

Carroll County, Maryland Comprehensive Annual Financial Report



For the Fiscal Year Ended
June 30, 2014

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: Knorr Brake Company, Eldersburg Commons Shopping Center, Princess Shopping Center, and Liberty Exchange Business Park, *courtesy of Carroll County Economic Development* .

Comprehensive Annual Financial Report

For The Fiscal Year Ended
June 30, 2014

Department of the Comptroller
Carroll County, Maryland

Robert M. Burk, Comptroller



Introductory Section



Concept Rendering 4.8.2013

ELDERSBURG COMMONS Eldersburg, Maryland



Carrolltown Mall is being redeveloped into a modern shopping center. Pictured above is the plans of what the shopping center will look like when completed in Fall of 2015. This project is a \$50 million investment.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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Department of the Comptroller
Carroll County Government
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Westminster, Maryland 21157

November 25, 2014

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, 2014.

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, 2014, 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 197.

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 2014 population estimate of 170,643. 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, limited to two consecutive terms by State law. 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 135.

Local Economy:

Local indicators show the continued stability of Carroll County.

The unemployment rate for Carroll County was at 5.4% in June 2014, compared to 6.2% nationally. This is a result of the gradual continuing 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 Penguin Random House, Evapco, and Jos. A. Bank Clothiers.

The County has a labor force of approximately 95,093 as of June 2014, which was an decrease of 1.3% 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 2014 the commissioners adopted a Real Property Tax Rate of \$1.018 per \$100 of assessed value, unchanged from the prior year.

Personal Property Tax Rate:

The Personal Property Tax Rate is also set annually by the Commissioners during adoption of the budget. For fiscal year 2014 the Commissioners adopted a Personal Property Tax Rate of \$2.515 per \$100 of assessed value. This is a \$0.03 reduction of the rate from fiscal year 2013.

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 to be available to meet unforeseen emergency situations.

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. A \$50 million project is included for the airport runway extension to expand the current 5,100 foot runway to 5,400 feet and widen and extend taxiways. The runway will be moved approximately 400 feet from its current location to allow larger aircraft to land. The majority of funding on this project is from Maryland Aviation Administration and Federal Aviation Administration.

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 assets 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. The policy 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. The County has started the process of transitioning the 800 MHz radio system from its existing analog infrastructure to a new digital infrastructure. More than 65,761 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 completed its transition away from the contractual relationship with the Maryland State Police Resident Trooper Program to the elected Sheriff.

The fiber network construction was completed during fiscal year 2014. The fiber network connects 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. During fiscal year 2014 Standard and Poor's upgraded the County's rating from AA+ to AAA.

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, 2013. Carroll County, Maryland has received a Certificate of Achievement for the last 29 consecutive years (fiscal years 1985-2013). 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.

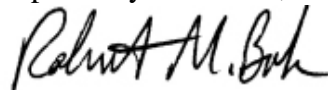
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2014 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 7 consecutive years (2008-2014). Currently, the County has submitted its fiscal year 2015 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**

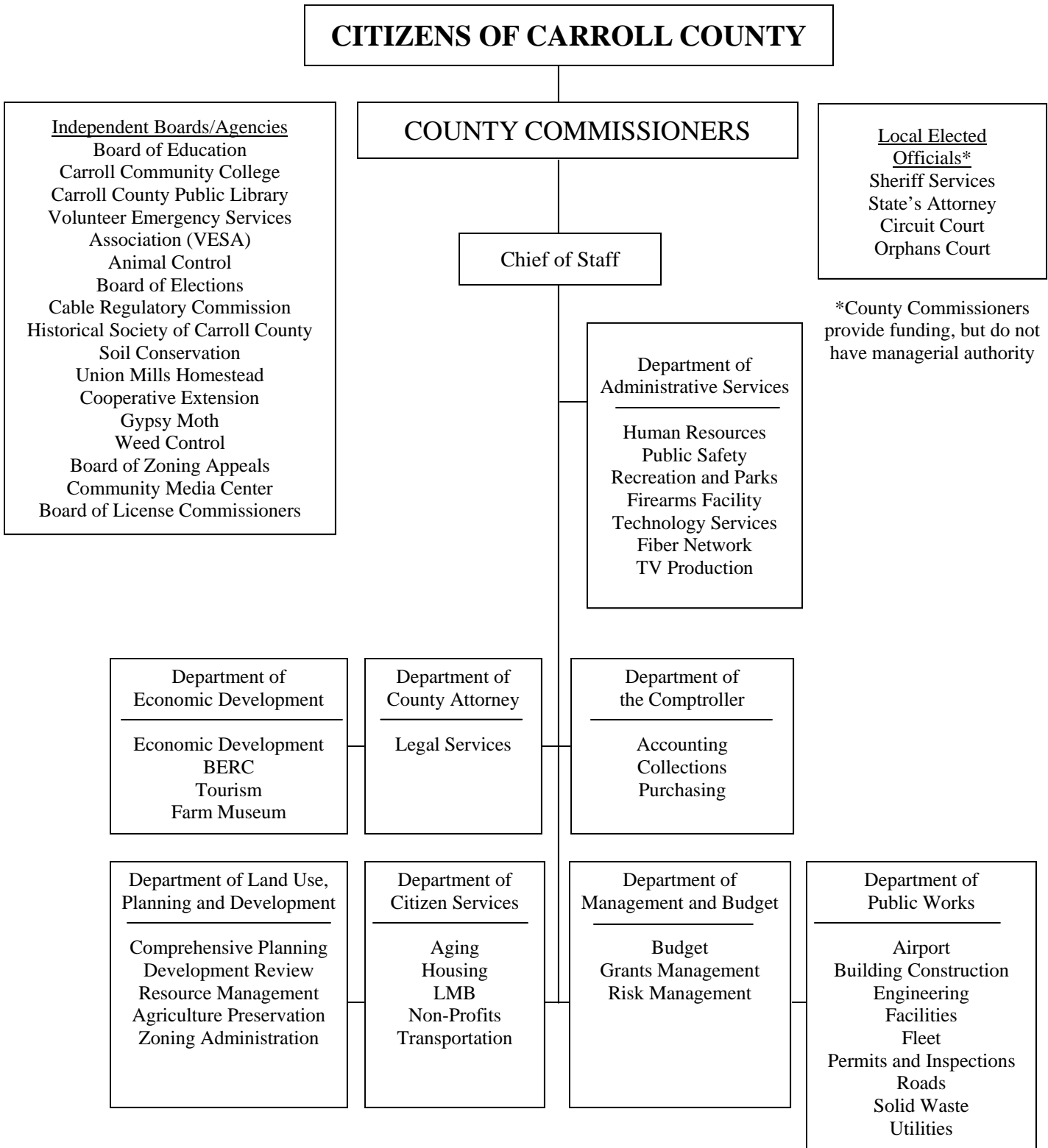
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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

Appointed Officials

Theodore Zaleski, III
Director of Management and Budget and
Acting Chief of Staff
Shawn Reese
County Clerk
Robert M. Burk
Comptroller
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



David H. Roush
President
District 3



Richard S. Rothschild
Vice President
District 4



Robin Bartlett Frazier
Secretary
District 1



J. Douglas Howard
District 5



Haven N. Shoemaker, Jr.
District 2

Financial

Section



Pictured above is Knorr Brake Corporation's state-of-the-art LEED certified manufacturing facility located at the Westminster Technology Park in Westminster, Maryland. This facility opened March 31, 2013.



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, Maryland (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County'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, 2014, 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 and the schedules of net pension liability and related ratios, contributions, and investment returns on pages 126-133, 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 introductory section, supplementary information, additional information, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of the expenditures of federal awards, as noted in the single audit section of the table of contents, is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents 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 section, additional information, and statistical section as 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 14, 2014, 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
November 14, 2014



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014. 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 and deferred outflows of resources of Carroll County exceeded its liabilities at the close of the fiscal year ended June 30, 2014 by \$283,902,440 (total net position), compared to \$285,681,986, at June 30, 2013. For fiscal year ended June 30, 2014 total net position was net of the \$53,961,339 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, 2014 \$30,730,474 was restricted for specific purpose (restricted net position) in comparison to \$25,373,773, at June 30, 2013. The total net investment in capital assets was \$307,133,305 at June 30, 2014 compared to \$314,575,368 at June 30, 2013.
- The total net position decreased by \$1,779,546 or 0.62%.

Fund level:

- At the close of the fiscal year, unassigned fund balance for the general fund (primary operating fund) was \$6,922,173 or 2.0% of general fund revenues.
- As of June 30, 2014, the County's governmental funds reported combined fund balances of \$144,028,556, a decrease of \$3,924,320 from the prior year. Approximately 5 percent of the combined fund balance is available to meet the County's current and future needs (*unassigned*), 41 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, 34 percent is committed or restricted for future use, stabilization arrangement, restricted investments and other purposes, and 20 percent is non spendable meaning it is in the form of loans receivables, inventory and notes receivable.

Long-term Debt:

- Carroll County Government's total bonded debt increased by \$2,093,394, or 0.6% from fiscal year 2013. For fiscal year 2014 the County paid an average interest rate of 4.24%.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 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 services, 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 funds balance sheet and the governmental funds 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 funds 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 142 to 148 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 funds 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 149 to 151 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 39 and 40 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 124 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 \$283,902,440 at the close of the most recent fiscal year. Components for Carroll County Government's net position are divided into three categories, net investment 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 \$47,862,627 reflect the imbalance of liabilities without corresponding assets.

Restricted net position of \$30,730,474 represents 11 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 \$53,961,339.

During fiscal year 2014 the County's net position decreased by \$1,779,546. The decreases in property tax along with the increase in expenses in Conservation of Natural Resources for agricultural land preservation were contributing factors to the decrease in net position.

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Carroll County Government's Net Position

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Current assets	\$ 194,850,140	\$ 208,920,949	\$ 33,158,726	\$ 32,816,746	\$ 228,008,866	\$ 241,737,695
Non-current assets	30,838,922	28,419,856	-	-	30,838,922	28,419,856
Capital assets	376,620,380	376,362,092	121,069,265	122,159,195	497,689,645	498,521,287
Total assets	602,309,442	613,702,897	154,227,991	154,975,941	756,537,433	768,678,838
Deferred outflows	5,054,556	5,338,746	78,772	99,045	5,133,328	5,437,791
Total assets and deferred outflows	607,363,998	619,041,643	154,306,763	155,074,986	761,670,761	774,116,629
Current liabilities	95,226,438	105,421,690	5,481,763	7,789,709	100,708,201	113,211,399
Non-current liabilities	347,770,782	343,948,049	29,289,338	31,275,195	377,060,120	375,223,244
Total liabilities	442,997,220	449,369,739	34,771,101	39,064,904	477,768,321	488,434,643
Net position:						
Net investment in capital assets	204,437,083	211,465,620	102,696,222	103,109,748	307,133,305	314,575,368
Restricted	7,792,322	8,354,576	22,938,152	17,019,197	30,730,474	25,373,773
Unrestricted	(47,862,627)	(50,148,292)	(6,098,712)	(4,118,863)	(53,961,339)	(54,267,155)
Total net position	\$ 164,366,778	\$ 169,671,904	\$ 119,535,662	\$ 116,010,082	\$ 283,902,440	\$ 285,681,986

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

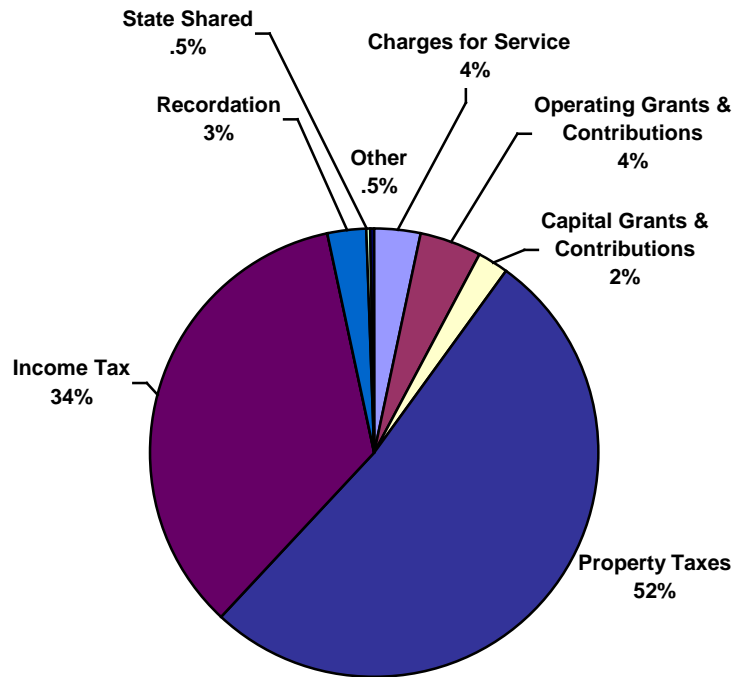
Carroll County Government's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Revenues:						
Program revenues:						
Charges for services	\$ 19,746,864	\$ 19,746,150	\$ 17,637,096	\$ 17,216,082	\$ 37,383,960	\$ 36,962,232
Operating grants & contributions	16,136,623	16,116,178	-	-	16,136,623	16,116,178
Capital grants & contributions	8,372,841	3,282,495	2,433,885	2,933,307	10,806,726	6,215,802
General revenues:						
Property taxes	197,220,873	199,322,443	-	-	197,220,873	199,322,443
Income tax	131,714,052	130,644,545	-	-	131,714,052	130,644,545
Recordation	10,576,850	10,021,395	-	-	10,576,850	10,021,395
Admission & amusement tax	262,098	288,173	-	-	262,098	288,173
Agricultural transfer tax	365,510	63,462	-	-	365,510	63,462
Hotel tax rental	309,992	278,906	-	-	309,992	278,906
State shared, unrestricted	948,717	620,224	-	-	948,717	620,224
Investment earnings	1,721,180	(1,252,613)	756,859	849,378	2,478,039	(403,235)
Gain on sale of capital asset	-	-	9,000	78,616	9,000	78,616
Total Revenues	\$ 387,375,600	\$ 379,131,358	\$ 20,836,840	\$ 21,077,383	\$ 408,212,440	\$ 400,208,741
Program Expenses:						
General government	67,208,424	74,177,030	-	-	67,208,424	74,177,030
Public safety	42,220,945	36,029,829	-	-	42,220,945	36,029,829
Public works	35,383,930	29,857,345	-	-	35,383,930	29,857,345
Health	4,504,233	4,546,895	-	-	4,504,233	4,546,895
Social services	1,234,170	1,208,120	-	-	1,234,170	1,208,120
Education	192,529,402	192,972,220	-	-	192,529,402	192,972,220
Recreation and parks	2,617,282	3,208,030	-	-	2,617,282	3,208,030
Libraries	13,909,531	13,150,071	-	-	13,909,531	13,150,071
Conservation of natural resources	11,395,342	5,116,229	-	-	11,395,342	5,116,229
Economic development	6,723,025	4,572,817	-	-	6,723,025	4,572,817
Interest on long-term debt	12,506,841	12,347,384	-	-	12,506,841	12,347,384
Bureau of Utilities	-	-	11,328,410	10,801,048	11,328,410	10,801,048
Solid Waste	-	-	6,319,530	12,108,283	6,319,530	12,108,283
Airport	-	-	800,811	689,380	800,811	689,380
Septage	-	-	536,068	489,064	536,068	489,064
Firearms	-	-	100,324	97,706	100,324	97,706
Fiber Network	-	-	673,718	733,785	673,718	733,785
Total Expenses	390,233,125	377,185,970	19,758,861	24,919,266	409,991,986	402,105,236
Excess (deficiency) before transfers	(2,857,525)	1,945,388	1,077,979	(3,841,883)	(1,779,546)	(1,896,495)
Transfers	(2,447,601)	(8,677,790)	2,447,601	8,677,790	-	-
Increase (Decrease) in Net Position	(5,305,126)	(6,732,402)	3,525,580	4,835,907	(1,779,546)	(1,896,495)
Net Position-Beginning	169,671,904	176,404,306	116,010,082	111,174,175	285,681,986	287,578,481
Net Position - Ending	\$ 164,366,778	\$ 169,671,904	\$ 119,535,662	\$ 116,010,082	\$ 283,902,440	\$ 285,681,986

- Governmental activities:** Overall revenue has increased by \$8,244,242, which is a 2.2 percent increase from fiscal year 2013. Property tax revenue decreased by \$2,101,570 over last fiscal year due to declining assessments. Income tax increased by \$1,069,507 due to the increase amount that the State of Maryland has collected for the County but, has not distributed. Investment earnings increased by \$2,973,793 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 increased by \$5,090,346. There was an increase in the amount of agricultural land grant reimbursements the County received in fiscal year 2014 compared to fiscal year 2013. Another reason for the increase was due to the County receiving money from the State Numbers Board for the relocation of the Emergency Operations Center. There was also an increase in Program Open Space money to help upgrade parks throughout the County.

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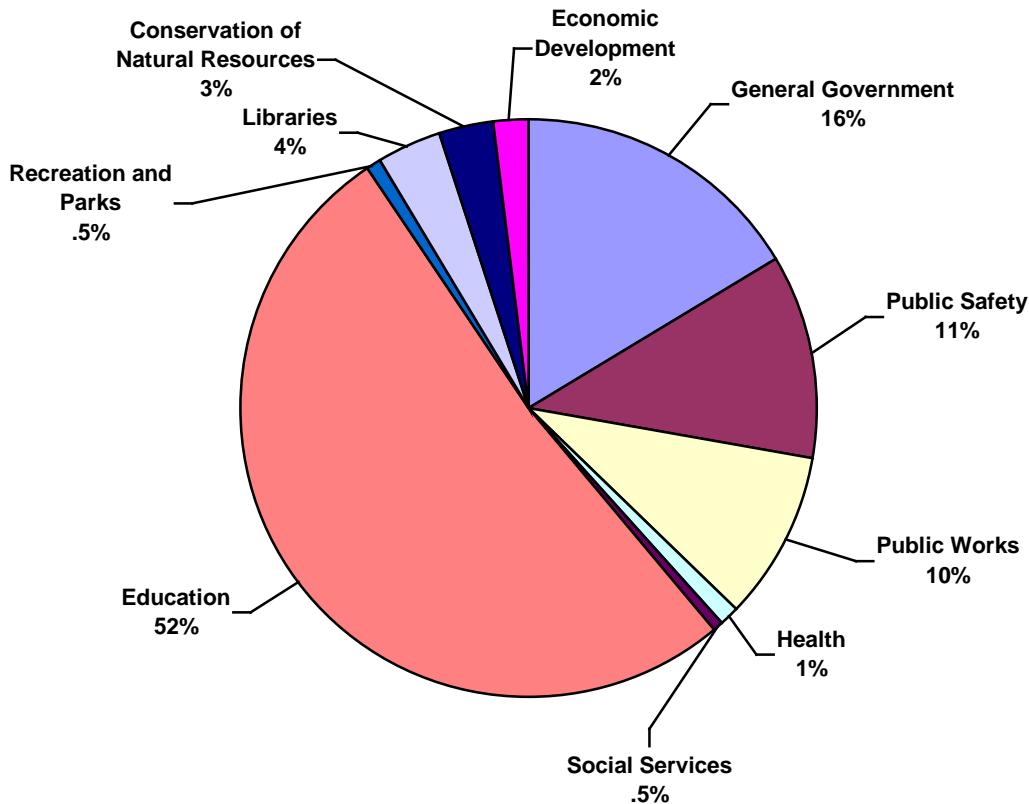
Revenues by Source-Primary Government



The expenses of the governmental activities have increased by \$13,047,155 or 3.5 percent from fiscal year 2013. The increase in Public Safety of \$6,191,116 was due to the relocation of the Emergency Operations Center and the transition of the County's 800 MHz radio system from its existing analog infrastructure to a new digital infrastructure. Public Works increased by \$5,526,585. The increase was caused by an increase in Roads Operations due to additional costs associated with snow during the fiscal year. Conservation of Natural Resources increased \$6,279,113, primarily due to an increased amount of easements purchased for agricultural land preservation. Economic Development increased \$2,150,208 due to an organizational change which moved the Farm Museum under to this function. The County is reviewing its process of allocating direct costs by function. In fiscal year 2014 healthcare expense were allocated by function and is the primary reason for the \$6,968,606 decrease in General Government.

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Expenses-Primary Government

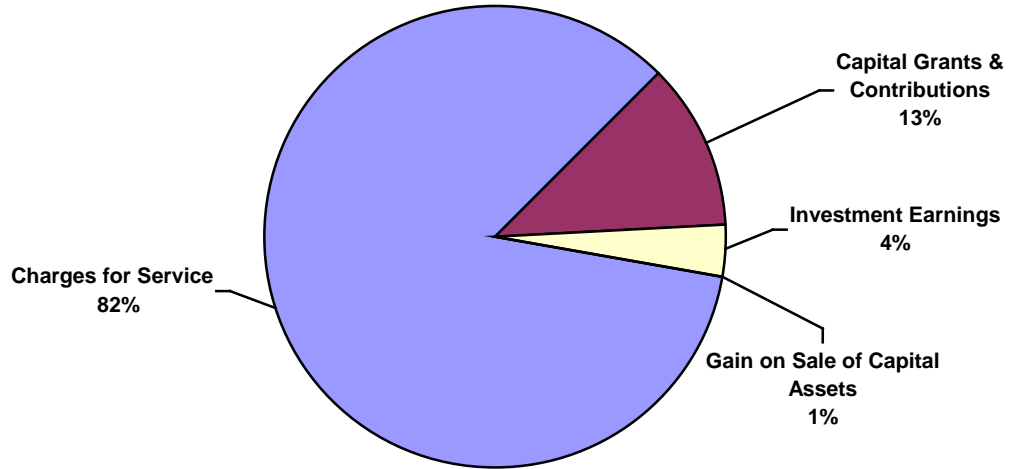


Business-type activities: There was an overall decrease in revenues of \$240,543 or 1 percent from fiscal year 2013. The primary reason for the decrease is due to the decreased number of area connections in Bureau of Utilities in fiscal year 2014 compared to fiscal year 2013. Also, investment earnings decreased \$92,519 due to earning a lower interest rate in fiscal year 2014 than in fiscal year 2013. The expenses of the business-type activities have decreased by \$5,160,405 or 20% from fiscal year 2013. The primary reason for the decrease happened in the Solid Waste fund. The Solid Waste expenses decreased by \$5,788,753 primarily due to the County withdrawing from the Waste to Energy Project and recording a reduction in accrued liabilities.

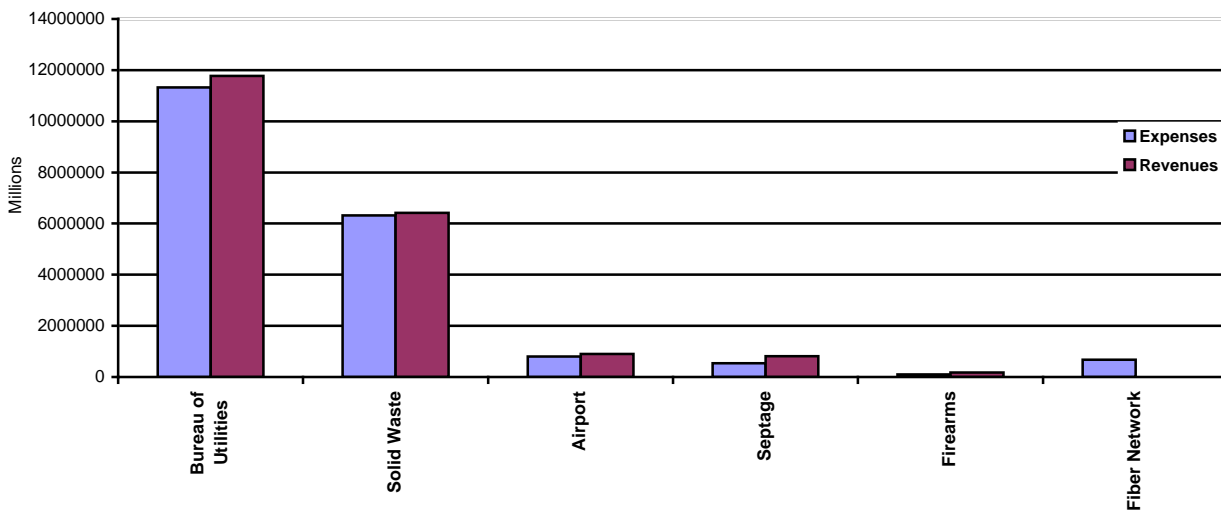
The County's transfers between governmental activities and business-type activities decreased by \$6,230,189 during fiscal year 2014.

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Revenues by Source-Business-Type Activities



Expenses and Program Revenues - Business-type Activities



Financial Analysis of the Government's Funds

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

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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 \$144,028,556, a decrease of \$3,924,320. Approximately 5 percent of this total (\$6,922,173) constitutes *unassigned fund balance*, which is available for future appropriation. The *assigned fund balance*, at 41 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 15 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 (\$17,574,884), 2) dedicated for inventory and advances to Industrial Development Authority (\$2,338,616), prepaid costs (\$253,110) and money due from other funds (\$9,042,550). The remaining 19 percent of fund balance (\$27,595,999) 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 \$6,922,173, while total fund balance was \$104,044,469. 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 1.9 percent of total general fund expenditures, while total fund balance represents 29 percent of that same amount.

In accordance with County law, a decrease in fund balance was budgeted with an appropriation of \$14,827,375 of fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$1,785,379 less in expenditures than budgeted. Total assets and liabilities decreased \$8,743,147 and \$9,747,057 respectively over the previous year due to component units drawing down their prior year outstanding budgeted distributions.

The revenues in the General Fund have increased by \$6,646,528 compared to the prior fiscal year. The primary contributing factor to the increase was due to miscellaneous revenue related to the rental of County facilities. Expenditures increased by \$16,551,223 compared to the prior fiscal year. The increase was due to additional amounts being recorded for the Component Units as rent of County facilities. Also, there was an increase in fringe funding to the Internal Service Fund to rebalance the Internal Service fund. The fringe funding was allocated across all functions. Another, contributing factor to the increase was in Public Safety, due to the addition of the new Eldersburg location and additional Sheriff Deputies. Public Works contributed to the increase in expenditures due to increased costs associated with snow removal during the fiscal year.

The Capital Project Fund's balance sheet shows \$4,564,496 less in assets in fiscal year 2014. The decrease in cash is mainly due to several projects beginning construction.

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The Capital Projects Fund has a total fund balance of \$36,834,193, of which \$22,535,457 is assigned to liquidate purchase orders of the prior period and \$14,298,736 is assigned for future capital project expenditures. Unspent bond proceeds of \$1,756,253 make up 22 percent of the restricted net position for government activities.

The Non-Major Governmental Funds have a total fund balance of \$3,149,894.

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 \$6,098,712 and unrestricted component of net position in the Internal Service Fund totaled \$4,134,970. The total increase in net position for the proprietary funds of \$3,525,580 was primarily due to the transfer of \$1,115,000 from the general fund to the Solid Waste and the asset transfer from the general fund of \$1,139,211 to the Fiber Network. The net position for the Internal Service Fund increased by \$2,212,449. 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 \$122,546,379 for fiscal year 2014. The investments in the trusts totaled \$122,821,054 at the end of fiscal year 2014 which was a 28% increase from fiscal year 2013. Agency funds had an asset total of \$1,066,915 at the end of fiscal year 2014. 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 1.7 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 \$340,278, and moved to various functions to help cover additional costs. 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 \$346,467,920, compared to budgeted amount of \$337,834,020, a positive variance of \$8,633,900. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Local property taxes came in \$0.67 million more than the final budget due to personal property tax coming in stronger than anticipated.
- Intergovernmental revenues came in \$0.56 million higher than final budget due to Federal disaster money coming in to cover costs for snow storms that occurred during the fiscal year.
- Miscellaneous revenues were \$7.5 million more than budget due to in-kind rental income associated with the Board of Education, Library, and Community College facilities.

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The budgetary statements of the General Fund show actual expenditures of \$353,884,127, compared to budgeted amount of 355,669,506, resulting in \$1,785,379 or 0.5 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- General Government expenditures came in \$4.3 million less than final budget primarily due to salaries and insurance expenses coming in lower than anticipated. Also, healthcare benefits, were allocated by function, which decreased general government.
- 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 2014, \$5.7 million was left in the Reserve for Contingency showing the function under budget.
- The final budgets for each function in the expenditures were reallocated from the original budget to reflect changes made throughout the year. One of the changes made was to reallocate healthcare costs by function.

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, 2014, amounted to \$497,689,645 (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 0.2 percent (a 0.1 percent increase for governmental activities and a 0.3 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 33,041,200	\$ 33,421,762	\$ 8,944,412	\$ 8,944,412	\$ 41,985,612	\$ 42,366,174
Construction in progress	30,219,213	17,826,297	1,039,342	2,650,817	31,258,555	20,477,114
Building and contents	136,610,530	141,037,291	15,931,958	16,417,628	152,542,488	157,454,919
Improvements						
other than buildings	9,625,350	10,655,440	6,719,145	6,054,061	16,344,495	16,709,501
Auto, machinery & equipment	12,934,458	13,074,565	12,005,328	9,988,590	24,939,786	23,063,155
Infrastructure	154,189,629	160,346,737	76,429,080	78,103,687	230,618,709	238,450,424
Total	<u>\$ 376,620,380</u>	<u>\$ 376,362,092</u>	<u>\$ 121,069,265</u>	<u>\$ 122,159,195</u>	<u>\$ 497,689,645</u>	<u>\$ 498,521,287</u>

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

- The sale of several County surplus properties, caused a decrease in land of \$0.5 million, the revenue received from these sales is designated to future County Road projects in the capital fund.

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- The on-going costs associated with the Carroll County 800MHz and 911 project totaled \$5.15 million which was funded by general obligation bond proceeds, real property tax revenue, and general fund revenue, and resulted in an increase in construction in progress (CIP).
- The on-going costs associated with the Emergency Operations Center relocation project totaled \$1.75 million which was funded by general obligation bond proceeds, real property tax revenue, and State Number Board revenue, and resulted in an increase in CIP.
- The on-going costs associated with various watershed protection projects totaled \$2.25 million which was funded by general obligation bond proceeds, State Highway Administration revenue, and State Department of Natural Resources revenue, and resulted in an increase in CIP.
- The completion of the Carroll County Public Network capital project totaled \$1.13 million which was funded by general fund revenue and resulted in an increase in improvements of Governmental Activities. Subsequently, the asset was transferred to the Fiber Network fund which resulted in a decrease in Improvements of Governmental Activities and an increase in Improvements of Business-Type Activities.
- The completion of the Carroll County Fiber Network totaled \$2.48 million which was funded by general fund revenue and resulted in a decrease in CIP of Business-Type Activities and an increase in Equipment of Business-Type Activities.

General obligation debt:

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$355,529,059, 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	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds, net	\$ 304,903,421	\$ 304,173,204	\$ 19,575,054	\$ 21,687,221	\$ 324,478,475	\$ 325,860,425
General Obligation Debt	31,050,584	27,575,240	-	-	31,050,584	27,575,240
Total	<u>\$ 335,954,005</u>	<u>\$ 331,748,444</u>	<u>\$ 19,575,054</u>	<u>\$ 21,687,221</u>	<u>\$ 355,529,059</u>	<u>\$ 353,435,665</u>

During the current fiscal year Carroll County Government's total general obligation debt increased by \$2,093,394. During the year, the County issued general obligation bonds totaling \$30,524,000. Of these bonds, \$25,265,000 were sold to cover capital projects in the governmental activities; \$735,000 was sold to cover fire company loans for building construction and equipment purchases; and \$4,524,000 were issued for refunding the 2004 taxable pension bonds. The new debt issue will be repaid over twenty years. In addition the County issued Installment Purchase Agreements (IPA) in the amount of \$3,475,344 for agricultural land preservation easements which will be paid in 20 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 2013 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 raised its rating for the County to an AAA in November 2013, citing "We view the

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

County's management conditions as very strong with "strong" financial management practices "strong" under our 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 and stable outlook reflects the County's sound financial position, supported by comprehensive fiscal policies, and 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 \$1,158,193,261, 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 2015 adopted budget appropriation for the general fund is \$368,494,140 representing an increase of \$1.4 million or 0.4 percent increase over fiscal year 2014
- Real property tax is expected to be less than fiscal year 2014 largely due to declining assessments.
- Income tax is expected to be higher than fiscal year 2014, even with a tax rate cut from 3.04% of State taxable income to 3.03%. The expected increase is due to a revised State estimate and continuing to show good growth.
- Recordation is expected to be higher in fiscal year 2015 due to the County starting to see positive growth in the housing market.
- Education appropriation increased in fiscal year 2015 due to additional money funding teachers pensions and a one time funding of \$3.3 million.
- Public Safety appropriation increased under Sheriff Services due to the full year impact of five partial year positions and the implementation of a new compensation plan for Sheriff Services.

