COUNTY COUNCIL OF
DORCHESTER COUNTY, MARYLAND

FINANCIAL REPORT

JUNE 30, 2005

CONTENTS

TRICE GEARY & MYERS LLC
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

County Council of
Dorchester County, Maryland
Cambridge, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Dorchester County, Maryland (the "County") as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Dorchester County, Maryland. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dorchester County Sanitary Districts. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dorchester County Sanitary Districts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dorchester County, Maryland as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof 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 our report dated February 8, 2006 on our consideration of Dorchester County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Trice Geary + Myers LLC

Salisbury, Maryland
February 8, 2006

DORCHESTER COUNTY, MARYLAND
Management's Discussion and Analysis

INTRODUCTION

This discussion and analysis (MD&A) is designed to a) assist readers in understanding Dorchester County, Maryland's (the County's) basic financial statements, the relationship of different types of statements, and the significant differences in the information they provide; b) assist the reader in focusing on significant financial issues; c) provide an overview of the County's current financial activity; d) identify changes in the County's financial position, i.e., its ability to address the next and subsequent year's financial needs, based on currently known facts; e) identify any material deviations from the approved budget for the fiscal year, and f) identify individual fund issues or concerns. The MD&A is best understood if read in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

- The government-wide assets of the County exceeded its liabilities at the close of Fiscal Year 2005 (FY05) by $33 million (total net assets). Of this amount, $11.8 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's overall financial position has improved since the prior fiscal year. Total net assets increased by $7.7 million or 30.3%. Contributing factors for this increase are investments in capital assets, net of related debt, which accounts for $5.7 million of the increase (primarily the county-wide public safety communication system), and higher than expected collections of income taxes and recordation taxes, both of which ended the year $1.4 million in excess of anticipated revenue.

- As of the close of FY05, the County's governmental funds reported combined ending fund balances of $13.9 million, an increase of $0.9 million over the prior year's ending fund balances. Of the total ending fund balances, $13.8 million is unreserved and therefore available for spending at the County's discretion.

- At the end of FY05, unreserved fund balance for the General Fund was $7.5 million, or 22% of total General Fund expenditures.

- The County's government-wide long-term debt decreased by $3.3 million during FY05. The key factors in this decrease are:

  - The County had no major debt issuances during the fiscal year.
  - The retirement of $2.4 million in general obligation (GO) bonds, $0.7 million in notes and loans, and $0.2 million in capital leases and revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's financial statements focus on both the County as a whole (government-wide), and on the major individual funds. "Funds" are resources segregated for the purposes of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations. Both the government-wide and fund perspectives allow users to address relevant questions and understand changes in financial conditions. The structure of the financial statements is presented below.

This MD&A is intended to be an introduction to Dorchester County's basic financial statements. Dorchester County's basic financial statements comprise three components, including government-wide financial statements, fund financial statements, and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information

Independent Auditors' Report
Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.

Management's Discussion and Analysis
This supplementary information is required for state and local government financial statements, and is intended to provide a narrative introduction, overview, and analysis.
Pages 5 - 18

Government-Wide Financial Statements
Provides information on governmental and business-type activities of the primary government.
Pages 19 - 20

Fund Financial Statements
Provides information on the financial position of specific funds of the primary government.
Pages 21 - 27

Notes to Financial Statements
Provides a summary of significant accounting policies and related disclosures.
Pages 28 - 50

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are reported in columns which add to a total for the primary government. The focus of the statement of net assets is designed to provide bottom line results for the County's governmental and business-type activities. This statement reports governmental funds' current financial resources (i.e., short-term spendable resources) with capital assets and long-term obligations. All infrastructure assets built or purchased by the County are included in the accompanying government-wide financial statements. The difference between the County's assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of County facilities and infrastructure, should be considered to assess the overall health of the County.

The statement of activities is focused on both the gross and net cost of various functions, including governmental and business-type activities. This is intended to summarize and simplify the users' analysis of the cost of various governmental services and/or subsidy to various business-type activities. The governmental activities included reflect the County's basic services, including general government, public safety, public works and transportation, health and human services, and others. Taxes, including the property and income tax, license and permit fees, intergovernmental revenues, charges for services, fines and forfeitures, and investment income finance the majority of these services. The business-type activities reflect private sector-type operations such as airport activities and solid waste activities where fees for services or products are required or designed to recover the cost of operation, including depreciation.

The government-wide financial statements include not only the County itself (known as the Primary Government), but also legally separate entities known as Component Units. Component units, which are other governmental units over which the County Council can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements. The County has two component units – Dorchester County Public Schools and the Dorchester County Sanitary Districts, Inc.

Fund Financial Statements

Traditional users of governmental financial statements may find the fund financial statement presentation more familiar. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In the fund financial statements, the focus is on major funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The County has the following two types of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, a reconciliation of the fund financial statements to the government-wide financial statements is presented immediately after the fund financial statements. For example, the fund financial statements will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will reflect the elimination of these transactions and will incorporate the capital assets and long-term obligations (bonds and others) that are presented in the governmental activities column (in the government-wide statements). The County has 3 major governmental funds – General, Special Revenue, and Capital Projects, and 6 nonmajor funds.

Proprietary Funds – The County's proprietary funds, which consist only of enterprise funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for the County's enterprise funds. The County has two major enterprise funds – airport and solid waste.

**FINANCIAL ANALYSIS OF DORCHESTER COUNTY, MARYLAND:
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

A comparative analysis of government-wide financial information is presented below.

Statement of Net Assets

The following presents a summary of the Statements of Net Assets for the County as of June 30, 2005 and 2004:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets:						
Current and other assets	$20,812,861	$18,854,768	$ 7,567,541	$ 5,893,651	$28,380,402	$24,748,419
Capital assets	35,362,048	32,692,352	10,560,985	10,883,185	45,923,033	43,575,537
Total assets	56,174,909	51,547,120	18,128,526	16,776,836	74,303,435	68,323,956
Liabilities:						
Long-term debt outstanding	27,279,052	30,443,236	665,119	867,378	27,944,171	31,310,614
Other liabilities	6,210,703	5,399,528	7,179,251	6,315,978	13,389,954	11,715,506
Total liabilities	33,489,755	35,842,764	7,844,370	7,183,356	41,334,125	43,026,120
Net assets:						
Invested in capital assets, net of related debt	8,974,185	3,116,806	9,924,095	10,046,852	18,898,280	13,163,658
Restricted	2,222,999	1,792,675	-	-	2,222,999	1,792,675
Unrestricted (deficit)	11,487,970	10,794,875	360,061	(453,372)	11,848,031	10,341,503
Total net assets	$22,685,154	$15,704,356	$10,284,156	$ 9,593,480	$32,969,310	$25,297,836

The County's current and other assets increased by $3.6 million or 14.7 percent over FY04. The County's assets exceeded its liabilities at the close of FY05 by $33 million. The largest portion of the County's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, furniture and equipment, infrastructure), less any related outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is also important to note that although counties in the state of Maryland issue debt for the construction of schools, those school buildings are owned by each county's Board of Education. The County also funds projects for Chesapeake College in the same fashion. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for these entities amounted to $5.8 million at June 30, 2005. Absent the effect of this relationship, the County would have reported government-wide positive unrestricted net assets of $18.2 million.

Statement of Activities

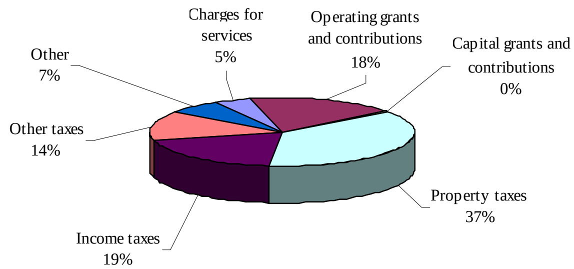
The following table summarizes the County's change in net assets for the years ended June 30, 2005 and 2004:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	$ 2,328,659	$ 2,524,035	$ 3,099,657	$ 2,782,240	$ 5,428,316	$ 5,306,275
Operating grants and contributions	9,374,561	10,022,915	-	-	9,374,561	10,022,915
Capital grants and contributions	112,672	209,056	154,082	332,192	266,754	541,248
General revenues:						
Property taxes	18,812,247	16,211,363	-	-	18,812,247	16,211,363
Income taxes	9,839,284	8,505,222	-	-	9,839,284	8,505,222
Other taxes	7,282,239	4,508,953	-	-	7,282,239	4,508,953
Other	3,350,488	1,009,171	131,573	75,339	3,482,061	1,084,510
Total revenues	51,100,150	42,990,715	3,385,312	3,189,771	54,485,462	46,180,486
Expenses:						
Governmental Activities:						
General government	3,707,462	3,243,485	-	-	3,707,462	3,243,485
Public safety	8,188,852	7,564,122	-	-	8,188,852	7,564,122
Social services	2,161,331	1,889,986	-	-	2,161,331	1,889,986
Public works	4,439,561	5,296,054	-	-	4,439,561	5,296,054
Miscellaneous	2,401,454	2,483,707	-	-	2,401,454	2,483,707
Recreation and parks	614,700	626,920	-	-	614,700	626,920
Natural Resources	390,000	427,845	-	-	390,000	427,845
Economic Development	1,098,176	548,425	-	-	1,098,176	548,425
Interest on Debt	1,102,265	1,241,651	-	-	1,102,265	1,241,651
Education	18,811,239	20,765,996	-	-	18,811,239	20,765,996
Intergovernmental	947,596	1,248,590	-	-	947,596	1,248,590
Business-Type Activities:						
Aviation	-	-	809,513	755,228	809,513	755,228
Solid waste	-	-	2,141,839	1,637,742	2,141,839	1,637,742
Total expenses	43,862,636	45,336,781	2,951,352	2,392,970	46,813,988	47,729,751
Increase (decrease) in net assets before transfers	7,237,514	(2,346,066)	433,960	796,801	7,671,474	(1,549,265)
Transfers	(256,716)	(65,892)	256,716	65,892	-	-
Increase (decrease) in net assets	6,980,798	(2,411,958)	690,676	862,693	7,671,474	(1,549,265)
Net assets – beginning of year	15,704,356	18,116,314	9,593,480	8,730,787	25,297,836	26,847,101
Net assets - end of year	$ 22,685,154	$ 15,704,356	$ 10,284,156	$ 9,593,480	$ 32,969,310	$ 25,297,836

Governmental Activities

Revenues for the County's governmental activities were $51.1 million for FY05. Sources of revenue are comprised of the following items:

Revenues by Source - Governmental Activities
For the Fiscal Year Ended June 30, 2005



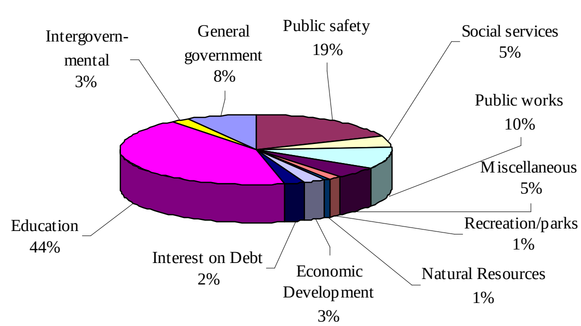
- Taxes constitute the largest source of County revenues, amounting to $35.7 million for FY05. Property and local income tax combined comprise 56 percent of all County revenues. Each County in Maryland sets its income tax rate within parameters established by the State. The local income tax rate was 2.62 percent of the State taxable income for calendar year 2005 and was unchanged from 2004. There is no local sales tax in the State of Maryland.

- Operating grants and contributions represent primarily grants from the Federal and State governments and State aid programs. The majority of such revenues are received to fund the following County programs: public works ($5.2 million or 10%), social services ($2.2 million or 4%), and public safety ($1 million or 2%).

A more detailed discussion of the County's revenue results for FY05 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A.

The cost of all governmental activities for FY05 was $43.9 million. As the chart below indicates, education constitutes the County's largest program and highest priority; education expenses totaled $18.8 million. Public safety expenses totaled $8.2 million, public works expenses totaled $4.4 million, and general government services, the fourth largest expense for the County totaled $3.7 million.

Expenses by Function - Governmental Activities
For the Fiscal Year Ended June 30, 2005



The following table presents the cost and program revenues of each of the County's governmental activities as well as each activity's net cost (total cost less fees generated by the activities and activity-specific intergovernmental aid).

	Expenses		Revenues		Net Cost of Services	
	2005	2004	2005	2004	2005	2004
Education	$ 18,811,239	$ 20,765,996	$ 37,485	$ 37,729	$ 18,773,754	$ 20,728,267
Public safety	8,188,852	7,564,122	3,016,756	2,979,700	5,172,096	4,584,422
Public works	4,439,561	5,296,054	5,455,935	3,975,069	(1,016,374)	1,320,985
General government	3,707,462	3,243,485	335,243	565,729	3,372,219	2,677,756
Miscellaneous	2,401,454	2,483,707	-	-	2,401,454	2,483,707
Social services	2,161,331	1,889,986	2,162,956	2,159,411	(1,625)	(269,425)
Intergovernmental	947,596	1,248,590	-	-	947,596	1,248,590
Interest on Debt	1,102,265	1,241,651	-	-	1,102,265	1,241,651
Recreation and parks	614,700	626,920	81,035	287,014	533,665	339,906
Economic Development	1,098,176	548,425	575,740	101,201	522,436	447,224
Natural Resources	390,000	427,845	150,742	305,695	239,258	122,150
Total	$ 43,862,636	$ 45,336,781	$ 11,815,892	$ 10,411,548	$ 32,046,744	$ 34,925,233

Some of the cost of governmental activities was paid by those who directly benefited from the programs ($2.3 million) and other governments and organizations that subsidized certain programs with grants and contributions ($9.4 million).

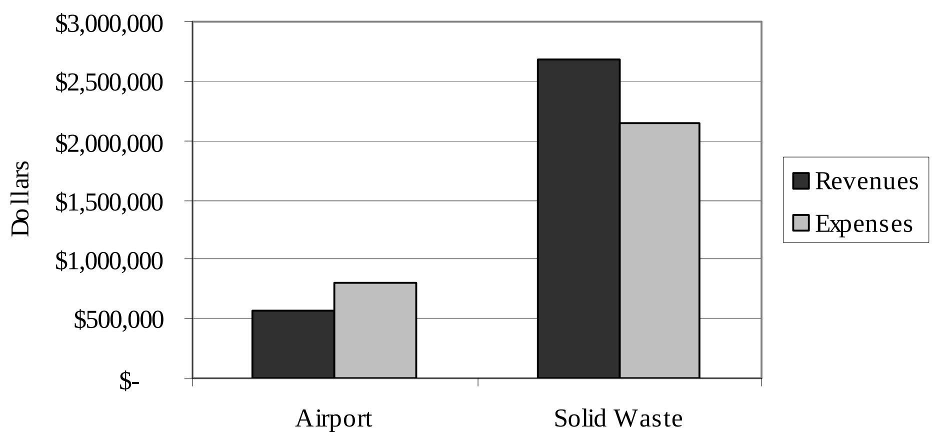
Business-type Activities

Highlights of the County's business-type activities for FY05 are as follows:

- Business-type activities experienced an increase in net assets of $0.69 million for FY05. However, this amount is reported after total net transfers in of $0.26 million. The components of this amount are $164,461 in operating subsidy from the General Fund to the Airport Enterprise Fund, and $92,255 in capital budget funding from the General Fund to the Airport Enterprise Fund.
- Charges for services to users comprise 85% of revenues, with $2.7 million (86% of charges for services revenue) attributable to solid waste activities and $0.4 million (14%) attributable to airport operations.

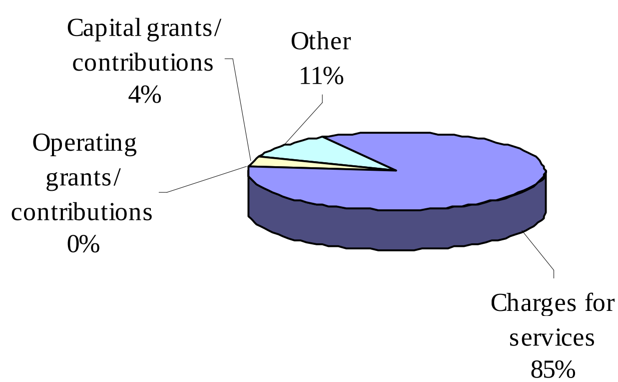
Business-type activities are shown below comparing costs to revenues generated by related services:

Expenses and Program Revenues - Business-type Activities
For the Fiscal Year Ended June 30, 2005



Business-type revenues by source are comprised of the following:

Revenues by Source - Business-type Activities
For the Fiscal Year Ended June 30, 2005



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is valuable in assessing the County's financing requirements. In particular, the 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.

At the end of FY05, the County's governmental funds reported combined ending fund balances of $13.91 million, an increase of $0.9 million from the end of FY04. Of the total ending fund balances, $13.87 million constitutes the unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balances of $34,035 is unavailable for new spending because it has been reserved for prepaid expenditures.

The General Fund is the primary operating fund of the County. At the end of FY05, unreserved and undesignated fund balance of the General Fund was $7.50 million, while total fund balance was $7.54 million. As a measure of the General Fund's liquidity, the unreserved and undesignated fund balance represents 19% of the total General Fund expenditures and transfers out.

The fund balance of the County's General Fund increased by $2.8 million during FY05, primarily due to higher than expected collections of income tax, which was $1.39 million greater than budget, and recordation tax, which was $1.37 million greater than budget.

The Capital Projects Fund has a total fund balance of $1.2 million, which represents authorized and funded projects that are not completed. Consequently, this fund balance is unreserved, but designated for future capital projects.

Other governmental funds of note are the Reserve Fund, the Building Excise Tax Fund, and the Transfer Tax Fund.

The Reserve Fund ended the year with a fund balance of $1.8 million, which is an increase of $0.3 million. The purpose of the Reserve Fund is to provide a fiscal means for the County to respond to potential adversities such as public emergencies, natural disasters, major unanticipated projects or economic downturns. Beginning in fiscal year 2006 and for each subsequent fiscal year, the County shall include in the budget bill an appropriation to the Strategic Reserve Fund equal to at least the lesser of $200,000 or whatever amount is required for the Strategic Reserve Fund balance to equal 5% of the estimated General Fund operating revenues for that fiscal year.

The Building Excise Tax Fund ended the year with a fund balance of $0.85 million. This new fund was created by Dorchester County Bill Number 2004-6, effective date of September 15, 2004, which established an excise tax on new development. The proceeds of the tax are dedicated for the capital costs associated with new growth specific to schools, emergency communications, and Sheriff's Office.

