	62,524	50,670	56,259	39,765
<i>Total Business-Type Activities Expenses</i>	<u>16,900,665</u>	<u>21,273,403</u>	<u>18,332,741</u>	<u>17,651,221</u>	<u>19,822,054</u>	<u>14,585,365</u>	<u>14,265,460</u>	<u>13,493,990</u>
<i>Total Primary Government Expenses</i>	<u>\$ 441,874,978</u>	<u>\$ 395,087,006</u>	<u>\$ 343,914,334</u>	<u>\$ 319,587,907</u>	<u>\$ 305,601,403</u>	<u>\$ 288,676,350</u>	<u>\$ 251,845,599</u>	<u>\$ 253,057,008</u>
Program Revenues								
Governmental Activities:								
Charges for Services:								
General government	\$ 6,179,837	\$ 9,773,582	\$ 8,663,251	\$ 6,099,868	\$ 5,718,536	\$ 6,018,327	\$ 7,531,531	\$ 5,665,481
Public safety	1,741,472	2,053,636	2,239,935	1,462,104	1,801,107	1,480,308	1,400,441	2,299,012
Public works	1,520,812	1,672,368	1,456,792	1,341,439	1,531,726	1,134,025	73,592	102,152
Health	15,541	12,492	8,155	8,111	7,981	3,840	5,396	65,806
Social services	367,238	367,238	284,564	334,806	316,333	316,332	316,332	342,694
Education	425,150	409,266	749,353	5,763,276	5,344,715	6,697,153	6,646,979	8,118,872
Recreation and parks	772,204	818,931	907,465	419,893	338,920	351,813	305,896	907,748
Economic development	-	-	-	10,741	49,578	53,729	57,543	61,047
Operating Grants and Contributions	14,075,463	13,824,732	12,841,014	11,833,487	11,314,222	10,678,414	10,082,222	11,368,531
Capital Grants and Contributions	3,212,403	6,797,218	7,453,139	3,022,177	5,841,273	6,937,341	9,221,074	9,542,157
<i>Total Governmental Activities Program Revenues</i>	<u>28,310,120</u>	<u>35,729,463</u>	<u>34,603,668</u>	<u>30,295,902</u>	<u>32,264,391</u>	<u>33,671,282</u>	<u>35,641,006</u>	<u>38,473,500</u>

Table 2

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Changes in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Business-Type Activities:								
Charges for Services:								
Bureau of Utilities	\$ 7,519,559	\$ 7,668,003	\$ 7,344,470	\$ 6,281,659	\$ 6,581,912	\$ 6,158,148	\$ 5,121,169	\$ 5,018,766
Solid Waste	6,534,243	6,626,896	6,609,679	6,461,528	6,078,340	6,130,517	5,315,454	4,939,698
Airport	671,258	2,222,010	1,840,449	2,041,458	1,744,414	1,016,110	536,329	351,803
Septage	449,263	387,636	536,845	482,599	388,871	453,800	328,401	337,250
Firearms	104,713	55,120	59,400	79,649	72,894	50,327	50,943	51,996
Operating Grants and Contributions	-	-	1,064,797	-	49,256	36,571	195,877	71,675
Capital Grants and Contributions	1,963,862	2,520,888	2,079,422	1,562,378	5,853,894	1,572,502	1,059,475	1,068,367
<i>Total Business-Type Activities Program Revenues</i>	<u>17,242,898</u>	<u>19,480,553</u>	<u>19,535,062</u>	<u>16,909,271</u>	<u>20,769,581</u>	<u>15,417,975</u>	<u>12,607,648</u>	<u>11,839,555</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 45,553,018</u>	<u>\$ 55,210,016</u>	<u>\$ 54,138,730</u>	<u>\$ 47,205,173</u>	<u>\$ 53,033,972</u>	<u>\$ 49,089,257</u>	<u>\$ 48,248,654</u>	<u>\$ 50,313,055</u>
Net (Expense)/Revenue								
Governmental Activities	(396,664,193)	(338,084,140)	(290,977,925)	(271,640,784)	(253,514,958)	(240,419,703)	(201,939,133)	(201,089,518)
Business-Type Activities	342,233	(1,792,850)	1,202,321	(741,950)	947,527	832,610	(1,657,812)	(1,654,435)
<i>Total Primary Government Net Expense</i>	<u>\$(396,321,960)</u>	<u>\$(339,876,990)</u>	<u>\$(289,775,604)</u>	<u>\$(272,382,734)</u>	<u>\$(252,567,431)</u>	<u>\$(239,587,093)</u>	<u>\$(203,596,945)</u>	<u>\$(202,743,953)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
Property taxes	\$ 189,079,529	\$ 174,354,873	\$ 158,112,936	\$ 148,644,728	\$ 134,732,896	\$ 127,322,600	\$ 115,417,116	\$ 109,026,120
Income tax	99,973,903	120,230,118	106,921,331	108,435,386	103,315,651	90,410,674	77,821,632	96,712,229
911 service fee	1,196,731	1,240,906	1,600,475	1,242,506	996,212	887,552	701,240	882,563
Recordation	9,220,249	14,948,705	18,902,094	22,782,302	22,207,072	19,238,898	11,152,453	9,157,726
Admission	335,125	386,186	405,295	393,659	451,296	428,625	477,069	515,855
Agricultural transfer tax	181,458	439,268	390,420	501,049	863,696	693,045	973,496	538,312
Hotel tax	287,495	311,049	321,676	191,117	-	-	-	-
Cable franchise fee	1,303,472	981,457	701,491	-	-	-	-	-
State shared, unrestricted	10,300,922	11,744,961	12,729,241	12,313,362	9,936,273	7,890,085	9,652,977	9,933,906
Investment earnings and miscellaneous, unrestricted	4,563,217	8,753,090	8,622,196	6,988,995	2,662,242	1,277,769	1,693,752	2,563,688
Transfers	(2,791,980)	(3,314,850)	(8,497,061)	(2,893,223)	(3,807,258)	(2,825,581)	(4,226,480)	(3,108,513)
<i>Total Governmental Activities</i>	<u>313,650,121</u>	<u>330,075,763</u>	<u>300,210,094</u>	<u>298,599,881</u>	<u>271,358,080</u>	<u>245,323,667</u>	<u>213,663,255</u>	<u>226,221,886</u>

Table 2

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Changes in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Business-Type Activities:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,000
Investment earnings, unrestricted	751,926	2,279,730	2,174,966	1,496,621	1,635,201	762,279	1,098,357	1,254,245
Gain on sale of capital asset	-	93,425	-	-	-	-	-	8,592
Transfers	2,791,980	3,314,850	8,497,061	2,893,223	3,807,258	2,825,581	4,226,480	3,108,513
<i>Total Business-Type Activities</i>	<u>3,543,906</u>	<u>5,688,005</u>	<u>10,672,027</u>	<u>4,389,844</u>	<u>5,442,459</u>	<u>3,587,860</u>	<u>5,324,837</u>	<u>4,686,350</u>
<i>Total Primary Government</i>	<u>317,194,027</u>	<u>335,763,768</u>	<u>310,882,121</u>	<u>302,989,725</u>	<u>276,800,539</u>	<u>248,911,527</u>	<u>218,988,092</u>	<u>230,908,236</u>
Governmental Activities	\$ (83,014,072)	\$ (8,008,377)	\$ 9,232,169	\$ 26,959,097	\$ 17,843,122	\$ 4,903,964	\$ 11,724,122	\$ 25,132,368
Business-Type Activities	3,886,139	3,895,155	11,874,348	3,647,894	6,389,986	4,420,470	3,667,025	3,031,915
<i>Total Primary Government Change in Net Assets</i>	<u>\$ (79,127,933)</u>	<u>\$ (4,113,222)</u>	<u>\$ 21,106,517</u>	<u>\$ 30,606,991</u>	<u>\$ 24,233,108</u>	<u>\$ 9,324,434</u>	<u>\$ 15,391,147</u>	<u>\$ 28,164,283</u>

Note: For comparison purposes, revenues for fiscal years 2004, 2003, and 2002 were reclassified from Charges for Service to Maintenance Fee and Investment Earnings.