All of these factors were considered in preparing the Carroll County Government's budget for the 2015 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, 2014

Exhibit A

	Primary Government		Total	Component Units			
	Governmental	Business-type		Board of	Carroll	Industrial	
	Activities	Activities		Education	Community	Development	Authority
ASSETS							
Equity in pooled cash and investments	\$ 141,541,372	\$ 29,642,957	\$ 171,184,329	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	-	53,033	53,033	6,871,316	6,763,915	1,171,866	1,302,915
Restricted cash	-	-	-	-	-	50,865	10,002,823
Investments	-	-	-	-	7,409,053	-	-
Taxes and receivables, net	26,539,985	3,626,475	30,166,460	1,217,250	1,002,480	210,416	7,206,077
Due from component units	1,601,320	2,088	1,603,408	-	-	-	-
Due from primary government	-	-	-	38,579,391	315,320	-	-
Due from other governments	22,481,759	-	22,481,759	5,493,127	-	-	-
Due from fiduciary funds	265,070	-	265,070	-	-	-	-
Internal balances	553,139	(553,139)	-	-	-	-	-
Inventories	1,196,709	380,645	1,577,354	699,247	-	5,691	-
Prepaid expenses	670,786	6,667	677,453	368,014	753,991	-	-
Investments -restricted	24,802,853	-	24,802,853	-	-	-	-
Negative net pension obligation	6,036,069	-	6,036,069	-	-	-	-
Capital assets not being depreciated:							
Land	33,041,200	8,944,412	41,985,612	15,049,603	180,000	-	7,682,468
Construction in progress	30,219,213	1,039,342	31,258,555	5,275,167	-	139,166	1,768,770
Art and doll collection	-	-	-	-	382,525	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	136,610,530	15,931,958	152,542,488	398,272,773	853,793	4,183,218	-
Improvements other than buildings	9,625,350	6,719,145	16,344,495	-	-	-	-
Auto, machinery and equipment	12,934,458	12,005,328	24,939,786	10,823,731	491,032	-	-
Infrastructure	154,189,629	76,429,080	230,618,709	-	-	-	-
Capital assets, net of depreciation	376,620,380	121,069,265	497,689,645	429,421,274	1,907,350	4,322,384	9,451,238
Total assets	602,309,442	154,227,991	756,537,433	482,649,619	18,152,109	5,761,222	27,963,053
Deferred Outflows of Resources							
Deferred charge on refunding	5,054,556	78,772	5,133,328	-	-	-	-
Total deferred outflows of resources	5,054,556	78,772	5,133,328	-	-	-	-
Total assets and deferred outflows	607,363,998	154,306,763	761,670,761	482,649,619	18,152,109	5,761,222	27,963,053
LIABILITIES							
Accounts payable	10,570,698	2,842,270	13,412,968	5,318,340	740,128	224,487	151,300
Retainage and guarantees due contractors	1,510,354	-	1,510,354	-	-	-	-
Due to component units	38,894,711	-	38,894,711	-	-	-	-
Due to primary government	-	-	-	456,879	706	3,916	1,141,907
Due to other governments	-	-	-	2,146,970	-	-	-
Unearned revenue	7,072,085	12,131	7,084,216	573,290	1,420,437	17,778	10,002,824
Accrued interest payable	1,708,550	156,033	1,864,583	48,288	-	-	786,842
Accrued expenses	1,390,832	82,345	1,473,177	27,066,898	756,055	249,145	18,490
Long-term liabilities							
Due within one year	34,079,208	2,388,984	36,468,192	2,759,714	684,482	455,843	-
Due in more than one year	347,770,782	29,289,338	377,060,120	75,686,214	15,171,921	-	4,000,000
Total liabilities	442,997,220	34,771,101	477,768,321	114,056,593	18,773,729	951,169	16,101,363
NET POSITION							
Net investment in capital assets	204,437,083	102,696,222	307,133,305	425,231,864	1,344,825	4,322,384	8,309,330
Restricted for:							
Capital projects	1,756,253	22,938,152	24,694,405	-	-	-	-
Pension	6,036,069	-	6,036,069	-	-	-	-
Food services	-	-	-	152,438	-	-	-
Educational purposes	-	-	-	-	6,830,328	-	-
Unrestricted	(47,862,627)	(6,098,712)	(53,961,339)	(56,791,276)	(8,796,773)	487,669	3,552,360
Total net position	\$ 164,366,778	\$ 119,535,662	\$ 283,902,440	\$ 368,593,026	\$ (621,620)	\$ 4,810,053	\$ 11,861,690

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, 2014

Exhibit B

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units				
					Governmental Activities	Business-type Activities		Board of Education	Carroll Community College	Library	Industrial Development Authority	
Primary government:												
General government	\$ 67,208,424	\$ 14,450,607	\$ 13,066,354	\$ -	\$ (39,691,463)	\$ -	\$ (39,691,463)	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	42,220,945	1,836,510	1,595,078	2,711,934	(36,077,423)	-	(36,077,423)	-	-	-	-	-
Public works	35,383,930	1,781,862	-	197,022	(33,405,046)	-	(33,405,046)	-	-	-	-	-
Health	4,504,233	55,405	120,000	-	(4,328,828)	-	(4,328,828)	-	-	-	-	-
Social services	1,234,170	6,600	-	-	(1,227,570)	-	(1,227,570)	-	-	-	-	-
Education	192,529,402	257,816	-	11,609	(192,259,977)	-	(192,259,977)	-	-	-	-	-
Recreation and parks	2,617,282	832,906	206,711	2,748,798	1,171,133	-	1,171,133	-	-	-	-	-
Libraries	13,909,531	-	-	-	(13,909,531)	-	(13,909,531)	-	-	-	-	-
Conservation of natural resources	11,395,342	-	19,440	2,703,478	(8,672,424)	-	(8,672,424)	-	-	-	-	-
Economic development	6,723,025	525,158	1,129,040	-	(5,068,827)	-	(5,068,827)	-	-	-	-	-
Interest on long-term debt	12,506,841	-	-	-	(12,506,841)	-	(12,506,841)	-	-	-	-	-
Total governmental activities	<u>390,233,125</u>	<u>19,746,864</u>	<u>16,136,623</u>	<u>8,372,841</u>	<u>(345,976,797)</u>	<u>-</u>	<u>(345,976,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:												
Bureau of Utilities	11,328,410	9,519,908	-	2,247,166	-	438,664	438,664	-	-	-	-	-
Solid Waste	6,319,530	6,422,401	-	-	-	102,871	102,871	-	-	-	-	-
Airport	800,811	713,942	-	186,719	-	99,850	99,850	-	-	-	-	-
Septage	536,068	808,332	-	-	-	272,264	272,264	-	-	-	-	-
Firearms	100,324	172,513	-	-	-	72,189	72,189	-	-	-	-	-
Fiber Network	673,718	-	-	-	-	(673,718)	(673,718)	-	-	-	-	-
Total business-type activities	<u>19,758,861</u>	<u>17,637,096</u>	<u>-</u>	<u>2,433,885</u>	<u>-</u>	<u>312,120</u>	<u>312,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 409,991,986</u>	<u>\$ 37,383,960</u>	<u>\$ 16,136,623</u>	<u>\$ 10,806,726</u>	<u>(345,976,797)</u>	<u>312,120</u>	<u>(345,664,677)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component units:												
Board of Education	384,388,096	3,878,046	48,751,274	12,903,936	-	-	-	(318,854,840)	-	-	-	-
Carroll Community College	37,696,100	9,946,119	6,786,841	-	-	-	-	-	(20,963,140)	-	-	-
Library	16,648,515	107,214	2,879,932	441,886	-	-	-	-	-	(13,219,483)	-	-
Industrial Development Authority	778,717	-	395,347	-	-	-	-	-	-	-	-	(383,370)
Total component units	<u>\$ 439,511,428</u>	<u>\$ 13,931,379</u>	<u>\$ 58,813,394</u>	<u>\$ 13,345,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(318,854,840)</u>	<u>(20,963,140)</u>	<u>(13,219,483)</u>	<u>-</u>	<u>(383,370)</u>
General revenues:												
Property taxes					197,220,873	-	197,220,873	-	-	-	-	-
Income tax					131,714,052	-	131,714,052	-	-	-	-	-
Recordation tax					10,576,850	-	10,576,850	-	-	-	-	-
Admission and amusement tax					262,098	-	262,098	-	-	-	-	-
Agricultural transfer tax					365,510	-	365,510	-	-	-	-	-
Hotel rental tax					309,992	-	309,992	-	-	-	-	-
Local appropriations					-	-	-	170,412,791	9,059,436	13,417,275	-	-
State shared, unrestricted					948,717	-	948,717	123,907,478	7,467,155	-	-	-
Grants and contributions not restricted to specific programs					-	-	-	-	2,687,902	-	-	-
Gain on sale of capital asset					-	9,000	9,000	-	-	-	-	-
Investment earnings and miscellaneous, unrestricted					1,721,180	756,859	2,478,039	1,298,784	827,026	30	36,920	-
Transfers					(2,447,601)	2,447,601	-	-	-	-	-	-
Total general revenues and transfers					<u>340,671,671</u>	<u>3,213,460</u>	<u>343,885,131</u>	<u>295,619,053</u>	<u>20,041,519</u>	<u>13,417,305</u>	<u>36,920</u>	<u>-</u>
Change in net position					(5,305,126)	3,525,580	(1,779,546)	(23,235,787)	(921,621)	197,822	(346,450)	-
Net position - beginning of year					169,671,904	116,010,082	285,681,986	391,828,813	300,001	4,612,231	12,208,140	-
Net position - ending					<u>\$ 164,366,778</u>	<u>\$ 119,535,662</u>	<u>\$ 283,902,440</u>	<u>\$ 368,593,026</u>	<u>\$ (621,620)</u>	<u>\$ 4,810,053</u>	<u>\$ 11,861,690</u>	<u>-</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Balance Sheet
Governmental Funds
June 30, 2014

Exhibit C

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 81,365,928	\$ 49,619,083	\$ 4,292,380	\$ 135,277,391
Taxes and receivables, net	21,193,428	2,841,095	2,491,621	26,526,144
Due from component units	1,174,896	426,424	-	1,601,320
Due from other governments	21,075,768	1,405,991	-	22,481,759
Due from other governmental funds	8,536,226	-	-	8,536,226
Due from fiduciary funds	265,070	-	-	265,070
Due from proprietary funds	553,139	-	-	553,139
Inventories	1,196,709	-	-	1,196,709
Prepaid costs	253,110	-	417,676	670,786
Investments- restricted	24,802,853	-	-	24,802,853
Total assets	160,417,127	54,292,593	7,201,677	221,911,397
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,017,692	\$ 3,525,582	\$ 852,336	\$ 10,395,610
Retainage and guarantees due contractors	1,510,354	-	-	1,510,354
Due to component units	37,378,000	1,516,711	-	38,894,711
Due to other governmental funds	-	8,536,226	-	8,536,226
Accrued expenditures	1,291,608	-	99,224	1,390,832
Unearned revenue	84,791	3,879,881	3,100,223	7,064,895
Total liabilities	46,282,445	17,458,400	4,051,783	67,792,628
Deferred Inflows of Resources				
Unavailable revenue	10,090,213	-	-	10,090,213
Total deferred inflows of resources	10,090,213	-	-	10,090,213
Fund Balances:				
Nonspendable	29,209,160	-	-	29,209,160
Restricted	26,052,436	-	1,543,563	27,595,999
Committed	19,825,000	-	1,606,331	21,431,331
Assigned	22,035,700	36,834,193	-	58,869,893
Unassigned	6,922,173	-	-	6,922,173
Total fund balances	104,044,469	36,834,193	3,149,894	144,028,556
Total liabilities, deferred inflows of resources, and fund balances	\$ 160,417,127	\$ 54,292,593	\$ 7,201,677	
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.				376,620,380
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.				10,090,213
Negative net pension obligation, which is included in the governmental activities in the statement of net position.				5,653,132
Net LOSAP obligation, which is included in the governmental activities in the statement of net position.				(869,955)
Negative net certified law officer's pension obligation, which is included in the governmental activities in the statement of net position.				382,937
Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net position.				(35,510,993)
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.				4,134,970
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, notes payable, compensated absences, etc.			\$ (338,453,912)	(340,162,462)
Accrued interest payable			(1,708,550)	
Net position of governmental activities				\$ 164,366,778

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, 2014

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
-local property	\$ 195,528,915	\$ -	\$ -	\$ 195,528,915
-local other	131,580,233	11,957,555	2,065,786	145,603,574
-state shared	948,717	3,487	-	952,204
Impact fees	-	-	206,711	206,711
Licenses and permits	1,475,869	-	-	1,475,869
Intergovernmental revenues	1,856,200	7,020,925	14,021,005	22,898,130
Charges for services	4,305,570	-	271,131	4,576,701
Fines and forfeits	86,632	5,900	-	92,532
Interest and gain on investments	1,405,098	817,752	2,677	2,225,527
Miscellaneous revenues	8,714,678	1,339,579	-	10,054,257
Total revenues	<u>345,901,912</u>	<u>21,145,198</u>	<u>16,567,310</u>	<u>383,614,420</u>
EXPENDITURES				
Current:				
General government	48,031,450	-	12,943,129	60,974,579
Public safety	40,304,424	-	1,179,731	41,484,155
Public works	13,275,887	-	-	13,275,887
Health	4,297,492	-	4,000	4,301,492
Social services	1,232,576	-	-	1,232,576
Education	185,008,583	-	-	185,008,583
Library	13,417,275	-	-	13,417,275
Recreation and parks	1,677,441	-	82,210	1,759,651
Conservation of natural resources	966,448	-	-	966,448
Economic development	4,966,923	-	1,517,604	6,484,527
Capital outlay:				
General government	-	2,746,265	-	2,746,265
Public safety	-	10,536,479	-	10,536,479
Public works	-	11,620,495	-	11,620,495
Education	-	7,441,434	-	7,441,434
Recreation and parks	-	3,056,529	-	3,056,529
Library/senior centers	-	441,886	-	441,886
Conservation of natural resources	-	12,672,161	-	12,672,161
Debt service:				
Principal	26,984,558	-	-	26,984,558
Interest	13,656,778	-	-	13,656,778
Total expenditures	<u>353,819,835</u>	<u>48,515,249</u>	<u>15,726,674</u>	<u>418,061,758</u>
Excess (deficiency) of revenues over (under) expenditures	(7,917,923)	(27,370,051)	840,636	(34,447,338)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,379,710	8,856,223	1,434,538	24,670,471
Transfers out	(11,390,494)	(13,027,715)	(1,560,652)	(25,978,861)
Payment to escrow agent	(4,478,621)	-	-	(4,478,621)
Refunding bonds issued	4,524,000	-	-	4,524,000
Bonds issued	735,000	25,265,000	-	26,000,000
Bonds premium	-	2,480,740	-	2,480,740
Issuance of debt-long term notes	3,475,344	-	-	3,475,344
Total other financing sources (uses)	<u>7,244,939</u>	<u>23,574,248</u>	<u>(126,114)</u>	<u>30,693,073</u>
Net change in fund balances	(672,984)	(3,795,803)	714,522	(3,754,265)
Fund balance - beginning	104,887,508	40,629,996	2,435,372	147,952,876
Decrease in reserve for inventory	(170,055)	-	-	(170,055)
Fund balance - ending	<u>\$ 104,044,469</u>	<u>\$ 36,834,193</u>	<u>\$ 3,149,894</u>	<u>\$ 144,028,556</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, 2014

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

Net change in fund balances - total governmental funds	\$ (3,754,265)
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.	258,288
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,846,949
Adjustment to LOSAP's annual pension cost for the net LOSAP obligation.	(164,796)
Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation.	(202,227)
Adjustment to the Other Postemployment Benefit (OPEB) annual OPEB cost for the net OPEB obligation.	(717,959)
Adjustment to the Certified Law Officer's Pension (CLOP) annual pension cost for the net CLOP obligation.	183,204
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.	(4,379,779)
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.	(586,990)
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.	2,212,449
Change in net position - governmental activities	<u><u>\$ (5,305,126)</u></u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) Basis vs. Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Taxes:				
-local property	\$ 195,421,970	\$ 195,421,970	\$ 196,094,923	\$ 672,953
-local other	131,619,640	131,619,640	131,580,233	(39,407)
-state shared	930,000	930,000	948,717	18,717
Licenses and permits	1,616,260	1,616,260	1,475,869	(140,391)
Intergovernmental revenues	1,289,000	1,289,000	1,856,200	567,200
Charges for services	4,267,650	4,267,650	4,305,570	37,920
Fines and forfeits	83,550	83,550	86,632	3,082
Interest and gains on investments	1,400,000	1,400,000	1,405,098	5,098
Miscellaneous revenues	1,205,950	1,205,950	8,714,678	7,508,728
Total revenues	<u>337,834,020</u>	<u>337,834,020</u>	<u>346,467,920</u>	<u>8,633,900</u>
Other financing resources				
Appropriated fund balance	14,827,375	14,827,375	-	(14,827,375)
Issuance of debt-long term notes payable	-	-	3,475,344	3,475,344
Transfers in	14,398,605	14,398,605	14,379,710	(18,895)
Refunding bonds issued	-	-	4,524,000	4,524,000
Bonds issued	-	-	735,000	735,000
Total other financing resources	<u>29,225,980</u>	<u>29,225,980</u>	<u>23,114,054</u>	<u>(6,111,926)</u>
Total Resources (Inflows)	<u>367,060,000</u>	<u>367,060,000</u>	<u>369,581,974</u>	<u>2,521,974</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Current:				
General government	64,272,085	51,931,542	47,618,721	4,312,821
Public safety	34,250,320	40,683,889	40,344,633	339,256
Public works	11,259,535	14,122,370	13,716,498	405,872
Health	4,316,970	4,316,990	4,297,492	19,498
Social services	1,225,560	1,355,945	1,232,576	123,369
Education	177,674,090	177,828,460	185,008,583	(7,180,123)
Library	8,929,350	11,075,780	13,417,275	(2,341,495)
Recreation and parks	2,320,200	2,541,735	1,665,796	875,939
Conservation of natural resources	864,630	972,336	966,448	5,888
Economic development	3,470,840	4,115,303	4,974,769	(859,466)
Reserve for contingencies	6,116,274	5,775,996	-	5,775,996
Debt service:				
Debt service-County	27,149,160	27,149,160	26,902,177	246,983
Debt service- Board of Education	13,800,000	13,800,000	13,739,159	60,841
Total expenditures	<u>355,649,014</u>	<u>355,669,506</u>	<u>353,884,127</u>	<u>1,785,379</u>
Other financing uses				
Transfers out	11,410,986	11,390,494	11,390,494	-
Payment to escrow agent	-	-	4,478,621	(4,478,621)
Total other financing uses	<u>11,410,986</u>	<u>11,390,494</u>	<u>15,869,115</u>	<u>(4,478,621)</u>
Total charges to appropriations (outflows)	<u>367,060,000</u>	<u>367,060,000</u>	<u>369,753,242</u>	<u>(2,693,242)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(171,268)</u>	<u>\$ (171,268)</u>
Fund balance - beginning			108,351,850	
Fund balance - ending			<u>\$ 108,180,582</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, 2014

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds	Total	
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 15,396,273	\$ 12,747,768	\$ -	\$ 1,498,916	\$ 29,642,957	\$ 6,263,981
Cash and cash equivalents	-	31,390	21,343	300	53,033	-
Receivables, net	2,767,729	654,738	64,163	139,845	3,626,475	13,841
Due from component units	-	2,088	-	-	2,088	-
Inventories	316,557	47,892	16,196	-	380,645	-
Prepaid expenses	-	-	-	6,667	6,667	-
Total current assets	18,480,559	13,483,876	101,702	1,645,728	33,711,865	6,277,822
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	1,389,175	10,830,634	-
Auto, machinery and equipment	2,114,600	3,788,728	988,265	12,430,822	19,322,415	-
Infrastructure	103,020,470	-	-	-	103,020,470	-
Construction in progress	616,163	313,494	-	109,685	1,039,342	-
Less accumulated depreciation	(36,802,593)	(4,926,634)	(2,712,679)	(1,918,699)	(46,360,605)	-
Total capital assets (net of accumulated depreciation)	88,457,277	9,017,562	11,309,392	12,285,034	121,069,265	-
Total assets	106,937,836	22,501,438	11,411,094	13,930,762	154,781,130	6,277,822
Deferred Outflows of Resources						
Deferred charge on refunding	64,885	10,249	2,477	1,161	78,772	-
Total deferred outflows of resources	64,885	10,249	2,477	1,161	78,772	-
Total assets and deferred outflows	\$ 107,002,721	\$ 22,511,687	\$ 11,413,571	\$ 13,931,923	\$ 154,859,902	\$ 6,277,822
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,652,279	\$ 1,049,682	\$ 42,965	\$ 97,344	\$ 2,842,270	\$ 175,088
Accrued interest payable	128,875	15,454	10,874	830	156,033	-
Unearned revenue	7,767	4,364	-	-	12,131	7,190
Accrued expenses	49,290	26,454	4,262	2,339	82,345	-
Due to other funds	-	46,815	48,197	458,127	553,139	-
Long-term liabilities due within one year:						
General obligation bonds payable	1,412,539	387,861	244,550	12,180	2,057,130	-
Unpaid insurance claims	-	-	-	-	-	1,940,968
Loans payable	28,633	-	-	-	28,633	-
Landfill closure, postclosure remediation	-	171,224	-	-	171,224	-
Compensated absences	80,707	47,114	4,176	-	131,997	-
Total long-term due within one year	1,521,879	606,199	248,726	12,180	2,388,984	1,940,968
Total current liabilities	3,360,090	1,748,968	355,024	570,820	6,034,902	2,123,246
Noncurrent liabilities:						
General obligation bonds payable	14,268,877	1,838,752	1,323,545	86,750	17,517,924	-
Unpaid insurance claims	-	-	-	-	-	19,606
Loans payable	188,124	-	-	-	188,124	-
Landfill closure, postclosure remediation	-	11,378,160	-	-	11,378,160	-
Compensated absences	131,901	70,891	2,338	-	205,130	-
Total noncurrent liabilities	14,588,902	13,287,803	1,325,883	86,750	29,289,338	19,606
Total liabilities	17,948,992	15,036,771	1,680,907	657,570	35,324,240	2,142,852
NET POSITION						
Net investment in capital assets	72,683,586	7,974,159	9,852,373	12,186,104	102,696,222	-
Restricted for:						
Capital projects	16,606,325	4,333,734	1,998,093	-	22,938,152	-
Unrestricted (deficit)	(236,182)	(4,832,977)	(2,117,802)	1,088,249	(6,098,712)	4,134,970
Total net position	\$ 89,053,729	\$ 7,474,916	\$ 9,732,664	\$ 13,274,353	\$ 119,535,662	\$ 4,134,970

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, 2014

	<u>Business-type Activities-Enterprise Funds</u>					<u>Governmental Activities- Internal Service Funds</u>
	<u>Bureau of Utilities</u>	<u>Solid Waste</u>	<u>Airport</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	
Operating revenues:						
Charges for services	\$ 9,519,908	\$ 6,422,401	\$ 713,942	\$ 980,845	\$ 17,637,096	\$ 16,303,442
Total operating revenues	9,519,908	6,422,401	713,942	980,845	17,637,096	16,303,442
Operating expenses:						
Personal services	2,510,322	1,436,414	200,002	70,137	4,216,875	-
Contractual services	3,778,324	3,411,408	245,037	382,883	7,817,652	-
Materials and supplies	1,153,846	369,420	52,465	79,751	1,655,482	-
Rents and utilities	809,992	53,704	23,780	137,611	1,025,087	-
Insurance claims	-	-	-	-	-	14,099,717
Miscellaneous	53,837	383,885	26,385	129,234	593,341	-
Depreciation	2,285,154	564,037	182,320	505,966	3,537,477	-
Total operating expenses	<u>10,591,475</u>	<u>6,218,868</u>	<u>729,989</u>	<u>1,305,582</u>	<u>18,845,914</u>	<u>14,099,717</u>
Operating income (loss)	<u>(1,071,567)</u>	<u>203,533</u>	<u>(16,047)</u>	<u>(324,737)</u>	<u>(1,208,818)</u>	<u>2,203,725</u>
Nonoperating revenues (expenses):						
Penalties and interest	462,957	273,742	9	2,145	738,853	8,724
Bond interest subsidy	18,006	-	-	-	18,006	-
Interest and fiscal charges	(736,935)	(100,662)	(70,822)	(4,528)	(912,947)	-
Gain on disposal of capital asset	-	-	9,000	-	9,000	-
Total nonoperating revenues (expenses)	<u>(255,972)</u>	<u>173,080</u>	<u>(61,813)</u>	<u>(2,383)</u>	<u>(147,088)</u>	<u>8,724</u>
Income (loss) before contributions and transfers	(1,327,539)	376,613	(77,860)	(327,120)	(1,355,906)	2,212,449
Capital contributions (Area Connection Charges & Grants)	2,247,166	-	186,719	-	2,433,885	-
Capital contributions- equip. transferred from governmental activities	-	-	-	1,139,211	1,139,211	-
Transfers in	193,390	1,115,000	-	-	1,308,390	-
Change in net position	1,113,017	1,491,613	108,859	812,091	3,525,580	2,212,449
Total net position - beginning of year	87,940,712	5,983,303	9,623,805	12,462,262	116,010,082	1,922,521
Total net position - end of year	<u>\$ 89,053,729</u>	<u>\$ 7,474,916</u>	<u>\$ 9,732,664</u>	<u>\$ 13,274,353</u>	<u>\$ 119,535,662</u>	<u>\$ 4,134,970</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, 2014

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 9,368,953	\$ 6,406,179	\$ 1,073,644	\$ 701,107	\$ 17,549,883	\$ 16,379,524
Receipts from other funds	-	-	-	217,226	217,226	-
Payments to suppliers	(5,267,170)	(6,700,351)	(336,457)	(481,667)	(12,785,645)	(14,342,278)
Payments to employees	(2,513,675)	(1,487,305)	(195,512)	(62,368)	(4,258,860)	-
Payments to other funds	-	-	(325,935)	-	(325,935)	-
Net cash provided (used) by operating activities	1,588,108	(1,781,477)	215,740	374,298	396,669	2,037,246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	193,390	1,115,000	-	-	1,308,390	-
Net cash provided by noncapital financing activities	193,390	1,115,000	-	-	1,308,390	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(610,490)	(466,122)	(74,420)	(157,304)	(1,308,336)	-
Principal paid on capital debt	(1,428,013)	(455,583)	(244,254)	(12,224)	(2,140,074)	-
Interest paid on capital debt	(732,968)	(100,829)	(71,651)	(4,486)	(909,934)	-
Proceeds of the disposition of capital asset	-	-	9,000	-	9,000	-
Capital contributions (Area Connection Charges & Grants)	2,247,166	-	186,719	-	2,433,885	-
Other assessment collected	62	-	-	-	62	-
Bond interest subsidy	18,006	-	-	-	18,006	-
Net cash provided (used) by capital and related financing activities	(506,237)	(1,022,534)	(194,606)	(174,014)	(1,897,391)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments and cash	462,957	273,742	9	2,145	738,853	8,724
Net cash provided by investing activities	462,957	273,742	9	2,145	738,853	8,724
Net increase (decrease) in cash and cash equivalents	1,738,218	(1,415,269)	21,143	202,429	546,521	2,045,970
Cash and cash equivalents at beginning of year	13,658,055	14,194,427	200	1,296,787	29,149,469	4,218,011
Cash and cash equivalents at end of year	<u>\$ 15,396,273</u>	<u>\$ 12,779,158</u>	<u>\$ 21,343</u>	<u>\$ 1,499,216</u>	<u>\$ 29,695,990</u>	<u>\$ 6,263,981</u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:						
Operating income (Loss)	\$ (1,071,567)	\$ 203,533	\$ (16,047)	\$ (324,737)	\$ (1,208,818)	\$ 2,203,725
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,285,154	564,037	182,320	505,966	3,537,477	-
Effect of Changes in operating assets and liabilities:						
Due to other funds	-	(1,077)	(325,935)	217,226	(109,786)	-
Accounts receivable	(158,722)	2,311	359,702	(76,709)	126,582	77,521
Inventory	190,412	-	(2,729)	-	187,683	-
Compensated absences payable	(7,400)	(51,116)	4,176	-	(54,340)	-
Accounts payable and accrued expenses	342,464	(2,631,381)	14,253	52,552	(2,222,112)	(242,561)
Unearned revenue	7,767	(17,457)	-	-	(9,690)	(1,439)
Landfill closure, postclosure, remediation costs	-	149,673	-	-	149,673	-
Total adjustments	2,659,675	(1,985,010)	231,787	699,035	1,605,487	(166,479)
Net cash provided (used) by operating activities	<u>\$ 1,588,108</u>	<u>\$ (1,781,477)</u>	<u>\$ 215,740</u>	<u>\$ 374,298</u>	<u>\$ 396,669</u>	<u>\$ 2,037,246</u>
Noncash investing, capital, and financing activities:						
Transfer of donated asset from governmental activities	\$ -	\$ -	\$ -	\$ 1,139,212	\$ 1,139,212	\$ -

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, 2014

	<u>Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Equity in pooled cash and investments	\$ -	\$ 848,356
Receivables-notes	-	218,559
Investments at fair value:		
Short term investments	2,488,578	-
Bond funds	17,205,198	-
Equity funds	55,130,406	-
Marketable securities	47,996,872	-
Total investments	<u>122,821,054</u>	<u>-</u>
Total assets	<u>122,821,054</u>	<u>\$ 1,066,915</u>
LIABILITIES		
Accounts payable	9,605	145,370
Due to primary government	265,070	-
Deposits	-	921,545
Total liabilities	<u>274,675</u>	<u>\$ 1,066,915</u>
FIDUCIARY NET POSITION		
Net position held in trust for pension, benefits, and other purposes	<u>\$ 122,546,379</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 Change in Fiduciary Net Position
Trust Funds
For the Fiscal Year Ended June 30, 2014

	Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 13,543,660
Plan members	2,578,992
Contributions from sources other than employer(s) and plan members	226,975
Total contributions	16,349,627
Investment earnings:	
Interest and dividends	2,135
Net increase in the fair value of investments	16,710,930
Total investment earnings	16,713,065
Less investment expense	(48,285)
Net investment earnings	16,664,780
Total additions	33,014,407
DEDUCTIONS	
Benefits and refunds paid to plan members and beneficiaries	5,658,003
Administrative expenses	63,894
Total deductions	5,721,897
Net increase in fiduciary net position	27,292,510
Net position-beginning	95,253,869
Net position-ending	\$ 122,546,379

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, 2014

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, 2014. 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, 2014

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, 2014. 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 Article §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, 2014.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014.

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, 2014

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 costs.

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, 2014

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, 2014

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, 2014

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.

E. 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, 2014

Note 1 - Summary of significant accounting policies-continued

F. 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, 2014, expenditures exceeded appropriations by \$7,180,123 in Education and \$2,341,495 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.

G. 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, 2014

Note 1 - Summary of significant accounting policies-continued

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-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 applicable GASB standards.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies-continued

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued

maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares.

The MLGIP issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: PNC Bank Institutional Investments; Maryland Local Government Investment Pool; 1 East Pratt Street 5th Floor West; 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies-continued

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued

Restricted 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-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:

Capital Assets

Buildings	50 years
Building improvements	10 years
Water and sewer systems	50-75 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Roads	50-75 years
Bridges	30-50 years
Fiber optic system	25-50 years

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 only item that qualifies for reporting in this category 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies-continued

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued

Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet for 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 position and unrestricted net position. 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 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. In November 2013 this debt was refunded to provide the County a debt service savings of \$281,323.

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. Of the total outstanding debt of \$2,226,613 in the solid waste fund, \$1,183,209 is associated with landfills.

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2014 fees collected through water/sewer user rates, area connection charges and maintenance fees totaling \$16,606,325 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 \$4,333,734 and \$1,998,093 respectively. These amounts totaling \$22,938,152 are restricted in the business-type activities of the Statement of Net Position.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies-continued

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued

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

H. 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, 2014. 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies-continued

I. 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.

J. 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 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, Solid Waste, Septage Treatment, the Firearms Facility and the Airport 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 1st and may be paid without interest on or before September 30th. For fiscal year 2014 the following discounts were allowed: 1% on full year tax payments made on or before July 31st; 0.5% on full year tax payments made on or before August 31st. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1st and may be paid without interest on or before December 31st. A service charge is payable with the second installment unless both installments are paid by September 30th. Delinquent accounts are issued final bills and legal notices on April 1st. Following the required

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies

J. Revenues and expenditures/expenses- continued

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, 2014 was \$1.018 per \$100 of assessed value and the personal property rate was \$2.515 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. Upon separation, employees are reimbursed for accumulated unused vacation and compensatory leave.