The Transfer Tax Fund ended the year with a fund balance of $1.7 million, which is an increase of $1.2 million. The purpose of this fund is to account for the proceeds of the transfer tax which is dedicated for circuit courthouse repairs, maintenance and security.

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide statements, but include more detail.

The Airport Enterprise Fund total net assets amounted to $7.4 million, with unrestricted net assets of $43,501, and an operating loss of $363,806. After non-operating revenues of $128,717, and a subsidy transfer from the General Fund of $256,716, the fund ended FY05 with an increase in net assets of $21,627.

The Landfill Enterprise Fund total net assets amounted to $2.8 million, with unrestricted net assets of $316,560, and an operating income of $566,447.

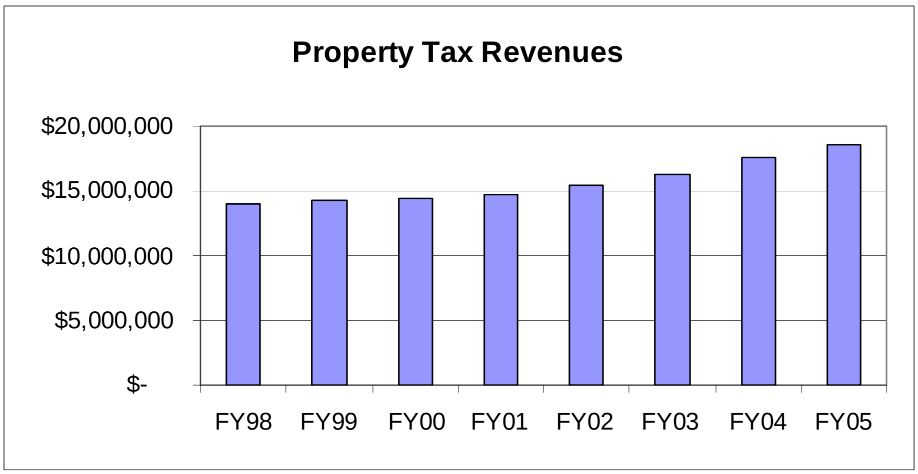
A discussion of enterprise fund long-term debt can be found in the Long-Term Debt section presented later in this MD&A. Other factors concerning the finances of the enterprise funds are addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

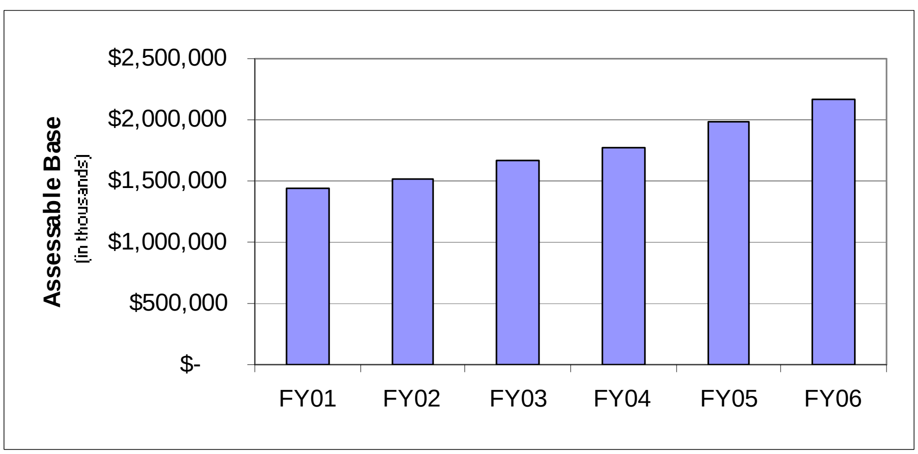
Actual revenues were greater than budget amounts by $2.8 million, while actual expenditures and transfers out were less than final budget by $5,872. Highlights of the comparison of final budget to actual figures for revenues and expenditures/transfers for the fiscal year-ended June 30, 2005, include the following:

- Overview – Actual revenues for the General Fund totaled $43 million and were 6.8% above the budget estimate for the fiscal year and 10% above actual revenues for FY04. The three largest contributors to the variance between the budget estimate and actual revenues were the income tax ($1.4 million above the budget estimate), followed by the recordation tax ($1.4 million above the estimate), and finally, the highway user revenues ($0.4 million above the estimate).

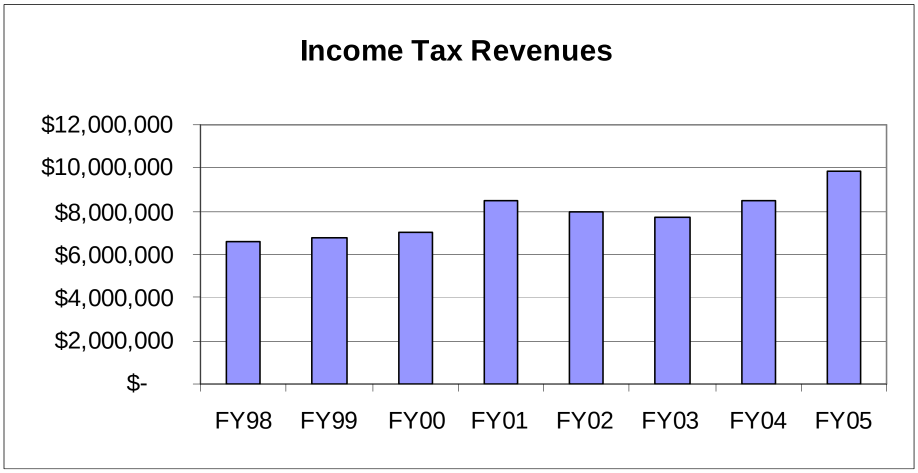
- Property Taxes – The largest revenue source for the County is property taxes. Net property tax collections in the General Fund amounted to $18.6 million in FY05, which were $159,496 higher than the budget estimate and 5% above actual revenues in FY04. The increase in property tax collections was the result of a 12.5% increase in the assessable base for real property from FY04 to FY05.



Assessments of real property continued their growth with an increase of 6.6% in FY04 and 12.5% in FY05.

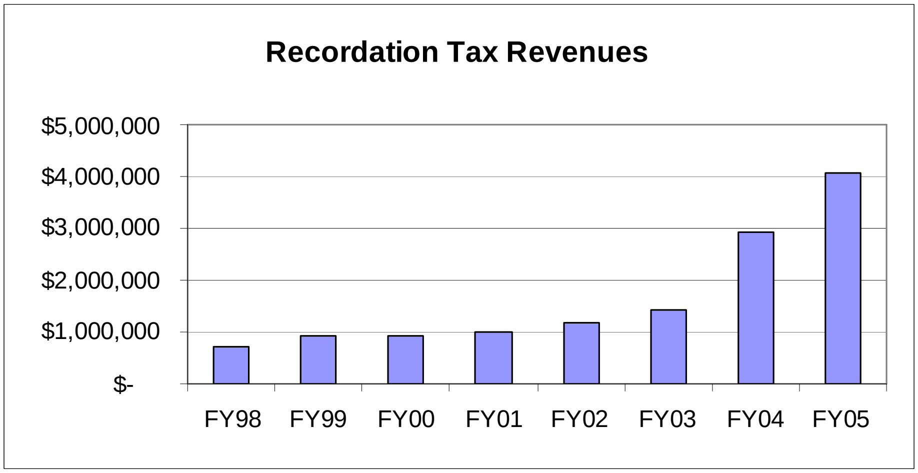


- Income Taxes – The second largest revenue source for the General Fund is the County income tax. Revenues from the income tax were $9.8 million which were $1.4 million higher than budget estimate and 16% above actual revenues in FY04. Income taxes represent 30% of total tax revenues for the General Fund and 23% of total revenues in FY05. The local income tax rate remains unchanged at 2.62%.



Growth in income tax revenue is attributed to both growth in wages and employment. Total annual payroll wages in Dorchester during calendar year (CY) 2004 was $352,898,384, which was an increase of $34,435,465 or 10.8%. During CY04, the total number of payroll jobs was 12,146, which was an increase of 677 or 5.9%. The job growth is primarily attributed to the leisure and hospitality sector with 418 jobs added, and to a lesser extent the natural resources/mining sector (107 jobs), manufacturing (65 jobs) and professional/business services (65 jobs).

- Recordation Taxes – The third major category in the County is the real property recordation tax. The tax receipts from this source were $4.1 million, which was 50.9% above the budget estimate and 38.8% above FY04. Collections from recordation taxes continue to reach record highs. As the chart below illustrates, the amount collected from these taxes increased from $0.7 million in FY98 to $4.1 million in FY05. The tremendous growth in this account is attributed to two factors: the rate increase from $3.30 to $5.00 per $500 effective 8/1/2003; and the increased volume of transactions subject to this tax resulting from mortgage refinancing activity and accelerating home prices.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets as of June 30, 2005, amounted to $45.9 million (net of accumulated depreciation), as summarized below:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	$ 4,912,217	$ 4,851,807	$ 674,747	$ 636,137	$ 5,586,964	$ 5,487,944
Buildings and improvements	20,745,216	20,639,970	9,701,434	9,701,434	30,446,650	30,341,404
Furniture, machinery, equipment	14,728,442	8,093,101	2,037,679	1,863,934	16,766,121	9,957,035
Leasehold improvements	126,572	227,902	-	-	126,572	227,902
Infrastructure	35,365,266	35,275,266	4,740,398	4,740,398	40,105,664	40,015,664
Construction in progress	1,385,488	3,562,776	186,089	-	1,571,577	3,562,776
Total assets	77,263,201	72,650,822	17,340,347	16,941,903	94,603,548	89,592,725
Less: Accumulated depreciation	41,901,153	39,958,470	6,779,362	6,058,718	48,680,515	46,017,188
Total	$35,362,048	$32,692,352	$10,560,985	$10,883,185	$45,923,033	$43,575,537

Changes in the County's capital assets for FY05 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total	
	2005	2005	2005	2004
Beginning Balance	$ 32,692,352	$ 10,883,185	$ 43,575,537	$ 41,549,421
Additions*	5,085,334	540,533	5,625,867	4,220,485
Retirements, net*	369,595	-	369,595	-
Depreciation expense	2,046,043	862,733	2,908,776	2,194,369
Ending Balance	$ 35,362,048	$ 10,560,985	$ 45,923,033	$ 43,575,537

*Presented net of transfers from construction in progress; retirements are also net of related accumulated depreciation.

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

- Continued expansion of the county-wide network technology initiative amounting to $280,557.
- Replacement of 10 vehicles in the Sheriff's Office at a cost of $270,369.
- Expenditures in excess of $2 million for 911 Emergency Communications, including costs for the new public safety radio system.
- $1.7 million in the Public Works Department including $0.4 million for equipment and $1.3 million for dredging Wallace Creek and repairing Suicide Bridge.

Additional information pertaining to the County's capital assets can be found in Notes to Financial Statements.

Long-Term Debt

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2005:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	$ 22,021,231	$ 24,443,548	$ -	$ -	$ 22,021,231	$ 24,443,548
Revenue bonds	37,482	107,852	-	-	37,482	107,852
Notes payable	4,160,416	4,749,229	590,500	743,414	4,750,916	5,492,643
Capital leases	168,734	274,917	46,390	94,819	215,124	369,736
Pension liability	573,584	557,150	-	-	573,584	557,150
Compensated absences	891,189	867,690	-	-	891,189	867,690
Total	$ 27,852,636	$ 31,000,386	$ 636,890	$ 838,233	$ 28,489,526	$ 31,838,619

At June 30, 2005, the County had outstanding general obligation bonds of $22 million. General obligation (GO) bonds are backed by the issuer's pledge of its full faith, credit and taxing power for the payment of the bond. GOs are generally viewed as the most secure type of municipal security and typically finance public projects such as schools, parks, libraries, roads and county buildings. Over the last ten years, the County issued its GO bonds four times totaling $35.4 million. Dorchester County also issues debt to finance the capital construction of Dorchester County Public Schools and Chesapeake College not otherwise financed by the State of Maryland. The County continues to maintain its status as a stable smaller government issuer of municipal securities, with the third highest credit rating possible for a local government. For its GO bonds, the County is rated A2 from Moody's Investors Service, Inc., and A from Standard and Poor's.

These bond ratings, by definition, represent the County is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than counties in higher-rated categories. However, the County's capacity to meet its financial commitment on the bonds is still strong.

For purposes of complying with the County's continuing disclosure undertakings, this Annual Financial Report is provided to each nationally recognized municipal securities information Repository.

The County had no significant bond-related debt activities during FY05.

Additional information pertaining to the County's long-term debt can be found in Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors are reflected in the County's FY06 budget:

- The County's economic projections in the FY06 budget assume modest growth in FY06 with the County experiencing lower unemployment, minimal growth in payroll wages and employment, and continued residential development.

- Total payroll employment increased 5.9% in CY04, the latest calendar year for which data is available. For the first quarter of CY05, total payroll employment grew by only 0.1% compared to the same period in CY04.

- The projection in the FY06 budget assumes that personal income will, at minimum, remain constant for FY06.

- The CY04 average unemployment rate for the County was 5.6% while the State of Maryland average was 4.2%. Comparatively, the CY03 rates were 6.7% for the County and 4.5% for the State. For the first quarter of CY05, the average unemployment rate for the County was 6.87% which is unchanged from the same quarter for CY04.

- The number of residential real property accounts in the County increased from 15,087 to 16,006 during FY05, an increase of 919 accounts or 6 percent. Of the increase, 245 accounts were improved, and 674 were unimproved.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Dorchester County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dorchester County Government, Department of Finance, 501 Court Lane, Cambridge, Maryland, 21613 or sent by email to mspears@docogonet.com.

DORCHESTER COUNTY, MARYLAND

STATEMENT OF NET ASSETS
PRIMARY GOVERNMENT AS OF JUNE 30, 2005
COMPONENT UNITS AS OF JUNE 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and short-term investments	$ 15,168,494	$ 6,010,809	$ 21,179,303
Receivables:			
State and local property taxes	2,349,511	-	2,349,511
Accounts receivable, net	294,392	226,168	520,560
Federal government	600,674	159,132	759,806
State of Maryland	2,714,250	3,518	2,717,768
Local	274,407	-	274,407
Other	58,602	-	58,602
Internal balances	(1,114,526)	1,114,526	-
Inventories, at cost	-	53,388	53,388
Prepaid expenditures	200,752	-	200,752
Bond issuance costs, net	266,305	-	266,305
Other	-	-	-
Capital assets, net	35,362,048	10,560,985	45,923,033
Total assets	56,174,909	18,128,526	74,303,435
LIABILITIES			
Accounts payable and accrued expenses	2,594,111	215,514	2,809,625
Due to State of Maryland	197,127	-	197,127
Due to delinquent taxpayers	236,465	-	236,465
Deferred revenue	2,535,260	2,100	2,537,360
Landfill closure and postclosure care costs	-	6,961,637	6,961,637
Pension liability	573,584	-	573,584
Other	74,156	-	74,156
Long-term liabilities, due within one year			
Compensated absences	280,078	14,442	294,520
Bonds, notes and capital leases payable	3,019,710	54,353	3,074,063
Long-term liabilities, due in more than one year			
Compensated absences	611,111	13,787	624,898
Bonds, notes and capital leases payable	23,368,153	582,537	23,950,690
Total liabilities	33,489,755	7,844,370	41,334,125
NET ASSETS			
Invested in capital assets, net of related debt	8,974,185	9,924,095	18,898,280
Restricted for:			
Fiscal year 2006 budget	2,222,999	-	2,222,999
Fiscal year 2006 capital projects	-	-	-
Other purposes	-	-	-
Unrestricted	11,487,970	360,061	11,848,031
Total Net Assets	$ 22,685,154	$ 10,284,156	$ 32,969,310

The Notes to Financial Statements are an integral part of this statement.

