
Carroll County



Maryland

*Comprehensive Annual
Financial Report*

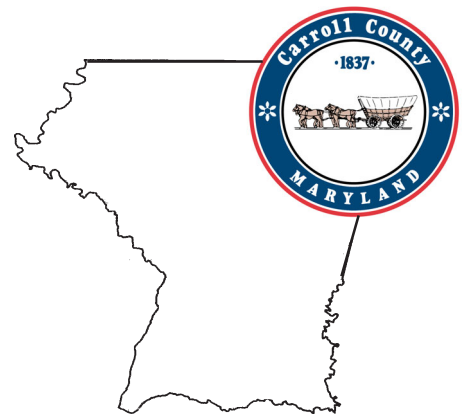
For the Fiscal Year Ended
June 30, 2011

Comprehensive Annual Financial Report

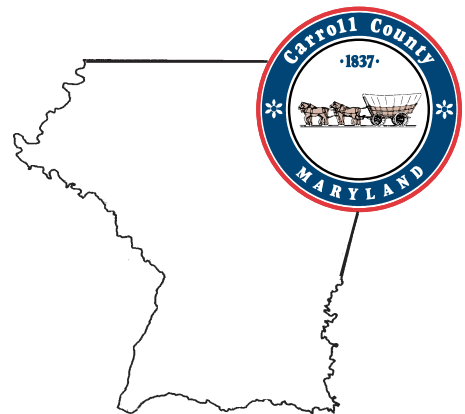
For The Fiscal Year Ended
June 30, 2011

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, 2011

INTRODUCTORY SECTION

| | |
|--|----|
| Table of Contents | 1 |
| Letter of Transmittal..... | 3 |
| Certificate of Achievement for Excellence in Financial Reporting | 8 |
| Organizational Chart | 9 |
| Certain Elected and Appointed Officials..... | 10 |

FINANCIAL SECTION

| | |
|---|-----|
| Independent Auditor's Report | 11 |
| Management's Discussion and Analysis (required supplementary information) | 13 |
| Basic Financial Statements | |
| Government-Wide Financial Statements: | |
| Statement of Net Assets | 28 |
| Statement of Activities | 29 |
| Fund Financial Statements: | |
| Governmental Funds Financial Statements: | |
| Balance Sheet | 30 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 31 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in | |
| Fund Balances of the Governmental Funds to the Statement of Activities..... | 32 |
| General Fund Statement of Revenues, Expenditures, and Change in | |
| Fund Balance; Budgetary (Non-GAAP) Basis vs. Actual | 33 |
| Proprietary Funds Financial Statements: | |
| Statement of Net Assets..... | 34 |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets..... | 35 |
| Statement of Cash Flows | 36 |
| Fiduciary Fund Financial Statements: | |
| Statement of Fiduciary Net Assets – Trust and Agency Funds | 37 |
| Statement of Change in Fiduciary Net Assets – Trust Funds | 38 |
| Notes to the Financial Statements | 39 |
| Supplementary Information | |
| Schedule of Revenues, Expenditures, and Other Financing Sources (Uses)- | |
| Budget (NON-GAAP Budgetary Basis) and Actual - General Fund | 112 |
| Other Governmental Funds Combining Balance Sheet | 119 |
| Other Governmental Funds Combining Schedule of Revenues, Expenditures and | |
| Changes in Fund Balances..... | 120 |
| Schedule of Revenues, Expenditures, and Change in Fund Balance- | |
| Budget (NON-GAAP) Basis and Actual – Impact Fees Fund | 121 |
| Schedule of Revenues, Expenditures, and Change in Fund Balance- | |
| Budget (NON-GAAP) Basis and Actual – Agricultural Transfer Tax..... | 122 |
| Schedule of Revenues, Expenditures, and Change in Fund Balance – | |
| Budgetary (Non-GAAP) Basis vs. Actual – Hotel Rental Tax | 123 |
| Schedule of Revenues, Expenditures, and Change in Fund Balance – | |
| Budgetary (Non-GAAP) Basis vs. Actual – Cable Franchise Fee | 124 |
| Schedule of Revenues, Expenditures, and Change in Fund Balance – | |
| Budgetary (Non-GAAP) Basis vs. Actual – Grant Fund | 125 |
| Combining Schedule of Fiduciary Net Assets –Trust Funds | 126 |
| Combining Schedule of Changes in Fiduciary Net Assets –Trust Funds | 127 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

| | |
|--|-----|
| Statement of Changes in Assets and Liabilities – Agency Funds | 128 |
| Other Proprietary Funds Combining Schedule of Net Assets | 130 |
| Other Proprietary Funds Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets | 131 |
| Other Proprietary Funds Combining Schedule of Cash Flows | 132 |
| Capital Assets Used in the Operation of Governmental Funds Schedule by Source | 133 |
| Capital Assets Used in the Operation of Governmental Funds Schedule by Function | 134 |
| Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function | 135 |
| Schedule of Appropriations, Expenditures, and Encumbrances Budgetary (Non-GAAP) Basis – Capital Projects Fund | 136 |
| Schedule of Investments for General, Special Revenue, Pension, OPEB, LOSAP and Enterprise Funds | 141 |
| Schedule of Long-Term Indebtedness | 142 |

STATISTICAL SECTION

| | |
|--|-----|
| Net Assets by Component | 146 |
| Changes in Net Assets | 148 |
| Fund Balances, Governmental Funds | 150 |
| Local Tax Revenues by Source, Governmental Funds | 151 |
| Changes in Fund Balances, Governmental Funds | 152 |
| Assessed Valuation and Estimated Actual Value of Taxable Property | 154 |
| Real Property Tax Rates-Direct and Overlapping Governments | 155 |
| Principal Taxpayers | 156 |
| Property Tax Levies and Collections | 157 |
| Bureau of Utilities Water and Sewer Rates | 158 |
| Ratios of Outstanding Debt by Type | 159 |
| Ratios of Bonded Debt Outstanding | 160 |
| Computation of Legal Debt Margin | 161 |
| Computation of Direct and Overlapping Debt | 162 |
| Demographic Statistics | 163 |
| Major Employers | 164 |
| Full-Time County Employees by Function/Program | 165 |
| Operating Indicators by Function/Program | 166 |
| Capital Asset Statistics by Function/Program | 167 |
| Bureau of Utilities Revenue and Expenses | 168 |
| Solid Waste Management Revenue and Expenses | 169 |
| Airport Revenue and Expenses | 170 |
| Retired Members by type of Benefit- Carroll County Employee Pension Plan | 171 |
| Average Benefit Payments- Carroll County Employee Pension Plan | 172 |
| Retired Members by type of Benefit -Carroll County Certified Law Officers Pension Plan | 173 |
| Average Benefit Payments- Carroll County Certified Law Officers Pension Plan | 174 |

SINGLE AUDIT SECTION

| | |
|--|-----|
| Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 175 |
| Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program And on Internal Control over Compliance and Schedule of Expenditures of Federal Awards In Accordance with OMB Circular A-133 | 177 |
| Schedule of Expenditures of Federal Awards | 179 |
| Notes to Schedule of Expenditures of Federal Awards | 184 |
| Schedule of Findings and Questioned Costs | 185 |
| Schedule of Prior Year Audit Findings | 189 |

Robert M. Burk
Comptroller
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Department of the Comptroller
Carroll County Government
225 North Center Street
Westminster, Maryland 21157

December 1, 2011

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

State law requires that all general-purpose local governments publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Carroll County, Maryland for the fiscal year ended June 30, 2011.

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, 2011, 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 #175.

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 2011 population estimate of 167,929. The County seat

and largest 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 three decades, the basic character of the County's land and residents 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 five-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 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. During fiscal year 2011 Carroll County changed from a three member board to a five member board, who serve four-year terms. The County is divided into five districts based on equal population. Each district elects a commissioner to represent their district.

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, a firearms facility (shooting range), and a fiber network fund 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 as component units 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 30 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 119.

Local Economy:

Local indicators show the continued stability of Carroll County even with the problems of the global economy.

The unemployment rate for Carroll County was at 6.4% in June 2011, compared to 9.1% nationally. This is a result of the struggling global economy.

Despite the struggling economy, Carroll County still maintains 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 94,046 as of June 2011, which was a increase of 1% from last year.

Long-term Financial Planning:

Homestead Tax Credit:

The Homestead Tax Credit is set by the Commissioners which caps the amount taxes can increase on a primary residence at 7 percent a year. The credit equals the County's tax rate multiplied by the amount by which the current year's assessment on residential property exceeds 10 percent of the previous year's taxable assessment. The credit rate for fiscal year 2012 is reduced to 5 percent.

Operating Budget:

The County maintains a balanced six-year Operating Plan and a Community Investment Plan (CIP) for expenditures built on projected revenues. The development of six-year plans allows the County to evaluate the impact of current decisions on the long-term financial position of the County.

Stabilization Arrangement:

The County adopted a stabilization arrangement during fiscal year 2011. The arrangement will maintain at least 5% of the upcoming fiscal year adopted general fund budget.

Capital Projects:

The County Commissioners six-year community investment plan is set up to meet numerous pressing needs. The six-year program includes \$30.1 million to extend the life of the existing analog radio system and transition to digital. The program includes \$27.4 million for construction of an 110,000 square foot middle school and the demolition of the existing Mount Airy Middle School. The program also includes \$15.5 million to continue the County's efforts in purchasing agriculture land preservation easements. The program also includes \$52.7 million for water source development and infrastructure. Included in this plan is \$61.4 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.

The program includes \$8 million for upgrading to enhanced nutrient removal for 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.

Debt Administration:

The County plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, available financing instruments, trends in bond market structures, and trends in interest rates. The County finances its capital needs on a regular basis dictated by its capital spending pattern. A financial advisor firm and bond counsel assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

The county consolidates general County improvements into Consolidated Public Improvement bonds with a term of no longer than the estimated life of the asset for which they are used to purchase. Debt obligations are generally issued through a competitive sale. However, the County may use a negotiated sale process when it deems bids received through a competitive sale are unsatisfactory or does not receive bids.

Financial Policies and Practices:

Debt Policy:

The debt policy sets forth comprehensive guidelines for the financing of capital expenditures. The policy provides parameters for issuing debt and managing outstanding debt. It provides guidance to decision makers regarding the timing and purpose for which debt may be issued, what types and amounts of debt are permissible, the method of sale that may be used and the debt structuring practices that may be used. The County recognizes that adherence to a debt policy helps ensure that it maintains a sound debt position and that credit quality is protected.

Investment Policy:

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

Major Initiatives:

The county continues to strive in maintaining essential services. Even in this difficult time the County will have eliminated all significant school capacity issues after the construction of the new Mt. Airy Middle School. More than 62,000 acres are under permanent easement in our Agricultural Land Preservation programs supporting agribusiness, maintaining open space and our rural heritage, and avoiding the costs of services and infrastructure to serve residential development.

Carroll County continues to maintain strong ratings from the credit rating agencies and the County's bonds are competitively sold with strong investor interest.

Pension and 401(k) Plans:

The Carroll County Employee Pension Plan, a defined benefit plan was established by the County in fiscal year 2004 and administered by the County to accumulate resources for pension benefit payments. The Carroll County Employee Pension Plan was amended October 1, 2009 to establish the Carroll County Certified Law Officers Pension Plan. It allows eligible law enforcement officers to receive a non-reduced pension after 25 years of service. Effective October 1, 2009, the County amended the 401(k) Defined Contribution Plan and discontinued County contributions for employees that were hired July 1, 1985 or later and for those employees hired prior to July 1, 1985 who elected to participate in the Carroll County Pension Plan. Employees may still choose to voluntarily contribute to the plan. 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.

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, 2010. Carroll

County, Maryland has received a Certificate of Achievement for the last 26 consecutive years (fiscal years 1985-2010). 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 must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

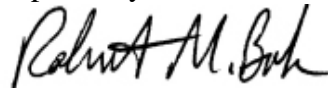
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2011 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 4 consecutive years (2008-2011). Currently, the County has submitted its fiscal year 2012 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 and the cooperation of the entire organization. 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,

A handwritten signature in black ink, appearing to read "Robert M. Burk". The signature is fluid and cursive.

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, 2010

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.

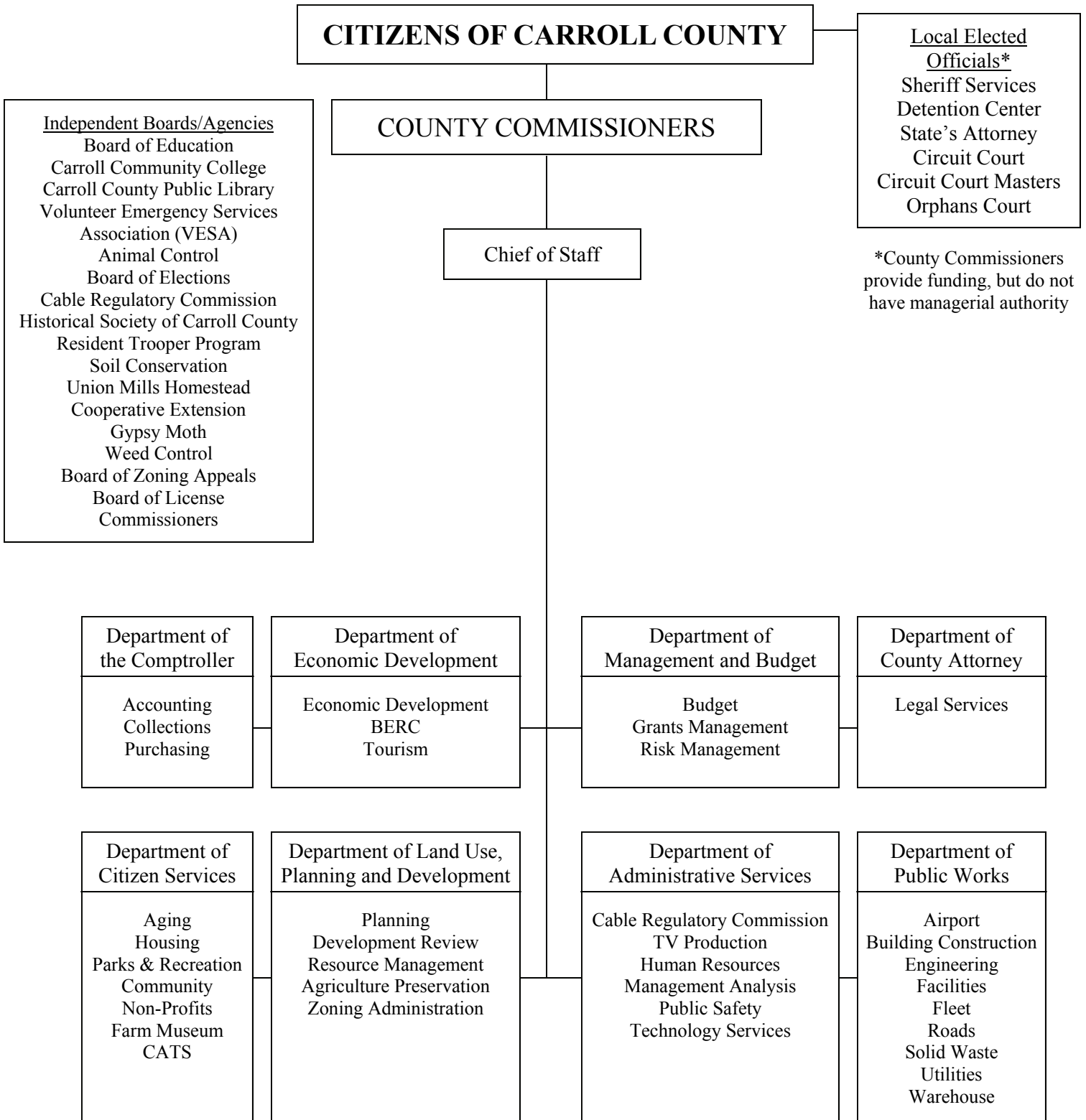


President

Executive Director

CARROLL COUNTY GOVERNMENT

Organizational Chart



Board of County Commissioners

Carroll County, Maryland

225 North Center Street
Westminster, Maryland 21157
Telephone (410) 386-2400
Fax (410) 386-2485
ccgovernment.carr.org

Appointed Officials

Steven D. Powell
Chief of Staff
Shawn Reese
County Clerk
Cynthia M. Parr
Director of Administrative Services
Robert M. Burk
Comptroller
Theodore Zaleski, III
Director of Management and Budget
Timothy C. Burke
Acting County Attorney
Jolene G. Sullivan
Director of Citizen Services
Tom Rio
Director of Public Works
Tom Devilbiss
Acting Director of Land Use, Planning
and Development
Lawrence F. Twele
Director of Economic Development

Independent Auditors

Clifton Gunderson, LLP
Timonium, Maryland

Bond Counsel

McKennon Shelton & Henn, LLP
Baltimore, Maryland

Financial Advisor

Davenport & Company, LLC
Baltimore, Maryland



J. Douglas Howard
President
District 5



Haven N. Shoemaker, Jr.
Vice President
District 2



Robin Bartlett Frazier
Secretary
District 1

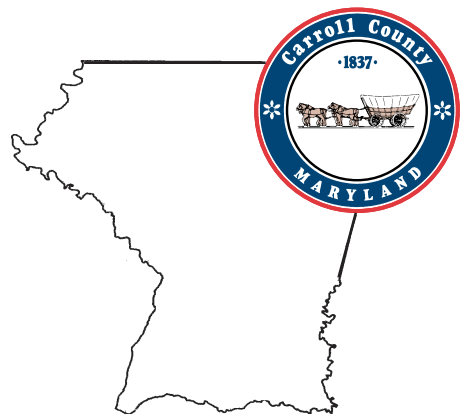


David H. Roush
District 3



Richard S. Rothschild
District 4

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, 2011, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, 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 21, 2011 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 21, 2011

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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, 2011. 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, 2011 by \$290,945,546 (total net assets), compared to \$309,933,078 at June 30, 2010. For fiscal year ended June 30, 2011 total net assets were net of the \$72,230,105 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, 2011 \$34,138,368 were restricted for specific purpose (restricted net assets) in comparison to \$23,663,562 at June 30, 2010. The total invested in capital assets, net of related debt was \$329,037,283 at June 30, 2011 compared to \$342,890,200 at June 30, 2010.

- The total net assets decreased by \$18,987,532.

Fund level:

- At the close of the fiscal year, unassigned fund balance for the general fund (primary operating fund) was \$16,809,377 or 5% of general fund revenues. By law, this amount will be a budgeted revenue source to support appropriation for fiscal year 2013.

- As of June 30, 2011, the County's governmental funds reported combined fund balances of \$134,755,415, an increase of \$11,207,621 from the prior year. Approximately 12 percent of the combined fund balances is available to meet the County's current and future needs (*unassigned*), 16 percent is assigned, indicating that it is not available for new spending because it has already been assigned for items such as existing purchase orders and construction contracts, 48 percent is committed or restricted for future use, stabilization arrangement and other purposes, and 24 percent is non spendable meaning it is in the form of loans receivables, inventory and advances to the IDA.

Long-term Debt:

- Carroll County Government's total bonded debt increased by \$9,841,991 during the fiscal year. The main factor in this increase was the County's issuance of \$13,115,500 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, 2011**

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, airport facility and a fiber network.

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 30 and 31 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, 2011**

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 119 to 125 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 33 of this report.

The basic governmental fund financial statements can be found on pages 28 and 29 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, Firearms Facility and Fiber Network. *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 34 to 36 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 three non-major proprietary funds is provided in the form of combining statements which can be found on pages 130 to 132 of this report.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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 four trust funds which are the Carroll County Employee Pension Trust Fund; the Carroll County Certified Law Officers 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 four trust funds the County has five agency funds which are the Carroll County Development Corporation (CCDC) the Carroll County Drug Task Force- Non Federal, Carroll County Drug Task Force-Treasury, Sheriff's Department Drug & Alcohol, and Law Enforcement Activities. The basic fiduciary funds financial statements can be found on pages 37 and 38 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 39 to 111 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 \$290,945,546 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 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 that 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 \$77,293,628 reflect the imbalance of liabilities without corresponding assets.

Restricted net assets of \$34,138,368 represent 1.1 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 total government are at a deficit of \$72,230,105.

The County's net assets decreased by \$18,987,532 during the fiscal year. The primary reason for this decrease is that depreciation exceeded capital outlays in fiscal year 2011. Issued debt along with a decrease in recordation tax, and investment earnings were other contributing factors. Increased interest on long term debt was another contributing factor to the decrease in net assets. The County issued more Installment Purchase Agreements during the fiscal year which created additional interest payments that were made.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Carroll County Government's Net Assets

| | Governmental Activities | | Business-type Activities | | Total Government | |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | June 30, 2011 | June 30, 2010 | June 30, 2011 | June 30, 2010 | June 30, 2011 | June 30, 2010 |
| Current assets | \$ 223,580,308 | \$ 200,959,629 | \$ 23,754,480 | \$ 25,074,269 | \$ 247,334,788 | \$ 226,033,898 |
| Capital assets | 395,942,123 | 429,184,861 | 128,286,923 | 118,641,499 | 524,229,046 | 547,826,360 |
| Total assets | <u>619,522,431</u> | <u>630,144,490</u> | <u>152,041,403</u> | <u>143,715,768</u> | <u>771,563,834</u> | <u>773,860,258</u> |
| Current liabilities | 98,278,763 | 91,335,611 | 6,942,242 | 6,577,338 | 105,221,005 | 97,912,949 |
| Non-current liabilities | 340,300,545 | 328,000,976 | 35,096,738 | 38,013,255 | 375,397,283 | 366,014,231 |
| Total liabilities | <u>438,579,308</u> | <u>419,336,587</u> | <u>42,038,980</u> | <u>44,590,593</u> | <u>480,618,288</u> | <u>463,927,180</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 224,468,499 | 249,331,687 | 104,568,784 | 93,558,513 | 329,037,283 | 342,890,200 |
| Restricted | 33,768,252 | 22,354,742 | 370,116 | 1,308,820 | 34,138,368 | 23,663,562 |
| Unrestricted | (77,293,628) | (60,878,526) | 5,063,523 | 4,257,842 | (72,230,105) | (56,620,684) |
| Total Net Assets | <u>\$ 180,943,123</u> | <u>\$ 210,807,903</u> | <u>\$ 110,002,423</u> | <u>\$ 99,125,175</u> | <u>\$ 290,945,546</u> | <u>\$ 309,933,078</u> |

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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

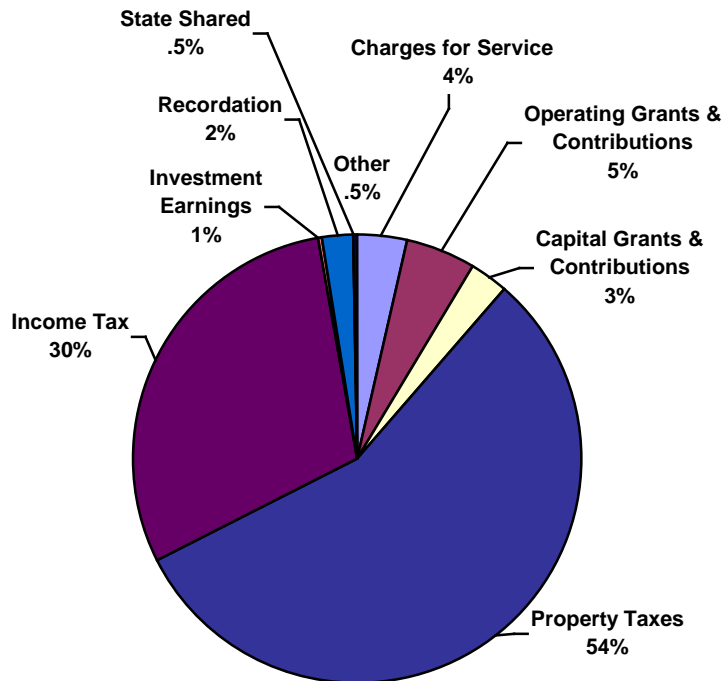
Carroll County Government's Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total Government | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | June 30, 2011 | June 30, 2010 | June 30, 2011 | June 30, 2010 | June 30, 2011 | June 30, 2010 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 13,610,780 | \$ 13,206,062 | \$ 17,348,905 | \$ 14,984,500 | \$ 30,959,685 | \$ 28,190,562 |
| Operating grants & contributions | 17,944,093 | 16,201,809 | - | - | 17,944,093 | 16,201,809 |
| Capital grants & contributions | 10,461,443 | 17,297,018 | 2,073,793 | 1,908,142 | 12,535,236 | 19,205,160 |
| General revenues: | | | | | | |
| Property taxes | 208,296,512 | 201,573,213 | - | - | 208,296,512 | 201,573,213 |
| Income tax | 121,921,970 | 95,516,527 | - | - | 121,921,970 | 95,516,527 |
| Recordation | 7,612,907 | 9,154,578 | - | - | 7,612,907 | 9,154,578 |
| Admission & Amusement Tax | 379,990 | 246,184 | - | - | 379,990 | 246,184 |
| Agricultural transfer tax | 24,977 | 24,199 | - | - | 24,977 | 24,199 |
| Hotel Tax | 284,602 | 287,850 | - | - | 284,602 | 287,850 |
| State shared, unrestricted | 724,807 | 1,172,339 | - | - | 724,807 | 1,172,339 |
| Investment earnings | 782,346 | 2,107,298 | 582,930 | 422,785 | 1,365,276 | 2,530,083 |
| Gain on sale of capital asset | - | - | - | 35,395 | - | 35,395 |
| Total Revenues | \$ 382,044,427 | \$ 356,787,077 | \$ 20,005,628 | \$ 17,350,822 | \$ 402,050,055 | \$ 374,137,899 |
| Program Expenses: | | | | | | |
| General government | 88,280,317 | 79,073,880 | - | - | 88,280,317 | 79,073,880 |
| Public safety | 37,244,642 | 37,798,060 | - | - | 37,244,642 | 37,798,060 |
| Public works | 29,582,890 | 33,974,607 | - | - | 29,582,890 | 33,974,607 |
| Health | 4,939,762 | 4,963,980 | - | - | 4,939,762 | 4,963,980 |
| Social services | 1,249,949 | 1,418,139 | - | - | 1,249,949 | 1,418,139 |
| Education | 185,038,583 | 209,838,466 | - | - | 185,038,583 | 209,838,466 |
| Recreation and parks | 3,257,483 | 4,143,870 | - | - | 3,257,483 | 4,143,870 |
| Libraries | 11,277,792 | 9,971,261 | - | - | 11,277,792 | 9,971,261 |
| Conservation of natural resources | 20,163,969 | 14,288,096 | - | - | 20,163,969 | 14,288,096 |
| Economic development | 5,370,598 | 6,018,687 | - | - | 5,370,598 | 6,018,687 |
| Interest on long-term debt | 12,522,525 | 12,553,680 | - | - | 12,522,525 | 12,553,680 |
| Bureau of Utilities | - | - | 11,890,461 | 10,489,645 | 11,890,461 | 10,489,645 |
| Solid Waste | - | - | 8,830,209 | 8,961,015 | 8,830,209 | 8,961,015 |
| Septage | - | - | 475,718 | 474,195 | 475,718 | 474,195 |
| Firearms | - | - | 79,627 | 76,281 | 79,627 | 76,281 |
| Airport | - | - | 618,045 | 829,611 | 618,045 | 829,611 |
| Fiber Optic Network | - | - | 215,017 | - | 215,017 | - |
| Total Expenses | 398,928,510 | 414,042,726 | 22,109,077 | 20,830,747 | 421,037,587 | 434,873,473 |
| Excess (deficiency) before transfers | (16,884,083) | (57,255,649) | (2,103,449) | (3,479,925) | (18,987,532) | (60,735,574) |
| Transfers | (12,980,697) | (2,761,088) | 12,980,697 | 2,761,088 | - | - |
| Increase (Decrease) in Net Assets | (29,864,780) | (60,016,737) | 10,877,248 | (718,837) | (18,987,532) | (60,735,574) |
| Net Assets-Beginning | 210,807,903 | 270,824,640 | 99,125,175 | 99,844,012 | 309,933,078 | 370,668,652 |
| Net Assets - Ending | \$ 180,943,123 | \$ 210,807,903 | \$ 110,002,423 | \$ 99,125,175 | \$ 290,945,546 | \$ 309,933,078 |

- Governmental activities:** Overall revenue has increased by \$25,257,350, which is a 6.6 percent increase from fiscal year 2010. Property tax revenue increased by \$6,723,299 over last fiscal year due to assessments catching up to market prices. Income taxes increased \$26,405,443 due to higher than expected withholdings from wages. Recordation decreased by \$1,541,671 from fiscal year 2010 due to the housing market still being slow in selling. Investment earnings decreased by \$1,324,952 due to the drop in interest rates and a reduction in our investment portfolio. The decrease in 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.

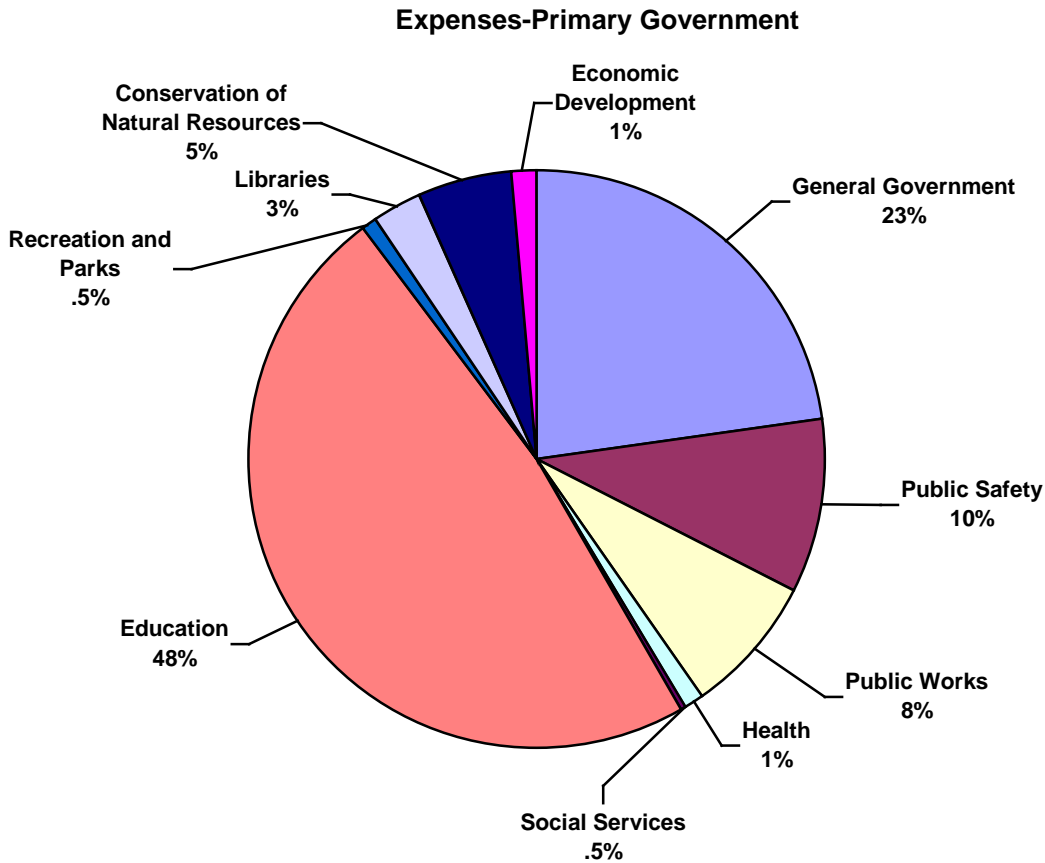
**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Revenues by Source-Primary Government



The expenses of the governmental activities have decreased by \$15,114,216 or 3.6 percent from fiscal year 2010. Education expenses decreased by \$24,799,883, from fiscal year 2010. The primary cause for the decrease was due to the decrease in capital outlay. Fiscal year 2010 had one-time capital outlay expenditures related to the construction of the new high school. Public Works decreased by \$4,391,717 from fiscal year 2010. The primary cause was a decrease in Roads Operations in fiscal year 2011 since fiscal year 2010 had additional costs associated with the significant snow storms that occurred.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

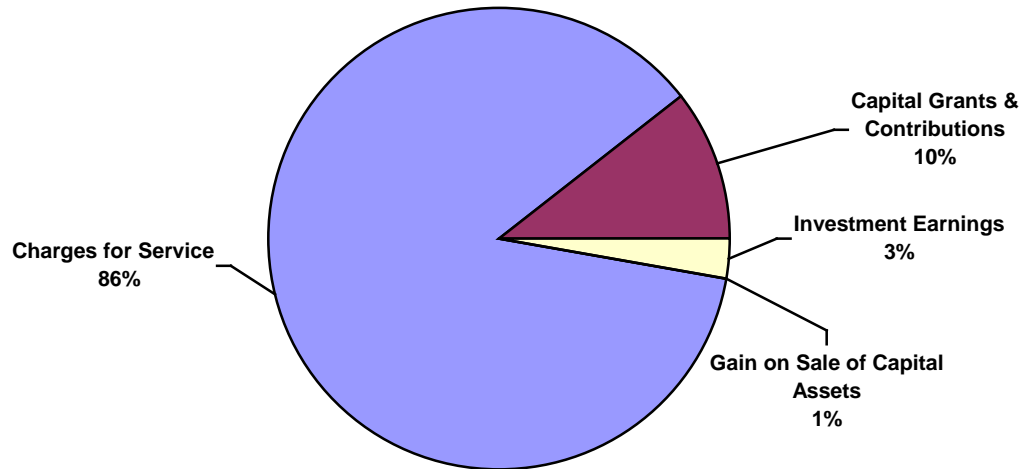


Business-type activities: There was an overall increase in revenues of \$2,654,806 or 13 percent from fiscal year 2010. The primary reason for the increase is due to the increase in charges for services in Solid Waste. Charges for Services increased in Solid Waste due to the increase in the tipping fee, from \$58 per ton in fiscal year 2010 to \$60 per ton in fiscal year 2011. The expenses of the business-type activities have increased by \$1,278,330 or 5.8% from fiscal year 2010. Bureau of Utilities expenses increased by \$1,400,816 which were primarily due to emergency service costs related to broken water lines on Spout Hill Road in Sykesville.

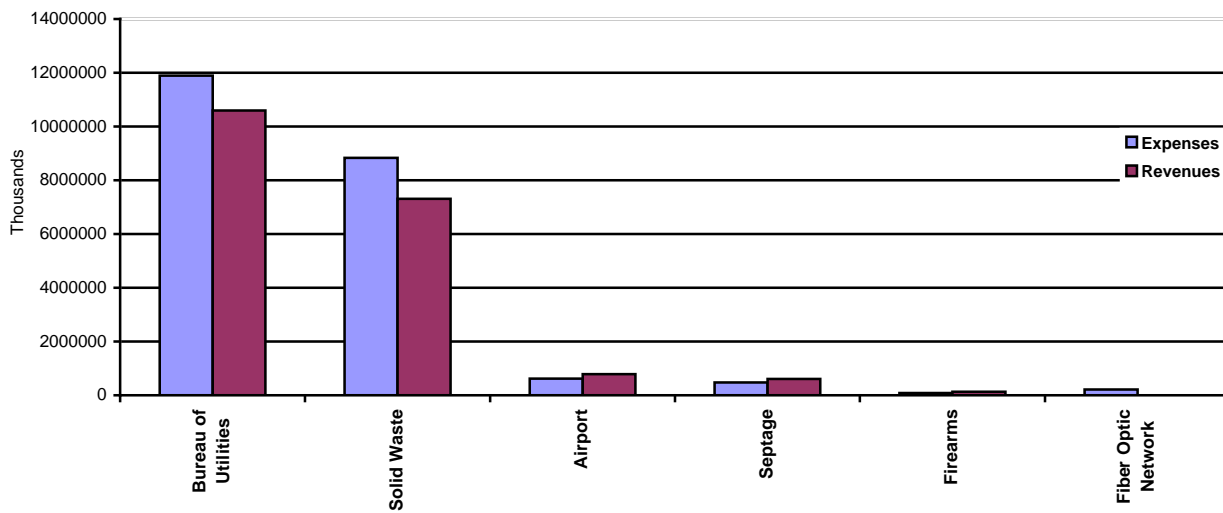
The County's transfers between governmental activities and business-type activities increased by \$10,219,609 during fiscal year 2011. During the fiscal year 2011, \$10,740,728 of capital contributions were transferred to the Fiber Optic Network Fund. Assets that belonged to the Fiber Network were transferred into the new fund from governmental activities.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Revenues by Source-Business-Type Activities



Expenses and Program Revenues - Business-type Activities



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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, *unassigned 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 \$134,755,415, an increase of \$11,207,621. Approximately 12 percent of this total (\$16,809,377) constitutes *unassigned fund balance*, which is available for future appropriation. The *assigned fund balance*, at 16 percent of total fund balance is not available for new spending because it has already been assigned to encumbrances from the prior year. The *committed fund balance*, at 32 percent of total fund balance is for future use, stabilization arrangement and other purposes. The *non spendable fund balance*, at 24 percent is not available for new spending because it is not expected to be converted to cash in the near future: 1) to cover loans receivable balances (\$16,007,047), 2) dedicated for inventory and advances to Industrial Development Authority (\$2,520,715). The remaining 16 percent of fund balance (\$18,998,982) constitutes *restricted fund balance*.

The general fund is the primary operating fund of Carroll County Government. At the end of the current fiscal year, unassigned fund balance of the general fund was \$16,809,377, while total fund balance was \$96,030,595. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5 percent of total general fund expenditures, while total fund balance represents 28.7 percent of that same amount.

In accordance with County law, a decrease in fund balance was budgeted with an appropriation of \$8,103,281 of fund balance. This amount represents the fiscal year 2009 unreserved, undesignated fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$10,718,477 less in expenditures than budgeted. Total liabilities are fairly consistent with the previous year.

The revenues in the General Fund have increased by \$9,614,531 compared to the prior fiscal year. The increase in revenues for Property Taxes along with the increase in Income Tax helped to increase total revenues in fiscal year 2011. Expenditures decreased by \$5,953,398 compared to the prior fiscal year.

The Capital Project Fund's balance sheet shows \$4,327,073 less in assets in fiscal year 2011. The decrease in cash is mainly due to cash layout for construction costs for the new high school prior to issuing the general obligation bonds.

The Capital Projects Fund has a total fund balance of \$33,780,969, of which \$21,474,825 is committed to liquidate purchase orders of the prior period and \$12,306,144 is assigned for future capital project expenditures. Unspent bond proceeds of \$1,112,341 make up 9 percent of the government activities restricted for capital projects.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The Non-Major Governmental Funds have a total fund balance of \$4,943,851.

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. The total unrestricted net assets of the proprietary funds at the end of the year amounted to \$5,063,523 and unrestricted net assets in the Internal Service Fund totaled \$4,009,442. The total increase in net assets for the proprietary funds was \$10,877,248 which was primarily due to the capital contributions in the new Fiber Optic Network fund. The net assets for the Internal Service Fund increased by \$1,402,839. 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 1.81 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. For the fiscal year ended June 30, 2011, all of the reserve for contingencies remained unspent.

The budgetary statements of the General Fund show actual revenues of \$334,092,981, compared to budgeted amount of \$329,098,719, an overage of \$4,994,262. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Local other taxes came in \$1.1 million more than the final budget due to income tax having a higher than expected growth in withholding from wages and salaries.
- Intergovernmental revenues came in \$0.55 million more than budget due to FEMA reimbursement for expenses incurred during the snow storms in 2010 and the Build America Bonds subsidy came in over budget due to the receipt of a subsidy that was not budgeted from the bonds sold in October 2010.
- Charges for services were more than budget by \$0.52 million primarily due to Hashawha rental fees and Wine Festival fees. Both fees are weather dependent. Nice weather for the Wine Festival in 2010 caused revenues to be over budget.
- Miscellaneous revenues were \$2.7 million more than budget due to the recognition of in-kind rent charged to the Board of Education for use of the Winchester Building and the Kessler Warehouse.

The budgetary statements of the General Fund show actual expenditures of \$334,514,876, compared to budgeted amount of \$345,233,353, resulting in \$10,718,477 or 3 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- General Government expenditures came in \$3.0 million less than budget due to salary and utility savings in Facilities. Fleets actuals came in \$0.5 million less than budget due to gas and vehicle savings. The County experienced savings in Technology Services, County Attorney's Office and the Commissioner's Office due to salary savings and operation savings.
- Public Safety was \$0.8 million less than budgeted due to salary and operation savings.
- Public Works expenditures came in \$0.2 million less than budgeted due to salary savings.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- 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 2011 \$6.3 million was left in the Reserve for Contingency showing the function under budget.
- Debt Service Interest was \$1.9 million under final budget due to the interest rate available for new debt being lower than budgeted and the County refunded bonds resulting in a \$797,711 savings in interest.

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, 2011, amounts to \$542,229,046 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. The total decrease in Carroll County Government's investment in capital assets for the current fiscal year was .2 percent (a .8 percent decrease for governmental activities and a .6 percent increase for business-type activities). Additional information on the County's capital assets can be found on pages 64 to 67 of this report.

| Carroll County Government's Capital Assets | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (Net of depreciation) | | | | | | |
| | Governmental | | Business-type | | Total | |
| | Activities | | Activities | | | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Land | \$ 34,376,520 | \$ 49,182,657 | \$ 8,915,211 | \$ 8,625,748 | \$ 43,291,731 | \$ 57,808,405 |
| Construction in progress | 9,487,704 | 74,999,567 | 5,312,713 | 11,341,458 | 14,800,417 | 86,341,025 |
| Building and contents | 148,909,748 | 96,335,645 | 17,388,968 | 17,878,746 | 166,298,716 | 114,214,391 |
| Improvements | | | | | | |
| other than buildings | 13,226,113 | 13,103,453 | 6,928,276 | 7,311,914 | 20,154,389 | 20,415,367 |
| Auto, machinery & equipment | 15,518,401 | 15,253,984 | 11,823,347 | 2,802,249 | 27,341,748 | 18,056,233 |
| Infrastructure | 174,423,637 | 180,309,555 | 77,918,408 | 70,681,384 | 252,342,045 | 250,990,939 |
| Total | <u>\$ 395,942,123</u> | <u>\$ 429,184,861</u> | <u>\$ 128,286,923</u> | <u>\$ 118,641,499</u> | <u>\$ 524,229,046</u> | <u>\$ 547,826,360</u> |

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

- The ongoing costs associated with the creation of the Carroll County Fiber Network totaled \$1.10 million which was funded by real property tax revenue and general fund revenue, and resulted in an increase of CIP.
- The construction costs associated with the Fleet-Vehicle/Equipment Wash project totaled nearly \$1.0 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 \$11.65 million which was funded by general obligation bond proceeds and state of Maryland revenue, and resulted in an increase of CIP.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- The on-going construction costs associated with the South Carroll Senior Center project nearly \$2.0 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 on-going design, engineer, and construction costs associated with various Public Works projects totaled \$2.28 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 increase of CIP.
- The completion of the 300 South Center Street Renovation project totaled \$4.85 million which was funded by general obligation bond proceeds, community support revenue, and general fund revenue, and resulted in a decrease of CIP.
- The completion of the Drug Treatment Facility project totaled \$3.73 million which was funded by general obligation bond proceeds, State of Maryland Health & Mental Hygiene revenue, and real property tax revenue, and resulted in a decrease of CIP.
- The completion of the Freedom District Water Treatment Plant totaled \$26.29 million which was funded by Proprietary fund revenue and resulted in a decrease of CIP.
- The completion of the Northern Landfill Cell 3 project totaled \$5.84 million which was funded by Proprietary fund revenue and resulted in a decrease of CIP.

General obligation debt:

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$360,476,651, 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 | |
|-------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| General Obligation Bonds, net | \$ 307,155,888 | \$ 308,741,636 | \$ 26,190,843 | \$ 27,878,604 | \$ 333,346,731 | \$ 336,620,240 |
| General Obligation Debt | 27,129,920 | 14,014,420 | - | - | 27,129,920 | 14,014,420 |
| Total | <u>\$ 334,285,808</u> | <u>\$ 322,756,056</u> | <u>\$ 26,190,843</u> | <u>\$ 27,878,604</u> | <u>\$ 360,476,651</u> | <u>\$ 350,634,660</u> |

During the current fiscal year Carroll County Government's total debt increased by \$9,841,991. During the year, the County issued general obligation bonds totaling \$36,290,000. Of these bonds, \$20,657,091 were sold to cover capital projects in the governmental activities and \$307,909 was sold to cover capital projects in the business-type activities; \$535,000 was sold to cover fire company loans for building construction and equipment purchases and \$12,580,000 were issued for refunding portions of the 2000, 2001 and 2002 bonds. The County also issued \$2,210,000 of bonds for refunding of the 2002 fire company bonds. The new bonded debt will be repaid between two and twenty years. In addition the County issued Installment Purchase Agreements (IPA) in the amount of \$13,115,500 for agricultural land preservation easements which will be paid within 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 AAA credit rating in October 2010 by Fitch Ratings. Fitch cited "financial operations and reserve levels are sound and guided by prudent policies and long term planning efforts." Standard and Poor's Rating Services assigned an AA+ in October 2010, citing "The County's sound financial position, healthy overall reserves level, and conservative management practices

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

provide additional rating stability.” Moody’s Investors Service, Inc has continued to assign an Aa1 rating to Carroll County Government, citing “the Aa1 rating reflects the County’s sound financial position, supported by comprehensive fiscal policies, satisfactory available fund balance, and an affordable debt position.” All three rating agencies gave the County a rating outlook of stable.

