

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2007



CARROLL COUNTY, Maryland

Comprehensive Annual Financial Report

For The Fiscal Year Ended
June 30, 2007

Prepared by:

Department of the Comptroller
Carroll County, Maryland

Robert M. Burk, Comptroller



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

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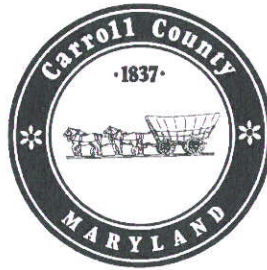
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Introductory Section





November 16, 2007

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, 2007.

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, 2007, are fairly presented in conformity with 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, and did not issue an auditor's letter to management. These reports are available in Carroll County's separately issued Single Audit Report.

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 2007 population estimate of 173,208. 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. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council. 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 June 30, the close of the County's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). 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 31 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 97.

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 Dynamic Robotic Systems, and Jos. A. Banks Clothiers.

The County has a labor force of approximately 94,600 as of June 2007, 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 also includes \$25.0 million for a new criminal justice building. The program includes one (1) new elementary and one (1) new middle in the South Carroll area at a total estimated cost of \$85.7 million, and one (1) new high school in the North Carroll are at a total estimated cost of \$79.0 million. The program also includes \$62.3 million to continue the County's efforts in purchasing agriculture land preservation easements. The program also includes \$31.5 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 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, secured by direct government or agency obligations, bankers acceptance, obligations of federal government agencies instrumentalities, the State of Maryland Local Government Investment Pool and mutual funds limited to a portfolio of direct obligations of the United States government and repurchase agreements and certificates of deposits fully collateralized by United States government obligations for periods ranging from one day to 20 years. At June 30, 2007, \$134 million was invested in federal government instrumentality obligations, \$25 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 \$36,106,430 in Branch Banking & Trust's money rate savings account, which is fully collateralized. The average yield on the investments for fiscal year 2007 was 5.26 percent. Investment income includes appreciation or depreciation in the fair market 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 18 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, agent 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 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, 2007, retirees pay between 6 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's subsidies are financed on a pay-as-you-go basis. 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, 2006. Carroll County, Maryland has received a Certificate of Achievement for the last twenty-two

consecutive years (fiscal years 1985-2006). 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.

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

Respectfully submitted,



Robert M. Burk, CPA
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carroll County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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

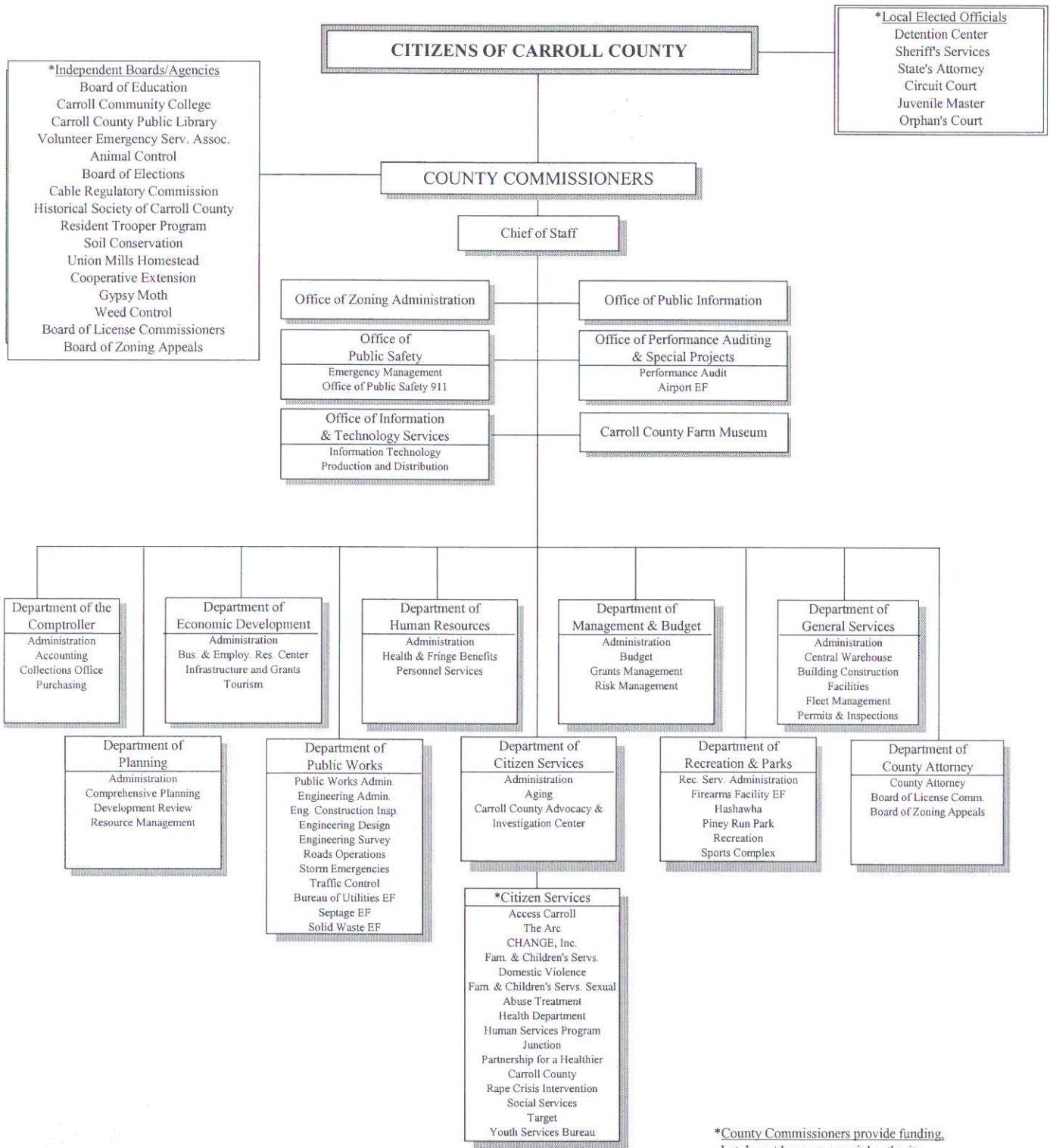


President

Executive Director

CARROLL COUNTY GOVERNMENT

Organizational Chart



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

**LIST OF PRINCIPAL OFFICIALS
June 30, 2007**

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
Robert M. Burk Comptroller
Theodore Zaleski, III Director of Management and Budget
Kimberly A. Millender County 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
Ralph Green Director of General 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, 2007, 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, 2007, 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 2, 2007 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 and schedules of funding progress are 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 Gunderson LLP

Baltimore, Maryland
November 16, 2007

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

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, 2007. 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, 2007 by \$453,909,807 (*net assets*), compared to \$432,803,290, restated, at June 30, 2006. Approximately 20 percent of the net assets total is attributable to the Enterprise Funds. Of total net assets at June 30, 2007, \$77,250,388 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, which compares to \$55,150,087, restated, at June 30, 2006. Another \$28,398,941 is restricted for specific purposes (*restricted net assets*) in comparison to \$33,779,473 at June 30, 2006. The total invested in capital assets, net of related debt was \$348,260,478 at June 30, 2007, compared to \$343,873,730 at June 30, 2006.
- The government's overall financial position improved. The total net assets increased by \$21,106,517.

Fund level:

- At the close of the current fiscal year, unreserved, undesignated fund balance for the general fund (primary operating fund) was \$7,302,102.
- As of June 30, 2007, the County's governmental funds reported combined fund balances of \$190,224,328, an increase of \$13,693,999 over the prior year. Approximately 9.1 percent of the combined fund balances is available to meet the County's current and future needs (*unreserved and undesignated fund balance*), 24.9 percent is reserved, 66 percent is unreserved and designated for future use, stabilization fund and other purposes.
- Starting in fiscal year 2007, the County established the Cable Franchise Fee Fund. For the fiscal year ended June 30, 2007 Cable Franchise Fee revenue was \$701,491. For fiscal year 2006, collection of this revenue was part of the License and Permits Revenue recorded in the General Fund.

Long-term Debt:

- Carroll County Government's total bonded debt increased by \$2,495,866 during the current fiscal year. The main factor in this increase was the County's issuance of \$20,660,000 in bonded debt and a refunding issue totaling \$23,965,000 which generated a debt service savings of \$1,091,154. The County also issued \$2,584,000 of twenty year installment purchase agreements and \$3,410,265 of agricultural land easements, due within five years or less.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

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 26 to 27 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, 2007**

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 95 to 101 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 31 of this report.

The basic governmental fund financial statements can be found on pages 28 and 29 of this report.

Proprietary funds: Carroll County Government maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Carroll County Government uses an enterprise fund to account for its Bureau of Utilities, Solid Waste, Airport, Septage, 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 32 to 34 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 106 to 108 of this report.

The basic proprietary fund financial statements and the individual fund data for the internal service fund can be found on pages 32 to 34 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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

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 basic fiduciary funds financial statements can be found on pages 35 to 36 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 37 to 85 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Carroll County Government's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 86 to 87 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 \$453,909,807 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 (76.7 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 \$28,398,941 represent 6.26 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 \$77,250,388 (17.0 percent of total net assets), of which \$6,918,217 is attributable to business-type activities. The unrestricted net assets for government activities of \$70,332,172 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 increased by \$21,106,517 during the fiscal year, \$9,500,474 less than the increase in net assets from fiscal year 2006. Increase budgeted expenses for education, conservation of natural resources, public safety as well as increased operating costs for Bureau of Utilities and Solid Waste funds are the primary reasons for the decreased growth. 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.

The beginning balance for net assets was restated from \$439,067,659 to \$432,803,290 due to a restatement in governmental activities land of \$6,264,369. Please see Note 1E for further details on this restatement.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

**Carroll County Government's Net Assets
June 30, 2007**

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2007	Restated* June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	Restated June 30, 2006
Current assets	\$ 270,532,011	\$ 252,843,093	\$ 34,958,789	\$ 37,601,103	\$ 305,490,800	\$ 290,444,196
Capital assets	369,963,060	365,000,297	87,779,284	74,667,203	457,742,344	439,667,500
Total assets	640,495,071	617,843,390	122,738,073	112,268,306	763,233,144	730,111,696
Current liabilities	65,876,517	56,705,198	4,735,137	4,427,612	70,611,654	61,132,810
Non-current liabilities	212,771,465	208,523,272	25,940,218	27,652,324	238,711,683	236,175,596
Total liabilities	278,647,982	265,228,470	30,675,355	32,079,936	309,323,337	297,308,406
Net assets:						
Invested in capital assets, net of related debt	270,193,492	279,457,684	78,066,986	64,416,046	348,260,478	343,873,730
Restricted	21,321,426	21,667,901	7,077,515	12,111,572	28,398,941	33,779,473
Unrestricted	70,332,171	51,489,335	6,918,217	3,660,752	77,250,388	55,150,087
Total Net Assets	\$ 361,847,089	\$ 352,614,920	\$ 92,062,718	\$ 80,188,370	\$ 453,909,807	\$ 432,803,290

* The June 30, 2006 Capital Asset balance was restated for a prior period adjustment. See Note 1E for further details.

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

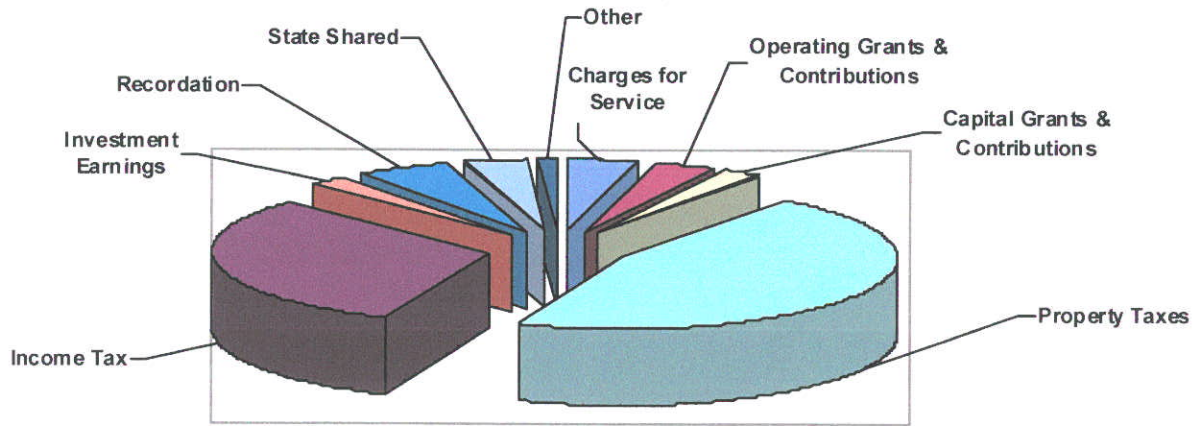
**Carroll County Government's Changes in Net Assets
for the Year ended June 30 2007**

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Revenues:						
Program revenues:						
Charges for services	\$ 14,309,515	\$ 15,440,238	\$ 16,390,843	\$ 15,346,893	\$ 30,700,358	\$ 30,787,131
Operating grants & contributions	12,841,014	11,833,487	1,064,797	-	13,905,811	11,833,487
Capital grants & contributions	7,453,139	3,022,177	2,079,422	1,562,378	9,532,561	4,584,555
General revenues:						
Property taxes	158,112,936	148,644,728	-	-	158,112,936	148,644,728
Income tax	106,921,331	108,435,386	-	-	106,921,331	108,435,386
911 service fee	1,600,475	1,242,506	-	-	1,600,475	1,242,506
Recordation	18,902,094	22,782,302	-	-	18,902,094	22,782,302
Admission	405,295	393,659	-	-	405,295	393,659
Agricultural transfer tax	390,420	501,049	-	-	390,420	501,049
Hotel Tax	321,676	191,117	-	-	321,676	191,117
Cable franchise fee	701,491	-	-	-	701,491	-
State shared, unrestricted	12,729,241	12,313,362	-	-	12,729,241	12,313,362
Investment earnings	8,622,196	6,988,995	2,174,966	1,496,621	10,797,162	8,485,616
Total Revenues	\$ 343,310,823	\$ 331,789,006	\$ 21,710,028	\$ 18,405,892	\$ 365,020,851	\$ 350,194,898
Program Expenses:						
General government	63,412,621	56,806,902	-	-	63,412,621	56,806,902
Public safety	28,609,006	26,701,419	-	-	28,609,006	26,701,419
Public works	20,775,987	27,921,389	-	-	20,775,987	27,921,389
Health	4,397,039	4,310,828	-	-	4,397,039	4,310,828
Social services	1,131,873	1,092,806	-	-	1,131,873	1,092,806
Education	168,198,541	152,183,905	-	-	168,198,541	152,183,905
Recreation and parks	2,772,654	1,979,136	-	-	2,772,654	1,979,136
Libraries	7,511,036	6,812,087	-	-	7,511,036	6,812,087
Conservation of natural resources	16,711,700	13,395,013	-	-	16,711,700	13,395,013
Economic development	3,076,751	2,033,020	-	-	3,076,751	2,033,020
Interest on long-term debt	8,984,385	8,700,181	-	-	8,984,385	8,700,181
Bureau of Utilities	-	-	7,849,747	7,510,988	7,849,747	7,510,988
Solid Waste	-	-	7,935,237	7,480,908	7,935,237	7,480,908
Septage	-	-	402,898	364,010	402,898	364,010
Firearms	-	-	58,238	60,267	58,238	60,267
Airport	-	-	2,086,621	2,235,048	2,086,621	2,235,048
Total Expenses	325,581,593	301,936,686	18,332,741	17,651,221	343,914,334	319,587,907
Excess (deficiency) before transfers	17,729,230	29,852,320	3,377,287	754,671	21,106,517	30,606,991
Transfers	(8,497,061)	(2,893,223)	8,497,061	2,893,223	-	-
Increase in Net Assets	9,232,169	26,959,097	11,874,348	3,647,894	21,106,517	30,606,991
Net Assets-Beginning, as restated	352,614,920	331,920,192	80,188,370	76,540,476	432,803,290	408,460,668
Net Assets - Ending	\$ 361,847,089	\$ 358,879,289	\$ 92,062,718	\$ 80,188,370	\$ 453,909,807	\$ 439,067,659

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Governmental activities: Overall revenue has increased by \$11,521,817, which is a 3.5 percent increase from fiscal year 2006. Property taxes increased by \$9,468,208, due to a steady increase in property values. Interest revenues increased by \$1,633,201, due to the increase in activity in the County's portfolio of \$39 million and the increase in the average interest rate from 4.10 percent in fiscal year 2006 to 5.26 percent in fiscal year 2007. During fiscal year 2007, the Hotel Rental Tax revenue increased by \$130,599 or 68 percent. The Hotel Rental Tax was established during fiscal year 2006 and only reported eight months of revenues. Fiscal year 2007 was the first full year of collecting this tax.

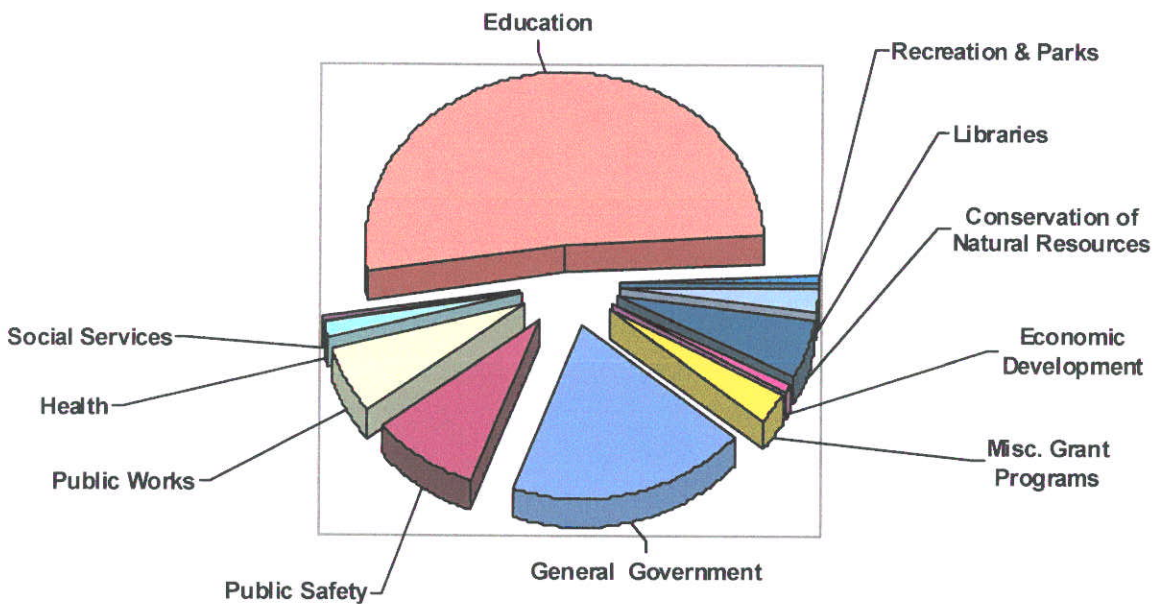
Revenues by Source-Primary Government



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

The expenses of the governmental activities have increased by \$23,644,907 or 7.8 percent from fiscal year 2006. Most functional categories have increased due to additional spending for capital projects and annual increases to the operational costs. Education expenses increased \$16,014,636, or 10.5 percent from fiscal year 2006. This was primarily caused by payments to the Board of Education for operations, which increased by \$9,075,140 and an increase in capital outlay of \$7,154,790 for school construction and renovation. Conservation of natural resource expenses increased \$3,316,687 or 24.7 percent from fiscal year 2006. This was primarily caused by capital purchases of easements through the Agricultural Land Preservation program. Also during fiscal year 2007, Public Safety expenses increased by 7 percent. This was primarily caused by increases in operating costs for Volunteer Emergency Services Association and EMS 24/7 Services.

Expenses-Primary Government



Business-type activities: There was an overall increase in Charges for Services of \$1,043,950 or 6.8 percent over fiscal year 2006. 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 2007 operating grants and contribution revenue received totaled \$1,064,797 which was the net revenue received for selling 12.7 acres of Airport land. The transaction was FAA approved and the profit received is reserved for future capital projects. Increases in most of the funds expenses are mainly due to increase in operational costs. For fiscal year 2007 the Firearms Facility expenses decreased slightly from fiscal year 2006 due to the February 2007 fire the destroyed the facility. Please see Note 7 for additional information.

The County's transfers between governmental activities and business-type activities increased by \$5,603,838 during fiscal year 2007. There are two types of transfers recorded between the County's activities: for continuation of operations and for transfers of capital assets. During the fiscal year \$2,897,000 was transferred between activities for continuation of operations. \$5,600,061 was a transfer of capital assets. The primary reason for the capital asset transfer was for 461 acres of land totaling \$5,603,372 from governmental activities to the Airport Fund in the business-type activities. The transfer was done to accurately reflect the Airport "Land" asset to the FAA approved Airport Layout Plan. Please see Note 6 for additional information.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Carroll County Government's governmental funds reported combined ending fund balances of \$190,224,328, an increase of \$13,492,990. Approximately 9.1 percent of this total (\$17,275,562) constitutes *unreserved undesignated fund balance*, which is available for spending at the government's discretion. The *reserved fund balance*, at 24.9 percent of total fund balance is not available for new spending because it has already been committed: 1) to cover loans receivable balances (\$32,251,685), 2) to liquidate contracts and purchase orders of the prior period (\$12,919,146), and 3) dedicated for inventory and advances to Industrial Development Authority (\$2,198,119). The remaining 66 percent of fund balance (\$125,579,816) 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 \$39,089,780, while total fund balance reached \$75,435,165. 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 13.7 percent of total general fund expenditures, while total fund balance represents 26.3 percent of that same amount.

A decrease in fund balance was budgeted with an appropriation of \$12,891,533 of fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$6,774,917 less in expenditures than budgeted. Total liabilities are fairly consistent with the previous year.

The revenues in the General Fund have increased by \$22,093,096 compared to the prior fiscal year. Most of the General Fund's revenue sources decreased except for Property Taxes which increased by \$20,386,318 and Interest Revenue which increased by \$3,779,274 over fiscal year 2006. Expenditures increased by \$23,118,971 compared to the prior fiscal year.

The Capital Project Fund's balance sheet shows \$14,217,624 more assets in fiscal year 2007. This increase is mainly due to additional cash in the fund at the end of the fiscal year for capital projects not yet started. In fiscal year 2007 the General Fund provided additional pay-go funding to the Capital Projects Fund of \$25.4 million to address specific one-time expenditures.

The Capital Projects Fund has a total fund balance of \$104,815,703, of which \$11,023,565 is reserved to liquidate purchase orders of the prior period and \$93,792,138 is unreserved but designated for future capital project expenditures. Unspent bond proceeds of \$16,220,586 make up 17.3 percent of the unreserved but designated fund balance.

The Non-Major Special Revenue Funds have a total fund balance of \$9,973,460, all of which is unreserved.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

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 \$6,918,217 and unrestricted net assets in the Internal Service Fund totaled \$5,382,799. The total growth in net assets for the proprietary funds was \$11,874,348, while the net assets for the Internal Service Fund increased by \$328,679. 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.

Two major transfers from the reserve for contingencies were made that account for the differences between the original and final budgets. Public Safety final budget was increased by \$201,518 over the original budget to cover workmen's compensation claims actual paid out during the year. Debt Service final budget was increased by \$294,262 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 \$283,560,883, compared to budgeted amount of \$283,441,217, an overall increase of \$119,666. Actual revenue for Taxes, Local Other was less than budget by \$8,643,293 for two main reasons: 1.) Actual State Income Tax collected was less than budget by \$5,727,024 because the state changed its method for making disbursements to the County; 2.) Actual Recordation collected was less than budget by \$3,197,906 due to the real estates market slowdown. Licenses and Permits was less than budget by \$1,442,415 which was also affected by the real estate market slowdown. The revenue decreases were offset by the total increase in Property Tax, Charges for Service, and Interest Revenue, which were over budget by \$8,531,019 as previously discussed.

Functional expenditures were within budget for most categories. Total expenditures on a budgetary basis were \$286,573,427 compared to appropriation authority of \$293,348,344, resulting in \$6,774,917 or 2.4 percent less than planned. Education expenditures were more than budget by \$1,811,200 due to in-kind expenditures, which the County does not budget for. Debt Service expenditures were more than the budget by \$601,018 due to five year notes entered into during the current fiscal year requiring payments in the same year.

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, 2007, amounts to \$457,742,344 (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 4.1 percent (a 1.1 percent increase for governmental activities and a 3.0 percent increase for business-type activities). Additional information on the County's capital assets can be found on pages 57 to 60 of this report.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

After the implementation of Governmental Accounting Standards Board (GASB) Statement No. 34 recording infrastructure, it was determined that land in the Governmental Activities was overstated by \$6,264,369. Fiscal year 2006 balances were restated for the prior period adjustment. Please see Note 1E and Note 7 for additional information.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006, Restated	2007	2006	2007	2006, Restated
	Land	\$ 26,809,632	\$ 31,338,692	\$ 8,625,747	\$ 3,118,339	\$ 35,435,379
Construction in progress	32,457,013	21,620,075	13,056,406	4,329,420	45,513,419	25,949,495
Building and contents Improvements	90,472,235	92,556,582	18,952,101	19,406,908	109,424,336	111,963,490
other than buildings	8,710,792	7,682,493	964,671	1,092,661	9,675,463	8,775,154
Auto, machinery & equipment	12,295,150	11,263,859	1,844,298	2,091,326	14,139,448	13,355,185
Infrastructure	199,218,238	200,538,596	44,336,061	44,628,549	243,554,299	245,167,145
Total	<u>\$ 369,963,060</u>	<u>\$ 365,000,297</u>	<u>\$ 87,779,284</u>	<u>\$ 74,667,203</u>	<u>\$ 457,742,344</u>	<u>\$ 439,667,500</u>

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

- New Drug Treatment Facility had expenditures of \$2.87 million, increasing CIP.
- New Energy Management project had expenditures of \$1.05 million, increasing CIP.
- Various new road and bridge projects had expenditures of \$2.6 million, increasing CIP.
- Various Public Safety projects had expenditures of \$1.34 million, increasing CIP.
- New Water Treatment Plant project in the Bureau of Utilities, had expenses of 1.6 million, increasing CIP.
- Various Bureau of Utilities projects had expenses of \$2.6 million, increasing CIP.
- New Northern Landfill Cell #3 project in the Solid Waste Fund, had expenses of \$4.6 million, increasing CIP.

Long-term debt:

At the end of the current fiscal year, Carroll County Government had total bonded debt outstanding of \$239,822,486. Of this amount, \$206,653,791 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specific revenue sources.

**Carroll County Government's Outstanding Debt
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds, net	\$ 218,904,371	\$ 217,812,296	\$ 13,781,251	\$ 14,840,352	\$ 232,685,622	\$ 232,652,648
General Obligation Debt	7,136,864	4,552,864	-	-	7,136,864	4,552,864
Total	<u>\$ 226,041,235</u>	<u>\$ 222,365,160</u>	<u>\$ 13,781,251</u>	<u>\$ 14,840,352</u>	<u>\$ 239,822,486</u>	<u>\$ 237,205,512</u>

During the current fiscal year Carroll County Government's total debt increased by \$2,616,974. The County did sell general obligation bonds totaling \$20,660,000. Of these bonds, \$19,660,000 was sold to cover capital projects in the governmental activities and \$400,000 was sold to cover capital projects in the

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

business-type activities; \$600,000 was sold to cover fire company loans for building construction and equipment purchases. The County also issued a bond refunding totaling \$23,965,000 for the 1995, 1998 and 2000 issues which generated a debt service savings of \$1,091,154. The new bonded debt will be repaid over fifteen years. The County also issued \$2,584,000 installment purchase agreements for agricultural land easements. The agricultural land easements will be repaid over twenty years. The County also issued \$3,410,265 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.

Carroll County's recommended amount of general obligation debt the County may issue is 6 percent of the total assessed valuation of personal and corporate property. The current debt limitation for Carroll County Government is \$762,482,748, 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

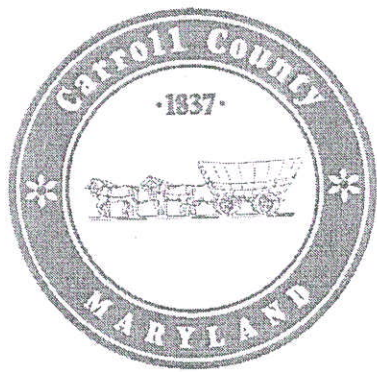
- The fiscal year 2008 budget appropriation for the general fund is \$328,372,000 representing a 8.5 percent increase over fiscal year 2007.
- Property assessments with new growth and reassessment are projected to grow by 15.1 percent over the previous year.
- In addition to the 3 percent of real property tax normally dedicated to the Community Investment Plan (CIP), \$19.0 million of fiscal year 2008 real property tax was directly appropriated to the CIP to address specific one-time expenditures.
- The average unemployment rate for the County is currently 3.4 percent, while the State of Maryland average is 4.0 percent.
- In accordance with GASB Statements No. 43 and No. 45, the County will set up a Trust Fund for Other Post Employment Benefits also known as OPEB in fiscal year 2008.

All of these factors were considered in preparing the Carroll County Government's budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$39.1 million in comparison to \$44.7 million at June 30, 2006. The County has appropriated \$13.5 million of this amount for spending in the 2008 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.