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

Accrued unused vacations, compensatory, and sick leave, along with the employer paid portion of taxes and benefits, are reported as expenses and/or liability of the activity and function 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 July 31, 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. Upon separation, 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies

J. Revenues and expenditures/expenses- continued

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 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, and 2003 respectively.

The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue. The County calculates arbitrage internally every six months. As of June 30, 2014 there is no arbitrage liability due to the Internal Revenue Service.

K. New Accounting Pronouncement

In March 2012, the GASB issued 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*. The County has implemented the effects of this Statement for the reporting period ending June 30, 2014. The effect of this statement had no substantial impact on the financial statements.

The County also implemented the requirements of GASB 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. The effect of this statement was a change in the disclosure of the County's pension plans. LOSAP did not qualify because their fiscal year began after June 15, 2013.

GASB 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. The County has implemented the effects of this Statement for the reporting period ended June 30, 2014.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of significant accounting policies

K. New Accounting Pronouncement-continued

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. 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.

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. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date- an Amendment of GASB Statement No. 68*

This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This Statement will become effective for reporting periods ending June 30, 2015.

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, and compensated absences 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	\$291,962,105
General Obligation Debt-Installment Purchases	31,050,584
Purchase Agreements Payable	1,540,690
Compensated Absences	6,013,773
Deferred charges	(5,054,556)
Premium on Bonds	12,941,316
	<u>\$ 338,453,912</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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

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

Property Taxes- unavailable	\$1,691,958
Income Taxes- unavailable	<u>8,398,255</u>
	<u>\$10,090,213</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *change in net 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	\$ 19,381,926
Donated Assets	2,628,044
Depreciation	(19,591,672)
Loss on Trade in of Assets	(19,888)
Disposal of Capital Assets	(1,000,911)
Assets Transferred to Other Funds	<u>(1,139,211)</u>
	<u>\$ 258,288</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 \$1,846,949 difference represents the net change of \$96,991 in Property Taxes-unavailable plus \$1,749,958 in Income Taxes-unavailable in the fund statements.

Another element of that reconciliation states “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.” The details of this difference are as follows:

Debt Issued or Incurred:

Issuance of New General Obligation Debt	\$ (3,475,344)
Issuance of New General Obligation Bonds	(30,524,000)
Principal Payments on General Obligation Bonds	31,041,036

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Principal Payments on Purchase Agreements	193,522
Net Change in Amortization of	
Deferred loss on Refunding Bonds	(284,190)
Net Change in Amortization of Bond Premium	(1,247,253)
Net Change In Accrued Interest Expense	<u>(83,550)</u>
	<u>\$ (4,379,779)</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	\$ (416,935)
Difference between accrual method used in	
Government wide Statements and the Purchase	
Method of inventory used in the Fund Statements	<u>(170,055)</u>
	<u>\$ (586,990)</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 \$23,706,410. The Federal Depository Insurance Corporation (FDIC) insured \$250,000 and the balance of \$23,456,410 was collateralized with investments held in the County’s name at the Federal Reserve Bank. At June 30, 2014, 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.

Reconciliation:

<u>Total Primary Government – Exhibit A</u>	
Equity in Pooled Cash and Investments	\$171,184,329
Cash and cash equivalents	53,033
Restricted Assets – Investments	24,802,853
 <u>Trust Funds-Exhibit J</u>	
Trust funds:	
Total Investments	122,821,054
Agency Funds:	
Equity in pooled cash and investments	<u>848,356</u>
Total all equity in pooled cash and investments	319,709,625
Less: Investments –Primary Government	<u>(296,003,215)</u>
Total collected bank balance	<u>\$23,706,410</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

COMPONENT UNITS

At year-end the carrying amount of combined deposits was \$26,163,700. 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	\$6,871,316
Carroll Community College	6,763,915
Carroll County Library	1,222,731
Industrial Development Authority	<u>11,305,738</u>
Cash in the Bank	<u>\$26,163,700</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, 2014 the 30 percent was \$52,998,000). 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 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, 2014, the County did not invest in any of these types of investments.

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Primary Government
Investment Risk-continued

agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government’s name. As of June 30, 2014, the County’s investments were not exposed to custodial credit risk.

The following table displays segmented time distribution investments for the primary government and fiduciary funds by maturity and investment type as of June 30, 2014.

<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)	\$ 52,994,490	\$ -	\$ 52,994,490	\$ -
MLGIP	9,605,345	9,605,345	-	-
subtotal	62,599,835	9,605,345	52,994,490	-
<u>Non-Pooled Investments</u>				
U.S. government securities (1)	24,572,853	-	-	24,572,853
Money rate savings account	86,009,473	86,009,473	-	-
<u>Other Post Employment Benefits and Pension Funds:</u>				
Short-term investments (3)	2,488,578	2,488,578	-	-
Equities (3)	55,130,406	-	-	55,130,406
Corporate Bonds	17,205,198	-	-	17,205,198
Marketable securities	47,996,872	-	-	47,996,872
subtotal	233,403,380	88,498,051	-	144,905,329
Total	<u>\$ 296,003,215</u>	<u>\$ 98,103,396</u>	<u>\$ 52,994,490</u>	<u>\$ 144,905,329</u>

- (1) These investments are backed by full faith & credit of the U.S. Government.
- (2) These agencies mature in fiscal year 2014/2015 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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.

Foreign currency risk:

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	\$463,197
Harbor International Fund	447,480

Component Units

At year-end, the carrying value of the Board of Education’s combined deposits was \$7,332,350 and cash on hand was \$3,978. The bank balance of deposits was \$12,288,317. 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, 2014, the cash on hand for petty cash and change in funds for Carroll Community College was \$3,300.

At June 30, 2014, the College’s cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 3,300
Cash in bank	950,205
Bank money market	5,051,688
Maryland Local Government Investment Pool	416,377
Cash with Carroll Community College Foundation	<u>342,345</u>
	<u>\$6,763,915</u>

As of June 30, 2014, the carrying amount of the Library’s deposits was \$1,219,676 and the bank balance was \$1,447,099. 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, 2014

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, 2014, the Industrial Development Authority bank balance was \$11,077,906. All deposits were covered by Federal Depository Insurance and/or collateral held in the Authority's name by the financial institution.

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 and functions with the approval of the Board.

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, 2014

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, 2014.

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>
<u>Governmental funds</u>					
General fund	\$ 1,649,672	\$ 665,000	\$ 221,823	\$ 18,821,683	\$ 21,358,178
Capital Projects fund	-	2,840,947	148	-	2,841,095
Non-major funds	-	2,491,621	-	-	2,491,621
	<u>1,649,672</u>	<u>5,997,568</u>	<u>221,971</u>	<u>18,821,683</u>	<u>26,690,894</u>
Uncollectible allowance	(164,750)	-	-	-	(164,750)
Total governmental funds	<u>\$ 1,484,922</u>	<u>\$ 5,997,568</u>	<u>\$ 221,971</u>	<u>\$ 18,821,683</u>	<u>\$ 26,526,144</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,683,189</u>	<u>\$ 17,683,189</u>

	<u>Accounts</u>
<u>Business-type funds</u>	
Bureau of Utilities	\$ 2,767,729
Solid Waste	654,738
Airport	190,507
Non-major funds	139,845
Internal Service Fund	13,841
	<u>3,766,660</u>
Uncollectible allowance(Airport)	(126,344)
Total business-type funds	<u>\$ 3,640,316</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 Fund does 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, 2014

Note 5 – Receivables and Deferred Inflows/Outflows-continued

Balances for the component units for the year ended June 30, 2014 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	\$ -	\$ 1,217,250	\$ -	\$ -	\$ -	\$ 1,217,250
Carroll Community College	-	-	120,901	733,887	540,015	1,394,803
Library	143,276	67,140	-	-	-	210,416
Industrial Development Authority	-	7,870,587	-	-	-	7,870,587
	<u>143,276</u>	<u>9,154,977</u>	<u>120,901</u>	<u>733,887</u>	<u>540,015</u>	<u>10,693,056</u>
Less: allowance	-	(664,510)	-	(392,323)	-	(392,323)
Total component unit activities	<u>\$ 143,276</u>	<u>\$ 8,490,467</u>	<u>\$ 120,901</u>	<u>\$ 341,564</u>	<u>\$ 540,015</u>	<u>\$ 10,300,733</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,707</u>	<u>\$ 107,707</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, 2014, the various components of unearned revenue reported were as follows:

	<u>Unearned</u>
<u>Governmental funds</u>	
General Fund:	
City of Westminster	\$ 84,791
Capital Fund:	
Other	3,879,881
Grants Fund:	
Draw down of excess of expenditures	3,100,223
Internal Service Fund:	
Future benefit payments from retirees	7,190
Total governmental funds	<u>\$ 7,072,085</u>
<u>Business-type funds</u>	
Solid Waste- property rentals	\$ 4,364
Bureau of Utilities	7,767
Total business-type funds	<u>\$ 12,131</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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:

	Deferred Charge on Refunding
<u>Government-Wide</u>	
Governmental activities	\$ 5,054,556
Business-type activities	78,772
Total government-wide	\$ 5,133,328

Deferred Inflows of Resources

The governmental funds report unavailable revenues as follows:

	Unavailable Revenue
<u>Governmental funds</u>	
General Fund:	
Income taxes	\$ 8,398,255
Property taxes	1,691,958
Total governmental funds	\$ 10,090,213

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers

At June 30, 2014, 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	\$ -	\$ 13,027,715	\$ 1,351,995	\$ 14,379,710
Capital Projects Fund	8,647,566	-	208,657	8,856,223
Bureau of Utilities	193,390	-	-	193,390
Solid Waste	1,115,000	-	-	1,115,000
Non-Major Governmental Funds	1,434,538	-	-	1,434,538
Total transfers	<u>\$ 11,390,494</u>	<u>\$ 13,027,715</u>	<u>\$ 1,560,652</u>	<u>\$ 25,978,861</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, 2014 consisted of the following:

	Due From	Due to
Primary Government:		
Board of Education	\$ 456,879	\$ 38,579,391
Carroll Community College	706	315,320
Library	3,916	-
Industrial Development Authority	1,141,907	-
Component Units:		
Primary Government	38,579,391	456,879
Primary Government	315,320	706
Primary Government	-	3,916
Primary Government	-	1,141,907
	<u>\$ 40,498,119</u>	<u>\$ 40,498,119</u>

Due to/from Fiduciary Funds

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

	Due From	Due To
Trust Fund:		
General Fund	\$ -	\$ 265,070
Governmental Activities:		
Other Postemployment Benefit Trust	265,070	-
	<u>\$ 265,070</u>	<u>\$ 265,070</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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	\$ -	\$ 8,536,226
Capital Fund	8,536,226	-
	\$ 8,536,226	\$ 8,536,226

Internal Balances

Due to/due from Business-type funds:

	Due From	Due To
Business-type Activities:		
General Fund	\$ -	\$ 553,139
Governmental Activities:		
Fiber Network	458,127	
Solid Waste	46,815	
Airport	48,197	-
	\$ 553,139	\$ 553,139

The Airport Fund and Fiber Network overdraw their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund. The General Fund had an outstanding accounts receivable with the Airport, Solid Waste and Fiber Network at June 30, 2014.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Net Transfers and Retirements	Balance June 30, 2014
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 33,421,762	\$ 130,133	\$ (510,695)	\$ 33,041,200
Construction in progress	17,826,297	15,841,189	(3,448,273)	30,219,213
Total capital assets, not being depreciated	51,248,059	15,971,322	(3,958,968)	63,260,413
Capital assets, being depreciated:				
Buildings and contents	185,459,365	-	(12,297)	185,447,068
Improvements other than buildings	29,441,115	1,768,731	(1,139,211)	30,070,635
Automobiles, machinery and equipment	41,042,856	2,920,793	(1,373,603)	42,590,046
Infrastructure	563,331,192	4,336,200	(235,470)	567,431,922
Total capital assets, being depreciated	819,274,528	9,025,724	(2,760,581)	825,539,671
Less accumulated depreciation for:				
Buildings and contents	44,422,074	4,419,793	(5,329)	48,836,538
Improvements other than buildings	18,785,675	1,659,610	-	20,445,285
Automobiles, machinery and equipment	27,968,291	3,029,614	(1,342,317)	29,655,588
Roads and bridges	402,984,455	10,482,655	(224,817)	413,242,293
Total accumulated depreciation	494,160,495	19,591,672	(1,572,463)	512,179,704
Total capital assets, being depreciated, net	325,114,033	(10,565,948)	(1,188,118)	313,359,967
Governmental activities capital assets, net	<u>\$ 376,362,092</u>	<u>\$ 5,405,374</u>	<u>\$ (5,147,086)</u>	<u>\$ 376,620,380</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,944,412	\$ -	\$ -	\$ 8,944,412
Construction in progress	2,650,817	876,685	(2,488,160)	1,039,342
Total capital assets, not being depreciated	11,595,229	876,685	(2,488,160)	9,983,754
Capital assets, being depreciated:				
Buildings and contents	24,272,597	-	-	24,272,597
Improvements other than buildings	9,633,315	58,108	1,139,211	10,830,634
Automobiles, machinery and equipment	16,470,617	2,861,703	(9,905)	19,322,415
Infrastructure:				
Water facilities	55,193,273	-	-	55,193,273
Sewer facilities	47,827,197	-	-	47,827,197
Total capital assets, being depreciated	153,396,999	2,919,811	1,129,306	157,446,116
Less accumulated depreciation for:				
Buildings and contents	7,854,969	485,670	-	8,340,639
Improvements other than buildings	3,579,254	532,235	-	4,111,489
Automobiles, machinery and equipment	6,482,027	844,965	(9,905)	7,317,087
Water facilities	9,463,923	963,340	-	10,427,263
Sewer facilities	15,452,860	711,267	-	16,164,127
Total accumulated depreciation	42,833,033	3,537,477	(9,905)	46,360,605
Total capital assets, being depreciated, net	110,563,966	(617,666)	1,139,211	111,085,511
Business-type activities capital assets, net	<u>\$ 122,159,195</u>	<u>\$ 259,019</u>	<u>\$ (1,348,949)</u>	<u>\$ 121,069,265</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 – Capital Assets-continued

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

Governmental activities:

General Government	\$5,539,581
Public Safety	1,474,304
Public Works	11,427,960
Health	239,840
Education	76,835
Recreation & Parks	589,490
Economic Development	235,310
Conservation of Natural Resources	<u>8,352</u>
Total depreciation expense-governmental activities	<u>\$19,591,672</u>

Business-type activities:

Bureau of Utilities	\$2,285,154
Solid Waste	564,037
Septage	22,999
Airport	182,320
Firearms Facility	17,324
Fiber Network	<u>465,643</u>
Total depreciation expense-business-type activities	<u>\$3,537,477</u>

Component units

Activity for the Board of Education for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Net Transfers and Retirements	Balance June 30, 2014
Capital assets not being depreciated				
Land and improvements	\$ 15,049,603	\$ -	\$ -	\$ 15,049,603
Construction in Progress	2,122,459	8,548,543	5,395,835	5,275,167
Total capital assets, not being depreciated	<u>17,172,062</u>	<u>8,548,543</u>	<u>5,395,835</u>	<u>20,324,770</u>
Capital assets being depreciated				
Building and improvements	580,645,717	8,863,117	5,101,425	584,407,409
Equipment	43,980,791	3,894,794	7,102,622	40,772,963
Equipment under capital lease	2,399,329	-	2,399,329	-
Total capital assets being depreciated	<u>627,025,837</u>	<u>12,757,911</u>	<u>14,603,376</u>	<u>625,180,372</u>
Less accumulated depreciation				
Buildings and improvements	175,026,092	14,373,456	3,264,912	186,134,636
Equipment	32,934,712	2,369,186	5,354,666	29,949,232
Equipment under capital lease	2,399,329	-	2,399,329	-
Total accumulated depreciation	<u>210,360,133</u>	<u>16,742,642</u>	<u>11,018,907</u>	<u>216,083,868</u>
Total capital assets, being depreciated, net	<u>416,665,704</u>	<u>(3,984,731)</u>	<u>3,584,469</u>	<u>409,096,504</u>
Capital assets, net	<u>\$ 433,837,766</u>	<u>\$ 4,563,812</u>	<u>\$ 8,980,304</u>	<u>\$ 429,421,274</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 – Capital Assets-continued

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2014 was as follows:

	Balance at June 30, 2013	Additions	Net Transfers and Retirements	Balance at June 30, 2014
Capital assets not being depreciated				
Foundation	\$ 539,500	\$ 23,025	\$ -	\$ 562,525
Capital assets being depreciated				
Building Improvements	1,537,846	111,721	-	1,649,567
Equipment	3,816,577	99,711	536,867	3,379,421
Vehicles	128,692	-	-	128,692
Library Books	1,794,511	63,407	63,774	1,794,144
Total capital assets being depreciated	<u>7,277,626</u>	<u>274,839</u>	<u>600,641</u>	<u>6,951,824</u>
Less accumulated depreciation				
Building improvements	690,703	105,071	-	795,774
Equipment	3,324,662	212,386	536,867	3,000,181
Vehicles	103,892	8,336	-	112,228
Library books	1,686,202	72,527	59,913	1,698,816
Total accumulated depreciation	<u>5,805,459</u>	<u>398,320</u>	<u>596,780</u>	<u>5,606,999</u>
Total capital assets, being depreciated, net	<u>1,472,167</u>	<u>(123,481)</u>	<u>3,861</u>	<u>1,344,825</u>
Capital assets, net	<u>\$ 2,011,667</u>	<u>\$ (100,456)</u>	<u>\$ 3,861</u>	<u>\$ 1,907,350</u>

Foundation

The art collection consists of various paintings and drawings by Hiram Williams. These donated items were recorded at their fair 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 \$381,025 and \$358,000 as of June 30, 2014 and 2013 respectively, and adjusted accordingly in the financial statements. Collectibles and artwork with indeterminate useful lives are not depreciated.

The doll collection consists of approximately 100 dolls from various countries, purchased by the donor while traveling to the various countries over a period of twenty years. These donated items are recorded at their fair 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, 2014

Note 7 – Capital Assets-continued

Activity for the Carroll County Public Library for the year ended June 30, 2014 was as follows:

	Balance at June 30, 2013	Additions	Net Transfers and Retirements	Balance at June 30, 2013
Capital assets being depreciated by location				
Headquarters	\$ 855,071	\$ 286,559	\$ 9,646	\$ 1,131,984
Westminster	1,072,504	41,327	-	1,113,831
Eldersburg	409,828	24,785	-	434,613
Mt. Airy	505,945	361,470	-	867,415
North Carroll	285,609	23,952	-	309,561
Taneytown	107,722	25,635	-	133,357
Finksburg	101,603	25,822	-	127,425
Circulation materials	3,306,883	1,107,836	1,090,715	3,324,004
Construction in progress	20,737	139,166	20,737	139,166
Total capital assets, being depreciated	6,665,902	2,036,552	1,121,098	7,581,356
Less accumulated depreciation	2,898,990	-	(359,982)	3,258,972
Capital assets, net	<u>\$ 3,766,912</u>	<u>\$ 2,036,552</u>	<u>\$ 1,481,080</u>	<u>\$ 4,322,384</u>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Net Transfers and Retirements	Balance June 30, 2013
Capital assets not being depreciated				
Land	\$ 7,407,704	\$ 279,019	\$ 4,255	\$ 7,682,468
Construction in Progress	1,730,129	38,641	-	1,768,770
Total capital assets, not being depreciated	9,137,833	317,660	4,255	9,451,238
Capital assets being depreciated				
Equipment	5,000	-	-	5,000
Total capital assets being depreciated	5,000	-	-	5,000
Less accumulated depreciation				
Equipment	5,000	-	-	5,000
Total capital assets, being depreciated, net	-	-	-	-
Capital assets, net	<u>\$ 9,137,833</u>	<u>\$ 317,660</u>	<u>\$ 4,255</u>	<u>\$ 9,451,238</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014.

	Balance July 1, 2013	Additions	Principal Repayments/ Amortization	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Purchase Agreements	\$ 1,734,212	\$ -	\$ 193,522	\$ 1,540,690	\$ 201,774
General Obligation Debt	27,575,240	3,475,344	-	31,050,584	-
General Obligation Bonds	292,479,141	30,524,000	31,041,036	291,962,105	27,943,579
Bonds premium/discount	11,694,063	2,480,740	1,233,487	12,941,316	1,285,169
Subtotal	333,482,656	36,480,084	32,468,045	337,494,695	29,430,522
Net other post employment benefit obligation	34,793,034	12,892,512	12,174,553	35,510,993	-
Net LOSAP obligation	705,159	485,312	320,516	869,955	-
Estimated liability for claims in process	2,065,820	13,672,629	13,777,875	1,960,574	1,960,574
Compensated Absences	5,596,838	3,105,048	2,688,113	6,013,773	2,688,112
Governmental activity Long-term liabilities	<u>\$ 376,643,507</u>	<u>\$ 66,635,585</u>	<u>\$ 61,429,102</u>	<u>\$ 381,849,990</u>	<u>\$ 34,079,208</u>
Business-type activities:					
Loans Payable	\$ 244,664	\$ -	\$ 27,907	\$ 216,757	\$ 28,633
General Obligation Bonds	21,687,221	-	2,112,167	19,575,054	2,057,130
Subtotal	21,931,885	-	2,140,074	19,791,811	2,085,763
Landfill closure/postclosure	11,399,711	205,325	55,652	11,549,384	171,224
Compensated Absences	391,468	83,114	137,455	337,127	131,997
Business-type activity Long-term liabilities	<u>\$ 33,723,064</u>	<u>\$ 288,439</u>	<u>\$ 2,333,181</u>	<u>\$ 31,678,322</u>	<u>\$ 2,388,984</u>
Component Units:					
Board of Education:					
Net other post employment benefit obligation	\$ 43,190,699	\$ 21,472,000	\$ 5,781,473	\$ 58,881,226	\$ -
Compensated Absences	16,911,456	1,203,231	2,739,395	15,375,292	2,000,000
Capital Lease Obligations	4,897,606	-	708,196	4,189,410	759,714
Total Board of Education, as restated	<u>\$ 64,999,761</u>	<u>\$ 22,675,231</u>	<u>\$ 9,229,064</u>	<u>\$ 78,445,928</u>	<u>\$ 2,759,714</u>
Carroll Community College					
Net other post employment benefit obligation	\$ 12,673,850	\$ 2,369,741	\$ -	\$ 15,043,591	\$ -
Compensated Absences	855,235	-	42,423	812,812	684,482
Total Carroll Community College	<u>\$ 13,529,085</u>	<u>\$ 2,369,741</u>	<u>\$ 42,423</u>	<u>\$ 15,856,403</u>	<u>\$ 684,482</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 – Long-Term Debt-continued

A.) Governmental Activities

	Balance July 1, 2013	Additions	Principal Repayments/ Amortization	Balance June 30, 2014	Due Within One Year
Library					
Compensated Absences	\$ 468,696	\$ -	\$ 12,853	\$ 455,843	\$ 455,843
Total Library	<u>\$ 468,696</u>	<u>\$ -</u>	<u>\$ 12,853</u>	<u>\$ 455,843</u>	<u>\$ 455,843</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.

Long-term obligations at June 30, 2014 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>
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	238,457	24,844	263,301
2020-2021	442,026	18,750	460,776
Total purchase agreement	<u>\$ 1,540,690</u>	<u>\$ 236,591</u>	<u>\$ 1,777,281</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 2034. 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>
2015	\$ -	\$ 1,728,795	\$ 1,728,795
2016	-	1,728,795	1,728,795
2017	-	1,728,795	1,728,795
2018	-	1,728,795	1,728,795
2019	1,201,212	1,728,795	2,930,007
2020-2024	1,933,554	8,200,406	10,133,960
2025-2029	6,217,224	6,787,459	13,004,683
2030-2034	21,698,594	2,533,006	24,231,600
Total general obligation debt	<u>\$ 31,050,584</u>	<u>\$ 26,164,846</u>	<u>\$ 57,215,430</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, 2014

Note 8 – Long-Term Debt—continued

A.) Governmental Activities—continued

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2014	Due Within One Year
<u>General Government:</u>					
FHA Loan of 1972-Watershed Bonds	3.502%	2022	\$ 769,700	\$ 235,232	\$ 24,590
FHA Loan of 1974- Watershed Bonds	3.649%	2024	253,000	105,413	8,277
FHA Loan of 1979- Watershed Bonds	3.649%	2031	678,800	371,438	16,171
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	7,965,005	1,838,908
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	1,456,932	1,456,932
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	3,630,291	1,817,325
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	3,174,613	1,058,204
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	6,425,795	1,335,444
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	10,462,394	1,164,829
2007 Refunding Bonds (November)	3.75%-5.25%	2022	6,670,000	4,330,000	540,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	28,294,094	23,846,799	1,599,177
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	14,759,547	9,505,785	1,424,489
2009 Refunding Bonds Series A	2.00%-4.00%	2019	2,950,073	321,895	321,895
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	3,178,301	946,523
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	8,841,618	8,448,741	402,402
2011 Public Improvement Bonds	2.00%-4.25%	2031	11,042,955	10,215,485	426,987
2011 Refunding Bonds	2.00%-4.25%	2031	9,104,764	9,104,764	372,712
2012 Public Improvement Bonds	2.00%-5.00%	2032	13,600,000	12,918,706	681,294
2012 Refunding Bonds	2.00%-5.00%	2032	13,685,415	13,685,415	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	23,412,567	23,412,567	1,202,129
Subtotal General Government				\$ 170,427,047	\$ 16,638,288
<u>Board of Education:</u>					
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	5,371,363	1,240,105
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	7,658	7,658
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	486,630	243,607
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	750,726	250,242
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	8,644,419	1,796,531
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	919,437	102,365
2008 Public Improvement Bonds	3.25%-5.00%	2028	43,613,906	38,447,419	1,860,657
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	8,305,513	5,349,109	801,591
2009 Refunding Bonds Series A	2.00%-4.00%	2019	4,645,956	506,940	506,940
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	3,183,433	948,052
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	10,272,510	9,787,318	495,626
2011 Public Improvement Bonds	2.00%-4.25%	2031	6,957,045	6,435,715	269,012
2011 Refunding Bonds	2.00%-4.25%	2031	769,193	769,193	133,111
2012 Public Improvement Bonds	2.00%-5.00%	2032	6,400,000	6,079,435	320,565
2012 Refunding Bonds	2.00%-5.00%	2032	2,347,757	2,347,757	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	1,852,433	1,852,433	95,125
Subtotal Board of Education				\$ 106,885,270	\$ 9,071,187

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014	Due Within One Year
<u>Volunteer Fire Companies:</u>					
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	810,000	150,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	976,073	146,675
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	210,000	105,000
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	1,340,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	119,797	39,932
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	650,000	155,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	180,000	147,337	11,737
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	270,000	173,892	26,058
2010 Refunding Bonds Series A	0.30%-1.70%	2018	381,976	200,857	59,816
2010 Refunding Bonds Series B	0.30%-1.70%	2018	2,210,000	1,155,000	300,000
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	535,000	485,000	50,000
2011 Public Improvement Bonds	2.00%-4.25%	2031	750,000	693,800	29,000
2012 Public Improvement Bonds	2.00%-5.00%	2032	1,460,000	1,386,859	73,141
2012 Refunding Bonds	2.00%-5.00%	2032	187,173	187,173	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	735,000	735,000	37,745
Subtotal Volunteer Fire Companies				\$ 9,270,788	\$ 1,379,104
2004 Taxable Pension Bonds	4.25%-5.25%	2019	\$ 12,800,000	\$ 855,000	\$ 855,000
2013 Taxable Pension Bonds	2.24%	2019	\$ 4,524,000	4,524,000	-
Subtotal Taxable Pension Bonds				\$ 5,379,000	\$ 855,000
Subtotal General Obligation Bonds				\$ 291,962,105	\$ 27,943,579
Bond premium/ discount				12,941,316	1,285,169
Total				\$ 304,903,421	\$ 29,228,748

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2014, are as follows:

Years Ending June 30,	Principal	Interest	Total
2015	\$ 27,943,579	\$ 11,645,685	\$ 39,589,264
2016	27,284,100	10,629,408	37,913,508
2017	26,337,347	9,624,087	35,961,434
2018	24,816,799	8,600,444	33,417,243
2019	23,249,512	7,613,696	30,863,208
2020-2024	81,823,192	25,908,722	107,731,914
2025-2029	59,571,786	11,477,199	71,048,985
2030-2034	20,935,790	1,390,289	22,326,079
Total General Obligation Bonds	\$ 291,962,105	\$ 86,889,530	\$ 378,851,635

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014</u>	<u>Due Within One Year</u>
Maryland Water Quality Financing:					
2002 Revolving Loan- Hampstead	2.60%	2021	\$ 532,680	\$ 216,757	\$ 28,633
Total Loans Payable				<u>\$ 216,757</u>	<u>\$ 28,633</u>

The annual requirements to repay the loans payable outstanding as of June 30, 2014, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	31,729	4,255	35,984
2020-2021	65,953	6,012	71,965
Total Loans Payable	<u>\$ 216,757</u>	<u>\$ 35,125</u>	<u>\$ 251,882</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, 2014

Note 8 – Long-Term Debt—continued
B.) Business-type activities—continued

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2014	Due Within One Year
<u>Bureau of Utilities:</u>					
2004 Refunding Bonds	2.00%-3.70%	2019	\$ 2,166,412	\$ 900,335	\$ 207,863
2004 Public Improvement Bonds	3.00%-4.00%	2019	378,474	25,202	25,202
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	40,327	20,188
2006 Public Improvement Bonds	3.50% -4.00%	2021	200,000	43,326	14,442
2007 Refunding Bonds (January)	3.50%-5.00%	2020	212,504	138,240	28,730
2007 Public Improvement Bonds	3.75%-5.25%	2022	9,401,000	5,636,060	627,490
2008 Public Improvement Bonds	3.25%-5.00%	2028	7,616,000	6,646,156	349,127
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	745,461	480,109	71,946
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	3,350	998
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	13,742	13,093	663
2011 Refunding Bonds	2.00%-4.25%	2021	484,430	484,430	65,890
2012 Refunding Bonds	2.00%-5.00%	2022	198,550	198,550	-
Subtotal Bureau of Utilities				\$ 15,681,418	\$ 1,412,539
<u>Solid Waste Fund</u>					
2004 Refunding Bonds	2.00%-3.70%	2019	1,004,270	417,363	96,358
2004 Public Improvement Bonds	3.00%-4.00%	2019	2,449,026	163,074	163,074
2007 Refunding Bonds (January)	3.50%-5.00%	2020	345,658	224,862	46,732
2007 Public Improvement Bonds	3.75%-5.25%	2022	604,000	362,108	40,315
2008 Public Improvement Bonds	3.25%-5.00%	2028	296,000	242,288	19,302
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	9,479	6,105	915
2009 Refunding Bonds Series A	2.00%-4.00%	2029	193,971	21,165	21,165
2011 Refunding Bonds	2.00%-4.25%	2021	789,648	789,646	-
Subtotal Solid Waste Fund				\$ 2,226,611	\$ 387,861
<u>Airport Fund</u>					
2001 Public Imp. Bonds	3.25%-4.75%	2021	2,200,000	880,000	110,000
2004 Refunding Bonds	2.00%-3.70%	2019	278,964	115,934	26,766
2004 Public Improvement Bonds	3.00%-4.00%	2019	407,500	27,134	27,134
2005 Public Improvement Bonds	3.50%-4.125%	2020	58,555	7,752	3,881
2007 Refunding Bonds (January)	3.50%-5.00%	2020	240,854	156,683	32,563
2010 Refunding Bonds Series A	0.30%-1.70%	2018	93,300	49,061	14,611
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	27,130	25,849	1,309
2011 Refunding Bonds	2.00%-4.25%	2021	286,966	286,966	28,286
2012 Refunding Bonds	2.00% - 5.00%	2022	18,716	18,716	-
Subtotal Airport Fund				\$ 1,568,095	\$ 244,550
<u>Septage Fund</u>					
2006 Public Improvement Bonds	3.50%-4.00%	2021	200,000	36,539	12,180
2012 Refunding Bonds	2.00%-5.00%	2022	62,391	62,391	-
Subtotal Septage Fund				\$ 98,930	\$ 12,180
Total General Obligation Bonds				19,575,054	2,057,130

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-type activities:</u>			
2015	\$ 2,057,130	\$ 797,592	\$ 2,854,722
2016	2,046,426	719,159	2,765,585
2017	2,031,309	630,338	2,661,647
2018	1,945,299	548,328	2,493,627
2019	1,889,375	468,582	2,357,957
2020-2024	6,630,044	1,344,958	7,975,002
2025-2029	2,845,314	395,513	3,240,827
2030-2031	130,157	3,776	133,933
Total General Obligation Bonds	\$ 19,575,054	\$ 4,908,246	\$ 24,483,300

Advanced Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$4,524,000 on December 16, 2013 of taxable pension 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 \$4,478,621 were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of \$4,250,000 of taxable general obligation bonds from 2004 Pension 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 \$228,621. 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 December 2013 advanced refunding was undertaken to reduce total debt service payments by \$281,323 and resulted in an economic loss of \$228,621.

