

Carroll County

Maryland

Comprehensive Annual Financial Report



*For the Fiscal Year Ended
June 30, 2008*

Comprehensive Annual Financial Report

For The Fiscal Year Ended
June 30, 2008

Department of the Comptroller
Carroll County, Maryland

Robert M. Burk, Comptroller



Introductory Section



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

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

November 24, 2008

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Carroll County, Maryland for the fiscal year ended June 30, 2008.

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

Carroll County's financial statements have been audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that Carroll County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with Generally Accepted Accounting Principals (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 auditors found no findings or issues of noncompliance that were required to be reported as material weaknesses or significant deficiencies. The Single Audit Report starts on page 167.

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

Profile of the Government

Carroll County was created pursuant to an Act of the General Assembly of the State of Maryland on January 19, 1837. Carroll County is situated in the north central part of Maryland lying south of the Pennsylvania state line, which is part of the historic Mason-Dixon line. It is bordered on the east by Baltimore County, on the south by Howard County and on the west by Frederick County. The County is 456 square miles in area and is approximately 27 miles both in length and width with a 2008 population estimate of 174,249. The County seat and principal city is Westminster. Carroll County is empowered to levy a property tax on both real and personal properties located within its boundaries. During the last two decades, the basic character of the County's land and citizens has changed from predominantly rural to suburban and rural.

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

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

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

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

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

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

The County has a labor force of approximately 106,149 as of June 2008, which was an increase of .6% from last year. There continues to be a steady residential growth that will help maintain a stable labor force in the County.

Long-term Financial Planning. The County Commissioners six-year community investment plan is set up to meet numerous pressing needs. The six-year program includes \$36.5 million for a new Classroom/Computer Laboratory Building #4 at the Community College to allow the college to continue to introduce new courses and allow growth. The program includes \$27.5 million to extend the life of the existing analog radio system until a transition to digital can be accomplished. The program includes one (1) new elementary and one (1) new middle school in the South Carroll area at a total estimated cost of \$85.7 million. Construction started during FY08 for Manchester Valley High School in the North Carroll area. Total estimated costs of the new high school are \$79.0 million. The program includes \$27.7 million for the construction of a Fine Arts Addition to South Carroll High School. The program also includes \$55.6 million to continue the County's efforts in purchasing agriculture land preservation easements. The program also includes \$49.2 million for water source development and infrastructure and \$66.1 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.

Construction started during FY07 for the new water treatment plant in the southern end of the County. The project is estimated to be completed by the end of FY09 and is estimated to cost approximately \$27.4 million with the funding being collected by way of connection fees and an annual assessment on current and future users. A funding program for water and sewer projects estimated to be needed to build-out has been put in place that would fund all needed projects through user assessments and connection fees and not require new debt financing. The program also includes \$74.1 million, funded primarily by the Federal Aviation Administration, for a runway expansion to meet the increasing demands of corporate aircraft which strengthen the County's economy.

Cash Management and Investment Policies and Practices. Cash held temporarily idle during the year by Carroll County, excluding component units, was invested in repurchase agreements, certificates of deposits, obligations of federal government agencies instrumentalities, the State of Maryland Local Government Investment Pool and Branch Banking and Trust money rate savings account, all of which are fully collateralized by United States government obligations for periods ranging from one day to 20 years. At June 30, 2008, \$127 million was invested in federal government instrumentality obligations, \$2 million in the Maryland Local Government Investment Pool, and \$15 million in certificates of deposits. As part of the County's program of purchasing agricultural land easements, the County had entered into several long-term purchase agreements and purchased U.S. Treasury Bonds and Strips totaling \$7,251,195 to fund the purchases. The County also had \$47,077,907 in Branch Banking & Trust's money rate savings account, which is fully collateralized. The average yield on the investments for fiscal year 2008 was 2.90 percent. Investment income includes appreciation or depreciation in the fair value of investments. Increases in fair

value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that are held to maturity.

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

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

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

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

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

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

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

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carroll County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. Carroll County, Maryland has received a Certificate of Achievement for the last twenty-three

consecutive years (fiscal years 1985-2007). The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert M. Burk". The signature is written in a cursive style.

Robert M. Burk, CPA
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carroll County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

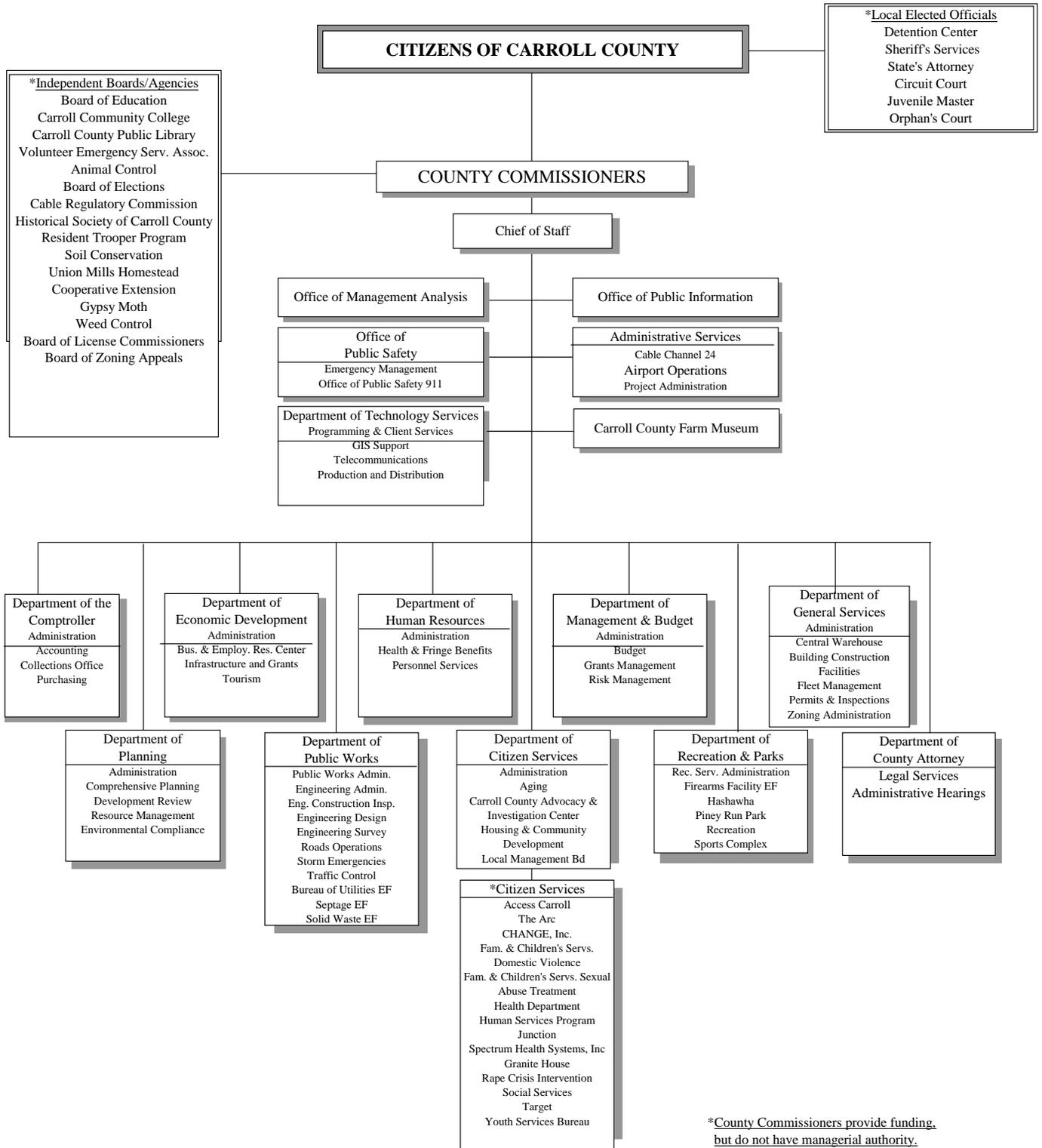
President

Jeffrey R. Ennis

Executive Director

CARROLL COUNTY GOVERNMENT

Organizational Chart



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

**LIST OF PRINCIPAL OFFICIALS
June 30, 2008**

BOARD OF COUNTY COMMISSIONERS

Julia W. GougePresident
Dean L. Minnich..... Vice-President
Michael D. Zimmer.....Secretary

APPOINTED OFFICIALS

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

CERTIFIED PUBLIC ACCOUNTANTS

Clifton Gunderson LLP, Timonium, Maryland

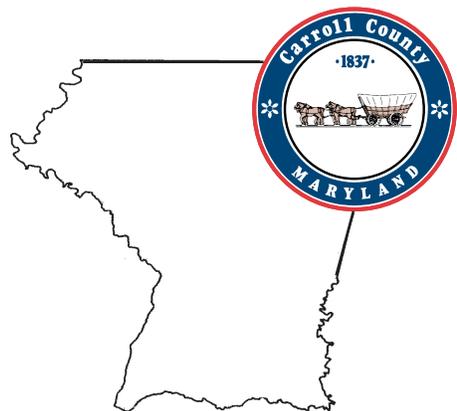
BOND COUNSEL

McKennon Shelton & Henn LLP, Baltimore, Maryland

FINANCIAL CONSULTANTS

Davenport & Company LLC, Baltimore, Maryland

Financial Section





Independent Auditor's Report

The County Commissioners of Carroll County
Westminster, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The County Commissioners of Carroll County (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The County Commissioners of Carroll County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2008 on our consideration of The County Commissioners of Carroll County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Clifton Henderson LLP

Baltimore, Maryland
November 21, 2008

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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, 2008. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 3-10 of this report.

Financial Highlights

Government-wide:

- The assets of Carroll County exceeded its liabilities at the close of the fiscal year ended June 30, 2008 by \$449,796,585 (*net assets*), compared to \$453,909,807, at June 30, 2007. Approximately 20 percent of the net assets total is attributable to the Enterprise Funds. Of total net assets at June 30, 2008, \$80,661,780 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, which compares to \$77,250,388, at June 30, 2007. Another \$30,677,355 is restricted for specific purposes (*restricted net assets*) in comparison to \$28,398,941 at June 30, 2007. The total invested in capital assets, net of related debt was \$338,457,450 at June 30, 2008, compared to \$348,260,478 at June 30, 2007.
- The total net assets decreased by \$4,113,222.

Fund level:

- At the close of the current fiscal year, unreserved, undesignated fund balance for the general fund (primary operating fund) was \$14,858,762.
- As of June 30, 2008, the County's governmental funds reported combined fund balances of \$168,278,281, a decrease of \$21,946,047 from the prior year. Approximately 10 percent of the combined fund balances is available to meet the County's current and future needs (*unreserved and undesignated fund balance*), 44 percent is reserved, indicating that it is not available for new spending because it has already been committed for items such as existing purchase orders and construction contracts, 46 percent is unreserved and designated for future use, stabilization fund and other purposes.
- In fiscal year 2008 the Other Post Employment Benefits (OPEB) Trust Fund was established in accordance with GASB Statements No. 43 and 45. As of June 30, 2008 the County had a net OPEB obligation of \$7,659,078.

Long-term Debt:

- Carroll County Government's total bonded debt increased by \$8,786,160 during the current fiscal year. The main factor in this increase was the County's issuance of \$30,435,000 in bonded debt and a refunding issue totaling \$6,670,000 which generated a debt service savings of \$553,712. The County also issued \$2,495,343 of agricultural land easements, due within five years or less.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Overview of the Financial Statements

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

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

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

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Carroll County Government that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Carroll County Government include general government, public safety, public works, health, social service, education, recreation and parks, libraries, conservation of natural resources, and economic development. The business-type activities of Carroll County Government include water and sewer service, waste disposal service, septage treatment, firearms facility, and an airport facility.

The government-wide financial statements include not only Carroll County Government itself (known as the *primary government*), but also legally separate component units. Carroll County Government has the following component units: Carroll County Board of Education, Carroll Community College, Carroll County Public Library, and Industrial Development Authority of Carroll County. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 28 to 29 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 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.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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

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

Carroll County Government maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other four 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 109 to 115 of this report.

Carroll County Government adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and can be found on page 33 of this report.

The basic governmental fund financial statements can be found on pages 30 and 31 of this report.

Proprietary funds: Carroll County Government maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Carroll County Government uses an enterprise fund to account for its Bureau of Utilities, Solid Waste, Airport, Septage, and Firearms Facility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Carroll County Government's various functions. Carroll County Government uses an internal service fund to account for risk management. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 34 to 36 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Bureau of Utilities, Solid Waste, and Airport, which are considered to be major funds of Carroll County Government. Individual fund data for each of the two non-major proprietary funds is provided in the form of combining statements which can be found on pages 120 to 122 of this report.

The basic proprietary fund financial statements and the individual fund data for the internal service fund can be found on pages 34 to 36 of this report.

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

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JUNE 30, 2008**

resources of those funds are not available to support Carroll County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County has three trust funds which are the Carroll County Employee Pension Trust Fund; the Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (OPEB); and the Volunteer Firemen Pension Plan (LOSAP). In addition to the three trust funds the County has one agency fund which is the Carroll County Development Corporation (CCDC). The basic fiduciary funds financial statements can be found on pages 37 to 38 of this report.

Financial analysis of the County as a whole

As noted earlier, net assets may serve over time as a useful indicator of a government's overall financial condition and position. In the case of Carroll County Government, assets exceeded liabilities by \$449,796,585 at the close of the most recent fiscal year. Carroll County Government's net assets are divided into three categories, invested in capital assets (net of related debt), restricted net assets and unrestricted net assets. The largest portion of the County's net assets (75.30 percent) reflects its investment in capital assets net of depreciation (e.g., buildings, building improvements, water and sewer systems, vehicles, machinery, equipment, roads and bridges), less any related debt used to acquire those assets, that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets of \$30,677,355 represent 6.82 percent of total net assets. Restricted net assets are resources that are subject to external restrictions on how they may be used. Unrestricted net assets of the government have a balance of \$80,661,780 (17.93 percent of total net assets), of which \$6,594,607 is attributable to business-type activities. The unrestricted net assets for government activities of \$74,067,173 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Carroll County Government as a whole is able to report positive balances in all three categories of net assets.

The County's net assets decreased by \$4,113,222 during the fiscal year. Increase budgeted expenses for education, conservation of natural resources, public safety as well as increased operating costs for the Bureau of Utilities fund are the primary reasons for the decrease. Increased expenses, however, were somewhat offset by the overall increase in tax revenue and an increase in the charges for services in the business-type activities.

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Carroll County Government's Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Current assets	\$ 263,146,313	\$ 270,532,011	\$ 36,297,244	\$ 34,958,789	\$ 299,443,557	\$ 305,490,800
Capital assets	387,124,133	369,963,060	101,319,190	87,779,284	488,443,323	457,742,344
Total assets	650,270,446	640,495,071	137,616,434	122,738,073	787,886,880	763,233,144
Current liabilities	84,534,709	65,876,517	8,392,743	4,735,137	92,927,452	70,611,654
Non-current liabilities	211,897,025	212,771,465	33,265,818	25,940,218	245,162,843	238,711,683
Total liabilities	296,431,734	278,647,982	41,658,561	30,675,355	338,090,295	309,323,337
Net assets:						
Invested in capital assets, net						
of related debt	255,882,342	270,193,492	82,575,108	78,066,986	338,457,450	348,260,478
Restricted	23,889,197	21,321,426	6,788,158	7,077,515	30,677,355	28,398,941
Unrestricted	74,067,173	70,332,171	6,594,607	6,918,217	80,661,780	77,250,388
Total Net Assets	\$ 353,838,712	\$ 361,847,089	\$ 95,957,873	\$ 92,062,718	\$ 449,796,585	\$ 453,909,807

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

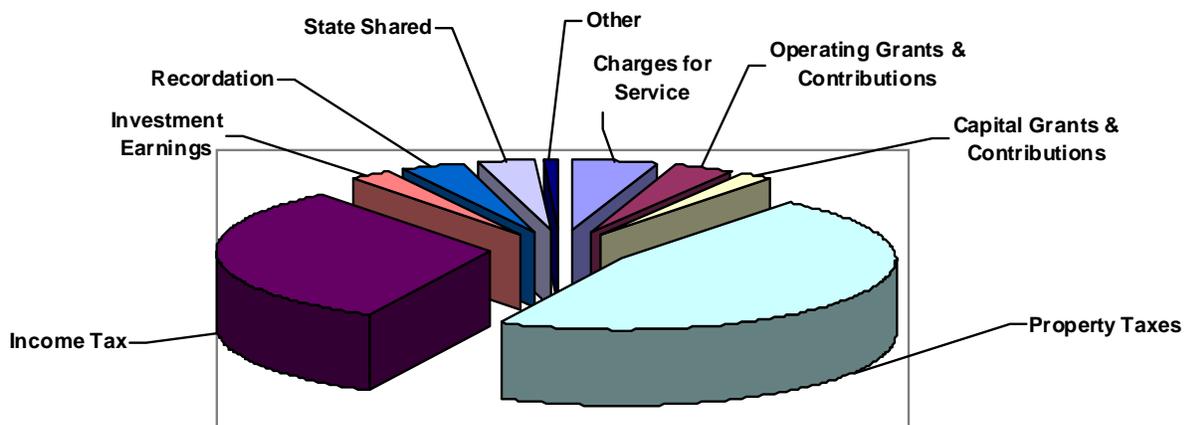
Carroll County Government's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues:						
Program revenues:						
Charges for services	\$ 15,107,513	\$ 14,309,515	\$ 16,959,665	\$ 16,390,843	\$ 32,067,178	\$ 30,700,358
Operating grants & contributions	13,824,732	12,841,014	-	1,064,797	13,824,732	13,905,811
Capital grants & contributions	6,797,218	7,453,139	2,520,888	2,079,422	9,318,106	9,532,561
General revenues:						
Property taxes	174,354,873	158,112,936	-	-	174,354,873	158,112,936
Income tax	120,230,118	106,921,331	-	-	120,230,118	106,921,331
911 service fee	1,240,906	1,600,475	-	-	1,240,906	1,600,475
Recordation	14,948,705	18,902,094	-	-	14,948,705	18,902,094
Admission	386,186	405,295	-	-	386,186	405,295
Agricultural transfer tax	439,268	390,420	-	-	439,268	390,420
Hotel Tax	311,049	321,676	-	-	311,049	321,676
Cable franchise fee	981,457	701,491	-	-	981,457	701,491
State shared, unrestricted	11,744,961	12,729,241	-	-	11,744,961	12,729,241
Investment earnings	8,753,090	8,622,196	2,279,730	2,174,966	11,032,820	10,797,162
Impairment gain on fire damage						
Net of insurance recovery			93,425	-	93,425	-
Total Revenues	\$ 369,120,076	\$ 343,310,823	\$ 21,853,708	\$ 21,710,028	\$ 390,973,784	\$ 365,020,851
Program Expenses:						
General government	70,411,246	63,412,621	-	-	70,411,246	63,412,621
Public safety	35,583,985	28,609,006	-	-	35,583,985	28,609,006
Public works	30,496,143	20,775,987	-	-	30,496,143	20,775,987
Health	4,454,550	4,397,039	-	-	4,454,550	4,397,039
Social services	1,228,095	1,131,873	-	-	1,228,095	1,131,873
Education	188,609,030	168,198,541	-	-	188,609,030	168,198,541
Recreation and parks	2,596,212	2,772,654	-	-	2,596,212	2,772,654
Libraries	9,269,078	7,511,036	-	-	9,269,078	7,511,036
Conservation of natural resources	17,487,058	16,711,700	-	-	17,487,058	16,711,700
Economic development	4,715,075	3,076,751	-	-	4,715,075	3,076,751
Interest on long-term debt	8,963,131	8,984,385	-	-	8,963,131	8,984,385
Bureau of Utilities	-	-	10,056,546	7,849,747	10,056,546	7,849,747
Solid Waste	-	-	7,648,918	7,935,237	7,648,918	7,935,237
Septage	-	-	395,824	402,898	395,824	402,898
Firearms	-	-	74,497	58,238	74,497	58,238
Airport	-	-	3,097,618	2,086,621	3,097,618	2,086,621
Total Expenses	373,813,603	325,581,593	21,273,403	18,332,741	395,087,006	343,914,334
Excess (deficiency) before transfers	(4,693,527)	17,729,230	580,305	3,377,287	(4,113,222)	21,106,517
Transfers	(3,314,850)	(8,497,061)	3,314,850	8,497,061	-	-
Increase in Net Assets	(8,008,377)	9,232,169	3,895,155	11,874,348	(4,113,222)	21,106,517
Net Assets-Beginning, as restated	361,847,089	352,614,920	92,062,718	80,188,370	453,909,807	432,803,290
Net Assets - Ending	\$ 353,838,712	\$ 361,847,089	\$ 95,957,873	\$ 92,062,718	\$ 449,796,585	\$ 453,909,807

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- **Governmental activities:** Overall revenue has increased by \$25,809,253, which is an 7.5 percent increase from fiscal year 2007. Property taxes increased by \$16,241,937, due to a steady increase in property values. Income tax increased \$13,308,787 due to an unanticipated growth in reconciling distributions from previous tax years that more than offset lower than expected growth from quarterly distributions based on current withholding and estimated payments. Recordation decreased by \$3,953,389 due to the decline in real estate activity. Charges for services increased by \$797,998 due to an increase of rent charged for the Board of Education Headquarters and Kessler Warehouse.

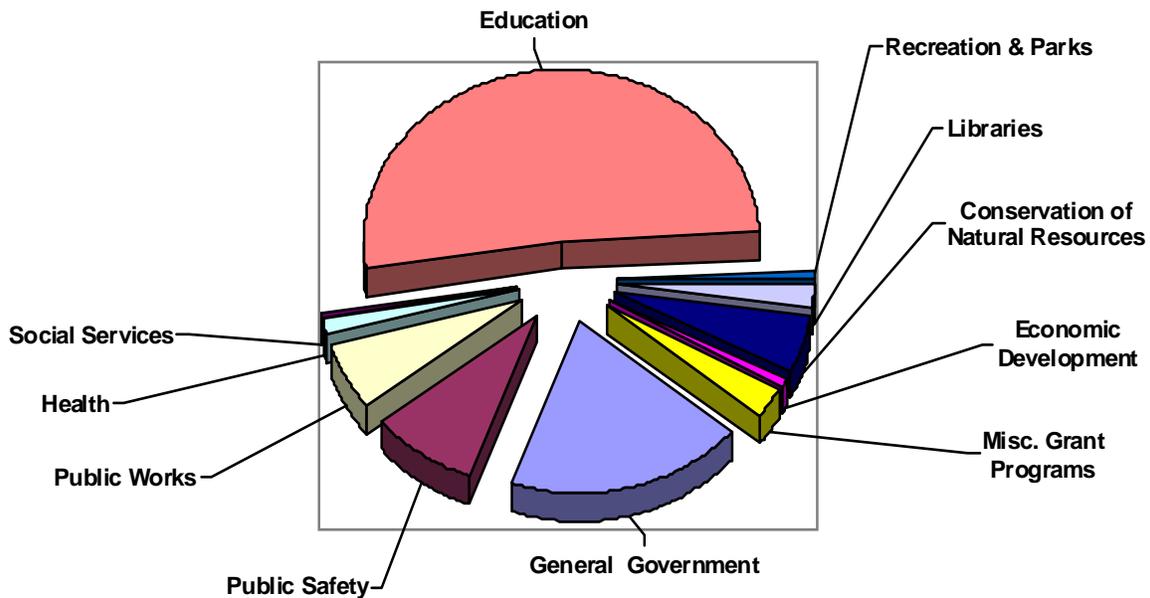
Revenues by Source-Primary Government



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The expenses of the governmental activities have increased by \$48,232,010 or 15 percent from fiscal year 2007. Most functional categories have increased due to additional spending for capital projects and annual increases to the operational costs. Education expenses increased \$20,410,489, or 13 percent from fiscal year 2007. This was primarily caused by payments to the Board of Education for operations, which increased by \$3,872,237 and an increase in capital outlay of \$17,033,329 for school construction and renovation. During fiscal year 2008 payroll taxes, pension costs and other postemployment benefits (OPEB) were allocated to each function in accordance to GASB 34. Allocating these costs increased the expenses by function over last fiscal year. In addition to these costs Public Safety had a \$1,000,000 expense for the contribution to the Volunteer Firemen Pension Plan (LOSAP).

Expenses-Primary Government



Business-type activities: There was an overall increase in Charges for Services of \$568,822 or 3 percent over fiscal year 2007. Rate adjustments in Water and Sewer User Fees and a rate increase in Tipping Fees at the Landfills caused the revenue increases. For fiscal year 2008 the Firearms Facility received \$145,853 for insurance recovery for the firearms facility that was damaged in a fire in February 2007. In addition to the insurance recovery the Firearms Facility had a gain on the impaired asset of \$93,425. Please see Note 7 for additional information.

The County's transfers between governmental activities and business-type activities decreased by \$5,182,211 during fiscal year 2008. During the fiscal year 2008 \$3,314,850 was transferred between activities for continuation of operations.

Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of Carroll County Government's *governmental funds* is to provide information on near-term outflows, and balances of *spendable* resources. Such information is useful in

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assessing Carroll County Government's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Carroll County Government's governmental funds reported combined ending fund balances of \$168,278,281, a decrease of \$21,946,047. Approximately 10.2 percent of this total (\$17,198,813) constitutes *unreserved undesignated fund balance*, which is available for future appropriation. The *reserved fund balance*, at 44.0 percent of total fund balance is not available for new spending because it has already been committed: 1) to cover loans receivable balances (\$30,890,851), 2) to liquidate contracts and purchase orders of the prior period (\$40,938,899), and 3) dedicated for inventory and advances to Industrial Development Authority (\$2,348,179). The remaining 45.8 percent of fund balance (\$76,901,539) constitutes *unreserved designated fund balance*.

The general fund is the chief operating fund of Carroll County Government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$45,855,900, while total fund balance reached \$80,121,638. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.8 percent of total general fund expenditures, while total fund balance represents 25.9 percent of that same amount.

A decrease in fund balance was budgeted with an appropriation of \$13,542,642 of fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$8,011,774 less in expenditures than budgeted. Total liabilities are fairly consistent with the previous year.

The revenues in the General Fund have increased by \$25,809,253 compared to the prior fiscal year. One of the reasons for this increase in revenues is that Property Taxes increased by \$23,030,059 over fiscal year 2007. Income tax revenue increased as well, due to an unanticipated growth in reconciling distributions from previous tax years. Expenditures increased by \$20,410,489 compared to the prior fiscal year.

The Capital Project Fund's balance sheet shows \$13,518,886 less in assets in fiscal year 2008. The decrease in cash is mainly due to construction started in fiscal year 2008 for the new high school and the new building at the community college which general obligation bonds will be issued for in November 2008. In fiscal year 2007 the County appropriated \$25,400,000 for one time expenditures in the Capital Fund. In fiscal year 2008 the General Fund provided \$6.4 million less in pay-go funding to the Capital Projects Fund compared to fiscal year 2007.

The Capital Projects Fund has a total fund balance of \$85,816,592, of which \$39,912,191 is reserved to liquidate purchase orders of the prior period and \$45,904,401 is unreserved but designated for future capital project expenditures. Unspent bond proceeds of \$7,070,444 make up 15.4 percent of the government activities restricted for capital projects.

The Non-Major Special Revenue Funds have a total fund balance of \$2,340,051, all of which is unreserved.

Proprietary funds: Carroll County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The total unrestricted net assets of the proprietary funds at the end of the year amounted to \$6,594,607 and unrestricted net assets

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in the Internal Service Fund totaled \$6,680,406. The total growth in net assets for the proprietary funds was \$3,895,155, while the net assets for the Internal Service Fund increased by \$1,297,607. Other factors concerning these funds' finances have been addressed in the discussion of Carroll County Government's business-type activities.

General Fund Budgetary Highlights

In the original budget the Board of Commissioners approved a reserve for contingencies between 1.0 to 1.25 percent of total budget to provide funds for emergency and unforeseeable expenditures that may arise during the current fiscal year. Funds can only be moved from the reserve during the year with approval from the Board of Commissioners. Any balance left in the reserve at year end falls to unreserved undesignated fund balance.

A transfer from the reserve for contingencies was made which accounts for the difference between the original and final budgets. Debt Service final budget was increased by \$2.8 million over the original budget to cover the addition of more Agricultural Preservation five year notes payable than originally budgeted.

The budgetary statements of the General Fund show actual revenues of \$308,690,104, compared to budgeted amount of \$304,693,161, an overall increase of \$3,996,943. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Actual Property Taxes collected were more than budget by \$4.2 million because actual taxes were more than what the State provided estimates for which the budgets were based.
- Local other taxes came in \$2.4 million less than the final budget, due to recordation tax coming in \$5.5 million less than budget as a result of the drop off in real estate, mortgage activity, and sale prices lower than anticipated. Income tax helped to offset some of the decrease in recordation tax. Income tax came in \$3.3 million higher than budget due to an unanticipated growth in reconciling distributions from previous tax years.
- State shared taxes collected were \$1.2 million less than final budget because of the higher fuel costs; demand for fuel decreased which decreased the amount of tax the State collected on fuel sales.
- Licenses and permit revenue came in \$0.1 million higher than the final budget due to building permit revenue coming in higher than anticipated.
- Charges for Service came in \$0.8 million higher than the budget due to a combination of Sheriff Services (Detention Center, INS Prisoner and INS Transport) and fuel recovery being higher than expected.
- Interest came in \$0.9 million higher than budget due to the portfolio size being larger than expected. The portfolio was expected to have been more depleted due to the anticipated spending down of Real Property Tax directly appropriated to the Capital Budget in previous years. The portfolio size more than offset the unexpected drop in interest rates caused by the Federal Reserve. The expected interest rate for fiscal year 2008 was 5.25%; however, the average rate for the fiscal year ended up slightly below 4.00%.
- Miscellaneous revenues increased \$1.6 million due to rents and Royalties coming in \$1.2 million more than the final budget, due to the increase of rent charged for the Board of Education Headquarters and Kessler Warehouse.

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The budgetary statements of the General Fund show actual expenditures of \$305,384,475, compared to budgeted amount of \$313,396,249, resulting in \$6,011,774 or 2.2 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- Actual expenditures for pension, OPEB, and payroll taxes were transferred to the correct functions. These expenditures were budgeted in the General Government so the transfer didn't effect the budget overall it effected the individual functions with the offset in General Government.
- Public Safety expenditures came in \$1,872,320 more than final budget. This was due pension, OPEB, and payroll taxes being recorded in the correct function. The County also contributed \$1,000,000 to the Volunteer Firemen Pension Plan (LOSAP) which was budgeted in Transfers Out but actual expenditures were transferred into Public Safety. Some of the expenditures in Public Safety were offset by salary savings in Sheriff Services and equipment savings in Public Safety.
- Public Works expenditures were \$951,208 more than budget due the transfer of pension costs, OPEB costs, and payroll taxes. Offsets to the expenditures in Public Works were savings in salaries and materials primarily in the roads budget.
- Education expenditures came in \$1,027,913 less than final budget primarily due to surplus from the Board of Education of \$3,000,000 which was returned to the County. The surplus was offset by the \$2,000,000 of various in-kind expenditures the County provided to the school system with aid, primarily for office and warehouse space. The County does not budget for in-kind aid.
- Actual expenditures for the Library came in \$581,198 more than the final budget because of the transfer of pension costs, OPEB costs, and payroll taxes.
- Recreation and parks expenditures came in \$140,068 more than final budget which was due to the transfer of pension costs, OPEB costs, and payroll taxes. Some of the expenditures were offset with savings in salaries.
- Economic development came in \$282,924 less than the final budget. This savings was from the Infrastructure and Training Grant Program which was partially offset by the transfer of pension costs, OPEB costs, and payroll taxes. The Grant Program is budgeted at \$3,000,000 to ensure adequate resources for Economic Development to offer financial assistance to new and existing businesses and business related entities. As economic development opportunities will vary from year to year, a sizeable variance in this budget, while not planned, is not unexpected.
- 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 2008, \$6,338,528 was left in the Reserve for Contingency showing the function under budget.
- Debt Service principal and interest came in less than final budget by \$373,824 and \$717,714 respectively. This savings was due to a combination of the total amount of the bond sale and the interest rate for the bond sale both being below budgeted expectations.

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, 2008, amounts to \$488,443,323 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. The total increase in Carroll County Government's investment in capital assets for the current fiscal year was 6.7 percent (a 4.6 percent increase for governmental activities and a 1.5 percent increase for business-type activities). Additional information on the County's capital assets can be found on pages 62 to 64 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 32,483,709	\$ 26,809,632	\$ 8,625,748	\$ 8,625,747	\$ 41,109,457	\$ 35,435,379
Construction in progress	35,740,947	32,457,013	27,685,366	13,056,406	63,426,313	45,513,419
Building and contents Improvements	92,437,382	90,472,235	18,577,175	18,952,101	111,014,557	109,424,336
other than buildings	14,766,923	8,710,792	871,812	964,671	15,638,735	9,675,463
Auto, machinery & equipment	14,559,704	12,295,150	2,095,964	1,844,298	16,655,668	14,139,448
Infrastructure	197,135,468	199,218,238	43,463,125	44,336,061	240,598,593	243,554,299
Total	<u>\$ 387,124,133</u>	<u>\$ 369,963,060</u>	<u>\$ 101,319,190</u>	<u>\$ 87,779,284</u>	<u>\$ 488,443,323</u>	<u>\$ 457,742,344</u>

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

- The ongoing construction costs of renovating the 300 South Center Street Building totaled \$3.97 million which was funded by general obligation bond proceeds and resulted in an increase of CIP.
- The ongoing costs associated with the creation of the Carroll County Public Network totaled \$2.58 million which was funded by real property tax revenue and resulted in an increase of CIP.
- The ongoing construction costs of renovating the old New Windsor Middle School into the Carroll County Public Library Headquarters totaled \$6.81 million which was funded by general obligation bond proceeds and resulted in an increase of CIP.
- The construction costs of various ongoing Public Works projects totaled \$1.76 million which some of the various funding sources included general obligation bond proceeds, real property tax revenue, and general fund revenue, and resulted in an increase of CIP.
- The ongoing construction costs of building Carroll Community College-Classroom Building #4 totaled \$2.24 million which was funded by general obligation bond proceeds and resulted in an increase of CIP.
- The ongoing design, engineering, and construction costs of building a new Library in Finksburg totaled \$3.00 million which was funded by general obligation bond proceeds, real property tax revenue, and general fund revenue, and resulted in an increase of CIP.
- The final costs associated with the ongoing construction and completion of various Public Works projects totaled \$7.03 million which some of the various funding sources included general obligation bond proceeds, real property tax revenue, and general fund revenue, and resulted in a decrease of CIP.
- The completion of various Public Safety projects totaled \$2.54 million which some of the various funding sources included general obligation bond proceeds, state of Maryland revenue, and general fund revenue, and resulted in a decrease of CIP.
- The completion of the ongoing Energy Management project totaled \$2.58 million which was funded by Non-Cash Note proceeds, and resulted in a decrease of CIP.
- The completion of the North Carroll Senior Center totaled \$3.29 million which was funded by real property tax revenue and general obligation bond proceeds, and resulted in a decrease of CIP.
- The completion of the Eldersburg Library Expansion totaled \$1.10 million which was funded by general obligation bond proceeds and general fund revenue, and resulted in a decrease in CIP.