Basic Financial Statements

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Statement of Net Assets
June 30, 2007

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Board of Education	Carroll Community College	Library	Industrial Development Authority
ASSETS							
Equity in pooled cash and investments	\$ 190,923,568	\$ 31,298,375	\$ 222,221,943	-	-	-	-
Cash and cash equivalents	-	28,007	28,007	14,943,970	3,861,169	1,168,887	31,996
Investments	-	-	-	1,344,197	2,917,768	68,892	1,550,631
Taxes and receivables, net (Note 5)	24,789,294	4,201,808	28,991,102	565,725	1,947,536	207,334	937,970
Due from component units	1,149,613	-	1,149,613	-	-	-	-
Due from primary government	-	-	-	22,400,334	-	-	-
Due from other governments	45,848,297	-	45,848,297	8,560,487	-	-	-
Internal balances	916,014	(916,014)	-	-	-	-	-
Inventories	1,072,559	239,721	1,312,280	729,969	-	-	-
Prepaid expenses	731,826	106,892	838,718	515,388	192,386	32,621	-
Negative net pension obligation	5,100,840	-	5,100,840	-	-	-	-
Capital assets not being depreciated:							
Land	26,809,632	8,625,747	35,435,379	12,549,603	-	-	3,732,025
Construction in progress	32,457,013	13,056,406	45,513,419	25,075,721	-	-	4,078,888
Art and doll collection	-	-	-	-	348,850	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	90,472,235	18,952,101	109,424,336	267,641,259	-	1,665,185	-
Improvements other than buildings	8,710,792	964,671	9,675,463	-	467,452	-	-
Auto, machinery and equipment	12,295,150	1,844,298	14,139,448	11,675,693	923,201	-	-
Infrastructure	199,218,238	44,336,061	243,554,299	-	-	-	-
Capital assets, net of depreciation	369,903,060	87,779,284	457,742,344	316,942,276	1,739,503	1,665,185	7,810,913
Total assets	640,495,071	122,738,079	763,233,144	366,002,346	10,658,362	3,142,919	10,331,510
LIABILITIES							
Accounts payable	10,861,323	2,007,369	12,868,692	8,965,451	152,526	94,275	207,950
Compensated absences payable	18,542	-	18,542	2,135,000	-	375,735	-
Retainage and guarantees due contractors	778,567	-	778,567	-	-	-	-
Due to component units	22,400,334	-	22,400,334	-	-	-	-
Due to primary government	-	-	-	24,053	-	-	1,125,560
Due to other governments	-	-	-	118,766	-	-	839,385
Due to student groups	-	-	-	1,834,344	-	-	-
Unearned revenue (Note 5)	2,566,861	54,192	2,621,053	1,464,899	1,058,181	-	444,704
Accrued interest payable	1,913,190	213,361	2,126,551	48,289	-	-	-
Accrued expenses	1,593,506	87,895	1,681,401	28,131,795	1,012,290	218,709	-
Long-term liabilities (Note 8):							
Due within one year	25,744,194	2,372,320	28,116,514	448,091	-	-	-
Due in more than one year	212,771,465	25,940,218	238,711,683	30,989,171	-	-	-
Total liabilities	278,647,982	30,675,355	309,323,337	74,159,859	2,222,997	688,719	2,617,599
NET ASSETS							
Invested in capital assets, net of related debt	270,193,492	78,066,986	348,260,478	308,744,349	1,390,653	1,665,185	7,810,913
Restricted for:							
Debt service	-	151,227	151,227	-	-	-	-
Investments	-	-	-	-	-	110,044	-
Capital projects	16,220,586	6,926,288	23,146,874	-	-	-	-
Food services	-	-	-	647,395	-	-	-
Educational purposes	-	-	-	-	3,303,086	-	-
Pension	5,100,840	-	5,100,840	-	-	-	-
Unrestricted (deficit)	70,332,171	6,918,217	77,250,388	(17,549,257)	3,741,626	678,971	(97,002)
Total net assets	\$ 361,847,089	\$ 92,062,718	\$ 453,909,807	\$ 291,842,487	\$ 8,435,365	\$ 2,454,200	\$ 7,713,911

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, 2007

Exhibit B

Net (Expense) Revenue and Changes in Net Assets

Functions/Programs	Program Revenues				Component Units														
	Expenses	Charges for Service	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government		Component Units											
			Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Board of Education	Community College	Library	Industrial Development Authority								
Primary government:																			
General government	\$ 63,412,621	\$ 8,663,251	\$ 8,797,608	\$ 748,153	\$ (45,203,609)	\$ -	\$ (45,203,609)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	28,609,006	2,239,935	1,292,246	1,102,411	(23,974,414)	-	(23,974,414)	-	-	-	-	-	-	-	-	-	-	-	-
Public works	20,775,987	1,456,792	-	589,822	(18,729,373)	-	(18,729,373)	-	-	-	-	-	-	-	-	-	-	-	-
Health	4,397,039	8,155	75,566	973,011	(3,340,307)	-	(3,340,307)	-	-	-	-	-	-	-	-	-	-	-	-
Social services	1,131,873	284,564	50,550	-	(796,759)	-	(796,759)	-	-	-	-	-	-	-	-	-	-	-	-
Education	168,198,541	749,353	1,421,445	1,000,000	(165,027,743)	-	(165,027,743)	-	-	-	-	-	-	-	-	-	-	-	-
Recreation and Parks	2,772,654	907,465	259,365	164,460	(1,441,364)	-	(1,441,364)	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	7,511,036	-	-	-	(7,511,036)	-	(7,511,036)	-	-	-	-	-	-	-	-	-	-	-	-
Conservation of natural resources	16,711,700	-	-	2,875,282	(13,836,418)	-	(13,836,418)	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	3,076,751	-	944,234	-	(2,132,517)	-	(2,132,517)	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	8,984,385	-	-	-	(8,984,385)	-	(8,984,385)	-	-	-	-	-	-	-	-	-	-	-	-
Total governmental activities	325,581,593	14,309,515	12,841,014	7,453,139	(290,977,925)	-	(290,977,925)	-	-	-	-	-	-	-	-	-	-	-	-
Business-type activities:																			
Bureau of Utilities	7,849,747	7,344,470	-	1,750,985	-	-	-	1,245,708	-	-	-	-	-	-	-	-	-	-	-
Solid Waste	7,935,237	6,609,679	-	-	-	-	-	(1,325,558)	-	-	-	-	-	-	-	-	-	-	-
Airport	2,086,621	1,840,449	1,064,797	328,437	-	-	-	1,147,062	-	-	-	-	-	-	-	-	-	-	-
Septage	402,898	536,845	-	-	-	-	-	133,947	-	-	-	-	-	-	-	-	-	-	-
Firearms	58,238	59,400	-	-	-	-	-	1,162	-	-	-	-	-	-	-	-	-	-	-
Total business-type activities	18,332,741	16,390,843	1,064,797	2,079,422	-	-	-	1,202,321	-	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ 343,914,334	\$ 30,700,358	\$ 13,905,811	\$ 9,532,561	(290,977,925)	-	(290,977,925)	1,202,321	(289,775,604)	-	-	-	-	-	-	-	-	-	-
Component units:																			
Board of Education	168,015,596	5,245,834	39,498,024	25,448,453	-	-	-	-	-	-	-	-	-	(97,823,285)	-	-	-	-	-
Carroll Community College	16,596,812	7,326,985	2,560,992	-	-	-	-	-	-	-	-	-	-	(6,708,835)	-	-	-	-	-
Library	2,219,358	345,375	2,268,000	177,924	-	-	-	-	-	-	-	-	-	-	571,941	-	-	-	-
Industrial Development Authority	1,152,930	2,135,678	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total component units	\$ 187,984,696	\$ 15,053,872	\$ 44,327,016	\$ 26,126,377	-	-	-	-	-	-	-	-	-	(97,823,285)	(6,708,835)	571,941	-	-	1,482,748
General revenues:																			
Property taxes	-	-	-	-	158,112,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	106,921,331	-	-	-	-	-	-	-	-	-	-	-	-	-	-
911 service fee	-	-	-	-	1,600,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recordation	-	-	-	-	18,902,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Admission	-	-	-	-	405,295	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural transfer tax	-	-	-	-	390,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel rental tax	-	-	-	-	321,676	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cable franchise fee	-	-	-	-	701,491	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State shared, unrestricted	-	-	-	-	12,729,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings and miscellaneous, unrestricted	-	-	-	-	8,622,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unrealized and realized gain on investments	-	-	-	-	(8,497,061)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	300,210,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	-	-	-	-	300,210,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets	-	-	-	-	9,232,169	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets - beginning of year, as restated	-	-	-	-	352,614,920	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets - ending	-	-	-	-	\$ 361,847,089	-	-	-	-	-	-	-	-	-	\$ 92,062,718	-	-	-	-
															\$ 453,909,807				
															\$ 291,842,487				
															\$ 8,435,365				
															\$ 2,454,200				
															\$ 7,713,911				

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, 2007

Exhibit C

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 62,191,862	\$ 110,141,982	\$ 11,602,582	\$ 183,936,426
Taxes and receivables, net	24,004,232	99,342	676,228	24,779,802
Due from component units	1,149,613	-	-	1,149,613
Due from other governments	43,395,360	2,452,937	-	45,848,297
Due from other funds	916,014	-	-	916,014
Inventories	1,072,559	-	-	1,072,559
Prepaid costs	216,942	123,056	319,644	659,642
Total assets	\$ 132,946,582	\$ 112,817,317	\$ 12,598,454	\$ 258,362,353
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,950,220	\$ 5,850,095	\$ 801,479	\$ 10,601,794
Retainage and guarantees due contractors	778,567	-	-	778,567
Compensated absences payable	18,542	-	-	18,542
Due to component units	20,267,300	2,133,034	-	22,400,334
Accrued expenditures	1,480,828	17,187	91,722	1,589,737
Deferred revenue	31,015,960	1,298	1,731,793	32,749,051
Total liabilities	57,511,417	8,001,614	2,624,994	68,138,025
Fund Balances:				
Reserved	36,345,385	11,023,565	-	47,368,950
Unreserved and designated:				
Subsequent year's expenditures	13,542,642	93,792,138	-	107,334,780
Stabilization fund	9,900,000	-	-	9,900,000
Secondary reserve fund	6,000,000	-	-	6,000,000
ISF health	1,400,000	-	-	1,400,000
Designated for other purposes	945,036	-	-	945,036
Subtotal unreserved and designated	31,787,678	93,792,138	-	125,579,816
Unreserved, undesignated reported in:				
General fund	7,302,102	-	-	7,302,102
Special revenue fund	-	-	9,973,460	9,973,460
Subtotal unreserved, undesignated	7,302,102	-	9,973,460	17,275,562
Total fund balances	75,435,165	104,815,703	9,973,460	190,224,328
Total liabilities and fund balances	\$ 132,946,582	\$ 112,817,317	\$ 12,598,454	
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.				369,963,060
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				30,190,892
Negative net pension obligation, which is included in the governmental activities in the statement of assets.				5,100,840
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.				5,382,799
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(239,014,830)
Bonds and notes payable		\$ (237,101,640)		
Accrued interest payable		(1,913,190)		
Net assets of governmental activities				\$ 361,847,089

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, 2007

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
-local property	\$ 129,266,171	\$ 28,846,765	\$ -	\$ 158,112,936
-local other	121,206,707	10,027,298	1,413,587	132,647,592
-state shared	12,729,242	-	-	12,729,242
Impact fees	-	-	1,669,793	1,669,793
Licenses and permits	1,781,585	-	-	1,781,585
Intergovernmental revenues	514,492	3,235,402	10,503,909	14,253,803
Charges for services	5,393,824	-	338,893	5,732,717
Fines and forfeits	86,754	-	-	86,754
Interest	9,285,599	1,297,473	528,998	11,112,070
Miscellaneous revenues	3,033,684	2,920,264	-	5,953,948
Total revenues	<u>283,298,058</u>	<u>46,327,202</u>	<u>14,455,180</u>	<u>344,080,440</u>
EXPENDITURES				
Current:				
General government	50,741,729	-	10,041,735	60,783,464
Public safety	27,760,508	-	834,904	28,595,412
Public works	9,425,523	-	-	9,425,523
Health	4,335,691	-	4,000	4,339,691
Social services	1,131,873	-	-	1,131,873
Education	151,674,483	-	-	151,674,483
Library	6,782,100	-	-	6,782,100
Recreation and parks	1,734,479	-	372,353	2,106,832
Conservation of natural resources	718,552	-	-	718,552
Economic development	2,479,425	-	587,741	3,067,166
Capital outlay:				
General government	-	4,712,723	-	4,712,723
Health	-	2,874,589	-	2,874,589
Public safety	-	1,190,393	-	1,190,393
Public works	-	11,600,499	-	11,600,499
Education	-	17,227,680	-	17,227,680
Recreation and parks	-	756,123	-	756,123
Library/senior centers	-	1,323,038	-	1,323,038
Conservation of natural resources	-	15,986,173	-	15,986,173
Debt service:				
Principal	20,336,962	-	-	20,336,962
Interest	9,237,763	-	-	9,237,763
Total expenditures	<u>286,359,088</u>	<u>55,671,218</u>	<u>11,840,733</u>	<u>353,871,039</u>
Excess (deficiency) of revenues over expenditures	(3,061,030)	(9,344,016)	2,614,447	(9,790,599)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,274,445	7,684,671	997,931	14,957,047
Transfers out	(8,763,656)	(6,014,850)	(3,034,095)	(17,812,601)
Payment to escrow agent	(24,849,347)	-	-	(24,849,347)
Bonds issued	24,432,000	19,660,000	-	44,092,000
Bonds premium	1,180,352	-	-	1,180,352
Issuance of debt-long term notes	5,994,265	-	-	5,994,265
Total other financing sources (uses)	<u>4,268,059</u>	<u>21,329,821</u>	<u>(2,036,164)</u>	<u>23,561,716</u>
Net change in fund balances	1,207,029	11,985,805	578,283	13,771,117
Fund balance - beginning	74,305,254	92,829,898	9,395,177	176,530,329
Increase (decrease) in reserve for inventory	(77,118)	-	-	(77,118)
Fund balance - ending	<u>\$ 75,435,165</u>	<u>\$ 104,815,703</u>	<u>\$ 9,973,460</u>	<u>\$ 190,224,328</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, 2007

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

Net change in fund balances - total governmental funds	\$ 13,771,117
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.	4,962,763
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,404,811)
Pension payments in excess of the annual required contribution created a negative pension obligation which is reported within the governmental activities as an asset.	371,405
Adjustment to the Carroll County Employee Pension Plan's annual pension cost for the negative net pension obligation from the prior period.	(481)
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.	(6,172,251)
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.	(624,252)
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.	328,679
Change in net assets - governmental activities	\$ 9,232,169

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
-local property	\$ 125,198,700	\$ 125,198,700	\$ 129,528,996	\$ 4,330,296
-local other	129,850,000	129,850,000	121,206,707	(8,643,293)
-state shared	12,925,000	12,925,000	12,729,242	(195,758)
Licenses and permits	3,224,000	3,224,000	1,781,585	(1,442,415)
Intergovernmental revenues	546,000	546,000	514,492	(31,508)
Charges for services	4,216,200	4,216,200	5,393,824	1,177,624
Fines and forfeits	95,500	95,500	86,754	(8,746)
Interest	6,262,500	6,262,500	9,285,599	3,023,099
Miscellaneous revenues	1,123,317	1,123,317	3,033,684	1,910,367
Total revenues	<u>283,441,217</u>	<u>283,441,217</u>	<u>283,560,883</u>	<u>119,666</u>
EXPENDITURES				
Current:				
General government	50,897,361	50,965,777	48,841,258	2,124,519
Public safety	27,921,525	28,115,871	27,584,466	531,405
Public works	9,653,988	9,668,687	9,326,540	342,147
Health department	4,333,760	4,341,553	4,335,691	5,862
Social services	1,137,027	1,137,027	1,131,873	5,154
Education	149,861,175	149,863,116	151,674,316	(1,811,200)
Library	6,782,100	6,782,100	6,782,100	-
Recreation and parks	1,769,661	1,769,661	1,728,878	40,783
Conservation of natural resources	727,360	728,714	718,552	10,162
Economic development	4,027,119	4,027,119	2,525,957	1,501,162
Reserve for contingencies	4,442,350	3,782,945	-	3,782,945
Intergovernmental	2,414,600	2,415,010	2,349,071	65,939
Debt service:				
Principal	19,441,682	19,735,944	20,336,962	(601,018)
Interest	10,014,820	10,014,820	9,237,763	777,057
Total expenditures	<u>293,424,528</u>	<u>293,348,344</u>	<u>286,573,427</u>	<u>6,774,917</u>
Excess (deficiency) of revenues over expenditures	<u>(9,983,311)</u>	<u>(9,907,127)</u>	<u>(3,012,544)</u>	<u>6,894,583</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	12,891,533	12,891,533	-	(12,891,533)
Transfers in	6,303,250	6,303,250	6,274,445	(28,805)
Transfers out	(9,211,472)	(9,287,656)	(8,763,656)	524,000
Bond proceeds	-	-	24,432,000	24,432,000
Payment to escrow agent	-	-	(24,849,347)	(24,849,347)
Bond premium	-	-	1,180,352	1,180,352
Issuance of Debt-long term notes payable	-	-	5,994,265	5,994,265
Total other financing sources (uses)	<u>9,983,311</u>	<u>9,907,127</u>	<u>4,268,059</u>	<u>(5,639,068)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,255,515</u>	<u>\$ 1,255,515</u>
Fund balance - beginning			73,709,159	
Fund balance - ending			<u>\$ 74,964,674</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, 2007

	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	\$ 25,357,520	\$ 5,575,302	\$ -	\$ 365,553	\$ 31,298,375	\$ 6,987,142
Cash and cash equivalents	13,073	8,955	-	5,979	28,007	-
Receivables, net	3,099,415	575,315	436,693	90,385	4,201,808	9,492
Inventories	157,920	-	81,801	-	239,721	-
Prepaid items	32,000	35,029	39,863	-	106,892	72,184
Total current assets	28,659,928	6,194,601	558,357	461,917	35,874,803	7,068,818
Noncurrent Assets:						
Capital assets:						
Land	153,131	1,794,154	6,678,462	-	8,625,747	-
Buildings	17,681,654	1,576,710	4,569,596	112,438	23,940,398	-
Improvements other than buildings	1,435,314	23,923	-	-	1,459,237	-
Auto, machinery and equipment	1,511,810	3,655,468	451,402	-	5,618,680	-
Infrastructure	61,462,482	-	-	-	61,462,482	-
Construction in progress	6,999,628	4,907,154	967,390	182,234	13,056,406	-
Less accumulated depreciation	(22,941,601)	(2,973,270)	(456,838)	(11,957)	(26,383,666)	-
Total capital assets (net of accumulated depreciation)	66,302,418	8,984,139	12,210,012	282,715	87,779,284	-
Total assets	94,962,346	15,178,740	12,768,369	744,632	123,654,087	7,068,818
LIABILITIES						
Current liabilities:						
Accounts payable	1,110,084	727,428	89,779	80,078	2,007,369	259,529
Accrued interest payable	131,781	57,400	22,180	2,000	213,361	-
Unearned revenue	13,206	40,986	-	-	54,192	8,702
Accrued expenses	50,023	33,034	4,838	-	87,895	3,769
Due to other funds	-	-	916,014	-	916,014	-
Long-term liabilities due within one year:						
General obligation bonds payable	341,575	859,281	243,135	13,359	1,457,350	-
Unamortized Costs	(15,884)	4,852	(1,990)	-	(13,022)	-
Unpaid insurance claims	-	-	-	-	-	1,392,831
Loans payable	768,929	-	-	-	768,929	-
Compensated absences	90,486	61,462	7,115	-	159,063	-
Total long-term due within one year	1,185,106	925,595	248,260	13,359	2,372,320	1,392,831
Total current liabilities	2,490,200	1,784,443	1,281,071	95,437	5,651,151	1,664,831
Noncurrent liabilities:						
General obligation bonds payable	4,045,920	5,363,989	2,939,582	186,641	12,536,132	-
Unamortized Costs	(154,448)	(23,719)	(21,042)	-	(199,209)	-
Unpaid insurance claims	-	-	-	-	-	21,188
Loans payable	3,742,951	-	-	-	3,742,951	-
Landfill closure/postclosure	-	9,685,100	-	-	9,685,100	-
Compensated absences	84,469	78,455	12,320	-	175,244	-
Total noncurrent liabilities	7,718,892	15,103,825	2,930,860	186,641	25,940,218	21,188
Total liabilities	10,209,092	16,888,268	4,211,931	282,078	31,591,369	1,686,019
NET ASSETS						
Invested in capital assets, net of related debt	61,602,191	7,154,785	9,027,295	282,715	78,066,986	-
Restricted for:						
Debt service	85,135	66,092	-	-	151,227	-
Capital projects	6,926,288	-	-	-	6,926,288	-
Unrestricted (deficit)	16,139,640	(8,930,405)	(470,857)	179,839	6,918,217	5,382,799
Total net assets	\$ 84,753,254	\$ (1,709,528)	\$ 8,556,438	\$ 462,554	\$ 92,062,718	\$ 5,382,799

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, 2007

	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	\$ 7,344,470	\$ 6,609,679	\$ 1,840,449	\$ 596,245	\$ 16,390,843	\$ 12,510,928
Total operating revenues	7,344,470	6,609,679	1,840,449	596,245	16,390,843	12,510,928
Operating expenses:						
Personal services	2,027,979	1,335,170	184,513	44,436	3,592,098	-
Contractual services	2,596,852	5,785,102	178,917	171,280	8,732,151	-
Materials and supplies	522,984	237,101	1,370,842	103,283	2,234,210	-
Rents and utilities	673,377	66,852	43,109	107,897	891,235	-
Insurance	-	-	-	-	-	12,467,378
Miscellaneous	106,082	73,261	55,720	27,159	262,222	-
Depreciation	1,515,493	174,008	123,428	1,081	1,814,010	-
Total operating expenses	7,442,767	7,671,494	1,956,529	455,136	17,525,926	12,467,378
Operating income (loss)	(98,297)	(1,061,815)	(116,080)	141,109	(1,135,083)	43,550
Nonoperating revenues (expenses):						
Penalties and interest	1,526,835	631,268	-	16,863	2,174,966	285,129
Maintenance fee assessment	1,421,568	-	-	-	1,421,568	-
Interest and fiscal charges	(406,980)	(263,743)	(130,092)	(6,000)	(806,815)	-
Gain on sale of land	-	-	277,267	-	277,267	-
Sale of land	-	-	787,530	-	787,530	-
Total nonoperating revenue	2,541,423	367,525	934,705	10,863	3,854,516	285,129
Income (loss) before contributions and transfers	2,443,126	(694,290)	818,625	151,972	2,719,433	328,679
Capital contributions	291,282	-	366,572	-	657,854	-
Capital contribution-land and equip. transferred from governmental activities	38,135	-	5,603,372	-	5,641,507	-
Transfers in	212,000	2,645,000	40,000	-	2,897,000	-
Transfers out	-	-	(41,446)	-	(41,446)	-
Change in net assets	2,984,543	1,950,710	6,787,123	151,972	11,874,348	328,679
Total net assets - beginning of year	81,768,711	(3,660,238)	1,769,315	310,582	80,188,370	5,054,120
Total net assets - ending	\$ 84,753,254	\$ (1,709,528)	\$ 8,556,438	\$ 462,554	\$ 92,062,718	\$ 5,382,799

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, 2007

	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	\$ 7,346,660	\$ 6,795,701	\$ 1,599,208	\$ 598,153	\$ 16,339,722	\$ 12,506,972
Receipts from other funds	-	-	(457,293)	-	(457,293)	-
Payments to suppliers	(4,284,313)	(5,990,105)	(1,741,825)	(384,462)	(12,400,705)	(12,229,937)
Payments to employees	(2,002,687)	(1,317,638)	(181,920)	(45,506)	(3,547,751)	-
Net cash provided (used) by operating activities	1,059,660	(512,042)	(781,830)	168,185	(66,027)	277,035
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	212,000	2,645,000	40,000	-	2,897,000	-
Transfers out	-	-	(41,446)	-	(41,446)	-
Net cash provided (used) by operating and related noncapital financing activities	212,000	2,645,000	(1,446)	-	2,855,554	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(4,170,520)	(4,672,831)	(5,900,283)	(182,453)	(14,926,087)	-
Principal paid on capital debt	(1,059,913)	(921,880)	(221,090)	-	(2,202,883)	-
Interest paid on capital debt	(418,826)	(270,886)	(130,092)	(4,000)	(823,804)	-
Proceeds from bond issue	200,754	-	-	200,000	400,754	-
Capital contributions	291,282	-	366,572	-	657,854	-
Capital contribution-land and equip. transferred from governmental activities	38,135	-	5,603,372	-	5,641,507	-
Gain on sale of land	-	-	277,267	-	277,267	-
Sale of land	-	-	787,530	-	787,530	-
Front foot collections	950	-	-	-	950	-
Other assessment collected	1,607,125	-	-	-	1,607,125	-
Net cash provided (used) by capital and related financing activities	(3,511,013)	(5,865,597)	783,276	13,547	(8,579,787)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments and cash	1,526,835	631,268	-	16,863	2,174,966	285,129
Net cash provided by investing activities	1,526,835	631,268	-	16,863	2,174,966	285,129
Net increase (decrease) in cash and cash equivalents	(712,518)	(3,101,371)	-	198,595	(3,615,294)	562,164
Cash and cash equivalents at beginning of year	26,083,111	8,685,628	-	172,937	34,941,676	6,424,978
Cash and cash equivalents at end of year	<u>\$25,370,593</u>	<u>\$ 5,584,257</u>	<u>\$ -</u>	<u>\$ 371,532</u>	<u>\$ 31,326,382</u>	<u>\$ 6,987,142</u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:						
Operating income (Loss)	\$ (98,297)	\$(1,061,815)	\$ (116,080)	\$ 141,109	\$ (1,135,083)	\$ 43,550
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,515,493	174,008	123,428	1,081	1,814,010	(2,631)
Changes in operating assets and liabilities:						
Due to other funds	-	-	(457,293)	-	(457,293)	-
Accounts receivable	(445,790)	186,022	(241,241)	1,908	(499,101)	-
Inventory	(78,740)	-	(45,160)	-	(123,900)	-
Deferred expense	15,088	(13,475)	(38,757)	-	(37,144)	67,247
Compensated absences payable	25,292	17,532	2,593	-	45,417	-
Accounts payable and accrued expenses	124,424	201,118	(9,320)	24,087	340,309	170,194
Unearned revenue	2,190	(30,790)	-	-	(28,600)	(1,325)
Landfill closure, postclosure, remediation costs	-	15,358	-	-	15,358	-
Total adjustments	1,157,957	549,773	(665,750)	27,076	1,069,056	233,485
Net cash provided (used) by operating activities	<u>\$ 1,059,660</u>	<u>\$ (512,042)</u>	<u>\$ (781,830)</u>	<u>\$ 168,185</u>	<u>\$ (66,027)</u>	<u>\$ 277,035</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 Fiduciary Net Assets
Trust and Agency Funds
June 30, 2007

	Pension Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 338,752	\$ 648,086
Receivables:		
Other receivables	-	326,550
Total receivables	-	326,550
Investments at fair value:		
Marketable Securities	28,111,894	-
Total investments	28,111,894	-
Total assets	28,450,646	974,636
LIABILITIES:		
Accounts payable	31,725	-
Due to CCDC	-	650,544
Due to Other Post Employment Benefits	-	324,092
Total liabilities	31,725	974,636
NET ASSETS:		
Held in trust for pension benefits and other purposes	\$ 28,418,921	\$ -

Schedules of funding progress and employer contributions are presented in the "Required Supplementary Information", pages 89 and 90.

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, 2007

	Pension Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 1,292,361
Plan members	641,328
Total contributions	1,933,689
Investment earnings:	
Interest and Gains	4,240,499
Total investment earnings	4,240,499
Less investment expense	86,708
Net investment earnings	4,153,791
Total additions	6,087,480
DEDUCTIONS:	
Benefits	569,331
Administrative expenses	14,667
Total deductions	583,998
Net increase in plan net assets	5,503,482
Net assets-beginning	22,915,439
Net assets-ending	\$ 28,418,921

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, 2007

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 Carroll County Public Library is a component unit of the Carroll County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and approves the Library's Board of Trustees' budget. The Board of Trustees governs the Library. The members are appointed by the County commissioners from nominees submitted by the Library's Board of Trustees.

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.

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

A. Reporting entity- continued

The Industrial Development Authority 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.

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 County Public Library 115 Airport Drive Westminster, Maryland 21157	Carroll Community College 1601 Washington Road Westminster, Maryland 21157
---	---	--

The Industrial Development Authority of Carroll County does not issue separate component unit financial statements. The Industrial Development Authority consists of only one fund type.

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

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

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.

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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

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 Airport Facility 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 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. During fiscal year 2007, the Cable Franchise Fee Fund was established. The purpose of this fund is to raise revenue to cover expenses related to public interest programming on cable TV.

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) 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. The County will adopt Governmental Accounting Standards Board Statements No. 43 and No. 45 for year ending June 30, 2008.

Pension 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 COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

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

Description of funds-continued

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.

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Bureau of Utilities 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.

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

D. Assets, liabilities, and net assets or equity

Deposits and Investments

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

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

State statutes authorize the County to invest in obligations of the United States Government, Federal government agency obligations, 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.

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 Baltimore-based financial institution, Mercantile-Safe Deposit and Trust Company. The pool has a AAAM rating from Standard and Poors 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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued
D. Assets, liabilities, and net assets or equity-continued

Deposits and Investments-continued

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 (formerly Mercantile-Safe Deposit & Trust Company); Maryland Local Government Investment Pool; Mr. David Rommel; 2 Hopkins Plaza; 4th Floor; Baltimore, Maryland 21201; or by calling 410-237-5629.

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

Property taxes attach as an enforceable lien when levied on July 1 of each fiscal year. The taxes are payable without interest by September 30.