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, 2014, \$31,348,899 of defeased bonds remains outstanding.

Bond Authorization

The County has authorization to sell approximately \$149,333,058 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 \$97,631,686 of the available authorization.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 – Long-Term Debt—continued

C.) Component Units

During the fiscal year ended June 30, 2014, 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>
2015	908,043
2016	935,285
2017	963,343
2018	992,243
2019	844,236
	<u>4,643,150</u>
less interest	(453,740)
Present value of future minimum lease payments	<u><u>\$ 4,189,410</u></u>

Interest expense related to capital leases was \$173,399 for the year ended June 30, 2014.

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 2014 and 2013, 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, 2014 and 2013. The accrued interest payable at June 30, 2014 and 2013 totals \$786,842 and \$666,842, respectively.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 – Long-Term Debt—continued

The annual requirements to amortize note payable outstanding as of June 30, 2014 are as follow:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Component Unit-IDA:			
2015	\$ 1,473,684	\$ 755,262	\$ 2,228,946
2016	210,526	78,947	289,473
2017	210,526	72,632	283,158
2018	210,526	66,316	276,842
2019	210,526	60,001	270,527
2020-2025	1,684,212	176,842	1,861,054
Total	\$ 4,000,000	\$ 1,210,000	\$ 5,210,000

Note 9 – Lease Obligations

Operating Leases

Governmental Activities

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, 2014 for the County amounted to \$602,659. Future lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2015	\$662,252
2016	680,574
2017	699,408
2018	720,390
2019	742,002
2020-2023	1,620,518

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, 2014 amounted to \$250,338. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2015	\$298,076
2016	298,076
2017	298,076
2018	298,076
2019	298,076
2020-2024	1,445,380
2025-2095	70

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 9 – Lease Obligations-continued

Business Type Activities

The County is committed under various business-type rental lease agreements as lessor. All leases are considered for accounting purposes to be collectable leases. Lease revenues for the year ended June 30, 2014 amounted to \$317,530. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2015	\$300,894
2016	302,560
2017	280,501
2018	244,350
2019	180,849
2020-2024	160,000

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

	<u>Governmental</u> <u>Activities</u>	<u>Related Parties</u>	<u>Business</u> <u>Type Activities</u>	<u>Total</u>
Asset:				
Land	\$12,441,937	\$1,331,862	\$392,924	\$13,966,724
Buildings	7,295,111	106,964,131	-	114,259,242
Less: Accumulated depreciation	<u>(1,867,115)</u>	<u>(26,777,774)</u>	<u>-</u>	<u>(28,644,889)</u>
Net carrying value	<u>\$17,869,933</u>	<u>\$81,318,219</u>	<u>\$392,924</u>	<u>\$99,581,077</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</u> <u>Annual Lease</u> <u>Payments</u>
2015	\$263,360
2016	91,198
2017	<u>12,315</u>
Total	<u>\$ 366,873</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 9 – Lease Obligations-continued

Operating lease expenditures/expenses for the year ended June 30, 2013 were \$613,789.

The Library leases various office equipment under noncancelable operating leases. Total rental expenditures were \$16,848 for leases for the year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2015	\$21,282
2016	21,282
2017	11,454
2018	4,434
2019	<u>4,434</u>
Total	<u>\$62,886</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 \$195,030 for the year ended June 30, 2013. The College renewed its operating lease in July 2013, extending the lease agreement until July 2018.

Future minimum payments on operating leases are as follows:

<u>Years Ending June 30,</u>	
2015	\$169,620
2016	169,620
2017	169,620
2018	169,620
2019	<u>14,135</u>
Total	<u>\$ 692,615</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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Total closure and postclosure costs of Northern landfill are estimated to be \$5,104,084 of which 100% has been accrued as of June 30, 2014. 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 \$1,445,300 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 \$11,549,384 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.

Note 11– Pension Plans

Carroll County Employee Pension Plan

The Carroll County Government established the Carroll County Employee Pension Plan (CCEPP) for its employees in July 2003.

Plan Description

Plan administration. 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 Retirement Plan Committee serves as the administrator of the plan on behalf of Carroll County Government and has the full power and authority to manage the plan. The Retirement plan Committee consists of those individuals who hold the following positions in the employment of the County or the Carroll County Sheriff's Office:

- Director, Department of Management and Budget
- Director, Department of Human resources
- County Attorney
- Bureau Chief, Benefits; and
- Two participants participating in either the CCEPP or CCCLOP (Carroll County Certified Law Officers Pension Plan) selected by the County Commissioners of Carroll County, Maryland

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Employee Pension Plan-continued

Plan membership. The most current actuarial valuation was completed as of July 1, 2013. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	160
Terminated plan members entitled to, but not yet receiving benefits	160
Active plan members	<u>711</u>
Total	<u>1,031</u>

Benefits provided. 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 basic monthly pension benefit is determined by final average salary multiplied by .007 multiplied by the number of years of creditable service, divided by 12 for service earned prior to October 1, 2009 plus final average salary multiplied by .016 multiplied by the number of years of creditable service, divided by 12 (for years of service earned after October 1, 2009). “Final Average Salary” refers to the average annualized base salary in the highest 78 consecutive pay periods. 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 retirement plan committee recommends any amendments to benefits provided. In order to be effective all amendments must be approved by vote by the Commissioners.

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

Participants who have reached the 12 month anniversary of their Benefit Commencement Date are subject to the cost of living adjustment (COLA). The adjustment shall not exceed a two percent increase in the Participant’s annual retirement income determined as of the first day of the preceding plan year.

Contributions. 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.

Investment Policy: 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, as described in note 1. The retirement plan committee has the authority to establish or amend investment policy decisions.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Employee Pension Plan-continued

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.

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	\$2,758,879
Harbor International Fund	2,829,352

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, 2014</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, 2014

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

Carroll County Employee Pension Plan

	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%

Rate of return: For the year ended June 30, 2014, the annual money-weighted rate of return on the CCEPP investments, net of pension plan investment expense, was 16.32 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2014, were as follows:

Total pension liability	\$63,079,213
CCEPP fiduciary net position	<u>(56,816,209)</u>
County’s net pension liability	<u>\$ 6,263,004</u>

CCEPP fiduciary net position as a percentage of the total pension liability	90.07%
--	--------

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2013 rolled forward to June 30, 2014 using the following actuarial assumptions, applied to the periods included in the measurements:

Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense including inflation
Mortality	RP-2000 with generational projections by Scale AA

Discount rate: The discount rate used to measure the total pension liability was 7 percent.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Employee Pension Plan-continued

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County’s net pension liability	\$16,074,457	\$6,263,004	\$(1,753,368)

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 Carroll County Government does not issue a separate audited financial statement for CCEPP.

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

Annual Required Contribution	\$ 2,537,821
Interest	(409,875)
Adjustment to annual required contribution	<u>441,281</u>
Annual Pension Cost	2,569,227
Contributions made	<u>(2,367,000)</u>
Change in net pension obligation	202,227
Negative net pension obligation beginning of year	<u>5,855,359</u>
Negative net pension obligation - end of year	<u>\$ 5,653,132</u>

The annual required contribution was determined as part of the July 1, 2013, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7 percent 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, 2014

Note 11– Pension Plans-continued

Carroll County Employee Pension Plan-continued

The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2013, ranges from 18 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>
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
2014	2,569,227	92%	2,367,000	5,653,132

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Statement of Fiduciary Net Position
Carroll County Employee Pension Plan

Assets:	
Investments at fair value:	
Short term investments	\$ 389,827
Bond funds	13,795,940
Equity funds	<u>42,636,672</u>
Total assets	<u>56,822,439</u>
Liabilities:	
Accounts payable	<u>6,230</u>
Total liabilities	<u>6,230</u>
Fiduciary Net Position:	
Net position held in trust for pension and other purposes	<u><u>\$ 56,816,209</u></u>

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

ADDITIONS	
Contributions:	
Employer	\$ 2,367,000
Plan Members	<u>1,573,433</u>
Total Contributions	3,940,433
Investment earnings:	
Net increase in the fair value of investments	<u>7,895,698</u>
Total investment earnings	<u>7,895,698</u>
Less investment expense	<u>(28,575)</u>
Net investment earnings	<u>7,867,123</u>
Total additions	11,807,556
DEDUCTIONS	
Benefits	924,686
Administrative expenses	<u>45,337</u>
Total deductions	<u>970,023</u>
Change in net position	10,837,533
NET POSITION RESTRICTED FOR PENSION	
Beginning of year	<u>45,978,676</u>
End of year	<u><u>\$ 56,816,209</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 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%
July 2, 2013	44,313,054	46,486,737	95.32%	2,173,683	30,698,576	7.08%

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
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
2014	2,537,821	(409,875)	441,281	2,569,227	2,367,000	(202,227)	5,855,359	5,653,132

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

Schedule of Employer Contributions:

Year Ended June 30:	Annual Required Contribution	Actual Contribution	Percentage Contributed
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%
2014	2,537,821	2,367,000	93%

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	7/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	18 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 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

The Carroll County Government established the Carroll County Certified Law Officers Pension Plan (CCCLOPP) for eligible law enforcement officers on October 1, 2009.

Plan Description

Plan administration. The Carroll County Certified Law Officers Pension Plan (CCCLOPP) is a single-employer defined benefit pension 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

The Retirement Plan Committee serves as the administrator of the plan on behalf of Carroll County Government and has the full power and authority to manage the plan. The Retirement plan Committee consists of those individuals who hold the following positions in the employment of the County or the Carroll County Sheriff’s Office:

- Director, Department of Management and Budget
- Director, Department of Human resources
- County Attorney
- Bureau Chief, Benefits; and
- Two participants participating in either the CCEPP or CCCLOP (Carroll County Certified Law Officers Pension Plan) selected by the County Commissioners of Carroll County, Maryland

Plan membership. The most current actuarial valuation was completed as of July 1, 2013. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	6
Terminated plan members entitled to, but not yet receiving benefits	1
Active plan members	<u>98</u>
Total	<u>105</u>

Benefits provided. For officers hired October 1, 2009 or later, the Certified Law Officers Pension Plan would replace 50.5% of final average salary after 25 years of service and will replace a smaller percentage of final average salary for officers hired prior to October 1, 2009 (who previously received employer contributions to their 401 (k) Plan accounts). 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 retirement plan committee recommends any amendments to benefits provided. In order to be effective all amendments must be approved by vote by the Commissioners.

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

Participants who have reached the 12 month anniversary of their Benefit Commencement Date are subject to the cost of living adjustment (COLA). The adjustment shall not exceed a two percent increase in the Participant’s annual retirement income determined as of the first day of the preceding plan year.

Contributions. Plan members are required to contribute 8 percent of their annual base pay. The County contributed 15.3 percent of the employees’ annual base pay.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

Investment Policy: 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, as described in note 1. The retirement plan committee has the authority to establish or amend investment policy decisions.

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.

Foreign currency risk:

The Carroll County Certified Law Officers 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	\$367,866
Harbor International Fund	377,240

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, 2014</u>
AAA/Aaa	100%	100%
AA/Aa	100%	0%
A/A	100%	0%
BAA/Baa	20%	0%
BBB	20%	0%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

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:

Carroll County Certified Law Officer Trust Fund

	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%

Rate of return. For the year ended June 30, 2014, the annual money-weighted rate of return on the CCCLOPP investments, net of pension plan investment expense, was 15.33 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2014, were as follows:

Total pension liability	\$ 10,465,077
CCCLOPP fiduciary net position	(7,692,841)
County’s net pension liability	\$ <u>2,772,236</u>

CCCLOPP fiduciary net position as a percentage of the total pension liability	73.51%
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Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2013 rolled forward to June 30, 2014 using the following actuarial assumptions, applied to the periods included in the measurements:

Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality	RP-2000 with generational projections by Scale AA

Discount rate: The discount rate used to measure the total pension liability was 7 percent.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the CCCLOPP, calculated using the discount rate of 7.0 percent, as well as what the CCCLOPP net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
CCCLOPP net pension liability	\$4,576,145	\$2,772,236	\$1,329,924

Basis of Accounting: The CCCLOPP’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The Carroll County Government does not issue a separate audited financial statement for CCCLOPP.

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

Annual Required Contribution	\$ 685,558
Interest	(13,981)
Adjustment to annual required contribution	<u>14,979</u>
Annual Pension Cost	686,556
Contributions made	<u>(869,760)</u>
Change in net pension obligation	(183,204)
Net pension obligation - beginning of year	<u>(199,733)</u>
Net pension obligation - end of year	<u>\$ (382,937)</u>

The annual required contribution was determined as part of the July 1, 2013, 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, 2014

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, 2013, ranges from 18 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 Pension</u> <u>Obligation (Asset)</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)
2014	686,556	127%	869,760	(382,937)

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

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

Assets:

Investments at fair value:

Short term investments	\$ 168,114
Bond funds	1,840,144
Equity funds	5,687,080

Total assets	7,695,338
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Liabilities:

Accounts payable	2,497
Total liabilities	2,497

Net Position:

Nete position held in trust for pension benefits and other purposes	\$ 7,692,841
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Statement of Changes in Fiduciary Net Position
Carroll County Certified Law Officers Pension Plan

ADDITIONS

Contributions:

Employer	\$ 869,760
Plan Members	580,222
Total Contributions	1,449,982

Investment earnings:

Net increase in fair value of investments	992,039
Total investment earnings	992,039
Less investment earnings	(14,159)
Net investment earnings	977,880

Total additions	2,427,862
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DEDUCTIONS

Benefits and refunds paid to

plan members and beneficiaries	124,016
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Administrative expenses	7,079
Total deductions	131,095

Change in net position	2,296,767
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Net position-beginning of year	5,396,074
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Net position-end of year	\$ 7,692,841
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THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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%
July 1, 2013	5,210,054	7,928,099	65.72%	2,718,045	4,630,473	58.70%

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)
2014	685,558	(13,981)	14,979	686,556	869,760	(183,204)	(199,733)	(382,937)

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%
2014	685,558	869,760	127%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

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	7/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	18 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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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 5th year to determine if any changes should be made. There are no participant-financed benefits in this plan. Administrative costs are financed through investment earnings.

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

Annual Required Contribution	\$ 435,951
Interest	49,361
Adjustment to annual required contribution	<u>(70,516)</u>
Annual Pension Cost	414,796
Contributions made	<u>250,000</u>
Change in net LOSAP obligation	164,796
Net LOSAP obligation - beginning of year	<u>705,159</u>
Net LOSAP obligation - end of year	<u>\$ 869,955</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 postretirement 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>
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
2014	414,796	60%	250,000	869,955

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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

Assets:	
Investments at fair value:	
Short term investments	\$ 157,991
Bond funds	1,569,114
Equity funds	<u>6,806,654</u>
Total assets	<u>8,533,759</u>
Liabilities:	
Accounts payable	<u>551</u>
Total liabilities	<u>551</u>
Net Position:	
Net position held in trust for pension benefits	
and other purposes	<u><u>\$ 8,533,208</u></u>

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

ADDITIONS	
Contributions:	\$ 250,000
Investment earnings:	
Net increase in the fair value of investments	<u>1,310,932</u>
Total investment earnings	1,310,932
Less investment expense	<u>(551)</u>
Net investment earnings	<u>1,310,381</u>
Total additions	1,560,381
DEDUCTIONS	
Benefits	607,734
Administrative expenses	<u>6,678</u>
Total deductions	<u>614,412</u>
Change in net position	945,969
Net position-beginning of year	<u>7,587,239</u>
Net position-end of year	<u><u>\$ 8,533,208</u></u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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
2009	\$ -	\$ -	N/A
2010	380,384	-	N/A
2011	380,384	-	N/A
2012	435,951	-	N/A
2013	435,951	-	N/A
2014	435,951	250,000	57%

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, 2014

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 2013 of 16.41 percent of covered payroll is established by annual actuarial valuations. The covered payroll for the College was \$5,389,355. 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, 2014, 2013 and 2012 were as follows:

Component Units	<u>2014</u>	<u>2013</u>	<u>2012</u>
Board of Education	\$21,398,054	\$19,040,467	\$25,068,873
Community College	828,973	675,434	762,985
Library	703,096	644,420	662,629

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 applicable 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, 2014, 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, 2014 were \$180,639 and \$1,826,215, respectively.

The Plan also offers a “Roth” option which allows employees to make after-tax contributions. Approximately 10% of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2014.

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 \$4,001,557 during the fiscal period ending June 30, 2014. Of this amount, the County paid \$3,576,220 and the retirees paid \$425,337.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 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, 2014, 281 Primary Government retirees and 209 retiree spouses were eligible to receive benefits. Of these, 250 retirees and 188 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 2014, the County contributed \$10,056,900 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, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

Annual required contribution	\$ 10,457,000
Interest	2,435,512
Adjustment to annual required contribution	<u>(2,117,653)</u>
Annual OPEB cost	10,774,859
Contributions made	<u>(10,056,900)</u>
Change in net OPEB obligation	717,959
Net OPEB obligation - beginning of year	<u>34,793,034</u>
Net OPEB obligation - end of year	<u>\$ 35,510,993</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, 2014 is as follows:

Trend Information for the last six years 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>
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
2014	10,774,859	94%	10,056,900	35,510,993

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Statement of Fiduciary Net Position
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

Assets:

Investments at fair value:		
Short term investments	\$	1,772,646
Marketable securities		47,996,872
Total assets		<u>49,769,518</u>

Liabilities:

Accounts Payable		327
Due to primary government		265,070
Total liabilities		<u>265,397</u>

Net Position:

Net position held in trust for OPEB and other purposes		<u>\$ 49,504,121</u>
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Statement of Changes in Fiduciary Net Position
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

ADDITIONS:

Contributions:		
Employer	\$	10,056,900
Plan members		425,337
Contributions from sources other than employer(s) and plan members		<u>226,975</u>
Total contributions		10,709,212
Investment earnings:		
Interest and dividends		2,135
Net increase or decrease in the fair value of investments		<u>6,512,261</u>
Total investment earnings		<u>6,514,396</u>
Less investment expense		<u>(5,000)</u>
Net investment earnings		<u>6,509,396</u>
Total additions		17,218,608

DEDUCTIONS

Benefits		4,001,567
Administrative expenses		4,800
Total deductions		<u>4,006,367</u>
Change in net position		<u>13,212,241</u>
Net position-beginning of year		<u>36,291,880</u>
Net position-end of year		<u>\$ 49,504,121</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 from the current and two preceding actuarial valuations, presents 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, 2010	12,612,050	132,526,000	9.52%	119,913,950	44,405,390	270.04%
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%
2014	10,457,000	10,056,900	96%	226,975	98%

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	Closed
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, 2014

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, 2014

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, 2014, 2013 and 2012 were \$1,266,128, \$1,066,088 and \$1,012,632, 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, 2014, 965 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	\$19,744,000
Interest	1,728,000
Adjustment to annual required contribution	<u>(1,870,000)</u>
Annual OPEB cost	19,602,000
Contributions made	<u>(3,911,473)</u>
Increase in net OPEB obligation	15,690,527
Net OPEB obligation - beginning of year	<u>43,190,699</u>
Net OPEB obligation - end of year	<u>\$58,881,226</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 2014 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>
2012	15,541,000	32.03%	\$31,956,508
2013	16,556,000	32.14%	43,190,699
2014	19,602,000	19.95%	58,881,226

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units -continued

Funding Policy:

As of July 1, 2013, the most recent actuarial valuation date, the Plan was 5.3% funded. The actuarial accrued liability for benefits was \$231,734,000 and the actuarial value of assets was \$12,385,000 resulting in an unfunded actuarial accrued liability (UAAL) of \$219,349,000. The covered payroll (annual payroll of active employees covered by the plan) was \$199,323,185, and the ratio of the UAAL to the covered payroll was 110.00%.

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 Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2008	\$ -	\$ 75,282,000	0.00%	\$ 75,282,000	\$ 205,042,209	36.7%
July 1, 2009	1,500,000	116,797,000	1.30%	115,297,000	204,209,308	56.5%
July 1, 2010	3,722,000	110,803,000	3.40%	107,081,000	200,942,793	53.3%
July 1, 2011	7,369,200	181,428,000	4.10%	174,058,800	187,912,812	92.6%
July 1, 2012	9,277,000	192,349,000	4.80%	183,072,000	198,512,177	92.2%
July 1, 2013	12,385,000	231,734,000	5.30%	219,349,000	199,323,185	110.0%

Schedule of Employer Contributions:

Year Ended June 30:	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
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
2014	19,744,000	19.95%	58,881,226

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units -continued

Actuarial Methods and Assumptions:

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

In the July 1, 2013 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement method was used. The actuarial assumptions included a 4.00% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4.00% 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, 2014, was 26 years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2013
Actuarial Cost Method	Projected unit method
Amortization Method	Level percentage of projected payroll over a 30-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	4%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	7.0% initial / 4.4% ultimate (not applicable to Life)
Post-65 Medical	7.0% initial / 4.4% 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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units- continued

The College continues contributions toward the premiums for medical insurance for such employees with at least ten years of service. Contributions by the College are made as follows:

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

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

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

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

Funding Policy. The contribution requirements of plan members and the college are established and may be amended by the Carroll Community College Board of Trustees. The College’s contribution is based on a pay as you go basis with no funds set aside for future post retirement funding. For fiscal year 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	\$2,904,000
Interest	503,000
Adjustment to annual required contribution	<u>(607,000)</u>
Annual OPEB costs (expense)	2,800,000
Contributions made	<u>(430,259)</u>
Increase in net OPEB obligation	2,369,741
Net OPEB obligation-beginning of year	<u>12,673,850</u>
Net OPEB obligation-end of year	<u>\$15,043,591</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units- continued

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation 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>
6/30/12	\$2,256,000	17.2%	\$10,653,496
6/30/13	2,407,000	16.1%	12,673,850
6/30/14	2,800,000	15.4%	15,043,591

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%
June 30, 2013	-	26,013,000	0.00%	26,013,000	14,526,437	179%

Funded Status and Funding Progress. The actuarial accrued liability for benefits was \$26.013 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$26.013 million. The covered payroll (annual payroll of active employees covered by the plan) was \$14.526.437, and the ratio of the UAAL to the covered payroll was 179 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units- continued

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 1, 2013 biennial 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 8%, decreasing gradually to 4.4% in 2050. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2014, was 24 years.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 13 – Fund Equity

A summary of fund balances as of June 30, 2014 follows:

	General Fund	Capital Projects Funds	Non Major Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Inventory	\$ 1,196,709	\$ -	\$ -	\$ 1,196,709
Prepaid costs	253,110	-	-	253,110
Loans to community organizations	5,755,293	-	-	5,755,293
Loans to fire companies	11,677,896	-	-	11,677,896
Loans to municipalities	141,695	-	-	141,695
Due from other funds	9,042,550	-	-	9,042,550
Advances and proceeds to Industrial Development Authority	1,141,907	-	-	1,141,907
Total nonspendable fund balance	<u>29,209,160</u>	<u>-</u>	<u>-</u>	<u>29,209,160</u>
<u>Restricted:</u>				
Weed control	\$ 91,089	\$ -	\$ -	\$ 91,089
Agricultural preservation investments	24,572,853	-	-	24,572,853
Loans collectible within one year	1,388,494	-	-	1,388,494
Impact fees	-	-	600,874	600,874
Agriculture transfer tax	-	-	451,623	451,623
Hotel tax	-	-	491,066	491,066
Total restricted fund balance	<u>26,052,436</u>	<u>-</u>	<u>1,543,563</u>	<u>27,595,999</u>
<u>Committed:</u>				
Stabilization arrangement	\$ 18,425,000	\$ -	\$ -	\$ 18,425,000
ISF health	1,400,000	-	-	1,400,000
Cable franchise fee	-	-	1,606,331	1,606,331
Total committed fund balance	<u>19,825,000</u>	<u>-</u>	<u>1,606,331</u>	<u>21,431,331</u>
<u>Assigned:</u>				
Encumbrances:				
General government	\$ 499,806	\$ 645,333	\$ -	\$ 1,145,139
Public safety	98,749	11,488,585	-	11,587,334
Public works	870,431	6,116,668	-	6,987,099
Recreation and parks	-	2,105,489	-	2,105,489
Conservation of natural resources	-	2,179,382	-	2,179,382
Economic development	32,846	-	-	32,846
Use in fiscal year 2015 budget	14,317,450	-	-	14,317,450
Use in fiscal year 2016 and 2017 budget	6,216,418	-	-	6,216,418
Subsequent year's expenditure	-	14,298,736	-	14,298,736
Total assigned fund balance	<u>22,035,700</u>	<u>36,834,193</u>	<u>-</u>	<u>58,869,893</u>
<u>Unassigned:</u>				
General fund	\$ 6,922,173	\$ -	\$ -	\$ 6,922,173
Total unassigned fund balance	<u>6,922,173</u>	<u>-</u>	<u>-</u>	<u>6,922,173</u>
Grand total fund balances	<u>\$ 104,044,469</u>	<u>\$ 36,834,193</u>	<u>\$ 3,149,894</u>	<u>\$ 144,028,556</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 is \$13,066,390 and is secured by land, buildings and equipment. The County made loans to various community organizations. The balance of these loans at June 30, 2014 is \$5,755,293 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, 2014 in the amount of \$9,042,550.

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	\$ 346,467,920
Unavailable property tax revenues	(566,008)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund	<u>\$ 345,901,912</u>
 <u>Expenditures</u>	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 353,884,127
Encumbrance adjustment	(64,292)
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund	<u>\$ 353,819,835</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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	\$ 31,572,464	\$ 21,048,620	\$ 25,265,417	\$ 6,307,047
Public Safety	38,134,883	21,893,775	22,908,593	15,226,290
Public Works	54,460,729	25,556,253	32,042,983	22,417,746
Board of Education	204,054,101	184,362,936	201,567,532	2,486,569
Carroll Community College	6,450,600	5,075,464	6,450,600	-
Recreation and Parks	12,673,450	9,452,022	10,215,219	2,458,231
Libraries/Senior Centers	3,177,900	2,690,316	3,015,900	162,000
Conservation	169,071,319	147,557,674	153,948,096	15,123,223
Water Resources	51,933,144	19,117,261	18,337,550	33,595,594
Governmental Activities	\$ 571,528,590	\$ 436,754,321	\$ 473,751,890	\$ 97,776,700
Wastewater Treatment Facilities	7,766,000	454,695	3,632,728	4,133,272
Other Water Projects	7,542,758	3,675,199	6,677,841	864,917
Other Wastewater Projects	10,504,368	2,853,000	6,832,219	3,672,149
Landfill Upgrades	4,282,000	313,494	4,282,000	-
Landfill Remediations	2,738,626	2,373,400	2,738,626	-
Septage	3,160,000	72,951	807,000	2,353,000
Airport	2,448,513	450,800	2,446,577	1,936
Business Type Activities	\$ 38,442,265	\$ 10,193,539	\$ 27,416,991	\$ 11,025,274
Total Funds	\$ 609,970,855	\$ 446,947,860	\$ 501,168,881	\$ 108,801,974

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 for the County totaled to \$344,067. The County has 7 years left on this commitment with total future payments of \$3,139,781.

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.

The County participates in a joint venture named The Maryland Rural Counties Coalition, LLC. The joint venture is to promote and protect the interests of the Rural Counties of the State of Maryland and any and other activities as may be permitted by Limited Liability Companies under the laws of the State of Maryland. As of June 30, 2014, the County's share in the limited liability company totaled \$4,976.

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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 16 – Risk Management-continued

Primary Government-continued

the municipal insurance market. LGIT is owned by the members and is directed by the trust agreement effective July 1, 1992.

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

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

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

The County is self-insuring its medical coverage for its employees. A commercial insurer administers the plan. In addition, the County's contract with this insurer includes a \$300,000 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, 2014 for the deductible portions of general, auto, police, legal and public officials covered under LGIT and employee health care coverage are \$9,138 and \$1,951,436, respectively.

The total claims liability of \$1,960,574 reported in the internal service fund at June 30, 2014 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, 2014

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, 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
July 1, 2013 – June 30, 2014	10,933	7,808	(9,603)	9,138
<u>Employee Health Care Coverage:</u>				
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
July 1, 2013 – June 30, 2014	2,054,887	13,664,821	(13,768,272)	1,951,436

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, 2014 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 \$600,000 Self Insured Retention for all occurrences. The total claims liability of \$2,078,649 has been reported at June 30, 2014 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, 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
July 1, 2013 – June 30, 2014	1,895,485	711,984	(528,820)	2,078,649

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, 2014

Note 16 – Risk Management-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, 2014 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, 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
July 1, 2013 – June 30, 2014	5,546,252	48,917,568	(50,173,820)	4,590,000

Note 17 – Subsequent Events

The County plans to issue \$73,515,000 of general obligation bonds of which \$58,515,000 are refunding bonds to refund the 2004 and 2008 issues, during fiscal year 2014. The remaining \$15,000,000 of the sale of these securities will be used to finance school additions and projects, several road and bridge projects and Volunteer Fire Company loans.