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- The ongoing construction costs for the expansion of the Freedom District Water Treatment Plant totaled \$10.29 million which was funded by Proprietary fund revenue and resulted in an increase of CIP.

Long-term debt:

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$249,121,457, 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	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds, net	\$ 219,638,767	\$ 218,904,371	\$ 22,345,826	\$ 13,781,251	\$ 241,984,593	\$ 232,685,622
General Obligation Debt	7,136,864	7,136,864	-	-	7,136,864	7,136,864
Total	<u>\$ 226,775,631</u>	<u>\$ 226,041,235</u>	<u>\$ 22,345,826</u>	<u>\$ 13,781,251</u>	<u>\$ 249,121,457</u>	<u>\$ 239,822,486</u>

During the current fiscal year Carroll County Government's total debt increased by \$9,298,971. The County did sell general obligation bonds totaling \$30,435,000. Of these bonds, \$18,985,000 was sold to cover capital projects in the governmental activities and \$10,005,000 was sold to cover capital projects in the business-type activities; \$1,445,000 was sold to cover fire company loans for building construction and equipment purchases. The County also issued a bond refunding totaling \$6,670,000 for the 1997 Hospital refunding bonds which generated a debt service savings of \$553,712. The new bonded debt will be repaid over fifteen years. The County also issued \$2,495,343 in agricultural land preservation easements which will be paid within five years or less. Additional information on Carroll County Government's long-term debt can be found in Note 8 of this report.

Carroll County Government maintained an "AA" rating from Standard and Poor's, an "AA+" rating from Fitch Ratings, and an "Aa2" rating from Moody's Investors Service.

Under charter counties state statutes limit the amount of general obligation debt a government entity may issue up to 15.0 percent of its net assessed valuation of personal and corporate property plus 6.0 percent of the total assessed valuation of real property. While Carroll County isn't a charter county, and does not have a legal debt limit, it uses the state statute as a recommended guideline on debt limit. The current debt limitation for Carroll County Government is \$909,988,114, 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 2009 budget appropriation for the general fund is \$353,000,000 representing a 7.5 percent increase over fiscal year 2008.
- The Homestead tax credit is expected to decrease property tax revenue by an additional \$11 million in fiscal year 2009 to a total of \$34.25 million.

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- Recordation is expected to be even less in fiscal year 2009 than fiscal year 2008 due to the decline in the housing markets.
- Interest revenue is expected to be lower because of the anticipation of lower rate of return in fiscal year 2009.
- A 26.4% increase in appropriations is in Economic Development primarily due to infrastructure costs of two new business parks.
- The Board of Election's appropriation is up 25.8% due to a new voting system mandated by the State of Maryland.
- In fiscal year 2008 the Employee Pension Trust Fund's fair value decreased. This was primarily due to the risk associated with certain investment securities. It is reasonably possible changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.
- The average unemployment rate for the County is currently 3.2 percent, while the State of Maryland average is 3.7 percent.
- For fiscal year 2009 the property tax rate remains the same as fiscal year 2008.

All of these factors were considered in preparing the Carroll County Government's budget for the 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$45.8 million in comparison to \$39.1 million at June 30, 2007. The County has appropriated \$11.3 million of this amount for spending in the 2009 fiscal year budget.

Requests for Information

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



Basic Financial Statements

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
June 30, 2008

Exhibit A

	Primary Government			Component Units			
	Governmental	Business-type	Total	Board of	Carroll	Library	Industrial
	Activities	Activities		Education	Community College		Authority
ASSETS							
Equity in pooled cash and investments	\$ 181,155,677	\$ 29,462,869	\$ 210,618,546	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	-	4,165,558	4,165,558	10,708,247	3,770,156	1,282,006	64,470
Investments	-	-	-	1,401,715	3,256,718	78,862	3,087,680
Taxes and receivables, net (Note 5)	23,609,795	3,940,539	27,550,334	1,061,458	1,614,044	458,888	3,654,513
Due from component units	1,162,191	-	1,162,191	-	-	-	-
Due from primary government	-	-	-	24,327,094	-	-	1,801,730
Due from other governments	47,035,276	-	47,035,276	7,694,728	-	-	-
Due from fiduciary funds	329,700	-	329,700	-	-	-	-
Internal balances	1,730,692	(1,730,692)	-	-	-	-	-
Inventories	1,222,619	344,303	1,566,922	599,744	-	-	-
Prepaid expenses	692,401	114,667	807,068	477,602	242,160	88,359	-
Negative net pension obligation	5,207,962	-	5,207,962	-	-	-	-
Negative net LOSAP obligation	1,000,000	-	1,000,000	-	-	-	-
Capital assets not being depreciated:							
Land	32,483,709	8,625,748	41,109,457	12,549,603	-	-	3,386,144
Construction in progress	35,740,947	27,685,366	63,426,313	77,032,529	-	-	3,345,540
Art and doll collection	-	-	-	-	348,750	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	92,437,382	18,577,175	111,014,557	298,703,123	-	1,889,506	-
Improvements other than buildings	14,766,923	871,812	15,638,735	-	676,115	-	-
Auto, machinery and equipment	14,559,704	2,095,964	16,655,668	12,502,422	1,085,499	-	-
Infrastructure	197,135,468	43,463,125	240,598,593	-	-	-	-
Capital assets, net of depreciation	<u>387,124,133</u>	<u>101,319,190</u>	<u>488,443,323</u>	<u>400,787,677</u>	<u>2,110,364</u>	<u>1,889,506</u>	<u>6,731,684</u>
Total assets	<u>650,270,446</u>	<u>137,616,434</u>	<u>787,886,880</u>	<u>447,058,265</u>	<u>10,993,442</u>	<u>3,797,621</u>	<u>15,340,077</u>
LIABILITIES							
Accounts payable	16,052,369	4,855,889	20,908,258	9,693,299	277,633	107,724	4,000,000
Retainage and guarantees due contractors	1,127,175	-	1,127,175	-	-	-	-
Due to component units	26,128,824	-	26,128,824	-	-	-	-
Due to primary government	-	-	-	36,631	-	-	1,125,560
Due to other governments	-	-	-	126,535	-	-	-
Due to student groups	-	-	-	1,891,671	-	-	2,244,704
Unearned revenue (Note 5)	2,883,221	53,380	2,936,601	983,192	1,239,925	-	298,915
Accrued interest payable	1,720,940	258,398	1,979,338	48,287	-	-	-
Accrued expenses	1,669,754	106,548	1,776,302	28,770,897	1,007,093	256,192	81,497
Net other post employment benefit obligation	7,659,078	-	7,659,078	6,653,345	1,980,820	-	-
Long-term liabilities (Note 8):							
Due within one year	27,293,348	3,118,528	30,411,876	2,621,104	-	405,969	-
Due in more than one year	211,897,025	33,265,818	245,162,843	31,645,637	-	-	-
Total liabilities	<u>296,431,734</u>	<u>41,658,561</u>	<u>338,090,295</u>	<u>82,470,598</u>	<u>4,505,471</u>	<u>769,885</u>	<u>7,750,676</u>
NET ASSETS							
Invested in capital assets, net of related debt	255,882,342	82,575,108	338,457,450	393,037,841	1,761,614	1,889,506	5,606,124
Restricted for:							
Investments	-	-	-	-	-	130,759	-
Agricultural Preservation IPA's and notes	10,610,791	-	10,610,791	-	-	-	-
Capital projects	7,070,444	6,788,158	13,858,602	-	-	-	187,394
Food services	-	-	-	58,626	-	-	-
Educational purposes	-	-	-	-	3,600,620	-	-
Pension	6,207,962	-	6,207,962	-	-	-	-
Unrestricted (deficit)	74,067,173	6,594,607	80,661,780	(28,508,800)	1,125,737	1,007,471	1,795,883
Total net assets	<u>\$ 353,838,712</u>	<u>\$ 95,957,873</u>	<u>\$ 449,796,585</u>	<u>\$ 364,587,667</u>	<u>\$ 6,487,971</u>	<u>\$ 3,027,736</u>	<u>\$ 7,589,401</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 Activities
For the Year Ended June 30, 2008

Exhibit B

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units				
					Governmental Activities	Business-type Activities	Total	Board of Education	Carroll Community College	Library	Industrial Development Authority	
Primary government:												
General government	\$ 70,411,246	\$ 9,773,582	\$ 9,992,123	\$ 197,187	\$ (50,448,354)	\$ -	\$ (50,448,354)	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	35,583,985	2,053,636	1,160,441	139,187	(32,230,721)	-	(32,230,721)	-	-	-	-	-
Public works	30,496,143	1,672,368	-	876,544	(27,947,231)	-	(27,947,231)	-	-	-	-	-
Health	4,454,550	12,492	70,494	357,571	(4,013,993)	-	(4,013,993)	-	-	-	-	-
Social services	1,228,095	367,238	24,443	-	(836,414)	-	(836,414)	-	-	-	-	-
Education	188,609,030	409,266	129,508	1,254,790	(186,815,466)	-	(186,815,466)	-	-	-	-	-
Recreation and Parks	2,596,212	818,931	1,232,666	165,030	(379,585)	-	(379,585)	-	-	-	-	-
Libraries	9,269,078	-	-	-	(9,269,078)	-	(9,269,078)	-	-	-	-	-
Conservation of natural resources	17,487,058	-	-	3,806,910	(13,680,148)	-	(13,680,148)	-	-	-	-	-
Economic development	4,715,075	-	1,215,057	-	(3,500,018)	-	(3,500,018)	-	-	-	-	-
Interest on long-term debt	8,963,131	-	-	-	(8,963,131)	-	(8,963,131)	-	-	-	-	-
Total governmental activities	373,813,603	15,107,513	13,824,732	6,797,218	(338,084,140)	-	(338,084,140)	-	-	-	-	-
Business-type activities:												
Bureau of Utilities	10,056,546	7,668,003	-	2,283,437	-	(105,106)	(105,106)	-	-	-	-	-
Solid Waste	7,648,918	6,626,896	-	-	-	(1,022,022)	(1,022,022)	-	-	-	-	-
Airport	3,097,618	2,222,010	-	91,598	-	(784,010)	(784,010)	-	-	-	-	-
Septage	395,824	387,636	-	-	-	(8,188)	(8,188)	-	-	-	-	-
Firearms	74,497	55,120	-	145,853	-	126,476	126,476	-	-	-	-	-
Total business-type activities	21,273,403	16,959,665	-	2,520,888	-	(1,792,850)	(1,792,850)	-	-	-	-	-
Total primary government	\$ 395,087,006	\$ 32,067,178	\$ 13,824,732	\$ 9,318,106	(338,084,140)	(1,792,850)	(339,876,990)	-	-	-	-	-
Component units:												
Board of Education	142,642,586	4,955,202	42,906,736	40,394,895	-	-	-	(54,385,753)	-	-	-	-
Carroll Community College	21,721,709	8,073,761	2,954,350	-	-	-	-	-	(10,693,598)	-	-	-
Library	2,971,731	234,729	2,879,981	430,557	-	-	-	-	-	573,536	-	-
Industrial Development Authority	366,653	-	-	779,959	-	-	-	-	-	-	-	413,306
Total component units	\$ 167,702,679	\$ 13,263,692	\$ 48,741,067	\$ 41,605,411	-	-	-	(54,385,753)	(10,693,598)	573,536	-	413,306
General revenues:												
Property taxes					174,354,873	-	174,354,873	-	-	-	-	-
Income tax					120,230,118	-	120,230,118	-	-	-	-	-
911 service fee					1,240,906	-	1,240,906	-	-	-	-	-
Recordation					14,948,705	-	14,948,705	-	-	-	-	-
Admission					386,186	-	386,186	-	-	-	-	-
Agricultural transfer tax					439,268	-	439,268	-	-	-	-	-
Hotel rental tax					311,049	-	311,049	-	-	-	-	-
Cable franchise fee					981,457	-	981,457	-	-	-	-	-
State shared, unrestricted					11,744,961	-	11,744,961	126,588,554	6,813,785	-	-	-
Grants and contributions not restricted to specific programs					-	-	-	-	1,920,455	-	-	-
Investment earnings and miscellaneous, unrestricted					8,753,090	2,279,730	11,032,820	542,379	11,964	-	-	17,557
Impairment gain on fire damage net of insurance recovery					-	93,425	-	-	-	-	-	-
Transfers					(3,314,850)	3,314,850	-	-	-	-	-	-
Total general revenues and transfers					330,075,763	5,688,005	335,670,343	127,130,933	8,746,204	-	-	17,557
Change in net assets					(8,008,377)	3,895,155	(4,113,222)	72,745,180	(1,947,394)	573,536	-	430,863
Net assets - beginning of year, restated					361,847,089	92,062,718	453,909,807	291,842,487	8,435,365	2,454,200	7,158,538	-
Net assets - ending					\$ 353,838,712	\$ 95,957,873	\$ 449,796,585	\$ 364,587,667	\$ 6,487,971	\$ 3,027,736	\$ 7,589,401	-

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, 2008

Exhibit C

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 70,247,446	\$ 98,228,402	\$ 4,069,840	\$ 172,545,688
Taxes and receivables, net	22,538,497	22,965	1,038,894	23,600,356
Due from component units	1,162,191	-	-	1,162,191
Due from other governments	45,988,212	1,047,064	-	47,035,276
Due from fiduciary funds	329,700	-	-	329,700
Due from other funds	1,730,692	-	-	1,730,692
Inventories	1,222,619	-	-	1,222,619
Prepaid costs	276,423	-	335,947	612,370
Total assets	\$ 143,495,780	\$ 99,298,431	\$ 5,444,681	\$ 248,238,892
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,427,949	\$ 10,272,418	\$ 1,051,957	\$ 15,752,324
Retainage and guarantees due contractors	1,127,175	-	-	1,127,175
Due to component units	22,920,030	3,208,794	-	26,128,824
Accrued expenditures	1,573,897	-	90,334	1,664,231
Deferred revenue	33,325,091	627	1,962,339	35,288,057
Total liabilities	63,374,142	13,481,839	3,104,630	79,960,611
Fund Balances:				
Reserved	34,265,738	39,912,191	-	74,177,929
Unreserved and designated:				
Subsequent year's expenditures	11,302,102	45,904,401	-	57,206,503
Stabilization fund	10,600,000	-	-	10,600,000
Secondary reserve fund	6,750,000	-	-	6,750,000
ISF health	1,400,000	-	-	1,400,000
Designated for other purposes	945,036	-	-	945,036
Subtotal unreserved and designated	30,997,138	45,904,401	-	76,901,539
Unreserved, undesignated reported in:				
General fund	14,858,762	-	-	14,858,762
Special revenue fund	-	-	2,340,051	2,340,051
Subtotal unreserved, undesignated	14,858,762	-	2,340,051	17,198,813
Total fund balances	80,121,638	85,816,592	2,340,051	168,278,281
Total liabilities and fund balances	\$ 143,495,780	\$ 99,298,431	\$ 5,444,681	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				387,124,133
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				32,418,453
Negative net pension obligation, which is included in the governmental activities in the statement of assets.				5,207,962
Negative net LOSAP obligation, which is included in the governmental activities in the statement of assets.				1,000,000
Net other post employment benefit obligation, which is included in the governmental activities in the statement of assets.				(7,659,078)
Internal service funds are used by management to charge the costs of health, liability and Local Government Insurance Trust insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.				6,680,406
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(239,211,445)
Bonds and notes payable		\$ (237,490,505)		
Accrued interest payable		(1,720,940)		
Net assets of governmental activities				\$ 353,838,712

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, 2008

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
-local property	\$ 152,296,230	\$ 22,058,643	\$ -	\$ 174,354,873
-local other	123,853,171	10,725,181	1,731,774	136,310,126
-state shared	11,744,961	500,000	-	12,244,961
Impact fees	-	-	1,350,460	1,350,460
Licenses and permits	1,666,970	-	-	1,666,970
Intergovernmental revenues	624,139	4,416,299	11,733,015	16,773,453
Charges for services	5,521,365	-	266,648	5,788,013
Fines and forfeits	100,509	-	-	100,509
Interest	9,415,445	871,970	250,087	10,537,502
Miscellaneous revenues	3,092,058	1,008,950	-	4,101,008
Total revenues	<u>308,314,848</u>	<u>39,581,043</u>	<u>15,331,984</u>	<u>363,227,875</u>
EXPENDITURES				
Current:				
General government	54,316,972	-	11,454,960	65,771,932
Public safety	33,216,652	-	1,005,973	34,222,625
Public works	10,861,774	-	-	10,861,774
Health	4,364,725	-	4,000	4,368,725
Social services	1,200,206	-	-	1,200,206
Education	155,480,987	-	-	155,480,987
Library	7,717,198	-	-	7,717,198
Recreation and parks	1,409,069	-	239,199	1,648,268
Conservation of natural resources	821,409	-	-	821,409
Economic development	3,834,025	-	517,818	4,351,843
Capital outlay:				
General government	-	15,631,753	-	15,631,753
Health	-	599,471	-	599,471
Public safety	-	630,673	-	630,673
Public works	-	11,876,395	-	11,876,395
Education	-	34,261,009	-	34,261,009
Recreation and parks	-	938,568	-	938,568
Library/senior centers	-	4,064,551	-	4,064,551
Conservation of natural resources	-	18,012,307	-	18,012,307
Debt service:				
Principal	23,487,007	-	-	23,487,007
Interest	9,543,326	-	-	9,543,326
Total expenditures	<u>306,253,350</u>	<u>86,014,727</u>	<u>13,221,950</u>	<u>405,490,027</u>
Excess (deficiency) of revenues over expenditures	2,061,498	(46,433,684)	2,110,034	(42,262,152)
OTHER FINANCING SOURCES (USES)				
Transfers in	8,919,427	16,453,190	1,222,287	26,594,904
Transfers out	(10,990,327)	(7,953,697)	(10,965,730)	(29,909,754)
Payment to escrow agent	(6,786,798)	-	-	(6,786,798)
Bonds issued	8,115,000	18,985,000	-	27,100,000
Bonds premium	672,349	-	-	672,349
Issuance of debt-long term notes	2,545,263	(49,920)	-	2,495,343
Total other financing sources (uses)	<u>2,474,914</u>	<u>27,434,573</u>	<u>(9,743,443)</u>	<u>20,166,044</u>
Net change in fund balances	4,536,412	(18,999,111)	(7,633,409)	(22,096,108)
Fund balance - beginning	75,435,165	104,815,703	9,973,460	190,224,328
Increase in reserve for inventory	150,061	-	-	150,061
Fund balance - ending	<u>\$ 80,121,638</u>	<u>\$ 85,816,592</u>	<u>\$ 2,340,051</u>	<u>\$ 168,278,281</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, 2008

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

Net change in fund balances - total governmental funds	\$ (22,096,108)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation, net of asset disposals, and transfers in the current period.	17,161,073
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,227,561
Pension payments in excess of the annual required contribution created a negative net pension obligation which is reported within the governmental activities as an asset.	107,640
LOSAP payments in excess of the annual required contribution created a negative net LOSAP obligation which is reported within the governmental activities as an asset.	1,000,000
Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation from the prior period.	(518)
Under payment of the Other Post Employment Benefit (OPEB) annual required contribution created a Net OPEB Obligation which is reported within the governmental activities as a liability.	(7,659,078)
The issuance of long-term debt (i.e. bonds, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	200,855
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.	(247,409)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	1,297,607
Change in net assets - governmental activities	<u>\$ (8,008,377)</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) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
-local property	\$ 148,488,200	\$ 148,488,200	\$ 152,671,486	\$ 4,183,286
-local other	126,250,000	126,250,000	123,853,171	(2,396,829)
-state shared	12,975,000	12,975,000	11,744,961	(1,230,039)
Licenses and permits	1,535,000	1,535,000	1,666,970	131,970
Intergovernmental revenues	635,500	635,500	624,139	(11,361)
Charges for services	4,699,800	4,699,800	5,521,365	821,565
Fines and forfeits	93,000	93,000	100,509	7,509
Interest	8,495,000	8,495,000	9,415,445	920,445
Miscellaneous revenues	1,521,661	1,521,661	3,092,058	1,570,397
Total revenues	<u>304,693,161</u>	<u>304,693,161</u>	<u>308,690,104</u>	<u>3,996,943</u>
EXPENDITURES				
Current:				
General government	56,168,898	56,266,009	53,382,290	2,883,719
Public safety	30,818,295	31,286,794	33,159,114	(1,872,320)
Public works	10,126,447	10,126,447	11,077,655	(951,208)
Health department	4,359,890	4,369,890	4,364,725	5,165
Social services	1,165,655	1,165,655	1,200,205	(34,550)
Education	156,508,900	156,508,900	155,480,987	1,027,913
Library	7,136,000	7,136,000	7,717,198	(581,198)
Recreation and parks	1,266,985	1,266,985	1,407,053	(140,068)
Conservation of natural resources	768,740	782,740	821,409	(38,669)
Economic development	4,026,430	4,026,430	3,743,506	282,924
Reserve for contingencies	9,141,438	6,338,528	-	6,338,528
Debt service:				
Principal	21,554,480	23,860,831	23,487,007	373,824
Interest	10,261,040	10,261,040	9,543,326	717,714
Total expenditures	<u>313,303,198</u>	<u>313,396,249</u>	<u>305,384,475</u>	<u>8,011,774</u>
Excess (deficiency) of revenues over expenditures	<u>(8,610,037)</u>	<u>(8,703,088)</u>	<u>3,305,629</u>	<u>12,008,717</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	13,542,642	13,542,642	-	(13,542,642)
Transfers in	8,939,197	8,939,197	8,919,427	(19,770)
Transfers out	(15,068,802)	(14,975,751)	(10,990,327)	3,985,424
Bond proceeds	-	-	8,115,000	8,115,000
Payment to escrow agent	-	-	(6,786,798)	(6,786,798)
Bond premium	-	-	672,349	672,349
Issuance of Debt-long term notes payable	-	-	2,545,263	2,545,263
Ag. Pres. Debt Svc. Reserve	1,197,000	1,197,000	-	(1,197,000)
Total other financing sources (uses)	<u>8,610,037</u>	<u>8,703,088</u>	<u>2,474,914</u>	<u>(6,228,174)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,780,543</u>	<u>\$ 5,780,543</u>
Fund balance - beginning			74,964,674	
Fund balance - ending			<u>\$ 80,745,217</u>	

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds	Total	
ASSETS						
Current Assets:						
Equity in pooled cash and investments	\$ 23,264,210	\$ 5,809,517	\$ -	\$ 389,142	\$ 29,462,869	\$ 8,609,989
Cash and cash equivalents	4,152,918	12,440	200	-	4,165,558	-
Receivables, net	2,898,454	839,573	142,193	60,319	3,940,539	9,439
Inventories	247,462	-	96,841	-	344,303	-
Prepaid items	42,286	28,981	43,400	-	114,667	80,031
Total current assets	<u>30,605,330</u>	<u>6,690,511</u>	<u>282,634</u>	<u>449,461</u>	<u>38,027,936</u>	<u>8,699,459</u>
Noncurrent Assets:						
Capital assets:						
Land	153,132	1,794,154	6,678,462	-	8,625,748	-
Buildings	17,681,654	1,486,710	4,569,596	274,051	24,012,011	-
Improvements other than buildings	1,485,176	23,923	15,125	6,578	1,530,802	-
Auto, machinery and equipment	1,573,703	3,475,701	708,199	25,069	5,782,672	-
Infrastructure	61,462,482	-	-	-	61,462,482	-
Construction in progress	20,212,534	6,019,694	1,267,860	185,278	27,685,366	-
Less accumulated depreciation	<u>(24,355,312)</u>	<u>(2,569,751)</u>	<u>(852,188)</u>	<u>(2,640)</u>	<u>(27,779,891)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>78,213,369</u>	<u>10,230,431</u>	<u>12,387,054</u>	<u>488,336</u>	<u>101,319,190</u>	<u>-</u>
Total assets	<u>108,818,699</u>	<u>16,920,942</u>	<u>12,669,688</u>	<u>937,797</u>	<u>139,347,126</u>	<u>8,699,459</u>
LIABILITIES						
Current liabilities:						
Accounts payable	4,224,254	445,083	127,625	58,927	4,855,889	300,045
Accrued interest payable	182,798	52,903	20,831	1,866	258,398	-
Unearned revenue	4,500	32,068	16,812	-	53,380	13,617
Accrued expenses	59,587	35,992	10,969	-	106,548	5,523
Due to other funds	-	-	1,730,692	-	1,730,692	-
Long-term liabilities due within one year:						
General obligation bonds payable	1,031,735	836,118	250,393	13,359	2,131,605	-
Unamortized Costs	(15,884)	4,852	(1,990)	-	(13,022)	-
Unpaid insurance claims	-	-	-	-	-	1,676,889
Loans payable	806,654	-	-	-	806,654	-
Compensated absences	124,762	61,648	6,881	-	193,291	-
Total long-term due within one year	<u>1,947,267</u>	<u>902,618</u>	<u>255,284</u>	<u>13,359</u>	<u>3,118,528</u>	<u>1,676,889</u>
Total current liabilities	<u>6,418,406</u>	<u>1,468,664</u>	<u>2,162,213</u>	<u>74,152</u>	<u>10,123,435</u>	<u>1,996,074</u>
Noncurrent liabilities:						
General obligation bonds payable	12,415,184	5,131,871	2,693,093	173,282	20,413,430	-
Unamortized Costs	(138,564)	(28,571)	(19,052)	-	(186,187)	-
Unpaid insurance claims	-	-	-	-	-	22,979
Loans payable	2,936,298	-	-	-	2,936,298	-
Landfill closure, postclosure remediation	-	9,915,400	-	-	9,915,400	-
Compensated absences	93,486	72,385	21,006	-	186,877	-
Total noncurrent liabilities	<u>15,306,404</u>	<u>15,091,085</u>	<u>2,695,047</u>	<u>173,282</u>	<u>33,265,818</u>	<u>22,979</u>
Total liabilities	<u>21,724,810</u>	<u>16,559,749</u>	<u>4,857,260</u>	<u>247,434</u>	<u>43,389,253</u>	<u>2,019,053</u>
NET ASSETS						
Invested in capital assets, net of related debt	64,392,506	8,428,566	9,449,615	304,421	82,575,108	-
Restricted for:						
Capital projects	5,650,685	955,438	156,370	25,665	6,788,158	-
Unrestricted (deficit)	17,050,698	(9,022,811)	(1,793,557)	360,277	6,594,607	6,680,406
Total net assets	<u>\$ 87,093,889</u>	<u>\$ 361,193</u>	<u>\$ 7,812,428</u>	<u>\$ 690,363</u>	<u>\$ 95,957,873</u>	<u>\$ 6,680,406</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds	Total	
Operating revenues:						
Charges for services	\$ 7,668,003	\$ 6,626,896	\$ 2,222,010	\$ 442,756	\$ 16,959,665	\$ 13,814,590
Total operating revenues	7,668,003	6,626,896	2,222,010	442,756	16,959,665	13,814,590
Operating expenses:						
Personal services	2,241,162	1,387,457	236,788	47,573	3,912,980	-
Contractual services	4,257,594	5,092,083	162,276	195,121	9,707,074	-
Materials and supplies	599,535	319,844	1,793,640	68,927	2,781,946	-
Rents and utilities	720,008	50,548	71,043	102,990	944,589	-
Insurance	-	-	-	-	-	12,771,309
Miscellaneous	75,854	354,780	588,399	45,509	1,064,542	-
Depreciation	1,534,088	203,133	123,428	2,602	1,863,251	-
Total operating expenses	9,428,241	7,407,845	2,975,574	462,722	20,274,382	12,771,309
Operating income (loss)	(1,760,238)	(780,949)	(753,564)	(19,966)	(3,314,717)	1,043,281
Nonoperating revenues (expenses):						
Penalties and interest	1,815,891	447,743	-	16,096	2,279,730	254,326
Maintenance fee assessment	1,427,782	-	-	-	1,427,782	-
Interest and fiscal charges	(628,305)	(241,073)	(122,044)	(7,599)	(999,021)	-
Impairment gain on fire damage net of insurance recovery	-	-	-	93,425	93,425	-
Insurance recovery	-	-	-	145,853	145,853	-
Total nonoperating revenue	2,615,368	206,670	(122,044)	247,775	2,947,769	254,326
Income (loss) before contributions and transfers	855,130	(574,279)	(875,608)	227,809	(366,948)	1,297,607
Capital contributions	855,655	-	91,598	-	947,253	-
Transfers in	629,850	2,645,000	40,000	-	3,314,850	-
Change in net assets	2,340,635	2,070,721	(744,010)	227,809	3,895,155	1,297,607
Total net assets - beginning of year	84,753,254	(1,709,528)	8,556,438	462,554	92,062,718	5,382,799
Total net assets - ending	\$ 87,093,889	\$ 361,193	\$ 7,812,428	\$ 690,363	\$ 95,957,873	\$ 6,680,406

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, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Other Proprietary Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 7,659,297	\$ 6,353,720	\$ 2,533,322	\$ 472,822	\$ 17,019,161	\$ 13,811,713
Receipts from other funds	-	-	814,678	-	814,678	-
Payments to suppliers	(2,610,790)	(5,868,104)	(2,589,319)	(433,697)	(11,501,910)	(12,443,192)
Payments to employees	(2,197,869)	(1,390,383)	(228,336)	(47,575)	(3,864,163)	-
Net cash provided (used) by operating activities	<u>2,850,638</u>	<u>(904,767)</u>	<u>530,345</u>	<u>(8,450)</u>	<u>2,467,766</u>	<u>1,368,521</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	629,850	2,645,000	40,000	-	3,314,850	-
Net cash provided by operating and related noncapital financing activities	<u>629,850</u>	<u>2,645,000</u>	<u>40,000</u>	<u>-</u>	<u>3,314,850</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(13,445,039)	(1,449,425)	(300,468)	(208,222)	(15,403,154)	-
Principal paid on capital debt	(1,110,504)	(859,281)	(239,231)	(13,359)	(2,222,375)	-
Interest paid on capital debt	(577,288)	(245,570)	(122,044)	(7,733)	(952,635)	-
Gain on impairment of asset	-	-	-	93,425	93,425	-
Insurance recovery	-	-	-	145,853	145,853	-
Proceeds from bond issue	9,401,000	604,000	-	-	10,005,000	-
Capital contributions	855,655	-	91,598	-	947,253	-
Front foot collections	2,164	-	-	-	2,164	-
Other assessment collected	1,624,168	-	-	-	1,624,168	-
Net cash provided (used) by capital and related financing activities	<u>(3,249,844)</u>	<u>(1,950,276)</u>	<u>(570,145)</u>	<u>9,964</u>	<u>(5,760,301)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments and cash	1,815,891	447,743	-	16,096	2,279,730	254,326
Net cash provided by investing activities	<u>1,815,891</u>	<u>447,743</u>	<u>-</u>	<u>16,096</u>	<u>2,279,730</u>	<u>254,326</u>
Net increase in cash and cash equivalents	2,046,535	237,700	200	17,610	2,302,045	1,622,847
Cash and cash equivalents at beginning of year	25,370,593	5,584,257	-	371,532	31,326,382	6,987,142
Cash and cash equivalents at end of year	<u>\$27,417,128</u>	<u>\$ 5,821,957</u>	<u>\$ 200</u>	<u>\$ 389,142</u>	<u>\$ 33,628,427</u>	<u>\$ 8,609,989</u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:						
Operating income (Loss)	\$ (1,760,238)	\$ (780,949)	\$ (753,564)	\$ (19,966)	\$ (3,314,717)	\$ 1,043,281
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,534,088	203,133	123,428	2,602	1,863,251	-
Affect of Changes in operating assets and liabilities:						
Due to other funds	-	-	814,678	-	814,678	-
Accounts receivable	2,411	(264,258)	294,500	30,066	62,719	53
Inventory	(89,542)	-	(15,040)	-	(104,582)	(7,846)
Prepaid items	(10,286)	6,047	(3,539)	-	(7,778)	-
Compensated absences payable	43,293	(5,884)	8,452	-	45,861	-
Accounts payable and accrued expenses	3,139,618	(284,238)	44,618	(21,152)	2,878,846	328,118
Unearned revenue	(8,706)	(8,918)	16,812	-	(812)	4,915
Landfill closure, postclosure, remediation costs	-	230,300	-	-	230,300	-
Total adjustments	<u>4,610,876</u>	<u>(123,818)</u>	<u>1,283,909</u>	<u>11,516</u>	<u>5,782,483</u>	<u>325,240</u>
Net cash provided (used) by operating activities	<u>\$ 2,850,638</u>	<u>\$ (904,767)</u>	<u>\$ 530,345</u>	<u>\$ (8,450)</u>	<u>\$ 2,467,766</u>	<u>\$ 1,368,521</u>
Noncash investing, capital, and financing activities:						
Increase net present value of receivable	\$ 39,062	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer of fully depreciated assets	-	-	271,921	-	-	-

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Fiduciary Net Assets
Trust and Agency Funds
June 30, 2008

	Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 1,800,419	\$ 181,062
Receivables:		
Other receivables	-	490,023
Total receivables	-	490,023
Investments at fair value:		
Bonds	5,312,642	-
Equity	17,281,351	-
Other Investments	4,223,371	-
Marketable securities	3,502,490	-
Total investments	30,319,854	-
Total assets	32,120,273	671,085
LIABILITIES:		
Accounts payable	14,414	-
Due to primary government	329,700	-
Due to CCDC	-	671,085
Total liabilities	344,114	\$ 671,085
NET ASSETS:		
Held in trust for pension, benefits, and other purposes	\$ 31,776,159	

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Change in Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2008

	Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 7,275,715
Plan members	856,290
Contributions from sources other than employer(s) and Plan members	6,290
Total contributions	8,138,295
Investment earnings:	
Interest and dividends	229,814
Net increase (decrease) in the fair value of investments	(2,243,319)
Total investment earnings	(2,013,505)
Less investment expense	65,380
Net investment earnings	(2,078,885)
Total additions	6,059,410
DEDUCTIONS:	
Benefits and refunds paid to plan members and beneficiaries	2,694,832
Administrative expenses	7,340
Total deductions	2,702,172
Net increase in plan net assets	3,357,238
Net assets-beginning	28,418,921
Net assets-ending	\$ 31,776,159

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, 2008

Note 1 - Summary of significant accounting policies

A. Reporting entity

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

Discretely presented component units

The Board of Education of Carroll County as currently constituted was established under Title 3, Subtitle 103, Education, of the Annotated Code of Maryland. The Board is a five member elected body responsible for the operation of Carroll County Public Schools. The Board of Education of Carroll County is a component unit of Carroll County, Maryland by virtue of the County's responsibility for levying taxes and its budgetary control over the Board of Education. The Board does not have any component units itself. The Board of Education's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accounts. The independent auditor concluded that the Board of Education's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information as of June 30, 2008.