Component Units	
Board of Education of Dorchester County	Dorchester County Sanitary Districts
$ 6,473,866	$ 816,921
-	-
-	53,634
206,529	-
14,053	-
958,852	-
-	-
-	-
18,144	27,550
-	-
-	-
364,845	-
45,417,505	4,278,847
53,453,794	5,176,952
1,146,298	100,933
-	-
-	-
1,074,241	29,007
-	-
-	-
1,635,644	17,299
-	12,127
47,669	21,380
761,055	5,674
4,647	319,359
4,669,554	505,779
45,365,189	3,938,108
628,574	-
565,000	
294,746	131,637
1,930,731	601,428
$ 48,784,240	$ 4,671,173

DORCHESTER COUNTY, MARYLAND

STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Governmental Activities				
General government	$ 3,707,462	$ 74,499	$ 260,744	$ -
Public safety	8,188,852	1,925,459	980,136	111,161
Social services	2,161,331	-	2,162,695	261
Recreation and parks	614,700	38,601	42,434	-
Natural resources	390,000	-	150,742	-
Economic development	1,098,176	-	574,490	1,250
Intergovernmental	947,596	-	-	-
Miscellaneous	2,401,454	-	-	-
Education	18,811,239	37,485	-	-
Public works	4,439,561	252,615	5,203,320	-
Interest on long-term debt	1,102,265	-	-	-
Total Governmental Activities	43,862,636	2,328,659	9,374,561	112,672
Business-Type Activities				
Airport	809,513	418,652	-	154,082
Landfill	2,141,839	2,681,005	-	-
Total Business-Type Activities	2,951,352	3,099,657	-	154,082
Total Primary Government	$ 46,813,988	$ 5,428,316	$ 9,374,561	$ 266,754
Component Units				
Board of Education of Dorchester County	48,580,886	2,949,452	46,633,868	-
Dorchester County Sanitary Districts	668,085	438,857	-	-
Total Component Units	$ 49,248,971	$ 3,388,309	$ 46,633,868	$ -

General Revenues

Taxes:

- Property
- Income
- Other

State of MD disparity grant

Licenses and permits

Payments in lieu of taxes

Interest

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Board of Education of Dorchester County	Dorchester County Sanitary Districts
$ (3,372,219)	$ -	$ (3,372,219)	$ -	$ -
(5,172,096)	-	(5,172,096)	-	-
1,625	-	1,625	-	-
(533,665)	-	(533,665)	-	-
(239,258)	-	(239,258)	-	-
(522,436)	-	(522,436)	-	-
(947,596)	-	(947,596)	-	-
(2,401,454)	-	(2,401,454)	-	-
(18,773,754)	-	(18,773,754)	-	-
1,016,374	-	1,016,374	-	-
(1,102,265)	-	(1,102,265)	-	-
(32,046,744)	-	(32,046,744)	-	-
-	(236,779)	(236,779)	-	-
-	539,166	539,166	-	-
-	302,387	302,387	-	-
(32,046,744)	302,387	(31,744,357)	-	-
-	-	-	1,002,434	-
-	-	-	-	(229,228)
-	-	-	1,002,434	(229,228)
18,812,247	-	18,812,247	-	-
9,839,284	-	9,839,284	-	-
7,282,239	-	7,282,239	-	62,544
1,890,562	-	1,890,562		
379,495	-	379,495	-	-
7,190	-	7,190	-	-
573,608	110,584	684,192	93,665	19,251
499,633	20,989	520,622	230,972	205,740
39,284,258	131,573	39,415,831	324,637	287,535
(256,716)	256,716	-	-	-
39,027,542	388,289	39,415,831	324,637	287,535
6,980,798	690,676	7,671,474	1,327,071	58,307
15,704,356	9,593,480	25,297,836	47,457,169	4,612,866
$ 22,685,154	$ 10,284,156	$ 32,969,310	$ 48,784,240	$ 4,671,173

DORCHESTER COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and short-term investments	$ 6,137,598	$ 624,793	$ 5,734,689	$ 2,671,414	$15,168,494
Receivables:					
State and local property taxes	2,349,511	-	-	-	2,349,511
Accounts, net	-	-	-	294,392	294,392
Federal government	157,150	443,524	-	-	600,674
State of Maryland	2,246,336	467,914	-	-	2,714,250
Local	263,867	-	10,540	-	274,407
Other	47,535	11,067	-	-	58,602
Interfund	4,468,336	886,182	914,767	1,818,338	8,087,623
Prepaid expenditures	34,035	166,717	-	-	200,752
Bond issuance costs, net	-	-	266,305	-	266,305
Total assets	$15,704,368	$ 2,600,197	$ 6,926,301	$ 4,784,144	$30,015,010
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	$ 393,316	$ 573,761	$ 1,611,344	$ 15,690	$ 2,594,111
Due to State of Maryland	197,127	-	-	-	197,127
Due to delinquent taxpayers	236,465	-	-	-	236,465
Interfund payables	4,911,798	46,147	4,104,446	139,758	9,202,149
Due to others	70,197	-	-	-	70,197
Deferred revenue	2,352,956	1,344,792	25,000	76,902	3,799,650
Other	3,959	-	-	-	3,959
Total liabilities	8,165,818	1,964,700	5,740,790	232,350	16,103,658
FUND BALANCES					
Reserved for:					
Prepaid expenditures	34,035	-	-	-	34,035
Unreserved:					
Designated for legal indemnification	100,000	-	-	-	100,000
Designated for 2006 expenditures	2,222,999	-	-	-	2,222,999
Designated for capital projects	-	-	1,185,511	-	1,185,511
Designated for highway use	1,578,659	-	-	-	1,578,659
Designated for other purposes	-	635,497	-	4,551,794	5,187,291
Undesignated	3,602,857	-	-	-	3,602,857
Total fund balances	7,538,550	635,497	1,185,511	4,551,794	13,911,352
Total liabilities and fund balances	$15,704,368	$ 2,600,197	$ 6,926,301	$ 4,784,144	$30,015,010

The Notes to Financial Statements are an integral part of this statement.

DORCHESTER COUNTY, MARYLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2004

Total fund balances, governmental funds		$ 13,911,352
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 are therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.		35,362,048
Certain revenues that do not provide current financial resources are reported as deferred income in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Assets.		1,264,390
Some liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets. Those liabilities consist of:		
Bonds, notes and capital leases payable	(26,387,863)	
Pension liability	(573,584)	
Compensated absences	(891,189)	
Total long-term liabilities		(27,852,636)
Net assets of governmental activities in the Statement of Net Assets		$ 22,685,154

The Notes to Financial Statements are an integral part of this statement.

DORCHESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2005

	General Fund	Special Revenue	Capital Projects
REVENUES:			
Taxes	$ 32,889,963	$ -	$ -
Licenses and permits	379,495	-	-
Intergovernmental:			
Federal	27,852	889,237	808,039
State	6,244,613	2,620,244	390,000
Service charges and fees	2,328,659	-	-
Court fines and forfeitures	32,422	-	-
Miscellaneous	683,027	22,645	-
Interest	411,058	-	127,328
Total revenues	42,997,089	3,532,126	1,325,367
EXPENDITURES:			
Current:			
General government	2,661,218	-	114,299
Public safety	5,694,632	934,568	402,696
Social services	201,600	1,952,583	-
Recreation and parks	362,404	184,443	18,240
Natural resources	348,400	41,600	-
Economic development	746,965	172,667	178
Intergovernmental	947,596	-	-
Miscellaneous	2,338,056	-	23,711
Education	16,628,995	-	2,182,244
Public works	3,281,208	377,173	379,146
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	1,105,523	-	3,963,377
Total expenditures	34,316,597	3,663,034	7,083,891
Excess (deficiency) of revenues over expenditures	8,680,492	(130,908)	(5,758,524)
OTHER FINANCING SOURCES (USES):			
Issuance of debt	-	-	25,000
Increase in pension liability	-	-	-
Sale of capital assets	20,419	-	-
Transfers, net	(5,943,123)	49,292	1,580,569
Total other financing sources (uses)	(5,922,704)	49,292	1,605,569
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	2,757,788	(81,616)	(4,152,955)
Fund balances, beginning of year	4,780,762	717,113	5,338,466
Fund balances, end of year	$ 7,538,550	$ 635,497	$ 1,185,511

The Notes to Financial Statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
$ 2,793,395	$ 35,683,358
-	379,495
	1,725,128
	9,254,857
-	2,328,659
-	32,422
166,539	872,211
35,222	573,608
2,995,156	50,849,738
365,229	3,140,746
144,868	7,176,764
-	2,154,183
-	565,087
-	390,000
120,746	1,040,556
-	947,596
32,622	2,394,389
-	18,811,239
-	4,037,527
3,212,683	3,212,683
1,102,265	1,102,265
-	5,068,900
4,978,413	50,041,935
(1,983,257)	807,803
-	25,000
16,434	16,434
300,000	320,419
4,056,546	(256,716)
4,372,980	105,137
2,389,723	912,940
2,162,071	12,998,412
$ 4,551,794	$ 13,911,352

DORCHESTER COUNTY, MARYLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2005

Net change in fund balances, governmental funds		$ 912,940
Amounts reported for governmental activities in the statement of activities are different because:		
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. In the current period, these amounts are:		
Capital outlay	5,068,900	
Depreciation expense	(2,046,043)	
Excess of capital outlay over depreciation expense		3,022,857
Loan proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Assets. In the current period, loans of this amount were issued:		
Shore Erosion Control loan		(25,000)
Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		
Principal payments on long-term debt		3,212,683
In the statement of activities, losses on the sale of capital assets are reported as expenses of the general government function, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balance by the basis of the asset sold.		(369,595)
Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year.		250,412
Some items 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. These activities consist of:		
Increase in compensated absences		(23,499)
Change in net assets of governmental activities		$ 6,980,798

The Notes to Financial Statements are an integral part of this statement.

DORCHESTER COUNTY, MARYLAND

STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
June 30, 2005

	Business-Type Activities		
	Landfill	Airport	Total
ASSETS			
Current Assets			
Cash	$ 6,010,484	$ 325	$ 6,010,809
Receivables:			
Accounts, net of $20,000 allowance (landfill)	205,165	21,003	226,168
Federal Government	-	159,132	159,132
State of Maryland	-	3,518	3,518
Interfund	1,288,977	3,548	1,292,525
Inventories	-	53,388	53,388
Total current assets	7,504,626	240,914	7,745,540
Noncurrent assets			
Capital assets at cost	7,304,552	10,035,795	17,340,347
Less accumulated depreciation	(4,737,180)	(2,042,182)	(6,779,362)
Total noncurrent assets	2,567,372	7,993,613	10,560,985
Total assets	$ 10,071,998	$ 8,234,527	$ 18,306,525
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 168,382	$ 47,132	$ 215,514
Accrued vacation	8,687	5,755	14,442
Deferred revenue	-	2,100	2,100
Interfund payables	39,570	138,429	177,999
Current maturities long-term debt	23,353	31,000	54,353
Total current liabilities	239,992	224,416	464,408
Noncurrent liabilities			
Accrued vacation	9,790	3,997	13,787
Landfill - closure and postclosure	6,961,637	-	6,961,637
Long-term debt, less current maturities	24,537	558,000	582,537
Total noncurrent liabilities	6,995,964	561,997	7,557,961
Total liabilities	$ 7,235,956	$ 786,413	$ 8,022,369
NET ASSETS			
Invested in capital assets, net of related debt	$ 2,519,482	$ 7,404,613	$ 9,924,095
Unrestricted	316,560	43,501	360,061
Total net assets	$ 2,836,042	$ 7,448,114	$ 10,284,156

The Notes to Financial Statements are an integral part of this statement.

DORCHESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2005

	Business-Type Activities		
	Landfill	Airport	Totals
OPERATING REVENUES:			
Tipping fees	$ 2,595,421	$ -	$ 2,595,421
Permits	85,584	-	85,584
Fuel sales	-	292,099	292,099
Hangar and tie-down rentals	-	126,553	126,553
Other	19,299	1,690	20,989
Total operating revenues	2,700,304	420,342	3,120,646
OPERATING EXPENSES:			
Salaries and related taxes	565,976	148,683	714,659
Repairs and maintenance	164,540	18,863	183,403
Rental of land, buildings and equipment	50,244	13,200	63,444
Fuel	70,591	224,449	295,040
Closure and postclosure costs accrual	692,728	-	692,728
Utilities	7,148	38,391	45,539
Depreciation	511,001	282,071	793,072
Other operating	71,629	58,491	130,120
Total operating expenses	2,133,857	784,148	2,918,005
Net operating income (loss)	566,447	(363,806)	202,641
NON-OPERATING REVENUES (EXPENSES):			
Grants - Federal government	-	150,131	150,131
Grants - state government	-	3,951	3,951
Interest income	110,584	-	110,584
Interest expense	(7,982)	(25,365)	(33,347)
Total non-operating revenues	102,602	128,717	231,319
Income (loss) before transfers	669,049	(235,089)	433,960
Operating transfers	-	256,716	256,716
Change in net assets	669,049	21,627	690,676
Net assets beginning of year	2,166,993	7,426,487	9,593,480
Net assets end of year	$ 2,836,042	$ 7,448,114	$ 10,284,156

The Notes to Financial Statements are an integral part of this statement.

DORCHESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2005

	Landfill	Airport	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 1,924,820	$ 404,709	$ 2,329,529
Other receipts	19,299	1,690	20,989
Payments to employees	(565,687)	(149,310)	(714,997)
Payments for services	(7,148)	(38,391)	(45,539)
Payments for rentals	(50,244)	(13,200)	(63,444)
Payments for materials and supplies	(218,052)	(266,666)	(484,718)
Other payments	(71,629)	(140,931)	(212,560)
Net cash provided (used) by operating activities	1,031,359	(202,099)	829,260
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Operating transfers from General Fund	-	256,716	256,716
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Grant and bond receipts	-	194,282	194,282
Repayment of long-term debt	(170,343)	(31,000)	(201,343)
Interest paid	(7,982)	(25,365)	(33,347)
Net cash provided (used) by financing activities	(178,325)	137,917	(40,408)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(278,917)	(192,534)	(471,451)
Interest income received	110,584	-	110,584
Net cash used in investing activities	(168,333)	(192,534)	(360,867)
Net increase in cash and short-term investments	684,701	-	684,701
Cash and short-term investments, beginning of year	5,325,783	325	5,326,108
Cash and short-term investments, end of year	$ 6,010,484	$ 325	$ 6,010,809

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

	Landfill	Airport	Totals
Operating income (loss)	$ 566,447	$ (363,806)	$ 202,641
Adjustments:			
Depreciation	511,001	282,071	793,072
Landfill closure and postclosure cost accrual	692,728	-	692,728
(Increase) decrease in assets:			
Accounts receivable	18,859	(10,134)	8,725
Prepaid expenses	-	6,254	6,254
Inventory	-	(29,006)	(29,006)
Interfund receivable	(775,044)	(3,548)	(778,592)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	128,023	42,783	170,806
Accrued vacation	289	(627)	(338)
Deferred revenue	-	(260)	(260)
Interfund payable	(110,944)	(125,826)	(236,770)
Total adjustments	464,912	161,707	626,619
Net cash provided (used) by operating activities	$ 1,031,359	$ (202,099)	$ 829,260

The Notes to Financial Statements are an integral part of this statement.

Note 1. Reporting Entity

Dorchester County ("the County") is a political subdivision of the State of Maryland established in 1669 and subsequently incorporated under Article 25 of the Annotated Code of the State of Maryland and is governed by an elected five-member County Council. The County government directly provides all basic local governmental services.

Financial Reporting Entity

For financial reporting purposes, based on the standards established by GASB Statement No. 39, *The Financial Reporting Entity*, the County includes the various departments, agencies, and other organizational units governed directly by the County Council of Dorchester County, Maryland as the Primary Government. The component units are included in the reporting entity because the Primary Government approves budgetary requests, provides a significant amount of funding, appoints members of the boards of the various organizations, or guarantees repayment of debt issued by the various organizations.

The component units column in the combined financial statements includes the financial data of the Board of Education of Dorchester County and the Dorchester County Sanitary Districts as the County's discretely presented component units, which have a fiscal year-end of June 30. Copies of the financial statements for the component units can be obtained from the County Council's office in Cambridge, Dorchester County, Maryland.

Note 2. Summary of Significant Accounting Policies

The financial statements of the County are prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities.

In 2003, the County implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This Statement established a new financial and reporting model for state and local governments that included the addition of management's discussion and analysis, government wide financial statements, and required supplementary information.

A. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Note 2. Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information to the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The County does not maintain any fiduciary funds.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Dorchester County Reserve Fund, the Special Revenue Grants Fund, which includes Local Management Board (LMB) grant activity, the Commissary Fund, the Transfer Tax Fund and the Tourism Marketing Fund are the only special revenue funds of the County.

Capital Projects Funds - The Capital Fund (current year capital activity) and the Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs.

Proprietary Fund Types

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The County's enterprise funds may be used to account for any business-type activities for which a fee is charged to external users for goods or services. The following are the County's major enterprise funds:

Landfill Fund – The Landfill fund is used to account for the fees collected at the County landfills for the dumping of waste.

Airport Fund – The Airport fund is used to account for the financial resources to be used for the operation or construction of airport facilities.

Note 2. Summary of Significant Accounting Policies (continued)

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available is defined as collected within sixty days of the fiscal year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, interest, grants, fees and rentals.

Deferred revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Note 2. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Property taxes for which there was an enforceable legal claim at June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets and Budgetary Accounting

All funds, other than agency funds, are legally required to be budgeted and appropriated. The budget is prepared on the budgetary basis of accounting. The budget establishes a limit on the amounts that the County may appropriate and sets annual limits as to the amounts of expenditures at a level of control selected by the County. The legal level of control has been established by the County at the category level within each fund.

The budget may be amended during the year if projected increases or decreases in revenue are identified. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original budget was adopted. The amounts reported in the final budgeted amounts reflect amendments approved by the County during the year.

F. Inventory

On government-wide financial statements and the fund financial statements of proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The County's infrastructure consists of roads, bridges, ramps, and wharves. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not.

Note 2. Summary of Significant Accounting Policies (continued)

G. Capital Assets (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	8 – 40 years	5 – 40 years
Furniture and Equipment	5 – 10 years	3 - 15 years
Vehicles	8 years	N/A
Infrastructure	40 – 50 years	15 – 23 years

H. Interfund Receivables and Payables

On the fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

I. Compensated Absences

Vacation and Sick Leave

Vacation benefits are earned by employees of the reporting entity based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless sickness causes employees to be absent.

Upon retirement, employees of the Board of Education of Dorchester County receive severance pay for unused sick leave accumulated for service while employed. This estimated liability is computed on the accumulated sick leave of employees who have 20 years of service with the Board of Education of Dorchester County at the rate of $20 per day. In addition, the accrued leave account includes vacation days earned by certain employees but not used by June 30, 2005.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government–wide statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

Note 2. Summary of Significant Accounting Policies (continued)

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by grantors, creditors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The County reserves those portions of governmental fund balances that are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sanitary landfill, airport fuel sales and airport rental fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3. Cash and Short-Term Investments

The County is authorized to invest unexpended revenues from taxation, bond sales, lawful distributions to it of funds from other governmental agencies, or any other funds properly received by it, until it determines the funds are needed for proper public purpose. The County can invest such funds in Federally insured banking institutions which pledge United States Treasury bills, notes, or other obligations to secure such deposits, or in U.S. Treasury and agency obligations, repurchase agreements, collateralized certificates of deposit, bankers acceptances, or money market mutual funds.

Note 3. Cash and Short-Term Investments (continued)

Primary Government

At June 30, 2005, the Primary Government had bank deposits with various commercial banks totaling $22,058,706 (carrying value $21,179,303). Of those deposits, $400,000 was insured by federal depository insurance (FDIC). As required by law, each depository is required to pledge securities in addition to FDIC insurance at least equal to the amount on deposit at all times. At June 30, 2005, the County had $21,658,706 in bank deposits that were uninsured by FDIC insurance, but were fully collateralized with securities held in the name of the County. Petty cash totaled approximately $1,900 at June 30, 2005.

Board of Education of Dorchester County

At June 30, 2005, the Board of Education of Dorchester County had bank deposits with various commercial banks totaling $1,996,931 (carrying value $1,527,987). As required by law, each depository is required to pledge securities in addition to FDIC insurance at least equal to that amount on deposit at all times. The depository banks pledge collateral for specific accounts, which are held in the Board's name at the Federal Reserve Bank of Boston. As of June 30, 2005, bank deposits were not fully insured or collateralized by approximately $42,000 in one local financial institution. Investments of $4,945,879 consist solely of U.S. Government Securities made through the State of Maryland Local Government Investment Pool. Investments are recorded at cost, which approximates market value. Statutes authorize the Board to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements, collateralized certificates of deposit, bankers acceptance or money market funds.