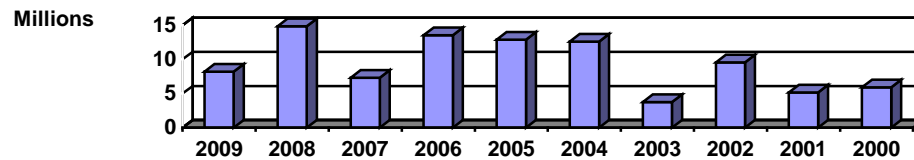
Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 34,538,703	\$ 34,265,738	\$ 36,345,385	\$ 29,544,723	\$ 22,316,884	\$ 18,002,122	\$ 15,106,392	\$ 14,352,385	\$ 37,913,868	\$ 39,356,325
Unreserved and designated	34,623,762	30,997,138	31,787,678	31,217,889	42,231,314	21,903,140	33,688,855	41,108,064	30,722,828	20,084,564
Unreserved, undesignated (see chart)	8,103,281	14,858,762	7,302,102	13,542,642	12,891,533	12,597,901	3,751,257	9,556,782	5,174,076	5,894,096
Total General Fund	\$ 77,265,746	\$ 80,121,638	\$ 75,435,165	\$ 74,305,254	\$ 77,439,731	\$ 52,503,163	\$ 52,546,504	\$ 65,017,231	\$ 73,810,772	\$ 65,334,985
Other Governmental Funds:										
Capital Projects Fund										
Reserved for Encumbrances	\$ 19,967,975	\$ 39,912,191	\$ 11,023,565	\$ 12,857,709	\$ 8,800,332	\$ 8,075,516	\$ 13,259,460	\$ 5,825,988	\$ 14,598,432	\$ 4,270,455
Unreserved and designated	25,951,067	45,904,401	93,792,138	79,972,189	48,702,238	41,394,637	43,640,987	27,239,064	32,583,500	45,713,983
Special Revenues Fund										
Unreserved, undesignated	3,338,527	2,340,051	9,973,460	9,395,177	5,207,348	4,318,286	10,726,459	9,166,339	5,143,316	4,532,525
Total Other Governmental Funds	\$ 49,257,569	\$ 88,156,643	\$ 114,789,163	\$ 102,225,075	\$ 62,709,918	\$ 53,788,439	\$ 67,626,906	\$ 42,231,391	\$ 52,325,248	\$ 54,516,963
Total Governmental Funds	\$ 126,523,315	\$ 168,278,281	\$ 190,224,328	\$ 176,530,329	\$ 140,149,649	\$ 106,291,602	\$ 120,173,410	\$ 107,248,622	\$ 126,136,020	\$ 119,851,948
Unreserved General Fund Balance as a Percentage of General Fund Expenditures	12.9%	14.9%	13.7%	17.0%	21.4%	14.9%	17.0%	22.7%	18.3%	14.2%

Unreserved Undesignated General Fund Balance



Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Local Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Income Tax	Recordation Tax	Admission Tax	911 Service Fees	Total
2000	\$ 98,205,213	\$ 65,199,260	\$ 6,345,928	\$ 520,180	\$ 571,771	\$ 170,842,352
2001	103,256,256	74,049,094	6,681,659	511,456	522,416	185,020,881
2002	109,026,120	76,174,857	9,157,726	515,855	882,563	195,757,121
2003	115,417,116	78,628,056	11,152,453	477,069	701,240	206,375,934
2004	121,407,052	91,103,719	19,238,898	428,625	887,552	233,065,846
2005	132,226,766	104,179,347	22,207,072	451,296	996,212	260,060,693
2006	143,192,552	109,127,552	22,782,302	393,659	1,242,506	276,738,571
2007	158,112,936	111,739,728	18,902,094	405,295	1,600,475	290,760,528
2008	174,354,873	119,734,329	14,948,705	386,186	1,240,906	310,664,999
2009	189,079,529	114,560,912	9,220,249	335,125	1,196,731	314,392,546
Change 2000-2009	92.5%	75.7%	45.3%	-35.6%	109.3%	

Prior to 2002, the State of Maryland collected the Recordation Tax and retained 5% to cover their cost. Fiscal year 2002 was the first year in which the County started collecting the Recordation Tax.

In fiscal year 2004, the Income Tax rate was increased from 2.85% to 3.05% and the Recordation Tax was increased from \$3.50 per \$500 to \$5.00 per \$500.

On July 1, 2004 the local 911 service fee increased from \$0.50 to \$0.75.

Source: Carroll County Department of the Comptroller.

Table 5

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2008	2007	2006	2005
REVENUES					
Taxes-Local (see Table 4)	\$314,392,546	\$310,664,999	\$290,760,528	\$276,738,571	\$260,060,693
Taxes-State Shared	10,800,922	12,244,961	12,729,242	12,313,362	9,936,273
Impact fees	869,347	1,350,460	1,669,793	3,924,721	3,936,986
Licenses and permits	1,288,525	1,666,970	1,781,585	3,349,234	2,999,086
Intergovernmental revenues	15,042,612	16,773,453	14,253,803	12,627,892	15,319,436
Charges for services	5,239,049	5,788,013	5,732,717	4,559,557	4,850,580
Fines and forfeits	90,840	100,509	86,754	88,942	123,622
Interest	5,463,426	10,537,502	11,112,070	6,753,742	3,395,552
Miscellaneous revenues	3,349,723	4,101,008	5,953,948	3,763,843	3,862,252
Total revenues	<u>356,536,990</u>	<u>363,227,875</u>	<u>344,080,440</u>	<u>324,119,864</u>	<u>304,484,480</u>
EXPENDITURES					
Current:					
General government	69,035,233	65,771,932	60,783,464	60,412,713	66,446,506
Public safety	35,256,843	34,222,625	28,595,412	26,875,030	24,466,006
Public works	11,325,405	10,861,774	9,425,523	8,495,030	7,851,771
Health	4,731,958	4,368,725	4,339,691	4,204,001	3,924,884
Social services	1,319,630	1,200,206	1,131,873	1,096,568	1,042,802
Education	172,156,658	155,480,987	151,674,483	142,253,487	132,393,561
Library	8,170,171	7,717,198	6,782,100	6,220,220	5,725,660
Recreation and parks	1,665,731	1,648,268	2,106,832	1,221,026	1,113,773
Conservation of natural resources	800,054	821,409	718,552	698,716	675,481
Economic development	5,690,821	4,351,843	3,067,166	1,819,561	2,728,971
Capital outlay	127,778,575	86,014,727	55,671,218	45,177,873	38,032,734
Debt service:					
Principal	24,029,542	23,487,007	20,336,962	18,421,084	14,670,026
Interest	10,470,693	9,543,326	9,237,763	8,987,587	8,145,529
Total expenditures	<u>472,431,314</u>	<u>405,490,027</u>	<u>353,871,039</u>	<u>325,882,896</u>	<u>307,217,704</u>
Excess (deficiency) of revenues over expenditures	(115,894,324)	(42,262,152)	(9,790,599)	(1,763,032)	(2,733,224)
OTHER FINANCING SOURCES (USES)					
Transfers in	16,037,191	26,594,904	14,957,047	12,024,485	17,376,594
Transfers out	(18,829,171)	(29,909,754)	(17,812,601)	(14,890,815)	(20,004,967)
Payments to escrow agent	-	(6,786,798)	(24,849,347)	-	-
Proceeds of bonds issued	72,088,000	27,100,000	44,092,000	34,699,318	36,860,000
Bonds premium (discount)	1,874,448	672,349	1,180,352	171,249	157,786
Issuance of debt-long term notes	2,956,796	2,495,343	5,994,265	5,923,118	2,179,934
Total other financing sources (uses)	<u>74,127,264</u>	<u>20,166,044</u>	<u>23,561,716</u>	<u>37,927,355</u>	<u>36,569,347</u>
Net change in fund balances	<u>\$ (41,767,060)</u>	<u>\$ (22,096,108)</u>	<u>\$ 13,771,117</u>	<u>\$ 36,164,323</u>	<u>\$ 33,836,123</u>
Debt Service as a percentage of					
Noncapital Expenditures	6.8%	7.8%	8.5%	8.5%	7.7%

Note: For comparison purposes, transfers out to the Pension Fund for fiscal years 2004, 2005 and 2006 were reclassified as expenditures by function.

The initial year for the Pension Fund was fiscal year 2004.

The initial year for the Other Post Employment Benefits was fiscal year 2008.

Source: Carroll County Department of the Comptroller.

Table 5

2004	2003	2002	2001	2000
\$ 233,065,846	\$ 206,375,934	\$ 195,757,121	\$ 185,020,881	\$ 170,842,352
7,890,085	9,652,977	9,933,906	10,092,333	9,303,162
4,864,707	5,394,263	6,809,437	6,094,596	5,263,647
3,175,909	3,368,917	3,567,154	3,175,220	2,859,437
16,448,322	18,806,849	16,496,307	12,615,071	11,539,845
4,237,420	4,410,686	5,393,276	5,569,910	3,842,542
107,577	132,349	103,462	79,113	74,472
2,071,122	2,657,792	4,605,987	8,539,013	7,918,042
3,862,329	3,359,057	5,342,169	3,380,342	3,915,107
<u>275,723,317</u>	<u>254,158,824</u>	<u>248,008,819</u>	<u>234,566,479</u>	<u>215,558,606</u>
53,805,088	46,886,320	39,856,047	31,429,561	28,207,756
22,682,161	20,585,117	18,978,117	18,700,730	16,842,941
7,386,474	8,034,700	7,246,204	8,934,817	8,444,411
3,814,693	3,734,969	3,702,848	3,486,642	2,759,264
1,057,052	961,387	952,182	2,980,922	3,177,196
124,378,658	117,076,007	129,720,231	128,241,099	115,569,156
5,232,270	5,098,495	5,017,095	4,805,500	4,680,658
1,098,367	1,109,263	3,789,203	1,027,200	972,172
642,661	616,403	597,935	567,303	517,449
3,282,035	3,257,189	2,744,789	5,163,964	6,538,737
43,078,838	23,727,048	27,744,133	19,659,031	17,677,073
15,997,408	13,907,746	26,676,037	12,306,747	14,109,935
7,451,178	8,722,292	9,584,124	9,590,250	9,192,497
<u>289,906,883</u>	<u>253,716,936</u>	<u>276,608,945</u>	<u>246,893,766</u>	<u>228,689,245</u>
(14,183,566)	441,888	(28,600,126)	(12,327,287)	(13,130,639)
22,913,593	23,208,305	13,567,825	12,894,624	17,072,966
(32,739,174)	(27,434,785)	(16,676,338)	(14,253,860)	(18,765,456)
(71,096,825)	-	-	-	-
81,104,603	16,289,051	11,511,499	20,100,000	21,560,624
(3,335)	-	-	-	-
100,000	530,930	1,071,774	-	2,900,275
<u>278,862</u>	<u>12,593,501</u>	<u>9,474,760</u>	<u>18,740,764</u>	<u>22,768,409</u>
<u>\$ (13,904,704)</u>	<u>\$ 13,035,389</u>	<u>\$ (19,125,366)</u>	<u>\$ 6,413,477</u>	<u>\$ 9,637,770</u>
8.6%	9.2%	13.8%	10.2%	10.3%