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 Carroll County Library's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accounts. The independent auditor concluded that the Carroll County Library's financial statements present fairly, in all material respects, the financial position of the governmental activities, and each major fund as of June 30, 2008.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

A. Reporting entity- continued

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

Carroll County Community College's financial statements including the Carroll County Community College Foundation, were audited by Clifton Gunderson LLP, a firm of licensed certified public accounts. The independent auditor concluded that Carroll County Community College's financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit as of June 30, 2008.

The Industrial Development Authority (IDA) of Carroll County provides economic development services to commercial enterprises in the County. The County Government appoints a voting majority of the Authority, which is also fiscally dependent on the County Government. Typically the IDA is self supporting but the County periodically gives funding if the IDA is has a shortfall. The IDA's financial statements were audited by Clifton Gunderson LLP, a firm of licensed certified public accounts. The independent auditor concluded that The IDA's financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit as of June 30, 2008.

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

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

Carroll Community College
1601 Washington Road
Westminster, Maryland 21157

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

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Description of funds

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

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

The government reports the following major governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following additional funds:

Enterprise Funds:

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

The *Internal Service Fund* is used to account for certain risk financing activities. The costs of self-insuring medical coverage for the County are accumulated in this fund. In addition, the fund accounts for the small losses relating to the deductibles from property and liability claims filed against the County.

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

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

The *Other Post Employment Benefit (OPEB) Agency Fund* was established July 1, 2007 to account for the collection of medical premiums and the payments of medical claims for the County's retiree's. During fiscal year 2008 this agency fund was closed when the fund balance was transferred to the OPEB Trust Fund.

Trust Funds:

The *Firemen's Length Of Service Award Program (LOSAP) Fund* was established during fiscal year 2004 to account for the pension system for the volunteer fire personnel serving the various Independent volunteer fire companies in the County

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Assets, liabilities, and net assets or equity

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and the Capital Projects Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances in the governmental funds balance sheet, since they do not constitute expenditures or liabilities.

Deposits and Investments

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Deposits and Investments-continued

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

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

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

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

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

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Receivables

Primary Government

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

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

Property Taxes

Full year taxes and first semi-annual installments are billed and due on July 1st and may be paid without interest on or before September 30th. For fiscal year 2008 the following discounts were allowed: 1% on full year tax payments made on or before July 31st; 0.5% on full year tax payments made on or before August 31st. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1st and may be paid without interest on or before December 31st. A service charge is payable with the second installment unless both installments are paid by September 30th. Delinquent accounts are issued final bills and legal notices on April 1st. Following the required advertisements and notices, Tax Sale is held on the last business day of the fiscal year.

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

The real property tax rate during the year ended June 30, 2008 was \$1.048 per \$100 of assessed value and the personal property rate was \$2.62 per \$100. Taxes are billed to property owners and collected by the County.

Inventories and prepaid items

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Inventories and prepaid items-continued

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

Disbursements to vendors for services that will benefit periods beyond June 30, 2008 along with payments made to creditors in advance of the fiscal year 2008 due dates are recorded as prepaid items. The primary government, or any of the component units, does not require a reservation of fund balance since the consumption method of expenditure recognition is used by these entities.

Capital assets

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

Capital Assets

Buildings	50 years
Building Improvements	10 years
Water and sewer systems	50-75 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Roads	50-75 years
Bridges	30-50 years

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

County employees who are participants in the State retirement program are given credited service days toward their retirement benefits for accumulated sick leave. County employees who are not in the State retirement program may be eligible to claim a portion of their unused sick days upon retirement. Accrued unused vacations, compensatory, and sick leave, along with the employer paid portion of taxes

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Compensated absences

Primary Government-continued

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

Component Units

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

Long-term obligations

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

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

Arbitrage Payable

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

The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate or return than the original bond issue. As of June 30, 2008 there is no arbitrage liability due to the Internal Revenue Service.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

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

Net Assets

Government-wide:

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

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

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

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

Business-Type:

In prior years, the solid waste fund issued debt to finance the construction of closing of several County landfills. The landfills were not capitalized as assets. As of June 30, 2008, the total outstanding debt associated to landfills totaled \$4,166,124.

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2008 fees collected through area connection charges and maintenance fees totaling \$5,650,685 have been restricted for future capital projects. The Septage, Solid Waste, Airport and Firearms funds have net assets restricted for capital projects in the amounts of \$14,722, \$955,438, \$156,370 and \$10,943 respectively. These amounts totaling \$6,788,158 are restricted in the business-type activities of the Statement of Net Assets.

Fund Equity

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of significant accounting policies-continued

E. Prior Period Adjustment

Component Units

During fiscal year 2008, it was determined that costs accumulated as a receivable during prior fiscal years should have been recorded as a grant instead of a loan from the Industrial Development Authority to the Warfield Development Corporation. The correction of this error resulted in, a reduction of \$555,373 to restate Net Assets at June 30, 2007.

	<u>Net Assets</u>
As previously stated, June 30, 2007	\$7,713,911
Adjustment: Grant	<u>(555,373)</u>
As restated, June 30, 2008	<u>\$7,158,538</u>

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$237,490,505 difference are as follows:

Bonds Payable	\$221,174,432
General Obligation Debt-Installment Purchases	7,136,864
Purchase Agreements Payable	2,583,004
Compensated Absences	4,624,673
Notes Payable	3,473,927
Deferred Loss	(3,990,127)
Premium on Bonds	3,320,478
Prepaid Bond Issuance Costs	<u>(832,746)</u>
	<u>\$ 237,490,505</u>

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

Deferred Income Taxes	<u>\$ 32,418,453</u>
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B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *change in net assets - governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$17,161,073 difference are as follows:

Purchase of Capital Assets	\$ 30,065,905
Donated Assets	3,600,358
Depreciation	(16,033,400)
Disposal of Capital Assets	<u>(471,790)</u>
	<u>\$ 17,161,073</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 \$2,227,561 difference represents the net change in Income Taxes-Deferred in the fund statements.

Another element of that reconciliation states “The issuance of long-term debt (i.e., bonds, leases, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$200,855 difference are as follows:

Debt Issued or Incurred:

Issuance of New General Obligation Bonds	\$ (20,430,000)
Issuance of New Notes Payable Debt	(2,495,343)
Issuance of Refunding General Obligation Bonds, net	(20,000)
Principal Payments on General Obligation Bonds	20,215,393
Principal Payments on Notes Payable Debt	3,129,175
Principal Payments on Purchase Agreements Debt	142,439
Deferred loss on Refunding Bonds	(285,677)
Bond Issuance Cost	37,002
Net Change In Amortization of Bond Premium	(284,404)
Net Change In Accrued Interest Expense	<u>192,250</u>
	<u>\$ 200,855</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

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 \$(247,409) difference are as follows:

Increase in Compensated Absences Accrual	\$ (397,470)
Consumption Method of Inventory Used in Government wide Statements vs. the Purchase Method used in the Fund Statements	<u>150,061</u> <u>\$ (247,409)</u>

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

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

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

	Primary Government		Subtotal Primary Government	Fiduciary Fund	Total
	Governmental Activities	Business-type Activities			
Equity in pooled cash and investments	\$ 181,155,677	\$ 29,462,869	\$ 210,618,546	\$ -	\$ 210,618,546
Cash and cash equivalents	-	4,165,558	4,165,558	1,981,481	6,147,039
Investments	-	-	-	30,319,854	30,319,854
	\$ 181,155,677	\$ 33,628,427	\$ 214,784,104	\$ 32,301,335	\$ 247,085,439
	Component Units				
	Carroll				
	Board of Education	Community College	Library	Industrial Development	
Cash and cash equivalents	\$ 10,708,247	\$ 3,770,156	\$ 1,282,006	\$ 64,470	
Investments	1,401,715	3,256,718	78,862	3,087,680	
	\$ 12,109,962	\$ 7,026,874	\$ 1,360,868	\$ 3,152,150	

**Primary Government
Investment Risk**

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Investment Risk-continued

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, 2008, 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 than 10 percent of its portfolio in commercial paper.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificate of deposits, repurchase agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government's name. As of June 30, 2008, the County's investments were not exposed to custodial credit risk.

The following table displays investments for the primary government by maturity and investment type as of June 30, 2008.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
U.S. government securities	\$ 7,353,511	\$ -	\$ -	\$ 7,353,511
Agency/instrumentalities	117,736,915	42,215,870	75,521,045	-
Money market pools	17,985,271	17,985,271	-	-
Certificates of deposits	15,000,000	15,000,000	-	-
Money rate savings account	47,077,907	47,077,907	-	-
	<u>\$ 205,153,604</u>	<u>\$ 122,279,048</u>	<u>\$ 75,521,045</u>	<u>\$ 7,353,511</u>

Fiduciary Funds

Investment Risk

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Investment Risk-continued

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

The following table displays investments for the Carroll County Employee Pension Plan by maturity and investment type as of June 30, 2008.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 503,017	\$ 503,017	\$ -	
Bond fund	5,312,642	-		5,312,642
Equity fund	14,008,260	-	-	14,008,260
	<u>\$ 19,823,919</u>	<u>\$ 503,017</u>	<u>\$ -</u>	<u>\$ 19,320,902</u>

The following table displays investments for the Volunteer Firemen Pension Plan (LOSAP) by maturity and investment type as of June 30, 2008.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 786,094	\$ 786,094	\$ -	\$ -
Equities	3,273,091	-	-	3,273,091
Corporate Bonds	1,958,302	-	-	1,958,302
Vanguard Total Stock Market	2,265,069	-	-	2,265,069
	<u>\$ 8,282,556</u>	<u>\$ 786,094</u>	<u>\$ -</u>	<u>\$ 7,496,462</u>

The following table displays investments for the Other Post Employment Benefits Plan by maturity and investment type as of June 30, 2008.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
Short term investments	\$ 511,308	\$ 511,308	\$ -	\$ -
Marketable securities	3,502,490	-	-	3,502,490
	<u>\$ 4,013,798</u>	<u>\$ 511,308</u>	<u>\$ -</u>	<u>\$ 3,502,490</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Investment Risk-continued

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

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$913,445
Harbor International Fund	1,111,532

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, 2008</u>
AAA/Aaa	100%	0%
AA/Aa	100%	100%
A/A	100%	0%
BAA/Baa	100%	0%
BBB	20%	0%

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Deposits

Primary Government

At year-end, the carrying amount of combined deposits was \$991,149, the bank balances were \$4,130,650 and cash on hand was \$540,888. There was \$47,077,907 invested in the bank's money market account. Of the bank balances, \$400,000 was covered by federal depository insurance; \$50,808,557 was covered by collateral held by the pledging bank's agent in the entity's name.

Component Units

At year-end, the carrying value of the Board of Education's combined deposits including amounts invested in repurchase agreements was \$11,062,637 and \$1,401,715 was invested in the Maryland Local Government Investment Pool. The bank balance deposits, including amounts invested in repurchase agreements, was \$17,906,860 and cash on hand was \$150,000. Of the bank balance, \$322,626 was covered by federal depository insurance and \$17,584,234 was covered by collateral held by the financial institution's trust department in the Board's name. Statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40, the Board's deposits are not subject to custodial or credit risk at year end. Because of the short-term maturity and type of investments, there is limited interest rate risk.

As of June 30, 2008, the cash on hand for petty cash and change in funds for Carroll Community College was \$3,300. The collected bank balance for the College was \$26,522. The deposits of the College were not exposed to custodial risk. The College has a contractual agreement with the bank for funds to be transferred daily from investments in a repurchase agreement to cover checks as presented.

At June 30, 2008, the College's cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 3,300
Cash in bank	26,522
Bank money market	3,030,321
Maryland Local Government Investment Pool	407,890
Cash with Carroll Community College Foundation	<u>302,123</u>
	<u>\$3,770,156</u>

As of June 30, 2008, the carrying amount of the Library's deposits was \$1,360,868 and the bank balance was \$1,705,861. There is no custodial credit risk for either of these investments as the amounts are fully collateralized.

Restricted investments consist of amounts contributed to the Library's Endowment Fund. The Endowment Fund was established in 1996 by the Board of Trustees of the Library for the purpose of establishing a fund that will enable the Library both to continue and to expand programs that are or will be authorized in accordance with its mission. The funds were originally pooled and invested by the

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Component Units-continued

Community Foundation of Carroll County; however, in June 2006, the Library removed the funds from the Foundation and placed them in the bank segregated from operating funds.

As of June 30, 2008, the Industrial Development Authority's bank balance was \$3,152,150. Of this total, \$656,572 is restricted by agreement for the Warfield Development Corporation redevelopment of the former Springfield Hospital site. The bank balance is covered by federal depository insurance. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40 (GASB 40), the Industrial Development Authority does not have any custodial or credit risk at year end and the other requirements of GASB 40 are not applicable to the Industrial Development Authority's cash and cash equivalents.

Note 4 - Budgets and Budgetary Accounting

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

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

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

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

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

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 4 - Budgets and Budgetary Accounting-continued

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

The budgeted amounts are as originally adopted, or as amended by the County Commissioners. There were no supplemental budgetary appropriations necessary for the year ending June 30, 2008.

Note 5 – Receivables and Unearned Revenues

Receivables

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

	<u>Tax</u>	<u>Accounts</u>	<u>Interest</u>	<u>Notes</u>	<u>Total</u>
<u>Governmental activities</u>					
General fund	\$ 1,091,898	\$ 302,841	\$ 1,210,470	\$ 20,016,288	\$ 22,621,497
Capital Projects fund	-	-	22,965	-	22,965
Non-major funds	-	1,038,894	-	-	1,038,894
Internal service fund	-	9,439	-	-	9,439
	<u>1,091,898</u>	<u>1,351,174</u>	<u>1,233,435</u>	<u>20,016,288</u>	<u>23,692,795</u>
Uncollectible allowance	(83,000)	-	-	-	(83,000)
Total governmental activities	<u>\$ 1,008,898</u>	<u>\$ 1,351,174</u>	<u>\$ 1,233,435</u>	<u>\$ 20,016,288</u>	<u>\$ 23,609,795</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,848,226</u>	<u>\$ 18,848,226</u>
	<u>Accounts</u>	<u>Front Foot Assessment</u>	<u>EDU Assessment</u>	<u>Total</u>	
<u>Business-type activities</u>					
Bureau of Utilities fund	\$ 2,197,329	\$ 310	\$ 700,815	\$ 2,898,454	
Solid Waste	839,573	-	-	839,573	
Airport	269,132	-	-	269,132	
Non-major funds	<u>60,319</u>	<u>-</u>	<u>-</u>	<u>60,319</u>	
	3,366,353	310	700,815	4,067,478	
Uncollectible allowance	(126,939)	-	-	(126,939)	
Total business-type activities	<u>\$ 3,239,414</u>	<u>\$ 310</u>	<u>\$ 700,815</u>	<u>\$ 3,940,539</u>	
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,693</u>	<u>\$ 443,693</u>	

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 5 – Receivables and Unearned Revenues-continued

Component units
Receivables

Activity for the component units for the year ended June 30, 2008 was as follows:

<u>Component Units</u>	<u>Accounts Restricted</u>	<u>Accounts Unrestricted</u>	<u>Other Governments</u>	<u>Students</u>	<u>Contributions</u>	<u>Total</u>
Board of Education	\$ -	\$ 1,061,458	\$ -	\$ -	\$ -	\$ 1,061,458
Carroll Community College	-	-	437,220	526,790	794,327	1,758,337
Library	204,833	254,055	-	-	-	458,888
Industrial Development Authority	-	3,654,513	-	-	-	3,654,513
	<u>204,833</u>	<u>4,970,026</u>	<u>437,220</u>	<u>526,790</u>	<u>794,327</u>	<u>6,933,196</u>
Uncollectible allowance	-	-	-	(144,293)	-	(144,293)
Total component unit activities	<u>\$ 204,833</u>	<u>\$ 4,970,026</u>	<u>\$ 437,220</u>	<u>\$ 382,497</u>	<u>\$ 794,327</u>	<u>\$ 6,788,903</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,199</u>	<u>\$ 338,199</u>

Unearned Revenues

Governmental funds report unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and Enterprise Funds also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2008, the various components of unearned revenue reported were as follows:

<u>Governmental funds</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Income taxes	\$ 32,418,453	\$ -	\$ 32,418,453
Other	-	818,628	818,628
City of Westminster	-	88,010	88,010
Capital Projects Fund:			
Long-term receivable	-	627	627
Grants Fund:			
Draw down of excess of expenditures	-	1,962,339	1,962,339
Internal Service Fund:			
Future benefit payments from retirees	-	13,617	13,617
Total governmental funds	<u>\$ 32,418,453</u>	<u>\$ 2,883,221</u>	<u>\$ 35,301,674</u>
<u>Business-type funds</u>			
Bureau of Utilities -cell phone tower rent		\$ 4,500	\$ 4,500
Solid Waste- BGE natural gas		32,068	32,068
Airport-FAA Rentals		16,812	16,812
Total business-type funds		<u>\$ 53,380</u>	<u>\$ 53,380</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers

At June 30, 2008, the Interfund transfers between primary government major and non-major funds were as follows:

	Transfers Out			Total
	General Fund	Capital Projects Fund	Special Revenue Fund	
Transfers In:				
General Fund	\$ -	\$ 7,953,697	\$ 965,730	\$ 8,919,427
Capital Projects Fund	6,453,190	-	10,000,000	16,453,190
Bureau of Utilities Fund	629,850	-	-	629,850
Solid Waste Management Fund	2,645,000	-	-	2,645,000
Airport Fund	40,000	-	-	40,000
Non-Major Governmental Funds	1,222,287	-	-	1,222,287
Total transfers	<u>\$ 10,990,327</u>	<u>\$ 7,953,697</u>	<u>\$ 10,965,730</u>	<u>\$ 29,909,754</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, 2008 consisted of the following:

	Due From	Due to
Primary Government:		
Board of Education	\$ 36,631	\$ 24,327,094
Industrial Development Authority	1,125,560	1,801,730
Component Units:		
Primary Government	24,327,094	36,631
Primary Government	1,801,730	1,125,560
Total all Funds	<u>\$ 27,291,015</u>	<u>\$ 27,291,015</u>

Due to/from Fiduciary Funds

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

	Due From	Due To
Governmental Activities:		
General Fund	\$ -	\$ 329,700
Trust Fund:		
Other Post Employment Benefit Trust	329,700	-
	<u>\$ 329,700</u>	<u>\$ 329,700</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6 – Interfund Receivables, Payables and Transfers-continued

The Other Post Employment Benefit Trust Fund overdrew their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund.

Internal Balances

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

	Due From	Due To
Governmental Activities:		
General Fund	\$ -	\$ 1,730,692
Business-type Activities:		
Airport Fund	1,730,692	-
	\$ 1,730,692	\$ 1,730,692

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Additions	Transfers and Retirements	Balance June 30, 2008
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 26,809,632	\$ 5,685,028	\$ (10,951)	\$ 32,483,709
Construction in progress	32,457,013	20,452,651	(17,168,717)	35,740,947
Total capital assets, not being depreciated	<u>59,266,645</u>	<u>26,137,679</u>	<u>(17,179,668)</u>	<u>68,224,656</u>
Capital assets, being depreciated:				
Buildings and contents	115,168,695	4,484,879	(157,614)	119,495,960
Improvements other than buildings	19,504,511	7,492,988	(286,245)	26,711,254
Automobiles, machinery and equipment	33,873,611	4,729,397	(3,995,144)	34,607,864
Roads and bridges	540,898,259	7,990,037	(48,064)	548,840,232
Total capital assets, being depreciated	<u>709,445,076</u>	<u>24,697,301</u>	<u>(4,487,067)</u>	<u>729,655,310</u>
Less accumulated depreciation for:				
Buildings and contents	24,696,460	2,377,678	(15,560)	27,058,578
Improvements other than buildings	10,793,719	1,368,376	(217,764)	11,944,331
Automobiles, machinery and equipment	21,578,461	2,224,266	(3,754,567)	20,048,160
Roads and bridges	341,680,021	10,063,080	(38,337)	351,704,764
Total accumulated depreciation	<u>398,748,661</u>	<u>16,033,400</u>	<u>(4,026,228)</u>	<u>410,755,833</u>
Total capital assets, being depreciated, net	<u>310,696,415</u>	<u>8,663,901</u>	<u>(460,839)</u>	<u>318,899,477</u>
Governmental activities capital assets, net	<u>\$ 369,963,060</u>	<u>\$ 34,801,580</u>	<u>\$ (17,640,507)</u>	<u>\$ 387,124,133</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,625,747	\$ 1	\$ -	\$ 8,625,748
Construction in progress	13,056,406	14,628,960	-	27,685,366
Total capital assets, not being depreciated	<u>21,682,153</u>	<u>14,628,961</u>	<u>-</u>	<u>36,311,114</u>
Capital assets, being depreciated:				
Buildings and contents	23,940,398	251,000	(179,387)	24,012,011
Improvements other than buildings	1,459,237	56,440	15,125	1,530,802
Automobiles, machinery and equipment	5,618,680	618,690	(454,698)	5,782,672
Water facilities	22,157,234	-	-	22,157,234
Sewer facilities	39,305,248	-	-	39,305,248
Total capital assets, being depreciated	<u>92,480,797</u>	<u>926,130</u>	<u>(618,960)</u>	<u>92,787,967</u>
Less accumulated depreciation for:				
Buildings and contents	4,988,297	477,357	(30,818)	5,434,836
Improvements other than buildings	494,566	149,299	15,125	658,990
Automobiles, machinery and equipment	3,774,382	363,659	(451,333)	3,686,708
Water facilities	5,346,652	329,022	-	5,675,674
Sewer facilities	11,779,769	543,914	-	12,323,683
Total accumulated depreciation	<u>26,383,666</u>	<u>1,863,251</u>	<u>(467,026)</u>	<u>27,779,891</u>
Total capital assets, being depreciated, net	<u>66,097,131</u>	<u>(937,121)</u>	<u>(151,934)</u>	<u>65,008,076</u>
Business-type activities capital assets, net	<u>\$ 87,779,284</u>	<u>\$ 13,691,840</u>	<u>\$ (151,934)</u>	<u>\$ 101,319,190</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7 – Capital Assets-continued

The Firearms facility was damaged by fire in February 2007. During fiscal year 2008 the gain from impairment of a capital asset was calculated using the restoration cost approach. The impairment gain of \$93,425 for fire damage net of insurance recovery is shown as a non-operating revenues on the Statement of Activities and the Statement of Revenue, Expenses and Changes in Fund Assets. Proceeds from insurance recovery are listed separately in the amount of \$145,853.

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

Governmental activities:

General Government	\$1,568,533
Public Safety	1,182,945
Public Works	10,572,553
Health	85,824
Education	1,023,738
Recreation & Parks	606,503
Economic Development	309,744
Conservation of Natural Resources	15,959
Library/Senior Center	<u>667,601</u>
Total depreciation expense-governmental activities	<u>\$16,033,400</u>

Business-type activities:

Bureau of Utilities	\$1,534,088
Solid Waste	203,133
Airport	123,428
Firearms Facility	<u>2,602</u>
Total depreciation expense-business-type activities	<u>\$1,863,251</u>

Component units

Activity for the Board of Education for the year ended June 30, 2008 was as follows:

	Balance at June 30, 2007	Additions	Transfers and Retirements	Balance June 30, 2008
Capital assets not being depreciated				
Land and improvements	\$ 12,549,603	\$ -	\$ -	\$ 12,549,603
Construction in Progress	25,075,721	74,586,716	22,629,908	77,032,529
Total capital assets, not being depreciated	<u>37,625,324</u>	<u>74,586,716</u>	<u>22,629,908</u>	<u>89,582,132</u>
Capital assets being depreciated				
Building and improvements	372,032,053	40,377,145	-	412,409,198
Equipment	39,268,426	4,032,912	1,620,307	41,681,031
Equipment under capital lease	4,816,683	-	-	4,816,683
Total capital assets being depreciated	<u>416,117,162</u>	<u>44,410,057</u>	<u>1,620,307</u>	<u>458,906,912</u>
Less accumulated depreciation				
Buildings and improvements	104,390,794	9,315,281	-	113,706,075
Equipment	27,592,733	3,151,950	1,566,074	29,178,609
Equipment under capital lease	4,816,683	-	-	4,816,683
Total accumulated depreciation	<u>136,800,210</u>	<u>12,467,231</u>	<u>1,566,074</u>	<u>147,701,367</u>
Total capital assets, being depreciated, net	<u>279,316,952</u>	<u>31,942,826</u>	<u>54,233</u>	<u>311,205,545</u>
Capital assets, net	<u>\$ 316,942,276</u>	<u>\$ 106,529,542</u>	<u>\$ 22,684,141</u>	<u>\$ 400,787,677</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7 – Capital Assets-continued

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2008 was as follows:

	Balance at June 30, 2007	Additions	Transfers and Retirements	Balance at June 30, 2008
Capital assets not being depreciated				
Art and Doll collection	\$ 348,850	\$ -	\$ 100	\$ 348,750
Capital assets being depreciated				
Building Improvements	714,876	378,010	112,850	980,036
Equipment	2,708,189	437,038	144,940	3,000,287
Vehicles	92,985	15,315	22,644	85,656
Library Books	1,609,079	102,354	45,599	1,665,834
Total capital assets being depreciated	5,125,129	932,717	326,033	5,731,813
Less accumulated depreciation				
Building improvements	247,424	56,497	-	303,921
Equipment	1,937,071	291,319	144,939	2,083,451
Vehicles	70,309	9,760	22,644	57,425
Library books	1,479,672	88,115	42,385	1,525,402
Total accumulated depreciation	3,734,476	445,691	209,968	3,970,199
Total capital assets, being depreciated, net	1,390,653	487,026	116,065	1,761,614
Capital assets, net	\$ 1,739,503	\$ 487,026	\$ 116,165	\$ 2,110,364

Activity for the Carroll County Public Library for the year ended June 30, 2008 was as follows:

	Balance at June 30, 2007	Additions	Transfers and Retirements	Balance at June 30, 2008
Capital assets being depreciated by location				
Headquarters	\$ 1,877,751	\$ 80,052	\$ 17,555	\$ 1,940,248
Westminster	343,995	80,298	4,856	419,437
Eldersburg	186,757	77,412	8,453	255,716
Mt. Airy	78,098	16,622	1,743	92,977
North Carroll	46,306	39,774	-	86,080
Taneytown	114,953	26,861	3,862	137,952
Detention Center	4,923	-	-	4,923
Bookmobile	7,445	22,100	-	29,545
Circulation materials	2,573,358	902,295	806,097	2,669,556
Total capital assets, being depreciated	5,233,586	1,245,414	842,566	5,636,434
Less accumulated depreciation	3,568,401	-	178,527	3,746,928
Capital assets, net	\$ 1,665,185	\$ 1,245,414	\$ 664,039	\$ 1,889,506

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2008 was as follows:

	Balance at June 30, 2007	Additions	Transfers and Retirements	Balance June 30, 2008
Capital assets not being depreciated				
Land	\$ 3,732,025	\$ -	\$ 45,881	\$ 3,386,144
Construction in Progress	4,078,888	30,769	-	3,345,540
Total capital assets, not being depreciated	7,810,913	30,769	45,881	6,731,684
Capital assets being depreciated				
Equipment	22,081	-	-	22,081
Total capital assets being depreciated	22,081	-	-	22,081
Less accumulated depreciation				
Equipment	22,081	-	-	22,081
Total capital assets, being depreciated, net	-	-	-	-
Capital assets, net	\$ 7,810,913	\$ 30,769	\$ 45,881	\$ 6,731,684

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008.

	Balance July 1, 2007	Additions	Principal Repayments/ Amortization	Balance June 30, 2008	Due Within One Year
Governmental activities:					
Mortgage/Notes Payable	\$ 4,107,759	\$ 2,495,343	\$ 3,129,175	\$ 3,473,927	\$ 1,504,023
Purchase Agreements	2,725,443	-	142,439	2,583,004	150,682
General Obligation Debt	7,136,864	-	-	7,136,864	-
General Obligation Bonds	220,939,825	27,100,000	26,865,392	221,174,433	21,633,168
Bonds premium/discount	3,036,074	672,349	387,945	3,320,478	406,621
Bond Issuance Costs	(795,724)	(113,217)	(76,195)	(832,746)	(80,264)
Less deferred charges	(4,275,804)	(136,798)	(422,475)	(3,990,127)	(408,035)
Subtotal	<u>232,874,437</u>	<u>30,017,677</u>	<u>30,026,281</u>	<u>232,865,833</u>	<u>23,206,195</u>
Net other post employment benefit obligation	-	7,659,078	-	7,659,078	-
Estimated liability for claims in process	1,414,019	92,231	(193,617)	1,699,867	1,676,889
Compensated Absences	4,227,203	2,807,733	2,410,263	4,624,673	2,410,264
Governmental activity Long-term liabilities	<u>\$ 238,515,659</u>	<u>\$ 40,576,719</u>	<u>\$ 32,242,927</u>	<u>\$ 246,849,451</u>	<u>\$ 27,293,348</u>
Business-type activities:					
Loans Payable	\$ 4,511,880	\$ -	\$ 768,928	\$ 3,742,952	\$ 806,654
General Obligation Bonds	13,993,482	10,005,000	1,453,447	22,545,035	2,131,605
Unamortized charges	(212,231)	-	(13,022)	(199,209)	(13,022)
Subtotal	<u>18,293,131</u>	<u>10,005,000</u>	<u>2,209,353</u>	<u>26,088,778</u>	<u>2,925,237</u>
Landfill closure/postclosure	9,685,100	230,300	-	9,915,400	-
Compensated Absences	334,307	213,722	167,861	380,168	193,291
Business-type activity Long-term liabilities	<u>\$ 28,312,538</u>	<u>\$ 10,449,022</u>	<u>\$ 2,377,214</u>	<u>\$ 36,384,346</u>	<u>\$ 3,118,528</u>
Component Units:					
Board of Education:					
Net other post employment benefit obligation	\$ -	\$ 6,653,345	\$ -	\$ 6,653,345	\$ -
Compensated Absences	25,374,335	2,813,875	1,671,305	26,516,905	2,135,000
Capital Lease Obligations	8,197,927	-	448,091	7,749,836	486,104
Total Board of Education	<u>\$ 33,572,262</u>	<u>\$ 9,467,220</u>	<u>\$ 2,119,396</u>	<u>\$ 40,920,086</u>	<u>\$ 2,621,104</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

A.) Governmental Activities

Long-term obligations at June 30, 2008 consist of the following:

Mortgage and Notes Payable

The County has entered into a loan agreement with the State of Maryland, the Federal Government and local financial institutions, to fund economic and employment development in the County. The County has also entered into several loan agreements with citizens of the County to purchase land easements under the Agricultural Preservation Program. The principal sources of repayment for these notes are the general revenues of the County including property taxes and income taxes. These loans range in maturity dates from April 1, 2009 to April 1, 2012. The principal is a set principal with a variable rate of interest. The interest is calculated by taking an average interest rate of what the County’s investment portfolio earned. For fiscal year 2008 the interested rate was 4.83%.

Years Ending June 30,	Principal	Interest	Total
2009	\$ 1,504,023	\$ 177,170	\$ 1,681,193
2010	1,031,938	100,465	1,132,403
2011	737,966	47,836	785,802
2012	200,000	10,200	210,200
Total mortgage and notes payable	<u>\$ 3,473,927</u>	<u>\$ 335,671</u>	<u>\$ 3,809,598</u>

Purchase Agreement

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

Years Ending June 30,	Principal	Interest	Total
2009	\$ 150,682	\$ 106,112	\$ 256,794
2010	163,752	99,549	263,301
2011	170,735	92,566	263,301
2012	178,016	85,285	263,301
2013	185,607	77,694	263,301
2014-2018	1,053,729	262,776	1,316,505
2019-2021	680,483	43,595	724,078
Total purchase agreement	<u>\$ 2,583,004</u>	<u>\$ 767,577</u>	<u>\$ 3,350,581</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued
General Obligation Debt

The County issues general obligation debt to provide funds for the Agricultural Preservation Program to finance Installment Purchase Agreements for land easements. This debt is an obligation of the County for which its full faith and credit are pledged. The principal sources of repayment for this debt are the general revenues of the County including property taxes and income taxes and dedicated interest earnings from federal obligation securities with a maturity of 20 years. These loans range in maturity dates from fiscal year 2022 to fiscal year 2027. The interest rates on these purchase agreements range from 4.641% to 5.967%.

Years Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 359,421	\$ 359,421
2010	-	359,421	359,421
2011	-	359,421	359,421
2012	-	359,421	359,421
2013	-	359,421	359,421
2014-2018	-	1,797,105	1,797,105
2019-2023	926,930	1,765,657	2,692,587
2024-2027	6,209,934	880,600	7,090,534
Total general obligation debt	<u>\$ 7,136,864</u>	<u>\$ 6,240,467</u>	<u>\$ 13,377,331</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

A.) 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.

