



# *Carroll County, Maryland*

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## **Comprehensive Annual Financial Report**

For The Fiscal Year Ended  
June 30, 2013



**Celebrating 30 Years of the  
Maryland Wine Festival**

# Carroll County Mission

It is the mission of Carroll County Government to protect the Constitutional Rights of our citizens, maintain excellent public safety, infrastructure and education in a conservative and fiscally responsible manner, keeping Carroll County strong today and in the future.

Carroll County Government leads by example, respects the proper role of government, openly engages its citizens, and strives to preserve and protect the true American Spirit.

Front cover photo: Carroll County Farm Museum along with the very first Maryland Wine Festival Poster from 1984 (Artist: Unknown) and the 30<sup>th</sup> Anniversary Maryland Wine Festival Poster from 2013 (Artist: John Kachik), *courtesy of Carroll County Farm Museum.*

# Comprehensive Annual Financial Report

For The Fiscal Year Ended  
June 30, 2013

Department of the Comptroller  
Carroll County, Maryland

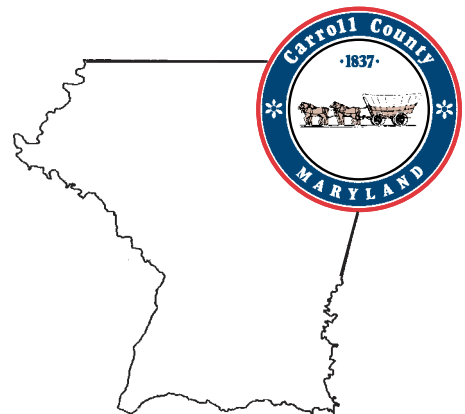
Robert M. Burk, Comptroller

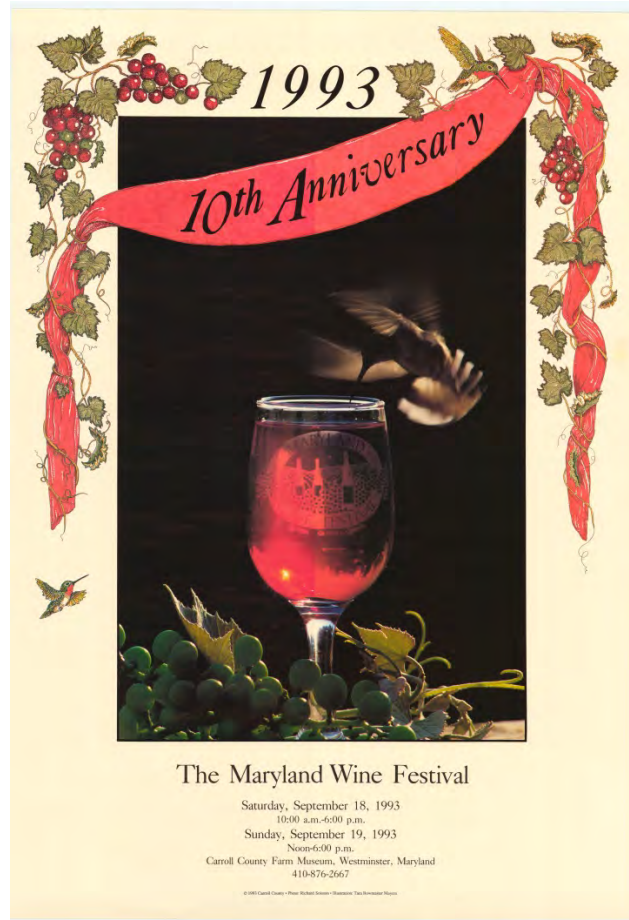




Celebrating The Maryland Wine Festival's 5th Anniversary in 1988.  
Artist: Unknown

# Introductory Section





Celebrating The Maryland Wine Festival's 10<sup>th</sup> Anniversary in 1993.  
Artist: Richard Soisson



THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013

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THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland

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**Department of the Comptroller**  
Carroll County Government  
225 North Center Street  
Westminster, Maryland 21157

December 3, 2013

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, 2013.

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 CliftonLarsonAllen 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 unmodified opinion that Carroll County's financial statements for the fiscal year ended June 30, 2013, 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 183.

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 2013 population estimate of 169,519. 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. The board members serve four-year concurrent 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 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 35 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 127.

#### **Local Economy:**

Local indicators show the continued stability of Carroll County.

The unemployment rate for Carroll County was at 6.2% in July 2013, compared to 7.4% nationally. This is a result of the slow economic recovery.

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, Evapco, and Jos. A. Bank Clothiers.

The County has a labor force of approximately 96,356 as of June 2013, which was an increase of 1.8% from last year.

### **Long-term Financial Planning:**

#### *Real Property Tax Rate:*

The Real Property Tax Rate is set by the Commissioners annually during the adoption of the budget. For fiscal year 2013 the commissioners adopted a Real Property Tax Rate of \$1.018 per \$100 of assessed value. This is a \$0.01 reduction of the rate from fiscal year 2012.

#### *Personal Property Tax Rate:*

The Personal Property Tax Rate like the Real Property Tax Rate is set annually by the Commissioners during adoption of the budget. For fiscal year 2013 the Commissioners adopted a Personal Property Tax Rate of \$2.545 per \$100 of assessed value. This is a \$0.025 reduction of the rate from fiscal year 2012.

#### *Homestead Tax Credit:*

The Homestead Tax Credit is set by the Commissioners which caps the amount taxes can increase on a primary residence at 5 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 5 percent of the previous year's taxable assessment.

#### *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 requires the County to evaluate the impact of current decisions on the long-term financial position of the County.

#### *Stabilization Arrangement:*

The County formally adopted an ordinance for the stabilization arrangement during fiscal year 2013. The arrangement requires the County to maintain at least 5% of the upcoming fiscal year adopted general fund budget.

#### *Capital Projects:*

The County Commissioners six-year Community Investment Plan is focused on maintaining existing infrastructure. The six-year program includes \$25.1 million to extend the life of the existing analog radio system and transition to digital. The program also includes \$25.5 million to continue the County's efforts in purchasing agriculture land preservation easements, \$33.8 million for water source development and infrastructure, and \$71 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.

The program also includes \$7.5 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. An \$11.3 million project is included to replace the current cast iron water mains and clay sanitary sewer lines in the Town of Sykesville where Bureau of Utilities operates and maintains both the water and sewer in the town. 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 a bank 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 focus on maintaining essential services. Even in this difficult time the County has eliminated all significant school capacity issues with the construction of the new Mt. Airy Middle School, which opened its doors for the 2013-2014 school year. More than 62,366 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.

The Sheriff's Office serves as the primary law enforcement agency for the County. During fiscal year 2014 the County will be completely transitioned away from the contractual relationship with the Maryland State Police Resident Trooper Program to the Sheriff's Department.

The fiber network will be completed during the first part of fiscal year 2014. The fiber network will connect Carroll County Government with Carroll County Public Schools, Carroll County Public Library, and Carroll Community College. The network will also connect over one hundred local, state, federal and public safety sites as well as seven primary business parks and sixteen secondary business parks.

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 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, 2012. Carroll County, Maryland has received a Certificate of Achievement for the last 28 consecutive years (fiscal years 1985-2012). 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.

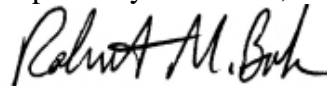
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2013 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 6 consecutive years (2008-2013). Currently, the County has submitted its fiscal year 2014 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,



Robert M. Burk, CPA  
Comptroller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Carroll County  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

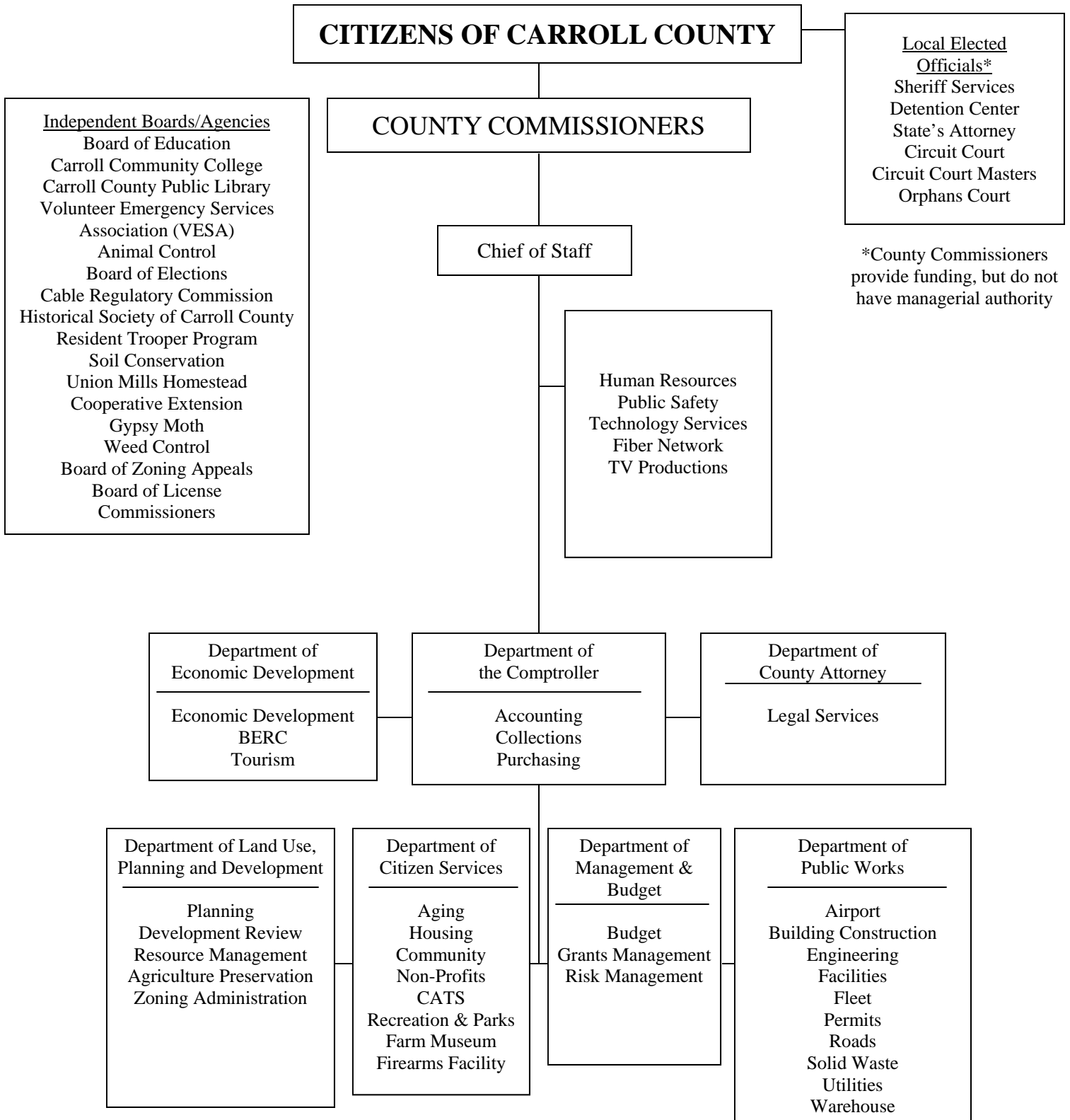
**June 30, 2012**

Executive Director/CEO



# 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](http://ccgovernment.carr.org)

### Appointed Officials

Steven D. Powell  
Chief of Staff  
Shawn Reese  
County Clerk  
Robert M. Burk  
Comptroller  
Theodore Zaleski, III  
Director of Management and Budget  
Timothy C. Burke  
County Attorney  
Madeline M. Morey  
Director of Citizen Services  
Tom Rio  
Director of Public Works  
Philip R. Hager  
Director of Land Use, Planning and  
Development  
Jonathan Weetman  
Administrator of Operations and Small  
Business Development  
John Lyburn, Jr.  
Administrator of Strategic Accounts and  
Outreach

### Independent Auditors

CliftonLarsonAllen, LLP  
Timonium, Maryland

### Bond Counsel

McKennon Shelton & Henn, LLP  
Baltimore, Maryland

### Financial Advisor

Davenport & Company, LLC  
Baltimore, Maryland



J. Douglas Howard  
President  
District 5



David H. Roush  
Vice President  
District 3



Haven N. Shoemaker, Jr  
Secretary  
District 2

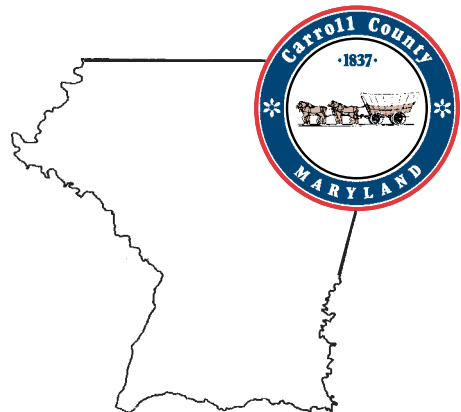


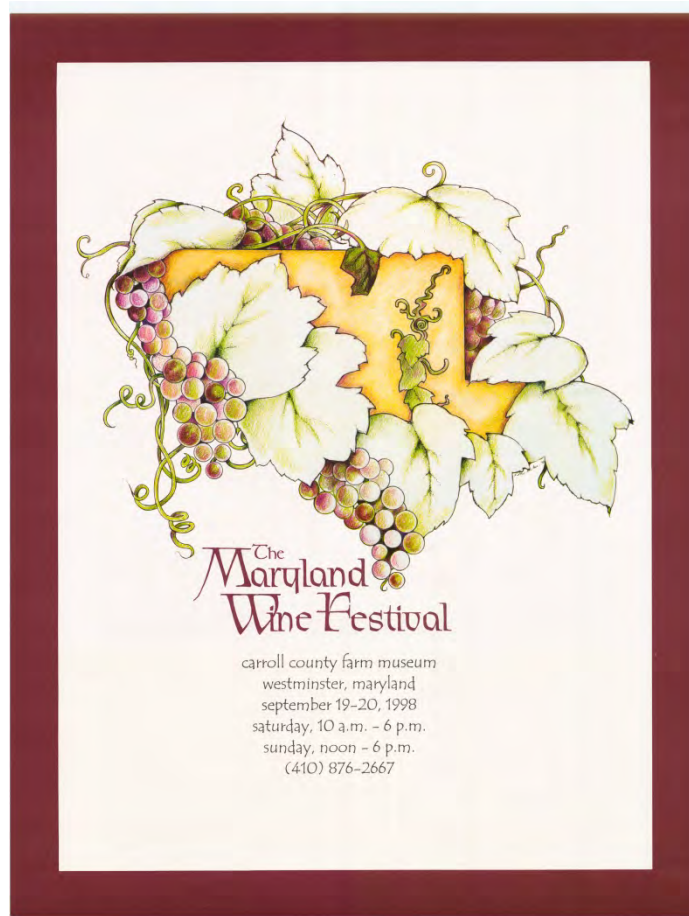
Robin Bartlett Frazier  
District 1



Richard S. Rothschild  
District 4

# Financial Section





Celebrating The Maryland Wine Festival's 15th Anniversary in 1998.  
Artist: Kathy Mulhern

## INDEPENDENT AUDITORS' REPORT

The County Commissioners of Carroll County  
Westminster, Maryland

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, 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, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, 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 Commissioners of Carroll County as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information, comprised of the combining and individual nonmajor fund financial statements, 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 schedule of the expenditures of federal awards, as noted in the single audit section of the table of contents, as required by the US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of the County's internal control over financial reporting and on 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 15, 2013





**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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, 2013. 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, 2013 by \$285,681,986 (total net position), compared to \$287,578,481, as restated at June 30, 2012. For fiscal year ended June 30, 2013 total net position was net of the \$54,267,155 deficit in unrestricted component of net position. 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 position at June 30, 2013 \$25,373,773 was restricted for specific purpose (restricted net position) in comparison to \$18,942,610, as restated at June 30, 2012. The total net investments in capital assets was \$314,575,368 at June 30, 2013 compared to \$318,134,769 at June 30, 2012.
- The total net position decreased by \$1,896,495.

**Fund level:**

- At the close of the fiscal year, unassigned fund balance for the general fund (primary operating fund) was \$16,132,542 or 4.7% of general fund revenues.
- As of June 30, 2013, the County's governmental funds reported combined fund balances of \$147,952,876, a decrease of \$997,500 from the prior year. Approximately 11 percent of the combined fund balance is available to meet the County's current and future needs (*unassigned*), 38 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, 31 percent is committed or restricted for future use, stabilization arrangement and other purposes, and 20 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 decreased by \$2,324,232, or .6% from fiscal year 2012. For fiscal year 2013 the County paid an average interest rate of 4.19%.

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**Overview of the Financial Statements**

This discussion and analysis is 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 position* presents information on all of Carroll County Government's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will 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, solid waste disposal, 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

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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 127 to 133 of this report.

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

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

**Proprietary funds:** Carroll County Government maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Carroll County Government uses an enterprise fund to account for its Bureau of Utilities, Solid Waste, Airport, Septage, 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 36 to 38 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Bureau of Utilities, Solid Waste, and Airport, which are considered to be major funds of Carroll County Government. Individual fund data for each of the three non-major proprietary funds is provided in the form of combining statements which can be found on pages 138 to 140 of this report.

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***Fiduciary funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Carroll County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County has 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 six 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, Law Enforcement Activities, and Cable Regulatory Commission. The basic fiduciary funds financial statements can be found on pages 40 and 41 of this report.

***Notes to the financial statements:*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 118 of this report.

**Financial analysis of the County as a whole**

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial position. In the case of Carroll County Government, total net position was \$285,681,986 at the close of the most recent fiscal year. Components for Carroll County Government's net position are divided into three categories, net investments in capital assets, restricted net position and unrestricted net position. The largest portion of the County's net position 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 outstanding debt used to acquire those assets. 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 net position in governmental activities of \$50,148,292 reflect the imbalance of liabilities without corresponding assets.

Restricted net position of \$25,373,773 represents 9 percent of total net position. Restricted net position is resources that are subject to external restrictions on how they may be used. Unrestricted net position of the total government is a deficit of \$54,267,155. For fiscal year ended June 30, 2012 restricted net position for governmental activities was reclassified from \$33,568,756 to \$6,438,836 and unrestricted net position reclassified from \$(71,406,666) to \$(44,276,746). Per GASB standards, restricted net position consists of restricted assets reduced by any liability related to those assets. At June 30, 2012, the General Obligation Debt long term liability was greater than the Restricted Investment Asset, therefore no restriction on net position was needed.

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The County's net position decreased by \$1,896,495 during the fiscal year. The decreases in property tax along with the decrease in market values of investments were contributing factors to the decrease in net position.

**Carroll County Government's Net Position**

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2013	June 30, 2012*	June 30, 2013	June 30, 2012*	June 30, 2013	June 30, 2012*
Current assets	\$ 208,920,949	\$ 173,298,507	\$ 32,816,746	\$ 24,917,603	\$ 241,737,695	\$ 198,216,110
Non-current assets	28,419,856	49,071,435	-	-	28,419,856	49,071,435
Capital assets	376,362,092	382,671,253	122,159,195	124,291,140	498,521,287	506,962,393
Total assets	613,702,897	605,041,195	154,975,941	149,208,743	768,678,838	754,249,938
Deferred outflows	5,338,746	3,584,227	99,045	-	5,437,791	3,584,227
Total assets and deferred outflows	619,041,643	608,625,422	155,074,986	149,208,743	774,116,629	757,834,165
Current liabilities	105,421,690	88,288,958	7,789,709	5,093,584	113,211,399	93,382,542
Non-current liabilities	343,948,049	343,932,158	31,275,195	32,940,984	375,223,244	376,873,142
Total liabilities	449,369,739	432,221,116	39,064,904	38,034,568	488,434,643	470,255,684
Net position:						
Net invested in						
capital assets	211,465,620	215,928,941	103,109,748	102,205,828	314,575,368	318,134,769
Restricted	8,354,576	6,438,836	17,019,197	12,503,774	25,373,773	18,942,610
Unrestricted	(50,148,292)	(45,963,471)	(4,118,863)	(3,535,427)	(54,267,155)	(49,498,898)
Total Net Position	\$ 169,671,904	\$ 176,404,306	\$ 116,010,082	\$ 111,174,175	\$ 285,681,986	\$ 287,578,481

\*The amounts and presentation for the June 30, 2012 columns have been changed to reflect the new reporting requirements established as a result of implementation of GASB Statements No. 63 & 65 as well as the restatement effect of the prior period adjustments. See Note 1 Sections E and F for further information.

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

**Carroll County Government's Changes in Net Position**

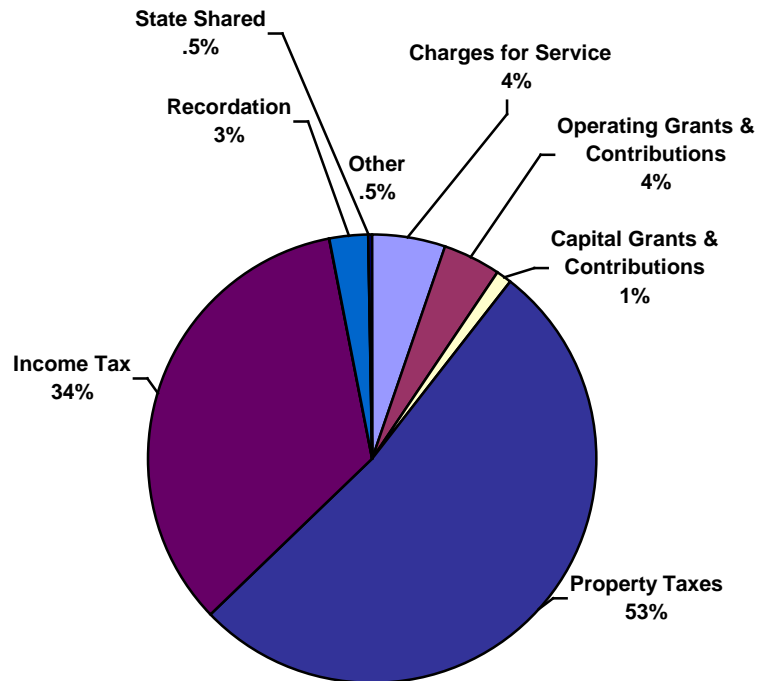
	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2013	June 30, 2012*	June 30, 2013	June 30, 2012*	June 30, 2013	June 30, 2012*
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 19,746,150	\$ 12,730,444	\$ 17,216,082	\$ 17,213,139	\$ 36,962,232	\$ 29,943,583
Operating grants & contributions	16,116,178	16,372,579	-	-	16,116,178	16,372,579
Capital grants & contributions	3,282,495	6,177,426	2,933,307	2,012,594	6,215,802	8,190,020
<b>General revenues:</b>						
Property taxes	199,322,443	203,601,066	-	-	199,322,443	203,601,066
Income tax	130,644,545	118,168,038	-	-	130,644,545	118,168,038
Recordation	10,021,395	8,520,674	-	-	10,021,395	8,520,674
Admission & amusement tax	288,173	296,890	-	-	288,173	296,890
Agricultural transfer tax	63,462	159,227	-	-	63,462	159,227
Hotel tax rental	278,906	298,498	-	-	278,906	298,498
State shared, unrestricted	620,224	620,224	-	-	620,224	620,224
Investment earnings	(1,252,613)	3,048,630	849,378	383,547	(403,235)	3,432,177
Gain on sale of capital asset	-	-	78,616	3,677	78,616	3,677
<b>Total Revenues</b>	<b>\$ 379,131,358</b>	<b>\$ 369,993,696</b>	<b>\$ 21,077,383</b>	<b>\$ 19,612,957</b>	<b>\$ 400,208,741</b>	<b>\$ 389,606,653</b>
<b>Program Expenses:</b>						
General government	74,177,030	75,568,819	-	-	74,177,030	75,568,819
Public safety	36,029,829	37,356,463	-	-	36,029,829	37,356,463
Public works	29,857,345	28,764,355	-	-	29,857,345	28,764,355
Health	4,546,895	4,666,495	-	-	4,546,895	4,666,495
Social services	1,208,120	1,204,489	-	-	1,208,120	1,204,489
Education	192,972,220	186,244,744	-	-	192,972,220	186,244,744
Recreation and parks	3,208,030	3,418,694	-	-	3,208,030	3,418,694
Libraries	13,150,071	11,540,245	-	-	13,150,071	11,540,245
Conservation of natural resources	5,116,229	4,701,163	-	-	5,116,229	4,701,163
Economic development	4,572,817	2,239,352	-	-	4,572,817	2,239,352
Interest on long-term debt	12,347,384	13,401,464	-	-	12,347,384	13,401,464
Bureau of Utilities	-	-	10,801,048	11,090,468	10,801,048	11,090,468
Solid Waste	-	-	12,108,283	8,727,891	12,108,283	8,727,891
Airport	-	-	689,380	1,769,112	689,380	1,769,112
Septage	-	-	489,064	532,369	489,064	532,369
Firearms	-	-	97,706	92,935	97,706	92,935
Fiber Network	-	-	733,785	540,436	733,785	540,436
<b>Total Expenses</b>	<b>377,185,970</b>	<b>369,106,283</b>	<b>24,919,266</b>	<b>22,753,211</b>	<b>402,105,236</b>	<b>391,859,494</b>
Excess (deficiency) before transfers	1,945,388	887,413	(3,841,883)	(3,140,254)	(1,896,495)	(2,252,841)
Transfers	(8,677,790)	(4,312,006)	8,677,790	4,312,006	-	-
Increase (Decrease) in Net Position	(6,732,402)	(3,424,593)	4,835,907	1,171,752	(1,896,495)	(2,252,841)
Net Position-Beginning	176,404,306	179,828,899	111,174,175	110,002,423	287,578,481	289,831,322
Net Position - Ending	<b>\$ 169,671,904</b>	<b>\$ 176,404,306</b>	<b>\$ 116,010,082</b>	<b>\$ 111,174,175</b>	<b>\$ 285,681,986</b>	<b>\$ 287,578,481</b>

\*The amounts and presentation for the June 30, 2012 columns have been changed to reflect the new reporting requirements established as a result of implementation of GASB Statements No. 63 & 65 as well as the restatement effect of the prior period adjustments. See Note 1 Sections E and F for further information.

- Governmental activities:** Overall revenue has increased by \$9,137,662, which is a 2.4 percent increase from fiscal year 2012. Property tax revenue decreased by \$4,278,623 over last fiscal year due to the combination of a decrease in the property tax rate and declining assessments. Income tax increased by \$12,476,507 due to the increase amount that the State of Maryland has collected for the County but, has not distributed. Recordation increased by \$1,500,721 due to the housing market starting to move again. Investment earnings decreased by \$4,301,243 as a result of change in market values at year end on restricted investments in U.S Treasury Strips and Bonds for Installment Purchase Agreements. Capital grants and contributions decreased by \$2,894,931. The primary reason for the decrease was due to decline in the amount of agricultural land grant reimbursements the County received in fiscal year 2013 compared to fiscal year 2012.

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**Revenues by Source-Primary Government**

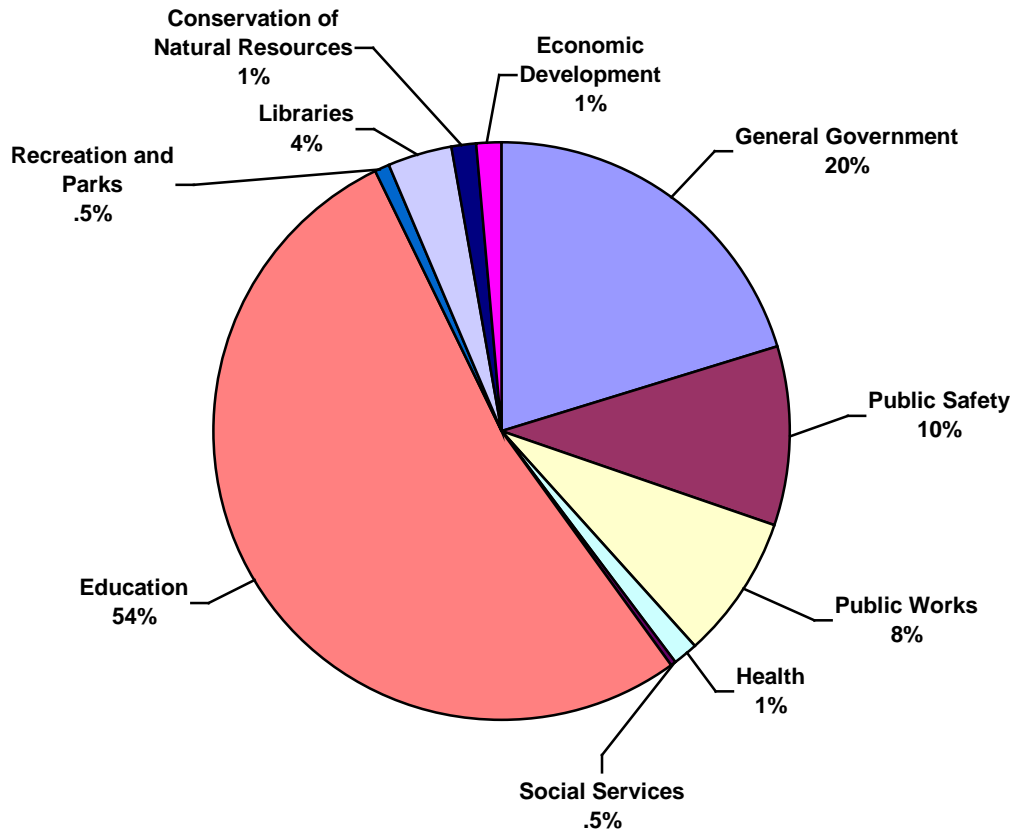


The expenses of the governmental activities have increased by \$8,079,687 or 2.2 percent from fiscal year 2012. The increase in Education of \$6,727,476 was due to the recording of \$1,609,027 for in-kind services for the Community College and the Board of Education funding increased by \$5,407,473 due to State of Maryland Law mandating counties to fund more into the State Teachers' Pension System of Maryland. The Library's expenses increased by \$1,609,826 for in-kind services. Economic Development increased by \$2,333,465. The primary cause of this increase was the Economic Development Infrastructure and Investment Grant. This grant was established to encourage economic development in the County.



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**Expenses-Primary Government**

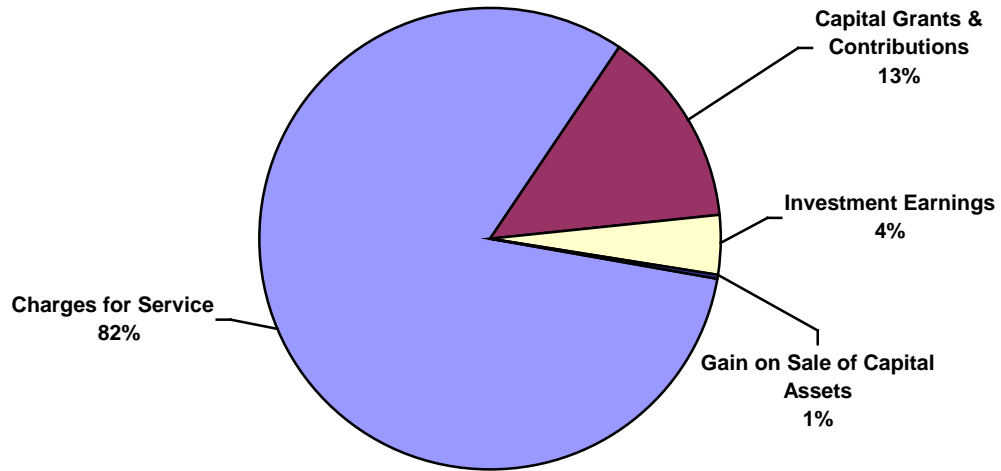


**Business-type activities:** There was an overall increase in revenues of \$1,464,426 or 7 percent from fiscal year 2012. The primary reason for the increase is due to the increased number of area connections in Bureau of Utilities in fiscal year 2013 compared to fiscal year 2012. Also, investment earnings increased \$465,831 due to having more equity in pooled cash in the Bureau of Utilities and the Solid Waste funds. The expenses of the business-type activities have increased by \$2,166,055 or 9.5% from fiscal year 2012. Solid Waste increased \$3,380,392 which was primarily due to the County expressing the intent to withdraw from the Waste to Energy Project and recording of a \$3 million liability for withdrawing from the contract.

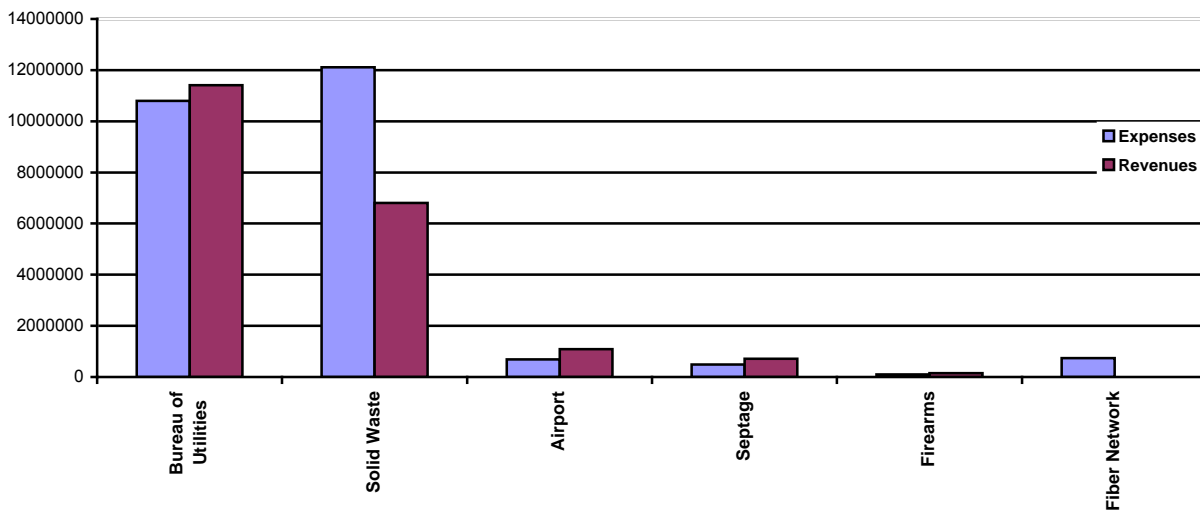
The County's transfers between governmental activities and business-type activities increased by \$4,365,784 during fiscal year 2013. A transfer of \$3 million to the Solid Waste Fund was to set aside enough money to cover the penalty associated with the Waste to Energy Project if payment of such penalty becomes necessary. The Airport received a \$2 million transfer to fund the Airport Improvement Plan.

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**Revenues by Source-Business-Type Activities**



**Expenses and Program Revenues - Business-type Activities**



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**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 \$147,952,876, a decrease of \$997,500. Approximately 11 percent of this total (\$16,132,542) constitutes *unassigned fund balance*, which is available for future appropriation. The *assigned fund balance*, at 38 percent of total fund balance is not available for new spending because it has already been assigned to encumbrances from the prior year and subsequent years expenditures. The *committed fund balance*, at 14 percent of total fund balance is for future use, stabilization arrangement and other purposes. The *non spendable fund balance*, at 20 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 (\$18,408,259), 2) dedicated for inventory and advances to Industrial Development Authority (\$2,512,324), prepaid costs (\$115,055) and money due from other funds (\$8,105,210). The remaining 17 percent of fund balance (\$24,743,620) 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 \$16,132,542, while total fund balance was \$104,887,508. 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 4.8 percent of total general fund expenditures, while total fund balance represents 31 percent of that same amount.

In accordance with County law, a decrease in fund balance was budgeted with an appropriation of \$14,827,374 of fund balance. This amount represents the fiscal year 2011 unreserved, undesignated fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$3,250,076 less in expenditures than budgeted. Total assets and deferred outflows and liabilities increased \$13,797,455 and \$17,586,970 respectively over the previous year due to increased budgeted distributions to component units outstanding at year end.

The revenues in the General Fund have decreased by \$1,259,872 compared to the prior fiscal year. The primary contribution factor to the decrease was the declining amount of property tax collected due to reduced tax rates and declining assessments. Expenditures increased by \$4,108,098 compared to the prior fiscal year. The increase was due to in-kind services being allocated to the Board of Education, Community College and Library, an offsetting revenue was recorded. Also, additional appropriation to the Board of Education to fund the State of Maryland Teachers' Pension System, mandated under Maryland State Law.

The Capital Project Fund's balance sheet shows \$4,985,086 more in assets in fiscal year 2013. The increase in cash is mainly due to a large number of projects not yet started.

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The Capital Projects Fund has a total fund balance of \$40,629,996, of which \$25,724,365 is assigned to liquidate purchase orders of the prior period and \$14,905,631 is assigned for future capital project expenditures. Unspent bond proceeds of \$2,299,484 make up 27 percent of the government activities restricted for capital projects.

The Non-Major Governmental Funds have a total fund balance of \$2,435,372.