For 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 limitation for Carroll County Government is \$1,302,726,361, 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 2012 adopted budget appropriation for the general fund is \$350,250,000 representing an increase of \$1.25 million or 1 percent increase over fiscal year 2011
- Real property tax is expected to be less than fiscal year 2011 largely due to sharp decreases in reassessments combined with a property tax rate cut in fiscal year 2012 from \$1.048 to \$1.028 per \$100 of assessed value.
- Income tax is expected to be higher than fiscal year 2011 due to a higher amount of withholding from wages and salaries. We have seen a downward trend for a few years now; however, it appears that the bottom has been reached and the beginnings of a recovery are starting to emerge.
- Recordation is expected to be lower in fiscal year 2012 than fiscal year 2011 based on not seeing as large of a growth in 2011 as was expected.
- Interest revenue is expected to remain the same in fiscal year 2012 as it was in fiscal year 2011.
- Public Safety appropriation increased in fiscal year 2012 in Sheriff’s Services due to them becoming the primary law enforcement agency for the County beginning July 1, 2011.
- Debt Service increase primarily due to the additional issuance of Installment Purchase Agreements (IPA).

All of these factors were considered in preparing the Carroll County Government’s budget for the 2012 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Carroll County 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 in Note 1 of this report.

Basic Financial Statements

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
June 30, 2011

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 | \$ 149,476,985 | \$ 22,563,512 | \$ 172,040,497 | \$ - | \$ - | \$ - | \$ - |
| Cash and cash equivalents | - | 20,900 | 20,900 | 8,091,798 | 6,026,907 | 1,337,446 | 40,000 |
| Investments | - | - | - | - | 5,566,806 | 51,502 | 7,127,952 |
| Taxes and receivables, net | 21,685,723 | 3,393,039 | 25,078,762 | 841,372 | 922,029 | 275,948 | 5,747,124 |
| Due from component units | 1,176,113 | - | 1,176,113 | - | - | - | - |
| Due from primary government | - | - | - | 47,256,868 | 157,312 | 48,313 | 900,000 |
| Due from other governments | 23,191,285 | - | 23,191,285 | 7,245,776 | - | - | - |
| Due from fiduciary funds | 516,922 | - | 516,922 | - | - | - | - |
| Internal balances | 2,666,658 | (2,666,658) | - | - | - | - | - |
| Inventories | 1,424,575 | 443,687 | 1,868,262 | 596,120 | - | - | - |
| Prepaid expenses | 571,616 | - | 571,616 | 272,144 | 221,771 | 5,416 | - |
| Investments -restricted | 17,544,440 | - | 17,544,440 | - | - | - | - |
| Negative net pension obligation | 5,162,675 | - | 5,162,675 | - | - | - | - |
| Negative net LOSAP obligation | 163,316 | - | 163,316 | - | - | - | - |
| Capital assets not being depreciated: | | | | | | | |
| Land | 34,376,520 | 8,915,211 | 43,291,731 | 15,049,603 | - | - | 7,920,601 |
| Construction in progress | 9,487,704 | 5,312,713 | 14,800,417 | 24,179,055 | - | 9,096 | 3,348,731 |
| Art and doll collection | - | - | - | - | 539,500 | - | - |
| Capital assets net of accumulated depreciation: | | | | | | | |
| Buildings and contents | 148,909,748 | 17,388,968 | 166,298,716 | 371,267,180 | 733,964 | 3,433,854 | - |
| Improvements other than buildings | 13,226,113 | 6,928,276 | 20,154,389 | - | 913,712 | - | - |
| Auto, machinery and equipment | 15,518,401 | 11,823,347 | 27,341,748 | 11,370,075 | - | - | - |
| Infrastructure | 174,423,637 | 77,918,408 | 252,342,045 | - | - | - | - |
| Capital assets, net of depreciation | 395,942,123 | 128,286,923 | 524,229,046 | 421,865,913 | 2,187,176 | 3,442,950 | 11,269,332 |
| Total assets | 619,522,431 | 152,041,403 | 771,563,834 | 486,169,991 | 15,082,001 | 5,161,575 | 25,084,408 |
| LIABILITIES | | | | | | | |
| Accounts payable | 10,801,491 | 2,840,681 | 13,642,172 | 11,442,168 | 241,262 | 270,088 | 355,056 |
| Retainage and guarantees due contractors | 1,105,868 | - | 1,105,868 | - | - | - | - |
| Due to component units | 48,362,493 | - | 48,362,493 | - | - | - | - |
| Due to primary government | - | - | - | 26,490 | 420 | 3,643 | 1,145,560 |
| Due to other governments | - | - | - | 2,122,583 | - | - | - |
| Unearned revenue | 3,828,561 | 104,784 | 3,933,345 | 7,250,425 | 1,488,649 | 12,110 | 8,142,987 |
| Accrued interest payable | 1,776,365 | 271,414 | 2,047,779 | 48,288 | - | - | 426,842 |
| Accrued expenses | 957,758 | 64,052 | 1,021,810 | 31,427,214 | 1,228,180 | 338,452 | - |
| Long-term liabilities | | | | | | | |
| Due within one year | 31,446,227 | 3,661,311 | 35,107,538 | 2,532,183 | - | 424,705 | - |
| Due in more than one year | 340,300,545 | 35,096,738 | 375,397,283 | 50,739,288 | 8,786,445 | - | 4,000,000 |
| Total liabilities | 438,579,308 | 42,038,980 | 480,618,288 | 105,588,639 | 11,744,956 | 1,048,998 | 14,070,445 |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | 224,468,499 | 104,568,784 | 329,037,283 | 415,696,556 | 1,647,676 | 3,442,950 | 10,123,772 |
| Restricted for: | | | | | | | |
| Agricultural Preservation IPA's and notes | 27,329,920 | - | 27,329,920 | - | - | - | - |
| Capital projects | 1,112,341 | 370,116 | 1,482,457 | - | - | 77,826 | - |
| Food services | - | - | - | 129,943 | - | - | - |
| Educational purposes | - | - | - | - | 4,910,763 | - | - |
| Pension | 5,325,991 | - | 5,325,991 | - | - | - | - |
| Unrestricted | (77,293,628) | 5,063,523 | (72,230,105) | (35,245,147) | (3,221,394) | 591,801 | 890,191 |
| Total net assets | \$ 180,943,123 | \$ 110,002,423 | \$ 290,945,546 | \$ 380,581,352 | \$ 3,337,045 | \$ 4,112,577 | \$ 11,013,963 |

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, 2011

Exhibit B

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | | | | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|-----------------------|---------------------------|---------------------|----------------------------------|------------------|
| | Expenses | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | Component Units | | | | |
| | | | | | Governmental Activities | Business-type Activities | | Board of Education | Carroll Community College | Library | Industrial Development Authority | |
| Primary government: | | | | | | | | | | | | |
| General government | \$ 88,280,317 | \$ 8,361,578 | \$12,386,331 | \$ - | \$ (67,532,408) | \$ - | \$ (67,532,408) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Public safety | 37,244,642 | 2,305,294 | 1,440,748 | - | (33,498,600) | - | (33,498,600) | - | - | - | - | - |
| Public works | 29,582,890 | 1,560,090 | - | 4,045,274 | (23,977,526) | - | (23,977,526) | - | - | - | - | - |
| Health | 4,939,762 | 44,320 | - | - | (4,895,442) | - | (4,895,442) | - | - | - | - | - |
| Social services | 1,249,949 | 6,600 | 15,819 | - | (1,227,530) | - | (1,227,530) | - | - | - | - | - |
| Education | 185,038,583 | 457,698 | 104,791 | 3,022,321 | (181,453,773) | - | (181,453,773) | - | - | - | - | - |
| Recreation and Parks | 3,257,483 | 875,200 | 1,043,801 | 1,325,160 | (13,322) | - | (13,322) | - | - | - | - | - |
| Libraries | 11,277,792 | - | - | - | (11,277,792) | - | (11,277,792) | - | - | - | - | - |
| Conservation of natural resources | 20,163,969 | - | 38,692 | 2,068,688 | (18,056,589) | - | (18,056,589) | - | - | - | - | - |
| Economic development | 5,370,598 | - | 2,913,911 | - | (2,456,687) | - | (2,456,687) | - | - | - | - | - |
| Interest on long-term debt | 12,522,525 | - | - | - | (12,522,525) | - | (12,522,525) | - | - | - | - | - |
| Total governmental activities | 398,928,510 | 13,610,780 | 17,944,093 | 10,461,443 | (356,912,194) | - | (356,912,194) | - | - | - | - | - |
| Business-type activities: | | | | | | | | | | | | |
| Bureau of Utilities | 11,890,461 | 8,630,730 | - | 1,962,573 | - | (1,297,158) | (1,297,158) | - | - | - | - | - |
| Solid Waste | 8,830,209 | 7,307,108 | - | - | - | (1,523,101) | (1,523,101) | - | - | - | - | - |
| Airport | 618,045 | 675,683 | - | 111,220 | - | 168,858 | 168,858 | - | - | - | - | - |
| Septage | 475,718 | 608,688 | - | - | - | 132,970 | 132,970 | - | - | - | - | - |
| Firearms | 79,627 | 126,696 | - | - | - | 47,069 | 47,069 | - | - | - | - | - |
| Fiber Network | 215,017 | - | - | - | - | (215,017) | (215,017) | - | - | - | - | - |
| Total business-type activities | 22,109,077 | 17,348,905 | - | 2,073,793 | - | (2,686,379) | (2,686,379) | - | - | - | - | - |
| Total primary government | \$ 421,037,587 | \$ 30,959,685 | \$ 17,944,093 | \$ 12,535,236 | (356,912,194) | (2,686,379) | (359,598,573) | - | - | - | - | - |
| Component units: | | | | | | | | | | | | |
| Board of Education | 201,645,687 | 4,418,995 | 60,003,621 | 16,358,244 | - | - | - | (120,864,827) | - | - | - | - |
| Carroll Community College | 26,388,307 | 10,471,253 | 5,675,309 | - | - | - | - | (10,241,745) | - | - | - | - |
| Library | 3,333,114 | 78,820 | 3,068,624 | 404,992 | - | - | - | - | - | 219,322 | - | - |
| Industrial Development Authority | 53,548 | - | - | 60,225 | - | - | - | - | - | - | - | 6,677 |
| Total component units | \$ 231,420,656 | \$ 14,969,068 | \$ 68,747,554 | \$ 16,823,461 | - | - | - | (120,864,827) | (10,241,745) | 219,322 | - | 6,677 |
| General revenues: | | | | | | | | | | | | |
| Property taxes | | | | | 208,296,512 | - | 208,296,512 | - | - | - | - | - |
| Income tax | | | | | 121,921,970 | - | 121,921,970 | - | - | - | - | - |
| Recordation tax | | | | | 7,612,907 | - | 7,612,907 | - | - | - | - | - |
| Admission and amusement tax | | | | | 379,990 | - | 379,990 | - | - | - | - | - |
| Agricultural transfer tax | | | | | 24,977 | - | 24,977 | - | - | - | - | - |
| Hotel rental tax | | | | | 284,602 | - | 284,602 | - | - | - | - | - |
| State shared, unrestricted | | | | | 724,807 | - | 724,807 | 119,477,289 | 7,026,927 | - | - | - |
| Grants and contributions not restricted to specific programs | | | | | - | - | - | - | 2,103,393 | - | - | 2,900,000 |
| Investment earnings and miscellaneous, unrestricted | | | | | 782,346 | 582,930 | 1,365,276 | 1,991 | 656,938 | - | - | 74,485 |
| Transfers | | | | | (12,980,697) | 12,980,697 | - | - | - | - | - | - |
| Total general revenues and transfers | | | | | 327,047,414 | 13,563,627 | 340,611,041 | 119,479,280 | 9,787,258 | - | - | 2,974,485 |
| Change in net assets | | | | | (29,864,780) | 10,877,248 | (18,987,532) | (1,385,547) | (454,487) | 219,322 | - | 2,981,162 |
| Net assets - beginning of year, as restated | | | | | 210,807,903 | 99,125,175 | 309,933,078 | 381,966,899 | 3,791,532 | 3,893,255 | 8,032,801 | - |
| Net assets - ending | | | | | \$ 180,943,123 | \$ 110,002,423 | \$ 290,945,546 | \$ 380,581,352 | \$ 3,337,045 | \$ 4,112,577 | \$ 11,013,963 | |

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, 2011

Exhibit C

| | General Fund | Capital Projects | Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------|---------------------|------------------------------------|--------------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 87,571,656 | \$ 49,878,619 | \$ 6,234,293 | \$ 143,684,568 |
| Taxes and receivables, net | 19,772,186 | 145 | 1,905,897 | 21,678,228 |
| Due from component units | 1,176,113 | - | - | 1,176,113 |
| Due from other governments | 22,261,839 | 929,446 | - | 23,191,285 |
| Due from other governmental funds | 9,603,331 | - | - | 9,603,331 |
| Due from fiduciary funds | 516,922 | - | - | 516,922 |
| Due from other funds | 2,666,658 | - | - | 2,666,658 |
| Inventories | 1,424,575 | - | - | 1,424,575 |
| Prepaid costs | 119,241 | - | 452,375 | 571,616 |
| Investments- restricted | 17,544,440 | - | - | 17,544,440 |
| Total assets | \$ 162,656,961 | \$ 50,808,210 | \$ 8,592,565 | \$ 222,057,736 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 4,737,937 | \$ 4,927,480 | \$ 1,099,107 | \$ 10,764,524 |
| Retainage and guarantees due contractors | 1,105,868 | - | - | 1,105,868 |
| Due to component units | 45,864,784 | 2,497,709 | - | 48,362,493 |
| Due to other governmental funds | - | 9,585,479 | 17,852 | 9,603,331 |
| Accrued expenditures | 879,041 | 16,573 | 62,144 | 957,758 |
| Deferred revenue | 14,038,736 | - | 2,469,611 | 16,508,347 |
| Total liabilities | 66,626,366 | 17,027,241 | 3,648,714 | 87,302,321 |
| Fund Balances: | | | | |
| Nonspendable | 30,274,746 | - | - | 30,274,746 |
| Restricted | 18,998,982 | - | 4,361,704 | 23,360,686 |
| Committed | 20,165,000 | - | 603,723 | 20,768,723 |
| Assigned | 9,782,490 | 33,780,969 | - | 43,563,459 |
| Unassigned | 16,809,377 | - | (21,576) | 16,787,801 |
| Total fund balances | 96,030,595 | 33,780,969 | 4,943,851 | 134,755,415 |
| Total liabilities and fund balances | \$ 162,656,961 | \$ 50,808,210 | \$ 8,592,565 | |
| 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. | | | | 395,942,123 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | | | 12,686,670 |
| Negative net pension obligation, which is included in the governmental activities in the statement of net assets. | | | | 5,162,675 |
| Negative net LOSAP obligation, which is included in the governmental activities in the statement of net assets. | | | | 163,316 |
| Net certified law officer's pension obligation, which is included in the governmental activities in the statement of net assets. | | | | (223,880) |
| Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net assets. | | | | (28,249,507) |
| 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. | | | | 4,009,442 |
| 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 | | | \$ (341,526,766) | (343,303,131) |
| Accrued interest payable | | | (1,776,365) | |
| Net assets of governmental activities | | | | \$ 180,943,123 |

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, 2011

| | General Fund | Capital Projects | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|------------------------------------|--------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| -local property | \$ 205,822,512 | \$ 2,474,000 | \$ - | \$ 208,296,512 |
| -local other | 114,663,775 | 10,561,079 | 1,152,056 | 126,376,910 |
| -state shared | 724,807 | 722,420 | - | 1,447,227 |
| Impact fees | - | - | 1,148,592 | 1,148,592 |
| Licenses and permits | 1,364,820 | - | - | 1,364,820 |
| Intergovernmental revenues | 1,758,675 | 9,732,847 | 14,964,414 | 26,455,936 |
| Charges for services | 4,614,259 | - | 366,890 | 4,981,149 |
| Fines and forfeits | 101,128 | - | - | 101,128 |
| Interest | 1,234,693 | 4,557 | 4,805 | 1,244,055 |
| Miscellaneous revenues | 3,247,481 | 1,618 | - | 3,249,099 |
| Total revenues | <u>333,532,150</u> | <u>23,496,521</u> | <u>17,636,757</u> | <u>374,665,428</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 55,070,984 | - | 14,302,950 | 69,373,934 |
| Public safety | 34,164,562 | - | 1,231,890 | 35,396,452 |
| Public works | 10,649,104 | - | - | 10,649,104 |
| Health | 4,703,292 | - | 4,000 | 4,707,292 |
| Social services | 1,226,927 | - | - | 1,226,927 |
| Education | 174,935,761 | - | - | 174,935,761 |
| Library | 8,645,019 | - | - | 8,645,019 |
| Recreation and parks | 2,264,798 | - | 374,991 | 2,639,789 |
| Conservation of natural resources | 822,510 | - | - | 822,510 |
| Economic development | 4,144,985 | - | 944,151 | 5,089,136 |
| Capital outlay: | | | | |
| General government | - | 2,954,980 | - | 2,954,980 |
| Public safety | - | 1,492,297 | - | 1,492,297 |
| Public works | - | 10,054,781 | - | 10,054,781 |
| Education | - | 8,751,235 | - | 8,751,235 |
| Recreation and parks | - | 668,072 | - | 668,072 |
| Library/senior centers | - | 356,701 | - | 356,701 |
| Conservation of natural resources | - | 20,563,934 | - | 20,563,934 |
| Debt service: | | | | |
| Principal | 23,431,934 | - | - | 23,431,934 |
| Interest | 13,914,992 | - | - | 13,914,992 |
| Total expenditures | <u>333,974,868</u> | <u>44,842,000</u> | <u>16,857,982</u> | <u>395,674,850</u> |
| Excess (deficiency) of revenues over (under) expenditures | (442,718) | (21,345,479) | 778,775 | (21,009,422) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 11,148,605 | 1,103,000 | 1,526,678 | 13,778,283 |
| Transfers out | (3,766,647) | (9,950,000) | (2,301,605) | (16,018,252) |
| Payment to escrow agent | (14,593,222) | - | - | (14,593,222) |
| Refunding bonds issued | 14,690,329 | - | - | 14,690,329 |
| Bonds issued | 535,000 | 20,657,091 | - | 21,192,091 |
| Bonds premium | 2,894 | - | - | 2,894 |
| Issuance of debt-long term notes | 13,115,500 | - | - | 13,115,500 |
| Total other financing sources (uses) | <u>21,132,459</u> | <u>11,810,091</u> | <u>(774,927)</u> | <u>32,167,623</u> |
| Net change in fund balances | 20,689,741 | (9,535,388) | 3,848 | 11,158,201 |
| Fund balance - beginning | 75,291,434 | 43,316,357 | 4,940,003 | 123,547,794 |
| Increase in reserve for inventory | 49,420 | - | - | 49,420 |
| Fund balance - ending | <u>\$ 96,030,595</u> | <u>\$ 33,780,969</u> | <u>\$ 4,943,851</u> | <u>\$ 134,755,415</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, 2011

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

| | |
|--|-------------------------------|
| Net change in fund balances - total governmental funds | \$ 11,158,201 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, net of asset disposals, and transfers exceeded capital outlays in the current period. | (33,242,738) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 5,729,350 |
| Adjustment to LOSAP's annual pension cost for the negative net LOSAP obligation. | (397,200) |
| Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation. | 449,041 |
| Adjustment to the Other Postemployment Benefit (OPEB) annual OPEB cost for the net OPEB obligation. | (5,198,803) |
| Adjustment to the Certified Law Officer's Pension (CLOP) annual pension cost for the net CLOP obligation. | 70,276 |
| 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 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. | (9,989,660) |
| 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. | 153,914 |
| 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. | 1,402,839 |
| Change in net assets - governmental activities | <u><u>\$ (29,864,780)</u></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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|---------------------|----------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| -local property | \$ 206,214,900 | \$ 206,214,900 | \$ 206,383,346 | \$ 168,446 |
| -local other | 113,521,000 | 113,521,000 | 114,663,775 | 1,142,775 |
| -state shared | 600,000 | 600,000 | 724,807 | 124,807 |
| Licenses and permits | 1,360,350 | 1,360,350 | 1,364,821 | 4,471 |
| Intergovernmental revenues | 1,205,500 | 1,205,500 | 1,758,674 | 553,174 |
| Charges for services | 4,091,630 | 4,091,630 | 4,614,258 | 522,628 |
| Fines and forfeits | 87,000 | 87,000 | 101,128 | 14,128 |
| Interest | 1,425,000 | 1,425,000 | 1,234,693 | (190,307) |
| Miscellaneous revenues | 593,339 | 593,339 | 3,247,479 | 2,654,140 |
| Total revenues | <u>329,098,719</u> | <u>329,098,719</u> | <u>334,092,981</u> | <u>4,994,262</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 64,789,363 | 58,035,186 | 55,082,818 | 2,952,368 |
| Public safety | 31,518,520 | 34,948,021 | 34,134,969 | 813,052 |
| Public works | 10,095,377 | 11,531,611 | 11,307,661 | 223,950 |
| Health department | 4,732,890 | 4,733,294 | 4,703,292 | 30,002 |
| Social services | 1,165,580 | 1,235,219 | 1,226,927 | 8,292 |
| Education | 173,002,600 | 173,087,562 | 174,935,761 | (1,848,199) |
| Library | 7,635,000 | 8,645,019 | 8,645,019 | - |
| Recreation and parks | 1,290,460 | 2,329,372 | 2,250,218 | 79,154 |
| Conservation of natural resources | 790,500 | 840,679 | 822,511 | 18,168 |
| Economic development | 3,998,830 | 4,184,968 | 4,058,776 | 126,192 |
| Reserve for contingencies | 6,215,910 | 6,277,422 | - | 6,277,422 |
| Debt service: | | | | |
| Principal | 23,550,333 | 23,550,333 | 23,431,933 | 118,400 |
| Interest | 15,834,667 | 15,834,667 | 13,914,992 | 1,919,675 |
| Total expenditures | <u>344,620,030</u> | <u>345,233,353</u> | <u>334,514,877</u> | <u>10,718,476</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(15,521,311)</u> | <u>(16,134,634)</u> | <u>(421,896)</u> | <u>15,712,738</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Appropriated fund balance | 8,103,281 | 8,103,281 | - | (8,103,281) |
| Appropriated for Ag. pres. debt svc. | 738,000 | 738,000 | - | (738,000) |
| Transfers in | 11,060,000 | 11,060,000 | 11,148,605 | 88,605 |
| Transfers out | (4,379,970) | (3,766,647) | (3,766,647) | - |
| Transfer to escrow account | - | - | (14,593,220) | (14,593,220) |
| Refunding of bonds issued | - | - | 14,690,327 | 14,690,327 |
| Bond proceeds | - | - | 535,000 | 535,000 |
| Bond premium | - | - | 2,894 | 2,894 |
| Issuance of debt-long term notes payable | - | - | 13,115,500 | 13,115,500 |
| Total other financing sources (uses) | <u>15,521,311</u> | <u>16,134,634</u> | <u>21,132,459</u> | <u>4,997,825</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>20,710,563</u> | <u>\$ 20,710,563</u> |
| Fund balance - beginning | | | 76,849,611 | |
| Fund balance - ending | | | <u>\$ 97,560,174</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, 2011

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities- Internal Service Funds |
|--|--|------------------------|---------------------|--|-----------------------|--|
| | Bureau of Utilities | Solid Waste | Airport | Non-Major Proprietary Funds | Total | |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Equity in pooled cash and investments | \$ 13,640,796 | \$ 8,102,553 | \$ - | \$ 820,163 | \$ 22,563,512 | \$ 5,792,417 |
| Cash and cash equivalents | 8,222 | 12,278 | 200 | 200 | 20,900 | - |
| Receivables, net | 2,622,972 | 663,101 | 29,290 | 77,676 | 3,393,039 | 7,495 |
| Due from component units | - | - | - | - | - | - |
| Inventories | 430,488 | - | 13,199 | - | 443,687 | - |
| Prepaid items | - | - | - | - | - | - |
| Total current assets | <u>16,702,478</u> | <u>8,777,932</u> | <u>42,689</u> | <u>898,039</u> | <u>26,421,138</u> | <u>5,799,912</u> |
| Noncurrent Assets: | | | | | | |
| Capital assets: | | | | | | |
| Land | 153,132 | 2,083,617 | 6,678,462 | - | 8,915,211 | - |
| Buildings | 17,676,654 | 1,752,296 | 4,569,596 | 274,051 | 24,272,597 | - |
| Improvements other than buildings | 1,649,651 | 6,006,060 | 1,611,900 | 191,856 | 9,459,467 | - |
| Auto, machinery and equipment | 1,969,502 | 4,076,145 | 881,152 | 9,733,640 | 16,660,439 | - |
| Infrastructure | 99,569,919 | - | - | - | 99,569,919 | - |
| Construction in progress | 2,862,131 | - | 1,350,582 | 1,100,000 | 5,312,713 | - |
| Less accumulated depreciation | <u>(29,993,312)</u> | <u>(3,491,419)</u> | <u>(2,125,590)</u> | <u>(293,102)</u> | <u>(35,903,423)</u> | <u>-</u> |
| Total capital assets (net of accumulated depreciation) | <u>93,887,677</u> | <u>10,426,699</u> | <u>12,966,102</u> | <u>11,006,445</u> | <u>128,286,923</u> | <u>-</u> |
| Total assets | <u>110,590,155</u> | <u>19,204,631</u> | <u>13,008,791</u> | <u>11,904,484</u> | <u>154,708,061</u> | <u>5,799,912</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 2,180,739 | 616,011 | 8,028 | 35,903 | 2,840,681 | 36,967 |
| Accrued interest payable | 218,192 | 35,240 | 16,516 | 1,466 | 271,414 | - |
| Unearned revenue | 11,916 | 70,069 | 22,799 | - | 104,784 | 6,884 |
| Accrued expenses | 36,614 | 23,850 | 3,588 | - | 64,052 | - |
| Due to other funds | - | - | 2,592,583 | 74,075 | 2,666,658 | - |
| Long-term liabilities due within one year: | | | | | | |
| General obligation bonds payable | 1,355,421 | 858,274 | 213,842 | 12,224 | 2,439,761 | - |
| Unamortized Costs | (15,912) | (3,206) | (2,402) | - | (21,520) | - |
| Unpaid insurance claims | - | - | - | - | - | 1,731,686 |
| Loans payable | 930,395 | - | - | - | 930,395 | - |
| Landfill closure, postclosure remediation | - | 130,738 | - | - | 130,738 | - |
| Compensated absences | 105,463 | 74,273 | 2,201 | - | 181,937 | - |
| Total long-term due within one year | <u>2,375,367</u> | <u>1,060,079</u> | <u>213,641</u> | <u>12,224</u> | <u>3,661,311</u> | <u>1,731,686</u> |
| Total current liabilities | <u>4,822,828</u> | <u>1,805,249</u> | <u>2,857,155</u> | <u>123,668</u> | <u>9,608,900</u> | <u>1,775,537</u> |
| Noncurrent liabilities: | | | | | | |
| General obligation bonds payable | 18,446,918 | 3,299,924 | 2,045,580 | 121,886 | 23,914,308 | - |
| Unamortized Costs | (91,080) | (35,068) | (15,558) | - | (141,706) | - |
| Unpaid insurance claims | - | - | - | - | - | 14,933 |
| Loans payable | 271,864 | - | - | - | 271,864 | - |
| Landfill closure, postclosure remediation | - | 10,798,775 | - | - | 10,798,775 | - |
| Compensated absences | 140,355 | 104,964 | 8,178 | - | 253,497 | - |
| Total noncurrent liabilities | <u>18,768,057</u> | <u>14,168,595</u> | <u>2,038,200</u> | <u>121,886</u> | <u>35,096,738</u> | <u>14,933</u> |
| Total liabilities | <u>23,590,885</u> | <u>15,973,844</u> | <u>4,895,355</u> | <u>245,554</u> | <u>44,705,638</u> | <u>1,790,470</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 73,941,272 | 8,848,493 | 10,903,813 | 10,875,206 | 104,568,784 | - |
| Restricted for: | | | | | | |
| Capital projects | 303,145 | 4,456 | 62,515 | - | 370,116 | - |
| Unrestricted (deficit) | 12,754,853 | (5,622,162) | (2,852,892) | 783,724 | 5,063,523 | 4,009,442 |
| Total net assets | <u>\$ 86,999,270</u> | <u>\$ 3,230,787</u> | <u>\$ 8,113,436</u> | <u>\$ 11,658,930</u> | <u>\$ 110,002,423</u> | <u>\$ 4,009,442</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, 2011

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities- Internal Service Funds |
|---|---|---------------------|---------------------|-----------------------------------|-----------------------|--|
| | Bureau of Utilities | Solid Waste | Airport | Non-Major Proprietary Funds | Total | |
| Operating revenues: | | | | | | |
| Charges for services | \$ 8,630,730 | \$ 7,307,108 | \$ 675,683 | 735,384 | \$ 17,348,905 | \$ 12,610,019 |
| From other governments | - | - | - | - | - | 360,208 |
| Total operating revenues | <u>8,630,730</u> | <u>7,307,108</u> | <u>675,683</u> | <u>735,384</u> | <u>17,348,905</u> | <u>12,970,227</u> |
| Operating expenses: | | | | | | |
| Personal services | 2,341,948 | 1,604,911 | 212,539 | 104,133 | 4,263,531 | - |
| Contractual services | 4,578,220 | 5,936,891 | 43,884 | 172,359 | 10,731,354 | - |
| Materials and supplies | 810,217 | 309,374 | 30,951 | 80,638 | 1,231,180 | - |
| Rents and utilities | 825,899 | 48,140 | 29,718 | 112,018 | 1,015,775 | - |
| Insurance | - | - | - | - | - | 11,575,308 |
| Miscellaneous | 66,053 | 158,755 | 35,442 | 127,117 | 387,367 | - |
| Depreciation | 2,275,618 | 615,658 | 171,551 | 168,552 | 3,231,379 | - |
| Total operating expenses | <u>10,897,955</u> | <u>8,673,729</u> | <u>524,085</u> | <u>764,817</u> | <u>20,860,586</u> | <u>11,575,308</u> |
| Operating income (loss) | <u>(2,267,225)</u> | <u>(1,366,621)</u> | <u>151,598</u> | <u>(29,433)</u> | <u>(3,511,681)</u> | <u>1,394,919</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Penalties and interest | 363,007 | 198,986 | - | 1,260 | 563,253 | 7,920 |
| Maintenance fee assessment | 1,438,797 | - | - | - | 1,438,797 | - |
| Bond interest subsidy | 19,486 | - | 191 | - | 19,677 | - |
| Interest and fiscal charges | (992,506) | (156,480) | (93,960) | (5,545) | (1,248,491) | - |
| Gain on sale of capital asset | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>828,784</u> | <u>42,506</u> | <u>(93,769)</u> | <u>(4,285)</u> | <u>773,236</u> | <u>7,920</u> |
| Income (loss) before contributions and transfers | (1,438,441) | (1,324,115) | 57,829 | (33,718) | (2,738,445) | 1,402,839 |
| Capital contributions (Area Connection Charges & Grants) | 523,776 | - | 111,220 | - | 634,996 | - |
| Capital contribution-equip. transferred from governmental activities | - | - | - | 10,740,728 | 10,740,728 | - |
| Transfers in / (out) | (305,031) | 2,545,000 | - | - | 2,239,969 | - |
| Change in net assets | (1,219,696) | 1,220,885 | 169,049 | 10,707,010 | 10,877,248 | 1,402,839 |
| Total net assets - beginning of year | <u>88,218,966</u> | <u>2,009,902</u> | <u>7,944,387</u> | <u>951,920</u> | <u>99,125,175</u> | <u>2,606,603</u> |
| Total net assets - ending | <u>\$ 86,999,270</u> | <u>\$ 3,230,787</u> | <u>\$ 8,113,436</u> | <u>\$ 11,658,930</u> | <u>\$ 110,002,423</u> | <u>\$ 4,009,442</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 Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

| | Business-type Activities-Enterprise Funds | | | | | Governmental Activities- Internal Service Funds |
|--|---|----------------------|-------------------|-----------------------------------|----------------------|--|
| | Bureau of Utilities | Solid Waste | Airport | Non-Major Proprietary Funds | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers and users | \$ 8,368,589 | \$ 7,438,296 | \$ 699,261 | \$ 747,813 | \$ 17,253,959 | \$ 12,605,441 |
| Receipts from other funds | - | - | (46,579) | 74,075 | 27,496 | - |
| Receipts from other governments | - | - | - | - | - | 360,208 |
| Payments to suppliers | (5,147,341) | (7,355,599) | (166,079) | (584,891) | (13,253,910) | (12,097,354) |
| Payments to employees | (2,324,431) | (1,580,144) | (222,274) | (103,944) | (4,230,793) | - |
| Net cash provided (used) by operating activities | 896,817 | (1,497,447) | 264,329 | 133,053 | (203,248) | 868,295 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers in | (305,031) | 2,545,000 | - | - | 2,239,969 | - |
| Net cash provided by operating and related noncapital financing activities | (305,031) | 2,545,000 | - | - | 2,239,969 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and construction of capital assets | (1,729,061) | (310,697) | (96,316) | - | (2,136,074) | - |
| Principal paid on capital debt | (1,937,487) | (739,903) | (303,455) | (12,224) | (2,993,069) | - |
| Interest paid on capital debt | (996,717) | (175,319) | (96,299) | (5,678) | (1,274,013) | - |
| Proceeds from bond issue | 13,741 | 267,037 | 27,130 | - | 307,908 | - |
| Refunding bonds | 6,371 | - | 93,300 | - | 99,671 | - |
| Capital contributions (Area Connection Charges & Grants) | 523,776 | - | 111,220 | - | 634,996 | - |
| Other assessment collected | 1,650,402 | - | - | - | 1,650,402 | - |
| Bond interest subsidy | 19,486 | - | 191 | - | 19,677 | - |
| Net cash provided (used) by capital and related financing activities | (2,449,489) | (958,882) | (264,229) | (17,902) | (3,690,502) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest on investments and cash | 363,007 | 198,986 | - | 1,260 | 563,253 | 7,920 |
| Net cash provided by investing activities | 363,007 | 198,986 | - | 1,260 | 563,253 | 7,920 |
| Net increase (decrease) in cash and cash equivalents | (1,494,696) | 287,657 | 100 | 116,411 | (1,090,528) | 876,215 |
| Cash and cash equivalents at beginning of year | 15,143,714 | 7,827,174 | 100 | 703,952 | 23,674,940 | 4,916,202 |
| Cash and cash equivalents at end of year | <u>\$ 13,649,018</u> | <u>\$ 8,114,831</u> | <u>\$ 200</u> | <u>\$ 820,363</u> | <u>\$ 22,584,412</u> | <u>\$ 5,792,417</u> |
| Reconciliation of Operating Income to net cash provided (used) by operating activities: | | | | | | |
| Operating income (Loss) | \$ (2,267,225) | \$(1,366,621) | \$ 151,598 | \$ (29,433) | (3,511,681) | \$ 1,394,919 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | |
| Depreciation expense | 2,275,618 | 615,658 | 171,551 | 168,552 | 3,231,379 | - |
| Effect of Changes in operating assets and liabilities: | | | | | | |
| Due to other funds | | | (46,579) | 74,075 | 27,496 | (500) |
| Accounts receivable | (263,941) | 61,119 | 39,141 | 12,429 | (151,252) | (588) |
| Inventory | 37,564 | - | 1,560 | - | 39,124 | - |
| Prepaid items | 48,989 | 45,154 | 8,148 | - | 102,291 | - |
| Compensated absences payable | 17,517 | 20,744 | (9,624) | - | 28,637 | - |
| Accounts payable and accrued expenses | 1,046,495 | (1,036,036) | (35,903) | (92,570) | (118,014) | (522,046) |
| Unearned revenue | 1,800 | 70,069 | (15,563) | - | 56,306 | (3,490) |
| Landfill closure, postclosure, remediation costs | - | 92,466 | - | - | 92,466 | - |
| Total adjustments | 3,164,042 | (130,826) | 112,731 | 162,486 | 3,308,433 | (526,624) |
| Net cash provided (used) by operating activities | <u>\$ 896,817</u> | <u>\$(1,497,447)</u> | <u>\$ 264,329</u> | <u>\$ 133,053</u> | <u>\$ (203,248)</u> | <u>\$ 868,295</u> |
| Noncash investing, capital, and financing activities: | | | | | | |
| Transfer of fully depreciated assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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, 2011

| | Trust Funds | Agency Funds |
|--|------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 355,916 | \$ 462,508 |
| Receivables-notes | - | 420,078 |
| Investments at fair value: | | |
| Short term investments | 1,113,620 | |
| Bond funds | 13,014,460 | - |
| Equity funds | 28,320,593 | - |
| Marketable securities | 21,028,809 | - |
| Total investments | 63,477,482 | - |
| Total assets | 63,833,398 | 882,586 |
| LIABILITIES | | |
| Accounts payable | 16,864 | 74,182 |
| Deposits | | 808,404 |
| Due to primary government | 516,922 | - |
| Total liabilities | 533,786 | \$ 882,586 |
| NET ASSETS | | |
| Held in trust for pension, benefits, and other purposes | \$ 63,299,612 | |

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, 2011

| | Trust Funds |
|---|------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 10,888,000 |
| Plan members | 2,063,619 |
| Contributions from sources other than employer(s) and Plan members | 172,559 |
| Total contributions | 13,124,178 |
| Investment earnings: | |
| Interest and dividends | 8,892 |
| Net increase in the fair value of investments | 11,968,392 |
| Total investment earnings | 11,977,284 |
| Less investment expense | (70,490) |
| Net investment earnings | 11,906,794 |
| Total additions | 25,030,972 |
| DEDUCTIONS | |
| Benefits and refunds paid to plan members and beneficiaries | 4,540,185 |
| Administrative expenses | 49,729 |
| Total deductions | 4,589,914 |
| Net increase in plan net assets | 20,441,058 |
| Net assets-beginning | 42,858,554 |
| Net assets-ending | \$ 63,299,612 |

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, 2011

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 a commission form of government. In December 2010, the County changed from a three-member to a five-member Board of County Commissioners. Each commissioner represents a district in the County.

The basic financial statements include Carroll County Maryland as the primary government, and its significant component units, entities for which the County is considered to be financially accountable. The component units include the activities of the Board of Education, the Library, the Community College, and Industrial Development Authority. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County in that the County approves budgetary request and provides a significant amount of funding.

Discretely presented component units

The financial data of the County's component units are discretely presented in a column separate from the financial data of the primary government. They are reported in a separate column to emphasize that they are legally separate from the County. The following are the County's component units that are included in the reporting:

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 report 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, 2011.

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, 2011.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

A. Reporting entity- continued

governor of the State with the advice and consent of the State Senate. The College is a component unit 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.

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, 2011.

The Industrial Development Authority (IDA) of Carroll County was established pursuant to Sections 266A-1 through 266A-3 of Article 41 of the Annotated Code of Maryland, and Resolution 25-80 adopted by the Board of County Commissioners of Carroll County on October 16, 1980. The IDA 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. 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, 2011.

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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 capital assets of the County (other than those financed by Proprietary Fund types).

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 public water and sewer services in certain areas of the County. This fund accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Solid Waste Fund* provides solid waste disposal facilities for residential and commercial use. This fund accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Regional Airport* accounts for the corporate hangar facilities and Airport operations, construction or acquisition of capital assets, and related debt service.

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, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

The *Carroll County Firearms Facility* is located at the Northern Landfill. The Hap Baker Firearms Facility accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Fiber Network* accounts for the operation and infrastructure development of the inter-county broadband network.

The *Internal Service Fund* is used to account for certain risk financing activities. The Internal Service Fund accounts for risk management activities for workers' compensation, general liability, environmental, vehicle and property insurance and County employee health benefits costs.

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

The government reports the following Special Revenue Funds:

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

The *Impact Fee Fund* are restricted by law and 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* is restricted by County Resolution to provide funding for the Agricultural Land Preservation Program. Agricultural Transfer Tax is collected on the sale of agricultural property that is changing use from agriculture to another classification.

The *Hotel Rental Tax Fund* is restricted by law to provide funding for tourism and promotion of the County. The Hotel Rental Tax is a five percent tax applied to the hotel room rate and paid by the hotel guest.

The *Cable Franchise Fee Fund* is restricted by County Resolution to provide funding for public interest and educational programming on cable TV, and the administration of the cable franchise agreement. Cable Franchise Fees are five percent of gross cable television revenue.

The *Agency Fund* is 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 Drug Task Force funds are held on behalf

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

of a multi-agency County law enforcement task force. The Sherriff and Law Enforcement activities account for funds held by the County on behalf of the inmates in county detention center.

Trust Funds:

Pension trust Funds are used to account for the activities of the County's single-employer public employee retirement plans. These include the General Employee's Plan and the Certified Law Officers Plan. The plans account for employee contributions, County contributions and the earnings and profits from investments. They also account for the disbursements made for employee retirements, withdrawals, disability and death benefits as well as administrative expenses. The Volunteer Firemen's Length of Service Award Program (LOSAP) accounts for the benefit program 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 a legally established trust.

The Other Post Employment Benefit (OPEB) Trust accounts for retiree contributions, County contributions for the County's eligible retirees. The plan also accounts for the earnings from investments as well as the disbursements made for medical premiums, the payments of medical claims, and administrative expenses.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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.

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

D. Assets, liabilities, and net assets or equity

Deposits and Investments

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 directly 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 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

Deposits-continued

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 require uninsured deposits to be fully collateralized.

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 classified as nonspendable fund balance 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 2011 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

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, the appointed tax collector conducts a Tax Sale 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, 2011 was \$1.048 per \$100 of assessed value and the personal property rate was \$2.62 per \$100. Taxes, for the County, State and Towns 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 the lower of average cost or market. 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. An amount equal to the carrying value of inventory was reserved under nonspendable fund balance category in the general fund.

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 the lower of cost (first in, first out) or market. 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.

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 general fund reserves fund balance for prepaid items under the nonspendable fund balance category. 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 value at

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

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 |
| Vehicles | 5-10 years |
| Machinery and equipment | 5-10 years |
| Roads | 50-75 years |
| Bridges | 30-50 years |
| Fiber optic System | 25-50 years |

Restricted Net Assets

Certain assets of the Governmental Activities are classified as restricted assets on the balance sheet. Included as restricted assets are investments in U.S. Treasury Bonds and Strips held to maturity for the final payment on the installment purchase of land development rights.

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 expenses and/or liability of the fund that will pay it. A liability for these amounts is reported in the 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

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 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 allocated to the general fund.

Arbitrage Payable

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to general obligation bond issuances of 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, and 2000 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 every six months. As of June 30, 2011 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 COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

Net Assets-continued

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, 2011, the total outstanding debt associated to landfills totaled \$2,579,992.

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2011 fees collected through area connection charges and maintenance fees totaling \$303,145 have been restricted for future capital projects. The Solid Waste and Airport funds have net assets restricted for capital projects in the amounts of \$4,456 and \$62,515 respectively. These amounts totaling \$370,116 are restricted in the business-type activities of the Statement of Net Assets.

Fund Equity

In the fund financial statements, governmental funds report limitations of fund balance for amounts that are nonspendable and are not available for appropriation or are legally restricted by outside parties or creditors for use for a specific purpose. Commitments of fund balance represent limitations placed on spending that are imposed by and may be removed by the adoption of County Ordinance or by the passing of a Resolution by the Board of County Commissioners. Assignments of fund balance reflect tentative plans by Board that may be subject to change. The Board of County Commissioners delegates authority to the Comptroller and the Director of Management and Budget to set up the assignments of fund balance. Residual net resources are reported as unassigned fund balance and are the excess of nonspendable, restricted, committed and assigned fund balance. The County considers restricted, committed, assigned or unassigned fund balance amounts to have been spent when an expenditure is incurred for the purposes for which the fund balance classifications could be used.

Stabilization Arrangement

The Board of County Commissioners adopted a Resolution to establish the Stabilization Arrangement which must total a minimum of five percent of the following fiscal year adopted general fund budget. Requests for appropriations from the Stabilization Arrangement shall occur only after exhausting current year's budgetary flexibility and spending of the current year's appropriated contingency. The funds can be spent if one of the following events occurs:

- 1.) Unanticipated general fund revenues in total fall more than one percent below the original projected revenues, **AND**

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of significant accounting policies-continued

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

Actual revenues for two of the following major revenue sources are projected in the current year to fall below the actual amount from the prior year: property taxes, income tax, recordation tax, state shared taxes, investment interest.

OR

2.) One of the following events occurs that creates a significant financial difficulty for the County and are in excess of the current year's appropriated contingency: a.) Declaration of a State of Emergency by the Governor of Maryland; b.) Unanticipated expenditures as a result of legislative changes from State/Federal governments in the current fiscal year; c.) Acts of Terrorism declared by the Governor of Maryland or the President of the United States; or d.) Acts of nature, which are infrequent in occurrence and unusual in nature.

E. New Accounting Pronouncement

The County follows accounting standards established by the Governmental Accounting Standards Board (GASB). The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in the current year. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on the County's fund balance.

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 difference are as follows:

| | |
|---|-----------------------|
| Bonds Payable | \$305,627,314 |
| General Obligation Debt-Installment Purchases | 27,129,920 |
| Purchase Agreements Payable | 2,097,835 |
| Compensated Absences | 4,943,123 |
| Notes Payable | 200,000 |
| Deferred charges | (3,042,046) |
| Premium on Bonds | 5,684,844 |
| Bond Issuance Costs | (1,114,224) |
| | <u>\$ 341,526,766</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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.