Real and personal property taxes are levied at rates enacted by the County Commissioners in the annual budget 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, 2007 was \$1.048 per \$100 of assessed value. 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 this method, the expenditure is recognized when the individual inventory item is purchased. The inventories have been recorded as an asset, offset by a reserve of fund balance in an equal amount in the fund financial statement.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007 along with payments made to creditors in advance of the fiscal year 2007 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.

Restricted assets

Certain assets of the Bureau of Utilities and Solid Waste Funds have been restricted. Unspent bond proceeds of \$85,135 in the Bureau of Utilities and \$66,092 in Solid Waste Fund have been restricted for payment of debt service according to applicable bond covenants and local ordinances. In the Bureau of Utilities Fund, fees collected through area connection charges and maintenance fees totaling \$6,926,288 have been restricted for future capital projects. These restricted debt service and capital projects funds are restricted in the business-type activities of the Statement of Net Assets.

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:

<u>Capital Assets</u>	
Buildings	50 years
Building Improvements	10 years
Water and sewer systems	50-75 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Roads	50-75 years
Bridges	30-50 years

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued

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

Compensated absences

Primary Government

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

County employees who are participants in the State retirement program are given credited service days toward their retirement benefits for accumulated sick leave. County employees who are not in the State retirement program may be eligible to claim a portion of their unused sick days upon retirement. Accrued unused vacations, compensatory, and sick leave, along with the employer paid portion of taxes and benefits, are reported as expenditures and/or liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Earned but unused vacation and compensatory leave of proprietary funds are recorded as an expense and liability of those funds.

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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of significant accounting policies-continued
D. Assets, liabilities, and net assets or equity-continued

Arbitrage Payable

Arbitrage rebate requirements under Internal Revenue Code Section 148 apply to general obligation bond issuances of 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, and 1995, 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, 2007 there is the no arbitrage liability due to the Internal Revenue Service.

Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

E. Prior period adjustment

After the implementation of Government Accounting Standards Board (GASB) Statement No. 34, it was determined that certain capital assets balances were not properly stated as of June 30, 2006. For Governmental Activities, land was reduced by \$6,264,369. For Governmental Activities, total Net Assets were also restated by \$6,264,369.

	Governmental Activities	
	Land	Net Assets
As previously stated, June 30, 2006	\$371,264,666	\$358,879,289
Adjustment:		
Record land reduction	<u>(6,264,369)</u>	<u>(6,264,369)</u>
As restated, June 30, 2006	<u>\$365,000,297</u>	<u>\$352,614,920</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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 \$237,101,640 difference are as follows:

Bonds Payable	\$220,939,825
General Obligation Debt-Installment Purchases	7,136,864
Purchase Agreements Payable	2,725,443
Compensated Absences	4,227,203
Notes Payable	4,107,759
Deferred Loss	(4,275,804)
Premium on Bonds	3,036,074
Prepaid Bond Issuance Costs	<u>(795,724)</u>
	<u>\$ 237,101,640</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>\$ 30,190,892</u>
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B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *change in net assets - governmental activities* as reported in the government-wide statement of activities. One element 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 \$4,962,763 difference are as follows:

Purchase of Capital Assets	\$ 24,985,010
Donated Assets	2,366,875
Depreciation	(15,049,665)
Disposal of Capital Assets	<u>(1,697,950)</u>
	10,604,270
Assets transferred to other funds	<u>(5,641,507)</u>
	<u>\$ 4,962,763</u>

Please see Note 6 for further information on assets transferred to other funds.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

Another element of that reconciliation states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this \$(3,404,811) 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 \$(6,172,251) difference are as follows:

Debt Issued or Incurred:

Issuance of New General Obligation Bonds	\$ (20,260,000)
General Obligation Debt-Installment Purchases	(2,584,000)
Issuance of New Notes Payable Debt	(3,410,265)
Issuance of Refunding General Obligation Bonds, net	(82,166)
Principal Payments on General Obligation Bonds	19,361,150
Principal Payments on Notes Payable Debt	1,052,175
Principal Payments on Purchase Agreements Debt	(76,264)
Deferred loss on Refunding Bonds	556,658
Bond Issuance Cost	163,864
Amortization of Bond Premium	(831,582)
Accrued Interest Expense	61,721
	<u>\$ (6,172,251)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of the \$(624,252) difference are as follows:

Increase in Compensated Absences Accrual	\$ (547,134)
Consumption Method of Inventory Used in Government wide Statements vs. the Purchase Method used in the Fund Statements	<u>(77,118)</u>
	<u>\$ (624,252)</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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	\$ 190,923,568	\$ 31,298,375	\$ 222,221,943	\$ -	\$ 222,221,943
Cash and cash equivalents	-	28,007	28,007	986,838	1,014,845
Investments	-	-	-	28,111,894	28,111,894
	<u>\$ 190,923,568</u>	<u>\$ 31,326,382</u>	<u>\$ 222,249,950</u>	<u>\$ 29,098,732</u>	<u>\$ 251,348,682</u>

	Component Units			
	Board of Education	Carroll Community College	Library	Industrial Development
Cash and cash equivalents	\$ 14,943,970	\$ 3,861,169	\$ 1,168,887	\$ 31,996
Investments	1,344,197	2,917,768	68,892	1,550,631
	<u>\$ 16,288,167</u>	<u>\$ 6,778,937</u>	<u>\$ 1,237,779</u>	<u>\$ 1,582,627</u>

Primary Government

Investment Risk

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

Credit Risk: State law limits investments in bankers' acceptances and commercial paper to the highest letter and numerical rating by at least one nationally recognized statistical rating organization. As of June 30, 2007, the County did not invest in any of these types of investments.

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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

Investment Risk-continued

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, 2007, 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, 2007.

<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	\$ 6,926,786	\$ -	\$ -	\$ 6,926,785
Agency/instrumentalities	133,881,370	93,929,770	39,951,600	-
Money market pools	29,297,638	29,297,638	-	-
Certificates of deposits	15,000,000	15,000,000	-	-
Money rate savings account	36,106,430	36,106,430	-	-
	<u>\$ 221,212,224</u>	<u>\$ 174,333,838</u>	<u>\$ 39,951,600</u>	<u>\$ 6,926,785</u>

Pension Plans

Investment Risk

Investments for the pension plans are reported at fair value. The plans conform to the reporting requirements of Governmental Accounting Standards Board Statement No. 40.

Interest rate risk: The pension plans does 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.

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

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$1,059,490
Harbor International Fund	1,124,073

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. Eurodollar certificates of deposits, 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, 2007</u>
AAA/Aaa	100%	0%
AA/Aa	100%	100%
A/A	100%	0%
BAA/Baa	100%	0%
BBB	20%	0%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

Pension Plans-continued

Investment Risk-continued

Concentration of credit risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 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>	
	Minimum	Maximum	Minimum	Maximum
Domestic Large Cap Equities	35.0%	55.0%	35.0%	55.0%
Domestic Small Cap Equities	4.5%	14.5%	4.5%	14.5%
Real Estate Equities	5.5%	15.5%	5.5%	15.5%
International Equities	5.0%	15.0%	5.0%	15.0%
Domestic Fixed Income	20.0%	30.0%	20.0%	30.0%
Cash Equivalents	0.0%	5.0%	0.0%	5.0%

Deposits

Primary Government

At year-end, the carrying amount of combined deposits was \$1,823,987, the bank balances were \$5,652,430 and cash on hand was \$347,287. There was \$36,106,430 invested in the banks money market account. Of the bank balances, \$700,000 was covered by federal depository insurance; \$41,058,860 was covered by collateral held by the pledging bank's agent in the entity's name. The Primary Government abides to the reporting requirements of Governmental Accounting Standards Board Statement No. 40.

Component Units

At year-end, the carrying value of the Board of Education's combined deposits including amounts invested in repurchase agreements was \$15,470,963 and \$1,344,197 was invested in the Maryland Local Government Investment Pool. The bank balance deposits, including amounts invested in repurchase agreements, was \$19,779,139 and cash on hand was \$150. Of the bank balance, \$336,582 was covered by federal depository insurance and \$19,442,557 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, 2007, 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 (\$2,863). 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.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

Component Units-continued

At June 30, 2007, the College's cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 3,300
Cash in bank	(2,863)
Bank money market	3,293,607
Maryland Local Government Investment Pool	392,064
Cash with Carroll Community College Foundation	<u>175,061</u>
	<u>\$3,861,169</u>

As of June 30, 2007, the carrying amount of the Library's deposits was \$1,168,887 and the bank balance was \$1,376,660. The Library's investments consist of investment in the MLGIP of \$68,892. There is no custodial credit risk for either of these investments as the amounts are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted daily for the repurchase agreement and periodically for the investment in the local government investment pool.

As of June 30, 2007, the Industrial Development Authority's bank balance was \$31,996, and investments were \$1,550,631 for a total of \$1,582,627. The bank balance was covered by federal depository insurance. The investments were collateralized with securities under its name. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40, the Industrial Development Authority does not have any custodial or credit risk at year end.

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4 - Budgets and Budgetary Accounting-continued

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

The annual budgets for the General, Special Revenue Funds and the Capital Projects Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as expenditures and real property taxes are budgeted as estimated revenues when 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, 2007.

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	\$ 705,978	\$ 229,321	\$ 2,144,866	\$ 21,007,067	\$ 24,087,232
Capital Projects fund	-	-	99,342	-	99,342
Non-major funds	-	676,228	-	-	676,228
Internal service fund	-	9,492	-	-	9,492
	<u>705,978</u>	<u>915,041</u>	<u>2,244,208</u>	<u>21,007,067</u>	<u>24,872,294</u>
Uncollectible allowance	(83,000)	-	-	-	(83,000)
Total governmental activities	<u>\$ 622,978</u>	<u>\$ 915,041</u>	<u>\$ 2,244,208</u>	<u>\$ 21,007,067</u>	<u>\$ 24,789,294</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,943,051</u>	<u>\$ 19,943,051</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	\$ 2,199,740	\$ 2,474	\$ 897,201	\$ 3,099,415
Solid Waste	575,315	-	-	575,315
Airport	436,693	-	-	436,693
Non-major funds	90,385	-	-	90,385
Total business-type activities	<u>\$ 3,302,133</u>	<u>\$ 2,474</u>	<u>\$ 897,201</u>	<u>\$ 4,201,808</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,821</u>	<u>\$ 649,821</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 5 – Receivables and Unearned Revenues-continued

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. Therefore, no allowance is established.

Component units

Receivables

Activity for the component units for the year ended June 30, 2007 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	\$ -	\$ 565,725	\$ -	\$ -	\$ -	\$ 565,725
Carroll Community College	-	-	477,322	513,313	1,099,212	2,089,847
Library	168,420	38,914	-	-	-	207,334
Industrial Development Authority	-	937,970	-	-	-	937,970
	<u>168,420</u>	<u>1,542,609</u>	<u>477,322</u>	<u>513,313</u>	<u>1,099,212</u>	<u>3,800,876</u>
Uncollectible allowance	-	-	-	(142,311)	-	(142,311)
Total component unit activities	<u>\$ 168,420</u>	<u>\$ 1,542,609</u>	<u>\$ 477,322</u>	<u>\$ 371,002</u>	<u>\$ 1,099,212</u>	<u>\$ 3,658,565</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,503</u>	<u>\$ 577,503</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, 2007, the various components of unearned revenue reported were as follows:

<u>Governmental funds</u>	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Income taxes	\$ 30,190,892	\$ -
Other	-	689,933
City of Westminster	-	135,135
Capital Projects Fund:		
Long-term receivable	-	1,298
Grants Fund:		
Draw down of excess of expenditures	-	1,731,793
Internal Service Fund:		
Future benefit payments from retirees	-	8,702
Total governmental funds	<u>\$ 30,190,892</u>	<u>\$ 2,566,861</u>
<u>Business-type funds</u>		
Bureau of Utilities -cell phone tower rent		\$ 13,206
Solid Waste- BGE natural gas		40,986
Total business-type funds		<u>\$ 54,192</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers

At June 30, 2007, 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	Airport Fund	
Transfers In:					
General Fund	\$ -	\$ 6,014,850	\$ 259,595	\$ -	\$ 6,274,445
Capital Projects Fund	4,868,725	-	2,774,500	41,446	7,684,671
Bureau of Utilities Fund	212,000	-	-	-	212,000
Solid Waste Management Fund	2,645,000	-	-	-	2,645,000
Airport Fund	40,000	-	-	-	40,000
Non-Major Governmental Funds	997,931	-	-	-	997,931
Total transfers	<u>\$ 8,763,656</u>	<u>\$ 6,014,850</u>	<u>\$ 3,034,095</u>	<u>\$ 41,446</u>	<u>\$ 17,854,047</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.

During fiscal year 2007, 461 acres of land totaling \$5,603,372 was transferred from the Governmental Activities to the Airport Fund. The transfer was done to accurately reflect the Airport “Land” asset to the FAA approved Airport layout plan. Equipment totaling \$38,135 was transferred from the General Fund to the Bureau of Utilities. Such transactions are not recorded at the fund level. These transfers are recorded on the government-wide statement of activities as a transfer between governmental activities and business-type activities.

Due to/from Component Units

The due to/from component units at June 30, 2007 consisted of the following:

	Due From	Due to
Primary Government:		
Board of Education	\$ 24,053	\$ 22,400,334
Industrial Development Authority	1,125,560	-
Component Units:		
Primary Government	22,400,334	24,053
Primary Government	-	1,125,560
Total all Funds	<u>\$ 23,549,947</u>	<u>\$ 23,549,947</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 6 – Interfund Receivables, Payables and Transfers-continued

Internal Balances

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

	Due From	Due To
Governmental Activities:		
General Fund	\$ -	\$ 916,014
Business-type Activities:		
Airport Fund	916,014	-
	\$ 916,014	\$ 916,014

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, 2007

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance Restated June 30, 2006	Additions	Transfers and Retirements	Balance June 30, 2007
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,338,692	\$ 1,321,465	\$ (5,850,525)	\$ 26,809,632
Construction in progress	21,620,075	14,063,984	(3,227,046)	32,457,013
Total capital assets, not being depreciated	52,958,767	15,385,449	(9,077,571)	59,266,645
Capital assets, being depreciated:				
Buildings and contents	114,941,312	227,383	-	115,168,695
Improvements other than buildings	17,464,121	2,040,390	-	19,504,511
Automobiles, machinery and equipment	32,232,096	3,080,234	(1,438,719)	33,873,611
Roads and bridges	532,667,641	9,902,279	(1,671,661)	540,898,259
Total capital assets, being depreciated	697,305,170	15,250,286	(3,110,380)	709,445,076
Less accumulated depreciation for:				
Buildings and contents	22,384,730	2,311,730	-	24,696,460
Improvements other than buildings	9,781,628	1,012,091	-	10,793,719
Automobiles, machinery and equipment	20,968,237	1,887,835	(1,277,611)	21,578,461
Roads and bridges	332,129,045	9,838,009	(287,033)	341,680,021
Total accumulated depreciation	385,263,640	15,049,665	(1,564,644)	398,748,661
Total capital assets, being depreciated, net	312,041,530	200,621	(1,545,736)	310,696,415
Governmental activities capital assets, net	<u>\$ 365,000,297</u>	<u>\$ 15,586,070</u>	<u>\$ (10,623,307)</u>	<u>\$ 369,963,060</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,118,339	\$ 7,830	\$ 5,499,578	\$ 8,625,747
Construction in progress	4,329,420	8,909,661	(182,675)	13,056,406
Total capital assets, not being depreciated	7,447,759	8,917,491	5,316,903	21,682,153
Capital assets, being depreciated:				
Buildings and contents	23,917,347	23,051	-	23,940,398
Improvements other than buildings	1,435,314	23,923	-	1,459,237
Automobiles, machinery and equipment	5,278,882	79,671	260,127	5,618,680
Water facilities	21,670,520	486,714	-	22,157,234
Sewer facilities	39,216,472	88,776	-	39,305,248
Total capital assets, being depreciated	91,518,535	702,135	260,127	92,480,797
Less accumulated depreciation for:				
Buildings and contents	4,510,439	477,858	-	4,988,297
Improvements other than buildings	342,653	151,913	-	494,566
Automobiles, machinery and equipment	3,187,556	316,262	270,564	3,774,382
Water facilities	5,021,257	325,395	-	5,346,652
Sewer facilities	11,237,186	542,583	-	11,779,769
Total accumulated depreciation	24,299,091	1,814,011	270,564	26,383,666
Total capital assets, being depreciated, net	67,219,444	(1,111,876)	(10,437)	66,097,131
Business-type activities capital assets, net	<u>\$ 74,667,203</u>	<u>\$ 7,805,615</u>	<u>\$ 5,306,466</u>	<u>\$ 87,779,284</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7 – Capital Assets-continued

The Firearms facility was destroyed in a fire in February 2007. The carrying value as of the date of the fire was \$77,469. The information was not available at year end to calculate the amount of this impaired asset per GASB statement No. 42. Therefore, the carrying value is still included in the total assets for the Firearms Facility. The impaired asset adjustment will be completed in fiscal year 2008.

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

Governmental activities:

General Government	\$2,329,618
Public Safety	542,831
Public Works	10,063,248
Health	57,508
Education	853,590
Recreation & Parks	672,197
Economic Development	9,585
Conservation of Natural Resources	6,975
Library/Senior Center	<u>514,113</u>
Total depreciation expense-governmental activities	<u>\$15,049,665</u>

Business-type activities:

Bureau of Utilities	\$1,515,494
Solid Waste	174,008
Airport	123,428
Firearms Facility	<u>1,081</u>
Total depreciation expense-business-type activities	<u>\$1,814,011</u>

Component units

Activity for the Board of Education for the year ended June 30, 2007 was as follows:

	Balance at June 30, 2006	Additions	Transfers and Retirements	Balance June 30, 2007
Capital assets not being depreciated				
Land and improvements	\$ 12,339,252	\$ 210,351	\$ -	\$ 12,549,603
Construction in Progress	17,431,003	15,896,955	8,252,237	25,075,721
Total capital assets, not being depreciated	<u>29,770,255</u>	<u>16,107,306</u>	<u>8,252,237</u>	<u>37,625,324</u>
Capital assets being depreciated				
Building and improvements	356,988,989	15,043,064	-	372,032,053
Equipment	37,964,885	3,837,880	2,534,339	39,268,426
Equipment under capital lease	4,816,683	-	-	4,816,683
Total capital assets being depreciated	<u>399,770,557</u>	<u>18,880,944</u>	<u>2,534,339</u>	<u>416,117,162</u>
Less accumulated depreciation				
Buildings and improvements	96,127,297	8,263,497	-	104,390,794
Equipment	26,962,567	3,138,644	2,508,478	27,592,733
Equipment under capital lease	4,816,683	-	-	4,816,683
Total accumulated depreciation	<u>127,906,547</u>	<u>11,402,141</u>	<u>2,508,478</u>	<u>136,800,210</u>
Total capital assets, being depreciated, net	<u>271,864,010</u>	<u>7,478,803</u>	<u>25,861</u>	<u>279,316,952</u>
Capital assets, net	<u>\$ 301,634,265</u>	<u>\$ 23,586,109</u>	<u>\$ 8,278,098</u>	<u>\$ 316,942,276</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7 – Capital Assets-continued

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2007 was as follows:

	Balance at June 30, 2006	Additions	Transfers and Retirements	Balance at June 30, 2007
Capital assets not being depreciated				
Art and Doll collection	\$ 364,550	\$ -	\$ 15,700	\$ 348,850
Capital assets being depreciated				
Building Improvements	707,907	6,969	-	714,876
Equipment	2,498,726	350,000	140,537	2,708,189
Vehicles	92,985	-	-	92,985
Library Books	1,549,599	84,457	24,977	1,609,079
Total capital assets being depreciated	4,849,217	441,426	165,514	5,125,129
Less accumulated depreciation				
Building improvements	199,998	47,426	-	247,424
Equipment	1,850,956	226,655	140,540	1,937,071
Vehicles	60,260	10,049	-	70,309
Library books	1,412,237	89,313	21,878	1,479,672
Total accumulated depreciation	3,523,451	373,443	162,418	3,734,476
Total capital assets, being depreciated, net	1,325,766	67,983	3,096	1,390,653
Capital assets, net	<u>\$ 1,690,316</u>	<u>\$ 67,983</u>	<u>\$ 18,796</u>	<u>\$ 1,739,503</u>

Activity for the Carroll County Public Library for the year ended June 30, 2007 was as follows:

	Balance at June 30, 2006	Additions	Transfers and Retirements	Balance at June 30, 2007
Capital assets being depreciated by location				
Headquarters	\$ 1,799,225	\$ 112,012	\$ 33,486	\$ 1,877,751
Westminster	315,000	35,675	6,680	343,995
Eldersburg	212,361	3,000	28,604	186,757
Mt. Airy	70,758	36,183	28,843	78,098
North Carroll	48,618	-	2,312	46,306
Taneytown	117,434	9,000	11,481	114,953
Detention Center	4,923	-	-	4,923
Bookmobile	5,265	2,180	-	7,445
Circulation materials	2,465,622	930,374	822,638	2,573,358
Total capital assets, being depreciated	5,039,206	1,128,424	934,044	5,233,586
Less accumulated depreciation	3,494,015	-	74,386	3,568,401
Capital assets, net	<u>\$ 1,545,191</u>	<u>\$ 1,128,424</u>	<u>\$ 859,658</u>	<u>\$ 1,665,185</u>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2007 was as follows:

	Balance at June 30, 2006	Additions	Transfers and Retirements	Balance June 30, 2007
Capital assets not being depreciated				
Land	\$ 4,040,895	\$ -	\$ 308,870	\$ 3,732,025
Construction in Progress	3,951,207	127,681	-	4,078,888
Total capital assets, not being depreciated	7,992,102	127,681	308,870	7,810,913
Capital assets being depreciated				
Equipment	22,081	-	-	22,081
Total capital assets being depreciated	22,081	-	-	22,081
Less accumulated depreciation				
Equipment	21,581	500	-	22,081
Total capital assets, being depreciated, net	500	(500)	-	-
Capital assets, net	<u>\$ 7,992,602</u>	<u>\$ 127,181</u>	<u>\$ 308,870</u>	<u>\$ 7,810,913</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7 – Capital Assets-continued

Construction in progress is composed of the following:

Primary Government	Project Authorization	CIP as of June 30, 2007	Committed	Future Financing
Governmental Activities				
General government	\$ 36,156,033	\$ 8,771,129	\$ 27,549,092	None
Public safety	7,840,472	3,163,201	4,677,271	None
Public works	14,782,711	8,425,439	6,357,272	None
Education	3,014,636	1,029,692	1,954,944	None
Recreation and parks	9,356,122	2,362,365	6,993,757	None
Economic development	284,659	120,471	164,188	None
Health	3,874,307	3,125,604	748,703	None
Libraries/senior centers	23,314,663	5,459,112	17,855,551	None
Total governmental funds		<u>32,457,013</u>		
Business - Type Activities				
<u>Bureau of Utilities</u>				
Piney Run WWPS renovation	1,151,994	23,434	1,128,560	None
Freedom water ground water supply	3,496,181	2,816,790	679,390	None
Sykesville pumping station upgrades	1,170,906	236,048	934,857	None
HWWTP-Effluent chillers	936,967	481,529	455,438	None
Hampstead sewer bio solids improvement	72,820	37,658	35,162	None
BHWWTP Upgrade	102,744	52,744	50,000	None
FDWTP Expansion	27,350,898	2,255,396	25,095,502	None
Poly aluminum chlorid facility	825,000	314,865	510,135	None
Bramble Hills well system replacement	72,000	44,706	27,294	None
Pine Knob road water main	451,500	401,304	50,196	None
Pine Hill waster water pump station	123,200	16,927	106,273	None
Bunker Hill Sewer Replacement	175,000	34,826	140,174	None
Shiloh Pump Station #4	216,000	115,324	100,676	None
Edgewood/Patapsco pump station grinder	73,500	68,943	4,557	None
PV Waste water tretment Grinder	42,000	29,580	12,420	None
Sludge dewatering facility replacement	480,000	69,554	410,446	None
		<u>6,999,628</u>		
<u>Solid Waste</u>				
Northern Cell 3	5,764,000	4,875,924	888,076	None
Northern Maintenance Bldg	381,250	31,230	350,020	None
		<u>4,907,154</u>		
<u>Airport</u>				
Airport perimeter fence	595,934	361,936	233,998	None
Fuel farm expansion	157,895	140,545	17,350	None
Hangar improvements	310,405	151,770	158,635	None
Precision approach path indicators	143,509	138,129	5,380	None
Security system	521,000	175,010	345,990	None
		<u>967,390</u>		
<u>Septage</u>				
Septage receiving facility improvements	239,000	182,234	56,766	None
Total enterprise funds		<u>13,056,406</u>		
Total primary government		<u>\$ 45,513,419</u>		
Component Units				
Board of Education				
West Middle Windows	N/A	N/A	519,025	None
New Northeast Area High	N/A	N/A	63,830,288	\$ 63,830,288
Robert Moton HVAC	N/A	N/A	3,084,505	None
Sykesville Middle	N/A	N/A	923,688	None
Ebb Valley Elementary	N/A	N/A	12,953,234	6,030,046
Full Day Kindergarten	N/A	N/A	1,059,697	None

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007.

	Balance July 1, 2006	Additions	Principal Repayments/ Amortization	Balance June 30, 2007	Due Within One Year
Governmental activities:					
Mortgage/Notes Payable	\$ 1,749,668	\$ 3,410,266	\$ 1,052,175	\$ 4,107,759	\$ 1,308,646
Purchase Agreements	2,649,079	76,364	-	2,725,443	142,439
General Obligation Debt	4,552,864	2,584,000	-	7,136,864	-
General Obligation Bonds	219,958,810	44,092,000	43,110,985	220,939,825	20,215,393
Bonds premium/discount	2,204,492	1,180,352	348,770	3,036,074	361,798
Bond Issuance Costs	(631,860)	(227,110)	(63,246)	(795,724)	(70,498)
Less deferred charges	(3,719,146)	(937,360)	(380,702)	(4,275,804)	(417,155)
Estimated liability for claims in process	1,427,598	83,550	97,129	1,414,019	1,392,831
Subtotal	228,191,505	50,262,062	44,165,111	234,288,456	22,933,454
Compensated Absences	3,680,069	2,857,877	2,310,743	4,227,203	2,310,740
Governmental activity Long-term liabilities	<u>\$ 231,871,574</u>	<u>\$ 53,119,939</u>	<u>\$ 46,475,854</u>	<u>\$ 238,515,659</u>	<u>\$ 25,244,194</u>
Business-type activities:					
Loans Payable	\$ 5,244,860	\$ -	\$ 732,980	\$ 4,511,880	\$ 768,929
General Obligation Bonds	15,062,631	1,199,017	2,268,166	13,993,482	1,457,350
Unamortized charges	(222,279)	(2,834)	(12,882)	(212,231)	(13,022)
Subtotal	20,085,212	1,196,183	2,988,264	18,293,131	2,213,257
Landfill closure/postclosure	9,669,742	15,358	-	9,685,100	-
Compensated Absences	288,890	186,736	141,319	334,307	159,063
Business-type activity Long-term liabilities	<u>\$ 30,043,844</u>	<u>\$ 1,398,277</u>	<u>\$ 3,129,583</u>	<u>\$ 28,312,538</u>	<u>\$ 2,372,320</u>
Component Units:					
Board of Education:					
Compensated Absences	\$ 24,062,693	\$ 2,869,797	\$ 1,558,155	\$ 25,374,335	\$ 2,135,000
Capital Lease Obligations	8,609,929	-	412,002	8,197,927	448,091
Total Board of Education	<u>\$ 32,672,622</u>	<u>\$ 2,869,797</u>	<u>\$ 1,970,157</u>	<u>\$ 33,572,262</u>	<u>\$ 2,583,091</u>
Total Reporting Entity	<u>\$ 294,588,040</u>	<u>\$ 57,388,013</u>	<u>\$ 51,575,594</u>	<u>\$ 300,400,459</u>	<u>\$ 30,199,605</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, 2007

Note 8 – Long-Term Debt—continued

A.) Governmental Activities

Long-term obligations at June 30, 2007 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.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,308,646	\$ 184,438	\$ 1,493,084
2009	1,279,085	125,680	1,404,765
2010	807,000	68,249	875,249
2011	513,028	32,015	545,043
2012	200,000	8,980	208,980
Total mortgage and notes payable	<u>\$ 4,107,759</u>	<u>\$ 419,362</u>	<u>\$ 4,527,121</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.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 142,439	\$ 112,186	\$ 254,625
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
2013-2017	1,010,631	305,874	1,316,505
2018-2021	909,188	78,191	987,379
Total purchase agreement	<u>\$ 2,725,443</u>	<u>\$ 879,763</u>	<u>\$ 3,605,206</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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.

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	\$ 359,421	\$ 359,421
2009	-	359,421	359,421
2010	-	359,421	359,421
2011	-	359,421	359,421
2012	-	359,421	359,421
2013-2017	-	1,797,105	1,797,105
2018-2022	246,000	1,797,103	2,043,103
2023-2027	6,890,864	1,208,575	8,099,439
Total general obligation debt	<u>\$ 7,136,864</u>	<u>\$ 6,599,888</u>	<u>\$ 13,736,752</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8 – Long-Term Debt—continued

A.) Governmental Activities—continued
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 County hospital and 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 and the hospital, loan payments from such entities.