**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 position of the proprietary funds at the end of the year amounted to a deficit of \$4,118,863 and unrestricted component of net position in the Internal Service Fund totaled \$1,922,521. The total increase in net position for the proprietary funds of \$4,835,907 was primarily due to the transfer from the general fund to the Solid Waste and Airport Funds. The net position for the Internal Service Fund decreased by \$3,024,684. Other factors concerning these funds' finances have been addressed in the discussion of Carroll County Government's business-type activities.

**Fiduciary funds:** Carroll County Government's fiduciary fund statements provide information regarding the County's Employee Pension Plan, the Certified Law Officers Plan, the Volunteer Firemen's Length of Service Award Program (LOSAP), the Other Post Employment Benefit Trust and agency funds. Total net position for the four plans is \$95,253,869 for fiscal year 2013. The investments in the trusts totaled \$95,782,582 at the end of fiscal year 2013 which was a 30% increase from fiscal year 2012. Agency funds had an asset total of \$1,009,822 at the end of fiscal year 2013. Other factors concerning these funds' finances have been addressed in the notes to these statements.

### **General Fund Budgetary Highlights**

In the original budget, the Board of Commissioners approved a reserve for contingencies of .96 percent of total budget to provide funds for emergency and unforeseeable expenditures that may arise during the current fiscal year. The final budget for reserve for contingencies decreased from the original budget by \$2,995,838, and moved to transfers out. This was to cover the penalty associated with the waste to energy project. 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 unassigned fund balance.

The budgetary statements of the General Fund show actual revenues of \$339,954,450, compared to budgeted amount of \$331,740,608, an overage of \$8,213,842. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Local other taxes came in \$4.1 million more than the final budget due to income tax collections coming in higher than budget due to higher than planned growth in withholdings and estimated payments. Recordation came in higher than budget due to an increase in the amount of transactions related to housing activity.
- Intergovernmental revenues came in \$.4 million higher than final budget due to FEMA reimbursements from Hurricane Sandy.
- Miscellaneous revenues were \$4.5 million more than budget due to in-kind costs associated with the Board of Education, Library, and Community College. Also, \$1.1 million of the variance is due to the sale of the Wheeler Building.

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The budgetary statements of the General Fund show actual expenditures of \$337,645,367, compared to budgeted amount of 340,895,443, resulting in \$3,250,076 or .9 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- General Government expenditures came in \$5.9 million less than final budget primarily due to in-kind costs associated with the Board of Education, Community College, and Library. This is offset by overspending reflected in the Education and Library functions.
- Public Works expenditures came in \$1.5 million less than final budget due to a mild winter, salary savings, tree trimming and materials savings.
- 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 2013, \$.4 million was left in the Reserve for Contingency showing the function under budget.

**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, 2013, amounted to \$498,521,288 (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 1 percent decrease for governmental activities and a 1 percent decrease for business-type activities). Additional information on the County's capital assets can be found on pages 71-74 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 33,421,762	\$ 34,591,654	\$ 8,944,412	\$ 8,944,412	\$ 42,366,174	\$ 43,536,066
Construction in progress	17,826,297	10,230,835	2,650,817	4,286,325	20,477,114	14,517,160
Building and contents	141,037,291	145,454,843	16,417,628	16,903,298	157,454,919	162,358,141
Improvements						
other than buildings	10,655,440	12,155,097	6,054,061	6,580,657	16,709,501	18,735,754
Auto, machinery & equipment	13,074,565	14,462,276	9,988,590	10,974,698	23,063,155	25,436,974
Infrastructure	160,346,737	165,776,548	78,103,687	76,601,750	238,450,424	242,378,298
Total	<u>\$ 376,362,092</u>	<u>\$ 382,671,253</u>	<u>\$ 122,159,195</u>	<u>\$ 124,291,140</u>	<u>\$ 498,521,287</u>	<u>\$ 506,962,393</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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

- The on-going costs associated with the Carroll County 800MHZ & 911 project totaled \$2.01 million which was funded by general obligation bonds proceeds, real property tax revenue, and general fund revenue, and resulted in an increase in CIP.
- The completion of ARRA CATS Building project totaled \$0.8 million which was funded by Federal/State revenue and general fund revenue, and resulted in a decrease in CIP.
- The sale of the Wheeler Building in December 2012, caused a decrease in land of \$1.1 million, a decrease in building of \$.8 million and a decrease of \$.3 million in CIP.
- The completion of various Water/Sewer projects totaled \$3.15 million, which was funded by Water/Sewer user rates and resulted in a decrease of CIP.
- The ongoing costs associated with the creation of the Carroll County Public Network totaled \$1.35 million which was funded by Fiber network fund and resulted in an increase of CIP.

**General obligation debt:**

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$353,435,665, 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	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds, net	\$ 304,173,204	\$ 304,871,848	\$ 21,687,221	\$ 23,758,129	\$ 325,860,425	\$ 328,629,977
General Obligation Debt	27,575,240	27,129,920	-	-	27,575,240	27,129,920
Total	<u>\$ 331,748,444</u>	<u>\$ 332,001,768</u>	<u>\$ 21,687,221</u>	<u>\$ 23,758,129</u>	<u>\$ 353,435,665</u>	<u>\$ 355,759,897</u>

During the current fiscal year Carroll County Government's total general obligation debt decreased by \$2,324,232. During the year, the County issued general obligation bonds totaling \$37,960,000. Of these bonds, \$20,000,000 were sold to cover capital projects in the governmental activities; \$1,460,000 was sold to cover fire company loans for building construction and equipment purchases and \$16,500,000 were issued for refunding portions of the 2005 and 2006 bonds. The new debt issue will be repaid over twenty years. 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 November 2012 by Fitch Ratings. Fitch cited "Carroll County's fiscal operations are well managed through long-term financial planning and frequent monitoring of revenues and expenditures, resulting in solid reserve levels." Standard and Poor's Rating Services assigned an AA+ in November 2012, citing "Standard and Poor's considers Carroll County's financial management practices "strong" under its Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable." Moody's Investors Service, Inc. has continued to assign an Aa1 rating to Carroll County Government, citing "the Aa1 rating

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

reflects the County's sound financial position, supported by comprehensive fiscal policies, satisfactory available fund balance." 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 \$1,175,305,137, 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 2014 adopted budget appropriation for the general fund is \$367,060,000 representing an increase of \$5.3 million or 1.5 percent increase over fiscal year 2013
- Real property tax is expected to be less than fiscal year 2013 largely due to declining assessments.
- Income tax is expected to be higher than fiscal year 2013, even with a tax cut from 3.05% of State taxable income to 3.04%. The expected increase is due to a revised State estimate and continuing to show good growth.
- Personal property tax is expected to be less than fiscal year 2013 due to declining assessments combined with a personal property tax rate cut in fiscal year 2014 from \$2.545 to \$2.515 per \$100 of assessed value.
- Recordation is expected to be higher in fiscal year 2014 due to the County starting to see positive growth in the housing market.
- Public Library appropriation increased in fiscal year 2014 due to the addition of Sunday hours at the Eldersburg branch from October to April.
- Administrative Services under Human Resources appropriation increased in fiscal year 2014 due to a one time reduction to the Internal Service Fund (ISF) and the completion of the ISF rebalance. Also health and fringe increased due to medical cost growth and the addition of positions.

All of these factors were considered in preparing the Carroll County Government's budget for the 2014 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 Position  
June 30, 2013

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Board of Education	Carroll Community College	Library	Industrial Development Authority
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 158,450,564	\$ 29,099,514	\$ 187,550,078	\$ 7,074,885	\$ 7,025,983	\$ 1,559,056	\$ 925,432
Cash and cash equivalents	-	49,955	49,955	-	-	50,835	7,140,249
Restricted cash	-	-	-	-	6,168,730	-	-
Investments	-	-	-	-	600,373	110,338	7,960,231
Taxes and receivables, net	26,671,450	3,754,774	30,426,224	455,967	-	-	-
Due from component units	1,201,394	7,100	1,208,494	-	-	-	-
Due from primary government	-	-	-	50,620,818	193,631	-	1,500,000
Due from other governments	19,497,965	-	19,497,965	5,720,688	-	-	-
Due from fiduciary funds	538,317	-	538,317	-	-	-	-
Internal balances	615,033	(615,033)	-	-	-	-	-
Inventories	1,366,764	520,436	1,887,200	695,359	-	4,580	-
Prepaid expenses	579,462	-	579,462	312,689	295,810	-	-
Investments - restricted	22,364,764	-	22,364,764	-	-	-	-
Negative net pension obligation	6,055,092	-	6,055,092	-	-	-	-
Capital assets not being depreciated:							
Land	33,421,762	8,944,412	42,366,174	15,049,603	180,000	-	7,407,704
Construction in progress	17,826,297	2,650,817	20,477,114	2,122,459	-	20,737	1,730,129
Art and doll collection	-	-	-	-	359,500	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	141,037,291	16,417,628	157,454,919	405,619,625	847,143	3,746,175	-
Improvements other than buildings	10,655,440	6,054,061	16,709,501	-	-	-	-
Auto, machinery and equipment	13,074,565	9,988,590	23,063,155	11,046,079	625,024	-	-
Infrastructure	160,346,737	78,103,687	238,450,424	-	-	-	-
Capital assets, net of depreciation	376,362,092	122,159,195	498,521,287	433,837,766	2,011,667	3,766,912	9,137,833
Total assets	613,702,897	154,975,941	768,678,838	498,718,172	16,296,194	5,491,721	26,663,745
<b>Deferred Outflows of Resources</b>							
Deferred charge on refunding	5,338,746	99,045	5,437,791	-	-	-	-
Total deferred outflows of resources	5,338,746	99,045	5,437,791	-	-	-	-
Total assets and deferred outflows	\$ 619,041,643	\$ 155,074,986	\$ 774,116,629	\$ 498,718,172	\$ 16,296,194	\$ 5,491,721	\$ 26,663,745
<b>LIABILITIES</b>							
Accounts payable	10,420,616	5,069,208	15,489,824	7,844,192	372,829	143,630	-
Retainage and guarantees due contractors	857,146	-	857,146	-	-	-	-
Due to component units	52,314,449	-	52,314,449	-	-	-	-
Due to primary government	-	-	-	58,905	311	3,718	1,145,560
Due to other governments	-	-	-	2,269,862	-	-	-
Unearned revenue	6,296,688	21,821	6,318,509	734,998	1,414,723	46,800	8,640,249
Accrued interest payable	1,625,000	173,293	1,798,293	48,288	-	-	666,842
Accrued expenses	1,212,333	77,518	1,289,851	30,933,353	679,245	216,646	2,954
Long-term liabilities							
Due within one year	32,695,458	2,447,869	35,143,327	3,148,196	717,519	468,696	-
Due in more than one year	343,948,049	31,275,195	375,223,244	61,851,565	12,811,566	-	4,000,000
Total liabilities	449,369,739	39,064,904	488,434,643	106,889,359	15,996,193	879,490	14,455,605
<b>NET POSITION</b>							
Net investment in capital assets	211,465,620	103,109,748	314,575,368	428,940,160	2,011,667	3,766,912	7,992,273
Restricted for:							
Capital projects	2,299,484	17,019,197	19,318,681	-	-	33,807	-
Pension	6,055,092	-	6,055,092	-	-	-	-
Food services	-	-	-	363,307	-	-	-
Educational purposes	-	-	-	-	-	-	-
Unrestricted	(50,148,292)	(4,118,863)	(54,267,155)	(37,474,654)	(6,673,188)	811,512	4,215,867
Total net position	\$ 169,671,904	\$ 116,010,082	\$ 285,681,986	\$ 391,828,813	\$ 300,001	\$ 4,612,231	\$ 12,208,140

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, 2013

Exhibit B

	Net (Expense) Revenue and Changes in Net Position											
	Program Revenues					Component Units						
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Library	Industrial Development Authority	
<b>Functions/Programs</b>												
<b>Primary government:</b>												
General government	\$ 74,177,030	\$ 14,820,757	\$ 12,995,816	\$ -	\$ (46,360,457)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	36,029,829	1,891,508	1,779,229	734,550	(31,624,542)	-	-	-	-	-	-	-
Public works	29,857,345	1,559,051	-	1,625,184	(26,673,110)	-	-	-	-	-	-	-
Health	4,546,895	58,946	-	-	(4,487,949)	-	-	-	-	-	-	-
Social services	1,208,120	6,600	-	-	(1,201,520)	-	-	-	-	-	-	-
Education	192,972,220	480,685	80,150	9,094	(192,402,291)	-	-	-	-	-	-	-
Recreation and Parks	3,208,030	928,603	215,605	382,698	(1,681,124)	-	-	-	-	-	-	-
Libraries	13,150,071	-	-	-	(13,150,071)	-	-	-	-	-	-	-
Conservation of natural resources	5,116,229	-	30,800	530,969	(4,554,460)	-	-	-	-	-	-	-
Economic development	4,572,817	-	1,014,578	-	(3,558,239)	-	-	-	-	-	-	-
Interest on long-term debt	12,347,384	-	-	-	(12,347,384)	-	-	-	-	-	-	-
Total governmental activities	377,185,970	19,746,150	16,116,178	3,282,495	(338,041,147)	-	-	-	-	-	-	-
Business-type activities:												
Bureau of Utilities	10,801,048	8,906,129	-	2,498,991	-	604,072	-	-	-	-	-	-
Solid Waste	12,108,283	6,801,739	-	-	-	(5,306,544)	-	-	-	-	-	-
Airport	689,380	649,572	-	434,316	-	394,508	-	-	-	-	-	-
Septage	489,064	710,536	-	-	-	221,472	-	-	-	-	-	-
Firearms	97,706	148,106	-	-	-	50,400	-	-	-	-	-	-
Fiber Network	733,785	-	-	-	-	(733,785)	-	-	-	-	-	-
Total business-type activities	24,919,266	17,216,082	-	2,933,307	-	(4,769,877)	-	-	-	-	-	-
Total primary government	\$ 402,105,236	\$ 36,962,232	\$ 16,116,178	\$ 6,215,802	(338,041,147)	(4,769,877)	(126,611,628)	(11,247,748)	2,514	(202,941)	(202,941)	-
<b>Component units:</b>												
Board of Education	200,185,668	4,097,748	48,195,781	21,280,511	-	-	(126,611,628)	-	-	-	-	-
Carroll Community College	28,286,187	10,277,646	6,760,793	-	-	-	-	(11,247,748)	-	-	-	-
Library	2,904,010	111,290	2,745,137	50,097	-	-	-	-	2,514	-	-	-
Industrial Development Authority	296,980	-	94,039	-	-	-	-	-	-	-	(202,941)	-
Total component units	\$ 231,672,845	\$ 14,486,684	\$ 57,795,750	\$ 21,330,608	-	-	(126,611,628)	(11,247,748)	2,514	(202,941)	(202,941)	-
General revenues:												
Property taxes					199,322,443							
Income tax					130,644,545							
Recordation tax					10,021,395							
Admission and amusement tax					288,173							
Agricultural transfer tax					63,462							
Hotel rental tax					278,906							
State shared, unrestricted					620,224		126,582,822					
Grants and contributions not restricted to specific programs					-		-					
Gain on sale of capital asset					-		-					
Investment earnings and miscellaneous, unrestricted					(1,252,613)		78,616					
Transfers					(8,677,790)		849,378					
Total general revenues and transfers					331,308,745		9,605,784					
Change in net position					(6,732,402)		4,835,907					
Net position - beginning of year, as restated					176,404,306		111,174,175					
Net position - ending					\$ 169,671,904		\$ 116,010,082					

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, 2013**

**Exhibit C**

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 95,143,749	\$ 54,759,426	\$ 4,329,378	\$ 154,232,553
Taxes and receivables, net	22,156,151	2,768,568	1,746,671	26,671,390
Due from component units	1,201,394	-	-	1,201,394
Due from other governments	18,168,870	1,329,095	-	19,497,965
Due from other governmental funds	7,490,177	-	-	7,490,177
Due from fiduciary funds	538,317	-	-	538,317
Due from proprietary funds	615,033	-	-	615,033
Inventories	1,366,764	-	-	1,366,764
Prepaid costs	115,055	-	464,407	579,462
Investments- restricted	22,364,764	-	-	22,364,764
Total assets	\$ 169,160,274	\$ 58,857,089	\$ 6,540,456	\$ 234,557,819
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 5,446,783	\$ 3,918,115	\$ 743,315	\$ 10,108,213
Retainage and guarantees due contractors	857,146	-	-	857,146
Due to component units	48,410,000	3,904,449	-	52,314,449
Due to other governmental funds	-	7,490,177	-	7,490,177
Due to proprietary funds	91,302	-	-	91,302
Accrued expenditures	1,139,480	-	72,853	1,212,333
Unearned revenue	84,791	2,914,352	3,288,916	6,288,059
Total liabilities	56,029,502	18,227,093	4,105,084	78,361,679
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	8,243,264	-	-	8,243,264
Total deferred inflows of resources	8,243,264	-	-	8,243,264
Fund Balances:				
Nonspendable	29,140,848	-	-	29,140,848
Restricted	23,584,205	-	1,159,415	24,743,620
Committed	19,765,000	-	1,275,957	21,040,957
Assigned	16,264,913	40,629,996	-	56,894,909
Unassigned	16,132,542	-	-	16,132,542
Total fund balances	104,887,508	40,629,996	2,435,372	147,952,876
Total liabilities, deferred inflows of resources, and fund balances	\$ 169,160,274	\$ 58,857,089	\$ 6,540,456	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				376,362,092
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.				8,243,264
Negative net pension obligation, which is included in the governmental activities in the statement of net position.				5,855,359
Net LOSAP obligation, which is included in the governmental activities in the statement of net position.				(705,159)
Negative net certified law officer's pension obligation, which is included in the governmental activities in the statement of net position.				199,733
Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net position.				(34,793,034)
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 position.				1,922,521
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds and notes payable			\$ (333,740,748)	(335,365,748)
Accrued interest payable			(1,625,000)	
Net position of governmental activities				\$ 169,671,904

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, 2013**

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
-local property	\$ 197,544,277	\$ 183,200	\$ -	\$ 197,727,477
-local other	127,414,890	11,595,979	1,634,712	140,645,581
-state shared	620,224	1,015,251	-	1,635,475
Impact fees	-	-	295,755	295,755
Licenses and permits	1,518,884	-	-	1,518,884
Intergovernmental revenues	1,685,307	3,226,622	14,066,607	18,978,536
Charges for services	4,379,256	-	353,164	4,732,420
Fines and forfeits	89,747	5,740	-	95,487
Interest and gain on investments	231,071	(1,062,004)	1,098	(829,835)
Miscellaneous revenues	5,771,728	69,197	-	5,840,925
Total revenues	<u>339,255,384</u>	<u>15,033,985</u>	<u>16,351,336</u>	<u>370,640,705</u>
<b>EXPENDITURES</b>				
Current:				
General government	50,580,058	-	13,158,276	63,738,334
Public safety	34,469,021	-	1,116,250	35,585,271
Public works	9,565,709	-	-	9,565,709
Health	4,303,983	-	4,000	4,307,983
Social services	1,199,706	-	-	1,199,706
Education	180,570,971	-	-	180,570,971
Library	11,000,246	-	-	11,000,246
Recreation and parks	2,374,781	-	346,755	2,721,536
Conservation of natural resources	856,440	-	-	856,440
Economic development	3,060,307	-	1,264,578	4,324,885
Capital outlay:				
General government	-	1,864,445	-	1,864,445
Public safety	-	4,489,428	-	4,489,428
Public works	-	10,540,455	-	10,540,455
Education	-	10,557,884	-	10,557,884
Recreation and parks	-	1,871,413	-	1,871,413
Library/senior centers	-	36,000	-	36,000
Conservation of natural resources	-	4,286,660	-	4,286,660
Debt service:				
Principal	25,641,361	-	-	25,641,361
Interest	13,646,029	-	-	13,646,029
Total expenditures	<u>337,268,612</u>	<u>33,646,285</u>	<u>15,889,859</u>	<u>386,804,756</u>
Excess (deficiency) of revenues over (under) expenditures	1,986,772	(18,612,300)	461,477	(16,164,051)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,195,015	12,171,679	1,470,088	26,836,782
Transfers out	(20,849,557)	(12,000,000)	(2,635,015)	(35,484,572)
Payment to escrow agent	(19,357,902)	-	-	(19,357,902)
Refunding bonds issued	16,220,345	-	-	16,220,345
Bonds issued	1,460,000	20,000,000	-	21,460,000
Bonds premium	3,216,308	1,936,086	-	5,152,394
Issuance of debt-long term notes	445,320	-	-	445,320
Total other financing sources (uses)	<u>(5,670,471)</u>	<u>22,107,765</u>	<u>(1,164,927)</u>	<u>15,272,367</u>
Net change in fund balances	(3,683,699)	3,495,465	(703,450)	(891,684)
Fund balance - beginning, as restated	108,677,023	37,134,531	3,138,822	148,950,376
Decrease in reserve for inventory	(105,816)	-	-	(105,816)
Fund balance - ending	<u>\$ 104,887,508</u>	<u>\$ 40,629,996</u>	<u>\$ 2,435,372</u>	<u>\$ 147,952,876</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, 2013**

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

Net change in fund balances - total governmental funds	\$ (891,684)
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.	(6,309,161)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,620,115
Adjustment to LOSAP's annual pension cost for the net LOSAP obligation.	(427,624)
Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation.	204,822
Adjustment to the Other Postemployment Benefit (OPEB) annual OPEB cost for the net OPEB obligation.	(2,049,268)
Adjustment to the Certified Law Officer's Pension (CLOP) annual pension cost for the net CLOP obligation.	228,290
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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	2,438,305
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.	(521,513)
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.	(3,024,684)
Change in net position - governmental activities	<u>\$ (6,732,402)</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Taxes:				
-local property	\$ 198,296,800	\$ 198,296,800	\$ 198,243,341	\$ (53,459)
-local other	123,358,000	123,358,000	127,414,891	4,056,891
-state shared	620,000	620,000	620,224	224
Licenses and permits	1,375,300	1,375,300	1,518,884	143,584
Intergovernmental revenues	1,309,000	1,309,000	1,685,307	376,307
Charges for services	4,057,110	4,057,110	4,379,257	322,147
Fines and forfeits	81,800	81,800	89,747	7,947
Interest and gains on investments	1,378,000	1,378,000	231,071	(1,146,929)
Miscellaneous revenues	1,264,598	1,264,598	5,771,728	4,507,130
Total revenues	<u>331,740,608</u>	<u>331,740,608</u>	<u>339,954,450</u>	<u>8,213,842</u>
Other financing resources				
Appropriated fund balance	16,809,377	16,809,377	-	(16,809,377)
Issuance of debt-long term notes payable	-	-	445,320	445,320
Transfers in	13,195,015	13,195,015	13,195,015	-
Refunding bonds issued	-	-	16,220,345	16,220,345
Bonds issued	-	-	1,460,000	1,460,000
Bond premium	-	-	3,216,308	3,216,308
Total other financing resources	<u>30,004,392</u>	<u>30,004,392</u>	<u>34,536,988</u>	<u>4,532,596</u>
Total Resources (Inflows)	<u>361,745,000</u>	<u>361,745,000</u>	<u>374,491,438</u>	<u>12,746,438</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Current:				
General government	56,858,638	57,009,279	51,107,468	5,901,811
Public safety	34,594,554	34,716,394	34,492,909	223,485
Public works	10,917,172	10,911,716	9,395,652	1,516,064
Health	4,311,970	4,307,470	4,303,983	3,487
Social services	1,197,540	1,222,403	1,199,706	22,697
Education	177,208,280	177,230,069	180,737,712	(3,507,643)
Library	8,789,190	8,744,008	11,000,246	(2,256,238)
Recreation and parks	2,294,190	2,264,742	2,212,961	51,781
Conservation of natural resources	856,090	860,452	856,440	4,012
Economic development	3,441,369	3,197,892	3,050,899	146,993
Reserve for contingencies	3,479,237	483,399	-	483,399
Debt service:				
Debt service-County	26,847,619	26,847,619	26,354,113	493,506
Debt service- Board of Education	13,100,000	13,100,000	12,933,278	166,722
Total expenditures	<u>343,895,849</u>	<u>340,895,443</u>	<u>337,645,367</u>	<u>3,250,076</u>
Other financing uses				
Transfers out	17,849,151	20,849,557	20,849,557	-
Payment to escrow agent	-	-	19,357,902	(19,357,902)
Total other financing uses	<u>17,849,151</u>	<u>20,849,557</u>	<u>40,207,459</u>	<u>(19,357,902)</u>
Total charges to appropriations (outflows)	<u>361,745,000</u>	<u>361,745,000</u>	<u>377,852,826</u>	<u>(16,107,826)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(3,361,388)</u>	<u>\$ (3,361,388)</u>
Fund balance - beginning			111,713,238	
Fund balance - ending			<u>\$ 108,351,850</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 Position**  
**Proprietary Funds**  
**June 30, 2013**

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds	Total	
<b>ASSETS</b>						
Current Assets:						
Equity in pooled cash and investments	\$ 13,632,901	\$ 14,170,126	\$ -	\$ 1,296,487	\$ 29,099,514	\$ 4,218,011
Cash and cash equivalents	25,154	24,301	200	300	49,955	-
Receivables, net	2,609,069	652,038	423,865	69,802	3,754,774	60
Due from component units	-	7,100	-	-	7,100	-
Due from other funds	-	-	-	-	-	91,302
Inventories	506,969	-	13,467	-	520,436	-
Total current assets	<u>16,774,093</u>	<u>14,853,565</u>	<u>437,532</u>	<u>1,366,589</u>	<u>33,431,779</u>	<u>4,309,373</u>
Noncurrent Assets:						
Capital assets:						
Land	182,332	2,083,618	6,678,462	-	8,944,412	-
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	1,785,748	191,856	9,633,315	-
Auto, machinery and equipment	1,993,742	3,653,061	881,152	9,942,662	16,470,617	-
Infrastructure	103,020,470	-	-	-	103,020,470	-
Construction in progress	147,337	4,832	-	2,498,648	2,650,817	-
Less accumulated depreciation	<u>(34,538,244)</u>	<u>(4,384,391)</u>	<u>(2,497,666)</u>	<u>(1,412,732)</u>	<u>(42,833,033)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>90,131,942</u>	<u>9,115,476</u>	<u>11,417,292</u>	<u>11,494,485</u>	<u>122,159,195</u>	<u>-</u>
Total assets	<u>106,906,035</u>	<u>23,969,041</u>	<u>11,854,824</u>	<u>12,861,074</u>	<u>155,590,974</u>	<u>4,309,373</u>
<b>Deferred Outflows of Resources</b>						
Deferred charge on refunding	80,122	14,611	2,985	1,327	99,045	-
Total deferred outflows of resources	<u>80,122</u>	<u>14,611</u>	<u>2,985</u>	<u>1,327</u>	<u>99,045</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 106,986,157</u>	<u>\$ 23,983,652</u>	<u>\$ 11,857,809</u>	<u>\$ 12,862,401</u>	<u>\$ 155,690,019</u>	<u>\$ 4,309,373</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 1,313,863	\$ 3,681,288	\$ 29,027	\$ 45,030	\$ 5,069,208	\$ 312,403
Accrued interest payable	140,145	19,983	12,211	954	173,293	-
Unearned revenue	-	21,821	-	-	21,821	8,629
Accrued expenses	45,243	26,229	3,946	2,100	77,518	-
Due to other funds	-	-	374,132	240,901	615,033	-
Long-term liabilities due within one year:						
General obligation bonds payable	1,400,106	455,583	244,254	12,224	2,112,167	-
Unamortized Costs	-	-	-	-	-	-
Unpaid insurance claims	-	-	-	-	-	2,045,162
Loans payable	27,907	-	-	-	27,907	-
Landfill closure, postclosure remediation	-	163,985	-	-	163,985	-
Compensated absences	86,589	56,285	936	-	143,810	-
Total long-term due within one year	<u>1,514,602</u>	<u>675,853</u>	<u>245,190</u>	<u>12,224</u>	<u>2,447,869</u>	<u>2,045,162</u>
Total current liabilities	<u>3,013,853</u>	<u>4,425,174</u>	<u>664,506</u>	<u>301,209</u>	<u>8,404,742</u>	<u>2,366,194</u>
Noncurrent liabilities:						
General obligation bonds payable	15,681,416	2,226,613	1,568,095	98,930	19,575,054	-
Unpaid insurance claims	-	-	-	-	-	20,658
Loans payable	216,757	-	-	-	216,757	-
Landfill closure, postclosure remediation	-	11,235,726	-	-	11,235,726	-
Compensated absences	133,419	112,836	1,403	-	247,658	-
Total noncurrent liabilities	<u>16,031,592</u>	<u>13,575,175</u>	<u>1,569,498</u>	<u>98,930</u>	<u>31,275,195</u>	<u>20,658</u>
Total liabilities	<u>19,045,445</u>	<u>18,000,349</u>	<u>2,234,004</u>	<u>400,139</u>	<u>39,679,937</u>	<u>2,386,852</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	73,498,554	8,619,279	9,608,585	11,383,330	103,109,748	-
Restricted for:						
Capital projects	14,191,058	754,128	2,074,011	-	17,019,197	-
Unrestricted (deficit)	251,100	(3,390,104)	(2,058,791)	1,078,932	(4,118,863)	1,922,521
Total net position	<u>\$ 87,940,712</u>	<u>\$ 5,983,303</u>	<u>\$ 9,623,805</u>	<u>\$ 12,462,262</u>	<u>\$ 116,010,082</u>	<u>\$ 1,922,521</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 Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	<u>Business-type Activities-Enterprise Funds</u>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Bureau of Utilities</b>	<b>Solid Waste</b>	<b>Airport</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	
Operating revenues:						
Charges for services	\$ 8,906,129	\$ 6,801,739	\$ 649,572	\$ 858,642	\$ 17,216,082	\$ 10,713,671
From other governments	-	-	-	-	-	-
Total operating revenues	<u>8,906,129</u>	<u>6,801,739</u>	<u>649,572</u>	<u>858,642</u>	<u>17,216,082</u>	<u>10,713,671</u>
Operating expenses:						
Personal services	2,298,153	1,524,733	199,851	125,167	4,147,904	-
Contractual services	3,964,759	8,835,045	144,181	407,168	13,351,153	-
Materials and supplies	715,250	349,957	-	73,071	1,138,278	-
Rents and utilities	696,450	41,882	46,057	112,731	897,120	-
Insurance claims	-	-	-	-	-	13,745,785
Miscellaneous	57,664	647,926	31,749	117,611	854,950	-
Depreciation	2,279,024	585,096	188,935	480,356	3,533,411	-
Total operating expenses	<u>10,011,300</u>	<u>11,984,639</u>	<u>610,773</u>	<u>1,316,104</u>	<u>23,922,816</u>	<u>13,745,785</u>
Operating income (loss)	<u>(1,105,171)</u>	<u>(5,182,900)</u>	<u>38,799</u>	<u>(457,462)</u>	<u>(6,706,734)</u>	<u>(3,032,114)</u>
Nonoperating revenues (expenses):						
Penalties and interest	557,716	268,135	-	3,647	829,498	7,430
Bond interest subsidy	19,554	-	326	-	19,880	-
Interest and fiscal charges	(789,748)	(123,644)	(78,607)	(4,451)	(996,450)	-
Gain (loss) on disposal of capital asset	-	78,616	-	-	78,616	-
Total nonoperating revenues (expenses)	<u>(212,478)</u>	<u>223,107</u>	<u>(78,281)</u>	<u>(804)</u>	<u>(68,456)</u>	<u>7,430</u>
Income (loss) before contributions and transfers	(1,317,649)	(4,959,793)	(39,482)	(458,266)	(6,775,190)	(3,024,684)
Capital contributions (Area Connection Charges & Grants)	2,498,991	-	434,316	-	2,933,307	-
Capital contributions- equip. transferred from governmental activities	-	-	-	30,000	30,000	-
Transfers in	202,790	6,445,000	2,000,000	-	8,647,790	-
Change in net position	1,384,132	1,485,207	2,394,834	(428,266)	4,835,907	(3,024,684)
Total net position - beginning of year	<u>86,556,580</u>	<u>4,498,096</u>	<u>7,228,971</u>	<u>12,890,528</u>	<u>111,174,175</u>	<u>4,947,205</u>
Total net position - end of year	<u>\$ 87,940,712</u>	<u>\$ 5,983,303</u>	<u>\$ 9,623,805</u>	<u>\$ 12,462,262</u>	<u>\$ 116,010,082</u>	<u>\$ 1,922,521</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, 2013**

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 8,817,484	\$ 6,963,077	\$ 248,577	\$ 863,981	\$ 16,893,119	\$ 10,619,382
Receipts from other funds	-	-	-	240,901	240,901	-
Payments to suppliers	(6,057,622)	(6,370,527)	(201,574)	(702,357)	(13,332,080)	(13,535,367)
Payments to employees	(2,339,651)	(1,527,479)	(199,191)	(124,933)	(4,191,254)	-
Payments to other funds	-	-	(1,983,008)	-	(1,983,008)	-
Net cash provided (used) by operating activities	420,211	(934,929)	(2,135,196)	277,592	(2,372,322)	(2,915,985)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	202,790	6,445,000	2,000,000	-	8,647,790	-
Net cash provided by operating and related noncapital financing activities	202,790	6,445,000	2,000,000	-	8,647,790	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(164,340)	(4,833)	-	(1,338,648)	(1,507,821)	-
Principal paid on capital debt	(1,566,305)	(592,221)	(238,941)	(10,732)	(2,408,199)	-
Interest paid on capital debt	(808,899)	(120,485)	(79,221)	(6,182)	(1,014,787)	-
Proceeds of the disposition of capital asset	-	214,970	-	-	214,970	-
Refunding bonds	198,549	-	18,716	-	217,265	-
Capital contributions (Area Connection Charges & Grants)	2,498,991	-	434,316	-	2,933,307	-
Other assessment collected	587	-	-	-	587	-
Bond interest subsidy	19,554	-	326	-	19,880	-
Net cash provided (used) by capital and related financing activities	178,137	(502,569)	135,196	(1,355,562)	(1,544,798)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments and cash	557,716	268,135	-	3,647	829,498	7,430
Net cash provided by investing activities	557,716	268,135	-	3,647	829,498	7,430
Net increase (decrease) in cash and cash equivalents	1,358,854	5,275,637	-	(1,074,323)	5,560,168	(2,908,555)
Cash and cash equivalents at beginning of year	12,299,201	8,918,790	200	2,371,110	23,589,301	7,126,566
Cash and cash equivalents at end of year	<u>\$ 13,658,055</u>	<u>\$ 14,194,427</u>	<u>\$ 200</u>	<u>\$ 1,296,787</u>	<u>\$ 29,149,469</u>	<u>\$ 4,218,011</u>
<b>Reconciliation of Operating Income to net cash provided (used) by operating activities:</b>						
Operating income (Loss)	\$ (1,105,171)	\$ (5,182,900)	\$ 38,799	\$ (457,462)	\$ (6,706,734)	\$ (3,032,114)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,279,024	585,096	188,935	480,356	3,533,411	-
Effect of Changes in operating assets and liabilities:						
Due to other funds	-	-	(1,983,008)	240,901	(1,742,107)	-
Accounts receivable	(74,582)	139,517	(386,583)	5,339	(316,309)	(91,362)
Inventory	(282,260)	-	1,115	-	(281,145)	-
Compensated absences payable	(38,981)	(1,089)	305	-	(39,765)	-
Accounts payable and accrued expenses	(343,756)	3,097,041	19,653	8,458	2,781,396	210,418
Unearned revenue	(14,063)	21,821	(14,412)	-	(6,654)	(2,927)
Landfill closure, postclosure, remediation costs	-	405,585	-	-	405,585	-
Total adjustments	1,525,382	4,247,971	(2,173,995)	735,054	4,334,412	116,129
Net cash provided (used) by operating activities	<u>\$ 420,211</u>	<u>\$ (934,929)</u>	<u>\$ (2,135,196)</u>	<u>\$ 277,592</u>	<u>\$ (2,372,322)</u>	<u>\$ (2,915,985)</u>
<b>Noncash investing, capital, and financing activities:</b>						
Transfer of donated asset from governmental activities	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -

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 Position**  
**Trust and Agency Funds**  
**June 30, 2013**

	<b>Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,118	\$ 734,925
Receivables-notes	-	274,897
Investments at fair value:		
Short term investments	2,098,047	-
Bond funds	14,334,454	-
Equity funds	43,865,470	-
Marketable securities	35,484,611	-
Total investments	95,782,582	-
Total assets	95,797,700	1,009,822
<b>LIABILITIES</b>		
Accounts payable	5,514	79,668
Due to primary government	538,317	-
Deposits	-	930,154
Total liabilities	543,831	\$ 1,009,822
<b>NET POSITION</b>		
Net position held in trust for pension, benefits, and other purposes	\$ 95,253,869	

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 Position**  
**Trust Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 11,810,256
Plan members	2,381,142
Contributions from sources other than employer(s) and plan members	197,697
Total contributions	14,389,095
Investment earnings:	
Interest and dividends	5,414
Net increase in the fair value of investments	12,334,394
Total investment earnings	12,339,808
Less investment expense	(91,489)
Net investment earnings	12,248,319
Total additions	26,637,414
<b>DEDUCTIONS</b>	
Benefits and refunds paid to plan members and beneficiaries	4,654,289
Administrative expenses	30,725
Total deductions	4,685,014
Change in net position	21,952,400
Net position-beginning	73,301,469
Net position-ending	\$ 95,253,869

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, 2013**

**Note 1 - Summary of significant accounting policies**

**A. Description of Government-wide financial statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial 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.