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>\$12,686,670</u> |
|-----------------------|---------------------|

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 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 difference are as follows:

| | |
|-----------------------------------|------------------------|
| Purchase of Capital Assets | \$ 10,744,310 |
| Donated Assets | 1,381,907 |
| Depreciation | (18,738,910) |
| Disposal of Capital Assets | <u>(16,989,317)</u> |
| | (23,602,010) |
| Assets transferred to other funds | <u>(9,640,728)</u> |
| | <u>\$ (33,242,738)</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 \$5,729,320 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. 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 difference are as follows:

Debt Issued or Incurred:

| | |
|--|-----------------|
| Issuance of New General Obligation Bonds | \$ (35,882,420) |
| Issuance of Installment Purchase Agreements | (13,115,500) |
| Principal Payments on General Obligation Bonds | 36,762,088 |
| Principal Payments on Notes Payable | 737,965 |
| Principal Payments on Purchase Agreements | 170,736 |
| Net Change in Amortization in | |
| Deferred loss on Refunding Bonds | (95,532) |
| Net Change in Amortization in | |
| Bond Issuance Cost | 43,430 |
| Net Change In Amortization of Bond Premium | 758,182 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

| | |
|--|----------------|
| Net Change In Accrued Interest Expense | 631,391 |
| | \$ (9,989,660) |

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 difference are as follows:

| | |
|---|------------|
| Decrease in Compensated Absences Accrual | \$ 104,494 |
| Difference between accrual method used in Government wide Statements and the Purchase Method of inventory used in the Fund Statements | |
| | 49,420 |
| | \$ 153,914 |

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 | \$ 149,476,985 | \$ 22,563,512 | \$ 172,040,497 | \$ - | \$ 172,040,497 |
| Cash and cash equivalents | - | 20,900 | 20,900 | 1,932,044 | 1,952,944 |
| Investments | - | - | - | 62,363,862 | 62,363,862 |
| Investments-restricted | 17,544,440 | - | 17,544,440 | - | 17,544,440 |
| | \$ 167,021,425 | \$ 22,584,412 | \$ 189,605,837 | \$ 64,295,906 | \$ 253,901,743 |
| Component Units | | | | | |
| | Board of Education | Carroll Community College | Library | Industrial Development Authority | |
| Cash and cash equivalents | \$ 8,091,798 | \$ 6,026,907 | \$ 1,337,446 | \$ 7,167,952 | |
| Investments | - | 5,566,806 | 51,502 | - | |
| | \$ 8,091,798 | \$ 11,593,713 | \$ 1,388,948 | \$ 7,167,952 | |

**Primary Government
Investment Risk**

Interest Rate Risk: The County plans its investments to match cash flow requirements. In accordance with the investment policy, 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 (as of June 30, 2011 that amount was \$161,000,000). 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Primary Government
Investment Risk-continued

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, 2011, the County did not invest in any of these types of investments. Investments are unrated.

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 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, 2011, 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, 2011.

| <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 (1) | \$ 18,593,774 | \$ - | \$ - | \$ 18,593,774 |
| Agency/instrumentalities (2) | 40,030,950 | - | 40,030,950 | - |
| Money market pools | 7,946,847 | 7,946,847 | - | - |
| Certificates of deposits | 30,000,000 | 30,000,000 | - | - |
| Money rate savings account | 85,013,989 | 85,013,989 | - | - |
| | <u>\$ 181,585,560</u> | <u>\$ 122,960,836</u> | <u>\$ 40,030,950</u> | <u>\$ 18,593,774</u> |

(1) These investments are backed by full faith & credit of the U.S. Government.

(2) These agencies mature in fiscal year 2012/2013 but are callable monthly, quarterly, semi-annually until maturity.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Fiduciary Funds

Investment Risk

Fiduciary funds for Carroll County are the Carroll County Employee’s Pension Plan, the Carroll County Certified Law Officer Pension, LOSAP, & OPEB (the Trust Funds). The Trust Funds operate under one investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed. Investments for the Trust Funds are reported at fair value.

The Trust Funds 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 a change could materially affect the amounts reported in the statement of net assets available for benefits.

Interest rate risk: The Trust Funds 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. Fluctuating rates of return are characteristic of the securities markets; the Trust Funds greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments are limited to maturities of one year or less.

The following tables displays investments in the various County Trust Funds by maturity and investment type as of June 30, 2011.

Carroll County Employee Pension Plan:

| <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 | \$ 144,400 | \$ 144,400 | \$ - | \$ - |
| Bond fund | 7,809,919 | - | - | 7,089,919 |
| Equity fund | 24,319,391 | - | - | 24,319,391 |
| | <u>\$ 32,273,710</u> | <u>\$ 144,400</u> | <u>\$ -</u> | <u>\$ 31,409,310</u> |

Carroll County Certified Law Officer Pension Plan:

| <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 | \$ 19,852 | \$ 19,852 | \$ - | \$ - |
| <u>Bond Fund</u> | 555,958 | - | - | 555,958 |
| <u>Equity Fund</u> | 1,744,655 | - | - | 1,744,655 |
| | <u>\$ 2,320,465</u> | <u>\$ 19,852</u> | <u>\$ -</u> | <u>\$ 2,300,613</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Volunteer Firemen Plan (LOSAP):

| <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 | \$ 527,059 | \$ 527,059 | \$ - | \$ - |
| Equities | 2,256,547 | - | - | 2,256,547 |
| Corporate Bonds | 4,648,583 | - | - | 4,648,583 |
| | <u>\$ 7,432,189</u> | <u>\$ 527,059</u> | <u>\$ -</u> | <u>\$ 6,905,130</u> |

Other Post Employment Benefits Plan:

| <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 | \$ 422,309 | \$ 422,309 | \$ - | \$ - |
| Marketable securities | 21,028,809 | - | - | 21,028,809 |
| | <u>\$ 21,451,118</u> | <u>\$ 422,309</u> | <u>\$ -</u> | <u>\$ 21,028,809</u> |

Foreign currency risk:

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

| | <u>Fair Value in U.S. Dollars</u> |
|-----------------------------------|-----------------------------------|
| Causeway International Value Fund | \$1,635,424 |
| Harbor International Fund | 1,645,420 |

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

| | <u>Fair Value in U.S. Dollars</u> |
|-----------------------------------|-----------------------------------|
| Causeway International Value Fund | \$414,110 |
| Harbor International Fund | 255,086 |

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, 2011

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, 2011</u> |
|----------------|----------------|--|
| AAA/Aaa | 100% | 100% |
| AA/Aa | 100% | 0% |
| A/A | 100% | 0% |
| BAA/Baa | 20% | 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 10% of the portfolio invested in obligations of any one issuer. International bonds shall not exceed more 5% of the International Equity portfolio. Investments by security type are to be diversified as follows:

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

Deposits

Primary Government

At year-end, the carrying amount of combined deposits was \$8,928,240, the bank balances were \$9,552,520 and cash on hand was \$544,115. There was \$85,013,989 invested in the banks money market account. Of the bank balances, \$250,000 was covered by federal depository insurance; the remaining balance was covered by collateral held by the pledging bank's agent in the County's name.

Component Units

At year-end, the carrying value of the Board of Education's combined deposits, excluding the Board's agency funds, was \$8,088,748 and cash on hand was \$3,050. Due to historically low interest rates, the Board is no longer invested in the Maryland Local Government Investment Pool (MLGIP). The bank balance of deposits was \$11,711,204 The bank balance was covered either by federal depository insurance or 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, 2011

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

As of June 30, 2011, the cash on hand for petty cash and change in funds for Carroll Community College was \$3,300. The carrying amount was \$243,787 and the collective bank balance for the College was \$420,438. 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, 2011, the College’s cash and cash equivalents balance by type were as follows:

| | |
|--|--------------------|
| Cash on hand | \$ 3,300 |
| Cash in bank | 243,787 |
| Bank money market | 5,202,572 |
| Maryland Local Government Investment Pool | 415,208 |
| Cash with Carroll Community College Foundation | <u>162,040</u> |
| | <u>\$6,026,907</u> |

As of June 30, 2011, the carrying amount of the Library’s deposits was \$1,386,863 and the bank balance was \$1,601,774. The Library’s cash on hand at June 30, 2011 was \$2,085 in the form of postage stamps for resale to customers at the branches and gift cards on hand to be awarded as prizes to participants in the summer reading program at the six branches. There is no custodial credit risk for either of these investments as the amounts are fully collateralized.

Restricted cash consists of amounts previously contributed to the Library. The funds were 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 are segregated from operating funds.

As of June 30, 2011, the IDA bank balance was \$7,167,952. The bank balance for the period ending June 30, 2010 was \$4,570,363. All deposits were covered by Federal Depository Insurance and/or collateral held in the Authority’s name by the financial institution. Under the reporting requirements of Governmental Accounting Standards Board Statement No. 40 (GASB 40), the IDA does not have any custodial or credit risk at year-end and the other requirements of GASB 40 are not applicable to the IDA’s cash and cash equivalents.

The County participates in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state with a safe investment vehicle for short-term investment of funds. The State Legislature created MLGIP by enacting Section 22G of Article 94 of the Annotated Code of Maryland. PNC Financial manages the MLGIP, under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants reviews the activities of the Fund on a quarterly basis and provides suggestions to enhance the pool. Standard and Poors rates the MLGIP as AAAM. The MLGIP seeks to maintain a constant value of \$1 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1 per unit constant value.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

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 ensure that the approved budgets are submitted to all departments, bureaus, or agencies prior to July 1 as well as to ensure 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, 2011.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 5 – Receivables and Unearned Revenues

Receivables

Most of the receivables in the Governmental Funds are liens on real property that will be collected via the annual tax sale process if not paid. 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 | \$ 1,620,625 | \$ 585,673 | \$ 357,162 | \$ 17,373,476 | \$ 19,936,936 |
| Capital Projects fund | - | - | 145 | - | 145 |
| Non-major funds | - | 1,905,897 | - | - | 1,905,897 |
| Internal service fund | - | 7,495 | - | - | 7,495 |
| | <u>1,620,625</u> | <u>2,499,065</u> | <u>357,307</u> | <u>17,373,476</u> | <u>21,850,473</u> |
| Uncollectible allowance | (164,750) | - | - | - | (164,750) |
| Total governmental activities | <u>\$ 1,455,875</u> | <u>\$ 2,499,065</u> | <u>\$ 357,307</u> | <u>\$ 17,373,476</u> | <u>\$ 21,685,723</u> |
| Amount not scheduled for collection during subsequent year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,927,087</u> | <u>\$ 15,927,087</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 | \$ 2,555,564 | \$ 85 | \$ 67,323 | \$ 2,622,972 | |
| Solid Waste | 663,101 | - | - | 663,101 | |
| Airport | 156,229 | - | - | 156,229 | |
| Non-major funds | 77,676 | - | - | 77,676 | |
| | <u>3,452,570</u> | <u>85</u> | <u>67,323</u> | <u>3,519,978</u> | |
| Uncollectible allowance(Airport) | (126,939) | - | - | (126,939) | |
| Total business-type activities | <u>\$ 3,325,631</u> | <u>\$ 85</u> | <u>\$ 67,323</u> | <u>\$ 3,393,039</u> | |
| Amount not scheduled for collection during subsequent year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 5 – Receivables and Unearned Revenues-continued

Activity for the component units for the year ended June 30, 2011 was as follows:

| <u>Component Units</u> | <u>Accounts Restricted</u> | <u>Accounts Unrestricted</u> | <u>Other Governments</u> | <u>Students</u> | <u>Contributions</u> | <u>Total</u> |
|---|--------------------------------|----------------------------------|------------------------------|-------------------|----------------------|---------------------|
| Board of Education | \$ - | \$ 841,372 | \$ - | \$ - | \$ - | \$ 841,372 |
| Carroll Community College | - | - | 350,688 | 797,916 | 196,676 | 1,345,280 |
| Library | 233,139 | 91,122 | - | - | - | 324,261 |
| Industrial Development Authority | - | 6,647,124 | - | - | - | 6,647,124 |
| | <u>233,139</u> | <u>7,579,618</u> | <u>350,688</u> | <u>797,916</u> | <u>196,676</u> | <u>9,158,037</u> |
| Uncollectible allowance | - | - | - | (265,939) | - | (265,939) |
| Total component unit activities | <u>\$ 233,139</u> | <u>\$ 7,579,618</u> | <u>\$ 350,688</u> | <u>\$ 531,977</u> | <u>\$ 196,676</u> | <u>\$ 8,892,098</u> |
| Amount not scheduled for collection during subsequent year | <u>\$ -</u> | <u>\$ 6,366,223</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 157,668</u> | <u>\$ 6,523,891</u> |

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 also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2011, 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 | \$ 12,686,670 | \$ - | \$ 12,686,670 |
| Other | - | 1,267,275 | 1,267,275 |
| City of Westminster | - | 84,791 | 84,791 |
| Grants Fund: | | | |
| Draw down of excess of expenditures | - | 2,469,611 | 2,469,611 |
| Internal Service Fund: | | | |
| Future benefit payments from retirees | - | 6,884 | 6,884 |
| Total governmental funds | <u>\$ 12,686,670</u> | <u>\$ 3,828,561</u> | <u>\$ 16,515,231</u> |
| <u>Business-type funds</u> | | | |
| Bureau of Utilities -cell phone tower rent | | \$ 11,916 | \$ 11,916 |
| Solid Waste- lease payments | | 70,069 | 70,069 |
| Airport-FAA Rentals | | 22,799 | 22,799 |
| Total business-type funds | | <u>\$ 104,784</u> | <u>\$ 104,784</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers

At June 30, 2011, the Interfund transfers between primary government major and non-major funds were as follows:

| | Transfers Out | | | |
|------------------------------|---------------------|-----------------------------|---------------------|----------------------|
| | General Fund | Capital Projects Fund | Non-Major Fund | Total |
| Transfers In: | | | | |
| General Fund | \$ - | \$ 9,950,000 | \$ 1,198,605 | \$ 11,148,605 |
| Capital Projects Fund | - | - | 1,103,000 | 1,103,000 |
| Bureau of Utilities Fund | (305,031) | - | - | (305,031) |
| Solid Waste | 2,545,000 | - | - | 2,545,000 |
| Non-Major Governmental Funds | 1,526,678 | - | - | 1,526,678 |
| Total transfers | <u>\$ 3,766,647</u> | <u>\$ 9,950,000</u> | <u>\$ 2,301,605</u> | <u>\$ 16,018,252</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.

Due to/from Component Units

The due to/from component units at June 30, 2011 consisted of the following:

| | Due From | Due to |
|----------------------------------|----------------------|----------------------|
| Primary Government: | | |
| Board of Education | \$ 26,490 | \$ 47,256,868 |
| Carroll Community College | 420 | 157,312 |
| Library | 3,643 | 48,313 |
| Industrial Development Authority | 1,145,560 | 900,000 |
| Component Units: | | |
| Primary Government | 47,256,868 | 26,490 |
| Primary Government | 157,312 | 420 |
| Primary Government | 48,313 | 3,643 |
| Primary Government | 900,000 | 1,145,560 |
| Total all Funds | <u>\$ 49,538,606</u> | <u>\$ 49,538,606</u> |

Due to/from Fiduciary Funds

Due to/from primary government and due from fiduciary funds:

| | Due From | Due To |
|------------------------------------|-------------------|-------------------|
| Governmental Activities: | | |
| General Fund | \$ - | \$ 516,922 |
| Trust Fund: | | |
| Other Postemployment Benefit Trust | 516,922 | - |
| | <u>\$ 516,922</u> | <u>\$ 516,922</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 6 – Interfund Receivables, Payables and Transfers-continued

Due to/from Other Governmental Funds

Due to primary government and due from Other Governmental Funds:

| | Due From | Due To |
|--------------------------------|--------------|--------------|
| Governmental Activities: | | |
| General Fund | \$ - | \$ 9,603,331 |
| Capital Fund | 9,585,479 | - |
| Special Revenue Fund: | | |
| Agricultural Transfer Tax Fund | 17,852 | - |
| | \$ 9,603,331 | \$ 9,603,331 |

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/due from Business-type funds:

| | Due From | Due To |
|---------------------------|--------------|--------------|
| Governmental Activities: | | |
| General Fund | \$ - | \$ 2,666,658 |
| Business-type Activities: | | |
| Airport Fund | 2,592,583 | - |
| Fiber Network | 74,075 | - |
| | \$ 2,666,658 | \$ 2,666,658 |

The Airport Fund overdraw their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund. The General Fund had an outstanding accounts receivable with the Airport at June 30, 2011.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

| | Balance June 30, 2010 | Additions | Transfers and Retirements | Balance June 30, 2011 |
|---|--------------------------|----------------------|------------------------------|--------------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 49,182,657 | \$ 2,065,502 | \$ (16,871,639) | \$ 34,376,520 |
| Construction in progress | 74,999,567 | (1,621,152) | (63,890,711) | 9,487,704 |
| Total capital assets, not being depreciated | 124,182,224 | 444,350 | (80,762,350) | 43,864,224 |
| Capital assets, being depreciated: | | | | |
| Buildings and contents | 128,329,058 | 56,488,434 | (138,892) | 184,678,600 |
| Improvements other than buildings | 27,833,259 | 10,476,923 | (9,468,760) | 28,841,422 |
| Automobiles, machinery and equipment | 38,591,950 | 12,930,790 | (11,218,105) | 40,304,635 |
| Roads and bridges | 552,328,683 | 4,405,949 | - | 556,734,632 |
| Total capital assets, being depreciated | 747,082,950 | 84,302,096 | (20,825,757) | 810,559,289 |
| Less accumulated depreciation for: | | | | |
| Buildings and contents | 31,993,413 | 3,797,181 | (21,742) | 35,768,852 |
| Improvements other than buildings | 14,729,806 | 1,624,745 | (739,242) | 15,615,309 |
| Automobiles, machinery and equipment | 23,337,966 | 3,025,117 | (1,576,849) | 24,786,234 |
| Roads and bridges | 372,019,128 | 10,291,867 | - | 382,310,995 |
| Total accumulated depreciation | 442,080,313 | 18,738,910 | (2,337,833) | 458,481,390 |
| Total capital assets, being depreciated, net | 305,002,637 | 65,563,186 | (18,487,924) | 352,077,899 |
| Governmental activities capital assets, net | <u>\$ 429,184,861</u> | <u>\$ 66,007,536</u> | <u>\$ (99,250,274)</u> | <u>\$ 395,942,123</u> |
| <u>Business-type activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 8,625,748 | \$ 444,501 | \$ (155,038) | \$ 8,915,211 |
| Construction in progress | 11,341,458 | 2,915,140 | (8,943,885) | 5,312,713 |
| Total capital assets, not being depreciated | 19,967,206 | 3,359,641 | (9,098,923) | 14,227,924 |
| Capital assets, being depreciated: | | | | |
| Buildings and contents | 24,277,597 | - | (5,000) | 24,272,597 |
| Improvements other than buildings | 9,336,315 | 123,152 | - | 9,459,467 |
| Automobiles, machinery and equipment | 6,936,964 | 9,728,595 | (5,120) | 16,660,439 |
| Water facilities | 48,800,810 | 6,373,818 | - | 55,174,628 |
| Sewer facilities | 41,932,855 | 2,462,436 | - | 44,395,291 |
| Total capital assets, being depreciated | 131,284,541 | 18,688,001 | (10,120) | 149,962,422 |
| Less accumulated depreciation for: | | | | |
| Buildings and contents | 6,398,851 | 485,703 | (925) | 6,883,629 |
| Improvements other than buildings | 2,024,401 | 506,790 | - | 2,531,191 |
| Automobiles, machinery and equipment | 4,134,715 | 707,497 | (5,120) | 4,837,092 |
| Water facilities | 6,583,956 | 953,515 | - | 7,537,471 |
| Sewer facilities | 13,468,325 | 645,715 | - | 14,114,040 |
| Total accumulated depreciation | 32,610,248 | 3,299,220 | (6,045) | 35,903,423 |
| Total capital assets, being depreciated, net | 98,674,293 | 15,388,781 | (4,075) | 114,058,999 |
| Business-type activities capital assets, net | <u>\$ 118,641,499</u> | <u>\$ 18,748,422</u> | <u>\$ (9,102,998)</u> | <u>\$ 128,286,923</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 – Capital Assets-continued

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

Governmental activities:

| | |
|--|---------------------|
| General Government | \$2,031,386 |
| Public Safety | 1,408,558 |
| Public Works | 11,087,051 |
| Health | 232,470 |
| Education | 1,476,579 |
| Recreation & Parks | 568,167 |
| Economic Development | 235,417 |
| Conservation of Natural Resources | 25,153 |
| Library/Senior Center | <u>1,674,129</u> |
| Total depreciation expense-governmental activities | <u>\$18,738,910</u> |

Business-type activities:

| | |
|---|--------------------|
| Bureau of Utilities | \$2,275,618 |
| Solid Waste | 615,657 |
| Septage | 18,528 |
| Airport | 171,550 |
| Firearms Facility | 9,278 |
| Carroll County Public Network | <u>208,589</u> |
| Total depreciation expense-business-type activities | <u>\$3,299,220</u> |

Component units

Activity for the Board of Education for the year ended June 30, 2011 was as follows:

| | Balance at June 30, 2010 As Restated | Additions | Transfers and Retirements | Balance June 30, 2011 |
|--|--|----------------------|------------------------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land and improvements | \$ 15,049,603 | \$ - | \$ - | \$ 15,049,603 |
| Construction in Progress | 39,090,486 | 14,680,755 | 29,592,186 | 24,179,055 |
| Total capital assets, not being depreciated | <u>54,140,089</u> | <u>14,680,755</u> | <u>29,592,186</u> | <u>39,228,658</u> |
| Capital assets being depreciated | | | | |
| Building and improvements | 487,511,180 | 31,601,041 | - | 519,112,221 |
| Equipment | 44,680,278 | 1,954,707 | 5,150,994 | 41,483,991 |
| Equipment under capital lease | 4,816,683 | - | 2,417,354 | 2,399,329 |
| Total capital assets being depreciated | <u>537,008,141</u> | <u>33,555,748</u> | <u>7,568,348</u> | <u>562,995,541</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 135,466,185 | 12,378,856 | - | 147,845,041 |
| Equipment | 32,502,299 | 2,741,204 | 5,129,587 | 30,113,916 |
| Equipment under capital lease | 4,816,683 | - | 2,417,354 | 2,399,329 |
| Total accumulated depreciation | <u>172,785,167</u> | <u>15,120,060</u> | <u>7,546,941</u> | <u>180,358,286</u> |
| Total capital assets, being depreciated, net | <u>364,222,974</u> | <u>18,435,688</u> | <u>21,407</u> | <u>382,637,255</u> |
| Capital assets, net | <u>\$ 418,363,063</u> | <u>\$ 33,116,443</u> | <u>\$ 29,613,593</u> | <u>\$ 421,865,913</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 – Capital Assets-continued

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2011 was as follows:

| | Balance at June 30, 2010 | Additions | Transfers and Retirements | Balance at June 30, 2011 |
|--|-----------------------------|--------------------|------------------------------|-----------------------------|
| Capital assets not being depreciated | | | | |
| Foundation | \$ 539,500 | \$ - | \$ - | \$ 539,500 |
| Capital assets being depreciated | | | | |
| Building Improvements | 1,051,713 | 196,442 | - | 1,248,155 |
| Equipment | 3,378,208 | 185,803 | 21,313 | 3,542,698 |
| Vehicles | 128,692 | - | - | 128,692 |
| Library Books | 1,740,373 | 72,107 | 41,830 | 1,770,650 |
| Total capital assets being depreciated | 6,298,986 | 454,352 | 63,143 | 6,690,195 |
| Less accumulated depreciation | | | | |
| Building improvements | 440,719 | 73,472 | - | 514,191 |
| Equipment | 2,455,061 | 352,608 | 21,313 | 2,786,356 |
| Vehicles | 73,701 | 11,791 | - | 85,492 |
| Library books | 1,597,082 | 98,250 | 38,852 | 1,656,480 |
| Total accumulated depreciation | 4,566,563 | 536,121 | 60,165 | 5,042,519 |
| Total capital assets, being depreciated, net | 1,732,423 | (81,769) | 2,978 | 1,647,676 |
| Capital assets, net | <u>\$ 2,271,923</u> | <u>\$ (81,769)</u> | <u>\$ 2,978</u> | <u>\$ 2,187,176</u> |

Foundation

The art collection consists of various paintings and drawings by Hiram Williams. These donated items were recorded at their fair market value of \$363,050, as determined by management, at the date of donation. The artwork was appraised during fiscal year 2010 for \$358,000 and adjusted accordingly in the financial statements. Collectibles and artwork with indeterminate useful lives are not depreciated.

The doll collection consists of approximately 100 dolls from various countries, purchased by the donor while traveling to the various countries over a period of twenty years. These donated items are recorded at their fair market value of \$1,500, as determined by management, at the date of donation.

The Foundation was gifted real estate in 2009. The fair value of the real estate was \$180,000 for the periods of June 30, 2011 and 2010, respectively, and is included with Capital Assets on the Statements of Net Assets.

Since the donors placed no restriction on their gift of these collections, they are included in the Unrestricted Undesignated Net Assets.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 – Capital Assets-continued

Activity for the Carroll County Public Library for the year ended June 30, 2011 was as follows:

| | Balance at June 30, 2010 Restated | Additions | Transfers and Retirements | Balance at June 30, 2011 |
|---|---|---------------------|------------------------------|-----------------------------|
| Capital assets being depreciated by location | | | | |
| Headquarters | \$ 2,266,345 | \$ 187,640 | \$ 34,681 | \$ 2,419,304 |
| Westminster | 1,041,104 | 190,361 | 1,005 | 1,230,460 |
| Eldersburg | 250,847 | 297,833 | 7,243 | 541,437 |
| Mt. Airy | 96,922 | 5,377 | 0 | 102,299 |
| North Carroll | 85,162 | 5,377 | 1,801 | 88,738 |
| Taneytown | 203,062 | - | 7,508 | 195,554 |
| Finksburg | 82,952 | - | - | 82,952 |
| Detention Center | 4,676 | - | - | 4,676 |
| Bookmobile | 29,545 | - | 22,100 | 7,445 |
| Circulation materials | 3,120,318 | 1,090,715 | 902,295 | 3,308,738 |
| | 217,187 | 9,096 | 217,187 | 9,096 |
| Total capital assets, being depreciated | 7,398,120 | 1,786,399 | 1,193,820 | 7,990,699 |
| Less accumulated depreciation | 4,173,261 | - | 374,488 | 4,547,749 |
| Capital assets, net | <u>\$ 3,224,859</u> | <u>\$ 1,786,399</u> | <u>\$ 819,332</u> | <u>\$ 3,442,950</u> |

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2011 was as follows:

| | Balance at June 30, 2010 | Additions | Transfers and Retirements | Balance June 30, 2011 |
|--|-----------------------------|---------------------|------------------------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 5,020,601 | \$ 2,900,000 | \$ - | \$ 7,920,601 |
| Construction in Progress | 3,348,731 | - | - | 3,348,731 |
| Total capital assets, not being depreciated | 8,369,332 | 2,900,000 | - | 11,269,332 |
| Capital assets being depreciated | | | | |
| Equipment | 5,000 | - | - | 5,000 |
| Total capital assets being depreciated | 5,000 | - | - | 5,000 |
| Less accumulated depreciation | | | | |
| Equipment | 5,000 | - | - | 5,000 |
| Total capital assets, being depreciated, net | - | - | - | - |
| Capital assets, net | <u>\$ 8,369,332</u> | <u>\$ 2,900,000</u> | <u>\$ -</u> | <u>\$ 11,269,332</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

| | Balance July 1, 2010 | Additions | Principal Repayments/ Amortization | Balance June 30, 2011 | Due Within One Year |
|--|-------------------------|----------------------|--|--------------------------|------------------------|
| Governmental activities: | | | | | |
| Notes Payable | \$ 937,965 | \$ - | \$ 737,965 | \$ 200,000 | \$ 200,000 |
| Purchase Agreements | 2,268,571 | - | 170,736 | 2,097,835 | 178,016 |
| General Obligation Debt | 14,014,420 | 13,115,500 | - | 27,129,920 | - |
| General Obligation Bonds | 306,506,982 | 35,882,420 | 36,762,088 | 305,627,314 | 26,709,750 |
| Bonds premium/discount | 6,443,026 | 2,894 | 761,076 | 5,684,844 | 765,677 |
| Bond Issuance Costs | (1,070,794) | (258,163) | (214,733) | (1,114,224) | (123,547) |
| Less deferred charges | (3,137,578) | (354,367) | (449,899) | (3,042,046) | (461,711) |
| Subtotal | 325,962,592 | 48,388,284 | 37,767,233 | 336,583,643 | 27,268,185 |
| Net other post employment benefit obligation | 23,050,704 | 13,320,042 | 8,121,239 | 28,249,507 | - |
| Net certified law officers pension obligation | 294,156 | 540,345 | 610,621 | 223,880 | - |
| Estimated liability for claims in process | 1,831,872 | 11,092,762 | 11,178,015 | 1,746,619 | 1,731,686 |
| Compensated Absences | 5,047,617 | 2,341,862 | 2,446,356 | 4,943,123 | 2,446,356 |
| Governmental activity Long-term liabilities | <u>\$ 356,186,941</u> | <u>\$ 75,683,295</u> | <u>\$ 60,123,464</u> | <u>\$ 371,746,772</u> | <u>\$ 31,446,227</u> |
| Business-type activities: | | | | | |
| Loans Payable | \$ 2,090,052 | \$ - | \$ 887,793 | \$ 1,202,259 | \$ 930,395 |
| General Obligation Bonds | 28,051,767 | 407,579 | 2,105,277 | 26,354,069 | 2,439,761 |
| Unamortized charges | (173,163) | (3,564) | (13,501) | (163,226) | (21,520) |
| Subtotal | 29,968,656 | 404,015 | 2,979,569 | 27,393,102 | 3,348,636 |
| Landfill closure/postclosure | 10,837,047 | 92,466 | - | 10,929,513 | 130,738 |
| Compensated Absences | 406,797 | 206,765 | 178,128 | 435,434 | 181,937 |
| Business-type activity Long-term liabilities | <u>\$ 41,212,500</u> | <u>\$ 703,246</u> | <u>\$ 3,157,697</u> | <u>\$ 38,758,049</u> | <u>\$ 3,661,311</u> |
| Component Units: | | | | | |
| Board of Education: | | | | | |
| Net other post employment benefit obligation | \$ 16,785,610 | \$ 10,690,000 | \$ 6,102,169 | \$ 21,373,441 | \$ - |
| Compensated Absences | 27,138,159 | 631,261 | 2,040,747 | 25,728,673 | 1,920,000 |
| Capital Lease Obligations | 6,737,606 | - | 568,249 | 6,169,357 | 612,183 |
| Total Board of Education | <u>\$ 50,661,375</u> | <u>\$ 11,321,261</u> | <u>\$ 8,711,165</u> | <u>\$ 53,271,471</u> | <u>\$ 2,532,183</u> |
| Carroll Community College | | | | | |
| Net other post employment benefit obligation | \$ 6,429,381 | \$ 2,955,000 | \$ 597,936 | \$ 8,786,445 | \$ - |
| Compensated Absences | 735,432 | 613,686 | 644,204 | 704,914 | 613,686 |
| Total Carroll Community College | <u>\$ 7,164,813</u> | <u>\$ 3,568,686</u> | <u>\$ 1,242,140</u> | <u>\$ 9,491,359</u> | <u>\$ 613,686</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt-continued

| | Balance July 1, 2010 | Additions | Repayments/ Amortization | Balance June 30, 2011 | Due Within One Year |
|----------------------------------|-------------------------|-------------|-----------------------------|--------------------------|------------------------|
| Library | | | | | |
| Compensated Absences | \$ 443,152 | \$ - | \$ 18,447 | \$ 424,705 | \$ 424,705 |
| Total Library | <u>\$ 443,152</u> | <u>\$ -</u> | <u>\$ 18,447</u> | <u>\$ 424,705</u> | <u>\$ 424,705</u> |
| Industrial Development Authority | | | | | |
| Loan | \$ 4,000,000 | \$ - | \$ - | \$ 4,000,000 | \$ - |
| Total Industrial Dev. Authority | <u>\$ 4,000,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,000,000</u> | <u>\$ -</u> |

Payments on the non-current liabilities above (excluding compensated absences), that pertain to the County’s governmental activities are made by the General Fund. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund. The additions to the unamortized premium on bonds payable for governmental activities are recorded as an Other Financing Source in the General Fund.

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.

A.) Governmental Activities

Long-term obligations at June 30, 2011 consist of the following:

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 mature on 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 2011 the interest rate was 0.22%.

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|-------------------|-----------------|-------------------|
| 2012 | \$ 200,000 | \$ 430 | \$ 200,430 |
| Total notes payable | <u>\$ 200,000</u> | <u>\$ 430</u> | <u>\$ 200,430</u> |

Purchase Agreement

The County entered into a purchase agreement with Suntrust Equipment Finance/AAIG Johnson Controls to purchase and install energy saving fixtures for various County buildings. The maturity date for this purchase agreement is February 15, 2021. Payments are due quarterly 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 and the debt is secured by the equipment acquired.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|---------------------|-------------------|---------------------|
| 2012 | \$ 178,016 | \$ 85,285 | \$ 263,301 |
| 2013 | 185,607 | 77,694 | 263,301 |
| 2014 | 193,522 | 69,779 | 263,301 |
| 2015 | 201,774 | 61,527 | 263,301 |
| 2016 | 210,379 | 52,922 | 263,301 |
| 2017-2021 | 1,128,537 | 122,142 | 1,250,679 |
| Total purchase agreement | <u>\$ 2,097,835</u> | <u>\$ 469,349</u> | <u>\$ 2,567,184</u> |

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 2031. 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> |
|-------------------------------|----------------------|----------------------|----------------------|
| 2012 | \$ - | \$ 1,522,960 | \$ 1,522,960 |
| 2013 | - | 1,522,960 | 1,522,960 |
| 2014 | - | 1,522,960 | 1,522,960 |
| 2015 | - | 1,522,960 | 1,522,960 |
| 2016 | - | 1,522,960 | 1,522,960 |
| 2017-2021 | 1,201,212 | 7,470,654 | 8,671,866 |
| 2022-2026 | 5,459,488 | 6,779,555 | 12,239,043 |
| 2027-2031 | 20,469,220 | 4,787,088 | 25,256,308 |
| Total general obligation debt | <u>\$ 27,129,920</u> | <u>\$ 26,652,097</u> | <u>\$ 53,782,017</u> |

General Obligation Bonds

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

A.) Governmental Activities—continued

| Issue | Interest Rate | Year Series Matures | Amount of Original Issue | Outstanding June 30, 2011 | Due Within One Year |
|--|------------------|---------------------------|--------------------------------|---------------------------------|------------------------|
| <u>General Government:</u> | | | | | |
| FHA Loan of 1972 | 3.502% | 2022 | \$ 769,700 | \$ 304,121 | \$ 22,178 |
| FHA Loan of 1974 | 3.649% | 2024 | 253,000 | 128,537 | 7,434 |
| FHA Loan of 1979 | 3.649% | 2031 | 678,800 | 416,615 | 14,523 |
| 2001 Public Improvement Bonds | 3.25%-4.20% | 2016 | 11,511,499 | 471,174 | 471,174 |
| 2002 Public Improvement Bonds | 2.50%-4.25% | 2017 | 16,200,000 | 1,185,414 | 592,707 |
| 2003 Refunding Bonds | 4.00%-5.00% | 2013 | 29,232,224 | 2,168,571 | 1,534,998 |
| 2003 Public Improvement Bonds | 2.00%-3.85% | 2018 | 7,600,000 | 3,289,185 | 360,288 |
| 2004 Refunding Bonds | 2.00%-3.70% | 2019 | 32,090,354 | 13,643,509 | 1,922,494 |
| 2004 Public Improvement Bonds | 3.00%-4.00% | 2019 | 21,995,000 | 13,112,390 | 1,456,932 |
| 2005 Public Improvement Bonds | 3.50%-4.125% | 2020 | 31,799,320 | 18,147,097 | 1,817,325 |
| 2006 Public Improvement Bonds | 3.50%-4.00% | 2021 | 20,260,000 | 11,651,791 | 1,062,052 |
| 2007 Refunding Bonds (January) | 3.50%-5.00% | 2020 | 23,165,983 | 8,435,144 | 381,261 |
| 2007 Public Improvement Bonds | 3.75%-5.25% | 2022 | 20,430,000 | 13,956,882 | 1,164,829 |
| 2007 Refunding Bonds (November) | 3.75%-5.25% | 2022 | 6,670,000 | 5,825,000 | 480,000 |
| 2008 Public Improvement Bonds | 3.25%-5.00% | 2028 | 28,294,094 | 28,294,094 | 1,429,655 |
| 2009 Public Improvement Bonds Series A | 2.00%-4.00% | 2019 | 14,759,547 | 13,506,609 | 1,292,762 |
| 2009 Refunding Bonds Series A | 2.00%-4.00% | 2019 | 2,950,073 | 2,274,093 | 812,313 |
| 2009 Public Improvement Bonds Series B | 4.70%-5.625% | 2029 | 17,631,476 | 17,631,476 | - |
| 2010 Refunding Bonds Series A | 0.30%-1.70% | 2018 | 6,044,297 | 5,535,000 | 516,504 |
| 2010 Public Improvement Bonds Series C | 0.40%-0.50% | 2012 | 1,542,963 | 1,542,963 | 762,957 |
| 2010 Public Improvement Bonds Series D | 1.03%-3.51% | 2031 | 8,841,618 | 8,841,618 | - |
| Subtotal General Government | | | | \$ 170,361,283 | \$ 16,102,386 |
| <u>Board of Education:</u> | | | | | |
| 2001 Public Improvement Bonds | 3.25%-4.20% | 2016 | \$ 11,511,499 | \$ 274,614 | \$ 274,614 |
| 2002 Public Improvement Bonds | 2.50%-4.25% | 2017 | 16,200,000 | 907,049 | 453,525 |
| 2003 Refunding Bonds | 4.00%-5.00% | 2013 | 29,232,224 | 1,565,278 | 1,107,964 |
| 2003 Public Improvement Bonds | 2.00%-3.85% | 2018 | 7,600,000 | 1,174,709 | 128,674 |
| 2004 Refunding Bonds | 2.00%-3.70% | 2019 | 32,090,354 | 9,200,778 | 1,296,473 |
| 2004 Public Improvement Bonds | 3.00%-4.00% | 2019 | 21,995,000 | 68,918 | 7,680 |
| 2005 Public Improvement Bonds | 3.50%-4.125% | 2020 | 31,799,320 | 2,432,565 | 243,607 |
| 2006 Public Improvement Bonds | 3.50%-4.00% | 2021 | 20,260,000 | 2,755,392 | 251,153 |
| 2007 Refunding Bonds (January) | 3.50%-5.00% | 2020 | 23,165,983 | 11,347,532 | 512,898 |
| 2007 Public Improvement Bonds | 3.75%-5.25% | 2022 | 20,430,000 | 1,226,534 | 102,365 |
| 2008 Public Improvement Bonds | 3.25%-5.00% | 2028 | 43,613,906 | 43,613,906 | 1,660,811 |
| 2009 Public Improvement Bonds Series A | 2.00%-4.00% | 2019 | 8,305,513 | 7,600,458 | 727,465 |
| 2009 Refunding Bonds Series A | 2.00%-4.00% | 2019 | 4,645,956 | 3,581,382 | 1,279,278 |
| 2009 Public Improvement Bonds Series B | 4.70%-5.625% | 2029 | 15,946,285 | 15,946,285 | - |
| 2010 Refunding Bonds Series A | 0.30%-1.70% | 2018 | 6,054,056 | 5,543,937 | 517,338 |
| 2010 Public Improvement Bonds Series D | 1.03%-3.51% | 2031 | 10,272,510 | 10,272,510 | - |
| Subtotal Board of Education | | | | \$ 117,511,847 | \$ 8,563,845 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued
General Obligation Bonds

| Issue | Interest Rate | Year Series Matures | Amount of Original Issue | Outstanding June 30, 2011 | Due Within One Year |
|--|------------------|---------------------------|--------------------------------|---------------------------------|------------------------|
| <u>Volunteer Fire Companies:</u> | | | | | |
| 2001 Public Improvement Bonds | 3.25%-4.20% | 2016 | \$ 11,511,499 | \$ 22,977 | \$ 22,977 |
| 2002 Public Improvement Bonds | 2.50%-4.25% | 2017 | 16,200,000 | 107,536 | 53,768 |
| 2003 Fire Company Bonds | 2.00%-3.85% | 2018 | 2,100,000 | 1,230,000 | 135,000 |
| 2004 Fire Company Bonds | 4.13% | 2019 | 2,065,000 | 1,382,111 | 129,906 |
| 2005 Public Improvement Bonds | 3.50%-4.125% | 2020 | 31,799,320 | 495,000 | 90,000 |
| 2005 Fire Company Bonds | 3.50%-4.125% | 2020 | 2,900,000 | 1,925,000 | 195,000 |
| 2006 Public Improvement Bonds | 3.50%-4.00% | 2021 | 20,260,000 | 439,690 | 40,078 |
| 2007 Public Improvement Bonds | 3.75%-5.25% | 2022 | 20,430,000 | 1,070,000 | 135,000 |
| 2008 Public Improvement Bonds | 3.25%-5.00% | 2028 | 180,000 | 180,000 | 10,500 |
| 2009 Public Improvement Bonds Series A | 2.00%-4.00% | 2019 | 270,000 | 247,080 | 23,649 |
| 2010 Refunding Bonds Series A | 0.30%-1.70% | 2018 | 381,976 | 349,790 | 32,641 |
| 2010 Refunding Bonds Series B | 0.30%-1.70% | 2018 | 2,210,000 | 2,100,000 | 320,000 |
| 2010 Public Improvement Bonds Series D | 3.75%-4.90% | 2031 | 535,000 | 535,000 | - |
| Subtotal Volunteer Fire Companies | | | | \$ 10,084,184 | \$ 1,188,519 |
| 2004 Taxable Pension Bonds | 4.25%-5.25% | 2019 | \$ 12,800,000 | \$ 7,670,000 | \$ 855,000 |
| Subtotal General Obligation Bonds | | | | \$ 305,627,314 | \$ 26,709,750 |
| Bond premium/ discount | | | | 5,684,844 | 765,677 |
| Bond Issuance Costs | | | | (1,114,224) | (123,547) |
| Deferred loss on refunding issues | | | | (3,042,046) | (461,711) |
| Total General Obligation Bonds , net of bond costs | | | | \$ 307,155,888 | \$ 26,890,169 |

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2011, are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|------------------|-----------------|----------------|
| <u>General Obligation Bonds</u> | | | |
| 2012 | \$ 26,709,750 | \$ 12,257,554 | \$ 38,967,304 |
| 2013 | 24,760,755 | 11,283,290 | 36,044,045 |
| 2014 | 25,006,036 | 10,334,114 | 35,340,150 |
| 2015 | 24,846,522 | 9,381,475 | 34,227,997 |
| 2016 | 24,153,128 | 8,467,346 | 32,620,474 |
| 2017-2021 | 99,159,026 | 28,931,512 | 128,090,538 |
| 2022-2026 | 47,785,285 | 13,524,340 | 61,309,625 |
| 2027-2031 | 33,206,812 | 3,339,903 | 36,546,715 |
| Total General Obligation Bonds | \$ 305,627,314 | \$ 97,519,534 | \$ 403,146,848 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

| Issue | Interest Rate | Year Series Matures | Amount of Original Issue | Outstanding June 30, 2011 | Due Within One Year |
|-----------------------------------|------------------|---------------------------|--------------------------------|---------------------------------|------------------------|
| Maryland Water Quality Financing: | | | | | |
| 1990 Revolving Loan- Freedom | 3.00%-4.894% | 2012 | \$ 11,541,350 | \$ 903,884 | \$ 903,884 |
| 2002 Revolving Loan- Hampstead | 2.60% | 2021 | 532,680 | 298,375 | 26,511 |
| Total Loans Payable | | | | <u>\$ 1,202,259</u> | <u>\$ 930,395</u> |

The annual requirements to amortize loans payable outstanding as of June 30, 2011, are as follows:

| Years Ending June 30, | Principal | Interest | Total |
|-----------------------|---------------------|-------------------|---------------------|
| 2012 | \$ 930,395 | \$ 89,796 | \$ 1,020,191 |
| 2013 | 27,200 | 8,783 | 35,983 |
| 2014 | 27,907 | 8,076 | 35,983 |
| 2015 | 28,633 | 7,351 | 35,984 |
| 2016 | 29,377 | 6,606 | 35,983 |
| 2017-2021 | 158,747 | 21,169 | 179,916 |
| Total Loans Payable | <u>\$ 1,202,259</u> | <u>\$ 141,781</u> | <u>\$ 1,344,040</u> |

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

B.) Business-type activities-continued

| Issue | Interest Rate | Year Series Matures | Amount of Original Issue | Outstanding June 30, 2011 | Due Within One Year |
|---|------------------|---------------------------|--------------------------------|---------------------------------|------------------------|
| <u>Bureau of Utilities:</u> | | | | | |
| 2001 Public Improvement Bonds | 3.25%-4.20% | 2016 | \$ 18,501 | \$ 1,236 | \$ 1,236 |
| 2003 Public Improvement Bonds | 2.00%-3.85% | 2018 | 990,000 | 581,481 | 63,694 |
| 2004 Refunding Bonds | 2.00%-3.70% | 2019 | 2,166,412 | 1,542,212 | 217,312 |
| 2004 Public Improvement Bonds | 3.00%-4.00% | 2019 | 378,474 | 226,814 | 25,202 |
| 2005 Public Improvement Bonds | 3.50%-4.125% | 2020 | 302,525 | 201,586 | 20,188 |
| 2006 Public Improvement Bonds | 3.50%-4.00% | 2021 | 200,000 | 159,016 | 14,493 |
| 2007 Refunding Bonds (January) | 3.50%-5.00% | 2020 | 212,504 | 181,469 | 8,202 |
| 2007 Public Improvement Bonds | 3.75%-5.25% | 2022 | 9,401,000 | 7,518,530 | 627,490 |
| 2008 Public Improvement Bonds | 3.25%-5.00% | 2028 | 7,616,000 | 7,616,000 | 311,767 |
| 2009 Public Improvement Bonds Series A | 2.00%-4.00% | 2019 | 745,461 | 682,179 | 65,294 |
| 2009 Public Improvement Bonds Series B | 4.70%-5.625% | 2029 | 1,072,240 | 1,072,240 | - |
| 2010 Refunding Bonds Series A | 0.30%-1.70% | 2018 | 6,371 | 5,834 | 543 |
| 2010 Public Improvement Bonds Series D | 3.75%-4.90% | 2031 | 13,742 | 13,742 | - |
| Subtotal Bureau of Utilities | | | | <u>\$ 19,802,339</u> | <u>\$ 1,355,421</u> |
| <u>Solid Waste Fund</u> | | | | | |
| 2003 Refunding Bonds | 2.0%-3.85% | 2018 | 3,727,776 | 476,151 | 337,055 |
| 2004 Refunding Bonds | 2.00%-3.70% | 2019 | 1,004,270 | 714,914 | 100,738 |
| 2004 Public Improvement Bonds | 3.00%-4.00% | 2019 | 2,449,026 | 1,467,668 | 163,074 |
| 2007 Refunding Bonds (January) | 3.50%-5.00% | 2020 | 345,658 | 295,176 | 13,342 |
| 2007 Public Improvement Bonds | 3.75%-5.25% | 2022 | 604,000 | 483,054 | 40,315 |
| 2008 Public Improvement Bonds | 3.25%-5.00% | 2028 | 296,000 | 296,000 | 17,267 |
| 2009 Public Improvement Bonds Series A | 2.00%-4.00% | 2019 | 9,479 | 8,675 | 831 |
| 2009 Refunding Bonds Series A | 2.00%-4.00% | 2029 | 193,971 | 149,524 | 53,410 |
| 2010 Public Improvement Bonds Series C | 0.40%-0.50% | 2012 | 267,037 | 267,037 | 132,043 |
| Subtotal Solid Waste Fund | | | | <u>\$ 4,158,199</u> | <u>\$ 858,075</u> |
| <u>Airport Fund</u> | | | | | |
| 2001 Public Imp. Bonds | 3.25%-4.75% | 2021 | 2,200,000 | 1,210,000 | 110,000 |
| 2003 Public Improvement Bonds | 2.00%-3.85% | 2018 | 425,000 | 249,626 | 27,343 |
| 2004 Refunding Bonds | 2.00%-3.70% | 2019 | 278,964 | 198,587 | 28,414 |
| 2004 Public Improvement Bonds | 3.00%-4.00% | 2019 | 407,500 | 244,209 | 27,134 |
| 2005 Public Improvement Bonds | 3.50%-4.125% | 2020 | 58,555 | 38,751 | 3,881 |
| 2007 Refunding Bonds (January) | 3.50%-5.00% | 2020 | 240,854 | 205,679 | 9,296 |
| 2010 Refunding Bonds Series A | 0.30%-1.70% | 2018 | 93,300 | 85,439 | 7,973 |
| 2010 Public Improvement Bonds Series D | 3.75%-4.90% | 2031 | 27,130 | 27,130 | - |
| Subtotal Airport Fund | | | | <u>\$ 2,259,421</u> | <u>\$ 214,041</u> |
| <u>Septage Fund</u> | | | | | |
| 2006 Public Improvement Bonds | 3.50%-4.00% | 2021 | 200,000 | 134,110 | 12,224 |
| Subtotal Septage Fund | | | | <u>\$ 134,110</u> | <u>\$ 12,224</u> |
| Subtotal General Obligation Bonds | | | | 26,354,069 | 2,439,761 |
| Unamortized Charges | | | | (163,226) | (21,520) |
| Total General Obligation Bonds, net of bond costs | | | | <u>\$ 26,190,843</u> | <u>\$ 2,418,241</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

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

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2011, are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------------|----------------------|---------------------|----------------------|
| <u>Business-type activities:</u> | | | |
| 2012 | \$ 2,439,761 | \$ 1,049,498 | \$ 3,489,259 |
| 2013 | 2,189,781 | 951,616 | 3,141,397 |
| 2014 | 2,112,168 | 870,133 | 2,982,301 |
| 2015 | 2,064,193 | 786,773 | 2,850,966 |
| 2016 | 2,060,397 | 706,192 | 2,766,589 |
| 2017-2021 | 9,100,178 | 2,348,785 | 11,448,963 |
| 2022-2026 | 4,461,141 | 867,376 | 5,328,517 |
| 2027-2031 | 1,926,450 | 160,144 | 2,086,594 |
| Total General Obligation Bonds | <u>\$ 26,354,069</u> | <u>\$ 7,740,517</u> | <u>\$ 34,094,586</u> |

Current Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$14,790,000 on October 21, 2010 of general obligation refunding bonds to provide resources to purchase United States Government State and Local Government Series Securities (SLGS) that were placed in an irrevocable trust. The net proceeds of \$14,693,223 (after payment of \$97,106 for issuance costs) were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of \$14,238,854 of general obligation bonds from 1997 Fire Company Bonds, 2000,2001 and 2002 Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amounts of the old debt by \$551,475. This amount is being netted against the new debt and amortized over the life of the new debt issued, which is shorter than the remaining life of the refunded debt. The October 2010 current refunding was undertaken to reduce total debt service payments over the next 15 years by \$797,711 and resulted in an economic loss of \$721,505.