Years Ending June 30,	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2007	Due Within One Year
Watershed Bond of 1972	3.502%	2022	\$ 769,700	\$ 385,577	\$ 19,325
Watershed Bond of 1974	3.649%	2024	253,000	155,745	6,441
Watershed Bond of 1979	3.649%	2031	678,800	469,769	12,583
1997 Refunding Bonds	5.00%-5.625%	2020	8,925,000	6,995,000	345,000
1997 Public Improvement Bonds	4.00%-5.00%	2015	13,779,000	765,000	765,000
1997 Fire Company Bonds	4.00%-5.00%	2015	5,525,000	3,025,000	275,000
1998 Public Improvement Bonds	3.50%-4.75%	2018	34,370,665	14,376,590	2,160,838
1999 Public Improvement Bonds	5.00%-5.505%	2019	21,578,939	3,236,840	1,078,947
2000 Public Improvement Bonds	4.25%-5.125%	2020	20,100,000	6,030,000	1,005,000
2001 Public Improvement Bonds	3.25%-4.20%	2016	11,511,499	7,667,677	768,764
2002 Public Improvement Bonds	2.50%-4.25%	2017	16,200,000	11,800,000	1,100,000
2003 Refunding Bonds	4.00%-5.00%	2013	29,232,224	18,301,181	3,995,485
2003 Public Improvement Bonds	2.00%-3.85%	2018	7,600,000	6,297,505	442,596
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	1,740,000	125,000
2004 Refunding Bonds	2.00%-3.70%	2019	32,090,354	31,905,252	1,363,433
2004 Public Improvement Bonds	3.00%-4.00%	2019	21,995,000	19,057,103	1,468,950
2004 Taxable Pension Bonds	4.25%-5.25%	2019	12,800,000	11,090,000	855,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	1,852,215	110,490
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	29,658,388	2,140,931
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	2,705,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	20,260,000	1,353,282
2007 Refunding Bonds	3.50%-5.00%	2020	23,165,983	23,165,983	628,328
Subtotal Bonds Payable				<u>\$ 220,939,825</u>	<u>\$ 20,215,393</u>
Bond premium/ discount				3,036,074	361,798
Bond Issuance Costs				(795,724)	(70,498)
Deferred loss on refunding issues				(4,275,804)	(417,155)
Total Bonds payable, net of bond costs				<u>\$ 218,904,371</u>	<u>\$ 20,089,538</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8 – Long-Term Debt—continued

A.) Governmental Activities-continued

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2007, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental activities:			
2008	\$ 20,215,393	\$ 8,579,468	\$ 28,794,861
2009	20,610,974	7,771,279	28,382,253
2010	20,296,943	6,977,453	27,274,396
2011	19,585,889	6,185,197	25,771,086
2012	19,250,272	5,417,890	24,668,162
2013-2017	81,050,078	16,593,004	97,643,082
2018-2022	39,663,274	2,990,193	42,653,467
2023-2027	158,577	35,442	194,019
2028-2032	108,425	10,045	118,470
Total governmental activities	<u>\$ 220,939,825</u>	<u>\$ 54,559,971</u>	<u>\$ 275,499,796</u>

B.) Business-type activities

Bureau of Utilities

Loans Payable-Special Assessment Debt with Governmental Commitment

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

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Year Series Matures</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2007</u>	<u>Due Within One Year</u>
Maryland Water Quality Financing:					
Revolving Loan- Freedom	3.00%-4.894%	2012	\$ 11,541,350	\$ 4,114,013	\$ 745,005
Revolving Loan- Hampstead	2.60%	2021	532,680	397,867	23,924
Total Loans Payable				<u>\$ 4,511,880</u>	<u>\$ 768,929</u>

The annual requirements to amortize loans payable outstanding as of June 30, 2007, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 768,929	\$ 219,871	\$ 988,800
2009	806,654	189,673	996,327
2010	846,245	157,979	1,004,224
2011	887,793	124,712	1,012,505
2012	930,395	89,796	1,020,191
2013-2017	143,258	36,658	179,916
2018-2021	128,606	15,326	143,932
Total Loans Payable	<u>\$ 4,511,880</u>	<u>\$ 834,015</u>	<u>\$ 5,345,895</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007	Due Within One Year
<u>Bureau of Utilities:</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	\$ 2,521,062	\$ 378,159	\$ 126,053
2001 Public Improvement Bonds	3.25%-4.20%	2016	18,501	12,324	1,236
2003 Public Improvement Bonds	2.00%-3.85%	2018	990,000	820,333	57,654
2004 Refunding Bonds	2.00%-3.70%	2019	2,166,412	2,153,916	92,045
2004 Public Improvement Bonds	3.00%-4.00%	2019	378,474	327,921	25,277
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	282,338	20,188
2006 Public Improvement Bonds	4.00%	2021	200,000	200,000	13,359
2007 Refunding Bonds	3.50%-5.00%	2020	212,504	212,504	5,763
Subtotal Bureau of Utilities				<u>\$ 4,387,495</u>	<u>\$ 341,575</u>
<u>Solid Waste Management</u>					
1997 Public Improvement Bonds	4.00%-5.00%	2015	1,620,000	90,000	90,000
1998 Refunding Bonds	3.50%-4.75%	2018	454,335	333,410	44,162
2003 Refunding Bonds	2.0%-3.85%	2018	3,727,776	2,333,818	509,516
2004 Refunding Bonds	2.00%-3.70%	2019	1,004,270	998,478	42,669
2004 Public Improvement Bonds	3.00%-4.00%	2019	2,449,026	2,121,906	163,560
2007 Refunding Bonds	3.50%-5.00%	2020	345,658	345,658	9,374
Subtotal Solid Waste Management				<u>\$ 6,223,270</u>	<u>\$ 859,281</u>
<u>Airport Fund</u>					
1999 Public Improvement Bonds	5.00%-5.505%	2019	500,000	75,000	25,000
2000 Public Improvement Bonds	4.25%-5.125%	2020	600,000	180,000	30,000
2001 Public Improvement Bonds	3.25%-4.75%	2021	2,200,000	1,650,000	110,000
2003 Public Improvement Bonds	2.00%-3.85%	2018	425,000	352,163	24,750
2004 Refunding Bonds	2.00%-3.70%	2019	278,964	277,355	15,757
2004 Public Improvement Bonds	3.00%-4.00%	2019	407,500	353,070	27,215
2005 Public Improvement Bonds	3.50%-4.125%	2020	58,555	54,274	3,881
2007 Refunding Bonds	3.50%-5.00%	2020	240,854	240,855	6,532
Subtotal Airport Fund				<u>\$ 3,182,717</u>	<u>\$ 243,135</u>
<u>Septage Fund</u>					
2006 Public Improvement Bonds	4.00%	2021	200,000	200,000	13,359
Subtotal Septage Fund				<u>\$ 200,000</u>	<u>\$ 13,359</u>
Subtotal Bonds Payable				13,993,482	1,457,350
Unamortized Charges				(212,231)	(13,022)
Total Bonds Payable, net of bond costs				<u>\$ 13,781,251</u>	<u>\$ 1,444,328</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8 – Long-Term Debt—continued

B.) Business-type activities-continued

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2007, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-type activities:</u>			
2008	\$ 1,453,446	\$ 500,396	\$ 1,953,842
2009	1,463,800	443,339	1,907,139
2010	1,424,002	387,385	1,811,387
2011	1,296,475	335,448	1,631,923
2012	1,253,768	285,593	1,539,361
2013-2017	4,764,996	796,240	5,561,236
2018-2022	2,336,995	147,396	2,484,391
Total business-type activities	<u>\$ 13,993,482</u>	<u>\$ 2,895,797</u>	<u>\$ 16,889,279</u>

Current Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$23,965,000 on January 25, 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 \$23,828,152 (after payment of \$136,848 for issuance costs) plus an additional \$1,021,196 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 \$23,880,000 of general obligation bonds from 1995, 1998 and 2000. 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 \$85,000. 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 January 2007 current refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,091,154 and resulted in an economic loss of \$969,348.

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, 2007, \$21,077,303 of general obligation bonds outstanding from prior years is considered defeased.

Other

The County actively encourages industrial and commercial enterprises to locate and remain in the county by, among other things, the issuance of industrial development revenue bonds pursuant to the Industrial Development Bond Act and the Maryland Industrial Development Financing Authority (MIDFA). These bonds do not constitute an indebtedness of, or a charge against, the general credit or taxing powers of the County. All issues are prepared under the direction of the Carroll County Economic Development Commission. The issues that have been sold as of June 30, 2007 amounted to \$56,585,000.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8 – Long-Term Debt—continued

C.) Component Units

During the fiscal year ended June 30, 2007, 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:

Years Ending June 30,	Energy Management Equipment
2008	\$ 738,322
2009	760,472
2010	783,286
2011	806,785
2013	830,988
5 years ending 2017	3,580,841
5 years ending 2022	<u>2,799,821</u>
	10,300,515
less interest	<u>(2,102,588)</u>
Present value of future minimum lease payments	<u><u>\$ 8,197,927</u></u>

Interest expense related to capital leases was \$304,816 for the year ended June 30, 2007.

Changes in compensated absences payable for the year ended June 30, 2007 for the Board of Education were as follows:

Balance at June 30, 2006	\$24,062,693
Additions	2,869,797
Reductions	<u>(1,558,155)</u>
Balance at June 30, 2007	\$25,374,335
Amounts due within one year	<u>(2,135,000)</u>
Compensated absence non-current portion	<u><u>\$23,239,335</u></u>

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 9 – Lease Obligations

Operating Leases

Primary Government

The County is committed under various leases for office space and other equipment as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2007 for the County amounted to \$284,084. Future lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2008	\$14,780

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, 2007 amounted to \$1,166,575. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2008	\$893,199
2009	893,199
2010	893,199
2011	893,199
2012	893,199
2013-2017	4,465,995
2014-2022	3,019,653
2023-2092 (\$1 per year)	70

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

Asset: Buildings	\$39,155,044
Less: Accumulated depreciation	<u>(5,939,030)</u>
Net carrying value	<u>\$33,216,015</u>

Component Units

The Library's administrative offices are located in a business park near the Westminster airport. During fiscal year 2006, the lease on this facility was extended to June 30, 2008. The monthly rent amount for fiscal year 2007 was \$16,262 (\$195,144 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, 2007 was \$195,144. The future minimum annual rentals for 2008 are \$200,992.

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 expense for fiscal year 2007 totaled \$167,802. The College renewed its operating lease in July 2003, extending the lease agreement until July 2007. During August 2007, the lease was extended through May 2008, which calls for minimum monthly payments of \$12,524.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 10 – Landfill Closure, Postclosure and Remediation Costs

The County operates one public disposal facility, Northern landfill that opened in 1988. The landfill currently has three closed cells and one active cell which is 99.0 percent filled. In addition, three 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 on 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 \$3,434,000 of which 100% has been accrued as of June 30, 2007. 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 \$1,251,100 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 actions. 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.

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 Employees 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 new hires 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 your age and your service years equals or exceeds 80.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan-continued

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, 2006. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	31
Terminated plan members entitled to, but not yet receiving benefits	82
Active plan members	<u>778</u>
 Total	 <u>891</u>

Contributions: Plan members are required to contribute 2 percent of their annual base pay. The County contributed 4.5 percent of the employees’ annual base pay. Administrative costs of CCEPP are financed through investment earnings.

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

Annual Required Contribution FY 2007	\$ 920,956
Contributions Made	<u>1,292,361</u>
Increase in Negative Net Pension Obligation	371,405
 Negative Net Pension Obligation beginning of the year	 4,729,916
Fiscal year 2007 adjustment to the annual net pension cost from the prior period:	
ARC adjustment	\$(331,575)
Interest	<u>331,094</u>
	<u>(481)</u>
 Negative Net Pension Obligation, end of the year	 <u>\$ 5,100,840</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11– Pension Plans–continued

Carroll County Employee Pension Plan–continued

The annual required contribution was determined as part of the July 1, 2006, 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, 2006, was 17 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	392%	5,937,730	4,729,916
2007	920,956	104%	1,292,361	371,405

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

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Interest</u> <u>on</u> <u>Negative</u> <u>NPO</u>	<u>ARC</u> <u>Adjustment</u>	<u>Actual</u> <u>Pension</u> <u>Costs</u>	<u>Total</u> <u>Employer</u> <u>Contribution</u>	<u>Change</u> <u>in Negative</u> <u>NPO</u>	<u>Beginning</u> <u>Negative</u> <u>NPO</u>	<u>Ending</u> <u>Negative</u> <u>NPO</u>
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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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	\$ 205,493
Investments at fair value:	
Marketable Securities	20,089,815
Total assets	<u>20,295,308</u>
Liabilities:	
Accounts payable	14,628
Total Liabilities	<u>14,628</u>
Net Assets:	
Held in trust for pension benefits and other purposes	<u>\$ 20,280,680</u>

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

ADDITIONS	
Contributions:	
Employer	\$ 1,292,361
Plan Members	641,328
Total contributions	<u>1,933,689</u>
Investment earnings:	
Interest and gains	2,998,096
Less investment expense	67,060
Net investment earnings	<u>2,931,036</u>
Total additions	4,864,725
DEDUCTIONS	
Benefits	145,176
Administrative expenses	4,167
Total deductions	<u>149,343</u>
Change in net assets	4,715,382
Net assets–beginning of year	15,565,298
Net assets–end of year	<u>\$ 20,280,680</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)

The Carroll County Government administers a single employer defined benefit length of service award program (LOSAP) for volunteer members of all Carroll County Fire Companies or Departments. Members are eligible to participate in the service award plan if they are certified as an active member and attain 50 points for each year of service. Once they reach 25 years of service and age 60, they may begin receiving disbursements from LOSAP. Benefits are calculated at \$110 per month for life for the first 25 years. An additional payment of \$7 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 \$4,000 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>

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 Required Contribution	\$ 0
Contributions Made	<u>0</u>
Net Pension Obligation, beginning, and end of the year	<u>\$ 0</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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11– Pension Plans–continued

Volunteer Firemen Pension Plan (LOSAP)-continued

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 10 years.

Trend Information for LOSAP:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>% of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2004	\$0	100%	\$0
2005	0	100%	0
2006	0	100%	0
2007	0	100%	0

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

Assets:	
Cash and cash equivalents	\$ 133,259
Investments at fair value:	
Marketable Securities	8,022,079
Total assets	<u>8,155,338</u>
Liabilities:	
Total Liabilities	<u>17,097</u>
Net Assets:	
Held in trust for pension benefits and other purposes	<u><u>\$ 8,138,241</u></u>

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

ADDITIONS	
Investment earnings:	
Interest and gains	\$ 1,242,403
Less investment expense	19,648
Net investment earnings	<u>1,222,755</u>
Total additions	1,222,755
DEDUCTIONS	
Benefits	424,155
Administrative expenses	10,500
Total deductions	<u>434,655</u>
Change in net assets	788,100
Net assets-beginning of year	<u>7,350,141</u>
Net assets-end of year	<u><u>\$ 8,138,241</u></u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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 the State System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202, or by calling 410-625-5555.

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

The employees of the Board of Education are covered by the State Retirement and Pension system of Maryland. Most employees participate in the State System. The Board 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 2006 of 11.60 percent of covered payroll is established by annual actuarial valuations. The covered payroll for the College was \$4,393,690. 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 2 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, 2007, 2006 and 2005 were as follows:

Component Units	<u>2007</u>	<u>2006</u>	<u>2005</u>
Board of Education	\$13,436,187	\$12,180,637	\$11,582,831
Community College	398,618	329,651	330,090
Library	379,045	328,279	320,321

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007 were \$1,963,539 and \$2,594,550, respectively.

Note 12 – Postemployment Benefits Other Than Pension Benefits

Primary Government

The County provides access to medical insurance benefits to eligible retirees who retire from County service in accordance with County policy. The employer’s contributions are financed on a pay-as-you-go basis. The County incurred total post-employment medical plan benefits expenditures of \$1,877,124 during the fiscal period ending June 30, 2007. Of this amount, the County paid \$1,746,590 and the retirees paid \$130,534.

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, 2007 retiree’s pay between 6 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, 2007, 149 Primary Government retirees and 117 retiree spouses were eligible to receive benefits. Of these, 146 retirees and 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.

The County will adopt Governmental Accounting Standards Boards Statement No. 43 and No. 45 for fiscal year ending June 30, 3008.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units

Library retirees and their spouses may also qualify for coverage under the County's group retiree medical plan(s). Eligibility criteria for coverage and premium payments are identical to the criteria for Primary Government retirees. As of June 30, 2007, 25 Library Retirees and 9 spouses are enrolled in the retiree medical plan(s). Total post-employment benefits expenditures/expenses of \$158,504 were incurred by the County on the Library's behalf during the fiscal period ended June 30, 2007. Of this amount, \$145,404 was paid by the County and \$13,100 was paid by the retirees.

The Board of Education (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 percent to 100 percent. 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 percent to 100 percent. 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. The employer's contributions are financed on a pay-as-you-go basis and the future payment of these benefits is contingent upon the annual approval of the operating budget. The medical benefits paid by the Board for the year ended June 30, 2007 were \$1,797,582. As of June 30, 2007, 711 eligible participants were receiving benefits. The Board of Education has not assessed the impact on its financial position or results of operations of implementing GASB Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement will be effective for the Board in fiscal year 2008. It will require prospective recognition of the cost of these benefits as they are earned rather than as they are paid in the government-wide and proprietary and fiduciary fund financial statements. Recognition in governmental fund financial statements will be on the modified accrual basis.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 13 – Fund Equity

A summary of fund balances as of June 30, 2007 follows:

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
<u>Reserved For</u>				
Encumbrances	\$ 1,895,581	\$ 11,023,565	\$ -	\$ 12,919,146
Inventory	1,072,559	-	-	1,072,559
Economic development loan	1,472	-	-	1,472
Loans to community organizations	5,319,188	-	-	5,319,188
Loans to fire companies	15,383,630	-	-	15,383,630
Loans to municipalities	302,772	-	-	302,772
Agricultural preservation investments	11,244,623	-	-	11,244,623
Advances and proceeds to Industrial Development Authority	1,125,560	-	-	1,125,560
Total reserved fund balance	<u>36,345,385</u>	<u>11,023,565</u>	<u>-</u>	<u>47,368,950</u>
<u>Unreserved - Designated For</u>				
Subsequent year's expenditures	\$ 13,542,642	\$ 93,792,138	\$ -	\$ 107,334,780
Stabilization fund	9,900,000	-	-	9,900,000
Secondary reserve fund	6,000,000	-	-	6,000,000
ISF health	1,400,000	-	-	1,400,000
Designated for other purposes:				
Lien certification	15,000	-	-	15,000
Vehicle replacement	500,000	-	-	500,000
Worker's comp claims	400,000	-	-	400,000
Warfield development corp loan	30,036	-	-	30,036
Total unreserved-designated balance	<u>31,787,678</u>	<u>93,792,138</u>	<u>-</u>	<u>125,579,816</u>
<u>Unreserved - Undesignated reported in:</u>				
General fund	\$ 7,302,102	\$ -	\$ -	\$ 7,302,102
Special Revenue Funds	-	-	9,973,460	9,973,460
Total unreserved-undesignated balance	<u>7,302,102</u>	<u>-</u>	<u>9,973,460</u>	<u>17,275,562</u>
Grand total fund balance	<u>\$ 75,435,165</u>	<u>\$ 104,815,703</u>	<u>\$ 9,973,460</u>	<u>\$ 190,224,328</u>

The County has loaned to various Carroll County fire companies \$25,968,362 for expansion and equipment acquisition. The loans are repayable over terms of from 5 to 20 years, bearing interest at fixed rates ranging from 3.33 percent to 5.088 percent. The balance of these loans at June 30, 2007 is \$15,383,630 and is secured by land, buildings and equipment.

In prior years, the County made five other economic and employment development loans for a total of \$20,010,343. The revenue source for the loans by the County from the General Fund was obtained through promissory notes with the Department of Business and Economic Development. The balance of these five loans at June 30, 2007 is \$1,472.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 13 – Fund Equity-continued

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, 2007 is \$5,319,188.

Note 14 – GAAP Reconciliation

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

<u>Budgetary Funds</u>	<u>General Fund</u>
Revenues	
Actual amount (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 283,560,883
Deferred property tax revenues	(262,825)
Revenues generated by encumbrances of expenditure driven grants (net)	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	<u>\$ 283,298,058</u>
 Expenditures	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 286,573,427
Encumbrance adjustment	<u>(214,339)</u>
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	<u>\$ 286,359,088</u>

Note 15 – Litigation

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.

Component Units

A lawsuit has been threatened against the Board of Education 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 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 reasonable estimated at this time.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 16 – Contingent Liabilities

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.

Note 17 – 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 and 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. These revenues are 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, 2007

Note 17 – 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, 2007 for the deductible portions of general, property and casualty claims covered under LGIT and employee health care coverage are \$296,422 and \$1,117,598, respectively.

The total claims liability of \$1,414,019 reported in the internal service fund at June 30, 2007 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, 2004 – June 30, 2005	\$369,949	\$(270,886)	\$119,487	\$218,550
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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 17 – Risk Management-continued

Primary Government continued

Employee Health Care Coverage:

July 1, 2004 – June 30, 2005	\$992,900	\$8,532,178	\$(8,299,453)	\$1,225,625
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

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, 2007 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 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 \$400,000 Self Insured Retention for all employees except those in the Police code. Those employees are subject to a \$500,000 retention. The total claims liability of \$6,262 has been reported at June 30, 2007 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, 2004 – June 30, 2005	\$97,899	\$270,281	\$(355,917)	\$12,263
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

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 17 – Risk Management-continued

Component Units continued

Board of Education and the Community College use commercial policies to provide insurance coverage excluding health care. Settled claims have not exceeded coverage in any of the past three years.

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

At June 30, 2007 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:

Health Care:	Beginning- Of-Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
July 1, 2004 – June 30, 2005	\$2,317,423	\$21,400,694	\$(21,309,153)	\$2,408,964
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

Note 18 – Subsequent Events

The County plans to issue \$30,435,000 of general obligation bonds and refunding approximately \$6,800,000 the 1997 bonds during fiscal year 2008. The proceeds of the sale of these securities will be used to finance the construction of school additions, airport projects, water and sewer projects, several road and bridge projects and Volunteer Fire Company loans. The County will receive an estimated net present value savings of approximately \$550,000 by refunding the 1997 bonds.

Note 19 – Compliance and Accountability

A. Fund Deficits

Included in the Enterprise Funds' net assets of \$92,062,718 as of June 30, 2007 is a (\$1,790,528) deficit from Solid Waste Management fund. The Solid Waste Management net asset deficit is the result of recognizing the estimated liability for closure and postclosure and remediation costs required by GASB Statement 18 as discussed in Note 10. The County intends to use general obligation bonds and tipping fee user revenues to fund this liability.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 19 – Compliance and Accountability-continued

B. Overexpenditures

Included in Taxes Other are Income Taxes and Recordation Taxes. Income Tax revenues received was lower than the budget by \$5,727,024 due to an unanticipated change in the State distribution formula. Recordation Tax was lower than the budget by \$3,197,906 due to the decline the sales and refinancing activity in the housing market.

Total License and Permit Revenues were lower than budget by \$1,442,415 for two primary reasons: 1.) Building Permit revenue was lower than budget by \$570,000 as a result of the slow housing market and water issues that led to a State imposed building moratorium in the City of Westminster. 2.) The original budget for Cable Franchise Fee of \$870,000 was included in this category at the beginning of the year. During the year a new Special Revenue Fund was created for the Cable Franchise Fee and the budget was transferred.

Education expenditures appear as overspent by \$1,811,200. This is a result of recording unbudgeted in-kind services, both expenditures and corresponding revenues, at year-end.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Required Supplementary Information
June 30, 2007

Pension Trust Fund
Carroll County Employees Pension Plan

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%

Schedule of Employer Contributions

Year Ended June 30:	Annual Required Contribution	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	392%
2007	920,956	1,292,361	140%

The Information presented in the required supplementary schedules 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	7/1/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	17 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)
Post retirement cost-of-living adjustments	2%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Required Supplementary Information
June 30, 2007

Pension Trust Fund
Volunteer Firemen Pension Plan (LOSAP)

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)
January 1, 1997	\$ 1,000,000	\$ 3,068,020	32.59%	\$ 2,068,020	N/A	N/A
January 1, 2003	6,767,155	4,465,745	151.53%	(2,301,410)	N/A	N/A
January 1, 2007	7,233,605	5,259,708	137.53%	(1,973,897)	N/A	N/A

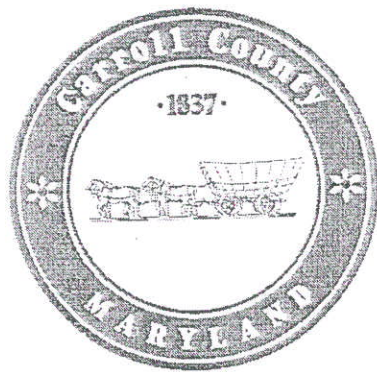
N/A Not applicable because the volunteers are not compensated.

Schedule of Employer Contributions

Year Ended June 30:	Annual Required Contribution	Percentage Contributed
2004	\$ -	100%
2005	\$ -	100%
2006	\$ -	100%
2007	\$ -	100%

The Information presented in the required supplementary schedules 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	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	N/A
Post retirement cost-of-living adjustments	N/A



Supplementary Information

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Revenues				
Taxes - Local Property				
Real property	\$ 126,318,800	\$ 126,318,800	\$ 126,916,841	\$ 598,041
Real property - prior years	(100)	(100)	86	186
Personal property	300,000	300,000	318,846	18,846
Railroad and public utilities	6,500,000	6,500,000	6,751,058	251,058
Ordinary business corporations	6,200,000	6,200,000	6,797,495	597,495
Penalties and interest-delinquent taxes	655,000	655,000	667,092	12,092
Semi-annual service charges	100,000	100,000	518,156	418,156
	<u>140,073,700</u>	<u>140,073,700</u>	<u>141,969,574</u>	<u>1,895,874</u>
Deductions				
Discounts allowed on taxes	(650,000)	(650,000)	(650,150)	(150)
Senior tax credit	(2,000,000)	(2,000,000)	(492)	1,999,508
Homestead tax credit	(12,225,000)	(12,225,000)	(11,789,936)	435,064
	<u>(14,875,000)</u>	<u>(14,875,000)</u>	<u>(12,440,578)</u>	<u>2,434,422</u>
Net Taxes - Local Property	<u>125,198,700</u>	<u>125,198,700</u>	<u>129,528,996</u>	<u>4,330,296</u>
Taxes - Local Other				
Payment in Lieu of Taxes	-	-	25,868	25,868
Income tax	106,000,000	106,000,000	100,272,976	(5,727,024)
911 service fees	1,350,000	1,350,000	1,600,475	250,475
Recordation	22,100,000	22,100,000	18,902,094	(3,197,906)
Admissions	400,000	400,000	405,294	5,294
Total Taxes - Local Other	<u>129,850,000</u>	<u>129,850,000</u>	<u>121,206,707</u>	<u>(8,643,293)</u>
Taxes - State Shared				
Police aid	925,000	925,000	905,329	(19,671)
Recordation	-	-	6,480	6,480
Highway	12,000,000	12,000,000	11,817,433	(182,567)
Total Taxes - State Shared	<u>12,925,000</u>	<u>12,925,000</u>	<u>12,729,242</u>	<u>(195,758)</u>
Licenses and Permits				
Beer, wine and liquor licenses	200,000	200,000	203,650	3,650
Amusement	10,000	10,000	13,144	3,144
Traders	145,000	145,000	135,220	(9,780)
Animal	70,000	70,000	100,587	30,587
Buildings	1,761,000	1,761,000	1,190,757	(570,243)
Mobile home licenses	72,000	72,000	72,047	47
Marriage	36,000	36,000	29,500	(6,500)
Cable television	870,000	870,000	-	(870,000)
Grading	60,000	60,000	36,680	(23,320)
Total Licenses and Permits	<u>3,224,000</u>	<u>3,224,000</u>	<u>1,781,585</u>	<u>(1,442,415)</u>
Intergovernmental Revenues-Grants from State				
Civil Defense	60,000	60,000	-	(60,000)
Johnson Grass	4,000	4,000	784	(3,216)
State Aid-Fire Companies	270,000	270,000	261,040	(8,960)
Parks/Recreation Facilities	5,000	5,000	11,017	6,017
Security Interest Filing Fee	-	-	445	445
Md Dept of Environment	-	-	(6,210)	(6,210)
Grand & Petit Jury Reimburse	27,000	27,000	33,535	6,535

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Intergovernmental Revenues-Grants from State continued				
Circuit Court Master Reimb	\$ 180,000	\$ 180,000	\$ 213,881	\$ 33,881
Total Intergovernmental Revenues	546,000	546,000	514,492	(31,508)
Charges for Services				
General Government				
Westminster	-	-	41,153	41,153
Lien certificates	150,000	150,000	120,366	(29,634)
Data processing	13,000	13,000	6,618	(6,382)
Hearing fees-zoning appeals	26,500	26,500	18,535	(7,965)
Copy fees and code books	18,000	18,000	21,027	3,027
Telephone	60,000	60,000	61,146	1,146
Health depart-telephone and janitorial	50,000	50,000	63,790	13,790
Hearing fees-zoning administration	500	500	5,861	5,361
Total Serv Chrg - General Government	318,000	318,000	338,496	20,496
Public Safety				
Sheriff's services-salary recovery	3,000	3,000	2,697	(303)
Sheriff's services-fees	100,000	100,000	88,971	(11,029)
Sheriff's services-detention center	400,000	400,000	1,406,739	1,006,739
Resident trooper reimbursement	74,000	74,000	76,328	2,328
Inspection fees-towns	35,000	35,000	29,670	(5,330)
Inspections fees-roads	125,000	125,000	53,353	(71,647)
Inspections fees-development review	20,000	20,000	25,067	5,067
Detention center-commissary	25,500	25,500	30,351	4,851
Detention center-work release	120,000	120,000	135,102	15,102
Sheriff-INS inmate days	150,000	150,000	96,561	(53,439)
Sheriff/INS-transport	2,000	2,000	90,936	88,936
Sheriff-home detention	45,000	45,000	46,875	1,875
Sheriff-INS-medical	500	500	1,625	1,125
INS Salary Reimbursement	1,000	1,000	-	(1,000)
Soc Sec admin incentive program	2,000	2,000	800	(1,200)
Juvenile transport	78,000	78,000	116,577	38,577
Total Serv Chrg - Public Safety	1,181,000	1,181,000	2,201,652	1,020,652
Public Works				
Courthouse Annex-Rent/Heat	-	-	6,414	6,414
Vehicle maintenance	800,000	800,000	894,091	94,091
Road maintenance	92,000	92,000	90,848	(1,152)
Development review	385,000	385,000	269,439	(115,561)
Stormwater/environment review fee	160,000	160,000	86,374	(73,626)
Engineering review fees	38,000	38,000	50,624	12,624
Forest conservation review fee	32,000	32,000	56,502	24,502
Tower location analysis fee	7,500	7,500	2,500	(5,000)
Weed control spraying	7,000	7,000	5,308	(1,692)
Total Serv Chrg - Public Works	1,521,500	1,521,500	1,462,100	(59,400)
Recreation and Parks				
Farm museum	417,000	417,000	405,745	(11,255)
Piney Run Park	191,000	191,000	204,597	13,597
Hashawha Environmental Center	215,000	215,000	386,022	171,022