**B. Reporting entity**

Carroll County was created pursuant to an act of the General Assembly of the State of Maryland on January 19, 1837. Both executive and legislative functions of the County are vested in the elected five-member Board of County Commissioners of Carroll County. 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 CliftonLarsonAllen 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 and for the year ended June 30, 2013. At year end any unspent appropriation up to 5% of the current year operating budget are retained by Board of Education as a component of their fund balance. Any excess above the 5% is returned to the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

**B. Reporting entity- continued**

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 CliftonLarsonAllen 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 and for the year ended June 30, 2013. At year end any unspent appropriation up to 5% of the current year operating budget are retained by Library as a component of their fund balance. Any excess above the 5% is returned to the County.

Carroll Community College (the College) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State). The seven-member Board of Trustees of Carroll Community College governs the College. The Board of Trustees are appointed for six-year terms by the Governor of the State with the advice and consent of the State Senate. 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. At year end any unspent appropriation up to 10% of the current year operating budget are retained by College as a component of their net position. Any excess above the 10% is returned to 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 CliftonLarsonAllen 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 and for the year ended June 30, 2013.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

**B. Reporting entity- continued**

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 Commissioners appoint a voting majority of the Authority, which is also fiscally dependent on the County. The IDA's financial statements were audited by CliftonLarsonAllen 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 and for the year ended June 30, 2013.

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

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

Carroll Community College  
1601 Washington Road  
Westminster, Maryland 21157

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

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

The above are the only entities that qualify as component units based on the criteria set forth in GASB Statement No. 39 and GASB Statement No. 61, amendments of GASB Statement 14.

**C. Basis of presentation- government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As discussed earlier, the government has four discretely presented component units. They are shown in separate columns in the government-wide financial statements.

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

**C. Basis of presentation- continued**

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.

**D. Basis of presentation- fund financial statements**

The fund financial statements provide information about the County's funds, and its fiduciary funds. Separate statements for each fund category- governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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 government reports the following major proprietary funds:

*Enterprise 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 non-major proprietary 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, 2013**

**Note 1 - Summary of significant accounting policies-continued**

**D. Basis of presentation- fund financial statements - 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 fiber 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 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* is 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 residential dwelling.

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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**  
**D. Basis of presentation- fund financial statements – continued**

The County reports the following Fiduciary Funds:

*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 and County contributions to provide health benefits 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.

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 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. The Cable Regulatory Commission administers the cable franchise agreement for the County and eight towns.

All governmental and business-type activities of the County follow GASB Statement 62, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements which incorporates into GASB authoritative literature certain accounting and financial reporting guidance previously included in FASB, AICPA, and Accounting Principles Board Opinions (APB), guidance issued before November 30, 1989. The County also has the option to follow subsequent private-sector guidance for its business-type activities and enterprise funds with certain limitations, but has elected not to do so.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**  
**D. Basis of presentation- fund financial statements – continued**

eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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*. Agency funds do not have a measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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 received.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

**Budgetary information**

**1. Budgetary basis of accounting**

The annual budgets for the General Fund, 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 appropriated budget in the General Fund is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department 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 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.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**2. Excess of expenditures over appropriations**

For the year ended June 30, 2013, expenditures exceeded appropriations by \$3,507,643 in Education and \$2,256,238 in Library due to the recording of in-kind services to the Board of Education, Community College, and Library. These in-kind services are not in the budget for Education and the Library. The overspending in both functions occurred due to the recording of unbudgeted in-kind services.

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

Cash and Cash Equivalents

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.

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

and investment pool, each fund may maintain 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. In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

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 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. 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 within the articles 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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

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; 4<sup>th</sup> 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.

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 general fund uses consumption method.

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 principal payment on the installment purchase of agricultural land easements.

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-

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**NOTES TO FINANCIAL STATEMENTS**  
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**Note 1 - Summary of significant accounting policies-continued**

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 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:

<u>Capital Assets</u>	
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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position

Government-wide:

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted net assets and unrestricted net assets. Net investment in capital assets, represents all capital assets, including infrastructure reduced by accumulated depreciation and the outstanding debt directly attributable to the acquisition, construction or

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

improvement of these assets. Restricted component of net position 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 component of net position of the County, is not restricted for any project or purpose.

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.

The County issues debt to finance the construction of school facilities for the Board of Education component unit because the Board of Education does not have borrowing or taxing authority. The County reports this debt, whereas the Board of Education reports the related capital assets. The County also issues debt to finance the construction of facilities and various equipment purchases for the County's Volunteer Fire Companies because the Fire Companies do not have taxing authority. The sources of repayment of the debt are secured notes receivable due from the Volunteer Fire Companies.

In July 2004, the County issued 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, 2013, the total outstanding debt associated to landfills totaled \$1,469,381.

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2013 fees collected through area connection charges and maintenance fees totaling \$14,191,058 have been restricted for future capital projects. The Solid Waste and Airport funds has restricted component of net position for capital projects in the amounts of \$754,128 and \$2,074,011 respectively. These amounts totaling \$17,019,197 are restricted in the business-type activities of the Statement of Net Position.

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 establish 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. Further, when the



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unrestricted fund balance is applied last.

Stabilization Arrangement

The Board of County Commissioners adopted an ordinance (outlined in 3-601, 19 in the code of public law) 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** 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. Estimated Liability for Claims in Process**

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker's compensation, property damage and medical claims as of June 30, 2013. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

**F. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Revenues and expenditures/expenses**

1.) Program Revenues

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. 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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
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**Note 1 - Summary of significant accounting policies-continued**

reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

2.) Proprietary Funds, Operating & Nonoperating Revenues and Expenses

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

3.) 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.

4.) Property Taxes

Full year taxes and first semi-annual installments are billed and due on July 1<sup>st</sup> and may be paid without interest on or before September 30<sup>th</sup>. For fiscal year 2013 the following discounts were allowed: 1% on full year tax payments made on or before July 31<sup>st</sup>; 0.5% on full year tax payments made on or before August 31<sup>st</sup>. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1<sup>st</sup> and may be paid without interest on or before December 31<sup>st</sup>. A service charge is payable with the second installment unless both installments are paid by September 30<sup>th</sup>. Delinquent accounts are issued final bills and legal notices on April 1<sup>st</sup>. 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, 2013 was \$1.018 per \$100 of assessed value and the personal property rate was \$2.545 per \$100. Taxes for the County, State and Towns are billed to property owners and collected by the County.

5.) 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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

Compensated absences-continued

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.

Component Units

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

6.)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 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 in General Government. It is the County's internal policy that refunding bond premiums and discounts are allocated to the general fund. Premiums and discounts related to new bond issues are allocated to the capital fund. Issuance costs are allocated to the general fund.

7.)Arbitrage Payable

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to general obligation bond issuances of 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, and 2003 respectively.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

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 of return than the original bond issue. The County calculates arbitrage internally every six months. As of June 30, 2013 there is no arbitrage liability due to the Internal Revenue Service.

**E. New Accounting Pronouncement**

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and defined the residual of assets and deferred outflows less liabilities and deferred inflows as net position. The County has implemented the effects of this Statement for the reporting period ending June 30, 2013. The effect of this Statement on the County was a change in the format of the entity wide statements to include the concept of net position.

The County also implemented the requirements of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the reporting period ending June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of this statement was an addition of deferred inflow and a decrease in long term liabilities on the Government-wide Net Position with no net effect on net position.

GASB has issued the following Statements which will become effective in future years as shown below. Management is currently evaluating the effect of the implementation of these Standards.

Statement No. 66, *Technical Corrections 2012 – an amendment of GASB Statements No. 10 and No. 62*  
The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement will become effective for the reporting period ending June 30, 2014.

Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*  
The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement will become effective for reporting periods ending June 30, 2014

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*  
The objective of this Statement is to improve accounting and financial reporting by state and local government employers for the pension in which they are involved. This Statement will become effective for the reporting period ending June 30, 2015. The County is currently evaluating the effect of the implementation of this Statement.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - Summary of significant accounting policies-continued**

Statement No. 69, *Government Combinations and Disposals of Government Operations*

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will become effective for reporting periods ending June 30, 2015.

Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement will become effective for reporting periods ending June 30, 2014.

**F. Prior Period Adjustments**

The Capital Projects fund balance was restated as of June 30, 2012 to correctly record Developer Contributions that were previously recorded as revenue but, should have been recorded as unearned revenue. The result of the restatement is a decrease in fund balance of \$613,948 as follows:

Fund balance, June 30, 2012, as previously stated	\$37,748,479
Unearned Revenue (Developer Contributions)	<u>(613,948)</u>
Fund balance, June 30, 2012, as restated	\$37,134,531

Governmental Activities:

Net Position, June 30, 2012, as previously stated	\$178,091,031
Unearned Revenue (Developer Contributions)	(613,948)
Bond Issuance Cost (GASB 65)	<u>(1,072,777)</u>
Net Position, June 30, 2012, as restated	\$176,404,306

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 Position**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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	\$292,479,141
General Obligation Debt-Installment Purchases	27,575,240
Purchase Agreements Payable	1,734,212
Compensated Absences	5,596,838
Deferred charges	(5,338,746)
Premium on Bonds	11,694,063
	<u>\$ 333,740,748</u>

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

Property Taxes- unavailable	\$1,594,967
Income Taxes- unavailable	6,648,297
	<u>\$ 8,243,264</u>

**B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *change in net position - 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	\$ 10,434,347
Donated Assets	4,988,326
Depreciation	(19,460,675)
Disposal of Capital Assets	(2,271,159)
	<u>\$ (6,309,161)</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 \$3,620,115 difference represents the net change of \$1,594,967 in Property Taxes-unavailable plus \$3,062,816 in

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

Income Taxes-unavailable plus the net change in Intergovernmental Revenue unavailable of \$(1,037,668) in the fund statements.

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

Debt Issued or Incurred:

Issuance of New General Obligation Debt	\$ (445,320)
Issuance of New General Obligation Bonds	(37,680,345)
Principal Payments on General Obligation Bonds	42,477,593
Principal Payments on Purchase Agreements	185,607
Net Change in Amortization of	
Deferred loss on Refunding Bonds	1,754,519
Net Change in Amortization of Bond Premium	(4,098,604)
Net Change In Accrued Interest Expense	<u>244,855</u>
	<u>\$ 2,438,305</u>

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

Increase in Compensated Absences Accrual	\$ (415,697)
Difference between accrual method used in Government wide Statements and the Purchase Method of inventory used in the Fund Statements	<u>(105,816)</u>
	<u>\$ (521,513)</u>

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

PRIMARY GOVERNMENT

*Custodial Credit Risk Deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. At year-end the collected bank balance was \$3,148,532. The Federal Depository Insurance Corporation (FDIC) insured \$250,000 and the balance of \$2,898,532 was collateral held in the County’s name at the Federal Reserve Bank. At June 30, 2013, the County’s deposits were not exposed to custodial credit risk.

The following table reconciles the County’s deposits and investments to the government-wide statement of net assets and the statement of fiduciary net position.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

Reconciliation:

<u>Total Primary Government – Exhibit A</u>	
Equity in Pooled Cash and Investments	\$187,550,078
Cash and cash equivalents	49,955
Restricted Assets – Investments	22,364,764
<u>Trust Funds-Exhibit J</u>	
Trust funds:	
Total Investments	95,782,582
Agency Funds:	
Equity in pooled cash and investments	<u>734,925</u>
Total all equity in pooled cash and investments	306,482,304
Less: Investments –Primary Government	<u>(303,333,772)</u>
Total collected bank balance	<u>\$ 3,148,532</u>

COMPONENT UNITS

At year-end the carrying amount of combined deposits was \$23,776,440. All of the collected bank balance was insured by the FDIC and/or collateralized by securities held by the component unit or its' agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net assets.

Reconciliation:

Cash & Investments for Component Units	
Board of Education	\$7,074,885
Carroll Community College	7,025,983
Carroll County Library	1,609,891
Industrial Development Authority	<u>8,065,681</u>
Cash in the Bank	<u>\$23,776,440</u>

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, 2013 the 30 percent was \$73,000,000). 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, 2013**

**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 to pay off the related debt when due.

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, 2013, 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 than 10 percent of its 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, 2013, the County's investments were not exposed to custodial credit risk.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

The following table displays segmented time distribution investments for the primary government by maturity and investment type as of June 30, 2013.

<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>Pooled Investments</u>				
Federal agencies (2)	\$ 67,934,480	\$ -	\$ 67,934,480	\$ -
MLGIP	9,460,063	9,460,063	-	-
subtotal	77,394,543	9,460,063	67,934,480	-
<u>Non-Pooled Investments</u>				
U.S. government securities (1)	22,134,764	-	-	22,134,764
Money rate savings account	108,021,883	108,021,883	-	-
Other Post Employment Benefits and Pension Funds:				
Short-term investments (3)	2,098,047	2,098,047	-	-
Equities (3)	43,865,470	-	-	43,865,470
Corporate Bonds	14,334,454	-	-	14,344,454
Marketable securities	35,484,611	-	-	35,484,611
subtotal	225,939,229	110,119,930	-	115,829,299
Total	\$ 303,333,772	\$ 119,579,993	\$ 67,934,480	\$ 115,829,299

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

(2) These agencies mature in fiscal year 2013/2014 but are callable monthly, quarterly, semi-annually until maturity.

(3) These investments are unrated.

Fiduciary Funds

Investment Risk

Fiduciary funds for Carroll County are the Carroll County Employee 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 fiduciary net position 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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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	\$2,260,943
Harbor International Fund	2,188,942

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	\$380,305
Harbor International Fund	368,080

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 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, 2013</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 for all of the County Trust Funds are to be diversified as follows:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

Component Units

At year-end, the carrying value of the Board of Education's combined deposits was \$7,432,384 and cash on hand was \$3,108. The bank balance of deposits was \$12,794,836. 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.

As of June 30, 2013, the cash on hand for petty cash and change in funds for Carroll Community College was \$3,300.

At June 30, 2013, the College's cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 3,300
Cash in bank	1,924,760
Bank money market	4,343,750
Maryland Local Government Investment Pool	416,140
Cash with Carroll Community College Foundation	<u>338,033</u>
	<u>\$7,025,983</u>

As of June 30, 2013, the carrying amount of the Library's deposits was \$1,607,112 and the bank balance was \$2,017,233. The Library's cash on hand at June 30, 2013 was \$2,779 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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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 enables 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, 2013, the Industrial Development Authority bank balance was \$8,065,681. 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 Industrial Development Authority does not have any custodial or credit risk at year-end and the other requirements of GASB 40 are not applicable to the Industrial Development Authority's cash and cash equivalents.

**Note 4 - Budgets and Budgetary Accounting**

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

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

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 department 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 Board. 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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 4 - Budgets and Budgetary Accounting-continued**

The budgeted amounts are as originally adopted, or as amended by the County Commissioners. There were no supplemental budgetary appropriations adopted for the year ending June 30, 2013.

**Note 5 – Receivables and Deferred Inflows/Outflows**

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>
<b><u>Governmental funds</u></b>					
General fund	\$ 1,462,329	\$ 706,594	\$ 278,457	\$ 19,873,521	\$ 22,320,901
Capital Projects fund	-	2,768,357	211	-	2,768,568
Non-major funds	-	1,746,671	-	-	1,746,671
	<u>1,462,329</u>	<u>5,221,622</u>	<u>278,668</u>	<u>19,873,521</u>	<u>26,836,140</u>
Uncollectible allowance	(164,750)	-	-	-	(164,750)
Total governmental funds	<u>\$ 1,297,579</u>	<u>\$ 5,221,622</u>	<u>\$ 278,668</u>	<u>\$ 19,873,521</u>	<u>\$ 26,671,390</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,493,050</u>	<u>\$ 18,493,050</u>

	<u>Accounts</u>
<b><u>Business-type funds</u></b>	
Bureau of Utilities	\$ 2,609,069
Solid Waste	664,180
Airport	550,209
Non-major funds	69,802
	<u>3,893,260</u>
Uncollectible allowance(Airport)	(138,486)
Total business-type funds	<u>\$ 3,754,774</u>
Amount not scheduled for collection during subsequent year	<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 and Solid Waste fund do not have liens on real property therefore; an allowance account for its receivables has been established.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 5 – Receivables and Deferred Inflows/Outflows-continued**

Activity for the component units for the year ended June 30, 2013 was as follows:

<u>Component Units</u>	<u>Accounts Restricted</u>	<u>Accounts and Notes Unrestricted</u>	<u>Other Governments</u>	<u>Students</u>	<u>Contributions</u>	<u>Total</u>
Board of Education	\$ -	\$ 455,967	\$ -	\$ -	\$ -	\$ 455,967
Carroll Community College	-	-	114,246	709,831	137,234	961,311
Library	64,165	46,173	-	-	-	110,338
Industrial Development Authority	-	7,960,231	-	-	-	7,960,231
	<u>64,165</u>	<u>8,462,371</u>	<u>114,246</u>	<u>709,831</u>	<u>137,234</u>	<u>9,487,847</u>
Uncollectible allowance	-	-	-	(360,938)	-	(360,938)
Total component unit activities	<u>\$ 64,165</u>	<u>\$ 8,462,371</u>	<u>\$ 114,246</u>	<u>\$ 348,893</u>	<u>\$ 137,234</u>	<u>\$ 9,126,909</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ 7,821,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,707</u>	<u>\$ 7,929,434</u>

Unearned Revenues

Governmental funds report deferred inflows- 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, 2013, the various components of unearned revenue reported were as follows:

	<u>Unearned</u>
<b><u>Governmental funds</u></b>	
General Fund:	
City of Westminster	\$ 84,791
Capital Fund:	
Other	2,914,352
Grants Fund:	
Draw down of excess of expenditures	3,288,916
Internal Service Fund:	
Future benefit payments from retirees	8,629
Total governmental funds	<u>\$ 6,296,688</u>
<b><u>Business-type funds</u></b>	
Solid Waste- property rentals	\$ 21,821
Total business-type funds	<u>\$ 21,821</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 5 – Receivables and Deferred Inflows/Outflows-continued**

Deferred Outflows of Resources

In the government-wide statement of net position, deferred outflows of resources are reported as follows:

	<b>Deferred Charge on Refunding</b>
<b><u>Government-Wide</u></b>	
Governmental activities	\$ 5,338,746
Business-type activities	99,045
Total government-wide	\$ 5,437,791

Deferred Inflows of Resources

The governmental funds report unavailable revenues as follows:

	<b>Unavailable Revenue</b>
<b><u>Governmental funds</u></b>	
General Fund:	
Income taxes	\$ 6,648,297
Property taxes	1,594,967
Total governmental funds	\$ 8,243,264



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 6 – Interfund Receivables, Payables and Transfers**

Interfund Transfers

At June 30, 2013, 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	\$ -	\$ 12,000,000	\$ 1,195,015	\$ 13,195,015
Capital Projects Fund	10,731,679	-	1,440,000	12,171,679
Bureau of Utilities	202,790	-	-	202,790
Solid Waste	6,445,000	-	-	6,445,000
Airport	2,000,000	-	-	2,000,000
Non-Major Governmental Funds	1,470,088	-	-	1,470,088
Total transfers	<u>\$ 20,849,557</u>	<u>\$ 12,000,000</u>	<u>\$ 2,635,015</u>	<u>\$ 35,484,572</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, 2013 consisted of the following:

	Due From	Due to
Primary Government:		
Board of Education	\$ 58,905	\$ 50,620,818
Carroll Community College	311	193,631
Library	3,718	-
Industrial Development Authority	1,145,560	1,500,000
Component Units:		
Primary Government	50,620,818	58,905
Primary Government	193,631	311
Primary Government	-	3,718
Primary Government	1,500,000	1,145,560
Total all Funds	<u>\$ 53,522,943</u>	<u>\$ 53,522,943</u>

Due to/from Fiduciary Funds

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

	Due From	Due To
Trust Fund:		
General Fund	\$ -	\$ 538,317
Governmental Activities:		
Other Postemployment Benefit Trust	538,317	-
	<u>\$ 538,317</u>	<u>\$ 538,317</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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	\$ -	\$ 7,490,177
Capital Fund	7,490,177	-
	\$ 7,490,177	\$ 7,490,177

Due to/from Proprietary Funds

Due from primary government and due to proprietary funds:

	Due From	Due To
Proprietary Funds:		
General Fund	\$ 91,302	\$ -
Governmental Activities:		
Internal Service Funds	-	91,302
	\$ 91,302	\$ 91,302

Internal Balances

Due to/due from Business-type funds:

	Due From	Due To
Business-type Activities:		
General Fund	\$ -	\$ 615,033
Governmental Activities:		
Fiber Network	240,901	
Airport	374,132	-
	\$ 615,033	\$ 615,033

The Airport Fund and Fiber Network overdrew 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 and Fiber Network at June 30, 2013.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 7 – Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Net Transfers and Retirements	Balance June 30, 2013
<b><u>Governmental activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 34,591,654	\$ 108	\$ (1,170,000)	\$ 33,421,762
Construction in progress	10,230,835	8,801,172	(1,205,710)	17,826,297
Total capital assets, not being depreciated	44,822,489	8,801,280	(2,375,710)	51,248,059
<b>Capital assets, being depreciated:</b>				
Buildings and contents	185,629,478	1,078,510	(1,248,623)	185,459,365
Improvements other than buildings	29,337,394	103,721	-	29,441,115
Automobiles, machinery and equipment	41,444,327	1,678,130	(2,079,601)	41,042,856
Infrastructure	558,371,057	4,966,742	(6,607)	563,331,192
Total capital assets, being depreciated	814,782,256	7,827,103	(3,334,831)	819,274,528
<b>Less accumulated depreciation for:</b>				
Buildings and contents	40,174,635	4,415,132	(167,693)	44,422,074
Improvements other than buildings	17,182,297	1,603,378	-	18,785,675
Automobiles, machinery and equipment	26,982,051	3,046,099	(2,059,859)	27,968,291
Roads and bridges	392,594,509	10,396,066	(6,120)	402,984,455
Total accumulated depreciation	476,933,492	19,460,675	(2,233,672)	494,160,495
Total capital assets, being depreciated, net	337,848,764	(11,633,572)	(1,101,159)	325,114,033
Governmental activities capital assets, net	<u>\$ 382,671,253</u>	<u>\$ (2,832,292)</u>	<u>\$ (3,476,869)</u>	<u>\$ 376,362,092</u>
<b><u>Business-type activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 8,944,412	\$ -	\$ -	\$ 8,944,412
Construction in progress	4,286,325	1,522,418	(3,157,925)	2,650,817
Total capital assets, not being depreciated	13,230,737	1,522,418	(3,157,925)	11,595,229
<b>Capital assets, being depreciated:</b>				
Buildings and contents	24,272,597	-	-	24,272,597
Improvements other than buildings	9,633,315	-	-	9,633,315
Automobiles, machinery and equipment	16,698,570	15,404	(243,357)	16,470,617
Infrastructure:				
Water facilities	55,193,273	-	-	55,193,273
Sewer facilities	44,669,272	-	3,157,925	47,827,197
Total capital assets, being depreciated	150,467,027	15,404	2,914,568	153,396,999
<b>Less accumulated depreciation for:</b>				
Buildings and contents	7,369,299	485,670	-	7,854,969
Improvements other than buildings	3,052,658	526,596	-	3,579,254
Automobiles, machinery and equipment	5,723,872	865,157	(107,002)	6,482,027
Water facilities	8,500,583	963,340	-	9,463,923
Sewer facilities	14,760,212	692,648	-	15,452,860
Total accumulated depreciation	39,406,624	3,533,411	(107,002)	42,833,033
Total capital assets, being depreciated, net	111,060,403	(3,518,007)	3,021,570	110,563,966
Business-type activities capital assets, net	<u>\$ 124,291,140</u>	<u>\$ (1,995,589)</u>	<u>\$ (136,355)</u>	<u>\$ 122,159,195</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 7 – Capital Assets-continued**

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

Governmental activities:

General Government	\$1,950,531
Public Safety	1,489,121
Public Works	11,283,128
Health	238,912
Education	1,830,743
Recreation & Parks	533,200
Economic Development	235,310
Conservation of Natural Resources	10,289
Library/Senior Center	<u>1,889,441</u>
Total depreciation expense-governmental activities	<u>\$19,460,675</u>

Business-type activities:

Bureau of Utilities	\$2,279,024
Solid Waste	585,096
Septage	22,999
Airport	188,935
Firearms Facility	14,609
Fiber Network	<u>442,748</u>
Total depreciation expense-business-type activities	<u>\$3,533,411</u>

Component units

Activity for the Board of Education for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Net Transfers and Retirements	Balance June 30, 2013
<b>Capital assets not being depreciated</b>				
Land and improvements	\$ 15,049,603	\$ -	\$ -	\$ 15,049,603
Construction in Progress	9,973,482	21,661,093	29,512,116	2,122,459
Total capital assets, not being depreciated	<u>25,023,085</u>	<u>21,661,093</u>	<u>29,512,116</u>	<u>17,172,062</u>
<b>Capital assets being depreciated</b>				
Building and improvements	550,830,747	29,814,970	-	580,645,717
Equipment	41,942,219	2,800,607	762,035	43,980,791
Equipment under capital lease	2,399,329	-	-	2,399,329
Total capital assets being depreciated	<u>595,172,295</u>	<u>32,615,577</u>	<u>762,035</u>	<u>627,025,837</u>
<b>Less accumulated depreciation</b>				
Buildings and improvements	161,089,913	13,936,179	-	175,026,092
Equipment	31,389,999	2,250,953	706,240	32,934,712
Equipment under capital lease	2,399,329	-	-	2,399,329
Total accumulated depreciation	<u>194,879,241</u>	<u>16,187,132</u>	<u>706,240</u>	<u>210,360,133</u>
Total capital assets, being depreciated, net	<u>400,293,054</u>	<u>16,428,445</u>	<u>55,795</u>	<u>416,665,704</u>
Capital assets, net	<u>\$ 425,316,139</u>	<u>\$ 38,089,538</u>	<u>\$ 29,567,911</u>	<u>\$ 433,837,766</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 7 – Capital Assets-continued**

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Net Transfers and Retirements	Balance at June 30, 2013
<b>Capital assets not being depreciated</b>				
Foundation	\$ 539,500	\$ -	\$ -	\$ 539,500
<b>Capital assets being depreciated</b>				
Building Improvements	1,413,896	123,950	-	1,537,846
Equipment	3,596,733	231,708	11,864	3,816,577
Vehicles	128,692	-	-	128,692
Library Books	1,774,385	70,731	50,605	1,794,511
Total capital assets being depreciated	6,913,706	426,389	62,469	7,277,626
<b>Less accumulated depreciation</b>				
Building improvements	590,518	100,185	-	690,703
Equipment	3,068,783	267,743	11,864	3,324,662
Vehicles	95,556	8,336	-	103,892
Library books	1,659,986	75,002	48,786	1,686,202
Total accumulated depreciation	5,414,843	451,266	60,650	5,805,459
Total capital assets, being depreciated, net	1,498,863	(24,877)	1,819	1,472,167
Capital assets, net	<u>\$ 2,038,363</u>	<u>\$ (24,877)</u>	<u>\$ 1,819</u>	<u>\$ 2,011,667</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 is valued at fair value as determined by management at \$358,000 as of June 30, 2013. 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 and is included with Capital Assets on the Statements of Net Assets.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 7 – Capital Assets-continued**

Activity for the Carroll County Public Library for the year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Net Transfers and Retirements	Balance at June 30, 2013
<b>Capital assets being depreciated by location</b>				
Headquarters	\$ 827,362	\$ 55,725	\$ 28,016	\$ 855,071
Westminster	937,084	135,420	-	1,072,504
Eldersburg	409,828	-	-	409,828
Mt. Airy	64,950	440,995	-	505,945
North Carroll	285,609	-	-	285,609
Taneytown	107,722	-	-	107,722
Finksburg	101,603	-	-	101,603
Circulation materials	3,362,341	1,081,494	1,136,952	3,306,883
Construction in progress	279,559	20,737	279,559	20,737
Total capital assets, being depreciated	6,376,058	1,734,371	1,444,527	6,665,902
<b>Less accumulated depreciation</b>	2,640,545	-	(258,445)	2,898,990
Capital assets, net	<u>\$ 3,735,513</u>	<u>\$ 1,734,371</u>	<u>\$ 1,702,972</u>	<u>\$ 3,766,912</u>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Net Transfers and Retirements	Balance June 30, 2013
<b>Capital assets not being depreciated</b>				
Land	\$ 7,407,704	\$ -	\$ -	\$ 7,407,704
Construction in Progress	1,699,057	31,073	-	1,730,130
Total capital assets, not being depreciated	9,106,761	31,073	-	9,137,834
<b>Capital assets being depreciated</b>				
Equipment	5,000	-	-	5,000
Total capital assets being depreciated	5,000	-	-	5,000
<b>Less accumulated depreciation</b>				
Equipment	5,000	-	-	5,000
Total capital assets, being depreciated, net	-	-	-	-
Capital assets, net	<u>\$ 9,106,761</u>	<u>\$ 31,073</u>	<u>\$ -</u>	<u>\$ 9,137,834</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013.

	Restated* Balance July 1, 2012	Additions	Principal Repayments/ Amortization	Balance June 30, 2013	Due Within One Year
<b>Governmental activities:</b>					
Purchase Agreements	\$ 1,919,819	\$ -	\$ 185,607	\$ 1,734,212	\$ 193,522
General Obligation Debt	27,129,920	445,320	-	27,575,240	-
General Obligation Bonds	297,276,389	37,680,345	42,477,593	292,479,141	26,791,036
Bonds premium/discount	7,595,459	5,152,394	1,053,790	11,694,063	1,161,132
Subtotal	333,921,587	43,278,059	43,716,990	333,482,656	28,145,690
Net other post employment benefit obligation	32,743,766	12,434,064	10,384,796	34,793,034	-
Net certified law officers pension obligation	28,557	560,366	588,923	-	-
Net LOSAP obligation	277,535	455,378	27,754	705,159	-
Estimated liability for claims in process	1,883,715	13,793,843	13,611,738	2,065,820	2,065,820
Compensated Absences	5,181,141	2,899,645	2,483,948	5,596,838	2,483,948
Governmental activity Long-term liabilities	<u>\$ 374,036,301</u>	<u>\$ 73,421,355</u>	<u>\$ 70,814,149</u>	<u>\$ 376,643,507</u>	<u>\$ 32,695,458</u>
<b>Business-type activities:</b>					
Loans Payable	\$ 271,865	\$ -	\$ 27,201	\$ 244,664	\$ 27,907
General Obligation Bonds	23,850,954	279,655	2,443,388	21,687,221	2,112,167
Subtotal	24,122,819	279,655	2,470,589	21,931,885	2,140,074
Landfill closure/postclosure	10,994,126	535,613	130,028	11,399,711	163,985
Compensated Absences	431,233	244,108	283,873	391,468	143,810
Business-type activity Long-term liabilities	<u>\$ 35,548,178</u>	<u>\$ 1,059,376</u>	<u>\$ 2,884,490</u>	<u>\$ 33,723,064</u>	<u>\$ 2,447,869</u>
<b>Component Units:</b>					
Board of Education:					
Net other post employment benefit obligation	\$ 31,956,508	\$ 18,017,000	\$ 6,782,809	\$ 43,190,699	\$ -
Compensated Absences	17,947,042	1,283,290	2,318,876	16,911,456	2,440,000
Capital Lease Obligations	5,556,789	-	659,183	4,897,606	708,196
Total Board of Education, as restated	<u>\$ 55,460,339</u>	<u>\$ 19,300,290</u>	<u>\$ 9,760,868</u>	<u>\$ 64,999,761</u>	<u>\$ 3,148,196</u>
Carroll Community College					
Net other post employment benefit obligation	\$ 10,653,496	\$ 2,020,354	\$ -	\$ 12,673,850	\$ -
Compensated Absences	801,093	717,519	663,377	855,235	717,519
Total Carroll Community College	<u>\$ 11,454,589</u>	<u>\$ 2,737,873</u>	<u>\$ 663,377</u>	<u>\$ 13,529,085</u>	<u>\$ 717,519</u>

\* Beginning balance was restated due to implementation of GASB 65.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt-continued**

	Balance July 1, 2012	Additions	Principal Repayments/ Amortization	Balance June 30, 2013	Due Within One Year
Library					
Compensated Absences	\$ 464,702	\$ 3,994	\$ -	\$ 468,696	\$ 468,696
Total Library	<u>\$ 464,702</u>	<u>\$ 3,994</u>	<u>\$ -</u>	<u>\$ 468,696</u>	<u>\$ 468,696</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 refunding bonds issued, and in the Capital Projects Fund for new bonds issued.