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, 2011, \$46,042,303 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 – Long-Term Debt—continued

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, 2011 amounted to \$56,585,000.

C.) Component Units

During the fiscal year ended June 30, 2011, no new capital leases were entered into by the Board of Education. In October of 2004, Phase IV of an energy management plan was entered into providing air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures. 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> |
|--|--|
| 2012 | \$ 830,988 |
| 2013 | 855,918 |
| 2014 | 881,595 |
| 2015 | 908,043 |
| 2016 | 935,285 |
| 2017-2019 | <u>2,799,821</u> |
| | 7,211,650 |
| less interest | <u>(1,042,293)</u> |
| Present value of future minimum lease payments | <u><u>\$ 6,169,357</u></u> |

Interest expense related to capital leases was \$238,536 for the year ended June 30, 2011.

Note 9 – Lease Obligations

Operating Leases

Primary Government

The County is committed under various leases for office space, parking and storage facility as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2011 for the County amounted to \$232,040. Future lease payments for these leases are as follows:

| <u>Year Ending June 30,</u> | |
|-----------------------------|-----------|
| 2012 | \$243,642 |
| 2013 | 223,189 |
| 2014 | 229,885 |
| 2015 | 236,781 |
| 2016 | 243,885 |
| 2017-2021 | 1,333,664 |
| 2022-2026 | 1,546,082 |
| 2027-2031 | 1,790,333 |
| 2032-2035 | 1,637,321 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 – Lease Obligations-continued

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, 2011 amounted to \$1,955,444. Future lease revenues for these rentals are as follows:

| <u>Years Ending June 30,</u> | |
|------------------------------|-------------|
| 2012 | \$1,912,953 |
| 2013 | 1,913,624 |
| 2014 | 1,913,624 |
| 2015 | 1,913,624 |
| 2016 | 1,913,624 |
| 2017-2021 | 5,740,876 |
| 2022-2092 | 140 |
| 2093-2103 (\$1 per year) | 10 |

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

| | |
|--------------------------------|---------------------|
| Asset: | |
| Land | \$12,742,030 |
| Buildings | 53,116,081 |
| Less: Accumulated depreciation | <u>(10,788,855)</u> |
| Net carrying value | <u>\$55,069,256</u> |

Component Units

The Board of Education leases equipment under agreements reported as operating leases. The annual lease payments are recorded as expenses in the Government-Wide Statement of Activities and Expenditures in the General Fund. Operating lease terms extend through the year June 30, 2015.

Future minimum payments on operating leases with an initial or remaining noncancellable term in excess of one year are as follows:

| <u>Years Ending June 30,</u> | <u>Minimum Annual Lease Payments</u> |
|------------------------------|--|
| 2012 | \$481,522 |
| 2013 | 473,336 |
| 2014 | 398,382 |
| 2015 | <u>73,398</u> |
| Total | <u>\$ 1,426,638</u> |

Operating lease expenditures/expenses for the year ended June 30, 2011 were \$594,565.

The Library leases various office equipment under noncancelable operating leases. Total rental expenditures were \$15,120 for leases for the year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 – Lease Obligations-continued

Component Units-continued

| <u>Years Ending June 30,</u> | |
|------------------------------|----------------|
| 2012 | \$6,972 |
| 2013 | <u>1,152</u> |
| Total | <u>\$8,124</u> |

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 was \$242,828 for the year ended June 30, 2011. The College renewed its operating lease in July 2008, extending the lease agreement until July 2014.

Future minimum payments on operating leases are as follows:

| <u>Years Ending June 30,</u> | |
|------------------------------|-------------------|
| 2011 | \$189,446 |
| 2012 | 189,446 |
| 2013 | 189,446 |
| 2014 | <u>15,787</u> |
| Total | <u>\$ 584,125</u> |

Note 10 – Landfill Closure, Postclosure and Remediation Costs

The County operates one public disposal facility, Northern Landfill that opened in 1988. The landfill currently has four closed cells and one active cell, which opened in April 2008 and is 11% filled. Two of the four closed cells have been permanently capped. The two remaining closed cells will be capped after the active cell and remaining two cells are constructed and filled. 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 \$4,584,300 of which 100% has been accrued as of June 30, 2011. 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 \$1,345,213 for annual monitoring costs of closed landfills. An additional \$5,000,000 had been accrued for remedial care of two landfills closed in prior years, as well as other environmental concerns, for a total of \$10,929,513 being 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 COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 10 – Landfill Closure, Postclosure and Remediation Costs- continued

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 tipping fee user revenues to fund this liability.

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 are 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. This plan has a tax exempt status.

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. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The most current actuarial valuation was completed as of July 1, 2010. The membership data related to the plan was as follows:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits | 97 |
| Terminated plan members entitled to, but not yet receiving benefits | 136 |
| Active plan members | <u>716</u> |
| Total | <u><u>949</u></u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans- continued

Carroll County Employee Pension Plan-continued

Plan members are required to contribute 5 percent of their annual base pay. The County contributed 8.7 percent of the employees’ annual base pay. Administrative costs of CCEPP are financed through investment earnings.

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

| | |
|---|---------------------|
| Annual Required Contribution | \$ 2,550,479 |
| Interest | (329,954) |
| Adjustment to annual required contribution | <u>330,434</u> |
| Annual Pension Cost | 2,550,959 |
| Contributions made | <u>(3,000,000)</u> |
| Change in negative net pension obligation | 449,041 |
| Negative net pension obligation - beginning of year | <u>4,713,634</u> |
| Negative net pension obligation - end of year | <u>\$ 5,162,675</u> |

The annual required contribution was determined as part of the July 1, 2010, 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, 2010, was 14 years.

Trend Information for CCEPP:

| <u>Fiscal Year</u> <u>Ended</u> | <u>Annual Pension</u> <u>Cost (APC)</u> | <u>% of APC</u> <u>Contributed</u> | <u>Actual</u> <u>Contribution</u> | <u>Negative Net</u> <u>Pension Obligation</u> |
|------------------------------------|--|---------------------------------------|--------------------------------------|--|
| 2007 | \$921,437 | 140% | \$1,292,361 | \$5,100,840 |
| 2008 | 878,301 | 112% | 985,423 | 5,207,962 |
| 2009 | 1,301,620 | 74% | 958,230 | 4,864,572 |
| 2010 | 2,810,938 | 95% | 2,660,000 | 4,713,634 |
| 2011 | 2,550,959 | 117% | 3,000,000 | 5,162,675 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

Statement of Plan Net Assets
Carroll County Employee Pension Plan

| | |
|--|---------------|
| Assets: | |
| Cash and cash equivalents | \$ 350,297 |
| Investments at fair value: | |
| Bond funds | 7,809,919 |
| Equity funds | 24,319,391 |
| Total assets | 32,479,607 |
| Liabilities: | |
| Accounts payable | 11,779 |
| Total Liabilities | 11,779 |
| Net Assets: | |
| Held in trust for pension benefits and other purposes | \$ 32,467,828 |

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

| | |
|---|---------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 3,000,000 |
| Plan Members | 1,511,206 |
| Total Contributions | 4,511,206 |
| Investment earnings: | |
| Interest and dividends | 2,916 |
| Net increase in the fair value of investments | 6,310,438 |
| Total investment earnings | 6,313,354 |
| Less investment expense | (30,391) |
| Net investment earnings | 6,282,963 |
| Total additions | 10,794,169 |
| DEDUCTIONS | |
| Benefits | 583,486 |
| Administrative expenses | 28,082 |
| Total deductions | 611,568 |
| Change in net assets | 10,182,601 |
| Net assets-beginning of year | 22,285,227 |
| Net assets-end of year | \$ 32,467,828 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

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) (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 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% |
| July 1, 2009 | 15,523,970 | 25,213,680 | 61.57% | 9,689,710 | 32,267,152 | 30.03% |
| July 1, 2010 | 22,285,227 | 29,210,223 | 76.29% | 6,924,996 | 30,414,456 | 22.77% |

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

| Fiscal Year Ended | Annual Required Contribution | Interest on Negative NPO | ARC Adjustment | Annual Pension Cost | 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 |
| 2010 | 2,810,444 | (340,520) | 341,014 | 2,810,938 | 2,660,000 | (150,938) | 4,864,572 | 4,713,634 |
| 2011 | 2,550,479 | (329,954) | 330,434 | 2,550,959 | 3,000,000 | 449,041 | 4,713,634 | 5,162,675 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued
Schedule of Employer Contributions-

| Year Ended <u>June 30:</u> | Annual Required <u>Contribution</u> | Actual <u>Contribution</u> | Percentage <u>Contributed</u> |
|----------------------------------|---|-------------------------------|----------------------------------|
| 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% |
| 2010 | 2,810,444 | 2,660,000 | 95% |
| 2011 | 2,550,479 | 3,000,000 | 117% |

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 | 7/1/2010 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percentage of payroll |
| Remaining amortization period | 14 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% |

Carroll County Certified Law Officers Pension Plan

Plan description: The Carroll County Certified Law Officers Pension Plan (CCCLOPP) is a single-employer defined benefit plan that covers Carroll County Sheriff’s Office who are not eligible to participate in the Maryland State Pension or Retirement Plans. The Carroll County Government does not issue a separate audited financial statement for CCCLOPP.

Employees are eligible to begin drawing their pension when they retire after 25 years of service or at age 55 with at least 15 years of service. Employees who retire prior to age 55 with at least 15 years of service may begin drawing their pension at age 62. The plan does not provide early retirement benefits.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Certified Law Officers Pension Plan-continued

The plan provides retirement, disability and death benefits to plan members or the plan member’s beneficiaries. This plan has a tax exempt status.

Basis of Accounting: The CCCLOPP’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. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The most current actuarial valuation was completed as of July 1, 2010. The membership data related to the plan was as follows:

| | |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits | 2 |
| Terminated plan members entitled to, but not yet receiving benefits | 0 |
| Active plan members | <u>64</u> |
| Total | <u>66</u> |

Contributions: Plan members are required to contribute 8 percent of their annual base pay. The County contributed 17.5 percent of the employee’s annual base pay. Administrative costs of CCCLOPP are financed through investment earnings.

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

| | |
|--|-------------------|
| Annual Required Contribution | \$ 519,754 |
| Interest | 20,591 |
| Adjustment to annual required contribution | <u>(20,621)</u> |
| Annual Pension Cost | 519,724 |
| Contributions made | <u>(590,000)</u> |
| Change in net pension obligation | (70,276) |
| Net pension obligation - beginning of year | <u>294,156</u> |
| Net pension obligation - end of year | <u>\$ 223,880</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Certified Law Officers Pension Plan-continued

The annual required contribution was determined as part of the July 1, 2010, 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% |

(c) projected disability rate as follows:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 25 | .110% |
| 35 | .205% |
| 45 | .530% |
| 55 | 1.44% |

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, 2010, was 14 years.

Trend Information since inception for CCCLOPP: (Inception to date)

| <u>Fiscal Year</u> <u>Ended</u> | <u>Annual Pension</u> <u>Cost (APC)</u> | <u>% of APC</u> <u>Contributed</u> | <u>Actual</u> <u>Contribution</u> | <u>Net</u> <u>Pension Obligation</u> |
|------------------------------------|--|---------------------------------------|--------------------------------------|---|
| 2010 | \$544,156 | 46% | \$250,000 | \$294,156 |
| 2011 | 519,724 | 113% | 590,000 | 223,880 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Certified Law Officers Pension Plan–continued

Statement of Plan Net Assets
Carroll County Certified Law Officers Pension Plan

| | |
|--|--------------|
| Assets: | |
| Cash and cash equivalents | \$ 169,871 |
| Investments at fair value: | |
| Bond funds | 555,958 |
| Equity funds | 1,744,655 |
| Total assets | 2,470,484 |
| Liabilities: | |
| Accounts payable | 899 |
| Total Liabilities | 899 |
| Net Assets: | |
| Held in trust for pension benefits and other purposes | \$ 2,469,585 |

Statement of Changes in Plan Net Assets
Carroll County Certified Law Officers Pension Plan

| | |
|---|--------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 590,000 |
| Plan Members | 251,445 |
| Total Contributions | 841,445 |
| Investment earnings: | |
| Interest and dividends | 1,823 |
| Net increase in fair value of investments | 201,623 |
| Total investment earnings | 203,446 |
| Less investment earnings | (2,120) |
| Total additions | 1,042,771 |
| DEDUCTIONS | |
| Benefits and refunds paid to | |
| plan members and beneficiaries | 27,503 |
| Administrative expenses | 13,947 |
| Total deductions | 41,450 |
| Change in net assets | 1,001,321 |
| Net assets-beginning of year | 1,468,264 |
| Net assets-end of year | \$ 2,469,585 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Certified Law Officers Pension Plan-continued
Schedule of Funding Progress-(Inception to Date)

| Actuarial Valuation Date | Actuarial Value of Assets (1) | Actuarial Accrued Liability (AAL) (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, 2009 | \$ 987,940 | \$ 4,240,867 | 23.30% | \$ 3,252,927 | \$ 3,115,115 | 104.42% |
| July 1, 2010 | 1,468,264 | 4,372,214 | 33.58% | 2,903,950 | 3,098,478 | 93.72% |

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

| Fiscal Year Ended | Annual Required Contribution | Interest on NPO | ARC Adjustment | Annual Pension Cost | Total Employer Contribution | Change in NPO | Beginning NPO | Ending NPO |
|-------------------------|------------------------------------|-----------------------|-------------------|---------------------------|-----------------------------------|---------------------|------------------|---------------|
| 2010 | \$ 544,156 | \$ - | \$ - | \$ 544,156 | \$ 250,000 | \$ 294,156 | \$ - | \$ 294,156 |
| 2011 | 519,754 | 20,591 | (20,621) | 519,724 | 590,000 | (70,276) | 294,156 | 223,880 |

Schedule of Employer Contributions- (Inception to date)

| Year Ended June 30: | Annual Required Contribution | Actual Contribution | Percentage Contributed |
|---------------------------|------------------------------------|------------------------|---------------------------|
| 2010 | \$ 544,156 | \$ 250,000 | 46% |
| 2011 | \$ 519,754 | \$ 590,000 | 113% |

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 | 7/1/2010 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percentage of payroll |
| Remaining amortization period | 14 years |
| Asset valuation method | Market value |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Carroll County Certified Law Officers Pension Plan–continued

| | |
|---------------------------|----|
| Investment rate of return | 7% |
|---------------------------|----|

Actuarial assumptions:

| | |
|--|--|
| Projected salary increases | Varies by age (8.75% at age 25 to 5.25% at age 45) |
| Projected disability increase | Varies by age (.11% at age 25 to 1.44% at age 55) |
| Projected payroll increases | 3% per year |
| Salary valuation | 36-month average highest pay |
| Post retirement cost-of-living adjustments | 2% |

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 through various functions 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. This plan has a tax exempt status.

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. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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

| | |
|---|-------------------|
| Annual Required Contribution | \$ 380,384 |
| Interest | (39,236) |
| Adjustment to annual required contribution | <u>56,052</u> |
| Annual Pension Cost | 397,200 |
| Contributions made | <u>0</u> |
| Change in negative net LOSAP obligation | (397,200) |
| Negative net LOSAP obligation - beginning of year | <u>560,516</u> |
| Negative net LOSAP obligation - end of year | <u>\$ 163,316</u> |

The annual required contribution was determined as part of the January 1, 2009, actuarial valuation using the unprojected 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:

| <u>Fiscal Year</u> <u>Ended</u> | <u>Annual Pension</u> <u>Cost (APC)</u> | <u>% of APC</u> <u>Contributed</u> | <u>Actual</u> <u>Contribution</u> | <u>Negative</u> <u>Net LOSAP</u> <u>Obligation</u> |
|------------------------------------|--|---------------------------------------|--------------------------------------|--|
| 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 | 30,000 | N/A | 0 | 970,000 |
| 2010 | 409,484 | N/A | 0 | 560,516 |
| 2011 | 397,200 | N/A | 0 | 163,316 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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

| | |
|--|--------------|
| Assets: | |
| Cash and cash equivalents | \$ 527,059 |
| Investments at fair value: | |
| Bond funds | 4,648,583 |
| Equity funds | 2,256,547 |
| Total assets | 7,432,189 |
| Liabilities: | |
| Accounts payable | 1,786 |
| Total liabilities | 1,786 |
| Net Assets: | |
| Held in trust for pension benefits and other purposes | \$ 7,430,403 |

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

| | |
|--|--------------|
| ADDITIONS | |
| Contributions: | |
| Investment earnings: | |
| Interest and dividends | \$ 266 |
| Net increase in the fair value of investments | 1,492,717 |
| Total investment earnings | 1,492,983 |
| Less investment expense | (7,409) |
| Net investment earnings | 1,485,574 |
| Total additions | 1,485,574 |
| DEDUCTIONS | |
| Benefits | 546,084 |
| Administrative expenses | 2,100 |
| Total deductions | 548,184 |
| Change in net assets | 937,390 |
| Net assets-beginning of year | 6,493,013 |
| Net assets-end of year | \$ 7,430,403 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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) (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 |

Schedule of Employer Contributions

| Year Ended June 30: | Annual Required Contribution | Actual Contribution | Percentage Contributed |
|---------------------------|------------------------------------|------------------------|---------------------------|
| 2006 | \$ - | \$ - | N/A |
| 2007 | - | - | N/A |
| 2008 | - | 1,000,000 | N/A |
| 2009 | - | - | N/A |
| 2010 | 380,384 | - | N/A |
| 2011 | 380,384 | - | 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 | Unprojected unit credit |
| Amortization method | Level dollar |
| Remaining amortization period | 10 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. |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

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, which 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.

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 2010 of 15.67 percent of covered payroll is established by annual actuarial valuations. The covered payroll for the College was \$4,998,841. 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, 2011, 2010 and 2009 were as follows:

| Component Units | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------------|--------------|--------------|--------------|
| Board of Education | \$25,655,139 | \$23,405,032 | \$18,818,980 |
| Community College | 783,966 | 667,669 | 540,890 |
| Library | 701,684 | 593,129 | 480,443 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11– Pension Plans–continued

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 October 1, 2009.

Employees are eligible to participate upon hire if employment is at least at the half-time level and the employee does not participate in the “Maryland State Employees’ Retirement System.”

Eligible employees can 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 made a basic contribution for each participant equal to 3 percent of compensation. Starting October 1, 2009, the County stopped contributing to the 401(k) Plan accounts of employees enrolled in either of the County’s pension plans. Eligible employees hired prior to July 1, 1985 who are not enrolled in either of the County’s pension plans remain eligible for County contributions to their accounts. These contributions range from 2% to 8% of base salary, depending upon the amount contributed by the employee.

The County’s and the employees’ contributions for the year ended June 30, 2011 were \$221,586 and \$2,073,340, respectively.

The Plan also offers a “Roth” option which allows employees to make after-tax contributions. Approximately 7% of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2011.

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 \$3,383,112 during the fiscal period ending June 30, 2011. Of this amount, the County paid \$3,082,144 and the retirees paid \$300,968.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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, 2011 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, 2011, 234 Primary Government retirees and 181 retiree spouses were eligible to receive benefits. Of these, 217 retirees and 167 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. This plan has a tax exempt status.

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. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The most recent actuarial valuation was completed as of July 1, 2010. The membership data related to the plan was as follows:

| | |
|---------------------------------------|------------------|
| Number of Participants | |
| Active employees | 907 |
| Deferred vested terminations | - |
| Retirees in pay status (pre Medicare) | 116 |
| Retirees in pay status (Medicare age) | <u>164</u> |
| Total | <u>1,187</u> |

Contributions: In fiscal year 2011, the County contributed \$7,298,000 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 | \$ 11,937,000 |
| Interest | 1,383,042 |
| Adjustment to annual required contribution | <u>(823,239)</u> |
| Annual OPEB cost | 12,496,803 |
| Contributions made | <u>(7,298,000)</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

| | |
|--|----------------------|
| <u>Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued</u> | |
| Change in net OPEB obligation | 5,198,803 |
| Net OPEB obligation - beginning of year | <u>23,050,704</u> |
| Net OPEB obligation - end of year | <u>\$ 28,249,507</u> |

The annual OPEB cost was determined as part of the July 1, 2010, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 6.0% 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, 2010.

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, 2010, was 28 years.

Trend Information since inception for RBTCCCC:

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual OPEB</u> <u>Cost (AOPEBC)</u> | <u>% of AOPEBC</u> <u>Contributed</u> | <u>Actual</u> <u>Contribution</u> | <u>Net OPEB</u> <u>Obligation</u> |
|-------------------------------------|--|--|--------------------------------------|--------------------------------------|
| 2008 | \$12,949,370 | 41% | \$5,290,292 | \$ 7,659,078 |
| 2009 | 14,294,143 | 40% | 5,751,525 | 16,201,696 |
| 2010 | 13,074,008 | 48% | 6,225,000 | 23,050,704 |
| 2011 | 12,496,803 | 58% | 7,298,000 | 28,249,507 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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

| | |
|----------------------------|----------------------|
| Assets: | |
| Cash and cash equivalents | \$ 422,309 |
| Investments at fair value: | |
| Marketable securities | 21,028,809 |
| Total assets | <u>21,451,118</u> |
| Liabilities: | |
| Accounts Payable | 2,400 |
| Due to primary government | 516,922 |
| Total liabilities | <u>519,322</u> |
| Net Assets: | |
| Held in trust for OPEB | |
| and other purposes | <u>\$ 20,931,796</u> |

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

| | |
|--|----------------------|
| ADDITIONS: | |
| Contributions: | |
| Employer | \$ 7,298,000 |
| Plan members | 300,968 |
| Contributions from sources other than employer(s) and plan members | 172,559 |
| Total contributions | <u>7,771,527</u> |
| Investment earnings: | |
| Interest and dividends | 3,887 |
| Net increase or decrease in the fair value of investments | 3,963,614 |
| Total investment earnings | <u>3,967,501</u> |
| Less investment expense | <u>(30,570)</u> |
| Net investment earnings | <u>3,936,931</u> |
| Total additions | 11,708,458 |
| DEDUCTIONS | |
| Benefits | 3,383,112 |
| Administrative expenses | 5,600 |
| Total deductions | <u>3,388,712</u> |
| Change in net assets | 8,319,746 |
| Net assets-beginning of year | <u>12,612,050</u> |
| Net assets-end of year | <u>\$ 20,931,796</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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 Liability (AAL) (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, 2008 | \$ 3,684,058 | \$ 141,592,000 | 2.60% | \$ 137,907,942 | \$ 47,311,688 | 291.49% |
| July 1, 2009 | 7,657,886 | 139,216,000 | 5.50% | 131,558,114 | 43,953,293 | 299.31% |
| July 1, 2010 | 12,612,050 | 132,526,000 | 9.52% | 119,913,950 | 40,001,515 | 299.77% |

Schedule of Employer Contributions

| Year Ended June 30: | Annual Required Contribution | Amount Contributed by Employer | Percentage Contributed by Employer | Federal Subsidy | Total Percentage Contributed |
|---------------------|------------------------------|--------------------------------|------------------------------------|-----------------|------------------------------|
| 2009 | \$ 14,137,000 | \$ 5,751,525 | 40% | \$ 129,435 | 42% |
| 2010 | 12,993,000 | 6,225,000 | 48% | 145,995 | 49% |
| 2011 | 11,937,000 | 7,298,000 | 61% | 172,559 | 63% |

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 | 7/1/2010 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percentage of payroll |
| Remaining amortization period | 28 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return | 6.0% |
| 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units-continued

plan over a period not to exceed thirty years. The payments made by the County on behalf of the Library for the years ended June 30, 2011 and 2010 were \$1,010,019 and \$778,733, 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 County Board of Education years of service are considered. As of June 30, 2011, 822 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 | \$ 9,725,000 |
| Interest | 965,000 |
| Adjustment to annual required contribution | <u>(817,000)</u> |
| Annual OPEB cost | 9,873,000 |
| Contributions made | <u>(5,285,169)</u> |
| Increase in net OPEB obligation | 4,587,831 |
| Net OPEB obligation - beginning of year | <u>16,785,610</u> |
| Net OPEB obligation - end of year | <u>\$ 21,373,441</u> |

The Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2011 and the two preceding fiscal years are 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> |
|-------------------------------------|--|--|--------------------------------------|
| 2009 | \$7,602,000 | 46.00% | 10,758,137 |
| 2010 | 10,280,000 | 41.37% | 16,785,610 |
| 2011 | 9,873,000 | 53.53% | 21,373,441 |

Funding Policy:

As of July 1, 2010, the most recent actuarial valuation date, the Plan was 3.4% funded. The actuarial accrued liability for benefits was \$110,803,000 and the actuarial value of assets was \$3,722,000 resulting

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units -continued

in an unfunded actuarial accrued liability (UAAL) of \$107,081,000. The covered payroll (annual payroll of active employees covered by the plan) was \$200,942,793, and the ratio of the UAAL to the covered payroll was 53.3 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 in the component units 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.

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 July 1, 2010 actuarial valuation, the projected unit credit method, with linear pro-ration 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 tem. The UAAL is being amortized as a level percentage of projected payroll on an open bases. The remaining amortization period at June 30, 2011, was twelve years.

Additional information as of the latest actuarial valuation follows:

| | |
|------------------------------|---|
| Valuation Date | July 1, 2010 |
| 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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units -continued
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:

| | |
|-----------------------------|-----|
| 10 to 14 years of service | 35% |
| 15 to 19 years of service | 55% |
| 20 to 24 years of service | 70% |
| 25 or more years of service | 80% |

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 2011, Carroll Community College contributed \$327,935 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units- continued

| | |
|--|--------------------|
| Annual required contribution | \$2,707,000 |
| Interest | 248,000 |
| Adjustment to annual required contribution | <u>(270,000)</u> |
| Annual OPEB costs (expense) | 2,685,000 |
| Contributions made | <u>(327,936)</u> |
| Increase in net OPEB obligation | 2,357,064 |
| Net OPEB obligation-beginning of year | <u>6,429,381</u> |
| Net OPEB obligation-end of year | <u>\$8,786,445</u> |

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

| <u>Fiscal</u> <u>Year</u> <u>Ended</u> | <u>Annual</u> <u>OPEB</u> <u>Cost</u> | <u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u> | <u>Net OPEB</u> <u>Obligation</u> |
|--|---|---|--------------------------------------|
| 6/30/09 | \$ 2,287,000 | 6.7% | 4,115,631 |
| 6/30/10 | 2,494,000 | 7.2% | 6,429,381 |
| 6/30/11 | 2,685,000 | 12.2% | 8,786,445 |

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) | 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% |
| June 30, 2010 | - | 20,410,000 | 0.00% | 20,410,000 | 12,452,217 | 164% |
| June 30, 2011 | - | 22,589,000 | 0.00% | 22,589,000 | 12,850,358 | 176% |

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date, the plan was 12.2% funded which is based on payments made to the retirement benefit plans during fiscal year 2011. The actuarial accrued liability for benefits was \$22.589 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22.589 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12,850,358, and the ratio of the UAAL to the covered payroll was 176 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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units- continued

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 calculations. In the July 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an 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, 2011, was twenty-eight years.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 13 – Fund Equity

A summary of fund balances as of June 30, 2011 follows:

| | General Fund | Capital Projects Funds | Non Major Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------------|------------------------------------|--------------------------------|
| <u>Nonspendable:</u> | | | | |
| Inventory | \$ 1,424,575 | \$ - | \$ - | \$ 1,424,575 |
| Prepaid costs | 119,241 | - | - | 119,241 |
| Loans to community organizations | 5,432,712 | - | - | 5,432,712 |
| Loans to fire companies | 10,428,092 | - | - | 10,428,092 |
| Loans to municipalities | 146,243 | - | - | 146,243 |
| Due from other funds | 11,578,323 | - | - | 11,578,323 |
| Advances and proceeds to Industrial Development Authority | 1,145,560 | - | - | 1,145,560 |
| Total nonspendable fund balance | 30,274,746 | - | - | 30,274,746 |
| <u>Restricted:</u> | | | | |
| Weed control | \$ 8,153 | \$ - | \$ - | \$ 8,153 |
| Agricultural preservation investments | 17,544,440 | - | - | 17,544,440 |
| Loans collectible within one year | 1,446,389 | - | - | 1,446,389 |
| Impact fees | - | - | 4,001,983 | 4,001,983 |
| Hotel tax | - | - | 359,721 | 359,721 |
| Total restricted fund balance | 18,998,982 | - | 4,361,704 | 23,360,686 |
| <u>Committed:</u> | | | | |
| Stabilization arrangement | \$ 18,365,000 | \$ - | \$ - | \$ 18,365,000 |
| Bond funds for fire company loan | 250,000 | - | - | 250,000 |
| ISF health | 1,400,000 | - | - | 1,400,000 |
| Warfield infrastructure improvements | 150,000 | - | - | 150,000 |
| Cable franchise fee | - | - | 603,723 | 603,723 |
| Total committed fund balance | 20,165,000 | - | 603,723 | 20,768,723 |
| <u>Assigned:</u> | | | | |
| Encumbrances: | | | | |
| General government | \$ 518,223 | \$ 481,150 | \$ - | \$ 999,373 |
| Public safety | 30,757 | 1,827,194 | - | 1,857,951 |
| Public works | 1,018,889 | 6,707,250 | - | 7,726,139 |
| Library | - | 49,882 | - | 49,882 |
| Recreation and parks | - | 3,055,923 | - | 3,055,923 |
| Conservation of natural resources | - | 184,745 | - | 184,745 |
| Economic development | 20,975 | - | - | 20,975 |
| Subsequent year's expenditures | 7,993,646 | 21,474,825 | - | 29,468,471 |
| Subsequent year's expenditures- Ag Notes | 200,000 | - | - | 200,000 |
| Total assigned fund balance | 9,782,490 | 33,780,969 | - | 43,563,459 |
| <u>Unassigned:</u> | | | | |
| General fund | \$ 16,809,377 | \$ - | \$ - | \$ 16,809,377 |
| Agricultural transfer tax | - | - | (21,576) | (21,576) |
| Total unassigned fund balance | 16,809,377 | - | (21,576) | 16,787,801 |
| Grand total fund balance | \$ 96,030,595 | \$ 33,780,969 | \$ 4,943,851 | \$ 134,755,415 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 13 – Fund Equity- continued

The County has loaned to various Carroll County fire companies for expansion and equipment acquisition. The loans are repayable over terms of from 5 to 20 years, bearing interest at fixed rates ranging from 2.26 percent to 5.088 percent. The balance of these loans at June 30, 2011 is \$11,793,033 and is secured by land, buildings and equipment. The County made loans to various community organizations. The balance of these loans at June 30, 2011 is \$5,505,166 and they are secured through promissory notes.

The County incurred a due from the Capital Fund for the future payouts of Installment Purchase Agreements (IPA) and a due from the Airport Fund in FY2011 in the amount of \$11,578,323.

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 | \$ 334,092,981 |
| Deferred property tax revenues | (560,831) |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds | \$ 333,532,150 |
| <u>Expenditures</u> | |
| Actual amount (budgetary basis) "expenditures" from the budgetary comparison | \$ 334,514,876 |
| Encumbrance adjustment | (540,008) |
| Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds | \$ 333,974,868 |

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 15 – Commitments and Contingencies - continued

Primary Government-continued

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 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, 2011, 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 | \$ 43,898,577 | \$ 30,449,534 | \$ 36,193,243 | \$ 7,705,334 |
| Public Safety | 17,067,763 | 4,870,678 | 4,677,915 | 12,389,848 |
| Public Works | 51,323,686 | 26,518,512 | 29,982,561 | 21,341,125 |
| Board of Education | 192,949,253 | 155,802,601 | 183,406,159 | 9,543,094 |
| Carroll Community College | 42,161,611 | 34,297,636 | 37,387,277 | 4,774,334 |
| Recreation and Parks | 11,758,734 | 3,802,745 | 5,921,982 | 5,836,752 |
| Libraries/Senior Centers | 12,694,520 | 11,709,777 | 12,601,320 | 93,200 |
| Conservation | 168,554,407 | 154,738,582 | 151,692,628 | 16,861,779 |
| Water Resources | 33,897,890 | 13,382,875 | 11,527,101 | 22,370,789 |
| General Fund | \$ 574,306,441 | \$ 435,572,940 | \$ 473,390,186 | \$ 100,916,255 |
| Wastewater Treatment Facilities | 5,835,400 | 2,877,653 | 3,323,771 | 2,511,629 |
| Other Water Projects | 4,369,000 | 2,719,723 | 3,843,689 | 525,311 |
| Other Wastewater Projects | 5,762,268 | 1,966,655 | 3,812,618 | 1,949,650 |
| Landfill Remediations | 2,738,626 | 1,088,895 | 1,656,142 | 1,082,484 |
| Airport | 74,463,445 | 1,520,344 | 946,342 | 73,517,103 |
| Enterprise Fund | \$ 93,168,739 | \$ 10,173,270 | \$ 13,582,562 | \$ 79,586,177 |
| Total Funds | \$ 667,475,180 | \$ 445,746,210 | \$ 486,972,748 | \$ 180,502,432 |

In July 2009 the County entered into an agreement with Frederick County and the Northeast Maryland Waste Disposal Authority (NEA) to develop a facility to convert non-recycled solid waste into energy. According to the agreement the facility will be owned by the NEA on behalf of the Counties and located in Frederick County. The NEA will oversee and work directly with contractors on the facility. Frederick and Carroll Counties are responsible for the facilities expenses that are fixed or not tonnage related, including debt service, the base operations and maintenance costs. These expenses will be paid by the Counties on a prorated basis according to the allocated design capacity of each County. Frederick County will be allocated 60 percent of the design capacity and Carroll County will be allocated 40

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 15 – Commitments and Contingencies - continued

Primary Government-continued

percent of the design capacity. Costs that vary in accordance with tonnage deliveries will be allocated to the Counties in accordance with actual waste tonnage deliveries of the Counties.

Prior to submitting permit applications certain design, engineering and equipment specification work must be done. In the event that both Counties elect not to go forward with the facility prior to financing the NEA will stop work on the facility and the Counties will be responsible for reimbursing the NEA. Each County's obligation would not exceed \$1.5 million or a combined \$3 million. If Frederick County chooses not to go forward with the facility before Carroll County then Frederick County will be responsible for reimbursing all of the project costs with a maximum obligation of \$3 million. Should Carroll County choose not to go forward with the facility and Frederick County cannot find a substitute partner, Carroll County will be responsible for all of the costs with a maximum of \$3 million. As of June 30, 2011 project costs incurred totaled \$3,000,000.

In fiscal year 2006 the County entered into a 15 year Energy Performance contract with Johnson Controls, Inc. for building maintenance and repairs for County owned buildings. The contract is divided into phases for assured performance guarantee and service maintenance. If the County terminates the contract, the assured performance guarantee shall automatically terminate. The contract payments for the year ended June 30, 2011 for the County totaled to \$211,992. The County has 10 years left on this commitment with total future payments of \$4,138,992.

In June 2011 the County entered into an agreement with the Industrial Development Authority (IDA) to supplement an initial grant of \$2.3 million to provide funding for infrastructure improvements on a parcel of property formerly known as the Leister Farm to enable a major industrial park to develop which will become the largest industrial park in the County. The funding may be made in several installments. As of June 30, 2011 the County has made \$1.5 million in installments to the IDA for this project.

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 County expects such amounts, if any to be immaterial.

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, 2011

Note 15 – Commitments and Contingencies - continued

Industrial Development Authority

On June 28, 2011 the Carroll County Department of Economic Development and the IDA signed a supplemental infrastructure grant agreement committing \$900,000 for road improvements to Route 97 between Magna Road north to Old Meadow Branch Road. As of June 30, 2011, \$900,000 has been committed and recorded as a receivable.

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 ensure 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 16 – Risk Management-continued

Primary Government-continued

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 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 from all funds cover at least prior and current year claims.

Claims liabilities at June 30, 2011 for the deductible portions of general, property and casualty claims covered under LGIT and employee health care coverage are \$68,500 and \$1,678,119, respectively.

The total claims liability of \$1,746,619 reported in the internal service fund at June 30, 2011 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> | Claim <u>Payments</u> | Balance at Fiscal <u>Year-End</u> |
|--|---|--|--------------------------|---|
| <u>General, property and casualty:</u> | | | | |
| July 1, 2008 – June 30, 2009 | \$ 490,039 | \$(8,739,115) | \$8,425,701 | \$176,625 |
| July 1, 2009 – June 30, 2010 | 176,625 | (80,557) | (64,223) | 31,845 |
| July 1, 2010 – June 30, 2011 | 31,845 | 41,093 | (4,438) | 68,500 |
| <u>Employee Health Care Coverage:</u> | | | | |
| July 1, 2008 – June 30, 2009 | \$1,209,828 | \$10,076,292 | \$(10,139,576) | \$1,146,544 |
| July 1, 2009 – June 30, 2010 | 1,146,544 | 12,314,113 | (11,660,630) | 1,800,027 |
| July 1, 2010 – June 30, 2011 | 1,800,027 | 11,051,669 | (11,173,577) | 1,678,119 |

The County is self insured for its worker’s compensation. 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, 2011 such interfund premiums did not exceed reimbursable expenditures. 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 COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 16 – Risk Management-continued

Primary Government- continued

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 occurrences. The total claims liability of \$1,522,213 has been reported at June 30, 2011 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, 2008 – June 30, 2009 | \$686,348 | \$482,277 | \$(385,775) | \$782,850 |
| July 1, 2009 – June 30, 2010 | 782,850 | 817,774 | (485,989) | 1,114,635 |
| July 1, 2010 – June 30, 2011 | 1,114,635 | 860,681 | (453,103) | 1,522,213 |

Due to specific exclusions in the County’s property insurance, the County also has commercial insurance coverage for its boilers and machinery. 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.

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, 2011 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, 2011

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, 2008 – June 30, 2009 | \$3,297,393 | \$35,921,196 | \$(35,620,099) | \$3,598,490 |
| July 1, 2009 – June 30, 2010 | 3,598,490 | 38,816,673 | (38,406,910) | 4,008,253 |
| July 1, 2010 – June 30, 2011 | 4,008,253 | 42,607,324 | (42,241,059) | 4,374,518 |

Note 17 – Subsequent Events

The County plans to issue \$30,185,000 of general obligation bonds of which \$11,435,000 are refunding bonds to refund the 2004 and 2003 issues, during fiscal year 2012. The remaining \$18,750,000 of the sale of these securities will be used to finance school additions and projects, several road and bridge projects and Volunteer Fire Company loans. The County will receive a net present value savings of approximately \$249,888 by refunding the 2004 and 2003 bonds.

Note 18 – Compliance and Accountability

Overexpenditures

Education expenditures exceeded budget by \$1,848,199 million a result of recording unbudgeted in-kind services. The overexpenditures were offset by in-kind revenues that were \$1,848,199 higher than budget.