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property			Personal Property				Estimated Market Value	Direct Tax Rate	Grand Total Estimated Market Value
	Assessed Value	Estimated Market Value	Direct Tax Rate	Assessed Value			Total			
				Unincorporated	Incorporated	Public Utilities				
2000	\$ 3,298,122,090	\$ 8,245,305,225	\$ 2.62	\$ 18,619,350	\$ 183,704,630	\$ 284,189,150	\$ 486,513,130	\$ 486,513,130	\$ 2.62	\$ 8,731,818,355
2001	3,474,703,880	8,686,759,700	2.62	19,648,020	189,922,520	283,930,050	493,500,590	493,500,590	2.62	9,180,260,290
2002	9,213,653,674	9,213,653,674	1.048	14,426,820	223,010,339	275,466,066	512,903,225	512,903,225	2.62	9,726,556,899
2003	9,821,665,202	9,821,665,202	1.048	14,238,100	241,341,930	263,621,780	519,201,810	519,201,810	2.62	10,340,867,012
2004	10,449,917,089	10,449,917,089	1.048	14,836,240	228,920,020	255,081,610	498,837,870	498,837,870	2.62	10,948,754,959
2005	11,524,615,700	11,524,615,700	1.048	12,241,920	233,698,170	263,902,400	509,842,490	509,842,490	2.62	12,034,458,190
2006	12,973,853,789	12,973,853,789	1.048	11,212,790	237,290,840	247,785,660	496,289,290	496,289,290	2.62	13,470,143,079
2007	14,910,976,091	14,910,976,091	1.048	12,180,910	259,445,570	258,703,530	530,330,010	530,330,010	2.62	15,441,306,101
2008	17,346,223,578	17,346,223,578	1.048	11,266,340	267,238,630	277,840,350	556,345,320	556,345,320	2.62	17,902,568,898
2009	19,851,953,980	19,851,953,980	1.048	11,958,790	273,972,690	271,526,820	557,458,300	557,458,300	2.62	20,409,412,280

Real property is reassessed every three years. Real property has been assessed at market value since 2002. Real property was assessed at forty percent of market value for fiscal year 2001 and earlier.

The total personal property assessed value is equal to the estimated market value.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Real Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years**

Fiscal Year	Direct Rate		Overlapping Rates							
	Carroll County	State of Maryland	Taneytown	Sykesville	Manchester	Westminster	Hampstead	New Windsor	Union Bridge	Mt. Airy
2000	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.40	0.75	0.56
2001	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.40	0.75	0.56
2002	1.048	0.084	0.32	0.304	0.184	0.352	0.18	0.16	0.30	0.21
2003	1.048	0.084	0.32	0.304	0.184	0.40	0.20	0.16	0.30	0.206
2004	1.048	0.132	0.32	0.304	0.184	0.40	0.20	0.16	0.30	0.202
2005	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.16	0.30	0.193
2006	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.16	0.30	0.188
2007	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.16	0.30	0.183
2008	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.174
2009	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.165

The property tax rates indicated for the incorporated towns only apply within town limits and are in addition to the county and state taxes. Starting with fiscal year 2002 and after, the tax rates are based on 100% of market value.

Sources: Carroll County Department of the Comptroller.
Maryland State Department of Assessments and Taxation.

Table 8

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Principal Taxpayers
Current Fiscal Year and Nine Years Ago**

2009				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 163,192,300	\$ 4,275,638	0.80%
Verizon-Maryland	Communications	58,053,300	1,520,989	0.28%
Carroll Lutheran Village	Retirement Village	56,013,900	893,287	0.27%
Cranberry Mall Properties LLC	Mall	44,880,400	713,849	0.22%
Random House	Warehouse Distribution	40,744,790	568,422	0.20%
Colonial Pipeline	Pipeline trans.-refined petroleum	18,958,920	499,488	0.09%
Fairhaven Inc.	Assisted Living	39,012,500	453,858	0.19%
Wal-Mart	Retail	31,186,564	435,571	0.15%
Hampstead 2004 LLC	Power Tools	35,413,733	407,118	0.17%
The Potomac Edison Co.	Electric Utility	13,795,680	365,299	0.07%
		<u>\$ 501,252,087</u>	<u>\$ 10,133,520</u>	<u>2.44%</u>
	Total Assessed Valuation	<u>\$ 20,409,412,280</u>		
2000				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 120,347,900	\$ 3,153,115	1.38%
Bell Atlantic	Communications	72,859,690	1,908,924	0.83%
AT&T Communications	Communications	49,257,700	1,290,552	0.56%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	21,793,040	570,978	0.25%
Potomac Edison	Electric Utility	17,500,490	458,513	0.20%
Random House	Warehouse Distribution Center	17,460,320	457,460	0.20%
Cranberry Mall Properties LLC	Mall	17,200,000	450,640	0.20%
Fairhaven/Episcopal Ministries	Retirement Village	12,974,500	339,932	0.15%
Black & decker USA	Power Tools	12,785,850	334,989	0.15%
Carroll Lutheran Village	Retirement Village	11,320,460	296,596	0.13%
		<u>\$ 353,499,950</u>	<u>9,261,699</u>	<u>4.05%</u>
	Total Assessed Valuation	<u>\$ 8,731,818,355</u>		

Property is reassessed every three years. Property has been assessed at market value since 2002. Real property was assessed at forty percent of market value for fiscal year 2001 and earlier.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		Amount	Percent of Levy		Amount	Percent of Levy		
2000	\$ 98,651,875	\$ 97,973,256	99.31%	\$ 667,669	\$ 98,640,925	99.99%	\$ 10,950	0.01%
2001	103,036,959	102,745,856	99.72%	258,245	103,004,101	99.97%	32,858	0.03%
2002	108,676,004	108,465,799	99.81%	148,161	108,613,960	99.94%	62,044	0.06%
2003	116,402,754	114,676,102	98.52%	1,690,430	116,366,532	99.97%	36,222	0.03%
2004	122,138,813	121,181,554	99.22%	928,705	122,110,259	99.98%	28,554	0.02%
2005	133,915,079	132,713,125	99.10%	1,176,252	133,889,377	99.98%	25,702	0.02%
2006	148,616,515	147,744,969	99.41%	823,704	148,568,673	99.97%	47,842	0.03%
2007	170,119,153	169,106,817	99.40%	942,622	170,049,439	99.96%	69,714	0.04%
2008	195,855,568	194,780,453	99.45%	865,629	195,646,082	99.89%	209,486	0.11%
2009	222,305,624	221,514,565	99.64%	-	221,514,565	99.64%	791,059	0.36%

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Bureau of Utilities
Water and Sewer Rates
Last Ten Fiscal Years**

Fiscal Year	Water					Sewer				
	Quarterly Base Rate	Rate per 1,000 Gallons	Tier 1	Tier 2	Tier 3	Quarterly Base Rate	Rate per 1,000 Gallons	Tier 1	Tier 2	Tier 3
2000	\$ 20.35	\$ 1.40	\$ -	\$ -	\$ -	\$ 24.42	\$ 2.65	\$ -	\$ -	\$ -
2001	8.44	-	1.97	2.44	1.68	12.19	-	3.15	3.26	3.23
2002	7.68	-	2.14	2.97	2.30	11.52	-	3.17	3.40	3.31
2003	7.68	-	2.14	2.97	2.30	11.52	-	3.17	3.40	3.31
2004	8.45	-	2.43	3.02	3.39	12.18	-	3.84	4.75	5.32
2005	6.46	-	3.07	3.48	3.74	9.18	-	3.99	4.82	5.36
2006	6.69	-	2.94	3.59	3.86	9.36	-	4.36	5.33	5.63
2007	7.64	-	3.29	4.02	4.47	10.06	-	5.14	6.38	7.18
2008	8.23	-	3.35	4.18	4.69	11.61	-	5.70	6.71	6.60
2009	8.90	-	3.63	4.54	5.11	12.58	-	5.19	6.83	7.85

Tiers are based on the following usages

- Tier 1 0-10,000 gals.
- Tier 2 10,001-30,000 gals.
- Tier 3 30,001 gals. and up

Fiscal year 2000 offered a low volume discount of \$6.25 to water and sewer customers with usages of 10,000 gallons or less per quarter.