Required Supplementary Information

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total pension liability										
Service cost	\$ 3,085									
Interest	3,955	Information for FY 13 and earlier is not available								
Changes of benefit terms	-									
Differences between expected and actual experience	-									
Changes of assumptions	-									
Benefit payments, including refunds of member contributions	(925)									
Net change in total pension liability	<u>6,115</u>									
Total pension liability- beginning	<u>56,964</u>									
Total pension liability- ending	<u>\$ 63,079</u>									
Plan fiduciary net position										
Contributor-employer	\$ 2,367									
Contributions-member	1,573									
Net investment income	7,867									
Benefit payments, including refund of member contributions	(925)									
Reassignment of assets for employees that qualify for new plan	-									
Administrative expense	(45)									
Other										
Net change in plan fiduciary net position	<u>10,837</u>									
Plan fiduciary net position- beginning	<u>45,979</u>									
Plan fiduciary net position- ending	<u>\$ 56,816</u>									
Net pension liability (asset)- ending	<u>\$ 6,263</u>									

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS
FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	<u>2014</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>
Actuarially determined contribution	\$ 2,538	\$ 2,366	\$ 2,253	\$ 2,550	\$ 2,810	\$ 1,302	\$ 878	\$ 921	\$ 1,208	\$ 1,103
Contributions in relation to the actuarially determined contribution	<u>2,367</u>	<u>2,586</u>	<u>2,741</u>	<u>3,000</u>	<u>2,660</u>	<u>958</u>	<u>985</u>	<u>1,292</u>	<u>5,938</u>	<u>1,103</u>
Contribution deficiency (excess)	<u>\$ 171</u>	<u>\$ (220)</u>	<u>\$ (488)</u>	<u>\$ (450)</u>	<u>\$ 150</u>	<u>\$ 344</u>	<u>\$ (107)</u>	<u>\$ (371)</u>	<u>\$ (4,730)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 30,698	\$ 29,795	\$ 29,603	\$ 30,414	\$ 32,267	\$ 34,986	\$ 32,402	\$ 29,792	\$ 26,845	\$ 24,419
Contributions as a percentage of covered-employee payroll	7.71%	8.68%	9.26%	9.86%	8.24%	2.74%	3.04%	4.34%	22.12%	4.52%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CARROLL COUNTY'S NET PENSION LIABILITY
FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total pension liability	\$ 63,079	Information for FY 13 and earlier is not available								
Plan fiduciary net position	<u>56,816</u>									
Net pension liability (asset)	<u>\$ 6,263</u>									
Plan fiduciary net position as a percentage of the total pension liability	90.07%									
Covered-employee payroll	\$ 33,203									
Net pension liability (asset) as a percentage of covered-employee payroll	18.86%									

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF INVESTMENT RETURNS
FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN
Last 10 Fiscal Years**

2014 2013 2012 2011 2010 2009 2008 2007 2006 2005

Annual money-weighted rate of return,
net of investmnet expense

16.32% Information for FY 2013 and earlier is not available

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total pension liability										
Service cost	\$ 904									
Interest	630	Information for FY 13 and earlier is not available								
Changes of benefit terms	-									
Differences between expected and actual experience	-									
Changes of assumptions	-									
Benefit payments, including refunds of member contributions	(124)									
Net change in total pension liability	<u>1,410</u>									
Total pension liability- beginning	<u>9,055</u>									
Total pension liability- ending	<u>\$ 10,465</u>									
Plan fiduciary net position										
Contributor-employer	\$ 870									
Contributions-member	580									
Net investment income	978									
Benefit payments, including refund of member contributions	(124)									
Reassignment of assets for employees that qualify for new plan	-									
Administrative expense	(7)									
Other	-									
Net change in plan fiduciary net position	<u>2,297</u>									
Plan fiduciary net position- beginning	<u>5,396</u>									
Plan fiduciary net position- ending	<u>\$ 7,693</u>									
Net pension liability (asset)- ending	<u>\$ 2,772</u>									

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS
FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 685	\$ 559	\$ 505	\$ 520	\$ 544					
Contributions in relation to the actuarially determined contribution	<u>870</u>	<u>787</u>	<u>700</u>	<u>590</u>	<u>250</u>					
Contribution deficiency (excess)	<u>\$ (185)</u>	<u>\$ (228)</u>	<u>\$ (195)</u>	<u>\$ (70)</u>	<u>\$ 294</u>					
Covered-employee payroll	\$ 5,295	\$ 5,295	\$ 5,295	\$ 5,295	\$ 5,295					
Contributions as a percentage of covered-employee payroll	16.43%	14.86%	13.22%	11.14%	4.72%					

The Carroll County Certified Law Officers Pension Plan started in fiscal year 2010.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF CARROLL COUNTY'S NET PENSION LIABILITY
FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total pension liability	\$ 10,465	Information for FY 13 and earlier is not available								
Plan fiduciary net position	<u>7,693</u>									
Net pension liability (asset)	<u>\$ 2,772</u>									
Plan fiduciary net position as a percentage of the total pension liability	73.51%									
Covered-employee payroll	\$ 5,295									
Net pension liability (asset) as a percentage of covered-employee payroll	52.35%									

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
SCHEDULE OF INVESTMENT RETURNS
FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN
Last 10 Fiscal Years
(Dollar amounts in thousands)

2014 2013 2012 2011 2010 2009 2008 2007 2006 2005

Annual money-weighted rate of return,
net of investment expense

15.33% Information for FY 13 and earlier is not available



Supplementary Information



General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
RESOURCES (INFLOWS)				
Revenues				
Taxes - Local Property				
Real property	\$ 182,908,818	\$ 182,908,818	\$ 182,790,456	\$ (118,362)
Real property - prior years	300,000	300,000	614,540	314,540
Personal property	247,000	247,000	267,748	20,748
Railroad and public utilities	6,425,000	6,425,000	6,619,774	194,774
Ordinary business corporations	5,930,000	5,930,000	6,256,538	326,538
Penalties and interest-delinquent taxes	940,000	940,000	884,738	(55,262)
Semi-annual service charges	130,000	130,000	51,365	(78,635)
	<u>196,880,818</u>	<u>196,880,818</u>	<u>197,485,159</u>	<u>604,341</u>
Deductions				
Discounts allowed on taxes	(750,000)	(750,000)	(771,576)	(21,576)
Senior tax credit	(20,000)	(20,000)	(13,112)	6,888
Homestead tax credit	(688,848)	(688,848)	(605,548)	83,300
	<u>(1,458,848)</u>	<u>(1,458,848)</u>	<u>(1,390,236)</u>	<u>68,612</u>
Net Taxes - Local Property	<u>195,421,970</u>	<u>195,421,970</u>	<u>196,094,923</u>	<u>672,953</u>
Taxes - Local Other				
Payment in Lieu of Taxes	18,540	18,540	25,961	7,421
Income tax	120,502,100	120,502,100	119,575,545	(926,555)
911 service fees	1,000,000	1,000,000	1,039,245	39,245
Recordation tax	9,750,000	9,750,000	10,576,850	826,850
Heavy equipment tax	40,000	40,000	100,534	60,534
Admissions and amusement tax	309,000	309,000	262,098	(46,902)
Total Taxes - Local Other	<u>131,619,640</u>	<u>131,619,640</u>	<u>131,580,233</u>	<u>(39,407)</u>
Taxes - State Shared				
Police aid	930,000	930,000	948,717	18,717
Total Taxes - State Shared	<u>930,000</u>	<u>930,000</u>	<u>948,717</u>	<u>18,717</u>
Licenses and Permits				
Beer, wine and liquor licenses	206,000	206,000	201,549	(4,451)
Amusement	8,240	8,240	5,538	(2,702)
Traders	144,200	144,200	127,196	(17,004)
Animal	103,000	103,000	77,860	(25,140)
Buildings	1,042,060	1,042,060	897,283	(144,777)
Mobile home licenses	61,800	61,800	84,825	23,025
Marriage	30,900	30,900	34,600	3,700
Grading	18,000	18,000	22,298	4,298
Inspection Fees	2,060	2,060	6,625	4,565
Kennel Licenses	0	0	18,095	18,095
Total Licenses and Permits	<u>1,616,260</u>	<u>1,616,260</u>	<u>1,475,869</u>	<u>(140,391)</u>
Intergovernmental Revenues				
Build America Bonds Subsidy	854,000	854,000	786,353	(67,647)
Federal thru/State Disaster money	-	-	401,641	401,641
State Aid-Fire Companies	265,000	265,000	257,864	(7,136)
Security Interest Filing Fee	-	-	865	865
State	-	-	98,942	98,942
Grand & Petit Jury Reimburse	40,000	40,000	53,520	13,520
Circuit Court Master Reimb	130,000	130,000	137,015	7,015
St Dept/Health & mental Hygiene	-	-	120,000	120,000
Total Intergovernmental Revenues	<u>1,289,000</u>	<u>1,289,000</u>	<u>1,856,200</u>	<u>567,200</u>

General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Charges for Services				
General Government				
Lien certificates	\$ 160,000	\$ 160,000	\$ 173,675	\$ 13,675
Data processing	6,500	6,500	5,139	(1,361)
Hearing fees-zoning appeals	15,000	15,000	7,727	(7,273)
Copy fees and code books	11,330	11,330	15,077	3,747
Telephone	10,000	10,000	2,558	(7,442)
Health depart-telephone and janitorial	40,000	40,000	70,397	30,397
Hearing fees-zoning administration	8,000	8,000	10,475	2,475
Westminster Sr. Ctr. Classes	11,000	11,000	15,179	4,179
North Carroll Sr. Ctr. Classes	19,000	19,000	21,957	2,957
South Carroll Sr. Ctr. Classes	16,500	16,500	27,158	10,658
Taneytown Sr. Ctr. Classes	2,500	2,500	5,096	2,596
Mt. Airy Sr. Ctr. Classes	11,000	11,000	18,514	7,514
Total Serv Chrg - General Government	310,830	310,830	372,952	62,122
Public Safety				
Sheriff's services-salary recovery	5,000	5,000	14,616	9,616
Sheriff's services-fees	110,000	110,000	102,110	(7,890)
Sheriff's services-detention center	240,000	240,000	177,946	(62,054)
Sheriff- Town Deputies	87,550	87,550	95,477	7,927
Inspection fees-roads	60,000	60,000	157,067	97,067
Inspections fees-development review	8,240	8,240	3,956	(4,284)
Detention center-commissary	46,350	46,350	61,041	14,691
Detention center-work release	100,000	100,000	71,554	(28,446)
Sheriff-ICE inmate days	154,500	154,500	-	(154,500)
Sheriff/ICE-transport	18,000	18,000	8,565	(9,435)
Sheriff-home detention	-	-	1,550	1,550
Juvenile transport	87,550	87,550	49,151	(38,399)
State criminal alien assistance program	-	-	5,744	5,744
Sheriff's Sex Offender Fees	28,000	28,000	-	(28,000)
Courthouse Annex-Rent/Heat	13,110	13,110	12,994	(116)
Total Serv Chrg - Public Safety	958,300	958,300	761,771	(196,529)
Public Works				
Vehicle maintenance	437,750	437,750	422,015	(15,735)
Road maintenance	87,550	87,550	170,719	83,169
Development review	140,000	140,000	153,911	13,911
Fuel reimbursements	875,500	875,500	932,946	57,446
Stormwater/environment review fee	30,900	30,900	26,527	(4,373)
Engineering review fees	20,600	20,600	24,060	3,460
Flood plain review fees	5,000	5,000	4,500	(500)
Forest conservation review fee	20,000	20,000	24,683	4,683
Tower location analysis fee	4,000	4,000	22,500	18,500
Weed control spraying	35,000	35,000	44,237	9,237
Total Serv Chrg - Public Works	1,656,300	1,656,300	1,826,098	169,798
Recreation and Parks				
Farm museum	85,000	85,000	87,127	2,127
Piney Run Park	258,120	258,120	310,198	52,078
Bear Branch Programs	5,000	5,000	3,238	(1,762)

General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Recreation and Parks-continued				
Hashawha environmental center	\$ 259,270	\$ 259,270	\$ 270,561	\$ 11,291
General public & school/youth programs	15,000	15,000	625	(14,375)
Outdoor school meals/concessions	155,300	155,300	153,558	(1,742)
Sports complex	96,000	96,000	55,466	(40,534)
Pavilion & facility rentals	37,080	37,080	42,142	5,062
Bus Trips	-	-	19,450	19,450
Wine Festival	426,050	426,050	395,524	(30,526)
Dog Park memberships	5,400	5,400	6,860	1,460
Total Recreation and Parks	<u>1,342,220</u>	<u>1,342,220</u>	<u>1,344,749</u>	<u>2,529</u>
Total Charges for Services	<u>4,267,650</u>	<u>4,267,650</u>	<u>4,305,570</u>	<u>37,920</u>
Fines and Forfeits				
Circuit court fines	40,000	40,000	39,336	(664)
Liquor license fines	2,000	2,000	6,500	4,500
HS Fines/Violations	13,000	13,000	11,900	(1,100)
Civil Zoning Violations	1,800	1,800	-	(1,800)
Humane society impoundment fees	25,750	25,750	21,738	(4,012)
Parking violations-sheriff	1,000	1,000	1,858	858
Build/Zoning/Health Violations	-	-	5,300	5,300
Total Fines and Forfeits	<u>83,550</u>	<u>83,550</u>	<u>86,632</u>	<u>3,082</u>
Interest and gain on investments	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,405,098</u>	<u>5,098</u>
Miscellaneous Revenues				
Rents and concessions	206,600	206,600	7,024,347	6,817,747
Refunds	10,000	10,000	33,267	23,267
Agriculture Ext Srvc Refunds	-	-	19,440	19,440
Equipment sales	80,000	80,000	173,942	93,942
Postage	25,000	25,000	25,609	609
Pension Recovery	310,000	310,000	307,652	(2,348)
Health department	1,000	1,000	5,868	4,868
County attorney fees	177,000	177,000	179,467	2,467
OPEB Recovery	225,000	225,000	225,112	112
State Retire Recovery	13,000	13,000	15,831	2,831
Jury Duty	350	350	214	(136)
Activities/special events	35,000	35,000	43,413	8,413
Land Sales	-	-	559,514	559,514
Advertising	8,000	8,000	5,000	(3,000)
Miscellaneous	115,000	115,000	96,002	(18,998)
Total Miscellaneous Revenues	<u>1,205,950</u>	<u>1,205,950</u>	<u>8,714,678</u>	<u>7,508,728</u>
Total Revenues	<u>337,834,020</u>	<u>337,834,020</u>	<u>346,467,920</u>	<u>8,633,900</u>
Other financing resources				
Appropriated fund balance	14,827,375	14,827,375	-	(14,827,375)
Transfers In	14,398,605	14,398,605	14,379,710	(18,895)
Refunding Bonds Issued	-	-	4,524,000	4,524,000
Bonds issued	-	-	735,000	735,000
Non-cash Note Proceeds	-	-	3,475,344	3,475,344
Total Other Financing Resources	<u>29,225,980</u>	<u>29,225,980</u>	<u>23,114,054</u>	<u>(6,111,926)</u>
Total Resources (Inflows)	<u>\$ 367,060,000</u>	<u>\$ 367,060,000</u>	<u>\$ 369,581,974</u>	<u>\$ 2,521,974</u>

General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
General Government				
County Commissioners				
Legislative	\$ 1,001,030	\$ 1,222,070	\$ 1,209,098	\$ 12,972
TV Production	176,760	212,696	199,768	12,928
Zoning Administrator	221,670	288,591	287,830	761
Technology Services	3,583,310	3,732,306	3,650,984	81,322
Production/Distribution Service	443,260	479,455	423,106	56,349
Total County Commissioners	5,426,030	5,935,118	5,770,786	164,332
Judicial				
Adjudication-Criminal/Civil	1,785,840	2,032,514	2,030,608	1,906
Circuit Court Masters	487,630	623,864	614,910	8,954
Criminal Prosecution	2,715,860	3,333,992	3,330,302	3,690
Adjudication of Estates	38,480	38,480	38,187	293
County Attorney	1,058,190	1,152,526	977,427	175,099
Total Judicial	6,086,000	7,181,376	6,991,434	189,942
Carroll County Board of Elections	751,830	707,030	613,099	93,931
Office of the Comptroller				
Comptroller Administration	428,660	482,620	479,042	3,578
Accounting	839,120	1,037,396	999,309	38,087
Purchasing	424,220	494,956	480,411	14,545
Independent Post - Auditing	51,000	51,000	51,000	-
Bond Issuance Expense	168,000	172,005	217,381	(45,376)
Collections Office	1,143,460	1,276,673	1,263,354	13,319
Total Office of the Comptroller	3,054,460	3,514,650	3,490,497	24,153
Human Resources & Personnel Services				
Human Resources Administration	660,980	870,519	865,696	4,823
Fringe Benefits	18,484,260	3,420,675	2,960,891	459,784
Personnel Services	132,540	177,488	171,489	5,999
Total Human Resources & Personnel Services	19,277,780	4,468,682	3,998,076	470,606
Management and Budget				
Management and Budget Administration	233,540	269,507	264,593	4,914
Risk Management	2,109,620	1,899,171	1,726,053	173,118
Budget	536,360	650,988	633,812	17,176
Grant Management	127,330	145,396	143,622	1,774
Total Management and Budget	3,006,850	2,965,062	2,768,080	196,982
Land Use, Planning & Development				
Land Use, Planning & Dev. Administration	1,095,580	1,300,865	1,244,886	55,979
Comprehensive Planning	354,490	402,184	371,933	30,251
Development Review	488,940	610,013	557,675	52,338
Resources Management	1,172,330	1,424,095	1,395,146	28,949
Total Land Use, Planning & Development	3,111,340	3,737,157	3,569,640	167,517

General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
General Services				
Permits & Inspections	\$ 1,283,330	\$ 1,678,633	\$ 1,673,941	\$ 4,692
Building Construction	177,980	208,481	204,127	4,354
Facilities Administration	6,549,780	6,321,198	5,483,147	838,051
Facilities	2,553,120	2,718,946	893,967	1,824,979
Fleet Management	6,854,400	5,984,247	5,873,890	110,357
Total General Services	17,418,610	16,911,505	14,129,072	2,782,433
Citizen Services				
Citizen Services	307,450	308,413	304,073	4,340
Youth Services	625,820	625,820	625,820	-
Long Term Treatment Facility	970,000	969,980	954,985	14,995
Aging	1,054,480	1,342,552	1,339,200	3,352
Access Carroll	20,000	20,000	20,000	-
Granite House	102,910	102,910	102,910	-
Total Citizen Services	3,080,660	3,369,675	3,346,988	22,687
Miscellaneous				
Board of License Commissioners	63,820	81,783	80,640	1,143
Administrative Hearings	98,310	121,938	121,767	171
Volunteer Community Services	175,090	216,262	208,324	7,938
Property tax payments to municipalities	15,525	15,526	15,526	-
Permits and fee payments to municipalities	12,000	13,969	13,968	1
Liquor license payments to municipalities	24,000	24,045	24,045	-
Town programs	2,669,780	2,667,764	2,476,779	190,985
Total Miscellaneous	3,058,525	3,141,287	2,941,049	200,238
Total General Government	64,272,085	51,931,542	47,618,721	4,312,821
Public Safety				
Police Protection				
Detention Center	8,111,520	10,300,618	10,280,526	20,092
Resident Trooper Program	77,530	77,530	71,940	5,590
Sheriff Services	9,795,640	13,367,512	13,249,515	117,997
Total Police Protection	17,984,690	23,745,660	23,601,981	143,679
Fire Department				
Volunteer Companies	7,146,000	7,146,000	7,146,000	-
EMS24/7 Services	3,904,000	3,904,000	3,904,000	-
Total Fire Department	11,050,000	11,050,000	11,050,000	-
Emergency Services				
Emergency Service Operations	2,089,250	1,909,118	1,655,165	253,953
911 - Emergency Service	1,978,010	2,608,451	2,583,212	25,239
Total Emergency Services	4,067,260	4,517,569	4,238,377	279,192
Other Protection				
Humane Society	883,370	1,080,576	1,080,576	-
CC Advocacy & Investigation	-	25,084	115,835	(90,751)
State aid-fire protection	265,000	265,000	257,864	7,136
Total Other Protection	1,148,370	1,370,660	1,454,275	(83,615)
Total Public Safety	34,250,320	40,683,889	40,344,633	339,256

General-NonGAAP
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 1-1

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Public Works				
Public Works-Administration	\$ 538,840	\$ 712,234	\$ 706,871	\$ 5,363
Roads Operations	7,281,370	8,870,339	8,496,677	373,662
Traffic Control	331,850	311,700	304,531	7,169
Engineering-Design	425,710	516,271	514,278	1,993
Engineering-Inspection	347,390	444,134	440,281	3,853
Emergency Maintenance-Snow	1,800,000	2,638,000	2,627,964	10,036
Engineering	224,720	230,168	227,366	2,802
Engineering-Survey	274,270	364,139	363,145	994
Road Grant - Local	35,385	35,385	35,385	-
Total Public Works	11,259,535	14,122,370	13,716,498	405,872
Health				
Health Department	3,152,760	3,152,780	3,152,780	-
Weed Control	34,700	42,900	40,897	2,003
Gypsy Moth Control	30,000	21,800	4,305	17,495
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	-
Total Health	4,316,970	4,316,990	4,297,492	19,498
Social Services				
Social Services-Local Funds	45,000	45,000	45,000	-
Human Services	796,390	862,660	862,660	-
CC Advocacy & Investigation	119,960	119,960	-	119,960
Victim Witness Assistance	264,210	328,325	324,916	3,409
Total Social Services	1,225,560	1,355,945	1,232,576	123,369
Education				
CC Public Ed & Gov Cable Access	682,740	682,740	682,740	-
Hashawha	772,360	926,730	919,416	7,314
Education Opportunity Funds	400,000	400,000	400,000	-
CC Board of Ed-Local Funds	168,578,000	168,578,000	170,412,791	(1,834,791)
Community College-Direct Support	7,240,990	7,240,990	7,240,990	-
Community College-In-Kind-Support	-	-	5,352,646	(5,352,646)
Total Education	177,674,090	177,828,460	185,008,583	(7,180,123)
Library	8,929,350	11,075,780	13,417,275	(2,341,495)
Recreation & Parks				
Recreation & Parks-Administration	316,880	387,078	386,188	890
Recreation	385,720	444,646	443,160	1,486
Piney Run	475,950	546,333	534,468	11,865
Farm Musuem	858,660	858,660	-	858,660
Sports Complex	202,990	225,018	221,980	3,038
Historical Society	60,000	60,000	60,000	-
Homestead Museum	20,000	20,000	20,000	-
Total Recreation and Parks	2,320,200	2,541,735	1,665,796	875,939

General-NonGAAP

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Conservation of Natural Resources				
Agriculture Extension Service	\$ 451,510	\$ 451,510	\$ 446,164	\$ 5,346
Soil Conservation Service	413,120	520,826	520,284	542
Total Conservation of Natural Resources	864,630	972,336	966,448	5,888
Economic Development				
Economic Development-Administration	732,980	1,065,053	1,051,302	13,751
BERC Management	204,670	251,768	247,251	4,517
Econ Devl-Industrial Grants	2,250,000	2,344,500	2,368,569	(24,069)
Farm Museum	0	139,852	995,431	(855,579)
Tourism	283,190	314,130	312,216	1,914
Total Economic Development	3,470,840	4,115,303	4,974,769	(859,466)
Reserve for Contingencies	6,116,274	5,775,996	-	5,775,996
Debt Service				
Debt service-County	27,149,160	27,149,160	26,902,177	246,983
Debt service- Board of Education	13,800,000	13,800,000	13,739,159	60,841
Total Debt Service	40,949,160	40,949,160	40,641,336	307,824
Total Expenditures	355,649,014	355,669,506	353,884,127	1,785,379
Other Financing Uses				
Payment to Escrow Account	-	-	4,478,621	(4,478,621)
Transfers Out:				
Transfer to Capital Fund	8,647,566	8,647,566	8,647,566	-
Transfer to Special Revenue Funds - Grants	1,455,030	1,434,538	1,434,538	-
Transfer to Enterprise Funds	1,308,390	1,308,390	1,308,390	-
Total Other Financing Uses	11,410,986	11,390,494	15,869,115	(4,478,621)
Total charges to appropriations (outflows)	367,060,000	367,060,000	369,753,242	(2,693,242)
Net Change in Fund Balance	\$ -	\$ -	(171,268)	\$ (171,268)
Fund Balance - Beginning			108,351,850	
Fund Balance - Ending			\$ 108,180,582	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
Assets						
Equity in pooled cash and investments	\$ 600,341	\$ 457,439	\$ 485,499	\$ 1,606,331	\$ 1,142,770	\$ 4,292,380
Accounts receivable	533	-	5,567	-	2,258,941	2,265,041
Note receivable	-	-	-	-	226,580	226,580
Prepaid costs	-	-	-	-	417,676	417,676
Total assets	<u>\$ 600,874</u>	<u>\$ 457,439</u>	<u>\$ 491,066</u>	<u>\$ 1,606,331</u>	<u>\$ 4,045,967</u>	<u>\$ 7,201,677</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 5,816	\$ -	\$ -	\$ 846,520	\$ 852,336
Accrued expenditures	-	-	-	-	99,224	99,224
Unearned revenue	-	-	-	-	3,100,223	3,100,223
Total liabilities	<u>-</u>	<u>5,816</u>	<u>-</u>	<u>-</u>	<u>4,045,967</u>	<u>4,051,783</u>
Fund balances						
Restricted	600,874	451,623	491,066	-	-	1,543,563
Committed	-	-	-	1,606,331	-	1,606,331
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>600,874</u>	<u>451,623</u>	<u>491,066</u>	<u>1,606,331</u>	<u>-</u>	<u>3,149,894</u>
Total liabilities and fund balances	<u>\$ 600,874</u>	<u>\$ 457,439</u>	<u>\$ 491,066</u>	<u>\$ 1,606,331</u>	<u>\$ 4,045,967</u>	<u>\$ 7,201,677</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
RESOURCES (INFLOWS)						
Revenues						
Charges for service:						
Farm museum	\$ -	\$ -	\$ -	\$ -	\$ 23,057	\$ 23,057
Recreation and parks	-	-	-	-	248,074	248,074
Intergovernmental revenues:						
Commission on aging	-	-	-	-	2,589,496	2,589,496
Housing & community development	-	-	-	-	6,758,895	6,758,895
Job training partnership act	-	-	-	-	1,060,857	1,060,857
Sheriff	-	-	-	-	122,178	122,178
Citizen services	-	-	-	-	1,106,575	1,106,575
States attorney	-	-	-	-	655,125	655,125
Circuit court	-	-	-	-	791,936	791,936
EOC	-	-	-	-	780,128	780,128
Risk Management	-	-	-	-	1,784	1,784
Planning	-	-	-	-	85,848	85,848
Tourism	-	-	-	-	51,533	51,533
Economic development	-	-	-	-	16,650	16,650
Impact fees	206,711	-	-	-	-	206,711
Agricultural transfer tax	-	365,510	-	-	-	365,510
Hotel Rental Tax	-	-	309,992	-	-	309,992
Cable Franchise Fee	-	-	-	1,390,284	-	1,390,284
Interest	849	-	463	1,365	-	2,677
Total revenues	207,560	365,510	310,455	1,391,649	14,292,136	16,567,310
CHARGES TO APPROPRIATIONS (OUTFLOWS)						
Expenditures						
General government	-	-	-	-	12,943,129	12,943,129
Public safety	-	-	-	-	1,179,731	1,179,731
Health	-	-	-	-	4,000	4,000
Recreation and parks	-	-	-	-	82,210	82,210
Economic development	-	-	-	-	1,517,604	1,517,604
Total expenditures	-	-	-	-	15,726,674	15,726,674
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	1,434,538	1,434,538
Transfers out	(183,657)	(25,000)	(290,720)	(1,061,275)	-	(1,560,652)
Total Other Financing Sources (Uses)	(183,657)	(25,000)	(290,720)	(1,061,275)	1,434,538	(126,114)
Total charges to appropriations (outflows)	(183,657)	(25,000)	(290,720)	(1,061,275)	(14,292,136)	-
Net change in fund balances	23,903	340,510	19,735	330,374	-	714,522
Fund balances - beginning	576,971	111,113	471,331	1,275,957	-	2,435,372
Fund balances - ending	\$ 600,874	\$ 451,623	\$ 491,066	\$ 1,606,331	\$ -	\$ 3,149,894

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Impact fees	\$ 183,657	\$ 183,657	\$ 206,711	\$ 23,054
Interest	-	-	849	849
Total revenues	<u>183,657</u>	<u>183,657</u>	<u>207,560</u>	<u>23,903</u>
Total Resources (Inflows)	183,657	183,657	207,560	23,903
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(183,657)</u>	<u>(183,657)</u>	<u>(183,657)</u>	<u>-</u>
Total other financing uses	<u>(183,657)</u>	<u>(183,657)</u>	<u>(183,657)</u>	<u>-</u>
Total charges to appropriations (outflows)	<u>(183,657)</u>	<u>(183,657)</u>	<u>(183,657)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>23,903</u>	<u>\$ 23,903</u>
Fund balance - beginning			<u>576,971</u>	
Fund balance - ending			<u>\$ 600,874</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Agricultural Transfer Tax	\$ 25,000	\$ 25,000	\$ 365,510	\$ 340,510
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>365,510</u>	<u>340,510</u>
Total Resources (Inflows)	25,000	25,000	365,510	340,510
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total charges to appropriations (outflows)	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>340,510</u>	<u>\$ 340,510</u>
Fund balance - beginning			111,113	
Fund balance - ending			<u>\$ 451,623</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Hotel Rental Tax	\$ 290,720	\$ 290,720	\$ 309,992	\$ 19,272
Interest	-	-	463	463
Total revenues	<u>290,720</u>	<u>290,720</u>	<u>310,455</u>	<u>19,735</u>
Total Resources (Inflows)	290,720	290,720	310,455	19,735
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(290,720)</u>	<u>(290,720)</u>	<u>(290,720)</u>	<u>-</u>
Total other financing uses	<u>(290,720)</u>	<u>(290,720)</u>	<u>(290,720)</u>	<u>-</u>
Total charges to appropriations (outflows)	<u>(290,720)</u>	<u>(290,720)</u>	<u>(290,720)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>19,735</u>	<u>\$ 19,735</u>
Fund balance - beginning			<u>471,331</u>	
Fund balance - ending			<u>\$ 491,066</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Cable Franchise Fee	\$ 1,080,170	\$ 1,080,170	\$ 1,390,284	\$ 310,114
Interest	-	-	1,365	1,365
Total revenues	<u>1,080,170</u>	<u>1,080,170</u>	<u>1,391,649</u>	<u>311,479</u>
Total Resources (Inflows)	1,080,170	1,080,170	1,391,649	311,479
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(1,080,170)</u>	<u>(1,080,170)</u>	<u>(1,061,275)</u>	<u>18,895</u>
Total other financing uses	<u>(1,080,170)</u>	<u>(1,080,170)</u>	<u>(1,061,275)</u>	<u>18,895</u>
Total charges to appropriations (outflows)	<u>(1,080,170)</u>	<u>(1,080,170)</u>	<u>(1,061,275)</u>	<u>18,895</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>330,374</u>	<u>\$ 330,374</u>
Fund balance - beginning			<u>1,275,957</u>	
Fund balance - ending			<u>\$ 1,606,331</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
RESOURCES (INFLOWS)				
Revenues				
Intergovernmental revenues:				
Commission on aging	\$ 2,645,004	\$ 2,293,739	\$ 2,326,385	\$ 32,646
Housing & community development	6,408,928	7,105,525	6,762,970	(342,555)
Job training partnership act	992,310	964,308	1,038,432	74,124
Economic development	-	-	39,707	39,707
Sheriff	160,900	331,519	125,828	(205,691)
Citizen services	610,638	1,141,781	1,106,575	(35,206)
States attorney	617,160	634,578	640,275	5,697
Circuit court	525,200	702,465	791,936	89,471
EOC	456,122	538,269	797,112	258,843
Tourism	43,892	43,892	51,533	7,641
Farm Museum	30,000	30,000	-	(30,000)
Planning	-	34,762	49,448	14,686
Risk Management	-	2,649	1,784	(865)
Recreation and parks	187,000	297,587	249,325	(48,262)
Total revenues	<u>12,677,154</u>	<u>14,121,074</u>	<u>13,981,310</u>	<u>(139,764)</u>
Other financing resources				
Transfers in	1,455,030	1,434,538	1,434,538	-
Total other financing resources	<u>1,455,030</u>	<u>1,434,538</u>	<u>1,434,538</u>	<u>-</u>
Total Resources (Inflows)	<u>14,132,184</u>	<u>15,555,612</u>	<u>15,415,848</u>	<u>(139,764)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Current:				
General government	12,231,780	13,329,765	12,626,100	703,665
Public safety	635,102	873,259	682,207	191,052
Health	4,000	4,000	4,000	-
Recreation and parks	225,100	340,387	272,420	67,967
Economic development	1,036,202	1,008,201	988,286	19,915
Capital outlay	-	-	842,835	(842,835)
Total expenditures	<u>14,132,184</u>	<u>15,555,612</u>	<u>15,415,848</u>	<u>139,764</u>
Total charges to appropriations (outflows)	<u>14,132,184</u>	<u>15,555,612</u>	<u>15,415,848</u>	<u>139,764</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 Statement of Net Position
Non-Major Enterprise Funds
June 30, 2014

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
ASSETS				
Current Assets:				
Equity in pooled cash	\$1,109,550	\$ 389,366	\$ -	\$ 1,498,916
Cash and cash equivalents	-	300	-	300
Accounts receivables, net	139,845	-	-	139,845
Prepaid expense	-	-	6,667	6,667
Total current assets	<u>1,249,395</u>	<u>389,666</u>	<u>6,667</u>	<u>1,645,728</u>
Noncurrent Assets:				
Capital assets:				
Buildings	-	274,051	-	274,051
Improvements other than buildings	185,278	64,685	1,139,212	1,389,175
Autos, machinery, equipment	181,839	52,252	12,196,731	12,430,822
Construction in progress	72,951	36,734	-	109,685
Less accumulated depreciation	<u>(281,775)</u>	<u>(75,309)</u>	<u>(1,561,615)</u>	<u>(1,918,699)</u>
Total capital assets (net of accumulated depreciation)	<u>158,293</u>	<u>352,413</u>	<u>11,774,328</u>	<u>12,285,034</u>
Total assets	<u>1,407,688</u>	<u>742,079</u>	<u>11,780,995</u>	<u>13,930,762</u>
Deferred Outflows of Resources				
Deferred charge on refunding	<u>1,161</u>	-	-	<u>1,161</u>
Total deferred outflows of resources	<u>1,161</u>	-	-	<u>1,161</u>
Total assets and deferred outflows	<u>\$1,408,849</u>	<u>\$ 742,079</u>	<u>\$ 11,780,995</u>	<u>\$ 13,931,923</u>
LIABILITIES				
Current liabilities:				
Accounts payable	51,700	39,009	6,635	97,344
Accrued interest payable	830	-	-	830
Accrued expenses	-	2,339	-	2,339
Due to other funds	-	-	458,127	458,127
Long-term liabilities due within one year:				
General obligation bonds payable	<u>12,180</u>	-	-	<u>12,180</u>
Total current liabilities	<u>64,710</u>	<u>41,348</u>	<u>464,762</u>	<u>570,820</u>
Noncurrent liabilities:				
General obligation bonds payable	<u>86,750</u>	-	-	<u>86,750</u>
Total noncurrent liabilities	<u>86,750</u>	-	-	<u>86,750</u>
Total liabilities	<u>151,460</u>	<u>41,348</u>	<u>464,762</u>	<u>657,570</u>
NET POSITION				
Invested in capital assets, net of related debt	59,363	352,413	11,774,328	12,186,104
Restricted for:				
capital projects	-			
Unrestricted (deficit)	<u>1,198,026</u>	<u>348,318</u>	<u>(458,095)</u>	<u>1,088,249</u>
Total net position	<u>\$1,257,389</u>	<u>\$ 700,731</u>	<u>\$ 11,316,233</u>	<u>\$ 13,274,353</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2014