Years Ending June 30,	Interest Rate	Series Matures	of Original Issue	June 30, 2008	Due Within One Year
<u>General Government:</u>					
Watershed Bond of 1972	3.502%	2022	\$ 769,700	\$ 366,252	\$ 20,002
Watershed Bond of 1974	3.649%	2024	253,000	149,304	6,676
Watershed Bond of 1979	3.649%	2031	678,800	457,186	13,042
1998 Public Improvement Bonds	3.50%-4.75%	2018	34,370,665	4,699,225	811,589
1999 Public Improvement Bonds	5.00%-5.505%	2019	21,578,939	976,994	488,497
2000 Public Improvement Bonds	4.25%-5.125%	2020	20,100,000	1,141,613	228,323
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	4,228,329	471,174
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	5,765,424	592,707
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	8,308,563	2,299,921
2003 Public Improvement Bonds	2.00%-3.85%	2018	7,600,000	4,314,143	332,335
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	18,240,778	1,334,691
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	17,496,195	1,461,268
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	23,599,071	1,817,325
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	14,837,948	1,062,052
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	9,609,841	395,687
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	17,451,370	1,164,829
2007 Refunding Bonds (November)	3.75%-5.25%	2022	6,670,000	6,670,000	-
Subtotal General Government				\$ 138,312,236	\$ 12,500,118
<u>Board of Education:</u>					
1998 Public Improvement Bonds	3.50%-4.75%	2018	34,370,665	7,516,526	1,334,943
1999 Public Improvement Bonds	5.00%-5.505%	2019	21,578,939	1,180,900	590,450
2000 Public Improvement Bonds	4.25%-5.125%	2020	20,100,000	3,883,387	776,677
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	2,464,390	274,614
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	4,411,559	453,525
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	5,997,134	1,660,087
2003 Public Improvement Bonds	2.00%-3.85%	2018	7,600,000	1,540,765	118,691
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	12,301,040	900,076
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	91,959	7,680
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	3,163,386	243,607
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	3,508,848	251,153
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	12,927,814	532,305
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	1,533,630	102,365
Subtotal Board of Education				\$ 60,521,338	\$ 7,246,173

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2008</u>	<u>Due Within One Year</u>
<u>Volunteer Fire Companies:</u>					
1997 Fire Company Bonds	4.00%-5.00%	2015	\$ 5,525,000	\$ 2,750,000	\$ 275,000
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	206,193	22,977
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	523,018	53,768
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	1,615,000	125,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	1,741,724	115,054
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	755,000	85,000
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	2,510,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	559,924	40,078
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	1,445,000	120,000
Subtotal Volunteer Fire Companies				\$ 12,105,859	\$ 1,031,877
2004 Taxable Pension Bonds	4.25%-5.25%	2019	\$ 12,800,000	\$ 10,235,000	\$ 855,000
Subtotal Bonds Payable				\$ 221,174,433	\$ 21,633,168
Bond premium/ discount				3,320,478	406,621
Bond Issuance Costs				(832,746)	(80,264)
Deferred loss on refunding issues				(3,990,127)	(408,035)
Total Bonds payable, net of bond costs				\$ 219,672,038	\$ 21,551,490

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2008, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Governmental activities:</u>			
2009	\$ 21,633,168	\$ 8,520,072	\$ 30,153,240
2010	21,694,138	7,684,157	29,378,295
2011	21,038,085	6,840,021	27,878,106
2012	20,707,467	6,020,182	26,727,649
2013	18,595,118	5,246,400	23,841,518
2014-2018	84,199,163	15,222,075	99,421,238
2019-2023	33,085,490	2,210,092	35,295,582
2024-2028	139,147	29,674	168,821
2029-2032	82,657	6,089	88,746
Total governmental activities	\$ 221,174,433	\$ 51,778,762	\$ 272,953,195

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

Business-type activities—continued

to the users of the plants. In the event revenues collected for Front Foot Assessments and Area Connection Charges do not cover the debt service payment when due, the County must provide resources to cover the deficiency until other resources are received. This debt is backed by the full faith and credit of the County.

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2008</u>	<u>Due Within One Year</u>
Maryland Water Quality Financing:					
Revolving Loan- Freedom	3.00%-4.894%	2012	\$ 11,541,350	\$ 3,369,008	\$ 782,108
Revolving Loan- Hampstead	2.60%	2021	532,680	373,944	24,546
Total Loans Payable				<u>\$ 3,742,952</u>	<u>\$ 806,654</u>

The annual requirements to amortize loans payable outstanding as of June 30, 2008, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 806,654	\$ 189,673	\$ 996,327
2010	846,246	157,979	1,004,225
2011	887,793	124,712	1,012,505
2012	930,395	89,796	1,020,191
2013	27,200	8,783	35,983
2014-2018	146,982	32,933	179,915
2019-2021	97,682	10,268	107,950
Total Loans Payable	<u>\$ 3,742,952</u>	<u>\$ 614,144</u>	<u>\$ 4,357,096</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

B.) Business-type activities—continued

General Obligation Bonds

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

Years Ending June 30,	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2008	Due Within One Year
<u>Bureau of Utilities:</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	\$ 2,521,062	\$ 252,106	\$ 126,053
2001 Public Improvement Bonds	3.25%-4.20%	2016	18,501	11,088	1,236
2003 Public Improvement Bonds	2.00%-3.85%	2018	990,000	762,679	58,752
2004 Refunding Bonds	2.00%-3.70%	2019	2,166,412	2,061,871	150,868
2004 Public Improvement Bonds	3.00%-4.00%	2019	378,474	302,644	25,277
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	262,150	20,188
2006 Public Improvement Bonds	3.50% -4.00%	2021	200,000	186,641	13,359
2007 Refunding Bonds (January)	3.50%-5.00%	2020	212,504	206,740	8,512
2007 Public Improvement Bonds	3.75%-5.25%	2022	9,401,000	9,401,000	627,490
Subtotal Bureau of Utilities				<u>\$ 13,446,919</u>	<u>\$ 1,031,735</u>
<u>Solid Waste Management</u>					
1998 Refunding Bonds	3.50%-4.75%	2018	454,335	289,249	43,468
2003 Refunding Bonds	2.0%-3.85%	2018	3,727,776	1,824,303	504,991
2004 Refunding Bonds	2.00%-3.70%	2019	1,004,270	955,808	69,937
2004 Public Improvement Bonds	3.00%-4.00%	2019	2,449,026	1,958,347	163,560
2007 Refunding Bonds (January)	3.50%-5.00%	2020	345,658	336,283	13,847
2007 Public Improvement Bonds	3.75%-5.25%	2022	604,000	604,000	40,315
Subtotal Solid Waste Management				<u>\$ 5,967,990</u>	<u>\$ 836,118</u>
<u>Airport Fund</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	500,000	50,000	25,000
2000 Public Improvement Bonds	4.25%-5.125%	2020	600,000	150,000	30,000
2001 Public Imp. Bonds-Taxable	3.25%-4.75%	2021	2,200,000	1,540,000	110,000
2003 Public Improvement Bonds	2.00%-3.85%	2018	425,000	327,413	25,222
2004 Refunding Bonds	2.00%-3.70%	2019	278,964	265,502	19,427
2004 Public Improvement Bonds	3.00%-4.00%	2019	407,500	325,855	27,215
2005 Public Improvement Bonds	3.50%-4.125%	2020	58,555	50,393	3,881
2007 Refunding Bonds (January)	3.50%-5.00%	2020	240,854	234,322	9,648
Subtotal Airport Fund				<u>\$ 2,943,485</u>	<u>\$ 250,393</u>
<u>Septage Fund</u>					
2006 Public Improvement Bonds	3.50%-4.00%	2021	200,000	186,641	13,359
Subtotal Septage Fund				<u>\$ 186,641</u>	<u>\$ 13,359</u>
Subtotal Bonds Payable				22,545,035	2,131,605
Unamortized Charges				(199,209)	(13,022)
Total Bonds Payable, net of bond costs				<u>\$ 22,345,826</u>	<u>\$ 2,118,583</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

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

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2008, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Business-type activities:			
2009	\$ 2,131,605	\$ 846,165	\$ 2,977,770
2010	2,091,808	764,335	2,856,143
2011	1,964,280	685,686	2,649,966
2012	1,921,573	609,118	2,530,691
2013	1,650,865	530,068	2,180,933
2014-2018	7,895,027	1,694,413	9,589,440
2019-2023	4,889,877	424,119	5,313,996
Total business-type activities	<u>\$ 22,545,035</u>	<u>\$ 5,553,904</u>	<u>\$ 28,098,939</u>

Current Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$6,670,000 on November 13, 2007 of general obligation refunding bonds to provide resources to purchase United States Government State and Local Series Securities (SLGS) that were placed in an irrevocable trust. The net proceeds of \$6,636,730 (after payment of \$33,270 for issuance costs) plus an additional \$150,068 for bond premium, were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of \$6,650,000 of general obligation bonds from 1997 Carroll County Refunding Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amounts of the old debt by \$20,000. This amount is being netted against the new debt and amortized over the life of the new debt issued, which is shorter than the remaining life of the refunded debt. The November 2007 current refunding was undertaken to reduce total debt service payments over the next 15 years by \$553,712 and resulted in an economic loss of \$136,798.

Advance Refunding – Prior Years

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2008, \$33,200,899 of general obligation bonds outstanding from prior years is considered defeased.

Other

The County actively encourages industrial and commercial enterprises to locate and remain in the county by, among other things, the issuance of industrial development revenue bonds pursuant to the Industrial Development Bond Act and the Maryland Industrial Development Financing Authority (MIDFA). These

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Long-Term Debt—continued

Other-continued

bonds do not constitute an indebtedness of, or a charge against, the general credit or taxing powers of the County. All issues are prepared under the direction of the Carroll County Economic Development Commission. The issues that have been sold as of June 30, 2008 amounted to \$56,585,000.

C.) Component Units

During the fiscal year ended June 30, 2008, no new capital leases were entered into by the Board of Education. In October of 2004, Phase IV of any energy management plan was entered into providing air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures.

The 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>
2009	760,472
2010	783,286
2011	806,785
2012	830,988
2013	855,918
5 years ending 2017	4,680,510
5 years ending 2022	844,234
	<u>9,562,193</u>
less interest	<u>(1,812,357)</u>
Present value of future minimum lease payments	<u>\$ 7,749,836</u>

Interest expense related to capital leases was \$304,816 for the year ended June 30, 2008.

Changes in compensated absences payable for the year ended June 30, 2008 for the Board of Education were as follows:

Balance at June 30, 2007	\$25,374,335
Additions	2,813,875
Reductions	<u>(1,671,305)</u>
Balance at June 30, 2008	\$26,516,905
Amounts due within one year	<u>(2,135,000)</u>
Compensated absence non-current portion	<u>\$24,381,905</u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 9 – Lease Obligations

Operating Leases

Primary Government

The County is committed under various leases for office space, other equipment and preventative maintenance as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2008 for the County amounted to \$239,230. Future lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2009	\$321,780

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, 2008 amounted to \$1,362,142. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2009	\$999,138
2010	999,138
2011	999,138
2012	999,138
2013	999,138
2014-2018	4,995,690
2015-2023	3,402,368
2024-2092 (\$1 per year)	69

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

Asset: Buildings	\$39,155,044
Less: Accumulated depreciation	<u>(6,733,331)</u>
Net carrying value	<u>\$32,421,713</u>

Component Units

The Library's administrative offices were located in a business park near the Westminster airport. During fiscal year 2008, the lease on this facility was extended to September 30, 2008 until which time they were able to move to their new location in New Windsor. The monthly rent amount for fiscal year 2008 was \$16,749 (\$200,988 annually). The Library is also charged \$4,561 per month for common area maintenance as specified in the lease. Rent expense for the year ended June 30, 2008 was \$200,988. The future minimum annual rentals are 2009 \$62,810.

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

The College has also entered into an operating lease with the Xerox Corporation for copier services. The total lease expense for fiscal year 2008 totaled \$182,576. The College renewed its operating lease in July 2008, extending the lease agreement until July 2012.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 9 – Lease Obligations-continued

Future minimum payments on operating leases are as follows:

2009	\$173,658
2010	189,446
2011	189,446
2012	189,446
2013	189,446
Thereafter	<u>15,787</u>
Total	<u>\$ 947,229</u>

Note 10 – Landfill Closure, Postclosure and Remediation Costs

The County operates one public disposal facility, Northern landfill that opened in 1988. The landfill opened a new cell in April 2008. The landfill currently has three closed cells and two active cells which are 97.0 percent and 2.5 percent filled. In addition, two cells are available for construction and use. However, beginning July 1, 1997 the County elected to transfer all solid waste out-of-state. The remaining life of the landfill's active and new cells cannot be projected at this time.

Total closure and postclosure costs of Northern landfill are estimated to be \$3,526,200 of which 100% has been accrued as of June 30, 2008. 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 \$1,389,200 for annual monitoring costs of closed landfills. An additional \$5,000,000 for remedial care of two landfills closed in prior years, as well as other environmental concerns, has also been accrued.

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans

Carroll County Employee Pension Plan

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

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

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

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

Basis of Accounting: The Carroll County Employee Pension Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The most current actuarial valuation was completed as of July 1, 2007. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	38
Terminated plan members entitled to, but not yet receiving benefits	98
Active plan members	<u>814</u>
Total	<u>950</u>

Contributions: Plan members are required to contribute 2 percent of their annual base pay. The County contributed 3.1 percent of the employees’ annual base pay. Administrative costs of CCEPP are financed through investment earnings.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

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

Annual Pension Cost FY 2008		\$	877,783
Contributions Made			<u>985,423</u>
Increase in Negative Net Pension Obligation			107,640
Negative Net Pension Obligation beginning of the year			5,100,840
Fiscal year 2008 adjustment to the annual net pension cost from the prior period:			
APC adjustment	\$(357,577)		
Interest	<u>357,059</u>		<u>(518)</u>
Negative Net Pension Obligation, end of the year			<u>\$ 5,207,962</u>

The annual required contribution was determined as part of the July 1, 2007, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return compounded annually (b) projected salary increases due to inflation and seniority/merit raises as follows:

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

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2007, was 16 years.

Trend Information since inception for CCEPP:

<u>Fiscal Year</u> <u>Ending</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>
2004	\$ 971,673	100%	\$ 971,673	\$0
2005	1,102,651	100%	1,102,651	0
2006	1,207,814	492%	5,937,730	4,729,916
2007	920,956	140%	1,292,361	371,405
2008	877,783	112%	985,423	107,640

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

Statement of Plan Net Assets
Carroll County Employee Pension Plan

Assets:	
Cash and cash equivalents	\$ 503,017
Investments at fair value:	
Bond Funds	5,312,642
Equity Funds	14,008,260
Other Investment Funds	-
Marketable Securities	-
Total assets	<u>19,823,919</u>
Liabilities:	
Accounts payable	<u>11,197</u>
Total Liabilities	<u>11,197</u>
Net Assets:	
Held in trust for pension benefits and other purposes	<u><u>\$ 19,812,722</u></u>

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

ADDITIONS	
Contributions:	
Employer	\$ 985,423
Plan Members	<u>669,444</u>
Total Contributions	1,654,867
Investment earnings:	
Interest and dividends	7,494
Net increase or (decrease) in the fair value of investments	<u>(1,863,339)</u>
Total investment earnings	<u>(1,855,845)</u>
Less investment expense	<u>52,163</u>
Net investment earnings	(1,908,008)
Total additions	(253,141)
DEDUCTIONS	
Benefits	209,577
Administrative expenses	<u>5,240</u>
Total deductions	<u>214,817</u>
Change in net assets	(467,958)
Net assets-beginning of year	<u>20,280,680</u>
Net assets-end of year	<u><u>\$ 19,812,722</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued
Schedule of Funding Progress

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

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

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

Schedule of Employer Contributions

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Carroll County Employee 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	7/1/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	Varies by age (8.75% at age 25 to 5.25% at age 45)
Projected payroll increases	3% per year
Salary valuation	36-month average highest pay
Post retirement cost-of-living adjustments	2%

Volunteer Firemen Pension Plan (LOSAP)

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

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

The most current actuarial valuation was completed as of January 1, 2006. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	156
Terminated plan members entitled to, but not yet receiving benefits	14
Active plan members	<u>748</u>
Total	<u>918</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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

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

Annual Pension Cost	\$	0
Contributions Made		1,000,000
Net LOSAP Obligation, Beginning of Year		<u>0</u>
Negative Net LOSAP Obligation, end of the year		<u>\$1,000,000</u>

The annual required contribution was determined as part of the January 1, 2006, actuarial valuation using the traditional unit credit actuarial cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return compounded annually. The Firemen are voluntary and therefore would not have a projected salary increase. The assumptions did not include post retirement benefit increases since none are provided. The actuarial value of assets was determined using market value as of January 1, 2006. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at January 1, 2006, was 7 years.

Trend Information for LOSAP:

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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

Assets:	
Cash and cash equivalents	\$ 786,094
Investments at fair value:	
Bond funds	3,273,091
Equity funds	4,223,371
Total assets	8,282,556
Liabilities:	
Accounts payable	3,177
Total liabilities	3,177
Net Assets:	
Held in trust for pension benefits and other purposes	\$ 8,279,379

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

ADDITIONS	
Contributions:	
Employer	\$ 1,000,000
Total contributions	1,000,000
Investment earnings:	
Interest and dividends	35,640
Net increase(decrease) in the fair value of investments	(382,470)
Total investment earnings	(346,830)
Less investment expense	(13,217)
Net investment earnings	(360,047)
Total additions	639,953
DEDUCTIONS	
Benefits	496,715
Administrative expenses	2,100
Total deductions	498,815
Change in net assets	141,138
Net assets-beginning of year	8,138,241
Net assets-end of year	\$ 8,279,379

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)
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)

Schedule of Employer Contributions

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

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	1/1/2006
Actuarial cost method	Traditional unit credit
Amortization method	Level dollar
Remaining amortization period	7 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	N/A
Post retirement cost-of-living adjustments	N/A
Service Credit after Retirement	Potential to earn additional service and benefits after “retire” allowing their benefit to increase further.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, and are cost-sharing multiple-employer public employee retirement systems. The State System provides pension, death and disability benefits to plan members and beneficiaries. The plan is administered by the State

Retirement Agency (the Agency). Responsibility for the administration and operation of the State System is vested in a 14-member Board of Trustees. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland. The Agency issued a publicly available financial report that includes financial statements and required supplementary information for he 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 account for the plan as a cost-sharing multiple-employer public employee retirement system, as a separate valuation is not performed for the Board, and the only obligation to the System is its required annual contributions.

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

The Board of Education’s required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State System, all benefits of the State System are funded in advance. The entry age normal cost method is the actuarial cost method used. Both the Board and covered employees are required by State statute to contribute to the State System. The employees contribute 4 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, 2008, 2007 and 2006 were as follows:

Component Units	<u>2008</u>	<u>2007</u>	<u>2006</u>
Board of Education	\$17,271,292	\$13,436,187	\$12,180,637
Community College	518,887	398,618	329,651
Library	476,223	379,045	328,279

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11– Pension Plans–continued

401(k) Retirement Plan

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

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

Employees may contribute up to an amount as limited by applicable law, and not in excess of a member’s annual compensation. The plan is contributory on a voluntary basis with all contributions being paid to the trustee. The County makes a basic contribution for each participant equal to 3 percent of compensation. In addition, the County matches the employee’s contribution up to 4 percent of compensation, at the rate of \$0.75 for each dollar contributed by the employee. The County’s basic contributions for each employee and the interest allocated to the employee’s account are fully vested immediately. The additional matching contributions made by the County are 100 percent vested after two years’ service or if the participant dies, becomes disabled or reaches age sixty-five. Participants who leave employment before being fully vested forfeit the portion of their account that resulted from the employer’s matching contributions.

The County’s and the employees’ contributions for the year ended June 30, 2008 were \$2,110,750 and \$2,803,302, respectively.

The County amended the current 401(k) Plan document to allow employees to make post-tax “Roth” contributions effective January 1, 2007. Approximately 5% of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2008.

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 \$1,988,540 during the fiscal period ending June 30, 2008. Of this amount, the County paid \$1,801,694 and the retirees paid \$186,846.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

Retirees with at least ten years of continuous County service may qualify for membership in the County’s retiree group medical plan(s). Full-time employees who retire can also insure their spouses. As of June 30, 2008 retirees pay between 8 percent and 100 percent of the County’s full premium equivalent cost, based upon their age and years of County service at retirement. As of June 30, 2008, 162 Primary Government retirees and 130 retiree spouses were eligible to receive benefits. Of these, 155 retirees and 122 spouses were enrolled. Retirees who are eligible for County contributions toward the cost of their medical plan may elect to discontinue coverage and re-enroll at future “open enrollment” periods.

Basis of Accounting: The Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (RBTCCCC) financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Medicare Part D funds are recognized in the period in which they are received. Benefits and refunds are recognized when due and payable in accordance with the term of the plan.

The most current actuarial valuation was completed as of July 1, 2007. The membership data related to the plan was as follows:

Number of Participants	
Active employees	938
Deferred vested terminations	N/A
Retirees in pay status (pre Medicare)	61
Retirees in pay status (Medicare age)	<u>146</u>
 Total	 <u>1,145</u>

Contributions: The County appropriated in FY 2008 to contribute \$5,290,292 towards the ARC for the Other Post Employment 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 post employment benefit cost (AOPEB) and net other post employment benefit obligation to the Retiree Benefit Trust, Board of County Commissioners of Carroll County, Maryland are as follows:

Annual OPEB Cost	\$12,949,370
Contributions made	<u>5,290,292</u>
Increase in net	
Other post employment benefit obligation	<u>(7,659,078)</u>
Net other post employment benefit	
Obligation beginning of the year	<u>0</u>
Net other post employment	
Obligation end of the year	<u>(\$7,659,078)</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

The annual OPEB cost was determined as part of the July 1, 2007, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.2% investment rate of return compounded annually, (b) projected turnover rates are as follows:

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

The actuarial value of assets was determined using the fair value as of July 1, 2007.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage on a closed basis. The remaining amortization period at July 1, 2007, was 22 years.

Trend Information since inception for RBTCCCC:

<u>Fiscal Year</u>	<u>Annual OPEB</u>	<u>% of AOPEBC</u>	<u>Actual</u>	<u>Net OPEB</u>
<u>Ending</u>	<u>Cost (AOPEBC)</u>	<u>Contributed</u>	<u>Contribution</u>	<u>Obligation</u>
2008	\$12,949,370	41%	\$5,290,292	(\$7,659,078)

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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

Assets:	
Cash and cash equivalents	\$ 511,308
Investments at fair value:	
Marketable securities	3,502,490
Total assets	<u>4,013,798</u>
Liabilities:	
Accounts payable	40
Due to primary government	329,700
Total liabilities	<u>329,740</u>
Net Assets:	
Held in trust for OPEB	
and other purposes	<u>\$ 3,684,058</u>

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

ADDITIONS	
Contributions:	
Employer	\$ 5,290,292
Plan members	186,846
Contributions from sources other than employer(s) and plan members	6,290
Total contributions	<u>5,483,428</u>
Investment earnings:	
Interest and dividends	186,680
Net increase or decrease in the fair value of investments	2,490
Net investment earnings	<u>189,170</u>
Total additions	5,672,598
DEDUCTIONS	
Benefits	1,988,540
Administrative expenses	-
Total deductions	<u>1,988,540</u>
Change in net assets	3,684,058
Net assets-beginning of year	-
Net assets-end of year	<u>\$ 3,684,058</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)
July 1, 2007	\$ 12,949,370	\$ 130,235,824	9.94%	\$ 117,286,454

Schedule of Employer Contributions

Year Ended June 30:	Annual Required Cost	Actual Contribution	Percentage Contributed	Federal Subsidy	Total Percentage Contributed
2008	\$ 12,949,370	\$ 5,290,292	41%	\$ 6,290	41%

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

Valuation date	7/1/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	22 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	5.2%
Projected salary increases	3%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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

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

<u>Years of Service</u>	<u>Election Rate</u>
Less than 10	N/A
10 to 15	80%
15 to 20	90%
20 to 25	95%
25+	100%

Component Units

Library

Plan Description. The Library provides medical insurance benefits to eligible employees who retire from employment with the Carroll County Public Library in accordance with a contractual agreement through the County. Retirees with at least ten years of service (fifteen years for those hired after May 1, 2005), are eligible for medical insurance coverage during retirement. The cost of this coverage is subsidized by the employer for those who meet certain age and service requirements. Spousal coverage is also available for eligible full time employees who retire. Retirees who are eligible for this subsidy may elect to discontinue and re-enroll at a later date.

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

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, 2008, 731 eligible participants were receiving benefits.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Board of Education-continued

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 in the Board’s net OPEB obligation:

Annual required contribution	\$ 8,570,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>8,570,000</u>
Contributions made	<u>1,916,655</u>
Increase in net OPEB obligation	6,653,345
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 6,653,345</u>

The Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2008 was as follows:

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

Funding Policy:

As of June 30, 2008 the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$86,140,000. The covered payroll (annual payroll of active employees covered by the plan) was \$201,265,894, and the ratio of the UAAL to the covered payroll was 42.8 percent.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Board of Education-continued

Actuarial Methods and Assumptions:

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

In the June 30, 2008 actuarial valuation, the projected unit credit method, with linear pro-ratio to assumed benefit commencement method was used. The actuarial assumptions included a 4% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4% over the long tem. The UAAL is being amortized as a level percentage of projected payroll on an open bases. The remaining amortization period at June 30, 2008, was fourteen years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2008
Actuarial Cost Method	Projected unit method
Amortization Method	Level percentage of projected payroll over a 30-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	4%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)
Post-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)

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, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Carroll Community College-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	50%
15 to 19 years of service	75%
20 or more years of service	currently 90%

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

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

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

Funding Policy. The contribution requirements of plan members and the college are established and may be amended by the Carroll Community College Board of Trustees. The College’s contribution is based on a pay as you go basis with no funds set aside for future post retirement funding. For fiscal year 2008, Carroll Community College contributed \$129,180 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	\$2,110,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB costs (expense)	2,110,000
Contributions made	<u>(129,180)</u>
Increase in net OPEB obligation	1,980,820
Net OPEB obligation-beginning of year	-
Net OPEB obligation-end of year	<u>\$1,980,820</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Carroll Community College-continued

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u> 6/30/08	<u>Annual</u> <u>OPEB</u> <u>Cost</u> \$2,110,000	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u> 6.1%	<u>Net OPEB</u> <u>Obligation</u> \$1,980,820
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Schedule of Funding Progress-7% Discount Rate

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
June 30, 2007	\$ -	\$ 19,685,000	0.00%	\$ 19,685,000	\$ 9,631,527	204.4%

Funded Status and Funding Progress. As of July 1, 2007, the most recent actual valuation date, the plan was 6.1% funded which is based on payments made to the retirement benefit plans during fiscal year 2008. The actuarial accrued liability for benefits was \$19.7 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$19.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9,631,527, and the ratio of the UAAL to the covered payroll was 204.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in to the future. Examples include assumptions about future employment, mortality, and the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented on the previous page, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. A single year is presented for 2008, the year of implementation.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units continued

Carroll Community College-continued

In the July 2007, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included and interest discount rate of 7% for funded and 4% return for unfunded. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2008, was twenty-nine years.

Note 13 – Fund Equity

A summary of fund balances as of June 30, 2008 follows:

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
<u>Reserved For</u>				
Encumbrances	\$ 1,026,708	\$ 39,912,191	\$ -	\$ 40,938,899
Inventory	1,222,619	-	-	1,222,619
Loans to community organizations	5,307,735	-	-	5,307,735
Loans to fire companies	14,503,131	-	-	14,503,131
Loans to municipalities	252,547	-	-	252,547
Agricultural preservation investments	10,827,438	-	-	10,827,438
Advances and proceeds to Industrial Development Authority	1,125,560	-	-	1,125,560
Total reserved fund balance	34,265,738	39,912,191	-	74,177,929
<u>Unreserved - Designated For</u>				
Subsequent year's expenditures	\$ 11,302,102	\$ 45,904,401	\$ -	\$ 57,206,503
Stabilization fund	10,600,000	-	-	10,600,000
Secondary reserve fund	6,750,000	-	-	6,750,000
ISF health	1,400,000	-	-	1,400,000
<u>Designated for other purposes:</u>				
Lien certification	15,000	-	-	15,000
Vehicle replacement	500,000	-	-	500,000
Worker's comp claims	400,000	-	-	400,000
Warfield development corp loan	30,036	-	-	30,036
Total unreserved-designated balance	30,997,138	45,904,401	-	76,901,539
<u>Unreserved - Undesignated reported in:</u>				
General fund	\$ 14,858,762	\$ -	\$ -	\$ 14,858,762
Special Revenue Funds	-	-	2,340,051	2,340,051
Total unreserved-undesignated balance	14,858,762	-	2,340,051	17,198,813
Grand total fund balance	\$ 80,121,638	\$ 85,816,592	\$ 2,340,051	\$ 168,278,281

The County has loaned to various Carroll County fire companies \$26,148,362 for expansion and equipment acquisition. The loans are repayable over terms of from 5 to 20 years, bearing interest at fixed

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 13 – Fund Equity-continued

rates ranging from 3.33 percent to 5.088 percent. The balance of these loans at June 30, 2008 is \$14,503,131 and is secured by land, buildings and equipment. The County made eight loans totaling \$5,587,902 to various community investment programs. The revenue source for the loans by the County from the General Fund was obtained through promissory notes. The balance of these eight loans at June 30, 2008 is \$5,307,735.

Note 14 – GAAP Reconciliation

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

<u>Budgetary Funds</u>	General Fund
<u>Revenues</u>	
Actual amount (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 308,690,104
Deferred property tax revenues	(375,256)
Revenues generated by encumbrances of expenditure driven grants (net)	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	\$ 308,314,848
 <u>Expenditures</u>	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 305,384,475
Encumbrance adjustment	868,875
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	\$ 306,253,350

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 15 – Commitments and Contingencies - continued

Primary Government-continued

As of June 30, 2008, 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	\$ 85,598,544	\$ 65,889,069	\$ 76,967,656	\$ 8,630,888
Public Safety	40,279,064	1,621,111	13,382,048	26,897,016
Public Works	74,954,382	40,489,677	56,076,080	18,878,302
Board of Education	177,651,006	104,277,417	132,885,959	44,765,047
Carroll Community College	40,640,784	6,088,888	6,616,407	34,024,377
Recreation and Parks	13,771,842	3,417,710	6,500,236	7,271,606
Libraries/Senior Centers	22,219,902	6,623,164	17,747,308	4,472,594
Conservation	126,609,109	108,714,186	117,005,669	9,603,440
Water Resources	6,320,169	456,185	2,485,769	3,834,400
General Fund	\$ 588,044,802	\$ 337,577,407	\$ 429,667,132	\$ 158,377,670
Water Treatment Facilities	\$ 32,106,292	\$ 12,566,567	\$ 15,192,457	\$ 16,913,835
Wastewater Treatment Facilities	10,752,981	3,639,840	3,006,113	7,746,868
Other Water Projects	7,304,278	5,104,650	5,129,480	2,174,798
Other Wastewater Projects	1,429,820	1,177,348	802,777	627,043
Landfill Upgrades	491,250	365,975	299,256	191,994
Landfill Remediations	1,645,626	484,079	795,626	850,000
Septage Treatment Facility	239,000	185,278	200,000	39,000
Airport	22,895,826	6,403,923	6,369,276	16,526,550
Enterprise Fund	\$ 76,865,073	\$ 29,927,660	\$ 31,794,985	\$ 45,070,088
Total Funds	\$ 664,909,875	\$ 367,505,067	\$ 461,462,117	\$ 203,447,758

Component Units

Board of Education

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

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

A lawsuit has been threatened against the Board by an individual seeking damages for injuries sustained as a result of a bus accident involving an independent contractor that provides contracted bus service to

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 15 – Commitments and Contingencies-continued

Component Units-Continued

the Board. A formal monetary demand has not been filed by the potential plaintiff since the full medical costs of the injuries is unknown. It is anticipated that the amount of the claim could exceed \$1 million, which is the amount of coverage provided to the Board by the M.A.B.E Group Insurance Pool. As a result of the threat of this lawsuit, the independent contractor has threatened a lawsuit against the Board in the event the judgment awarded to the individual exceeds the insurance coverage the Board provided to the independent contractor. A liability has not been recorded since the amount of the claims can not be reasonably estimated at this time.

Note 16 – Risk Management

Primary Government

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

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

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

LGIT's original funding of its Capital Account consisted of \$16,245,000 of Certificates of Participation issued on February 15, 1990, of which \$1,008,964 is attributable to the County. The repayment of this debt is guaranteed through local operating revenues. This debt is backed by the full faith and credit, and unlimited taxing power of Carroll County.

The County pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage to date.

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 16 – Risk Management-continued

Primary Government continued

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

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

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

Claims liabilities at June 30, 2008 for the deductible portions of general, property and casualty claims covered under LGIT and employee health care coverage are \$490,039 and \$1,209,828, respectively.

The total claims liability of \$1,699,867 reported in the internal service fund at June 30, 2008 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability was incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liabilities are calculated based on historical claim settlement trends and analysis of all outstanding and potential claims.

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

	<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>
General, property and casualty:				
July 1, 2005 – June 30, 2006	\$218,550	\$ (51,076)	226,076	\$393,550
July 1, 2006 – June 30, 2007	393,550	(62,989)	(34,139)	296,422
July 1, 2007 – June 30, 2008	296,422	(165,128)	358,745	490,039
Employee Health Care Coverage:				
July 1, 2005 – June 30, 2006	\$ 1,225,625	\$ 8,277,842	\$(8,469,419)	\$ 1,034,048
July 1, 2006 – June 30, 2007	1,034,048	10,071,444	(9,987,894)	1,117,598
July 1, 2007 – June 30, 2008	1,117,598	9,983,734	(9,891,504)	1,209,828

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 16 – Risk Management-continued

Primary Government -continued

The County established a limited risk management program for worker’s compensation beginning as of July 1, 1997. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claim expenditures reported in the general fund. As of June 30, 2008 such interfund premiums did not exceed reimbursable expenditures. As of July 1, 2004 the County became self insured for its worker’s compensation. The County contracts with a third party administrator to pay all worker’s compensation cost. The County purchases a specific excess and aggregate excess worker’s compensation and employer’s liability indemnity policy. The County retains a specific retention of \$350,000 for each accident and for each employee for occupational disease. To date the County has not exceeded its retention limits.

The plan is administered by a commercial insurer. The County’s contract with this insurer includes a \$500,000 Self Insured Retention for all employees. The total claims liability of \$3,450 has been reported at June 30, 2008 in the general fund since it is anticipated that they will be paid from expendable available financial resources. This liability is calculated based on historical claim settlement trends.