The standard household meter size is 5/8” and the average household usage is 16,000 gals. per quarter.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Personal Income (3)	% of Market Property Value (2)	Per Capita (3)
	General Obligation Bonds(1)	Agricultural Preservation Notes	Other Notes	Purchase Agreements	General Obligation Bonds (1)	Special Assessment Debt with Government Commitment				
2000	\$ 179,921,140	\$ -	\$ 4,776,203	\$ 4,988,210	\$ 17,616,304	\$ 8,460,940	\$ 215,762,797	2.27%	2.47%	\$ 1,389
2001	188,977,240	-	4,325,702	4,175,864	19,254,892	7,897,838	224,631,536	2.32%	2.45%	1,447
2002	176,643,338	-	4,301,627	3,323,808	17,123,232	7,849,962	209,241,967	2.64%	2.15%	1,312
2003	179,403,473	926,930	3,556,080	2,430,100	15,355,299	7,244,634	208,916,516	2.75%	2.02%	1,279
2004	175,577,086	1,026,930	2,243,951	1,492,706	14,992,401	6,609,663	201,942,737	2.85%	1.84%	1,215
2005	199,860,394	3,206,864	834,167	509,488	16,870,281	5,943,584	227,224,778	2.66%	1.89%	1,348
2006	217,812,296	4,552,864	1,749,669	2,649,079	14,860,641	5,244,860	246,869,409	2.52%	1.83%	1,437
2007	218,904,371	7,136,864	4,107,759	2,725,443	13,781,251	4,511,880	251,167,568	2.59%	1.63%	1,450
2008	219,672,038	7,136,864	3,473,927	2,583,004	22,345,826	3,742,952	258,954,611	2.52%	1.45%	1,486
2009	271,851,752	9,351,990	1,969,903	2,432,323	28,139,243	2,936,297	316,681,508	N/A	1.55%	1,811

Notes: N/A not available.

Details regarding the County’s outstanding debt can be found in the notes to the financial statements.

(1) Bond premium/discounts and other unamortized charges are included.

(2) See Table 6, Assessed Valuation and Estimated Market Value of Taxable Property, for Estimated Market Values of Taxable Property.

(3) See Table 15, Demographic Statistics, for personal income and population data.

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Ratios of Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds Outstanding	Percent of Actual Property Value (1)	Percent of Personal Income (2)	Per Capita (2)
2000	\$ 197,537,444	2.26%	2.48%	\$ 1,272
2001	208,232,132	2.27%	2.51%	1,342
2002	193,766,570	1.99%	2.85%	1,215
2003	195,685,702	1.89%	2.94%	1,198
2004	191,596,417	1.75%	3.00%	1,152
2005	219,937,539	1.83%	2.75%	1,305
2006	237,225,801	1.76%	2.62%	1,381
2007	239,822,486	1.55%	2.72%	1,384
2008	249,154,728	1.39%	2.79%	1,430
2009	309,342,985	1.52%	N/A	1,769

Notes: N/A not available.

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

(1) See Table 6, Assessed Valuation and Estimated Market Value of Taxable Property, for Estimated Market Values of Taxable Property.

(2) See Table 15, Demographic Statistics, for personal income and population data.

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Legal Debt Margin
June 30, 2009

Net assessed value- Real Property	\$ 19,851,953,980	
Debt limit - 6% of net total assessed value (1)		\$ 1,191,117,239
Assessed Value-Personal Property	557,458,300	
Debt limit- 15% of Net Assessed Value (1)		83,618,745
Total Debt Limit		1,274,735,984
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 309,306,684	
Less- Agricultural Preservation Program Self Supporting Debt	9,351,990	
Less- Fire Company Loans- Self Supporting Debt	11,253,985	
Less - Bureau of Utilities bonds	20,045,905	
Less - Septage bonds payable	158,560	
Total amount of debt applicable to debt limit		268,496,244
Legal debt margin		\$ 1,006,239,740

Note: (1) Recommended limit - Carroll County does not have a legal debt limit.
Source: Carroll County Department of the Comptroller.

Schedule of Legal Debt Margin
1999-2009

Fiscal Year	Assessed Value	Legal Debt Limitation	Legal Borrowing Limitation	Debt Subject to Limitation	Legal Debt Margin	Ratio of Debt Subject to Limitation To Legal Borrowing Limitation
2000	\$ 3,784,635,220	15.0%	\$ 567,695,283	\$ 179,921,140	\$ 387,774,143	31.69%
2001	3,968,204,470	15.0%	595,230,671	188,977,240	406,253,431	31.75%
2002	9,726,556,889	6.0%	583,593,413	175,760,607	407,832,806	30.12%
2003	10,340,867,012	6.0%	620,452,021	179,403,473	441,048,548	28.91%
2004	10,948,754,959	6.0%	656,925,298	186,294,353	470,630,945	28.36%
2005	12,034,458,190	6.0%	722,067,491	213,655,613	508,411,878	29.59%
2006	13,470,143,079	6.0%	852,874,621	226,319,103	626,555,518	26.54%
2007	15,441,306,101	6%/15%	974,208,067	211,725,319	762,482,748	21.73%
2008	17,902,568,898	6%/15%	1,124,225,213	214,237,099	909,988,114	19.06%
2009	19,851,953,980	6%/15%	1,274,735,984	268,496,244	1,006,239,740	21.06%

In fiscal year ending June 30, 2002, assessments were changed from 40% of market value to full market value.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Direct And Overlapping Debt
June 30, 2009

Jurisdiction	Real Property Assessed Valuation (1)	Percent of Assessed Valuation to Overlapping Jurisdictions	Pro rata Share of Direct Debt to Jurisdictions(2)	Overlapping Debt	Total Direct and Overlapping Debt
Hampstead	\$ 560,191,113	2.82%	\$ 7,576,544	\$ 1,421,184	\$ 8,997,728
Manchester	426,056,910	2.15%	5,762,389	522,607	6,284,996
Mt. Airy	843,270,562	4.25%	11,405,173	3,908,006	15,313,179
New Windsor	136,290,076	0.69%	1,843,313	-	1,843,313
Sykesville	388,129,750	1.96%	5,249,427	1,587,245	6,836,672
Taneytown	664,403,300	3.35%	8,986,007	18,244,896	27,230,903
Union Bridge	73,680,260	0.37%	996,520	1,508,576	2,505,096
Westminster	1,854,857,400	9.34%	25,086,812	7,313,159	32,399,971
Unincorporated areas	14,905,074,609	75.08%	201,590,058	-	201,590,058
County-wide Totals	<u>\$ 19,851,953,980</u>	<u>100.00%</u>	<u>\$ 268,496,244</u>	<u>\$ 34,505,673</u>	<u>\$ 303,001,917</u>

Note: (1) Assessed valuations of real property for each town are from the TASS 153 County report.

(2) See Table 13, Computation of Legal Debt Margin.

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (\$ in thous.) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2000	155,336	\$ 4,909,038	\$ 31,456	27,472	2.42%
2001	155,221	5,220,636	33,501	27,528	2.44%
2002	159,442	5,194,169	34,117	27,806	3.04%
2003	163,400	5,434,074	35,259	28,630	3.16%
2004	166,234	5,754,673	36,318	29,044	3.20%
2005	168,521	6,046,616	36,318	28,774	3.50%
2006	171,742	6,209,401	36,874	28,219	3.00%
2007	173,208	6,516,268	38,694	28,575	3.70%
2008	174,249	6,944,986	41,147	28,261	3.80%
2009	174,909	N/A	N/A	27,745	6.60%

Notes: N/A not available.

(1) Carroll County Department of Planning, June 2009.

(2) Maryland Department of Planning, Planning Data Services, from
U.S. Bureau of Economic Analysis, August 2008.

(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2008-2009.

(4) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and
Information..

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Major Employers
Current Fiscal Year and Nine Years Ago

2009

Firm	Product/Service	Total Employment *	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	3,769	6.60%
Carroll Hospital Center	General hospital	1,804	3.16%
Springfield Hospital Center	Mental health services	833	1.46%
Random House	Book Warehousing & Distribution	800	1.40%
Fairhaven (Episcopal Ministries)	Life care retirement community	700	1.23%
Carroll County Government***	Local government	656	1.15%
McDaniel College	Higher education	623	1.09%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	576	1.01%
Carroll Community College	Higher education	509	0.89%
General Dynamics Robotic Systems	Technology Manufacturing	490	0.86%
	Total	<u>10,760</u>	<u>18.85%</u>
	Annual Average Employment in Carroll County	<u>57,082</u>	

2000

Firm	Product/Service	Total Employment	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	2,954	6.38%
Carroll County General Hospital	General hospital	1,200	2.59%
Random House, Inc.	Book warehousing and distribution	1,139	2.46%
Springfield Hospital Center	Mental health services	852	1.84%
Carroll County Government ***	Local government central office	595	1.29%
Northrop Grumman	Electronic testing	535	1.16%
Black & Decker, Inc.	Warehouse and distribution center	495	1.07%
Marada Industries	Automotive components mfg.	435	0.94%
English American Tailoring	Men & women's made-to-measure clothing	391	0.84%
Western Maryland College	Higher Education	365	0.79%
	Total	<u>8,961</u>	<u>19.35%</u>
	Annual Average Employment in Carroll County	<u>46,303</u>	

Notes: * As of June 2009.
 ** Does not include hourly employees such as substitutes, aides, etc.
 *** Central offices only. Excludes Sheriff's Department, Courts, etc.

Source: Carroll County Department of Economic Development.
 The County's Annual Average Employment is from the Maryland Department of Labor, Licensing and Regulation
 Annual Employment and Payroll Reports for 2009 and 2000.
 Carroll County Department of the Comptroller.