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 808,332	\$ 172,513	\$ -	\$ 980,845
Total operating revenues	<u>808,332</u>	<u>172,513</u>	<u>-</u>	<u>980,845</u>
Operating expenses:				
Personal services	-	62,607	7,530	70,137
Contractual services	228,802	2,487	151,594	382,883
Materials and supplies	64,205	15,546	-	79,751
Rents and utilities	93,498	2,360	41,753	137,611
Miscellaneous	122,036	-	7,198	129,234
Depreciation	22,999	17,324	465,643	505,966
Total operating expenses	<u>531,540</u>	<u>100,324</u>	<u>673,718</u>	<u>1,305,582</u>
Operating income (loss)	<u>276,792</u>	<u>72,189</u>	<u>(673,718)</u>	<u>(324,737)</u>
Nonoperating revenues (expenses):				
Penalties and interest	1,552	593	-	2,145
Interest and fiscal charges	(4,528)	-	-	(4,528)
Total nonoperating revenues (expenses)	<u>(2,976)</u>	<u>593</u>	<u>-</u>	<u>(2,383)</u>
Income (loss) before contributions	<u>273,816</u>	<u>72,782</u>	<u>(673,718)</u>	<u>(327,120)</u>
Capital contributions- equip. transferred from governmental activities	<u>-</u>	<u>-</u>	<u>1,139,211</u>	<u>1,139,211</u>
Change in net position	273,816	72,782	465,493	812,091
Total net position- beginning of year	<u>983,573</u>	<u>627,949</u>	<u>10,850,740</u>	<u>12,462,262</u>
Total net position- end of year	<u>\$1,257,389</u>	<u>\$700,731</u>	<u>\$11,316,233</u>	<u>\$13,274,353</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2014

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 738,290	\$ 172,513	\$ (209,696)	\$ 701,107
Receipts from other funds	-	-	217,226	217,226
Payments to suppliers and other funds	(492,261)	18,124	(7,530)	(481,667)
Payments to employees	-	(62,368)	-	(62,368)
Net cash provided (used) by operating activities	<u>246,029</u>	<u>128,269</u>	<u>-</u>	<u>374,298</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(62,463)	(94,841)	-	(157,304)
Principal paid on capital debt	(12,224)	-	-	(12,224)
Interest paid on capital debt	(4,486)	-	-	(4,486)
Net cash provided (used) by capital and related financing activities	<u>(79,173)</u>	<u>(94,841)</u>	<u>-</u>	<u>(174,014)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments and cash	1,552	593	-	2,145
Net cash provided by investing activities	<u>1,552</u>	<u>593</u>	<u>-</u>	<u>2,145</u>
Net increase (decrease) in cash and cash equivalents	168,408	34,021	-	202,429
Cash and cash equivalents at beginning of year	941,142	355,645	-	1,296,787
Cash and cash equivalents at end of year	<u>\$1,109,550</u>	<u>\$389,666</u>	<u>\$ -</u>	<u>\$ 1,499,216</u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ 276,792</u>	<u>\$ 72,189</u>	<u>\$ (673,718)</u>	<u>\$ (324,737)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	22,999	17,324	465,643	505,966
Effect of changes in operating assets and liabilities:				
Due to other funds	-	-	217,226	217,226
Accounts receivable	(70,042)	-	(6,667)	(76,709)
Accounts payable and accrued expenses	16,280	38,756	(2,484)	52,552
Total adjustments	<u>(30,763)</u>	<u>56,080</u>	<u>673,718</u>	<u>699,035</u>
Net cash provided (used) by operating activities	<u>\$ 246,029</u>	<u>\$ 128,269</u>	<u>\$ -</u>	<u>\$ 374,298</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Statement of Fiduciary Net Position
Trust Funds
June 30, 2014

	<u>Employee Pension Plan</u>	<u>Certified Law Officers Pension</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ASSETS					
Investments, at fair value:					
Short term investments	\$ 389,827	\$ 168,114	\$ 157,991	\$ 1,772,646	\$ 2,488,578
Bond funds	13,795,940	1,840,144	1,569,114	-	17,205,198
Equity funds	42,636,672	5,687,080	6,806,654	-	55,130,406
Marketable securities	-	-	-	47,996,872	47,996,872
Total investments	<u>56,822,439</u>	<u>7,695,338</u>	<u>8,533,759</u>	<u>49,769,518</u>	<u>122,821,054</u>
Total assets	56,822,439	7,695,338	8,533,759	49,769,518	122,821,054
LIABILITIES					
Accounts payable	6,230	2,497	551	327	9,605
Due to primary government	-	-	-	265,070	265,070
Total liabilities	<u>6,230</u>	<u>2,497</u>	<u>551</u>	<u>265,397</u>	<u>274,675</u>
FIDUCIARY NET POSITION					
Fiduciary net position held in trust for pension, OPEB benefits and other purposes	<u>\$ 56,816,209</u>	<u>\$ 7,692,841</u>	<u>\$ 8,533,208</u>	<u>\$ 49,504,121</u>	<u>\$ 122,546,379</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
For the Fiscal Year Ended June 30, 2014

	<u>Employee Pension Plan</u>	<u>Certified Law Officers Pension</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ADDITIONS					
Contributions:					
Employer	\$ 2,367,000	\$ 869,760	\$ 250,000	\$ 10,056,900	\$ 13,543,660
Plan members	1,573,433	580,222	-	425,337	2,578,992
Contributions from sources other than employer(s) and plan members	-	-	-	226,975	226,975
Total contributions	<u>3,940,433</u>	<u>1,449,982</u>	<u>250,000</u>	<u>10,709,212</u>	<u>16,349,627</u>
Investment earnings:					
Interest and dividends	-	-	-	2,135	2,135
Net increase in the fair value of investments	7,895,698	992,039	1,310,932	6,512,261	16,710,930
Total investment earnings	7,895,698	992,039	1,310,932	6,514,396	16,713,065
Less investment expense	(28,575)	(14,159)	(551)	(5,000)	(48,285)
Net investment earnings	7,867,123	977,880	1,310,381	6,509,396	16,664,780
Total additions	<u>11,807,556</u>	<u>2,427,862</u>	<u>1,560,381</u>	<u>17,218,608</u>	<u>33,014,407</u>
DEDUCTIONS					
Benefits and refunds paid to plan members and beneficiaries					
	924,686	124,016	607,734	4,001,567	5,658,003
Administrative expenses	45,337	7,079	6,678	4,800	63,894
Total deductions	<u>970,023</u>	<u>131,095</u>	<u>614,412</u>	<u>4,006,367</u>	<u>5,721,897</u>
Net increase in fiduciary net position	10,837,533	2,296,767	945,969	13,212,241	27,292,510
Fiduciary net position-beginning	45,978,676	5,396,074	7,587,239	36,291,880	95,253,869
Fiduciary net position-ending	<u>\$ 56,816,209</u>	<u>\$ 7,692,841</u>	<u>\$ 8,533,208</u>	<u>\$ 49,504,121</u>	<u>\$ 122,546,379</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, 2014

Carroll County Development Corporation

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 257,256	\$ 78,017	\$ 20,296	\$ 314,977
Receivables-notes, mortgages and leases	274,897	-	56,338	218,559
Total assets	<u>\$ 532,153</u>	<u>\$ 78,017</u>	<u>\$ 76,634</u>	<u>\$ 533,536</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,000	\$ -	\$ 2,000
Deposits	532,153	19,679	20,296	531,536
Total liabilities	<u>\$ 532,153</u>	<u>\$ 21,679</u>	<u>\$ 20,296</u>	<u>\$ 533,536</u>

Carroll County Drug Task Force-Non Federal

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 190,882	\$ 153,695	\$ 67,145	\$ 277,432
Total assets	<u>\$ 190,882</u>	<u>\$ 153,695</u>	<u>\$ 67,145</u>	<u>\$ 277,432</u>
LIABILITIES				
Accounts payable	\$ 63,219	\$ 121,580	\$ 51,033	\$ 133,766
Deposits	127,663	32,368	16,365	143,666
Total liabilities	<u>\$ 190,882</u>	<u>\$ 153,948</u>	<u>\$ 67,398</u>	<u>\$ 277,432</u>

Carroll County Drug Task Force - Treasury

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 106,193	\$ 21,778	\$ 51,237	\$ 76,734
Total assets	<u>\$ 106,193</u>	<u>\$ 21,778</u>	<u>\$ 51,237</u>	<u>\$ 76,734</u>
LIABILITIES				
Accounts payable	\$ -	\$ 21,652	\$ 20,370	\$ 1,282
Deposits	106,193	127	30,868	75,452
Total liabilities	<u>\$ 106,193</u>	<u>\$ 21,779</u>	<u>\$ 51,238</u>	<u>\$ 76,734</u>

Sherriff's Dept. - Drug and Alcohol

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 7,627	\$ 1,125	\$ -	\$ 8,752
Total assets	<u>\$ 7,627</u>	<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ 8,752</u>
LIABILITIES				
Accounts payable	\$ 3,946	\$ 1,125	\$ -	\$ 5,071
Deposits	3,681	-	-	3,681
Total liabilities	<u>\$ 7,627</u>	<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ 8,752</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, 2014

<u>Law Enforcement Activities</u>	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 24	\$ -	\$ -	\$ 24
Total assets	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>
LIABILITIES				
Deposits	\$ 24	\$ -	\$ -	\$ 24
Total liabilities	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>
 <u>Carroll Cable Regulatory Commission</u>	 Balance July 1, 2013	 Additions	 Deductions	 Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 172,943	\$ 71,914	\$ 74,420	\$ 170,437
Total assets	<u>\$ 172,943</u>	<u>\$ 71,914</u>	<u>\$ 74,420</u>	<u>\$ 170,437</u>
LIABILITIES				
Accounts payable	\$ 12,503	\$ 247,335	\$ 256,587	\$ 3,251
Deposits	160,440	328,500	321,754	167,186
Total liabilities	<u>\$ 172,943</u>	<u>\$ 575,835</u>	<u>\$ 578,341</u>	<u>\$ 170,437</u>
 <u>Totals - All Agencies</u>	 Balance July 1, 2013	 Additions	 Deductions	 Balance June 30, 2014
ASSETS				
Equity in pooled cash and investments	\$ 734,925	\$ 326,529	\$ 213,098	\$ 848,356
Receivables-notes, mortgages and leases	274,897	-	56,338	218,559
Total assets	<u>\$ 1,009,822</u>	<u>\$ 326,529</u>	<u>\$ 269,436</u>	<u>\$ 1,066,915</u>
LIABILITIES				
Accounts payable	\$ 79,668	\$ 393,692	\$ 327,990	\$ 145,370
Deposits	930,154	380,674	389,283	921,545
Total liabilities	<u>\$ 1,009,822</u>	<u>\$ 774,366</u>	<u>\$ 717,273</u>	<u>\$ 1,066,915</u>



Additional Information

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, 2014

Schedule 5

<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
4021	<u>Governmental Activities:</u>				
<u>General Government</u>					
8006 **	\$ 2,620,666	\$ 1,794,928	\$ -	\$ 35,032	\$ 790,706
8060	1,144,045	861,437	53,149	-	229,459
8199 **	7,000,000	2,667,850	131,776	-	4,200,374
8226 *	8,869,500	8,736,798	132,702	-	-
8273	125,000	123,107	1,893	-	-
8274	406,000	377,223	-	-	28,777
8310	145,500	-	-	-	145,500
8311	490,000	463,828	-	-	26,172
8359	600,000	66,808	473,976	-	59,216
8361	220,000	-	-	-	220,000
8412	850,000	503,302	77,190	-	269,508
8451	2,750,000	15,500	198,611	73,328	2,462,561
8485	290,000	-	15,934	-	274,066
9001	104,096,826	91,069,111	13,027,715	-	-
9418	909,600	839,124	-	-	70,476
9648 **	7,929,082	6,145,963	981,025	100,356	701,738
9921	1,268,470	961,745	-	214,312	92,413
9954	4,949,101	3,831,707	587,543	222,305	307,546
Total	<u>144,663,790</u>	<u>118,458,431</u>	<u>15,681,514</u>	<u>645,333</u>	<u>9,878,512</u>
4031	<u>Public Safety</u>				
8003	6,177,415	4,400,798	1,757,266	5,000	14,351
8163	7,025,000	1,112,607	601,683	4,366,296	944,414
8264	23,434,468	5,064,755	8,151,583	7,029,032	3,189,098
8391	110,200	6,435	86,066	-	17,699
8445 *	63,000	15,603	12,716	-	34,681
8480	225,000	-	13,230	88,257	123,513
9022	1,099,800	671,034	-	-	428,766
Total	<u>38,134,883</u>	<u>11,271,232</u>	<u>10,622,544</u>	<u>11,488,585</u>	<u>4,752,522</u>
4041	<u>Highways & Streets</u>				
8184	174,090	135,964	-	-	38,126
8283	146,998	144,757	1,957	83	201
8308	20,000	-	-	-	20,000
8321	3,059,597	47,878	1,200	-	3,010,519
8353	3,700,000	80	-	-	3,699,920
8382	4,771,270	4,632,730	-	-	138,540
8438	81,000	-	2,100	-	78,900
8440	10,545,998	2,759,928	6,115,553	479,593	1,190,924
8441	1,615,251	-	1,044,051	-	571,200
8474	10,085,001	-	4,150,671	4,479,703	1,454,627
8475	1,551,893	-	-	1,136,000	415,893
8476	800,000	-	-	-	800,000
8494	10,500	-	-	-	10,500
9604	50,000	3,102	-	-	46,898
9674	1,175,585	970,338	-	-	205,247
9847	1,816,207	1,556,770	6,870	2,314	250,253
9877	171,686	71,686	-	-	100,000
Total	<u>39,775,076</u>	<u>10,323,233</u>	<u>11,322,402</u>	<u>6,097,693</u>	<u>12,031,748</u>
4043	<u>Bridges</u>				
8032	790,300	36,215	15	-	754,070
8239 *	862,254	798,719	17,853	-	45,682
8240 *	940,656	917,170	-	-	23,486
8322	902,000	-	-	-	902,000
8323	947,000	-	-	-	947,000
8332	1,428,000	-	-	-	1,428,000
8383	721,000	10,485	237	-	710,278
8384	3,990,400	10,642	22	-	3,979,736

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, 2014

Schedule 5

	<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>
8385	White Rock Rd/Piney Run	\$ 943,000	\$ 8,662	\$ 6,831	\$ -	\$ 927,507
9684	Bridge Inspection & Inventory	346,505	248,464	72,945	1,256	23,840
9686	Clean & Paint Structural Steel	935,350	622,277	-	17,719	295,354
9882	Bridge Maint/Structural Repair	558,000	328,382	73,900	-	155,718
9916	Saw Mill Rd Bridge/Bear Run	745,758	281,491	-	-	464,267
	Total	14,110,223	3,262,507	171,803	18,975	10,656,938
4045	<u>Buildings</u>					
9956	** Fleet-Lifts Replacements	488,915	350,017	126,290	-	12,608
	Total	488,915	350,017	126,290	-	12,608
4049	<u>General Public Works</u>					
9902	Public Works-Unallocated	86,515	-	-	-	86,515
	Total	86,515	-	-	-	86,515
4061	<u>Board of Education</u>					
8041	School Surveillance	692,446	97,446	153,367	-	441,633
8133	Manchester Valley High School	70,685,300	69,046,272	77,694	-	1,561,334
8289	SC High School Fine Arts Add	17,815,941	15,963,302	-	-	1,852,639
8290	Westminster HS HVAC Replace	11,880,118	9,883,569	68,645	-	1,927,904
8292	Open Space Classroom Enclosure	8,000,000	5,054,796	1,076,429	-	1,868,775
8325	William Win Elem Kinder Additi	2,430,997	1,341,132	-	-	1,089,865
8326	Winfield Elem Kindergarten Add	1,301,000	868,313	1,943	-	430,744
8348	Mt. Airy Middle School	19,908,660	16,299,253	2,725,077	-	884,330
8349	Full Day K-Robert Moton ES	1,871,420	1,464,313	16,434	-	390,673
8350	Hampstead ES-HVAC Replace	1,478,559	1,399,645	(4,517)	-	83,431
8351	Hampstead ES Roof Replace	787,000	337,307	22,932	-	426,761
8377	Charles Carroll Ele Heat Plant	200,000	79,687	-	-	120,313
8378	Freedom Elem Roof Replacement	780,000	232,457	-	-	547,543
8379	BOE - Rood Replacements	118,000	-	-	-	118,000
8404	Freedom ES Heat Plant Convrnsn	1,462,000	462,114	139,479	-	860,407
8405	William Winchester ES Roof Rpl	543,000	206,524	-	-	336,476
8424	West Middle Roof Replacement	1,289,000	472,928	214,429	-	601,643
8481	Carroll Springs Roof Replcmnt	417,000	-	246,169	-	170,831
8482	Taneytown ES Roof Replacmnt	550,000	-	30,370	-	519,630
8483	Manchester ES HVAC Replc	310,000	-	110,350	-	199,650
8484	Manchester ES Roof Replcmnt	95,000	-	-	-	95,000
8486	BOE Energy Efficiency Project	642,243	-	440,321	-	201,922
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	1,697,936	1,191,427	-	-	506,509
9748	BOE-Paving	4,452,241	2,976,338	3,326	-	1,472,577
9792	BOE Technology Improvements	8,842,105	5,985,920	2,430,452	-	425,733
9850	School Construction-General	2,300,000	1,341,210	(944,556)	-	1,903,346
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	204,054,101	177,554,592	6,808,344	-	19,691,165
4062	<u>Community College</u>					
9782	Comm Coll-Technology	6,450,600	4,442,375	633,090	-	1,375,135
	Total	6,450,600	4,442,375	633,090	-	1,375,135
4071	<u>Recreation & Parks</u>					
8121	Leister Park	1,963,299	954,385	686,454	181,979	140,481
8169	* Barkhill Ballfields	456,000	410,937	1,000	-	44,063
8175	Westminster Veterans Mem Park	1,357,596	1,207,596	29,755	97,385	22,860
8232	Park Restoration Fund	657,485	519,256	109,700	-	28,529
8282	Westminster Comm Pond Renovate	392,300	198,739	42,502	77,673	73,386
8330	Bennett Cerf Park Revitalize	231,951	223,754	5,482	-	2,715
8411	Westminster Community Trail	198,000	131,896	50,590	2,275	13,239

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, 2014

Schedule 5

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
8439	Winfield Property Project	\$ 253,259	\$ 203,259	\$ 3,260	\$ -	\$ 46,740
8442 *	Farm Museum - Boundary Fencing	39,447	36,330	-	-	3,117
8443	Sports Compelx-Fencing	130,000	63,880	3,189	-	62,931
8477	Union Mills Restoration	188,900	-	19,643	-	169,257
9139	Recs & Parks/Local-Unallocated	24,399	-	-	-	24,399
9736	Town Fund	369,736	291,790	7,063	-	70,883
9925 **	Tot Lot Replacement	371,238	253,848	109,142	-	8,248
9926	Krimgold Park	6,159,633	2,128,733	1,937,283	1,730,097	363,520
	Total	<u>12,793,243</u>	<u>6,624,403</u>	<u>3,005,063</u>	<u>2,089,409</u>	<u>1,074,368</u>
<u>4072</u>	<u>Farm Museum</u>					
8386	Farm Museum FH Electric Upgrde	88,443	82,043	6,400	-	-
	Total	<u>88,443</u>	<u>82,043</u>	<u>6,400</u>	<u>-</u>	<u>-</u>
<u>4076</u>	<u>Self-Help Projects</u>					
8365 *	Springfld Cmplx Ballfld Renovn	14,028	10,668	3,360	-	-
8426	Hodges/Eldbg Elem Ballfld Mix	8,540	-	-	8,400	140
8433	Mayeski Park #4 Backstop	1,151	-	1,151	-	-
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	1,338	670	-	-	668
8449	Practice Wall - CHS/Linton Spr	13,900	13,209	-	-	691
8450	Salt Box Park - Ballfield Mix	2,220	560	-	-	1,660
8453	Deer Prk Concession Roof Rp	4,500	-	4,500	-	-
8458	Sandymount Park Imprvmnts SH	3,253	-	3,253	-	-
8460	Charles Carroll Ball Fld Mix	4,340	2,951	731	-	658
8463 *	Christmas Tree Prk BallFld Mix	7,663	6,916	747	-	-
8466	Ball Field Mix Multiple Loc SH	5,976	-	4,544	-	1,432
8467	Uniontown Jaycee Prk BIFld Mix	6,686	2,287	4,399	-	-
8470	Chrls Car Pitch Mac/Nets SH	6,328	-	3,470	-	2,858
8472 *	Mayeski Park Ball Fld Mix SH	5,700	-	5,700	-	-
8473	Salt Box Fld Mix/Retn Wall SH	2,244	1,091	560	-	593
8487	CCAC Handrail Install SH	3,952	-	3,952	-	-
8488	Deer Park Cable Fence SH	3,460	-	3,460	-	-
8489	Sandymount/DP Field Repair SH	5,390	-	-	-	5,390
8490	Mechanicsville Elm Soccer Gls	5,501	-	5,501	-	-
8491	Freedom Area Field/Sod/Mix SH	9,430	-	-	7,680	1,750
8492	Mayeski Prk Topsoil/Mix SH	3,330	-	-	-	3,330
8493	Mayeski Prk Balldiamod Mix SH	3,300	-	-	-	3,300
8495	CCRC-SandyMt Play Unit-SH	18,743	-	-	-	18,743
8496	CCRC-Lacrosse Goals SH	2,250	-	-	-	2,250
8497	FRC-Basketball BB SH	4,336	-	-	-	4,336
8498	NCRC-Shed/Fld Hamp SH	6,510	-	-	-	6,510
8499	NCRC-Xmas Tree Prk Fields SH	20,000	-	-	-	20,000
8500	WCRC-Bark Hill Field SH	6,138	-	6,138	-	-
9735	Community Self Help	4,979	-	-	-	4,979
	Total	<u>195,498</u>	<u>39,643</u>	<u>51,466</u>	<u>16,080</u>	<u>88,309</u>
<u>4081</u>	<u>Library/Senior Centers</u>					
8478	Library-Mt Airy Branch Imprv	157,000	-	157,000	-	-
8479	Taneytown Sr Cntr Add'l Park	162,000	-	-	-	162,000
9822	Library-Technology Improvemnts	3,015,900	2,248,430	284,886	-	482,584
	Total	<u>3,334,900</u>	<u>2,248,430</u>	<u>441,886</u>	<u>-</u>	<u>644,584</u>
<u>4091</u>	<u>Conservation & Open Space</u>					
9002	Land Bank	22,063,303	15,407,444	28,855	-	6,627,004
9007	Ag Land Preservation	146,870,324	123,302,734	8,688,922	-	14,878,668
9702	Traffic Impact Studies/Develop	137,692	120,529	9,191	-	7,972
9851	Rural Legacy-Easement Purchase	20,937,738	19,660,520	1,277,218	-	-
	Total	<u>190,009,057</u>	<u>158,491,227</u>	<u>10,004,186</u>	<u>-</u>	<u>21,513,644</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, 2014

Schedule 5

<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
4092 <u>Water Resources</u>					
8294 Reservoir Development	\$ 30,601,649	\$ 8,788,205	\$ 117,126	\$ -	\$ 21,696,318
8295 Storm Water Facility Maint	3,035,000	2,604,564	303,537	61,136	65,763
8328 Environmental Compliance	1,129,500	188,021	48,255	-	893,224
9920 Watershed Assessment & Improve	9,814,268	4,871,294	(12,020)	2,118,245	2,836,749
Total	<u>44,580,417</u>	<u>16,452,084</u>	<u>456,898</u>	<u>2,179,381</u>	<u>25,492,054</u>
4093 <u>Watershed Improvements</u>					
8520 Westminster HS Pond	1,093,671	-	72,937	-	1,020,734
8521 Carrolltowne 2A Gemini Dr	956,928	-	652,073	-	304,855
8522 Carrolltowne 2B Pond	329,155	-	316,455	-	12,700
8523 Elderwood Village Sec F&B	85,290	-	32,126	-	53,164
8524 Manchester Skate Park	2,300	-	2,300	-	-
8525 Friendship/Diamond Hills Sec 2	512,505	-	462,625	-	49,880
8526 Finksburg Industrial Park	169,062	-	11,768	-	157,294
8527 Clipper Hill/Hilltop	658,899	-	1,730	-	657,169
8528 Carroll Co Tree Planting #1	92,665	-	25,921	-	66,744
8529 Carroll Co Tree Planting #2	206,073	-	114,286	-	91,787
8530 Carroll Co Tree Planting #3	404,676	-	382	-	404,294
8531 Sullivan Rd Comnty Pond Phs1	2,032,897	-	405,687	-	1,627,210
8532 Sullivan Rd Phase 2	99,098	-	7,380	-	91,718
8533 Miller/Watts Pond	-	-	30,621	-	(30,621)
8534 Windmere/Libman	38,534	-	27,846	-	10,688
8535 Diamond Hills Section 5	4,750	-	312	-	4,438
8536 Langdon Property	45,036	-	10,993	-	34,043
8537 Braddock Manor West	35,898	-	22,053	-	13,845
8538 Carroll Co Maint Center Pond	37,340	-	13,085	-	24,255
8539 Robert Moton	498	-	498	-	-
8540 Eldersburg Estates Sec 3-5	550,000	-	-	-	550,000
8541 Dickenson Run Strm Clean Up	250	-	-	-	250
Total	<u>7,355,525</u>	<u>-</u>	<u>2,211,078</u>	<u>-</u>	<u>5,144,447</u>
Total Governmental Activities	<u><u>\$ 706,121,186</u></u>	<u><u>\$ 509,600,217</u></u>	<u><u>\$ 61,542,964</u></u>	<u><u>\$ 22,535,456</u></u>	<u><u>\$ 112,442,549</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, 2014

Schedule 5

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Business-type Activities					
Bureau of Utilities					
6030 W/S 341 Oak Creek Phase I	\$ -	\$ -	\$ -	\$ 7,878	\$ (7,878)
6311 Water & Sewer Meters	2,177,362	1,839,430	214,846	-	123,086
6332 Tank Painting	778,032	186,734	-	-	591,298
6344 HWWTP-Effluent Chillers	2,436,967	515,790	83,088	-	1,838,089
6358 8-12-16 Mains/Hydraulic Loop	634,221	-	-	-	634,221
6359 Hydrant Replacement	1,246,350	1,079,480	92,126	-	74,744
6376 Relief Sewer No. 4	33,500	-	-	-	33,500
6378 Relief Sewer No. 6	3,662,000	303,670	2,829	-	3,355,501
6382 Relief Sewer No. 10	405,300	-	-	-	405,300
6385 Sewer Study Update	365,000	187,647	-	-	177,353
6388 Pleasant Valley Backup Well 04	280,993	-	7,213	-	273,780
6390 Sykesville Eleva W/Tank #6 04	62,000	-	-	-	62,000
6403 Sanitary Sewer Manhole Rehab	1,320,200	701,431	-	-	618,769
6409 FD Looping Monroe (Okla-Benn)	74,800	-	-	-	74,800
6413 Hampstead Sludge Tank Renovate	828,200	138,392	-	-	689,808
6418 North Pump Station Wet Well	1,230,000	17,978	41,319	-	1,170,703
6419 Freedom Waste Water TP-ENR	7,500,000	147,337	243,766	-	7,108,897
6421 Sanitary Sewer Main Lining	1,356,201	672,648	200,882	-	482,671
6423 ** N Carroll Farms Pump Stat Rehb	266,000	-	63,592	-	202,408
6425 Water Main Loops FY12	489,000	-	-	-	489,000
6426 W. Hampstead Sewer Upgrade	97,000	-	-	-	97,000
6428 Water Main Blow-Off Replcmts	125,000	-	13,112	-	111,888
6429 Water Service Line Replacement	245,000	-	182,961	-	62,039
6430 Hampstead Grit Removal	-	-	46,623	-	(46,623)
6432 Asset Management System	200,000	-	-	-	200,000
Total	<u>25,813,126</u>	<u>5,790,537</u>	<u>1,192,357</u>	<u>7,878</u>	<u>18,822,354</u>
Solid Waste					
6520 Hoods Mill Remediation	934,626	890,941	9,192	885	33,608
6521 Northern Landfill Remediation	904,000	818,593	-	-	85,407
6528 John Owings LF Remediation	800,000	532,783	56,584	32,166	178,467
6532 Closed Landfill Remediation	100,000	42,182	23,125	-	34,693
6534 Nrthn Landfill-Cap Cells 1&2	3,960,000	-	-	-	3,960,000
6535 Northern Landfill Office	322,000	4,833	308,661	-	8,506
Total	<u>7,020,626</u>	<u>2,289,332</u>	<u>397,562</u>	<u>33,051</u>	<u>4,300,681</u>
Septage					
6704 Westminster Sept Screen/Grit	3,160,000	10,488	62,463	-	3,087,049
Total	<u>3,160,000</u>	<u>10,488</u>	<u>62,463</u>	<u>-</u>	<u>3,087,049</u>
Airport					
6818 ** Grounds & Facility Impr (9541)	290,180	190,815	92,585	-	6,780
6821 Airport Runway Extension	1,991,667	-	-	-	1,991,667
6822 AP Master Plan Study Phase 1	166,666	-	167,400	-	(734)
Total	<u>2,448,513</u>	<u>190,815</u>	<u>259,985</u>	<u>-</u>	<u>1,997,713</u>
Total Business-type Activities	<u><u>\$ 38,442,265</u></u>	<u><u>\$ 8,281,172</u></u>	<u><u>\$ 1,912,367</u></u>	<u><u>\$ 40,929</u></u>	<u><u>\$ 28,207,797</u></u>

* Completed CIP projects put into service during FY14

** Partially completed CIP projects put into service during FY14

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2014

	Amount Outstanding July 1, 2013	New Debt Activity	Principal Payments For Year 2014	Amount Outstanding June 30, 2014	Interest Payments For Year 2014
Governmental Activities					
General Obligation Bonds					
General Obligation Refunding Bonds-Aug. 2003	\$ 545,443	\$ -	\$ 545,443	\$ -	\$ 13,640
General Obligation Bonds - 2003	526,900	-	526,900	-	8,694
Volunteer Fire Dept. Project - 2003	955,000	-	145,000	810,000	31,870
General Obligation Refunding Bonds-Feb 2004	16,456,013	-	3,119,645	13,336,368	525,057
General Obligation Bonds - July 2004	2,929,179	-	1,464,589	1,464,590	82,017
General Obligation Bonds - Taxable Pension 2004	5,960,000	-	5,105,000	855,000	181,440
Volunteer Fire Dept. Project - 2004	1,116,934	-	140,861	976,073	43,221
General Obligation Bonds- 2005	6,487,853	-	2,160,932	4,326,921	216,295
Volunteer Fire Dept. Project- 2005	1,535,000	-	195,000	1,340,000	59,875
General Obligation Bonds-2006	5,398,417	-	1,353,281	4,045,136	188,871
General Obligation Refunding Bonds- Jan 2007	18,004,024	-	2,933,810	15,070,214	747,810
General Obligation Bonds-2007	13,444,027	-	1,412,196	12,031,831	545,194
General Obligation Refunding Bonds-Nov 2007	4,845,000	-	515,000	4,330,000	197,080
General Obligation Bonds-Nov 2008	65,777,550	-	3,335,995	62,441,555	2,981,430
General Obligation Bonds-Nov 2009 Series A	17,203,431	-	2,174,645	15,028,786	616,110
General Obligation Refunding Bonds-Nov 2009 Series A	1,682,047	-	853,212	828,835	39,979
General Obligation Bonds-Nov 2009 Series B	33,577,761	-	-	33,577,761	1,734,781
General Obligation Refunding Bonds-Oct 2010 Series A	8,551,703	-	1,989,112	6,562,591	151,148
General Obligation Refunding Bonds-Oct 2010 Series B	1,465,000	-	310,000	1,155,000	26,203
General Obligation Bonds-Oct 2010 Series D	19,649,128	-	928,069	18,721,059	700,282
General Obligation Refunding Bonds-Nov 2011	9,873,957	-	-	9,873,957	420,044
General Obligation Bonds-2011	18,055,000	-	710,000	17,345,000	670,550
General Obligation Refunding Bonds-2012	16,220,345	-	-	16,220,345	678,038
General Obligation Bonds-2012	21,460,000	-	1,075,000	20,385,000	688,237
General Obligation Bonds-2013	-	26,000,000	-	26,000,000	472,868
General Obligation Refunding Bonds- Taxable Pension 2013	-	4,524,000	-	4,524,000	-
Total General Obligation Bonds	291,719,712	30,524,000	30,993,690	291,250,022	12,020,734
Farmers Home Administration					
Federal Loan - 1972	258,990	-	23,758	235,232	9,070
Federal Loan - 1974	113,399	-	7,986	105,413	4,138
Federal Loan - 1979	387,040	-	15,602	371,438	14,123
Total Farmers Home Administration	759,429	-	47,346	712,083	27,331
General Obligation Debt					
Installment Purchase Agreements FY 2002	396,000	-	-	396,000	21,937
Installment Purchase Agreements FY 2003	530,930	-	-	530,930	27,354
Installment Purchase Agreements FY 2004	100,000	-	-	100,000	4,937
Installment Purchase Agreements FY 2005	2,179,934	-	-	2,179,934	106,200
Installment Purchase Agreements FY 2006	1,346,000	-	-	1,346,000	62,012
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	23,379
Installment Purchase Agreements FY 2014	-	3,475,344	-	3,475,344	-
Total General Obligation Debt	27,575,240	3,475,344	-	31,050,584	1,538,934
Purchase Agreements					
Johnson Controls/Suntrust	1,734,212	-	193,522	1,540,690	69,779
Total Purchase Agreements	1,734,212	-	193,522	1,540,690	69,779
Total Governmental Activities	\$ 321,788,593	\$ 33,999,344	\$ 31,234,558	\$ 324,553,379	\$ 13,656,778