Dorchester County Sanitary Districts

At June 30, 2005 the Dorchester County Sanitary Districts had bank deposits with various commercial banks totaling $859,750 (carrying value $816,921), which were either fully insured or collateralized with securities held in the name of the Dorchester County Sanitary Districts.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

	Balances at June 30, 2004	Additions	Deletions/ Transfers	June 30, 2005
GOVERNMENTAL ACTIVITIES				
Capital assets, not being depreciated				
Land	$ 4,851,807	$ 405,000	$ (344,590)	$ 4,912,217
Const. in progress - communication tower	3,562,776	-	(3,562,776)	-
Const. in progress - Suicide bridge	-	1,385,488	-	1,385,488
Total capital assets, not being depreciated	8,414,583	1,790,488	(3,907,366)	6,297,705
Capital assets, being depreciated				
Buildings and improvements	20,639,970	42,016	63,230	20,745,216
Furniture and equipment	4,835,776	6,297,627	(75,243)	11,058,160
Vehicles	3,257,325	427,979	(15,022)	3,670,282
Leasehold improvements	227,902	-	(101,330)	126,572
Infrastructure assets	35,275,266	90,000	-	35,365,266
Total capital assets, being depreciated	64,236,239	6,857,622	(128,365)	70,965,496
Less: accumulated depreciation	(39,958,470)	(2,046,043)	103,360	(41,901,153)
Net capital assets, being depreciated	24,277,769	4,811,579	(25,005)	29,064,343
Governmental activities capital assets, net	$ 32,692,352	$ 6,602,067	$ (3,932,371)	$ 35,362,048

Note 4. Capital Assets (continued)

	Balances at June 30, 2004	Additions	Deletions/ Transfers	June 30, 2005
BUSINESS-TYPE ACTIVITIES				
Dorchester County Landfill				
Capital assets, not being depreciated				
Land	$ 636,137	$ -	$ -	$ 636,137
Construction in progress	-	66,665		66,665
Total capital assets, not being depreciated	636,137	66,665	-	702,802
Capital assets, being depreciated				
Buildings and improvements	82,089	-	-	82,089
Machinery and equipment	1,640,018	281,334	(142,089)	1,779,263
Beulah landfill- Cells 1-3	4,740,398	-	-	4,740,398
Total capital assets, being depreciated	6,462,505	281,334	(142,089)	6,601,750
Less: accumulated depreciation	(4,298,607)	(580,662)	142,089	(4,737,180)
Net capital assets, being depreciated	2,163,898	(299,328)	-	1,864,570
Landfill capital assets, net	$ 2,800,035	$ (232,663)	$ -	$ 2,567,372
Dorchester County Airport				
Capital assets, not being depreciated				
Land	$ -	$ 38,610	$ -	$ 38,610
Construction in progress	-	119,424	-	119,424
Total capital assets, not being depreciated	-	158,034	-	158,034
Capital assets, being depreciated				
Buildings and improvements	9,619,345	-	-	9,619,345
Machinery and equipment	223,916	34,500	-	258,416
Total capital assets, being depreciated	9,843,261	34,500	-	9,877,761
Less: accumulated depreciation	(1,760,111)	(282,071)	-	(2,042,182)
Net capital assets, being depreciated	8,083,150	(247,571)	-	7,835,579
Airport capital assets, net	$ 8,083,150	$ (89,537)	$ -	$ 7,993,613
Business-type activities capital assets, net	$ 10,883,185	$ (322,200)	$ -	$ 10,560,985

Depreciation expense was charged to governmental functions as follows:

General government	$ 517,540
Public safety	1,012,088
Social services	7,148
Recreation and parks	49,613
Economic development	57,620
Public works	402,034
	$ 2,046,043

Note 4. Capital Assets (continued)

Capital asset activity for the component units for the year ended June 30, 2005 was as follows:

	Balances at June 30, 2004	Additions	Deletions	Balances at June 30, 2005
Board of Education of Dorchester County				
Capital assets, not being depreciated				
Construction in progress	$ 975,935	$ 1,807,416	$ (2,257,767)	$ 525,584
Total capital assets, not being depreciated	975,935	1,807,416	(2,257,767)	525,584
Capital assets, being depreciated				
Buildings and improvements	68,350,420	144,810	2,257,767	70,752,997
Furniture and equipment	1,276,782	159,108	-	1,435,890
Vehicles	623,918	63,489	(64,155)	623,252
Total capital assets, being depreciated	70,251,120	367,407	2,193,612	72,812,139
Less: accumulated depreciation	(26,488,952)	(1,495,421)	64,155	(27,920,218)
Net capital assets, being depreciated	43,762,168	(1,128,014)	2,257,767	44,891,921
Board of Education capital assets, net	$ 44,738,103	$ 679,402	$ -	$ 45,417,505
Dorchester County Sanitary Districts				
Capital assets, not being depreciated				
Land	$ 13,645	$ -	$ (11,000)	$ 2,645
Construction in progress	6,790	420	(7,210)	-
Total capital assets, not being depreciated	20,435	420	(18,210)	2,645
Capital assets, being depreciated				
Plant and equipment	6,854,115	271,917	-	7,126,032
Total capital assets, being depreciated	6,854,115	271,917	-	7,126,032
Less: accumulated depreciation	(2,689,430)	(160,400)	-	(2,849,830)
Net capital assets, being depreciated	4,164,685	111,517	-	4,276,202
Sanitary Districts capital assets, net	$ 4,185,120	$ 111,937	$ (18,210)	$ 4,278,847
Total component units capital assets, net	$ 48,923,223	$ 791,339	$ (18,210)	$ 49,696,352

Note 5. Long-Term Debt

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2005:

	Governmental Activities	Business-Type Activities
Amounts payable at June 30, 2004	$ 31,000,386	$ 838,233
Borrowings from bonds, notes payable, and capital leases	25,000	-
Increase in pension liability (See also Note 10)	16,434	-
Increase in vested vacation benefits and compensatory time	23,499	-
Repayment of long-term debt and capital lease obligations	(3,212,683)	(200,943)
Amounts payable at June 30, 2005	$ 27,852,636	$ 637,290

Long-term debt consists of the following as of June 30, 2005:

Dorchester County Governmental Activities Long-Term Debt

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
Capital Leases					
Kansas State Bank capital lease agreement on the hydraulic excavator, due in semi-annual installments of $18,593, including interest at 3.4%, through August 2005.	$ 53,194	$ -	$ (34,865)	$ 18,329	$ 18,329
Suntrust Leasing Corporation capital lease agreement on 911 dispatch equipment, due in annual installments of $79,274, including interest of 3.58% through December 2007.	221,723	-	(71,318)	150,405	73,877
Total capital leases payable	274,917	-	(106,183)	168,734	92,206
Revenue Bonds					
County Transportation Revenue Bonds, Series 1993; due in annual principal installments of $36,586 to $151,356, plus interest, through 2006.	107,852	-	(70,370)	37,482	37,482

Note 5. Long-Term Debt (continued)

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
Public Facilities Bonds					
1995 Public Facilities Bonds due in annual principal installments of $185,000 to $535,000 through February 1, 2015; interest, payable semi-annually, from 4.7% to 6.1%.	$ 940,000	$ -	$ (295,000)	$ 645,000	$ 315,000
1996 Public Facilities Bonds due in annual principal installments of $190,000 to $1,065,000 through November 1, 2010; interest, payable semi-annually, from 4.7% to 6.1%.	4,620,000	-	(920,000)	3,700,000	965,000
1991 CDA Infrastructure Financing Bonds, Series A, due in annual principal installments from $45,000 to $100,000 through May 1, 2006; interest, payable semi-annually, from 4.965% to 7.090%.	198,548	-	(97,317)	101,231	101,231
Public School Capital Improvement bonds for 2002 due in annual principal installments of $320,000 to $650,000 through August 1, 2017; interest, payable semi-annually, from 3.5% to 4.5%.	6,680,000	-	(335,000)	6,345,000	355,000
General Improvements and Refunding Bonds of 2004, payable in annual payments from $65,000 to $1,050,000 beginning Feb 1, 2005; interest payable annually from 2% to 3.9%.	9,430,000	-	(595,000)	8,835,000	580,000
Public School Capital Improvement Bonds of 2000 due in annual principal installments of $145,000 to $300,000 through March 1, 2015; interest, payable semi-annually, from 4.5% to 5.2%.	2,575,000	-	(180,000)	2,395,000	190,000
Total public facilities bonds	$24,443,548	$ -	$(2,422,317)	$22,021,231	$ 2,506,231

Note 5. Long-Term Debt (continued)

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
State of Maryland Department of Natural Resources Maryland Industrial Land Act Loans (MILA)					
Maryland Industrial Land Act loan due in annual installments of $45,625, including interest at 6.81%, through April 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Shell Building).	$ 345,397	$ -	$ -	$ 345,397	$ 22,109
Maryland Industrial Land Act loan due in quarterly installments of $11,861, including interest at 6.81%, through October 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Jail Site).	362,469	-	(17,380)	345,089	22,392
Maryland Industrial Land Act loan due in quarterly installments of $15,886, including interest at 6.32%, through March 2016, secured by 5.6 acres of land and improvements located in the Chesapeake Industrial Park in Cambridge, Maryland (known as the Regina building).	503,883	-	(32,157)	471,726	34,215
Maryland Industrial Land Act loan due in quarterly installments of $21,177, including interest at 4.64%, through April 2012. A final balloon payment of $397,242 is due at maturity (known as the Connelly Building).	764,469	-	(50,142)	714,327	51,563
Maryland Industrial Land Act loan due in quarterly installments of $7,511, including interest at 5.6%, with a baloon payment of $282,084 secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Shell Building). Retired in 2005.	278,429	-	(278,429)	-	-
Total MILA loans payable	$ 2,254,647	$ -	$ (378,108)	$ 1,876,539	$ 130,279

Note 5. Long-Term Debt (continued)

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
State of Maryland Department of Natural Resources Shore Erosion Control Loans (SEC)					
SEC 3-92 - Hoopersville Road Boat Ramp; due in annual installments of $4,780 through July 2019; no interest.	$ 71,692	$ -	$ (4,780)	$ 66,912	$ 4,780
SEC 7-92 - Middle Hoopers Island Causeway; due in annual installments of $5,516 through July 2020; no interest.	93,772	-	(5,516)	88,256	5,516
SEC 8-92 - McCready's Point Road; due in annual installments of $1,683 through July 2019; no interest.	26,934	-	(1,683)	25,251	1,683
SEC 9-92 - Hoopersville Road at Middle Hoopers Island; due in annual installments of $2,718 through July 2020; no interest.	43,491	-	(2,718)	40,773	2,718
SEC 3-95 - Punch Island Road; due in annual installments of $3,519 through July 2011; no	28,148	-	(3,519)	24,629	3,519
SEC 2-96 - Rooster Island; due in annual installments of $8,207 to July 2012; no interest.	73,858	-	(8,207)	65,651	8,207
SEC 04-02 - Hoopers Island Road; due in annual installments of $6,032 through July 2027; no interest.	142,322	-	(5,930)	136,392	6,032
SEC 05-03 - Tayors Island - $350,000 total loan to be repaid in 25 annual installments of $14,000, no interest, to begin July 1 after the completion of the project.	70,050	25,000	-	95,050	-
Total SEC loans payable	$ 550,267	$ 25,000	$ (32,353)	$ 542,914	$ 32,455

Note 5. Long-Term Debt (continued)

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
Notes Payable					
County Commissioners of Queen Anne's County loan due in annual principal installments of $5,500 to $18,700 through November 2013; interest payable semi-annually at 5.91% (known as the Chesapeake College Economic Development Center).	$ 143,000	$ -	$ (11,000)	$ 132,000	$ 11,000
County Commissioners of Queen Anne's County loan due in annual principal installments of $20,000 to $50,000 through January 2020; interest payable annually at 5.173% to 5.25% (known as the Learning Resource Center).	535,000	-	(20,000)	515,000	25,000
County Commissioners of Queen Anne's County loan due in annual principal installments of $5,096 to $12,314 through January 2023; interest payable semi-annually at 4%.	156,204	-	(5,096)	151,108	5,399
Note due in quarterly principal installments of $24,313, plus interest at 5.33% through 2014 (known as the Delmarva Power and Light Building).	764,572	-	(57,632)	706,940	62,425
Suntrust Bank loan for camera system in Detention Center due in quarterly principal installments of $16,367, plus interest at 4.05%, through 2006.	133,110	-	(59,160)	73,950	63,851
Note due in quarterly installments of $16,639 to $27,525, including interest at 8.5%, through April 2008, secured by 22.0 acres of land (known as the new Eastern Shore State Hospital Center).	212,429	-	(50,464)	161,965	53,382
Total notes payable	1,944,315	-	(203,352)	1,740,963	221,057
Total governmental activities debt	$29,575,546	$ 25,000	$(3,212,683)	$26,387,863	$ 3,019,710

Note 5. Long-Term Debt (continued)

Dorchester County Business-Type Activities Long-Term Debt

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005	Amounts Due in One Year
Dorchester County Landfill:					
1989 Solid Waste Facilities Loan Act. Total available $82,900. Interest-free due within one year of project acceptance, with full payment within two years of commencement of the repayment process. Retired in 2005.	$ 39,853	$ -	$ (39,853)	$ -	$ -
Tri-axle roll-off truck note payable due in quarterly installments of $5,956, including interest at 4.25%, through June 2007.	66,661	-	(20,271)	46,390	21,853
Compactor capital lease payable due in annual installments of $100,289 including interest at 3.749%. Retired in 2005.	94,819	-	(94,819)	-	-
Refuse and bid bonds payable	1,900	-	(400)	1,500	1,500
Golden Hill landfill land purchase. Retired in 2005.	15,000	-	(15,000)	-	-
Total landfill long-term debt	218,233	-	(170,343)	47,890	23,353
Dorchester County Airport:					
Airport Improvement Bonds of 2003 issued through M&T Bank for 15 years with annual payments of $31,000 through 2018 and a final payment of $186,000 in 2019; interest payable quarterly at 4.19%.	620,000	-	(31,000)	589,000	31,000
Total enterprise fund debt	$ 838,233	$ -	$ (201,343)	$ 636,890	$ 54,353

Payments on bonds, notes payable, loans payable, and capital leases that pertain to the County's governmental activities are made by the debt service fund through transfers from the general fund. Payments on bonds and notes payable that pertain to the County's business-type activities are made by the fund in which the liability exists. The compensated absences liabilities that are attributable to the County's governmental activities are liquidated by the County's debt service fund through transfers from the general fund. The compensated absences attributable to the County's business-type activities are liquidated by the fund in which the liability exists.

Note 5. Long-Term Debt (continued)

The annual debt service requirements for all Dorchester County long-term debt and pension liability through maturity are as follows:

Governmental Activities

Year Ending June 30	Principal	Interest	Totals
2006	$ 3,019,710	$ 1,141,107	$ 4,160,817
2007	2,908,069	1,026,010	3,934,079
2008	2,914,396	912,168	3,826,564
2009	2,083,486	798,534	2,882,020
2010	2,178,453	834,932	3,013,385
2011 - 2015	10,547,236	1,899,401	12,446,637
2016 - 2020	2,480,726	849,784	3,330,510
2021 - 2025	117,446	291,992	409,438
2026 - 2030	193,301	261,620	454,921
2031 - 2035	400,393	185,014	585,407
2036	118,231	65,651	183,882
Total	26,961,447	8,266,213	35,227,660
Less: pension liability	(573,584)	-	(573,584)
Total governmental activities debt	$ 26,387,863	$ 8,266,213	$ 34,654,076

Business-Type Activities

Year Ending June 30	Principal	Interest	Totals
2006	$ 54,353	$ 24,657	$ 79,010
2007	55,537	22,720	78,257
2008	31,000	21,461	52,461
2009	31,000	20,086	51,086
2010	31,000	19,483	50,483
2011 - 2015	155,000	72,925	227,925
2016 - 2019	279,000	63,571	342,571
Total business-type activities debt	$ 636,890	$ 244,903	$ 881,793

Interest expense on all County long-term debt totaled $1,102,265 for the year ended June 30, 2005.

Additionally, the County has agreed to execute a shore erosion control project loan agreement with the Maryland Department of Natural Resources for a no interest loan in the amount of $350,000 to complete the Taylor's Island Environmental Restoration Project to be repaid over 24 years with annual payments of $14,000 beginning on July 1 of the year in which the project is completed. Of the $350,000 amount, $95,050 has been borrowed and included in the governmental activities' long-term debt.

Note 5. Long-Term Debt (continued)

Long-term debt of the Dorchester County Sanitary Districts at June 30, 2005 consists of the following:

	Balances at June 30, 2004	Additions	Reductions	Balances at June 30, 2005
Dorchester County Sanitary Districts				
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual level installments of principal and interest of $9,389 through March 2020.	$ 90,650	$ -	$ (3,339)	$ 87,311
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.67%. Annual level installments of principal and interest of $4,736 through March 2020.	45,730	-	(1,685)	44,045
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual level installments of principal and interest of $9,816 through September 2020.	98,047	-	(3,274)	94,773
Loan payable to Bank of Eastern Shore. Annual interest rate of 6.4%. Monthly installments of principal and interest of $488 through April 2010. Collateralized by a certificate of deposit held at the Bank of the Eastern Shore.	-	25,000	(1,059)	23,941
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.10%. Annual level installments of principal and interest of $2,051 through October 2012.	13,885	-	(1,204)	12,681
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 8.18%. Annual level installments of principal and interest of $6,898 through July 2014.	48,797	-	(2,907)	45,890
Loan payable to the State of Maryland under the Drinking Water State Water Revolving Fund. Annual interest rate of 3.13%. Annual level installments of principal and interest of $4,653 through February 2013.	35,636	-	(3,538)	32,098
Total Sanitary Districts' debt	$ 332,745	$ 25,000	$ (17,006)	$ 340,739

Note 5. Long-Term Debt (continued)

The annual requirements to amortize all Dorchester County Sanitary Districts' debt outstanding as of June 30, 2005, including interest payments of $178,082 are as follows:

Year Ending June 30		
2006	$	43,403
2007		43,403
2008		43,403
2009		43,403
2010		41,938
2011 - 2015		173,747
2016 - 2020		119,705
2021		9,819
Total sanitary districts debt	$	518,821

Note 6. Capital Leases

Primary Government

The County entered into a lease agreement in January 1999, for the purpose of acquiring highway and street equipment. The County also entered into an agreement in August 2000, for the purpose of acquiring a hydraulic excavator. The original cost of the equipment acquired under these capital lease agreements was $118,000, and $158,360, respectively. Since the leases are financing arrangements that transfer ownership at the end of the leases, the County has recorded the present value of the future minimum lease payments and the related assets in the appropriate funds.