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Recreation and Parks continued				
Interpretation and Conservation	\$ 56,200	\$ 56,200	\$ 67,622	\$ 11,422
General Public & School/Youth Programs	32,000	32,000	20,924	(11,076)
Outdoor School Meals/Concessions	148,000	148,000	151,529	3,529
Sports Complex	110,500	110,500	108,998	(1,502)
Pavilion & facility rentals	26,000	26,000	35,678	9,678
Bus Trip Revenues	-	-	10,461	10,461
Total Recreation and Parks	<u>1,195,700</u>	<u>1,195,700</u>	<u>1,391,576</u>	<u>195,876</u>
Total Charges for Services	<u>4,216,200</u>	<u>4,216,200</u>	<u>5,393,824</u>	<u>1,177,624</u>
Fines and Forfeits				
Circuit court fines	50,000	50,000	41,881	(8,119)
Liquor license fines	8,500	8,500	5,850	(2,650)
Animal violation fines	18,000	18,000	23,600	5,600
Civil zoning violations	5,000	5,000	740	(4,260)
Humane society impoundment fees	8,000	8,000	11,686	3,686
Parking violations-sheriff	6,000	6,000	2,997	(3,003)
Total Fines and Forfeits	<u>95,500</u>	<u>95,500</u>	<u>86,754</u>	<u>(8,746)</u>
Interest	6,262,500	6,262,500	9,285,599	3,023,099
Miscellaneous Revenues				
Rents and concessions	525,000	525,000	1,677,111	1,152,111
Refunds	70,000	70,000	152,820	82,820
Equipment sales	50,000	50,000	50,074	74
Postage	32,000	32,000	30,198	(1,802)
Health Department	2,000	2,000	2,847	847
County Attorney Fees	180,000	180,000	165,862	(14,138)
Board of education surplus	111,017	111,017	363,331	252,314
Activities/special events	40,000	40,000	40,293	293
Advertising	12,000	12,000	11,500	(500)
Miscellaneous	101,300	101,300	539,646	438,346
Total Miscellaneous Revenues	<u>1,123,317</u>	<u>1,123,317</u>	<u>3,033,684</u>	<u>1,910,367</u>
Total Revenues	<u>283,441,217</u>	<u>283,441,217</u>	<u>283,560,883</u>	<u>119,666</u>
Expenditures				
General Government				
County Commissioners				
Legislative	836,908	756,548	610,941	145,607
Performance Auditing	198,843	198,843	180,845	17,998
Farm Museum	766,819	766,819	722,218	44,601
Media Relations	190,194	191,725	184,836	6,889
Zoning Administrator	221,992	221,992	153,175	68,817
Information & Technology Service	2,337,269	2,337,269	2,198,027	139,242
Production/Distribution Service	358,422	380,918	380,916	2
Total County Commissioners	<u>4,910,447</u>	<u>4,854,114</u>	<u>4,430,958</u>	<u>423,156</u>
Judicial				
Adjudication-Criminal/Civil	1,138,904	1,138,904	1,138,664	240
Voluntary Community Services	145,635	145,635	144,221	1,414
Juvenile Master	277,221	316,033	315,665	368
Adjudication of Estates	31,830	31,830	31,026	804

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Judicial continued				
Criminal Prosecution	\$ 1,908,047	\$ 1,908,047	\$ 1,898,306	\$ 9,741
County Attorney	833,243	913,603	905,839	7,764
Total Judicial	4,334,880	4,454,052	4,433,721	20,331
Carroll County Board of Elections	768,120	768,120	619,561	148,559
Total Carroll County Board of Elections	768,120	768,120	619,561	148,559
Office of the Comptroller				
Comptroller Administration	243,597	243,597	226,398	17,199
Accounting	648,782	648,782	648,836	(55)
Purchasing	374,995	374,995	363,451	11,544
Independent Post - Auditing	50,300	62,300	62,300	-
Bond Issuance Expense	155,300	155,300	118,613	36,688
Collections Office	396,621	396,621	381,524	15,097
Total Office of the Comptroller	1,869,595	1,881,595	1,801,122	80,473
Human Resources & Personnel Services				
Human Resources Administration	724,590	724,590	702,351	22,239
Fringe Benefits	15,746,593	15,746,593	15,649,788	96,805
Personnel Services	119,364	119,364	101,158	18,206
Total Human Resources & Personnel Services	16,590,547	16,590,547	16,453,297	137,250
Management and Budget				
Management and Budget Administration	237,942	237,942	237,576	366
Risk Management	2,305,259	2,305,259	1,799,235	506,024
Budget	383,334	383,334	375,184	8,150
Grant Management	117,829	117,829	116,545	1,284
Total Management and Budget	3,044,364	3,044,364	2,528,540	515,824
Planning				
Planning Administration	721,581	601,581	548,122	53,459
Planning	668,897	668,897	604,267	64,630
Development Review	395,278	395,278	358,676	36,602
Environment & Resource Protect	209,774	209,774	202,097	7,677
Resources Management	812,380	867,380	822,919	44,461
Total Planning	2,807,910	2,742,910	2,536,081	206,829
General Services				
General Services Administrative	215,000	215,000	208,101	6,899
Permits & Inspections	1,203,522	1,203,522	1,139,713	63,809
Building Construction	347,040	353,673	353,406	267
Facilities Administration	4,658,882	4,639,282	4,372,417	266,865
Facilities	2,774,889	2,794,489	2,791,922	2,567
Fleet Management	5,119,088	5,119,088	4,925,165	193,923
Warehouse Operations	206,072	258,016	257,098	918
Total General Services	14,524,494	14,583,071	14,047,822	535,249
Miscellaneous				
Youth services	529,210	529,210	529,210	-
Administrative Hearings	92,846	92,846	81,039	11,807

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Miscellaneous continued				
Board of License Commissioners	\$ 99,778	\$ 99,778	\$ 96,969	\$ 2,809
Citizen Services	402,492	402,492	392,182	10,310
Aging	784,311	784,311	758,854	25,457
CC Advocacy/Investigation Center	138,367	138,367	131,902	6,465
Total Miscellaneous	<u>2,047,004</u>	<u>2,047,004</u>	<u>1,990,156</u>	<u>56,848</u>
Total General Government	50,897,361	50,965,777	48,841,258	2,124,519
Public Safety				
Police Protection				
Detention Center	6,013,804	6,117,804	6,091,494	26,310
Sheriff Services	4,449,268	4,449,268	4,217,908	231,360
Total Police Protection	<u>10,463,072</u>	<u>10,567,072</u>	<u>10,309,402</u>	<u>257,670</u>
Fire Department				
Volunteer Companies	5,560,070	5,569,405	5,569,404	1
EMS24/7 Services	3,209,420	3,209,420	3,209,420	-
Total Fire Department	<u>8,769,490</u>	<u>8,778,825</u>	<u>8,778,824</u>	<u>1</u>
Emergency Services				
Emergency Service Operations	1,926,561	1,926,561	1,799,811	126,750
911 - Emergency Service	1,187,572	1,187,572	1,064,482	123,090
Civil Defense	10,070	10,070	4,901	5,169
Total Emergency Services	<u>3,124,203</u>	<u>3,124,203</u>	<u>2,869,194</u>	<u>255,009</u>
Other Protection				
Humane Society	687,020	687,020	668,296	18,724
Resident Trooper Program	4,877,740	4,958,751	4,958,750	1
Total Other Protection	<u>5,564,760</u>	<u>5,645,771</u>	<u>5,627,046</u>	<u>18,725</u>
Total Public Safety	<u>27,921,525</u>	<u>28,115,871</u>	<u>27,584,466</u>	<u>531,405</u>
Public Works				
Public Works-Administration	289,613	289,613	281,854	7,759
Roads Operations	6,658,618	6,652,518	6,347,842	304,676
Traffic Control	268,930	275,030	273,309	1,721
Engineering-Design	304,661	304,661	297,623	7,038
Engineering-Inspection	326,818	326,818	314,965	11,853
Emergency Maintenance-Snow	1,356,270	1,356,270	1,350,200	6,070
Engineering	264,720	279,420	278,136	1,284
Engineering-Survey	184,357	184,357	182,611	1,746
Total Public Works	<u>9,653,988</u>	<u>9,668,687</u>	<u>9,326,540</u>	<u>342,147</u>
Health				
Health Department	3,108,780	3,108,780	3,108,780	-
Weed Control	31,190	31,190	25,328	5,862
Gypsy Moth Control	13,100	20,893	20,893	-
Domestic Violence	68,950	68,950	68,950	-
Change, Inc.	257,190	257,190	257,190	-
Sexual Abuse Treatment Center	190,500	190,500	190,500	-
Junction	122,820	122,820	122,820	-
CCARC-Non Matching	232,190	232,190	232,190	-

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Health continued				
Target, Inc.	\$ 232,190	\$ 232,190	\$ 232,190	\$ -
Rape Crisis	76,850	76,850	76,850	-
Total Health	4,333,760	4,341,553	4,335,691	5,862
Social Services				
Social Services-Local Funds	191,885	191,885	191,885	-
Human Services	773,880	773,880	773,880	-
Victim Witness Assistance	171,262	171,262	166,108	5,154
Total Social Services	1,137,027	1,137,027	1,131,873	5,154
Education				
CC Public Ed & Gov Cable Access	361,960	361,960	342,653	19,307
Hashawha	695,815	697,756	697,491	265
CC Board of Ed-Local Funds	143,167,300	143,167,300	144,998,072	(1,830,772)
Community College	5,636,100	5,636,100	5,636,100	-
Total Education	149,861,175	149,863,116	151,674,316	(1,811,200)
Library	6,782,100	6,782,100	6,782,100	-
Recreation and Parks				
Participation Recreation				
Recreation & Parks-Administration	202,611	202,611	196,399	6,212
Recreation	307,508	307,508	305,683	1,825
Piney Run	437,426	437,426	426,241	11,185
Sports Complex	192,116	192,116	170,555	21,561
Total Participation Recreation	1,139,661	1,139,661	1,098,878	40,783
Spectator Recreation				
Historical Society	610,000	610,000	610,000	-
Homestead Museum	20,000	20,000	20,000	-
Total Spectator Recreation	630,000	630,000	630,000	-
Total Recreation and Parks	1,769,661	1,769,661	1,728,878	40,783
Conservation of Natural Resources				
Agriculture Extension Service	412,960	412,960	402,952	10,008
Soil Conservation Service	314,400	315,754	315,600	154
Total Conservation of Natural Resources	727,360	728,714	718,552	10,162
Economic Development				
Economic Development-Administration	594,780	594,780	582,385	12,395
BERC Management	140,551	140,551	129,927	10,624
Economic Development-Marketing	3,000,000	3,000,000	1,550,661	1,449,339
Tourism	291,788	291,788	262,984	28,804
Total Economic Development	4,027,119	4,027,119	2,525,957	1,501,162
Reserve for Contingencies	4,442,350	3,782,945	-	3,782,945
Intergovernmental				
Property tax payments to municipalities	15,526	15,526	15,526	-
Permits and fee payments to municipalities	23,507	23,507	17,440	6,067

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SOURCES (USES) - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Intergovernmental continued				
Liquor license payments to municipalities	\$ 22,000	\$ 22,410	\$ 22,410	\$ -
Town programs	2,048,180	2,048,180	1,997,267	50,913
State aid-fire protection	270,000	270,000	261,040	8,960
Road Grant - Local	35,387	35,387	35,387	-
Total Intergovernmental	<u>2,414,600</u>	<u>2,415,010</u>	<u>2,349,070</u>	<u>65,940</u>
Debt Service				
Debt Service - Board of Education	9,444,822	9,444,822	9,268,783	176,039
Debt Service - County	20,011,680	20,305,942	20,305,942	0
Total Debt Service	<u>29,456,502</u>	<u>29,750,764</u>	<u>29,574,725</u>	<u>176,039</u>
Total Expenditures	<u>293,424,528</u>	<u>293,348,344</u>	<u>286,573,427</u>	<u>6,774,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,983,311)</u>	<u>(9,907,127)</u>	<u>(3,012,544)</u>	<u>6,894,583</u>
Other Financing Sources (Uses)				
Appropriated fund balance	12,891,533	12,891,533	-	12,891,533
Transfers In	6,303,250	6,303,250	6,274,445	28,805
Bonds issued	-	-	24,432,000	(24,432,000)
Bonds premium	-	-	1,180,352	(1,180,352)
Long term notes payable	-	-	5,994,265	(5,994,265)
Total Other Financing Sources	<u>19,194,783</u>	<u>19,194,783</u>	<u>37,881,062</u>	<u>(18,686,279)</u>
Other Financing Uses				
Transfer to Escrow Account	-	-	(24,849,347)	24,849,347
Operating Transfers Out:				
Transfer to Capital Fund	(4,868,725)	(4,868,725)	(4,868,725)	-
Transfer to Special Revenue Funds - Grants	(921,747)	(997,931)	(997,931)	-
Transfer to Enterprise Funds	(3,421,000)	(3,421,000)	(2,897,000)	(524,000)
Total Other Financing Uses	<u>(9,211,472)</u>	<u>(9,287,656)</u>	<u>(33,613,003)</u>	<u>24,325,347</u>
Total Other Financing Sources (Uses)	<u>9,983,311</u>	<u>9,907,127</u>	<u>4,268,059</u>	<u>5,639,068</u>
Net Change in Fund Balance	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>1,255,515</u>	<u>\$ 1,255,515</u>
Fund Balance - Beginning			<u>73,709,159</u>	
Fund Balance - Ending			<u>\$ 74,964,674</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Balance Sheet
Other Governmental Funds
For the Year Ended June 30, 2007

	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	\$ 8,105,440	\$ 912,547	\$ 260,769	\$ 701,491	\$ 1,622,335	\$ 11,602,582
Accounts receivable	-	-	-	-	676,228	676,228
Prepaid costs	-	-	-	-	319,644	319,644
Total assets	<u>\$ 8,105,440</u>	<u>\$ 912,547</u>	<u>\$ 260,769</u>	<u>\$ 701,491</u>	<u>\$ 2,618,207</u>	<u>\$ 12,598,454</u>
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 2,762	\$ 4,025	\$ -	\$ -	\$ 794,692	\$ 801,479
Accrued expenditures	-	-	-	-	91,722	91,722
Deferred revenue	-	-	-	-	1,731,793	1,731,793
Total liabilities	<u>2,762</u>	<u>4,025</u>	<u>-</u>	<u>-</u>	<u>2,618,207</u>	<u>2,624,994</u>
Fund balance						
Unreserved and undesignated	<u>8,102,678</u>	<u>908,522</u>	<u>260,769</u>	<u>701,491</u>	<u>-</u>	<u>9,973,460</u>
	8,102,678	908,522	260,769	701,491	-	9,973,460
Total liabilities and fund balances	<u>\$ 8,105,440</u>	<u>\$ 912,547</u>	<u>\$ 260,769</u>	<u>\$ 701,491</u>	<u>\$ 2,618,207</u>	<u>\$ 12,598,454</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, 2007

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Grant Fund	Total
Revenues						
Charges for service:						
Farm museum	\$ -	\$ -	\$ -	\$ -	\$ 35,237	\$ 35,237
Recreation and parks					303,656	303,656
Intergovernmental revenues:						
Commission on aging	-	-	-	-	1,221,447	1,221,447
Housing & community development	-	-	-	-	4,315,892	4,315,892
Job training partnership act	-	-	-	-	539,311	539,311
Sheriff	-	-	-	-	356,321	356,321
Citizen services	-	-	-	-	2,061,034	2,061,034
States attorney	-	-	-	-	492,904	492,904
Circuit court	-	-	-	-	440,120	440,120
EOC	-	-	-	-	647,397	647,397
Tourism	-	-	-	-	24,560	24,560
Planning	-	-	-	-	404,923	404,923
Agricultural transfer tax	-	390,420	-	-	-	390,420
Hotel Rental Tax	-	-	321,676	-	-	321,676
Cable Franchise Fee	-	-	-	701,491	-	701,491
Impact fees	1,669,793	-	-	-	-	1,669,793
Interest	524,758	-	4,240	-	-	528,998
Total revenues	<u>2,194,551</u>	<u>390,420</u>	<u>325,916</u>	<u>701,491</u>	<u>10,842,802</u>	<u>14,455,180</u>
Expenditures						
General government	-	-	-	-	10,041,735	10,041,735
Public safety	-	-	-	-	834,904	834,904
Health	-	-	-	-	4,000	4,000
Recreation and parks	-	-	-	-	372,353	372,353
Economic development	-	-	-	-	587,741	587,741
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,840,733</u>	<u>11,840,733</u>
Excess (deficiency) of revenues over (under) expenditures	2,194,551	390,420	325,916	701,491	(997,931)	2,614,447
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	997,931	997,931
Transfers out	(2,274,500)	(500,000)	(259,595)	-	-	(3,034,095)
Total Other Financing Sources (Uses)	<u>(2,274,500)</u>	<u>(500,000)</u>	<u>(259,595)</u>	<u>-</u>	<u>997,931</u>	<u>(2,036,164)</u>
Net change in fund balances	(79,949)	(109,580)	66,321	701,491	-	578,283
Fund balances - beginning	8,182,627	1,018,102	194,448	-	-	9,395,177
Fund balances - ending	<u>\$ 8,102,678</u>	<u>\$ 908,522</u>	<u>\$ 260,769</u>	<u>\$ 701,491</u>	<u>\$ -</u>	<u>\$ 9,973,460</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ 2,274,500	\$ 2,274,500	\$ 1,669,793	\$ (604,707)
Interest	-	-	524,758	524,758
	<u>2,274,500</u>	<u>2,274,500</u>	<u>2,194,551</u>	<u>(79,949)</u>
Other Financing Sources (Uses)				
Transfers out	(2,274,500)	(2,274,500)	(2,274,500)	-
	<u>(2,274,500)</u>	<u>(2,274,500)</u>	<u>(2,274,500)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(79,949)	<u>\$ (79,949)</u>
Fund balance - beginning			8,182,627	
Fund balance - ending			<u>\$ 8,102,678</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Agricultural Transfer Tax	\$ 500,000	\$ 500,000	\$ 390,420	\$ (109,580)
Total revenues	500,000	500,000	390,420	(109,580)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	500,000	500,000	390,420	(109,580)
OTHER FINANCING SOURCES (USES)				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	(500,000)	(500,000)	(500,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(109,580)	<u>\$ (109,580)</u>
Fund balance - beginning			1,018,102	
Fund balance - ending			<u>\$ 908,522</u>	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Hotel Rental Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budgetary (NON-GAAP) vs. Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Hotel Rental Tax	\$ 288,400	\$ 288,400	\$ 321,676	\$ 33,276
Interest	-	-	4,240	4,240
Total revenues	288,400	288,400	325,916	37,516
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	288,400	288,400	325,916	37,516
OTHER FINANCING SOURCES (USES)				
Transfers out	(288,400)	(288,400)	(259,595)	28,805
Total other financing sources (uses)	(288,400)	(288,400)	(259,595)	28,805
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	66,321	<u>\$ 66,321</u>
Fund balance - beginning			194,448	
Fund balance - ending			<u>\$ 260,769</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Cable Franchise Fee	\$ -	\$ -	\$ 701,491	\$ 701,491
Total revenues	-	-	701,491	701,491
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	701,491	701,491
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	701,491	<u>\$ 701,491</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 701,491</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues				
Commission on aging	\$ 1,083,847	\$ 1,267,662	\$ 1,223,153	\$ (44,509)
Housing & community development	4,520,677	4,687,252	4,315,892	(371,360)
Job training partnership act	516,389	585,635	534,624	(51,011)
Sheriff	288,394	541,811	351,529	(190,282)
Citizen services	1,027,685	2,091,746	2,111,912	20,166
States attorney	581,370	714,794	493,380	(221,414)
Circuit court	324,500	546,339	440,120	(106,219)
EOC	693,558	286,798	693,697	406,899
Tourism	18,000	20,993	23,760	2,767
Farm Museum	30,225	30,225	35,237	5,012
Planning	766,700	519,801	413,092	(106,709)
Recreation and parks	-	-	303,656	303,656
Total revenues	9,851,345	11,293,056	10,940,052	(353,004)
EXPENDITURES				
General government	9,132,864	10,744,283	9,892,391	851,892
Public safety	1,069,869	912,206	554,178	358,028
Health	4,000	4,000	4,000	-
Recreation and parks	8,100	-	335,476	(335,476)
Economic development	558,259	630,498	573,724	56,774
Capital outlay	-	-	578,214	(578,214)
Total expenditures	10,773,092	12,290,987	11,937,983	353,004
Excess (deficiency) of revenues over expenditures	(921,747)	(997,931)	(997,931)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	921,747	997,931	997,931	-
Total other financing sources (uses)	921,747	997,931	997,931	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Fiduciary Net Assets
Pension Trust Funds
June 30, 2007

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Totals</u>
ASSETS:			
Cash and cash equivalents	\$ 205,493	\$ 133,259	\$ 338,752
Investments at fair value:			
Marketable Securities	<u>20,089,815</u>	<u>8,022,079</u>	<u>28,111,894</u>
Total assets	<u>20,295,308</u>	<u>8,155,338</u>	<u>28,450,646</u>
LIABILITIES:			
Accounts payable	<u>14,628</u>	<u>17,097</u>	<u>31,725</u>
Total liabilities	<u>14,628</u>	<u>17,097</u>	<u>31,725</u>
NET ASSETS:			
Held in trust for pension benefits and other purposes	<u>\$ 20,280,680</u>	<u>\$ 8,138,241</u>	<u>\$ 28,418,921</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Fiscal Year Ended June 30, 2007

	<u>Employee Pension Plan</u>	<u>LOSAP</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Employer	\$ 1,292,361	\$ -	\$ 1,292,361
Plan members	641,328	-	641,328
Total contributions	<u>1,933,689</u>	<u>-</u>	<u>1,933,689</u>
Investment earnings:			
Interest and gains	2,998,096	1,242,403	4,240,499
Less investment expense	67,060	19,648	86,708
Net investment earnings	<u>2,931,036</u>	<u>1,222,755</u>	<u>4,153,791</u>
Total additions	<u>4,864,725</u>	<u>1,222,755</u>	<u>6,087,480</u>
DEDUCTIONS			
Benefits	145,176	424,155	569,331
Administrative expenses	4,167	10,500	14,667
Total deductions	<u>149,343</u>	<u>434,655</u>	<u>583,998</u>
Change in net assets	4,715,382	788,100	5,503,482
Net assets-beginning	<u>15,565,298</u>	<u>7,350,141</u>	<u>22,915,439</u>
Net assets-ending	<u>\$ 20,280,680</u>	<u>\$ 8,138,241</u>	<u>\$ 28,418,921</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Fiduciary Net Assets
Agency Fund
For the Fiscal Year Ended June 30, 2007

<u>Carroll County Development Corporation</u>	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
ASSETS				
Equity in pooled cash and investments	\$ 394,820	\$ 41,787	\$ 112,613	\$ 323,994
Receivables-notes, mortgages and leases	206,818	230,000	110,268	326,550
Total assets	<u>\$ 601,638</u>	<u>\$ 271,787</u>	<u>\$ 222,881</u>	<u>\$ 650,544</u>
LIABILITIES				
Due to Carroll County Development Corporation	\$ 601,638	\$ 64,834	\$ 15,928	\$ 650,544
Total liabilities	<u>\$ 601,638</u>	<u>\$ 64,834</u>	<u>\$ 15,928</u>	<u>\$ 650,544</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Fiduciary Net Assets
Agency Fund
For the Fiscal Year Ended June 30, 2007

<u>Other Post Employment Benefits</u>	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
ASSETS				
Equity in pooled cash and investments	\$ -	\$ 2,076,438	\$ 1,752,346	\$ 324,092
Total assets	<u>\$ -</u>	<u>\$ 2,076,438</u>	<u>\$ 1,752,346</u>	<u>\$ 324,092</u>
LIABILITIES				
Due to Other Post Employment Benefits	\$ -	\$ 2,076,438	\$ 1,752,346	\$ 324,092
Total liabilities	<u>\$ -</u>	<u>\$ 2,076,438</u>	<u>\$ 1,752,346</u>	<u>\$ 324,092</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Net Assets
Other Proprietary Funds
June 30, 2007

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
ASSETS			
Current Assets:			
Equity in pooled cash	\$ 279,994	\$ 85,559	\$ 365,553
Cash and cash equivalents	5,825	154	5,979
Accounts receivables, net	90,385	-	90,385
Total current assets	<u>376,204</u>	<u>85,713</u>	<u>461,917</u>
Noncurrent Assets:			
Capital assets:			
Buildings	-	112,438	112,438
Construction in progress	182,234	-	182,234
Less accumulated depreciation	<u>-</u>	<u>(11,957)</u>	<u>(11,957)</u>
Total capital assets (net of accumulated depreciation)	<u>182,234</u>	<u>100,481</u>	<u>282,715</u>
Total assets	<u>558,438</u>	<u>186,194</u>	<u>744,632</u>
LIABILITIES			
Current liabilities:			
Accounts payable	78,893	1,185	80,078
Accrued interest payable	2,000	-	2,000
Long-term liabilities due within one year:			
General obligation bonds payable	13,359	-	13,359
Total current liabilities	<u>94,252</u>	<u>1,185</u>	<u>95,437</u>
Noncurrent liabilities:			
General obligation bonds payable	186,641	-	186,641
Total noncurrent liabilities	<u>186,641</u>	<u>-</u>	<u>186,641</u>
Total liabilities	<u>280,893</u>	<u>1,185</u>	<u>282,078</u>
NET ASSETS			
Invested in capital assets, net of related debt	182,234	100,481	282,715
Unrestricted	95,311	84,528	179,839
Total net assets	<u>\$ 277,545</u>	<u>\$ 185,009</u>	<u>\$ 462,554</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, 2007

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 536,845	\$ 59,400	\$ 596,245
Total operating revenues	<u>536,845</u>	<u>59,400</u>	<u>596,245</u>
Operating expenses:			
Personal services	-	44,436	44,436
Contractual services	165,197	6,083	171,280
Materials and supplies	97,385	5,898	103,283
Rents and utilities	107,182	715	107,897
Miscellaneous	27,134	25	27,159
Depreciation	-	1,081	1,081
Total operating expenses	<u>396,898</u>	<u>58,238</u>	<u>455,136</u>
Operating income (loss)	<u>139,947</u>	<u>1,162</u>	<u>141,109</u>
Nonoperating revenues (expenses):			
Penalties and interest	12,337	4,526	16,863
Interest and fiscal charges	(6,000)	-	(6,000)
Total nonoperating revenue (expenses)	<u>6,337</u>	<u>4,526</u>	<u>10,863</u>
Change in net assets	146,284	5,688	151,972
Total net assets - beginning of year	131,261	179,321	310,582
Total net assets - ending	<u>\$ 277,545</u>	<u>\$185,009</u>	<u>\$ 462,554</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Combining Schedule of Cash Flows
Other Proprietary Funds
For the Year Ended June 30, 2007

	<u>Septage</u>	<u>Firearms</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 538,753	\$ 59,400	\$ 598,153
Payments to suppliers and other funds	(371,542)	(12,920)	(384,462)
Payments to employees	-	(45,506)	(45,506)
Net cash provided by operating activities	<u>167,211</u>	<u>974</u>	<u>168,185</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(182,234)	(219)	(182,453)
Interest paid on capital debt	(4,000)	-	(4,000)
Proceeds from bond issue	200,000	-	200,000
Net cash used in capital and related financing activities	<u>13,766</u>	<u>(219)</u>	<u>13,547</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments and cash	12,337	4,526	16,863
Net cash provided by investing activities	<u>12,337</u>	<u>4,526</u>	<u>16,863</u>
Net increase in cash and cash equivalents	193,314	5,281	198,595
Cash and cash equivalents at beginning of year	92,505	80,432	172,937
Cash and cash equivalents at end of year	<u>\$ 285,819</u>	<u>\$ 85,713</u>	<u>\$ 371,532</u>
 Reconciliation of Operating Income to net cash provided by operating activities:			
Operating income	\$ 139,947	\$ 1,162	\$ 141,109
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	1,081	1,081
Changes in assets and liabilities:			
Accounts receivable	1,908	-	1,908
Accounts payable and accrued expenses	25,356	(1,269)	24,087
Total adjustments	<u>27,264</u>	<u>(188)</u>	<u>27,076</u>
Net cash provided by operating activities	<u>\$ 167,211</u>	<u>\$ 974</u>	<u>\$ 168,185</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2007