Table 17

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Full-Time County Employees by Function/Program
Last Ten Fiscal Years

<u>Function/program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Government										
County Commissioners										
Legislative	8	9	11	10	12	8	11	10	10	10
Management Analysis	2	2	2	3	3	3	3	3	5	5
* Licenses/Zoning Appeals Board	-	-	-	4	5	5	4	4	1	1
* Board of License Commissioners	-	-	-	-	-	-	-	2	1	-
Public Information	2	2	2	3	2	-	-	1	5	6
* TV Production	1	1	1	-	-	-	-	-	-	-
* Farm Museum	9	10	10	10	9	9	9	9	9	9
* Airport Management	2	3	2	2	2	1	1	-	-	-
* Dept of Technology Services	25	27	25	24	25	25	25	-	-	-
* Production & Distribution Svcs	3	3	3	3	3	3	3	-	3	3
Judicial	85	83	82	75	66	66	70	72	72	70
Dept of the Comptroller	36	37	37	36	35	37	36	36	36	34
Human Resources and Personnel Svcs	16	17	17	17	18	18	18	18	17	17
* Management and Budget	18	16	18	17	16	17	16	43	39	36
* Planning	43	45	42	45	44	44	43	131	130	125
* General Services	118	127	122	114	112	112	112	-	-	-
Citizen Services	54	56	51	51	44	45	47	38	38	36
Public Safety										
Sheriff Services	209	197	196	186	171	166	158	149	150	129
Emergency Services	32	36	35	34	31	30	28	27	27	21
Public Works										
* Supervision & Administration	4	4	4	6	5	-	6	8	32	35
Roads	105	112	108	103	107	116	111	110	112	109
* Engineering	22	23	21	22	22	23	22	21	23	23
* Bureau of Utilities-Operations	33	34	30	29	28	28	27	-	26	-
* Solid Waste-Operations	20	20	20	21	20	20	17	-	-	-
Social Services	16	15	15	15	14	14	13	13	15	12
Education	1	1	1	1	11	12	9	11	11	12
Recreation and Parks	27	27	27	27	16	16	15	15	16	16
Conservation of Natural Resources										
Soil Conservation Service	5	6	6	6	6	6	6	6	6	6
Economic Development										
Economic Development	7	7	7	7	7	7	7	7	6	6
BERC	8	8	10	10	10	10	10	10	10	14
Tourism	2	2	2	2	2	2	2	2	2	2
Total Full Time Employee Totals	<u>913</u>	<u>930</u>	<u>907</u>	<u>883</u>	<u>846</u>	<u>843</u>	<u>829</u>	<u>819</u>	<u>824</u>	<u>784</u>
Part Time Employees	<u>12</u>	<u>14</u>	<u>15</u>	<u>17</u>	<u>24</u>	<u>27</u>	<u>26</u>	<u>27</u>	<u>24</u>	<u>27</u>
Total Employees	<u>925</u>	<u>944</u>	<u>922</u>	<u>900</u>	<u>870</u>	<u>870</u>	<u>855</u>	<u>846</u>	<u>848</u>	<u>811</u>

* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Operating Indicators by Function/Program

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Information										
Population	174,909	174,249	173,208	171,742	168,521	166,234	163,400	159,442	155,221	155,336
Registered Voters	109,428	106,828	106,853	104,318	102,505	95,056	90,756	89,687	85,752	84,221
General Government										
Building Permits Issued for Residential	164	238	373	724	637	731	1,177	1,347	1,194	969
Estimated Value (\$ in thousands) Residential	\$ 27,031	\$ 39,470	\$ 61,934	\$ 128,621	\$ 114,006	\$ 131,538	\$ 189,913	\$ 211,822	\$ 176,781	\$ 151,806
Building Permits Issued for other purposes	1,917	2,545	2,843	3,271	3,473	3,615	3,021	2,891	2,473	2,333
Estimated Value (\$ in thousands) Other	\$ 66,558	\$ 164,680	\$ 172,997	\$ 147,152	\$ 120,386	\$ 124,703	\$ 102,082	\$ 80,531	\$ 122,199	\$ 168,510
Fire and Emergency Service										
Paid Firemen	115	112	92	85	92	42	42	42	38	35
Active Volunteers (estimated)	663	675	675	750	800	800	1,100	1,100	1,100	1,100
Dispatched Incidence	17,848	17,584	16,357	15,969	15,104	15,470	14,507	14,270	13,212	12,636
911 Calls Received	61,140	59,186	57,761	55,923	55,375	55,829	57,381	55,146	46,829	42,605
Police Protection										
Resident Troopers	46	46	46	45	45	46	46	46	46	46
Sheriff's Department	64	66	64	64	56	54	46	50	51	40
Citations/Warnings	17,805	14,802	16,551	16,280	13,451	8,452	7,506	5,874	N/A	N/A
911 Calls for Service	17,721	12,779	6,083	6,158	8,109	5,665	3,712	N/A	N/A	N/A
Detention Center										
Detention Center Officers	95	93	93	90	90	88	86	78	79	77
Total Prisoner Days	100,430	98,155	107,711	104,874	103,285	105,415	110,047	103,355	87,661	45,885
Water										
Daily Average Usage (mgd)	2.08	2.18	2.16	2.34	2.17	2.40	2.19	2.23	2.13	2.41
Plants Daily Capacity (mgd)	7.39	3.39	3.39	3.39	3.39	3.39	N/A	N/A	N/A	N/A
Wastewater										
Daily Average Usage (mgd)	2.59	2.95	2.89	2.74	3.34	3.12	N/A	N/A	N/A	N/A
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	4.45	4.45	N/A	N/A	N/A	N/A
Solid Waste										
Tons In	81,447	100,195	108,608	116,267	110,178	118,726	107,707	104,655	114,810	111,015
Tons Recycled	20,322	20,652	21,080	21,533	21,625	13,023	12,811	13,518	11,851	11,742
Tons into Landfill	12,370	14,051	8,969	13,466	15,276	16,445	16,127	21,004	15,441	13,119
Tons Transferred	69,078	86,144	100,028	105,660	97,009	104,156	91,580	93,651	99,369	97,896
Education										
Number of Teachers	2,251	2,209	2,375	2,116	2,021	1,963	1,957	1,844	1,779	1,765
Number of Students	27,745	28,261	28,575	28,219	28,774	29,044	28,630	27,806	27,528	27,472
Community College										
Full Time Equivalent Students (FTE's)	2,920	2,867	2,517	2,519	2,493	2,430	2,266	2,045	1,939	1,698
Faculty-Full Time	75	63	63	65	52	55	50	52	47	45
Faculty-Part Time	545	143	417	249	349	288	277	296	258	441
Airport										
Fuel Sales (gals)	280,319	471,700	503,574	574,155	618,180	408,866	208,790	140,726	115,868	135,775
Tie Downs Occupied	25	25	25	25	25	25	25	25	25	25
Corporate Hangars Occupied	6	6	7	7	7	6	4	1	1	-
T Hangars Occupied	82	82	82	82	82	82	82	82	82	82
Libraries										
Number of volumes (estimated)	551,376	517,239	511,026	553,824	584,167	552,786	567,631	556,122	547,900	545,595
Circulation	3,885,584	3,606,169	3,421,828	3,579,244	3,506,229	3,583,119	3,465,526	3,259,311	3,044,266	2,958,738
Senior Centers										
Outside Groups using facilities	2,922	3,156	3,133	2,976	3,009	2,822	2,025	2,341	N/A	N/A
Volunteer Hours performed at Centers	39,311	39,352	42,957	43,051	39,136	36,331	36,207	33,975	33,129	N/A
Meals Served	26,020	25,188	27,242	29,145	30,470	31,346	31,383	30,856	29,339	30,420
Seniors Attending Activities	159,518	129,635	173,707	160,416	157,623	149,892	117,993	N/A	N/A	N/A

N/A: Information is not available for the years indicated.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Asset Statistics by Function/Program

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Information										
Area in Square Miles	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52
Miles of Roads Paved	893	977	975	975	972	972	966	959	955	951
Miles of Roads Unpaved	84	86	87	89	92	92	92	92	92	92
Number of Bridges	147	147	147	147	146	146	146	145	144	144
Acres in Agricultural Land Preservation	54,858	50,711	46,998	46,737	41,927	41,927	39,766	37,400	33,758	N/A
Fire and Emergency Service										
Stations	14	14	14	14	14	14	14	14	14	14
Water										
Water Mains (miles)	125	122	121	121	120	119	119	116	114	112
Treatment Plants	4	4	4	4	4	4	4	4	4	3
Water Tanks	6	6	6	6	6	6	6	6	6	6
Number of Customer Accounts	8,276	8,275	8,230	8,163	8,117	8,036	7,898	7,725	7,564	7,155
Wastewater										
Sewer Mains (miles)	135	135	134	134	133	132	130	128	127	126
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pumping Stations	18	18	18	18	18	18	17	17	17	16
Number of Customer Accounts	8,865	8,858	8,844	8,745	8,702	8,620	8,336	8,083	7,564	7,437
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	28	27	27	27	26	19	19	18	18	18
Acreage	4,478	4,478	4,478	4,478	4,475	4,311	4,311	4,147	4,147	4,147
Education										
Elementary	24	24	22	22	22	21	21	21	21	21
Middle	9	9	9	9	9	9	9	9	9	8
High	8	7	7	7	7	7	7	6	5	5
Vocational technical	2	2	2	2	2	2	2	2	2	2
Special/Alternative Education	2	2	2	2	2	2	2	2	2	2
College	1	1	1	1	1	1	1	1	1	1
Airport										
Runway (feet)	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
T Hangars Available	82	82	82	82	82	82	82	82	82	82
Corporate Hangars Available	7	7	7	7	7	7	7	7	4	-
Tie Downs Available	52	52	52	52	52	32	32	32	32	32
Apron Area (acres)	14.6	14.6	14.6	14.6	14.6	12.6	12.6	12.6	12.6	11.0
Firearms Facility	1	1	1	1	1	1	1	1	1	1
Libraries	6	5	5	5	5	5	5	5	5	5
Senior Centers	5	5	5	5	5	5	5	5	5	5