Future minimum lease payments under these capital lease agreements are as follows:

Year Ending June 30,		
2006	$	98,227
2007		79,274
		177,501
Less amounts representing interest		(8,767)
Present value of net minimum lease payments	$	168,734

Component Unit - Board of Education

The Board of Education of Dorchester County has entered into non-cancelable long-term lease agreements for the purpose of acquiring various equipment. Since these leases are financing arrangements, which transfer ownership at the end of the leases, the Board of Education of Dorchester County has recorded the present value of the future minimum lease payments and the related assts in the appropriate funds. At June 30, 2005, capital lease obligations totaled $52,316.

Note 6. Capital Leases (continued)

Component Unit - Board of Education (continued)

Future minimum lease payments under these capital leases are as follows:

Year Ending June 30,	
2005	$ 49,254
2006	4,686
	53,940
Less amounts representing interest	(1,624)
Present value of net minimum lease payments	$ 52,316

Interest expense on the Board of Education of Dorchester County's capital leases was $3,885 for the year ended June 30, 2005.

Note 7. Long-Term Operating Lease

In July 1995, the County entered into a 10-year non-cancelable operating lease for its sanitary landfill site #2, commonly referred to as the "Golden Hill Landfill". Lease expense for 2005 was $17,500. At June 30, 2005, the remaining lease payment on this lease totaled $17,500.

Note 8. Interfund Receivables and Payables

As a result of its operations, the County affects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2005, appropriate due to/from other funds have been established.

Due to/from other funds balances as of June 30, 2005 were as follows:

Primary Government	Due from Other Funds	Due to Other Funds
Governmental activities	$ 8,087,623	$ 9,202,149
Business-Type activities	1,292,525	177,999
Total due to/from other funds	$ 9,380,148	$ 9,380,148

Note 9. Pension Plans

Plan Description

Generally, all regular employees of the County participate in the State of Maryland Employees Retirement and Pension Systems (Employees Systems). Teachers employed by the Board generally participate in the State of Maryland Teachers Retirement and Pensions Systems (Teachers Systems). Both the Employees System and the Teachers Systems (collectively the Systems) are cost-sharing multiple-employer public retirement systems sponsored by the Maryland State Retirement and Pensions Systems and created by the Maryland General Assembly. The Maryland State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the systems. That report may be obtained by writing to the Office of Legislative Audits, State Office Building, 301 West Preston Street, Baltimore, Maryland, 21201.

Note 9. Pension Plans (continued)

Plan Description (continued)

Participants in the Systems may retire with full benefits after thirty years of service regardless of age or at various ages with specified years of eligibility service for reduced benefits. Annual service retirement allowances are paid monthly to retired members in accordance with allowance options selected based on average final compensation. Participants terminating in the retirement system prior to specified retirement age are refunded their accumulated contributions plus earned interest or may defer receipt of accumulated contributions until age 60. Participants and their beneficiaries may also be eligible for disability and death benefits based on years of creditable service and average final compensation.

Funding Policy

The State Personnel and Pensions Article requires active members to contribute to the System at the rate of 5% or 7% of their covered salary depending upon the retirement option selected. The combined State contribution rate for the year ending 2005 is established by annual actuarial valuations. The current rate is 9.35% of covered payroll for teachers and 4.73% for classified employees. On-behalf payments consist of pension contributions made by the State of Maryland to the State Retirement System for applicable employees of the Board of Education. The amounts recognized as revenue and expenditures for the fiscal year ended June 30, 2005 was $2,125,281 for the Board of Education.

Employer's Payroll and Contributions Under the Plan

The employer's current year payroll for the years ended June 30, 2005, 2004, and 2003, payroll covered under the various state plans, and contributions paid are as follows:

	2005	2004	2003
Total payroll	**$ 36,582,950**	$ 34,545,172	$ 34,181,373
Payroll covered under the plans	**31,367,258**	31,554,412	29,709,787
Contributions paid:			
County payments	**581,100**	410,298	353,592
Board of Education payments	**380,049**	316,551	404,546
State On-Behalf payments:			
Board of Education	**2,125,281**	2,031,815	2,033,924

Funding Status

As a result of a 1997 actuarial study of the State Retirement and Pension System of Maryland, the County Commissioners of Dorchester County, Maryland (Highway Department) were identified as one of 23 municipal corporations not having enough assets in the system to fund the present value of accrued benefits for participants in the retirement system. Under rules of House Bills 1348 and 430, the County will repay the $573,584 fund deficit (an increase of $16,434 over the prior fiscal year) over a period of 40 years. The fiscal year 2005 annual payment was $27,075 and will increase 5% per year until maturity at December 31, 2035. This liability has been recorded in the governmental activities column on the Statement of Net Assets.

Note 10. Post-Employment Health Care Benefits

The County and the Dorchester County Sanitary Districts provide the same post-employment health care benefits to their respective retired employees. Retired employees who complete 16 years of service will receive full health care benefits (including spouse) of which the employer pays 85%. Employees with less than 16 years of service will pay on a pro-rata basis.

The Board of Education of Dorchester County provides post-employment health care benefits to retired employees with 15 years of service. The amount contributed varies based on age and the number of years of service.

The cost of post-employment health care benefits is recognized as an expenditure or an expense, as applicable, as the premiums are paid. Total premiums paid and participants as of and for the year ended June 30, 2005 are as follows:

	Premiums	Participants
Dorchester County	$ 213,001	53
Dorchester County Sanitary Districts	7,601	2
Board of Education of Dorchester	381,645	196

Note 11. Deferred Compensation

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all eligible County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The County funds all amounts of compensation deferred under the Plans, at the direction of the covered employee, through investments underwritten by Variable Annuity Life Insurance Company (VALIC) and Public Employees Benefit Services Corporation (PEBSCO). All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the deferred compensation plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. In accordance with GASB Statement No. 32, adopted by the County in 1998, the plan's assets are not reported on the combined balance sheet of the County. A summary of the activity in the plan is presented in the supplementary information for the year ended June 30, 2005.

Note 12. Reserved and Designated Fund Equity and Restricted Retained Earnings

Reservations of fund equity show amounts that are not available for current appropriations or are legally restricted for specific uses. Within unreserved fund equity, designations are used to show the amounts within unreserved equity, which are intended to be used for specific purposes, but are not legally restricted. The purpose for each reservation or designation is indicated by the account title on the face of the balance sheet.

Use of per lot assessments totaling $131,637 at June 30, 2005 by the Dorchester County Sanitary Districts is restricted to capital improvements, repairs and maintenance to the water system, and debt service.

Note 13. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on Dorchester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. It is the County's position that the State of Maryland will require continuous monitoring of all closed landfills with no termination period set for post-closure care, and as such will continue to accrue an estimate for these costs over a thirty year period.

Note 13. Landfill Closure and Postclosure Care Costs (continued)

The Secretary landfill stopped accepting waste in 1982. The landfill has been capped and only has postclosure care costs associated with it, currently estimated to be approximately $13,900 each year for the next thirty years.

The Golden Hill landfill stopped accepting waste in 1991. The landfill began the final cover process during fiscal year 1996 and capping was completed in fiscal year 2000. Postclosure care costs for this location are currently estimated to be approximately $18,200 each year for the next thirty years.

The Old Beulah landfill stopped accepting waste in February 1996. The landfill was expected to be covered during fiscal year 2005 at an estimated total cost of $3,543,686. The County is currently waiting final approval of its plan of closure from the Maryland Department of the Environment. Postclosure care costs for this location are currently estimated to be approximately $19,800 each year for the next thirty years.

The closure and postclosure care costs associated with each of the aforementioned landfills are as follows:

Secretary landfill	
Postclosure care costs	$ 417,000
Golden Hill landfill	
Closure costs (estimated landscaping and seeding)	25,000
Postclosure care costs	546,000
	571,000
Old Beulah landfill	
Closure costs	3,543,686
Postclosure care costs	594,000
	4,137,686
New Beulah landfill - cells 1 - 3	
Closure costs	1,385,709
Postclosure care costs	450,242
	1,835,951
Total closure and postclosure care costs	$ 6,961,637

The above amounts are based on the current costs to perform all closure and postclosure care as of June 30, 2005. As noted above, the County expects to cap the Old Beulah landfill over the next fiscal year. However, actual costs may ultimately be higher than estimated costs due to inflation, changes in technology, or changes in regulations.

Though there are currently no legal restrictions on available funds, the County has approximately $6,010,000 of currently available assets for landfill closure and postclosure care costs. The shortfalls may need to be covered by any combination of charges to future landfill users, future tax revenues, or additional borrowings.

The New Beulah landfill will consist of six cells. Cells 1 & 2 began accepting waste in November 1995 and were completely filled in 2003. Accruals of closure and postclosure care costs have been recognized. Total closure and postclosure care costs for Cells 1 & 2 are estimated to be $1,126,818 and $172,000, respectively.

New Beulah landfill cell 3 was completed and began accepting waste in October 2002. Accrual of closure and postclosure care costs have been recognized based on the estimated capacity used to date (52.4%). Total closure and postclosure care costs for Cell 3 are estimated to be $939,015 and $86,000, respectively.

Note 14. Commitments and Contingencies

Dorchester County

Grants

The County receives Federal and State grants for specific purposes that are subject to review and audit by Federal and state agencies. Such audits could result in a request for reimbursement by the Federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant to the County's combined financial statements.

Conduit Debt

In August 1999, the County issued Economic Development Revenue Bonds in the amount of $5,000,000 to fund plant expansions at Hi-Tech Plastics in Cambridge, Maryland. While the bonds were issued through the County, there is no liability or responsibility on behalf of the County for repayment of the debt.

Risk Management

The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For general, property, excess and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (LGIT). This 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.

Subscribers to coverage by LGIT share in the risk among participants of the pools. As a result, the County's annual premium requirements are affected by the loss experience of the various insurance pools in which it participates. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The County is fully insured for worker's compensation through commercial insurance and certain employees are bonded to limit the loss to the County in the event of employees committing acts of embezzlement or theft. In addition, due to specific exclusions in the County's insurance, the County also has commercial insurance coverage for property liability at the Airport. There has been no significant reduction in insurance coverage from the prior year by major categories of risk, and amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years.

Dorchester County Sanitary Districts

The County Council of Dorchester County has guaranteed certain obligations of the Dorchester County Sanitary Districts, Inc. in the amount of $32,098.

Board of Education of Dorchester County

The Board of Education of Dorchester County receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on future programs and services.

REQUIRED SUPPLEMENTARY INFORMATION

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
LOCAL PROPERTY TAXES:				
Real property taxes - full-year	$ 16,526,956	$ 16,526,956	$ 16,803,194	$ 276,238
Real property - semi-annual	58,125	58,125	-	(58,125)
Taxes - railroads & public utilities	1,801,340	1,801,340	1,820,355	19,015
Taxes - ordinary business corporations	1,302,215	1,302,215	893,788	(408,427)
Additions and abatements, net	(165,932)	(165,932)	59,803	225,735
Shore erosion benefit charge	-	-	3,716	3,716
Interest and penalties - delinquent taxes	300,000	300,000	323,258	23,258
	19,822,704	19,822,704	19,904,114	81,410
Less:				
Tax credits - legislative restrictions	(55,784)	(55,784)	(90,041)	(34,257)
BRFA03 Co Sh SDAT Admin Cost	(154,000)	(154,000)	-	154,000
Tax credits - exempt	(1,033,099)	(1,033,099)	(986,490)	46,609
Interest on tax refunds	(5,000)	(5,000)	(1,310)	3,690
Deferred taxes	-	-	(159,474)	(159,474)
Tax credits - enterprise zone	(172,482)	(172,482)	(104,964)	67,518
Total net local property taxes	18,402,339	18,402,339	18,561,835	159,496
LOCAL INCOME TAXES:				
Income taxes	8,450,000	8,450,000	9,839,284	1,389,284
Total local income taxes	8,450,000	8,450,000	9,839,284	1,389,284
OTHER LOCAL TAXES:				
Recordation tax	2,583,580	2,689,923	4,060,939	1,371,016
911 telephone fees - local	90,000	90,000	142,840	52,840
Mobile home taxes (parks)	85,000	85,000	70,174	(14,826)
Hotel room rental tax	140,000	140,000	212,863	72,863
Total other local taxes	2,898,580	3,004,923	4,486,816	1,481,893
STATE SHARED TAXES:				
Admission and amusement	3,000	3,000	2,028	(972)
Total state shared taxes	3,000	3,000	2,028	(972)
Total taxes	29,753,919	29,860,262	32,889,963	3,029,701
LICENSES AND PERMITS - BUSINESS:				
Beer, wine and liquor licenses	75,000	75,000	68,860	(6,140)
Seafood buyers permit	500	500	-	(500)
Traders licenses, pinball, bingo, and slots	18,000	18,000	17,460	(540)
Total business licenses and permits	93,500	93,500	86,320	(7,180)

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
LICENSES AND PERMITS - OTHER:				
Marriage licenses	$ 2,000	$ 2,000	$ 2,165	$ 165
Animal licenses	100	100	103	3
Zoning permit fees	85,000	85,000	101,892	16,892
Building permit fees	80,000	80,000	95,481	15,481
Planning and zoning HVAC permit fees	1,200	1,200	1,130	(70)
Electrical licensing fees	11,000	11,000	22,184	11,184
Plumbing licensing fees	7,000	7,000	6,500	(500)
Electrical permit fees	8,840	8,840	17,932	9,092
Livability fees	11,000	11,000	10,670	(330)
Plumbing permit fees	60,000	60,000	35,118	(24,882)
Total other licenses and permits	266,140	266,140	293,175	27,035
Total licenses and permits	359,640	359,640	379,495	19,855
INTERGOVERNMENTAL:				
FROM THE FEDERAL GOVERNMENT:				
Civil defense	19,018	19,018	20,662	1,644
Federal aid funds	140,000	140,000	-	(140,000)
	159,018	159,018	20,662	(138,356)
FEDERAL PAYMENT IN LIEU OF TAXES:				
Blackwater Wildlife Refuge	68,212	68,212	7,190	(61,022)
Total federal intergovernmental	227,230	227,230	27,852	(199,378)
FROM THE STATE OF MARYLAND:				
MEMA - hurricane conf. reimbursement	-	-	1,667	1,667
Juror reimbursement	10,000	10,000	26,156	16,156
Soil conservation	106,454	106,454	76,584	(29,870)
Johnsongrass fees	6,500	6,500	7,100	600
State aid for police protection	96,705	96,705	109,995	13,290
Homeless grant	-	-	300	300
Disparity grant	1,891,000	1,891,000	1,890,562	(438)
508 fire, rescue and ambulance	225,000	225,000	216,686	(8,314)
Electric equipment property tax grant	187,442	187,442	187,442	-
Health custodial reimbursement	34,258	34,258	46,908	12,650
Highway user revenues	3,023,866	3,199,935	3,631,108	431,173
Boat ramp maintenance	15,000	15,000	-	(15,000)
Other state aid	-	-	24,647	24,647
DNR - Chesapeake Forest Product Corp.	17,900	17,900	25,458	7,558
Total state intergovernmental	5,614,125	5,790,194	6,244,613	454,419
Total intergovernmental	5,841,355	6,017,424	6,272,465	255,041

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
SERVICE CHARGES AND FEES:				
SERVICE CHARGES - GENERAL GOVT.:				
Tax sale costs reimbursement	$ 18,500	$ 18,500	$ 19,030	$ 530
Zoning maps	100	100	455	355
Johnsongrass spraying fees	17,849	22,195	23,450	1,255
Planning and zoning fees	20,000	20,000	26,797	6,797
Election fees filing & other	1,500	1,500	1,241	(259)
Motor vehicle fees - local	-	-	2,026	2,026
Technology services	-	-	1,500	1,500
Total general government	57,949	62,295	74,499	12,204
SERVICE CHARGES - PUBLIC SAFETY:				
Sheriff's fees	29,271	29,271	26,971	(2,300)
Reimb. for housing state prisoners	300,000	300,000	327,950	27,950
Reimb. for housing non-co. inmates	900,000	900,000	931,436	31,436
Reimb. community service	-	-	330	330
HIV security services	1,500	1,500	-	(1,500)
Fees - community service	1,000	1,000	2,180	1,180
Fees weekend prisoners	3,000	3,000	2,625	(375)
Misc. income - detention center	8,000	8,000	11,623	3,623
Reimbursement for work release prisoners	40,000	40,000	11,260	(28,740)
EMS billing	525,000	525,000	603,557	78,557
Municipal patrol reimbursement	4,000	4,000	6,352	2,352
Haz-mat incident billing	-	-	1,175	1,175
Total public safety	1,811,771	1,811,771	1,925,459	113,688
SERVICE CHARGES - EDUCATION:				
Home study evaluations	5,000	5,000	2,598	(2,402)
Guidance/instructional services	39,223	39,223	34,887	(4,336)
Total education	44,223	44,223	37,485	(6,738)
SERVICE CHARGES - RECREATION:				
Swimming pool fees	25,000	25,000	22,717	(2,283)
Recreation program fees	1,000	1,000	2,138	1,138
Softball/baseball fees	1,500	1,500	3,015	1,515
Swimming pool concessions	13,500	13,500	10,731	(2,769)
Total recreation	41,000	41,000	38,601	(2,399)

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
SERVICE CHARGES AND FEES (continued):				
SERVICE CHARGES - PUBLIC WORKS:				
Road opening permits	$ 500	$ 500	$ 1,685	$ 1,185
Stormwater mgmt. permits	3,500	3,500	6,504	3,004
Forest harvesting permits	1,000	1,000	1,075	75
Grading permits	2,000	2,000	2,500	500
Snow and ice removal	500	500	-	(500)
Other service charges	-	-	10,733	10,733
Pipe sales	50,000	50,000	91,256	41,256
Other sales	20,000	20,000	19,524	(476)
Shop service charges	18,000	18,000	24,170	6,170
Equipment rental	-	-	32,744	32,744
Cash discounts	4,000	4,000	3,180	(820)
Mosquito control fees	30,000	30,000	41,484	11,484
Tyler's Cove slip rent	8,500	8,500	3,175	(5,325)
Ragged Point slip rent	13,000	13,000	11,333	(1,667)
Elliott's Island slip rent	6,000	6,000	3,252	(2,748)
Total public works	157,000	157,000	252,615	95,615
Total service charges and fees	2,111,943	2,116,289	2,328,659	212,370
FINES AND FORFEITURES:				
Task force - federal	-	-	20,061	20,061
Court fines and forfeitures	12,000	12,000	11,911	(89)
Drug task force	-	-	450	450
Total fines and forfeitures	12,000	12,000	32,422	20,422
MISCELLANEOUS:				
Vending machine commission	1,500	1,500	2,161	661
Rent - 911 tower	30,000	30,000	9,522	(20,478)
Contributions - Sailwinds Park	-	-	405,000	405,000
Contributions/donations	-	3,000	2,874	(126)
United fund juvenile services	2,800	2,800	-	(2,800)
Recreation - J.E.W. Park	5,000	5,000	5,000	-
Rental - other properties	139,125	139,125	184,168	45,043
Miscellaneous income	-	-	54,961	54,961
Recreation grant - Board of Education	9,000	9,000	-	(9,000)
Insurance proceeds	-	-	17,464	17,464
Tourism - misc. revenues	-	-	153	153