Note 19-Restatement

Component Units-Library

Net assets at July 1, 2010 have been restated to correct an error in accounting for construction in progress. The result of this restatement was to increase net assets in the amount of \$217,187 as follows:

| | |
|---|---------------------------|
| Net assets, June 30, 2010, as previously stated | \$3,676,068 |
| Effect of correction of error | <u>217,187</u> |
| Net assets, June 30, 2010, as restated | <u>\$3,893,255</u> |



Supplementary Information

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Taxes - Local Property | | | | |
| Real property | \$ 210,900,000 | \$ 210,900,000 | \$ 210,590,097 | \$ (309,903) |
| Real property - prior years | 250,000 | 250,000 | 202,031 | (47,969) |
| Personal property | 300,000 | 300,000 | 278,541 | (21,459) |
| Railroad and public utilities | 7,100,000 | 7,100,000 | 7,128,083 | 28,083 |
| Ordinary business corporations | 6,800,000 | 6,800,000 | 6,779,460 | (20,540) |
| Penalties and interest-delinquent taxes | 899,900 | 899,900 | 984,659 | 84,759 |
| Semi-annual service charges | 200,000 | 200,000 | 233,277 | 33,277 |
| | <u>226,449,900</u> | <u>226,449,900</u> | <u>226,196,148</u> | <u>(253,752)</u> |
| Deductions | | | | |
| Discounts allowed on taxes | (800,000) | (800,000) | (809,968) | (9,968) |
| Senior tax credit | (10,000) | (10,000) | (20,201) | (10,201) |
| Homestead tax credit | (19,425,000) | (19,425,000) | (18,982,633) | 442,367 |
| | <u>(20,235,000)</u> | <u>(20,235,000)</u> | <u>(19,812,802)</u> | <u>422,198</u> |
| Net Taxes - Local Property | <u>206,214,900</u> | <u>206,214,900</u> | <u>206,383,346</u> | <u>168,446</u> |
| Taxes - Local Other | | | | |
| Payment in Lieu of Taxes | 21,000 | 21,000 | 20,749 | (251) |
| Income tax | 102,000,000 | 102,000,000 | 105,610,792 | 3,610,792 |
| 911 service fees | 1,225,000 | 1,225,000 | 1,039,337 | (185,663) |
| Recordation tax | 10,000,000 | 10,000,000 | 7,612,907 | (2,387,093) |
| Admissions and amusement tax | 275,000 | 275,000 | 379,990 | 104,990 |
| Total Taxes - Local Other | <u>113,521,000</u> | <u>113,521,000</u> | <u>114,663,775</u> | <u>1,142,775</u> |
| Taxes - State Shared | | | | |
| Police aid | 600,000 | 600,000 | 620,224 | 20,224 |
| Highway | - | - | 104,583 | 104,583 |
| Total Taxes - State Shared | <u>600,000</u> | <u>600,000</u> | <u>724,807</u> | <u>124,807</u> |
| Licenses and Permits | | | | |
| Beer, wine and liquor licenses | 200,000 | 200,000 | 204,927 | 4,927 |
| Amusement | 10,000 | 10,000 | 12,903 | 2,903 |
| Traders | 140,000 | 140,000 | 131,476 | (8,524) |
| Animal | 110,000 | 110,000 | 101,786 | (8,214) |
| Buildings | 789,000 | 789,000 | 796,885 | 7,885 |
| Mobile home licenses | 60,000 | 60,000 | 66,349 | 6,349 |
| Marriage | 30,000 | 30,000 | 30,020 | 20 |
| Grading | 20,000 | 20,000 | 17,575 | (2,425) |
| Inspection Fees | 1,350 | 1,350 | 2,900 | 1,550 |
| Total Licenses and Permits | <u>1,360,350</u> | <u>1,360,350</u> | <u>1,364,821</u> | <u>4,471</u> |
| Intergovernmental Revenues | | | | |
| Federal/thru State Disaster | - | - | 542,997 | 542,997 |
| Build America Bonds Subsidy | 626,500 | 626,500 | 745,838 | 119,338 |
| State Aid-Fire Companies | 265,000 | 265,000 | 260,708 | (4,292) |
| Parks/Recreation Facilities | 12,000 | 12,000 | - | (12,000) |
| Security Interest Filing Fee | - | - | 255 | 255 |
| State | - | - | 1,593 | 1,593 |
| Grand & Petit Jury Reimburse | 30,000 | 30,000 | 45,650 | 15,650 |
| Circuit Court Master Reimb | 272,000 | 272,000 | 161,633 | (110,367) |
| Total Intergovernmental Revenues | <u>1,205,500</u> | <u>1,205,500</u> | <u>1,758,674</u> | <u>553,174</u> |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|---|--------------------|------------------|------------------|---|
| Charges for Services | | | | |
| General Government | | | | |
| Lien certificates | \$ 120,000 | \$ 120,000 | \$ 132,425 | \$ 12,425 |
| Data processing | 5,000 | 5,000 | 6,950 | 1,950 |
| Hearing fees-zoning appeals | 10,000 | 10,000 | 11,075 | 1,075 |
| Copy fees and code books | 15,000 | 15,000 | 10,420 | (4,580) |
| Telephone | 40,000 | 40,000 | 12,059 | (27,941) |
| Health depart-telephone and janitorial | 50,000 | 50,000 | 61,472 | 11,472 |
| Hearing fees-zoning administration | 3,000 | 3,000 | 6,450 | 3,450 |
| Total Serv Chrg - General Government | 243,000 | 243,000 | 240,851 | (2,149) |
| Public Safety | | | | |
| Sheriff's services-salary recovery | 2,000 | 2,000 | 13,781 | 11,781 |
| Sheriff's services-fees | 110,000 | 110,000 | 113,761 | 3,761 |
| Sheriff's services-detention center | 200,000 | 200,000 | 220,191 | 20,191 |
| Sheriff- Town Deputies | 82,000 | 82,000 | 85,580 | 3,580 |
| Inspection fees-roads | 40,000 | 40,000 | 58,138 | 18,138 |
| Inspections fees-development review | 35,000 | 35,000 | 9,905 | (25,095) |
| Detention center-commissary | 40,000 | 40,000 | 53,227 | 13,227 |
| Detention center-work release | 70,000 | 70,000 | 100,075 | 30,075 |
| Sheriff-ICE inmate days | 150,000 | 150,000 | 200,735 | 50,735 |
| Sheriff/ICE-transport | 150,000 | 150,000 | 251,308 | 101,308 |
| Sheriff-home detention | 30,000 | 30,000 | 19,502 | (10,498) |
| Juvenile transport | 90,000 | 90,000 | 67,527 | (22,473) |
| State criminal alien assistance program | - | - | 14,517 | 14,517 |
| Courthouse Annex-Rent/Heat | 13,130 | 13,130 | 13,114 | (16) |
| Total Serv Chrg - Public Safety | 1,012,130 | 1,012,130 | 1,221,361 | 209,231 |
| Public Works | | | | |
| Vehicle maintenance | 400,000 | 400,000 | 425,757 | 25,757 |
| Road maintenance | 100,000 | 100,000 | 124,805 | 24,805 |
| Development review | 250,000 | 250,000 | 146,634 | (103,366) |
| Fuel reimbursements | 650,000 | 650,000 | 753,709 | 103,709 |
| Stormwater/environment review fee | 70,000 | 70,000 | 24,689 | (45,311) |
| Engineering review fees | 40,000 | 40,000 | 32,122 | (7,878) |
| Engineering review fees | 5,000 | 5,000 | 7,250 | 2,250 |
| Forest conservation review fee | 45,000 | 45,000 | 23,993 | (21,007) |
| Tower location analysis fee | 2,000 | 2,000 | 7,500 | 5,500 |
| Weed control spraying | 7,000 | 7,000 | 38,192 | 31,192 |
| Total Serv Chrg - Public Works | 1,569,000 | 1,569,000 | 1,584,651 | 15,651 |
| Recreation and Parks | | | | |
| Farm museum | 94,000 | 94,000 | 95,871 | 1,871 |
| Piney Run Park | 207,000 | 207,000 | 201,305 | (5,695) |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|--|--------------------|--------------------|--------------------|---|
| Recreation and Parks-continued | | | | |
| Hashawha environmental center | \$ 214,000 | \$ 214,000 | \$ 467,797 | \$ 253,797 |
| Interpretation and conservation | 57,000 | 57,000 | 52,294 | (4,706) |
| General public & school/youth programs | 17,000 | 17,000 | 13,753 | (3,247) |
| Outdoor school meals/concessions | 147,000 | 147,000 | 144,670 | (2,330) |
| Sports complex | 95,500 | 95,500 | 92,641 | (2,859) |
| Pavilion & facility rentals | 36,000 | 36,000 | 30,940 | (5,060) |
| Bus Trips | - | - | 824 | 824 |
| Wine Festival | 400,000 | 400,000 | 467,300 | 67,300 |
| Total Recreation and Parks | <u>1,267,500</u> | <u>1,267,500</u> | <u>1,567,395</u> | <u>299,895</u> |
| Total Charges for Services | <u>4,091,630</u> | <u>4,091,630</u> | <u>4,614,258</u> | <u>522,628</u> |
| Fines and Forfeits | | | | |
| Recycling Sales | - | - | 1,711 | 1,711 |
| Circuit court fines | 42,000 | 42,000 | 34,749 | (7,251) |
| Liquor license fines | 3,000 | 3,000 | 100 | (2,900) |
| Animal violation fines | 15,000 | 15,000 | 15,520 | 520 |
| Civil zoning violations | 1,000 | 1,000 | 1,112 | 112 |
| Humane society impoundment fees | 25,000 | 25,000 | 28,145 | 3,145 |
| Environmental Violations | - | - | 10,000 | 10,000 |
| Parking violations-sheriff | 1,000 | 1,000 | 930 | (70) |
| Miscellaneous Fines | - | - | 8,861 | 8,861 |
| Total Fines and Forfeits | <u>87,000</u> | <u>87,000</u> | <u>101,128</u> | <u>14,128</u> |
| Interest | 1,425,000 | 1,425,000 | 1,234,693 | (190,307) |
| Miscellaneous Revenues | | | | |
| Rents and concessions | 165,000 | 165,000 | 1,432,103 | 1,267,103 |
| Refunds | 21,000 | 21,000 | 72,413 | 51,413 |
| Equipment sales | 45,000 | 45,000 | 100,386 | 55,386 |
| Postage | 25,000 | 25,000 | 27,233 | 2,233 |
| Pension Recovery | - | - | 338,213 | 338,213 |
| Health department | 1,000 | 1,000 | 4,143 | 3,143 |
| County attorney fees | 183,000 | 183,000 | 166,537 | (16,463) |
| OPEB Recovery | - | - | 366,436 | 366,436 |
| State Retire Recovery | - | - | 25,688 | 25,688 |
| Insurance Recovery | - | - | 44,500 | 44,500 |
| Health Dept Prop Cleanup Fees | - | - | 15,616 | 15,616 |
| Activities/special events | 40,000 | 40,000 | 25,353 | (14,647) |
| Advertising | 12,000 | 12,000 | 9,400 | (2,600) |
| Miscellaneous | 101,339 | 101,339 | 619,458 | 518,119 |
| Total Miscellaneous Revenues | <u>593,339</u> | <u>593,339</u> | <u>3,247,479</u> | <u>2,654,140</u> |
| Total Revenues | <u>329,098,719</u> | <u>329,098,719</u> | <u>334,092,981</u> | <u>4,994,262</u> |
| Expenditures | | | | |
| General Government | | | | |
| County Commissioners | | | | |
| Legislative | 842,000 | 1,024,561 | 891,780 | 132,781 |
| Management Analysis | 147,950 | 171,528 | 102,422 | 69,106 |
| Farm Museum | 712,890 | 0 | (18,500) | 18,500 |
| Public Information | 234,750 | 284,391 | 224,123 | 60,268 |
| Zoning Administrator | 139,410 | 181,760 | 181,759 | 1 |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|--|--------------------|-----------------|--------------|---|
| County Commissioners- continued | | | | |
| Technology Services | \$ 2,841,500 | \$ 3,210,305 | \$ 2,933,108 | \$ 277,197 |
| Production/Distribution Service | 400,290 | 429,490 | 415,927 | 13,563 |
| Total County Commissioners | 5,318,790 | 5,302,035 | 4,730,619 | 571,416 |
| Judicial | | | | |
| Adjudication-Criminal/Civil | 1,308,540 | 1,572,696 | 1,569,822 | 2,874 |
| Voluntary Community Services | 133,770 | 167,086 | 167,001 | 85 |
| Circuit Court Masters | 506,760 | 614,995 | 583,335 | 31,660 |
| Adjudication of Estates | 31,960 | 37,745 | 37,258 | 487 |
| Criminal Prosecution | 2,093,920 | 2,597,153 | 2,594,359 | 2,794 |
| County Attorney | 941,850 | 1,126,410 | 869,430 | 256,980 |
| Total Judicial | 5,016,800 | 6,116,085 | 5,821,205 | 294,880 |
| Carroll County Board of Elections | 752,560 | 754,396 | 738,080 | 16,316 |
| Office of the Comptroller | | | | |
| Comptroller Administration | 262,970 | 319,764 | 313,119 | 6,645 |
| Accounting | 663,090 | 819,377 | 804,271 | 15,106 |
| Purchasing | 361,000 | 406,563 | 396,312 | 10,251 |
| Independent Post - Auditing | 47,000 | 47,000 | 44,555 | 2,445 |
| Bond Issuance Expense | 160,000 | 178,245 | 275,351 | (97,106) |
| Collections Office | 436,070 | 557,032 | 546,717 | 10,315 |
| Total Office of the Comptroller | 1,930,130 | 2,327,981 | 2,380,325 | (52,344) |
| Human Resources & Personnel Services | | | | |
| Administrative Services-Admin | - | 34,644 | 34,644 | - |
| Human Resources Administration | 653,900 | 868,034 | 847,741 | 20,293 |
| Fringe Benefits | 23,140,000 | 11,806,900 | 11,521,119 | 285,781 |
| Personnel Services | 79,170 | 103,094 | 88,183 | 14,911 |
| Total Human Resources & Personnel Services | 23,873,070 | 12,812,672 | 12,491,687 | 320,985 |
| Management and Budget | | | | |
| Management and Budget Administration | 161,550 | 197,809 | 194,201 | 3,608 |
| Risk Management | 3,960,420 | 4,419,034 | 4,415,141 | 3,893 |
| Budget | 452,690 | 574,497 | 572,882 | 1,615 |
| Grant Management | 117,320 | 131,129 | 129,394 | 1,735 |
| Total Management and Budget | 4,691,980 | 5,322,469 | 5,311,618 | 10,851 |
| Planning | | | | |
| Planning Administration | 629,830 | 775,733 | 767,970 | 7,763 |
| Planning | 554,480 | 659,411 | 639,961 | 19,450 |
| Development Review | 373,080 | 529,847 | 517,996 | 11,851 |
| Resources Management | 910,730 | 1,097,669 | 1,043,605 | 54,064 |
| Total Planning | 2,468,120 | 3,062,660 | 2,969,532 | 93,128 |
| General Services | | | | |
| General Services Administrative | 177,410 | 214,094 | 138,548 | 75,546 |
| Permits & Inspections | 1,015,080 | 1,306,623 | 1,259,728 | 46,895 |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|--|--------------------|-------------------|-------------------|---|
| General Services continued | | | | |
| Building Construction | \$ 234,690 | \$ 293,069 | \$ 258,557 | \$ 34,512 |
| Facilities Administration | 5,598,550 | 6,026,698 | 5,397,538 | 629,160 |
| Facilities | 3,031,650 | 3,183,612 | 2,870,382 | 313,230 |
| Fleet Management | 5,272,000 | 5,509,249 | 4,981,995 | 527,254 |
| Warehouse Operations | 165,100 | 213,583 | 187,215 | 26,368 |
| Total General Services | <u>15,494,480</u> | <u>16,746,928</u> | <u>15,093,963</u> | <u>1,652,965</u> |
| Citizen Services | | | | |
| Citizen Services | 206,570 | 260,516 | 252,673 | 7,843 |
| Youth services | 561,450 | 561,450 | 561,449 | 1 |
| Long Term Treatment Facility | 1,125,500 | 1,125,500 | 1,111,870 | 13,630 |
| Aging | 721,680 | 986,798 | 983,796 | 3,002 |
| Access Carroll | 20,000 | 20,000 | 20,000 | - |
| Granite House | 106,090 | 106,090 | 106,090 | - |
| | <u>2,741,290</u> | <u>3,060,354</u> | <u>3,035,878</u> | <u>24,476</u> |
| Miscellaneous | | | | |
| Board of License Commissioners | 48,580 | 61,301 | 59,151 | 2,150 |
| Administrative Hearings | 83,950 | 98,692 | 85,258 | 13,434 |
| Property tax payments to municipalities | 15,526 | 15,526 | 15,526 | - |
| Permits and fee payments to municipalities | 15,000 | 15,000 | 12,952 | 2,048 |
| Liquor license payments to municipalities | 25,577 | 25,577 | 23,515 | 2,062 |
| Town programs | 2,313,510 | 2,313,510 | 2,313,509 | 1 |
| Total Miscellaneous | <u>2,502,143</u> | <u>2,529,606</u> | <u>2,509,911</u> | <u>19,695</u> |
| Total General Government | 64,789,363 | 58,035,186 | 55,082,818 | 2,952,368 |
| Public Safety | | | | |
| Police Protection | | | | |
| Detention Center | 6,528,580 | 7,868,193 | 7,851,279 | 16,914 |
| Resident Trooper Program | 5,960,520 | 5,960,520 | 5,684,612 | 275,908 |
| Sheriff Services | 4,975,590 | 6,644,649 | 6,609,922 | 34,727 |
| Total Police Protection | <u>17,464,690</u> | <u>20,473,362</u> | <u>20,145,813</u> | <u>327,549</u> |
| Fire Department | | | | |
| Volunteer Companies | 6,337,280 | 6,337,280 | 6,337,280 | - |
| EMS24/7 Services | 3,679,760 | 3,679,760 | 3,679,760 | - |
| Total Fire Department | <u>10,017,040</u> | <u>10,017,040</u> | <u>10,017,040</u> | <u>-</u> |
| Emergency Services | | | | |
| Emergency Service Operations | 1,546,290 | 1,633,544 | 1,335,421 | 298,123 |
| 911 - Emergency Service | 1,447,860 | 1,719,848 | 1,545,420 | 174,428 |
| Civil Defense | 20,070 | 20,070 | 11,410 | 8,660 |
| Total Emergency Services | <u>3,014,220</u> | <u>3,373,462</u> | <u>2,892,251</u> | <u>481,211</u> |
| Other Protection | | | | |
| Humane Society | 757,570 | 819,157 | 819,157 | - |
| State aid-fire protection | 265,000 | 265,000 | 260,708 | 4,292 |
| Total Other Protection | <u>1,022,570</u> | <u>1,084,157</u> | <u>1,079,865</u> | <u>4,292</u> |
| Total Public Safety | 31,518,520 | 34,948,021 | 34,134,969 | 813,052 |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|-----------------------------------|--------------------|--------------------|--------------------|---|
| Public Works | | | | |
| Public Works-Administration | \$ 210,200 | \$ 347,034 | \$ 343,236 | \$ 3,798 |
| Roads Operations | 6,766,140 | 7,803,395 | 7,640,846 | 162,549 |
| Traffic Control | 274,650 | 274,650 | 248,968 | 25,682 |
| Engineering-Design | 326,320 | 410,911 | 409,313 | 1,598 |
| Engineering-Inspection | 263,190 | 332,699 | 331,237 | 1,462 |
| Emergency Maintenance-Snow | 1,800,000 | 1,832,000 | 1,814,400 | 17,600 |
| Engineering | 216,820 | 232,064 | 224,688 | 7,376 |
| Engineering-Survey | 202,670 | 263,471 | 259,586 | 3,885 |
| Road Grant - Local | 35,387 | 35,387 | 35,387 | - |
| Total Public Works | 10,095,377 | 11,531,611 | 11,307,661 | 223,950 |
| Health | | | | |
| Health Department | 3,426,910 | 3,427,314 | 3,427,313 | 1 |
| Weed Control | 29,700 | 29,700 | 29,699 | 1 |
| Gypsy Moth Control | 30,000 | 30,000 | - | 30,000 |
| 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 | 4,733,294 | 4,703,292 | 30,002 |
| Social Services | | | | |
| Social Services-Local Funds | 20,000 | 20,000 | 20,000 | - |
| Human Services | 821,020 | 821,020 | 821,020 | - |
| Victim Witness Assistance | 204,600 | 263,317 | 258,838 | 4,479 |
| CC Advocacy & Investigation | 119,960 | 130,882 | 127,069 | 3,813 |
| Total Social Services | 1,165,580 | 1,235,219 | 1,226,927 | 8,292 |
| Education | | | | |
| CC Public Ed & Gov Cable Access | 540,250 | 540,250 | 516,284 | 23,966 |
| Hashawha | 629,350 | 714,312 | 706,233 | 8,079 |
| CC Board of Ed-Local Funds | 164,900,000 | 164,900,000 | 166,780,244 | (1,880,244) |
| Community College | 6,933,000 | 6,933,000 | 6,933,000 | - |
| Total Education | 173,002,600 | 173,087,562 | 174,935,761 | (1,848,199) |
| Library | 7,635,000 | 8,645,019 | 8,645,019 | - |
| Recreation and Parks | | | | |
| Recreation & Parks-Administration | 267,640 | 330,633 | 316,848 | 13,785 |
| Recreation | 338,210 | 405,725 | 384,680 | 21,045 |
| Piney Run | 402,900 | 441,226 | 412,013 | 29,213 |
| Farm Musuem | - | 842,541 | 855,937 | (13,396) |
| Sports Complex | 201,710 | 229,247 | 200,740 | 28,507 |

continued

General-NonGAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1-1

| | Original Budget | Final Budget | Actuals | Variance with Final Budget Positive(Negative) |
|---|--------------------|-----------------|-------------------|---|
| Historical Society | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ - |
| Homestead Museum | 20,000 | 20,000 | 20,000 | - |
| Total Recreation and Parks | 1,290,460 | 2,329,372 | 2,250,218 | 79,154 |
| | | | | |
| Conservation of Natural Resources | | | | |
| Agriculture Extension Service | 452,600 | 452,600 | 449,671 | 2,929 |
| Soil Conservation Service | 337,900 | 388,079 | 372,840 | 15,239 |
| Total Conservation of Natural Resources | 790,500 | 840,679 | 822,511 | 18,168 |
| | | | | |
| Economic Development | | | | |
| Economic Development-Administration | 573,070 | 668,777 | 656,208 | 12,569 |
| BERC Management | 145,760 | 215,420 | 212,346 | 3,074 |
| Econ Devl-Industrial Grants | 3,000,000 | 3,000,000 | 2,991,523 | 8,477 |
| Tourism | 280,000 | 300,771 | 198,699 | 102,072 |
| Total Economic Development | 3,998,830 | 4,184,968 | 4,058,776 | 126,192 |
| | | | | |
| Reserve for Contingencies | 6,215,910 | 6,277,422 | - | 6,277,422 |
| | | | | |
| Debt Service | | | | |
| Debt Service - Board of Education | 12,060,000 | 12,060,000 | 11,686,345 | 373,655 |
| Debt Service - County | 27,325,000 | 27,325,000 | 25,660,580 | 1,664,420 |
| Total Debt Service | 39,385,000 | 39,385,000 | 37,346,925 | 2,038,075 |
| Total Expenditures | 344,620,030 | 345,233,353 | 334,514,877 | 10,718,476 |
| Excess (Deficiency) of Revenues over Expenditures | (15,521,311) | (16,134,634) | (421,896) | 15,712,738 |
| | | | | |
| Other Financing Sources (Uses) | | | | |
| Appropriated fund balance | 8,103,281 | 8,103,281 | - | 8,103,281 |
| Appropriated Ag Pres Debt Svc | 738,000 | 738,000 | - | 738,000 |
| Transfers In | 11,060,000 | 11,060,000 | 11,148,605 | (88,605) |
| Refunding Bonds Issued | - | - | 14,690,327 | (14,690,327) |
| Bonds issued | - | - | 535,000 | (535,000) |
| Bonds premium | - | - | 2,894 | (2,894) |
| Long term notes payable | - | - | 13,115,500 | (13,115,500) |
| Total Other Financing Sources | 19,901,281 | 19,901,281 | 39,492,326 | (19,591,045) |
| Other Financing Uses | | | | |
| Transfer to Escrow Account | - | - | (14,593,220) | 14,593,220 |
| Operating Transfers Out: | | | | |
| Transfer to Special Revenue Funds - Grants | (1,622,140) | (1,526,678) | (1,526,678) | - |
| Transfer to Enterprise Funds | (2,757,830) | (2,239,969) | (2,239,969) | - |
| Total Other Financing Uses | (4,379,970) | (3,766,647) | (18,359,867) | 14,593,220 |
| Total Other Financing Sources (Uses) | 15,521,311 | 16,134,634 | 21,132,459 | (4,997,825) |
| | | | | |
| Net Change in Fund Balance | \$ - | \$ - | 20,710,563 | \$ 20,710,563 |
| | | | | |
| Fund Balance - Beginning | | | 76,849,611 | |
| Fund Balance - Ending | | | <u>97,560,174</u> | |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2011

| | 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 | \$ 4,001,983 | \$ - | \$ 359,721 | \$ 603,723 | \$ 1,268,866 | \$ 6,234,293 |
| Accounts receivable | - | - | - | - | 1,905,897 | 1,905,897 |
| Prepaid costs | - | - | - | - | 452,375 | 452,375 |
| Total assets | <u>\$ 4,001,983</u> | <u>\$ -</u> | <u>\$ 359,721</u> | <u>\$ 603,723</u> | <u>\$ 3,627,138</u> | <u>\$ 8,592,565</u> |
| Liabilities and fund balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 3,724 | \$ - | \$ - | \$ 1,095,383 | \$ 1,099,107 |
| Accrued expenditures | - | - | - | - | 62,144 | 62,144 |
| Due to other Funds | - | 17,852 | - | - | - | 17,852 |
| Deferred revenue | - | - | - | - | 2,469,611 | 2,469,611 |
| Total liabilities | - | 21,576 | - | - | 3,627,138 | 3,648,714 |
| Fund balances | | | | | | |
| Restricted | 4,001,983 | - | 359,721 | - | - | 4,361,704 |
| Committed | - | - | - | 603,723 | - | 603,723 |
| Unassigned | - | (21,576) | - | - | - | (21,576) |
| Total Fund Balances | <u>4,001,983</u> | <u>(21,576)</u> | <u>359,721</u> | <u>603,723</u> | <u>-</u> | <u>4,943,851</u> |
| Total liabilities and fund balances | <u>\$ 4,001,983</u> | <u>\$ -</u> | <u>\$ 359,721</u> | <u>\$ 603,723</u> | <u>\$ 3,627,138</u> | <u>\$ 8,592,565</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2011

| | Impact Fees Fund | Agricultural Transfer Tax Fund | Hotel Rental Tax Fund | Cable Franchise Fee Fund | Grant Fund | Total |
|--|------------------------|--------------------------------------|-----------------------------|--------------------------------|-------------------|---------------------|
| Revenues | | | | | | |
| Charges for service: | | | | | | |
| Farm museum | \$ - | \$ - | \$ - | \$ - | \$ 38,218 | \$ 38,218 |
| Recreation and parks | - | - | - | - | 328,672 | 328,672 |
| Intergovernmental revenues: | | | | | | |
| Commission on aging | - | - | - | - | 1,405,197 | 1,405,197 |
| Housing & community development | - | - | - | - | 6,985,150 | 6,985,150 |
| Job training partnership act | - | - | - | - | 889,381 | 889,381 |
| Citizen services | - | - | - | - | 1,259,133 | 1,259,133 |
| States attorney | - | - | - | - | 559,333 | 559,333 |
| Circuit court | - | - | - | - | 622,717 | 622,717 |
| EOC | - | - | - | - | 1,162,139 | 1,162,139 |
| Risk Management | - | - | - | - | 2,064 | 2,064 |
| Tourism | - | - | - | - | 54,770 | 54,770 |
| Planning | - | - | - | - | 2,024,530 | 2,024,530 |
| Impact fees | 1,148,592 | - | - | - | - | 1,148,592 |
| Agricultural transfer tax | - | 24,977 | - | - | - | 24,977 |
| Hotel Rental Tax | - | - | 284,602 | - | - | 284,602 |
| Cable Franchise Fee | - | - | - | 842,477 | - | 842,477 |
| Interest | 3,959 | - | 295 | 551 | - | 4,805 |
| Total revenues | <u>1,152,551</u> | <u>24,977</u> | <u>284,897</u> | <u>843,028</u> | <u>15,331,304</u> | <u>17,636,757</u> |
| Expenditures | | | | | | |
| General government | - | - | - | - | 14,302,950 | 14,302,950 |
| Public safety | - | - | - | - | 1,231,890 | 1,231,890 |
| Health | - | - | - | - | 4,000 | 4,000 |
| Recreation and parks | - | - | - | - | 374,991 | 374,991 |
| Economic development | - | - | - | - | 944,151 | 944,151 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,857,982</u> | <u>16,857,982</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,152,551 | 24,977 | 284,897 | 843,028 | (1,526,678) | 778,775 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | - | - | 1,526,678 | 1,526,678 |
| Transfers out | (28,000) | - | (197,200) | (2,076,405) | - | (2,301,605) |
| Total Other Financing Sources (Uses) | <u>(28,000)</u> | <u>-</u> | <u>(197,200)</u> | <u>(2,076,405)</u> | <u>1,526,678</u> | <u>(774,927)</u> |
| Net change in fund balances | 1,124,551 | 24,977 | 87,697 | (1,233,377) | - | 3,848 |
| Fund balances - beginning | 2,877,432 | (46,553) | 272,024 | 1,837,100 | - | 4,940,003 |
| Fund balances - ending | <u>\$ 4,001,983</u> | <u>\$ (21,576)</u> | <u>\$ 359,721</u> | <u>\$ 603,723</u> | <u>\$ -</u> | <u>\$ 4,943,851</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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---------------------------------------|------------------|-----------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Impact fees | \$ 28,000 | \$ 28,000 | \$ 1,148,592 | \$ 1,120,592 |
| Interest | - | - | 3,959 | 3,959 |
| Total revenues | <u>28,000</u> | <u>28,000</u> | <u>1,152,551</u> | <u>1,124,551</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (28,000) | (28,000) | (28,000) | - |
| Total other financing sources (uses) | <u>(28,000)</u> | <u>(28,000)</u> | <u>(28,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 1,124,551 | <u>\$ 1,124,551</u> |
| Fund balance - beginning | | | 2,877,432 | |
| Fund balance - ending | | | <u>\$ 4,001,983</u> | |

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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------|-------|----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Agricultural Transfer Tax | \$ - | \$ - | \$ 24,977 | \$ 24,977 |
| Total revenues | - | - | 24,977 | 24,977 |
| EXPENDITURES | | | | |
| Total expenditures | - | - | - | - |
| Excess of revenues over expenditures | - | - | 24,977 | 24,977 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | \$ - | \$ - | 24,977 | \$ 24,977 |
| Fund balance - beginning | | | (46,553) | |
| Fund balance - ending | | | \$ (21,576) | |

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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------|------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Hotel Rental Tax | \$ 280,000 | \$ 280,000 | \$ 284,602 | \$ 4,602 |
| Interest | - | - | 295 | 295 |
| Total revenues | <u>280,000</u> | <u>280,000</u> | <u>284,897</u> | <u>4,897</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>280,000</u> | <u>280,000</u> | <u>284,897</u> | <u>4,897</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(280,000)</u> | <u>(280,000)</u> | <u>(197,200)</u> | <u>82,800</u> |
| Total other financing sources (uses) | <u>(280,000)</u> | <u>(280,000)</u> | <u>(197,200)</u> | <u>82,800</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>87,697</u> | <u>\$ 87,697</u> |
| Fund balance - beginning | | | <u>272,024</u> | |
| Fund balance - ending | | | <u>\$ 359,721</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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Cable Franchise Fee | \$ 1,905,000 | \$ 1,905,000 | \$ 842,477 | \$ (1,062,523) |
| Interest | - | - | 551 | 551 |
| Total revenues | <u>1,905,000</u> | <u>1,905,000</u> | <u>843,028</u> | <u>(1,061,972)</u> |
| EXPENDITURES | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>1,905,000</u> | <u>1,905,000</u> | <u>843,028</u> | <u>(1,061,972)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(1,905,000)</u> | <u>(1,905,000)</u> | <u>(2,076,405)</u> | <u>(171,405)</u> |
| Total other financing sources (uses) | <u>(1,905,000)</u> | <u>(1,905,000)</u> | <u>(2,076,405)</u> | <u>(171,405)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(1,233,377)</u> | <u>\$ (1,233,377)</u> |
| Fund balance - beginning | | | <u>1,837,100</u> | |
| Fund balance - ending | | | <u>\$ 603,723</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, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|-----------------------|-----------------------|--------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | | | | |
| Commission on aging | \$ 1,438,537 | \$ 1,791,797 | \$ 1,405,197 | \$ (386,600) |
| Housing & community development | 5,508,403 | 7,514,950 | 6,985,150 | (529,800) |
| Job training partnership act | 516,303 | 159,214 | 889,381 | 730,167 |
| Sheriff | 207,078 | 132,521 | - | (132,521) |
| Citizen services | 1,071,528 | 1,023,306 | 1,181,285 | 157,979 |
| States attorney | 582,031 | 611,230 | 559,297 | (51,933) |
| Circuit court | 678,050 | 453,648 | 624,429 | 170,781 |
| EOC | 345,000 | 1,123,969 | 1,310,096 | 186,127 |
| Risk Management | - | 2,156 | 2,064 | (92) |
| Tourism | 25,000 | 16,576 | 50,662 | 34,086 |
| Farm Museum | 28,025 | - | 38,218 | 38,218 |
| Planning | 999,214 | 711,199 | 744,433 | 33,234 |
| Recreation and parks | 187,000 | 187,000 | 328,673 | 141,673 |
| Total revenues | <u>11,586,169</u> | <u>13,727,566</u> | <u>14,118,885</u> | <u>391,319</u> |
| EXPENDITURES | | | | |
| General government | 11,762,729 | 12,477,929 | 11,465,264 | 1,012,665 |
| Public safety | 581,690 | 1,436,102 | 1,073,427 | 362,675 |
| Health | 4,000 | 4,000 | 4,000 | - |
| Recreation and parks | 223,125 | 223,125 | 374,050 | (150,925) |
| Economic development | 541,303 | 1,113,088 | 928,053 | 185,035 |
| Capital outlay | - | - | 1,800,769 | (1,800,769) |
| Total expenditures | <u>13,112,847</u> | <u>15,254,244</u> | <u>15,645,563</u> | <u>(391,319)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,526,678)</u> | <u>(1,526,678)</u> | <u>(1,526,678)</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Total other financing sources (uses) | - | - | 1,526,678 | 1,526,678 |
| Net change in fund balance | - | - | 1,526,678 | 1,526,678 |
| | <u>\$ (1,526,678)</u> | <u>\$ (1,526,678)</u> | - | <u>\$ 1,526,678</u> |
| Fund balance - beginning | | | | |
| Fund balance - ending | | | <u>\$ -</u> | |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Fiduciary Net Assets
Trust Funds
June 30, 2011

| | <u>Employee Pension Plan</u> | <u>Certified Law Officers Pension</u> | <u>LOSAP</u> | <u>Other Post Employment Benefits</u> | <u>Totals</u> |
|--|----------------------------------|---|---------------------|---|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 205,897 | \$ 150,019 | \$ - | \$ - | \$ 355,916 |
| Investments, at fair value: | | | | | |
| Short term investments | 144,400 | 19,852 | 527,059 | 422,309 | 1,113,620 |
| Bond funds | 7,809,919 | 555,958 | 4,648,583 | - | 13,014,460 |
| Equity funds | 24,319,391 | 1,744,655 | 2,256,547 | - | 28,320,593 |
| Marketable securities | - | - | - | 21,028,809 | 21,028,809 |
| Total investments | <u>32,273,710</u> | <u>2,320,465</u> | <u>7,432,189</u> | <u>21,451,118</u> | <u>63,477,482</u> |
| Total assets | <u>32,479,607</u> | <u>2,470,484</u> | <u>7,432,189</u> | <u>21,451,118</u> | <u>63,833,398</u> |
| LIABILITIES | | | | | |
| Accounts payable | 11,779 | 899 | 1,786 | 2,400 | 16,864 |
| Due to primary government | - | - | - | 516,922 | 516,922 |
| Total liabilities | <u>11,779</u> | <u>899</u> | <u>1,786</u> | <u>519,322</u> | <u>533,786</u> |
| NET ASSETS | | | | | |
| Held in trust for pension, OPEB benefits and other purposes | <u>\$ 32,467,828</u> | <u>\$ 2,469,585</u> | <u>\$ 7,430,403</u> | <u>\$ 20,931,796</u> | <u>\$ 63,299,612</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, 2011

| | <u>Employee Pension Plan</u> | <u>Certified Law Officers Pension</u> | <u>LOSAP</u> | <u>Other Post Employment Benefits</u> | <u>Totals</u> |
|---|----------------------------------|---|---------------------|---|----------------------|
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 3,000,000 | \$ 590,000 | \$ - | \$ 7,298,000 | \$ 10,888,000 |
| Plan members | 1,511,206 | 251,445 | - | 300,968 | 2,063,619 |
| Contributions from sources other than employer(s) and plan members | - | - | - | 172,559 | 172,559 |
| Total contributions | <u>4,511,206</u> | <u>841,445</u> | <u>-</u> | <u>7,771,527</u> | <u>13,124,178</u> |
| Investment earnings: | | | | | |
| Interest and dividends | 2,916 | 1,823 | 266 | 3,887 | 8,892 |
| Net increase in the fair value of investments | <u>6,310,438</u> | <u>201,623</u> | <u>1,492,717</u> | <u>3,963,614</u> | <u>11,968,392</u> |
| Total investment earnings | <u>6,313,354</u> | <u>203,446</u> | <u>1,492,983</u> | <u>3,967,501</u> | <u>11,977,284</u> |
| Less investment expense | <u>(30,391)</u> | <u>(2,120)</u> | <u>(7,409)</u> | <u>(30,570)</u> | <u>(70,490)</u> |
| Net investment earnings | <u>6,282,963</u> | <u>201,326</u> | <u>1,485,574</u> | <u>3,936,931</u> | <u>11,906,794</u> |
| Total additions | <u>10,794,169</u> | <u>1,042,771</u> | <u>1,485,574</u> | <u>11,708,458</u> | <u>25,030,972</u> |
| DEDUCTIONS | | | | | |
| Benefits and refunds paid to plan members and beneficiaries | | | | | |
| | 583,486 | 27,503 | 546,084 | 3,383,112 | 4,540,185 |
| Administrative expenses | <u>28,082</u> | <u>13,947</u> | <u>2,100</u> | <u>5,600</u> | <u>49,729</u> |
| Total deductions | <u>611,568</u> | <u>41,450</u> | <u>548,184</u> | <u>3,388,712</u> | <u>4,589,914</u> |
| Net increase in plan net assets | 10,182,601 | 1,001,321 | 937,390 | 8,319,746 | 20,441,058 |
| Net assets-beginning | <u>22,285,227</u> | <u>1,468,264</u> | <u>6,493,013</u> | <u>12,612,050</u> | <u>42,858,554</u> |
| Net assets-ending | <u>\$ 32,467,828</u> | <u>\$ 2,469,585</u> | <u>\$ 7,430,403</u> | <u>\$ 20,931,796</u> | <u>\$ 63,299,612</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011

Carroll County Development Corporation

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---|-------------------------|-------------------|-------------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 94,475 | \$ 203,008 | \$ 156,758 | \$ 140,725 |
| Receivables-notes, mortgages and leases | 592,852 | - | 172,774 | 420,078 |
| Total assets | <u>\$ 687,327</u> | <u>\$ 203,008</u> | <u>\$ 329,532</u> | <u>\$ 560,803</u> |
| LIABILITIES | | | | |
| Deposits | \$ 687,327 | \$ 30,234 | \$ 156,758 | \$ 560,803 |
| Total liabilities | <u>\$ 687,327</u> | <u>\$ 30,234</u> | <u>\$ 156,758</u> | <u>\$ 560,803</u> |

Carroll County Drug Task Force-Non Federal

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---------------------------------------|-------------------------|-------------------|------------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 179,380 | \$ 96,510 | \$ 83,593 | \$ 192,297 |
| Total assets | <u>\$ 179,380</u> | <u>\$ 96,510</u> | <u>\$ 83,593</u> | <u>\$ 192,297</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 45,824 | \$ 67,910 | \$ 42,526 | \$ 71,208 |
| Deposits | 133,556 | 37,808 | 50,275 | 121,089 |
| Total liabilities | <u>\$ 179,380</u> | <u>\$ 105,718</u> | <u>\$ 92,801</u> | <u>\$ 192,297</u> |

Carroll County Drug Task Force - Treasury

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---------------------------------------|-------------------------|------------------|------------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 150,054 | \$ 31,919 | \$ 65,963 | \$ 116,010 |
| Total assets | <u>\$ 150,054</u> | <u>\$ 31,919</u> | <u>\$ 65,963</u> | <u>\$ 116,010</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 3,895 | \$ 579 | \$ 3,895 | \$ 579 |
| Deposits | 146,159 | 35,814 | 66,542 | 115,431 |
| Total liabilities | <u>\$ 150,054</u> | <u>\$ 36,393</u> | <u>\$ 70,437</u> | <u>\$ 116,010</u> |

Sherriff's Dept. - Drug and Alcohol

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---------------------------------------|-------------------------|------------------|------------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 15,197 | \$ 13,132 | \$ 14,877 | \$ 13,452 |
| Total assets | <u>\$ 15,197</u> | <u>\$ 13,132</u> | <u>\$ 14,877</u> | <u>\$ 13,452</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 11,544 | \$ 2,364 | \$ 11,513 | \$ 2,395 |
| Deposits | 3,653 | 10,769 | 3,365 | 11,057 |
| Total liabilities | <u>\$ 15,197</u> | <u>\$ 13,133</u> | <u>\$ 14,878</u> | <u>\$ 13,452</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011

Law Enforcement Activities

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---------------------------------------|-------------------------|---------------|---------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 449 | \$ 349 | \$ 774 | \$ 24 |
| Total assets | <u>\$ 449</u> | <u>\$ 349</u> | <u>\$ 774</u> | <u>\$ 24</u> |
| LIABILITIES | | | | |
| Deposits | \$ 449 | \$ 349 | \$ 774 | \$ 24 |
| Total liabilities | <u>\$ 449</u> | <u>\$ 349</u> | <u>\$ 774</u> | <u>\$ 24</u> |