Note: (1) Includes two proposed reservoirs.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Bureau of Utilities - Revenue and Expenses
Last Ten Fiscal Years**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenue										
Usage charges	\$ 7,328,198	\$ 7,305,990	\$ 7,119,000	\$ 6,076,750	\$ 5,573,113	\$ 5,465,151	\$ 4,323,926	\$4,321,084	\$3,896,323	\$3,900,735
Service charges	421	54,991	64,593	56,666	19,790	26,745	16,959	20,300	11,350	48,455
Penalties and interest	442,379	1,815,891	1,526,835	1,050,682	1,257,886	697,697	1,023,822	1,152,328	2,089,469	2,107,512
Operating transfer - County	206,980	629,850	212,000	138,310	(60,680)	122,405	1,439,075	419,273	119,520	104,310
Capital contributions (1)	75,395	855,655	291,282	389,700	5,744,168	1,038,337	743,641	1,068,367	4,078,973	-
Maintenance fee	1,428,013	1,427,782	1,421,568	850,713	836,795	447,729	621,151	572,385	-	-
Other	190,940	307,022	160,877	148,243	152,214	218,523	159,133	428,589	161,886	198,940
Total revenue	<u>9,672,326</u>	<u>12,397,181</u>	<u>10,796,155</u>	<u>8,711,064</u>	<u>13,523,286</u>	<u>8,016,587</u>	<u>8,327,707</u>	<u>7,982,326</u>	<u>10,357,521</u>	<u>6,359,952</u>
Expenses										
Salaries	2,499,181	2,241,162	2,027,979	1,996,372	1,828,934	1,759,625	1,660,311	1,568,180	1,516,070	1,473,652
Operating expenses	3,157,883	5,652,991	3,861,160	3,506,230	6,722,882	2,583,989	2,732,126	3,085,924	2,340,118	2,351,628
Depreciation	1,579,651	1,534,088	1,515,493	1,510,276	1,340,581	1,197,161	1,223,787	1,097,849	1,159,049	1,014,054
Interest	932,542	628,305	406,980	498,110	594,234	644,071	706,451	772,849	827,058	835,581
Total expense	<u>8,169,257</u>	<u>10,056,546</u>	<u>7,811,612</u>	<u>7,510,988</u>	<u>10,486,631</u>	<u>6,184,846</u>	<u>6,322,675</u>	<u>6,524,802</u>	<u>5,842,295</u>	<u>5,674,915</u>
Excess of revenue over expense:	<u>\$ 1,503,069</u>	<u>\$ 2,340,635</u>	<u>\$ 2,984,543</u>	<u>\$ 1,200,076</u>	<u>\$ 3,036,655</u>	<u>\$ 1,831,741</u>	<u>\$ 2,005,032</u>	<u>\$ 1,457,524</u>	<u>\$ 4,515,226</u>	<u>\$ 685,037</u>

Note: (1) Adoption of GASB 33 requires all capital contributions be treated as revenue and presented separately within the financial statements.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Solid Waste Fund - Revenue and Expenses
Last Ten Fiscal Years**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenue										
Charge for services	\$ 6,133,596	\$ 6,269,365	\$ 6,353,183	\$ 6,253,935	\$ 5,810,000	\$ 5,975,631	\$ 5,234,047	\$ 4,939,698	\$5,238,584	\$5,189,996
Penalties and interest	302,752	447,743	631,268	441,286	375,385	63,900	73,582	80,229	139,885	166,694
Proceeds from sales of recyclables	391,872	340,424	227,025	202,325	268,340	154,886	81,407	71,675	84,038	100,922
Other	8,775	17,107	29,471	5,268	49,256	59,215	195,877	-	-	-
Operating transfer - County	2,545,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	1,445,000	1,445,000
Total revenue	<u>9,381,995</u>	<u>9,719,639</u>	<u>9,885,947</u>	<u>9,547,814</u>	<u>9,147,981</u>	<u>8,898,632</u>	<u>8,229,913</u>	<u>7,736,602</u>	<u>6,907,507</u>	<u>6,902,612</u>
Expense										
Salaries	1,633,309	1,387,457	1,335,170	1,220,245	1,138,650	1,062,789	1,030,337	1,010,043	973,539	920,997
Operating expenses	5,363,689	5,817,255	6,162,316	5,798,265	5,354,162	5,420,652	5,055,379	4,361,808	5,092,583	4,867,362
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Depreciation	266,818	203,133	174,008	154,380	107,960	90,952	90,217	176,590	180,669	182,637
Interest	224,027	241,073	263,743	308,018	347,036	253,197	383,626	448,443	508,969	573,368
Operating transfer - County	-	-	-	-	-	-	-	-	199,883	-
Total expense	<u>7,487,843</u>	<u>7,648,918</u>	<u>7,935,237</u>	<u>7,480,908</u>	<u>6,947,808</u>	<u>6,827,590</u>	<u>6,559,559</u>	<u>5,996,884</u>	<u>6,955,643</u>	<u>6,544,364</u>
Excess (deficiency) of revenue over expense	<u>\$ 1,894,152</u>	<u>\$ 2,070,721</u>	<u>\$ 1,950,710</u>	<u>\$ 2,066,906</u>	<u>\$ 2,200,173</u>	<u>\$ 2,071,042</u>	<u>\$ 1,670,354</u>	<u>\$ 1,739,718</u>	<u>\$ (48,136)</u>	<u>\$ 358,248</u>
Tipping Fee per ton	\$ 76.00	\$ 61.00	\$ 58.00	\$ 54.00	\$ 54.00	\$ 51.00	\$ 51.00	\$ 49.00	\$ 47.00	\$ 47.00

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland**

**Airport Fund - Revenue and Expenses
Last Eight Fiscal Years**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenue								
Rent	\$ 470,011	\$ 495,278	\$ 450,749	\$ 517,732	\$ 472,539	\$ 353,763	\$ 156,533	\$143,281
Fuel sales	197,646	1,715,510	1,378,850	1,523,726	1,268,475	662,347	354,796	205,772
Capital contributions (1)	460,454	91,598	366,572	348,858	1,288,611	511,521	315,834	13,566
Capital contributions-County	-	-	5,603,372	-	-	-	-	-
Land sale	-	-	1,064,797	-	-	-	25,000	-
Operating transfer-County	40,000	40,000	40,000	83,020	44,053	58,176	142,405	44,240
Other	3,601	11,222	10,850	-	3,796	-	-	9,468
Total revenue	<u>1,171,712</u>	<u>2,353,608</u>	<u>8,915,190</u>	<u>2,473,336</u>	<u>3,077,474</u>	<u>1,585,807</u>	<u>994,568</u>	<u>416,327</u>
Expenses								
Salaries	256,173	236,788	184,513	182,310	159,740	96,725	82,472	77,741
Operating expenses	267,209	2,359,958	1,612,527	1,562,774	1,431,899	832,208	333,430	285,818
Operating expenses-capital (2)	-	255,400	36,061	227,795	137,850	-	367,330	1,100
Interest	113,327	122,044	130,092	138,741	144,323	132,137	133,179	145,796
Depreciation	140,983	123,428	123,428	123,428	118,050	23,792	24,029	-
Operating transfer-County	-	-	41,446	-	-	-	-	-
Total expense	<u>777,692</u>	<u>3,097,618</u>	<u>2,128,067</u>	<u>2,235,048</u>	<u>1,991,862</u>	<u>1,084,862</u>	<u>940,440</u>	<u>510,455</u>
Excess (deficiency) of revenue over expense:	<u>\$ 394,020</u>	<u>\$ (744,010)</u>	<u>\$ 6,787,123</u>	<u>\$ 238,288</u>	<u>\$1,085,612</u>	<u>\$ 500,945</u>	<u>\$ 54,128</u>	<u>\$ (94,128)</u>

(1) Capital contributions include reimbursements from the Federal Aviation Administration and the Maryland Aviation Administration.

(2) Operating expense reimbursed by the Federal Aviation Administration and the Maryland Aviation Administration.

Note: (1) Adoption of GASB 33 requires all capital contributions be treated as revenue and presented separately within the financial statements.