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
MISCELLANEOUS (continued):				
Cash discounts	$ -	$ -	$ 1,724	$ 1,724
Appropriated prior year surplus	927,964	927,964	-	(927,964)
Prior year highway user revenue	648,000	648,000	-	(648,000)
Total miscellaneous	1,763,389	1,766,389	683,027	(1,083,362)
INTEREST:				
Principal & interest - Regina MILA loan	93,588	93,588	347,184	253,596
Interest and dividends on investments	40,000	40,000	63,874	23,874
Total interest	133,588	133,588	411,058	277,470
Total revenues	39,975,834	40,265,592	42,997,089	2,731,497
OTHER FINANCING SOURCES:				
Sale of capital assets	-	-	20,419	20,419
Total revenues and other financing sources	$ 39,975,834	$ 40,265,592	$ 43,017,508	$ 2,751,916

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT:				
LEGISLATIVE AND EXECUTIVE:				
Salaries elected/appointed	$ 71,000	$ 71,000	$ 71,000	$ -
Salaries/supervisor	72,100	72,100	74,977	(2,877)
Salaries/other	117,774	113,486	83,900	29,586
Telephone	5,800	7,300	7,432	(132)
Advertising	10,500	10,500	9,808	692
Printing, publishing, and publications	500	500	219	281
Contractual services	5,200	2,700	-	2,700
Rental of equipment	3,000	4,200	3,875	325
Office supplies	5,000	5,000	2,851	2,149
Other expenses	18,500	15,550	12,906	2,644
Postage	1,000	1,000	672	328
Lodging and meals	2,200	2,200	1,593	607
Meeting registration	1,200	1,200	386	814
Mileage and conference reimbursement	2,000	2,000	1,143	857
Dues	200	450	404	46
	315,974	309,186	271,166	38,020
CIRCUIT COURT:				
Salaries/other	65,423	65,423	65,423	-
Telephone	5,400	5,400	4,411	989
Legal counsel/fees	500	500	-	500
State employee reimbursement	9,750	9,750	9,435	315
Rental of equipment	1,760	1,760	1,564	196
Office supplies	1,300	1,300	1,140	160
Other expenses	1,900	1,900	2,038	(138)
Postage	500	500	4,489	(3,989)
Expenses - petit jury	32,000	32,000	33,674	(1,674)
Expenses - grand jury	2,500	2,500	780	1,720
	121,033	121,033	122,954	(1,921)
ORPHANS COURT:				
Retirement	3,600	3,600	5,060	(1,460)
Salaries elected/appointed	10,500	10,500	10,500	-
Office supplies	400	400	76	324
Other expenses	710	710	410	300
Expense allowance	2,000	2,000	-	2,000
Mileage and conference reimbursement	500	500	48	452
	17,710	17,710	16,094	1,616

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
STATE ATTORNEY'S OFFICE:				
Salaries elected/appointed	$ 89,802	$ 89,802	$ 89,802	$ -
Salaries/other	292,649	292,649	302,507	(9,858)
Telephone	7,500	7,500	4,651	2,849
Printing and publishing	3,500	3,500	2,639	861
Contractual services	-	-	1,184	(1,184)
Code updates	4,500	4,500	5,950	(1,450)
Rental of land and buildings	24,000	24,000	22,200	1,800
Rental of equipment	3,300	3,300	3,362	(62)
Building repairs and maintenance	630	630	568	62
Office supplies	5,000	5,000	5,647	(647)
Other expenses	6,000	6,000	3,857	2,143
Postage	6,000	6,000	5,324	676
Appeals and extraditions	3,000	3,000	5,154	(2,154)
Mileage and conference reimbursement	5,000	5,000	3,986	1,014
	450,881	450,881	456,831	(5,950)
COURT REPORTER:				
Salaries/other	35,899	35,899	35,899	-
Other expenses	1,700	1,700	1,853	(153)
	37,599	37,599	37,752	(153)
ELECTIONS:				
Salaries/supervisor	16,000	16,000	15,460	540
Salaries/other	2,500	2,500	-	2,500
Telephone	2,500	2,500	4,046	(1,546)
Advertising	2,000	2,000	298	1,702
Data processing	5,000	5,000	3,655	1,345
Contractual services	30,900	30,900	28,588	2,312
State employee expense reimbursement	166,505	166,505	155,663	10,842
Rental of land and building	1,400	1,400	-	1,400
Rental of equipment	65,000	65,000	-	65,000
Office supplies	2,500	2,500	4,191	(1,691)
Other expenses	4,000	4,000	2,414	1,586
Postage	8,000	8,000	8,797	(797)
Mileage and conference reimbursement	8,000	8,000	4,074	3,926
	314,305	314,305	227,186	87,119

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
TREASURER:				
Salaries elected/appointed	$ 37,500	$ 37,500	$ 37,500	$ -
Salaries/other	92,528	92,528	94,177	(1,649)
Telephone	3,000	3,000	1,442	1,558
Advertising	8,000	8,000	11,018	(3,018)
Data processing	17,854	17,854	19,483	(1,629)
Legal	300	300	-	300
Office supplies	1,000	1,000	1,340	(340)
Other expenses	1,700	1,700	1,327	373
Postage	8,000	8,000	9,320	(1,320)
Dog tag expense	100	100	45	55
Mileage and conference reimbursement	750	750	719	31
Insurance bonds	2,400	2,400	2,449	(49)
	173,132	173,132	178,820	(5,688)
FINANCE OFFICE:				
Salaries/supervisor	58,710	57,633	58,654	(1,021)
Salaries/other	116,092	116,092	113,983	2,109
Telephone	2,500	2,500	2,641	(141)
Data processing	22,374	22,374	22,369	5
Printing and publishing	500	500	468	32
Rental of equipment	2,727	3,440	3,793	(353)
Office supplies	9,500	9,500	9,659	(159)
Other expenses	500	500	546	(46)
Postage	500	500	385	115
Lodging and meals	500	500	29	471
Meeting registration	1,500	1,500	1,040	460
Mileage and conference reimbursements	500	714	713	1
Dues	750	900	900	-
	216,653	216,653	215,180	1,473

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
LEGAL:				
Legal counsel/fees	$ 28,000	$ 28,000	$ 28,000	$ -
Legal counsel expenses	15,000	32,000	32,586	(586)
	43,000	60,000	60,586	(586)
ETHICS COMMISSION:				
Legal counsel/fees	2,500	2,500	-	2,500
BOARD OF LICENSE COMMISSIONERS:				
Salaries elected/appointed	2,000	2,000	-	2,000
Salaries/other	9,000	9,000	3,000	6,000
Legal counsel/fees	2,000	2,000	-	2,000
	13,000	13,000	3,000	10,000
HUMAN RESOURCES:				
Salaries/supervisor	41,200	41,200	41,200	-
Telephone	3,800	3,800	1,302	2,498
Advertising	4,500	4,500	1,652	2,848
Printing, publishing, and publications	1,000	1,000	-	1,000
Contractual services	5,000	5,000	-	5,000
Office Supplies	2,000	2,000	1,939	61
Other expenses	200	200	-	200
Postage	500	500	208	292
Lodging and meals	500	500	448	52
Meeting registration	500	500	75	425
Mileage and conference reimbursement	200	200	45	155
Training expense	1,000	1,000	173	827
Dues	400	400	180	220
	60,800	60,800	47,222	13,578
PLANNING AND ZONING:				
Salaries elected/appointed	1,050	1,050	105	945
Salaries/supervisor	50,621	50,621	52,150	(1,529)
Salaries/other	185,394	203,268	195,488	7,780
Telephone	4,500	4,500	4,844	(344)
Advertising	1,500	1,500	4,196	(2,696)
Printing, publishing, and publications	4,900	4,900	6,588	(1,688)
Contractual services	58,500	61,100	25,058	36,042

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
PLANNING AND ZONING (continued):				
Legal counsel/fees	$ 7,262	$ 7,262	$ 6,467	$ 795
Property expenses	-	-	3,200	(3,200)
Auto expenses	6,270	6,270	12,848	(6,578)
Office supplies	3,300	4,300	3,418	882
Other expenses	-	-	615	(615)
Postage	2,800	2,400	2,945	(545)
Lodging and meals	1,700	1,670	1,549	121
Meeting registration	1,000	1,000	410	590
Association dues	1,000	1,000	865	135
Mileage and conference reimbursement	250	280	261	19
	330,047	351,121	321,007	30,114
PLANNING COMMISSION:				
Salaries elected/appointed	4,200	4,200	2,850	1,350
PLANNING BOARD OF APPEALS:				
Salaries elected/appointed	3,000	3,000	2,650	350
INFORMATION TECHNOLOGY:				
Telephone	1,400	1,400	569	831
Contractual services	10,000	10,000	9,904	96
Mileage and conference reimbursements	1,500	1,500	1,332	168
Dues	9,000	9,000	6,294	2,706
	21,900	21,900	18,099	3,801
TECHNOLOGY - GENERAL OPERATION:				
Salaries/supervisor	56,650	56,650	56,650	-
Salaries/other	31,881	38,669	39,227	(558)
Communications	3,400	3,400	10,468	(7,068)
Printing and publishing	1,000	1,000	-	1,000
Office supplies	1,500	1,500	1,457	43
Other expenses	1,500	1,500	3,167	(1,667)
Media and other accessories	300	300	-	300
Lodging and meals	1,000	1,000	541	459
Meeting registration	500	500	-	500
Travel	1,000	1,000	586	414
Training expense	5,000	5,000	1,436	3,564
	103,731	110,519	113,532	(3,013)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
TECHNOLOGY - COMMUNICATION SYSTEMS:				
Contractual services - comm. systems	$ 10,000	$ 10,000	$ 10,240	$ (240)
Rental of land and buildings	8,500	8,500	2,600	5,900
Mileage and conference reimbursements	1,500	1,500	1,400	100
	20,000	20,000	14,240	5,760
CUSTODIANS - COUNTY BUILDING:				
Salaries/supervisor	35,105	35,105	35,105	-
Salaries/other	81,348	81,348	81,350	(2)
Overtime	-	-	171	(171)
Telephone	2,500	2,500	4,713	(2,213)
Auto expenses	2,500	2,500	8,581	(6,081)
Other expenses	-	-	60	(60)
Employee uniforms and physicals	2,500	2,500	3,423	(923)
	123,953	123,953	133,403	(9,450)
COURTHOUSE BUILDING:				
Building maintenance	-	-	580	(580)
HEALTH DEPARTMENT BUILDING:				
Overtime	-	-	239	(239)
Building maintenance	10,000	10,000	17,386	(7,386)
	10,000	10,000	17,625	(7,625)
COUNTY OFFICE BUILDING:				
Overtime	-	-	98	(98)
Water	1,200	1,200	1,968	(768)
Electric	28,361	28,361	31,475	(3,114)
Gas-heat	4,000	4,000	6,938	(2,938)
Building maintenance	17,000	17,000	21,038	(4,038)
Other expenses	10,000	10,000	10,130	(130)
	60,561	60,561	71,647	(11,086)
STATE'S ATTORNEY OFFICE BUILDING:				
Water	400	400	300	100
Electric	4,084	4,084	4,194	(110)
Building maintenance	1,000	1,000	130	870
	5,484	5,484	4,624	860

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (continued):				
OTHER BUILDINGS:				
Building maintenance	$ 2,000	$ 2,000	$ 1,150	$ 850
OTHER GENERAL GOVERNMENT:				
Holiday Bonus	-	61,803	76,096	(14,293)
Contractual services - audit	54,000	54,000	54,940	(940)
Code updates	5,300	5,300	-	5,300
Administrative fees	7,000	7,000	2,675	4,325
Auto expenses	1,000	1,000	-	1,000
Other expenses	32,126	32,126	33,315	(1,189)
Liability insurance	150,000	150,000	128,461	21,539
Replacement of damaged assets	-	-	16,133	(16,133)
	249,426	311,229	311,620	(391)
CIRCUIT RIDER PROGRAM:				
Other expenses	11,400	11,400	11,400	-
Total general government	2,712,289	2,812,166	2,661,218	150,948
PUBLIC SAFETY:				
SHERIFF'S DEPARTMENT:				
Salaries elected/appointed	45,000	45,000	45,000	-
Salaries/other	901,754	901,754	989,748	(87,994)
Salaries/overtime	42,607	42,607	82,004	(39,397)
Overtime - bike patrol	15,000	15,000	-	15,000
Telephone	6,000	6,000	17,222	(11,222)
Water	2,500	2,500	3,402	(902)
Electric	5,672	5,672	7,261	(1,589)
Gas - heat	4,000	4,000	8,622	(4,622)
Advertising	250	250	55	195
Printing, publishing, publications	1,000	1,000	8	992
Radio expense	7,000	7,000	4,806	2,194
Contractual services	35,600	35,600	54,035	(18,435)
Code updates	1,500	1,500	561	939
Auto expenses	49,970	49,970	119,759	(69,789)
Office supplies	8,000	8,000	13,932	(5,932)
Other expenses	1,500	1,500	2,692	(1,192)
Municipalities patrol	10,000	10,000	2,163	7,837

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Favorable (Unfavorable)
PUBLIC SAFETY (continued):				
SHERIFF'S DEPARTMENT (continued):				
Postage	$ 2,000	$ 2,000	$ 1,938	$ 62
Photographic expense	3,000	3,000	3,046	(46)
Law enforcement supplies	12,000	12,000	24,066	(12,066)
Transportation and investigation	500	500	1,025	(525)
Mileage and conference reimbursement	2,000	2,000	1,019	981
Employee uniforms and physicals	21,000	21,000	23,796	(2,796)
Liability insurance	12,000	12,000	32,717	(20,717)
Crime prevention	4,000	4,000	4,201	(201)
Training expense	15,000	13,949	15,314	(1,365)
Dues	1,000	1,000	1,925	(925)
New vehicles/equipment	-	-	46	(46)
	1,209,853	1,208,802	1,460,363	(251,561)
DRUG TASK FORCE:				
Telephone	-	-	4,727	(4,727)
Radio expense	-	-	457	(457)
Auto expenses	-	-	942	(942)
Office supplies	-	-	1,924	(1,924)
Other expense	-	-	5,062	(5,062)
	-	-	13,112	(13,112)
DRUG TASK FORCE - FEDERAL FORFEITURES:				
Radio expenses	-	-	7,747	(7,747)
Other expenses	-	-	12,314	(12,314)
	-	-	20,061	(20,061)
VOLUNTEER FIRE & AMBULANCE COMPANIES:				
State aid (508 funds)	225,000	225,000	216,686	8,314
Other expenses	13,830	13,830	600	13,230
Fire company appropriations	465,661	465,661	459,421	6,240
	704,491	704,491	676,707	27,784
EMERGENCY MEDICAL SERVICES:				
Salaries/supervisor	44,924	44,924	29,079	15,845
Salaries/other	-	-	3,465	(3,465)
Personnel	2,000	2,000	1,048	952
Telephone	2,040	2,040	1,484	556

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY (continued):				
EMERGENCY MEDICAL SERVICES (continued):				
Medical expenses and supplies	$ 1,000	$ 1,000	$ 1,056	$ (56)
Radio expenses	1,394	1,394	51	1,343
Contractual services	70,168	70,168	66,488	3,680
Rental of equipment	4,000	4,000	3,925	75
BLS transport fees	160,000	160,000	167,693	(7,693)
ALS transport fees	225,000	225,000	184,241	40,759
Haz-mat incident costs	-	-	13,864	(13,864)
Auto expenses	3,000	3,000	3,559	(559)
Office supplies	1,000	1,000	1,139	(139)
Other expenses	25	25	830	(805)
Postage	250	250	134	116
Mileage and conference	200	200	175	25
Uniforms and physicals	500	500	587	(87)
Insurance-liability and property	600	600	-	600
Training expenses	500	500	402	98
Advanced life support appropriations	445,833	445,833	460,416	(14,583)
	962,434	962,434	939,636	22,798
EMERGENCY MEDICAL SERVICES - HURLOCK:				
Salaries/supervisor	14,832	14,832	-	14,832
Salaries/other	109,180	109,180	105,872	3,308
Personnel	3,960	3,960	4,059	(99)
Telephone	2,640	2,640	1,476	1,164
Electric	1,134	1,134	1,091	43
Medical expenses and supplies	5,000	5,000	7,851	(2,851)
Radio expense	1,000	1,000	697	303
Contractual services	-	-	2,811	(2,811)
Auto expense	3,000	3,000	4,085	(1,085)
Building maintenance and repairs	500	500	3,038	(2,538)
Office supplies	1,000	1,000	1,394	(394)
Fuel oil	1,500	1,500	1,991	(491)
Employee uniforms and physicals	5,000	5,000	3,410	1,590
Insurance - liability and property	600	600	1,343	(743)
Training expense	1,500	1,500	125	1,375
	150,846	150,846	139,243	11,603