Totals - All Agencies

| | Balance July 1, 2010 | Additions | Deductions | Balance June 30, 2011 |
|---|-------------------------|-------------------|-------------------|--------------------------|
| ASSETS | | | | |
| Equity in pooled cash and investments | \$ 439,555 | \$ 344,918 | \$ 321,965 | \$ 462,508 |
| Receivables-notes, mortgages and leases | 592,852 | - | 172,774 | 420,078 |
| Total assets | <u>\$ 1,032,407</u> | <u>\$ 344,918</u> | <u>\$ 494,739</u> | <u>\$ 882,586</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 61,263 | \$ 70,853 | \$ 57,934 | \$ 74,182 |
| Deposits | 971,144 | 114,974 | 277,714 | 808,404 |
| Total liabilities | <u>\$ 1,032,407</u> | <u>\$ 185,827</u> | <u>\$ 335,648</u> | <u>\$ 882,586</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Net Assets
Non-Major Proprietary Funds
June 30, 2011

| | <u>Septage</u> | <u>Firearms</u> | <u>Fiber Network</u> | <u>Total</u> |
|--|-------------------|-------------------|--------------------------|----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Equity in pooled cash | \$ 569,003 | \$ 251,160 | \$ - | \$ 820,163 |
| Cash and cash equivalents | - | 200 | - | 200 |
| Accounts receivables, net | 77,676 | - | - | 77,676 |
| Total current assets | <u>646,679</u> | <u>251,360</u> | <u>-</u> | <u>898,039</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 | 9,708,571 | 9,733,640 |
| Construction in progress | - | - | 1,100,000 | 1,100,000 |
| Less accumulated depreciation | <u>(54,039)</u> | <u>(30,473)</u> | <u>(208,590)</u> | <u>(293,102)</u> |
| Total capital assets (net of accumulated depreciation) | <u>131,239</u> | <u>275,225</u> | <u>10,599,981</u> | <u>11,006,445</u> |
| Total assets | <u>777,918</u> | <u>526,585</u> | <u>10,599,981</u> | <u>11,904,484</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 32,915 | 2,793 | 195 | 35,903 |
| Accrued interest payable | 1,466 | - | - | 1,466 |
| Due to other funds | - | - | 74,075 | 74,075 |
| Long-term liabilities due within one year: | | | | |
| General obligation bonds payable | 12,224 | - | - | 12,224 |
| Total current liabilities | <u>46,605</u> | <u>2,793</u> | <u>74,270</u> | <u>123,668</u> |
| Noncurrent liabilities: | | | | |
| General obligation bonds payable | 121,886 | - | - | 121,886 |
| Total noncurrent liabilities | <u>121,886</u> | <u>-</u> | <u>-</u> | <u>121,886</u> |
| Total liabilities | <u>168,491</u> | <u>2,793</u> | <u>74,270</u> | <u>245,554</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | - | 275,225 | 10,599,981 | 10,875,206 |
| Unrestricted (deficit) | 609,427 | 248,567 | (74,270) | 783,724 |
| Total net assets | <u>\$ 609,427</u> | <u>\$ 523,792</u> | <u>\$ 10,525,711</u> | <u>\$ 11,658,930</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Non-Major Proprietary Funds
For the Year Ended June 30, 2011

| | <u>Septage</u> | <u>Firearms</u> | <u>Fiber Network</u> | <u>Total</u> |
|---|-------------------|-------------------|--------------------------|----------------------|
| Operating revenues: | | | | |
| Charges for services | \$ 608,688 | \$ 126,696 | \$ - | \$ 735,384 |
| Total operating revenues | <u>608,688</u> | <u>126,696</u> | <u>-</u> | <u>735,384</u> |
| Operating expenses: | | | | |
| Personal services | - | 57,470 | 46,663 | 104,133 |
| Contractual services | 170,337 | 2,022 | - | 172,359 |
| Materials and supplies | 71,978 | 8,660 | - | 80,638 |
| Rents and utilities | 91,046 | 2,197 | 18,775 | 112,018 |
| Miscellaneous | 118,285 | - | 8,832 | 127,117 |
| Depreciation | 18,527 | 9,278 | 140,747 | 168,552 |
| Total operating expenses | <u>470,173</u> | <u>79,627</u> | <u>215,017</u> | <u>764,817</u> |
| Operating income (loss) | <u>138,515</u> | <u>47,069</u> | <u>(215,017)</u> | <u>(29,433)</u> |
| Nonoperating revenues (expenses): | | | | |
| Penalties and interest | 852 | 408 | - | 1,260 |
| Interest and fiscal charges | (5,545) | - | - | (5,545) |
| Total nonoperating revenues (expenses) | <u>(4,693)</u> | <u>408</u> | <u>-</u> | <u>(4,285)</u> |
| Income (loss) before contributions | <u>133,822</u> | <u>47,477</u> | <u>(215,017)</u> | <u>(33,718)</u> |
| Capital contributions- equip. transferred from governmental activities | <u>-</u> | <u>-</u> | <u>10,740,728</u> | <u>10,740,728</u> |
| Change in net assets | 133,822 | 47,477 | 10,525,711 | 10,707,010 |
| Total net assets - beginning of year | <u>475,605</u> | <u>476,315</u> | <u>-</u> | <u>951,920</u> |
| Total net assets - ending | <u>\$ 609,427</u> | <u>\$ 523,792</u> | <u>\$ 10,525,711</u> | <u>\$ 11,658,930</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Cash Flows
Non-Major Proprietary Funds
For the Year Ended June 30, 2011

| | <u>Septage</u> | <u>Firearms</u> | <u>Fiber Network</u> | <u>Total</u> |
|--|-------------------|-------------------|--------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 621,117 | \$ 126,696 | \$ - | \$ 747,813 |
| Receipts from other funds | - | - | 74,075 | 74,075 |
| Payments to suppliers and other funds | (544,579) | (12,900) | (27,412) | (584,891) |
| Payments to employees | - | (57,281) | (46,663) | (103,944) |
| Net cash provided (used) by operating activities | <u>76,538</u> | <u>56,515</u> | <u>-</u> | <u>133,053</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on capital debt | (12,224) | - | - | (12,224) |
| Interest paid on capital debt | (5,678) | - | - | (5,678) |
| Net cash provided (used) by capital and related financing activities | <u>(17,902)</u> | <u>-</u> | <u>-</u> | <u>(17,902)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments and cash | 852 | 408 | - | 1,260 |
| Net cash provided by investing activities | <u>852</u> | <u>408</u> | <u>-</u> | <u>1,260</u> |
| Net increase in cash and cash equivalents | 59,488 | 56,923 | - | 116,411 |
| Cash and cash equivalents at beginning of year | 509,515 | 194,437 | - | 703,952 |
| Cash and cash equivalents at end of year | <u>\$ 569,003</u> | <u>\$ 251,360</u> | <u>\$ -</u> | <u>\$ 820,363</u> |
| Reconciliation of Operating Income to net cash provided (used) by operating activities: | | | | |
| Operating income | <u>\$ 138,515</u> | <u>\$ 47,069</u> | <u>\$ (215,017)</u> | <u>\$ (29,433)</u> |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 18,527 | 9,278 | 140,747 | 168,552 |
| Effect of changes in operating assets and liabilities: | | | | |
| Due to other funds | - | - | 74,075 | 74,075 |
| Accounts receivable | 12,429 | - | - | 12,429 |
| Accounts payable and accrued expenses | (92,933) | 168 | 195 | (92,570) |
| Total adjustments | <u>(61,977)</u> | <u>9,446</u> | <u>215,017</u> | <u>162,486</u> |
| Net cash provided by operating activities | <u>\$ 76,538</u> | <u>\$ 56,515</u> | <u>\$ -</u> | <u>\$ 133,053</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2011

| | |
|--|-----------------------|
| Governmental funds capital assets: | |
| Land | \$ 34,376,520 |
| Buildings and contents | 184,678,600 |
| Improvements other than buildings | 28,841,422 |
| Automobiles, machinery and equipment | 40,304,635 |
| Roads and bridges | 556,734,632 |
| Construction in progress | 9,487,704 |
| Total governmental funds capital assets | <u>\$ 854,423,513</u> |
| | |
| Investments in governmental funds capital assets by source: | |
| General fund revenues | \$ 517,814,102 |
| Special revenue funds | 836,729 |
| State grants | 59,678,449 |
| Federal grants | 18,470,003 |
| General obligation bonds | 127,998,483 |
| Contributions | 129,625,747 |
| Total investments in governmental funds capital assets by source | <u>\$ 854,423,513</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, 2011**

| | Land | Buildings and Contents | Improvements Other Than Buildings | Automobiles, Machinery and Equipment | Roads and Bridges | Construction in Progress | Total |
|---------------------------------------|----------------------|------------------------------|---|---|-------------------------|--------------------------------|-----------------------|
| General government | \$ 9,656,806 | \$ 32,036,711 | \$ 10,331,973 | \$ 9,974,097 | \$ - | \$ - | \$ 61,999,587 |
| Public safety | 220,650 | 11,829,092 | 1,616,881 | 15,336,739 | - | - | 29,003,362 |
| Public works | 4,842,922 | 179,256 | 6,958 | 12,434,138 | 549,817,393 | - | 567,280,667 |
| Health | 44,709 | 8,027,779 | 719,142 | - | - | - | 8,791,630 |
| Education | 2,273,731 | 80,866,912 | 2,349,652 | 319,530 | - | - | 85,809,825 |
| Recreation & Parks | 5,142,175 | 2,844,073 | 8,357,946 | 1,108,585 | - | - | 17,452,779 |
| Economic development | - | 2,695,072 | 3,493,044 | 191,783 | 6,917,239 | - | 13,297,138 |
| Conservation of natural resources | 10,619,358 | - | - | 209,228 | - | - | 10,828,586 |
| Library/senior centers | 1,576,169 | 46,199,705 | 1,965,826 | 730,535 | - | - | 50,472,235 |
| Construction in progress | - | - | - | - | - | 9,487,704 | 9,487,704 |
| Subtotal | <u>34,376,520</u> | <u>184,678,600</u> | <u>28,841,422</u> | <u>40,304,635</u> | <u>556,734,632</u> | <u>9,487,704</u> | <u>854,423,513</u> |
| Less accumulated depreciation | <u>-</u> | <u>(35,768,852)</u> | <u>(15,615,309)</u> | <u>(24,786,234)</u> | <u>(382,310,995)</u> | <u>-</u> | <u>(458,481,390)</u> |
| Net governmental funds capital assets | <u>\$ 34,376,520</u> | <u>\$ 148,909,748</u> | <u>\$ 13,226,113</u> | <u>\$ 15,518,401</u> | <u>\$ 174,423,637</u> | <u>\$ 9,487,704</u> | <u>\$ 395,942,123</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, 2011

| | Governmental Funds Capital Assets July 1, 2010 | Additions | Transfers and Retirements | Governmental Funds Capital Assets June 30, 2011 |
|---------------------------------------|---|----------------------|---------------------------------|--|
| General government | \$ 79,280,962 | \$ 13,427,775 | \$(30,709,150) | \$ 61,999,587 |
| Public safety | 28,743,604 | 484,579 | (224,821) | 29,003,362 |
| Public works | 562,511,792 | 5,487,153 | (718,278) | 567,280,667 |
| Health | 8,754,065 | - | 37,565 | 8,791,630 |
| Education | 52,801,058 | 30,406,252 | 2,602,515 | 85,809,825 |
| Recreation & Parks | 16,505,489 | 760,809 | 186,481 | 17,452,779 |
| Economic development | 13,297,138 | - | - | 13,297,138 |
| Conservation of natural resources | 10,005,287 | 1,266,913 | (443,614) | 10,828,586 |
| Library/senior centers | 24,366,212 | 25,804,599 | 301,424 | 50,472,235 |
| Construction in progress | 74,999,567 | (1,621,152) | (63,890,711) | 9,487,704 |
| Subtotal | <u>871,265,174</u> | <u>76,016,928</u> | <u>(92,858,589)</u> | <u>854,423,513</u> |
| Less accumulated depreciation | <u>(442,080,313)</u> | <u>(18,738,910)</u> | <u>2,337,833</u> | <u>(458,481,390)</u> |
| Net governmental funds capital assets | <u>\$ 429,184,861</u> | <u>\$ 57,278,018</u> | <u>\$(90,520,756)</u> | <u>\$ 395,942,123</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, 2011

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> |
|---------------------------------|--------------------------------|-------------------------------------|--------------------------------------|-------------------|-------------------------------------|
| Governmental Activities: | | | | | |
| General Government | | | | | |
| 4021 | | | | | |
| 8006 ** | \$ 2,620,666 | \$ 1,682,837 | \$ 59,836 | \$ 76,283 | \$ 801,710 |
| 8011 | 220,410 | 164,509 | 40,425 | - | 15,476 |
| 8036 | 50,000 | 45,764 | 4,236 | - | - |
| 8060 | 1,144,045 | 709,915 | 43,161 | - | 390,969 |
| 8111 | 2,000,000 | 1,979,076 | - | 18,851 | 2,073 |
| 8162 | 650,941 | 579,297 | - | - | 71,644 |
| 8199 | 7,000,000 | 2,667,850 | - | - | 4,332,150 |
| 8226 ** | 8,869,500 | 8,179,058 | 244,120 | - | 446,322 |
| 8228 | 750,000 | 744,149 | - | 5,549 | 302 |
| 8246 * | 8,750,098 | 8,750,098 | - | - | - |
| 8273 | 125,000 | 38,057 | - | - | 86,943 |
| 8274 | 406,000 | 220,704 | 149,946 | - | 35,350 |
| 8309 | 4,500,000 | 2,094,294 | 72,380 | - | 2,333,326 |
| 8310 | 172,000 | - | - | - | 172,000 |
| 8311 | 715,000 | 416,175 | 47,653 | - | 251,172 |
| 8359 | 500,000 | - | - | - | 500,000 |
| 8361 | 220,000 | - | - | - | 220,000 |
| 8388 | 55,000 | - | 14,041 | - | 40,959 |
| 9001 | 67,519,111 | 57,569,111 | 9,950,000 | - | - |
| 9418 | 909,600 | 820,467 | - | - | 89,133 |
| 9648 | 5,593,140 | 5,143,040 | 227,929 | 11,133 | 211,038 |
| 9921 | 985,471 | 710,805 | - | 142,650 | 132,016 |
| 9952 * | 330,100 | 302,891 | - | - | 27,209 |
| 9954 | 3,249,101 | 1,190,626 | 1,505,697 | 9,685 | 543,093 |
| 9957 | 961,192 | - | - | - | 961,192 |
| Total | 118,296,375 | 94,008,723 | 12,359,424 | 264,151 | 11,664,077 |
| Public Safety | | | | | |
| 4031 | | | | | |
| 8003 | 4,047,260 | 255,545 | 88,757 | 1,816,346 | 1,886,612 |
| 8163 | 7,000,000 | 68,630 | 737,005 | 10,848 | 6,183,517 |
| 8264 | 4,409,468 | 2,563,035 | 458,646 | - | 1,387,787 |
| 8371 | 127,034 | - | 116,659 | - | 10,375 |
| 8391 | 384,200 | - | - | - | 384,200 |
| 9022 | 1,099,800 | 491,171 | 91,230 | - | 517,399 |
| Total | 17,067,762 | 3,378,381 | 1,492,297 | 1,827,194 | 10,369,890 |
| Highways & Streets | | | | | |
| 4041 | | | | | |
| 8023 * | 85,309 | 85,309 | - | - | - |
| 8065 | 986,898 | 712,574 | 4,130 | - | 270,194 |
| 8178 * | 774,819 | 303,749 | 471,070 | - | - |
| 8184 | 174,090 | 135,964 | - | 38,126 | - |
| 8237 * | 1,748,343 | 1,748,343 | - | - | - |
| 8283 | 146,998 | 133,668 | - | 13,129 | 201 |
| 8308 | 20,000 | - | - | - | 20,000 |
| 8317 | 1,095,000 | 944,320 | - | - | 150,680 |
| 8318 | 1,445,000 | 1,208,005 | - | - | 236,995 |
| 8319 | 1,728,000 | 1,258,025 | - | - | 469,975 |
| 8320 | 5,425,727 | 4,864,861 | - | - | 560,866 |
| 8321 | 3,050,000 | 47,878 | - | - | 3,002,122 |
| 8352 | 2,682,677 | - | 2,608,369 | - | 74,308 |
| 8353 | 3,700,000 | - | 80 | - | 3,699,920 |
| 8354 | 1,227,000 | 714,998 | 202,805 | - | 309,197 |
| 8355 | 1,634,000 | - | 1,414,997 | - | 219,003 |
| 8356 | 5,417,000 | 2,273,324 | 2,430,679 | 4,821 | 708,176 |
| 8380 | 1,367,000 | - | 31,009 | 1,318,756 | 17,235 |
| 8381 | 1,923,000 | - | 17,508 | 1,851,074 | 54,418 |
| 8382 | 5,003,171 | - | 1,721,768 | 3,194,623 | 86,780 |
| 8407 | - | - | 96,433 | - | (96,433) |
| 9604 | 50,000 | 3,102 | - | - | 46,898 |

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, 2011

Schedule 6

| | Description | Total Appropriation | Prior Years Expenditures | Current Year Expenditures | Encumbered | Unexpended Appropriation |
|-------------|----------------------------------|--------------------------------|-------------------------------------|--------------------------------------|-------------------|-------------------------------------|
| 9674 | Highway Safety Improvements | \$ 1,573,106 | \$ 962,707 | \$ 7,631 | \$ - | \$ 602,768 |
| 9847 | Small Drainage Structures | 1,597,208 | 1,434,144 | 82,590 | - | 80,474 |
| 9877 | Macbeth Way | 171,686 | 71,686 | - | - | 100,000 |
| 9881 | Traffic Calming | 338,000 | 54,556 | - | - | 283,444 |
| 9968 | Obrecht Rd(White Rock-Gaither) | 916,850 | 59,437 | 680,351 | 50,213 | 126,849 |
| | Total | 44,280,882 | 17,016,650 | 9,769,420 | 6,470,742 | 11,024,070 |
| <u>4042</u> | <u>Traffic Signals</u> | | | | | |
| 9051 | Traffic Signals | 873,000 | 604,514 | - | - | 268,486 |
| | Total | 873,000 | 604,514 | - | - | 268,486 |
| <u>4043</u> | <u>Bridges</u> | | | | | |
| 8031 | * Greenmount Ch Rd over MurphyRn | 487,115 | 182,906 | 150,468 | - | 153,741 |
| 8032 | Silver Run Valley Rd-BigSilRun | 790,300 | 35,377 | 824 | - | 754,099 |
| 8071 | Mumma Ford Rd over Monocacy 04 | 329,561 | 46,769 | 107,554 | 160,349 | 14,889 |
| 8129 | * Keysville Fred Co Road Bridge | 503,846 | 503,846 | - | - | - |
| 8239 | Bollinger Road/Beaver Run | 696,000 | 22,373 | 13,783 | - | 659,844 |
| 8240 | Falls Road/Indian Run | 593,391 | 110,261 | - | 9,159 | 473,971 |
| 8287 | Grand Valley Road/Stream | 493,000 | 87,382 | 8,208 | - | 397,410 |
| 8322 | Babylon road over Silver Run | 902,000 | - | - | - | 902,000 |
| 8323 | McKinstry's Mill Rd/Sam's Creek | 947,000 | - | - | - | 947,000 |
| 8332 | Hughes Shop over Bear Branch | 1,428,000 | - | - | - | 1,428,000 |
| 8383 | Bixler's Church Rd/Big Pipe Cr | 193,000 | - | - | - | 193,000 |
| 8384 | Shepard Mill/Little Pipe Crk | 250,000 | - | - | - | 250,000 |
| 8385 | White Rock Rd/Piney Run | 140,000 | - | 325 | - | 139,675 |
| 9684 | Bridge Inspection & Inventory | 261,005 | 205,749 | 2,314 | 48,575 | 4,367 |
| 9686 | Clean & Paint Structural Steel | 757,350 | 619,687 | 1,884 | 18,425 | 117,354 |
| 9882 | Bridge Maint/Structural Repair | 426,000 | 328,382 | - | - | 97,618 |
| 9916 | Saw Mill Rd Bridge/Bear Run | 745,758 | 281,491 | - | - | 464,267 |
| | Total | 9,943,326 | 2,424,223 | 285,360 | 236,508 | 6,997,235 |
| <u>4045</u> | <u>Buildings</u> | | | | | |
| 8176 | Salt Barns | 1,283,750 | 66,569 | 299,149 | 217,000 | 701,032 |
| 8267 | * Fleet-Vehicle/Equipment Wash | 1,208,680 | 960,084 | 246,406 | - | 2,190 |
| 8268 | * Fuel Tank Replacement | 94,269 | 94,269 | - | - | - |
| 8390 | Fleet Mgmt - Tire Changing Stn | 281,500 | - | - | - | 281,500 |
| 9956 | Fleet-Lifts Replacements | 338,915 | 337,768 | - | - | 1,147 |
| | Total | 3,207,114 | 1,458,690 | 545,555 | 217,000 | 985,869 |
| <u>4049</u> | <u>General Public Works</u> | | | | | |
| 9902 | Public Works-Unallocated | 347,346 | - | - | - | 347,346 |
| | Total | 347,346 | - | - | - | 347,346 |
| <u>4061</u> | <u>Board of Education</u> | | | | | |
| 8089 | Vo-Tech Students-Capital-0801 | 220,457 | 65,291 | - | - | 155,166 |
| 8133 | Manchester Valley High School | 70,685,300 | 67,587,708 | 526,696 | - | 2,570,896 |
| 8185 | Ebb Valley Elementary School | 11,597,017 | 11,581,687 | 15,330 | - | - |
| 8191 | Full Day K-State Plan Approvl | 697,916 | 571,571 | - | - | 126,345 |
| 8244 | HVAC Replace-Robert Moton ES | 2,167,951 | 2,166,933 | 1,018 | - | - |
| 8288 | Freedom Ele Kindergarten Add | 2,363,515 | 1,739,019 | 40,560 | - | 583,936 |
| 8289 | SC High School Fine Arts Add | 17,815,941 | 11,916,437 | 2,990,693 | - | 2,908,811 |
| 8290 | Westminster HS HVAC Replace | 11,880,118 | 8,267,732 | 842,856 | - | 2,769,530 |
| 8291 | Mt Airy MS Roof Replacement | 256,030 | 238,196 | - | - | 17,834 |
| 8292 | Open Space Classroom Enclosure | 8,000,000 | 4,607,362 | 1,197,755 | - | 2,194,883 |
| 8325 | William Win Elem Kinder Additi | 2,420,000 | 699,250 | 596,663 | - | 1,124,087 |
| 8326 | Winfield Elem Kindergarten Add | 1,301,000 | 621,531 | 224,330 | - | 455,139 |
| 8327 | Roof Replace-Mt Airy Elementar | 594,000 | 212,334 | 325,101 | - | 56,565 |
| 8348 | Mt. Airy Middle School | 14,750,000 | 245,948 | 682,901 | - | 13,821,151 |
| 8349 | Full Day K-Robert Moton ES | 1,865,000 | 178,310 | 654,070 | - | 1,032,620 |
| 8350 | Hampstead ES-HVAC Replace | 1,478,559 | 81,607 | 157,927 | - | 1,239,025 |
| 8351 | Hampstead ES Roof Replace | 787,000 | - | 23,697 | - | 763,303 |

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, 2011

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> |
|-------|----------------------------------|--------------------------------|-------------------------------------|--------------------------------------|-------------------|-------------------------------------|
| 8377 | Charles Carroll Ele Heat Plant | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |
| 8378 | Freedom Elem Roof Replacement | 110,000 | - | - | - | 110,000 |
| 8379 | BOE - Rood Replacements | 118,000 | - | - | - | 118,000 |
| 9554 | Handicapped Accessibility | 1,504,684 | 1,320,664 | 1,141 | - | 182,879 |
| 9745 | Relocatables | 5,447,376 | 5,171,829 | 235,798 | - | 39,749 |
| 9746 | General Roofing Improvements | 1,262,936 | 1,009,346 | 5,918 | - | 247,672 |
| 9748 | Paving | 3,497,241 | 2,658,453 | 284,221 | - | 554,567 |
| 9792 | Technology Improvements | 6,842,105 | 4,781,407 | 699,330 | - | 1,361,368 |
| 9850 | School Construction-General | 2,300,000 | - | (1,255,560) | - | 3,555,560 |
| 9885 | Winters Mill High School | 25,252,267 | 25,163,453 | 1,785 | - | 87,029 |
| 9973 | NC Middle School Renovations | 11,130,621 | 10,955,311 | 657 | - | 174,653 |
| 9974 | HVAC-Improvement & Replacement | 169,187 | - | - | - | 169,187 |
| | Total | 206,714,221 | 161,841,379 | 8,252,887 | - | 36,619,955 |
| <hr/> | | | | | | |
| 4062 | Community College | | | | | |
| 8225 | ** CCC-Classroom Building #4 | 36,211,011 | 30,085,276 | 165,165 | - | 5,960,570 |
| 9782 | Comm Coll-Technology | 5,950,600 | 3,714,012 | 333,183 | - | 1,903,405 |
| | Total | 42,161,611 | 33,799,288 | 498,348 | - | 7,863,975 |
| <hr/> | | | | | | |
| 4071 | Recreation & Parks | | | | | |
| 8121 | Leister Park | 1,875,298 | 261,860 | 8,919 | 30,505 | 1,574,014 |
| 8169 | Barkhill Ballfields | 456,000 | 402,543 | 2,864 | 2,480 | 48,113 |
| 8231 | * Deer Park Linear Trail | 60,622 | 60,622 | - | - | - |
| 8232 | Park Restoration Fund | 395,985 | 312,493 | 15,614 | 54,744 | 13,134 |
| 8233 | Parkland Acq (POS) County | 158,658 | - | - | - | 158,658 |
| 8275 | Deer Park Practice Field | 144,000 | 97,428 | - | - | 46,572 |
| 8277 | * Freedom Park Shelters/Paly Eqp | 66,951 | 66,951 | - | - | - |
| 8282 | Westminster Comm Pond Renovate | 392,300 | 198,739 | - | - | 193,561 |
| 8315 | Program Open Space Unallocated | 1,271,711 | - | - | - | 1,271,711 |
| 8330 | ** Bennett Cerf Park Revitalize | 279,951 | 64,950 | 40,792 | 1,674 | 172,535 |
| 9139 | Recs & Parks/Local-Unallocated | 34,503 | - | - | - | 34,503 |
| 9736 | Town Fund | 350,426 | 271,161 | 14,919 | - | 64,346 |
| 9870 | Gillis Falls Park Development | 300,263 | 236,927 | - | - | 63,336 |
| 9925 | Tot Lot Replacement | 184,238 | 177,848 | - | - | 6,390 |
| 9926 | Krimgold Park | 4,966,893 | 1,279,672 | 23,520 | 2,933,465 | 730,236 |
| | Total | 10,937,799 | 3,431,194 | 106,628 | 3,022,868 | 4,377,109 |
| <hr/> | | | | | | |
| 4072 | Farm Museum | | | | | |
| 8266 | * Farm Museum-Maint Bldg Add | 76,582 | 76,582 | - | - | - |
| 8386 | Farm Museum FH Electric Upgrde | 125,000 | - | 4,767 | - | 120,233 |
| | Total | 201,582 | 76,582 | 4,767 | - | 120,233 |
| <hr/> | | | | | | |
| 4073 | Hashawha/Bear Branch | | | | | |
| 8358 | Bear Branch Nature Ctr Parklot | 70,000 | 23,931 | - | - | 46,069 |
| 9871 | Hashawha Building Renovations | 489,636 | 237,954 | 36,263 | - | 215,419 |
| | Total | 559,636 | 261,885 | 36,263 | - | 261,488 |
| <hr/> | | | | | | |
| 4074 | Piney Run Park | | | | | |
| 8281 | PR Nature Center-Aux Classroom | 110,000 | 56,092 | 4,311 | - | 49,597 |
| 8314 | Piney Run Tennis Court Resurf | 64,912 | 63,162 | 1,750 | - | - |
| 8387 | Piney Run Park Pavement Overlay | 120,000 | - | 120,000 | - | - |
| | Total | 294,912 | 119,254 | 126,061 | - | 49,597 |
| <hr/> | | | | | | |
| 4076 | Self-Help Projects | | | | | |
| 8337 | * Piny Run Picnic Pavilion | 6,550 | 6,550 | - | - | - |
| 8346 | Linton Springs ES Lwr Fld Impr | 8,268 | 4,685 | 3,583 | - | - |
| 8365 | Springfld Crmplx Ballfld Renovn | 14,390 | - | - | 8,204 | 6,186 |
| 8366 | Cape Horn Park Fence Install | 4,880 | - | 4,880 | - | - |
| 8367 | Taneytnw Mem Prk Grndstnd Reno | 1,983 | - | 1,983 | - | - |
| 8368 | Westmnstr Lacrosse Goals/Equip | 4,684 | - | - | - | 4,684 |
| 8369 | * Mayeski Park Soccer Goals | 7,380 | 7,380 | - | - | - |

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, 2011

Schedule 6

| | Description | Total Appropriation | Prior Years Expenditures | Current Year Expenditures | Encumbered | Unexpended Appropriation |
|-------------|--------------------------------------|--------------------------------|-------------------------------------|--------------------------------------|--------------------------|-------------------------------------|
| 8370 | SaltBox Tot Lot Replacement | \$ 33,000 | \$ - | \$ 28,442 | \$ - | \$ 4,558 |
| 8373 | Streaker Rd Practice Fld SH10 | 15,000 | - | - | - | 15,000 |
| 8374 | MayPark Fld 1 Mix/Seed SH10 | 2,479 | - | 2,479 | - | - |
| 8375 | MayPark Fld 2 Mix/Seed SH10 | 2,079 | - | 2,079 | - | - |
| 8376 | Salt Box Park Infield Mix SH10 | 1,080 | - | 490 | - | 590 |
| 8392 | Charles Carroll Mix/Patch SH | 1,606 | - | 1,593 | - | 13 |
| 8393 | Equestrian Cntr Spectator SH | 8,490 | - | - | 6,100 | 2,390 |
| 8394 | Freedom/Sprgfld Plyr Bench SH | 1,970 | - | - | - | 1,970 |
| 8395 | N Carroll Middle Field Rest SH | 5,350 | - | 4,160 | - | 1,190 |
| 8396 | Hmpstd Elem Ballfld Mix/Fnc SH | 9,800 | - | 6,537 | 2,641 | 622 |
| 8397 | Christmas Tree Infld Mix D SH | 2,100 | - | - | 1,885 | 215 |
| 8398 | Christmas Tree Infld Mix C SH | 2,688 | - | - | 2,610 | 78 |
| 8399 | Bark Hill Prk Storage Shed SH | 4,612 | - | - | - | 4,612 |
| 8400 | LC Burns Upr Field Sod SH | 3,682 | - | 3,652 | - | 30 |
| 8401 | Westminster Concrete Slab SH | 3,000 | - | - | - | 3,000 |
| 8402 | Kate Wagner Lax Goals SH | 5,949 | - | 5,764 | - | 185 |
| 8403 | Robert Moton Bsktball Scrbd SH | 3,210 | - | 2,469 | - | 741 |
| 8414 | Art Council Storage Space SH | 3,975 | - | 3,975 | - | - |
| 8415 | Cherrytown SC Bleachers SH | 2,731 | - | 2,730 | - | 1 |
| 8416 | Christmas Tree Prk Fld SH | 5,000 | - | - | - | 5,000 |
| 8417 | Cranberry Stn/Winters Mill SH | 5,321 | - | 2,090 | 3,230 | 1 |
| 8418 | Bennett Cerf Park Baseball SH | 4,500 | - | - | 4,500 | - |
| 8419 | Kate Wagner BF Outlets SH | 2,000 | - | - | 2,000 | - |
| 8420 | Nature Center Kitchen SH | 5,850 | - | 4,647 | - | 1,203 |
| 8421 | Mayeski Park Field #4 SH | 2,770 | - | - | - | 2,770 |
| 8422 | Mayeski Park Field #5 SH | 2,190 | - | - | - | 2,190 |
| 8423 | Mayeski Park Field #6 SH | 2,190 | - | - | - | 2,190 |
| 9735 | Community Self Help | 3,206 | - | - | - | 3,206 |
| 9785 | Foot Bridge Piney Run Park | 4,000 | - | - | - | 4,000 |
| 9998 | Ball Diam Fld C Christmas Tree | 1,428 | - | 1,428 | - | - |
| 9999 | Ball Diam Fld C Christmas Tree | 1,885 | - | - | 1,885 | - |
| | Total | <u>201,276</u> | <u>18,615</u> | <u>82,981</u> | <u>33,055</u> | <u>66,625</u> |
| <u>4081</u> | <u>Library/Senior Centers</u> | | | | | |
| 8059 | * Taneytown Libr Branch Exp 04 | 1,601,947 | 1,601,947 | - | - | - |
| 8062 | ** Senior Center-South Carroll 04 | 9,956,420 | 9,318,969 | 276,006 | 49,882 | 311,563 |
| 8313 | Taneytown Sr/Comm Ctr Add Park | 93,200 | - | - | - | 93,200 |
| 8360 | Library-Eldersburg Improvement | 209,000 | 67,760 | 141,240 | - | - |
| 8389 | CCPL - North Carroll Imprvmnts | 129,000 | - | 20,471 | - | 108,529 |
| 9784 | * Finksburg Library Branch | 6,377,233 | 6,377,233 | - | - | - |
| 9822 | Library-Technology Improvemnts | 2,515,900 | 1,863,977 | 230,355 | - | 421,568 |
| | Total | <u>20,882,700</u> | <u>19,229,886</u> | <u>668,072</u> | <u>49,882</u> | <u>934,860</u> |
| <u>4091</u> | <u>Conservation & Open Space</u> | | | | | |
| 9002 | Land Bank | 22,063,303 | 15,185,030 | 222,414 | - | 6,655,859 |
| 9007 | Ag Land Preservation | 126,095,409 | 103,900,207 | 15,672,629 | - | 6,522,573 |
| 9701 | Environmental Impact Studies | 332,167 | 317,167 | - | - | 15,000 |
| 9702 | Traffic Impact Studies/Develop | 120,632 | 91,700 | 14,628 | - | 14,304 |
| 9851 | Rural Legacy-Easement Purchase | 19,732,894 | 16,945,450 | 2,195,735 | - | 591,709 |
| 9919 | Soil Surveys | 210,000 | 193,620 | - | - | 16,380 |
| | Total | <u>168,554,405</u> | <u>136,633,174</u> | <u>18,105,406</u> | <u>-</u> | <u>13,815,825</u> |
| <u>4092</u> | <u>Water Resources</u> | | | | | |
| 8293 | Patapsco Rd Watershed Project | 1,635,651 | 591,934 | 275,329 | - | 768,388 |
| 8294 | Reservoir Development | 22,757,010 | 7,409,762 | 1,295,499 | 678 | 14,051,071 |
| 8295 | Storm Water Facility Maint | 1,920,000 | 1,138,628 | 512,137 | 162,328 | 106,907 |
| 8328 | Environmental Compliance | 875,000 | 71,162 | 57,444 | - | 746,394 |
| 9920 | Watershed Assessment & Improve | 6,710,230 | 1,712,862 | 318,119 | 21,738 | 4,657,511 |
| | Total | <u>33,897,891</u> | <u>10,924,348</u> | <u>2,458,528</u> | <u>184,744</u> | <u>20,330,271</u> |
| | Total Governmental Activities | <u><u>678,421,838</u></u> | <u><u>485,226,786</u></u> | <u><u>54,791,997</u></u> | <u><u>12,306,144</u></u> | <u><u>126,096,911</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, 2011

Schedule 6

| Description | Total Appropriation | Prior Years Expenditures | Current Year Expenditures | Encumbered | Unexpended Appropriation |
|---------------------------------------|------------------------------|-----------------------------|------------------------------|--------------------------|-----------------------------|
| Business-type Activities | | | | | |
| Bureau of Utilities | | | | | |
| 6030 W/S 341 Oak Creek Phase I | \$ - | \$ - | \$ - | \$ 8,344 | \$ (8,344) |
| 6200 W/S New Construction | - | 16,954 | - | 23,754 | (40,708) |
| 6287 W253/S261 Carrolltowne 4B | - | - | 1,874 | - | (1,874) |
| 6311 Water & Sewer Meters | 1,484,155 | 1,316,226 | 133,589 | - | 34,340 |
| 6332 Tank Painting | 603,182 | 186,734 | - | - | 416,448 |
| 6339 * FW-Ground Water Supply-975706 | 2,872,971 | 2,854,276 | 18,695 | - | - |
| 6344 HWWTP-Effluent Chillers | 2,436,966 | 515,789 | - | - | 1,921,177 |
| 6358 8-12-16 Mains/Hydraulic Loop | 634,221 | - | - | - | 634,221 |
| 6359 Hydrant Replacement | 928,550 | 783,669 | 92,572 | - | 52,309 |
| 6370 * Pine Hill WWPS Upgrade | 551,060 | 551,060 | - | - | - |
| 6371 Piney Run WWPS Renovation | 2,951,195 | 295,025 | 2,180,851 | 174,405 | 300,914 |
| 6378 Relief Sewer No. 6 | 957,000 | - | 174,289 | - | 782,711 |
| 6385 Sewer Study Update | 275,000 | 168,196 | - | - | 106,804 |
| 6388 Pleasant Valley Backup Well 04 | 280,993 | - | - | - | 280,993 |
| 6389 * Shiloh Pumping Station 04 | 1,369,274 | 1,369,274 | - | - | - |
| 6390 Sykesville Eleva W/Tank #6 04 | 62,000 | - | - | - | 62,000 |
| 6398 Gravity Main to North Station | 982,925 | 80,882 | 32,710 | - | 869,333 |
| 6403 Sanitary Sewer Manhole Rehab | 772,900 | 335,985 | 128,802 | 11,200 | 296,913 |
| 6407 Carroll Highlands PS Renovatns | 401,280 | 218,668 | 69,518 | - | 113,094 |
| 6409 FD Looping Monroe (Okla-Benn) | 74,800 | - | - | - | 74,800 |
| 6410 * FWTP-Water Transmission Main | 3,500,846 | 3,500,846 | - | - | - |
| 6413 Hampstead Sludge Tank Renovate | 828,200 | 138,392 | - | - | 689,808 |
| 6414 Meter Vault Replacement | 146,100 | 89,245 | 49,849 | - | 7,006 |
| 6415 * Snowden's Run WWPS Rehab | 542,102 | 542,102 | - | - | - |
| 6416 FD-Looping-DickensonRd | 5,000 | - | - | - | 5,000 |
| 6419 Freedom Waste Water TP-ENR | 1,500,000 | - | - | - | 1,500,000 |
| 6420 FW Srvc Area Hydraulic Anlys | 150,000 | 4,157 | 46,728 | - | 99,115 |
| 6421 Sanitary Sewer Main Lining | 492,201 | 244,201 | 261,001 | - | (13,001) |
| Total | <u>24,802,921</u> | <u>13,211,681</u> | <u>3,190,478</u> | <u>217,703</u> | <u>8,183,059</u> |
| Solid Waste | | | | | |
| 6520 Hoods Mill Remediation | 934,626 | 298,952 | 271,648 | 3,270 | 360,756 |
| 6521 Northern Landfill Remediation | 904,000 | 290,138 | 43,808 | 207,360 | 362,694 |
| 6522 Northern Landfill Cell 3 | 5,898,131 | 5,840,657 | 57,474 | - | - |
| 6528 John Owings LF Remediation | 800,000 | 127,904 | 38,853 | 296,951 | 336,292 |
| 6530 Northern-Maintenance Building | 372,856 | 356,336 | 16,520 | - | - |
| 6531 * Northern Landfill Scalehouse | 127,654 | 101,520 | 26,134 | - | - |
| 6532 Closed Landfill Remediation | 100,000 | 12,091 | 5,501 | 9,942 | 72,466 |
| Total | <u>9,137,267</u> | <u>7,027,598</u> | <u>459,938</u> | <u>517,523</u> | <u>1,132,208</u> |
| Airport | | | | | |
| 6813 Precision Appr Path Indicators | 174,584 | 169,041 | 4,072 | 5,543 | (4,072) |
| 6814 Runway Expansion | 74,075,000 | 1,085,224 | 92,244 | - | 72,897,532 |
| 6818 Grounds & Facility Impr (9541) | 213,860 | 153,871 | 15,892 | - | 44,097 |
| Total | <u>74,463,444</u> | <u>1,408,136</u> | <u>112,208</u> | <u>5,543</u> | <u>72,937,557</u> |
| Total Business-type Activities | <u><u>\$ 108,403,632</u></u> | <u><u>\$ 21,647,415</u></u> | <u><u>\$ 3,762,624</u></u> | <u><u>\$ 740,769</u></u> | <u><u>\$ 82,252,824</u></u> |

* Completed CIP projects put into service during FY11

** Partially completed CIP projects put into service during FY11

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

Schedule 7

**Schedule of Investments for
Governmental Activities, Business Activities, and Trust Funds
June 30, 2011**

| | Length (in Days) | Maturity Date | Rate (%) | Amount | Totals |
|---|---------------------|------------------|----------|-----------------------|----------------|
| GOVERNMENTAL ACTIVITIES-Par Value | | | | | |
| Federal Home Loan Bank | 540 | 29-Oct-11 | 0.54 | \$ 5,000,000 | |
| Federal Home Loan Bank | 720 | 19-Apr-13 | 1.00 | 10,000,000 | |
| Federal Home Loan Bank | 720 | 23-May-13 | 0.70 | 5,000,000 | |
| Federal National Mortgage Association | 720 | 21-Sep-12 | 0.70 | 5,000,000 | |
| Federal National Mortgage Association | 720 | 1-Nov-12 | 0.55 | 10,000,000 | |
| Federal Home Loan Mortgage Corporation | 720 | 25-Feb-13 | 1.00 | 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 Bonds | 20 yrs | 15-Aug-29 | 4.36 | 2,073,004 | |
| 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 | |
| Treasury Strips | 8 yrs | 15-May-17 | 3.15 | 933,597 | |
| Treasury Strips | 20 yrs | 15-May-24 | 4.39 | 453,081 | |
| Treasury Strips | 20 yrs | 15-May-29 | 4.42 | 359,006 | |
| Treasury Strips | 20 yrs | 15-Feb-30 | 4.76 | 519,691 | |
| Treasury Strips | 20 yrs | 15-Feb-30 | 4.61 | 103,614 | |
| Treasury Strips | 20 yrs | 15-Nov-29 | 4.76 | 251,157 | |
| Treasury Strips | 20 yrs | 15-May-30 | 4.11 | 849,176 | |
| Treasury Strips | 20 yrs | 15-Aug-30 | 3.90 | 1,020,145 | |
| Treasury Strips | 20 yrs | 15-Nov-30 | 4.44 | 1,121,782 | |
| Treasury Strips | 20 yrs | 15-May-31 | 4.46 | 1,174,433 | |
| Treasury Strips | 20 yrs | 15-May-31 | 4.33 | 1,483,217 | |
| State and Local Government Series | 15 yrs | 15-May-24 | --- | 51,000 | |
| Maryland Local Government Investment Pool | --- | --- | 0.20 | 6,200,674 | |
| Branch Banking & Trust-CD | 365 | 1-Nov-11 | 0.44 | 20,000,000 | |
| Branch Banking & Trust-CD | 365 | 1-Dec-11 | 0.70 | 10,000,000 | |
| Branch Banking & Trust-Money Rate Savings | --- | --- | 0.25 | 85,013,989 | \$ 178,858,758 |
| TRUST FUNDS-Fair Value | | | | | |
| <u>Pension</u> | | | | | |
| Charles Schwab Employee Pension Account | | | | 32,130,607 | |
| Maryland Local Government Investment Pool-Pension | | | 0.20 | 143,102 | |
| <u>Other postemployment benefits (OPEB)</u> | | | | | |
| Maryland Local Government Investment Pool-OPEB | | | 0.20 | 747,846 | |
| Charles Schwab Master OPEB Investment Trust | | | | 21,028,809 | |
| <u>LOSAP</u> | | | | | |
| Charles Schwab LOSAP Account | | | | 7,018,491 | |
| Maryland Local Government Investment Pool-LOSAP | | | 0.20 | 413,698 | |
| <u>Law Officer's Pension</u> | | | | | |
| Charles Schwab Law Officer's Pension Account | | | | 2,301,622 | |
| Maryland Local Government Investment Pool-Law Pension | | | 0.20 | 18,843 | 63,803,018 |
| TOTAL | | | | <u>\$ 242,661,776</u> | |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2011

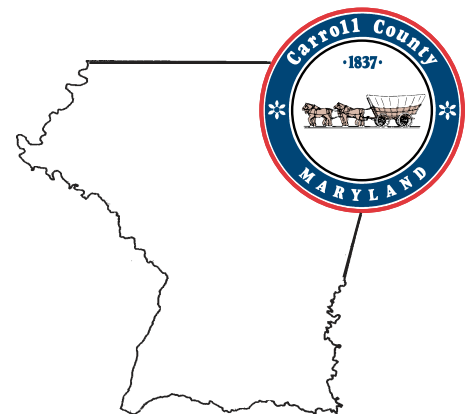
| | Amount Outstanding July 1, 2010 | New Debt Activity | Principal Payments For Year 2011 | Amount Outstanding June 30, 2011 | Interest Payments For Year 2011 |
|--|---------------------------------------|-------------------------|--|--|---------------------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds | | | | | |
| Volunteer Fire Dept. Project - 1997 | \$ 2,200,000 | \$ - | \$ 2,200,000 | \$ - | \$ - |
| General Obligation Bonds - 2000 | 3,015,000 | - | 3,015,000 | - | - |
| General Obligation Bonds - 2001 | 5,361,385 | - | 4,592,621 | 768,764 | 117,313 |
| General Obligation Bonds - 2002 | 8,500,000 | - | 6,300,000 | 2,200,000 | 212,625 |
| General Obligation Refunding Bonds-Aug. 2003 | 6,673,922 | - | 2,940,073 | 3,733,849 | 260,194 |
| General Obligation Bonds - 2003 | 4,940,211 | - | 476,317 | 4,463,894 | 162,456 |
| Volunteer Fire Dept. Project - 2003 | 1,360,000 | - | 130,000 | 1,230,000 | 44,743 |
| General Obligation Refunding Bonds-Feb 2004 | 26,112,916 | - | 3,268,629 | 22,844,287 | 816,243 |
| General Obligation Bonds - July 2004 | 14,650,256 | - | 1,468,950 | 13,181,306 | 524,208 |
| General Obligation Bonds - Taxable Pension 2004 | 8,525,000 | - | 855,000 | 7,670,000 | 424,867 |
| Volunteer Fire Dept. Project - 2004 | 1,506,864 | - | 124,753 | 1,382,111 | 59,657 |
| General Obligation Bonds- 2005 | 23,225,593 | - | 2,150,931 | 21,074,662 | 903,639 |
| Volunteer Fire Dept. Project- 2005 | 2,120,000 | - | 195,000 | 1,925,000 | 82,544 |
| General Obligation Bonds-2006 | 16,200,156 | - | 1,353,282 | 14,846,874 | 620,941 |
| General Obligation Refunding Bonds- Jan 2007 | 20,691,336 | - | 908,659 | 19,782,677 | 903,817 |
| General Obligation Bonds-2007 | 17,650,610 | - | 1,397,195 | 16,253,415 | 713,758 |
| General Obligation Refunding Bonds-Nov 2007 | 6,285,000 | - | 460,000 | 5,825,000 | 255,775 |
| General Obligation Refunding Bonds-Nov 2008 | 72,088,000 | - | - | 72,088,000 | 3,307,501 |
| General Obligation Bonds-Nov 2009 Series A | 23,335,060 | - | 1,980,913 | 21,354,147 | 877,377 |
| General Obligation Refunding Bonds-Nov 2009 Series A | 7,596,029 | - | 1,740,553 | 5,855,476 | 266,470 |
| General Obligation Bonds-Nov 2009 Series B | 33,577,761 | - | - | 33,577,761 | 1,734,776 |
| General Obligation Refunding Bonds-Oct 2010 Series A | - | 12,480,329 | 1,051,602 | 11,428,727 | 129,541 |
| General Obligation Refunding Bonds-Oct 2010 Series B | - | 2,210,000 | 110,000 | 2,100,000 | 23,701 |
| General Obligation Bonds-Oct 2010 Series C | - | 1,542,963 | - | 1,542,963 | 17,315 |
| General Obligation Bonds-Oct 2010 Series D | - | 19,649,128 | - | 19,649,128 | 396,191 |
| Total General Obligation Bonds | 305,615,099 | 35,882,420 | 36,719,478 | 304,778,041 | 12,855,652 |
| Farmers Home Administration | | | | | |
| Federal Loan - 1972 | 325,548 | - | 21,427 | 304,121 | 11,401 |
| Federal Loan - 1974 | 135,709 | - | 7,172 | 128,537 | 4,952 |
| Federal Loan - 1979 | 430,626 | - | 14,011 | 416,615 | 15,713 |
| Total Farmers Home Administration | 891,883 | - | 42,610 | 849,273 | 32,066 |
| General Obligation Debt | | | | | |
| Installment Purchase Agreements FY 2002 | 396,000 | - | - | 396,000 | 21,937 |
| Installment Purchase Agreements FY 2003 | 530,930 | - | - | 530,930 | 27,354 |
| Installment Purchase Agreements FY 2004 | 100,000 | - | - | 100,000 | 4,937 |
| Installment Purchase Agreements FY 2005 | 2,179,934 | - | - | 2,179,934 | 106,200 |
| Installment Purchase Agreements FY 2006 | 1,346,000 | - | - | 1,346,000 | 62,013 |
| Installment Purchase Agreements FY 2007 | 2,584,000 | - | - | 2,584,000 | 129,623 |
| Installment Purchase Agreements FY 2009 | 2,215,126 | - | - | 2,215,126 | 132,908 |
| Installment Purchase Agreements FY 2010 | 4,662,430 | - | - | 4,662,430 | 257,082 |
| Installment Purchase Agreements FY 2011 | - | 13,115,500 | - | 13,115,500 | 190,590 |
| Total General Obligation Debt | 14,014,420 | 13,115,500 | - | 27,129,920 | 932,644 |
| Notes Payable | | | | | |
| Linton Property | 200,000 | - | 200,000 | - | 440 |
| Hidey Property | 88,028 | - | 88,028 | - | 194 |
| Green Property | 200,000 | - | 100,000 | 100,000 | 440 |
| Green Property | 225,000 | - | 125,000 | 100,000 | 495 |
| Rill Property | 60,000 | - | 60,000 | - | 132 |
| Miller Property | 83,215 | - | 83,215 | - | 183 |
| Miller Property | 81,722 | - | 81,722 | - | 180 |
| Total Notes Payable | 937,965 | - | 737,965 | 200,000 | 2,064 |
| Purchase Agreements | | | | | |
| Johnson Controls/Suntrust | 2,268,571 | - | 170,736 | 2,097,835 | 92,566 |
| Total Purchase Agreements | 2,268,571 | - | 170,736 | 2,097,835 | 92,566 |
| Total Governmental Activities | \$ 323,727,938 | \$ 48,997,920 | \$ 37,670,789 | \$ 335,055,069 | \$ 13,914,992 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2011

| | Amount Outstanding July 1, 2010 | New Debt Activity | Principal Payments For Year 2011 | Amount Outstanding June 30, 2011 | Interest Payments For Year 2011 |
|---|---------------------------------------|-------------------------|--|--|---------------------------------------|
| Business-Type Activities | | | | | |
| General Obligation Bonds | | | | | |
| Bureau of Utilities | | | | | |
| General Obligation Bonds - 2001 | \$ 8,617 | \$ - | \$ 4,381 | \$ 4,236 | \$ 22 |
| General Obligation Bonds - 2003 | 643,528 | - | 62,047 | 581,481 | 22,162 |
| General Obligation Refunding Bonds-Feb 2004 | 1,762,876 | - | 220,664 | 1,542,212 | 55,104 |
| General Obligation Bonds - July 2004 | 252,091 | - | 25,277 | 226,814 | 9,020 |
| General Obligation Bonds - 2005 | 221,774 | - | 20,188 | 201,586 | 8,643 |
| General Obligation Bonds - 2006 | 173,510 | - | 14,494 | 159,016 | 6,581 |
| General Obligation Refunding Bonds-Jan 2007 | 189,804 | - | 8,335 | 181,469 | 8,291 |
| General Obligation Bonds- 2007 | 8,146,020 | - | 627,490 | 7,518,530 | 329,094 |
| General Obligation Bonds- 2008 | 7,616,000 | - | - | 7,616,000 | 349,928 |
| General Obligation Bonds- 2009 Series A | 745,461 | - | 63,282 | 682,179 | 28,029 |
| General Obligation Bonds- 2009 Series B | 1,072,240 | - | - | 1,072,240 | 55,397 |
| General Obligation Bonds- 2010 Series A | - | 6,371 | 537 | 5,834 | 66 |
| General Obligation Bonds- 2010 Series D | - | 13,742 | - | 13,742 | 277 |
| Solid Waste Fund | | | | | |
| General Obligation Refunding Bonds-Aug. 2003 | 851,077 | - | 374,926 | 476,151 | 33,181 |
| General Obligation Refunding Bonds-Feb 2004 | 817,206 | - | 102,292 | 714,914 | 25,544 |
| General Obligation Bonds - July 2004 | 1,631,227 | - | 163,559 | 1,467,668 | 58,368 |
| General Obligation Refunding Bonds- Jan 2007 | 308,734 | - | 13,558 | 295,176 | 13,486 |
| General Obligation Bonds- 2007 | 523,370 | - | 40,316 | 483,054 | 21,143 |
| General Obligation Bonds- 2008 | 296,000 | - | - | 296,000 | 13,439 |
| General Obligation Bonds- 2009 Series A | 9,479 | - | 804 | 8,675 | 356 |
| General Obligation Refunding Bonds- 2009 Series A | 193,971 | - | 44,447 | 149,524 | 6,805 |
| General Obligation Refunding Bonds- 2010 Series C | - | 267,037 | - | 267,037 | 2,997 |
| Airport Fund | | | | | |
| General Obligation Bonds - 2000 | 90,000 | - | 90,000 | - | - |
| General Obligation Bonds - 2001 | 1,320,000 | - | 110,000 | 1,210,000 | 54,532 |
| General Obligation Bonds - 2003 | 276,262 | - | 26,636 | 249,626 | 9,085 |
| General Obligation Refunding Bonds-Feb 2004 | 227,001 | - | 28,414 | 198,587 | 7,096 |
| General Obligation Bonds - July 2004 | 271,425 | - | 27,216 | 244,209 | 9,712 |
| General Obligation Bonds- 2005 | 42,632 | - | 3,881 | 38,751 | 1,661 |
| General Obligation Refunding Bonds-2007 | 215,126 | - | 9,447 | 205,679 | 9,397 |
| General Obligation Refunding Bonds-2010 Series A | - | 93,300 | 7,861 | 85,439 | 968 |
| General Obligation Refunding Bonds-2010 Series D | - | 27,130 | - | 27,130 | 547 |
| Septage Fund | | | | | |
| General Obligation Bonds - 2006 | 146,336 | - | 12,226 | 134,110 | 5,679 |
| Total General Obligation Bonds | <u>28,051,767</u> | <u>407,580</u> | <u>2,102,278</u> | <u>26,357,069</u> | <u>1,146,610</u> |
| Notes Payable | | | | | |
| Water Quality Loan - Maryland Department of the Environment - 1990 | 1,765,838 | - | 861,954 | 903,884 | 114,568 |
| Water Quality Loan - Maryland Department of the Environment - 2000 | 324,214 | - | 25,839 | 298,375 | 10,144 |
| Total Notes Payable | <u>2,090,052</u> | <u>-</u> | <u>887,793</u> | <u>1,202,259</u> | <u>124,712</u> |
| Total Business-type Activities | <u>\$ 30,141,819</u> | <u>\$ 407,580</u> | <u>\$ 2,990,071</u> | <u>\$ 27,559,328</u> | <u>\$ 1,271,322</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.