	2007
Governmental funds capital assets:	
Land	\$ 26,809,632
Buildings and contents	115,168,695
Improvements other than buildings	19,504,511
Automobiles, machinery and equipment	33,873,611
Roads and bridges	540,898,259
Construction in progress	32,457,013
Total governmental funds capital assets	\$ 768,711,721
Investments in governmental funds capital assets by source:	
General fund revenues	\$ 495,776,589
Special revenue funds	4,670,503
State grants	39,292,723
Federal grants	27,941,928
General obligation bonds	81,646,884
Contributions	119,383,094
Total governmental funds capital assets	\$ 768,711,721

- (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

Capital Assets Used in the Operation of Governmental Funds
Schedule By Function
JUNE 30, 2007

	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 6,155,934	\$ 27,110,660	\$ 6,273,852	\$ 7,401,206	\$ -	\$ -	\$ 46,941,652
Public safety	429,431	11,661,737	438,035	12,554,354	-	-	25,083,557
Public works	3,219,033	4,318,951	679,457	10,368,570	533,981,020	-	552,567,031
Health	53,093	3,102,516	-	-	-	-	3,155,609
Education	3,259,103	46,692,921	2,045,776	486,568	-	-	52,484,368
Social services	-	-	68,444	63,050	-	-	131,494
Recreation & Parks	4,165,911	1,596,987	6,060,385	1,470,742	-	-	13,294,025
Economic development	142,381	2,723,536	3,772,095	566,349	6,917,239	-	14,121,600
Conservation of natural resources	7,793,303	1,323,036	-	6,900	-	-	9,123,239
Library/senior centers	1,591,443	16,638,351	166,467	955,872	-	-	19,352,133
Construction in progress	-	-	-	-	-	32,457,013	32,457,013
Subtotal	26,809,632	115,168,695	19,504,511	33,873,611	540,898,259	32,457,013	768,711,721
Less accumulated depreciation	-	(24,696,460)	(10,793,719)	(21,578,461)	(341,680,021)	-	(398,748,661)
Net governmental funds capital assets	\$ 26,809,632	\$ 90,472,235	\$ 8,710,792	\$ 12,295,150	\$ 199,218,238	\$ 32,457,013	\$ 369,963,060

(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, 2007**

	Governmental Funds Capital Assets Restated June 30, 2006	Additions/Adjustments*	Deductions	Governmental Funds Capital Assets June 30, 2007
General government	\$ 42,760,376	\$ 5,385,446	\$ 1,204,170	\$ 46,941,652
Public safety	24,054,155	1,058,295	28,893	25,083,557
Public works	539,146,975	15,318,021	1,897,965	552,567,031
Health	3,256,322	(100,713)	-	3,155,609
Education	54,661,366	(2,176,998)	-	52,484,368
Social services	131,494	-	-	131,494
Recreation & Parks	14,310,153	(1,009,838)	6,290	13,294,025
Economic development	19,809,143	(54,303)	5,633,240	14,121,600
Conservation of natural resources	12,049,148	(2,735,562)	190,347	9,123,239
Library/senior centers	18,464,730	887,403	-	19,352,133
Construction in progress	21,620,075	14,063,984	3,227,046	32,457,013
Subtotal	<u>750,263,937</u>	<u>30,635,735</u>	<u>12,187,951</u>	<u>768,711,721</u>
Less accumulated depreciation	<u>(385,263,640)</u>	<u>(15,049,665)</u>	<u>1,564,644</u>	<u>(398,748,661)</u>
Net governmental funds capital assets	<u>\$ 365,000,297</u>	<u>\$ 15,586,070</u>	<u>\$ 10,623,307</u>	<u>\$ 369,963,060</u>

*Adjustments made to correct Asset Total By Function

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, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Governmental Activities:					
<u>General Government</u>					
* Govt Campus Data Sys 03	\$ 153,700	\$ 147,830	-	-	\$ 5,870
** IT Sys Comp Replacement 03	1,933,416	1,034,798	298,448	37,957	562,214
County Facilities Security 03	480,410	8,803	6,570	97,480	367,556
* Junction Renovation 03	50,000	36,864	-	-	13,136
* 300 S. Center St. Renovations	4,904,052	254,651	253,816	3,693,530	702,054
* New Voting System 04	937,045	182,767	162,387	-	591,891
* Circuit Court-New Courtroom	737,000	145,318	66,543	-	525,139
Econ Devel Tech Infrastructure	2,000,000	-	-	42,250	1,957,750
GIS Digital Orthophography	90,000	23,477	66,523	-	-
** Broadcast & Digital Media Tech	228,130	198,180	29,950	-	-
County Master Plan	900,800	100,922	213,398	218,366	368,115
Winchester Building Elevator	131,400	-	-	-	131,400
** Courtroom Digital Recording	282,805	254,526	28,279	-	-
* Safe Haven Expansion FY06	683,941	-	511,797	137,977	34,167
* Energy Management	2,678,407	1,496,167	1,086,932	-	95,308
* Board of Ed-Central Offices	3,631,000	-	31,768	100,732	3,498,500
* Carroll County Public Network	7,369,500	-	115,096	-	7,254,404
GIS Planimetric Data	750,000	-	-	-	750,000
Kessler Building Renovation	1,330,687	-	15,011	-	1,315,676
Ebb Valley Water Tank	1,200,000	-	-	-	1,200,000
* New Windsor MS-Office Complex	9,492,464	-	713,673	231,487	8,547,304
Comptroller/Acct-Capital	32,425,244	26,410,394	6,014,850	-	-
Handicapped Accessibility 92	884,600	760,060	44,988	-	79,552
** Airport Grnds & Facil Improve	284,659	151,171	97,737	-	35,751
Computer System Improvements	3,787,140	3,288,441	435,807	35,745	27,147
Parking Lot Overlays (Fr 9658)	444,471	363,195	-	-	81,276
* Courthouse Annex Renovations	1,054,177	745,398	83,332	-	225,448
* Multi-Purpose Bldg Improvement	130,100	83,627	-	-	46,473
Cnty Bldg Systemic Renovations	930,400	455,477	169,425	-	305,498
General Government Unallocated	739,215	-	-	-	739,215
Total	80,644,764	36,142,066	10,446,329	4,595,525	29,460,844
<u>Health</u>					
* Drug Treatment Facility	3,874,307	251,015	2,874,589	531,539	217,164
Total	3,874,307	251,015	2,874,589	531,539	217,164
<u>Public Safety</u>					
EOC Relocation 03	3,257,016	-	-	-	3,257,016
* ESTC-Burn Bldg 03	105,000	-	29,983	-	75,017
Detention Centr Feasibility 04	50,000	49,039	-	-	961
* Paging System/Public Safety 04	560,000	523,907	-	-	36,093
** 800 MHz Phase 3	2,320,000	306,184	292,098	-	1,721,718
ESTC Storage Facil Pole Shed	162,145	-	-	-	162,145
Humane Soc Kennel Floor & Wall	316,600	98,349	-	-	218,251
* Sheriff's Services Relocation	2,500,000	167,415	(151,914)	8,869	2,475,630
CC Public Safety Training Cntr	7,000,000	-	-	-	7,000,000
** Humane Society Cat Quarantine	40,038	24,780	15,258	-	-
* 9-1-1 Telephone System Upgrade	961,721	-	961,721	-	-
* 9-1-1 Work Stations	170,651	149,593	10,930	-	10,128
Dry Hydrant Project	641,000	166,860	233	212,955	260,952
* FTC-Haz Mat Train Facility/Rd	190,100	167,356	-	-	22,744
** 800 MHz Radio Cover-Lineboro	1,033,000	971,413	32,085	-	29,502
Total	19,307,271	2,624,897	1,190,393	221,824	15,270,157
<u>Highways & Streets</u>					
Georgetown Boulevard 03	2,152,980	-	-	-	2,152,980
Overlays 03	2,890,797	2,571,710	-	-	319,087

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, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Rowe Road 03	\$ 707,100	\$ -	\$ -	\$ -	\$ 707,100
Gravel Roads 04	1,200,000	335,333	245,379	-	619,288
Overlays 04	3,531,259	3,528,830	-	-	2,429
Monroe Ave Bennto MD 32	426,000	-	-	-	426,000
Overlays-'05	2,461,700	2,220,764	17,900	-	223,036
Albert Rill Road	1,982,180	-	-	-	1,982,180
Falls Road	687,990	-	59,930	29,270	598,790
John Pickett Road Fy'06	2,454,560	-	-	-	2,454,560
Low Volumn Rd Improv Prog '06	889,784	-	889,784	-	-
* Niner Road Improvements	82,080	-	82,080	-	-
Overlays FY'06	4,221,481	3,500,343	615,746	-	105,392
Subdivision Improvements FY'06	2,843,658	1,374,991	1,290,860	-	177,808
Turkeyfoot Road	1,798,790	-	114,640	59,450	1,624,700
Low Volume Road Improve	1,453,240	-	472,122	874,814	106,304
Neighborhood Overlays '07	1,591,100	-	613,337	850,062	127,701
Northern Area HS Road	90,000	-	-	-	90,000
Overlays '07	5,175,800	-	3,135,709	884,243	1,155,848
Ridge Road Relocation	50,000	475	-	-	49,525
Highway Safety Improvements	1,232,860	831,919	117,553	5,030	278,358
Shepards Mill Road-Ladiesburg	4,777,260	4,431,722	10,074	-	335,464
Small Drainage Structures	1,244,207	712,183	176,916	1,183	353,925
Maryland 26 Service Roads	4,003,905	371,754	-	-	3,632,151
Macbeth Way	596,000	71,686	-	-	524,314
** Westminster Area Alt Road Plan	4,000,000	799,267	-	-	3,200,733
Traffic Calming	285,000	39,623	1,569	-	243,808
** South Pleasant Valley Road	2,410,737	1,330,850	1,076,692	2,925	269
** Jasontown Road	411,200	-	226,300	6,523	178,377
Monroe Av(Oklahoma to Bennett)	1,086,140	-	-	-	1,086,140
Obrecht Rd(White Rock-Gaither)	1,216,850	-	-	-	1,216,850
Overlays-'02	3,638,805	3,637,205	-	-	1,600
** Piney Ridge Parkway (Phase II)	350,147	342,476	2,812	-	4,859
Total	61,943,611	26,101,131	9,149,403	2,713,499	23,979,578
Traffic Signals					
Traffic Signals	678,000	449,306	27,558	-	201,136
Total	678,000	449,306	27,558	-	201,136
Bridges					
** Bucher John Rd over Ltl PipeCr	547,740	44,422	437,521	11,885	53,912
Greenmount Ch Rd over MurphyRn	773,300	-	10,282	-	763,018
Silver Run Valley Rd-BigSilRun	586,300	-	1,276	-	585,024
** Starners Dam Rd over Monocacy	371,000	73,466	-	4,564	292,970
Mumma Ford Rd over Monocacy 04	110,000	-	-	-	110,000
** Keysville Fred Co Road Bridge	312,000	2,450	2,650	-	306,900
** Twin Arch Road Bridge	492,000	11,306	91,003	156,119	233,572
** Warfieldsburg Rd/Little Morgan	426,100	32,365	116,101	126,813	150,821
Bollinger Road/Beaver Run	90,000	-	-	-	90,000
Falls Road/Indian Run	116,539	-	7,720	98,252	10,567
* Sams Creek Rd Bridge/SE Marstn	643,000	46,800	463,928	110,068	22,204
Bridge Inspection & Inventory	166,505	116,778	1,836	41,300	6,591
Clean & Paint Structural Steel	528,350	309,460	-	-	218,890
* CSX Bridge/Houcksville Road	2,116,942	2,090,430	17,577	-	8,935
* Bear Run Rd Bridge/Bear Branch	270,000	26,068	-	-	243,932
** Murkle Rd Bridge/Big Pipe Crk	1,187,641	1,110,132	-	-	77,509
Bridge Maint/Structural Repair	406,000	119,661	208,721	-	77,618
** Davis Rd Bridge/Cabbage Spring	210,000	38,000	9,725	158,537	3,738
** Freter Road Bridge/Piney Run	383,486	383,486	-	-	-

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, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
* Saw Mill Rd Bridge/Bear Run	\$ 649,888	\$ 29,627	\$ 22	\$ -	\$ 620,240
** Stoney Lane Bridge/Culvert	315,951	315,951	-	-	-
Total	10,702,743	4,750,402	1,368,363	707,538	3,876,440
<u>Buildings</u>					
* Fleet Management Addition 03	35,282	27,263	323	-	7,696
Salt Barns	1,798,750	-	-	-	1,798,750
* Maint Facility-Additions/Renov	77,700	12,788	-	-	64,912
Fleet-Lift Replacements	118,915	62,534	-	-	56,381
Total	2,030,647	102,585	323	-	1,927,739
<u>Utilities</u>					
* FSK WWPS & Force Main (6391)	2,034,398	113,005	1,055,266	473,999	392,129
Maple Crest Water Line	322,693	321,038	-	-	1,656
Total	2,357,091	434,043	1,055,266	473,999	393,784
<u>Private Streets</u>					
Private Streets	-	(48,447)	-	-	48,447
Total	-	(48,447)	-	-	48,447
<u>General Public Works</u>					
Public Works-Unallocated	810,288	413	(413)	-	810,288
Total	810,288	413	(413)	-	810,288
<u>Board of Education</u>					
Parr's Ridge Elem School 03	8,787,121	8,541,809	45,110	-	200,202
Freedom Elem Sch Modernization	20,000	17,906	-	-	2,094
Wm Winchester ES Modernization	20,000	17,906	-	-	2,094
South Carroll Area Mid Schl 04	30,000	-	-	-	30,000
Mt Airy MS HVAC Addition 04	1,556,222	1,504,270	33,565	-	18,387
Vo-Tech Students-Capital-0801	220,457	152,097	195	-	68,164
HVAC Addition Westminster MS	2,908,647	955,325	809,563	-	1,143,759
New Northeast Area High School	6,206,300	260,160	2,242,278	-	3,703,862
Ebb Valley Elementary School	12,700,832	727,924	5,445,152	-	6,527,756
Full Day K-Eldersburg ES	700,693	220,710	153,678	-	326,306
Full Day K-Linton Springs ES	614,100	226,500	133,952	-	253,648
Full Day K-Piney Ridge ES	703,800	19,836	395,226	-	288,738
Full Day K-Spring Garden ES	1,045,200	441,663	205,597	-	397,940
Full Day K-Westminster ES	749,797	164,839	201,798	-	383,160
Full Day K- State Plan Approvl	697,916	438,221	79,263	-	180,432
Long Range Career & Tech Plan	35,180	24,550	10,630	-	-
Kessler Building Renovations	890,000	-	-	-	890,000
Vehicle Storage-Pole Shed	80,000	-	-	-	80,000
Full Day K-Carrolltowne	1,397,803	61,250	375,077	-	961,476
FDK-Manchester ES	1,938,500	-	526,037	-	1,412,463
FDK-Mechanicsville ES	1,543,200	-	494,854	-	1,048,346
FDK-Runnymede ES	1,515,500	-	460,060	-	1,055,440
HVAC Replace-Robert Moton ES	2,251,701	-	123,101	-	2,128,600
Roof Replace-Sykesville MS	796,976	-	40,059	-	756,917
FDK-Hampstead ES	811,930	-	415,627	-	396,303
SC High School Fine Arts Add	-	-	175	-	(175)
Westminster HS HVAC Replace	-	-	141	-	(141)
Handicapped Accessibility	1,390,684	1,269,761	9,571	-	111,351
Relocatables	4,168,500	3,760,502	555,328	-	(147,330)
General Roofing Improvements	569,050	408,194	121,930	-	38,926
Paving	2,363,241	1,415,074	896,449	-	51,718
Technology Improvements	3,910,105	3,248,938	429,431	-	231,736
School Construction-General	-	-	(826,551)	-	826,551
Winters Mill High School	25,252,267	25,162,263	-	-	90,004

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, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Gateway Facility	\$ 2,754,788	\$ 2,727,243	\$ 3,811	\$ -	\$ 23,734
Board of Ed-Reforestation	69,500	68,375	1,125	-	-
NC Middle School Renovations	11,130,621	10,601,023	252,990	-	276,608
Total	99,830,632	62,436,338	13,635,222	-	23,759,072
<u>Community College</u>					
** CCC-Bi-Directional Antenna	199,400	100,000	99,400	-	-
* CCC-Classroom Building #4	2,525,000	-	857,812	1,108,754	558,434
** Comm Coll-Technology	3,811,700	2,386,755	180,984	-	1,243,960
Total	6,536,100	2,486,755	1,138,196	1,108,754	1,802,394
<u>Recreation & Parks</u>					
* Deer Park Lighting 03	197,250	189,986	-	11,245	(3,982)
** Deer Park Parking/Tennis Ct 03	55,179	55,179	-	-	-
* Freedom Park Trails 03	126,581	126,031	550	-	-
** Deer Park Water Sys/Conc Up 04	8,617	8,617	-	-	-
Boxwood Dr Ballfield	150,494	-	-	-	150,494
* Freedom Park Multi-Purpose Fld	102,894	84,350	18,008	-	537
* Leister Park	1,632,000	61,591	104,292	68,725	1,397,392
* Barkhill Ballfields	236,000	-	11,100	-	224,900
Freedom Ele Ballfield Renovatn	50,000	-	16,047	-	33,953
West Carroll Regional Park	1,250,000	-	-	-	1,250,000
* Deer Park Linear Trail	66,000	-	50,801	-	15,199
Park Restoration Fund	90,500	-	30,689	-	59,811
Parkland Acq (POS) County	286,086	-	-	-	286,086
Parkland Devel (POS) County	124,717	-	-	-	124,717
* Freedom Park Playground Equip	40,000	-	36,802	-	3,198
Recs & Parks/Local-Unallocated	65,147	-	-	-	65,147
NW Middle-Ballfield Improve	118,986	88,157	3,860	-	26,969
** Cape Horn Park (Stoffle Park)	895,494	894,422	-	-	1,072
Town Fund	300,801	181,235	38,552	-	81,014
N Carroll Mid Sch-Multi Pur Bd	92,040	-	-	-	92,040
* Gillis Falls Park Development	902,030	228,684	8,244	63,336	601,767
* Watersville Road Ballfields	213,500	28,463	-	-	185,038
Tot Lot Replacement	119,238	119,236	-	-	2
** South Carroll Regional Park	4,635,551	985,224	156,088	48,579	3,445,660
* Sandymount Park Lighting	149,650	144,519	-	5,327	(196)
Total	11,908,754	3,195,692	475,032	197,212	8,040,817
<u>Farm Museum</u>					
* Farm Museum Electrical Upgrade	253,850	14,350	218,504	14,398	6,598
** Farm Museum Storm Drainage	51,585	51,585	-	-	-
Farm Museum-HVAC	88,000	-	-	-	88,000
Total	393,435	65,935	218,504	14,398	94,598
<u>Hashawha/Bear Branch</u>					
* Hashawha Building Renovations	489,636	171,880	-	-	317,755
Total	489,636	171,880	-	-	317,755
<u>Piney Run Park</u>					
** Piney Run Maint Bldg Exp 03	45,086	45,086	-	-	-
** Piney Run Pavilion Parking	33,350	32,409	941	-	-
** Piney Run Upper Comfort Statn	87,760	78,604	9,157	-	-
* Piney Run Pier Replacement	104,000	-	101,026	-	2,974
Total	270,196	156,099	111,123	-	2,974
<u>Self-Help Projects</u>					
Shiloh MS Fields 03	10,347	1,240	9,107	-	-
Linton Springs Ballfield 03	3,521	-	-	-	3,521

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Schedule 6

Westminster, Maryland

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Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
** Deer Park Building 03	\$ 8,955	\$ 5,063	\$ 3,892	\$ -	\$ -
Union Mills Trail Upgrade SH	2,304	674	556	-	1,074
Eld ES/Freedom Pk Field Impr SH	5,481	4,265	1,216	-	-
SB FieldMix Eld/LHS/Hdgs/FrdSH	9,536	7,409	2,128	-	-
* Hodges Park SB Field Impr SH	5,665	5,080	-	-	585
Friendship Vall Soccer Goal SH	4,199	3,050	1,149	-	-
* Salt Box Park Upgrade SH 04	7,860	1,074	2,449	-	4,336
Equestrian Fenced Area-SH	3,041	-	-	-	3,041
FA Hodges Park Fld Upgrade-SH	1,750	-	-	-	1,750
North Carroll Fencing-NCMS-SH	18,021	17,276	745	-	-
Bear Branch Retaining Wall-SH	1,694	-	1,694	-	-
Cherrytown Ballfld Park Lot-SH	2,658	-	500	-	2,158
* Cherrytown Ballfld Pavilion-SH	12,075	-	4,641	7,250	184
Equestrian Center Ent Sign-SH	1,940	-	1,940	-	-
** Cape Horn Park Fencing-SH	16,948	15,843	1,105	-	-
Manchester ES Ballfld Mix-SH	787	223	564	-	-
Cape Horn Park Ballfld Mix-SH	3,036	1,911	1,125	-	-
Westminster Ballfld Improve-SH	6,244	5,129	1,115	-	-
Mayeski Park Parking Lot-SH	20,000	-	20,000	-	-
Library-Elders. Branch-Rack SH	5,986	-	5,986	-	-
* Hodges Park-Parking/Walk SH	11,500	-	11,500	-	-
NC Middle School-Scoreboard SH	4,683	-	4,683	-	-
WHS Aux Gym Scorebd/Rebnd	5,633	-	5,633	-	-
Jaycee Park Store Bldg/Sod SH	4,476	2,817	-	-	1,659
* CapeHornPark Ballfield/FenceSH	10,652	-	8,188	-	2,464
PR Butterfly & Wildflower SH	4,021	-	809	-	3,212
* Memorial Park BallfldDugout SH	7,420	-	6,802	-	618
East M & FVEStorage Contain SH	5,725	-	2,378	-	3,347
Jacycee Park Fencing Improv SH	1,425	-	-	-	1,425
WHS gym Volleyball Equip SH	3,812	-	3,812	-	-
Piney Ridge ES Playground SH	8,200	-	8,200	-	-
Taneytown ES Playground SH	8,206	-	8,206	-	-
William Winchest Playground SH	8,200	-	8,200	-	-
Century HS Dugouts	10,950	-	8,299	1,700	951
Century HS Practice Wall	7,030	-	7,030	-	-
North Carroll Ball Mix	5,633	-	5,633	-	-
Francis Scott Key Backstop	11,975	-	11,975	-	-
Equestrian Rings	4,025	-	-	3,990	35
CCES Playground Equip	15,000	-	-	-	15,000
Special Needs Play Unit	784	-	784	-	-
Freedom Pk Ballfield Improv	1,501	-	371	-	1,130
GreenHouse-Wetland Classrm	20,810	-	-	-	20,810
HES - Storage Shed	2,800	-	-	2,715	85
North Carroll HS - Bat Tunnel	1,760	-	1,760	-	-
NW MS - Message Board	703	-	703	-	-
NW MS - Rugby Goal Posts	2,650	-	2,650	-	-
Gymnastics Center Equipment	10,165	-	-	10,165	1
WES - Playground Equipment	15,000	-	-	-	15,000
Community Self Help	4,226	-	-	-	4,226
** Mayeski Park Field Upgrade	17,113	14,675	2,438	-	-
Total	368,124	85,729	169,967	25,820	86,609
<u>Library/Senior Centers</u>					
* Taneytown Libr Branch Exp 04	1,741,777	63,372	46,897	13,760	1,617,748
* Senior Center-South Carroll 04	11,756,420	8,452	409,376	199,700	11,138,893
* North Carroll Sr Center	3,298,881	2,769,047	567,401	-	(37,566)
** Finksburg Library/Headquarters	5,409,505	823,920	122,913	97,012	4,365,660

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

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Schedule of Appropriations, Expenditures and Encumbrances

Budgetary (Non-GAAP) Basis

For The Year Ended June 30, 2007

Description	Total Appropriation	Prior Years Expenditures	Current Year Expenditures	Encumbered	Unexpended Appropriation
Library-Technology Improvemnts	\$ 1,210,000	\$ 917,683	\$ 176,451	\$ -	\$ 115,865
* Library-Eldersburg Branch Exp	1,108,080	1,103,576	-	-	4,504
Total	24,524,663	5,686,049	1,323,038	310,472	17,205,104
Conservation & Open Space					
Floodplain Mapping	340,500	165,557	80,810	84,747	9,387
Land Bank	16,825,644	6,049,637	541,643	-	10,234,364
Reservoir Land Acquisition	3,529,279	2,122,270	-	-	1,407,009
Ag Land Preservation	78,725,800	55,163,080	15,192,281	-	8,370,439
Major Street Plan-Align/Stream	329,538	238,599	72,953	-	17,986
Rural Legacy-Easement Purchase	11,932,821	11,505,996	76,875	-	349,950
Soil Surveys	210,000	173,250	-	-	36,750
Total	111,893,582	75,418,388	15,964,562	84,747	20,425,885
Water Resources					
Watershed Assessment & Improve	445,769	78,501	21,611	38,240	307,417
Total	445,769	78,501	21,611	38,240	307,417
Total Governmental Activities	\$ 439,009,614	\$ 220,588,779	\$ 59,169,067	\$ 11,023,565	\$ 148,228,204

Business-type Activities

Bureau of Utilities

Water & Sewer Meters	\$ 870,355	\$ 735,614	\$ 46,540	\$ -	\$ 88,201
Tank Painting	375,182	118,755	12,811	-	243,615
FW-12" Main & PRV	493,814	493,814	549	-	(549)
FS-Sykesville Pump Sta Upgrade	578,952	40,426	44,574	1,311	492,641
FW-Ground Water Supply-975706	3,496,181	1,064,284	559,968	1,112,240	759,689
Small Comm Sanitary Surveys	50,165	10,228	-	-	39,937
HWWTW-Effluent Chillers	2,436,967	191,918	189,596	-	2,055,453
FDWTP-Expansion	14,539,487	67,915	565,856	1,293,305	12,612,411
FW-Raincliff 12" Main	450,000	5,115	-	-	444,885
HS-Bio Solids Improvements	72,820	37,658	-	-	35,162
BH Water Treat Plant Upgrade	374,700	52,744	-	-	321,956
8-12-16 Mains/Hydraulic Loop	811,575	21,082	53,762	36,199	700,532
Hydrant Replacement	433,300	340,418	90,950	-	1,932
PR Sewer Pump Station Upgrade	192,150	88,775	-	-	103,375
Pleasant Valley Pressure Filtr	20,100	-	-	-	20,100
Obrecht Road Looping 03	478,795	-	-	-	478,795
Carroll Highlands WWPS Upgrade	70,000	57,265	-	5,418	7,317
Pine Hill WWPS Upgrade	123,200	163	-	-	123,037
Piney Run WWPS Renovation	1,403,595	-	-	-	1,403,595
Programmable Logic Controller	308,579	-	-	-	308,579
Sewer Study Update	75,000	-	-	-	75,000
Bunker Hill Sewer Replace 04	175,000	-	26,286	23,644	125,070
Pleasant Valley Backup Well 04	280,993	-	-	-	280,993
Shiloh Pumping Station 04	112,000	-	17,762	98,513	(4,275)
Sykesville Eleva W/Tank #6 04	62,000	-	-	-	62,000
Hampstead Area Sewer Study	200,000	-	-	-	200,000
Pleasant Valley WWTP Grinder	42,000	29,580	-	-	12,420
Poly Aluminum Chlorid Facility	825,000	-	-	768,650	56,350
Ridge Road & Stafford Court	185,000	2,123	-	-	182,878
Gravity Main to North Station	147,025	-	-	-	147,025
Edgewood/Patapsco PS Grinders	73,500	-	2,047	-	71,453
Total	29,757,434	3,357,876	1,610,701	3,339,280	21,449,577

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
Budegetary (Non-GAAP) Basis
For The Year Ended June 30, 2007

Schedule 6

<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
Solid Waste					
<u>Total Enterprise-Solid Waste</u>					
Hoods Mill Remediation	\$ 195,626	\$ 102,096	\$ 6,054	\$ 31,154	\$ 56,322
Northern Landfill Remediation	200,000	124,732	-	-	75,268
Northern Landfill Cell 3	5,240,000	212,570	27,452	4,938,737	61,241
John Owings LF Remediation	800,000	-	-	-	800,000
Northern-Maintenance Building	321,250	-	18,224	-	303,026
Total	<u>6,756,876</u>	<u>439,398</u>	<u>51,730</u>	<u>4,969,891</u>	<u>1,295,857</u>
Airport					
<u>Total Enterprise-Airport</u>					
Corporate Hangar Facilities	4,880,000	4,653,471	8,636	-	217,894
Obstruction Study/Tree Removal	1,748,000	71,264	-	-	1,676,736
Airport Land Sales	242,910	67,906	2,150	-	172,854
Airport Perimeter Fence	595,934	360,686	1,250	1,250	232,748
Airport Land Acquisition	1,202,437	1,178,885	-	-	23,552
Fuel Farm Expansion	157,895	5,294	108,067	-	44,534
Master Plan Update	452,500	137,850	227,795	-	86,855
T-Hangars	66,250	-	-	-	66,250
Precision Appr Path Indicators	76,000	-	-	-	76,000
Total	<u>9,421,926</u>	<u>6,475,355</u>	<u>347,898</u>	<u>1,250</u>	<u>2,597,423</u>
Firearms Facility					
<u>Total Enterprise-Firearms Fac</u>					
Pistol Range-8 Lanes	\$ 37,665	\$ 22,829	\$ -	\$ -	\$ 14,836
Total	<u>37,665</u>	<u>22,829</u>	<u>-</u>	<u>-</u>	<u>14,836</u>
Total Business-type Activities	<u><u>\$ 45,973,901</u></u>	<u><u>\$ 10,295,458</u></u>	<u><u>\$ 2,010,329</u></u>	<u><u>\$ 8,310,421</u></u>	<u><u>\$ 25,357,694</u></u>

* Denotes CIP projects.