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

<u>Worker’s Compensation:</u>	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current- Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
July 1, 2005 – June 30, 2006	\$12,263	\$172,659	\$(177,533)	\$7,389
July 1, 2006 – June 30, 2007	7,389	28,970	(30,097)	6,262
July 1, 2007 – June 30, 2008	6,262	264,019	(266,831)	3,450

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

Component Units

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

The Board of Education established a limited risk management program for health care insurance. In the past, health care insurance was covered by a third party carrier. Effective January 1, 1998, the Board, with Aetna U.S. Healthcare, established a new arrangement for providing coverage for future medical

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 16 – Risk Management-continued

Component Units -continued

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, 2008 liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated by an actuary based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgements is reported in the General Current Expense Fund.

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

	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
Health Care:				
July 1, 2005 – June 30, 2006	\$ 2,408,964	\$24,675,299	\$ (24,161,735)	\$2,922,528
July 1, 2006 – June 30, 2007	2,922,528	28,363,400	(28,406,482)	2,879,446
July 1, 2007 – June 30, 2008	2,879,446	31,504,731	(31,086,384)	3,297,393

Note 17 – Subsequent Events

The County plans to issue \$80,000,000 of general obligation bonds during fiscal year 2009. The proceeds of the sale of these securities will be used to finance the construction of a new high school and school additions, water and sewer projects, several road and bridge projects and Volunteer Fire Company loans.

Note 18 – Compliance and Accountability

A. Revenue Variances

Included in Taxes Other are Income Taxes and Recordation Taxes. Recordation Tax was lower than the budget by \$5,551,295 due to the decline the sales and refinancing activity in the housing market.

B. Overexpenditures

Actual expenditures for other post employment benefits (OPEB) costs, pension, and payroll taxes were allocated by function this year, however; the budgets for these expenditures were posted to General Government function as human resources fringe benefits. As a result many projects appear overspent. The General Government function shows an overall positive variance after moving the direct costs to their proper functions.



Supplementary Information

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Revenues				
Taxes - Local Property				
Real property	\$ 158,163,300	\$ 158,163,300	\$ 160,189,172	\$ 2,025,872
Real property - prior years	(100)	(100)	103	203
Personal property	300,000	300,000	295,178	(4,822)
Railroad and public utilities	6,750,000	6,750,000	7,249,353	499,353
Ordinary business corporations	6,500,000	6,500,000	7,001,652	501,652
Penalties and interest-delinquent taxes	600,000	600,000	753,096	153,096
Semi-annual service charges	200,000	200,000	546,034	346,034
	<u>172,513,200</u>	<u>172,513,200</u>	<u>176,034,588</u>	<u>3,521,388</u>
Deductions				
Discounts allowed on taxes	(600,000)	(600,000)	(723,195)	(123,195)
Senior tax credit	-	-	(10,091)	(10,091)
Homestead tax credit	(23,425,000)	(23,425,000)	(22,629,816)	795,184
	<u>(24,025,000)</u>	<u>(24,025,000)</u>	<u>(23,363,102)</u>	<u>661,898</u>
Net Taxes - Local Property	<u>148,488,200</u>	<u>148,488,200</u>	<u>152,671,486</u>	<u>4,183,286</u>
Taxes - Local Other				
Payment in Lieu of Taxes	-	-	25,563	25,563
Income tax	104,000,000	104,000,000	107,251,813	3,251,813
911 service fees	1,350,000	1,350,000	1,240,906	(109,094)
Recordation	20,500,000	20,500,000	14,948,705	(5,551,295)
Admissions	400,000	400,000	386,184	(13,816)
Total Taxes - Local Other	<u>126,250,000</u>	<u>126,250,000</u>	<u>123,853,171</u>	<u>(2,396,829)</u>
Taxes - State Shared				
Police aid	975,000	975,000	917,279	(57,721)
Recordation	-	-	7,941	7,941
Highway	12,000,000	12,000,000	10,819,741	(1,180,259)
Total Taxes - State Shared	<u>12,975,000</u>	<u>12,975,000</u>	<u>11,744,961</u>	<u>(1,230,039)</u>
Licenses and Permits				
Beer, wine and liquor licenses	200,000	200,000	209,362	9,362
Amusement	10,000	10,000	12,821	2,821
Traders	140,000	140,000	145,273	5,273
Animal	75,000	75,000	115,212	40,212
Buildings	970,000	970,000	1,057,599	87,599
Mobile home licenses	72,000	72,000	62,897	(9,103)
Marriage	36,000	36,000	34,960	(1,040)
Grading	32,000	32,000	28,846	(3,154)
Total Licenses and Permits	<u>1,535,000</u>	<u>1,535,000</u>	<u>1,666,970</u>	<u>131,970</u>
Intergovernmental Revenues-Grants from State				
Johnson Grass	4,000	4,000	4,000	-
State Aid-Fire Companies	265,000	265,000	263,132	(1,868)
Parks/Recreation Facilities	5,000	5,000	11,714	6,714
Security Interest Filing Fee	-	-	765	765
Grand & Petit Jury Reimburse	27,000	27,000	46,320	19,320
Circuit Court Master Reimb	334,500	334,500	251,083	(83,417)
City of Westminster	-	-	47,125	47,125
Total Intergovernmental Revenues	<u>635,500</u>	<u>635,500</u>	<u>624,139</u>	<u>(11,361)</u>

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Charges for Services				
General Government				
Lien certificates	\$ 120,000	\$ 120,000	\$ 139,100	\$ 19,100
Data processing	13,000	13,000	4,641	(8,359)
Hearing fees-zoning appeals	27,000	27,000	12,706	(14,294)
Copy fees and code books	18,000	18,000	13,689	(4,311)
Telephone	65,000	65,000	57,956	(7,044)
Health depart-telephone and janitorial	45,000	45,000	64,853	19,853
Hearing fees-zoning administration	4,500	4,500	3,449	(1,051)
Total Serv Chrg - General Government	292,500	292,500	296,394	3,894
Public Safety				
Sheriff's services-salary recovery	3,500	3,500	1,319	(2,181)
Sheriff's services-fees	90,000	90,000	105,400	15,400
Sheriff's services-detention center	800,000	800,000	907,511	107,511
Resident trooper reimbursement	80,000	80,000	120,981	40,981
Inspection fees-towns	40,000	40,000	8,550	(31,450)
Inspections fees-roads	90,000	90,000	181,747	91,747
Inspections fees-development review	25,000	25,000	22,733	(2,267)
Detention center-commissary	26,000	26,000	21,634	(4,366)
Detention center-work release	150,000	150,000	125,655	(24,345)
Sheriff-INS inmate days	150,000	150,000	248,970	98,970
Sheriff/INS-transport	10,000	10,000	93,902	83,902
Sheriff-home detention	58,000	58,000	41,329	(16,671)
Sheriff-INS-medical	500	500	-	(500)
Soc Sec admin incentive program	2,000	2,000	600	(1,400)
Juvenile transport	125,000	125,000	107,638	(17,362)
State criminal alien assistance program	-	-	18,132	18,132
Total Serv Chrg - Public Safety	1,650,000	1,650,000	2,006,101	356,101
Public Works				
Courthouse annex-rent/heat	-	-	13,119	13,119
Vehicle maintenance	900,000	900,000	402,673	(497,327)
Road maintenance	80,000	80,000	105,445	25,445
Development review	355,000	355,000	266,998	(88,002)
Fuel reimbursements	-	-	690,882	690,882
Stormwater/environment review fee	100,000	100,000	101,410	1,410
Engineering review fees	60,000	60,000	45,755	(14,245)
Engineering review fees	-	-	7,350	7,350
Forest conservation review fee	40,000	40,000	38,270	(1,730)
Tower location analysis fee	7,600	7,600	466	(7,134)
Weed control spraying	7,000	7,000	10,229	3,229
Total Serv Chrg - Public Works	1,549,600	1,549,600	1,682,597	132,997
Recreation and Parks				
Farm museum	417,000	417,000	543,176	126,176
Piney Run Park	198,000	198,000	226,901	28,901
Hashawha environmental center	215,000	215,000	409,266	194,266
Interpretation and conservation	63,200	63,200	61,224	(1,976)
General public & school/youth programs	30,000	30,000	22,465	(7,535)
Outdoor school meals/concessions	148,000	148,000	143,208	(4,792)
Sports complex	110,500	110,500	95,883	(14,617)

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Recreation and Parks continued				
Pavilion & facility rentals	\$ 26,000	\$ 26,000	\$ 34,150	\$ 8,150
Total Recreation and Parks	1,207,700	1,207,700	1,536,273	328,573
Total Charges for Services	4,699,800	4,699,800	5,521,365	821,565
Fines and Forfeits				
Circuit court fines	55,000	55,000	47,649	(7,351)
Liquor license fines	6,000	6,000	2,600	(3,400)
Animal violation fines	18,000	18,000	22,460	4,460
Civil zoning violations	3,000	3,000	2,725	(275)
Humane society impoundment fees	8,000	8,000	24,297	16,297
Parking violations-sheriff	3,000	3,000	778	(2,222)
Total Fines and Forfeits	93,000	93,000	100,509	7,509
Interest	8,495,000	8,495,000	9,415,445	920,445
Miscellaneous Revenues				
Rents and concessions	560,000	560,000	1,803,970	1,243,970
Refunds	75,000	75,000	117,119	42,119
Equipment sales	50,000	50,000	78,727	28,727
Postage	40,000	40,000	27,554	(12,446)
Health department	2,000	2,000	2,264	264
County attorney fees	175,000	175,000	248,169	73,169
Board of education surplus	246,461	246,461	-	(246,461)
Activities/special events	40,000	40,000	42,254	2,254
Advertising	14,000	14,000	12,500	(1,500)
Miscellaneous	319,200	319,200	759,501	440,301
Total Miscellaneous Revenues	1,521,661	1,521,661	3,092,058	1,570,397
Total Revenues	304,693,161	304,693,161	308,690,104	3,996,943
Expenditures				
General Government				
County Commissioners				
Legislative	695,810	695,810	798,956	(103,146)
Management Analysis	201,750	201,750	188,063	13,687
Farm Museum	767,240	779,240	891,992	(112,752)
Media Relations	204,080	208,540	227,629	(19,089)
Zoning Administrator	164,930	164,930	201,452	(36,522)
Technology Services	2,751,880	2,751,880	2,741,556	10,324
Production/Distribution Service	379,820	379,820	398,341	(18,521)
Total County Commissioners	5,165,510	5,181,970	5,447,989	(266,019)
Judicial				
Adjudication-Criminal/Civil	1,235,950	1,270,510	1,443,194	(172,684)
Voluntary Community Services	147,200	158,975	194,888	(35,913)
Circuit Court Masters	404,420	404,420	467,261	(62,841)
Adjudication of Estates	31,960	31,960	33,612	(1,652)
Criminal Prosecution	1,973,590	1,973,590	2,372,415	(398,825)
County Attorney	926,400	926,400	1,025,691	(99,291)
Total Judicial	4,719,520	4,765,855	5,537,061	(771,206)
Carroll County Board of Elections	582,070	582,070	495,821	86,249
Total Carroll County Board of Elections	582,070	582,070	495,821	86,249

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Office of the Comptroller				
Comptroller Administration	\$ 253,800	\$ 253,800	\$ 293,225	\$ (39,425)
Accounting	671,650	675,345	850,242	(174,897)
Purchasing	392,420	392,420	421,352	(28,932)
Independent Post - Auditing	44,400	51,400	51,400	-
Bond Issuance Expense	190,170	179,475	154,568	24,907
Collections Office	397,700	397,700	492,062	(94,362)
Total Office of the Comptroller	1,950,140	1,950,140	2,262,849	(312,709)
Human Resources & Personnel Services				
Human Resources Administration	736,910	736,910	883,651	(146,741)
Fringe Benefits	17,198,170	17,198,170	11,950,802	5,247,368
Personnel Services	129,190	129,190	144,082	(14,892)
Total Human Resources & Personnel Services	18,064,269	18,064,270	12,978,535	5,085,735
Management and Budget				
Management and Budget Administration	239,320	192,910	225,997	(33,087)
Risk Management	2,320,970	2,320,970	1,878,751	442,219
Budget	384,000	430,410	476,817	(46,407)
Grant Management	112,630	112,630	136,260	(23,630)
Total Management and Budget	3,056,920	3,056,920	2,717,825	339,095
Planning				
Planning Administration	552,320	592,448	697,249	(104,801)
Planning	677,310	637,182	714,103	(76,921)
Development Review	411,590	411,590	454,523	(42,933)
Environment & Resource Protect	230,410	230,410	246,907	(16,497)
Resources Management	879,790	879,790	973,204	(93,414)
Total Planning	2,751,420	2,751,420	3,085,986	(334,566)
General Services				
General Services Administrative	221,710	221,710	236,754	(15,044)
Permits & Inspections	1,154,140	1,180,032	1,456,615	(276,583)
Building Construction	372,250	376,950	449,020	(72,070)
Facilities Administration	4,820,482	4,739,890	5,155,556	(415,666)
Facilities	2,664,043	2,534,043	2,428,691	105,352
Fleet Management	5,398,375	5,606,375	5,805,255	(198,880)
Warehouse Operations	211,060	215,060	270,430	(55,370)
Total General Services	14,842,060	14,874,060	15,802,321	(928,261)
Miscellaneous				
Youth services	545,090	545,090	545,090	-
Administrative Hearings	90,480	90,480	92,439	(1,959)
Board of License Commissioners	99,230	99,230	120,874	(21,644)
Citizen Services	415,695	415,695	461,235	(45,540)
Long Term Treatment Facility	750,000	750,000	562,541	187,459
Aging	845,690	845,690	958,183	(112,493)
CC Advocacy/Investigation Center	143,391	143,390	164,902	(21,512)
Property tax payments to municipalities	15,526	15,526	15,526	-
Permits and fee payments to municipalities	15,000	15,000	13,910	1,090
Liquor license payments to municipalities	22,007	24,323	24,323	-
Town programs	2,094,880	2,094,880	2,094,880	-
Total Miscellaneous	5,036,989	5,039,304	5,053,903	(14,599)
Total General Government	56,168,898	56,266,009	53,382,290	2,883,719

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Public Safety				
Police Protection				
Detention Center	\$ 6,233,240	\$ 6,257,240	\$ 7,367,530	\$ (1,110,290)
Resident Trooper Program	5,185,030	5,185,030	5,131,164	53,866
Sheriff Services	4,623,880	4,644,280	5,490,292	(846,012)
Total Police Protection	16,042,150	16,086,550	17,988,986	(1,902,436)
Fire Department				
Volunteer Companies	5,860,125	6,278,540	6,251,229	27,311
EMS24/7 Services	3,580,020	3,580,020	3,551,149	28,871
Total Fire Department	9,440,145	9,858,560	9,802,378	56,182
Emergency Services				
Emergency Service Operations	2,147,029	2,155,029	1,990,304	164,725
911 - Emergency Service	1,162,491	1,162,491	1,364,707	(202,216)
Civil Defense	20,930	20,930	14,057	6,873
Total Emergency Services	3,330,450	3,338,450	3,369,068	(30,618)
Other Protection				
Humane Society	735,550	735,550	735,550	-
State aid-fire protection	270,000	267,684	263,132	4,552
Transfer to LOSAP Fund	1,000,000	1,000,000	1,000,000	-
Total Other Protection	2,005,550	2,003,234	1,998,682	4,552
Total Public Safety	30,818,295	31,286,794	33,159,114	(1,872,320)
Public Works				
Public Works-Administration	296,220	296,220	347,413	(51,193)
Roads Operations	6,993,000	6,818,000	7,590,872	(772,872)
Traffic Control	272,530	382,530	377,885	4,645
Engineering-Design	312,180	312,180	375,338	(63,158)
Engineering-Inspection	329,230	329,230	400,534	(71,304)
Emergency Maintenance-Snow	1,417,620	1,482,620	1,399,172	83,448
Engineering	282,460	282,160	315,791	(33,631)
Engineering-Survey	187,820	188,120	235,263	(47,143)
Road Grant - Local	35,387	35,387	35,387	-
Total Public Works	10,126,447	10,126,447	11,077,655	(951,208)
Health				
Health Department	3,109,290	3,109,290	3,109,673	(383)
Weed Control	30,220	30,220	28,427	1,793
Gypsy Moth Control	20,000	30,000	26,245	3,755
Domestic Violence	71,020	71,020	71,020	-
Change, Inc.	239,160	239,160	239,160	-
Sexual Abuse Treatment Center	196,215	196,215	196,215	-
Junction	126,505	126,505	126,505	-
CCARC-Non Matching	239,160	239,160	239,160	-
Target, Inc.	239,160	239,160	239,160	-
Rape Crisis	89,160	89,160	89,160	-
Total Health	4,359,890	4,369,890	4,364,725	5,165
Social Services				
Social Services-Local Funds	197,645	197,645	197,645	-
Social Services Continued				

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Human Services	\$ 797,100	\$ 797,100	\$ 797,100	\$ -
Victim Witness Assistance	170,910	170,910	205,460	(34,550)
Total Social Services	1,165,655	1,165,655	1,200,205	(34,550)
Education				
CC Public Ed & Gov Cable Access	485,500	485,500	472,742	12,758
Hashawha	706,400	706,400	831,755	(125,355)
CC Board of Ed-Local Funds	149,206,000	149,206,000	148,065,490	1,140,510
Community College	6,111,000	6,111,000	6,111,000	-
Total Education	156,508,900	156,508,900	155,480,987	1,027,913
Library	7,136,000	7,136,000	7,717,198	(581,198)
Recreation and Parks				
Participation Recreation				
Recreation & Parks-Administration	261,585	261,585	304,965	(43,380)
Recreation	277,970	277,970	321,259	(43,289)
Piney Run	451,890	451,890	515,917	(64,027)
Sports Complex	195,540	195,540	184,912	10,628
Total Participation Recreation	1,186,985	1,186,985	1,327,053	(140,068)
Spectator Recreation				
Historical Society	60,000	60,000	60,000	-
Homestead Museum	20,000	20,000	20,000	-
Total Spectator Recreation	80,000	80,000	80,000	-
Total Recreation and Parks	1,266,985	1,266,985	1,407,053	(140,068)
Conservation of Natural Resources				
Agriculture Extension Service	432,740	432,740	430,119	2,621
Soil Conservation Service	336,000	350,000	391,290	(41,290)
Total Conservation of Natural Resources	768,740	782,740	821,409	(38,669)
Economic Development				
Economic Development-Administration	604,830	604,830	684,148	(79,318)
BERC Management	138,900	138,900	164,385	(25,485)
Economic Development-Marketing	-	-	(1,000)	1,000
Econ Devl-Industrial Grants	3,000,000	3,000,000	2,607,519	392,481
Tourism	282,700	282,700	288,454	(5,754)
Total Economic Development	4,026,430	4,026,430	3,743,506	282,924
Reserve for Contingencies	9,141,438	6,338,528	-	6,338,528
Debt Service				
Debt Service - Board of Education	10,689,000	10,689,000	9,597,463	1,091,537
Debt Service - County	21,126,520	23,432,871	23,432,870	1
Total Debt Service	31,815,520	34,121,871	33,030,333	1,091,538
Total Expenditures	313,303,198	313,396,249	305,384,475	8,011,774
Excess (Deficiency) of Revenues over Expenditures	(8,610,037)	(8,703,088)	3,305,629	12,008,717
Other Financing Sources (Uses)				
Appropriated fund balance	\$ 13,542,642	\$ 13,542,642	\$ -	\$ 13,542,642

General-Non-GAAP
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Transfers In	8,939,197	8,939,197	8,919,427	19,770
Bonds issued	-	-	8,115,000	(8,115,000)
Bonds premium	-	-	672,349	(672,349)
Long term notes payable	-	-	2,545,263	(2,545,263)
Ag Pres Debt Svc Reserve	1,197,000	1,197,000	-	1,197,000
Total Other Financing Sources	23,678,839	23,678,839	20,252,039	3,426,800
Other Financing Uses				
Transfer to Escrow Account	-	-	(6,786,798)	6,786,798
Operating Transfers Out:				
Transfer to Capital Fund	(6,453,190)	(6,453,190)	(6,453,190)	-
Transfer to Special Revenue Funds - Grants	(1,315,339)	(1,222,288)	(1,222,287)	1
Transfer to Enterprise Funds	(3,314,850)	(3,314,850)	(3,314,850)	-
Transfer to PensionFund	(985,423)	(985,423)	-	(985,423)
Transfer to OPEB Fund	(3,000,000)	(3,000,000)	-	(3,000,000)
Total Other Financing Uses	(15,068,802)	(14,975,751)	(17,777,125)	2,801,376
Total Other Financing Sources (Uses)	8,610,037	8,703,088	2,474,914	6,228,176
Net Change in Fund Balance	\$ -	\$ -	5,780,543	\$ 5,780,541
Fund Balance - Beginning			74,964,674	
Fund Balance - Ending			\$ 80,745,217	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Balance Sheet
Other Governmental Funds
For the Year Ended June 30, 2008

	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	\$ 678,439	\$ 351,874	\$ 314,231	\$ 999,591	\$ 1,725,705	\$ 4,069,840
Accounts receivable	-	-	-	-	1,038,894	1,038,894
Prepaid costs	-	-	-	-	335,947	335,947
Total assets	<u>\$ 678,439</u>	<u>\$ 351,874</u>	<u>\$ 314,231</u>	<u>\$ 999,591</u>	<u>\$ 3,100,546</u>	<u>\$ 5,444,681</u>
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ -	\$ 4,084	\$ -	\$ -	\$ 1,047,873	\$ 1,051,957
Accrued expenditures	-	-	-	-	90,334	90,334
Deferred revenue	-	-	-	-	1,962,339	1,962,339
Total liabilities	<u>-</u>	<u>4,084</u>	<u>-</u>	<u>-</u>	<u>3,100,546</u>	<u>3,104,630</u>
Fund balance						
Unreserved and undesignated	678,439	347,790	314,231	999,591	-	2,340,051
	<u>678,439</u>	<u>347,790</u>	<u>314,231</u>	<u>999,591</u>	<u>-</u>	<u>2,340,051</u>
Total liabilities and fund balances	<u>\$ 678,439</u>	<u>\$ 351,874</u>	<u>\$ 314,231</u>	<u>\$ 999,591</u>	<u>\$ 3,100,546</u>	<u>\$ 5,444,681</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2008

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
Revenues						
Charges for service:						
Farm museum	\$ -	\$ -	\$ -	\$ -	\$ 35,548	\$ 35,548
Recreation and parks	-	-	-	-	231,100	231,100
Intergovernmental revenues:						
Commission on aging	-	-	-	-	1,341,889	1,341,889
Housing & community development	-	-	-	-	5,036,661	5,036,661
Job training partnership act	-	-	-	-	458,997	458,997
Sheriff	-	-	-	-	442,968	442,968
Citizen services	-	-	-	-	2,084,659	2,084,659
States attorney	-	-	-	-	604,619	604,619
Circuit court	-	-	-	-	540,622	540,622
EOC	-	-	-	-	428,160	428,160
Risk Management	-	-	-	-	3,429	3,429
Tourism	-	-	-	-	34,951	34,951
Planning	-	-	-	-	756,060	756,060
Impact fees	1,350,460	-	-	-	-	1,350,460
Agricultural transfer tax	-	439,268	-	-	-	439,268
Hotel Rental Tax	-	-	311,049	-	-	311,049
Cable Franchise Fee	-	-	-	981,457	-	981,457
Interest	225,301	-	5,343	19,443	-	250,087
Total revenues	<u>1,575,761</u>	<u>439,268</u>	<u>316,392</u>	<u>1,000,900</u>	<u>11,999,663</u>	<u>15,331,984</u>
Expenditures						
General government	-	-	-	-	11,454,960	11,454,960
Public safety	-	-	-	-	1,005,973	1,005,973
Health	-	-	-	-	4,000	4,000
Recreation and parks	-	-	-	-	239,199	239,199
Economic development	-	-	-	-	517,818	517,818
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,221,950</u>	<u>13,221,950</u>
Excess (deficiency) of revenues over (under) expenditures	1,575,761	439,268	316,392	1,000,900	(1,222,287)	2,110,034
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	1,222,287	1,222,287
Transfers out	(9,000,000)	(1,000,000)	(262,930)	(702,800)	-	(10,965,730)
Total Other Financing Sources (Uses)	<u>(9,000,000)</u>	<u>(1,000,000)</u>	<u>(262,930)</u>	<u>(702,800)</u>	<u>1,222,287</u>	<u>(9,743,443)</u>
Net change in fund balances	(7,424,239)	(560,732)	53,462	298,100	-	(7,633,409)
Fund balances - beginning	8,102,678	908,522	260,769	701,491	-	9,973,460
Fund balances - ending	<u>\$ 678,439</u>	<u>\$ 347,790</u>	<u>\$ 314,231</u>	<u>\$ 999,591</u>	<u>\$ -</u>	<u>\$ 2,340,051</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Impact Fees Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ 9,000,000	\$ 9,000,000	\$ 1,350,460	\$ (7,649,540)
Interest			225,301	225,301
Total revenues	<u>9,000,000</u>	<u>9,000,000</u>	<u>1,575,761</u>	<u>(7,424,239)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	<u>(9,000,000)</u>	<u>(9,000,000)</u>	<u>(9,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,000,000)</u>	<u>(9,000,000)</u>	<u>(9,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(7,424,239)</u>	<u>\$ (7,424,239)</u>
Fund balance - beginning			<u>8,102,678</u>	
Fund balance - ending			<u>\$ 678,439</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) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Agricultural Transfer Tax	\$ 1,000,000	\$ 1,000,000	\$ 439,268	\$ (560,732)
Total revenues	1,000,000	1,000,000	439,268	(560,732)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,000,000	1,000,000	439,268	(560,732)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balance	\$ -	\$ -	(560,732)	\$ (560,732)
Fund balance - beginning			908,522	
Fund balance - ending			\$ 347,790	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Hotel Rental Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Hotel Rental Tax	\$ 282,700	\$ 282,700	\$ 311,049	\$ 28,349
Interest		-	5,343	5,343
Total revenues	<u>282,700</u>	<u>282,700</u>	<u>316,392</u>	<u>33,692</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>282,700</u>	<u>282,700</u>	<u>316,392</u>	<u>33,692</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(282,700)</u>	<u>(282,700)</u>	<u>(262,930)</u>	<u>19,770</u>
Total other financing sources (uses)	<u>(282,700)</u>	<u>(282,700)</u>	<u>(262,930)</u>	<u>19,770</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>53,462</u>	<u>\$ 53,462</u>
Fund balance - beginning			<u>260,769</u>	
Fund balance - ending			<u>\$ 314,231</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) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Cable Franchise Fee	\$ 702,800	\$ 702,800	\$ 981,457	\$ 278,657
Interest			19,443	
Total revenues	<u>702,800</u>	<u>702,800</u>	<u>1,000,900</u>	<u>278,657</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>702,800</u>	<u>702,800</u>	<u>1,000,900</u>	<u>278,657</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(702,800)</u>	<u>(702,800)</u>	<u>(702,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(702,800)</u>	<u>(702,800)</u>	<u>(702,800)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>298,100</u>	<u>\$ 278,657</u>
Fund balance - beginning			<u>701,491</u>	
Fund balance - ending			<u>\$ 999,591</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Grant Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) vs. Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues				
Commission on aging	\$ 1,172,456	\$ 1,279,882	\$ 1,339,720	\$ 59,838
Housing & community development	4,326,958	3,972,713	5,041,819	1,069,106
Job training partnership act	513,818	654,759	458,723	(196,036)
Sheriff	317,671	422,951	448,545	25,594
Citizen services	1,921,563	2,298,350	2,027,798	(270,552)
States attorney	297,111	576,587	604,143	27,556
Circuit court	689,518	629,661	540,622	(89,039)
EOC	379,933	384,905	381,860	(3,045)
Risk Management	-	3,429	1,759	(1,670)
Tourism	13,733	30,756	34,951	4,195
Farm Museum	30,025	40,633	178,610	137,977
Planning	768,293	438,621	766,566	327,945
Recreation and parks	48,000	135,000	97,553	(37,447)
Total revenues	<u>10,479,079</u>	<u>10,868,247</u>	<u>11,922,669</u>	<u>1,054,422</u>
EXPENDITURES				
General government	10,299,237	10,375,320	11,873,346	(1,498,026)
Public safety	761,967	956,089	701,148	254,941
Health	4,000	4,000	4,000	-
Recreation and parks	143,100	143,100	238,154	(95,054)
Economic development	590,423	709,385	46,408	662,977
Capital outlay	-	-	281,900	(281,900)
Total expenditures	<u>11,798,727</u>	<u>12,187,894</u>	<u>13,144,956</u>	<u>(957,062)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,319,648)</u>	<u>(1,319,647)</u>	<u>(1,222,287)</u>	<u>97,360</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,222,287	1,222,287
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,222,287</u>	<u>1,222,287</u>
Net change in fund balance	<u>\$ (1,319,648)</u>	<u>\$ (1,319,647)</u>	<u>-</u>	<u>\$ 1,319,647</u>
Fund balance - beginning				-
Fund balance - ending			<u>\$</u>	<u>-</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Fiduciary Net Assets
Trust Funds
For the fiscal Year Ended June 30, 2008

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ASSETS:				
Cash and cash equivalents	\$ 503,017	\$ 786,094	\$ 511,308	\$ 1,800,419
Investments, at fair value:				
Bond funds	5,312,642	-	-	5,312,642
Equity funds	14,008,260	3,273,091	-	17,281,351
Other investment funds	-	4,223,371	-	4,223,371
Marketable securities	-	-	3,502,490	3,502,490
Total assets	<u>19,823,919</u>	<u>8,282,556</u>	<u>4,013,798</u>	<u>32,120,273</u>
LIABILITIES:				
Accounts payable	11,197	3,177	40	14,414
Due to primary government	-	-	329,700	329,700
Total liabilities	<u>11,197</u>	<u>3,177</u>	<u>329,740</u>	<u>344,114</u>
NET ASSETS:				
Held in trust for pension and OPEB benefits and other purposes	<u>\$ 19,812,722</u>	<u>\$ 8,279,379</u>	<u>\$ 3,684,058</u>	<u>\$ 31,776,159</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Changes Fiduciary Net Assets
Trust Funds
For the fiscal Year Ended June 30, 2008

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
ADDITIONS:				
Contributions:				
Employer	\$ 985,423	\$ 1,000,000	\$ 5,290,292	\$ 7,275,715
Plan members	669,444	-	186,846	856,290
Contributions from sources other than employer(s) and plan members	-	-	6,290	6,290
Total contributions	<u>1,654,867</u>	<u>1,000,000</u>	<u>5,483,428</u>	<u>8,138,295</u>
Investment income:				
Interest and dividends	7,494	35,640	186,680	229,814
Net increase(decrease) in the fair value of investments	<u>(1,863,339)</u>	<u>(382,470)</u>	<u>2,490</u>	<u>(2,243,319)</u>
Total investment earnings	<u>(1,855,845)</u>	<u>(346,830)</u>	<u>189,170</u>	<u>(2,013,505)</u>
Less investment expense	<u>52,163</u>	<u>13,217</u>	<u>-</u>	<u>65,380</u>
Net investment earnings	<u>(1,908,008)</u>	<u>(360,047)</u>	<u>189,170</u>	<u>(2,078,885)</u>
Total additions	<u>(253,141)</u>	<u>639,953</u>	<u>5,672,598</u>	<u>6,059,410</u>
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries				
	209,577	496,715	1,988,540	2,694,832
Administrative expenses	5,240	2,100	-	7,340
Total deductions	<u>214,817</u>	<u>498,815</u>	<u>1,988,540</u>	<u>2,702,172</u>
Change in net assets	<u>(467,958)</u>	<u>141,138</u>	<u>3,684,058</u>	<u>3,357,238</u>
Net assets-beginning	<u>20,280,680</u>	<u>8,138,241</u>	<u>-</u>	<u>28,418,921</u>
Net assets-ending	<u>\$ 19,812,722</u>	<u>\$ 8,279,379</u>	<u>\$ 3,684,058</u>	<u>\$ 31,776,159</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

<u>Carroll County Development Corporation</u>	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS				
Equity in pooled cash and investments	\$ 323,994	\$ 41,660	\$ 184,592	\$ 181,062
Receivables-notes, mortgages and leases	326,550	180,000	16,527	490,023
Total assets	<u>\$ 650,544</u>	<u>\$ 221,660</u>	<u>\$ 201,119</u>	<u>\$ 671,085</u>
LIABILITIES				
Due to Carroll County Development Corporation	\$ 650,544	\$ 41,660	\$ 21,119	\$ 671,085
Total liabilities	<u>\$ 650,544</u>	<u>\$ 41,660</u>	<u>\$ 21,119</u>	<u>\$ 671,085</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

<u>Other Post Employment Benefits</u>	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS				
Equity in pooled cash and investments	\$ 324,092	\$ -	\$ 324,092	\$ -
Total assets	<u>\$ 324,092</u>	<u>\$ -</u>	<u>\$ 324,092</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Post Employment Benefits	\$ 324,092	\$ -	\$ 324,092	\$ -
Total liabilities	<u>\$ 324,092</u>	<u>\$ -</u>	<u>\$ 324,092</u>	<u>\$ -</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Net Assets
Other Proprietary Funds
June 30, 2008

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
ASSETS			
Current Assets:			
Equity in pooled cash	272,380	116,762	389,142
Accounts receivables, net	60,319	-	60,319
Total current assets	<u>332,699</u>	<u>116,762</u>	<u>449,461</u>
Noncurrent Assets:			
Capital assets:			
Buildings	-	274,051	274,051
Improvements other than buildings	-	6,578	6,578
Autos, machinery, equipment	-	25,069	25,069
Construction in progress	185,278	-	185,278
Less accumulated depreciation	<u>-</u>	<u>(2,640)</u>	<u>(2,640)</u>
Total capital assets (net of accumulated depreciation)	<u>185,278</u>	<u>303,058</u>	<u>488,336</u>
Total assets	<u>517,977</u>	<u>419,820</u>	<u>937,797</u>
LIABILITIES			
Current liabilities:			
Accounts payable	49,792	9,135	58,927
Accrued interest payable	1,866	-	1,866
Long-term liabilities due within one year:			
General obligation bonds payable	<u>13,359</u>	<u>-</u>	<u>13,359</u>
Total current liabilities	<u>65,017</u>	<u>9,135</u>	<u>74,152</u>
Noncurrent liabilities:			
General obligation bonds payable	<u>173,282</u>	<u>-</u>	<u>173,282</u>
Total noncurrent liabilities	<u>173,282</u>	<u>-</u>	<u>173,282</u>
Total liabilities	<u>238,299</u>	<u>9,135</u>	<u>247,434</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,363	303,058	304,421
Restricted for:			
Capital projects	14,722	10,943	25,665
Unrestricted	<u>263,593</u>	<u>96,684</u>	<u>360,277</u>
Total net assets	<u>279,678</u>	<u>410,685</u>	<u>690,363</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Other Proprietary Funds
For the Year Ended June 30, 2008

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 387,636	\$ 55,120	\$ 442,756
Total operating revenues	<u>387,636</u>	<u>55,120</u>	<u>442,756</u>
Operating expenses:			
Personal services	-	47,573	47,573
Contractual services	185,288	9,833	195,121
Materials and supplies	56,286	12,641	68,927
Rents and utilities	101,226	1,764	102,990
Miscellaneous	45,425	84	45,509
Depreciation	-	2,602	2,602
Total operating expenses	<u>388,225</u>	<u>74,497</u>	<u>462,722</u>
Operating income (loss)	<u>(589)</u>	<u>(19,377)</u>	<u>(19,966)</u>
Nonoperating revenues (expenses):			
Penalties and interest	10,321	5,775	16,096
Interest and fiscal charges	<u>(7,599)</u>	-	<u>(7,599)</u>
Total nonoperating revenue (expenses)	<u>2,722</u>	<u>5,775</u>	<u>8,497</u>
Income (loss) before extraordinary gain	<u>2,133</u>	<u>(13,602)</u>	<u>(11,469)</u>
Impairment gain on fire damage net of			
Insurance recovery	-	93,425	93,425
Insurance recovery	<u>-</u>	<u>145,853</u>	<u>145,853</u>
Change in net assets	<u>2,133</u>	<u>225,676</u>	<u>227,809</u>
Total net assets - beginning of year	<u>277,545</u>	<u>185,009</u>	<u>462,554</u>
Total net assets - ending	<u>\$ 279,678</u>	<u>\$410,685</u>	<u>\$ 690,363</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Cash Flows
Other Proprietary Funds
For the Year Ended June 30, 2008

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 417,702	\$ 55,120	\$ 472,822
Payments to suppliers and other funds	(417,326)	(16,371)	(433,697)
Payments to employees	-	(47,575)	(47,575)
Net cash provided by operating activities	<u>376</u>	<u>(8,826)</u>	<u>(8,450)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(3,044)	(205,178)	(208,222)
Principal paid on capital debt	(13,359)	-	(13,359)
Interest paid on capital debt	(7,733)	-	(7,733)
Gain on impairment of asset	-	93,425	93,425
Insurance recovery	-	145,853	145,853
Net cash used in capital and related financing activities	<u>(24,136)</u>	<u>34,100</u>	<u>9,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments and cash	10,321	5,775	16,096
Net cash provided by investing activities	<u>10,321</u>	<u>5,775</u>	<u>16,096</u>
Net increase in cash and cash equivalents	(13,439)	31,049	17,610
Cash and cash equivalents at beginning of year	285,819	85,713	371,532
Cash and cash equivalents at end of year	<u>\$ 272,380</u>	<u>\$ 116,762</u>	<u>\$ 389,142</u>
Reconciliation of Operating Income to net cash provided by operating activities:			
Operating income	\$ (589)	\$ (19,377)	\$ (19,966)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	2,602	2,602
Changes in assets and liabilities:			
Accounts receivable	30,066	-	30,066
Accounts payable and accrued expenses	(29,101)	7,949	(21,152)
Total adjustments	<u>965</u>	<u>10,551</u>	<u>11,516</u>
Net cash provided by operating activities	<u>\$ 376</u>	<u>\$ (8,826)</u>	<u>\$ (8,450)</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2008

	2008
Governmental funds capital assets:	
Land	\$ 32,483,709
Buildings and contents	119,495,960
Improvements other than buildings	26,711,254
Automobiles, machinery and equipment	34,607,864
Roads and bridges	548,840,232
Construction in progress	35,740,947
Total governmental funds capital assets	\$ 797,879,966
Investments in governmental funds capital assets by source:	
General fund revenues	\$ 510,454,906
Special revenue funds	6,141,229
State grants	38,881,833
Federal grants	16,743,928
General obligation bonds	101,587,103
Contributions	124,070,967
Total governmental funds capital assets	\$ 797,879,966

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

Source: Carroll County Department of the Comptroller.