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2014

	Amount Outstanding July 1, 2013	New Debt Activity	Principal Payments For Year 2014	Amount Outstanding June 30, 2014	Interest Payments For Year 2014
Business-Type Activities					
General Obligation Bonds					
Bureau of Utilities					
General Obligation Bonds - 2003	\$ 68,636	\$ -	\$ 68,636	\$ -	\$ 1,132
General Obligation Refunding Bonds-Feb 2004	1,110,941	-	210,606	900,335	35,446
General Obligation Bonds - July 2004	50,403	-	25,202	25,201	1,411
General Obligation Bonds - 2005	60,515	-	20,188	40,327	2,017
General Obligation Bonds - 2006	57,819	-	14,494	43,325	2,002
General Obligation Refunding Bonds-Jan 2007	165,153	-	26,912	138,241	6,860
General Obligation Bonds- 2007	6,263,550	-	627,490	5,636,060	253,795
General Obligation Bonds- 2008	6,981,600	-	335,444	6,646,156	317,145
General Obligation Bonds- 2009 Series A	549,580	-	69,471	480,109	19,682
General Obligation Bonds- 2009 Series B	1,072,240	-	-	1,072,240	55,397
General Obligation Bonds- 2010 Series A	4,365	-	1,015	3,350	77
General Obligation Bonds- 2010 Series D	13,742	-	649	13,093	490
General Obligation Refunding Bonds-Nov 2011	484,428	-	-	484,428	21,038
General Obligation Refunding Bonds-Nov 2012	198,550	-	-	198,550	8,399
Solid Waste Fund					
General Obligation Refunding Bonds-Aug. 2003	69,557	-	69,557	-	1,739
General Obligation Refunding Bonds-Feb 2004	514,992	-	97,629	417,363	16,432
General Obligation Bonds - July 2004	326,149	-	163,074	163,075	9,132
General Obligation Refunding Bonds- Jan 2007	268,637	-	43,775	224,862	11,158
General Obligation Bonds- 2007	402,424	-	40,315	362,109	16,305
General Obligation Bonds- 2008	260,850	-	18,562	242,288	11,624
General Obligation Bonds- 2009 Series A	6,988	-	883	6,105	250
General Obligation Refunding Bonds- 2009 Series A	42,953	-	21,787	21,166	1,021
General Obligation Refunding Bonds-Nov 2011	789,646	-	-	789,646	33,168
Airport Fund					
General Obligation Bonds - 2001	990,000	-	110,000	880,000	41,717
General Obligation Bonds - 2003	29,465	-	29,465	-	486
General Obligation Refunding Bonds-Feb 2004	143,053	-	27,119	115,934	4,564
General Obligation Bonds - July 2004	54,269	-	27,134	27,135	1,519
General Obligation Bonds- 2005	11,633	-	3,881	7,752	388
General Obligation Refunding Bonds-2007	187,186	-	30,503	156,683	7,775
General Obligation Refunding Bonds-2010 Series A	63,931	-	14,870	49,061	1,130
General Obligation Refunding Bonds-2010 Series D	27,130	-	1,282	25,848	967
General Obligation Refunding Bonds-Nov 2011	286,966	-	-	286,966	12,350
General Obligation Refunding Bonds-Nov 2012	18,716	-	-	18,716	754
Septage Fund					
General Obligation Bonds - 2006	48,763	-	12,224	36,539	1,727
General Obligation Refunding Bonds- Nov 2012	62,391	-	-	62,391	2,759
Total General Obligation Bonds	21,687,221	-	2,112,167	19,575,054	901,856
Notes Payable- Bureau of Utilities					
Water Quality Loan - Maryland Department of the Environment - 2000	244,664	-	27,907	216,757	8,076
Total Notes Payable	244,664	-	27,907	216,757	8,076
Total Business-type Activities	\$ 21,931,885	\$ -	\$ 2,140,074	\$ 19,791,811	\$ 909,932

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 7

Westminster, Maryland

Schedule of Investments for

Governmental Activities, Business Activities, and Trust Funds

June 30, 2014

	Length (in Days)	Maturity Date	Rate (%)	Market Value	Totals
GOVERNMENTAL ACTIVITIES					
Federal Home Loan Bank	720	30-Dec-15	0.38	\$ 5,000,650	
Federal Home Loan Bank	720	30-Jun-16	0.57	4,996,750	
Federal Home Loan Mortgage Corporation	720	18-Mar-15	0.35	8,013,040	
Federal Home Loan Mortgage Corporation	720	31-Dec-15	0.35	5,000,150	
Federal Home Loan Mortgage Corporation	720	15-Jan-16	0.40	5,000,350	
Federal Home Loan Mortgage Corporation	720	28-Jan-16	0.45	5,001,200	
Federal Home Loan Mortgage Corporation	720	20-May-16	0.55	4,998,800	
Federal Home Loan Mortgage Corporation	720	24-Jun-16	0.50	4,996,300	
Federal Farm Credit Bank	720	10-Dec-15	0.45	4,993,650	
Federal Farm Credit Bank	720	10-Mar-16	0.35	4,993,600	
Treasury Bonds	20 yrs	15-Nov-21	5.66	238,094	
Treasury Bonds	20 yrs	15-Aug-22	5.69	155,544	
Treasury Bonds	20 yrs	15-Aug-22	5.44	233,315	
Treasury Bonds	20 yrs	15-Nov-22	5.05	280,636	
Treasury Bonds	20 yrs	15-Aug-23	5.05	104,206	
Treasury Bonds	20 yrs	15-Nov-24	4.86	2,066,029	
Treasury Bonds	20 yrs	15-Aug-25	4.75	1,277,881	
Treasury Bonds	20 yrs	15-Nov-26	4.93	1,809,808	
Treasury Bonds	20 yrs	15-Feb-27	4.72	1,134,504	
Treasury Bonds	20 yrs	15-Aug-29	4.36	2,350,494	
Treasury Strips	20 yrs	15-Nov-21	5.83	64,066	
Treasury Strips	20 yrs	15-Aug-22	5.92	28,704	
Treasury Strips	20 yrs	15-Aug-22	5.78	52,047	
Treasury Strips	20 yrs	15-Nov-22	5.39	82,022	
Treasury Strips	20 yrs	15-Aug-23	5.42	16,568	
Treasury Strips	20 yrs	15-Nov-24	5.12	573,611	
Treasury Strips	20 yrs	15-Nov-25	4.76	320,439	
Treasury Strips	20 yrs	15-Nov-26	4.95	205,080	
Treasury Strips	20 yrs	15-Feb-27	4.73	137,000	
Treasury Strips	8 yrs	15-May-17	3.15	1,171,287	
Treasury Strips	20 yrs	15-May-24	4.39	656,561	
Treasury Strips	20 yrs	15-May-29	4.42	67,232	
Treasury Strips	20 yrs	15-Feb-30	4.76	787,658	
Treasury Strips	20 yrs	15-Feb-30	4.61	161,327	
Treasury Strips	20 yrs	15-Aug-29	4.55	471,018	
Treasury Strips	20 yrs	15-Nov-29	4.76	390,741	
Treasury Strips	20 yrs	15-May-30	4.11	1,136,795	
Treasury Strips	20 yrs	15-Aug-30	3.90	1,302,417	
Treasury Strips	20 yrs	15-Nov-30	4.44	1,576,421	
Treasury Strips	20 yrs	15-May-31	4.46	1,630,712	
Treasury Strips	20 yrs	15-May-31	4.33	1,993,093	
Treasury Strips	20 yrs	15-Nov-32	2.91	240,567	
Treasury Strips	20 yrs	15-Nov-33	3.88	1,613,302	
Treasury Strips	20 yrs	15-Feb-34	3.69	192,674	
State and Local Government Series	15 yrs	15-May-24	---	51,000	
Maryland Local Government Investment Pool	---	---	0.05	9,605,345	
Branch Banking & Trust-Money Rate Savings	---	---	0.15	86,009,473	\$ 173,182,161
TRUST FUNDS					
<u>Pension</u>					
M&T Employee Pension Account				56,822,439	
<u>Other postemployment benefits (OPEB)</u>					
Maryland Local Government Investment Pool-OPEB				1,772,646	
M&T Master OPEB Investment Trust				47,996,872	
<u>LOSAP</u>					
M&T LOSAP account				8,533,759	
<u>Law Officer's Pension</u>					
M&T Law Officer's Pension Account				7,695,338	122,821,054
TOTAL					<u><u>\$ 296,003,215</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2014

Governmental funds capital assets:	
Land	\$ 33,041,200
Buildings and contents	185,447,068
Improvements other than buildings	30,070,635
Automobiles, machinery and equipment	42,590,046
Roads and bridges	567,431,922
Construction in progress	30,219,213
Total governmental funds capital assets	<u>\$ 888,800,084</u>
Investments in governmental funds capital assets by source:	
General fund revenues	\$ 519,983,347
Special revenue funds	836,729
State grants	65,902,039
Federal grants	19,130,891
General obligation bonds	145,160,533
Contributions	137,786,545
Total investments in governmental funds capital assets by source	<u>\$ 888,800,084</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 8-2

**Capital Assets Used in the Operation of Governmental Funds
Schedule By Function
JUNE 30, 2014**

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	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 10,283,196	\$ 157,317,381	\$ 14,633,956	\$ 10,875,847	\$ -	\$ -	\$ 193,110,380
Public safety	220,651	11,829,092	1,645,200	16,766,518	-	-	30,461,461
Public works	4,727,589	770,185	-	13,071,848	560,514,683	-	579,084,305
Health	44,709	8,027,779	756,241	64,425	-	-	8,893,154
Education	1,934,280	1,963,486	381,257	251,464	-	-	4,530,487
Recreation & Parks	5,211,195	2,844,073	9,160,937	1,218,904	-	-	18,435,109
Economic development	-	2,695,072	3,493,044	168,693	6,917,239	-	13,274,048
Conservation of natural resources	10,619,580	-	-	172,347	-	-	10,791,927
Library/senior centers	-	-	-	-	-	-	0
Construction in progress	-	-	-	-	-	30,219,213	30,219,213
Subtotal	<u>33,041,200</u>	<u>185,447,068</u>	<u>30,070,635</u>	<u>42,590,046</u>	<u>567,431,922</u>	<u>30,219,213</u>	<u>888,800,084</u>
Less accumulated depreciation	<u>-</u>	<u>(48,836,538)</u>	<u>(20,445,285)</u>	<u>(29,655,588)</u>	<u>(413,242,293)</u>	<u>-</u>	<u>(512,179,704)</u>
Net governmental funds capital assets	<u>\$ 33,041,200</u>	<u>\$ 136,610,530</u>	<u>\$ 9,625,350</u>	<u>\$ 12,934,458</u>	<u>\$ 154,189,629</u>	<u>\$ 30,219,213</u>	<u>\$ 376,620,380</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 8-3

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2014**

	Governmental Funds Capital Assets July 1, 2013	Additions	Transfers and Retirements	Governmental Funds Capital Assets June 30, 2014
General government	\$ 192,574,268	\$ 2,108,568	\$ (1,572,456)	\$ 193,110,380
Public safety	30,146,279	588,698	(273,516)	30,461,461
Public works	574,639,613	5,704,072	(1,259,380)	579,084,305
Health	8,856,055	37,099	-	8,893,154
Education	4,530,487	-	-	4,530,487
Recreation & Parks	17,883,690	717,342	(165,923)	18,435,109
Economic development	13,274,048	-	-	13,274,048
Conservation of natural resources	10,791,850	78	(1)	10,791,927
Construction in progress	17,826,297	15,841,189	(3,448,273)	30,219,213
Subtotal	<u>870,522,587</u>	<u>24,997,046</u>	<u>(6,719,549)</u>	<u>888,800,084</u>
Less accumulated depreciation	<u>(494,160,495)</u>	<u>(19,591,672)</u>	<u>1,572,463</u>	<u>(512,179,704)</u>
Net governmental funds capital assets	<u>\$ 376,362,092</u>	<u>\$ 5,405,374</u>	<u>\$ (5,147,086)</u>	<u>\$ 376,620,380</u>

Source: Carroll County Department of the Comptroller.

Statistical Section



Pictured above is Liberty Exchange business park located Eldersburg, Maryland. This modern business park will comprise approximately 225,000 sq. ft. of office, R &D/flex and retail space at build out.

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. 168-177

Revenue Capacity

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 178-180

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. 181-184

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. 185-186

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. 187-196

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

Table 1

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 204,437,083	\$ 211,465,620	\$ 215,928,941	\$ 224,468,499	\$ 249,331,687
Restricted	7,792,322	8,354,576	6,438,836	6,438,332	7,402,357
Unrestricted	(47,862,627)	(50,148,292)	(45,963,471)	(51,077,932)	(45,926,141)
<i>Total Governmental Activities Net Position</i>	<u>164,366,778</u>	<u>169,671,904</u>	<u>176,404,306</u>	<u>179,828,899</u>	<u>210,807,903</u>
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	102,696,222	103,109,748	102,205,828	104,568,783	93,558,513
Restricted	22,938,152	17,019,197	12,503,774	370,116	1,308,820
Unrestricted	(6,098,712)	(4,118,863)	(3,535,427)	5,063,524	4,257,842
<i>Total Business-Type Activities Net Position</i>	<u>119,535,662</u>	<u>116,010,082</u>	<u>111,174,175</u>	<u>110,002,423</u>	<u>99,125,175</u>
Primary government					
Net invested in capital assets	307,133,305	314,575,368	318,134,769	329,037,282	342,890,200
Restricted	30,730,474	25,373,773	18,942,610	6,808,448	8,711,177
Unrestricted	(53,961,339)	(54,267,155)	(49,498,898)	(46,014,408)	(41,668,299)
<i>Total Primary Government Net Position</i>	<u>\$ 283,902,440</u>	<u>\$ 285,681,986</u>	<u>\$ 287,578,481</u>	<u>\$ 289,831,322</u>	<u>\$ 309,933,078</u>

Fiscal year 2005 was 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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 269,641,878	\$ 255,882,342	\$ 270,193,492	\$ 279,457,684	\$ 293,878,857
8,561,570	13,278,406	21,321,426	21,667,901	14,091,970
(7,378,808)	84,677,964	70,332,171	57,753,704	23,949,365
270,824,640	353,838,712	361,847,089	358,879,289	331,920,192
95,654,846	82,575,108	78,066,986	64,416,046	69,310,436
9,435,295	6,788,158	7,077,515	12,111,572	12,439,395
(5,246,129)	6,594,607	6,918,217	3,660,752	(5,209,355)
99,844,012	95,957,873	92,062,718	80,188,370	76,540,476
365,296,724	338,457,450	348,260,478	343,873,730	363,189,293
17,996,865	20,066,564	28,398,941	33,779,473	26,531,365
(12,624,937)	91,272,571	77,250,388	55,150,087	18,740,010
\$ 370,668,652	\$ 449,796,585	\$ 453,909,807	\$ 432,803,290	\$ 408,460,668

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

	<u>2014</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>
Expenses										
Governmental Activities:										
General government	\$ 67,208,424	\$ 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
Public safety	42,220,945	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
Public works	35,383,930	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
Health	4,504,233	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
Social services	1,234,170	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
Education	192,529,402	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
Recreation and parks	2,617,282	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
Libraries	13,909,531	13,150,071	11,540,245	11,277,792	9,971,261	7,740,076	9,269,078	7,511,036	6,812,087	6,293,406
Conservation of natural resources	11,395,342	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
Economic development	6,723,025	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
Interest on long-term debt	12,506,841	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
<i>Total Governmental Activities Expenses</i>	<u>390,233,125</u>	<u>377,185,970</u>	<u>369,106,284</u>	<u>400,042,734</u>	<u>414,042,726</u>	<u>424,974,313</u>	<u>373,813,603</u>	<u>325,581,593</u>	<u>301,936,686</u>	<u>285,779,349</u>
Business-Type Activities:										
Bureau of Utilities	11,328,410	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
Solid Waste	6,319,530	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
Airport	800,811	689,380	1,769,112	618,045	829,611	777,692	3,097,618	2,086,621	2,235,048	1,991,862
Septage	536,068	489,064	532,369	475,718	474,195	388,398	395,824	402,898	364,010	333,229
Firearms	100,324	97,706	92,935	79,627	76,281	77,475	74,497	58,238	60,267	62,524
Fiber Network	673,718	733,785	540,436	215,017	-	-	-	-	-	-
<i>Total Business-Type Activities Expenses</i>	<u>19,758,861</u>	<u>24,919,266</u>	<u>22,753,211</u>	<u>22,109,077</u>	<u>20,830,747</u>	<u>16,900,665</u>	<u>21,273,403</u>	<u>18,332,741</u>	<u>17,651,221</u>	<u>19,822,054</u>
<i>Total Primary Government Expenses</i>	<u>\$ 409,991,986</u>	<u>\$ 402,105,236</u>	<u>\$ 391,859,495</u>	<u>\$ 422,151,811</u>	<u>\$ 434,873,473</u>	<u>\$ 441,874,978</u>	<u>\$ 395,087,006</u>	<u>\$ 343,914,334</u>	<u>\$ 319,587,907</u>	<u>\$ 305,601,403</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ 14,450,607	\$ 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
Public safety	1,836,510	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
Public works	1,781,862	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
Health	55,405	58,946	124,065	44,320	12,190	15,541	12,492	8,155	8,111	7,981
Social services	6,600	6,600	6,600	6,600	284,014	367,238	367,238	284,564	334,806	316,333
Education	257,816	480,685	487,464	457,698	393,951	425,150	409,266	749,353	5,763,276	5,344,715
Recreation and parks	832,906	928,603	1,008,187	875,200	860,865	772,204	818,931	907,465	419,893	338,920
Economic development	525,158	-	-	-	-	-	-	-	10,741	49,578
Operating Grants and Contributions	16,136,623	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
Capital Grants and Contributions	8,372,841	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
<i>Total Governmental Activities Program Revenues</i>	<u>44,256,328</u>	<u>39,144,823</u>	<u>35,280,449</u>	<u>42,016,316</u>	<u>46,704,889</u>	<u>30,810,323</u>	<u>37,951,826</u>	<u>36,905,634</u>	<u>31,538,408</u>	<u>33,260,603</u>

Table 2

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

	<u>2014</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>
Business-Type Activities:										
Charges for Services:										
Bureau of Utilities	\$ 9,519,908	\$ 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
Solid Waste	6,422,401	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
Airport	713,942	649,572	650,660	675,683	518,581	671,258	2,222,010	1,840,449	2,041,458	1,744,414
Septage	808,332	710,536	682,663	608,688	603,550	449,263	387,636	536,845	482,599	388,871
Firearms	172,513	148,106	145,699	126,696	111,984	104,713	55,120	59,400	79,649	72,894
Operating Grants and Contributions	-	-	-	-	-	-	-	1,064,797	-	49,256
Capital Grants and Contributions	2,433,885	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
<i>Total Business-Type Activities Program Revenues</i>	<u>20,070,981</u>	<u>20,149,389</u>	<u>19,225,733</u>	<u>19,422,698</u>	<u>16,892,642</u>	<u>17,242,898</u>	<u>19,480,553</u>	<u>19,535,062</u>	<u>16,909,271</u>	<u>20,769,581</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 64,327,309</u>	<u>\$ 59,294,212</u>	<u>\$ 54,506,182</u>	<u>\$ 61,439,014</u>	<u>\$ 63,597,531</u>	<u>\$ 48,053,221</u>	<u>\$ 57,432,379</u>	<u>\$ 56,440,696</u>	<u>\$ 48,447,679</u>	<u>\$ 54,030,184</u>
Net (Expense)/Revenue										
Governmental Activities	(345,976,797)	(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)
Business-Type Activities	312,120	(4,769,877)	(3,527,478)	(2,686,379)	(3,938,105)	342,233	(1,792,850)	1,202,321	(741,950)	947,527
<i>Total Primary Government Net Expense</i>	<u>\$(345,664,677)</u>	<u>\$(342,811,024)</u>	<u>\$(337,353,313)</u>	<u>\$(360,712,797)</u>	<u>\$(371,275,942)</u>	<u>\$(393,821,757)</u>	<u>\$(337,654,627)</u>	<u>\$(287,473,638)</u>	<u>\$(271,140,228)</u>	<u>\$(251,571,219)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property taxes	\$ 197,220,873	\$ 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
Income tax	131,714,052	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
Recordation	10,576,850	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
Admission and amusement tax	262,098	288,173	296,890	379,990	246,184	335,125	386,186	405,295	393,659	451,296
Agricultural transfer tax	365,510	63,462	159,227	24,977	24,199	181,458	439,268	390,420	501,049	863,696
Hotel tax	309,992	278,906	298,498	284,602	287,850	287,495	311,049	321,676	191,117	-
State shared, unrestricted	948,717	620,224	620,224	724,807	1,172,339	10,300,922	11,744,961	12,729,241	12,313,362	9,936,273
Investment earnings and miscellaneous, unrestricted	1,721,180	(1,252,613)	3,048,631	782,346	2,107,298	4,563,217	8,753,090	8,622,196	6,988,995	2,662,242
Transfers	(2,447,601)	(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)
<i>Total Governmental Activities</i>	<u>340,671,671</u>	<u>331,308,745</u>	<u>330,401,242</u>	<u>327,047,414</u>	<u>307,321,100</u>	<u>311,149,918</u>	<u>327,853,400</u>	<u>297,908,128</u>	<u>297,357,375</u>	<u>270,361,868</u>
Business-Type Activities:										
Investment earnings and miscellaneous, unrestricted	\$ 756,859	\$ 849,378	\$ 383,547	\$ 582,930	\$ 422,785	\$ 751,926	\$ 2,279,730	\$ 2,174,966	\$ 1,496,621	\$ 1,635,201
Gain on sale of capital asset	9,000	78,616	3,677	-	35,395	-	93,425	-	-	-
Transfers	2,447,601	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
<i>Total Business-Type Activities</i>	<u>3,213,460</u>	<u>9,605,784</u>	<u>4,699,230</u>	<u>13,563,627</u>	<u>3,219,268</u>	<u>3,543,906</u>	<u>5,688,005</u>	<u>10,672,027</u>	<u>4,389,844</u>	<u>5,442,459</u>
<i>Total Primary Government</i>	<u>343,885,131</u>	<u>340,914,529</u>	<u>335,100,472</u>	<u>340,611,041</u>	<u>310,540,368</u>	<u>314,693,824</u>	<u>333,541,405</u>	<u>308,580,155</u>	<u>301,747,219</u>	<u>275,804,327</u>
Governmental Activities	\$ (5,305,126)	\$ (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
Business-Type Activities	3,525,580	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
<i>Total Primary Government Change in Net Position</i>	<u>\$ (1,779,546)</u>	<u>\$ (1,896,495)</u>	<u>\$ (2,252,841)</u>	<u>\$ (20,101,756)</u>	<u>\$ (60,735,574)</u>	<u>\$ (79,127,933)</u>	<u>\$ (4,113,222)</u>	<u>\$ 21,106,517</u>	<u>\$ 30,606,991</u>	<u>\$ 24,233,108</u>

Note:

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)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund (1)										
Nonspendable	\$ 29,209,160	\$ 29,140,848	\$ 27,853,715	\$ 30,274,746						
Restricted	26,052,436	23,584,205	25,272,233	18,998,982						
Committed	19,825,000	19,765,000	19,777,263	20,165,000						
Assigned	22,035,700	16,264,913	20,946,437	9,782,490						
Unassigned	6,922,173	16,132,542	14,827,375	16,809,377						
Total General Fund	104,044,469	104,887,508	108,677,023	96,030,595						
Capital Projects Fund										
Assigned	36,834,193	40,629,996	37,134,531	33,780,969						
Non-Major Governmental Funds: (1)										
Special Revenues Fund										
Restricted	1,543,563	1,159,415	2,227,030	4,361,704						
Committed	1,606,331	1,275,957	911,792	603,723						
Unassigned	-	-	-	(21,576)						
Total Non-Major Governmental Funds	39,984,087	43,065,368	40,273,353	38,724,820						
Total Governmental Funds- as restated	\$ 144,028,556	\$ 147,952,876	\$ 148,950,376	\$ 134,755,415						
Unassigned General Fund Balance as a Percentage of General Fund Expenditures	2.4%	5.2%	4.8%	5.5%						
General Fund										
Reserved					\$ 39,429,507	\$ 34,538,703	\$ 34,265,738	\$ 36,345,385	\$ 29,544,723	\$ 22,316,884
Unreserved and designated					27,868,281	34,623,762	30,997,138	31,787,678	31,217,889	42,231,314
Unreserved, undesignated					7,993,646	8,103,281	14,858,762	7,302,102	13,542,642	12,891,533
Total General Fund					75,291,434	77,265,746	80,121,638	75,435,165	74,305,254	77,439,731
Capital Projects Fund										
Reserved for Encumbrances					14,173,039	19,967,975	39,912,191	11,023,565	12,857,709	8,800,332
Unreserved and designated					29,143,318	25,951,067	45,904,401	93,792,138	79,972,189	48,702,238
Non-Major Governmental Funds:										
Special Revenues Fund										
Unreserved, undesignated					4,940,003	3,338,527	2,340,051	9,973,460	9,395,177	5,207,348
Total Other Governmental Funds					48,256,360	49,257,569	88,156,643	114,789,163	102,225,075	62,709,918
Total Governmental Funds					\$ 123,547,794	\$ 126,523,315	\$ 168,278,281	\$ 190,224,328	\$ 176,530,329	\$ 140,149,649
Unreserved General Fund Balance as a Percentage of General Fund Expenditures					10.5%	12.9%	14.9%	13.7%	17.0%	21.4%

Source: Carroll County Department of the Comptroller.

(1) In FY 2011 GASB 54 was implemented.

In FY 2014 there was a change in law of how unassigned fund balanced must be used. Part of what would have gone to unassigned is now assigned for future fiscal years.

Table 4

**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	Other Tax	Total
2005	\$ 132,226,766	\$ 103,315,651	\$ 22,207,072	\$ 451,296	\$ 996,212	\$ 863,696	\$ 260,060,693
2006	143,192,552	108,435,386	22,782,302	393,659	1,242,506	692,166	276,738,571
2007	158,112,936	110,300,274	18,902,094	405,295	1,600,475	1,439,455	290,760,529
2008	174,354,873	117,976,994	14,948,705	386,186	1,240,906	1,757,335	310,664,999
2009	189,079,529	112,763,102	9,220,249	335,125	1,196,731	1,797,810	314,392,546
2010	201,526,399	108,140,073	9,154,578	246,184	1,163,737	1,478,009	321,708,980
2011	208,296,512	116,171,871	7,612,907	379,990	1,039,337	1,172,805	334,673,422
2012	203,601,066	127,249,915	8,520,674	296,890	1,037,075	1,718,042	342,423,662
2013	197,727,477	127,555,768	10,021,395	288,173	1,028,501	1,751,744	338,373,058
2014	195,528,915	131,659,596	10,576,850	262,098	1,039,244	2,065,786	341,132,489
Change 2005-2014	47.9%	27.4%	-52.4%	-41.9%	4.3%	139.2%	31.2%

On July 1, 2004 the local 911 service fee-tax increased from \$0.50 to \$0.75.
 In fiscal year 2012, real property tax rate reduced from \$1.048 to \$1.028 per \$100 of assessed value.
 In fiscal year 2013, real property tax rate reduced from \$1.028 to \$1.018 per \$100 of assessed value.
 In fiscal year 2012, personal property tax rate reduced from \$2.62 to \$2.57 per \$100 of assessed value.
 In fiscal year 2013, personal property tax rate reduced from \$2.57 to \$2.545 per \$100 of assessed value.
 In fiscal year 2014, personal property tax rate reduced from \$2.545 to \$2.515 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)

	2014	2013	2012	2011	2010
REVENUES					
Taxes-Local (see Table 4)	\$341,132,489	\$338,373,058	\$342,423,662	\$334,673,422	\$321,708,980
Taxes-State Shared	952,204	1,635,475	1,236,284	1,447,227	1,219,154
Impact fees	206,711	295,755	1,575,933	1,148,592	1,304,575
Licenses and permits	1,475,869	1,518,884	1,382,219	1,364,820	1,310,176
Intergovernmental revenues	22,898,130	18,978,536	15,316,915	26,455,936	30,841,686
Charges for services	4,576,701	4,732,420	4,810,478	4,981,149	5,008,757
Fines and forfeits	92,532	95,487	92,355	101,128	86,168
Interest and gain on investments	2,225,527	(829,835)	6,800,763	1,244,055	2,989,913
Miscellaneous revenues	10,054,257	5,840,925	3,758,082	3,249,099	4,396,040
Total revenues	<u>383,614,420</u>	<u>370,640,705</u>	<u>377,396,691</u>	<u>374,665,428</u>	<u>368,865,449</u>
EXPENDITURES					
Current:					
General government	60,974,579	63,738,334	69,611,957	69,373,934	72,086,446
Public safety	41,484,155	35,585,271	35,914,325	35,396,452	34,748,084
Public works	13,275,887	9,565,709	8,831,776	10,649,104	12,586,032
Health	4,301,492	4,307,983	4,494,155	4,707,292	4,712,680
Social services	1,232,576	1,199,706	1,185,304	1,226,927	1,391,110
Education	185,008,583	180,570,971	173,557,501	174,935,761	177,855,179
Library	13,417,275	11,000,246	8,497,632	8,645,019	8,413,733
Recreation and parks	1,759,651	2,721,536	2,569,590	2,639,789	1,877,029
Conservation of natural resources	966,448	856,440	839,957	822,510	792,207
Economic development	6,484,527	4,324,885	1,970,523	5,089,136	5,640,224
Capital outlay	48,515,249	33,646,285	30,304,655	44,842,000	77,047,071
Debt service:					
Principal	26,984,558	25,641,361	27,087,742	23,431,934	22,889,828
Interest	13,656,778	13,646,029	14,154,056	13,914,992	12,802,086
Total expenditures	<u>418,061,758</u>	<u>386,804,756</u>	<u>379,019,173</u>	<u>395,674,850</u>	<u>432,841,709</u>
Excess (deficiency) of revenues over (under) expenditures	(34,447,338)	(16,164,051)	(1,622,482)	(21,009,422)	(63,976,260)
OTHER FINANCING SOURCES (USES)					
Transfers in	24,670,471	26,836,782	21,745,757	13,778,283	12,035,023
Transfers out	(25,978,861)	(35,484,572)	(26,057,763)	(16,018,252)	(14,780,223)
Refunding bonds issued	4,524,000	16,220,345	9,873,957	14,690,327	(7,936,995)
Payments to escrow agent	(4,478,621)	(19,357,902)	(11,299,208)	(14,593,220)	-
Bonds issued	26,000,000	21,460,000	18,750,000	21,192,091	64,508,850
Bonds premium	2,480,740	5,152,394	2,756,696	2,894	2,371,214
Issuance of debt-long term notes	3,475,344	445,320	-	13,115,500	4,662,430
Total other financing sources	<u>30,693,073</u>	<u>15,272,367</u>	<u>15,769,439</u>	<u>32,167,623</u>	<u>60,860,299</u>
Net change in fund balances	<u>\$ (3,754,265)</u>	<u>\$ (891,684)</u>	<u>\$ 14,146,957</u>	<u>\$ 11,158,201</u>	<u>\$ (3,115,961)</u>
Debt Service as a percentage of					
Noncapital Expenditures	9.7%	10.3%	9.9%	8.7%	8.6%

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

Implementation of GASB 43 & 45 was fiscal year 2008.