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY (continued):				
OTHER PUBLIC SAFETY:				
Other expenses	$ 5,000	$ 5,000	$ -	$ 5,000
DETENTION CENTER:				
Salaries/supervisor	63,659	63,659	63,659	-
Salaries/other	1,712,219	1,712,219	1,674,447	37,772
Overtime	12,000	12,000	25,113	(13,113)
Cadet program - salaries	4,000	4,000	-	4,000
Telephone	6,000	6,000	4,672	1,328
Water	21,600	21,600	22,277	(677)
Electric	48,781	48,781	45,622	3,159
Gas heat	44,000	44,000	52,962	(8,962)
Medical expenses and supplies	271,700	271,700	310,589	(38,889)
Radio expenses	3,000	3,000	5,507	(2,507)
Contractual services	20,380	20,380	27,615	(7,235)
Auto expenses	12,000	12,000	10,375	1,625
Building maintenance	-	-	761	(761)
Office supplies	8,000	8,000	10,050	(2,050)
Other expenses	30,000	30,000	24,007	5,993
Postage	1,000	1,000	1,196	(196)
Food	277,500	277,500	289,839	(12,339)
Photographic expenses	500	500	-	500
Clothing - inmates	1,000	1,000	170	830
Mileage and conference reimbursements	2,500	2,500	2,737	(237)
Employee uniforms and physicals	5,000	5,000	11,460	(6,460)
Liability insurance	18,000	18,000	27,336	(9,336)
Training expense	5,000	5,000	5,339	(339)
Trustees expenses	23,100	23,100	23,514	(414)
	2,590,939	2,590,939	2,639,247	(48,308)
DETENTION CENTER BUILDING EXPENSES:				
Salaries/other	53,550	53,550	53,584	(34)
Overtime	1,400	1,400	1,818	(418)
Auto expenses	680	680	975	(295)
Building maintenance	32,000	32,000	41,588	(9,588)
	87,630	87,630	97,965	(10,335)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY (continued):				
EMERGENCY MANAGEMENT AND COMMUNICATION:				
Salaries/supervisor	$ 34,194	$ 34,194	$ 34,194	$ -
Personnel	1,200	1,200	-	1,200
Telephone	2,800	2,800	3,595	(795)
Water	225	225	265	(40)
Electric	5,105	5,105	6,967	(1,862)
Printing, publishing, and publications	800	800	597	203
Radio expense	250	250	-	250
Contractual services	1,200	1,200	1,782	(582)
Auto expenses	700	700	1,418	(718)
Building maintenance and repairs	100	100	-	100
Office supplies	1,000	1,000	69	931
Other expenses	400	400	844	(444)
Postage	100	100	97	3
Lodging and meals	1,267	1,267	302	965
Association dues	105	105	105	-
Mileage and conference reimbursement	895	895	1,801	(906)
Training expense	804	804	200	604
	51,145	51,145	52,236	(1,091)
ANIMAL CONTROL:				
Salaries/other	43,026	43,026	45,791	(2,765)
Overtime	2,000	2,000	882	1,118
Telephone	4,000	4,000	2,301	1,699
Medical expenses and supplies	2,000	2,000	567	1,433
Contractual services	57,600	57,600	51,434	6,166
Auto expenses	4,000	4,000	2,849	1,151
Office supplies	1,500	1,500	132	1,368
Other expenses	3,500	3,500	-	3,500
Employee uniforms and physicals	1,200	1,200	1,664	(464)
Training expense	1,500	1,500	-	1,500
New vehicles and/or equipment	2,000	2,000	1,323	677
	122,326	122,326	106,943	15,383

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Final Budget Favorable (Unfavorable)
PUBLIC SAFETY (continued):				
911 EMERGENCY COMMUNICATIONS:				
Salaries/supervisor	$ 35,105	$ 35,105	$ 35,105	$ -
Salaries/other	386,005	386,005	354,198	31,807
Overtime	10,000	10,000	88,640	(78,640)
Telephone	43,000	43,000	47,314	(4,314)
Water	800	800	1,149	(349)
Electric	17,016	17,016	29,201	(12,185)
Radio expense	10,000	10,000	6,725	3,275
Contractual services	59,800	59,800	59,916	(116)
Auto expenses	2,000	2,000	3,810	(1,810)
Building maintenance	2,000	2,000	1,719	281
Office supplies	500	500	497	3
Other expenses	2,000	2,000	6,838	(4,838)
Postage	200	200	220	(20)
Mileage and conference reimbursement	1,000	1,000	1,535	(535)
Employee uniforms and physicals	1,800	1,800	2,684	(884)
Insurance - liability and property	2,500	2,500	3,054	(554)
Training expenses	3,800	3,800	12,037	(8,237)
	577,526	577,526	654,642	(77,116)
Total public safety	6,462,190	6,461,139	6,800,155	(339,016)
SOCIAL SERVICES:				
YOUTH SERVICES FLEX FUNDS:				
Other expenses	570	570	570	-
YOUTH SERVICES:				
Salaries/supervisor	47,977	47,977	47,977	-
Salaries/other	120,430	120,430	52,401	68,029
Telephone	804	748	779	(31)
Contractual services	1,100	1,100	1,089	11
Rental of land and buildings	12,000	12,000	-	12,000
Auto expenses	-	348	348	-
Other expenses	800	508	508	-
Postage	100	100	100	-
Mileage and conference reimbursements	4,000	4,000	3,903	97

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Favorable (Unfavorable)
SOCIAL SERVICES (continued):				
YOUTH SERVICES (continued):				
Insurance - liability and property	$ 700	$ 700	$ 700	$ -
Training expense	400	400	400	-
	188,311	188,311	108,205	80,106
YOUTH SERVICES UNITED FUND:				
Salaries/other	5,353	5,353	-	5,353
Telephone	300	300	-	300
Printing, publishing, and publications	100	100	-	100
Auto expenses	100	100	-	100
Office supplies	300	300	-	300
Mileage and conference reimbursements	2,000	2,000	-	2,000
	8,153	8,153	-	8,153
COURT ORDERED SERVICES:				
Salaries/other	15,419	15,419	-	15,419
DELMARVA COMMUNITY SERVICES:				
Budgeted appropriations	32,501	52,441	52,141	300
CHESAPEAKE CENTER, INC.:				
Budgeted appropriations	7,975	7,975	7,975	-
DORCHESTER COUNTY COUNCIL ON AGING:				
Expense allowance	2,371	2,371	2,356	15
PLEASANT DAY ADULT DAY CARE:				
Budgeted appropriations	12,464	20,064	20,064	-
OTHER SOCIAL SERVICES:				
Budgeted appropriations	10,368	10,368	10,289	79
Total social services	278,132	305,672	201,600	104,072
RECREATION AND PARKS:				
RECREATION DEPARTMENT:				
Salaries/supervisor	36,595	36,595	36,560	35
Salaries/other	103,194	103,194	104,455	(1,261)
Telephone	2,000	2,000	2,023	(23)
Water	700	700	725	(25)
Electric	4,765	4,765	4,539	226
Contractual services	7,500	7,500	7,361	139
Rental of equipment	2,100	1,800	1,790	10

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
RECREATION AND PARKS (continued):				
RECREATION DEPARTMENT (continued):				
Auto expenses	$ 6,000	$ 7,700	$ 9,767	$ (2,067)
Maintenance and repairs	5,000	3,500	3,222	278
Trash removal	1,650	1,650	1,650	-
Office supplies	1,750	1,600	1,670	(70)
Other expenses	32,900	27,900	26,861	1,039
Postage	900	900	913	(13)
Mileage and conference reimbursement	800	650	632	18
	205,854	200,454	202,168	(1,714)
SEASONAL EMPLOYEES:				
Salaries/other - seasonal employees	58,575	65,075	61,272	3,803
SWIMMING POOL:				
Salaries/other - swimming pool	53,000	53,000	53,204	(204)
Telephone	600	600	351	249
Water	650	650	875	(225)
Electric	11,628	9,828	7,868	1,960
Maintenance and repairs	4,800	6,300	6,324	(24)
Trash removal	550	550	463	87
Other expenses	15,500	15,500	16,315	(815)
Food	9,000	9,000	9,258	(258)
	95,728	95,428	94,658	770
BALL PARK:				
Electric	5,445	4,645	3,104	1,541
Maintenance	1,200	1,200	1,202	(2)
	6,645	5,845	4,306	1,539
Total recreation and parks	366,802	366,802	362,404	4,398
NATURAL RESOURCES:				
COOPERATIVE EXTENSION SERVICES:				
Budgeted appropriations	110,738	110,738	110,738	-
OYSTER REPLENISHMENT SERVICES:				
Budgeted appropriations	9,500	9,500	9,500	-
SOIL CONSERVATION:				
Salaries/other	176,617	176,617	184,183	(7,566)
Other expenses	3,192	3,192	3,192	-
	179,809	179,809	187,375	(7,566)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
NATURAL RESOURCES (continued):				
FOREST CONSERVATION:				
Gypsy moth program	$ 10,000	$ 10,000	$ 744	$ 9,256
Budgeted appropriations	2,160	2,160	2,160	-
	12,160	12,160	2,904	9,256
WEED CONTROL:				
Health insurance	1,000	1,000	3,240	(2,240)
Social security	1,386	1,386	1,874	(488)
Workers' compensation	590	590	-	590
Salaries/supervisor	20,149	24,495	24,495	-
Auto expenses	1,920	1,920	2,861	(941)
Other expenses	6,747	6,747	5,346	1,401
Postage	48	48	37	11
Food	96	96	-	96
Meeting registration	96	96	30	66
	32,032	36,378	37,883	(1,505)
Total natural resources	344,239	348,585	348,400	185
ECONOMIC DEVELOPMENT:				
MID-SHORE REGIONAL COUNCIL:				
Budgeted appropriations	14,000	14,000	13,000	1,000
ECONOMIC DEVELOPMENT DEPARTMENT:				
Salaries/supervisor	46,807	46,807	46,807	-
Salaries/other	23,095	23,095	23,095	-
Telephone	3,500	3,500	2,089	1,411
Advertising	900	900	-	900
Printing, publishing, and publications	1,000	1,000	208	792
Contractual services	3,500	3,500	3,188	312
Rental of land and building	3,600	3,600	3,600	-
Office supplies	1,000	1,000	736	264
Other expenses	500	500	240	260
Postage	300	300	309	(9)
Lodging & meals	3,500	3,500	295	3,205
Meeting registration	900	900	698	202
Association dues	500	500	100	400
Mileage and conference reimbursement	4,000	4,000	431	3,569
	93,102	93,102	81,796	11,306

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
ECONOMIC DEVELOPMENT (continued):				
DELMARVA ADVISORY COUNCIL:				
Budgeted appropriations	$ 1,531	$ 1,531	$ -	$ 1,531
TOURISM:				
Salaries/supervisor	44,578	44,578	45,157	(579)
Salaries/other	102,615	100,215	98,319	1,896
Telephone	3,500	4,500	5,497	(997)
Water	3,500	3,500	2,914	586
Electric	20,420	20,420	13,738	6,682
Printing, publishing, and publications	12,000	10,000	9,893	107
Rental of equipment	2,800	2,800	2,941	(141)
Building maintenance and repair	3,000	3,000	1,912	1,088
Office supplies	2,000	2,000	2,574	(574)
Other expenses	5,000	8,000	6,826	1,174
Postage	6,200	18,200	18,161	39
Photographic expense	900	900	860	40
Cost of goods	1,800	4,000	4,585	(585)
Lodging & meals	1,800	2,800	2,788	12
Association dues	400	600	600	-
Mileage & conference reimbursement	3,000	3,000	3,449	(449)
	213,513	228,513	220,214	8,299
DELMARVA WATER TRANSPORT:				
Budgeted appropriations	955	955	955	-
VISITOR'S CENTER:				
Capital outlay	21,000	21,000	426,000	(405,000)
OTHER ECONOMIC DEVELOPMENT:				
Budgeted appropriations	55,000	55,000	5,000	50,000
Total economic development	399,101	414,101	746,965	(332,864)
INTERGOVERNMENTAL:				
Tax rebate to municipalities	69,000	69,000	69,000	-
Bank stock - inc. towns	11,544	11,544	11,544	-
Mosquito control	249,600	249,600	200,196	49,404
Dor. Co. Health Department	666,856	666,856	666,856	-
Total intergovernmental	997,000	997,000	947,596	49,404

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
MISCELLANEOUS:				
EMPLOYEE EXPENSES:				
Health insurance - retirees	$ 108,982	$ 108,982	$ 62,514	$ 46,468
Health insurance	1,324,271	1,324,271	1,246,552	77,719
Social security	400,000	400,000	459,088	(59,088)
Retirement	250,000	250,000	384,834	(134,834)
Workers' compensation	80,000	80,000	107,077	(27,077)
Unemployment insurance	10,000	10,000	19,134	(9,134)
Compensation and leave payout	25,057	25,057	25,057	-
	2,198,310	2,198,310	2,304,256	(105,946)
MISCELLANEOUS:				
Miscellaneous budgeted appropriations	10,000	10,000	5,000	5,000
Contingency	226,858	248,675	28,800	219,875
	236,858	258,675	33,800	224,875
Total miscellaneous	2,435,168	2,456,985	2,338,056	118,929
EDUCATION:				
Dor. Co. Board of Education	15,220,189	15,220,189	15,220,189	-
Chesapeake College	972,919	972,919	972,919	-
Dor. Co. Public Library	435,887	435,887	435,887	-
Total education	16,628,995	16,628,995	16,628,995	-
PUBLIC WORKS:				
BUCKTOWN AND WOODS ROAD LIGHTING:				
Electric	-	-	500	(500)
SANITARY COMMISSION:				
Salaries/supervisor	6,820	6,820	6,646	174
ENGINEERING:				
Salaries/supervisor	55,334	55,334	68,495	(13,161)
Contractual services	1,000	1,000	-	1,000
Office supplies	2,000	2,000	909	1,091
Other expenses	7,000	7,000	9,510	(2,510)
Meeting and registration	1,225	1,225	893	332
	66,559	66,559	79,807	(13,248)
OTHER STATE AID PROJECTS:				
Salaries/other	30,000	30,000	23,498	6,502
Blacktop materials	140,000	140,000	134,793	5,207
	170,000	170,000	158,291	11,709

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC WORKS (continued):				
ROAD CONSTRUCTION AGREEMENT JOBS:				
Salaries/other	$ -	$ -	$ 528	$ (528)
SHOULDER WORK:				
Salaries/other	7,000	7,000	6,257	743
Other materials	1,000	1,000	2,422	(1,422)
	8,000	8,000	8,679	(679)
ROADWAYS:				
Salaries/other	50,000	50,000	134,594	(84,594)
Other materials	110,000	110,000	33,104	76,896
	160,000	160,000	167,698	(7,698)
SURFACE TREATMENT:				
Salaries/other	45,000	45,000	37,423	7,577
Contractual services	-	-	1,418	(1,418)
Asphalt S/T materials	100,000	184,000	193,730	(9,730)
Stone S/T materials	100,000	100,000	111,406	(11,406)
	245,000	329,000	343,977	(14,977)
DRAINAGE:				
Salaries/other	120,000	120,000	133,283	(13,283)
Contractual services	1,000	4,000	4,233	(233)
Drainage materials	60,000	60,000	115,725	(55,725)
	181,000	184,000	253,241	(69,241)
BUSHING:				
Salaries/other	50,000	50,000	36,770	13,230
Contractual services	2,000	2,000	3,357	(1,357)
Other material	-	-	110	(110)
	52,000	52,000	40,237	11,763
BLACKTOPPING:				
Salaries/other	110,000	(1,000)	-	(1,000)
Asphalt materials	30,000	6,000	-	6,000
Fuel oil	10,000	10,000	-	10,000
	150,000	15,000	-	15,000
WIDENING AND IMPROVEMENTS:				
Salaries/other	40,000	37,000	32,640	4,360
Other materials	1,000	1,000	178	822
	41,000	38,000	32,818	5,182

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Final Budget Favorable (Unfavorable)
PUBLIC WORKS (continued):				
PATCHING:				
Salaries/other	$ 28,000	$ 34,000	$ 38,300	$ (4,300)
Stone stabilization	6,000	11,000	10,766	234
	34,000	45,000	49,066	(4,066)
MOWING:				
Salaries/other	75,000	75,000	75,479	(479)
REMOVING DEBRIS:				
Salaries/other	6,000	-	-	-
BRIDGES:				
Salaries/other	10,000	10,000	-	10,000
Contractual services	-	28,000	36,130	(8,130)
Bridge materials	8,000	8,000	-	8,000
	18,000	46,000	36,130	9,870
SHOP:				
Salaries/other	263,841	263,841	252,073	11,768
Contractual services	40,000	40,000	36,944	3,056
Repair parts	80,000	80,000	97,396	(17,396)
Tires and tubes	35,000	35,000	31,539	3,461
Shop supplies	18,000	20,000	24,540	(4,540)
Small tools	2,000	2,000	3,168	(1,168)
	438,841	440,841	445,660	(4,819)
YARD:				
Salaries/other	5,000	3,000	-	3,000
Other materials	1,000	1,000	-	1,000
	6,000	4,000	-	4,000
ADOPT-A-HIGHWAY:				
Salaries/other	-	500	190	310
Advertising	-	500	168	332
Other materials	-	4,000	3,024	976
	-	5,000	3,382	1,618
ROAD MAINTENANCE:				
Addition to reserve	93,376	93,376	-	93,376

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC WORKS (continued):				
SNOW AND ICE:				
Salaries/other	$ 35,000	$ 68,000	$ 68,136	$ (136)
Overtime	5,000	5,000	-	5,000
Other materials	8,000	8,000	5,007	2,993
New vehicles/equipment	800	800	419	381
Addition to reserve fund	33,333	33,333	-	33,333
	82,133	115,133	73,562	41,571
OTHER ROAD DAMAGE:				
Other materials	5,000	5,000	149	4,851
Salaries/other	100,000	72,000	69,204	2,796
	105,000	77,000	69,353	7,647
LICENSING AND PERMITS:				
Salaries/other	20,000	25,000	25,147	(147)
ELLIOT'S ISLAND DOCK:				
Electric	400	400	946	(546)
Contractual services	1,000	1,000	1,526	(526)
	1,400	1,400	2,472	(1,072)
RAGGED POINT DOCK:				
Salaries/other	-	-	273	(273)
Electric	700	700	1,047	(347)
Contractual services	1,000	1,000	450	550
Other materials	-	-	342	(342)
	1,700	1,700	2,112	(412)
TYLER'S COVE DOCK:				
Electric	500	500	705	(205)
BOAT RAMPS:				
Salaries/other	5,000	5,000	1,925	3,075
Electric	2,000	2,000	2,887	(887)
Contractual services	15,000	15,000	11,987	3,013
Other materials	-	-	79	(79)
	22,000	22,000	16,878	5,122
BILLABLE JOBS:				
Salaries/other	3,000	3,000	31,737	(28,737)
Other materials	4,000	12,000	12,104	(104)
	7,000	15,000	43,841	(28,841)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC WORKS (continued):				
ADMINISTRATIVE SALARIES:				
Salaries/supervisor	$ 69,829	$ 69,829	$ 69,970	$ (141)
Salaries/other	98,913	98,913	59,920	38,993
	168,742	168,742	129,890	38,852
LEAVE SALARIES:				
Salaries/other	260,000	260,000	289,439	(29,439)
OTHER ADMINISTRATIVE:				
Water and sewer	-	-	907	(907)
Electric	36,000	36,000	31,118	4,882
Propane	1,000	1,000	628	372
Advertising	2,000	2,000	2,325	(325)
Communications	4,000	4,000	7,793	(3,793)
Contractual services	-	-	482	(482)
Maintenance and repairs	3,000	3,000	8,236	(5,236)
Office supplies	7,000	7,000	4,528	2,472
Cleaning supplies	200	200	549	(349)
Fuel oil	105,000	105,000	138,616	(33,616)
Gasoline	30,000	30,000	53,939	(23,939)
Conferences, meetings, and conventions	1,500	1,500	565	935
Employee uniforms and physicals	22,000	22,000	23,000	(1,000)
Insurance - liability/property	25,000	25,000	39,937	(14,937)
Training	1,200	1,200	1,085	115
New vehicles/equipment	3,000	3,000	3,416	(416)
	240,900	240,900	317,124	(76,224)
HIGHWAY SAFETY SIGNS:				
Salaries/other	30,000	30,000	27,479	2,521
Other materials	15,000	15,000	26,722	(11,722)
	45,000	45,000	54,201	(9,201)
HIGHWAY SAFETY STRIPING:				
Salaries/other	2,500	2,500	2,225	275
Contractual services	30,000	30,000	20,640	9,360
Other materials	1,000	1,000	116	884
	33,500	33,500	22,981	10,519