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

Schedule 5-2

**Capital Assets Used in the Operation of Governmental Funds
Schedule By Function
JUNE 30, 2008**

	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 6,314,907	\$ 30,338,311	\$ 9,555,142	\$ 7,272,446	\$ -	\$ -	\$ 53,480,806
Public safety	298,249	11,829,092	1,406,434	14,197,678	-	-	27,731,453
Public works	4,804,538	177,463	6,958	10,413,752	541,922,993	-	557,325,704
Health	49,422	4,291,217	-	-	-	-	4,340,639
Education	5,296,130	39,047,305	2,706,071	352,081	-	-	47,401,587
Recreation & Parks	4,174,912	2,047,599	7,664,060	1,128,315	-	-	15,014,886
Economic development	-	2,695,072	4,149,470	198,791	6,917,239	-	13,960,572
Conservation of natural resources	9,954,108	622,527	-	56,293	-	-	10,632,928
Library/senior centers	1,591,443	28,447,374	1,223,119	988,508	-	-	32,250,444
Construction in progress	-	-	-	-	-	35,740,947	35,740,947
Subtotal	<u>32,483,709</u>	<u>119,495,960</u>	<u>26,711,254</u>	<u>34,607,864</u>	<u>548,840,232</u>	<u>35,740,947</u>	<u>797,879,966</u>
Less accumulated depreciation	<u>-</u>	<u>(27,058,578)</u>	<u>(11,944,331)</u>	<u>(20,048,160)</u>	<u>(351,704,764)</u>	<u>-</u>	<u>(410,755,833)</u>
Net governmental funds capital assets	<u><u>\$ 32,483,709</u></u>	<u><u>\$ 92,437,382</u></u>	<u><u>\$ 14,766,923</u></u>	<u><u>\$ 14,559,704</u></u>	<u><u>\$ 197,135,468</u></u>	<u><u>\$ 35,740,947</u></u>	<u><u>\$ 387,124,133</u></u>

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Schedule 5-3

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2008

	Governmental Funds Capital Assets July 1, 2007	Additions/ Adjustments	Deductions	Governmental Funds Capital Assets June 30, 2008
General government	\$ 46,941,652	\$ 8,171,091	\$ 1,631,937	\$ 53,480,806
Public safety	25,083,557	3,013,867	365,971	27,731,453
Public works	552,567,031	6,094,591	1,335,918	557,325,704
Health	3,155,609	1,185,030	-	4,340,639
Education	52,484,368	(4,785,037)	297,744	47,401,587
Social services	131,494	(131,494)	-	-
Recreation & Parks	13,294,025	2,029,599	308,738	15,014,886
Economic development	14,121,600	153,942	314,970	13,960,572
Conservation of natural resources	9,123,239	1,527,144	17,455	10,632,928
Library/senior centers	19,352,133	13,123,596	225,285	32,250,444
Construction in progress	32,457,013	20,452,651	17,168,717	35,740,947
Subtotal	<u>768,711,721</u>	<u>50,834,980</u>	<u>21,666,735</u>	<u>797,879,966</u>
Less accumulated depreciation	<u>(398,748,661)</u>	<u>(15,761,478)</u>	<u>3,754,306</u>	<u>(410,755,833)</u>
Net governmental funds capital assets	<u><u>\$ 369,963,060</u></u>	<u><u>\$ 35,073,502</u></u>	<u><u>\$ 17,912,429</u></u>	<u><u>\$ 387,124,133</u></u>

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 6

Westminster, Maryland

Capital Projects Fund

Schedule of Appropriations, Expenditures and Encumbrances

Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2008

	<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>
Governmental Activities:						
<u>General Government</u>						
8005	Govt Campus Data Sys 03	153,700	147,830	-	-	5,870
8006	IT Sys Comp Replacement 03	2,433,416	1,333,246	118,158	31,957	950,056
8011	County Facilities Security 03	480,410	15,374	62,722	57,268	345,047
8036	Junction Renovation 03	50,000	36,864	8,900	-	4,236
8038	300 S. Center St. Renovations	4,923,989	508,468	3,975,529	65,688	374,305
8060	New Voting System 04	937,045	345,154	271,468	-	320,423
8109	* Circuit Court-New Courtroom	211,861	211,861	-	-	-
8111	Econ Devel Tech Infrastructure	2,000,000	-	9,300	32,950	1,957,750
8162	County Master Plan	900,800	314,320	28,151	218,366	339,964
8168	Winchester Building Elevator	131,400	-	-	-	131,400
8198	Safe Haven Expansion FY06	683,941	511,797	161,396	-	10,748
8211	* Energy Management	2,643,254	2,583,099	60,155	-	-
8224	Board of Ed-Central Offices	3,631,000	31,768	-	-	3,599,232
8226	Carroll County Public Network	7,369,500	115,096	2,542,875	-	4,711,529
8228	GIS Planimetric Data	750,000	-	590,605	81,732	77,664
8229	Kessler Building Renovation	1,330,687	15,011	-	-	1,315,676
8230	Ebb Valley Water Tank	1,200,000	-	-	-	1,200,000
8246	New Windsor MS-Office Complex	9,492,464	713,673	6,819,004	996,396	963,391
8265	County Voice Mail System Repl.	100,000	-	877	88,022	11,101
8273	PW Asset/Pavement Manage Sys	695,000	-	-	-	695,000
8274	Records Management	78,000	-	73,927	-	4,073
9001	Comptroller/Acct-Capital	40,378,941	32,425,244	7,953,697	-	-
9418	Handicapped Accessibility 92	894,600	805,048	2,177	-	87,375
9541	Airport Grnds & Facil Improve	284,659	248,908	16,234	-	19,517
9648	Computer System Improvements	4,247,140	3,724,248	505,256	-	17,637
9921	Parking Lot Overlays (Fr 9658)	485,471	363,195	14,000	-	108,276
9941	* Courthouse Annex Renovations	834,192	828,730	-	-	5,462
9952	Multi-Purpose Bldg Improvement	130,100	83,627	3,908	-	42,565
9954	Cnty Bldg Systemic Renovations	1,104,100	624,902	367,112	49,390	62,696
9957	General Government Unallocated	732,181	-	-	-	732,181
	Total	89,287,851	45,987,463	23,585,451	1,621,769	18,093,174
<u>Health</u>						
9958	Drug Treatment Facility	3,874,307	3,125,604	599,471	500	148,732
	Total	3,874,307	3,125,604	599,471	500	148,732
<u>Public Safety</u>						
8003	EOC Relocation 03	3,257,016	-	-	-	3,257,016
8058	Detention Centr Feasibility 04	50,000	49,039	-	-	961
8061	* Paging System/Public Safety 04	523,907	523,907	-	-	-
8107	800 MHz Phase 3	2,320,000	598,282	-	-	1,721,718
8118	Criminal Justice Building	25,000,000	15,501	114,887	2,014	24,867,597
8163	CC Public Safety Training Cntr	7,000,000	-	16,427	-	6,983,573
8208	* 9-1-1 Telephone System Upgrade	961,721	961,721	-	-	-
8209	9-1-1 Work Stations	170,651	160,523	-	-	10,128
8264	Carroll County 800 MHz & 911	1,375,000	-	136,922	-	1,238,078
8269	Humane Society-Add Parking	41,210	-	-	-	41,210
8272	Minimum Security Facility	110,000	-	-	-	110,000
8296	EOC Wireless Headsets	5,940	-	5,940	-	-
8297	Emergency Fire/Police Dispatch	133,247	-	133,247	-	-
9022	Dry Hydrant Project	816,000	167,093	223,250	95,673	329,984
9651	* FTC-Haz Mat Train Facility/Rd	167,356	167,356	-	-	-
9820	* 800 MHZ Radio Cover-Lineboro	1,003,498	1,003,498	-	-	-
	Total	42,935,546	3,646,920	630,673	97,687	38,560,265
<u>Highways & Streets</u>						
8023	Georgetown Boulevard 03	2,152,980	-	-	-	2,152,980

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 6

Westminster, Maryland

Capital Projects Fund

Schedule of Appropriations, Expenditures and Encumbrances

Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2008

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
8025	Overlays 03	2,890,797	2,571,710	-	-	319,087
8028	Rowe Road 03	707,100	-	-	-	707,100
8065	Gravel Roads 04	1,200,000	580,712	32,376	-	586,912
8069	Overlays 04	3,531,259	3,528,830	-	-	2,429
8126	Monroe Ave Bennto MD 32	426,000	-	-	-	426,000
8127	Overlays-'05	2,461,700	2,238,664	-	-	223,036
8177	Albert Rill Road	1,982,180	-	-	-	1,982,180
8178	Falls Road	687,990	59,930	13,009	16,261	598,790
8179	John Pickett Road Fy'06	2,454,560	-	-	-	2,454,560
8181	* Niner Road Improvements	82,080	82,080	-	-	-
8182	Overlays FY'06	4,221,481	4,116,089	-	-	105,392
8184	Turkeyfoot Road	1,798,790	114,640	21,324	38,126	1,624,700
8235	Low Volume Road Improve	1,296,977	472,122	824,855	-	-
8236	Neighborhood Overlays '07	1,469,050	613,337	855,712	-	-
8237	Manchester Valley HS Road	1,090,000	-	101,474	-	988,526
8238	Overlays '07	5,124,800	3,135,709	1,333,169	-	655,922
8283	Englar Road Roundabout	100,000	-	-	-	100,000
8284	Low Volume Rd Improvements '08	1,269,263	-	1,121,713	36,448	111,103
8285	Neighborhood Overlays '08	1,884,627	-	952,712	719,255	212,660
8286	Overlays '08	6,021,000	-	1,938,591	2,061,570	2,020,839
8308	Ridenour Way 08	20,000	-	-	-	20,000
9604	Ridge Road Relocation	50,000	475	-	-	49,525
9674	Highway Safety Improvements	1,232,860	949,472	6,195	-	277,193
9797	Shepards Mill Road-Ladiesburg	4,777,260	4,441,796	89,065	91,713	154,686
9847	Small Drainage Structures	1,403,207	889,100	269,832	101,981	142,295
9875	Maryland 26 Service Roads	4,003,905	371,754	2,622,934	-	1,009,216
9877	Macbeth Way	596,000	71,686	-	-	524,314
9878	* Westminster Area Alt Road Plan	4,000,000	799,267	-	-	3,200,733
9881	Traffic Calming	311,000	41,192	7,341	-	262,467
9914	* South Pleasant Valley Road	2,412,014	2,407,542	4,472	-	-
9964	Jasontown Road	411,200	226,300	14,019	-	170,882
9966	Monroe Av(Oklahoma to Bennett)	2,029,140	-	-	-	2,029,140
9968	Obrecht Rd(White Rock-Gaither)	1,216,850	-	-	-	1,216,850
9970	* Piney Ridge Parkway (Phase II)	350,147	345,288	-	-	4,859
	Total	65,666,217	28,057,695	10,208,793	3,065,354	24,334,376
	<u>Traffic Signals</u>					
9051	Traffic Signals	718,000	476,864	72,268	-	168,868
	Total	718,000	476,864	72,268	-	168,868
	<u>Bridges</u>					
8030	Bucher John Rd over LtI PipeCr	547,740	481,943	24,080	-	41,717
8031	Greenmount Ch Rd over MurphyRn	773,300	10,282	28,223	-	734,795
8032	Silver Run Valley Rd-BigSilRun	790,300	1,276	18,702	-	770,322
8033	Starners Dam Rd over Monocacy	371,000	73,466	-	4,564	292,970
8071	Mumma Ford Rd over Monocacy 04	110,000	-	-	-	110,000
8129	Keysville Fred Co Road Bridge	312,000	5,100	52,522	-	254,378
8130	Twin Arch Road Bridge	265,000	102,309	159,750	-	2,941
8131	Warfieldsburg Rd/Little Morgan	311,100	148,466	124,828	-	37,805
8239	Bollinger Road/Beaver Run	546,000	-	57	-	545,943
8240	Falls Road/Indian Run	528,539	7,720	67,654	30,598	422,567
8287	Grand Valley Road/Stream	90,000	-	-	-	90,000
9083	Sams Creek Rd Bridge/SE Marstn	607,942	510,728	57,626	-	39,588
9684	Bridge Inspection & Inventory	166,505	118,614	43,254	496	4,141
9686	Clean & Paint Structural Steel	618,350	309,460	17,325	311,223	(19,658)
9687	* CSX Bridge/Houcksville Road	2,116,942	2,108,007	-	-	8,935
9799	Bear Run Rd Bridge/Bear Branch	450,000	26,068	-	-	423,932
9800	* Murkle Rd Bridge/Big Pipe Crk	1,120,800	1,110,132	-	-	10,668
9882	Bridge Maint/Structural Repair	441,000	328,382	-	-	112,618
9883	Davis Rd Bridge/Cabbage Spring	210,000	47,725	154,797	-	7,478

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund

Schedule 6

Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2008

	<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>
9916	Saw Mill Rd Bridge/Bear Run	649,888	29,648	11,234	110,031	498,974
	Total	11,026,406	5,419,326	760,052	456,912	4,390,114
	<u>Buildings</u>					
8015 *	Fleet Management Addition 03	27,585	27,585	-	-	-
8176	Salt Barns	2,783,750	-	-	-	2,783,750
8267	Fleet-Vehicle/Equipment Wash	1,208,680	-	-	-	1,208,680
8268	Fuel Tank Replacement	168,000	-	-	-	168,000
9866	Maint Facility-Additions/Renov	77,700	12,788	-	-	64,912
9956	Fleet-Lift Replacements	218,915	62,534	20	134,015	22,346
	Total	4,484,630	102,907	20	134,015	4,247,688
	<u>Utilities</u>					
8146	FSK WWPS & Force Main (6391)	2,034,398	1,168,271	786,816	-	79,312
9983	Maple Crest Water Line	323,688	321,038	-	-	2,650
	Total	2,358,086	1,489,309	786,816	-	81,962
	<u>Private Streets</u>					
9097	Private Streets	-	(48,447)	48,447	-	-
	Total	-	(48,447)	48,447	-	-
	<u>General Public Works</u>					
9902	Public Works-Unallocated	810,611	-	-	-	810,611
	Total	810,611	-	-	-	810,611
	<u>Board of Education</u>					
8034	Parr's Ridge Elem School 03	8,787,121	8,586,919	7,948	-	192,254
8055	Freedom Elem Sch Modernization	20,000	17,906	-	-	2,094
8056	Wm Winchester ES Modernization	20,000	17,906	-	-	2,094
8072	South Carroll Area Mid Schl 04	30,000	-	30,000	-	-
8073	Mt Airy MS HVAC Addition 04	1,556,222	1,537,835	3,872	-	14,515
8089	Vo-Tech Students-Capital-0801	220,457	152,293	-	-	68,164
8132	HVAC Addition Westminster MS	2,908,647	1,764,888	427,017	-	716,742
8133	Manchester Valley High School	68,071,300	2,502,438	19,585,226	-	45,983,635
8185	Ebb Valley Elementary School	12,700,832	6,173,076	3,535,431	-	2,992,325
8186	Full Day K-Eldersburg ES	700,693	374,387	116,863	-	209,443
8187	Full Day K-Linton Springs ES	614,100	360,452	109,830	-	143,817
8188	Full Day K-Piney Ridge ES	703,800	415,062	145,405	-	143,334
8189	Full Day K-Spring Garden ES	1,045,200	647,260	164,217	-	233,723
8190	Full Day K-Westminster ES	749,797	366,637	136,617	-	246,543
8191	Full Day K- State Plan Approvl	697,916	517,484	19,757	-	160,675
8193	Kessler Building Renovations	890,000	-	-	-	890,000
8194	Vehicle Storage-Pole Shed	80,000	-	-	-	80,000
8210	Full Day K-Carrolltowne	1,397,803	436,327	151,135	-	810,341
8241	FDK-Manchester ES	1,938,500	526,037	232,952	-	1,179,511
8242	FDK-Mechanicsville ES	1,543,200	494,854	132,007	-	916,339
8243	FDK-Runnymede ES	1,515,500	460,060	135,889	-	919,551
8244	HVAC Replace-Robert Moton ES	2,251,701	123,101	1,241,746	-	886,854
8245	Roof Replace-Sykesville MS	796,976	40,059	648,505	-	108,412
8247	FDK-Hampstead ES	811,930	415,627	107,372	-	288,931
8288	Freedom Ele Kindergarten Add	2,809,700	-	174,692	-	2,635,008
8289	SC High School Fine Arts Add	2,324,500	175	1,054,751	-	1,269,574
8290	Westminster HS HVAC Replace	1,583,000	141	583,286	-	999,573
8291	Mt Airy MS Roof Replacement	326,030	-	42,121	-	283,909
8292	Open Space Classroom Enclosure	8,000,000	-	251,224	-	7,748,776
9554	Handicapped Accessibility	1,419,684	1,279,332	31,509	-	108,842
9745	Relocatables	4,528,500	4,315,830	192,898	-	19,772
9746	General Roofing Improvements	683,050	530,124	29,886	-	123,040
9748	Paving	2,631,241	2,311,523	3,113	-	316,606
9792	Technology Improvements	4,155,105	3,678,369	238,197	-	238,540
9850	School Construction-General	-	-	(2,133,034)	-	2,133,034

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 6

Westminster, Maryland

Capital Projects Fund

Schedule of Appropriations, Expenditures and Encumbrances

Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2008

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
9861	NW Middle Stream Stabilization	825	825	-	-	-
9885	Winters Mill High School	25,252,267	25,162,263	-	-	90,004
9917	Gateway Facility	2,754,788	2,731,055	325	-	23,409
9973	NC Middle School Renovations	11,130,621	10,854,013	82,402	-	194,206
	Total	177,651,006	76,794,258	27,483,159	-	73,373,590
<u>Community College</u>						
8225	CCC-Classroom Building #4	36,484,784	857,812	2,245,569	23,036,769	10,344,634
9782	Comm Coll-Technology	4,156,000	2,681,142	304,365	-	1,170,493
	Total	40,640,784	3,538,954	2,549,934	23,036,769	11,515,127
<u>Recreation & Parks</u>						
8016	* Deer Park Lighting 03	197,917	189,986	(3,315)	11,245	-
8018	* Freedom Park Trails 03	126,581	126,581	-	-	-
8119	Boxwood Dr Ballfield	150,494	-	-	-	150,494
8120	* Freedom Park Multi-Purpose Fld	102,897	102,357	540	-	-
8121	Leister Park	1,632,000	165,883	40,171	68,884	1,357,062
8169	Barkhill Ballfields	236,000	11,100	42,728	-	182,172
8170	Freedom Ele Ballfield Renovatn	50,000	16,047	1,768	-	32,185
8175	West Carroll Regional Park	1,250,000	-	-	-	1,250,000
8231	Deer Park Linear Trail	66,000	50,801	650	-	14,549
8232	Park Restoration Fund	166,500	30,689	73,410	61,503	899
8233	Parkland Acq (POS) County	286,086	-	-	-	286,086
8234	Parkland Devel (POS) County	1,572	-	-	-	1,572
8252	Freedom Park Playground Equip	40,000	36,802	2,895	-	303
8275	Deer Park Practice Field	144,000	-	-	-	144,000
8276	Double Pipe Creek Park	109,078	-	108,647	-	430
8277	Freedom Park Shelters/Play Eqp	67,580	-	60,502	-	7,078
8278	Middlebrooke Trail	224,000	-	-	-	224,000
8279	Parkland Acq-(POS) County '08	750,000	-	-	-	750,000
8280	Parkland Dev-(POS) County '08	531,940	-	-	-	531,940
8282	Westminster Comm Pond Renovate	392,300	-	166,720	-	225,580
9139	Recs & Parks/Local-Unallocated	49,760	-	-	-	49,760
9659	* Cape Horn Park (Stoffle Park)	894,422	894,422	-	-	-
9736	Town Fund	335,901	219,788	23,866	-	92,247
9833	N Carroll Mid Sch-Multi Pur Bd	92,040	-	-	-	92,040
9870	Gillis Falls Park Development	900,363	236,927	-	63,336	600,100
9874	Watersville Road Ballfields	213,463	28,463	-	-	185,000
9925	Tot Lot Replacement	184,238	119,236	58,612	-	6,391
9926	South Carroll Regional Park	4,635,551	1,141,312	52,260	17,845	3,424,134
9963	* Sandymount Park Lighting	149,315	144,519	(531)	5,327	0
	Total	13,979,998	3,514,913	628,923	228,140	9,608,022
<u>Farm Museum</u>						
8113	Farm Museum Electrical Upgrade	253,850	232,854	12,248	-	8,748
8227	* Farm Museum-HVAC	101,374	-	101,374	-	-
8266	Farm Museum-Maint Bldg Add	77,900	-	16,366	42,890	18,644
	Total	433,124	232,854	129,988	42,890	27,392
<u>Hashawha/Bear Branch</u>						
9871	Hashawha Building Renovations	489,636	171,880	-	-	317,755
	Total	489,636	171,880	-	-	317,755
<u>Piney Run Park</u>						
8197	Piney Run Pier Replacement	122,000	101,026	1,301	14,550	5,123
8281	PR Nature Center-Aux Classroom	110,000	-	29,582	-	80,418
	Total	232,000	101,026	30,883	14,550	85,541
<u>Self-Help Projects</u>						
8046	Linton Springs Ballfield 03	2,756	-	-	-	2,756
8079	Union Mills Trail Upgrade SH	2,304	1,230	-	-	1,074

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 6

Westminster, Maryland

Capital Projects Fund

Schedule of Appropriations, Expenditures and Encumbrances

Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2008

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
8094	* Hodges Park SB Field Impr SH	5,080	5,080	-	-	-
8105	Salt Box Park Upgrade SH 04	7,860	3,524	2,501	-	1,836
8137	Equestrian Fenced Area-SH	2,368	-	-	-	2,368
8139	FA Hodges Park Fld Upgrade-SH	1,750	-	632	-	1,119
8149	Cherrytown Ballfld Park Lot-SH	2,658	500	1,694	-	464
8150	Cherrytown Ballfld Pavilion-SH	12,075	4,641	7,235	-	198
8202	* Hodges Park-Parking/Walk SH	11,500	11,500	-	-	-
8207	Jaycee Park Store Bldg/Sod SH	4,476	2,817	-	-	1,659
8214	* CapeHornPark Ballfield/FenceSH	8,188	8,188	-	-	-
8215	PR Butterfly & Wildflower SH	4,021	809	1,740	-	1,472
8216	* Memorial Park BallfldDugout SH	6,802	6,802	-	-	-
8217	East M & FVEStorage Contain SH	5,725	2,378	-	-	3,347
8218	Jaycee Park Fencing Improv SH	1,425	-	-	-	1,425
8248	Century HS Dugouts	10,950	8,299	2,651	-	-
8253	Equestrian Rings	4,019	-	4,019	-	-
8254	CCES Playground Equip	15,000	-	15,000	-	-
8256	Freedom Pk Ballfield Improv	1,501	371	-	-	1,130
8257	GreenHouse-Wetland Classrm	20,810	-	20,618	-	192
8258	HES - Storage Shed	2,715	-	2,715	-	-
8262	* Gymnastics Center Equipment	10,171	-	10,171	-	-
8263	WES - Playground Equipment	15,000	-	15,000	-	-
8298	LC Burns Sign SH 08	1,550	-	1,550	-	-
8299	EM/FVELEM Misc SH 08	1,545	-	1,545	-	-
8300	CT Park Press Box SH 08	7,797	-	-	-	7,797
8301	CT Park Pad/Bleachers SH 08	7,256	-	4,262	-	2,994
8302	LHS SB Backstop Fencing SH 08	11,950	-	11,950	-	-
8303	LHS BB Backstop Fencing SH 08	11,950	-	11,950	-	-
8304	Hodges Park F2 Pad Sh 08	2,600	-	1,379	-	1,221
8305	Hodges Park Bleachers SH 08	3,107	-	3,086	-	21
8306	Comm Gallery Soundproof SH 08	12,815	-	12,815	-	-
9735	Community Self Help	3,238	-	-	-	3,238
9764	Ball Diamond Mayeski Park	6,885	-	4,987	-	1,898
9775	Gymnastic EquipCarr Gym Center	2,165	-	-	2,157	8
9785	Foot Bridge Piney Run Park	4,000	-	-	-	4,000
9808	Ball Diam Manchester Elm Sch	2,855	-	2,855	-	-
9812	Ball Diam North Carr Middle Sc	1,272	-	1,090	-	182
9814	Ball Diam Hampstead Elem.	3,996	-	3,996	-	-
9996	Wat heat ins &misc pluCar Arts	1,280	-	1,280	-	-
9997	Bleach & bal diam Char Car Elm	2,100	-	2,057	-	43
9998	Ball Diam Fld C Christmas Tree	2,544	-	-	2,388	156
9999	Ball Diam Fld D Christmas Tree	1,272	-	-	1,116	156
	Total	251,331	56,139	148,778	5,661	40,754
	<u>Library/Senior Centers</u>					
8059	Taneytown Libr Branch Exp 04	1,741,777	110,269	408,026	723,828	499,653
8062	Senior Center-South Carroll 04	11,956,420	417,828	361,161	7,819,023	3,358,409
8167	* North Carroll Sr Center	3,298,076	3,298,076	-	-	-
8270	Library-Telephone Replacement	205,000	-	113,972	-	91,028

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund

Schedule 6

Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2008

	Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
8271	Library-Westminster Branch Ren	300,000	-	-	-	300,000
9784	Finksburg Library Branch	6,594,505	946,833	3,000,991	2,007,045	639,637
9822	Library-Technology Improvemnts	1,422,200	1,178,729	85,355	-	158,116
9864 *	Library-Eldersburg Branch Exp	1,103,576	1,103,576	-	-	-
	Total	<u>26,621,554</u>	<u>7,055,311</u>	<u>3,969,505</u>	<u>10,549,896</u>	<u>5,046,843</u>
	Conservation & Open Space					
8195	Floodplain Mapping	330,113	246,366	83,747	-	-
9002	Land Bank	19,826,144	6,591,280	3,709,696	-	9,525,169
9004	Reservoir Land Acquisition	3,529,279	2,122,270	-	-	1,407,009
9007	Ag Land Preservation	87,343,115	70,355,361	10,378,188	-	6,609,566
9701	Major Street Plan-Align/Stream	364,538	311,552	5,615	-	47,371
9702	Traffic Impact Studies/Develop	73,049	-	57,796	-	15,254
9851	Rural Legacy-Easement Purchase	14,932,871	11,582,871	3,096,194	-	253,806
9919	Soil Surveys	210,000	173,250	-	-	36,750
	Total	<u>216,609,109</u>	<u>91,382,950</u>	<u>17,331,236</u>	<u>-</u>	<u>17,894,925</u>
	Water Resources					
8293	Patapsco Rd Watershed Project	519,400	-	160,098	200	359,103
8294	Reservoir Development	4,000,000	-	151,169	-	3,848,831
8295	Storm Water Facility Maint	325,000	-	130,539	-	194,461
9920	Watershed Assessment & Improve	1,475,769	100,112	(85,733)	657,849	803,542
	Total	<u>6,320,169</u>	<u>100,112</u>	<u>356,073</u>	<u>658,048</u>	<u>5,205,937</u>
	Total Governmental Activities	<u><u>704,390,365</u></u>	<u><u>271,206,038</u></u>	<u><u>89,320,470</u></u>	<u><u>39,912,191</u></u>	<u><u>213,951,676</u></u>
	Business-type Activities					
	Bureau of Utilities					
6311	Water & Sewer Meters	1,011,255	861,667	138,438	-	11,150
6332	Tank Painting	462,182	131,566	-	47,380	283,235
6337	FS-Sykesville Pump Sta Upgrade	1,170,906	236,049	871,453	10,848	52,557
6339	FW-Ground Water Supply-975706	3,329,457	2,816,791	7,300	242	505,125
6343	Small Comm Sanitary Surveys	50,165	10,228	-	-	39,937
6344	HWWTPEffluent Chillers	2,436,967	481,529	30,777	-	1,924,660
6347	FDWTEExpansion	27,350,898	2,255,396	10,157,380	13,577,465	1,360,657
6350	HS-Bio Solids Improvements	72,820	37,658	-	-	35,162
6352	Bark Hill Water TP Upgrade	102,744	52,744	49,971	-	29
6358	8-12-16 Mains/Hydraulic Loop	582,916	-	-	57,860	525,056
6359	Hydrant Replacement	625,950	527,357	78,813	-	19,780
6370	Pine Hill WWPS Upgrade	894,200	16,927	33,224	421,736	422,312
6371	Piney Run WWPS Renovation	2,951,195	23,434	124,658	-	2,803,103
6385	Sewer Study Update	275,000	39,733	52,980	-	182,287
6387	Bunker Hill Sewer Replace 04	175,000	34,826	110,083	-	30,091
6388	Pleasant Valley Backup Well 04	280,993	-	-	-	280,993
6389	Shiloh Pumping Station 04	1,376,000	115,324	250,462	955,085	55,129
6390	Sykesville Elewa W/Tank #6 04	62,000	-	-	-	62,000
6393 *	Pleasant Valley WWTP Grinder	29,580	29,580	-	-	-
6394	Poly Aluminum Chlorid Facility	841,218	314,865	486,172	40,180	-
6395	Ridge Road & Stafford Court	185,000	2,123	-	-	182,878
6398	Gravity Main to North Station	147,025	-	-	-	147,025
6399 *	Edgewood/Patapsco PS Grinders	68,943	68,943	-	-	-
6400	Bramble Hills Well Sys Replace	529,000	44,706	6,370	-	477,924
6403	Sanitary Sewer Manhole Rehab	300,000	196,759	5,286	27,749	70,206
6404	Sludge Dewatering Facility Rep	956,239	69,554	767,330	101,740	17,614
6405	Pine Knob Rd WM Loop	451,500	409,134	500	-	41,866
6407	Carroll Highlands PS Renovatns	71,280	-	30,968	13,383	26,930
6408	FD-Hydraulic Looping-Sandosky	133,500	-	113,808	4,090	15,602
6409	FD Looping Monroe (Okla-Benn)	12,500	-	-	-	12,500
6410	FWTEWater Transmission Main	4,123,650	-	-	3,506,203	617,447
6411	Hampstead Office Renovations	100,761	-	100,761	-	-
6412 *	Hampstead Ultraviolet Sys Ren	44,338	-	44,338	-	-