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, 2013 consist of the following:

**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.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 193,522	\$ 69,779	\$ 263,301
2015	201,774	61,527	263,301
2016	210,379	52,922	263,301
2017	219,350	43,951	263,301
2018	228,704	34,597	263,301
2019-2021	680,483	43,594	724,077
Total purchase agreement	<u>\$ 1,734,212</u>	<u>\$ 306,370</u>	<u>\$ 2,040,582</u>



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**  
A.) Governmental Activities-continued  
General Obligation Debt

The County issues general obligation debt to provide funds for the Agricultural Preservation Program to finance Installment Purchase Agreements for land easements. This debt is an obligation of the County for which its full faith and credit are pledged. The sources of repayment for this debt are the general revenues of the County including property taxes, income taxes and dedicated interest earnings and principal from federal obligation securities with a maturity of 10-20 years. These loans range in maturity dates from fiscal year 2019 to fiscal year 2033. 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>
2014	\$ -	\$ 1,546,339	\$ 1,546,339
2015	-	1,546,339	1,546,339
2016	-	1,546,339	1,546,339
2017	-	1,546,339	1,546,339
2018	-	1,546,339	1,546,339
2019-2023	2,128,142	7,411,961	9,540,103
2024-2028	7,116,558	6,237,240	13,353,798
2029-2033	18,330,540	2,681,177	21,011,717
Total general obligation debt	<u>\$ 27,575,240</u>	<u>\$ 24,062,073</u>	<u>\$ 51,637,313</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, 2013**

**Note 8 – Long-Term Debt—continued**  
**A.) Governmental Activities—continued**

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2013	Due Within One Year
<b><u>General Government:</u></b>					
FHA Loan of 1972-Watershed Bonds	3.502%	2022	\$ 769,700	\$ 258,990	\$ 23,758
FHA Loan of 1974- Watershed Bonds	3.649%	2024	253,000	113,399	7,986
FHA Loan of 1979- Watershed Bonds	3.649%	2031	678,800	387,040	15,602
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	316,786	316,786
2003 Public Improvement Bonds	2.00%-3.85%	2013	7,600,000	388,242	388,242
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	9,828,180	1,863,175
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	2,913,864	1,456,932
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	5,447,616	1,817,325
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	4,236,665	1,062,052
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	7,676,744	1,250,949
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	11,627,224	1,164,829
2007 Refunding Bonds (November)	3.75%-5.25%	2022	6,670,000	4,845,000	515,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	28,294,094	25,384,170	1,537,371
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	14,759,547	10,881,260	1,375,475
2009 Refunding Bonds Series A	2.00%-4.00%	2019	2,950,073	653,257	331,362
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	4,141,640	963,340
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	8,841,618	8,841,618	392,877
2011 Public Improvement Bonds	2.00%-4.25%	2031	11,042,955	10,633,638	418,152
2011 Refunding Bonds	2.00%-4.25%	2031	9,104,764	9,104,764	-
2012 Public Improvement Bonds	2.00%-5.00%	2032	13,600,000	13,600,000	681,294
2012 Refunding Bonds	2.00%-5.00%	2032	13,685,415	13,685,415	-
Subtotal General Government				<u>\$ 162,596,988</u>	<u>\$ 15,582,507</u>
<b><u>Board of Education:</u></b>					
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	228,657	228,657
2003 Public Improvement Bonds	2.00%-3.85%	2013	7,600,000	138,658	138,658
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	6,627,833	1,256,470
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	15,315	7,658
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	730,237	243,607
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	1,001,878	251,152
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	10,327,280	1,682,861
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	1,021,803	102,365
2008 Public Improvement Bonds	3.25%-5.00%	2028	43,613,906	40,234,755	1,787,336
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	8,305,513	6,123,118	774,009
2009 Refunding Bonds Series A	2.00%-4.00%	2019	4,645,956	1,028,790	521,850
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	4,148,328	964,895
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	10,272,510	10,272,510	485,192
2011 Public Improvement Bonds	2.00%-4.25%	2031	6,957,045	6,699,162	263,447
2011 Refunding Bonds	2.00%-4.25%	2031	769,193	769,193	-
2012 Public Improvement Bonds	2.00%-5.00%	2032	6,400,000	6,400,000	320,565
2012 Refunding Bonds	2.00%-5.00%	2032	2,347,757	2,347,757	-
Subtotal Board of Education				<u>\$ 114,061,559</u>	<u>\$ 9,028,722</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013	Due Within One Year
<u>Volunteer Fire Companies:</u>					
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	955,000	145,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	1,116,934	140,858
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	310,000	100,000
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	1,535,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	159,874	40,077
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	795,000	145,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	180,000	158,625	11,287
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	270,000	199,053	25,162
2010 Refunding Bonds Series A	0.30%-1.70%	2018	381,976	261,735	60,879
2010 Refunding Bonds Series B	0.30%-1.70%	2018	2,210,000	1,465,000	310,000
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	535,000	535,000	50,000
2011 Public Improvement Bonds	2.00%-4.25%	2031	750,000	722,200	28,400
2012 Public Improvement Bonds	2.00%-5.00%	2032	1,460,000	1,460,000	73,141
2012 Refunding Bonds	2.00%-5.00%	2032	187,173	187,173	-
Subtotal Volunteer Fire Companies				\$ 9,860,594	\$ 1,324,804
2004 Taxable Pension Bonds	4.25%-5.25%	2019	\$ 12,800,000	\$ 5,960,000	\$ 855,000
Subtotal General Obligation Bonds				\$ 292,479,141	\$ 26,791,036
Bond premium/ discount				11,694,063	1,161,132
Total				<u>\$ 304,173,204</u>	<u>\$ 27,952,168</u>

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2013, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 26,791,036	\$ 11,689,916	\$ 38,480,952
2015	26,608,585	10,678,225	37,286,810
2016	25,882,100	9,693,998	35,576,098
2017	24,905,340	8,711,716	33,617,056
2018	23,409,799	7,723,507	31,133,306
2019-2023	85,237,334	26,010,451	111,247,785
2024-2028	53,503,274	11,954,644	65,457,918
2029-2033	26,141,673	1,657,808	27,799,481
Total General Obligation Bonds	<u>\$ 292,479,141</u>	<u>\$ 88,120,265</u>	<u>\$ 380,599,406</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**

B.) Business-type activities

Bureau of Utilities

Loans Payable-Special Assessment Debt with Governmental Commitment

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Maryland Water Quality Financing:					
2002 Revolving Loan- Hampstead	2.60%	2021	\$ 532,680	\$ 244,664	\$ 27,907
Total Loans Payable				<u>\$ 244,664</u>	<u>\$ 27,907</u>

The annual requirements to repay the loans payable outstanding as of June 30, 2013, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 27,907	\$ 8,076	\$ 35,983
2015	28,633	7,351	35,984
2016	29,377	6,606	35,983
2017	30,141	5,842	35,983
2018	30,924	5,059	35,983
2019-2021	97,682	10,267	107,949
Total Loans Payable	<u>\$ 244,664</u>	<u>\$ 43,201</u>	<u>\$ 287,865</u>

General Obligation Bonds

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**

**B.) Business-type activities—continued**

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2013	Due Within One Year
<b><u>Bureau of Utilities:</u></b>					
2003 Public Improvement Bonds	2.00%-3.85%	2013	990,000	68,636	68,636
2004 Refunding Bonds	2.00%-3.70%	2019	2,166,412	1,110,941	210,606
2004 Public Improvement Bonds	3.00%-4.00%	2019	378,474	50,403	25,202
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	60,515	20,188
2006 Public Improvement Bonds	3.50%-4.00%	2021	200,000	57,819	14,493
2007 Refunding Bonds (January)	3.50%-5.00%	2020	212,504	165,153	26,912
2007 Public Improvement Bonds	3.75%-5.25%	2022	9,401,000	6,263,550	627,490
2008 Public Improvement Bonds	3.25%-5.00%	2028	7,616,000	6,981,600	335,444
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	745,461	549,580	69,471
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	4,365	1,015
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	13,742	13,742	649
2011 Refunding Bonds	2.00%-4.25%	2021	484,429	484,428	-
2012 Refunding Bonds	2.00%-5.00%	2022	198,549	198,550	-
Subtotal Bureau of Utilities				\$ 17,081,522	\$ 1,400,106
<b><u>Solid Waste Fund</u></b>					
2003 Refunding Bonds	2.00%-3.85%	2013	3,727,776	69,557	69,557
2004 Refunding Bonds	2.00%-3.70%	2019	1,004,270	514,992	97,629
2004 Public Improvement Bonds	3.00%-4.00%	2019	2,449,026	326,149	163,074
2007 Refunding Bonds (January)	3.50%-5.00%	2020	345,658	268,637	43,775
2007 Public Improvement Bonds	3.75%-5.25%	2022	604,000	402,424	40,315
2008 Public Improvement Bonds	3.25%-5.00%	2028	296,000	260,850	18,562
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	9,479	6,988	883
2009 Refunding Bonds Series A	2.00%-4.00%	2029	193,971	42,953	21,788
2011 Refunding Bonds	2.00%-4.25%	2021	789,648	789,646	-
Subtotal Solid Waste Fund				\$ 2,682,196	\$ 455,583
<b><u>Airport Fund</u></b>					
2001 Public Imp. Bonds	3.25%-4.75%	2021	2,200,000	990,000	110,000
2003 Public Improvement Bonds	2.00%-3.85%	2013	425,000	29,465	29,465
2004 Refunding Bonds	2.00%-3.70%	2019	278,964	143,053	27,119
2004 Public Improvement Bonds	3.00%-4.00%	2019	407,500	54,269	27,134
2005 Public Improvement Bonds	3.50%-4.125%	2020	58,555	11,633	3,881
2007 Refunding Bonds (January)	3.50%-5.00%	2020	240,854	187,186	30,503
2010 Refunding Bonds Series A	0.30%-1.70%	2018	93,300	63,931	14,870
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	27,130	27,130	1,282
2011 Refunding Bonds	2.00%-4.25%	2021	286,966	286,966	-
2012 Refunding Bonds	2.00% - 5.00%	2022	18,715	18,716	-
Subtotal Airport Fund				\$ 1,812,349	\$ 244,254
<b><u>Septage Fund</u></b>					
2006 Public Improvement Bonds	3.50%-4.00%	2021	200,000	48,763	12,224
2012 Refunding Bonds	2.00%-5.00%	2022	62,391	62,391	-
Subtotal Septage Fund				\$ 111,154	\$ 12,224
Total General Obligation Bonds				21,687,221	2,112,167

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**

B.) Business-type activities

General Obligation Bonds—continued

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2013, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-type activities:</u>			
2014	\$ 2,112,167	\$ 881,585	\$ 2,993,752
2015	2,057,129	797,592	2,854,721
2016	2,046,425	719,159	2,765,584
2017	2,031,309	630,338	2,661,647
2018	1,945,299	548,328	2,493,627
2019-2023	7,838,033	1,653,030	9,491,063
2024-2028	2,895,873	533,308	3,429,181
2029-2030	760,986	26,491	787,477
<b>Total General Obligation Bonds</b>	<b>\$ 21,687,221</b>	<b>\$ 5,789,831</b>	<b>\$ 27,477,052</b>

Advanced Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$16,500,000 on November 20, 2012 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 \$19,357,902 (after payment of \$78,751 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 \$17,021,839 of general obligation bonds from 2005 and 2006 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 position. The reacquisition price exceeded the net carrying amounts of the old debt by \$2,414,814. This amount is a deferred outflow and amortized over the life of the new debt issued, which is shorter than the remaining life of the refunded debt. The November 2012 advanced refunding was undertaken to reduce total debt service payments by \$930,010 and resulted in an economic loss of \$2,336,063.

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. At June 30, 2013, \$31,578,210 of defeased bonds remains outstanding.

Bond Authorization

The County has authorization to sell approximately \$130,737,782 in additional bonds for the construction and renovation of several public schools; numerous general public projects and various road and bridge projects. The County has already appropriated \$95,156,645 of the available authorization.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**

C.) Component Units

During the fiscal year ended June 30, 2013, no new capital leases were entered into by the Board of Education. In October of 2004, the Board entered into a ten-year energy management plan to provide 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>
2014	\$ 881,595
2015	908,043
2016	935,285
2017	963,343
2018	992,243
2019	844,236
	<u>5,524,745</u>
less interest	(627,139)
Present value of future minimum lease payments	<u><u>\$ 4,897,606</u></u>

Interest expense related to capital leases was \$196,735 for the year ended June 30, 2013.

On January 5, 2005, the IDA entered into an Investment Agreement with the State of Maryland department of Business and Economic Development to fund the rehabilitation of the Warfield Complex. The proceeds were reloaned to the Warfield Development Corporation. The total amount of the Note is \$4,000,000. Repayment is based upon a nineteen-year amortization with interest at 3.0%, but payments are based upon actual cash flow from the Warfield Complex. This payment structure allows for the deferral of payments in years of insufficient cash flow. In the event payments are deferred, they become due and payable in the subsequent payment period. At loan maturity, December 31, 2025, any unsatisfied deferred payments may be considered for forgiveness, provided all the terms of the agreement have been met. During fiscal year 2013 and 2012, all terms of the agreement have been met and the Warfield Complex generated no cash flow; therefore, no principal payments were due at June 30, 2013 and 2012. The accrued interest payable at June 30, 2013 and 2012 totals \$666,842 and \$546,842, respectively.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8 – Long-Term Debt—continued**

The annual requirements to amortize note payable outstanding as of June 30, 2013 are as follow:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Component Unit-IDA:</b>			
2014	\$ 1,263,158	\$ 676,315	\$ 1,939,473
2015	210,526	78,947	289,473
2016	210,526	72,632	283,158
2017	210,526	66,316	276,842
2018	210,526	60,001	270,527
2019-2025	1,894,738	255,789	2,150,527
<b>Total</b>	<b>\$ 4,000,000</b>	<b>\$ 1,210,000</b>	<b>\$ 5,210,000</b>

**Note 9 – Lease Obligations**

Operating Leases

Primary Government

The County is committed under various leases for office space, parking and a storage facility as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2013 for the County amounted to \$572,441. Future lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2014	\$646,664
2015	353,252
2016	363,849
2017	374,765
2018	386,008
2019-2022	1,663,359

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, 2013 amounted to \$4,105,613. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2014	\$4,082,080
2015	4,082,953
2016	4,084,619
2017	4,045,040
2018	4,020,569
2019-2023	8,041,141
2024-2094	140
2095-2105 (\$1 per year)	10



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 9 – Lease Obligations-continued**

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

Asset:		
	Land	\$13,510,167
	Buildings	69,941,088
	Less: Accumulated depreciation	<u>(18,887,004)</u>
	Net carrying value	<u>\$64,564,251</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, 2017.

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>
2014	\$449,406
2015	177,089
2016	57,958
2017	<u>4,729</u>
Total	<u>\$ 689,182</u>

Operating lease expenditures/expenses for the year ended June 30, 2013 were \$415,960.

The Library leases various office equipment under noncancelable operating leases. Total rental expenditures were \$18,000 for leases for the year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2014	\$16,848
2015	16,848
2016	16,848
2017	<u>7,020</u>
Total	<u>\$57,564</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 \$240,749 for the year ended June 30, 2013. The College renewed its operating lease in July 2008, extending the lease agreement until July 2018.

Future minimum payments on operating leases are as follows:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 9 – Lease Obligations-continued**

<u>Years Ending June 30,</u>	
2014	\$171,272
2015	169,620
2016	169,620
2017	169,620
2018	169,620
2019	<u>14,135</u>
Total	<u>\$ 863,887</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 15% 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 \$4,898,759 of which 100% has been accrued as of June 30, 2013. 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 \$1,500,952 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 \$11,399,711 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 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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2012. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	136
Terminated plan members entitled to, but not yet receiving benefits	167
Active plan members	<u>721</u>
Total	<u>1,024</u>

Plan members are required to contribute 5 percent of their annual base pay. The County contributed 7.9 percent of the employees’ annual base pay. Administrative costs of CCEPP are financed through investment earnings.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans- continued**  
Carroll County Employee Pension Plan-continued

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

Annual Required Contribution	\$ 2,365,793
Interest	(395,538)
Adjustment to annual required contribution	<u>410,522</u>
Annual Pension Cost	2,380,777
Contributions made	<u>(2,585,599)</u>
Change in negative net pension obligation	204,822
Negative net pension obligation - beginning of year	<u>5,650,537</u>
Negative net pension obligation - end of year	<u>\$ 5,855,359</u>

The annual required contribution was determined as part of the July 1, 2012, 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 unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2012, ranges from 19 to 20 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>
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
2012	2,253,338	121%	2,741,200	5,650,537
2013	2,380,777	108%	2,585,599	5,855,359

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans- continued**  
Carroll County Employee Pension Plan-continued

**Statement of Plan Net Position**  
**Carroll County Employee Pension Plan**

<b>Assets:</b>	
Investments at fair value:	
Short term investments	\$ 176,971
Bond funds	11,495,345
Equity funds	34,310,126
Total assets	45,982,442
<b>Liabilities:</b>	
Accounts payable	3,766
Total liabilities	3,766
<b>Net Position:</b>	
Held in trust for pension benefits and other purposes	\$ 45,978,676

**Statement of Changes in Plan Net Position**  
**Carroll County Employee Pension Plan**

<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,585,599
Plan Members	1,491,089
Other sources	1
Total Contributions	4,076,689
Investment earnings:	
Interest and dividends	1,599
Net increase in the fair value of investments	6,078,952
Total investment earnings	6,080,551
Less investment expense	(36,760)
Net investment earnings	6,043,791
Total additions	10,120,480
<b>DEDUCTIONS</b>	
Benefits	768,414
Administrative expenses	19,700
Total deductions	788,114
Change in net position	9,332,366
Net position-beginning of year	36,646,310
Net position-end of year	\$ 45,978,676

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 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%
July 1, 2011	32,467,828	34,721,749	93.51%	2,253,921	29,603,146	7.61%
July 1, 2012	38,015,237	40,184,901	94.60%	2,169,664	29,795,430	7.28%

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
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
2012	2,252,813	(361,387)	361,912	2,253,338	2,741,200	487,862	5,162,675	5,650,537
2013	2,365,793	(395,538)	410,522	2,380,777	2,585,599	204,822	5,650,537	5,855,359

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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>
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%
2012	2,252,813	2,741,200	121%
2013	2,365,793	2,585,599	109%

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	7/1/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	19 to 20 years
Asset valuation method	5 years smoothed market
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%
Inflation rate	N/A

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 Certified Law Officers 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 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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**

Carroll County Certified Law Officers Pension Plan-continued

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, 2012. 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	1
Active plan members	<u>79</u>
Total	<u>82</u>

Contributions: Plan members are required to contribute 8 percent of their annual base pay. The County contributed 15.3 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	\$ 558,367
Interest	1,999
Adjustment to annual required contribution	<u>(2,079)</u>
Annual Pension Cost	558,287
Contributions made	<u>(786,577)</u>
Change in net pension obligation	(228,290)
Net pension obligation - beginning of year	<u>28,557</u>
Net pension obligation - end of year	<u>\$ (199,733)</u>

The annual required contribution was determined as part of the July 1, 2012, 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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**

Carroll County Certified Law Officers Pension Plan–continued

(c) projected disability rate as follows:

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

The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2012, ranges from 19 to 20 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
2012	504,677	138%	700,000	28,557
2013	558,287	141%	786,577	(199,733)

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**  
Carroll County Certified Law Officers Pension Plan–continued

**Statement of Plan Net Position**  
**Carroll County Certified Law Officers Pension Plan**

**Assets:**

Investments at fair value:

Short term investments	\$ 229,913
Bond funds	1,305,606
Equity funds	3,861,417

Total assets	5,396,936
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**Liabilities:**

Accounts payable	862
Total liabilities	862

**Net Position:**

Held in trust for pension benefits and other purposes	\$ 5,396,074
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**Statement of Changes in Plan Net Position**  
**Carroll County Certified Law Officers Pension Plan**

**ADDITIONS**

Contributions:

Employer	\$ 786,577
Plan Members	525,255
Total Contributions	1,311,832

Investment earnings:

Interest and dividends	353
Net increase in fair value of investments	619,207
Total investment earnings	619,560

Less investment earnings	(15,790)
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Total additions	1,915,602
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**DEDUCTIONS**

Benefits and refunds paid to

plan members and beneficiaries	38,645
Administrative expenses	4,125

Total deductions	42,770
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Change in net position	1,872,832
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Net position-beginning of year	3,523,242
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Net position-end of year	\$ 5,396,074
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**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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%
July 1, 2011	2,469,585	5,155,892	47.90%	2,686,307	3,120,474	86.09%
July 1, 2012	3,609,591	6,059,575	59.57%	2,449,984	3,648,792	67.15%

For the CCCLOPP, the annual pension cost (APC) and net pension obligation (NPO) (Inception to Date) 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
2012	504,699	15,672	(15,694)	504,677	700,000	(195,323)	223,880	28,557
2013	558,367	1,999	(2,079)	558,287	786,577	(228,290)	28,557	(199,733)

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%
2012	504,699	700,000	139%
2013	558,367	786,577	141%

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	7/1/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll (closed)

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**

Carroll County Certified Law Officers Pension Plan–continued

Remaining amortization period	19 to 20 years
Asset valuation method	5 year smoothed market
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 1.43% at age 55)
Projected payroll increases	3% per year
Salary valuation	36-month average highest pay
Post retirement cost-of-living adjustments	2%
Inflation rate	N/A

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 of service. 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, 2012. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	199
Terminated plan members entitled to, but not yet receiving benefits	14
Active plan members	<u>704</u>
Total	<u>917</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 5<sup>th</sup> year to determine if any changes

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

should be made. There are no participant-financed benefits in this plan. Administrative costs are financed through investment earnings.

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

Annual Required Contribution	\$ 435,951
Interest	19,427
Adjustment to annual required contribution	<u>(27,754)</u>
Annual Pension Cost	427,624
Contributions made	<u>0</u>
Change in net LOSAP obligation	427,624
Net LOSAP obligation - beginning of year	<u>277,535</u>
Net LOSAP obligation - end of year	<u>\$ 705,159</u>

The annual required contribution was determined as part of the January 1, 2012, actuarial valuation using the traditional unit credit actuarial cost method. The actuarial assumptions included 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, 2012. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at January 1, 2012, was 10 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>Net LOSAP</u> <u>Obligation</u>
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)
2012	440,851	N/A	0	277,535
2013	427,624	N/A	0	705,159

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**  
Volunteer Firemen Pension Plan (LOSAP)-continued

**Statement of Plan Net Position**  
**Volunteer Firemen Pension Plan (LOSAP)**

<b>Assets:</b>	
Investments at fair value:	
Short term investments	\$ 360,430
Bond funds	1,533,503
Equity funds	5,693,927
Total assets	7,587,860
<b>Liabilities:</b>	
Accounts payable	621
Total liabilities	621
<b>Net Position:</b>	
Held in trust for pension benefits and other purposes	\$ 7,587,239

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

<b>ADDITIONS</b>	
Contributions:	\$ -
Investment earnings:	
Interest and dividends	27
Net increase in the fair value of investments	1,034,617
Total investment earnings	1,034,644
Less investment expense	(14,174)
Net investment earnings	1,020,470
Total additions	1,020,470
<b>DEDUCTIONS</b>	
Benefits	563,548
Administrative expenses	2,300
Total deductions	565,848
Change in net position	454,622
Net position-beginning of year	7,132,617
Net position-end of year	\$ 7,587,239

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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 11– Pension Plans–continued**

Volunteer Firemen Pension Plan (LOSAP)-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)
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
January 1, 2012	6,956,744	8,274,618	84.07%	1,317,874

Schedule of Employer Contributions:

Year Ended June 30:	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ -	\$ 1,000,000	N/A
2009	-	-	N/A
2010	380,384	-	N/A
2011	380,384	-	N/A
2012	435,951	-	N/A
2013	435,951	-	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	1/1/2012
Actuarial cost method	Traditional 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
Inflation Rate	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, 2013**

**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 2012 of 15.43 percent of covered payroll is established by annual actuarial valuations. The covered payroll for the College was \$5,289,714. 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, 2013, 2012 and 2011 were as follows:

Component Units	<u>2013</u>	<u>2012</u>	<u>2011</u>
Board of Education	\$19,040,467	\$25,068,873	\$25,655,139
Community College	675,434	762,985	783,966
Library	644,420	662,629	701,684



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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/losses. 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 plan was amended on October 1, 2009.

Employees are eligible to participate upon hire if employment is at least at the half-time level. Employees hired prior to January 1, 1980 who participate in the “Maryland State Employees’ Retirement System” are not eligible to participate in the 401(k) Plan.

Eligible employees can contribute up to an amount allowed by federal 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. As of June 30, 2013, the County makes contributions for 54 participants who were hired prior to July 1, 1985 who are not enrolled in either of the County’s pension plans. 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, 2013 were \$191,192 and \$1,789,811, respectively.

The Plan also offers a “Roth” option which allows employees to make after-tax contributions. Approximately 9% of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2013.

**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 \$3,283,682 during the fiscal period ending June 30, 2013. Of this amount, the County paid \$2,918,884 and the retirees paid \$364,798.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

Retirees who meet certain age and years of service thresholds, 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, 2013 retirees pay between 8 percent and 100 percent of the County’s full premium equivalent cost, based upon their age and years of service at retirement. As of June 30, 2013, 271 Primary Government retirees and 197 retiree spouses were eligible to receive benefits. Of these, 229 retirees and 175 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, 2012. The membership data related to the plan was as follows:

Number of Participants	
Active employees	902
Deferred vested terminations	-
Retirees in pay status (pre Medicare)	116
Retirees in pay status (Medicare age)	<u>202</u>
Total	<u>1,220</u>

Contributions: In fiscal year 2013, the County contributed \$8,438,080 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:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

Annual required contribution	\$ 10,142,000
Interest	2,292,064
Adjustment to annual required contribution	<u>(1,946,716)</u>
Annual OPEB cost	10,487,348
Contributions made	<u>(8,438,080)</u>
Change in net OPEB obligation	2,049,268
Net OPEB obligation - beginning of year	<u>32,743,766</u>
Net OPEB obligation - end of year	<u>\$ 34,793,034</u>

The annual required contribution was determined as part of the July 1, 2012, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return compounded annually, (b) projected turnover rates are as follows:

<u>Age</u>	<u>Rate</u>
25	1.135%
35	6.205%
45	3.060%

The actuarial value of assets was determined using the fair value as of July 1, 2012.

The County’s annual OPEB cost, percentage of OPEB cost contributed, and net post-employment benefit obligation for the plan for the current fiscal year ended June 30, 2013 is as follows:

Trend Information since inception for RBTCCCC:

<u>Fiscal Year</u> <u>Ended</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
2012	12,347,059	64%	7,852,800	32,743,766
2013	10,487,348	81%	8,438,080	34,793,034

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 Position**  
**Carroll County Postemployment Benefits**  
**Other than Pension Benefits (OPEB)**

**Assets:**

Cash and cash equivalents	\$ 15,118
Investments at fair value:	
Short term investments	1,330,733
Marketable securities	35,484,611
Total assets	<u>36,830,462</u>

**Liabilities:**

Accounts Payable	265
Due to primary government	538,317
Total liabilities	<u>538,582</u>

**Net Position:**

Held in trust for OPEB and other purposes	<u>\$ 36,291,880</u>
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**Statement of Changes in Plan Net Position**  
**Carroll County Postemployment Benefits**  
**Other than Pension Benefits (OPEB)**

**ADDITIONS:**

Contributions:

Employer	\$ 8,438,080
Plan members	364,798
Contributions from sources other than employer(s) and plan members	197,696
Total contributions	<u>9,000,574</u>

Investment earnings:

Interest and dividends	3,435
Net increase or decrease in the fair value of investments	4,601,618
Total investment earnings	<u>4,605,053</u>
Less investment expense	<u>(24,765)</u>
Net investment earnings	<u>4,580,288</u>

Total additions 13,580,862

**DEDUCTIONS**

Benefits	3,283,682
Administrative expenses	4,600
Total deductions	<u>3,288,282</u>

Change in net position 10,292,580

Net position-beginning of year 25,999,300

Net position-end of year \$ 36,291,880

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 Accrued 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	44,405,390	270.04%
July 1, 2011	20,931,796	141,525,000	14.79%	120,593,204	42,544,697	283.45%
July 1, 2012	25,999,300	132,709,000	19.60%	106,709,700	44,548,939	239.53%

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%
2012	11,661,000	7,852,800	67%	184,061	68%
2013	10,142,000	8,438,080	83%	197,696	85%

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	7/1/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	26 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	3.0%
Inflation Rate	2.5%

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

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

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

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>Service</u>	<u>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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units-continued

Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The payments made by the County on behalf of the Library which are included in the Statement of Activities for the year ended June 30, 2013, 2012 and 2011 were \$1,066,088, \$1,012,632 and \$1,010,019, 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, 2013, 930 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	\$16,499,000
Interest	1,518,000
Adjustment to annual required contribution	<u>(1,461,000)</u>
Annual OPEB cost	16,556,000
Contributions made	<u>(5,321,809)</u>
Increase in net OPEB obligation	11,234,191
Net OPEB obligation - beginning of year	<u>31,956,508</u>
Net OPEB obligation - end of year	<u>\$43,190,699</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 2013 and the two preceding fiscal years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost (AOPEBC)</u>	<u>% of AOPEBC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2011	\$9,873,000	53.53%	\$21,373,441
2012	15,541,000	32.03%	31,956,508
2013	16,556,000	32.14%	43,190,699

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units -continued

**Funding Policy:**

As of July 1, 2012, the most recent actuarial valuation date, the Plan was 4.8% funded. The actuarial accrued liability for benefits was \$192,349,000 and the actuarial value of assets was \$9,277,000 resulting in an unfunded actuarial accrued liability (UAAL) of \$183,072,000. The covered payroll (annual payroll of active employees covered by the plan) was \$198,512,177, and the ratio of the UAAL to the covered payroll was 92.2 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 below, 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 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 Payrol (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2007	\$ -	\$ 86,140,000	0.00%	\$ 86,140,000	\$ 201,265,894	42.80%
July 1, 2008	-	75,282,000	0.00%	75,282,000	205,042,209	36.72%
July 1, 2009	1,500,000	116,797,000	1.30%	115,297,000	204,209,308	56.46%
July 1, 2010	3,722,000	110,803,000	3.40%	107,081,000	200,942,793	53.29%
July 1, 2011	7,369,200	181,428,000	4.10%	174,058,800	187,912,812	92.63%
July 1, 2012	9,277,000	192,349,000	4.80%	183,072,000	198,512,177	92.22%

**Schedule of Employer Contributions:**

Year Ended June 30:	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2008	\$ 8,570,000	22.36%	\$ 6,653,345
2009	7,558,000	46.27%	10,758,137
2010	10,211,000	41.65%	16,785,610
2011	9,725,000	53.53%	21,373,441
2012	15,475,000	32.03%	31,956,508
2013	16,499,000	32.26%	43,190,699

**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



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units -continued

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, 2012 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement method was used. The actuarial assumptions included a 4.75% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4.75% over the long term. The UAAL is being amortized as a level percentage of projected payroll on an open bases. The remaining amortization period at June 30, 2012, was 28 years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2012
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	4.75%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	6.5% initial / 3.8% ultimate (not applicable to Life)
Post-65 Medical	6.5% initial / 3.8% ultimate (not applicable to Life)

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%

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units- continued

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 2013, Carroll Community College contributed \$386,646 to the plan, which is recorded in the statement of revenues, expenses and changes in net assets allocated among the functional expense accounts.

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

Annual required contribution	\$2,477,000
Interest	423,000
Adjustment to annual required contribution	<u>(493,000)</u>
Annual OPEB costs (expense)	2,407,000
Contributions made	<u>(386,646)</u>
Increase in net OPEB obligation	2,020,354
Net OPEB obligation-beginning of year	<u>10,653,496</u>
Net OPEB obligation-end of year	<u>\$12,673,850</u>

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

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/11	\$2,685,000	12.2%	\$8,786,445
6/30/12	2,256,000	17.2%	10,653,496
6/30/13	2,407,000	16.1%	12,673,850

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units- continued

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%
June 30, 2012	-	21,261,000	0.00%	21,261,000	13,212,157	161%
June 30, 2013	-	22,998,000	0.00%	22,998,000	13,832,855	166%

*Funded Status and Funding Progress.* The actuarial accrued liability for benefits was \$22.998 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22.998 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13,832,855, and the ratio of the UAAL to the covered payroll was 166 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in to the future. Examples include assumptions about future employment, mortality, and the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, 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 2012, actuarial valuation, the most recent actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions utilized an interest discount rate of 4% return due to the plan being unfunded. Payroll is assumed to increase at 3% annually. Healthcare cost trends are based on the Society of Actuaries Long-Run Medical Trend Model, with the initial rate being 7%, decreasing gradually to 4.6% in 2050. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2013, was twenty-five years.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 13 – Fund Equity**

A summary of fund balances as of June 30, 2013 follows:

	General Fund	Capital Projects Funds	Non Major Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Inventory	\$ 1,366,764	\$ -	\$ -	\$ 1,366,764
Prepaid costs	115,055	-	-	115,055
Loans to community organizations	5,831,729	-	-	5,831,729
Loans to fire companies	12,434,835	-	-	12,434,835
Loans to municipalities	141,695	-	-	141,695
Due from other funds	8,105,210	-	-	8,105,210
Advances and proceeds to Industrial Development Authority	1,145,560	-	-	1,145,560
<b>Total nonspendable fund balance</b>	<b>29,140,848</b>	<b>-</b>	<b>-</b>	<b>29,140,848</b>
<u>Restricted:</u>				
Weed control	\$ 68,970	\$ -	\$ -	\$ 68,970
Agricultural preservation investments	22,134,764	-	-	22,134,764
Loans collectible within one year	1,380,471	-	-	1,380,471
Impact fees	-	-	576,971	576,971
Agriculture transfer tax	-	-	111,113	111,113
Hotel tax	-	-	471,331	471,331
<b>Total restricted fund balance</b>	<b>23,584,205</b>	<b>-</b>	<b>1,159,415</b>	<b>24,743,620</b>
<u>Committed:</u>				
Stabilization arrangement	\$ 18,365,000	\$ -	\$ -	\$ 18,365,000
ISF health	1,400,000	-	-	1,400,000
Cable franchise fee	-	-	1,275,957	1,275,957
<b>Total committed fund balance</b>	<b>19,765,000</b>	<b>-</b>	<b>1,275,957</b>	<b>21,040,957</b>
<u>Assigned:</u>				
Encumbrances:				
General government	\$ 912,534	\$ 607,204	\$ -	\$ 1,519,738
Public safety	58,540	17,135,368	-	17,193,908
Public works	429,820	3,226,912	-	3,656,732
Recreation and parks	11,645	4,023,846	-	4,035,491
Conservation of natural resources	-	731,035	-	731,035
Economic development	25,000	-	-	25,000
Subsequent year's expenditures	14,827,374	14,905,631	-	29,733,005
<b>Total assigned fund balance</b>	<b>16,264,913</b>	<b>40,629,996</b>	<b>-</b>	<b>56,894,909</b>
<u>Unassigned:</u>				
General fund	\$ 16,132,542	\$ -	\$ -	\$ 16,132,542
<b>Total unassigned fund balance</b>	<b>16,132,542</b>	<b>-</b>	<b>-</b>	<b>16,132,542</b>
<b>Grand total fund balance</b>	<b>\$ 104,887,508</b>	<b>\$ 40,629,996</b>	<b>\$ 2,435,372</b>	<b>\$ 147,952,876</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013 is \$13,815,306 and is secured by land, buildings and equipment. The County made loans to various community organizations. The balance of these loans at June 30, 2013 is \$5,831,729 and they are secured through promissory notes.

The County incurred a due from the Capital Fund for the future payouts of Installment Purchase Agreements and a due from the Airport Fund at June 30, 2013 in the amount of \$8,105,210.

**Note 14 – Budgetary Basis to GAAP Reconciliation**

A reconciliation of the revenues and expenditures of the General Fund Budgetary Basis to the statement of revenues and expenditures on a GAAP basis is as follows:

<u>Budgetary Funds</u>	<u>General Fund</u>
<u>Revenues</u>	
Actual amount (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 339,954,450
Unavailable property tax revenues	<u>(699,066)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	<u>\$ 339,255,384</u>
 <u>Expenditures</u>	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 337,645,367
Encumbrance adjustment	<u>(376,755)</u>
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	<u>\$ 337,268,612</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 15 – Commitments and Contingencies**

Primary Government

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

The County participates in a number of federally assisted grant programs, principal of which are the Housing and Urban Development, Commission on Aging, and the Workforce Investment Act programs.

These programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the County’s compliance with applicable grant requirements will be established at some 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, 2013, 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	\$ 127,653,057	\$ 118,514,733	\$ 121,832,070	\$ 5,820,987
Public Safety	32,034,883	11,170,938	9,030,414	23,004,469
Public Works	54,906,079	26,321,132	33,365,080	21,540,999
Board of Education	201,583,643	178,368,757	200,647,746	935,897
Carroll Community College	5,950,600	4,636,006	5,950,600	-
Recreation and Parks	12,477,092	6,563,166	7,369,145	5,107,947
Libraries/Senior Centers	2,551,900	2,266,834	2,551,900	-
Conservation	185,089,222	158,491,227	168,453,476	16,635,746
Water Resources	33,585,247	16,442,104	15,472,452	18,112,795
Governmental Activities	\$ 655,831,723	\$ 522,774,897	\$ 564,672,883	\$ 91,158,840
Wastewater Treatment Facilities	5,300,000	147,337	2,872,461	2,427,539
Other Water Projects	5,567,456	3,269,570	5,718,700	(151,244)
Other Wastewater Projects	6,778,168	2,519,578	5,597,908	1,180,260
Landfill Upgrades	622,000	4,833	300,000	322,000
Landfill Remediations	2,738,625	2,284,499	2,738,625	-
Septage	160,000	10,488	160,000	-
Airport	3,446,099	1,371,734	3,419,889	26,210
Business Type Activities	\$ 24,612,348	\$ 9,608,039	\$ 20,807,583	\$ 3,804,765
Total Funds	\$ 680,444,071	\$ 532,382,936	\$ 585,480,466	\$ 94,963,605

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 15 – Commitments and Contingencies - continued**

Primary Government-continued

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, 2013 for the County totaled to \$334,045. The County has 9 years left on this commitment with total future payments of \$3,482,764.

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 law 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.

**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 COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 16 – Risk Management-continued**

Primary Government-continued

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 \$275,000 stop-loss per claim. To further minimize its risks, the County's contract provides for an overall cap on claims it must pay in a given year. The cap is determined by reference to pre-agreed rates, times the number of covered employees. Dental benefits are also administered by a commercial insurer. One dental plan is self-insured, and the other is fully insured.

The County is 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, 2013 for the deductible portions of general, auto, police, legal and public officials covered under LGIT and employee health care coverage are \$10,933 and \$2,054,887, respectively.

The total claims liability of \$2,065,820 reported in the internal service fund at June 30, 2013 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.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 16 – Risk Management-continued**  
Primary Government-continued

Changes in the claims for employee health care coverage and the deductible portions of liability and property 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>Liability and property:</u>				
July 1, 2010 – June 30, 2011	\$31,845	\$41,093	\$(4,438)	\$68,500
July 1, 2011 – June 30, 2012	68,500	(2,523)	(21,236)	44,741
July 1, 2012 – June 30, 2013	44,741	(16,355)	(17,453)	10,933
<u>Employee Health Care Coverage:</u>				
July 1, 2010 – June 30, 2011	\$1,800,027	\$11,051,669	\$(11,173,577)	\$1,678,119
July 1, 2011 – June 30, 2012	1,678,119	12,639,898	(12,479,043)	1,838,974
July 1, 2012 – June 30, 2013	1,838,974	13,810,198	(13,594,285)	2,054,887

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, 2013 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.

To date the County has not exceeded its retention limits.

The self-insured 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 \$1,895,485 has been reported at June 30, 2013 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:

	Beginning- Of-Fiscal Year <u>Liability</u>	Current- Year Claims and Changes <u>in Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
<u>Worker's Compensation:</u>				
July 1, 2010 – June 30, 2011	\$1,114,635	\$ 860,681	\$(453,103)	\$1,522,213
July 1, 2011 – June 30, 2012	1,522,213	676,043	(448,805)	1,749,451
July 1, 2012 – June 30, 2013	1,749,451	597,542	(491,508)	1,895,485

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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 16 – Risk Management-continued**

Primary Government- continued

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, 2013 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 judgments is reported in the General Current Expense Fund.