Source: Carroll County Department of the Comptroller.

Table 5

2009	2008	2007	2006	2005
\$314,392,546	\$310,664,999	\$290,760,528	\$276,738,571	\$260,060,693
10,800,922	12,244,961	12,729,242	12,313,362	9,936,273
869,347	1,350,460	1,669,793	3,924,721	3,936,986
1,288,525	1,666,970	1,781,585	3,349,234	2,999,086
15,042,612	16,773,453	14,253,803	12,627,892	15,319,436
5,239,049	5,788,013	5,732,717	4,559,557	4,850,580
90,840	100,509	86,754	88,942	123,622
5,463,426	10,537,502	11,112,070	6,753,742	3,395,552
3,349,723	4,101,008	5,953,948	3,763,843	3,862,252
356,536,990	363,227,875	344,080,440	324,119,864	304,484,480
69,035,233	65,771,932	60,783,464	60,412,713	66,446,506
35,256,843	34,222,625	28,595,412	26,875,030	24,466,006
11,325,405	10,861,774	9,425,523	8,495,030	7,851,771
4,731,958	4,368,725	4,339,691	4,204,001	3,924,884
1,319,630	1,200,206	1,131,873	1,096,568	1,042,802
172,156,658	155,480,987	151,674,483	142,253,487	132,393,561
8,170,171	7,717,198	6,782,100	6,220,220	5,725,660
1,665,731	1,648,268	2,106,832	1,221,026	1,113,773
800,054	821,409	718,552	698,716	675,481
5,690,821	4,351,843	3,067,166	1,819,561	2,728,971
127,778,575	86,014,727	55,671,218	45,177,873	38,032,734
24,029,542	23,487,007	20,336,962	18,421,084	14,670,026
10,470,693	9,543,326	9,237,763	8,987,587	8,145,529
472,431,314	405,490,027	353,871,039	325,882,896	307,217,704
(115,894,324)	(42,262,152)	(9,790,599)	(1,763,032)	(2,733,224)
16,037,191	26,594,904	14,957,047	12,024,485	17,376,594
(18,829,171)	(29,909,754)	(17,812,601)	(14,890,815)	(20,004,967)
-	-	-	-	-
-	(6,786,798)	(24,849,347)	-	-
72,088,000	27,100,000	44,092,000	34,699,318	36,860,000
1,874,448	672,349	1,180,352	171,249	157,786
2,956,796	2,495,343	5,994,265	5,923,118	2,179,934
74,127,264	20,166,044	23,561,716	37,927,355	36,569,347
\$ (41,767,060)	\$ (22,096,108)	\$ 13,771,117	\$ 36,164,323	\$ 33,836,123
7.5%	8.3%	11.2%	11.0%	8.7%

**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			
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
2014	17,988,425,218	17,988,425,218	1.018	10,646,050	266,503,440	248,768,830	525,918,320	525,918,320	2.515	18,514,343,538

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
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
2014	1.018	0.112	0.37	0.35	0.216	0.56	0.20	0.2115	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**

2014

<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	\$ 174,614,587	\$ 4,388,250	0.94%
Verizon-Maryland	Communications	32,243,230	810,917	0.17%
Carroll Lutheran Village	Retirement Village	57,955,800	589,990	0.31%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	21,466,180	539,874	0.12%
Penguin Random House	Warehouse Distribution	36,375,900	518,348	0.20%
Wal-Mart Real Estate	Retail	29,557,750	401,078	0.16%
Potomac Edison Co	Electric/Utilities	15,476,050	389,223	0.08%
Comcast of California/MD/PA	Communications	14,847,310	373,410	0.08%
Fairhaven Inc	Assisted Living	30,941,700	314,986	0.17%
Lehigh Cement Co. Inc	Manufacturer	27,497,850	304,942	0.15%
		<u>\$ 440,976,357</u>	<u>\$ 8,631,018</u>	<u>2.38%</u>
	Total Assessed Valuation	<u>\$ 18,514,343,538</u>		

2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Baltimore Gas & Electric	Utilities	\$ 136,150,750	1.13%
Verizon-Maryland	Communications	62,201,050	0.52%
Eldersburg Business Center	Business Center	44,921,732	0.37%
Random House Inc	Warehouse Distribution Center	41,435,462	0.34%
Cranberry Mall Properties LLC	Mall	37,665,492	0.31%
Wal-Mart Store, Inc.	Commercial Stores	32,292,995	0.27%
D&L Development	Power Tools	28,261,240	0.23%
AT&T Communications	Communications	24,794,440	0.21%
Carroll Lutheran Village	Retirement Village	23,065,892	0.19%
Lehigh Portland Cement	Manufacturer of Cement	20,459,284	0.17%
		<u>\$ 451,248,337</u>	<u>3.75%</u>
	Total Assessed Valuation	<u>\$ 12,034,458,190</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		
2005	\$ 133,927,665	\$ 132,713,125	99.09%	\$ 1,179,294	\$ 133,892,419	99.97%	\$ 35,246	0.03%
2006	148,635,335	147,744,969	99.40%	840,221	148,585,190	99.97%	50,145	0.03%
2007	170,145,224	169,106,817	99.39%	978,995	170,085,812	99.97%	59,413	0.03%
2008	195,816,301	194,780,453	99.47%	941,314	195,721,767	99.95%	94,534	0.05%
2009	222,182,990	221,514,565	99.70%	538,579	222,053,144	99.94%	129,846	0.06%
2010	239,699,738	238,543,223	99.52%	1,023,902	239,567,125	99.94%	132,613	0.06%
2011	227,246,379	226,056,851	99.48%	1,017,163	227,074,014	99.92%	172,366	0.08%
2012	210,215,754	209,114,927	99.48%	881,638	209,996,565	99.90%	219,190	0.10%
2013	199,005,990	197,845,421	99.42%	846,261	198,691,682	99.84%	314,308	0.16%
2014	195,934,516	195,202,000	99.63%	-	195,202,000	99.63%	732,516	0.37%

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*
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
2014	7.37	5.75	5.93	6.07	10.45	8.15	8.69	9.15

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 2014 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				
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
2014	304,903,421	31,050,584	-	1,540,690	19,575,054	216,757	357,286,506	N/A	1.93%	2,094

Notes: N/A not available.

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

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

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

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Ratios of Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds & Debt Outstanding	Percent of Actual Property Value (1)	Percent of Personal Income (2)	Per Capita (2)
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
2014	355,529,059	1.98%	N/A	2,083

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, 2014**

Net assessed value- Real Property	\$ 17,988,425,218	
Debt limit - 6% of net total assessed value (1)		\$ 1,079,305,513
Assessed Value-Personal Property	<u>525,918,320</u>	
Debt limit- 15% of Net Assessed Value (1)		<u>78,887,748</u>
Total Debt Limit (6%/15%)		1,158,193,261
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 342,587,743	
Less- Agricultural Preservation Program Self Supporting Debt	31,050,584	
Less- Fire Company Loans- Self Supporting Debt	9,270,788	
Less - Bureau of Utilities bonds	15,681,416	
Less - Septage bonds	98,930	
Total amount of debt applicable to debt limit		<u>286,486,025</u>
Legal debt margin		<u><u>\$ 871,707,236</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
2005-2014

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
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%
2014	18,514,343,538	6%/15%	1,158,193,261	286,486,025	871,707,236	24.74%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Direct And Overlapping Debt
June 30, 2014

Jurisdiction	Real Property Assessed Valuation (1)	Percent of Assessed Valuation to Overlapping Jurisdictions	Pro rata Share of Direct Debt to Jurisdictions(2)	Overlapping Debt(3)	Total Direct and Overlapping Debt
Hampstead	\$ 554,402,335	3.08%	\$ 10,394,837	\$ 1,273,310	\$ 11,668,147
Manchester	462,542,600	2.57%	8,673,614	198,412	8,872,026
Mt. Airy	812,141,058	4.51%	15,221,011	7,513,456	22,734,467
New Windsor	126,029,435	0.70%	2,362,463	-	2,362,463
Sykesville	367,485,181	2.04%	6,884,892	893,073	7,777,965
Taneytown	545,117,425	3.03%	10,226,089	15,964,868	26,190,957
Union Bridge	70,028,459	0.39%	1,316,229	1,421,247	2,737,476
Westminster	1,591,859,804	8.85%	29,868,280	15,945,289	45,813,569
Unincorporated areas	13,458,818,921	74.83%	252,547,280	-	252,547,280
County-wide Totals	<u>\$ 17,988,425,218</u>	<u>100.00%</u>	<u>\$ 337,494,695</u>	<u>\$ 43,209,654</u>	<u>\$ 380,704,349</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.

(3) Overlapping debt is provided by each municipality

Source: Carroll County Department of the Comptroller.
 Incorporated Municipalities.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (\$ in thous.) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
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%
2014	170,643	N/A	N/A	26,153	5.40%

Source: (1) Carroll County Department of Land Use, Planning and Development, June 2014. 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 2012-2014.

(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**

2014

<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	6.47%
Carroll Hospital Center	General hospital	1,997	3.56%
Springfield Hospital Center	Mental health services	833	1.48%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	778	1.39%
Penguin Random House, Inc.	Book warehousing and distribution	753	1.34%
EMA/Fairhaven	Retirement/Assisted Living	700	1.25%
McDaniel College	Higher education	621	1.11%
Carroll County Government***	Local government	592	1.05%
Carroll Community College	Higher education	509	0.91%
EVAPCO	Cooling Equipment Manufacturer	440	0.78%
	Total	10,853	19.33%
	Annual Average Employment in Carroll County****	56,144	

2005

<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	3,342	6.39%
Carroll County General Hospital	General hospital	1,438	2.75%
Springfield Hospital center	Mental health services	833	1.59%
Random House, Inc	Book warehousing and distribution	830	1.59%
Carroll County Government ***	Local government central office	655	1.25%
McDaniel College	Higher Education	623	1.19%
Fairhaven (Episcopal Ministries)	Life care retirement community	580	1.11%
Northrop Grumman	Electric testing	425	0.81%
English American Tailoring	Men & women's made-to-measure clothing	415	0.79%
EVAPCO	Cooling equipment manufacturer	400	0.77%
	Total	9,541	18.25%
	Annual Average Employment in Carroll County	52,269	

- Notes: * As of July 15, 2014.
 ** Does not include hourly employees such as substitutes, aides, etc.
 *** Central offices only. Excludes Sheriff's Department, Courts, etc.
 **** As of June 2014.

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

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

<u>Function/program</u>	<u>2014</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>
General Government										
County Commissioners										
Legislative	5	6	5	9	9	8	9	11	10	12
* Licenses/Zoning Appeals Board	-	-	-	-	-	-	-	-	4	5
Public Information	-	-	-	-	2	2	2	2	3	2
* Farm Museum	-	-	-	-	7	9	10	10	10	9
* Building Construction	2	2	2	2	-	-	-	-	-	0
* Facilities	51	47	47	48	-	-	-	-	-	0
* Fleet	23	22	23	24	-	-	-	-	-	0
* Permits	22	22	22	22	-	-	-	-	-	0
* Airport Management	-	-	-	-	2	2	3	2	2	2
Judicial	68	68	68	69	73	75	73	72	65	56
County Attorney	11	12	10	10	10	10	10	10	10	10
Comptroller	33	34	34	34	35	36	37	37	36	35
Administrative Services										
Administrative Services- Admin	-	-	-	1	-	-	-	-	-	0
Human Resources and Personnel Svcs	12	13	12	13	13	16	17	17	17	18
Management Analysis	-	-	-	1	1	2	2	2	3	3
TV Production	2	2	2	2	2	1	1	1	-	0
Production & Distribution Svcs	3	3	3	3	3	3	3	3	3	3
Technology Services	27	27	25	25	25	25	27	25	24	25
Management and Budget	14	15	15	14	16	18	16	18	17	16
Land Use, Planning and Development	47	45	46	43	43	43	45	42	45	44
* General Services	-	-	-	-	103	118	127	122	114	112
Citizen Services	55	50	48	48	45	54	56	51	51	44
Public Safety										
Sheriff Services	253	242	230	211	204	209	197	196	186	171
Emergency Services	36	34	37	30	31	32	36	35	34	31
Public Works										
* Supervision & Administration	5	4	3	2	2	4	4	4	6	5
* Airport	1	1	1	1	-	-	-	-	-	0
Roads	101	101	100	99	97	105	112	108	103	107
* Engineering	18	19	18	19	20	22	23	21	22	22
Bureau of Utilities-Operations	31	32	33	33	32	33	34	30	29	28
Solid Waste-Operations	17	20	20	20	19	20	20	20	21	20
Social Services	17	16	17	17	16	16	15	15	15	14
Education	1	1	1	1	1	1	1	1	1	11
*Recreation and Parks	25	32	31	31	22	27	27	27	27	16
Conservation of Natural Resources										
Soil Conservation Service	6	6	6	6	5	5	6	6	6	6
Economic Development										
Economic Development	7	6	6	6	6	7	7	7	7	7
BERC	9	9	9	9	10	8	8	10	10	10
* Tourism	8	1	1	1	1	2	2	2	2	2
Total Full Time Employee Totals	<u>910</u>	<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>
Part Time Employees	5	6	5	5	8	12	14	15	17	24
Total Employees	<u>915</u>	<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>

* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Information										
Population	170,643	169,519	168,570	167,929	167,134	174,909	174,249	173,208	171,742	168,521
Registered Voters	119,595	116,523	112,931	112,688	110,336	109,428	106,828	106,853	104,318	102,505
General Government										
Building Permits Issued for Residential	329	340	246	187	201	159	255	335	661	640
Estimated Value (\$ in thousands) Residential	\$ 54,620	\$ 56,305	\$ 40,741	\$ 31,803	\$ 32,699	\$ 26,308	\$ 44,316	\$ 57,126	\$ 118,037	\$ 115,252
Building Permits Issued for other purposes	1,681	1,775	1,826	1,828	1,745	1,908	2,534	2,727	3,244	3,173
Estimated Value (\$ in thousands) Other	\$ 70,835	\$ 80,519	\$ 71,994	\$ 66,314	\$ 52,397	\$ 108,861	\$ 177,729	\$ 102,781	\$ 138,171	\$ 126,448
Fire and Emergency Service										
Paid Firemen	120	120	120	120	115	115	112	92	85	92
Active Volunteers (estimated)	725	700	714	714	704	663	675	675	750	800
Dispatched Incidence	18,786	18,731	18,488	18,216	18,081	17,848	17,584	16,357	15,969	15,104
911 Calls Received	71,437	62,319	60,037	60,752	59,565	61,140	59,186	57,761	55,923	55,375
Police Protection										
Resident Troopers	-	15	30	46	46	46	46	46	45	45
Sheriff's Department	106	101	87	64	64	64	66	64	64	56
Citations/Warnings	23,410	19,579	16,940	16,551	15,845	17,805	14,802	16,551	16,280	13,451
911 Calls for Service	19,880	19,242	14,670	18,293	18,293	17,721	12,779	6,083	6,158	8,109
Detention Center										
Detention Center Officers	91	91	92	92	92	95	93	93	90	90
Total Prisoner Days	88,565	82,994	84,739	93,252	92,144	100,430	98,155	107,711	104,874	103,285
Water										
Daily Average Usage (mgd)	2.05	2.18	2.28	2.07	2.05	2.08	2.18	2.16	2.34	2.17
Plants Daily Capacity (mgd)	7.39	7.39	7.39	7.39	7.39	7.39	3.39	3.39	3.39	3.39
Wastewater										
Daily Average Usage (mgd)	2.64	2.63	2.86	2.83	2.71	2.59	2.95	2.89	2.74	3.34
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45
Solid Waste										
Tons In	95,758	96,908	101,616	105,683	85,942	81,447	100,195	108,608	116,267	110,178
Tons Recycled	21,182	21,181	30,587	30,154	20,155	20,322	20,652	21,080	21,533	21,625
Tons into Landfill	17,271	12,840	12,809	13,588	11,576	12,370	14,051	8,969	13,466	15,276
Tons Transferred	78,487	84,068	87,153	91,306	74,364	69,078	86,144	100,028	105,660	97,009
Education										
Number of Teachers	2,152	2,154	2,163	2,198	2,209	2,251	2,209	2,375	2,116	2,021
Number of Students	26,153	26,506	26,937	27,201	27,524	27,745	28,261	28,575	28,219	28,774
Community College										
Full Time Equivalent Students (FTE's)	2,920	3,167	3,173	3,347	3,138	2,920	2,867	2,517	2,519	2,493
Faculty-Full Time	82	84	79	77	73	75	63	63	65	52
Faculty-Part Time	199	212	296	580	527	545	143	417	249	349
Airport										
Fuel Sales (gals)	329,762	270,784	279,664	304,837	255,099	280,319	471,700	503,574	574,155	618,180
Tie Downs Occupied	12	15	15	25	25	25	25	25	25	25
Corporate Hangars Occupied	7	7	7	7	6	6	6	7	7	7
T Hangars Occupied	82	82	82	82	82	82	82	82	82	82
Libraries										
Number of volumes (estimated)	555,600	557,220	548,749	570,742	552,892	551,376	517,239	511,026	553,824	584,167
Circulation	3,987,246	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
Senior Centers										
Outside Groups using facilities	2,280	1,998	2,007	3,213	2,516	2,922	3,156	3,133	2,976	3,009
Volunteer Hours performed at Centers	54,857	57,402	49,518	44,689	41,493	39,311	39,352	42,957	43,051	39,136
Meals Served	34,357	33,606	30,446	33,297	29,171	26,020	25,188	27,242	29,145	30,470
Seniors Attending Activities	273,041	274,588	271,716	241,749	243,226	159,518	129,635	173,707	160,416	157,623

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
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	905	903	899	896	896	893	891	888	886	880
Miles of Roads Unpaved	80	80	80	83	83	84	86	87	89	92
Number of Bridges	151	151	145	147	147	147	147	147	147	146
Acres in Agricultural Land Preservation	65,761	62,366	62,078	60,002	57,627	54,858	50,711	46,998	46,737	41,927
Fire and Emergency Service										
Stations	14	14	14	14	14	14	14	14	14	14
Water										
Water Mains (miles)	140	139	139	139	139	135	135	134	134	133
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	8,474	8,428	8,382	8,323	8,268	8,256	8,247	8,230	8,163	8,117
Wastewater										
Sewer Mains (miles)	127	125	125	125	125	125	122	121	121	120
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	9,040	8,995	8,953	8,891	8,844	8,816	8,793	8,766	8,745	8,702
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	32	32	32	31	29	28	27	27	27	26
Acreage	4,773	4,773	4,773	4,629	4,652	4,478	4,478	4,478	4,478	4,475
Education										
Elementary	23	23	23	23	23	23	23	22	22	22
Middle	9	9	9	9	9	9	9	9	9	9
High	8	8	8	8	8	8	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	52
Apron Area (acres)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Firearms Facility	1	1	1	1	1	1	1	1	1	1
Libraries	6	6	6	6	6	6	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>2014</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>
Revenue										
Usage charges	\$ 9,272,482	\$ 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
Service charges		-	798	11,838	4,680	421	54,991	64,593	56,666	19,790
Penalties and interest	480,963	577,270	179,147	382,493	209,239	442,379	1,815,891	1,526,835	1,050,682	1,257,886
Operating transfer - County	193,390	202,790	199,511	(305,031)	200,200	206,980	629,850	212,000	138,310	(60,680)
Capital contributions (1)	775,916	1,008,491	335,174	523,776	426,563	75,395	855,655	291,282	389,700	5,744,168
Maintenance fee	1,455,846	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
Other	262,830	265,575	176,530	172,040	217,957	190,940	307,022	160,877	148,243	152,214
Total revenue	<u>12,441,427</u>	<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>
Expenses										
Salaries	2,510,322	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
Operating expenses	5,795,999	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
Depreciation	2,285,154	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
Interest	736,935	789,748	859,153	992,506	1,051,417	932,542	628,305	406,980	498,110	594,234
Total expense	<u>11,328,410</u>	<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>
Excess (deficiency) of revenue over (under) expense:	<u>\$ 1,113,017</u>	<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>

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**

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	<u>2014</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>
Revenue										
Charge for services	\$ 5,862,657	\$ 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
Penalties and interest	21,644	19,936	15,624	14,773	211,945	302,752	447,743	631,268	441,286	375,385
Proceeds from sales of recyclables	546,110	628,089	596,322	591,880	461,818	391,872	340,424	227,025	202,325	268,340
Capital contributions-equip. transferred from County	-	-	-	-	15,888	-	-	-	-	-
Gain on sale of fixed assets	-	78,616	3,677	-	35,395	-	-	-	-	-
Other	265,732	256,367	186,955	186,399	10,519	8,775	17,107	29,471	5,268	49,256
Operating transfer - County	1,115,000	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
Total revenue	<u>7,811,143</u>	<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>
Expense										
Salaries	1,436,414	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
Operating expenses	4,218,417	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
Depreciation	564,037	585,096	621,723	615,658	472,313	266,818	203,133	174,008	154,380	107,960
Interest	100,662	123,644	124,285	156,480	202,701	224,027	241,073	263,743	308,018	347,036
Total expense	<u>6,319,530</u>	<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>
Excess (deficiency) of revenue over expense	<u>\$ 1,491,613</u>	<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>
Tipping Fee per ton *	\$ 62.00	\$ 62.00	\$ 62.00	\$ 60.00	\$ 58.00	\$ 76.00	\$ 61.00	\$ 58.00	\$ 54.00	\$ 54.00

Source: Carroll County Department of the Comptroller.

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenue											
Rent	\$ 638,096	\$ 586,247	\$ 588,932	\$ 611,167	\$ 462,981	\$ 470,011	\$ 495,278	\$ 450,749	\$ 517,732	\$ 472,539	\$ 353,763
Fuel sales	75,846	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)	186,719	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	9,009	55	43	691	2,030	3,601	11,222	10,850	-	3,796	-
Total revenue	909,670	3,083,888	884,306	787,094	567,550	1,171,712	2,353,608	8,915,190	2,473,336	3,077,474	1,585,807
Expenses											
Salaries	200,002	199,851	188,612	212,539	247,203	256,173	236,788	184,513	182,310	159,740	96,725
Operating expenses	153,102	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)	194,565	5,438	-	15,892	-	-	255,400	36,061	227,795	137,850	-
Interest	70,822	78,281	84,437	93,960	104,350	113,327	122,044	130,092	138,741	144,323	132,137
Depreciation	182,320	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	-	-	-
Total expense	800,811	689,054	1,768,771	618,045	829,611	777,692	3,097,618	2,128,067	2,235,048	1,991,862	1,084,862
Excess (deficiency) of revenue over expense:	\$ 108,859	\$ 2,394,834	\$ (884,465)	\$ 169,049	\$ (262,061)	\$ 394,020	\$ (744,010)	\$ 6,787,123	\$ 238,288	\$ 1,085,612	\$ 500,945

(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, 2014**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected					
		1	2	3	4	Unmod	A	B	C	D	E
Deferred	164										
\$ 1 - \$250	58	53		5		22	5	8	15	2	2
251 - 500	69	58	7	4		17	7	10	26	2	11
501 - 750	39	32	7			12	6	11	5	1	4
751 - 1000	9	7	2			2	2	1	2		2
Over 1,000	3	3					1		2		

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 7/1/04 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
Period 7/1/13 to 6/30/14						
Average Monthly Benefit	\$ 1,356	\$ 4,366	\$ 11,337	\$ 20,840	\$ 23,544	\$ 4,255
Average Final Monthly Salary	\$ 2,730	\$ 2,874	\$ 3,099	\$ 3,750	\$ 3,797	\$ 3,621
Number of Retired Members	17	28	39	43	43	8

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, 2014

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	1	1							1			
501 - 750	2	2					1		1			
751 - 1000	0											
Over 1,000	5	5							2	1		2

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 Five 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
Period 7/1/13 to 6/30/14						
Average Monthly Benefit	\$ -	\$ -	\$ 1,391	\$ 130	\$ 2,947	\$ 5,316
Average Final Monthly Salary	\$ -	\$ -	\$ 5,010	\$ 4,338	\$ 4,612	\$ 4,553
Number of Retired Members	-	-	2	1	2	3

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

Source: Department of Human Resources.



**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, 2014, 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 14, 2014. 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, 2014. 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland

November 14, 2014

**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, 2014. 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, 2014, 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, 2014. 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, 2014.

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, material weaknesses may exist that have not been identified.

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.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 14, 2014

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>MAJOR PROGRAMS</u>		
U.S. Department of Housing and Urban Development		
Direct Funding:		
Section 8 Housing Choice Vouchers Cluster:		
HUD Housing FY14	14.871	\$ 5,324,734
HUD Housing Admin FY14	14.871	492,993
FSS FED FY14	14.871	65,248
HUD Housing FY15	14.871	417,676
HUD Housing Admin FY15	14.871	343
Section 8 Voucher Admin Federal Funded Subsidy FY03	14.871	39,347
Total U.S. Department of Housing and Urban Development		<u>6,340,341</u>
U.S. Department of Health and Human Services		
Passed Through Maryland		
State Department of Human Resources:		
Circuit Court Child Supp FY14	93.563	11,512
State's Atty Child Support FY14	93.563	432,030
Sheriff Child Support FY14	93.563	93,607
Total U.S. Department of Health and Human Services		<u>537,149</u>
U.S. Department of Transportation		
Passed Through Maryland State Highway Administration:		
Section 5311 FY14	20.509	100,119
Section 5307 FY14	20.509	290,384
Total U.S. Department of Transportation		<u>390,503</u>
Total Major Programs		<u>7,267,993</u>
<u>OTHER FEDERAL PROGRAMS</u>		
U.S. Department of Housing and Urban Development		
Direct Funding:		
Continuum of Care Plan 12		
	14.267	1,976
Passed Through Maryland		
Department of Community Development:		
Emergency Solutions Grt FFY12	14.231	34,910
Emergency Solutions FFY13	14.231	8,790
Home Initiatives Program FY12	14.239	19,963
Total U.S. Department of Housing and Urban Development		<u>65,639</u>
U.S. Department of Health and Human Services		
Passed Through Maryland Office on Aging:		
Ombudsman FY14	93.042	4,580
Title III, Part D FY13	93.043	14,968
Title III, Part D FY14	93.043	3,488
Aging Cluster:		
Title III, Part B FY13	93.044	39,021
Title III, Part B FY14	93.044	70,212
Title III, Part C FY13	93.045	107,115
Home Delivered Meals FY13	93.045	15,019
Title III, Part C FY14	93.045	57,550
Home Delivered Meals FY14	93.045	58,032
Total Aging Cluster:		<u>346,949</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services (cont.)		
Passed Through Maryland Office on Aging (cont.):		
Title III, Part E FY13	93.052	\$ 15,449
Title III, Part E FY14	93.052	35,395
Access to Recovery FY13	93.959	14,060
Total U.S. Department of HHS Through MD Office Aging		434,889
U.S. Department of Health and Human Services		
Passed Through Maryland		
State Department of Human Resources:		
TANF Cluster:		
Interagency Family Pres FY14	93.558	311,250
Total TANF Cluster:		311,250
Providing Safe/Stable Fam FY14	93.556	125,824
Passed Through Maryland		
State Department of Health & Mental Hygiene:		
MAP-Exp FY13	93.779	883
MAP Exp FY14	93.779	90,083
Total of U.S. Department of Health and Human Services		528,040
U.S. Department of Labor		
Passed Through Howard County		
Manpower Resources Employment and Training Assistance:		
Economically Disadvantaged Youth IIC FY13	17.250	81,739
Economically Disadvantaged Youth IIC FY14	17.250	1,296
Economically Disadvantaged Youth FY10	17.250	911
Workforce Investment Assistance Cluster:		
Economically Disadvantaged IIA FY13	17.278	136,086
Dislocated Workers III FY13	17.278	331,254
Administration FY13	17.278	34,613
Economically Disadvantaged IIA FY14	17.278	8,040
Dislocated Workers III FY14	17.278	401,447
Administration FY14	17.278	11,522
Total Workforce Investment Assistance Cluster:		922,962
Total U.S. Department of Labor		1,006,908
U.S. Department of Transportation		
Passed Through Maryland State Highway Administration:		
Highway Planning and Construction Cluster:		
Bollinger Road Over Beaver Run Road	20.205	17,854
UPWP FY14	20.205	29,120
Total Highway Planning and Construction Cluster:		46,974
Federal Transit Cluster:		
Section 5311 Capital FY13	20.507	188,387
Section 5311 Capital FY14	20.507	100,134
Total Federal Transit Cluster:		288,521
Total U.S. Department of Transportation		335,495

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Homeland Security		
Passed Through The Governor's Office of Crime Control and Prevention: Emergency Management Performance FFY13	97.042	\$ 55,076
Passed Through Maryland Emergency Management Administration:		
UASI FFY12 LEPTA	97.008	42,510
UASI FFY12 Hazmat	97.008	48,229
UASI FFY12 Mobile CC	97.008	7,541
UASI FFY12 Regional Planners	97.008	55,063
UASI FFY12 Functional Needs	97.008	3,133
UASI FFY12 HS Education Allinc	97.008	17,800
UASI FFY13 Law Enforcement	97.008	10,759
UASI FFY13 Hazmat	97.008	7,638
UASI FFY13 ENS Software	97.008	479
UASI FFY13 Emergency Planners	97.008	54,847
UASI FFY13 Regional Shltr Prep	97.008	30
UASI Hazmat Support FFY07	97.008	32,903
Vulnerable Population P&T	97.008	1,444
U-Carroll County Generator	97.008	6,099
Shelter Generator PreWiring	97.008	35,069
UASI-Hazmat FFY11	97.008	28,939
UASI-CCTV FFY11	97.008	19,952
UASI-ENS FFY11	97.008	12,319
UASI-LETPA Equip/Train FFY11	97.008	129,912
UASI-Regional Planners FFY11	97.008	64,600
UASI-MCCV Main/Upgrade FFY11	97.008	12,712
UASI-Technology Trn FFY11	97.008	12,305
UASI-Shelter Supplies FFY11	97.008	13,023
UASI-Web EOC FFY11	97.008	9,800
Citizen Corp FFY11	97.053	1,195
SHSP FFY13 EOC	97.067	10,675
Enhance EOC Int FFY12	97.067	20,000
State Homeland Security FFY13	97.067	34,782
State Homeland Security Program FY09	97.067	19,597
HMGP FFY11	97.073	336
Intelligence Equip FFY12	97.073	12,110
Establish/Enhance EOC FFY11	97.073	20,951
Homeland Sec Train Prog FFY11	97.073	(53)
HAZMAT Response FFY11	97.073	438
Intel/Info Sharing FFY11	97.073	2,230
Total U.S. Department of Homeland Security		804,443

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014
(CONTINUED)

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Emergency Food Assistance Cluster:		
The Emergency Food Assistance Program FY12	10.568	\$ 5,000
Total U.S. Department of Agriculture		5,000
U.S. Department of Energy		
Passed Through State Department of Human Resources:		
Weatherization EmPower	81.042	119,081
ARRA (Stimulus) Weatherization	81.042	7,069
Total U.S. Department of Energy		126,150
U.S. Department of Justice		
Passed Through Maryland		
Emergency Management Administration:		
JAG Program Cluster:		
Adult Drug Court FY12	16.738	206,150
Total JAG Program Cluster:		206,150
Immigration & Custom Enforcement (ICE)	16.590	2,797
Passed Through The Governor's		
Office of Crime Control and Prevention:		
Drug Court BJAG FY13	16.738	15,379
Adventure Diversion FY14	16.523	76,665
VAWA FY14 State's Atty	16.588	55,453
Sheriff VAWA FY14	16.588	37,494
Passed Through The Department of		
Justice National Network of Children's :		
Advocacy Center Grant FY13	16.582	8,200
Advocacy Center Grant FY15	16.582	668
Total U.S. Department of Justice		402,806
Total Other Federal Programs		3,709,370
Total Federal Programs		\$ 10,977,363

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2014

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, 2014.

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, 2014**

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)? _____ yes X 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? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
14.871	Housing Choice Voucher
20.509	Transportation Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$329,321

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, 2014**

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2014

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.

Current Year Status

Resolved: The County enhanced their process related rent reasonableness certifications. We tested the County's process and compliance over rent reasonableness certification as part of the current year's single audit.