Contents **Page(s)**

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. 146-153

Revenue Capacity

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 154-158

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. 159-162

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. 163-164

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. 165-174

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.

Table 1

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 224,468,499 | \$ 249,331,687 | \$ 269,641,878 | \$ 255,882,342 | \$ 270,193,492 |
| Restricted | 33,768,252 | 22,354,742 | 19,883,463 | 23,889,197 | 21,321,426 |
| Unrestricted | <u>(77,293,628)</u> | <u>(60,878,526)</u> | <u>(18,700,701)</u> | <u>74,067,173</u> | <u>70,332,171</u> |
| <i>Total Governmental Activities Net Assets</i> | <u>180,943,123</u> | <u>210,807,903</u> | <u>270,824,640</u> | <u>353,838,712</u> | <u>361,847,089</u> |
| Business-Type Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | 104,568,783 | 93,558,513 | 95,654,846 | 82,575,108 | 78,066,986 |
| Restricted | 370,116 | 1,308,820 | 9,435,295 | 6,788,158 | 7,077,515 |
| Unrestricted | <u>5,063,524</u> | <u>4,257,842</u> | <u>(5,246,129)</u> | <u>6,594,607</u> | <u>6,918,217</u> |
| <i>Total Business-Type Activities Net Assets</i> | <u>110,002,423</u> | <u>99,125,175</u> | <u>99,844,012</u> | <u>95,957,873</u> | <u>92,062,718</u> |
| Primary government | | | | | |
| Invested in Capital Assets, Net of Related Debt | 329,037,282 | 342,890,200 | 365,296,724 | 338,457,450 | 348,260,478 |
| Restricted | 34,138,368 | 23,663,562 | 29,318,758 | 30,677,355 | 28,398,941 |
| Unrestricted | <u>(72,230,104)</u> | <u>(56,620,684)</u> | <u>(23,946,830)</u> | <u>80,661,780</u> | <u>77,250,388</u> |
| <i>Total Primary Government Net Assets</i> | <u>\$ 290,945,546</u> | <u>\$ 309,933,078</u> | <u>\$ 370,668,652</u> | <u>\$ 449,796,585</u> | <u>\$ 453,909,807</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 1

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

| <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 279,457,684 | \$ 293,878,857 | \$ 99,396,330 | \$ 92,960,320 | \$ 84,536,191 |
| 21,667,901 | 14,091,970 | 14,534,627 | 16,942,101 | 7,292,478 |
| <u>57,753,704</u> | <u>23,949,365</u> | <u>(1,601,245)</u> | <u>(2,476,673)</u> | <u>5,308,274</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> |
| 64,416,046 | 69,310,436 | 60,863,614 | 64,212,763 | 61,001,418 |
| 12,111,572 | 12,439,395 | 8,631,616 | 10,850,857 | 13,290,029 |
| <u>3,660,752</u> | <u>(5,209,355)</u> | <u>655,260</u> | <u>(9,333,600)</u> | <u>(10,703,367)</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> |
| 343,873,730 | 363,189,293 | 160,259,944 | 157,173,083 | 145,537,609 |
| 33,779,473 | 26,531,365 | 23,166,243 | 27,792,958 | 20,582,507 |
| <u>55,150,087</u> | <u>18,740,010</u> | <u>(945,985)</u> | <u>(11,810,273)</u> | <u>(5,395,093)</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> |

Table 2

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

| | <u>2011</u> | <u>2010</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> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | \$ 88,280,317 | \$ 79,073,880 | \$ 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 | 37,244,642 | 37,798,060 | 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 | 29,582,890 | 33,974,607 | 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 | 4,939,762 | 4,963,980 | 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 | 1,249,949 | 1,418,139 | 1,346,366 | 1,228,095 | 1,131,873 | 1,099,690 | 1,049,646 | 1,063,896 | 968,231 | 959,026 |
| Education | 185,038,583 | 209,838,466 | 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 | 3,257,483 | 4,143,870 | 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 | 11,277,792 | 9,971,261 | 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 | 20,163,969 | 14,288,096 | 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 | 5,370,598 | 6,018,687 | 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 | 12,522,525 | 12,553,680 | 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>398,928,510</u> | <u>414,042,726</u> | <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 | 11,890,461 | 10,489,645 | 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 | 8,830,209 | 8,961,015 | 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 | 618,045 | 829,611 | 777,692 | 3,097,618 | 2,086,621 | 2,235,048 | 1,991,862 | 1,084,862 | 940,440 | 510,455 |
| Septage | 475,718 | 474,195 | 388,398 | 395,824 | 402,898 | 364,010 | 333,229 | 437,397 | 386,527 | 422,084 |
| Firearms | 79,627 | 76,281 | 77,475 | 74,497 | 58,238 | 60,267 | 62,524 | 50,670 | 56,259 | 39,765 |
| Fiber Optic Network | 215,017 | - | - | - | - | - | - | - | - | - |
| <i>Total Business-Type Activities Expenses</i> | <u>22,109,077</u> | <u>20,830,747</u> | <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>\$ 421,037,587</u> | <u>\$ 434,873,473</u> | <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 | \$ 8,361,578 | \$ 7,579,919 | \$ 7,483,309 | \$ 10,755,039 | \$ 9,364,742 | \$ 6,099,868 | \$ 5,718,536 | \$ 6,018,327 | \$ 7,531,531 | \$ 5,665,481 |
| Public safety | 2,305,294 | 2,544,149 | 2,938,203 | 3,294,542 | 3,840,410 | 2,704,610 | 2,797,319 | 2,367,860 | 2,101,681 | 3,181,575 |
| Public works | 1,560,090 | 1,530,974 | 1,520,812 | 1,672,368 | 1,456,792 | 1,341,439 | 1,531,726 | 1,134,025 | 73,592 | 102,152 |
| Health | 44,320 | 12,190 | 15,541 | 12,492 | 8,155 | 8,111 | 7,981 | 3,840 | 5,396 | 65,806 |
| Social services | 6,600 | 284,014 | 367,238 | 367,238 | 284,564 | 334,806 | 316,333 | 316,332 | 316,332 | 342,694 |
| Education | 457,698 | 393,951 | 425,150 | 409,266 | 749,353 | 5,763,276 | 5,344,715 | 6,697,153 | 6,646,979 | 8,118,872 |
| Recreation and parks | 875,200 | 860,865 | 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 | 17,944,093 | 16,201,809 | 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 | 10,461,443 | 17,297,018 | 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>42,016,316</u> | <u>46,704,889</u> | <u>30,810,323</u> | <u>37,951,826</u> | <u>36,905,634</u> | <u>31,538,408</u> | <u>33,260,603</u> | <u>34,558,834</u> | <u>36,342,246</u> | <u>39,356,063</u> |

Table 2

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

| | <u>2011</u> | <u>2010</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> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Bureau of Utilities | \$ 8,630,730 | \$ 7,843,041 | \$ 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 | 7,307,108 | 5,907,344 | 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 | 675,683 | 518,581 | 671,258 | 2,222,010 | 1,840,449 | 2,041,458 | 1,744,414 | 1,016,110 | 536,329 | 351,803 |
| Septage | 608,688 | 603,550 | 449,263 | 387,636 | 536,845 | 482,599 | 388,871 | 453,800 | 328,401 | 337,250 |
| Firearms | 126,696 | 111,984 | 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 | 2,073,793 | 1,908,142 | 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>19,422,698</u> | <u>16,892,642</u> | <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>\$ 61,439,014</u> | <u>\$ 63,597,531</u> | <u>\$ 48,053,221</u> | <u>\$ 57,432,379</u> | <u>\$ 56,440,696</u> | <u>\$ 48,447,679</u> | <u>\$ 54,030,184</u> | <u>\$ 49,976,809</u> | <u>\$ 48,949,894</u> | <u>\$ 51,195,618</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (356,912,194) | (367,337,837) | (394,163,990) | (335,861,777) | (288,675,959) | (270,398,278) | (252,518,746) | (239,532,151) | (201,237,893) | (200,206,955) |
| Business-Type Activities | (2,686,379) | (3,938,105) | 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>\$(359,598,573)</u> | <u>\$(371,275,942)</u> | <u>\$(393,821,757)</u> | <u>\$(337,654,627)</u> | <u>\$(287,473,638)</u> | <u>\$(271,140,228)</u> | <u>\$(251,571,219)</u> | <u>\$(238,699,541)</u> | <u>\$(202,895,705)</u> | <u>\$(201,861,390)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 208,296,512 | \$ 201,573,213 | \$ 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 | 121,921,970 | 95,516,527 | 99,973,903 | 120,230,118 | 106,921,331 | 108,435,386 | 103,315,651 | 90,410,674 | 77,821,632 | 96,712,229 |
| Recordation | 7,612,907 | 9,154,578 | 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 and amusement tax | 379,990 | 246,184 | 335,125 | 386,186 | 405,295 | 393,659 | 451,296 | 428,625 | 477,069 | 515,855 |
| Agricultural transfer tax | 24,977 | 24,199 | 181,458 | 439,268 | 390,420 | 501,049 | 863,696 | 693,045 | 973,496 | 538,312 |
| Hotel tax | 284,602 | 287,850 | 287,495 | 311,049 | 321,676 | 191,117 | - | - | - | - |
| State shared, unrestricted | 724,807 | 1,172,339 | 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 | 782,346 | 2,107,298 | 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 | (12,980,697) | (2,761,088) | (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>327,047,414</u> | <u>307,321,100</u> | <u>311,149,918</u> | <u>327,853,400</u> | <u>297,908,128</u> | <u>297,357,375</u> | <u>270,361,868</u> | <u>244,436,115</u> | <u>212,962,015</u> | <u>225,339,323</u> |
| Business-Type Activities: | | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 315,000 |
| Investment earnings, unrestricted | 582,930 | 422,785 | 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 | - | 35,395 | - | 93,425 | - | - | - | - | - | 8,592 |
| Transfers | 12,980,697 | 2,761,088 | 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>13,563,627</u> | <u>3,219,268</u> | <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>340,611,041</u> | <u>310,540,368</u> | <u>314,693,824</u> | <u>333,541,405</u> | <u>308,580,155</u> | <u>301,747,219</u> | <u>275,804,327</u> | <u>248,023,975</u> | <u>218,286,852</u> | <u>230,025,673</u> |
| Governmental Activities | \$ (29,864,780) | \$ (60,016,737) | \$ (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 | 10,877,248 | (718,837) | 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>\$(18,987,532)</u> | <u>\$(60,735,574)</u> | <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)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund (1) | | | | | | | | | | |
| Nonspendable | \$ 30,274,746 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 18,998,982 | - | - | - | - | - | - | - | - | - |
| Committed | 20,165,000 | - | - | - | - | - | - | - | - | - |
| Assigned | 9,782,490 | - | - | - | - | - | - | - | - | - |
| Unassigned | 16,809,377 | - | - | - | - | - | - | - | - | - |
| Total General Fund | \$ 96,030,595 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-Major Governmental Funds: (1) | | | | | | | | | | |
| Capital Projects Fund | | | | | | | | | | |
| Assigned | \$ 33,780,969 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Revenues Fund | | | | | | | | | | |
| Restricted | \$ 4,361,704 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Committed | 603,723 | - | - | - | - | - | - | - | - | - |
| Unassigned | (21,576) | - | - | - | - | - | - | - | - | - |
| Total Non-Major Governmental Funds | \$ 38,724,820 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Governmental Funds | \$ 134,755,415 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unassigned General Fund Balance as a Percentage of General Fund Expenditures | 5.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ 39,429,507 | \$ 34,538,703 | \$ 34,265,738 | \$ 36,345,385 | \$ 29,544,723 | \$ 22,316,884 | \$ 18,002,122 | \$ 15,106,392 | \$ 14,352,385 |
| Unreserved and designated | - | 27,868,281 | 34,623,762 | 30,997,138 | 31,787,678 | 31,217,889 | 42,231,314 | 21,903,140 | 33,688,855 | 41,108,064 |
| Unreserved, undesignated | - | 7,993,646 | 8,103,281 | 14,858,762 | 7,302,102 | 13,542,642 | 12,891,533 | 12,597,901 | 3,751,257 | 9,556,782 |
| Total General Fund | \$ - | \$ 75,291,434 | \$ 77,265,746 | \$ 80,121,638 | \$ 75,435,165 | \$ 74,305,254 | \$ 77,439,731 | \$ 52,503,163 | \$ 52,546,504 | \$ 65,017,231 |
| Non-Major Governmental Funds: | | | | | | | | | | |
| Capital Projects Fund | | | | | | | | | | |
| Reserved for Encumbrances | \$ - | \$ 14,173,039 | \$ 19,967,975 | \$ 39,912,191 | \$ 11,023,565 | \$ 12,857,709 | \$ 8,800,332 | \$ 8,075,516 | \$ 13,259,460 | \$ 5,825,988 |
| Unreserved and designated | - | 29,143,318 | 25,951,067 | 45,904,401 | 93,792,138 | 79,972,189 | 48,702,238 | 41,394,637 | 43,640,987 | 27,239,064 |
| Special Revenues Fund | | | | | | | | | | |
| Unreserved, undesignated | - | 4,940,003 | 3,338,527 | 2,340,051 | 9,973,460 | 9,395,177 | 5,207,348 | 4,318,286 | 10,726,459 | 9,166,339 |
| Total Other Governmental Funds | \$ - | \$ 48,256,360 | \$ 49,257,569 | \$ 88,156,643 | \$ 114,789,163 | \$ 102,225,075 | \$ 62,709,918 | \$ 53,788,439 | \$ 67,626,906 | \$ 42,231,391 |
| Total Governmental Funds | \$ - | \$ 123,547,794 | \$ 126,523,315 | \$ 168,278,281 | \$ 190,224,328 | \$ 176,530,329 | \$ 140,149,649 | \$ 106,291,602 | \$ 120,173,410 | \$ 107,248,622 |
| Unreserved General Fund Balance as a Percentage of General Fund Expenditures | 0.0% | 10.5% | 12.9% | 14.9% | 13.7% | 17.0% | 21.4% | 14.9% | 17.0% | 22.7% |

Source: Carroll County Department of the Comptroller.

(1) In FY 2011 GASB 54 was implemented.

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 and Amusement Tax | 911 Service Fees-Tax | Total |
|---------------------|-------------------|---------------|--------------------|-----------------------------------|-------------------------|-------------|
| 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 |
| 2010 | 201,526,399 | 109,618,082 | 9,154,578 | 246,184 | 1,163,737 | 321,708,980 |
| 2011 | 208,296,512 | 117,344,676 | 7,612,907 | 379,990 | 1,039,337 | 334,673,422 |
| Change 2002-2011 | 91.1% | 54.0% | -16.9% | -26.3% | 17.8% | |

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-tax 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)

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------------------|-----------------------|------------------------|------------------------|----------------------|
| REVENUES | | | | | |
| Taxes-Local (see Table 4) | \$334,673,422 | \$321,708,980 | \$314,392,546 | \$310,664,999 | \$290,760,528 |
| Taxes-State Shared | 1,447,227 | 1,219,154 | 10,800,922 | 12,244,961 | 12,729,242 |
| Impact fees | 1,148,592 | 1,304,575 | 869,347 | 1,350,460 | 1,669,793 |
| Licenses and permits | 1,364,820 | 1,310,176 | 1,288,525 | 1,666,970 | 1,781,585 |
| Intergovernmental revenues | 26,455,936 | 30,841,686 | 15,042,612 | 16,773,453 | 14,253,803 |
| Charges for services | 4,981,149 | 5,008,757 | 5,239,049 | 5,788,013 | 5,732,717 |
| Fines and forfeits | 101,128 | 86,168 | 90,840 | 100,509 | 86,754 |
| Interest | 1,244,055 | 2,989,913 | 5,463,426 | 10,537,502 | 11,112,070 |
| Miscellaneous revenues | 3,249,099 | 4,396,040 | 3,349,723 | 4,101,008 | 5,953,948 |
| Total revenues | <u>374,665,428</u> | <u>368,865,449</u> | <u>356,536,990</u> | <u>363,227,875</u> | <u>344,080,440</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 69,373,934 | 72,086,446 | 69,035,233 | 65,771,932 | 60,783,464 |
| Public safety | 35,396,452 | 34,748,084 | 35,256,843 | 34,222,625 | 28,595,412 |
| Public works | 10,649,104 | 12,586,032 | 11,325,405 | 10,861,774 | 9,425,523 |
| Health | 4,707,292 | 4,712,680 | 4,731,958 | 4,368,725 | 4,339,691 |
| Social services | 1,226,927 | 1,391,110 | 1,319,630 | 1,200,206 | 1,131,873 |
| Education | 174,935,761 | 177,855,179 | 172,156,658 | 155,480,987 | 151,674,483 |
| Library | 8,645,019 | 8,413,733 | 8,170,171 | 7,717,198 | 6,782,100 |
| Recreation and parks | 2,639,789 | 1,877,029 | 1,665,731 | 1,648,268 | 2,106,832 |
| Conservation of natural resources | 822,510 | 792,207 | 800,054 | 821,409 | 718,552 |
| Economic development | 5,089,136 | 5,640,224 | 5,690,821 | 4,351,843 | 3,067,166 |
| Capital outlay | 44,842,000 | 77,047,071 | 127,778,575 | 86,014,727 | 55,671,218 |
| Debt service: | | | | | |
| Principal | 23,431,934 | 22,889,828 | 24,029,542 | 23,487,007 | 20,336,962 |
| Interest | 13,914,992 | 12,802,086 | 10,470,693 | 9,543,326 | 9,237,763 |
| Total expenditures | <u>395,674,850</u> | <u>432,841,709</u> | <u>472,431,314</u> | <u>405,490,027</u> | <u>353,871,039</u> |
| Excess (deficiency) of revenues over expenditures | (21,009,422) | (63,976,260) | (115,894,324) | (42,262,152) | (9,790,599) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 13,778,283 | 12,035,023 | 16,037,191 | 26,594,904 | 14,957,047 |
| Transfers out | (16,018,252) | (14,780,223) | (18,829,171) | (29,909,754) | (17,812,601) |
| Refunding bonds issued | 14,690,327 | (7,936,995) | - | - | - |
| Payments to escrow agent | (14,593,220) | - | - | (6,786,798) | (24,849,347) |
| Proceeds of bonds issued | 21,192,091 | 64,508,850 | 72,088,000 | 27,100,000 | 44,092,000 |
| Bonds premium (discount) | 2,894 | 2,371,214 | 1,874,448 | 672,349 | 1,180,352 |
| Issuance of debt-long term notes | 13,115,500 | 4,662,430 | 2,956,796 | 2,495,343 | 5,994,265 |
| Total other financing sources (uses) | <u>32,167,623</u> | <u>60,860,299</u> | <u>74,127,264</u> | <u>20,166,044</u> | <u>23,561,716</u> |
| Net change in fund balances | <u>\$ 11,158,201</u> | <u>\$ (3,115,961)</u> | <u>\$ (41,767,060)</u> | <u>\$ (22,096,108)</u> | <u>\$ 13,771,117</u> |
| Debt Service as a percentage of | | | | | |
| Noncapital Expenditures | 10.4% | 9.0% | 7.9% | 8.9% | 9.1% |

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

| 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------|---------------|-----------------|----------------|-----------------|
| \$276,738,571 | \$260,060,693 | \$ 233,065,846 | \$ 206,375,934 | \$ 195,757,121 |
| 12,313,362 | 9,936,273 | 7,890,085 | 9,652,977 | 9,933,906 |
| 3,924,721 | 3,936,986 | 4,864,707 | 5,394,263 | 6,809,437 |
| 3,349,234 | 2,999,086 | 3,175,909 | 3,368,917 | 3,567,154 |
| 12,627,892 | 15,319,436 | 16,448,322 | 18,806,849 | 16,496,307 |
| 4,559,557 | 4,850,580 | 4,237,420 | 4,410,686 | 5,393,276 |
| 88,942 | 123,622 | 107,577 | 132,349 | 103,462 |
| 6,753,742 | 3,395,552 | 2,071,122 | 2,657,792 | 4,605,987 |
| 3,763,843 | 3,862,252 | 3,862,329 | 3,359,057 | 5,342,169 |
| 324,119,864 | 304,484,480 | 275,723,317 | 254,158,824 | 248,008,819 |
| 60,412,713 | 66,446,506 | 53,805,088 | 46,886,320 | 39,856,047 |
| 26,875,030 | 24,466,006 | 22,682,161 | 20,585,117 | 18,978,117 |
| 8,495,030 | 7,851,771 | 7,386,474 | 8,034,700 | 7,246,204 |
| 4,204,001 | 3,924,884 | 3,814,693 | 3,734,969 | 3,702,848 |
| 1,096,568 | 1,042,802 | 1,057,052 | 961,387 | 952,182 |
| 142,253,487 | 132,393,561 | 124,378,658 | 117,076,007 | 129,720,231 |
| 6,220,220 | 5,725,660 | 5,232,270 | 5,098,495 | 5,017,095 |
| 1,221,026 | 1,113,773 | 1,098,367 | 1,109,263 | 3,789,203 |
| 698,716 | 675,481 | 642,661 | 616,403 | 597,935 |
| 1,819,561 | 2,728,971 | 3,282,035 | 3,257,189 | 2,744,789 |
| 45,177,873 | 38,032,734 | 43,078,838 | 23,727,048 | 27,744,133 |
| 18,421,084 | 14,670,026 | 15,997,408 | 13,907,746 | 26,676,037 |
| 8,987,587 | 8,145,529 | 7,451,178 | 8,722,292 | 9,584,124 |
| 325,882,896 | 307,217,704 | 289,906,883 | 253,716,936 | 276,608,945 |
| (1,763,032) | (2,733,224) | (14,183,566) | 441,888 | (28,600,126) |
| 12,024,485 | 17,376,594 | 22,913,593 | 23,208,305 | 13,567,825 |
| (14,890,815) | (20,004,967) | (32,739,174) | (27,434,785) | (16,676,338) |
| - | - | - | - | - |
| - | - | (71,096,825) | - | - |
| 34,699,318 | 36,860,000 | 81,104,603 | 16,289,051 | 11,511,499 |
| 171,249 | 157,786 | (3,335) | - | - |
| 5,923,118 | 2,179,934 | 100,000 | 530,930 | 1,071,774 |
| 37,927,355 | 36,569,347 | 278,862 | 12,593,501 | 9,474,760 |
| \$ 36,164,323 | \$ 33,836,123 | \$ (13,904,704) | \$ 13,035,389 | \$ (19,125,366) |
| 9.2% | 8.0% | 8.8% | 9.8% | 15.1% |

**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 | | | | | | Grand Total Estimated Market Value |
|-------------|----------------|------------------------|-----------------|-------------------|--------------|------------------|-------------|------------------------|-----------------|------------------------------------|
| | Assessed Value | Estimated Market Value | Direct Tax Rate | Assessed Value | | | | Estimated Market Value | Direct Tax Rate | |
| | | | | Unincorporated | Incorporated | Public Utilities | Total | | | |
| 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 |
| 2010 | 21,512,336,815 | 21,512,336,815 | 1.048 | 11,285,650 | 276,475,340 | 266,070,820 | 553,831,810 | 553,831,810 | 2.62 | 22,066,168,625 |
| 2011 | 20,350,538,451 | 20,350,538,451 | 1.048 | 10,631,520 | 258,758,007 | 275,237,500 | 544,627,027 | 544,627,027 | 2.62 | 20,895,165,478 |

Real property is reassessed every three years. Real property has been assessed at market value since 2002. 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 |
| 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 |
| 2010 | 1.048 | 0.112 | 0.32 | 0.33 | 0.184 | 0.44 | 0.20 | 0.20 | 0.30 | 0.165 |
| 2011 | 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.

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**

| 2011 | | | | |
|-------------------------------|-----------------------------------|--------------------------|----------------------|------------------------------|
| Taxpayer | Type of Business | Assessed Valuation | Tax Amount Paid | % of Total Assessed Value |
| Baltimore Gas & Electric | Utilities | \$ 170,204,640 | \$ 4,459,361 | 0.81% |
| Verizon-Maryland | Communications | 50,169,470 | 1,314,440 | 0.24% |
| Carroll Lutheran Village | Retirement Village | 59,981,588 | 1,071,316 | 0.29% |
| Random House | Warehouse Distribution | 44,096,436 | 656,680 | 0.21% |
| Cranberry Mall Properties LLC | Mall | 29,869,270 | 516,906 | 0.14% |
| Colonial Pipeline Co. | Pipeline trans.-refined petroleum | 19,483,130 | 510,458 | 0.09% |
| Fairhaven Inc. | Assisted Living | 39,025,999 | 454,020 | 0.19% |
| Hampstead 2004 LLC | Retail | 33,959,700 | 390,404 | 0.16% |
| Cranberry Retail Inc. | Power Tools | 21,447,732 | 370,943 | 0.10% |
| Comcast of Ca./Md./Pa. | Manufacturer | 14,190,360 | 368,070 | 0.07% |
| | | <u>\$ 482,428,325</u> | <u>\$ 10,112,598</u> | <u>2.31%</u> |
| | Total Assessed Valuation | <u>\$ 20,895,165,478</u> | | |

| 2002 | | | | |
|-------------------------------|-----------------------------------|-------------------------|--------------------|------------------------------|
| Taxpayer | Type of Business | Assessed Valuation | Tax Amount Paid | % of Total Assessed Value |
| Baltimore Gas & Electric | Utilities | \$ 122,542,140 | \$ 3,210,604 | 1.26% |
| Verizon-Maryland | Communications | 74,622,210 | 1,955,102 | 0.77% |
| AT&T Communications | Communications | 34,817,220 | 912,211 | 0.36% |
| Cranberry Mall Properties LLC | Mall | 30,201,700 | 791,285 | 0.31% |
| D&L Development | Power Tools | 27,867,800 | 730,136 | 0.29% |
| Random House Inc. | Warehouse Distribution Center | 26,297,372 | 688,991 | 0.27% |
| Wal-Mart Store, Inc. | Commercial Stores | 22,079,886 | 578,493 | 0.23% |
| Carroll Lutheran Village | Retirement Village | 20,115,574 | 527,028 | 0.21% |
| Potomac Edison | Electric Utility | 19,753,430 | 517,540 | 0.20% |
| Colonial Pipeline Co. | Pipeline trans. -refind petroleum | 8,812,390 | 230,885 | 0.09% |
| | | <u>\$ 387,109,722</u> | <u>10,142,275</u> | <u>3.98%</u> |
| | Total Assessed Valuation | <u>\$ 9,726,556,899</u> | | |

Property is reassessed every three years.

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 | | |
| 2002 | 108,651,799 | 108,465,799 | 99.83% | 149,122 | 108,614,921 | 99.97% | 36,123 | 0.03% |
| 2003 | 116,374,225 | 114,676,102 | 98.54% | 1,691,284 | 116,367,386 | 99.99% | 6,599 | 0.01% |
| 2004 | 122,127,710 | 121,181,554 | 99.23% | 929,618 | 122,111,172 | 99.99% | 15,437 | 0.01% |
| 2005 | 133,912,351 | 132,713,125 | 99.10% | 1,176,894 | 133,890,019 | 99.98% | 21,030 | 0.02% |
| 2006 | 148,614,976 | 147,744,969 | 99.41% | 833,012 | 148,577,981 | 99.98% | 34,109 | 0.02% |
| 2007 | 170,124,838 | 169,106,817 | 99.40% | 971,452 | 170,078,269 | 99.97% | 42,449 | 0.02% |
| 2008 | 195,793,490 | 194,780,453 | 99.48% | 934,372 | 195,714,825 | 99.96% | 109,070 | 0.06% |
| 2009 | 222,146,165 | 221,514,565 | 99.72% | 462,039 | 221,976,604 | 99.92% | 158,761 | 0.07% |
| 2010 | 239,656,240 | 238,543,223 | 99.54% | 682,432 | 239,225,655 | 99.82% | 430,585 | 0.18% |
| 2011 | 227,219,284 | 226,056,851 | 99.49% | - | 226,056,851 | 99.49% | 1,162,433 | 0.51% |

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 | Tier 1 | Tier 2 | Tier 3 | Quarterly Base Rate | Tier 1 | Tier 2 | Tier 3 |
| 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 |
| 2010 | 8.41 | 4.02 | 4.67 | 5.07 | 11.95 | 5.91 | 7.06 | 7.82 |
| 2011 | 6.97 | 4.62 | 5.00 | 5.28 | 9.97 | 7.27 | 8.13 | 8.77 |

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

The standard household meter size is 5/8" and the average household usage for fiscal year 2011 was 14,000 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 | | | % of Personal Income (3) | % of Market Property Value (2) | Per Capita (3) |
|-------------|-----------------------------|-------------------------|--------------|---------------------|------------------------------|--|--------------------------|--------------------------|--------------------------------|----------------|
| | General Obligation Bonds(1) | General Obligation Debt | Other Notes | Purchase Agreements | General Obligation Bonds (1) | Special Assessment Debt with Government Commitment | Total Primary Government | | | |
| 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 | 2.68% | 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 | 2.27% | 1.55% | 1,811 |
| 2010 | 308,741,636 | 14,014,420 | 937,965 | 2,268,571 | 27,878,604 | 2,090,052 | 355,931,248 | N/A | 1.61% | 2,027 |
| 2011 | 307,155,888 | 27,129,920 | 200,000 | 2,097,835 | 26,190,843 | 1,202,259 | 363,976,745 | N/A | 1.74% | 2,167 |

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 & Debt Outstanding | Percent of Actual Property Value (1) | Percent of Personal Income (2) | Per Capita (2) |
|------------------------|--|---|---|---------------------------|
| 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% | 2.32% | 1,769 |
| 2010 | 350,634,660 | 1.59% | N/A | 1,997 |
| 2011 | 360,476,651 | 1.72% | N/A | 2,146 |

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.

Table 13

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

**Computation of Legal Debt Margin
June 30, 2011**

| | | |
|--|--------------------|--------------------------------|
| Net assessed value- Real Property | \$ 20,350,538,451 | |
| Debt limit - 6% of net total assessed value (1) | | \$ 1,221,032,307 |
| Assessed Value-Personal Property | <u>544,627,027</u> | |
| Debt limit- 15% of Net Assessed Value (1) | | <u>81,694,054</u> |
| Total Debt Limit (6%/15%) | | 1,302,726,361 |
| Amount of debt applicable to debt limit: | | |
| Total Bonded Debt | \$ 359,111,303 | |
| Less- Agricultural Preservation Program Self Supporting Debt | 27,129,920 | |
| Less- Fire Company Loans- Self Supporting Debt | 10,084,184 | |
| Less - Bureau of Utilities bonds | 19,802,339 | |
| Less - Septage bonds | 134,110 | |
| Total amount of debt applicable to debt limit | | <u>301,960,750</u> |
| Legal debt margin | | <u><u>\$ 1,000,765,611</u></u> |

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
2002-2011

| 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 |
|-------------|----------------|-----------------------|----------------------------|----------------------------|-------------------|---|
| 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 | 20,409,412,280 | 6%/15% | 1,274,735,984 | 268,496,244 | 1,006,239,740 | 21.06% |
| 2010 | 22,066,168,625 | 6%/15% | 1,373,814,980 | 303,156,906 | 1,070,658,074 | 22.07% |
| 2011 | 20,895,165,478 | 6%/15% | 1,302,726,361 | 301,960,750 | 1,000,765,611 | 23.18% |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Direct And Overlapping Debt
June 30, 2011

| 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 | \$ 679,732,330 | 3.34% | \$ 10,088,589 | \$ 1,941,409 | \$ 12,029,998 |
| Manchester | 519,637,096 | 2.55% | 7,702,366 | 260,697 | 7,963,063 |
| Mt. Airy | 806,788,603 | 3.96% | 11,961,321 | 3,321,740 | 15,283,061 |
| New Windsor | 135,199,228 | 0.66% | 1,993,553 | - | 1,993,553 |
| Sykesville | 357,595,378 | 1.76% | 5,316,143 | 514,145 | 5,830,288 |
| Taneytown | 605,876,510 | 2.98% | 9,001,196 | 17,661,499 | 26,662,695 |
| Union Bridge | 76,718,508 | 0.38% | 1,147,804 | 1,468,446 | 2,616,250 |
| Westminster | 1,806,177,511 | 8.88% | 26,822,357 | 19,250,973 | 46,073,330 |
| Unincorporated areas | 15,362,813,287 | 75.49% | 231,020,236 | - | 231,020,236 |
| County-wide Totals | <u>\$ 20,350,538,451</u> | <u>100.00%</u> | <u>\$ 305,053,565</u> | <u>\$ 44,418,909</u> | <u>\$ 349,472,474</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.
 Incorporated Municipalities.

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) |
|------------------------|---------------------------|---|---|--------------------------------------|--------------------------------------|
| 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 | 7,176,136 | 42,264 | 27,745 | 6.60% |
| 2010 | 167,134 | N/A | N/A | 27,524 | 6.50% |
| 2011 | 167,929 | N/A | N/A | 27,201 | 6.80% |

Source: (1) Carroll County Department of Land Use, Planning and Development, June 2011. FY 2010 reflects the 2010 Census data. Fiscal years prior to FY 2010 are estimates.

(2) Maryland Department of Planning, Planning Data Services, from U.S. Bureau of Economic Analysis, August 2010.

(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2010-2011.

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

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

**Major Employers
Current Fiscal Year and Nine Years Ago**

2011

| <u>Firm</u> | <u>Product/Service</u> | <u>Total Employment *</u> | <u>Percentage of Total County Employment</u> |
|---|---|---------------------------|--|
| Board of Education of Carroll County ** | Elementary and secondary school systems | 3,769 | 6.90% |
| Carroll Hospital Center | General hospital | 1,804 | 3.30% |
| Springfield Hospital Center | Mental health services | 833 | 1.53% |
| Random House | Book Warehousing & Distribution | 800 | 1.46% |
| Fairhaven (Episcopal Ministries) | Life care retirement community | 700 | 1.28% |
| Carroll County Government*** | Local government | 656 | 1.20% |
| McDaniel College | Higher education | 623 | 1.14% |
| Jos. A. Bank Clothiers | Corporate HQ/ Distribution | 576 | 1.05% |
| Carroll Community College | Higher education | 509 | 0.93% |
| General Dynamics Robotic Systems | Technology Manufacturing | 490 | 0.90% |
| | Total | <u>10,760</u> | <u>19.70%</u> |
| | Annual Average Employment in Carroll County**** | <u>54,616</u> | |

2002

| <u>Firm</u> | <u>Product/Service</u> | <u>Total Employment</u> | <u>Percentage of Total County Employment</u> |
|---|---|-------------------------|--|
| Board of Education of Carroll County ** | Elementary and secondary school systems | 3,062 | 6.12% |
| Carroll County General Hospital | General hospital | 1,344 | 2.68% |
| Random House, Inc. | Book warehousing and distribution | 1,080 | 2.16% |
| Carroll County Government *** | Local government central office | 850 | 1.70% |
| Springfield Hospital center | Mental health services | 790 | 1.58% |
| McDaniel College***** | Higher Education | 576 | 1.15% |
| Fairhaven (Episcopal Ministries) | Life care retirement community | 515 | 1.03% |
| English American Tailoring | Men & women's made-to-measure clothing | 450 | 0.90% |
| Northrop Grumman | Electronic testing | 435 | 0.87% |
| Charles J. Miller, Inc. | Asphalt excavation & paving contractor | 314 | 0.63% |
| | Total | <u>9,416</u> | <u>18.81%</u> |
| | Annual Average Employment in Carroll County | <u>50,062</u> | |

Notes: * As of September 2009.

** Does not include hourly employees such as substitutes, aides, etc.

*** Central offices only. Excludes Sheriff's Department, Courts, etc.

**** As of June 2010.

***** Prior to July 2002 known as Western Maryland College

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 2010 and 2001.

Carroll County Department of the Comptroller.