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund

Schedule 6

Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2008

	Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
6413	Hampstead Sludge Tank Renovate	158,200	-	7,820	-	150,380
6414	Meter Vault Replacement	20,000	-	17,153	-	2,847
6415	Snowden's Run WWPS Rehab	352,850	-	368,328	-	(15,478)
	Total	<u>51,736,232</u>	<u>8,776,893</u>	<u>13,854,373</u>	<u>18,763,961</u>	<u>10,341,004</u>
Solid Waste						
6520	Hoods Mill Remediation	445,626	151,674	586	7,603	285,763
6521	Northern Landfill Remediation	400,000	249,238	7,080	7,706	135,976
6522	Northern Landfill Cell 3	6,288,000	4,875,924	777,796	266,797	367,483
6528	John Owings LF Remediation	800,000	-	75,501	29,753	694,746
6530	Northern-Maintenance Building	381,250	31,231	234,355	90,750	24,914
6531	Northern Landfill Scalehouse	110,000	-	100,389	1,052	8,559
	Total	<u>8,424,876</u>	<u>5,308,067</u>	<u>1,195,707</u>	<u>403,661</u>	<u>1,517,441</u>
Septage Treatment						
6703	Septage Rec. Facility Improve.	239,000	182,234	3,044	-	53,722
	Total	<u>239,000</u>	<u>182,234</u>	<u>3,044</u>	<u>-</u>	<u>53,722</u>
Airport						
6802	Corporate Hangar Facilities	4,884,450	4,721,366	66,359	9,971	86,754
6804	Obstruction Study/Tree Removal	1,748,000	71,264	-	-	1,676,736
6805	Airport Land Sales	242,910	70,056	(2,146)	-	175,000
6807	Airport Perimeter Fence	363,186	361,936	1,250	-	-
6810	Fuel Farm Expansion	161,021	140,546	3,057	-	17,418
6811	Master Plan Update	452,500	401,706	25,587	-	25,207
6812	T-Hangers	4,771,250	-	-	-	4,771,250
6813	Precision Appr Path Indicators	143,509	138,129	13,590	-	(8,210)
6814	Runway Expansion	5,479,000	-	216,223	-	5,262,777
6815	Security System	521,000	175,010	(10)	-	346,000
6816	Corporate Hangers	1,451,000	-	-	-	1,451,000
6817	New Terminal Building	2,660,000	-	-	-	2,660,000
6818	Grounds & Facility Impr (9541)	18,000	-	-	-	18,000
	Total	<u>22,895,826</u>	<u>6,080,013</u>	<u>323,910</u>	<u>9,971</u>	<u>16,481,932</u>
Firearms Facility						
6903 *	Firearms Facility Rehab FY08	302,894	-	297,510	-	5,385
	Total	<u>302,894</u>	<u>-</u>	<u>297,510</u>	<u>-</u>	<u>5,385</u>
Total Business-type Activities		<u>\$ 83,598,828</u>	<u>\$ 20,347,207</u>	<u>\$ 15,674,544</u>	<u>\$ 19,177,593</u>	<u>\$ 28,399,484</u>

* Denotes Completed Projects

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

Schedule 7

**Schedule of Investments for
General Fund, Special Revenue, Pension, OPEB, LOSAP and Enterprise Funds
June 30, 2008**

	Length (in Days)	Maturity Date	Rate (%)	Amount	Totals
GOVERNMENTAL ACTIVITIES					
Federal Home Loan Bank	150	26-Nov-08	2.25	\$10,000,000	
Federal Home Loan Bank	360	17-Mar-09	2.80	2,290,000	
Federal Home Loan Bank	360	30-Apr-09	2.60	10,000,000	
Federal Home Loan Bank	540	1-May-09	4.80	5,000,000	
Federal Home Loan Bank	360	7-May-09	2.75	8,000,000	
Federal Home Loan Bank	360	2-Jun-09	2.60	7,000,000	
Federal Home Loan Bank	360	16-Jun-09	2.75	5,000,000	
Federal Home Loan Bank	720	2-Jul-09	5.45	5,000,000	
Federal Home Loan Bank	540	2-Nov-09	2.90	8,000,000	
Federal Home Loan Bank	630	22-Feb-10	3.00	7,500,000	
Federal Home Loan Bank	720	10-Mar-10	3.00	10,000,000	
Federal Home Loan Bank	720	10-Mar-10	3.00	5,000,000	
Federal Home Loan Mortgage Corporation	360	9-Apr-09	2.45	5,000,000	
Federal Home Loan Mortgage Corporation	720	4-Mar-10	3.50	10,000,000	
Federal Home Loan Mortgage Corporation	720	5-Mar-10	3.30	10,000,000	
Federal Home Loan Mortgage Corporation	720	10-Mar-10	3.00	5,000,000	
Federal Home Loan Mortgage Corporation	720	26-Mar-10	3.00	4,050,000	
Federal National Mortgage Corporation	720	3-Mar-10	3.40	5,000,000	
Federal National Mortgage Corporation	720	5-May-10	3.50	5,000,000	
Treasury Bonds	20 yrs	15-Nov-21	5.66	217,793	
Treasury Bonds	20 yrs	15-Aug-22	5.97	136,360	
Treasury Bonds	20 yrs	15-Aug-22	5.44	204,841	
Treasury Bonds	20 yrs	15-Nov-22	5.05	262,952	
Treasury Bonds	20 yrs	15-Aug-23	5.05	90,718	
Treasury Bonds	20 yrs	15-Nov-24	4.86	1,899,238	
Treasury Bonds	20 yrs	15-Aug-25	4.75	1,153,733	
Treasury Bonds	20 yrs	15-Nov-26	4.93	1,546,169	
Treasury Bonds	20 yrs	15-Feb-27	4.72	995,125	
Treasury Strips	20 yrs	15-Nov-21	5.83	24,430	
Treasury Strips	20 yrs	15-Aug-22	5.97	10,758	
Treasury Strips	20 yrs	15-Aug-22	5.78	20,095	
Treasury Strips	20 yrs	15-Nov-22	5.39	34,901	
Treasury Strips	20 yrs	15-Aug-03	5.42	7,333	
Treasury Strips	20 yrs	15-Nov-24	5.12	279,781	
Treasury Strips	20 yrs	15-Nov-25	4.76	177,126	
Treasury Strips	20 yrs	15-Nov-26	4.95	111,097	
Treasury Strips	20 yrs	15-Feb-27	4.73	78,742	
Maryland Local Government Investment Pool	---	---	2.35	2,226,749	
Branch Banking & Trust-CD	104	15-Sep-08	2.68	15,000,000	
Branch Banking & Trust-Money Rate Savings	---	---	2.45	47,077,907	\$198,395,848
BUSINESS-TYPE ACTIVITIES					
Maryland Local Government Investment Pool	---	---	2.35	4,117,372	4,117,372
FIDUCIARY FUNDS					
<u>Pension</u>					
Charles Schwab Employee Pension Account				19,729,958	
Maryland Local Government Investment Pool-Pension			2.35	46,768	
<u>Other postemployment benefits (OPEB)</u>					
Maryland Local Government Investment Pool-OPEB			2.35	511,308	
Master OPEB Investment Trust			2.35	3,502,490	
<u>LOSAP</u>					
Charles Schwab LOSAP Account				7,831,350	
Maryland Local Government Investment Pool-LOSAP			2.35	451,206	32,073,080
TOTAL					<u><u>\$234,586,300</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2008

	Amount Outstanding July 1, 2007	New Debt Activity	Principal Payments For Year 2008	Amount Outstanding June 30, 2008	Interest Payments For Year 2008
Governmental Activities					
General Obligation Bonds Payable					
General Obligation Bonds - Refund 1990	\$ 6,995,000	\$ -	\$ 6,995,000	\$ -	\$ 191,034
General Obligation Bonds - 1997	765,000	-	765,000	-	16,830
Volunteer Fire Dept. Project - 1997	3,025,000	-	275,000	2,750,000	138,875
General Obligation Bonds - 1998	14,376,590	-	2,160,838	12,215,752	562,606
General Obligation Bonds - 1999	3,236,840	-	1,078,946	2,157,894	134,868
General Obligation Bonds - 2000	6,030,000	-	1,005,000	5,025,000	259,780
General Obligation Bonds - 2001	7,667,678	-	768,765	6,898,913	274,218
General Obligation Bonds - 2002	11,800,000	-	1,100,000	10,700,000	432,125
General Obligation Refunding Bonds-Aug. 2003	18,301,181	-	3,995,484	14,305,697	815,172
General Obligation Bonds - 2003	6,297,505	-	442,596	5,854,909	198,000
Volunteer Fire Dept. Project - 2003	1,740,000	-	125,000	1,615,000	54,630
General Obligation Refunding Bonds-Feb 2004	31,905,252	-	1,363,434	30,541,818	967,787
General Obligation Bonds - July 2004	19,057,102	-	1,468,948	17,588,154	659,168
General Obligation Bonds - Taxable Pension 2004	11,090,000	-	855,000	10,235,000	559,530
Volunteer Fire Dept. Project - 2004	1,852,215	-	110,491	1,741,724	74,215
General Obligation Bonds- 2005	29,658,388	-	2,140,931	27,517,457	1,131,650
Volunteer Fire Dept. Project- 2005	2,705,000	-	195,000	2,510,000	103,263
General Obligation Bonds-2006	20,260,000	-	1,353,282	18,906,718	783,334
General Obligation Refunding Bonds- Jan 2007	23,165,983	-	628,328	22,537,655	1,003,817
General Obligation Bonds-2007	-	20,430,000	-	20,430,000	326,160
General Obligation Refunding Bonds-Nov 2007	-	6,670,000	-	6,670,000	118,556
Total General Obligation Bonds	219,928,734	27,100,000	26,827,043	220,201,691	8,805,618
Farmers Home Administration					
Federal Loan - 1972	385,577	-	19,325	366,252	13,503
Federal Loan - 1974	155,745	-	6,441	149,304	5,683
Federal Loan - 1979	469,769	-	12,583	457,186	17,142
Total Farmers Home Administration	1,011,091	-	38,349	972,742	36,328
General Obligation Debt					
Gorsuch Property	246,000	-	-	246,000	13,600
Spangler Property	150,000	-	-	150,000	8,337
Rudkey Property	230,930	-	-	230,930	12,180
Dell Property	300,000	-	-	300,000	15,174
Vaughn Property	100,000	-	-	100,000	4,938
Hoff Property	600,000	-	-	600,000	28,800
Nevius Property	647,946	-	-	647,946	31,742
Seiler etal Property	684,350	-	-	684,350	33,526
Seiler Property	147,638	-	-	147,638	7,233
Leister Property	100,000	-	-	100,000	4,899
Stonesifer Property	450,000	-	-	450,000	20,969
Reddick Property	200,000	-	-	200,000	9,281
Haines Property	696,000	-	-	696,000	31,763
Sherwood Property	1,584,000	-	-	1,584,000	83,980
Barnes Property	1,000,000	-	-	1,000,000	53,000
Total General Obligation Debt	7,136,864	-	-	7,136,864	359,422
Total General Obligation Debt Payable	228,076,689	27,100,000	26,865,392	228,311,297	9,201,368
Other Notes Payable					
Mirfin Property	200,370	-	66,790	133,580	9,678
Mirfin Property	133,949	-	44,650	89,299	6,470
Mahanna Property	148,920	-	74,460	74,460	7,193
Linton Property	800,000	-	200,000	600,000	38,640
Raver Property	143,550	-	71,775	71,775	6,933
Governmental Activities continued					

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2008

	Amount Outstanding July 1, 2007	New Debt Activity	Principal Payments For Year 2008	Amount Outstanding June 30, 2008	Interest Payments For Year 2008
Other Notes Payable continued					
Raver Property	\$ 86,822	\$ -	\$ 43,410	\$ 43,412	\$ 4,193
Hidey Property	352,112	-	88,028	264,084	17,007
Maring Property	393,850	-	200,000	193,850	19,023
Reeves Property	410,697	-	136,899	273,798	19,837
Reeves Property	136,899	-	45,633	91,266	6,612
Green Property	500,000	-	100,000	400,000	24,150
Green Property	600,000	-	125,000	475,000	22,943
White Rose LLC	200,590	-	112,000	88,590	9,688
Rill Property	-	240,000	60,000	180,000	6,758
Miller Property	-	332,863	83,216	249,647	6,703
Miller Property	-	326,888	81,722	245,166	6,584
Fender Property	-	195,592	195,592	-	-
Rosen Property	-	1,400,000	1,400,000	-	17,359
Total Other Notes Payable	<u>4,107,759</u>	<u>2,495,343</u>	<u>3,129,175</u>	<u>3,473,927</u>	<u>229,771</u>
Total Notes and Loans Payable	4,107,759	2,495,343	3,129,175	3,473,927	229,771
Purchase Agreements					
Johnson Controls	2,725,443	-	142,439	2,583,004	112,186
Total Purchase Agreements	<u>2,725,443</u>	<u>-</u>	<u>142,439</u>	<u>2,583,004</u>	<u>112,186</u>
Total Governmental Activities	<u>\$ 234,909,891</u>	<u>\$ 29,595,343</u>	<u>\$ 30,137,006</u>	<u>\$ 234,368,228</u>	<u>\$ 9,543,325</u>
Business-Type Activities					
General Obligation Bonds Payable					
Bureau of Utilities					
General Obligation Bonds - 1999	\$ 378,159	\$ -	\$ 126,053	\$ 252,106	\$ 15,757
General Obligation Bonds - 2001	12,324	-	1,236	11,088	441
General Obligation Bonds - 2003	820,333	-	57,654	762,679	25,792
General Obligation Refunding Bonds-Feb 2004	2,153,916	-	92,045	2,061,871	65,335
General Obligation Bonds - July 2004	327,921	-	25,277	302,644	11,342
General Obligation Bonds - 2005	282,338	-	20,188	262,150	10,788
General Obligation Bonds - 2006	200,000	-	13,359	186,641	7,733
General Obligation Refunding Bonds-Jan 2007	212,504	-	5,764	206,740	9,208
General Obligation Bonds- 2007	-	9,401,000	-	9,401,000	195,137
Solid Waste Management					
General Obligation Bonds - 1997	90,000	-	90,000	-	1,980
General Obligation Bonds - 1998	333,411	-	44,162	289,249	13,293
General Obligation Refunding Bonds-Aug. 2003	2,333,818	-	509,515	1,824,303	103,953
General Obligation Refunding Bonds-Feb 2004	998,477	-	42,669	955,808	30,287
General Obligation Bonds - July 2004	2,121,906	-	163,559	1,958,347	73,395
General Obligation Refunding Bonds- Jan 2007	345,658	-	9,375	336,283	14,978
General Obligation Bonds- 2007	-	604,000	-	604,000	12,537
Airport					
General Obligation Bonds - 1999	75,000	-	25,000	50,000	3,125
General Obligation Bonds - 2000	180,000	-	30,000	150,000	7,768
General Obligation Bonds - 2001- Taxable	1,650,000	-	110,000	1,540,000	66,303
General Obligation Bonds - 2003	352,163	-	24,750	327,413	11,072
General Obligation Refunding Bonds-Feb 2004	277,356	-	11,854	265,502	8,413
General Obligation Bonds - July 2004	353,070	-	27,215	325,855	12,212
General Obligation Bonds- 2005	54,274	-	3,881	50,393	2,074
General Obligation Refunding Bonds-2007	240,854	-	6,532	234,322	10,437

Business Type Activities continued

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2008

	<u>Amount Outstanding July 1, 2007</u>	<u>New Debt Activity</u>	<u>Principal Payments For Year 2008</u>	<u>Amount Outstanding June 30, 2008</u>	<u>Interest Payments For Year 2008</u>
General Obligation Bonds Payable continued					
Septage					
General Obligation Bonds - 2006	\$ 200,000	\$ -	\$ 13,359	\$ 186,641	\$ 7,733
Total General Obligation Bonds	<u>13,993,482</u>	<u>10,005,000</u>	<u>1,453,447</u>	<u>22,545,035</u>	<u>721,093</u>
Notes Payable					
Water Quality Loan - Maryland Department of the Environment - 1990	4,114,013	-	745,005	3,369,008	207,812
Water Quality Loan - Maryland Department of the Environment - 2000	397,867	-	23,923	373,944	12,059
Total Notes Payable	<u>4,511,880</u>	<u>-</u>	<u>768,928</u>	<u>3,742,952</u>	<u>219,871</u>
Total Business-type Activities	<u>\$ 18,505,362</u>	<u>\$ 10,005,000</u>	<u>\$ 2,222,375</u>	<u>\$ 26,287,987</u>	<u>\$ 940,964</u>

Statistical Section



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

STATISTICAL SECTION

This part of Carroll County’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the County’s overall financial health.

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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. 138-145

Revenue Capacity

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 146-150

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. 151-154

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..... 155-156

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. 157-164

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

Table 1

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

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

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

Fiscal years 2002 – 2005 were reclassified to reflect the true balance of net assets.
 Fiscal year 2005 was restated to reflect recognition of retroactive infrastructure.
 Fiscal year 2006 was restated due to governmental land being overstated, see note 1E.

Source: Carroll County Department of the Comptroller.

Table 2

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

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

Business-Type Activities:

Table 2

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

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

Business-Type Activities:

Table 2

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

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

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

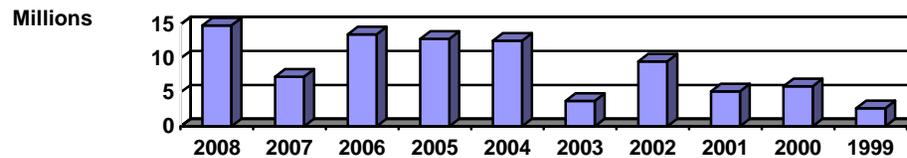
Source: Carroll County Department of the Comptroller.

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

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	\$ 34,265,738	\$ 36,345,385	\$ 29,544,723	\$ 22,316,884	\$ 18,002,122	\$ 15,106,392	\$ 14,352,385	\$ 37,913,868	\$ 39,356,325	\$ 42,940,349
Unreserved and designated	30,997,138	31,787,678	31,217,889	42,231,314	21,903,140	33,688,855	41,108,064	30,722,828	20,084,564	24,372,985
Unreserved, undesignated (see chart)	14,858,762	7,302,102	13,542,642	12,891,533	12,597,901	3,751,257	9,556,782	5,174,076	5,894,096	2,668,853
Total General Fund	\$ 80,121,638	\$ 75,435,165	\$ 74,305,254	\$ 77,439,731	\$ 52,503,163	\$ 52,546,504	\$ 65,017,231	\$ 73,810,772	\$ 65,334,985	\$ 69,982,187
Other Governmental Funds:										
Capital Projects Fund										
Reserved for Encumbrances	\$ 39,912,191	\$ 11,023,565	\$ 12,857,709	\$ 8,800,332	\$ 8,075,516	\$ 13,259,460	\$ 5,825,988	\$ 14,598,432	\$ 4,270,455	\$ 5,742,562
Unreserved and designated	45,904,401	93,792,138	79,972,189	48,702,238	41,394,637	43,640,987	27,239,064	32,583,500	45,713,983	31,515,620
Special Revenues Fund										
Unreserved, undesignated	2,340,051	9,973,460	9,395,177	5,207,348	4,318,286	10,726,459	9,166,339	5,143,316	4,532,525	2,837,393
Total Other Governmental Funds	\$ 88,156,643	\$ 114,789,163	\$ 102,225,075	\$ 62,709,918	\$ 53,788,439	\$ 67,626,906	\$ 42,231,391	\$ 52,325,248	\$ 54,516,963	\$ 40,095,575
Total Governmental Funds	\$ 168,278,281	\$ 190,224,328	\$ 176,530,329	\$ 140,149,649	\$ 106,291,602	\$ 120,173,410	\$ 107,248,622	\$ 126,136,020	\$ 119,851,948	\$ 110,077,762
 Unreserved General Fund Balance as a Percentage of General Fund Expenditures	14.9%	13.7%	17.0%	21.4%	14.9%	17.0%	22.7%	18.3%	14.2%	15.6%

Unreserved Undesignated General Fund Balance



Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

Fiscal Year	Property Taxes	Income Tax	Recordation Tax	Admission Tax	911 Service Fees	Total
1999	\$ 93,262,264	\$ 60,962,040	\$ 5,997,747	\$ 413,278	\$ 568,155	\$ 161,203,484
2000	98,205,213	65,199,260	6,345,928	520,180	571,771	170,842,352
2001	103,256,256	74,049,094	6,681,659	511,456	522,416	185,020,881
2002	109,026,120	76,174,857	9,157,726	515,855	882,563	195,757,121
2003	115,417,116	78,628,056	11,152,453	477,069	701,240	206,375,934
2004	121,407,052	91,103,719	19,238,898	428,625	887,552	233,065,846
2005	132,226,766	104,179,347	22,207,072	451,296	996,212	260,060,693
2006	143,192,552	109,127,552	22,782,302	393,659	1,242,506	276,738,571
2007	158,112,936	111,729,729	18,902,094	405,295	1,600,475	290,750,529
2008	174,354,873	119,734,329	14,948,705	386,186	1,240,906	310,664,999
Change 1999-2008	87.0%	96.4%	149.2%	-6.6%	118.4%	

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

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

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

Source: Carroll County Department of the Comptroller.

Table 5

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

	2008	2007	2006	2005	2004
REVENUES					
Taxes-Local (see Table 4)	\$310,664,999	\$290,760,528	\$276,738,571	\$260,060,693	\$ 233,065,846
Taxes-State Shared	12,244,961	12,729,242	12,313,362	9,936,273	7,890,085
Impact fees	1,350,460	1,669,793	3,924,721	3,936,986	4,864,707
Licenses and permits	1,666,970	1,781,585	3,349,234	2,999,086	3,175,909
Intergovernmental revenues	16,773,453	14,253,803	12,627,892	15,319,436	16,448,322
Charges for services	5,788,013	5,732,717	4,559,557	4,850,580	4,237,420
Fines and forfeits	100,509	86,754	88,942	123,622	107,577
Interest	10,537,502	11,112,070	6,753,742	3,395,552	2,071,122
Miscellaneous revenues	4,101,008	5,953,948	3,763,843	3,862,252	3,862,329
Total revenues	<u>363,227,875</u>	<u>344,080,440</u>	<u>324,119,864</u>	<u>304,484,480</u>	<u>275,723,317</u>
EXPENDITURES					
Current:					
General government	65,771,932	60,783,464	60,412,713	66,446,506	53,805,088
Public safety	34,222,625	28,595,412	26,875,030	24,466,006	22,682,161
Public works	10,861,774	9,425,523	8,495,030	7,851,771	7,386,474
Health	4,368,725	4,339,691	4,204,001	3,924,884	3,814,693
Social services	1,200,206	1,131,873	1,096,568	1,042,802	1,057,052
Education	155,480,987	151,674,483	142,253,487	132,393,561	124,378,658
Library	7,717,198	6,782,100	6,220,220	5,725,660	5,232,270
Recreation and parks	1,648,268	2,106,832	1,221,026	1,113,773	1,098,367
Conservation of natural resources	821,409	718,552	698,716	675,481	642,661
Economic development	4,351,843	3,067,166	1,819,561	2,728,971	3,282,035
Capital outlay	86,014,727	55,671,218	45,177,873	38,032,734	43,078,838
Debt service:					
Principal	23,487,007	20,336,962	18,421,084	14,670,026	15,997,408
Interest	9,543,326	9,237,763	8,987,587	8,145,529	7,451,178
Total expenditures	<u>405,490,027</u>	<u>353,871,039</u>	<u>325,882,896</u>	<u>307,217,704</u>	<u>289,906,883</u>
Excess (deficiency) of revenues over expenditures	(42,262,152)	(9,790,599)	(1,763,032)	(2,733,224)	(14,183,566)
OTHER FINANCING SOURCES (USES)					
Transfers in	26,594,904	14,957,047	12,024,485	17,376,594	22,913,593
Transfers out	(29,909,754)	(17,812,601)	(14,890,815)	(20,004,967)	(32,739,174)
Payments to escrow agent	(6,786,798)	(24,849,347)	-	-	(71,096,825)
Proceeds of bonds issued	27,100,000	44,092,000	34,699,318	36,860,000	81,104,603
Bonds premium (discount)	672,349	1,180,352	171,249	157,786	(3,335)
Issuance of debt-long term notes	2,495,343	5,994,265	5,923,118	2,179,934	100,000
Total other financing sources (uses)	<u>20,166,044</u>	<u>23,561,716</u>	<u>37,927,355</u>	<u>36,569,347</u>	<u>278,862</u>
Net change in fund balances	<u>\$ (22,096,108)</u>	<u>\$ 13,771,117</u>	<u>\$ 36,164,323</u>	<u>\$ 33,836,123</u>	<u>\$ (13,904,704)</u>
Debt Service as a percentage of					
Noncapital Expenditures	7.8%	8.5%	8.5%	7.7%	8.6%

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

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

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

Source: Carroll County Department of the Comptroller.

Table 5

2003	2002	2001	2000	1999
\$ 206,375,934	\$ 195,757,121	\$ 185,020,881	\$ 170,842,352	\$ 161,203,484
9,652,977	9,933,906	10,092,333	9,303,162	9,036,529
5,394,263	6,809,437	6,094,596	5,263,647	4,627,597
3,368,917	3,567,154	3,175,220	2,859,437	2,725,397
18,806,849	16,496,307	12,615,071	11,539,845	12,743,166
4,410,686	5,393,276	5,569,910	3,842,542	3,714,646
132,349	103,462	79,113	74,472	58,717
2,657,792	4,605,987	8,539,013	7,918,042	6,994,987
3,359,057	5,342,169	3,380,342	3,915,107	2,791,218
<u>254,158,824</u>	<u>248,008,819</u>	<u>234,566,479</u>	<u>215,558,606</u>	<u>203,895,741</u>
46,886,320	39,856,047	31,429,561	28,207,756	26,391,941
20,585,117	18,978,117	18,700,730	16,842,941	16,215,122
8,034,700	7,246,204	8,934,817	8,444,411	7,979,040
3,734,969	3,702,848	3,486,642	2,759,264	2,608,020
961,387	952,182	2,980,922	3,177,196	2,322,674
117,076,007	129,720,231	128,241,099	115,569,156	107,571,214
5,098,495	5,017,095	4,805,500	4,680,658	4,598,535
1,109,263	3,789,203	1,027,200	972,172	1,430,207
616,403	597,935	567,303	517,449	485,111
3,257,189	2,744,789	5,163,964	6,538,737	4,168,927
23,727,048	27,744,133	19,659,031	17,677,073	23,879,833
13,907,746	26,676,037	12,306,747	14,109,935	10,992,450
8,722,292	9,584,124	9,590,250	9,192,497	8,825,956
<u>253,716,936</u>	<u>276,608,945</u>	<u>246,893,766</u>	<u>228,689,245</u>	<u>217,469,030</u>
441,888	(28,600,126)	(12,327,287)	(13,130,639)	(13,573,289)
23,208,305	13,567,825	12,894,624	17,072,966	11,395,706
(27,434,785)	(16,676,338)	(14,253,860)	(18,765,456)	(11,480,806)
-	-	-	-	(9,204,727)
16,289,051	11,511,499	20,100,000	21,560,624	34,159,827
530,930	1,071,774	-	2,900,275	-
<u>12,593,501</u>	<u>9,474,760</u>	<u>18,740,764</u>	<u>22,768,409</u>	<u>24,870,000</u>
<u>\$ 13,035,389</u>	<u>\$ (19,125,366)</u>	<u>\$ 6,413,477</u>	<u>\$ 9,637,770</u>	<u>\$ 11,296,711</u>
9.2%	13.8%	10.2%	10.3%	9.6%

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

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

Fiscal Year	Real Property			Personal Property				Estimated Market Value	Direct Tax Rate	Grand Total Estimated Market Value
	Assessed Value	Estimated Market Value	Direct Tax Rate	Assessed Value		Public Utilities	Total			
				Unincorporated	Incorporated					
1999	\$ 3,153,464,210	\$ 7,883,660,525	2.62	\$ 18,207,920	\$ 147,428,260	\$ 275,257,780	\$ 440,893,960	\$ 440,893,960	2.62	\$ 8,324,554,485
2000	3,298,122,090	8,245,305,225	2.62	18,619,350	183,704,630	284,189,150	486,513,130	486,513,130	2.62	8,731,818,355
2001	3,474,703,880	8,686,759,700	2.62	19,648,020	189,922,520	283,930,050	493,500,590	493,500,590	2.62	9,180,260,290
2002	9,213,653,674	9,213,653,674	1.048	14,426,820	223,010,339	275,466,066	512,903,225	512,903,225	2.62	9,726,556,899
2003	9,821,665,202	9,821,665,202	1.048	14,238,100	241,341,930	263,621,780	519,201,810	519,201,810	2.62	10,340,867,012
2004	10,449,917,089	10,449,917,089	1.048	14,836,240	228,920,020	255,081,610	498,837,870	498,837,870	2.62	10,948,754,959
2005	11,524,615,700	11,524,615,700	1.048	12,241,920	233,698,170	263,902,400	509,842,490	509,842,490	2.62	12,034,458,190
2006	12,973,853,789	12,973,853,789	1.048	11,212,790	237,290,840	247,785,660	496,289,290	496,289,290	2.62	13,470,143,079
2007	14,910,976,091	14,910,976,091	1.048	12,180,910	259,445,570	258,703,530	530,330,010	530,330,010	2.62	15,441,306,101
2008	17,346,223,578	17,346,223,578	1.048	11,266,340	267,238,630	277,840,350	556,345,320	556,345,320	2.62	17,902,568,898

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

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

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Direct Rate		Overlapping Rates							
	Carroll County	State of Maryland	Taneytown	Sykesville	Manchester	Westminster	Hampstead	New Windsor	Union Bridge	Mt. Airy
1999	2.62	0.21	0.78	0.77	0.46	0.88	0.45	0.40	0.75	0.56
2000	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.40	0.75	0.56
2001	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.40	0.75	0.56
2002	1.048	0.084	0.32	0.304	0.184	0.352	0.18	0.16	0.30	0.21
2003	1.048	0.084	0.32	0.304	0.184	0.40	0.20	0.16	0.30	0.206
2004	1.048	0.132	0.32	0.304	0.184	0.40	0.20	0.16	0.30	0.202
2005	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.16	0.30	0.193
2006	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.16	0.30	0.188
2007	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.16	0.30	0.183
2008	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.174

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

Sources: Carroll County Department of the Comptroller.
Maryland Association of Counties, Incorporated.

Table 8

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

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

2008				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 160,579,530	\$ 4,207,184	0.90%
Verizon-Maryland	Communications	60,919,930	1,596,102	0.34%
Carroll Lutheran Village	Retirement Village	53,923,640	859,416	0.30%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	19,217,460	503,497	0.11%
Potomac Edison	Electric Utility	17,305,350	453,400	0.10%
Cranberry Mall Properties LLC	Mall	42,601,812	447,382	0.24%
AT&T	Utilities	15,986,970	418,859	0.09%
Fairhaven Inc.	Assisted Living	35,926,900	376,514	0.20%
Random House	Warehouse Distribution	33,289,432	349,001	0.19%
Hampstead 2004 LLC	Power Tools	33,144,300	347,352	0.19%
		<u>\$ 472,895,324</u>	<u>\$ 9,558,707</u>	<u>2.66%</u>
	Total Assessed Valuation	<u>\$ 17,902,568,898</u>		
1999				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 104,869,440	\$ 2,747,597	2.92%
Bell Atlantic	Communications	76,701,520	2,009,580	2.13%
AT&T Communications	Communications	5,354,030	1,402,854	1.49%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	23,326,230	611,147	0.65%
Shearson Shopco Malls L.P.	Mall	17,200,000	450,640	0.48%
Random House	Warehouse Distribution Center	15,674,560	410,673	0.44%
Potomac Edison	Electric Utility	13,697,010	358,862	0.38%
Black & Decker USA	Power Tools	12,928,340	156,084	0.36%
Carroll Lutheran Village	Retirement Village	8,802,680	230,630	0.24%
Londontown Corporation	Clothing/Outerwear	8,655,260	198,136	0.24%
		<u>\$ 287,209,070</u>	<u>\$ 8,576,203</u>	<u>9.33%</u>
	Total Assessed Valuation	<u>\$ 3,594,358,170</u>		

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		Amount	Percent of Levy		Amount	Percent of Levy		
1999	\$ 93,405,749	\$ 93,098,955	99.67%	\$ 282,013	\$ 93,381,267	99.97%	\$ 24,482	0.03%
2000	98,659,248	97,973,256	99.30%	667,419	98,640,675	99.98%	18,573	0.02%
2001	103,041,027	102,745,856	99.71%	257,826	103,003,682	99.96%	37,345	0.04%
2002	108,676,869	108,465,799	99.81%	143,247	108,609,046	99.94%	67,823	0.06%
2003	116,412,680	114,676,102	98.51%	1,689,338	116,365,440	99.96%	47,240	0.04%
2004	122,149,632	121,181,554	99.21%	927,142	122,108,696	99.97%	40,936	0.03%
2005	133,921,809	132,713,125	99.10%	1,168,983	133,882,108	99.97%	39,701	0.03%
2006	148,611,638	147,744,969	99.42%	795,169	148,540,138	99.95%	71,500	0.05%
2007	170,157,832	169,106,817	99.38%	921,037	170,027,854	99.92%	129,978	0.08%
2008	195,867,182	194,780,453	99.45%	-	194,780,453	99.45%	1,086,729	0.55%

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Water						Sewer					
	Quarterly Base Rate	Rate per 1,000 Gallons	Tier 1	Tier 2	Tier 3	Quarterly Base Rate	Rate per 1,000 Gallons	Public Tier 1	Tier 2	Tier 3		
1999	\$ 20.35	\$ 1.30	\$ -	\$ -	\$ -	\$ 24.42	\$ 2.46	\$ -	\$ -	\$ -		
2000	20.35	1.40	-	-	-	24.42	2.65	-	-	-		
2001	8.44	-	1.97	2.44	1.68	12.19	-	3.15	3.26	3.23		
2002	7.68	-	2.14	2.97	2.30	11.52	-	3.17	3.40	3.31		
2003	7.68	-	2.14	2.97	2.30	11.52	-	3.17	3.40	3.31		
2004	8.45	-	2.43	3.02	3.39	12.18	-	3.84	4.75	5.32		
2005	6.46	-	3.07	3.48	3.74	9.18	-	3.99	4.82	5.36		
2006	6.69	-	2.94	3.59	3.86	9.36	-	4.36	5.33	5.63		
2007	7.64	-	3.29	4.02	4.47	10.06	-	5.14	6.38	7.18		
2008	8.23	-	3.35	4.18	4.69	11.61	-	5.70	6.71	6.60		

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Tiers are based on the following usages

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

Fiscal years 1999 and 2000 offered a low volume discount of \$6.25 to water and sewer customers with usages of 10,000 gallons or less per quarter.