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Retired Members by Type of Benefit
As of June 30, 2009**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected					
		1	2	3	4	Unmod	A	B	C	D	E
Deferred	129										
\$ 1 - \$250	20	19			1	11	2	2	5		
251 - 500	38	34	4			11	2	5	13	1	6
501 - 750	8	5	2			2	1	2	2	1	
751 - 1000	1	1				1					
Over 1,000	0										

Type of Retirement:

- 1 - Normal Retirement for age and/or service
- 2 - Early Retirement
- 3 - Beneficiary Payment, normal or early retirement
- 4 - Beneficiary Payment, death in service

Option Selected:

- Unmodified: Life Annuity, member only
- A - Beneficiary receives lump sum of unused contributions
- B - Life Annuity of member, with ten years certain and continuous
- C - Beneficiary receives 100 percent of member's reduced monthly benefit
- D - Beneficiary receives 75 percent of member's reduced monthly benefit
- E - Beneficiary receives 50 percent of member's reduced monthly benefit

Source: Department of Human Resources.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

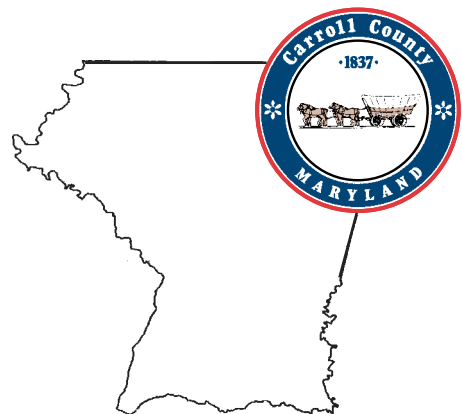
Carroll County Employee Pension Plan
Average Benefit Payments
Last Six Fiscal Years

Retirement Effective Date	Years of Credited Service					
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30
Period 7/1/03 to 6/30/04						
Average Monthly Benefit	\$ -	\$ -	\$ 215	\$ 228		
Average Final Monthly Salary	\$ -	\$ -	\$ 2,576	\$ 2,093		
Number of Retired Members	-	-	3	1		
Period 7/1/04 to 6/30/05						
Average Monthly Benefit	\$ 51	\$ 99	\$ 182	\$ 312		
Average Final Monthly Salary	\$ 2,102	\$ 2,090	\$ 2,238	\$ 2,809		
Number of Retired Members	1	3	5	2		
Period 7/1/05 to 6/30/06						
Average Monthly Benefit	\$ 51	\$ 333	\$ 1,685	\$ 2,199	\$ 1,225	
Average Final Monthly Salary	\$ 2,102	\$ 1,872	\$ 2,373	\$ 3,151	\$ 2,839	
Number of Retired Members	1	4	9	9	6	
Period 7/1/06 to 6/30/07						
Average Monthly Benefit	\$ 70	\$ 370	\$ 1,773	\$ 4,959	\$ 2,407	
Average Final Monthly Salary	\$ 1,675	\$ 1,872	\$ 2,373	\$ 3,553	\$ 2,858	
Number of Retired Members	2	4	9	15	8	
Period 7/1/07 to 6/30/08						
Average Monthly Benefit	\$ 137	\$ 447	\$ 2,125	\$ 6,625	\$ 4,404	
Average Final Monthly Salary	\$ 2,065	\$ 1,939	\$ 2,572	\$ 3,498	\$ 3,385	
Number of Retired Members	4	5	12	18	13	
Period 7/1/08 to 6/30/09						
Average Monthly Benefit	\$ 198	\$ 934	\$ 3,207	\$ 9,320	\$ 6,777	
Average Final Monthly Salary	\$ 2,065	\$ 2,605	\$ 2,705	\$ 3,457	\$ 3,365	
Number of Retired Members	4	7	14	25	17	

Carroll County Employee Pension Plan was established during fiscal year 2004.

Source: Department of Human Resources.

Single Audit Section



**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

The County Commissioners
of Carroll County
Westminster, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of the County Commissioners of Carroll County as of and for the year ended June 30, 2009, which collectively comprise the County Commissioners of Carroll County's basic financial statements and have issued our report thereon dated November 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Commissioners of Carroll County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County Commissioners of Carroll County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County Commissioners of Carroll County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County Commissioners of Carroll County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
November 18, 2009

**Independent Auditor's Report on Compliance With
Requirements Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance with
OMB Circular A-133**

The County Commissioners
of Carroll County
Westminster, Maryland

Compliance

We have audited the compliance of the County Commissioners of Carroll County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County Commissioners of Carroll County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County Commissioners of Carroll County's management. Our responsibility is to express an opinion on the County Commissioners of Carroll County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County Commissioners of Carroll County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County Commissioners of Carroll County's compliance with those requirements.

In our opinion, the County Commissioners of Carroll County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-01, 09-02, and 09-03.

Internal Control Over Compliance

The management of the County Commissioners of Carroll County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County Commissioners of Carroll County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County Commissioners of Carroll County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County Commissioners of Carroll County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-01, 09-02, and 09-03 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit management's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of The County Commissioners of Carroll County as of and for the year ended June 30, 2009 and have issued our report thereon dated November 18, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise June 30, 2009's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The information in that schedule has been subjected to the

auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
November 18, 2009

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
MAJOR PROGRAMS					
U.S. Department of Housing and Urban Development					
Direct Programs:					
Housing Section 8 Subsidies					
Section 8 Housing Choice Voucher Federal Funded Subsidy FY08	14.871	P-3532	N/A	\$ 3,940,392	\$ 4,299,989
Section 8 Administrative Federal Funded Subsidy FY08	14.871	P-3532	N/A	375,066	393,925
Section 8 FSS Coordinator Salary Federal Funded Subsidy FY08	14.871	P-3532	N/A	55,118	<u>57,960</u>
Total U.S. Department of Housing and Urban Development					<u>4,751,874</u>
U.S. Department of Health and Human Services					
Passed Through Maryland Office on Aging:					
Title III, Part B 10/1/07-9/30/08	93.044	3-24-AAA-005	N/A	129,657	29,861
Title III, Part B 10/1/08-9/30/09	93.044	3-24-AAA-005	N/A	129,889	<u>90,076</u>
					<u>119,937</u>
Title III, Part C 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	104,971	55,261
Title III, Part C 10/1/08-9/30/08	93.045	3-24-AAA-005	N/A	117,911	88,905
Home Delivered Meals 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	52,341	14,692
Home Delivered Meals 10/1/08-9/30/08	93.045	3-24-AAA-005	N/A	60,140	<u>42,343</u>
					<u>201,201</u>
Total U.S. Department of Health and Human Services					<u>321,138</u>
U.S. Department of Labor					
Passed Through Howard County Manpower Resources:					
Employment and Training Assistance					
Economically Disadvantaged IIA 7/1/07-6/30/08	17.258	POOB7200008-B	24-02-07	42,516	8,455
Economically Disadvantaged IIA 7/1/08-6/30/09	17.258	POOB7200008-B	24-02-07	36,387	47,547
Economically Disadvantaged Youth IIC FY08	17.259	POOB7200008-C	24-02-07	39,902	7,848
Economically Disadvantaged Youth IIC FY09	17.259	POOB7200008-C	24-02-07	34,256	33,393
ARRA-Economically Disadvantaged Youth IIC FY10	17.259	N/A	N/A	54,637	5,743
Administration FY09	17.260	POOB7200008-A	24-02-07	42,861	46,496
Dislocated Workers III 7/1/07-6/30/08	17.260	POOB7200008-D	24-02-07	327,080	86,757
Dislocated Workers III 7/1/06-6/30/07	17.260	POOB7200008-D	24-02-07	315,102	<u>267,805</u>
Total U.S. Department of Labor					<u>504,044</u>
U.S. Department of Transportation					
Passed Through Maryland Transits Administration:					
Section 5307 08/09	20.507	MD-90-4089/MD90-4101	N/A	236,273	199,405
Section 5307 (Capital) 07/08	20.507	MD-90-0101	N/A	219,168	22,504
Section 5307 (Capital) 08/09	20.507	MD-90-0101	N/A	273,032	<u>263,079</u>
Total U.S. Department of Transportation					<u>484,988</u>
Federal Aviation Administration					
Airport Improvement Program:					
Runway Expansion	20.106	N/A	N/A	5,205,048	<u>401,991</u>
Total Major Programs					<u>6,464,035</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
OTHER FEDERAL PROGRAMS					
U.S. Department of Housing & Community Development					
Passed Through Maryland Department of Community Development:					
Youth Service Bureau-Department of Housing & Community Development	14.228	N/A	MD-09-CD-27	\$ 600,000	\$ 612,372
Emergency Shelter Grant FY08	14.231	07-ESG-BOS-05	N/A	44,643	7,197
Emergency Shelter Grant FY09	14.231	08-ESG-BOS-05	N/A	31,700	<u>27,994</u>
Total U.S. Department of Housing and Community Development					<u>647,563</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Human Resources:					
Safe & Stable FY09	93.556	N/A	N/A	143,925	97,232
Cooperative Reimbursement 07/08 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	28,872	4,240
Cooperative Reimbursement 07/08 (St. Atty)	93.563	CSEA/CR-99-035	N/A	763,863	113,098
Cooperative Reimbursement 07/08 (Sheriff)	93.563	CSEA/CR-99-035	N/A	154,338	23,245
Cooperative Reimbursement 08/09 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	28,872	13,216
Cooperative Reimbursement 08/09 (St. Atty)	93.563	CSEA/CR-99-035	N/A	745,337	378,487
Catastrophic Health Planners FY08	93.563	CSEA/CR-99-035	N/A	159,400	67,338
Cooperative Reimbursement 08/09 (Sheriff)	93.558	CRRL/FIA 07-010	N/A	112,500	<u>56,250</u>
					<u>753,106</u>
Passed Through State Department of Health & Mental Hygiene:					
Enhanced Fitness FY09	93.283	CH837AIA	N/A	4,092	<u>3,399</u>
Passed Through Maryland Office on Aging:					
Title III, Part D 10/1/07-9/30/08	93.043	3-24-AAA-005	N/A	9,000	6,143
Title III, Part D 10/1/08-9/30/09	93.043	3-24-AAA-005	N/A	9,000	<u>4,003</u>
					<u>10,146</u>
Title III, Part E 10/1/07-9/30/08	93.052	3-24-AAA-005	N/A	46,490	7,963
Title III, Part E 10/1/08-9/30/09	93.052	3-24-AAA-005	N/A	46,647	<u>39,216</u>
					<u>47,179</u>
MA Waiver FY09	93.779	4-24-AAA-005	N/A	68,474	76,993
SHIP FY08	93.779	4-24-AAA-005	N/A	9,202	7
SHIP FY09	93.779	4-24-AAA-005	N/A	22,607	22,607
Senior Medical Patrol Program FY09	93.779	4-24-AAA-005	N/A	6,391	<u>6,391</u>
					<u>105,998</u>
Ombudsman/Elderly Abuse FY09	93.042	3-24-AAA-005	N/A	16,099	<u>16,099</u>
Total U.S. Department of Health and Human Services					<u>935,927</u>
U.S. Department of Transportation					
Passed Through Maryland Transits Administration:					
Section 5311 08/09	20.509	MD-18-4023	N/A	132,036	<u>99,405</u>
U.S. Department of Agriculture					
Commodities	10.555	3-24-AAA-005	N/A	24,550	19,715
The Emergency Food Assistance Program FY09	10.568	N/A	N/A	15,000	<u>5,700</u>
Total U.S. Department of Agriculture					<u>25,415</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management Administration:					
Citizen Corps FFY07	97.067	N/A	N/A	\$ 9,700	\$ 3,226
State Homeland Security FY08	97.067	N/A	N/A	164,295	69,365
State Homeland Security FY09	97.067	N/A	N/A	316,462	192,374
LETPP FFY07	97.067	N/A	N/A	153,761	40,676
Homeland Security Admin FFY07	97.067	N/A	N/A	13,272	38
Homeland Security 2nd Planner	97.067	N/A	N/A	69,200	34,350
State Homeland Security FY08	97.067	N/A	N/A	265,679	94,310
Command Vehicle Maintenance FY09	97.008	N/A	N/A	35,725	34,201
Vulnerable Population Plans & Training	97.008	N/A	N/A	3,400	405
Urban Area Security Initiative Lic Plate Reader/Tacticle Equip FFY08	97.008	N/A	N/A	128,142	100,559
Urban Area Security Initiative Lic Plate Reader/Tacticle Equip FFY08	97.008	N/A	N/A	50,000	3,596
Urban Area Security Initiative WebEOC Dialogic FFY08	97.008	N/A	N/A	8,500	4,459
Urban Area Security Initiative WebEOC FFY09	97.008	N/A	N/A	26,000	10,992
HAZMAT FY07	97.021	N/A	N/A	166,933	119,392
Emergency Management Performance FY09	97.042	N/A	N/A	88,569	4,971
Immigration & Custom Enforcement (ICE)	16.590	N/A	N/A	10,000	812
Total U.S. Department of Homeland Security					<u>713,726</u>
U.S. Department of Energy					
Passed Through State Department of Human Resources:					
Weatherization FY08	81.042	N/A	N/A	113,122	9,928
Weatherization FY09	81.042	N/A	N/A	108,918	175,399
Total U.S. Department of Energy					<u>185,327</u>
U.S. Department of Justice					
Passed Through The Governor's Office of Crime Control and Prevention:					
Violence Against Women Act FY08 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	25,069
Violence Against Women Act FY08 (Sheriff)	16.588	VAWA-98-036	N/A	47,505	11,930
Violence Against Women Act FY09 (St. Atty)	16.588	VAWA-98-036	N/A	79,095	78,975
Violence Against Women Act FY09(Sheriff)	16.588	VAWA 2000-1004	N/A	48,325	39,501
Junction Inc FY08 Treatment for Chemically Involved Adolescents	16.738	BJAG-2005-1013	N/A	46,321	13,069
Substance Abuse Jail Diversion FY08	16.738	BJAG-2005-1032	N/A	61,620	42,999
Crime Analysis Seminar FY09	16.738	BJAG-2005-1107	N/A	1,050	1,050
CAP-WIN Initiative FY09	16.738	BJAG-2005-1007	N/A	27,468	17,892
Crash FY08	20.601	N/A	N/A	6,733	10,590
Crash FY09	20.601	N/A	N/A	2,992	2,991
Anti-Gang Strategy Grant	16.744	G-37 1296	N/A	135,822	53,433
					<u>297,499</u>
National Network of Children's Advocacy Center Grant FY09	16.582	PS-9429	N/A	10,000	4,470
Advocacy Center Grant FY08	16.582	PS-9429	N/A	10,000	6,931
Total U.S. Department of Justice					<u>11,401</u>
Total Other Federal Programs					<u>2,916,263</u>
TOTAL FEDERAL PROGRAMS					<u>\$ 9,380,298</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2009