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

<u>Health Care:</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, 2010 – June 30, 2011	4,008,253	42,607,324	(42,241,059)	4,374,518
July 1, 2011 – June 30, 2012	4,374,518	45,861,754	(44,442,415)	5,793,857
July 1, 2012 – June 30, 2013	5,793,857	46,815,972	(46,763,547)	5,846,252

**Note 17 – Subsequent Events**

The County plans to issue \$26,000,000 of general obligation bonds during fiscal year 2014. The sale of these securities will be used to finance school additions and projects, several road and bridge projects and Volunteer Fire Company loans.

## *Supplementary Information*

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>RESOURCES (INFLOWS)</b>				
<b>Revenues</b>				
Taxes - Local Property				
Real property	\$ 185,816,800	\$ 185,816,800	\$ 185,395,603	\$ (421,197)
Real property - prior years	250,000	250,000	963,964	713,964
Personal property	250,000	250,000	273,306	23,306
Railroad and public utilities	7,125,000	7,125,000	6,738,135	(386,865)
Ordinary business corporations	6,500,000	6,500,000	6,453,405	(46,595)
Penalties and interest-delinquent taxes	900,000	900,000	898,104	(1,896)
Semi-annual service charges	100,000	100,000	64,661	(35,339)
	<u>200,941,800</u>	<u>200,941,800</u>	<u>200,787,178</u>	<u>(154,622)</u>
Deductions				
Discounts allowed on taxes	(800,000)	(800,000)	(768,556)	31,444
Senior tax credit	(20,000)	(20,000)	(13,012)	6,988
Homestead tax credit	(1,825,000)	(1,825,000)	(1,762,269)	62,731
	<u>(2,645,000)</u>	<u>(2,645,000)</u>	<u>(2,543,837)</u>	<u>101,163</u>
Net Taxes - Local Property	<u>198,296,800</u>	<u>198,296,800</u>	<u>198,243,341</u>	<u>(53,459)</u>
Taxes - Local Other				
Payment in Lieu of Taxes	18,000	18,000	25,961	7,961
Income tax	114,000,000	114,000,000	115,959,789	1,959,789
911 service fees	1,000,000	1,000,000	1,028,501	28,501
Recordation tax	8,000,000	8,000,000	10,021,395	2,021,395
Heavy equipment tax	40,000	40,000	91,071	51,071
Admissions and amusement tax	300,000	300,000	288,174	(11,826)
Total Taxes - Local Other	<u>123,358,000</u>	<u>123,358,000</u>	<u>127,414,891</u>	<u>4,056,891</u>
Taxes - State Shared				
Police aid	620,000	620,000	620,224	224
Total Taxes - State Shared	<u>620,000</u>	<u>620,000</u>	<u>620,224</u>	<u>224</u>
Licenses and Permits				
Beer, wine and liquor licenses	200,000	200,000	198,753	(1,247)
Amusement	8,000	8,000	8,759	759
Traders	140,000	140,000	127,977	(12,023)
Animal	100,000	100,000	91,804	(8,196)
Buildings	818,800	818,800	971,926	153,126
Mobile home licenses	60,000	60,000	61,295	1,295
Marriage	30,000	30,000	32,000	2,000
Grading	16,500	16,500	23,220	6,720
Inspection Fees	2,000	2,000	3,150	1,150
Total Licenses and Permits	<u>1,375,300</u>	<u>1,375,300</u>	<u>1,518,884</u>	<u>143,584</u>
Intergovernmental Revenues				
Federal/thru State Disaster \$	-	-	400,750	400,750
Build America Bonds Subsidy	874,000	874,000	843,550	(30,450)
State Aid-Fire Companies	265,000	265,000	259,836	(5,164)
Security Interest Filing Fee	-	-	935	935
Grand & Petit Jury Reimburse	40,000	40,000	25,925	(14,075)
Circuit Court Master Reimb	130,000	130,000	154,311	24,311
Total Intergovernmental Revenues	<u>1,309,000</u>	<u>1,309,000</u>	<u>1,685,307</u>	<u>376,307</u>

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>Charges for Services</b>				
<b>General Government</b>				
Lien certificates	\$ 135,000	\$ 135,000	\$ 159,459	\$ 24,459
Data processing	6,500	6,500	4,946	(1,554)
Hearing fees-zoning appeals	8,000	8,000	12,120	4,120
Copy fees and code books	11,000	11,000	10,268	(732)
Telephone	4,000	4,000	7,906	3,906
Health depart-telephone and janitorial	55,000	55,000	58,969	3,969
Hearing fees-zoning administration	14,000	14,000	9,750	(4,250)
Westminster Sr. Ctr. Classes	-	-	11,652	11,652
North Carroll Sr. Ctr. Classes	-	-	16,363	16,363
South Carroll Sr. Ctr. Classes	-	-	21,691	21,691
Taneytown Sr. Ctr. Classes	-	-	3,384	3,384
Mt. Airy Sr. Ctr. Classes	-	-	13,866	13,866
<b>Total Serv Chrg - General Government</b>	<b>233,500</b>	<b>233,500</b>	<b>330,374</b>	<b>96,874</b>
<b>Public Safety</b>				
Sheriff's services-salary recovery	10,000	10,000	25	(9,975)
Sheriff's services-fees	120,000	120,000	112,930	(7,070)
Sheriff's services-detention center	240,000	240,000	163,120	(76,880)
Sheriff- Town Deputies	85,000	85,000	68,790	(16,210)
Inspection fees-roads	60,000	60,000	80,143	20,143
Inspections fees-development review	8,000	8,000	4,217	(3,783)
Detention center-commissary	45,000	45,000	44,519	(481)
Detention center-work release	100,000	100,000	64,495	(35,505)
Sheriff-ICE inmate days	150,000	150,000	126,879	(23,121)
Sheriff/ICE-transport	-	-	479	479
Sheriff-home detention	10,000	10,000	14,497	4,497
Juvenile transport	85,000	85,000	62,275	(22,725)
State criminal alien assistance program	17,500	17,500	10,649	(6,851)
Sheriff's Sex Offender Fees	-	-	57,800	57,800
Courthouse Annex-Rent/Heat	13,110	13,110	12,994	(116)
<b>Total Serv Chrg - Public Safety</b>	<b>943,610</b>	<b>943,610</b>	<b>823,812</b>	<b>(119,798)</b>
<b>Public Works</b>				
Vehicle maintenance	425,000	425,000	443,399	18,399
Road maintenance	85,000	85,000	100,935	15,935
Development review	125,000	125,000	137,670	12,670
Fuel reimbursements	850,000	850,000	782,799	(67,201)
Stormwater/environment review fee	30,000	30,000	40,643	10,643
Vehicle auction admin fee	-	-	200	200
Engineering review fees	20,000	20,000	28,390	8,390
Flood plain review fees	5,000	5,000	3,000	(2,000)
Forest conservation review fee	30,000	30,000	22,015	(7,985)
Tower location analysis fee	7,500	7,500	-	(7,500)
Weed control spraying	20,000	20,000	53,065	33,065
<b>Total Serv Chrg - Public Works</b>	<b>1,597,500</b>	<b>1,597,500</b>	<b>1,612,116</b>	<b>14,616</b>
<b>Recreation and Parks</b>				
Farm museum	85,000	85,000	77,651	(7,349)
Piney Run Park	252,000	252,000	315,833	63,833
Bear Branch Programs	-	-	3,168	3,168

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Recreation and Parks-continued				
Hashawha environmental center	\$ 239,000	\$ 239,000	\$ 490,314	\$ 251,314
General public & school/youth programs	12,000	12,000	6,626	(5,374)
Outdoor school meals/concessions	152,000	152,000	151,828	(172)
Sports complex	106,500	106,500	87,390	(19,110)
Pavilion & facility rentals	36,000	36,000	41,486	5,486
Bus Trips	-	-	1,098	1,098
Wine Festival	400,000	400,000	432,741	32,741
Dog Park memberships	-	-	4,820	4,820
Total Recreation and Parks	<u>1,282,500</u>	<u>1,282,500</u>	<u>1,612,955</u>	<u>330,455</u>
Total Charges for Services	<u>4,057,110</u>	<u>4,057,110</u>	<u>4,379,257</u>	<u>322,147</u>
Fines and Forfeits				
Circuit court fines	40,000	40,000	44,738	4,738
Liquor license fines	2,000	2,000	5,175	3,175
Animal violation fines	12,000	12,000	13,470	1,470
Civil zoning violations	1,800	1,800	-	(1,800)
Humane society impoundment fees	25,000	25,000	25,405	405
Parking violations-sheriff	1,000	1,000	320	(680)
Miscellaneous Fines	-	-	639	639
Total Fines and Forfeits	<u>81,800</u>	<u>81,800</u>	<u>89,747</u>	<u>7,947</u>
Interest and gain on investments	1,378,000	1,378,000	231,071	(1,146,929)
Miscellaneous Revenues				
Rents and concessions	206,600	206,600	3,108,324	2,901,724
Refunds	10,000	10,000	37,709	27,709
Agriculture Ext Svc Refunds	-	-	30,800	30,800
Litigation Settlements	-	-	109	109
Equipment sales	80,000	80,000	125,218	45,218
Sale of Assets	-	-	1,139,899	1,139,899
Postage	23,000	23,000	37,036	14,036
Pension Recovery	300,000	300,000	270,901	(29,099)
Health department	1,000	1,000	5,646	4,646
County attorney fees	177,000	177,000	177,027	27
OPEB Recovery	318,000	318,000	328,040	10,040
State Retire Recovery	7,000	7,000	16,551	9,551
Health Dept Prop Cleanup Fees	-	-	236	236
Activities/special events	35,000	35,000	33,028	(1,972)
Advertising	8,000	8,000	9,950	1,950
Miscellaneous	98,998	98,998	451,254	352,256
Total Miscellaneous Revenues	<u>1,264,598</u>	<u>1,264,598</u>	<u>5,771,728</u>	<u>4,507,130</u>
Total Revenues	<u>331,740,608</u>	<u>331,740,608</u>	<u>339,954,450</u>	<u>8,213,842</u>
Other financing resources				
Appropriated fund balance	16,809,377	16,809,377	-	(16,809,377)
Transfers In	13,195,015	13,195,015	13,195,015	-
Refunding Bonds Issued	-	-	16,220,345	16,220,345
Premiums	-	-	3,216,308	3,216,308
Bonds issued	-	-	1,460,000	1,460,000
Non-cash Note Proceeds	-	-	445,320	445,320
Total Other Financing Resources	<u>30,004,392</u>	<u>30,004,392</u>	<u>34,536,988</u>	<u>4,532,596</u>
Total Resources (Inflows)	<u>361,745,000</u>	<u>361,745,000</u>	<u>374,491,438</u>	<u>12,746,438</u>

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>Expenditures</b>				
General Government				
County Commissioners				
Legislative	\$ 898,920	\$ 925,714	\$ 922,182	\$ 3,532
TV Production	107,265	113,319	112,881	438
Zoning Administrator	218,460	218,369	214,271	4,098
Technology Services	3,391,194	3,390,617	3,257,979	132,638
Production/Distribution Service	437,055	437,009	420,580	16,429
Total County Commissioners	5,052,894	5,085,028	4,927,893	157,135
Judicial				
Adjudication-Criminal/Civil	1,682,982	1,661,667	1,600,706	60,961
Voluntary Community Services	172,615	173,269	172,758	511
Circuit Court Masters	482,425	502,575	501,296	1,279
Adjudication of Estates	38,110	38,110	31,145	6,965
Criminal Prosecution	2,699,745	2,691,993	2,652,399	39,594
County Attorney	1,361,048	1,353,944	774,260	579,684
Total Judicial	6,436,925	6,421,558	5,732,564	688,994
Carroll County Board of Elections	703,960	676,960	639,020	37,940
Office of the Comptroller				
Comptroller Administration	326,960	326,891	319,634	7,257
Accounting	832,450	832,198	787,596	44,602
Purchasing	416,705	416,614	396,618	19,996
Independent Post - Auditing	49,000	49,000	48,000	1,000
Bond Issuance Expense	166,000	166,000	213,172	(47,172)
Collections Office	1,554,090	1,553,907	1,513,154	40,753
Total Office of the Comptroller	3,345,205	3,344,610	3,278,174	66,436
Human Resources & Personnel Services				
Human Resources Administration	662,001	661,772	655,931	5,841
Fringe Benefits	8,258,000	8,276,850	8,111,414	165,436
Personnel Services	124,050	124,004	115,064	8,940
Total Human Resources & Personnel Services	9,044,051	9,062,626	8,882,409	180,217
Management and Budget				
Management and Budget Administration	203,578	225,912	225,249	663
Risk Management	5,707,980	5,698,484	5,496,949	201,535
Budget	541,914	524,677	523,251	1,426
Grant Management	121,611	125,714	124,764	950
Total Management and Budget	6,575,083	6,574,787	6,370,213	204,574
Land Use, Planning & Development				
Land Use, Planning & Dev. Administration	1,071,915	1,062,589	993,502	69,087
Comprehensive Planning	338,955	354,635	288,216	66,419
Development Review	508,950	501,891	447,617	54,274
Resources Management	1,077,679	1,077,359	1,031,060	46,299
Total Land Use, Planning & Development	2,997,499	2,996,474	2,760,395	236,079

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>General Services</b>				
Permits & Inspections	\$ 1,261,495	\$ 1,274,015	\$ 1,272,412	\$ 1,603
Building Construction	176,540	176,494	170,486	6,008
Facilities Administration	6,226,915	6,219,124	4,523,422	1,695,702
Facilities	2,799,555	2,868,086	777,100	2,090,986
Fleet Management	6,535,675	6,535,281	6,102,997	432,284
Warehouse Operations	221,295	221,199	190,939	30,260
<b>Total General Services</b>	<b>17,221,475</b>	<b>17,294,199</b>	<b>13,037,356</b>	<b>4,256,843</b>
<b>Citizen Services</b>				
Citizen Services	275,275	247,275	246,642	633
Youth services	625,820	625,820	625,820	-
Long Term Treatment Facility	775,000	812,000	809,639	2,361
Aging	1,016,083	1,073,997	1,068,149	5,848
Access Carroll	20,000	20,000	20,000	-
Granite House	102,910	102,910	102,910	-
<b>Total Citizen Services</b>	<b>2,815,088</b>	<b>2,882,002</b>	<b>2,873,160</b>	<b>8,842</b>
<b>Miscellaneous</b>				
Board of License Commissioners	63,260	63,237	60,790	2,447
Administrative Hearings	97,625	97,602	88,844	8,758
Property tax payments to municipalities	15,526	15,526	15,526	-
Permits and fee payments to municipalities	12,000	16,622	16,622	-
Liquor license payments to municipalities	26,000	26,000	23,368	2,632
Town programs	2,452,047	2,452,047	2,401,135	50,912
<b>Total Miscellaneous</b>	<b>2,666,458</b>	<b>2,671,034</b>	<b>2,606,285</b>	<b>64,749</b>
<b>Total General Government</b>	<b>56,858,638</b>	<b>57,009,278</b>	<b>51,107,469</b>	<b>5,901,809</b>
<b>Public Safety</b>				
<b>Police Protection</b>				
Detention Center	7,789,340	7,800,740	7,764,068	36,672
Resident Trooper Program	2,517,158	2,517,158	2,607,237	(90,079)
Sheriff Services	8,757,510	8,866,710	8,855,213	11,497
<b>Total Police Protection</b>	<b>19,064,008</b>	<b>19,184,608</b>	<b>19,226,518</b>	<b>(41,910)</b>
<b>Fire Department</b>				
Volunteer Companies	6,695,000	6,695,000	6,695,000	-
EMS24/7 Services	3,790,150	3,790,150	3,790,150	-
<b>Total Fire Department</b>	<b>10,485,150</b>	<b>10,485,150</b>	<b>10,485,150</b>	<b>-</b>
<b>Emergency Services</b>				
Emergency Service Operations	1,974,566	1,974,429	1,773,252	201,177
911 - Emergency Service	1,933,080	1,946,230	1,882,554	63,676
Civil Defense	-	-	-	-
<b>Total Emergency Services</b>	<b>3,907,646</b>	<b>3,920,659</b>	<b>3,655,806</b>	<b>264,853</b>
<b>Other Protection</b>				
Humane Society	872,750	865,599	865,599	0
State aid-fire protection	265,000	260,378	259,836	542
<b>Total Other Protection</b>	<b>1,137,750</b>	<b>1,125,977</b>	<b>1,125,435</b>	<b>542</b>
<b>Total Public Safety</b>	<b>34,594,554</b>	<b>34,716,394</b>	<b>34,492,909</b>	<b>223,485</b>



**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>Public Works</b>				
Public Works-Administration	\$ 402,940	\$ 407,334	\$ 403,467	\$ 3,867
Roads Operations	7,089,236	7,069,280	6,274,474	794,806
Traffic Control	331,850	331,850	240,513	91,337
Engineering-Design	419,801	400,182	394,414	5,768
Engineering-Inspection	344,160	363,546	362,373	1,173
Emergency Maintenance-Snow	1,800,000	1,800,000	1,188,815	611,185
Engineering	222,025	232,479	227,016	5,463
Engineering-Survey	271,773	271,659	269,194	2,465
Road Grant - Local	35,387	35,387	35,386	1
<b>Total Public Works</b>	<b>10,917,172</b>	<b>10,911,717</b>	<b>9,395,652</b>	<b>1,516,065</b>
<b>Health</b>				
Health Department	3,152,760	3,152,760	3,152,759	1
Weed Control	29,700	41,700	40,959	741
Gypsy Moth Control	30,000	13,500	10,755	2,745
Domestic Violence	73,150	73,150	73,150	-
Change, Inc.	234,340	234,340	234,340	-
Sexual Abuse Treatment Center	202,100	202,100	202,100	-
CCARC-Non Matching	234,340	234,340	234,340	-
Flying Colors of Success	36,000	36,000	36,000	-
Target, Inc.	234,340	234,340	234,340	-
Rape Crisis	85,240	85,240	85,240	-
<b>Total Health</b>	<b>4,311,970</b>	<b>4,307,470</b>	<b>4,303,983</b>	<b>3,487</b>
<b>Social Services</b>				
Social Services-Local Funds	20,000	45,000	45,000	-
Human Services	796,390	796,390	796,390	-
Victim Witness Assistance	261,640	261,526	249,554	11,972
CC Advocacy & Investigation	119,510	119,487	108,762	10,725
<b>Total Social Services</b>	<b>1,197,540</b>	<b>1,222,403</b>	<b>1,199,706</b>	<b>22,697</b>
<b>Education</b>				
CC Public Ed & Gov Cable Access	633,560	633,560	633,560	-
Hashawha	741,720	763,509	762,561	948
CC Board of Ed-Local Funds	168,900,000	168,900,000	170,799,564	(1,899,564)
Community College	6,933,000	6,933,000	8,542,027	(1,609,027)
<b>Total Education</b>	<b>177,208,280</b>	<b>177,230,069</b>	<b>180,737,712</b>	<b>(3,507,643)</b>
<b>Library</b>	<b>8,789,190</b>	<b>8,744,008</b>	<b>11,000,246</b>	<b>(2,256,238)</b>
<b>Recreation and Parks</b>				
Recreation & Parks-Administration	309,695	312,804	310,863	1,941
Recreation	396,965	367,251	361,765	5,486
Piney Run	469,990	469,899	450,287	19,612
Farm Musuem	833,840	831,134	817,754	13,380
Sports Complex	203,700	203,654	192,292	11,362
Historical Society	60,000	60,000	60,000	-
Homestead Museum	20,000	20,000	20,000	-
<b>Total Recreation and Parks</b>	<b>2,294,190</b>	<b>2,264,742</b>	<b>2,212,961</b>	<b>51,781</b>

**General-NonGAAP**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Conservation of Natural Resources				
Agriculture Extension Service	\$ 448,460	\$ 448,460	\$ 444,993	\$ 3,467
Soil Conservation Service	407,630	411,992	411,447	545
Total Conservation of Natural Resources	<u>856,090</u>	<u>860,452</u>	<u>856,440</u>	<u>4,012</u>
Economic Development				
Economic Development-Administration	728,719	735,357	666,464	68,893
BERC Management	197,224	197,132	186,085	11,047
Econ Devl-Industrial Grants	2,250,000	2,000,000	1,952,158	47,842
Tourism	265,426	265,403	246,192	19,211
Total Economic Development	<u>3,441,369</u>	<u>3,197,892</u>	<u>3,050,899</u>	<u>146,993</u>
Reserve for Contingencies	3,479,237	483,399	-	483,399
Debt Service				
Debt service-County	26,847,619	26,847,619	26,354,113	493,506
Debt service- Board of Education	13,100,000	13,100,000	12,933,278	166,722
Total Debt Service	<u>39,947,619</u>	<u>39,947,619</u>	<u>39,287,391</u>	<u>660,228</u>
Total Expenditures	<u>343,895,849</u>	<u>340,895,443</u>	<u>337,645,368</u>	<u>3,250,075</u>
Other Financing Uses				
Payment to Escrow Account	-	-	19,357,902	(19,357,902)
Transfers Out:				
Transfer to Capital Fund	10,731,679	10,731,679	10,731,679	-
Transfer to Special Revenue Funds - Grants	1,469,682	1,470,088	1,470,088	-
Transfer to Enterprise Funds	5,647,790	8,647,790	8,647,790	-
Total Other Financing Uses	<u>17,849,151</u>	<u>20,849,557</u>	<u>40,207,459</u>	<u>(19,357,902)</u>
Total charges to appropriations (outflows)	<u>361,745,000</u>	<u>361,745,000</u>	<u>377,852,827</u>	<u>(16,107,827)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,361,389)</u>	<u>\$ (3,361,389)</u>
Fund Balance - Beginning			111,713,238	
Fund Balance - Ending			<u>\$ 108,351,849</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2013**

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
<b>Assets</b>						
Equity in pooled cash and investments	\$ 574,093	\$ 121,846	\$ 471,331	\$ 1,275,957	\$ 1,886,151	\$ 4,329,378
Accounts receivable	2,878	-	-	-	1,636,471	1,639,349
Note receivable	-	-	-	-	107,322	107,322
Prepaid costs	-	-	-	-	464,407	464,407
Total assets	<u>\$ 576,971</u>	<u>\$ 121,846</u>	<u>\$ 471,331</u>	<u>\$ 1,275,957</u>	<u>\$ 4,094,351</u>	<u>\$ 6,540,456</u>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 10,733	\$ -	\$ -	\$ 732,582	\$ 743,315
Accrued expenditures	-	-	-	-	72,853	72,853
Unearned revenue	-	-	-	-	3,288,916	3,288,916
Total liabilities	<u>-</u>	<u>10,733</u>	<u>-</u>	<u>-</u>	<u>4,094,351</u>	<u>4,105,084</u>
<b>Fund balances</b>						
Restricted	576,971	111,113	471,331	-	-	1,159,415
Committed	-	-	-	1,275,957	-	1,275,957
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>576,971</u>	<u>111,113</u>	<u>471,331</u>	<u>1,275,957</u>	<u>-</u>	<u>2,435,372</u>
Total liabilities and fund balances	<u>\$ 576,971</u>	<u>\$ 121,846</u>	<u>\$ 471,331</u>	<u>\$ 1,275,957</u>	<u>\$ 4,094,351</u>	<u>\$ 6,540,456</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, 2013**

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
<b>RESOURCES (INFLOWS)</b>						
<b>Revenues</b>						
Charges for service:						
Farm museum	\$ -	\$ -	\$ -	\$ -	\$ 49,189	\$ 49,189
Recreation and parks	-	-	-	-	303,975	303,975
Intergovernmental revenues:						
Commission on aging	-	-	-	-	2,487,333	2,487,333
Housing & community development	-	-	-	-	6,966,919	6,966,919
Job training partnership act	-	-	-	-	1,014,578	1,014,578
Sheriff	-	-	-	-	222,736	222,736
Citizen services	-	-	-	-	1,252,955	1,252,955
States attorney	-	-	-	-	644,773	644,773
Circuit court	-	-	-	-	594,955	594,955
EOC	-	-	-	-	858,198	858,198
Risk Management	-	-	-	-	2,048	2,048
Planning	-	-	-	-	22,112	22,112
Impact fees	295,755	-	-	-	-	295,755
Agricultural transfer tax	-	63,462	-	-	-	63,462
Hotel Rental Tax	-	-	278,906	-	-	278,906
Cable Franchise Fee	-	-	-	1,292,344	-	1,292,344
Interest	(852)	-	644	1,306	-	1,098
Total revenues	<u>294,903</u>	<u>63,462</u>	<u>279,550</u>	<u>1,293,650</u>	<u>14,419,771</u>	<u>16,351,336</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>						
<b>Expenditures</b>						
General government	-	-	-	-	13,158,276	13,158,276
Public safety	-	-	-	-	1,116,250	1,116,250
Health	-	-	-	-	4,000	4,000
Recreation and parks	-	-	-	-	346,755	346,755
Economic development	-	-	-	-	1,264,578	1,264,578
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,889,859</u>	<u>15,889,859</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	1,470,088	1,470,088
Transfers out	(1,350,000)	(90,000)	(265,530)	(929,485)	-	(2,635,015)
Total Other Financing Sources (Uses)	<u>(1,350,000)</u>	<u>(90,000)</u>	<u>(265,530)</u>	<u>(929,485)</u>	<u>1,470,088</u>	<u>(1,164,927)</u>
Total charges to appropriations (outflows)	<u>(1,350,000)</u>	<u>(90,000)</u>	<u>(265,530)</u>	<u>(929,485)</u>	<u>(14,419,771)</u>	<u>-</u>
Net change in fund balances	(1,055,097)	(26,538)	14,020	364,165	-	(703,450)
Fund balances - beginning	1,632,068	137,651	457,311	911,792	-	3,138,822
Fund balances - ending	<u>\$ 576,971</u>	<u>\$ 111,113</u>	<u>\$ 471,331</u>	<u>\$ 1,275,957</u>	<u>\$ -</u>	<u>\$ 2,435,372</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Impact fees	\$ 1,350,000	\$ 1,350,000	\$ 295,755	\$ (1,054,245)
Interest	-	-	(852)	(852)
Total revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>294,903</u>	<u>(1,055,097)</u>
Total Resources (Inflows)	1,350,000	1,350,000	294,903	(1,055,097)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(1,350,000)	(1,350,000)	(1,350,000)	-
Total other financing uses	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>-</u>
Total charges to appropriations (outflows)	(1,350,000)	(1,350,000)	(1,350,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,055,097)</u>	<u>\$ (1,055,097)</u>
Fund balance - beginning			1,632,068	
Fund balance - ending			<u>\$ 576,971</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Agricultural Transfer Tax	\$ 90,000	\$ 90,000	\$ 63,462	\$ (26,538)
Total revenues	90,000	90,000	63,462	(26,538)
Total Resources (Inflows)	90,000	90,000	63,462	(26,538)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing uses	(90,000)	(90,000)	(90,000)	-
Total charges to appropriations (outflows)	(90,000)	(90,000)	(90,000)	-
Net change in fund balance	\$ -	\$ -	(26,538)	\$ (26,538)
Fund balance - beginning			137,651	
Fund balance - ending			\$ 111,113	

**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Hotel Rental Tax	\$ 265,530	\$ 265,530	\$ 278,906	\$ 13,376
Interest	-	-	644	644
Total revenues	<u>265,530</u>	<u>265,530</u>	<u>279,550</u>	<u>14,020</u>
Total Resources (Inflows)	265,530	265,530	279,550	14,020
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(265,530)	(265,530)	(265,530)	-
Total other financing uses	<u>(265,530)</u>	<u>(265,530)</u>	<u>(265,530)</u>	<u>-</u>
Total charges to appropriations (outflows)	(265,530)	(265,530)	(265,530)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>14,020</u>	<u>\$ 14,020</u>
Fund balance - beginning			457,311	
Fund balance - ending			<u>\$ 471,331</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Cable Franchise Fee	\$ 929,485	\$ 929,485	\$ 1,292,344	\$ 362,859
Interest	-	-	1,306	1,306
Total revenues	<u>929,485</u>	<u>929,485</u>	<u>1,293,650</u>	<u>364,165</u>
Total Resources (Inflows)	929,485	929,485	1,293,650	364,165
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(929,485)	(929,485)	(929,485)	-
Total other financing uses	<u>(929,485)</u>	<u>(929,485)</u>	<u>(929,485)</u>	<u>-</u>
Total charges to appropriations (outflows)	(929,485)	(929,485)	(929,485)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>364,165</u>	<u>\$ 364,165</u>
Fund balance - beginning			911,792	
Fund balance - ending			<u>\$ 1,275,957</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Intergovernmental revenues:				
Commission on aging	\$ 2,393,458	\$ 2,833,767	\$ 2,785,272	\$ (48,495)
Housing & community development	5,679,330	8,153,109	6,810,864	(1,342,245)
Job training partnership act	957,143	961,836	1,037,003	75,167
Economic development	-	51,425	-	(51,425)
Sheriff	140,000	188,440	202,354	13,914
Citizen services	1,120,544	1,246,091	1,408,644	162,553
States attorney	698,158	575,104	645,209	70,105
Circuit court	584,067	480,545	594,955	114,410
EOC	601,840	622,566	914,743	292,177
Tourism	40,669	43,892	43,892	-
Farm Museum	30,000	7,115	49,189	42,074
Planning	-	110,419	18,246	(92,173)
Risk Management	-	2,200	2,049	(151)
Recreation and parks	187,000	1,207,406	298,793	(908,613)
Total revenues	<u>12,432,209</u>	<u>16,483,915</u>	<u>14,811,213</u>	<u>(1,672,702)</u>
Other financing resources				
Transfers in	1,469,682	1,470,088	1,470,088	-
Total other financing resources	<u>1,469,682</u>	<u>1,470,088</u>	<u>1,470,088</u>	<u>-</u>
Total Resources (Inflows)	<u>13,901,891</u>	<u>17,954,003</u>	<u>16,281,301</u>	<u>(1,672,702)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Current:				
General government	11,896,989	14,558,584	13,156,138	1,402,446
Public safety	777,990	846,807	868,912	(22,105)
Health	4,000	4,000	4,000	-
Recreation and parks	225,100	1,237,459	333,430	904,029
Economic development	997,812	1,307,153	1,313,829	(6,676)
Capital outlay	-	-	604,992	(604,992)
Total expenditures	<u>13,901,891</u>	<u>17,954,003</u>	<u>16,281,301</u>	<u>1,672,702</u>
Total charges to appropriations (outflows)	<u>13,901,891</u>	<u>17,954,003</u>	<u>16,281,301</u>	<u>1,672,702</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Schedule of Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2013**

	<b>Employee Pension Plan</b>	<b>Certified Law Officers Pension</b>	<b>LOSAP</b>	<b>Other Post Employment Benefits</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 15,118	\$ 15,118
Investments, at fair value:					
Short term investments	176,971	229,913	360,430	1,330,733	2,098,047
Bond funds	11,495,345	1,305,606	1,533,503	-	14,334,454
Equity funds	34,310,126	3,861,417	5,693,927	-	43,865,470
Marketable securities	-	-	-	35,484,611	35,484,611
Total investments	<u>45,982,442</u>	<u>5,396,936</u>	<u>7,587,860</u>	<u>36,815,344</u>	<u>95,782,582</u>
Total assets	45,982,442	5,396,936	7,587,860	36,830,462	95,797,700
<b>LIABILITIES</b>					
Accounts payable	3,766	862	621	265	5,514
Due to primary government	-	-	-	538,317	538,317
Total liabilities	<u>3,766</u>	<u>862</u>	<u>621</u>	<u>538,582</u>	<u>543,831</u>
<b>NET POSITION</b>					
Net position held in trust for pension, OPEB benefits and other purposes	<u>\$ 45,978,676</u>	<u>\$ 5,396,074</u>	<u>\$ 7,587,239</u>	<u>\$ 36,291,880</u>	<u>\$ 95,253,869</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Employee Pension Plan</u>	<u>Certified Law Officers Pension</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 2,585,599	\$ 786,577	\$ -	\$ 8,438,080	\$ 11,810,256
Plan members	1,491,089	525,255	-	364,798	2,381,142
Contributions from sources other than employer(s) and plan members	1	-	-	197,696	197,697
Total contributions	<u>4,076,689</u>	<u>1,311,832</u>	<u>-</u>	<u>9,000,574</u>	<u>14,389,095</u>
Investment earnings:					
Interest and dividends	1,599	353	27	3,435	5,414
Net increase in the fair value of investments	6,078,952	619,207	1,034,617	4,601,618	12,334,394
Total investment earnings	<u>6,080,551</u>	<u>619,560</u>	<u>1,034,644</u>	<u>4,605,053</u>	<u>12,339,808</u>
Less investment expense	<u>(36,760)</u>	<u>(15,790)</u>	<u>(14,174)</u>	<u>(24,765)</u>	<u>(91,489)</u>
Net investment earnings	<u>6,043,791</u>	<u>603,770</u>	<u>1,020,470</u>	<u>4,580,288</u>	<u>12,248,319</u>
Total additions	<u>10,120,480</u>	<u>1,915,602</u>	<u>1,020,470</u>	<u>13,580,862</u>	<u>26,637,414</u>
<b>DEDUCTIONS</b>					
Benefits and refunds paid to plan members and beneficiaries					
	768,414	38,645	563,548	3,283,682	4,654,289
Administrative expenses	19,700	4,125	2,300	4,600	30,725
Total deductions	<u>788,114</u>	<u>42,770</u>	<u>565,848</u>	<u>3,288,282</u>	<u>4,685,014</u>
Change in net position	9,332,366	1,872,832	454,622	10,292,580	21,952,400
Net position-beginning	<u>36,646,310</u>	<u>3,523,242</u>	<u>7,132,617</u>	<u>25,999,300</u>	<u>73,301,469</u>
Net position-ending	<u>\$ 45,978,676</u>	<u>\$ 5,396,074</u>	<u>\$ 7,587,239</u>	<u>\$ 36,291,880</u>	<u>\$ 95,253,869</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, 2013**

**Carroll County Development Corporation**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 233,476	\$ 76,054	\$ 52,274	\$ 257,256
Receivables-notes, mortgages and leases	333,672	-	58,775	274,897
Total assets	<u>\$ 567,148</u>	<u>\$ 76,054</u>	<u>\$ 111,049</u>	<u>\$ 532,153</u>
<b>LIABILITIES</b>				
Deposits	\$ 567,148	\$ 17,279	\$ 52,274	\$ 532,153
Total liabilities	<u>\$ 567,148</u>	<u>\$ 17,279</u>	<u>\$ 52,274</u>	<u>\$ 532,153</u>

**Carroll County Drug Task Force-Non Federal**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 210,469	\$ 52,770	\$ 72,357	\$ 190,882
Total assets	<u>\$ 210,469</u>	<u>\$ 52,770</u>	<u>\$ 72,357</u>	<u>\$ 190,882</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 97,792	\$ 101,834	\$ 136,407	\$ 63,219
Deposits	112,677	55,529	40,543	127,663
Total liabilities	<u>\$ 210,469</u>	<u>\$ 157,363</u>	<u>\$ 176,950</u>	<u>\$ 190,882</u>

**Carroll County Drug Task Force - Treasury**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 144,475	\$ 228	\$ 38,510	\$ 106,193
Total assets	<u>\$ 144,475</u>	<u>\$ 228</u>	<u>\$ 38,510</u>	<u>\$ 106,193</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,065	\$ 27,169	\$ 30,234	\$ -
Deposits	141,410	228	35,445	106,193
Total liabilities	<u>\$ 144,475</u>	<u>\$ 27,397</u>	<u>\$ 65,679</u>	<u>\$ 106,193</u>

**Sherriff's Dept. - Drug and Alcohol**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 8,722	\$ 1,190	\$ 2,285	\$ 7,627
Total assets	<u>\$ 8,722</u>	<u>\$ 1,190</u>	<u>\$ 2,285</u>	<u>\$ 7,627</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,725	\$ 736	\$ 1,515	\$ 3,946
Deposits	3,997	454	770	3,681
Total liabilities	<u>\$ 8,722</u>	<u>\$ 1,190</u>	<u>\$ 2,285</u>	<u>\$ 7,627</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, 2013**

**Law Enforcement Activities**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 24	\$ -	\$ -	\$ 24
Total assets	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>
<b>LIABILITIES</b>				
Deposits	\$ 24	\$ -	\$ -	\$ 24
Total liabilities	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>

**Carroll Cable Regulatory Commission**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 194,698	\$ 91,417	\$ 113,172	\$ 172,943
Total assets	<u>\$ 194,698</u>	<u>\$ 91,417</u>	<u>\$ 113,172</u>	<u>\$ 172,943</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,916	\$ 40,658	\$ 32,071	\$ 12,503
Deposits	190,782	123,488	153,830	160,440
Total liabilities	<u>\$ 194,698</u>	<u>\$ 164,146</u>	<u>\$ 185,901</u>	<u>\$ 172,943</u>