The standard household meter size is 5/8" and the average household usage is 20,000 gals. per quarter.

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Personal Income (3)	% of Market Property Value (2)	Per Capita (3)
	General Obligation Bonds(1)	Agricultural Preservation Notes	Other Notes	Purchase Agreements	General Obligation Bonds (1)	Special Assessment Debt with Government Commitment				
1999	\$ 168,193,011	\$ -	\$ 7,908,880	\$ 6,114,659	\$ 16,154,041	\$ 8,933,026	\$ 207,303,617	2.14%	2.49%	\$ 1,364
2000	179,921,140	-	4,776,203	4,988,210	17,616,304	8,460,940	215,762,797	2.27%	2.47%	1,389
2001	188,977,240	-	4,325,702	4,175,864	19,254,892	7,897,838	224,631,536	2.32%	2.45%	1,447
2002	176,643,338	-	4,301,627	3,323,808	17,123,232	7,849,962	209,241,967	2.64%	2.15%	1,312
2003	179,403,473	926,930	3,556,080	2,430,100	15,355,299	7,244,634	208,916,516	2.75%	2.02%	1,279
2004	175,577,086	1,026,930	2,243,951	1,492,706	14,992,401	6,609,663	201,942,737	2.85%	1.84%	1,215
2005	199,860,394	3,206,864	834,167	509,488	16,870,281	5,943,584	227,224,778	2.66%	1.89%	1,348
2006	217,812,296	4,552,864	1,749,669	2,649,079	14,860,641	5,244,860	246,869,409	2.52%	1.83%	1,437
2007	218,904,371	7,136,864	4,107,759	2,725,443	13,781,251	4,511,880	251,167,568	N/A	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	N/A	1.45%	1,486

Notes: N/A not available.

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

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

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

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Ratios of Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds Outstanding	Percent of Actual Property Value (1)	Percent of Personal Income (2)	Per Capita (2)
1999	\$ 184,347,052	2.21%	2.41%	\$ 1,213
2000	197,537,444	2.26%	2.48%	1,272
2001	208,232,132	2.27%	2.51%	1,342
2002	193,766,570	1.99%	2.85%	1,215
2003	195,685,702	1.89%	2.94%	1,198
2004	191,596,417	1.75%	3.00%	1,152
2005	219,937,539	1.83%	2.75%	1,305
2006	237,225,801	1.76%	2.62%	1,381
2007	239,822,486	1.55%	N/A	1,384
2008	249,154,728	1.39%	N/A	1,430

Notes: N/A not available.

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

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

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Legal Debt Margin
June 30, 2008

Net assessed value- Real Property	\$ 17,346,223,578	
Debt limit - 6% of net total assessed value (1)		\$ 1,040,773,415
Assessed Value-Personal Property	556,345,324	
Debt limit- 15% of Net Assessed Value (1)		83,451,799
Total Debt Limit		1,124,225,213
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 250,856,331	
Less- Agricultural Preservation Program Self Supporting Debt	7,136,864	
Less- Fire Company Loans- Self Supporting Debt	12,105,858	
Less - Bureau of Utilities bonds and loans payable	17,189,869	
Less - Septage bonds payable	186,641	
Total amount of debt applicable to debt limit		214,237,099
Legal debt margin		\$ 909,988,114

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

Schedule of Legal Debt Margin
1999-2008

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
1999	\$ 3,594,358,170	15.0%	\$ 539,153,726	\$ 168,193,011	\$ 370,960,715	31.20%
2000	3,784,635,220	15.0%	567,695,283	179,921,140	387,774,143	31.69%
2001	3,968,204,470	15.0%	595,230,671	188,977,240	406,253,431	31.75%
2002	9,725,556,889	6.0%	583,593,413	175,760,607	407,832,806	30.12%
2003	10,340,867,012	6.0%	620,452,021	179,403,473	441,048,548	28.91%
2004	10,948,754,959	6.0%	656,925,298	186,294,353	470,630,945	28.36%
2005	12,034,458,190	6.0%	722,067,491	213,655,613	508,411,878	29.59%
2006	13,470,143,079	6.0%	852,874,621	226,319,103	626,555,518	26.54%
2007	15,441,306,101	6%/15%	974,208,067	211,725,319	762,482,748	21.73%
2008	17,902,568,902	6%/15%	1,124,225,213	214,237,099	909,988,114	19.06%

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Computation of Direct And Overlapping Debt
June 30, 2008

Jurisdiction	Real Property Assessed Valuation (1)	Percent of Assessed Valuation to Overlapping Jurisdictions	Pro rata Share of Direct Debt to Jurisdictions(2)	Overlapping Debt	Total Direct and Overlapping Debt
Hampstead	\$ 489,457,480	2.82%	\$ 5,940,429	\$ 1,534,745	\$ 7,475,174
Manchester	365,300,800	2.11%	4,444,789	562,130	5,006,919
Mt. Airy	714,246,703	4.12%	8,678,925	4,221,446	12,900,371
New Windsor	117,330,212	0.68%	1,432,444	-	1,432,444
Sykesville	331,951,329	1.91%	4,023,482	1,587,245	5,610,727
Taneytown	573,126,672	3.30%	6,951,566	5,596,878	12,548,444
Union Bridge	64,660,370	0.37%	779,419	1,527,330	2,306,749
Westminster	1,722,929,234	9.93%	20,917,894	8,464,496	29,382,390
Unincorporated areas	12,967,520,778	74.76%	157,484,570	-	157,484,570
County-wide Totals	<u>\$ 17,346,523,578</u>	<u>100.00%</u>	<u>\$ 210,653,518</u>	<u>\$ 23,494,270</u>	<u>\$ 234,147,788</u>

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

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (\$ in thous.) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
1999	152,020	\$ 4,442,938	\$ 28,888	27,231	2.78%
2000	155,336	4,909,038	31,456	27,472	2.42%
2001	155,221	5,220,636	33,501	27,528	2.44%
2002	159,442	5,194,169	34,117	27,806	3.04%
2003	163,400	5,434,074	35,259	28,630	3.16%
2004	166,234	5,754,673	36,318	29,044	3.06%
2005	168,521	6,046,616	36,318	28,774	3.50%
2006	171,742	6,209,401	36,874	28,219	3.30%
2007	173,208	6,516,268	38,694	28,575	3.40%
2008	174,249	N/A	N/A	28,261	3.90%

Notes: N/A not available.

(1) Carroll County Department of Planning, June 2008.

(2) Maryland Department of Planning, Planning Data Services, from
U.S. Bureau of Economic Analysis, August 2007.

(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2007-2008.

(4) State of Maryland Civilian Labor Force, Employment, and Unemployment by Place of Residence.

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Major Employers
Current Fiscal Year and Nine Years Ago

2008

Firm	Product/Service	Total Employment *	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	3,689	6.53%
Carroll Hospital Center	General hospital	1,824	3.23%
Random House	Book warehousing and distribution	900	1.59%
Springfield Hospital Center	Mental health services	833	1.47%
Carroll County Government ***	Local government central office	668	1.18%
McDaniel College	Higher education	623	1.10%
Fairhaven (Episcopal Ministries)	Life care retirement community	603	1.07%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	527	0.93%
Carroll Community College	Higher education	509	0.90%
General Dynamics Robotic Systems	Technology Manufacturing	475	0.84%
	Total	10,651	18.84%
	Annual Average Employment in Carroll County	56,526	

1999

Firm	Product/Service	Total Employment	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	2,544	5.62%
Random House	Book warehousing and distribution	1,200	2.65%
Carroll County General Hospital	General hospital	1,100	2.43%
Springfield Hospital Center	Mental health services	1,025	2.27%
Black & Decker USA	Warehouse and distribution center	795	1.76%
Carroll County Government ***	Local government central office	675	1.49%
Northrop Grumman	Electronic testing	510	1.13%
English American Tailoring	Men & women's clothing made-to-measure	502	1.11%
London Fog Industries, Inc.	Rainwear and outerwear distribution	425	0.94%
Western Maryland College	Higher Education	400	0.88%
	Total	9,176	20.28%
	Annual Average Employment in Carroll County	45,246	

Notes: * As of March 2008.
 ** Does not include hourly employees such as substitutes, aides, etc.
 *** Central offices only. Excludes Sheriff's Department, Courts, etc.

Source: Carroll County Department of Economic Development.
 The County's Annual Average Employment is from the Maryland Department of Labor, Licensing and Regulation
 Annual Employment and Payroll Reports for 2008 and 1999.
 Carroll County Department of the Comptroller.

Table 17

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

<u>Function/program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government										
County Commissioners										
Legislative	9	11	10	12	8	11	10	10	10	11
Management Analysis	2	2	3	3	3	3	3	5	5	5
* Licenses/Zoning Appeals Board	-	-	4	5	5	4	4	1	1	3
* Board of License Commissioners	-	-	-	-	-	-	2	1	-	1
Public Information	2	2	3	2	-	-	1	5	6	7
* TV Production	1	1	-	-	-	-	-	-	-	-
* Farm Museum	10	10	10	9	9	9	9	9	9	-
* Airport Management	3	2	2	2	1	1	-	-	-	-
* Dept of Technology Services	27	25	24	25	25	25	-	-	-	-
* Production & Distribution Svcs	3	3	3	3	3	3	-	3	3	3
Judicial	83	82	75	66	66	70	72	72	70	66
Dept of the Comptroller	37	37	36	35	37	36	36	36	34	33
Human Resources and Personnel Svcs	17	17	17	18	18	18	18	17	17	18
* Management and Budget	16	18	17	16	17	16	43	39	36	35
* Planning	45	42	45	44	44	43	131	130	125	124
* General Services	127	122	114	112	112	112	-	-	-	-
Citizen Services	56	51	51	44	45	47	38	38	36	34
Public Safety										
Sheriff Services	197	196	186	171	166	158	149	150	129	126
Emergency Services	36	35	34	31	30	28	27	27	21	21
Public Works										
* Supervision & Administration	4	4	6	5	-	6	8	32	35	34
Roads	112	108	103	107	116	111	110	112	109	109
* Engineering	23	21	22	22	23	22	21	23	23	23
Bureau of Utilities-Operations	34	30	29	28	28	27	-	26	-	-
Solid Waste-Operations	20	20	21	20	20	17	-	-	-	-
Social Services	15	15	15	14	14	13	13	15	12	12
Education	1	1	1	11	12	9	11	11	12	12
Recreation and Parks										
* Recreation and Parks	27	27	27	16	16	15	15	16	16	24
Conservation of Natural Resources										
Soil Conservation Service	6	6	6	6	6	6	6	6	6	6
Economic Development										
Economic Development	7	7	7	7	7	7	7	6	6	6
BERC	8	10	10	10	10	10	10	10	14	13
Tourism	2	2	2	2	2	2	2	2	2	2
Total Full Time Employee Totals	930	907	883	846	843	829	819	824	784	776
Part Time Employees	14	15	17	24	27	26	27	24	27	24
Total Employees	944	922	900	870	870	855	846	848	811	800

* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

Table 18

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Information										
Population	174,249	173,208	171,742	168,521	166,234	163,400	159,442	155,221	155,336	152,020
Registered Voters	106,828	106,853	104,318	102,505	95,056	90,756	89,687	85,752	84,221	81,476
General Government										
Building Permits Issued for Residential	238	373	724	637	731	1,177	1,347	1,194	969	866
Estimated Value (\$ in thousands) Residential	\$ 39,470	\$ 61,934	\$ 128,621	\$ 114,006	\$ 131,538	\$ 189,913	\$ 211,822	\$ 176,781	\$ 151,806	\$ 132,920
Building Permits Issued for other purposes	2,545	2,843	3,271	3,473	3,615	3,021	2,891	2,473	2,333	2,457
Estimated Value (\$ in thousands) Other	\$ 164,680	\$ 172,997	\$ 147,152	\$ 120,386	\$ 124,703	\$ 102,082	\$ 80,531	\$ 122,199	\$ 168,510	\$ 75,871
Fire and Emergency Service										
Paid Firemen	112	92	85	92	42	42	42	38	35	35
Active Volunteers (estimated)	675	675	750	800	800	1,100	1,100	1,100	1,100	1,100
Dispatched Incidence	17,584	16,357	15,969	15,104	15,470	14,507	14,270	13,212	12,636	11,995
911 Calls Received	59,186	57,761	55,923	55,375	55,829	57,381	55,146	46,829	42,605	38,724
Police Protection										
Resident Troopers	46	46	45	45	46	46	46	46	46	46
Sheriff's Department	66	64	64	56	54	46	50	51	40	37
Citations/Warnings	14,802	16,551	16,280	13,451	8,452	7,506	5,874	N/A	N/A	N/A
911 Calls for Service	12,779	6,083	6,158	8,109	5,665	3,712	N/A	N/A	N/A	N/A
Detention Center										
Detention Center Officers	93	93	90	90	88	86	78	79	77	67
Total Prisoner Days	98,155	107,711	104,874	103,285	105,415	110,047	103,355	87,661	45,885	62,009
Water										
Daily Average Usage (mgd)	2.18	2.16	2.34	2.17	2.4	2.19	2.23	2.13	2.41	2.4
Plants Daily Capacity (mgd)	3.39	3.39	3.39	3.39	3.39	N/A	N/A	N/A	N/A	N/A
Wastewater										
Daily Average Consumption (mgd)	2.95	2.89	2.74	3.34	3.12	N/A	N/A	N/A	N/A	N/A
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	4.45	N/A	N/A	N/A	N/A	N/A
Solid Waste										
Tons In	100,195	108,608	116,267	110,178	118,726	107,707	104,655	114,810	111,015	101,717
Tons Recycled	20,652	21,080	21,533	21,625	13,023	12,811	13,518	11,851	11,742	9,327
Tons into Landfill	14,051	8,969	13,466	15,276	16,445	16,127	21,004	15,441	13,119	11,870
Tons Transferred	86,144	100,028	105,660	97,009	104,156	91,580	93,651	99,369	97,896	89,847
Education										
Number of Teachers	2,209	2,375	2,116	2,021	1,963	1,957	1,844	1,779	1,765	1,780
Number of Students	28,261	28,575	28,219	28,774	29,044	28,630	27,806	27,528	27,472	27,231
Community College										
Full Time Equivalent Students (FTE's)	2,867	2,517	2,519	2,493	2,430	2,266	2,045	1,939	1,698	1,659
Faculty-Full Time	63	63	65	52	55	50	52	47	45	45
Faculty-Part Time	143	417	249	349	288	277	296	258	441	434
Airport										
Fuel Sales (gals)	471,700	503,574	574,155	618,180	408,866	208,790	140,726	115,868	135,775	N/A
Tie Downs Occupied	25	25	25	25	25	25	25	25	25	N/A
Corporate Hangars Occupied	6	7	7	7	6	4	1	1	-	-
T Hangars Occupied	82	82	82	82	82	82	82	82	82	N/A
Libraries										
Number of volumes (estimated)	517,239	511,026	553,824	584,167	552,786	567,631	556,122	547,900	545,595	473,531
Circulation	3,606,169	3,421,828	3,579,244	3,506,229	3,583,119	3,465,526	3,259,311	3,044,266	2,958,738	2,924,158
Senior Centers										
Outside Groups using facilities	3156	3,133	2,976	3,009	2,822	2,025	2,341	N/A	N/A	N/A
Volunteer Hours performed at Centers	39352	42,957	43,051	39,136	36,331	36,207	33,975	33,129	N/A	N/A

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

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
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	977	975	975	972	972	966	959	955	951	947
Miles of Roads Unpaved	86	87	89	92	92	92	92	92	92	92
Number of Bridges	147	147	147	146	146	146	145	144	144	144
Number of Acres in Agricultural Land Preservation	50,711	46,998	46,737	41,927	41,927	39,766	37,400	33,758	N/A	N/A
Fire and Emergency Service										
Stations	14	14	14	14	14	14	14	14	14	14
Water										
Water Mains (miles)	122	121	121	120	119	119	116	114	112	110
Treatment Plants	4	4	4	4	4	4	4	4	3	3
Water Tanks	6	6	6	6	6	6	6	6	6	6
Number of Customer Accounts	8,275	8,230	8,163	8,117	8,036	7,898	7,725	7,564	7,155	6,896
Wastewater										
Sewer Mains (miles)	135	134	134	133	132	130	128	127	126	124
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pumping Stations	18	18	18	18	18	17	17	17	16	15
Number of Customer Accounts	8,858	8,844	8,745	8,702	8,620	8,336	8,083	7,564	7,437	7,175
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	27	27	27	26	19	19	18	18	18	18
Acreage	4,478	4,478	4,478	4,475	4,311	4,311	4,147	4,147	4,147	4,147
Education										
Elementary	24	22	22	22	21	21	21	21	21	21
Middle	9	9	9	9	9	9	9	9	8	8
High	7	7	7	7	7	7	6	5	5	5
Vocational technical	2	2	2	2	2	2	2	2	2	2
Special/Alternative Education	2	2	2	2	2	2	2	2	2	2
College	1	1	1	1	1	1	1	1	1	1
Airport										
Runway (feet)	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
T Hangars Available	82	82	82	82	82	82	82	82	82	N/A
Corporate Hangars Available	7	7	7	7	7	7	7	4	-	-
Tie Downs Available	52	52	52	52	32	32	32	32	32	N/A
Apron Area (acres)	14.6	14.6	14.6	14.6	12.6	12.6	12.6	12.6	11.0	N/A
Firearms Facility	1	1	1	1	1	1	1	1	1	1
Libraries	5	5	5	5	5	5	5	5	5	5
Senior Centers	5	5	5	5	5	5	5	5	5	5

Note: (1) Includes two proposed reservoirs.
Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Bureau of Utilities - Revenue and Expenses
Last Ten Fiscal Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue										
Usage charges	\$ 7,305,990	\$ 7,119,000	\$ 6,076,750	\$ 5,573,113	\$ 5,465,151	\$ 4,323,926	\$4,321,084	\$3,896,323	\$3,900,735	\$3,700,206
Service charges	54,991	64,593	56,666	19,790	26,745	16,959	20,300	11,350	48,455	24,250
Penalties and interest	1,815,891	1,526,835	1,050,682	1,257,886	697,697	1,023,822	1,152,328	2,089,469	2,107,512	1,750,044
Operating transfer - County	629,850	212,000	138,310	(60,680)	122,405	1,439,075	419,273	119,520	104,310	85,100
Capital contributions (1)	855,655	291,282	389,700	5,744,168	1,038,337	743,641	1,068,367	4,078,973	-	-
Maintenance fee	1,427,782	1,421,568	850,713	836,795	447,729	621,151	572,385	-	-	-
Other	307,022	160,877	148,243	152,214	218,523	159,133	428,589	161,886	198,940	98,067
Total revenue	12,397,181	10,796,155	8,711,064	13,523,286	8,016,587	8,327,707	7,982,326	10,357,521	6,359,952	5,657,667
Expenses										
Salaries	2,241,162	2,027,979	1,996,372	1,828,934	1,759,625	1,660,311	1,568,180	1,516,070	1,473,652	1,492,679
Operating expenses	5,652,991	3,861,160	3,506,230	6,722,882	2,583,989	2,732,126	3,085,924	2,340,118	2,351,628	2,072,927
Depreciation	1,534,088	1,515,493	1,510,276	1,340,581	1,197,161	1,223,787	1,097,849	1,159,049	1,014,054	922,653
Interest	628,305	406,980	498,110	594,234	644,071	706,451	772,849	827,058	835,581	807,833
Total expense	10,056,546	7,811,612	7,510,988	10,486,631	6,184,846	6,322,675	6,524,802	5,842,295	5,674,915	5,296,092
Excess (deficiency) of revenue over expense:	\$ 2,340,635	\$ 2,984,543	\$ 1,200,076	\$ 3,036,655	\$ 1,831,741	\$ 2,005,032	\$ 1,457,524	\$ 4,515,226	\$ 685,037	\$ 361,575

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 Management - Revenue and Expenses
Last Ten Fiscal Years**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue										
Charge for services	\$ 6,269,365	\$ 6,353,183	\$ 6,253,935	\$ 5,810,000	\$ 5,975,631	\$ 5,234,047	\$ 4,939,698	\$5,238,584	\$5,189,996	\$4,569,244
Penalties and interest	447,743	631,268	441,286	375,385	63,900	73,582	80,229	139,885	166,694	222,571
Proceeds from sales of recyclables	340,424	227,025	202,325	268,340	154,886	81,407	71,675	84,038	100,922	103,916
Other	17,107	29,471	5,268	49,256	59,215	195,877	-	-	-	108,001
Operating transfer - County	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	2,645,000	1,445,000	1,445,000	-
Total revenue	<u>9,719,639</u>	<u>9,885,947</u>	<u>9,547,814</u>	<u>9,147,981</u>	<u>8,898,632</u>	<u>8,229,913</u>	<u>7,736,602</u>	<u>6,907,507</u>	<u>6,902,612</u>	<u>5,003,732</u>
Expense										
Salaries	1,387,457	1,335,170	1,220,245	1,138,650	1,062,789	1,030,337	1,010,043	973,539	920,997	873,361
Operating expenses	5,817,255	6,162,316	5,798,265	5,354,162	5,420,652	5,055,379	4,361,808	5,092,583	4,867,362	4,540,051
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Depreciation	203,133	174,008	154,380	107,960	90,952	90,217	176,590	180,669	182,637	242,015
Interest	241,073	263,743	308,018	347,036	253,197	383,626	448,443	508,969	573,368	653,566
Operating transfer - County	-	-	-	-	-	-	-	199,883	-	-
Total expense	<u>7,648,918</u>	<u>7,935,237</u>	<u>7,480,908</u>	<u>6,947,808</u>	<u>6,827,590</u>	<u>6,559,559</u>	<u>5,996,884</u>	<u>6,955,643</u>	<u>6,544,364</u>	<u>6,308,993</u>
Excess (deficiency) of revenue over expense	<u>\$ 2,070,721</u>	<u>\$ 1,950,710</u>	<u>\$ 2,066,906</u>	<u>\$ 2,200,173</u>	<u>\$ 2,071,042</u>	<u>\$ 1,670,354</u>	<u>\$ 1,739,718</u>	<u>\$ (48,136)</u>	<u>\$ 358,248</u>	<u>\$ (1,305,261)</u>
Tipping Fee per ton	\$ 61.00	\$ 58.00	\$ 54.00	\$ 54.00	\$ 51.00	\$ 51.00	\$ 49.00	\$ 47.00	\$ 47.00	\$ 45.00

Source: Carroll County Department of the Comptroller.

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

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

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

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

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

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

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Retired Members by Type of Benefit
As of June 30, 2008**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected					
		1	2	3	4	Unmod	A	B	C	D	E
Deferred	114										
\$ 1 - \$250	19	19				9	2	2	6		
251 - 500	26	24	2			7	1	3	9	1	5
501 - 750	6		4	2		1	1	1	2	1	
751 - 1000	1		1			1					
Over 1,000	0										

Type of Retirement:

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

Option Selected:

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

Source: Department of Human Resources.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

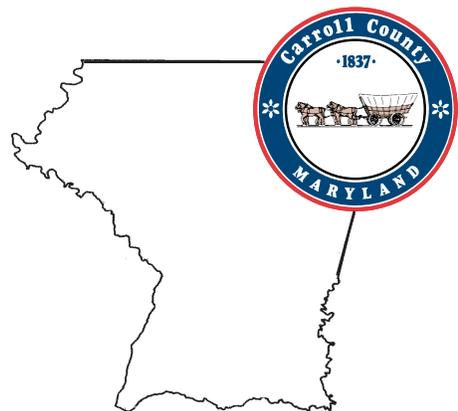
Carroll County Employee Pension Plan
Average Benefit Payments
Last Five Fiscal Years

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

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

Source: Department of Human Resources.

Single Audit Section



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

The County Commissioners
of Carroll County
Westminster, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The County Commissioners of Carroll County as of and for the year ended June 30, 2008, which collectively comprise The County Commissioners of Carroll County's basic financial statements and have issued our report thereon dated November 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The County Commissioners of Carroll County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
November 21, 2008

**Independent Auditor's Report on Compliance With
Requirements Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance with
OMB Circular A-133**

The County Commissioners
of Carroll County
Westminster, Maryland

Compliance

We have audited the compliance of the County Commissioners of Carroll County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County Commissioners of Carroll County major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County Commissioners of Carroll County's management. Our responsibility is to express an opinion on the County Commissioners of Carroll County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County Commissioners of Carroll County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County Commissioners of Carroll County's compliance with those requirements.

In our opinion, the County Commissioners of Carroll County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the County Commissioners of Carroll County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County Commissioners of Carroll County's internal control over compliance with the requirements that could have a direct and material effect on a major federal

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County Commissioners of Carroll County as of and for the year ended June 30, 2008, and have issued our report thereon dated November 21, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise June 30, 2008's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Baltimore, Maryland
November 21, 2008

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
MAJOR PROGRAMS					
U.S. Department of Housing and Urban Development					
Direct Programs:					
Housing Section 8 Subsidies					
Section 8 Housing Choice Voucher Federal Funded Subsidy FY08	14.871	P-3532	N/A	\$ 4,080,051	\$ 4,029,233
Section 8 Administrative Federal Funded Subsidy FY08	14.871	P-3532	N/A	352,924	374,934
Section 8 FSS Coordinator Salary Federal Funded Subsidy FY08	14.871	P-3532	N/A	52,359	<u>55,746</u>
Total U.S. Department of Housing and Urban Development					<u>4,459,913</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Human Resources:					
Cooperative Reimbursement 07/08 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	28,872	11,936
Cooperative Reimbursement 07/08 (St. Atty)	93.563	CSEA/CR-99-035	N/A	763,863	344,413
Cooperative Reimbursement 07/08 (Sheriff)	93.563	CSEA/CR-99-035	N/A	154,338	65,682
Cooperative Reimbursement 06/07 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	19,541	4,542
Cooperative Reimbursement 06/07 (St. Atty)	93.563	CSEA/CR-99-035	N/A	461,245	104,656
Cooperative Reimbursement 06/07 (Sheriff)	93.563	CSEA/CR-99-035	N/A	133,086	<u>26,302</u>
Total U.S. Department of Health and Human Resources					<u>557,531</u>
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management					
Administration:					
Citizen Corps FFY06	97.067	N/A	N/A	11,640	11,663
State Homeland Security FY08	97.067	N/A	N/A	265,679	28,633
Citizen Corps Min Grant (3)	97.067	N/A	N/A	1,500	1,110
LETPP FFY07	97.067	N/A	N/A	153,761	101,857
Homeland Security Admin FFY07	97.067	N/A	N/A	13,272	1,152
Homeland Security 2nd Planner	97.067	N/A	N/A	69,200	11,262
State Homeland Security Program	97.067	N/A	N/A	325,283	46,300
State Homeland Security Planner FY07	97.067	N/A	N/A	164,295	169,174
State Homeland Security Program-Administrative FY07	97.067	N/A	N/A	7,338	6,979
Law Enforcement Prevention FFY06	97.067	N/A	N/A	61,307	<u>25,900</u>
Total U.S. Department of Homeland Security					<u>404,030</u>
Total Major Programs					<u>5,421,474</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
OTHER FEDERAL PROGRAMS					
U.S. Department of Housing & Community Development					
Passed Through Maryland Department of Community Development:					
Spencer Village-Rehab Apts	14.228			\$ 150,000	\$ <u>5,630</u> 5,630
U.S. Department of Health and Human Services					
Passed Through Maryland Office on Aging:					
Title III, Part B 10/1/07-9/30/08	93.044	3-24-AAA-005	N/A	129,657	99,112
Title III, Part B 10/1/06-9/30/07	93.044	3-24-AAA-005	N/A	111,389	<u>60,698</u> 159,810
Title III, Part D 10/1/07-9/30/08	93.043	3-24-AAA-005	N/A	9,000	2,857
Title III, Part D 10/1/06-9/30/07	93.043	3-24-AAA-005	N/A	9,000	<u>5,622</u> 8,479
Title III, Part E 10/1/07-9/30/08	93.052	3-24-AAA-005	N/A	46,490	39,136
Title III, Part E 10/1/06-9/30/07	93.052	3-24-AAA-005	N/A	47,805	<u>11,244</u> 50,380
MA Waiver FY08	93.779	4-24-AAA-005	N/A	68,474	69,205
SHIP FY08	93.779	4-24-AAA-005	N/A	9,202	9,202
Curb Abuse Medicare FY08	93.779	4-24-AAA-005	N/A	6,799	<u>6,799</u> 85,206
Ombudsman/Elderly Abuse FY08	93.042	3-24-AAA-005	N/A	15,672	<u>15,672</u> 15,672
Title III, Part C 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	104,971	55,162
Title III, Part C 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	116,265	47,910
Home Delivered Meals 10/1/07-9/30/08	93.045	3-24-AAA-005	N/A	52,341	39,620
Home Delivered Meals 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	54,857	<u>32,501</u> 175,193
Total U.S. Department of Health and Human Services					<u>494,740</u>
Passed Through Maryland Office on Aging					
U.S. Department of Labor					
Passed Through Howard County Manpower Resources:					
Employment and Training Assistance					
Economically Disadvantaged IIA 7/1/07-6/30/08	17.250	POOB7200008-B	24-02-07	42,516	34,061
Economically Disadvantaged IIA 7/1/06-6/30/07	17.250	POOB7200008-B	24-02-07	122,958	21,905
Economically Disadvantaged Youth IIC FY08	17.250	POOB7200008-C	24-02-07	37,175	32,053
Economically Disadvantaged Youth IIC FY07	17.250	POOB7200008-C	24-02-07	56,237	3,761
Administration FY08	17.250	POOB7200008-A	24-01-07	47,479	47,479
Administration FY07	17.250	POOB7200008-A	24-01-07	50,505	<u>2,623</u> 141,882
U.S. Department of Labor					
Passed Through Howard County Manpower Resources:					
Employment and Training Assistance					
Dislocated Workers III 7/1/07-6/30/08	17.260	POOB7200008-D	24-02-07	327,080	240,323
Dislocated Workers III 7/1/06-6/30/07	17.260	POOB7200008-D	24-02-07	324,049	<u>75,671</u> 315,994
Total U.S. Department of Labor					<u>457,876</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008
(CONTINUED)

Federal Grantor Program Title	Federal CFDA Number	Federal Grant Number	Pass- Through Grantor's Number	Program/ Award Amount	Expenditures
U.S. Department of Transportation					
Sam's Creek Road Bridge	20.205			\$ 422,942	\$ 40,338
Greenmount Church Road Bridge	20.205			614,040	22,296
		MD-90-4089/			
Section 5307 07/08	20.509	MD90-4101	N/A	199,405	199,405
Section 5307 (Capital) 07/08	20.507	MD-90-0101	N/A	219,168	32,397
Section 5311 07/08	20.509	MD-18-4023	N/A	99,405	<u>94,405</u>
Total U.S. Department of Transportation					<u>388,841</u>
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management Administration:					
HAZMAT FY07	97.021	N/A	N/A	7,000	5,206
Immigration & Custom Enforcement (ICE) FY06	16.590	N/A	N/A	10,000	<u>2,567</u>
Total U.S. Department of Homeland Security					<u>7,773</u>
U.S. Department of Agriculture					
Commodities	10.555	3-24-AAA-005	N/A	26,947	26,647
The Emergency Food Assistance Program FY08	10.568	N/A	N/A	18,966	3,900
Independence Through Employment (ITE) FY07	10.561	N/A	N/A	107,564	<u>8,303</u>
					<u>38,850</u>
U.S. Department of Energy					
Passed Through State Department of Human Resources:					
Weatherization FY08	81.042	N/A	N/A	108,918	116,852
Weatherization FY07	81.042	N/A	N/A	168,454	<u>42,706</u>
					<u>159,558</u>
U.S. Department of Justice					
Passed Through The Governor's Office of Crime Control and Prevention:					
Violence Against Women Act FY08 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	78,657
Violence Against Women Act FY08 (Sheriff)	16.588	VAWA-98-036	N/A	47,505	35,597
Violence Against Women Act FY07 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	18,566
Violence Against Women Act FY07 (Sheriff)	16.588	VAWA 2000-1004	N/A	42,728	7,147
Junction Inc FY08 Treatment for Chemically Involved Adolescents	16.738	BJAG-2005-1013	N/A	46,321	40,627
Junction Inc FY07 Treatment for Chemically Involved Adolescents	16.738	BJAG-2005-1013	N/A	61,762	8,646
Substance Abuse Jail Diversion FY08	16.738	BJAG-2005-1032	N/A	61,620	3,170
Substance Abuse Jail Diversion FY07	16.738	BJAG-2005-1032	N/A	61,620	17,900
Anti-Gang Strategy Grant	16.744	G-37 1295	N/A	135,822	71,172
Family Violence/Through HSP FY05	93.671	N/A	N/A	930,481	<u>46,135</u>
					<u>327,617</u>
U.S. Department of Justice					
National Network of Children's Advocacy Center Grant FY07					
	16.582	PS-9429	N/A	10,000	6,614
National Network of Children's Advocacy Center Grant FY08	16.582	PS-9429	N/A	10,000	<u>3,176</u>
Total U.S. Department of Justice					<u>9,790</u>
Federal Aviation Administration					
Airport Improvement Program:					
Master Plan	20.106			429,875	25,587
PAPI	20.106			136,333	<u>13,590</u>
Total Federal Aviation Administration					<u>39,177</u>
Total Other Federal Programs					<u>1,929,852</u>
TOTAL FEDERAL PROGRAMS					<u>\$ 7,351,326</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2008

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of The County Commissioners of Carroll County for the year ended June 30, 2008.

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 County's 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, 2008**

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program
93.563	Child Support Enforcement
97.067	Homeland Security Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II—Financial Statement Findings

None

Section III—Federal Award Findings and Questioned Costs

None

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008**

No prior year audit findings.



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