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of the County Commissioners of Carroll County for the year ended June 30, 2009.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the County Commissioners of Carroll County's basic financial statements.

NOTE 3 – RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the County Commissioners of Carroll County's basic financial statements and the related federal financial reports submitted by the County Commissioners of Carroll County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program
17.258,17.259,17.260	Workforce Investment Act (WIA) Cluster
93.044, 93.045	Aging Cluster
20.507	Federal Transit Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II—Financial Statement Findings

None

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section III—Federal Award Findings and Questioned Costs

Finding Reference: 09-01

Federal Agency: U.S. Department of Health and Human Services

Federal Program: 93.044, 93.045 Aging Cluster

Compliance

Requirement: Allowable Costs/Cost Principles

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

The Bureau of Aging (Bureau) has 2 full-time employees that are charged 100% to the Aging program. However, there were no periodic time and effort certifications prepared to support that these 2 employees worked solely on the program during the period under audit. 6 of the 25 payroll transactions selected for allowable costs testwork related to these 2 employees and it was noted that the Bureau did not have effort reports to support the activities related to the payroll costs charged to the grant. The total salaries charged to the Aging Cluster for the 2 employees were \$67,891.

Criteria

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee (OMB Circular A-87, Attachment B.8.h.3).

Cause

The Bureau's procedures did not include performance of effort certifications for the employees charged 100% to the Aging program.

Effect

The Bureau is not in compliance with federal allowability guidelines to allocate time to grants based on actual time spent working on each grant.

Questioned Costs

The questioned costs associated with this finding are undeterminable based on lack of time and effort certifications.

Recommendation

We recommend that the Bureau implement procedures and controls to ensure that time and effort certifications are obtained from the employees on at least a semi-annual basis, stating the percentage of time worked related to the Aging program during the period covered by the certification.

Management's Response

The Bureau of Aging will immediately implement the reporting requirements on Time and Effort Accounting and Reporting as stated in OMB Circular A-87, attachment B.8.h.3.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Finding Reference: 09-02

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program: 14.871 Housing Choice Voucher Program

Compliance

Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

We selected 25 tenant files for testing of eligibility compliance requirements and noted that three tenant files had the following exceptions: for 2 files, the County did not properly document the calculation of tenant's income or obtain third-party verification of income amounts used to calculate tenant rent and; for 1 file, the County did not correctly determine the medical expense deduction.

Criteria

Relating to annual reexaminations, 24 CFR 982.516 states "The PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i)Reported family annual income; (ii)The value of assets; (iii) Expenses related to deductions from annual income...."

Cause

In one case, the County failed to obtain a zero-income certification from the tenant. In the other two cases, the County calculated the amounts using an incorrect basis. For example, insurance premiums were calculated on a monthly basis instead of quarterly per the invoice.

Effect

The County is not in compliance with program regulations regarding the determination and verification of tenant income and this could result in adjustments to tenant rent amounts.

Questioned Costs

The questioned costs associated with this finding are undeterminable. The total housing assistance payments made by the County on behalf of these tenants were \$14,084.

Recommendation

We recommend that the Carroll County Department of Citizen Services continue to perform quality control checks of tenant files to ensure all required information is included in the files.

Management's Response

Carroll County Department of Citizen Services made changes to their quality control procedures to insure the required information will be kept current and will be kept on file.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Finding Reference: 09-03

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: 14.871 Housing Choice Voucher Program
Compliance Requirement: Special Tests (Reasonable Rent)
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

We selected 25 tenant files for testing of reasonable rent compliance requirements and noted that four tenant files used rent information for at least one of the three comparable units that was more than 2 years old. A separate sample of 25 tenant files that had contract rent changes during the year had two files which used comparable information over two years old.

Criteria

24 CFR 982.507(b) states "The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units."

Cause

The housing inspector is responsible for gathering comparison information and performing the rent reasonableness determination. When comparable information becomes outdated, the inspector is responsible for obtaining updated rent amounts and adding this information to the binders which contain rental data by location and bedroom size. In addition, the inspector is responsible for adding this information into the computer system. According to the Housing Manager, there is no formal review process for checking the comparison information. Although the units used for comparison may be comparable based on location, quality, size, amenities, etc, using rent amounts from more than two years ago does not present an accurate picture of current local market rents.

Effect

The County is not in compliance with program regulations and there is the potential that the rent to owners is unreasonable.

Questioned Costs

None

Recommendation

We recommend that the County implement procedures to verify that rents used for rent reasonableness determination purposes are current for the location.

Management's Response

Carroll County Department of Citizen Services reviewed their current records. Management made immediate changes in their process for collecting comparable unit information in the tracking system so better rent reasonableness determinations are produced.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2009**

No prior year audit findings.



Department of the Comptroller
Carroll County Government
225 North Center Street
Westminster, Maryland