**Totals - All Agencies**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 791,864	\$ 221,659	\$ 278,598	\$ 734,925
Receivables-notes, mortgages and leases	333,672	-	58,775	274,897
Total assets	<u>\$ 1,125,536</u>	<u>\$ 221,659</u>	<u>\$ 337,373</u>	<u>\$ 1,009,822</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 109,498	\$ 170,397	\$ 200,227	\$ 79,668
Deposits	1,016,038	196,978	282,862	930,154
Total liabilities	<u>\$ 1,125,536</u>	<u>\$ 367,375</u>	<u>\$ 483,089</u>	<u>\$ 1,009,822</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Schedule of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2013**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Equity in pooled cash	\$ 941,142	\$ 355,345	\$ -	\$ 1,296,487
Cash and cash equivalents	-	300	-	300
Accounts receivables, net	69,802	-	-	69,802
Total current assets	<u>1,010,944</u>	<u>355,645</u>	<u>-</u>	<u>1,366,589</u>
Noncurrent Assets:				
Capital assets:				
Buildings	-	274,051	-	274,051
Improvements other than buildings	185,278	6,578	-	191,856
Autos, machinery, equipment	181,839	52,252	9,708,571	9,942,662
Construction in progress	10,488	-	2,488,160	2,498,648
Less accumulated depreciation	<u>(258,775)</u>	<u>(57,985)</u>	<u>(1,095,972)</u>	<u>(1,412,732)</u>
Total capital assets (net of accumulated depreciation)	<u>118,830</u>	<u>274,896</u>	<u>11,100,759</u>	<u>11,494,485</u>
Total assets	<u>1,129,774</u>	<u>630,541</u>	<u>11,100,759</u>	<u>12,861,074</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	1,327	-	-	1,327
Total deferred outflows of resources	<u>1,327</u>	<u>-</u>	<u>-</u>	<u>1,327</u>
Total assets and deferred outflows	<u>\$1,131,101</u>	<u>\$ 630,541</u>	<u>\$ 11,100,759</u>	<u>\$ 12,862,401</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	35,420	492	9,118	45,030
Accrued interest payable	954	-	-	954
Accrued expenses	-	2,100	-	2,100
Due to other funds	-	-	240,901	240,901
Long-term liabilities due within one year:				
General obligation bonds payable	12,224	-	-	12,224
Total current liabilities	<u>48,598</u>	<u>2,592</u>	<u>250,019</u>	<u>301,209</u>
Noncurrent liabilities:				
General obligation bonds payable	98,930	-	-	98,930
Total noncurrent liabilities	<u>98,930</u>	<u>-</u>	<u>-</u>	<u>98,930</u>
Total liabilities	<u>147,528</u>	<u>2,592</u>	<u>250,019</u>	<u>400,139</u>
Deferred Inflows of Resources				
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	7,675	274,896	11,100,759	11,383,330
Unrestricted (deficit)	975,898	353,053	(250,019)	1,078,932
Total net position	<u>\$ 983,573</u>	<u>\$ 627,949</u>	<u>\$ 10,850,740</u>	<u>\$ 12,462,262</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2013**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 710,536	\$ 148,106	\$ -	\$ 858,642
Total operating revenues	<u>710,536</u>	<u>148,106</u>	<u>-</u>	<u>858,642</u>
Operating expenses:				
Personal services	-	66,495	58,672	125,167
Contractual services	217,332	2,451	187,385	407,168
Materials and supplies	61,186	11,885	-	73,071
Rents and utilities	75,162	2,266	35,303	112,731
Miscellaneous	107,934	-	9,677	117,611
Depreciation	22,999	14,609	442,748	480,356
Total operating expenses	<u>484,613</u>	<u>97,706</u>	<u>733,785</u>	<u>1,316,104</u>
Operating income (loss)	<u>225,923</u>	<u>50,400</u>	<u>(733,785)</u>	<u>(457,462)</u>
Nonoperating revenues (expenses):				
Penalties and interest	1,343	549	1,755	3,647
Interest and fiscal charges	(4,451)	-	-	(4,451)
Total nonoperating revenues (expenses)	<u>(3,108)</u>	<u>549</u>	<u>1,755</u>	<u>(804)</u>
Income (loss) before contributions	<u>222,815</u>	<u>50,949</u>	<u>(732,030)</u>	<u>(458,266)</u>
Capital contributions- equip. transferred from governmental activities	-	-	30,000	30,000
Change in net position	<u>222,815</u>	<u>50,949</u>	<u>(702,030)</u>	<u>(428,266)</u>
Total net position- beginning of year	<u>760,758</u>	<u>577,000</u>	<u>11,552,770</u>	<u>12,890,528</u>
Total net position- end of year	<u>\$ 983,573</u>	<u>\$ 627,949</u>	<u>\$ 10,850,740</u>	<u>\$ 12,462,262</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Schedule of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2013**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 715,875	\$ 148,106	\$ -	\$ 863,981
Receipts from other funds	-	-	240,901	240,901
Payments to suppliers and other funds	(459,804)	(18,335)	(224,218)	(702,357)
Payments to employees	-	(66,261)	(58,672)	(124,933)
Net cash provided (used) by operating activities	<u>256,071</u>	<u>63,510</u>	<u>(41,989)</u>	<u>277,592</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(10,488)		(1,328,160)	(1,338,648)
Principal paid on capital debt	(10,732)	-	-	(10,732)
Interest paid on capital debt	(6,182)	-	-	(6,182)
Net cash provided (used) by capital and related financing activities	<u>(27,402)</u>	<u>-</u>	<u>(1,328,160)</u>	<u>(1,355,562)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments and cash	1,343	549	1,755	3,647
Net cash provided by investing activities	<u>1,343</u>	<u>549</u>	<u>1,755</u>	<u>3,647</u>
Net increase (decrease) in cash and cash equivalents	230,012	64,059	(1,368,394)	(1,074,323)
Cash and cash equivalents at beginning of year	711,130	291,586	1,368,394	2,371,110
Cash and cash equivalents at end of year	<u>\$ 941,142</u>	<u>\$ 355,645</u>	<u>\$ -</u>	<u>\$ 1,296,787</u>
<b>Reconciliation of Operating Income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	<u>\$ 225,923</u>	<u>\$ 50,400</u>	<u>\$ (733,785)</u>	<u>\$ (457,462)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	22,999	14,609	442,748	480,356
Effect of changes in operating assets and liabilities:				
Due to other funds	-	-	240,901	240,901
Accounts receivable	5,339	-	-	5,339
Accounts payable and accrued expenses	1,810	(1,499)	8,147	8,458
Total adjustments	<u>30,148</u>	<u>13,110</u>	<u>691,796</u>	<u>735,054</u>
Net cash provided (used) by operating activities	<u>\$ 256,071</u>	<u>\$ 63,510</u>	<u>\$ (41,989)</u>	<u>\$ 277,592</u>



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

**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source (1)**  
**June 30, 2013**

Governmental funds capital assets:	
Land	\$ 33,421,762
Buildings and contents	185,459,365
Improvements other than buildings	29,441,115
Automobiles, machinery and equipment	41,042,856
Roads and bridges	563,331,192
Construction in progress	17,826,297
Total governmental funds capital assets	<u>\$ 870,522,587</u>

Investments in governmental funds capital assets by source:	
General fund revenues	\$ 519,851,300
Special revenue funds	836,729
State grants	61,716,198
Federal grants	19,136,476
General obligation bonds	133,820,689
Contributions	135,161,195
Total investments in governmental funds capital assets by source	<u>\$ 870,522,587</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, 2013

	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 8,486,806	\$ 31,866,598	\$ 10,290,667	\$ 9,438,588	\$ -	\$ -	\$ 60,082,659
Public safety	220,651	11,829,092	1,616,880	16,479,656	-	-	30,146,279
Public works	4,858,018	770,185	6,958	12,590,499	556,413,953	-	574,639,613
Health	44,709	8,027,779	719,142	64,425	-	-	8,856,055
Education	2,273,731	81,050,259	2,758,720	251,464	-	-	86,334,174
Recreation & Parks	5,342,175	2,844,073	8,589,878	1,107,564	-	-	17,883,690
Economic development	-	2,695,072	3,493,044	168,693	6,917,239	-	13,274,048
Conservation of natural resources	10,619,503	-	-	172,347	-	-	10,791,850
Library/senior centers	1,576,169	46,376,307	1,965,826	769,620	-	-	50,687,922
Construction in progress	-	-	-	-	-	17,826,297	17,826,297
Subtotal	33,421,762	185,459,365	29,441,115	41,042,856	563,331,192	17,826,297	870,522,587
Less accumulated depreciation	-	(44,422,074)	(18,785,675)	(27,968,291)	(402,984,455)	-	(494,160,495)
Net governmental funds capital assets	\$ 33,421,762	\$ 141,037,291	\$ 10,655,440	\$ 13,074,565	\$ 160,346,737	\$ 17,826,297	\$ 376,362,092

(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, 2013**

	Governmental Funds Capital Assets July 1, 2012	Additions	Transfers and Retirements	Governmental Funds Capital Assets June 30, 2013
General government	\$ 61,999,806	\$ 1,328,483	\$ (3,245,630)	\$ 60,082,659
Public safety	29,477,773	949,133	(280,627)	30,146,279
Public works	570,194,295	5,241,285	(795,967)	574,639,613
Health	8,856,055	-	-	8,856,055
Education	86,383,328	-	(49,154)	86,334,174
Recreation & Parks	17,671,653	248,760	(36,723)	17,883,690
Economic development	13,318,815	-	(44,767)	13,274,048
Conservation of natural resources	10,810,859	55	(19,064)	10,791,850
Library/senior centers	50,661,326	59,496	(32,900)	50,687,922
Construction in progress	10,230,835	8,801,172	(1,205,710)	17,826,297
Subtotal	<u>859,604,745</u>	<u>16,628,384</u>	<u>(5,710,542)</u>	<u>870,522,587</u>
Less accumulated depreciation	<u>(476,933,492)</u>	<u>(19,460,675)</u>	<u>2,233,672</u>	<u>(494,160,495)</u>
Net governmental funds capital assets	<u>\$ 382,671,253</u>	<u>\$ (2,832,291)</u>	<u>\$ (3,476,870)</u>	<u>\$ 376,362,092</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, 2013**

Schedule 6

<u>Description</u>	<u>Total</u> <u>Appropriation</u>	<u>Prior Years</u> <u>Expenditures</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended</u> <u>Appropriation</u>
<b>Governmental Activities:</b>					
<b>General Government</b>					
4021					
8006	\$ 2,620,666	\$ 1,768,223	\$ 26,705	\$ 35,032	\$ 790,706
8060	1,144,045	808,996	52,442	-	282,607
8199	7,000,000	2,667,850	-	-	4,332,150
8226	8,869,500	8,470,655	266,143	-	132,702
8273	125,000	118,802	4,305	-	1,893
8274	406,000	377,223	-	-	28,777
8310	50,000	-	-	-	50,000
8311	490,000	463,828	-	-	26,172
8359	600,000	3,655	54,316	368,867	173,162
8361	220,000	-	-	-	220,000
8388	55,000	34,037	20,963	-	-
8412	850,000	-	503,302	-	346,698
8451	200,000	-	25,638	184,500	(10,138)
9001	91,069,111	79,069,111	12,000,000	-	-
9418	909,600	838,917	207	-	70,476
9648 **	7,389,082	5,811,201	334,762	18,805	1,224,314
9921	1,153,470	903,013	58,732	-	191,725
9954	4,299,101	3,314,776	516,931	-	467,394
9957	202,482	-	-	-	202,482
Total	127,653,057	104,650,287	13,864,446	607,204	8,531,120
<b>Public Safety</b>					
4031					
8003	6,177,415	2,160,924	2,139,581	1,714,388	162,522
8163	3,800,000	845,590	267,017	189,991	2,497,402
8264	20,784,468	3,051,145	2,013,609	15,175,034	544,680
8391	110,200	-	6,435	55,955	47,810
8445	63,000	-	15,603	-	47,397
9022	1,099,800	623,850	47,184	-	428,766
Total	32,034,883	6,681,509	4,489,429	17,135,368	3,728,577
<b>Highways &amp; Streets</b>					
4041					
8065	987,568	824,366	163,202	-	-
8184	174,090	135,964	-	38,126	-
8283	146,998	133,668	11,090	2,039	201
8308	20,000	-	-	-	20,000
8321	3,050,000	47,878	-	-	3,002,122
8353	3,700,000	80	-	-	3,699,920
8381	1,923,000	1,820,447	18,562	-	83,991
8382	4,771,270	4,632,095	635	-	138,540
8406	1,412,628	195,795	1,076,523	-	140,310
8407	1,173,196	1,048,407	-	-	124,789
8408	1,984,531	70,052	1,780,591	-	133,888
8409	5,261,001	1,849,467	3,236,474	-	175,060
8438	36,000	-	-	-	36,000
8440	10,545,000	-	2,759,928	2,973,271	4,811,801
8441	1,500,000	-	-	-	1,500,000
9604	50,000	3,102	-	-	46,898
9674	1,175,585	970,338	-	-	205,247
9847	1,740,207	1,645,531	(88,761)	2,314	181,123
9877	171,686	71,686	-	-	100,000
Total	39,822,760	13,448,876	8,958,244	3,015,750	14,399,890
<b>Bridges</b>					
4043					
8032	790,300	36,215	-	-	754,085
8071	329,561	301,488	-	-	28,073
8239	900,825	42,551	756,168	23,086	79,020
8240	940,656	110,261	806,909	-	23,486
8322	902,000	-	-	-	902,000
8323	947,000	-	-	-	947,000

**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, 2013**

Schedule 6

	<b>Description</b>	<b>Total Appropriation</b>	<b>Prior Years Expenditures</b>	<b>Current Year Expenditures</b>	<b>Encumbered</b>	<b>Unexpended Appropriation</b>
8332	Hughes Shop over Bear Branch	\$ 1,428,000	\$ -	\$ -	\$ -	\$ 1,428,000
8383	Bixler's Church Rd/Big Pipe Cr	721,000	7,384	3,101	-	710,515
8384	Shepard Mill/Little Pipe Crk	3,990,400	9,050	1,592	-	3,979,758
8385	White Rock Rd/Piney Run	943,000	7,667	995	-	934,338
9684	Bridge Inspection & Inventory	316,005	247,267	1,197	44,067	23,474
9686	Clean & Paint Structural Steel	867,350	622,277	-	17,719	227,354
9882	Bridge Maint/Structural Repair	512,000	328,382	-	-	183,618
9916	Saw Mill Rd Bridge/Bear Run	745,758	281,491	-	-	464,267
	Total	<u>14,333,855</u>	<u>1,994,033</u>	<u>1,569,962</u>	<u>84,872</u>	<u>10,684,988</u>
<u>4045</u>	<u>Buildings</u>					
9956 **	Fleet-Lifts Replacements	488,915	337,768	12,249	126,290	12,608
	Total	<u>488,915</u>	<u>337,768</u>	<u>12,249</u>	<u>126,290</u>	<u>12,608</u>
<u>4049</u>	<u>General Public Works</u>					
9902	Public Works-Unallocated	260,549	-	-	-	260,549
	Total	<u>260,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,549</u>
<u>4061</u>	<u>Board of Education</u>					
8041	School Surveillance	692,446	97,446	-	-	595,000
8089	Vo-Tech Students-Capital-0801	220,457	65,291	-	-	155,166
8133	Manchester Valley High School	70,685,300	68,299,510	746,762	-	1,639,028
8191	Full Day K-State Plan Approvl	697,916	571,571	-	-	126,345
8288	Freedom Ele Kindergarten Add	2,162,332	1,800,993	608	-	360,731
8289	SC High School Fine Arts Add	17,815,941	15,590,170	373,133	-	1,852,638
8290	Westminster HS HVAC Replace	11,880,118	9,639,320	244,249	-	1,996,549
8292	Open Space Classroom Enclosure	8,000,000	5,889,717	(834,921)	-	2,945,204
8325	William Win Elem Kinder Additi	2,430,997	1,341,220	(88)	-	1,089,865
8326	Winfield Elem Kindergarten Add	1,301,000	867,919	394	-	432,687
8348	Mt. Airy Middle School	19,905,740	8,596,538	7,703,245	-	3,605,957
8349	Full Day K-Robert Moton ES	1,871,420	1,446,673	17,305	-	407,442
8350	Hampstead ES-HVAC Replace	1,478,559	1,370,287	29,358	-	78,914
8351	Hampstead ES Roof Replace	787,000	56,792	280,515	-	449,693
8377	Charles Carroll Ele Heat Plant	200,000	49,576	30,111	-	120,313
8378	Freedom Elem Roof Replacement	780,000	16,111	216,346	-	547,543
8379	BOE - Rood Replacements	118,000	-	-	-	118,000
8404	Freedom ES Heat Plant Convrnsn	1,462,000	56,893	405,221	-	999,886
8405	William Winchester ES Roof Rpl	543,000	11,012	195,512	-	336,476
8424	West Middle Roof Replacement	235,000	10,359	462,569	-	(237,928)
9554	Handicapped Accessibility	1,504,684	1,321,805	-	-	182,879
9745	Relocatables	5,447,376	5,407,627	-	-	39,749
9746	BOE-General Roofing Improvements	1,547,936	1,070,804	120,622	-	356,510
9748	Paving	4,122,241	2,962,564	13,773	-	1,145,904
9792	Technology Improvements	6,842,105	5,544,312	441,608	-	856,185
9850	School Construction-General	2,300,000	-	(283,282)	-	2,583,282
9885	Winters Mill High School	25,252,267	25,165,238	-	-	87,029
9973	NC Middle School Renovations	11,130,621	10,955,969	-	-	174,652
9974	HVAC-Improvement & Replacement	169,187	-	-	-	169,187
	Total	<u>201,583,643</u>	<u>168,205,717</u>	<u>10,163,040</u>	<u>-</u>	<u>23,214,886</u>
<u>4062</u>	<u>Community College</u>					
9782	Comm Coll-Technology	5,950,600	4,241,163	394,843	-	1,314,594
	Total	<u>5,950,600</u>	<u>4,241,163</u>	<u>394,843</u>	<u>-</u>	<u>1,314,594</u>
<u>4071</u>	<u>Recreation &amp; Parks</u>					
8121	Leister Park	1,875,298	289,942	664,442	691,309	229,605
8169	Barkhill Ballfields	456,000	408,457	2,480	-	45,063
8175	Westminster Veterans Mem Park	1,357,596	1,207,596	-	121,940	28,060
8232	Park Restoration Fund	567,485	431,062	88,194	24,028	24,201
8282	Westminster Comm Pond Renovate	392,300	198,739	-	-	193,561
8315	Program Open Space Unallocated	780,725	-	-	-	780,725

**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, 2013**

Schedule 6

	<b>Description</b>	<b>Total Appropriation</b>	<b>Prior Years Expenditures</b>	<b>Current Year Expenditures</b>	<b>Encumbered</b>	<b>Unexpended Appropriation</b>
8330	Bennett Cerf Park Revitalize	\$ 279,951	\$ 202,903	\$ 20,851	\$ -	\$ 56,197
8410 *	Landon C Burns Connector Trail	97,200	89,011	8,189	-	-
8411	Westminster Community Trail	150,000	18,333	113,563	-	18,104
8442	Farm Museum - Boundary Fencing	67,500	-	36,330	-	31,170
8443	Sports Compelx-Fencing	130,000	-	63,880	-	66,120
9139	Recs & Parks/Local-Unallocated	24,399	-	-	-	24,399
9736	Town Fund	361,636	286,377	5,413	-	69,846
9925 **	Tot Lot Replacement	260,238	253,848	-	-	6,390
9926	Krimgold Park	5,459,633	1,310,892	756,386	3,154,888	237,467
	Total	<u>12,259,961</u>	<u>4,697,160</u>	<u>1,759,728</u>	<u>3,992,165</u>	<u>1,810,908</u>
<u>4072</u>	<u>Farm Museum</u>					
8386	Farm Museum FH Electric Upgrde	125,000	67,641	14,402	6,400	36,557
	Total	<u>125,000</u>	<u>67,641</u>	<u>14,402</u>	<u>6,400</u>	<u>36,557</u>
<u>4076</u>	<u>Self-Help Projects</u>					
8365	Springfld Cmplx Ballfld Renovn	14,345	10,668	-	3,600	77
8368	Westmnstr Lacrosse Goals/Equip	4,684	2,140	-	-	2,544
8394	Freedom/Sprgfld Plyr Bench SH	2,172	-	2,172	-	-
8399	Bark Hill Prk Storage Shed SH	4,597	3,978	619	-	-
8416	Christmas Tree Prk Fld SH	4,062	-	1,522	-	2,540
8417	Cranberry Stn/Winters Mill SH	5,321	2,091	3,230	-	-
8426	Hodges/Eldbg Elem Ballfld Mix	8,540	-	-	8,400	140
8433	Mayeski Park #4 Backstop	1,442	-	-	-	1,442
8446	Charles Car Storage/Ball Mix	5,212	1,291	-	-	3,921
8447	N. Carroll Bat Cage/Bleachers	5,100	-	-	-	5,100
8448	Ballfield Mix-Kate Wagner	3,025	670	-	-	2,355
8449	Practice Wall - CHS/Linton Spr	13,900	-	13,209	-	691
8450	Salt Box Park - Ballfield Mix	2,220	-	560	-	1,660
8452	Arts Cnsl Paint Arts Center SH	12,500	-	12,500	-	-
8453	Deer Prk Concession Roof Rp	4,500	-	-	4,500	-
8454 **	Deer Park Electronic Scrbrd SH	7,216	-	7,216	-	-
8455	Sandymount Field #2 SH	4,300	-	4,300	-	-
8456	Deer Park Batting Cage SH	1,556	-	1,556	-	-
8457	Deer Park Soccer Goals SH	3,805	-	3,805	-	-
8458	Sandymount Park Imprvmnts SH	3,435	-	-	-	3,435
8459 **	Deer Park Storage Shed SH	6,000	-	6,000	-	-
8460	Charles Carroll Ball Fld Mix	4,340	-	2,951	569	820
8461	Piney Run Ford Restoration	2,450	-	1,980	-	470
8462	SC Sr Sntr Gym Window Tint	2,950	-	2,950	-	-
8463	Christmas Tree Prk BallFld Mix	8,250	-	6,916	-	1,334
8464	UB Com Ctr Scoreboard SH	4,583	-	3,588	-	995
8465	Winters Mill Wrestling Mat SH	7,000	-	7,000	-	-
8466	Ball Field Mix Multiple Loc SH	5,976	-	-	-	5,976
8467	Uniontown Jaycee Prk BIFld Mix	5,000	-	2,287	2,512	201
8468 **	Mayeski Park Backstop Fence SH	6,521	-	6,521	-	-
8469	Soccer Goal Transprt Whls SH	1,181	-	1,181	-	-
8470	Chrls Car Pitch Mac/Nets SH	6,328	-	-	-	6,328
8471	Mayeski Park Soccer GlS SH	4,350	-	3,444	-	906
8472	Mayeski Park Ball Fld Mix SH	5,700	-	-	5,700	-
8473	Salt Box Fld Mix/Retn Wall SH	2,244	-	1,091	-	1,153
9735	Community Self Help	526	-	-	-	526
9785	Foot Bridge Piney Run Park	4,000	3,313	687	-	-
	Total	<u>189,331</u>	<u>24,151</u>	<u>97,285</u>	<u>25,281</u>	<u>42,614</u>
<u>4081</u>	<u>Library/Senior Centers</u>					
8444	Library-Westminster Improvmnts	36,000	-	36,000	-	-
9822	Library-Technology Improvemnts	2,515,900	2,230,834	-	-	285,066
	Total	<u>2,551,900</u>	<u>2,230,834</u>	<u>36,000</u>	<u>-</u>	<u>285,066</u>
<u>4091</u>	<u>Conservation &amp; Open Space</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, 2013**

Schedule 6

	<u>Description</u>	<u>Total</u> <u>Appropriation</u>	<u>Prior Years</u> <u>Expenditures</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended</u> <u>Appropriation</u>
9002	Land Bank	\$ 22,063,303	\$ 15,407,444	\$ -	\$ -	\$ 6,655,859
9007	Ag Land Preservation	142,548,698	121,460,217	1,842,517	-	19,245,964
9702	Traffic Impact Studies/Develop	126,332	114,829	5,700	-	5,803
9851	Rural Legacy-Easement Purchase	20,350,889	19,499,375	161,145	-	690,369
	Total	<u>185,089,222</u>	<u>156,481,865</u>	<u>2,009,362</u>	-	<u>26,597,995</u>
<u>4092</u>	<u>Water Resources</u>					
8294	Reservoir Development	16,801,649	8,739,030	27,175	282,337	7,753,107
8295	Storm Water Facility Maint	3,035,000	2,511,046	93,518	61,097	369,339
8328	Environmental Compliance	1,054,500	140,171	47,850	-	866,479
9920	Watershed Assessment & Improve	12,694,098	2,774,559	2,108,752	387,601	7,423,186
	Total	<u>33,585,247</u>	<u>14,164,806</u>	<u>2,277,295</u>	<u>731,035</u>	<u>16,412,111</u>
	<b>Total Governmental Activities</b>	<u><u>655,928,923</u></u>	<u><u>477,225,810</u></u>	<u><u>45,646,285</u></u>	<u><u>25,724,365</u></u>	<u><u>107,332,463</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, 2013**

Schedule 6

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
<b>Business-type Activities</b>					
<b>Bureau of Utilities</b>					
6030 W/S 341 Oak Creek Phase I	\$ -	\$ -	\$ -	\$ 7,878	\$ (7,878)
6311 Water & Sewer Meters	1,934,962	1,502,350	337,080	-	95,532
6332 Tank Painting	697,182	186,734	-	-	510,448
6344 HWWTP-Effluent Chillers	2,436,967	515,790	-	-	1,921,177
6358 8-12-16 Mains/Hydraulic Loop	634,221	-	-	-	634,221
6359 Hydrant Replacement	1,156,350	960,868	118,612	-	76,870
6371 * Piney Run WWPS Renovation	2,694,993	2,694,993	-	-	-
6378 Relief Sewer No. 6	957,000	284,317	19,353	-	653,330
6382 Relief Sewer No. 10	36,000	-	-	-	36,000
6385 Sewer Study Update	365,000	187,647	-	-	177,353
6388 Pleasant Valley Backup Well 04	280,993	-	-	-	280,993
6390 Sykesville Eleva W/Tank #6 04	62,000	-	-	-	62,000
6398 * Gravity Main to North Station	492,132	490,532	1,600	-	-
6403 Sanitary Sewer Manhole Rehab	1,128,800	701,431	-	-	427,369
6409 FD Looping Monroe (Okla-Benn)	74,800	-	-	-	74,800
6413 Hampstead Sludge Tank Renovate	828,200	138,392	-	-	689,808
6414 Meter Vault Replacement	145,948	141,347	4,601	-	-
6418 North Pump Station Wet Well	182,000	-	17,978	-	164,022
6419 Freedom Waste Water TP-ENR	5,300,000	-	147,337	-	5,152,663
6421 Sanitary Sewer Main Lining	1,026,201	569,805	102,843	-	353,553
6425 Water Main Loops FY12	399,000	-	-	-	399,000
Total	<u>20,832,749</u>	<u>8,374,206</u>	<u>749,404</u>	<u>7,878</u>	<u>11,701,261</u>
<b>Solid Waste</b>					
6520 Hoods Mill Remediation	934,625	871,608	19,333	10,076	33,608
6521 Northern Landfill Remediation	904,000	654,091	164,502	2,101	83,306
6528 John Owings LF Remediation	800,000	415,928	116,855	120,355	146,862
6532 Closed Landfill Remediation	100,000	17,592	24,590	314	57,504
6534 Nrthn Landfill-Cap Cells 1&2	300,000	-	-	-	300,000
6535 Northern Landfill Office	322,000	-	4,833	193,923	123,244
Total	<u>3,360,625</u>	<u>1,959,219</u>	<u>330,113</u>	<u>326,769</u>	<u>744,524</u>
<b>Septage</b>					
6704 Westminster Sept Screen/Grit	160,000	-	10,488	-	149,512
Total	<u>160,000</u>	<u>-</u>	<u>10,488</u>	<u>-</u>	<u>149,512</u>
<b>Airport</b>					
6814 Runway Expansion	1,180,919	1,177,469	3,450	-	-
6818 Grounds & Facility Impr (9541)	265,180	188,827	1,988	-	74,365
6821 Airport Runway Extension	2,000,000	-	-	-	2,000,000
Total	<u>3,446,099</u>	<u>1,366,296</u>	<u>5,438</u>	<u>-</u>	<u>2,074,365</u>
<b>Total Business-type Activities</b>	<u><u>\$ 27,799,473</u></u>	<u><u>\$ 11,699,721</u></u>	<u><u>\$ 1,095,443</u></u>	<u><u>\$ 334,647</u></u>	<u><u>\$ 14,669,662</u></u>

\* Completed CIP projects put into service during FY13

\*\* Partially completed CIP projects put into service during FY13



THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 7

Westminster, Maryland

Schedule of Investments for

Governmental Activities, Business Activities, and Trust Funds

June 30, 2013

	Length (in Days)	Maturity Date	Rate (%)	Market Value	Totals
<b>GOVERNMENTAL ACTIVITIES</b>					
Federal Home Loan Bank	720	26-Dec-14	0.32	\$ 5,000,800	
Federal Home Loan Bank	720	16-Jan-15	0.30	4,998,500	
Federal Home Loan Bank	720	23-Jan-15	0.32	4,999,250	
Federal Home Loan Bank	720	11-Mar-15	0.31	4,987,150	
Federal Home Loan Bank	720	15-Mar-15	0.35	7,995,680	
Federal Home Loan Bank	720	24-Jun-15	0.35	9,978,600	
Federal Home Loan Bank	720	24-Jun-15	0.35	4,992,350	
Federal Home Loan Mortgage Corporation	720	26-Nov-14	0.35	5,000,050	
Federal Home Loan Mortgage Corporation	720	26-Nov-14	0.35	5,000,050	
Federal Home Loan Mortgage Corporation	720	26-Jun-15	0.45	4,998,300	
Federal Farm Credit Bank	720	13-Aug-14	0.30	4,987,600	
Federal Farm Credit Bank	720	21-Nov-14	0.28	4,996,150	
Treasury Bonds	20 yrs	15-Nov-21	5.66	246,461	
Treasury Bonds	20 yrs	15-Aug-22	5.69	159,621	
Treasury Bonds	20 yrs	15-Aug-22	5.44	239,785	
Treasury Bonds	20 yrs	15-Nov-22	5.05	288,518	
Treasury Bonds	20 yrs	15-Aug-23	5.05	106,009	
Treasury Bonds	20 yrs	15-Nov-24	4.86	2,100,112	
Treasury Bonds	20 yrs	15-Aug-25	4.75	1,291,556	
Treasury Bonds	20 yrs	15-Nov-26	4.93	1,817,276	
Treasury Bonds	20 yrs	15-Feb-27	4.72	1,139,248	
Treasury Bonds	20 yrs	15-Aug-29	4.36	2,342,596	
Treasury Strips	20 yrs	15-Nov-21	5.83	62,446	
Treasury Strips	20 yrs	15-Aug-22	5.92	27,890	
Treasury Strips	20 yrs	15-Aug-22	5.78	50,451	
Treasury Strips	20 yrs	15-Nov-22	5.39	79,631	
Treasury Strips	20 yrs	15-Aug-23	5.42	16,013	
Treasury Strips	20 yrs	15-Nov-24	5.12	549,560	
Treasury Strips	20 yrs	15-Nov-25	4.76	305,010	
Treasury Strips	20 yrs	15-Nov-26	4.95	192,837	
Treasury Strips	20 yrs	15-Feb-27	4.73	129,600	
Treasury Strips	8 yrs	15-May-17	3.15	1,153,224	
Treasury Strips	20 yrs	15-May-24	4.39	630,581	
Treasury Strips	20 yrs	15-May-29	4.42	63,185	
Treasury Strips	20 yrs	15-Feb-30	4.76	743,549	
Treasury Strips	20 yrs	15-Feb-30	4.61	148,246	
Treasury Strips	20 yrs	15-Aug-29	4.55	443,166	
Treasury Strips	20 yrs	15-Nov-29	4.76	367,376	
Treasury Strips	20 yrs	15-May-30	4.11	1,067,926	
Treasury Strips	20 yrs	15-Aug-30	3.90	1,222,418	
Treasury Strips	20 yrs	15-Nov-30	4.44	1,478,952	
Treasury Strips	20 yrs	15-May-31	4.46	1,500,597	
Treasury Strips	20 yrs	15-May-31	4.33	1,895,137	
Treasury Strips	20 yrs	15-Nov-32	2.91	224,787	
State and Local Government Series	15 yrs	15-May-24	---	51,000	
Maryland Local Government Investment Pool	---	---	0.20	9,460,063	
Branch Banking & Trust-Money Rate Savings	---	---	0.25	108,021,883	\$ 207,551,190
<b>TRUST FUNDS</b>					
<u>Pension</u>					
M&T Employee Pension Account				45,982,442	
<u>Other postemployment benefits (OPEB)</u>					
Maryland Local Government Investment Pool-OPEB				1,330,733	
M&T Master OPEB Investment Trust				35,484,611	
<u>LOSAP</u>					
M&T LOSAP account				7,587,860	
<u>Law Officer's Pension</u>					
M&T Law Officer's Pension Account				5,396,936	95,782,582
<b>TOTAL</b>					<u><u>\$ 303,333,772</u></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Schedule of Long-Term Indebtedness**  
**June 30, 2013**

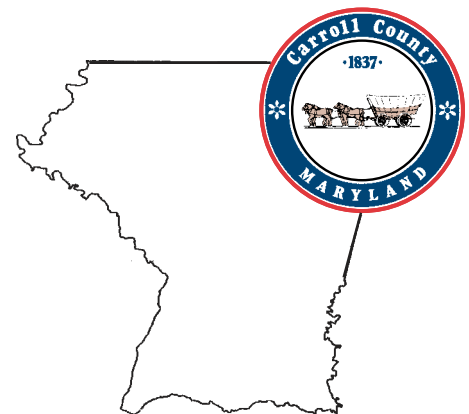
	Amount Outstanding 7/1/12	New Debt Activity	Principal Payments For Year 2013	Amount Outstanding June 30, 2013	Interest Payments For Year 2013
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
General Obligation Bonds - 2002	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -	\$ 22,000
General Obligation Refunding Bonds-Aug. 2003	1,090,887	-	545,444	545,443	40,909
General Obligation Bonds - 2003	1,032,723	-	505,823	526,900	25,481
Volunteer Fire Dept. Project - 2003	1,095,000	-	140,000	955,000	36,502
General Obligation Refunding Bonds-Feb 2004	19,625,320	-	3,169,307	16,456,013	627,191
General Obligation Bonds - July 2004	4,393,769	-	1,464,590	2,929,179	136,939
General Obligation Bonds - Taxable Pension 2004	6,815,000	-	855,000	5,960,000	339,367
Volunteer Fire Dept. Project - 2004	1,252,205	-	135,271	1,116,934	48,923
General Obligation Bonds- 2005	18,923,730	-	12,435,877	6,487,853	302,633
Volunteer Fire Dept. Project- 2005	1,730,000	-	195,000	1,535,000	67,675
General Obligation Bonds-2006	13,493,592	-	8,095,175	5,398,417	377,840
General Obligation Refunding Bonds- Jan 2007	18,888,517	-	884,493	18,004,024	836,634
General Obligation Bonds-2007	14,851,221	-	1,407,194	13,444,027	601,582
General Obligation Refunding Bonds-Nov 2007	5,345,000	-	500,000	4,845,000	217,375
General Obligation Bonds-Nov 2008	68,987,033	-	3,209,483	65,777,550	3,100,299
General Obligation Bonds-Nov 2009 Series A	19,310,271	-	2,106,840	17,203,431	723,142
General Obligation Refunding Bonds-Nov 2009 Series A	3,763,887	-	2,081,840	1,682,047	113,355
General Obligation Bonds-Nov 2009 Series B	33,577,761	-	-	33,577,761	1,734,776
General Obligation Refunding Bonds-Oct 2010 Series A	10,362,244	-	1,810,541	8,551,703	189,139
General Obligation Refunding Bonds-Oct 2010 Series B	1,780,000	-	315,000	1,465,000	32,450
General Obligation Bonds-Oct 2010 Series C	780,006	-	780,006	-	7,800
General Obligation Bonds-Oct 2010 Series D	19,649,128	-	-	19,649,128	706,083
General Obligation Refunding Bonds-Nov 2011	9,873,957	-	-	9,873,957	420,043
General Obligation Bonds-2011	18,750,000	-	695,000	18,055,000	688,150
General Obligation Refunding Bonds-2012	-	16,220,345	-	16,220,345	303,234
General Obligation Bonds-2012	-	21,460,000	-	21,460,000	312,603
<b>Total General Obligation Bonds</b>	<b>296,471,251</b>	<b>37,680,345</b>	<b>42,431,884</b>	<b>291,719,712</b>	<b>12,012,125</b>
<b>Farmers Home Administration</b>					
Federal Loan - 1972	281,943	-	22,953	258,990	9,874
Federal Loan - 1974	121,103	-	7,704	113,399	4,419
Federal Loan - 1979	402,092	-	15,052	387,040	14,672
<b>Total Farmers Home Administration</b>	<b>805,138</b>	<b>-</b>	<b>45,709</b>	<b>759,429</b>	<b>28,965</b>
<b>General Obligation Debt</b>					
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	62,012
Installment Purchase Agreements FY 2007	2,584,000	-	-	2,584,000	136,980
Installment Purchase Agreements FY 2009	2,215,126	-	-	2,215,126	132,908
Installment Purchase Agreements FY 2010	4,662,430	-	-	4,662,430	236,297
Installment Purchase Agreements FY 2011	13,115,500	-	-	13,115,500	786,930
Installment Purchase Agreements FY 2013	-	445,320	-	445,320	11,690
<b>Total General Obligation Debt</b>	<b>27,129,920</b>	<b>445,320</b>	<b>-</b>	<b>27,575,240</b>	<b>1,527,245</b>
<b>Purchase Agreements</b>					
Johnson Controls/Suntrust	1,919,819	-	185,607	1,734,212	77,694
<b>Total Purchase Agreements</b>	<b>1,919,819</b>	<b>-</b>	<b>185,607</b>	<b>1,734,212</b>	<b>77,694</b>
<b>Total Governmental Activities</b>	<b>\$ 326,326,128</b>	<b>\$ 38,125,665</b>	<b>\$ 42,663,200</b>	<b>\$ 321,788,593</b>	<b>\$ 13,646,029</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Schedule of Long-Term Indebtedness**  
**June 30, 2013**