** Denotes CIP projects partially recorded as assets.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Investments for
General Fund, Special Revenue, Pension and Enterprise Funds
June 30, 2007

Schedule 7

	Length (in Days)	Maturity Date	Rate (%)	Amount	Totals
GOVERNMENTAL ACTIVITIES					
Federal Home Loan Bank	240	24-Sep-07	5.15	\$10,000,000	
Federal Home Loan Bank	390	22-Oct-07	5.25	5,000,000	
Federal Home Loan Bank	360	1-Nov-07	5.30	10,000,000	
Federal Home Loan Bank	240	1-Nov-07	5.25	12,000,000	
Federal Home Loan Bank	630	15-Nov-07	5.00	5,000,000	
Federal Home Loan Bank	300	30-Nov-07	5.25	10,000,000	
Federal Home Loan Bank	180	3-Dec-07	5.25	10,000,000	
Federal Home Loan Bank	360	28-Dec-07	5.25	5,000,000	
Federal Home Loan Bank	360	28-Dec-07	5.22	5,000,000	
Federal Home Loan Bank	360	5-Mar-08	5.30	10,000,000	
Federal Home Loan Bank	360	11-Jun-08	5.25	5,000,000	
Federal Home Loan Bank	540	18-Jul-08	5.35	10,000,000	
Federal Home Loan Bank	690	13-Aug-08	5.25	5,000,000	
Federal Home Loan Bank	720	15-Aug-08	5.55	5,000,000	
Federal Home Loan Bank	720	10-Oct-08	5.30	5,000,000	
Federal Home Loan Bank	720	3-Nov-08	5.30	10,000,000	
Federal Home Loan Bank	720	19-Dec-08	5.10	5,000,000	
Federal Home Loan Mortgage Corporation	720	28-Dec-07	5.00	2,000,000	
Federal Agricultural Mortgage Corporation	360	16-Jan-08	5.25	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	---	---	5.19	25,155,847	
Branch Banking & Trust-CD	38 days	9-Jul-07	5.42	15,000,000	
Branch Banking & Trust-Money Rate Savings	---	---	5.29	36,106,430	\$ 217,513,469
BUSINESS-TYPE ACTIVITIES					
Maryland Local Government Investment Pool	---	---	5.19	3,957,604	3,957,604
FIDUCIARY FUNDS					
Charles Schwab Employee Pension Account				20,093,296	
Charles Schwab LOSAP Account				8,056,551	
Maryland Local Government Investment Pool-Employee			5.19	189,295	
Maryland Local Government Investment Pool-LOSAP			5.19	98,787	28,437,929
TOTAL					<u>\$ 249,909,002</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2007

	Amount Outstanding July 1, 2006	New Debt Activity	Principal Payments For Year 2007	Amount Outstanding June 30, 2007	Interest Payments For Year 2007
Governmental Activities					
General Obligation Bonds Payable					
General Obligation Bonds - 1995	\$ 8,382,020	\$ -	\$ 8,382,020	\$ -	\$ 216,780
General Obligation Bonds - 1996	938,095	-	938,095	-	21,576
General Obligation Bonds - Refund 1990	7,320,000	-	325,000	6,995,000	390,192
General Obligation Bonds - 1997	1,530,000	-	765,000	765,000	50,394
Volunteer Fire Dept. Project - 1997	3,300,000	-	275,000	3,025,000	150,940
General Obligation Bonds - 1998	24,051,734	-	9,675,144	14,376,590	821,831
General Obligation Bonds - 1999	4,315,787	-	1,078,947	3,236,840	188,816
General Obligation Bonds - 2000	15,075,000	-	9,045,000	6,030,000	509,277
General Obligation Bonds - 2001	8,436,442	-	768,764	7,667,678	300,164
General Obligation Bonds - 2002	12,900,000	-	1,100,000	11,800,000	466,225
General Obligation Refunding Bonds-Aug. 2003	22,855,413	-	4,554,232	18,301,181	1,028,915
General Obligation Bonds - 2003	6,731,670	-	434,165	6,297,505	208,960
Volunteer Fire Dept. Project - 2003	1,860,000	-	120,000	1,740,000	57,692
General Obligation Refunding Bonds-Feb 2004	32,085,839	-	180,587	31,905,252	983,228
General Obligation Bonds - July 2004	20,526,051	-	1,468,949	19,057,102	699,564
General Obligation Bonds - Taxable Pension 2004	11,945,000	-	855,000	11,090,000	604,418
Volunteer Fire Dept. Project - 2004	1,958,323	-	106,108	1,852,215	78,688
General Obligation Bonds- 2005	31,799,320	-	2,140,932	29,658,388	1,211,935
Volunteer Fire Dept. Project- 2005	2,900,000	-	195,000	2,705,000	110,575
General Obligation Bonds-2006	-	20,260,000	-	20,260,000	350,107
General Obligation Refunding Bonds- Jan 2007	-	23,165,983	-	23,165,983	264,851
Total General Obligation Bonds	218,910,694	43,425,983	42,407,943	219,928,734	8,715,128
Farmers Home Administration					
Federal Loan - 1972	404,248	-	18,671	385,577	14,157
Federal Loan - 1974	161,959	-	6,214	155,745	5,910
Federal Loan - 1979	481,909	-	12,140	469,769	17,585
Total Farmers Home Administration	1,048,116	-	37,025	1,011,091	37,652
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	31,762
Sherwood Property	-	1,584,000	-	1,584,000	-
Barnes Property	-	1,000,000	-	1,000,000	-
Total General Obligation Debt	4,552,864	2,584,000	-	7,136,864	222,441
Total General Obligation Debt Payable	224,511,674	46,009,983	42,444,968	228,076,689	8,975,221
Other Notes Payable					
Mirfin Property	267,160	-	66,790	200,370	13,625
Mirfin Property	178,599	-	44,650	133,949	9,109
Mahanna Property	223,380	-	74,460	148,920	11,392
Linton Property	1,000,000	-	200,000	800,000	51,000
Raver Property	-	215,325	71,775	143,550	5,491

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2007

	Amount Outstanding July 1, 2006	New Debt Activity	Principal Payments For Year 2007	Amount Outstanding June 30, 2007	Interest Payments For Year 2007
Governmental Activities continued					
Other Notes Payable continued					
Raver Property	\$ -	\$ 130,233	\$ 43,411	\$ 86,822	\$ 3,321
Hidey Property	-	440,140	88,028	352,112	11,223
Maring Property	-	593,850	200,000	393,850	12,629
Reeves Property	-	547,596	136,899	410,697	9,300
Reeves Property	-	182,532	45,633	136,899	3,100
Green Property	-	500,000	-	500,000	-
Green Property	-	600,000	-	600,000	-
White Rose LLC	-	200,590	-	200,590	-
Koch Financial Corporation	80,529	-	80,529	-	4,977
Total Other Notes Payable	<u>1,749,668</u>	<u>3,410,266</u>	<u>1,052,175</u>	<u>4,107,759</u>	<u>135,167</u>
Total Notes and Loans Payable	1,749,668	3,410,266	1,052,175	4,107,759	135,167
Purchase Agreements					
Johnson Controls	2,649,079	76,364	-	2,725,443	140,020
Total Purchase Agreements	<u>2,649,079</u>	<u>76,364</u>	<u>-</u>	<u>2,725,443</u>	<u>140,020</u>
Total Governmental Activities	<u>\$ 228,910,421</u>	<u>\$ 49,496,613</u>	<u>\$ 43,497,143</u>	<u>\$ 234,909,891</u>	<u>\$ 9,250,408</u>
Business-Type Activities					
General Obligation Bonds Payable					
Bureau of Utilities					
General Obligation Bonds - 1995	\$ 235,278	\$ -	\$ 235,278	\$ -	\$ 6,085
General Obligation Bonds - 1996	61,905	-	61,905	-	1,424
General Obligation Bonds - 1999	504,213	-	126,054	378,159	22,059
General Obligation Bonds - 2001	13,559	-	1,235	12,324	482
General Obligation Bonds - 2003	876,889	-	56,556	820,333	27,220
General Obligation Refunding Bonds-Feb 2004	2,166,106	-	12,190	2,153,916	66,377
General Obligation Bonds - July 2004	353,197	-	25,276	327,921	12,038
General Obligation Bonds - 2005	302,525	-	20,187	282,338	11,545
General Obligation Bonds - 2006	-	200,000	-	200,000	4,000
General Obligation Refunding Bonds-Jan 2007	-	212,504	-	212,504	3,108
Solid Waste Management					
General Obligation Bonds - 1995	382,702	-	382,702	-	9,898
General Obligation Bonds - 1997	180,000	-	90,000	90,000	5,929
General Obligation Bonds - 1998	378,266	-	44,855	333,411	15,051
General Obligation Refunding Bonds-Aug. 2003	2,914,587	-	580,769	2,333,818	131,210
General Obligation Refunding Bonds-Feb 2004	1,004,129	-	5,652	998,477	30,770
General Obligation Bonds - July 2004	2,285,466	-	163,560	2,121,906	77,893
General Obligation Refunding Bonds- Jan 2007	-	345,658	-	345,658	5,055
Airport					
General Obligation Bonds - 1999	100,000	-	25,000	75,000	4,375
General Obligation Bonds - 2000	450,000	-	270,000	180,000	15,209
General Obligation Bonds - 2001	1,760,000	-	110,000	1,650,000	70,152
General Obligation Bonds - 2003	376,442	-	24,279	352,163	11,685
General Obligation Refunding Bonds-Feb 2004	278,927	-	1,571	277,356	8,547
General Obligation Bonds - July 2004	380,285	-	27,215	353,070	12,961
General Obligation Bonds- 2005	58,155	-	3,881	54,274	2,219
General Obligation Refunding Bonds-2007	-	240,854	-	240,854	3,522

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Schedule of Long-Term Indebtedness
June 30, 2007

	<u>Amount Outstanding July 1, 2006</u>	<u>New Debt Activity</u>	<u>Principal Payments For Year 2007</u>	<u>Amount Outstanding June 30, 2007</u>	<u>Interest Payments For Year 2007</u>
Business Type Activities continued					
General Obligation Bonds Payable continued					
Septage					
General Obligation Bonds - 2006	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ 4,000
Total General Obligation Bonds	<u>15,062,631</u>	<u>1,199,016</u>	<u>2,268,165</u>	<u>13,993,482</u>	<u>562,814</u>
Notes Payable					
Water Quality Loan - Maryland Department of the Environment - 1990	4,823,675	-	709,662	4,114,013	235,980
Water Quality Loan - Maryland Department of the Environment - 2000	421,185	-	23,318	397,867	12,666
Total Notes Payable	<u>5,244,860</u>	<u>-</u>	<u>732,980</u>	<u>4,511,880</u>	<u>248,646</u>
Total Business-type Activities	<u>\$ 20,307,491</u>	<u>\$ 1,199,016</u>	<u>\$ 3,001,145</u>	<u>\$ 18,505,362</u>	<u>\$ 811,460</u>

Statistical Section



THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

STATISTICAL SECTION

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

Contents **Page(s)**

Financial Trends

These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time. 124-131

Revenue Capacity

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 132-136

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. 137-140

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. 141-142

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. 143-150

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

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

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

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.

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

	2007	2006	2005	2004	2003	2002
Expenses						
Governmental Activities:						
General government	\$ 63,412,621	\$ 56,180,288	\$ 67,923,735	\$ 64,812,090	\$ 51,165,541	\$ 39,719,277
Public safety	28,609,006	27,078,499	24,593,665	23,782,605	21,482,313	20,334,755
Public works	20,775,987	28,093,744	13,108,072	17,945,492	12,791,981	14,734,225
Health	4,397,039	4,310,828	4,040,821	3,876,743	3,797,019	3,764,843
Social services	1,131,873	1,099,690	1,049,646	1,063,896	968,231	959,026
Education	168,198,541	152,201,781	144,886,450	140,695,342	119,340,068	129,958,199
Recreation and parks	2,772,654	2,005,587	2,195,996	2,399,444	1,883,056	4,022,001
Libraries	7,511,036	6,812,087	6,293,406	5,265,679	5,518,118	5,499,725
Conservation of natural resources	16,711,700	13,395,013	10,994,208	5,985,065	8,590,299	7,697,222
Economic development	3,076,751	2,058,988	2,195,167	886,661	3,258,504	3,585,522
Interest on long-term debt	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>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	7,849,747	7,510,988	10,486,631	6,184,846	6,322,675	6,524,802
Solid Waste	7,935,237	7,480,908	6,947,808	6,827,590	6,559,559	5,996,884
Airport	2,086,621	2,235,048	1,991,862	1,084,862	940,440	510,455
Septage	402,898	364,010	333,229	437,397	386,527	422,084
Firearms	58,238	60,267	62,524	50,670	56,259	39,765
<i>Total Business-Type Activities Expenses</i>	<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>\$ 343,914,334</u>	<u>\$ 319,587,907</u>	<u>\$ 305,601,403</u>	<u>\$ 288,676,350</u>	<u>\$ 251,845,599</u>	<u>\$ 253,057,008</u>
Program Revenues						
Governmental Activities:						
Charges for Services:						
General government	\$ 8,663,251	\$ 6,099,868	\$ 5,718,536	\$ 6,018,327	\$ 7,531,531	\$ 5,665,481
Public safety	2,239,935	1,462,104	1,801,107	1,480,308	1,400,441	2,299,012
Public works	1,456,792	1,341,439	1,531,726	1,134,025	73,592	102,152
Health	8,155	8,111	7,981	3,840	5,396	65,806
Social services	284,564	334,806	316,333	316,332	316,332	342,694
Education	749,353	5,763,276	5,344,715	6,697,153	6,646,979	8,118,872
Recreation and parks	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	12,841,014	11,833,487	11,314,222	10,678,414	10,082,222	11,368,531
Capital Grants and Contributions	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>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>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Westminster, Maryland

Changes in Net Assets

Last Six Fiscal Years

(Accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
Business-Type Activities:						
Charges for Services:						
Bureau of Utilities	\$ 7,344,470	\$ 6,281,659	\$ 6,581,912	\$ 6,158,148	\$ 5,121,169	\$ 5,018,766
Solid Waste	6,609,679	6,461,528	6,078,340	6,130,517	5,315,454	4,939,698
Airport	1,840,449	2,041,458	1,744,414	1,016,110	536,329	351,803
Septage	536,845	482,599	388,871	453,800	328,401	337,250
Firearms	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	2,079,422	1,562,378	5,853,894	1,572,502	1,059,475	1,068,367
<i>Total Business-Type Activities Program Revenues</i>	19,535,062	16,909,271	20,769,581	15,417,975	12,607,648	11,839,555
<i>Total Primary Government Program Revenues</i>	\$ 54,138,730	\$ 47,205,173	\$ 53,033,972	\$ 49,089,257	\$ 48,248,654	\$ 50,313,055
Net (Expense)/Revenue						
Governmental Activities	(290,977,925)	(271,640,784)	(253,514,958)	(240,419,703)	(201,939,133)	(201,089,518)
Business-Type Activities	1,202,321	(741,950)	947,527	832,610	(1,657,812)	(1,654,435)
<i>Total Primary Government Net Expense</i>	<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	\$ 158,112,936	\$ 148,644,728	\$ 134,732,896	\$ 127,322,600	\$ 115,417,116	\$ 109,026,120
Income tax	106,921,331	108,435,386	103,315,651	90,410,674	77,821,632	96,712,229
911 service fee	1,600,475	1,242,506	996,212	887,552	701,240	882,563
Recordation	18,902,094	22,782,302	22,207,072	19,238,898	11,152,453	9,157,726
Admission	405,295	393,659	451,296	428,625	477,069	515,855
Agricultural transfer tax	390,420	501,049	863,696	693,045	973,496	538,312
Hotel tax	321,676	191,117	-	-	-	-
Cable franchise fee	701,491	-	-	-	-	-
State shared, unrestricted	12,729,241	12,313,362	9,936,273	7,890,085	9,652,977	9,933,906
Investment earnings and miscellaneous, unrestricted	8,622,196	6,988,995	2,662,242	1,277,769	1,693,752	2,563,688
Transfers	(8,497,061)	(2,893,223)	(3,807,258)	(2,825,581)	(4,226,480)	(3,108,513)
<i>Total Governmental Activities</i>	<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>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Westminster, Maryland

Changes in Net Assets

Last Six Fiscal Years

(Accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
Business-Type Activities:						
Property taxes	\$ 2,174,966	\$ 1,496,621	\$ 1,635,201	\$ 762,279	\$ 1,098,357	\$ 315,000
Investment earnings, unrestricted	-	-	-	-	-	1,254,245
Gain on sale of capital asset	-	-	-	-	-	8,592
Transfers	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>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>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	\$ 9,232,169	\$ 26,959,097	\$ 17,843,122	\$ 4,903,964	\$ 11,724,122	\$ 25,132,368
Business-Type Activities	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>\$ 21,106,517</u>	<u>\$ 30,606,991</u>	<u>\$ 24,233,108</u>	<u>\$ 9,324,434</u>	<u>\$ 15,391,147</u>	<u>\$ 28,164,283</u>

Note: For comparison purposes, revenues for fiscal years 2004, 2003, and 2002 were reclassified from

Charges for Service to Maintenance Fee and Investment Earnings.

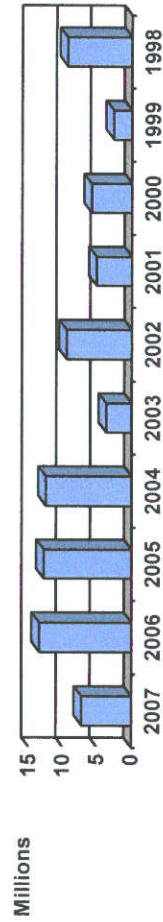
Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$ 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	\$ 41,639,238
Unreserved and designated	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	17,837,425
Unreserved, undesignated (see chart)	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	9,432,883
<i>Total General Fund</i>	\$ 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	\$ 68,909,546
Other Governmental Funds:										
Capital Projects Fund										
Reserved for Encumbrances	\$ 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	\$ 9,680,914
Unreserved and designated	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	19,317,813
Special Revenues Fund										
Unreserved, undesignated	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	1,150,308
<i>Total Other Governmental Funds</i>	\$ 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	\$ 30,149,035
<i>Total Governmental Funds</i>	\$ 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	\$ 99,058,581
Unreserved General Fund Balance as a Percentage of General Fund Expenditures	13.7%	17.0%	21.4%	14.9%	17.0%	22.7%	18.3%	14.2%	15.6%	17.2%

Unreserved Undesignated General Fund Balance



Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

Fiscal Year	Property Taxes	Income Tax	Recordation Tax	Admission Tax	911 Service Fees	Total
1998	\$ 86,631,234	\$ 51,004,103	\$ 5,309,546	\$ 453,679	\$ 513,123	\$ 143,911,685
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
Change 1998-2007	82.5%	119.1%	256.0%	-10.7%	211.9%	

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.

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)

	2007	2006	2005	2004	2003
REVENUES					
Taxes-Local (see Table 4)	\$290,760,528	\$276,738,571	\$260,060,693	\$ 233,065,846	\$ 206,375,934
Taxes-State Shared	12,729,242	12,313,362	9,936,273	7,890,085	9,652,977
Impact fees	1,669,793	3,924,721	3,936,986	4,864,707	5,394,263
Licenses and permits	1,781,585	3,349,234	2,999,086	3,175,909	3,368,917
Intergovernmental revenues	14,253,803	12,627,892	15,319,436	16,448,322	18,806,849
Charges for services	5,732,717	4,559,557	4,850,580	4,237,420	4,410,686
Fines and forfeits	86,754	88,942	123,622	107,577	132,349
Interest	11,112,070	6,753,742	3,395,552	2,071,122	2,657,792
Miscellaneous revenues	5,953,948	3,763,843	3,862,252	3,862,329	3,359,057
Total revenues	344,080,440	324,119,864	304,484,480	275,723,317	254,158,824
EXPENDITURES					
Current:					
General government	60,783,464	60,412,713	66,446,506	53,805,088	46,886,320
Public safety	28,595,412	26,875,030	24,466,006	22,682,161	20,585,117
Public works	9,425,523	8,495,030	7,851,771	7,386,474	8,034,700
Health	4,339,691	4,204,001	3,924,884	3,814,693	3,734,969
Social services	1,131,873	1,096,568	1,042,802	1,057,052	961,387
Education	151,674,483	142,253,487	132,393,561	124,378,658	117,076,007
Library	6,782,100	6,220,220	5,725,660	5,232,270	5,098,495
Recreation and parks	2,106,832	1,221,026	1,113,773	1,098,367	1,109,263
Conservation of natural resources	718,552	698,716	675,481	642,661	616,403
Economic development	3,067,166	1,819,561	2,728,971	3,282,035	3,257,189
Capital outlay	55,671,218	45,177,873	38,032,734	43,078,838	23,727,048
Debt service:					
Principal	20,336,962	18,421,084	14,670,026	15,997,408	13,907,746
Interest	9,237,763	8,987,587	8,145,529	7,451,178	8,722,292
Total expenditures	353,871,039	325,882,896	307,217,704	289,906,883	253,716,936
Excess (deficiency) of revenues over expenditures	(9,790,599)	(1,763,032)	(2,733,224)	(14,183,566)	441,888
OTHER FINANCING SOURCES (USES)					
Transfers in	14,957,047	12,024,485	17,376,594	22,913,593	23,208,305
Transfers out	(17,812,601)	(14,890,815)	(20,004,967)	(32,739,174)	(27,434,785)
Payments to escrow agent	(24,849,347)	-	-	(71,096,825)	-
Proceeds of bonds issued	44,092,000	34,699,318	36,860,000	81,104,603	16,289,051
Bonds premium (discount)	1,180,352	171,249	157,786	(3,335)	
Issuance of debt-long term notes	5,994,265	5,923,118	2,179,934	100,000	530,930
Total other financing sources (uses)	23,561,716	37,927,355	36,569,347	278,862	12,593,501
Net change in fund balances	\$ 13,771,117	\$ 36,164,323	\$ 33,836,123	\$ (13,904,704)	\$ 13,035,389
Debt Service as a percentage of					
Noncapital Expenditures	8.8%	8.8%	7.7%	8.6%	9.2%

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.

Source: Carroll County Department of the Comptroller.

Table 5

2002	2001	2000	1999	1998
\$ 195,757,121	\$ 185,020,881	\$ 170,842,352	\$ 161,203,484	\$ 143,911,685
9,933,906	10,092,333	9,303,162	9,036,529	7,961,726
6,809,437	6,094,596	5,263,647	4,627,597	4,110,020
3,567,154	3,175,220	2,859,437	2,725,397	2,431,076
16,496,307	12,615,071	11,539,845	12,743,166	20,239,333
5,393,276	5,569,910	3,842,542	3,714,646	3,806,159
103,462	79,113	74,472	58,717	48,759
4,605,987	8,539,013	7,918,042	6,994,987	7,295,804
5,342,169	3,380,342	3,915,107	2,791,218	1,975,248
248,008,819	234,566,479	215,558,606	203,895,741	191,779,810
39,856,047	31,429,561	28,207,756	26,391,941	21,886,163
18,978,117	18,700,730	16,842,941	16,215,122	13,483,538
7,246,204	8,934,817	8,444,411	7,979,040	7,806,521
3,702,848	3,486,642	2,759,264	2,608,020	2,446,581
952,182	2,980,922	3,177,196	2,322,674	2,937,363
129,720,231	128,241,099	115,569,156	107,571,214	99,530,578
5,017,095	4,805,500	4,680,658	4,598,535	4,510,735
3,789,203	1,027,200	972,172	1,430,207	4,527,772
597,935	567,303	517,449	485,111	447,302
2,744,789	5,163,964	6,538,737	4,168,927	4,480,944
27,744,133	19,659,031	17,677,073	23,879,833	21,455,286
26,676,037	12,306,747	14,109,935	10,992,450	9,225,380
9,584,124	9,590,250	9,192,497	8,825,956	8,412,715
276,608,945	246,893,766	228,689,245	217,469,030	201,150,878
(28,600,126)	(12,327,287)	(13,130,639)	(13,573,289)	(9,371,068)
13,567,825	12,894,624	17,072,966	11,395,706	8,219,529
(16,676,338)	(14,253,860)	(18,765,456)	(11,480,806)	(9,049,529)
-	-	-	(9,204,727)	-
11,511,499	20,100,000	21,560,624	34,159,827	20,680,574
1,071,774	-	2,900,275	-	-
9,474,760	18,740,764	22,768,409	24,870,000	19,850,574
\$ (19,125,366)	\$ 6,413,477	\$ 9,637,770	\$ 11,296,711	\$ 10,479,506
13.8%	10.2%	10.3%	9.6%	9.4%

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

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

Fiscal Year	Real Property			Personal Property					Grand Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Direct Tax Rate	Assessed Value			Estimated Actual Value	Direct Tax Rate	
				Unincorporated	Incorporated	Public Utilities			
1998	\$ 3,027,492,560	\$ 7,568,731,400	\$ 2.62	\$ 19,415,720	\$ 139,908,630	\$ 260,109,830	\$ 419,434,180	\$ 419,434,180	\$ 7,988,165,580
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	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	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	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	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	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	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	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	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	15,441,306,101

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 actual 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		
1998	\$2.62	\$0.21	\$0.78	\$0.77	\$0.46	\$0.88	\$0.45	\$0.45	\$0.45	\$0.75	\$0.59	
1999	2.62	0.21	0.78	0.77	0.46	0.88	0.45	0.45	0.40	0.75	0.56	
2000	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.45	0.40	0.75	0.56	
2001	2.62	0.21	0.78	0.76	0.46	0.88	0.45	0.45	0.40	0.75	0.56	
2002	1.048	0.084	0.32	0.304	0.184	0.352	0.18	0.18	0.16	0.30	0.21	
2003	1.048	0.084	0.32	0.304	0.184	0.40	0.20	0.20	0.16	0.30	0.206	
2004	1.048	0.132	0.32	0.304	0.184	0.40	0.20	0.20	0.16	0.30	0.202	
2005	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.20	0.16	0.30	0.193	
2006	1.048	0.132	0.32	0.33	0.184	0.40	0.20	0.20	0.16	0.30	0.188	
2007	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.16	0.30	0.183	

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

2007				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 153,935,910	\$ 4,033,121	1.00%
Verizon-Maryland	Communications	62,171,650	1,628,897	0.40%
Carroll Lutheran Village	Retirement Village	52,830,207	553,661	0.34%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	20,470,050	536,315	0.13%
Random House Inc.	Warehouse Distribution Center	39,570,306	521,730	0.26%
Potomac Edison	Electric Utility	17,147,390	449,262	0.11%
Cranberry Mall Properties LLC	Mall	39,014,900	409,714	0.25%
Fairhaven Inc.	Assisted Living	34,384,100	360,345	0.22%
Hampstead 2004 LLC	Power Tools	31,499,900	330,119	0.20%
Wal-Mart Stores, Inc.	Commercial Stores	26,610,180	311,765	0.17%
		<u>\$ 477,634,593</u>	<u>\$ 9,134,929</u>	<u>3.09%</u>
	Total Assessed Valuation	<u>\$ 15,441,306,101</u>		
1998				
Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 98,583,730	\$ 2,582,894	2.86%
Bell Atlantic	Communications	79,791,080	2,090,526	2.31%
AT&T Communications	Communications	43,937,380	1,151,159	1.27%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	22,770,150	596,578	0.66%
Shearson Shopco Malls L.P.	Mall	20,186,540	528,887	0.59%
Random House	Warehouse Distribution Center	14,616,610	357,154	0.42%
Wal-Mart Stores, Inc.	Commercial Stores	6,740,360	176,597	0.20%
Fairhaven/Episcopal Ministries	Retirement Village	13,183,770	155,891	0.38%
Potomac Edison	Electric Utility	12,431,780	325,713	0.36%
Carroll Lutheran Village	Retirement Village	8,529,250	195,169	0.25%
		<u>\$ 320,770,650</u>	<u>\$ 8,160,568</u>	<u>9.30%</u>
	Total Assessed Valuation	<u>\$ 3,446,926,740</u>		

Property is reassessed every three years. Property has been assessed at actual 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		
1998	\$ 89,898,422	\$ 89,286,340	99.32%	\$ 599,949	\$ 89,886,289	99.99%	\$ 12,133	0.01%
1999	93,405,749	93,098,955	99.67%	282,013	93,380,968	99.97%	24,781	0.03%
2000	98,659,248	97,973,256	99.30%	667,532	98,640,788	99.98%	18,460	0.02%
2001	103,041,027	102,745,856	99.71%	257,770	103,003,626	99.96%	37,401	0.04%
2002	108,676,869	108,465,799	99.81%	143,022	108,608,821	99.94%	68,048	0.06%
2003	116,412,680	114,676,102	98.51%	1,688,373	116,364,475	99.96%	48,205	0.04%
2004	122,149,632	121,181,554	99.21%	922,259	122,103,813	99.96%	45,819	0.04%
2005	133,921,809	132,713,125	99.10%	1,124,044	133,837,169	99.94%	84,640	0.06%
2006	148,130,104	147,744,969	99.74%	275,420	148,020,389	99.93%	109,715	0.07%
2007	169,584,228	169,106,817	99.72%	-	169,106,817	99.72%	477,411	0.28%

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
		\$	\$	\$					\$	\$				
1998	20.35	1.30	-	-	-	-	24.42	2.46	-	-	-	-	-	
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	1.68	12.19	-	3.15	3.26	3.23	3.23	3.23	
2002	7.68	-	2.14	2.97	2.30	2.30	11.52	-	3.17	3.40	3.31	3.31	3.31	
2003	7.68	-	2.14	2.97	2.30	2.30	11.52	-	3.17	3.40	3.31	3.31	3.31	
2004	8.45	-	2.43	3.02	3.39	3.39	12.18	-	3.84	4.75	5.32	5.32	5.32	
2005	6.46	-	3.07	3.48	3.74	3.74	9.18	-	3.99	4.82	5.36	5.36	5.36	
2006	6.69	-	2.94	3.59	3.86	3.86	9.36	-	4.36	5.33	5.63	5.63	5.63	
2007	7.64	-	3.29	4.02	4.47	4.47	10.06	-	5.14	6.38	7.18	7.18	7.18	

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 1997, 1998, 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 24,000 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 Actual Property Value (2)	Per Capita (3)
	General Obligation Bonds(1)	Agricultural Preservation Notes	Other Notes	Purchase Agreements	General Obligation Bonds (1)	Assessment Debt with Government Commitment	Special	Government				
1998	\$ 150,542,326	\$ -	\$ 9,023,425	\$ 7,522,584	\$ 17,618,373	\$ 9,414,090	\$ 9,414,090	\$ 194,120,798	2.11%	2.43%	\$ 1,302	
1999	168,193,011	-	7,908,880	6,114,659	16,154,041	8,933,026	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	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	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	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	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	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	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	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	4,511,880	251,167,568	N/A	1.63%	1,450	

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 Actual Value of Taxable Property, for Estimated Actual 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)
1998	\$ 168,160,699	2.10%	2.44%	\$ 1,128
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

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 Actual Value of Taxable Property, for Estimated Actual 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, 2007

Net assessed value- Real Property	\$ 14,910,976,091	
Debt limit - 6% of net total assessed value (1)		\$ 894,658,565
Assessed Value-Personal Property	530,330,010	
Debt limit- 15% of Net Assessed Value		79,549,502
Total Debt Limit		974,208,067
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 242,070,171	
Less- Agricultural Preservation Program Self Supporting Debt	7,136,864	
Less- Fire Company Loans- Self Supporting Debt	10,925,899	
Less - Bureau of Utilities bonds and loans payable	8,899,373	
Less - Airport bonds payable	3,182,716	
Less - Septage bonds payable	200,000	
Total amount of debt applicable to debt limit		211,725,319
Legal debt margin		\$ 762,482,748

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
1998-2007

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
1998	\$ 3,446,926,740	15.0%	\$ 517,039,011	\$ 150,542,326	\$ 366,496,685	29.12%
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	6.0%	974,208,067	211,725,319	762,482,748	21.73%

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, 2007

<u>Jurisdiction</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percent of Assessed Valuation to Overlapping Jurisdictions</u>	<u>Pro rata Share of Direct Debt to Jurisdictions(2)</u>	<u>Overlapping Debt</u>	<u>Total Direct and Overlapping Debt</u>
Hampstead	\$ 445,249,242	2.98%	\$ 6,309,415	\$ 1,647,353	\$ 7,956,768
Manchester	319,191,980	2.14%	4,530,922	600,233	5,131,155
Mt. Airy	592,742,600	3.98%	8,426,668	4,523,213	12,949,881
New Windsor	97,623,820	0.65%	1,376,215	-	1,376,215
Sykesville	275,333,270	1.85%	3,916,918	839,253	4,756,171
Taneytown	476,548,440	3.20%	6,775,210	4,917,307	11,692,517
Union Bridge	59,837,297	0.40%	846,901	1,540,861	2,387,762
Westminster	1,505,291,321	10.10%	21,384,257	8,597,000	29,981,257
Unincorporated areas	11,139,158,121	74.70%	158,158,813	-	158,158,813
County-wide Totals	<u>\$ 14,910,976,091</u>	<u>100.00%</u>	<u>\$ 211,725,319</u>	<u>\$ 22,665,220</u>	<u>\$ 234,390,539</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)
1998	149,139	\$ 4,102,872	\$ 27,389	26,823	3.77%
1999	152,020	4,442,938	28,888	27,234	2.78%
2000	155,336	4,909,038	31,456	27,495	2.42%
2001	155,221	5,220,636	33,501	27,530	2.44%
2002	159,442	5,194,169	34,117	28,118	3.04%
2003	163,400	5,434,074	35,259	28,423	3.16%
2004	166,234	5,754,673	36,318	28,828	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	N/A	N/A	28,575	3.40%

Notes: N/A not available.