Carroll County Department of Land Use, Planning and Development

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>2011</u> | <u>2010</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> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| County Commissioners | | | | | | | | | | |
| Legislative | 9 | 9 | 8 | 9 | 11 | 10 | 12 | 8 | 11 | 10 |
| * Licenses/Zoning Appeals Board | - | - | - | - | - | 4 | 5 | 5 | 4 | 4 |
| * Board of License Commissioners | - | - | - | - | - | - | - | - | - | 2 |
| Public Information | - | 2 | 2 | 2 | 2 | 3 | 2 | - | - | 1 |
| * Farm Museum | - | 7 | 9 | 10 | 10 | 10 | 9 | 9 | 9 | 9 |
| * Airport Management | 1 | 2 | 2 | 3 | 2 | 2 | 2 | 1 | 1 | - |
| Judicial | 79 | 83 | 85 | 83 | 82 | 75 | 66 | 66 | 70 | 72 |
| Dept of the Comptroller | 34 | 35 | 36 | 37 | 37 | 36 | 35 | 37 | 36 | 36 |
| Administrative Services | | | | | | | | | | |
| Administrative Services- Admin | 1 | - | - | - | - | - | - | - | - | - |
| * Human Resources and Personnel Svcs | 13 | 13 | 16 | 17 | 17 | 17 | 18 | 18 | 18 | 18 |
| * Management Analysis | 1 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| * TV Production | 2 | 2 | 1 | 1 | 1 | - | - | - | - | - |
| * Production & Distribution Svcs | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | - |
| * Dept of Technology Services | 25 | 25 | 25 | 27 | 25 | 24 | 25 | 25 | 25 | - |
| * Management and Budget | 14 | 16 | 18 | 16 | 18 | 17 | 16 | 17 | 16 | 43 |
| * Planning | 43 | 43 | 43 | 45 | 42 | 45 | 44 | 44 | 43 | 131 |
| * General Services | 96 | 103 | 118 | 127 | 122 | 114 | 112 | 112 | 112 | - |
| Citizen Services | 48 | 45 | 54 | 56 | 51 | 51 | 44 | 45 | 47 | 38 |
| Public Safety | | | | | | | | | | |
| Sheriff Services | 211 | 204 | 209 | 197 | 196 | 186 | 171 | 166 | 158 | 149 |
| Emergency Services | 30 | 31 | 32 | 36 | 35 | 34 | 31 | 30 | 28 | 27 |
| Public Works | | | | | | | | | | |
| * Supervision & Administration | 2 | 2 | 4 | 4 | 4 | 6 | 5 | - | 6 | 8 |
| Roads | 99 | 97 | 105 | 112 | 108 | 103 | 107 | 116 | 111 | 110 |
| * Engineering | 19 | 20 | 22 | 23 | 21 | 22 | 22 | 23 | 22 | 21 |
| * Bureau of Utilities-Operations | 33 | 32 | 33 | 34 | 30 | 29 | 28 | 28 | 27 | 28 |
| * Solid Waste-Operations | 20 | 19 | 20 | 20 | 20 | 21 | 20 | 20 | 17 | 21 |
| Social Services | 17 | 16 | 16 | 15 | 15 | 15 | 14 | 14 | 13 | 13 |
| Education | 1 | 1 | 1 | 1 | 1 | 1 | 11 | 12 | 9 | 11 |
| Recreation and Parks | 31 | 22 | 27 | 27 | 27 | 27 | 16 | 16 | 15 | 15 |
| Conservation of Natural Resources | | | | | | | | | | |
| Soil Conservation Service | 6 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Economic Development | | | | | | | | | | |
| Economic Development | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| BERC | 9 | 10 | 8 | 8 | 10 | 10 | 10 | 10 | 10 | 10 |
| Tourism | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Full Time Employee Totals | 854 | 855 | 913 | 930 | 907 | 883 | 846 | 843 | 829 | 819 |
| Part Time Employees | 5 | 8 | 12 | 14 | 15 | 17 | 24 | 27 | 26 | 27 |
| Total Employees | 859 | 863 | 925 | 944 | 922 | 900 | 870 | 870 | 855 | 846 |

* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

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

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Information | | | | | | | | | | |
| Population | 167,929 | 167,134 | 174,909 | 174,249 | 173,208 | 171,742 | 168,521 | 166,234 | 163,400 | 159,442 |
| Registered Voters | 112,688 | 110,336 | 109,428 | 106,828 | 106,853 | 104,318 | 102,505 | 95,056 | 90,756 | 89,687 |
| General Government | | | | | | | | | | |
| Building Permits Issued for Residential | 187 | 201 | 159 | 255 | 335 | 661 | 640 | 731 | 1,177 | 1,347 |
| Estimated Value (\$ in thousands) Residential | \$ 31,803 | \$ 32,699 | \$ 26,308 | \$ 44,316 | \$ 57,126 | \$ 118,037 | \$ 115,252 | \$ 131,538 | \$ 189,913 | \$ 211,822 |
| Building Permits Issued for other purposes | 1,828 | 1,745 | 1,908 | 2,534 | 2,727 | 3,244 | 3,173 | 3,615 | 3,021 | 2,891 |
| Estimated Value (\$ in thousands) Other | \$ 66,314 | \$ 52,397 | \$ 108,861 | \$ 177,729 | \$ 102,781 | \$ 138,171 | \$ 126,448 | \$ 124,703 | \$ 102,082 | \$ 80,531 |
| Fire and Emergency Service | | | | | | | | | | |
| Paid Firemen | 120 | 115 | 115 | 112 | 92 | 85 | 92 | 42 | 42 | 42 |
| Active Volunteers (estimated) | 714 | 704 | 663 | 675 | 675 | 750 | 800 | 800 | 1,100 | 1,100 |
| Dispatched Incidence | 18,216 | 18,081 | 17,848 | 17,584 | 16,357 | 15,969 | 15,104 | 15,470 | 14,507 | 14,270 |
| 911 Calls Received | 60,752 | 59,565 | 61,140 | 59,186 | 57,761 | 55,923 | 55,375 | 55,829 | 57,381 | 55,146 |
| Police Protection | | | | | | | | | | |
| Resident Troopers | 46 | 46 | 46 | 46 | 46 | 45 | 45 | 46 | 46 | 46 |
| Sheriff's Department | 64 | 64 | 64 | 66 | 64 | 64 | 56 | 54 | 46 | 50 |
| Citations/Warnings | 16,551 | 15,845 | 17,805 | 14,802 | 16,551 | 16,280 | 13,451 | 8,452 | 7,506 | 5,874 |
| 911 Calls for Service | 18,293 | 18,293 | 17,721 | 12,779 | 6,083 | 6,158 | 8,109 | 5,665 | 3,712 | N/A |
| Detention Center | | | | | | | | | | |
| Detention Center Officers | 92 | 92 | 95 | 93 | 93 | 90 | 90 | 88 | 86 | 78 |
| Total Prisoner Days | 93,252 | 92,144 | 100,430 | 98,155 | 107,711 | 104,874 | 103,285 | 105,415 | 110,047 | 103,355 |
| Water | | | | | | | | | | |
| Daily Average Usage (mgd) | 2.07 | 2.05 | 2.08 | 2.18 | 2.16 | 2.34 | 2.17 | 2.40 | 2.19 | 2.23 |
| Plants Daily Capacity (mgd) | 7.39 | 7.39 | 7.39 | 3.39 | 3.39 | 3.39 | 3.39 | 3.39 | N/A | N/A |
| Wastewater | | | | | | | | | | |
| Daily Average Usage (mgd) | 2.83 | 2.71 | 2.59 | 2.95 | 2.89 | 2.74 | 3.34 | 3.12 | N/A | N/A |
| Plants Daily Capacity (mgd) | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | N/A | N/A |
| Solid Waste | | | | | | | | | | |
| Tons In | 105,683 | 85,942 | 81,447 | 100,195 | 108,608 | 116,267 | 110,178 | 118,726 | 107,707 | 104,655 |
| Tons Recycled | 30,154 | 20,155 | 20,322 | 20,652 | 21,080 | 21,533 | 21,625 | 13,023 | 12,811 | 13,518 |
| Tons into Landfill | 13,588 | 11,576 | 12,370 | 14,051 | 8,969 | 13,466 | 15,276 | 16,445 | 16,127 | 21,004 |
| Tons Transferred | 91,306 | 74,364 | 69,078 | 86,144 | 100,028 | 105,660 | 97,009 | 104,156 | 91,580 | 93,651 |
| Education | | | | | | | | | | |
| Number of Teachers | 2,198 | 2,209 | 2,251 | 2,209 | 2,375 | 2,116 | 2,021 | 1,963 | 1,957 | 1,844 |
| Number of Students | 27,201 | 27,524 | 27,745 | 28,261 | 28,575 | 28,219 | 28,774 | 29,044 | 28,630 | 27,806 |
| Community College | | | | | | | | | | |
| Full Time Equivalent Students (FTE's) | 3,347 | 3,138 | 2,920 | 2,867 | 2,517 | 2,519 | 2,493 | 2,430 | 2,266 | 2,045 |
| Faculty-Full Time | 77 | 73 | 75 | 63 | 63 | 65 | 52 | 55 | 50 | 52 |
| Faculty-Part Time | 580 | 527 | 545 | 143 | 417 | 249 | 349 | 288 | 277 | 296 |
| Airport | | | | | | | | | | |
| Fuel Sales (gals) | 304,837 | 255,099 | 280,319 | 471,700 | 503,574 | 574,155 | 618,180 | 408,866 | 208,790 | 140,726 |
| Tie Downs Occupied | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Corporate Hangars Occupied | 7 | 6 | 6 | 6 | 7 | 7 | 7 | 6 | 4 | 1 |
| T Hangars Occupied | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 |
| Libraries | | | | | | | | | | |
| Number of volumes (estimated) | 570,742 | 552,892 | 551,376 | 517,239 | 511,026 | 553,824 | 584,167 | 552,786 | 567,631 | 556,122 |
| Circulation | 4,295,264 | 4,214,073 | 3,885,584 | 3,606,169 | 3,421,828 | 3,579,244 | 3,506,229 | 3,583,119 | 3,465,526 | 3,259,311 |
| Senior Centers | | | | | | | | | | |
| Outside Groups using facilities | 3,213 | 2,516 | 2,922 | 3,156 | 3,133 | 2,976 | 3,009 | 2,822 | 2,025 | 2,341 |
| Volunteer Hours performed at Centers | 44,689 | 41,493 | 39,311 | 39,352 | 42,957 | 43,051 | 39,136 | 36,331 | 36,207 | 33,975 |
| Meals Served | 33,297 | 29,171 | 26,020 | 25,188 | 27,242 | 29,145 | 30,470 | 31,346 | 31,383 | 30,856 |
| Seniors Attending Activities | 241,749 | 243,226 | 159,518 | 129,635 | 173,707 | 160,416 | 157,623 | 149,892 | 117,993 | 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

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 896 | 896 | 893 | 891 | 888 | 886 | 880 | 880 | 874 | 864 |
| Miles of Roads Unpaved | 83 | 83 | 84 | 86 | 87 | 89 | 92 | 92 | 92 | 92 |
| Number of Bridges | 139 | 147 | 147 | 147 | 147 | 147 | 146 | 146 | 146 | 145 |
| Acres in Agricultural Land Preservation | 60,002 | 57,627 | 54,858 | 50,711 | 46,998 | 46,737 | 41,927 | 41,927 | 39,766 | 37,400 |
| Fire and Emergency Service | | | | | | | | | | |
| Stations | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Water | | | | | | | | | | |
| Water Mains (miles) | 139 | 139 | 135 | 135 | 134 | 134 | 133 | 132 | 130 | 128 |
| Treatment Plants | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Water Tanks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of Customer Accounts | 8,323 | 8,268 | 8,256 | 8,247 | 8,230 | 8,163 | 8,117 | 8,036 | 7,898 | 7,725 |
| Wastewater | | | | | | | | | | |
| Sewer Mains (miles) | 125 | 125 | 125 | 122 | 121 | 121 | 120 | 119 | 119 | 116 |
| Treatment Plants | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Pumping Stations | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 17 | 17 |
| Number of Customer Accounts | 8,891 | 8,844 | 8,816 | 8,793 | 8,766 | 8,745 | 8,702 | 8,620 | 8,336 | 8,083 |
| Solid Waste | | | | | | | | | | |
| Active Landfills | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation and Culture | | | | | | | | | | |
| Parks (1) | 31 | 29 | 28 | 27 | 27 | 27 | 26 | 19 | 19 | 18 |
| Acreage | 4,629 | 4,652 | 4,478 | 4,478 | 4,478 | 4,478 | 4,475 | 4,311 | 4,311 | 4,147 |
| Education | | | | | | | | | | |
| Elementary | 23 | 23 | 23 | 23 | 22 | 22 | 22 | 21 | 21 | 21 |
| Middle | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| High | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 6 |
| 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 | 7 | 7 |
| Tie Downs Available | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 32 | 32 | 32 |
| Apron Area (acres) | 14.6 | 14.6 | 14.6 | 14.6 | 14.6 | 14.6 | 14.6 | 12.6 | 12.6 | 12.6 |
| Firearms Facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Libraries | 6 | 6 | 6 | 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 Government.

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

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

| | <u>2011</u> | <u>2010</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> |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | | | | | | | | | | |
| Usage charges | \$ 8,446,852 | \$ 7,620,404 | \$ 7,328,198 | \$ 7,305,990 | \$ 7,119,000 | \$ 6,076,750 | \$ 5,573,113 | \$ 5,465,151 | \$ 4,323,926 | \$4,321,084 |
| Service charges | 11,838 | 4,680 | 421 | 54,991 | 64,593 | 56,666 | 19,790 | 26,745 | 16,959 | 20,300 |
| Penalties and interest | 382,493 | 209,239 | 442,379 | 1,815,891 | 1,526,835 | 1,050,682 | 1,257,886 | 697,697 | 1,023,822 | 1,152,328 |
| Operating transfer - County | (305,031) | 200,200 | 206,980 | 629,850 | 212,000 | 138,310 | (60,680) | 122,405 | 1,439,075 | 419,273 |
| Capital contributions (1) | 523,776 | 426,563 | 75,395 | 855,655 | 291,282 | 389,700 | 5,744,168 | 1,038,337 | 743,641 | 1,068,367 |
| Maintenance fee | 1,438,797 | 1,432,610 | 1,428,013 | 1,427,782 | 1,421,568 | 850,713 | 836,795 | 447,729 | 621,151 | 572,385 |
| Other | 172,040 | 217,957 | 190,940 | 307,022 | 160,877 | 148,243 | 152,214 | 218,523 | 159,133 | 428,589 |
| Total revenue | <u>10,670,765</u> | <u>10,111,653</u> | <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> |
| Expenses | | | | | | | | | | |
| Salaries | 2,341,948 | 2,394,033 | 2,499,181 | 2,241,162 | 2,027,979 | 1,996,372 | 1,828,934 | 1,759,625 | 1,660,311 | 1,568,180 |
| Operating expenses | 6,280,389 | 5,129,427 | 3,157,883 | 5,652,991 | 3,861,160 | 3,506,230 | 6,722,882 | 2,583,989 | 2,732,126 | 3,085,924 |
| Depreciation | 2,275,618 | 1,914,768 | 1,579,651 | 1,534,088 | 1,515,493 | 1,510,276 | 1,340,581 | 1,197,161 | 1,223,787 | 1,097,849 |
| Interest | 992,506 | 1,051,417 | 932,542 | 628,305 | 406,980 | 498,110 | 594,234 | 644,071 | 706,451 | 772,849 |
| Total expense | <u>11,890,461</u> | <u>10,489,645</u> | <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> |
| Excess (deficiency) of revenue over (under) expense: | <u>\$ (1,219,696)</u> | <u>\$ (377,992)</u> | <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> |

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**

691

| | <u>2011</u> | <u>2010</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> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | | | | | | | | | | |
| Charge for services | \$ 6,715,228 | \$ 5,435,007 | \$ 6,133,596 | \$ 6,269,365 | \$ 6,353,183 | \$ 6,253,935 | \$ 5,810,000 | \$ 5,975,631 | \$ 5,234,047 | \$ 4,939,698 |
| Penalties and interest | 198,986 | 211,945 | 302,752 | 447,743 | 631,268 | 441,286 | 375,385 | 63,900 | 73,582 | 80,229 |
| Proceeds from sales of recyclables | 591,880 | 461,818 | 391,872 | 340,424 | 227,025 | 202,325 | 268,340 | 154,886 | 81,407 | 71,675 |
| Capital contributions-equip. transferred from County | - | 15,888 | - | - | - | - | - | - | - | - |
| Gain on sale of fixed assets | - | 35,395 | - | - | - | - | - | - | - | - |
| Other | - | 10,519 | 8,775 | 17,107 | 29,471 | 5,268 | 49,256 | 59,215 | 195,877 | - |
| Operating transfer - County | 2,545,000 | 2,545,000 | 2,545,000 | 2,645,000 | 2,645,000 | 2,645,000 | 2,645,000 | 2,645,000 | 2,645,000 | 2,645,000 |
| Total revenue | <u>10,051,094</u> | <u>8,715,572</u> | <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> |
| Expense | | | | | | | | | | |
| Salaries | 1,604,911 | 1,633,798 | 1,633,309 | 1,387,457 | 1,335,170 | 1,220,245 | 1,138,650 | 1,062,789 | 1,030,337 | 1,010,043 |
| Operating expenses | 6,453,160 | 6,652,203 | 5,363,689 | 5,817,255 | 6,162,316 | 5,798,265 | 5,354,162 | 5,420,652 | 5,055,379 | 4,361,808 |
| Depreciation | 615,658 | 472,313 | 266,818 | 203,133 | 174,008 | 154,380 | 107,960 | 90,952 | 90,217 | 176,590 |
| Interest | 156,480 | 202,701 | 224,027 | 241,073 | 263,743 | 308,018 | 347,036 | 253,197 | 383,626 | 448,443 |
| Total expense | <u>8,830,209</u> | <u>8,961,015</u> | <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> |
| Excess (deficiency) of revenue over expense | <u>\$ 1,220,885</u> | <u>\$ (245,443)</u> | <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> |
| Tipping Fee per ton * | \$ 60.00 | \$ 58.00 | \$ 76.00 | \$ 61.00 | \$ 58.00 | \$ 54.00 | \$ 54.00 | \$ 51.00 | \$ 51.00 | \$ 49.00 |

Source: Carroll County Department of the Comptroller.

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

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

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|-------------------|------------------|--------------------|
| Revenue | | | | | | | | | | |
| Rent | \$ 611,167 | \$ 462,981 | \$ 470,011 | \$ 495,278 | \$ 450,749 | \$ 517,732 | \$ 472,539 | \$ 353,763 | \$ 156,533 | \$143,281 |
| Fuel sales | 64,016 | 53,570 | 197,646 | 1,715,510 | 1,378,850 | 1,523,726 | 1,268,475 | 662,347 | 354,796 | 205,772 |
| Capital contributions (1) | 111,220 | 48,969 | 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 | 691 | 2,030 | 3,601 | 11,222 | 10,850 | - | 3,796 | - | - | 9,468 |
| Total revenue | 787,094 | 567,550 | 1,171,712 | 2,353,608 | 8,915,190 | 2,473,336 | 3,077,474 | 1,585,807 | 994,568 | 416,327 |
| Expenses | | | | | | | | | | |
| Salaries | 212,539 | 247,203 | 256,173 | 236,788 | 184,513 | 182,310 | 159,740 | 96,725 | 82,472 | 77,741 |
| Operating expenses | 124,103 | 308,329 | 267,209 | 2,359,958 | 1,612,527 | 1,562,774 | 1,431,899 | 832,208 | 333,430 | 285,818 |
| Operating expenses-capital (2) | 15,892 | - | - | 255,400 | 36,061 | 227,795 | 137,850 | - | 367,330 | 1,100 |
| Interest | 93,960 | 104,350 | 113,327 | 122,044 | 130,092 | 138,741 | 144,323 | 132,137 | 133,179 | 145,796 |
| Depreciation | 171,551 | 169,729 | 140,983 | 123,428 | 123,428 | 123,428 | 118,050 | 23,792 | 24,029 | - |
| Operating transfer-County | - | - | - | - | 41,446 | - | - | - | - | - |
| Total expense | 618,045 | 829,611 | 777,692 | 3,097,618 | 2,128,067 | 2,235,048 | 1,991,862 | 1,084,862 | 940,440 | 510,455 |
| Excess (deficiency) of revenue over expense: | \$ 169,049 | \$ (262,061) | \$ 394,020 | \$ (744,010) | \$ 6,787,123 | \$ 238,288 | \$ 1,085,612 | \$ 500,945 | \$ 54,128 | \$ (94,128) |

(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 of the Carroll County Pension Plan by Type of Benefit
As of June 30, 2011

| Amount of Monthly Benefit | # of Retired Members | Type of Retirement | | | | Option Selected | | | | | |
|---------------------------|----------------------|--------------------|---|---|---|-----------------|---|---|----|---|---|
| | | 1 | 2 | 3 | 4 | Unmod | A | B | C | D | E |
| Deferred | 157 | | | | | | | | | | |
| \$ 1 - \$250 | 38 | 36 | | 2 | | 12 | 4 | 7 | 13 | 2 | |
| 251 - 500 | 55 | 47 | 6 | 2 | | 16 | 6 | 6 | 19 | 1 | 7 |
| 501 - 750 | 20 | 15 | 5 | | | 4 | 4 | 6 | 3 | 1 | 2 |
| 751 - 1000 | 5 | 4 | 1 | | | 2 | | 1 | 1 | | 1 |
| Over 1,000 | 1 | | | | | | | | | 1 | |

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 Eight 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 | - |
| Period 7/1/09 to 6/30/10 | | | | | | |
| Average Monthly Benefit | \$ 206 | \$ 1,276 | \$ 4,144 | \$ 11,327 | \$ 10,647 | \$ 609 |
| Average Final Monthly Salary | \$ 1,879 | \$ 3,030 | \$ 2,706 | \$ 3,631 | \$ 3,574 | \$ 3,544 |
| Number of Retired Members | 5 | 11 | 19 | 30 | 30 | 1 |
| Period 7/1/10 to 6/30/11 | | | | | | |
| Average Monthly Benefit | \$ 518 | \$ 1,736 | \$ 5,999 | \$ 13,356 | \$ 17,581 | \$ 622 |
| Average Final Monthly Salary | \$ 2,314 | \$ 2,909 | \$ 2,849 | \$ 3,886 | \$ 3,649 | \$ 3,544 |
| Number of Retired Members | 9 | 15 | 26 | 32 | 36 | 1 |

Carroll County Employee Pension Plan was established during fiscal year 2004.
Source: Department of Human Resources.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Retired Members of the Carroll County Certified Law Officers Pension Plan by Type of Benefit
As of June 30, 2011

| Amount of Monthly Benefit | # of Retired Members | Type of Retirement | | | | Option Selected | | | | | | |
|------------------------------|-------------------------|--------------------|---|---|---|-----------------|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | Unmod | A | B | C | D | E | |
| Deferred | 1 | | | | | | | | | | | |
| \$ 1 - \$250 | 0 | | | | | | | | | | | |
| 251 - 500 | 0 | | | | | | | | | | | |
| 501 - 750 | 1 | 1 | | | | | | | | | | 1 |
| 751 - 1000 | 0 | | | | | | | | | | | |
| Over 1,000 | 1 | 1 | | | | | 1 | | | | | |

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

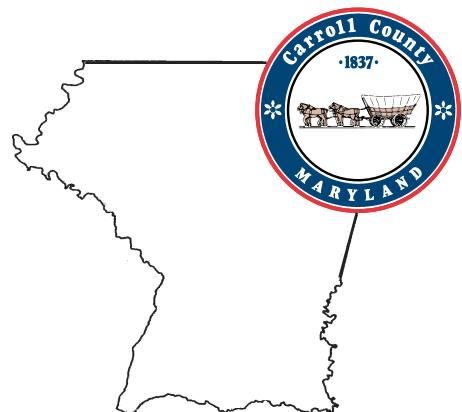
Carroll County Certified Law Officer's Pension
Average Benefit Payments
As of June 30, 2011

| Retirement Effective Date | Years of Credited Service | | | | | |
|------------------------------|---------------------------|--------|----------|---------|---------|----------|
| | 0 - 5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 |
| Period 7/1/09 to 6/30/10 | | | | | | |
| Average Monthly Benefit | \$ - | \$ - | \$ 354 | \$ - | \$ - | \$ 911 |
| Average Final Monthly Salary | \$ - | \$ - | \$ 5,059 | \$ - | \$ - | \$ 4,488 |
| Number of Retired Members | - | - | 1 | - | - | 1 |
| Period 7/1/10 to 6/30/11 | | | | | | |
| Average Monthly Benefit | \$ - | \$ - | \$ 709 | \$ - | \$ - | \$ 1,366 |
| Average Final Monthly Salary | \$ - | \$ - | \$ 5,059 | \$ - | \$ - | \$ 4,488 |
| Number of Retired Members | - | - | 1 | - | - | 1 |

Carroll County Certified Law Officer's Pension was established during fiscal year 2010.

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, 2011, which collectively comprise the County Commissioners of Carroll County's basic financial statements and have issued our report thereon dated November 21, 2011. 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A *deficiency in internal control* 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 *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, 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 County Commissioners of Carroll County, 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 21, 2011

**Independent Auditor's Report on Compliance With Requirements that
Could have a Direct and Material Effect on Each Major Program and
on Internal Control Over Compliance and Schedule of Expenditures of
Federal Awards 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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.

The County's basic financial statements include the operations of the Board of Education of Carroll County, the Community College of Carroll County, and the Board of Library Trustees for Carroll County, which are component units. We were separately engaged to perform and have separately reported on the results of our audits of the Board of Education of Carroll County, the Community College of Carroll County and the Board of Library Trustees for Carroll County in accordance with OMB Circular A-133, if required.

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, 2011. 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 2011-01 and 2011-02.

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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-01, and 2011-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

This report is intended solely for the information and use of the County Commissioners of Carroll County, 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 21, 2011

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

| Federal Grantor/ Program Title | Federal CFDA Number | Federal Grant Number | Pass-Through Grantor's Number | Expenditures |
|---|------------------------------------|---------------------------------|--|---------------------------------|
| MAJOR PROGRAMS | | | | |
| U.S. Department of Housing and Urban Development | | | | |
| <u>Direct Housing Section 8 Grants</u> | | | | |
| Section 8 Voucher Admin Federal Funded Subsidy FY03 | 14.871 | P-3532 | N/A | \$ 49,109 |
| Section 8 Housing Counseling FY10 | 14.871 | P-3533 | N/A | 5,231 |
| Section 8 FSS Coordinator Salary Federal Funded Subsidy FY11 | 14.871 | P-3532 | N/A | 64,451 |
| Section 8 Housing Choice Voucher Federal Funded Subsidy FY11 | 14.871 | P-3532 | N/A | 5,004,338 |
| Section 8 Administrative Federal Funded Subsidy FY11 | 14.871 | P-3532 | N/A | <u>546,061</u> |
| Total U.S. Department of Housing and Urban Development Section 8 Grants | | | | <u>5,669,190</u> |
| U.S. Department of Justice | | | | |
| <u>Passed Through the Governor's Office of Crime Control and Prevention (GOCCP)</u> | | | | |
| Adult Drug Court | 16.738 | N/A | BJAG-2009-1038 | 3,134 |
| Sheriff Byrne Justice Assistance Grant FY11 | 16.738 | N/A | BJAG-2009-1009 | 56,940 |
| ARRA (Stimulus) Sheriff Byrne Justice Assistance FY10 | 16.803 | N/A | BJRA-2009-1103 | 338,017 |
| ARRA (Stimulus) LMB Byrne Justice Assistance FFY10 | 16.803 | N/A | BJRA-2009-1098 | <u>46,685</u> |
| Total U.S. Department of Justice Through GOCCP | | | | <u>444,776</u> |
| U.S. Department of Labor | | | | |
| <u>Passed Through Howard County Manpower Resources Employment and Training Assistance</u> | | | | |
| ARRA-Economically Disadvantaged IIA 3/17/09-9/30/10 | 17.258 | N/A | P00B9200162 | 24,176 |
| ARRA-Economically Disadvantaged Youth IIC 3/17/09-9/30/10 | 17.259 | N/A | P00B9200162 | 1,361 |
| ARRA-Dislocated Workers III 3/17/09-9/30/10 | 17.260 | N/A | P00B9200162 | 226,874 |
| ARRA (Stimulus) BEREC Admin Administration FY09 | 17.260 | N/A | P00B9200162 | 13,434 |
| Economically Disadvantaged IIA 7/1/09-6/30/10 | 17.258 | N/A | P00B04000017 | 111 |
| Dislocated Workers III 7/1/09-6/30/10 | 17.260 | N/A | P00B04000017 | 12,434 |
| Economically Disadvantaged Youth IIC FY10 | 17.258 | N/A | P00B04000017 | 127,352 |
| Administration FY10 | 17.260 | N/A | P00B04000017 | 41,884 |
| Economically Disadvantaged Youth IIC FY11 | 17.259 | N/A | P00B04000017 | (21,243) |
| MD Business Works Training | 17.258 | N/A | P00B04000055 | 6,220 |
| Economically Disadvantaged IIA FY11 | 17.278 | N/A | P00B04000017 | 31,290 |
| Dislocated Workers III FY11 | 17.278 | N/A | P00B04000017 | 70,539 |
| Administration FY11 | 17.278 | N/A | P00B04000017 | 263,733 |
| Total U.S. Department of Labor | | | | <u>49,198</u> <u>847,363</u> |
| U.S. Department of Transportation | | | | |
| <u>Passed Through Maryland Department of Transportation</u> | | | | |
| ARRA (Stimulus) Road Overlays | 20.205 | N/A | P00481C-1 | 2,608,369 |
| ARRA (Stimulus) Transportation Equipment | 20.509 | N/A | MD-96-X001 | 21,796 |
| ARRA (Stimulus) Transportation -Bldg CATS Buses | 20.509 | N/A | MD-96-X001 | <u>707,376</u> |
| Total U.S. Department of Transportation through Maryland | | | | <u>3,337,541</u> |
| U.S. Department of Energy | | | | |
| <u>Passed Through State Department of Human Resources</u> | | | | |
| ARRA EECBG Grant | 81.128 | N/A | DE-SC0002826 | 471,252 |
| Total U.S. Department of Energy | | | | <u>471,252</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011
(CONTINUED)

| Federal Grantor/ Program Title | Federal CFDA Number | Federal Grant Number | Pass-Through Grantor's Number | Expenditures |
|--|---------------------------|-------------------------|----------------------------------|--------------|
| MAJOR PROGRAMS (Continued) | | | | |
| U.S. Department of Homeland Security | | | | |
| <u>Passed Through Maryland Emergency Management Administration (MEMA)</u> | | | | |
| Vulnerable Populations Plans & Training | 97.008 | N/A | 2007-GE-T7-0040 | \$ (599) |
| Urban Area Security Initiative Lic Plate Reader/Tactical Equip FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 5,093 |
| Urban Area Security Initiative Command Vehicle Maintenance FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 27,646 |
| Volunteer Mobilization FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 26,955 |
| Urban Area Security Initiative CBRNE Detection FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 30,522 |
| Urban Area Security Initiative WebEOC Dialogic FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 67,251 |
| Urban Area Security Initiative WebEOC FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 1,738 |
| Regional Emerg Health Preparedness & Response FFY07 | 97.008 | N/A | 2007-GE-T7-0011 | 25 |
| Sheltering Management FFY08 | 97.008 | N/A | 2008-GE-T8-0011 | 39,045 |
| UASI Urban Area Security Initiative FFY09 K-9 Training | 97.008 | N/A | 09-SR-8841-03 | 9,932 |
| Urban Area Security Initiative Intelligence Equip FFY09 | 97.008 | N/A | 09-SR-8841-03 | 61,590 |
| Urban Area Security Initiative Tactical Equipment FFY09 | 97.008 | N/A | 09-SR-8841-03 | 53,728 |
| Urban Area Security Initiative HAZMAT FFY09 | 97.008 | N/A | 09-SR-8841-03 | 32,655 |
| Urban Area Security Initiative MCCV FFY09 | 97.008 | N/A | 09-SR-8841-03 | 25,000 |
| Urban Area Security Initiative Emergency Planners FFY09 | 97.008 | N/A | 09-SR-8841-03 | 23 |
| Urban Area Security Initiative Tech/Training/WebEOC FFY09 | 97.008 | N/A | 09-SR-8841-03 | 1,202 |
| Urban Area Security Initiative WebEOC Software Upgr | 97.008 | N/A | 09-SR-8841-03 | 14,272 |
| Urban Area Security Initiative ENS/Reverse 911 Geo | 97.008 | N/A | 09-SR-8841-03 | 10,000 |
| Carroll County Generator | 97.008 | N/A | 2010-SS-T0-0025 | 147,262 |
| LEPTA & Equipment Training | 97.008 | N/A | 2010-SS-T0-0025 | 42,909 |
| MCCV Maintenance & Upgrades | 97.008 | N/A | 2010-SS-T0-0025 | 40,000 |
| Shelter Generator PreWiring | 97.008 | N/A | 2010-SS-T0-0025 | 3,000 |
| Total U.S. Department of Homeland Security Through MEMA | | | | 639,249 |
| U.S. Department of Health and Human Services | | | | |
| <u>Passed Through Maryland State Department of Human Resources</u> | | | | |
| Cooperative Reimbursement 09/10 (Circuit Ct) | 93.563 | N/A | CSEA/CRA-10-010 | 3,632 |
| Cooperative Reimbursement 09/10 (St Atty) | 93.563 | N/A | CSEA/CRA-10-009 | 120,629 |
| Cooperative Reimbursement 09/10 (Sheriff) | 93.563 | N/A | CSEA/CRA-10-035 | 32,937 |
| Cooperative Reimbursement 10/11 (Circuit Ct) | 93.563 | N/A | CSEA/CRA-11-010 | 13,613 |
| Cooperative Reimbursement 10/11 (St Atty) | 93.563 | N/A | CSEA/CRA-11-009 | 398,257 |
| Cooperative Reimbursement 10/11 (Sheriff) | 93.563 | N/A | CSEA/CRA-11-035 | 79,890 |
| Total U.S. Department of HHS Through Maryland State Department of Human Resources | | | | 648,958 |
| Total Major Programs | | | | 12,058,329 |
| OTHER FEDERAL PROGRAMS | | | | |
| U.S. Department of Housing & Community Development | | | | |
| <u>Passed Through Maryland Department of Community Development</u> | | | | |
| ARRA (Stimulus) Homelessness Prevention & Rapid Re-housing HPRP RAP | 14.257 | N/A | S00P0400357 | 78,636 |
| ARRA (Stimulus) Homelessness Prevention & Rapid Re-housing HPRP Bridge | 14.257 | N/A | S00P0400356 | 59,224 |
| HUD YMCA Community Devel FY04 | 14.228 | N/A | MD-04-CD-36 | 38,750 |
| Emergency Shelter Grant FY10 | 14.231 | N/A | 08-ESG-BOS-05 | 16,809 |
| Home Initiatives Program | 14.239 | N/A | Home Initiatives 24 | 51,837 |
| Home Initiatives Program FY12 | 14.239 | N/A | Home Initiatives 26 | 3,693 |
| Total U.S. Department of Housing & Community | | | | 248,949 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011
(CONTINUED)

| Federal Grantor/ Program Title | Federal CFDA Number | Federal Grant Number | Pass-Through Grantor's Number | Expenditures |
|--|---------------------------|-------------------------|----------------------------------|--------------|
| OTHER FEDERAL PROGRAMS (Continued) | | | | |
| U.S. Department of Health and Human Services | | | | |
| <u>Passed Through Maryland Office on Aging</u> | | | | |
| Ombudsman FY11 | 93.042 | N/A | 3-24-AAA-005 | \$ 12,276 |
| Title III, Part D 10/1/09-9/30/10 | 93.043 | N/A | 3-24-AAA-005 | 4,173 |
| Title III, Part D FY11 | 93.043 | N/A | 3-24-AAA-005 | 3,180 |
| Title III, Part B 10/1/09-9/30/10 | 93.044 | N/A | 3-24-AAA-005 | 86,631 |
| Title III, Part B FY11 | 93.044 | N/A | 3-24-AAA-005 | 47,398 |
| ARRA-Title III, Part C 3/17/09-9/30/10 | 93.045 | N/A | ST-ARRA09-001 | 13,387 |
| ARRA-Home Delivered Meals 3/17/09-9/30/10 | 93.045 | N/A | ST-ARRA09-001 | 1,629 |
| Title III, Part C 10/1/09-9/30/10 | 93.045 | N/A | 3-24-AAA-005 | 31,602 |
| Home Delivered Meals 10/1/09-9/30/10 | 93.045 | N/A | 3-24-AAA-005 | 23,201 |
| Title III, Part C FY11 | 93.045 | N/A | 3-24-AAA-005 | 49,580 |
| Home Delivered Meals FY11 | 93.045 | N/A | 3-24-AAA-005 | 51,099 |
| Title III, Part E 10/1/09-9/30/10 | 93.052 | N/A | 3-24-AAA-005 | 9,335 |
| Title III, Part E FY11 | 93.052 | N/A | 3-24-AAA-005 | 34,016 |
| S H I P FY10 | 93.779 | N/A | 4-24-AAA-005 | 2,244 |
| Senior Medical Patrol Program FY10 | 93.779 | N/A | 4-24-AAA-005 | (3,400) |
| SHIP FY11 | 93.779 | N/A | 4-24-AAA-005 | 17,497 |
| Total U.S. Department of HHS Through Maryland Office on Aging | | | | 383,848 |
| U.S. Department of Health and Human Services | | | | |
| <u>Passed Through Maryland Department of Health & Mental Hygiene</u> | | | | |
| MA Waiver FY11 | 93.779 | N/A | CH837AIA | 102,711 |
| MAP FY11 | 93.779 | N/A | MOOB9200690-006 | 56,772 |
| MFP FY11 | 93.779 | N/A | ST-2518-006 | 14,123 |
| Total U.S. Department of Health and Human Services Through Maryland Office of Aging | | | | 173,606 |
| U.S. Department of Health and Human Services | | | | |
| <u>Passed Through the Governor's Office of Crime Control and Prevention (GOCCP)</u> | | | | |
| Child Adv Invest Unit | 93.643 | CJAC-2009-1020 | CJAC-2009-1020 | 1,954 |
| Total U.S. Department of Health and Human Services | | | | 559,408 |
| U.S. Department of Transportation | | | | |
| <u>Passed Through Maryland Department of Transportation</u> | | | | |
| Section 5307 (Capital) 08/09 | 20.507 | N/A | MD-90-0101 | 173,407 |
| Section 5311 (Capital) 09/10 | 20.507 | N/A | MD-18-4023 | 114,520 |
| Section 5311 FY11 | 20.507 | N/A | MD-90-0101 | 100,119 |
| Section 5307 FY11 | 20.507 | N/A | MD-18-4023 | 205,148 |
| Section 5311 Capital FY11 | 20.507 | N/A | MD-90-4089/ MD-90-4101 | 21,743 |
| Total U.S. Department of Transportation through MD Dept of Transportation | | | | 614,937 |
| U.S. Department of Transportation | | | | |
| <u>Passed Through the Governor's Office of Crime Control and Prevention</u> | | | | |
| OT Alcohol Funding Grant FY10 | 20.601 | N/A | EUDO-2010-1018 | 6,442 |
| Total U.S. Department of Transportation | | | | 621,379 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011
(CONTINUED)

| Federal Grantor/ Program Title | Federal CFDA Number | Federal Grant Number | Pass-Through Grantor's Number | Expenditures |
|---|---------------------------|-------------------------|----------------------------------|--------------|
| OTHER FEDERAL PROGRAMS (Continued) | | | | |
| U.S. Department of Homeland Security | | | | |
| <u>Passed Through Maryland Emergency Management Administration</u> | | | | |
| Urban Area Security InitiativeHAZMAT FFY07 | 97.021 | N/A | 2007-GE-T7-0040 | \$ 4,525 |
| Emergency Mgmt Perf FFY10 | 97.042 | N/A | 09-SR-8841-03 | 19,651 |
| Citizen Corp FFY08 | 97.053 | N/A | 2008-SS-T8-0080 | 11,184 |
| CCP FFY2011 | 97.053 | N/A | 09-SR-8841-03 | 1,090 |
| State Homeland Security FY08 | 97.067 | N/A | 2008-SS-T8-0080 | 1,362 |
| LETPP FFY07 | 97.067 | N/A | 2007-GE-T7-0040 | 692 |
| State Homeland Security Program FY09 | 97.067 | N/A | 2009-SS-T9-0080 | 80,516 |
| State Homeland Security FY10 | 97.067 | N/A | 2009-SS-T9-0080 | 113,210 |
| Emergency Public Info/Warning | 97.073 | N/A | 2010-SS-T0-0025 | 28,046 |
| All Hazards Response | 97.073 | N/A | 2010-SS-T0-0025 | 4,850 |
| Homeland Security Training Prg | 97.073 | N/A | 2010-SS-T0-0025 | 17 |
| Personal Protective Equipment | 97.073 | N/A | 2010-SS-T0-0025 | 689 |
| Intel/Info Sharing | 97.073 | N/A | 2010-SS-T0-0025 | 98,208 |
| Total U.S. Department of Homeland Security Through MEMA | | | | 364,040 |
| U.S. Department of Homeland Security | | | | |
| <u>Passed Through Department of Justice National Network of Children's</u> | | | | |
| Emergency Mgmt Perf FFY08 | 97.042 | N/A | 2010-EP-EO-0041 | 88,569 |
| Emergency Mgmt Perf FFY08 | 97.042 | N/A | 2010-EP-EO-0041 | 97,088 |
| Total U.S. Department of HS Through Dept of Justice NNC | | | | 185,657 |
| Total U.S. Department of Homeland Security | | | | 549,697 |
| U.S. Department of Agriculture | | | | |
| Direct | | | | |
| <u>U.S. Department of Agriculture Aging Commodities</u> | | | | |
| The Emergency FoodAssistance Program FY10 | 10.568 | OMG/FNS 09-007 | N/A | 5,925 |
| The Emergency FoodAssistance Program FY11 | 10.568 | OMG/FNS 09-007 | N/A | 3,000 |
| Total U.S. Department of Agriculture Aging Commodities | | | | 8,925 |
| U.S. Department of Agriculture | | | | |
| <u>Passed through Manpower Resources Employment and Training Assistance</u> | | | | |
| BERC-ITE FY'06 | 10.561 | N/A | none | 2,129 |
| Total U.S. Department of Agriculture | | | | 11,054 |
| U.S. Department of Energy | | | | |
| <u>Passed Through State Department of Human Resources</u> | | | | |
| ARRA (Stimulus) Weatherization | 81.042 | N/A | EE00110 | 243,994 |
| ARRA (Stimulus) Weatherization Admin | 81.042 | N/A | EE00110 | 19,118 |
| Weatherization FY11 | 81.042 | N/A | none | 23,300 |
| Weatherization Admin FY11 | 81.042 | N/A | none | 5,766 |
| Total U.S. Department of Energy | | | | 292,178 |
| U.S. Department of Justice | | | | |
| <u>Passed Through the Governor's Office of Crime Control and Prevention</u> | | | | |
| Violence Against Women Act FY10 (St.Atty) | 16.588 | N/A | VAWA-98-036 | 13,802 |
| Violence Against Women Act FY10 (Sheriff) | 16.588 | N/A | VAWA-98-036 | 9,184 |
| Reducing Alcohol Availability to Minors FY10 | 16.727 | N/A | EUDO-209-1017 | 2,777 |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011
(CONTINUED)

| <u>Federal Grantor/ Program Title</u> | <u>Federal CFDA Number</u> | <u>Federal Grant Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures</u> |
|---|------------------------------------|---------------------------------|--|----------------------|
| OTHER FEDERAL PROGRAMS (Continued) | | | | |
| U.S. Department of Justice (Continued) | | | | |
| <u>Passed Through the Governor's Office of Crime Control and Prevention</u> | | | | |
| Violence Against Women Act FY11 (St.Atty) | 16.588 | N/A | VAWA-2010-1021 | \$ 52,093 |
| Violence Against Women Act FY11 (Sheriff) | 16.588 | N/A | VAWA-2010-1021 | 34,457 |
| Adventure Diversion FY11 | 16.569 | N/A | JABG-2009-1455 | 55,200 |
| Total U.S. Department of Justice Through GOCCP | | | | <u>167,513</u> |
| U.S. Department of Justice | | | | |
| <u>Passed Through Maryland Emergency Management Administration</u> | | | | |
| Immigration & Custom Enforcement (ICE) | 16.590 | N/A | 106BA1058 | <u>3,847</u> |
| <u>Passed Through U.S. Department of Justice National Network of Children's</u> | | | | |
| Advocacy Center Grant FY10 | 16.582 | N/A | PS9429 | <u>4,887</u> |
| Total U.S. Department of Justice | | | | <u>176,247</u> |
| <u>Federal Aviation Administration Airport Improvement Program</u> | | | | |
| Direct | | | | |
| Runway Expansion | 20.106 | FAA: 3-24-0028- 025-2010 | N/A | <u>87,632</u> |
| Total Federal Aviation Administration | | | | <u>87,632</u> |
| Total Other Federal Programs | | | | <u>2,546,544</u> |
| TOTAL FEDERAL PROGRAMS | | | | <u>\$ 14,604,873</u> |

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2011

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, 2011.

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, 2011**

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> |
|-------------------------------|---|
| <u>14.871</u> | <u>Section 8 Housing Choice Voucher Program</u> |
| <u>17.258, 17.259, 17.260</u> | <u>ARRA - Workforce Investment Act (WIA) Cluster</u> |
| <u>17.278</u> | <u>Child Support Incentives Program</u> |
| <u>93.563</u> | <u>ARRA - Road Overlays Program</u> |
| <u>20.205</u> | <u>ARRA - Transportation Formula Grants</u> |
| <u>20.509</u> | <u>Urban Area Security Initiatives</u> |
| <u>97.008</u> | <u>ARRA – Energy Efficiency and Conservation Block Grants</u> |
| <u>81.128</u> | <u>Byrne Justice Assistance Grants</u> |
| <u>16.738</u> | <u>ARRA - Byrne Justice Assistance Grants</u> |
| <u>16.803</u> | <u>ARRA - Byrne Justice Assistance Grants</u> |

Dollar threshold used to distinguish between type A and type B programs: \$438,146

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, 2011

Section III – Federal Award Findings and Questioned Costs

Finding Reference: 2011-01

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: 14.871 Section 8 Housing Choice Voucher Program Compliance
Requirement: Housing Quality Standards Inspections and Enforcement
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

For 3 of the 40 tenants selected for inspections testing, the inspection deficiencies were not corrected by the tenant or landlord within the required time period. In addition, for 1 of the 22 tenants selected for enforcement testing, the inspection deficiencies were not corrected by the tenant or landlord within the required time period.

Context

We selected a sample of 40 tenants receiving Housing Assistance Payments throughout the year from a population of approximately 570 to test for compliance with Housing Choice Voucher Housing Quality Standards Inspections. We noted findings in 3 of the 40 files tested.

In addition, we selected a sample of 22 tenants with failed inspections throughout the year from a population of 183 to test for compliance with Housing Choice Voucher Housing Quality Standards Enforcement. We noted a finding in 1 of the 22 files tested.

Criteria

24 CFR 982.404 (a)(2) states "If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations." 24 CFR 982.404 (a)(3) states "The PHA must not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension)."

Cause

The County did not adequately monitor the HQS inspections or enforcements to ensure landlords and tenants corrected all deficiencies in the required timeframes.

Effect

The County is not in compliance with federal regulations regarding annual HQS inspections and enforcements.

Questioned Costs

Unable to determine based on the information provided as the reinspections were not completed in a timely manner.

Recommendation

We recommend that the County continue to perform quality control checks of tenant files to ensure the files contain support that reinspections are completed within the required correction period.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Management's Response

The County will monitor and maintain a failed inspection list with defect correction dates and enforce the failures to maintain with the landlord when applicable.

Finding Reference: 2011-02

Federal Agency: U.S. Department of Homeland Security
Federal Program: 97.008 Urban Area Security Initiatives Program Compliance
Requirement: Procurement and Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

For 1 of 3 vendor contracts selected, the County did not properly verify that the vendor was not suspended or debarred from receiving federal funds.

Context

We selected a sample of 3 vendor contracts from a population of 7 contracts that were expected to equal or exceed \$25,000 in federal awards to test for compliance with suspension and debarment requirements. We noted findings in 1 of the 3 vendors tested.

Criteria

Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Cause

The County did not perform a verification of suspension and debarment of potential award vendors as part of its procurement process.

Effect

The County is not in compliance with federal suspension and debarment requirements for procurement contracts of goods and services.

Questioned Costs

There are no questioned costs related to this finding as our testing verified that the vendor was not suspended or debarred from participating in a federal program.

Recommendation

We recommend that the County enhance its policies and procedures to ensure that the required suspension and debarment verifications are performed for vendors with contracts that are expected to equal or exceed the \$25,000 threshold.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Management's Response

Purchasing has added to their documented procedures the requirement to verify and document that all vendors have been screened through the required debarment/suspension checks prior to award of all contracts in excess of \$25,000.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2011**

Finding Reference: 2010-01

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: 14.871 Section 8 Housing Choice Voucher Program Compliance
Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

For 2 of the 40 tenant files selected for testing, the files did not have completed Declaration of Citizenship forms for all family members living in the household.

Current Year Status

Fully Corrected - Citizen Services has increased auditing of annual recertification's and random file audits. Housing Specialists have received additional training to ensure all required documents are in the file.

We tested the Section 8 Housing Choice Voucher Program as a major program for fiscal year 2011. As part of the program testing, we documented and tested the County's procedures for documenting initial applicants and recertification's compliance with the citizenship requirement. No exceptions were noted.

Finding Reference: 2010-02

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: 14.871 Section 8 Housing Choice Voucher Program Compliance
Requirement: Special Tests (Reasonable Rent)
Type of Finding: Significant Deficiency in Internal Control

Condition

For 2 of the 40 tenants selected for testing, the rent reasonableness certification date was before the comparable units were surveyed. In addition, for 2 of the 8 new tenants selected for testing, there was no clear audit evidence for the rent reasonableness certifications that match the amounts reported on the HUD-50058. Reasonableness certifications were performed in accordance with HUD regulations for the 4 tenants, however, certain internal control documentation did not reflect accurate information.

Current Year Status

Fully Corrected – Housing Program Manager has performed a quality control check on every tenant file at the time the rent reasonable certifications are completed. Citizen Services also completed quality control checks of random files to ensure compliance.

We tested the Section 8 Housing Choice Voucher Program as a major program for fiscal year 2011. As part of the program testing, we documented and tested the County's procedures for documenting compliance with the rent reasonableness requirement for initial applicants and recertification's. No exceptions were noted.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2011

Finding Reference: 2010-03

Federal Agency: U.S. Department of Justice
Federal Program: 16.803 Byrne Justice Assistance Grants Compliance
Requirement: Procurement and Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition

For one of two vendor contracts selected, the County Commissioners of Carroll County did not properly verify that the vendor was not suspended or debarred from receiving federal funds.

Recommendation

We recommend that the County Commissioners of Carroll County enhance its policies and procedures to ensure that the required suspension and debarment verifications are performed for vendors with contracts that are expected to equal or exceed the \$25,000 threshold.

Current Year Status

Partially Corrected - Carroll County Local Management Board immediately implemented a policy to ensure that the required suspension and debarment verifications are performed for vendors with contracts that are expected to equal or exceed the \$25,000 threshold. During the current year, we tested the County's compliance with the suspension and debarment requirement. While the County has corrected the prior year's finding and implemented procurement policies for documenting the suspension and debarment status for new vendor contracts, we identified a similar finding, for a different program, in the current year. The County is in the process of reviewing existing procurement files and documenting their verification of the vendor's suspension and debarment status as needed. Refer to current year finding 2011-02.



Department of the Comptroller
Carroll County Government
225 North Center Street
Westminster, Maryland