	Amount Outstanding 7/1/12	New Debt Activity	Principal Payments For Year 2013	Amount Outstanding June 30, 2013	Interest Payments For Year 2013
<b>Business-Type Activities</b>					
<b>General Obligation Bonds</b>					
Bureau of Utilities					
General Obligation Bonds - 2003	\$ 134,526	\$ -	\$ 65,890	\$ 68,636	\$ 3,319
General Obligation Refunding Bonds-Feb 2004	1,324,901	-	213,960	1,110,941	42,341
General Obligation Bonds - July 2004	75,605	-	25,202	50,403	2,356
General Obligation Bonds - 2005	181,399	-	120,884	60,515	30,314
General Obligation Bonds - 2006	144,522	-	86,703	57,819	24,011
General Obligation Refunding Bonds-Jan 2007	173,266	-	8,113	165,153	7,675
General Obligation Bonds- 2007	6,891,040	-	627,490	6,263,550	278,895
General Obligation Bonds- 2008	7,304,233	-	322,633	6,981,600	329,097
General Obligation Bonds- 2009 Series A	616,885	-	67,305	549,580	23,101
General Obligation Bonds- 2009 Series B	1,072,240	-	-	1,072,240	55,397
General Obligation Bonds- 2010 Series A	5,290	-	925	4,365	97
General Obligation Bonds- 2010 Series D	13,742	-	-	13,742	494
General Obligation Refunding Bonds-Nov 2011	484,428	-	-	484,428	21,038
General Obligation Refunding Bonds-Nov 2012	-	198,550	-	198,550	3,756
Solid Waste Fund					
General Obligation Refunding Bonds-Aug. 2003	139,113	-	69,556	69,557	5,217
General Obligation Refunding Bonds-Feb 2004	614,176	-	99,184	514,992	19,628
General Obligation Bonds - July 2004	489,223	-	163,074	326,149	15,247
General Obligation Refunding Bonds- Jan 2007	281,834	-	13,197	268,637	12,483
General Obligation Bonds- 2007	442,739	-	40,315	402,424	17,918
General Obligation Bonds- 2008	278,733	-	17,883	260,850	12,285
General Obligation Bonds- 2009 Series A	7,844	-	856	6,988	294
General Obligation Refunding Bonds- 2009 Series A	96,114	-	53,161	42,953	2,895
General Obligation Refunding Bonds- 2010 Series C	134,994	-	134,994	-	1,350
General Obligation Refunding Bonds-Nov 2011	789,646	-	-	789,646	33,168
Airport Fund					
General Obligation Bonds - 2001	1,100,000	-	110,000	990,000	46,117
General Obligation Bonds - 2003	57,751	-	28,286	29,465	1,425
General Obligation Refunding Bonds-Feb 2004	170,604	-	27,551	143,053	5,452
General Obligation Bonds - July 2004	81,403	-	27,134	54,269	2,537
General Obligation Bonds- 2005	34,871	-	23,238	11,633	5,827
General Obligation Refunding Bonds-2007	196,383	-	9,197	187,186	8,698
General Obligation Refunding Bonds-2010 Series A	77,466	-	13,535	63,931	1,414
General Obligation Refunding Bonds-2010 Series D	27,130	-	-	27,130	975
General Obligation Refunding Bonds-Nov 2011	286,966	-	-	286,966	12,350
General Obligation Refunding Bonds-Nov 2012	-	18,716	-	18,716	337
Septage Fund					
General Obligation Bonds - 2006	121,886	-	73,123	48,763	20,719
General Obligation Refunding Bonds- Nov 2012	-	62,391	-	62,391	1,234
Total General Obligation Bonds	<u>23,850,953</u>	<u>279,657</u>	<u>2,443,389</u>	<u>21,687,221</u>	<u>1,049,461</u>
<b>Notes Payable- Bureau of Utilities</b>					
Water Quality Loan - Maryland Department of the Environment - 2000	271,865	-	27,201	244,664	12,224
Total Notes Payable	<u>271,865</u>	<u>-</u>	<u>27,201</u>	<u>244,664</u>	<u>12,224</u>
Total Business-type Activities	<u>\$ 24,122,818</u>	<u>\$ 279,657</u>	<u>\$ 2,470,590</u>	<u>\$ 21,931,885</u>	<u>\$ 1,061,685</u>



# Statistical Section





Celebrating The Maryland Wine Festival's 20th Anniversary in 2003.  
Artist: Darlene Jones & Patty James

**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.

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**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. .... 154-163

**Revenue Capacity**

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 164-166

**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. .... 167-170

**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. .... 171-172

**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. .... 173-182

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 211,465,620	\$ 215,928,941	\$ 224,468,499	\$ 249,331,687	\$ 269,641,878
Restricted	8,354,576	6,438,836	6,438,332	7,402,357	8,561,570
Unrestricted	(50,148,292)	(45,963,471)	(51,077,932)	(45,926,141)	(7,378,808)
<i>Total Governmental Activities Net Position</i>	<u>169,671,904</u>	<u>176,404,306</u>	<u>179,828,899</u>	<u>210,807,903</u>	<u>270,824,640</u>
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	103,109,748	102,205,828	104,568,783	93,558,513	95,654,846
Restricted	17,019,197	12,503,774	370,116	1,308,820	9,435,295
Unrestricted	(4,118,863)	(3,535,427)	5,063,524	4,257,842	(5,246,129)
<i>Total Business-Type Activities Net Position</i>	<u>116,010,082</u>	<u>111,174,175</u>	<u>110,002,423</u>	<u>99,125,175</u>	<u>99,844,012</u>
Primary government					
Net invested in capital assets	314,575,368	318,134,769	329,037,282	342,890,200	365,296,724
Restricted	25,373,773	18,942,610	6,808,448	8,711,177	17,996,865
Unrestricted	(54,267,155)	(49,498,898)	(46,014,408)	(41,668,299)	(12,624,937)
<i>Total Primary Government Net Position</i>	<u>\$ 285,681,986</u>	<u>\$ 287,578,481</u>	<u>\$ 289,831,322</u>	<u>\$ 309,933,078</u>	<u>\$ 370,668,652</u>

Fiscal years 2004 – 2005 were reclassified to show the correct classification of net position.

Fiscal year 2005 was restated to reflect recognition of retroactive infrastructure.

Fiscal years 2008-2012 were reclassified per GASB standards.

Fiscal year 2012 was restated to reflect unearned revenue.

Source: Carroll County Department of the Comptroller.



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

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

	<u>2008</u>		<u>2007</u>		<u>2006</u>		<u>2005</u>		<u>2004</u>
\$	255,882,342	\$	270,193,492	\$	279,457,684	\$	293,878,857	\$	99,396,330
	13,278,406		21,321,426		21,667,901		14,091,970		14,534,627
	84,677,964		70,332,171		57,753,704		23,949,365		(1,601,245)
	<u>353,838,712</u>		<u>361,847,089</u>		<u>358,879,289</u>		<u>331,920,192</u>		<u>112,329,712</u>
	82,575,108		78,066,986		64,416,046		69,310,436		60,863,614
	6,788,158		7,077,515		12,111,572		12,439,395		8,631,616
	<u>6,594,607</u>		<u>6,918,217</u>		<u>3,660,752</u>		<u>(5,209,355)</u>		<u>655,260</u>
	<u>95,957,873</u>		<u>92,062,718</u>		<u>80,188,370</u>		<u>76,540,476</u>		<u>70,150,490</u>
	338,457,450		348,260,478		343,873,730		363,189,293		160,259,944
	20,066,564		28,398,941		33,779,473		26,531,365		23,166,243
	<u>91,272,571</u>		<u>77,250,388</u>		<u>55,150,087</u>		<u>18,740,010</u>		<u>(945,985)</u>
\$	<u><u>449,796,585</u></u>	\$	<u><u>453,909,807</u></u>	\$	<u><u>432,803,290</u></u>	\$	<u><u>408,460,668</u></u>	\$	<u><u>182,480,202</u></u>

Table 2

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Westminster, Maryland  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 74,177,030	\$ 75,568,819	\$ 89,394,541	\$ 79,073,880	\$ 74,296,486	\$ 70,411,246	\$ 63,412,621	\$ 56,180,288	\$ 67,923,735	\$ 64,812,090
Public safety	36,029,829	37,356,463	37,244,642	37,798,060	38,658,117	35,583,985	28,609,006	27,078,499	24,593,665	23,782,605
Public works	29,857,345	28,764,355	29,582,890	33,974,607	30,238,005	30,496,143	20,775,987	28,093,744	13,108,072	17,945,492
Health	4,546,895	4,666,495	4,939,762	4,963,980	4,868,271	4,454,550	4,397,039	4,310,828	4,040,821	3,876,743
Social services	1,208,120	1,204,489	1,249,949	1,418,139	1,346,366	1,228,095	1,131,873	1,099,690	1,049,646	1,063,896
Education	192,972,220	186,244,744	185,038,583	209,838,466	219,824,282	188,609,030	168,198,541	152,201,781	144,886,450	140,695,342
Recreation and parks	3,208,030	3,418,694	3,257,483	4,143,870	2,606,230	2,596,212	2,772,654	2,005,587	2,195,996	2,399,444
Libraries	13,150,071	11,540,245	11,277,792	9,971,261	7,740,076	9,269,078	7,511,036	6,293,406	6,293,406	5,265,679
Conservation of natural resources	5,116,229	4,701,163	20,163,969	14,288,096	29,125,383	17,487,058	16,711,700	13,395,013	10,994,208	5,985,065
Economic development	4,572,817	2,239,352	5,370,598	6,018,687	5,988,296	4,715,075	3,076,751	2,058,988	2,195,167	886,661
Interest on long-term debt	12,347,384	13,401,465	12,522,525	12,553,680	10,282,801	8,963,131	8,984,385	8,700,181	8,498,183	7,377,968
<b>Total Governmental Activities Expenses</b>	<b>377,185,970</b>	<b>369,106,284</b>	<b>400,042,734</b>	<b>414,042,726</b>	<b>424,974,313</b>	<b>373,813,603</b>	<b>325,581,593</b>	<b>301,936,686</b>	<b>285,779,349</b>	<b>274,090,985</b>
Business-Type Activities:										
Bureau of Utilities	10,801,048	11,090,468	11,890,461	10,489,645	8,169,257	10,056,546	7,849,747	7,510,988	10,486,631	6,184,846
Solid Waste	12,108,283	8,727,891	8,830,209	8,961,015	7,487,843	7,648,918	7,935,237	7,480,908	6,947,808	6,827,590
Airport	689,380	1,769,112	618,045	829,611	777,692	3,097,618	2,086,621	2,235,048	1,991,862	1,084,862
Septage	489,064	532,369	475,718	474,195	388,398	395,824	402,898	364,010	333,229	437,397
Firearms	97,706	92,935	79,627	76,281	77,475	74,497	58,238	60,267	62,524	50,670
Fiber Network	733,785	540,436	215,017	-	-	-	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>24,919,266</b>	<b>22,753,211</b>	<b>22,109,077</b>	<b>20,830,747</b>	<b>16,900,665</b>	<b>21,273,403</b>	<b>18,332,741</b>	<b>17,651,221</b>	<b>19,822,054</b>	<b>14,585,365</b>
<b>Total Primary Government Expenses</b>	<b>\$ 402,105,236</b>	<b>\$ 391,859,495</b>	<b>\$ 422,151,811</b>	<b>\$ 434,873,473</b>	<b>\$ 441,874,978</b>	<b>\$ 395,087,006</b>	<b>\$ 343,914,334</b>	<b>\$ 319,587,907</b>	<b>\$ 305,601,403</b>	<b>\$ 288,676,350</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General government	\$ 14,820,757	\$ 7,466,568	\$ 8,361,578	\$ 7,579,919	\$ 7,483,309	\$ 10,755,039	\$ 9,364,742	\$ 6,099,868	\$ 5,718,536	\$ 6,018,327
Public safety	1,891,508	2,048,892	2,305,294	2,544,149	2,938,203	3,294,542	3,840,410	2,704,610	2,797,319	2,367,860
Public works	1,559,051	1,588,668	1,560,090	1,530,974	1,520,812	1,672,368	1,456,792	1,341,439	1,531,726	1,134,025
Health	58,946	124,065	44,320	12,190	15,541	12,492	8,155	8,111	7,981	3,840
Social services	6,600	6,600	6,600	284,014	367,238	367,238	284,564	334,806	316,333	316,332
Education	480,685	487,464	457,698	393,951	425,150	409,266	749,353	5,763,276	5,344,715	6,697,153
Recreation and parks	928,603	1,008,187	875,200	860,865	772,204	818,931	907,465	419,893	338,920	351,813
Economic development	-	-	-	-	-	-	-	10,741	49,578	53,729
Operating Grants and Contributions	16,116,178	16,372,579	17,944,093	16,201,809	14,075,463	13,824,732	12,841,014	11,833,487	11,314,222	10,678,414
Capital Grants and Contributions	3,282,495	6,177,426	10,461,443	17,297,018	3,212,403	6,797,218	7,453,139	3,022,177	5,841,273	6,937,341
<b>Total Governmental Activities Program Revenues</b>	<b>39,144,823</b>	<b>35,280,449</b>	<b>42,016,316</b>	<b>46,704,889</b>	<b>30,810,323</b>	<b>37,951,826</b>	<b>36,905,634</b>	<b>31,538,408</b>	<b>33,260,603</b>	<b>34,558,834</b>

Table 2

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-Type Activities:</b>										
Charges for Services:										
Bureau of Utilities	\$ 8,906,129	\$ 8,490,173	\$ 8,630,730	\$ 7,843,041	\$ 7,519,559	\$ 7,668,003	\$ 7,344,470	\$ 6,281,659	\$ 6,581,912	\$ 6,158,148
Solid Waste	6,801,739	7,243,944	7,307,108	5,907,344	6,534,243	6,626,896	6,609,679	6,461,528	6,078,340	6,130,517
Airport	649,572	650,660	675,683	518,581	671,258	2,222,010	1,840,449	2,041,458	1,744,414	1,016,110
Septage	710,536	682,663	608,688	603,550	449,263	387,636	536,845	482,599	388,871	453,800
Firearms	148,106	145,699	126,696	111,984	104,713	55,120	59,400	79,649	72,894	50,327
Operating Grants and Contributions	-	-	-	-	-	-	1,064,797	-	49,256	36,571
Capital Grants and Contributions	2,933,307	2,012,594	2,073,793	1,908,142	1,963,862	2,520,888	2,079,422	1,562,378	5,853,894	1,572,502
<b>Total Business-Type Activities Program Revenues</b>	<b>20,149,389</b>	<b>19,225,733</b>	<b>19,422,698</b>	<b>16,892,642</b>	<b>17,242,898</b>	<b>19,480,533</b>	<b>19,535,062</b>	<b>16,909,271</b>	<b>20,769,581</b>	<b>15,417,975</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 59,294,212</b>	<b>\$ 54,506,182</b>	<b>\$ 61,439,014</b>	<b>\$ 63,597,531</b>	<b>\$ 48,053,221</b>	<b>\$ 57,432,379</b>	<b>\$ 56,440,696</b>	<b>\$ 48,447,679</b>	<b>\$ 54,030,184</b>	<b>\$ 49,976,809</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(338,041,147)	(333,825,835)	(358,026,418)	(367,337,837)	(394,163,990)	(335,861,777)	(288,675,959)	(270,398,278)	(252,518,746)	(239,532,151)
Business-Type Activities	(4,669,877)	(3,527,478)	(2,686,379)	(3,938,105)	342,233	(1,792,850)	1,202,321	(741,950)	947,527	832,610
<b>Total Primary Government Net Expense</b>	<b>\$(342,811,024)</b>	<b>\$(337,353,313)</b>	<b>\$(360,712,797)</b>	<b>\$(371,275,942)</b>	<b>\$(393,821,757)</b>	<b>\$(337,654,627)</b>	<b>\$(287,473,638)</b>	<b>\$(271,140,228)</b>	<b>\$(251,571,219)</b>	<b>\$(238,699,541)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 199,322,443	\$ 203,601,066	\$ 208,296,512	\$ 201,573,213	\$ 189,079,529	\$ 174,354,873	\$ 158,112,936	\$ 148,644,728	\$ 134,732,896	\$ 127,322,600
Income tax	130,644,545	118,168,038	121,921,970	95,516,527	99,973,903	120,230,118	106,921,331	108,435,386	103,315,651	90,410,674
Recordation	10,021,395	8,520,674	7,612,907	9,154,578	9,220,249	14,948,705	18,902,094	22,782,302	22,207,072	19,238,898
Admission and amusement tax	288,173	296,890	379,990	246,184	335,125	386,186	405,295	393,659	451,296	428,625
Agricultural transfer tax	63,462	159,227	24,977	24,199	181,458	439,268	390,420	501,049	863,696	693,045
Hotel tax	278,906	298,498	284,602	287,850	287,495	311,049	321,676	191,117	-	-
State shared, unrestricted	620,224	620,224	724,807	1,172,339	10,300,922	11,744,961	12,729,241	12,313,362	9,936,273	7,890,085
Investment earnings and miscellaneous, unrestricted	(1,252,613)	3,048,631	782,346	2,107,298	4,563,217	8,753,090	6,622,196	6,988,995	2,662,242	1,277,769
Transfers	(8,677,790)	(4,312,006)	(12,980,697)	(2,761,088)	(2,791,980)	(3,314,850)	(8,497,061)	(2,893,223)	(3,807,258)	(2,825,581)
<b>Total Governmental Activities</b>	<b>331,308,745</b>	<b>330,401,242</b>	<b>327,047,414</b>	<b>307,321,100</b>	<b>311,149,918</b>	<b>327,853,400</b>	<b>297,908,128</b>	<b>297,357,375</b>	<b>270,361,868</b>	<b>244,436,115</b>
Business-Type Activities:										
Investment earnings and miscellaneous, unrestricted	\$ 849,378	\$ 383,547	\$ 582,930	\$ 422,785	\$ 751,926	\$ 2,279,730	\$ 2,174,966	\$ 1,496,621	\$ 1,635,201	\$ 762,279
Gain on sale of capital asset	78,616	3,677	-	35,395	-	93,425	-	-	-	-
Transfers	8,677,790	4,312,006	12,980,697	2,761,088	2,791,980	3,314,850	8,497,061	2,893,223	3,807,258	2,825,581
<b>Total Business-Type Activities</b>	<b>9,605,784</b>	<b>4,699,230</b>	<b>13,563,627</b>	<b>3,219,268</b>	<b>3,543,906</b>	<b>5,688,005</b>	<b>10,672,027</b>	<b>4,389,844</b>	<b>5,442,459</b>	<b>3,587,860</b>
<b>Total Primary Government</b>	<b>340,914,529</b>	<b>335,100,472</b>	<b>340,611,041</b>	<b>310,540,368</b>	<b>314,693,824</b>	<b>333,541,405</b>	<b>308,580,155</b>	<b>301,747,219</b>	<b>275,804,327</b>	<b>248,023,975</b>
Governmental Activities	\$ (6,732,402)	\$ (3,424,593)	\$ (30,979,004)	\$ (60,016,737)	\$ (83,014,072)	\$ (8,008,377)	\$ 9,232,169	\$ 26,959,097	\$ 17,843,122	\$ 4,903,964
Business-Type Activities	4,835,907	1,171,752	10,877,248	(718,837)	3,886,139	3,895,155	11,874,348	3,647,894	6,389,986	4,420,470
<b>Total Primary Government Change in Net Position</b>	<b>\$ (1,896,495)</b>	<b>\$ (2,252,841)</b>	<b>\$ (20,101,756)</b>	<b>\$ (60,735,574)</b>	<b>\$ (79,127,933)</b>	<b>\$ (4,113,222)</b>	<b>\$ 21,106,517</b>	<b>\$ 30,606,991</b>	<b>\$ 24,233,108</b>	<b>\$ 9,324,434</b>

Note: For comparison purposes, revenues for fiscal year 2004 was reclassified from Charges for Service to Maintenance Fee and Investment Earnings.  
Fiscal year 2011 and 2012 was restated to reflect GASB standards.  
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)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund (1)</b>										
Nonspendable	\$ 29,140,848	\$ 27,853,715	\$ 30,274,746							
Restricted	23,584,205	25,272,233	18,998,982							
Committed	19,765,000	19,777,263	20,165,000							
Assigned	16,264,913	20,946,437	9,782,490							
Unassigned	16,132,542	14,827,375	16,809,377							
<i>Total General Fund</i>	<u>104,887,508</u>	<u>108,677,023</u>	<u>96,030,595</u>							
<b>Non-Major Governmental Funds: (1)</b>										
Capital Projects Fund										
Assigned	40,629,996	37,134,531	33,780,969							
Special Revenues Fund										
Restricted	1,159,415	2,227,030	4,361,704							
Committed	1,275,957	911,792	603,723							
Unassigned	-	-	(21,576)							
<i>Total Non-Major Governmental Funds</i>	<u>43,065,368</u>	<u>40,273,353</u>	<u>38,724,820</u>							
<i>Total Governmental Funds- as restated</i>	<u>\$ 147,952,876</u>	<u>\$ 148,950,376</u>	<u>\$ 134,755,415</u>							
Unassigned General Fund Balance as a Percentage of General Fund Expenditures	5.2%	4.8%	5.5%							
<b>General Fund</b>										
Reserved	\$ 39,429,507	\$ 34,538,703	\$ 34,265,738	\$ 36,345,385	\$ 29,544,723	\$ 22,316,884	\$ 18,002,122			
Unreserved and designated	27,868,281	34,623,762	30,997,138	31,787,678	31,217,889	42,231,314	21,903,140			
Unreserved, undesignated	7,993,646	8,103,281	14,858,762	7,302,102	13,542,642	12,891,533	12,597,901			
<i>Total General Fund</i>	<u>75,291,434</u>	<u>77,265,746</u>	<u>80,121,638</u>	<u>75,435,165</u>	<u>74,305,254</u>	<u>77,439,731</u>	<u>52,503,163</u>			
<b>Non-Major Governmental Funds:</b>										
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			
Unreserved and designated	29,143,318	25,951,067	45,904,401	93,792,138	79,972,189	48,702,238	41,394,637			
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			
<i>Total Other Governmental Funds</i>	<u>48,256,360</u>	<u>49,257,569</u>	<u>88,156,643</u>	<u>114,789,163</u>	<u>102,225,075</u>	<u>62,709,918</u>	<u>53,788,439</u>			
<i>Total Governmental Funds</i>	<u>\$ 123,547,794</u>	<u>\$ 126,523,315</u>	<u>\$ 168,278,281</u>	<u>\$ 190,224,328</u>	<u>\$ 176,530,329</u>	<u>\$ 140,149,649</u>	<u>\$ 106,291,602</u>			
Unreserved General Fund Balance as a Percentage of General Fund Expenditures	10.5%	12.9%	14.9%	13.7%	17.0%	21.4%	14.9%			

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
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
2012	203,601,066	128,967,957	8,520,674	296,890	1,037,075	342,423,662
2013	197,727,477	129,307,512	10,021,395	288,173	1,028,501	338,373,058
Change 2004-2013	62.9%	41.9%	-47.9%	-32.8%	15.9%	45.2%

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.

In fiscal year 2012, property tax rate reduced from \$1.048 to \$1.028 per \$100 of assessed value.

In fiscal year 2013, property tax rate reduced from \$1.028 to \$1.018 per \$100 of assessed value.

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)*

	2013	2012	2011	2010	2009
<b>REVENUES</b>					
Taxes-Local (see Table 4)	\$338,373,058	\$342,423,662	\$334,673,422	\$321,708,980	\$314,392,546
Taxes-State Shared	1,635,475	1,236,284	1,447,227	1,219,154	10,800,922
Impact fees	295,755	1,575,933	1,148,592	1,304,575	869,347
Licenses and permits	1,518,884	1,382,219	1,364,820	1,310,176	1,288,525
Intergovernmental revenues	18,978,536	15,316,915	26,455,936	30,841,686	15,042,612
Charges for services	4,732,420	4,810,478	4,981,149	5,008,757	5,239,049
Fines and forfeits	95,487	92,355	101,128	86,168	90,840
Interest and gain on investments	(829,835)	6,800,763	1,244,055	2,989,913	5,463,426
Miscellaneous revenues	5,840,925	3,758,082	3,249,099	4,396,040	3,349,723
Total revenues	<u>370,640,705</u>	<u>377,396,691</u>	<u>374,665,428</u>	<u>368,865,449</u>	<u>356,536,990</u>
<b>EXPENDITURES</b>					
Current:					
General government	63,738,334	69,611,957	69,373,934	72,086,446	69,035,233
Public safety	35,585,271	35,914,325	35,396,452	34,748,084	35,256,843
Public works	9,565,709	8,831,776	10,649,104	12,586,032	11,325,405
Health	4,307,983	4,494,155	4,707,292	4,712,680	4,731,958
Social services	1,199,706	1,185,304	1,226,927	1,391,110	1,319,630
Education	180,570,971	173,557,501	174,935,761	177,855,179	172,156,658
Library	11,000,246	8,497,632	8,645,019	8,413,733	8,170,171
Recreation and parks	2,721,536	2,569,590	2,639,789	1,877,029	1,665,731
Conservation of natural resources	856,440	839,957	822,510	792,207	800,054
Economic development	4,324,885	1,970,523	5,089,136	5,640,224	5,690,821
Capital outlay	33,646,285	30,304,655	44,842,000	77,047,071	127,778,575
Debt service:					
Principal	25,641,361	27,087,742	23,431,934	22,889,828	24,029,542
Interest	13,646,029	14,154,056	13,914,992	12,802,086	10,470,693
Total expenditures	<u>386,804,756</u>	<u>379,019,173</u>	<u>395,674,850</u>	<u>432,841,709</u>	<u>472,431,314</u>
Excess (deficiency) of revenues over (under) expenditures	(16,164,051)	(1,622,482)	(21,009,422)	(63,976,260)	(115,894,324)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	26,836,782	21,745,757	13,778,283	12,035,023	16,037,191
Transfers out	(35,484,572)	(26,057,763)	(16,018,252)	(14,780,223)	(18,829,171)
Refunding bonds issued	16,220,345	9,873,957	14,690,327	(7,936,995)	-
Payments to escrow agent	(19,357,902)	(11,299,208)	(14,593,220)	-	-
Bonds issued	21,460,000	18,750,000	21,192,091	64,508,850	72,088,000
Bonds premium (discount)	5,152,394	2,756,696	2,894	2,371,214	1,874,448
Issuance of debt-long term notes	445,320	-	13,115,500	4,662,430	2,956,796
Total other financing sources	<u>15,272,367</u>	<u>15,769,439</u>	<u>32,167,623</u>	<u>60,860,299</u>	<u>74,127,264</u>
Net change in fund balances	<u>\$ (891,684)</u>	<u>\$ 14,146,957</u>	<u>\$ 11,158,201</u>	<u>\$ (3,115,961)</u>	<u>\$ (41,767,060)</u>
Debt Service as a percentage of					
Noncapital Expenditures	10.3%	10.8%	8.6%	7.6%	7.6%

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.

Implementation of GASB 43 & 45 was fiscal year 2008.

Source: Carroll County Department of the Comptroller.

Table 5

2008	2007	2006	2005	2004
\$310,664,999	\$290,760,528	\$276,738,571	\$260,060,693	\$ 233,065,846
12,244,961	12,729,242	12,313,362	9,936,273	7,890,085
1,350,460	1,669,793	3,924,721	3,936,986	4,864,707
1,666,970	1,781,585	3,349,234	2,999,086	3,175,909
16,773,453	14,253,803	12,627,892	15,319,436	16,448,322
5,788,013	5,732,717	4,559,557	4,850,580	4,237,420
100,509	86,754	88,942	123,622	107,577
10,537,502	11,112,070	6,753,742	3,395,552	2,071,122
4,101,008	5,953,948	3,763,843	3,862,252	3,862,329
<u>363,227,875</u>	<u>344,080,440</u>	<u>324,119,864</u>	<u>304,484,480</u>	<u>275,723,317</u>
65,771,932	60,783,464	60,412,713	66,446,506	53,805,088
34,222,625	28,595,412	26,875,030	24,466,006	22,682,161
10,861,774	9,425,523	8,495,030	7,851,771	7,386,474
4,368,725	4,339,691	4,204,001	3,924,884	3,814,693
1,200,206	1,131,873	1,096,568	1,042,802	1,057,052
155,480,987	151,674,483	142,253,487	132,393,561	124,378,658
7,717,198	6,782,100	6,220,220	5,725,660	5,232,270
1,648,268	2,106,832	1,221,026	1,113,773	1,098,367
821,409	718,552	698,716	675,481	642,661
4,351,843	3,067,166	1,819,561	2,728,971	3,282,035
86,014,727	55,671,218	45,177,873	38,032,734	43,078,838
23,487,007	20,336,962	18,421,084	14,670,026	15,997,408
9,543,326	9,237,763	8,987,587	8,145,529	7,451,178
<u>405,490,027</u>	<u>353,871,039</u>	<u>325,882,896</u>	<u>307,217,704</u>	<u>289,906,883</u>
(42,262,152)	(9,790,599)	(1,763,032)	(2,733,224)	(14,183,566)
26,594,904	14,957,047	12,024,485	17,376,594	22,913,593
(29,909,754)	(17,812,601)	(14,890,815)	(20,004,967)	(32,739,174)
-	-	-	-	-
(6,786,798)	(24,849,347)	-	-	(71,096,825)
27,100,000	44,092,000	34,699,318	36,860,000	81,104,603
672,349	1,180,352	171,249	157,786	(3,335)
2,495,343	5,994,265	5,923,118	2,179,934	100,000
<u>20,166,044</u>	<u>23,561,716</u>	<u>37,927,355</u>	<u>36,569,347</u>	<u>278,862</u>
<u>\$ (22,096,108)</u>	<u>\$ 13,771,117</u>	<u>\$ 36,164,323</u>	<u>\$ 33,836,123</u>	<u>\$ (13,904,704)</u>
8.5%	8.6%	10.4%	9.1%	9.0%

**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			
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
2012	19,148,080,099	19,148,080,099	1.028	10,201,300	388,879,330	266,415,290	665,495,920	665,495,920	2.57	19,813,576,019
2013	18,257,330,571	18,257,330,571	1.018	10,738,930	253,571,870	268,124,550	532,435,350	532,435,350	2.545	18,789,765,921

Real property is reassessed every three years. Real property is assessed at market value. 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
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	0.204	0.58	0.20	0.20	0.30	0.1695
2012	1.028	0.112	0.32	0.33	0.216	0.58	0.20	0.20	0.30	0.1695
2013	1.018	0.112	0.37	0.35	0.216	0.57	0.20	0.20	0.30	0.1695

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**

2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Tax Amount Paid</u>	<u>% of Total Assessed Value</u>
Baltimore Gas & Electric	Utilities	\$ 170,810,950	\$ 4,343,911	0.91%
Verizon-Maryland	Communications	39,509,950	1,005,521	0.21%
Carroll Lutheran Village	Retirement Village	57,955,800	589,990	0.31%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	20,417,580	519,627	0.11%
Random House	Warehouse Distribution	34,865,530	482,876	0.19%
Comcast of California/MD/PA	Communications	14,204,060	361,493	0.08%
Fairhaven Inc	Assisted Living	3,523,400	358,691	0.02%
Potomac Edison Co	Electric/Utilities	14,051,790	357,618	0.07%
Wal-Mart Real Estate	Retail	27,430,110	351,308	0.15%
Lehigh Cement Co. Inc	Manufacturer	27,949,920	312,840	0.15%
		<u>\$ 410,719,090</u>	<u>\$ 8,683,875</u>	<u>2.19%</u>
	Total Assessed Valuation	<u>\$ 18,789,765,921</u>		

2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Baltimore Gas & Electric	Utilities	\$ 128,884,980	1.18%
Verizon-Maryland	Communications	65,647,730	0.60%
Random House Inc.	Warehouse Distribution Center	42,029,349	0.38%
Cranberry Mall Properties LLC	Mall	33,468,766	0.31%
D&L Development	Power Tools	28,098,680	0.26%
Wal-Mart Store, Inc.	Commercial Stores	24,460,286	0.22%
Carroll Luther Village	Retirement Village	22,583,887	0.21%
AT&T Communications	Communications	22,084,020	0.20%
Eldersburg Business Center Develop.	Athletic Club & Business Center	19,995,500	0.18%
Lehigh Portland Cement	Manufacturer of Cement	19,635,281	0.18%
		<u>\$ 406,888,479</u>	<u>3.72%</u>
	Total Assessed Valuation	<u>\$ 10,948,754,959</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		
2004	\$122,127,710	\$121,181,554	99.23%	\$931,000	\$122,112,554	99.99%	\$15,156	0.01%
2005	133,912,351	132,713,125	99.10%	1,179,294	133,892,419	99.99%	19,932	0.01%
2006	148,614,976	147,744,969	99.41%	840,091	148,585,060	99.98%	29,916	0.02%
2007	170,124,838	169,106,817	99.40%	978,823	170,085,640	99.98%	39,198	0.02%
2008	195,793,490	194,780,453	99.48%	941,009	195,721,462	99.96%	72,028	0.04%
2009	222,146,165	221,514,565	99.72%	534,294	222,048,859	99.96%	97,306	0.04%
2010	239,656,240	238,543,223	99.54%	1,004,564	239,547,787	99.95%	108,453	0.05%
2011	227,219,284	226,056,851	99.49%	908,173	226,965,024	99.89%	254,261	0.11%
2012	210,189,963	209,114,927	99.49%	753,997	209,868,924	99.85%	321,040	0.15%
2013	199,043,648	197,845,421	99.40%	-	197,845,421	99.40%	1,198,227	0.60%

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*
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
2012	6.97	4.62	5.00	5.28	9.97	7.27	8.13	8.77
2013	6.75	5.18	5.42	5.59	9.66	7.64	8.29	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

\*Per 1,000 gallons

The standard household meter size is 5/8" and the average household usage for fiscal year 2013 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		Total Primary Government	% 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				
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	2.02%	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	2.08%	1.74%	2,167
2012	300,214,844	27,129,920	-	1,919,820	23,758,129	271,865	353,294,578	2.15%	1.78%	2,095
2013	304,173,204	27,575,240	-	1,734,212	21,687,221	244,664	355,414,541	N/A	1.94%	2,090

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**

<b>Fiscal Year</b>	<b>General Obligation Bonds &amp; Debt Outstanding</b>	<b>Percent of Actual Property Value (1)</b>	<b>Percent of Personal Income (2)</b>	<b>Per Capita (2)</b>
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%	2.05%	1,997
2011	360,476,651	1.72%	2.05%	2,146
2012	351,102,893	1.77%	2.17%	2,082
2013	353,435,665	1.94%	N/A	2,078

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, 2013**

Net assessed value- Real Property	\$ 18,257,330,571	
Debt limit - 6% of net total assessed value (1)		\$ 1,095,439,834
Assessed Value-Personal Property	<u>532,435,350</u>	
Debt limit- 15% of Net Assessed Value (1)		<u>79,865,303</u>
Total Debt Limit (6%/15%)		1,175,305,137
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 341,741,602	
Less- Agricultural Preservation Program Self Supporting Debt	27,575,240	
Less- Fire Company Loans- Self Supporting Debt	9,860,594	
Less - Bureau of Utilities bonds	17,081,521	
Less - Septage bonds	111,154	
Total amount of debt applicable to debt limit		<u>287,113,093</u>
Legal debt margin		<u><u>\$ 888,192,044</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  
2004-2013

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
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%
2012	19,813,576,019	6%/15%	1,248,709,194	292,937,714	955,771,480	23.46%
2013	18,789,765,921	6%/15%	1,175,305,137	287,113,093	888,192,044	24.43%

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

**Computation of Direct And Overlapping Debt**  
**June 30, 2013**

<b>Jurisdiction</b>	<b>Real Property Assessed Valuation (1)</b>	<b>Percent of Assessed Valuation to Overlapping Jurisdictions</b>	<b>Pro rata Share of Direct Debt to Jurisdictions(2)</b>	<b>Overlapping Debt</b>	<b>Total Direct and Overlapping Debt</b>
Hampstead	\$ 554,846,803	3.04%	\$ 9,944,246	\$ 1,428,016	\$ 11,372,262
Manchester	449,276,829	2.46%	8,046,988	219,381	8,266,369
Mt. Airy	834,164,100	4.57%	14,949,080	8,009,393	22,958,473
New Windsor	136,271,100	0.75%	2,453,350	-	2,453,350
Sykesville	370,766,800	2.03%	6,640,401	985,418	7,625,819
Taneytown	535,001,507	2.93%	9,584,421	16,596,710	26,181,131
Union Bridge	69,978,121	0.38%	1,243,031	1,454,600	2,697,631
Westminster	1,566,397,557	8.58%	28,066,325	17,074,708	45,141,033
Unincorporated areas	13,740,627,754	75.26%	246,185,501	-	246,185,501
County-wide Totals	<u>\$ 18,257,330,571</u>	<u>100.00%</u>	<u>\$ 327,113,343</u>	<u>\$ 45,768,226</u>	<u>\$ 372,881,569</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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (\$ in thous.) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
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	7,192,191	44,247	27,524	6.50%
2011	167,929	7,400,133	45,507	27,201	6.80%
2012	168,570	7,612,765	N/A	26,937	6.60%
2013	169,519	N/A	N/A	26,506	6.20%

Source: (1) Carroll County Department of Land Use, Planning and Development, June 2013. FY 2010 reflects the 2010 Census data. All other fiscal years are estimates.