(1) Carroll County Department of Planning, June 2007.

(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 2006-2007.

(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

2007

Firm	Product/Service	Total Employment *	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	3,689	6.62%
Carroll Hospital Center	General hospital	1,761	3.16%
Random House	Book warehousing and distribution	900	1.61%
Springfield Hospital Center	Mental health services	833	1.49%
Carroll County Government ***	Local government central office	656	1.18%
McDaniel College	Higher education	623	1.12%
Fairhaven (Episcopal Ministries)	Life care retirement community	603	1.08%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	527	0.95%
Carroll Community College	Higher education	509	0.91%
General Dynamic Robotic Systems	Technology Manufacturing	480	0.86%
	Total	<u>10,581</u>	<u>18.97%</u>
	Annual Average Employment in Carroll County	<u>55,764</u>	

1998

Firm	Product/Service	Total Employment	Percentage of Total County Employment
Board of Education of Carroll County **	Elementary and secondary school systems	2,544	5.78%
Random House	Book warehousing and distribution	1,200	2.72%
Carroll County General Hospital	General hospital	1,100	2.50%
Springfield Hospital Center	Mental health services	1,025	2.33%
Black & Decker USA	Warehouse and distribution center	795	1.81%
Carroll County Government ***	Local government central office	675	1.53%
Northrop Grumman	Electronic testing	510	1.16%
Fairhaven	Life care retirement community	502	1.14%
Joseph A. Bank Clothiers, Inc.	Men & women's tailored clothing	425	0.96%
English American Tailoring	Men & women's made-to-measure clothing	400	0.91%
	Total	<u>9,176</u>	<u>20.83%</u>
	Annual Average Employment in Carroll County	<u>44,044</u>	

Notes: * As of April 2007.
 ** 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 2007 and 1998.
 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

Function/program	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government										
County Commissioners										
Legislative	11	10	12	8	11	10	10	10	11	10
Performance Auditing	2	3	3	3	3	3	5	5	5	5
* Licenses/Zoning Appeals Board	-	4	5	5	4	4	1	1	3	-
* Board of License Commissioners	-	-	-	-	-	2	1	-	1	1
Public Information	2	3	2	-	-	1	5	6	7	6
Production & Distribution Svcs	3	3	3	3	3	-	3	3	3	3
* Farm Museum	10	10	9	9	9	9	9	9	-	-
* Airport Management	2	2	2	1	1	-	-	-	-	-
* Information & Technology Service	25	24	25	25	25	-	-	-	-	-
* TV Production	1	-	-	-	-	-	-	-	-	-
Board of Elections	-	-	-	-	-	-	-	-	-	1
Judicial	82	75	66	66	70	72	72	70	66	65
Dept of the Comptroller	37	36	35	37	36	36	36	34	33	30
Human Resources and Personnel Svcs	17	17	18	18	18	18	17	17	18	15
* Management and Budget	18	17	16	17	16	43	39	36	35	36
* Planning	42	45	44	44	43	131	130	125	124	77
* General Services	122	114	112	112	112	-	-	-	-	-
Citizen Services	51	51	44	45	47	38	38	36	34	29
Public Safety										
Sheriff Services	196	186	171	166	158	149	150	129	126	106
Emergency Services	35	34	31	30	28	27	27	21	21	21
Public Works										
* Supervision & Administration	4	6	5	-	6	8	32	35	34	49
Roads	108	103	107	116	111	110	112	109	109	109
* Engineering	21	22	22	23	22	21	23	23	23	-
Bureau of Utilities-Operations	30	29	28	28	27	-	26	-	-	29
Solid Waste-Operations	20	21	20	20	17	-	-	-	-	20
* County Buildings Maintenance	-	-	-	-	-	-	-	-	-	6
* Airport	-	-	-	-	-	-	-	-	-	1
Social Services	15	15	14	14	13	13	15	12	12	12
Education	1	1	11	12	9	11	11	12	12	12
Recreation and Parks										
* Recreation and Parks	27	27	16	16	15	15	16	16	24	25
* Buildings & Grounds	-	-	-	-	-	-	-	-	-	45
Conservation of Natural Resources										
Soil Conservation Service	6	6	6	6	6	6	6	6	6	5
Economic Development										
Economic Development	7	7	7	7	7	7	6	6	6	5
BERC	10	10	10	10	10	10	10	14	13	11
Tourism	2	2	2	2	2	2	2	2	2	2
Total Full Time Employee Totals	907	883	846	843	829	819	824	784	776	736
Contractual and Seasonal Employees	15	17	24	27	26	27	24	27	24	21
Total Employees	922	900	870	870	855	846	848	811	800	757

* Denotes departments affected by reorganizations.
Source: Department of the Comptroller

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Information										
Population	173,208	171,742	168,521	166,234	163,400	159,442	155,221	155,336	152,020	149,139
Registered Voters	106,853	104,318	102,505	95,056	90,756	89,687	85,752	84,221	81,476	78,712
General Government										
Building Permits Issued	3,216	3,995	4,110	4,150	4,192	4,152	3,522	3,291	3,323	3,110
Estimated Value (\$ in thousands)	\$ 234,931	\$ 275,773	\$ 234,342	\$ 253,384	\$ 291,995	\$ 292,353	\$ 298,980	\$ 320,316	\$ 208,791	\$ 216,877
Fire and Emergency Service										
Paid Firemen	92	85	92	42	42	42	38	35	35	35
Active Volunteers (estimated)	675	750	800	800	1,100	1,100	1,100	1,100	1,100	1,100
Dispatched Incidence	16,357	15,969	15,104	15,470	14,507	14,270	13,212	12,636	11,995	11,479
911 Calls Received	57,761	55,923	55,375	55,829	57,381	55,146	46,829	42,605	38,724	37,630
Police Protection										
Resident Troopers	46	45	45	46	46	46	46	46	46	45
Sheriff's Department	64	64	56	54	46	50	51	40	37	31
Citations/Warnings	16,551	16,280	13,451	8,452	7,506	5,874	N/A	N/A	N/A	N/A
911 Calls for Service	6,083	6,158	8,109	5,665	3,712	N/A	N/A	N/A	N/A	N/A
Detention Center										
Detention Center Officers	93	90	90	88	86	78	79	77	67	65
Total Prisoner Days	107,711	104,874	103,285	105,415	110,047	103,355	87,661	45,885	62,009	59,161
Water										
Daily Average Usage (mgd)	2.16	2.34	2.17	2.4	2.19	2.23	2.13	2.41	2.4	2.29
Plants Daily Capacity (mgd)	3.39	3.39	3.39	3.39	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater										
Daily Average Consumption (mgd)	2.89	2.74	3.34	3.12	N/A	N/A	N/A	N/A	N/A	N/A
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	N/A	N/A	N/A	N/A	N/A	N/A
Solid Waste										
Tons In	108,608	116,267	110,178	118,726	107,707	104,655	114,810	111,015	101,717	103,771
Tons Recycled	21,080	21,533	21,625	13,023	12,811	13,518	11,851	11,742	9,327	8,009
Tons into Landfill	8,969	13,466	15,276	16,445	16,127	21,004	15,441	13,119	11,870	15,148
Tons Transferred	100,028	105,660	97,009	104,156	91,580	93,651	99,369	97,896	89,847	88,624
Education										
Number of Teachers	2,375	2,116	2,021	1,963	1,957	1,844	1,779	1,765	1,780	1,659
Number of Students	28,575	28,219	28,774	29,044	28,630	27,806	27,528	27,472	27,231	26,794
Community College										
Full Time Equivalent Students (FTE's)	2,517	2,519	2,493	2,430	2,266	2,045	1,939	1,698	1,659	1,646
Faculty-Full Time	63	65	52	55	50	52	47	45	45	N/A
Faculty-Part Time	417	249	349	288	277	296	258	441	434	N/A
Airport										
Fuel Sales (gals)	503,574	574,155	618,180	408,866	208,790	140,726	115,868	135,775	N/A	N/A
Tie Downs Occupied	25	25	25	25	25	25	25	25	N/A	N/A
Corporate Hangars Occupied	7	7	7	6	4	1	1	-	-	-
T Hangars Occupied	82	82	82	82	82	82	82	82	N/A	N/A
Libraries										
Number of volumes (estimated)	511,026	553,824	584,167	552,786	567,631	556,122	547,900	545,595	473,531	526,139
Circulation	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	2,972,224
Senior Centers										
Outside Groups using facilities	3,133	2,976	3,009	2,822	2,025	2,341	N/A	N/A	N/A	N/A
Volunteer Hours performed at Centers	42,957	43,051	39,136	36,331	36,207	33,975	33,129	N/A	N/A	N/A
Meals Served	27,242	29,145	30,470	31,346	31,383	30,856	29,339	30,420	32,221	33,781
Seniors Attending Activities	173,707	160,416	157,623	149,892	117,993	N/A	N/A	N/A	N/A	N/A

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

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
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	975	975	972	972	966	959	955	951	947	945
Miles of Roads Unpaved	87	89	92	92	92	92	92	92	92	92
Number of Bridges	147	147	146	146	146	145	144	144	144	144
Fire and Emergency Service Stations	14	14	14	14	14	14	14	14	14	14
Water										
Water Mains (miles)	121	121	120	119	119	116	114	112	110	106
Treatment Plants	4	4	4	4	4	4	4	3	3	3
Water Tanks	6	6	6	6	6	6	6	6	6	5
Fire Hydrants										
Number of Customer Accounts	8,280	8,163	8,117	8,036	7,898	7,725	7,564	7,155	6,896	6,670
Wastewater										
Sewer Mains (miles)	134	134	133	132	130	128	127	126	124	120
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pumping Stations	18	18	18	18	17	17	17	16	15	15
Number of Customer Accounts	8,844	8,745	8,702	8,620	8,336	8,083	7,564	7,437	7,175	6,999
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	33	33	32	25	25	24	24	24	24	24
Acreage	4,642	4,642	4,639	4,440	4,440	4,380	4,380	4,380	4,380	4,380
Education										
Elementary	22	22	22	21	21	21	21	21	21	20
Middle	9	9	9	9	9	9	9	8	8	8
High	7	7	7	7	7	6	5	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	N/A	N/A
Corporate Hangars Available	7	7	7	7	7	7	4	-	-	-
Tie Downs Available	52	52	52	32	32	32	32	32	N/A	N/A
Apron Area (acres)	14.6	14.6	14.6	12.6	12.6	12.6	12.6	11.0	N/A	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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenue										
Usage charges	\$ 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	\$ 3,612,155
Service charges	64,593	56,666	19,790	26,745	16,959	20,300	11,350	48,455	24,250	54,405
Penalties and interest	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	1,768,006
Operating transfer - County	212,000	138,310	(60,680)	122,405	1,439,075	419,273	119,520	104,310	85,100	830,000
Capital contributions (1)	291,282	389,700	5,744,168	1,038,337	743,641	1,068,367	4,078,973	-	-	-
Maintenance fee	1,421,568	850,713	836,795	447,729	621,151	572,385	-	-	-	-
Other	160,877	148,243	152,214	218,523	159,133	428,589	161,886	198,940	98,067	73,770
Total revenue	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	6,338,336
Expenses										
Salaries	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	1,414,030
Operating expenses	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	1,800,056
Depreciation	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	922,982
Interest	406,980	498,110	594,234	644,071	706,451	772,849	827,058	835,581	807,833	856,786
Total expense	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	4,993,854
Excess (deficiency) of revenue over expense:	\$ 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	\$ 1,344,482

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenue										
Charge for services	\$ 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	\$ 4,300,013
Penalties and interest	631,268	441,286	375,385	63,900	73,582	80,229	139,885	166,694	222,571	465,758
Proceeds from sales of recyclables	227,025	202,325	268,340	154,886	81,407	71,675	84,038	100,922	103,916	154,124
Other	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	1,445,000	1,445,000	-	-
Total revenue	9,885,947	9,547,814	9,147,981	8,898,632	8,229,913	7,736,602	6,907,507	6,902,612	5,003,732	4,919,895
Expense										
Salaries	1,335,170	1,220,245	1,138,650	1,062,789	1,030,337	1,010,043	973,539	920,997	873,361	1,052,205
Operating expenses	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	3,413,333
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	9,517
Depreciation	174,008	154,380	107,960	90,952	90,217	176,590	180,669	182,637	242,015	187,316
Interest	263,743	308,018	347,036	253,197	383,626	448,443	508,969	573,368	653,566	671,256
Operating transfer - County	-	-	-	-	-	-	199,883	-	-	-
Total expense	7,935,237	7,480,908	6,947,808	6,827,590	6,559,559	5,996,884	6,955,643	6,544,364	6,308,993	5,333,627
Excess (deficiency) of revenue over expense	\$ 1,950,710	\$ 2,066,906	\$ 2,200,173	\$ 2,071,042	\$ 1,670,354	\$ 1,739,718	\$ (48,136)	\$ 358,248	\$ (1,305,261)	\$ (413,732)

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Airport Fund - Revenue and Expenses
Last Six Fiscal Years

	2007	2006	2005	2004	2003	2002
Revenue						
Rent	\$ 450,749	\$ 517,732	\$ 472,539	\$ 353,763	\$ 156,533	\$ 143,281
Fuel sales	1,378,850	1,523,726	1,268,475	662,347	354,796	205,772
Capital contributions (1)	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	83,020	44,053	58,176	142,405	44,240
Other	10,850	-	3,796	-	-	9,468
Total revenue	8,915,190	2,473,336	3,077,474	1,585,807	994,568	416,327
Expenses						
Salaries	184,513	182,310	159,740	96,725	82,472	77,741
Operating expenses	1,512,527	1,562,774	1,431,899	832,208	333,430	285,818
Operating expenses-capital (2)	36,061	227,795	137,850	-	367,330	1,100
Interest	130,092	138,741	144,323	132,137	133,179	145,796
Depreciation	123,428	123,428	118,050	23,792	24,029	-
Operating transfer-County	41,445	-	-	-	-	-
Total expense	2,028,066	2,235,048	1,991,862	1,084,862	940,440	510,455
Excess (deficiency) of revenue over expense:	\$ 6,887,124	\$ 238,288	\$1,085,612	\$ 500,945	\$ 54,128	\$ (94,128)

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

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

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Retired Members by Type of Benefit
As of June 30, 2007**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected						
		1	2	3	4	Unmod	A	B	C	D	E	
Defered	95											
\$ 1 - \$250	16	16										1
251 - 500	19	17		2								3
501 - 750	2	2										
751 - 1000	1	1										
Over 1,000	0						1					

Type of Retirement:

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

Option Selected:

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

Source: Department of Human Resources.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

Carroll County Pension Plan
Average Benefit Payments
Last Four Fiscal Years

Retirement Effective Date	Years of Credited Service					
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30
Period 7/1/03 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	

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, 2007, which collectively comprise The County Commissioners of Carroll County's basic financial statements and have issued our report thereon dated November 16, 2007. 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 Gundersen LLP

Baltimore, Maryland
November 16, 2007

**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, 2007. 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, 2007.

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.

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 Gunderson LLP

Baltimore, Maryland
November 16, 2007

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007**

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>EXPENDITURES</u>
MAJOR PROGRAMS					
U.S. Department of Housing and Urban Development					
Direct					
Housing Section 8 Grants					
HUD Voucher FY07	14.871	P-3532	N/A	\$ 3,821,316	\$ 3,709,910
HUD Voucher Administration FY07	14.871	P-3532	N/A	324,075	354,549
HUD Family Self Sufficiency FY06	14.871	P-3532	N/A	41,969	37,012
HUD Family Self Sufficiency Salary FY06	14.871	P-3532	N/A	48,970	52,145
Total U.S. Department of Housing and Urban Development					<u>4,153,616</u>
U.S. Department of Housing & Community Development					
Passed Through Maryland Department of Community Development					
Homeless Management Information System	14.228	N/A	MD-04-CD-30	67,600	609
Spencer Village-Rehab Apts	14.228			150,000	118,951
HUD Safe Haven	14.228	N/A	MD-06-CD-23	438,433	393,413
					<u>512,973</u>
Total Major Programs					<u>4,666,589</u>
OTHER FEDERAL PROGRAMS					
U.S. Department of Health and Human Services					
Passed Through Maryland Office on Aging					
Title III, Part C 10/1/05-9/30/06	93.045	3-24-AAA-005	N/A	105,492	25,660
Title III, Part C 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	113,322	64,119
Home Delivered Meals 10/1/05-9/30/06	93.045	3-24-AAA-005	N/A	57,819	16,799
Home Delivered Meals 10/1/06-9/30/07	93.045	3-24-AAA-005	N/A	52,446	21,555
					<u>128,133</u>
Title III, Part B 10/1/05-9/30/06	93.044	3-24-AAA-005	N/A	111,371	41,058
Title III, Part B 10/1/06-9/30/07	93.044	3-24-AAA-005	N/A	114,668	61,209
					<u>102,267</u>
Title III, Part D 10/1/05-9/30/06	93.043	3-24-AAA-005	N/A	9,000	5,473
Title III, Part D 10/1/06-9/30/07	93.043	3-24-AAA-005	N/A	9,000	3,487
					<u>8,960</u>
Title III, Part E 10/1/05-9/30/06	93.052	3-24-AAA-005	N/A	48,105	8,941
Title III, Part E 10/1/06-9/30/07	93.052	3-24-AAA-005	N/A	47,805	35,976
					<u>44,917</u>
MA Waiver FY06	93.779	4-24-AAA-005	N/A	89,006	2,914
MA Waiver FY07	93.779	4-24-AAA-005	N/A	64,539	70,193
SHIP FY07	93.779	4-24-AAA-005	N/A	6,309	6,309
Curb Abuse Medicaid FY07	93.779	4-24-AAA-005	N/A	6,799	6,799
					<u>86,215</u>
Ombudsman/Elderly Abuse FY06	93.042	3-24-AAA-005	N/A	19,023	4,805
Ombudsman/Elderly Abuse FY06	93.042	3-24-AAA-005	N/A	19,050	19,050
					<u>23,855</u>
Total U.S. Department of Health and Human Services					<u>394,347</u>
U.S. Department of Labor					
Passed Through Howard County					
Manpower Resources					
Economically Disadvantaged IIA 7/1/05-6/30/06	17.250	POOB7200008-B	24-02-07	91,055	5,326
Economically Disadvantaged IIA 7/1/06-6/30/07	17.250	POOB7200008-B	24-02-07	122,958	100,697
Economically Disadvantaged Youth IIC FY07	17.250	POOB7200008-C	24-02-07	56,237	52,476
Administration FY07	17.250	POOB7200008-A	24-01-07	50,505	47,572
					<u>206,071</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007
(CONTINUED)

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>EXPENDITURES</u>
U.S. Department of Labor					
Passed Through Howard County					
Manpower Resources					
Employment and Training Assistance					
Dislocated Workers III 7/1/04-6/30/05	17.260	POOB7200008-D	24-02-07	\$ 375,025	\$ 15,533
Dislocated Workers III 7/1/05-6/30/06	17.260	POOB7200008-D	24-02-07	324,049	245,939
					<u>261,472</u>
Total U.S. Department of Labor					<u>467,543</u>
U.S. Department of Health and Human Services					
Passed Through Department of Human Resources					
Cooperative Reimbursement 05/07 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	22,347	3,723
Cooperative Reimbursement 05/07 (St Atty)	93.563	CSEA/CR-99-035	N/A	644,811	97,344
Cooperative Reimbursement 05/07 (Sheriff)	93.563	CSEA/CR-99-035	N/A	163,840	30,520
Cooperative Reimbursement 05/06 (Circuit Ct)	93.563	CSEA/CR-99-035	N/A	19,541	9,821
Cooperative Reimbursement 05/06 (St Atty)	93.563	CSEA/CR-99-035	N/A	461,245	347,146
Cooperative Reimbursement 05/06 (Sheriff)	93.563	CSEA/CR-99-035	N/A	133,086	83,502
Rural Auto External Defibrillator	93.259	CSEA/CR-99-035	N/A	14,300	9,948
Total U.S. Department of Health and Human Resources					<u>582,004</u>
U.S. Department of Transportation					
Sam's Creek Road Bridge	20.205			458,000	312,698
Section 5307 05/06	20.509	MD-90-4089/MD90-4101	N/A	127,236	7,054
Section 5307 06/07	20.509	MD-90-4089/MD90-4101	N/A	99,405	99,405
Section 5307 (Capital) 05/06	20.507	MD-90-0101	N/A	288,060	2,832
Section 5307 (Capital) 06/07	20.507	MD-90-0101	N/A	129,920	52,743
Section 5311 06/07	20.509	MD-18-4023	N/A	99,405	94,405
Total U.S. Department of Transportation					<u>569,137</u>
U.S. Department of Justice					
Passed Through Maryland Emergency Management Administration					
First Responders-Equipment FY05	97.038	N/A	N/A	607,308	25,105
					<u>25,105</u>
U.S. Department of Homeland Security					
Passed Through Maryland Emergency Management Administration					
State Homeland Security Program	97.067	N/A	N/A	325,283	246,052
Law Enforcement Terrorist Prevention	97.067	N/A	N/A	107,621	72,315
State Homeland Security Planner FY06	97.067	N/A	N/A	60,000	31,512
State Homeland Security Program-Administrative FY06	97.067	N/A	N/A	11,101	6,761
State Homeland Security Planner FY07	97.067	N/A	N/A	164,295	2,786
State Homeland Security Program-Administrative FY07	97.067	N/A	N/A	7,338	727
Law Enforcement Training FY05	97.067	N/A	N/A	45,000	9,827
Law Enforcement Terrorist Prevention FFY06	97.067	N/A	N/A	61,307	35,408
HAZMAT FY06	97.021	N/A	N/A	7,000	5,862
HAZMAT FY07	97.021	N/A	N/A	7,000	203
Immigration & Custom Enforcement (ICE) FY06	16.590	N/A	N/A	10,000	8,882
Citizens Corps Mini Grant FFY06	97.067	N/A	N/A	500	500
Citizen Corps FFY06	97.067	N/A	N/A	11,640	389
Citizen Corps FY06	97.067	N/A	N/A	10,000	9,736
Urban Area Security Initiative FY06	97.008	N/A	N/A	10,800	-
Buffer Zone Protection Program FY06	97.078	N/A	N/A	48,500	33,370
Total U.S. Department of Homeland Security					<u>464,330</u>
U.S. Department of Agriculture					
Commodities					
The Emergency Food Assistance Program FY06	10.550	3-24-AAA-005	N/A	26,602	26,577
The Emergency Food Assistance Program FY07	10.568	N/A	N/A	18,966	4,900
Food Stamps FY06	10.561	1MD400403	N/A	15,000	3,132
Food Stamps FY07	10.561	1MD400403	N/A	13,124	3,589
Independence Through Employment (ITE) FY07	10.561	N/A	N/A	17,211	2,296
Total U.S. Department of Agriculture				107,564	<u>75,363</u>
					<u>115,857</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007
(CONTINUED)**

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>EXPENDITURES</u>
U.S. Department of Energy					
Passed Through State Department of Human Resources					
Weatherization FY07	81.042	N/A	N/A	\$ 135,481	\$ 125,749
Total U.S. Department of Energy					<u>125,749</u>
U.S. Department of Justice					
Passed Through The Governor's Office of Crime Control and Prevention					
Violence Against Women Act FY06 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	23,117
Violence Against Women Act FY06 (Sheriff)	16.588	VAWA-98-036	N/A	43,957	10,857
Violence Against Women Act FY07 (St. Atty)	16.588	VAWA-98-036	N/A	93,625	75,979
Violence Against Women Act FY07 (Sheriff)	16.588	VAWA 2000-1004	N/A	42,728	35,580
Junction Inc FY06 Treatment for Chemically	16.738	BJAG-2005-1013	N/A	82,350	24,401
Junction Inc FY07 Treatment for Chemically	16.738	BJAG-2005-1013	N/A	61,762	51,206
Substance Abuse Jail Diversion FY06	16.738	BJAG-2005-1032	N/A	82,162	15,713
Substance Abuse Jail Diversion FY07	16.738	BJAG-2005-1032	N/A	92,379	32,493
Family Violence/Through HSP FY05	93.671	N/A	N/A	885,000	257,428
Response to Family Violence	16.738	BJAG-2006-1003	N/A	17,479	17,479
Bryne-Adventure Diversion Program	16.738	BJAG-2006-1055	N/A	80,860	57,915
Byrne-Home Detention Grant FY06	16.738	BJAG-2005-1002	N/A	31,781	3,314
Byrne-Home Detention Grant FY07	16.738	BJAG-2006-1002	N/A	31,781	23,598
					<u>629,080</u>
National Network of Children's Advocacy Center Grant FY07	16.582	PS-9429	N/A	10,000	3,386
National Network of Children's Advocacy Center Grant FY06	16.582	PS-9429	N/A	10,000	3,044
					<u>6,430</u>
Total U.S. Department of Justice					<u>635,510</u>
Federal Aviation Administration					
Airport Improvement Program Master Plan	20.106			429,875	34,258
Fuel Farm Expansion	20.106	FAA 3-24-0028-22	N/A	150,000	25,826
PAPI	20.106			136,333	131,223
Airport Facilities Improvements	20.106			185,527	18,000
Total Federal Aviation Administration					<u>209,307</u>
Total Other Federal Programs					<u>3,588,889</u>
Total Federal Programs					<u>\$ 8,255,478</u>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2007

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, 2007.

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.

This information is an integral part of the accompanying schedule.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2007

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
14.228	Housing and Community Development

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, 2007

No prior year audit findings.



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