(2) Maryland Department of Planning, Planning Data Services, from U.S. Bureau of Economic Analysis, April 2013.

(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2012-2013.

(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**

**2013**

<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	3,630	6.72%
Carroll Hospital Center	General hospital	1,759	3.26%
Springfield Hospital Center	Mental health services	833	1.54%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	778	1.44%
Random House, Inc.	Book warehousing and distribution	722	1.34%
EMA/Fairhaven	Retirement/Assisted Living	700	1.30%
McDaniel College	Higher education	621	1.15%
Carroll County Government***	Local government	587	1.09%
Carroll Community College	Higher education	509	0.94%
EVAPCO	Cooling Equipment Manufacturer	440	0.81%
	<b>Total</b>	<b>10,579</b>	<b>19.58%</b>
	Annual Average Employment in Carroll County****	<b>54,037</b>	

**2004**

<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	4,226	8.09%
Carroll County General Hospital	General hospital	1,438	2.75%
Random House, Inc.	Book warehousing and distribution	1,000	1.91%
Springfield Hospital center	Mental health services	751	1.44%
Carroll County Government ***	Local government central office	612	1.17%
Fairhaven (Episcopal Ministries)	Life care retirement community	578	1.11%
Northrop Grumman	Electronic testing	425	0.81%
McDaniel College	Higher Education	420	0.80%
English American Tailoring	Men & women's made-to-measure clothing	415	0.79%
Jos. A. Bank Clothiers	Men & women's made-to-measure clothing	398	0.76%
	<b>Total</b>	<b>10,263</b>	<b>19.63%</b>
	Annual Average Employment in Carroll County	<b>52,269</b>	

- Notes: \* As of January 2013.  
 \*\* Does not include hourly employees such as substitutes, aides, etc.  
 \*\*\* Central offices only. Excludes Sheriff's Department, Courts, etc.  
 \*\*\*\* As of June 2012.

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.  
 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>2013</u>	<u>2012</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>
General Government										
County Commissioners										
Legislative	6	5	9	9	8	9	11	10	12	8
* Licenses/Zoning Appeals Board	-	-	-	-	-	-	-	4	5	5
Public Information	-	-	-	2	2	2	2	3	2	-
* Farm Museum	-	-	-	7	9	10	10	10	9	9
* Airport Management	-	-	-	2	2	3	2	2	2	1
Judicial	68	68	69	73	75	73	72	65	56	56
County Attorney	12	10	10	10	10	10	10	10	10	10
Comptroller	34	34	34	35	36	37	37	36	35	37
Administrative Services										
Administrative Services- Admin	-	-	1	-	-	-	-	-	-	-
Human Resources and Personnel Svcs	13	12	13	13	16	17	17	17	18	18
Management Analysis	-	-	1	1	2	2	2	3	3	3
TV Production	2	2	2	2	1	1	1	-	-	-
Production & Distribution Svcs	3	3	3	3	3	3	3	3	3	3
Technology Services	27	25	25	25	25	27	25	24	25	25
Management and Budget	15	15	14	16	18	16	18	17	16	17
Land Use, Planning and Development	45	46	43	43	43	45	42	45	44	44
* General Services	-	-	-	103	118	127	122	114	112	112
Citizen Services	50	48	48	45	54	56	51	51	44	45
Public Safety										
Sheriff Services	242	230	211	204	209	197	196	186	171	166
Emergency Services	34	37	30	31	32	36	35	34	31	30
Public Works										
* Supervision & Administration	4	3	2	2	4	4	4	6	5	-
* Building Construction	2	2	2	-	-	-	-	-	-	-
* Facilities	47	47	48	-	-	-	-	-	-	-
* Fleet	22	23	24	-	-	-	-	-	-	-
* Permits	22	22	22	-	-	-	-	-	-	-
* Airport	1	1	1	-	-	-	-	-	-	-
Roads	101	100	99	97	105	112	108	103	107	116
* Engineering	19	18	19	20	22	23	21	22	22	23
Bureau of Utilities-Operations	32	33	33	32	33	34	30	29	28	28
Solid Waste-Operations	20	20	20	19	20	20	20	21	20	20
Social Services	16	17	17	16	16	15	15	15	14	14
Education	1	1	1	1	1	1	1	1	11	12
*Recreation and Parks	32	31	31	22	27	27	27	27	16	16
Conservation of Natural Resources										
Soil Conservation Service	6	6	6	5	5	6	6	6	6	6
Economic Development										
Economic Development	6	6	6	6	7	7	7	7	7	7
BERC	9	9	9	10	8	8	10	10	10	10
Tourism	1	1	1	1	2	2	2	2	2	2
Total Full Time Employee Totals	<u>892</u>	<u>875</u>	<u>854</u>	<u>855</u>	<u>913</u>	<u>930</u>	<u>907</u>	<u>883</u>	<u>846</u>	<u>843</u>
Part Time Employees	6	5	5	8	12	14	15	17	24	27
Total Employees	<u>898</u>	<u>880</u>	<u>859</u>	<u>863</u>	<u>925</u>	<u>944</u>	<u>922</u>	<u>900</u>	<u>870</u>	<u>870</u>

\* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Information</b>										
Population	169,519	168,570	167,929	167,134	174,909	174,249	173,208	171,742	168,521	166,234
Registered Voters	116,523	112,931	112,688	110,336	109,428	106,828	106,853	104,318	102,505	95,056
<b>General Government</b>										
Building Permits Issued for Residential	340	246	187	201	159	255	335	661	640	731
Estimated Value (\$ in thousands) Residential	\$ 56,305	\$ 40,741	\$ 31,803	\$ 32,699	\$ 26,308	\$ 44,316	\$ 57,126	\$ 118,037	\$ 115,252	\$ 131,538
Building Permits Issued for other purposes	1,775	1,826	1,828	1,745	1,908	2,534	2,727	3,244	3,173	3,615
Estimated Value (\$ in thousands) Other	\$ 80,519	\$ 71,994	\$ 66,314	\$ 52,397	\$ 108,861	\$ 177,729	\$ 102,781	\$ 138,171	\$ 126,448	\$ 124,703
<b>Fire and Emergency Service</b>										
Paid Firemen	120	120	120	115	115	112	92	85	92	42
Active Volunteers (estimated)	700	714	714	704	663	675	675	750	800	800
Dispatched Incidence	N/A	18,488	18,216	18,081	17,848	17,584	16,357	15,969	15,104	15,470
911 Calls Received	62,319	60,037	60,752	59,565	61,140	59,186	57,761	55,923	55,375	55,829
<b>Police Protection</b>										
Resident Troopers	15	30	46	46	46	46	46	45	45	46
Sheriff's Department	101	87	64	64	64	66	64	64	56	54
Citations/Warnings	19,579	16,940	16,551	15,845	17,805	14,802	16,551	16,280	13,451	8,452
911 Calls for Service	N/A	18,293	18,293	18,293	17,721	12,779	6,083	6,158	8,109	5,665
<b>Detention Center</b>										
Detention Center Officers	91	92	92	92	95	93	93	90	90	88
Total Prisoner Days	82,994	84,739	93,252	92,144	100,430	98,155	107,711	104,874	103,285	105,415
<b>Water</b>										
Daily Average Usage (mgd)	2.18	2.28	2.07	2.05	2.08	2.18	2.16	2.34	2.17	2.40
Plants Daily Capacity (mgd)	7.39	7.39	7.39	7.39	7.39	3.39	3.39	3.39	3.39	3.39
<b>Wastewater</b>										
Daily Average Usage (mgd)	2.63	2.86	2.83	2.71	2.59	2.95	2.89	2.74	3.34	3.12
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45
<b>Solid Waste</b>										
Tons In	96,908	101,616	105,683	85,942	81,447	100,195	108,608	116,267	110,178	118,726
Tons Recycled	21,181	30,587	30,154	20,155	20,322	20,652	21,080	21,533	21,625	13,023
Tons into Landfill	12,840	12,809	13,588	11,576	12,370	14,051	8,969	13,466	15,276	16,445
Tons Transferred	84,068	87,153	91,306	74,364	69,078	86,144	100,028	105,660	97,009	104,156
<b>Education</b>										
Number of Teachers	2,154	2,163	2,198	2,209	2,251	2,209	2,375	2,116	2,021	1,963
Number of Students	26,506	26,937	27,201	27,524	27,745	28,261	28,575	28,219	28,774	29,044
<b>Community College</b>										
Full Time Equivalent Students (FTE's)	3,167	3,173	3,347	3,138	2,920	2,867	2,517	2,519	2,493	2,430
Faculty-Full Time	84	79	77	73	75	63	63	65	52	55
Faculty-Part Time	212	296	580	527	545	143	417	249	349	288
<b>Airport</b>										
Fuel Sales (gals)	270,784	279,664	304,837	255,099	280,319	471,700	503,574	574,155	618,180	408,866
Tie Downs Occupied	15	15	25	25	25	25	25	25	25	25
Corporate Hangars Occupied	7	7	7	6	6	6	7	7	7	6
T Hangars Occupied	82	82	82	82	82	82	82	82	82	82
<b>Libraries</b>										
Number of volumes (estimated)	557,220	548,749	570,742	552,892	551,376	517,239	511,026	553,824	584,167	552,786
Circulation	4,200,368	4,402,122	4,295,264	4,214,073	3,885,584	3,606,169	3,421,828	3,579,244	3,506,229	3,583,119
<b>Senior Centers</b>										
Outside Groups using facilities	1,998	2,007	3,213	2,516	2,922	3,156	3,133	2,976	3,009	2,822
Volunteer Hours performed at Centers	57,402	49,518	44,689	41,493	39,311	39,352	42,957	43,051	39,136	36,331
Meals Served	33,606	30,446	33,297	29,171	26,020	25,188	27,242	29,145	30,470	31,346
Seniors Attending Activities	274,588	271,716	241,749	243,226	159,518	129,635	173,707	160,416	157,623	149,892

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	903	899	896	896	893	891	888	886	880	880
Miles of Roads Unpaved	80	80	83	83	84	86	87	89	92	92
Number of Bridges	151	145	147	147	147	147	147	147	146	146
Acres in Agricultural Land Preservation	62,366	62,078	60,002	57,627	54,858	50,711	46,998	46,737	41,927	41,927
Fire and Emergency Service										
Stations	14	14	14	14	14	14	14	14	14	14
Water										
Water Mains (miles)	139	139	139	139	135	135	134	134	133	132
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	8,428	8,382	8,323	8,268	8,256	8,247	8,230	8,163	8,117	8,036
Wastewater										
Sewer Mains (miles)	125	125	125	125	125	122	121	121	120	119
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pumping Stations	18	18	18	18	18	18	18	18	18	18
Number of Customer Accounts	8,995	8,953	8,891	8,844	8,816	8,793	8,766	8,745	8,702	8,620
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	32	32	31	29	28	27	27	27	26	19
Acreage	4,773	4,773	4,629	4,652	4,478	4,478	4,478	4,478	4,475	4,311
Education										
Elementary	23	23	23	23	23	23	22	22	22	21
Middle	9	9	9	9	9	9	9	9	9	9
High	8	8	8	8	8	7	7	7	7	7
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	52	52	32
Apron Area (acres)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	12.6
Firearms Facility	1	1	1	1	1	1	1	1	1	1
Libraries	6	6	6	6	6	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>2013</u>	<u>2012</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>
<b>Revenue</b>										
Usage charges	\$ 8,676,619	\$ 8,312,844	\$ 8,446,852	\$ 7,620,404	\$ 7,328,198	\$ 7,305,990	\$ 7,119,000	\$ 6,076,750	\$ 5,573,113	\$ 5,465,151
Service charges	-	798	11,838	4,680	421	54,991	64,593	56,666	19,790	26,745
Penalties and interest	577,270	179,147	382,493	209,239	442,379	1,815,891	1,526,835	1,050,682	1,257,886	697,697
Operating transfer - County	202,790	199,511	(305,031)	200,200	206,980	629,850	212,000	138,310	(60,680)	122,405
Capital contributions (1)	1,008,491	335,174	523,776	426,563	75,395	855,655	291,282	389,700	5,744,168	1,038,337
Maintenance fee	1,454,435	1,443,774	1,438,797	1,432,610	1,428,013	1,427,782	1,421,568	850,713	836,795	447,729
Other	265,575	176,530	172,040	217,957	190,940	307,022	160,877	148,243	152,214	218,523
<b>Total revenue</b>	<u>12,185,180</u>	<u>10,647,778</u>	<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>
<b>Expenses</b>										
Salaries	2,298,153	2,358,994	2,341,948	2,394,033	2,499,181	2,241,162	2,027,979	1,996,372	1,828,934	1,759,625
Operating expenses	5,434,123	5,605,458	6,280,389	5,129,427	3,157,883	5,652,991	3,861,160	3,506,230	6,722,882	2,583,989
Depreciation	2,279,024	2,266,863	2,275,618	1,914,768	1,579,651	1,534,088	1,515,493	1,510,276	1,340,581	1,197,161
Interest	789,748	859,153	992,506	1,051,417	932,542	628,305	406,980	498,110	594,234	644,071
<b>Total expense</b>	<u>10,801,048</u>	<u>11,090,468</u>	<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>
<b>Excess (deficiency) of revenue over (under) expense:</b>	<u>\$ 1,384,132</u>	<u>\$ (442,690)</u>	<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>

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

Source: Carroll County Department of the Comptroller.

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

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

	<u>2013</u>	<u>2012</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>
<b>Revenue</b>										
Charge for services	\$ 6,165,482	\$ 6,647,622	\$ 6,713,042	\$ 5,435,007	\$ 6,133,596	\$ 6,269,365	\$ 6,353,183	\$ 6,253,935	\$ 5,810,000	\$ 5,975,631
Penalties and interest	19,936	15,624	14,773	211,945	302,752	447,743	631,268	441,286	375,385	63,900
Proceeds from sales of recyclables	628,089	596,322	591,880	461,818	391,872	340,424	227,025	202,325	268,340	154,886
Capital contributions-equip. transferred from County	-	-	-	15,888	-	-	-	-	-	-
Gain on sale of fixed assets	78,616	3,677	-	35,395	-	-	-	-	-	-
Other	256,367	186,955	186,399	10,519	8,775	17,107	29,471	5,268	49,256	59,215
Operating transfer - County	6,445,000	2,545,000	2,545,000	2,545,000	2,545,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000
<b>Total revenue</b>	<u>13,593,490</u>	<u>9,995,200</u>	<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>
<b>Expense</b>										
Salaries	1,524,733	1,522,883	1,604,911	1,633,798	1,633,309	1,387,457	1,335,170	1,220,245	1,138,650	1,062,789
Operating expenses	9,874,810	6,459,000	6,453,160	6,652,203	5,363,689	5,817,255	6,162,316	5,798,265	5,354,162	5,420,652
Depreciation	585,096	621,723	615,658	472,313	266,818	203,133	174,008	154,380	107,960	90,952
Interest	123,644	124,285	156,480	202,701	224,027	241,073	263,743	308,018	347,036	253,197
<b>Total expense</b>	<u>12,108,283</u>	<u>8,727,891</u>	<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>
<b>Excess (deficiency) of revenue over expense</b>	<u>\$ 1,485,207</u>	<u>\$ 1,267,309</u>	<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>
Tipping Fee per ton *	\$ 62.00	\$ 62.00	\$ 60.00	\$ 58.00	\$ 76.00	\$ 61.00	\$ 58.00	\$ 54.00	\$ 54.00	\$ 51.00

Source: Carroll County Department of the Comptroller.

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenue</b>										
Rent	\$ 586,247	\$ 588,932	\$ 611,167	\$ 462,981	\$ 470,011	\$ 495,278	\$ 450,749	\$ 517,732	\$ 472,539	\$ 353,763
Fuel sales	63,270	61,685	64,016	53,570	197,646	1,715,510	1,378,850	1,523,726	1,268,475	662,347
Capital contributions (1)	434,316	233,646	111,220	48,969	460,454	91,598	366,572	348,858	1,288,611	511,521
Capital contributions-County	-	-	-	-	-	-	5,603,372	-	-	-
Land sale	-	-	-	-	-	-	1,064,797	-	-	-
Operating transfer-County	2,000,000	-	-	-	40,000	40,000	40,000	83,020	44,053	58,176
Other	55	43	691	2,030	3,601	11,222	10,850	-	3,796	-
<b>Total revenue</b>	<b>3,083,888</b>	<b>884,306</b>	<b>787,094</b>	<b>567,550</b>	<b>1,171,712</b>	<b>2,353,608</b>	<b>8,915,190</b>	<b>2,473,336</b>	<b>3,077,474</b>	<b>1,585,807</b>
<b>Expenses</b>										
Salaries	199,851	188,612	212,539	247,203	256,173	236,788	184,513	182,310	159,740	96,725
Operating expenses	216,549	1,312,582	124,103	308,329	267,209	2,359,958	1,612,527	1,562,774	1,431,899	832,208
Operating expenses-capital (2)	5,438	-	15,892	-	-	255,400	36,061	227,795	137,850	-
Interest	78,281	84,437	93,960	104,350	113,327	122,044	130,092	138,741	144,323	132,137
Depreciation	188,935	183,140	171,551	169,729	140,983	123,428	123,428	123,428	118,050	23,792
Operating transfer-County	-	-	-	-	-	-	41,446	-	-	-
<b>Total expense</b>	<b>689,054</b>	<b>1,768,771</b>	<b>618,045</b>	<b>829,611</b>	<b>777,692</b>	<b>3,097,618</b>	<b>2,128,067</b>	<b>2,235,048</b>	<b>1,991,862</b>	<b>1,084,862</b>
<b>Excess (deficiency) of revenue over expense:</b>	<b>\$ 2,394,834</b>	<b>\$ (884,465)</b>	<b>\$ 169,049</b>	<b>\$ (262,061)</b>	<b>\$ 394,020</b>	<b>\$ (744,010)</b>	<b>\$ 6,787,123</b>	<b>\$ 238,288</b>	<b>\$ 1,085,612</b>	<b>\$ 500,945</b>

(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, 2013**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected					
		1	2	3	4	Unmod	A	B	C	D	E
Deferred	161										
\$ 1 - \$250	52	47		5		21	6	9	14	2	
251 - 500	64	54	8	2		17	6	8	21	2	10
501 - 750	29	23	6			6	4	9	3	1	6
751 - 1000	9	6	2	1		2	2	1	2		2
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 Employee Pension Plan**  
**Average Benefit Payments**  
**Last Ten 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
Period 7/1/11 to 6/30/12						
Average Monthly Benefit	\$ 822	\$ 2,499	\$ 8,352	\$ 15,819	\$ 19,982	\$ 762
Average Final Monthly Salary	\$ 2,512	\$ 2,992	\$ 2,963	\$ 3,856	\$ 3,685	\$ 3,620
Number of Retired Members	11	19	31	34	38	2
Period 7/1/12 to 6/30/13						
Average Monthly Benefit	\$ 1,089	\$ 3,107	\$ 9,970	\$ 17,569	\$ 21,338	\$ 1,793
Average Final Monthly Salary	\$ 2,614	\$ 2,897	\$ 3,043	\$ 3,818	\$ 3,708	\$ 3,408
Number of Retired Members	15	22	36	38	40	4

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, 2013**

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	2	2								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**

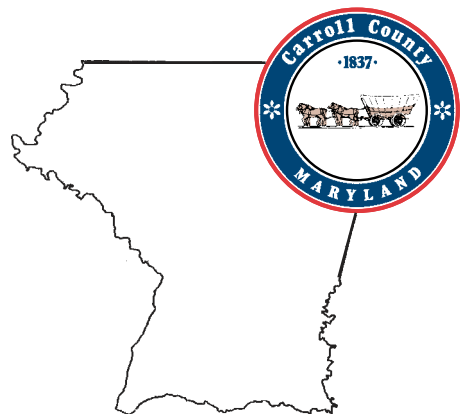
**Carroll County Certified Law Officer's Pension**  
**Average Benefit Payments**  
**Last Four Fiscal Years**

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
Period 7/1/11 to 6/30/12						
Average Monthly Benefit	\$ -	\$ -	\$ 723	\$ -	\$ -	\$ 1,393
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	1
Period 7/1/12 to 6/30/13.						
Average Monthly Benefit	\$ -	\$ -	\$ 737	\$ -	\$ -	\$ 2,483
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	2

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

Source: Department of Human Resources.

# Single Audit Section





Celebrating The Maryland Wine Festival's 25th Anniversary in 2008.  
Artist: Scott Richardson



**Independent Auditors' 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, in accordance with the 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, 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, Maryland (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2013. The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2013. Our audit described below, did not include operations of the entities because these entities engaged for their own separate audit in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 15, 2013



**Independent Auditors' Report on Compliance with Requirements That  
Could Have a Direct and Material Effect on Each Major Federal Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

The County Commissioners  
of Carroll County  
Westminster, Maryland

**Report on Compliance for Each Major Federal Program**

We have audited the County Commissioners of Carroll County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2013, component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2013. Our audit described below did not include the operations of these entities because we were separately engaged to perform and have separately reported on the results of our audits of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library, in accordance with OMB Circular A-133, if required.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-01. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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'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. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-01 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, Maryland (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 15, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2013. The federal expenditures, where applicable, for the Carroll Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County and the Carroll County Public Library are not included in the schedule of expenditures of federal award. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 15, 2013

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013**

Federal Grantor/ Program Title	Federal CFDA Number	Federal Grant/ Pass- Through Grantor's Number	Expenditures
<b>MAJOR PROGRAMS</b>			
U.S. Department of Housing and Urban Development			
<u>Direct Housing Section 8 Grants</u>			
HUD Housing FY13	14.871	MD032	\$ 5,705,940
HUD Housing Admin FY13	14.871	MD032	463,600
Section 8 FSS Coordinator Salary Federal Funded Subsidy FY13	14.871	MD032	65,081
HUD Housing FY14	14.871	MD032	(2,040)
HUD Housing Admin FY14	14.871	MD032	2,250
Section 8 Voucher Admin Federal Funded Subsidy FY03	14.871	MD032	34,146
Total U.S. Department of HUD Section 8 Grants			6,268,977
U.S. Department of Housing & Community Development			
<u>Passed Through Maryland Department of Community Development</u>			
Emergency Solutions Grant FY11	14.231	N/A	17,613
Home Initiatives Program FY12	14.239	N/A	79,946
Total U.S. Department of HCD MD Community Development			97,559
<b>Total Major Programs</b>			<b>6,366,536</b>
<b>OTHER FEDERAL PROGRAMS</b>			
U.S. Department of Health and Human Services			
<u>Passed Through Maryland Office on Aging</u>			
Ombudsman FY13	93.042	AAA-3-24-006	17,329
Ombudsman FY12	93.042	AAA-3-24-006	(523)
Title III, Part D FY13	93.043	AAA-3-24-006	(5,968)
Title III, Part D FY12	93.043	AAA-3-24-006	1,794
Title III, Part B FY13	93.044	AAA-3-24-006	81,808
Title III, Part B FY12	93.044	AAA-3-24-006	55,272
Title III, Part C FY13	93.045	AAA-3-24-006	74,716
Home Delivered Meals FY13	93.045	AAA-3-24-006	57,396
Title III, Part C FY12	93.045	AAA-3-24-006	10,903
Home Delivered Meals FY12	93.045	AAA-3-24-006	17,913
Title III, Part E FY13	93.052	AAA-3-24-006	42,271
Title III, Part E FY12	93.052	AAA-3-24-006	11,107
SHIP SMP FY13 (SMP)	93.779	AAA-3-24-006	18,448
SHIP SMP FY12 (SHIP)	93.779	AAA-3-24-006	11,948
Total U.S. Department of HHS Through MD Office Aging			394,414
U.S. Department of Health and Human Services			
<u>Passed Through Maryland State Department of Human Resources</u>			
Safe & Stable FY13	93.556	CSEA/CRA-13-035	125,824
Circuit Court Child Supp FY13	93.563	CSEA/CRA-13-035	13,520
State's Atty Child Suppt FY13	93.563	CSEA/CRA-13-035	422,359
Sheriff Child Support FY13	93.563	CSEA/CRA-13-035	82,274
Circt Ct-Child Supp Incentives	93.563	CSEA/CRA-12-035	304
Sheriff-Child Supp Incentives	93.563	CSEA/CRA-12-035	4,666
Sheriff Child Support FY11	93.563	CSEA/CRA-11-035	(4,666)
Cooperative Reimbursement 11/12 (Circuit Ct)	93.563	CSEA/CRA-12-035	4,393
Cooperative Reimbursement 11/12 (St Atty)	93.563	CSEA/CRA-12-035	135,046
Cooperative Reimbursement 11/12 (Sheriff)	93.563	CSEA/CRA-12-035	27,330
Multi-Disciplinary Team (MDT) Carroll Cty Advocacy & Investigation FY12	93.643	N/A	(1)
Total U.S. Department of HHS Through MD St Department of HR			811,049
U.S. Department of Health and Human Services			
<u>Passed Through Maryland Department of Health &amp; Mental Hygiene</u>			
MAP-Exp FY13	93.779	MOOB9200690-006	99,117
MFP FY13	93.779	ST-2518-006	1,366
MFP FY12	93.779	ST-2518-006	1,000
MAP/MFP FY12	93.779	MOOB9200690-006	(165)
Total U.S. Department of HHS Through MD Department of HMH			101,318
<b>Total of U.S. Department of Health and Human Services</b>			<b>1,306,781</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013**  
**(CONTINUED)**

Federal Grantor/ Program Title	Federal CFDA Number	Federal Grant/ Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Labor Passed Through Howard County</u>			
<u>Manpower Resources Employment and Training Assistance</u>			
Economically Disadvantaged Youth IIC FY13	17.250	P00B04000017	\$ 1,228
Economically Disadvantaged Youth IIC FY11	17.259	P00B04000017	12,282
Economically Disadvantaged Youth IIC FY12	17.259	P00B04000017	81,279
ARRA Energy & Training Grnt	17.275	P00B04000017	1,995
Economically Disadvantaged IIA FY13	17.278	P00B04000017	10,440
Dislocated Workers III FY13	17.278	P00B04000017	241,255
Administration FY13	17.278	P00B04000017	6,937
Dislocated Workers III FY11	17.278	P00B04000017	91,929
Administration FY11	17.278	P00B04000017	32,515
Economically Disadvantaged IIA FY12	17.278	P00B04000017	112,063
Dislocated Workers III FY12	17.278	P00B04000017	409,171
Administration FY12	17.278	P00B04000017	(17,785)
<b>Tota U.S. Department of Labor</b>			<b>983,309</b>
 <u>U.S. Department of Transportation</u>			
Bollinger Road Over Beaver Run Road	20.205	N/A	600,933
Section 5311 Capital FY13	20.507	N/A	225,654
Section 5311 FY12	20.507	N/A	(2,560)
Section 5307 FY12	20.507	N/A	3,610
Section 5311 Capital FY12	20.507	N/A	17,394
Section 5311 FY13	20.509	N/A	100,119
Section 5307 FY13	20.509	N/A	290,384
ARRA (Stimulus) Transportation Equipment	20.509	MD-96-X001	(3,500)
Section 5307 FY14	20.509	N/A	113
<b>Total U.S. Department of Transportation</b>			<b>1,232,147</b>
 <u>U.S. Department of Homeland Security</u>			
<u>Passed Through Maryland Emergency Management Administration</u>			
UASI FFY12 LEPTA	97.008	2UASI841	35,623
UASI FFY12 Mobile CC	97.008	2UASI841	14,576
UASI FFY12 Regional Planners	97.008	2UASI841	15,738
Citizen Corp-CERT Team FFY09	97.008	9UASI841	14
Urban Area Security Initiative HAZMAT FFY09	97.008	9UASI841	(2,319)
Urban Area Security Initiative Emergency Planners FFY09	97.008	9UASI841	(3,755)
UASI FFY09 Tech/Traning/WebEOC	97.008	9UASI841	(152)
CCP FFY2011	97.053	N/A	(1,178)
Citizen Corp FFY07	97.067	N/A	168
State Homeland Security Program FY09	97.067	N/A	358
State Homeland Security FY10	97.067	N/A	3,967
MCCV FFY12	97.073	2010-SS-T0-0025	(1,335)
Intelligence Equip FFY12	97.073	2010-SS-T0-0025	(286)
All Hazards Response	97.073	N/A	(4,824)
Homeland Security Training Prg	97.073	N/A	4,595
U-CBRNE Protection/Response FFY10	97.008	0UASI841	50,426
U-Carroll County Generator FFY10	97.008	0UASI841	82,294
U-Incident Management Team FFY10	97.008	0UASI841	2,059
LEPTA & Equipment Training FFY10	97.008	0UASI841	30,456
U-Mass Notification System FFY10	97.008	0UASI841	19,494
U-Regional Planners FFY10	97.008	0UASI841	121,842
U-Resource Mgmt-Tech Trn Confr FFY10	97.008	0UASI841	2,721
Shelter Generator PreWiring FFY10	97.008	0UASI841	45,744
U-Shelt Supplies FFY10	97.008	0UASI841	31,322
UASI-Hazmat FFY11	97.008	1UASI841	10,489
UASI-CCTV FFY11	97.008	1UASI841	5,048
UASI-ENS FFY11	97.008	1UASI841	7,360
UASI-IMT FFY11	97.008	1UASI841	1,319
UASI-LETPA Equip/Train FFY11	97.008	1UASI841	20,073
UASI-Regional Planners FFY11	97.008	1UASI841	5,978
UASI-MCCV Main/Upgrad FFY11	97.008	1UASI841	(52)
Addi; UASI Conf + Train	97.008	1UASI841	2,415
Emerg Mgmt Perf FY13	97.042	N/A	60,978

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2013**  
**(CONTINUED)**

Federal Grantor/ Program Title	Federal CFDA Number	Federal Grant/ Pass- Through Grantor's Number	Expenditures
U.S. Department of Homeland Security			
<u>Passed Through Maryland Emergency Management Administration (Continued)</u>			
Citizen Corp FFY11	97.053	N/A	\$ 3,641
Personal Protective Equipment	97.073	N/A	1,461
Hazmat Response	97.073	N/A	28,156
Intel/Info Sharing	97.073	N/A	7,375
HMEP FFY11	97.073	2010-SS-T0-0025	5,800
EMPG FFY11	97.073	2010-SS-T0-0025	(1,390)
Establish/Enhance EOC FFY11	97.073	2010-SS-T0-0025	19,049
Homeland Sec Train Prog FFY11	97.073	2010-SS-T0-0025	36,327
Intel/Info Sharing FFY11	97.073	2010-SS-T0-0025	<u>13,916</u>
<b>Total U.S. Department of Homeland Security</b>			<b>675,491</b>
U.S. Department of Energy			
<u>Passed Through State Department of Human Resources</u>			
Weatherization FY13	81.042	N/A	8,036
Weatherization Admin FY13	81.042	N/A	5,088
Weatherization EmPower	81.042	N/A	28,251
ARRA (Stimulus) Weatherization	81.042	N/A	10,360
ARRA (Stimulus) Weatherization Admin	81.042	N/A	3,600
ARRA EECBG Grant	81.128	DE-SC0002826	<u>3,815</u>
<b>Total U.S. Department of Energy</b>			<b>59,150</b>
U.S. Department of Justice Passed Through			
<u>The Governor's Office of Crime Control and Prevention</u>			
Adventure Diversion FY13	16.523	JABG-2012-1455	80,000
VAWA FY13 State's Atty	16.588	VAWA-2013-1021	92,066
Sheriff VAWA FY13	16.588	VAWA-2013-1021	28,842
Violence Against Women Act FY12 (St.Atty)	16.588	VAWA-2012-1021	24,206
Violence Against Women Act FY12 (Sheriff)	16.588	VAWA-2012-1021	7,839
Immigration & Custom Enforcement (ICE)	16.590	N/A	389
Drug Court BJAG FY13	16.738	BJAG-2013-1038	13,756
Adult Drug Court	16.738	BJAG-2012-1038	760
Adult Drug Court FY12	16.738	BJAG-2012-1038	170,476
Adult Drug Court FY12	16.738	BJAG-2012-1038	6,738
ARRA (Stimulus) Sheriff Byrne Justice Assistance FY10	16.803	N/A	<u>3,450</u>
Total U.S. Department of Justice Through GOCCP			428,522
U.S. Department of Justice Passed Through National Network of Childrens			
Advocacy Center Grant FY13	16.582	N/A	315
Advocacy Center Grant FY12	16.582	N/A	<u>9,965</u>
Total of U.S. Department of Justice NNC			10,280
<b>Total U.S. Department of Justice</b>			<b>438,802</b>
<b>Total Other Federal Programs</b>			<u><b>4,695,680</b></u>
<b>Total Federal Programs</b>			<u><b>\$ 11,062,216</b></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2013**

**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, Maryland (the County) for the year ended June 30, 2013.

**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'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 basic financial statements and the related federal financial reports submitted by the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: Unmodified

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?   X   yes      \_\_\_\_\_ no

**Identification of major programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program
97.008	Urban Area Security Initiatives
93.044, 93.045	Aging Cluster

Dollar threshold used to distinguish between type A and type B programs: \$331,866

Auditee qualified as low-risk auditee?   X   yes      \_\_\_\_\_ no



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2013**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings and Questioned Costs**

**Finding Reference: 2013-01**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program: 14.871 Housing Choice Voucher Program  
Requirement: Special Tests – Reasonable Rent Determinations  
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

**Condition**

The County did not perform their reasonable rent determinations until after the Housing Assistance Payment effective dates.

**Context**

We haphazardly selected 8 new tenants for reasonable rent testing and identified 2 of the tenant files contained reasonable rent determinations performed after the Housing Assistance Payment effective dates.

**Criteria**

The PHA must determine that the rent to owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract: (a) before any increase in the rent to owner; and (b) at the HAP contract anniversary if there is a five percent decrease in the published Fair Market Rent (FMR) in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract) (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

**Cause**

Due to scheduling conflicts, the County employee responsible for performing the reasonable determinations was not able to complete the determinations until after the Housing Assistance Payment effective dates.

**Effect**

The County was not in compliance with federal requirements related to reasonable rent determinations.

**Questioned Costs**

There are no questioned costs related to this finding, as the rents were determined reasonable and Housing Assistance Payments were accurate based off the reasonable rents.

**Recommendation**

We recommend that the County begin the reasonableness determinations earlier in the certification process to ensure enough time to complete the determinations before the Housing Assistance Payment effective dates.

**Management's Response**

In determining rent reasonableness the County will change the process to have all rent reasonableness certifications dated with the original inspection date of the unit for a new admission or any time prior to an annual recertification date.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year Ended June 30, 2013**

**Finding Reference:** 2012-02

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/Context***

The County did not document their verification of a vendor's suspension or debarment status prior to entering into a contract with the vendor. We haphazardly selected 4 vendor contracts for testing and identified 2 of the vendor files did not contain documentation to support the vendor's suspension and/or debarment status.

***Current Year Status***

Fully Corrected. The County continued to screen vendors to ensure no contracts were awarded to suspended or debarred vendors. No issues were noted in current year related to suspension and debarment requirements.



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