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC WORKS (continued):				
EMPLOYEE EXPENSES - HIGHWAYS:				
Health insurance retirees	$ 83,539	$ 83,539	$ 150,487	$ (66,948)
Health insurance - highways	361,305	361,305	134,144	227,161
Social security	115,000	115,000	109,070	5,930
Retirement	70,000	70,000	107,438	(37,438)
Workers' compensation	62,000	62,000	25,725	36,275
Unemployment insurance	10,000	10,000	4,500	5,500
Compensation and leave payout	50,000	50,000	-	50,000
	751,844	751,844	531,364	220,480
Total public works	3,491,315	3,496,315	3,281,208	215,107
DEBT SERVICE:				
DEBT SERVICE:				
Bond principal	2,195,937	2,195,937	-	2,195,937
Bond interest	834,726	834,726	-	834,726
Note and loan principal	563,981	563,981	-	563,981
Capital lease interest	7,955	7,955	-	7,955
Capital lease principal	71,318	71,318	-	71,318
Note and loan interest	160,133	160,133	-	160,133
	3,834,050	3,834,050	-	3,834,050
HIGHWAYS:				
Bond principal	71,266	71,266	-	71,266
Bond interest	3,503	3,503	-	3,503
Note and loan principal	32,454	32,454	-	32,454
Capital lease interest	3,042	3,042	-	3,042
Capital lease principal	34,865	34,865	-	34,865
State retirement deficit	27,075	27,075	-	27,075
	172,205	172,205	-	172,205
Total debt service	4,006,255	4,006,255	-	4,006,255
Total expenditures	$ 38,121,486	$ 38,294,015	$ 34,316,597	$ 3,977,418

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2005
(Continued)

	Budgeted Amounts			Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
OTHER FINANCING USES:				
OPERATING TRANSFERS OUT:				
Airport fund	$ 139,107	$ 164,461	$ 164,461	$ -
Capital fund	1,404,500	1,580,569	1,580,569	-
Special revenue grant fund	48,241	49,292	49,292	-
Tourism marketing fund	75,000	85,000	85,000	-
Debt Service fund	-	-	3,971,546	(3,971,546)
	1,666,848	1,879,322	5,850,868	(3,971,546)
CAPITAL FUNDING:				
Airport fund	187,500	92,255	92,255	-
Total other financing uses	1,854,348	1,971,577	5,943,123	(3,971,546)
Total expenditures and other financing uses	$ 39,975,834	$ 40,265,592	$ 40,259,720	$ 5,872

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
FEDERAL GOVERNMENT REVENUES:				
Transportation grant	$ -	$ -	$ 69,050	$ 69,050
Marijuana eradication	-	-	1,953	1,953
Highway safety	13,000	13,000	325	(12,675)
LLEBG project lifesaver grant	-	9,457	(508)	(9,965)
NPS CBGN UGRR SB interpretive	20,000	20,000	15,249	(4,751)
Critical areas grant	41,600	41,600	41,600	-
Weatherization assistance program	-	-	34,020	34,020
Emergency food assistance	-	-	5,000	5,000
Body armor grant - sheriff	5,000	5,000	905	(4,095)
Victim/witness coordinator -district court	15,625	15,625	15,625	-
LLEBG workstation grant	-	-	8,382	8,382
Byrne - safe family grant	71,563	71,563	-	(71,563)
School resource officer grant	-	-	54,217	54,217
Domestic preparedness equipment grant	-	-	110,256	110,256
Domestic prep. personnel program	-	-	(7,131)	(7,131)
UMES RDC Hyatt impact grant	-	-	5,000	5,000
Cert-comm. emergency response team	-	-	30,511	30,511
Homeland security phase I and II	-	116,654	118,533	1,879
USDA RBEG D1ST/loan fund	-	65,000	18,679	(46,321)
CDBG housing rehab program	-	-	12,548	12,548
Byrne task force equipment grant	-	-	32,910	32,910
Homeland security grant	-	-	158,694	158,694
Law enforcement terrorism prevention	-	-	96,788	96,788
Citizens corps program	-	-	536	536
Homeland security planner grant	-	-	31,095	31,095
Homeland security supplemental grant	-	-	35,000	35,000
Total federal government revenues	166,788	357,899	889,237	531,338
STATE GOVERNMENT REVENUES:				
Family services grant	103,144	103,144	121,932	18,788
Transportation grant	-	-	305,123	305,123
Open space grant	51,750	51,750	42,434	(9,316)
Homeless grant	-	-	43,843	43,843
Tourism development grant	39,000	39,000	31,764	(7,236)
Tobacco compliance grant	-	-	700	700

DORCHESTER COUNTY, MARYLAND

REVENUE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
STATE GOVERNMENT REVENUES (continued):				
Community service grant	$ -	$ -	$ 10,620	$ 10,620
Pilg grant: MD historical trust	-	-	7,500	7,500
LMB - after school program fund	50,000	90,000	-	(90,000)
MD heritage area capital grant	12,500	12,500	1,250	(11,250)
MD heritage area operating grant	55,000	55,000	85,661	30,661
Rental allowance program	-	-	4,150	4,150
School bus safety enforcement grant	-	-	8,218	8,218
GOCCP - youth strategy	47,000	47,000	239,589	192,589
Rural AED grant - EMS	-	-	12,400	12,400
SAO program support grant	-	-	10,963	10,963
Protective order entry grant	-	-	2,989	2,989
SAO macro grant	34,100	34,100	27,044	(7,056)
UMES Dorchester first grant	-	-	637	637
MHAA UGRR SB grant	20,000	20,000	11,879	(8,121)
MHAA marketing grant	15,000	15,000	-	(15,000)
LMB - subcabinet - OCYF	1,579,112	1,579,112	1,530,028	(49,084)
LMB - incentive awards	-	-	105,461	105,461
LMB - juvenile drug court	-	-	16,059	16,059
Total state government revenues	2,006,606	2,046,606	2,620,244	573,638
MISCELLANEOUS REVENUES:				
Harriet Tubman Underground Railroad	-	-	5,000	5,000
Indirect cost recovery - LMB funds	-	-	15,405	15,405
Parenting seminar fees	-	-	500	500
Supervised visitation fees	-	-	1,740	1,740
Total miscellaneous revenues	-	-	22,645	22,645
Total revenues	$ 2,173,394	$ 2,404,505	$ 3,532,126	$ 1,127,621
OTHER FINANCING SOURCES:				
Operating transfers from general fund	$ 48,241	$ 49,292	$ 49,292	$ -
Total revenues and other financing sources	$ 2,221,635	$ 2,453,797	$ 3,581,418	$ 1,127,621

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY				
VICTIM WITNESS ADVOCATE				
Health insurance	$ 11,127	$ 11,127	$ 2,983	$ 8,144
Social security	2,147	2,147	713	1,434
Salaries/other	28,062	28,062	11,929	16,133
Retirement	1,406	1,406	-	1,406
Workers compensation insurance	93	93	-	93
Unemployment insurance	281	281	-	281
	43,116	43,116	15,625	27,491
SAO MACRO GRANT				
Health insurance	2,461	2,461	-	2,461
Social security	1,836	1,836	2,260	(424)
Retirement	1,565	1,565	-	1,565
Workers compensation insurance	75	75	88	(13)
Unemployment insurance	240	240	-	240
Salaries/other	24,000	24,000	24,000	-
Printing and publishing	1,500	1,500	-	1,500
Other expenses	423	423	-	423
Training expense	2,000	2,000	696	1,304
	34,100	34,100	27,044	7,056
SAO PROGRAM SUPPORT				
Software	-	-	10,963	(10,963)
SUBSTANCE ABUSE HIGHWAY SAFETY				
Summary budget	13,000	13,000	-	13,000
Social security	-	-	56	(56)
Overtime	-	-	269	(269)
	13,000	13,000	325	12,675
PROTECTIVE ORDER ENTRY				
Social security	-	-	40	(40)
Overtime	-	-	2,948	(2,948)
	-	-	2,988	(2,988)
MARIJUANA ERADICATION				
Overtime	-	-	1,953	(1,953)
BULLETPROOF VESTS				
Equipment	5,000	5,000	905	4,095

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
PUBLIC SAFETY (continued):				
RURAL ACCESS EMERGENCY DEFIBRILLATOR:				
Equipment	$ -	$ -	$ 12,400	$ (12,400)
SCHOOL RESOURCE OFFICER:				
Health insurance	-	-	2,594	(2,594)
Social security	-	-	3,622	(3,622)
Salaries/other	-	-	48,001	(48,001)
	-	-	54,217	(54,217)
DOMESTIC PREPAREDNESS EQUIPMENT:				
Training	-	-	6,349	(6,349)
New vehicles and equipment	-	-	160,844	(160,844)
	-	-	167,193	(167,193)
LMB COMMUNITY MOBILIZATION:				
Contractual services	9,600	9,600	-	9,600
Indirect costs	-	-	2,052	(2,052)
Passthrough funds	-	-	23,586	(23,586)
	9,600	9,600	25,638	(16,038)
LMB COMMUNITY POLICING:				
Indirect costs	-	-	1,139	(1,139)
Passthrough funds	51,470	51,470	68,308	(16,838)
	51,470	51,470	69,447	(17,977)
SCHOOL BUS SAFETY ENFORCEMENT:				
Salaries/other	-	-	8,003	(8,003)
Overtime	-	-	215	(215)
	-	-	8,218	(8,218)
DOMESTIC PREPAREDNESS PERSONNEL:				
Health insurance	-	-	876	(876)
Social security	-	-	498	(498)
Salaries/other	-	-	6,649	(6,649)
Mileage & conference reimbursement	-	-	308	(308)
	-	-	8,331	(8,331)
COMMUNITY EMERGENCY RESPONSE TEAM:				
Supplies	-	-	937	(937)
Other expenses	-	-	3,746	(3,746)
Equipment	-	-	25,828	(25,828)
	-	-	30,511	(30,511)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY (continued):				
LLEBG PROJECT LIFESAVER:				
Mileage and conference reimbursements	$ -	$ 1,000	$ -	$ 1,000
Equipment	-	9,508	7,943	1,565
	-	10,508	7,943	2,565
STATE HOMELAND SECURITY PHASE I:				
Equipment	-	-	590	(590)
STATE HOMELAND SECURITY PHASE II:				
Contractual services	-	5,000	2,065	2,935
New vehicles and equipment	-	87,454	116,468	(29,014)
Capital outlay	-	24,200	-	24,200
	-	116,654	118,533	(1,879)
HAZARD MITIGATION:				
Salaries/other	-	-	486	(486)
Auto expenses	-	-	40	(40)
Postage	-	-	57	(57)
Architectural engineering fees	-	-	1,313	(1,313)
	-	-	1,896	(1,896)
EMERGENCY MANAGEMENT PERFORMANCE:				
Equipment	-	-	19,961	(19,961)
STATE HOMELAND SECURITY SUPPORT:				
Equipment	-	-	35,000	(35,000)
HOMELAND SECURITY PLANNER:				
Health insurance	-	-	2,628	(2,628)
Social security	-	-	1,724	(1,724)
Salaries/other	-	-	23,003	(23,003)
Office supplies	-	-	1,112	(1,112)
Mileage and conference reimbursement	-	-	2,157	(2,157)
Training	-	-	394	(394)
Equipment	-	-	77	(77)
	-	-	31,095	(31,095)
LAW ENFORCEMENT TERRORISM PREVENTION:				
Auto expenses	-	-	213	(213)
Lodging and meals	-	-	1,327	(1,327)
Equipment	-	-	95,247	(95,247)
	-	-	96,787	(96,787)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
PUBLIC SAFETY (continued):				
CITIZENS CORP PROGRAM:				
Equipment	$ -	$ -	$ 536	$ (536)
HOMELAND SECURITY GRANT (2004):				
Training	-	-	732	(732)
Equipment	-	-	157,962	(157,962)
	-	-	158,694	(158,694)
TOBACCO COMPLIANCE:				
Overtime	-	-	700	(700)
BYRNE TASK FORCE EQUIPMENT:				
Equipment	-	-	16,455	(16,455)
COMMUNITY SERVICES:				
Social security	-	-	647	(647)
Salaries/other	-	-	9,973	(9,973)
	-	-	10,620	(10,620)
Total public safety	156,286	283,448	934,568	(651,120)
SOCIAL SERVICES:				
FAMILTY SERVICES:				
Summary budget	103,144	103,144	-	103,144
Health insurance	-	-	7,156	(7,156)
Social security	-	-	4,263	(4,263)
Retirement	-	-	2,687	(2,687)
Workers compensation insurance	-	-	1,231	(1,231)
Salaries/other	-	-	37,965	(37,965)
Overtime - visitation security	-	-	17,733	(17,733)
Telephone	-	-	1,820	(1,820)
Alt. dispute resolution	-	-	4,713	(4,713)
Custody investigations	-	-	2,693	(2,693)
Parenting education	-	-	687	(687)
Pro se assistance	-	-	9,727	(9,727)
Substance abuse evaluation	-	-	548	(548)
Visitation services	-	-	16,723	(16,723)
Guardian ad litem	-	-	8,551	(8,551)
Children psycho education	-	-	1,220	(1,220)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
SOCIAL SERVICES (continued):				
FAMILY SERVICES (continued):				
Office supplies	$ -	$ -	$ 3,194	$ (3,194)
Travel	-	-	349	(349)
Training expenses	-	-	325	(325)
Dues/subscriptions	-	-	435	(435)
Equipment	-	-	2,220	(2,220)
	103,144	103,144	124,240	(21,096)
YS FAMILY:				
Health insurance	11,561	11,561	10,861	700
Social security	6,452	6,452	6,264	188
Retirement	3,355	3,355	6,178	(2,823)
Workers compensation insurance	3,677	3,677	3,856	(179)
Salaries/other	84,337	84,337	84,752	(415)
Telephone	400	400	172	228
Printing, publishing	200	200	159	41
Auto expenses	600	600	300	300
Office supplies	500	500	217	283
Other expenses	2,218	2,218	1,572	646
Postage	50	50	50	-
Mileage & conference reimbursement	850	850	319	531
Training expense	300	300	300	-
New vehicles & equipment	500	500	-	500
	115,000	115,000	115,000	-
LMB YOUTH SERVICES:				
Health insurance	3,377	3,377	881	2,496
Social security	4,747	4,747	5,190	(443)
Retirement	3,164	3,164	2,251	913
Salaries/other	62,053	62,053	65,019	(2,966)
	73,341	73,341	73,341	-
LMB SERVICES:				
POS-community service initiative	-	-	74,238	(74,238)
POS diversion	172,494	172,494	-	172,494
POS home visiting	344,725	344,725	363,131	(18,406)
	517,219	517,219	437,369	79,850

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
SOCIAL SERVICES (continued)				
LMB WELLNESS CENTERS:				
Passthrough funds	$ 546,000	$ 546,000	$ 546,000	$ -
LMB COMMUNITY OUTREACH:				
Health insurance	15,495	15,495	14,161	1,334
Social Security	6,347	6,347	5,712	635
Retirement	4,156	4,156	5,666	(1,510)
Workers compensation insurance	1,975	1,975	3,536	(1,561)
Salaries/other	82,967	82,967	80,321	2,646
Telephone	1,500	1,500	1,377	123
Printing, publishing	600	600	600	-
Contractual services	700	700	469	231
Auto expenses	1,700	1,700	1,700	-
Office supplies	1,900	1,900	1,900	-
Other expenses	2,710	2,710	2,990	(280)
Postage	600	600	600	-
Mileage & conference reimbursement	1,500	1,500	1,617	(117)
Insurance-liability & prop	850	850	850	-
Training expense	900	900	900	-
Dues	600	600	600	-
New vehicles & equipment	500	500	500	-
	125,000	125,000	123,499	1,501
LMB YOUTH STRATEGIES:				
Contractual services	-	-	9,268	(9,268)
Indirect costs	-	-	2,400	(2,400)
	-	-	11,668	(11,668)
HOMELESS GRANT:				
Other expenses	-	-	43,843	(43,843)
WEATHERIZATION:				
Other expenses	-	-	34,278	(34,278)
EMERGENCY FOOD ASSESTANCE:				
Other expenses	-	-	5,000	(5,000)
LMB HEALTHY FAMILIES:				
Indirect costs	-	-	2,416	(2,416)
Passthrough funds	-	-	27,787	(27,787)
	-	-	30,203	(30,203)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
SOCIAL SERVICES (continued):				
LMB ACROSS AGES:				
Health insurance	$ -	$ -	$ 1,126	$ (1,126)
Social security	-	-	2,077	(2,077)
Retirement	-	-	1,993	(1,993)
Workers compensation insurance	-	-	1,244	(1,244)
Salaries/other	-	-	31,195	(31,195)
Telephone	-	-	137	(137)
Contractual services	-	-	203	(203)
Indirect costs	-	-	7,398	(7,398)
Auto expenses	-	-	858	(858)
Passthrough funds	-	-	43,038	(43,038)
Office supplies	-	-	559	(559)
Other expenses	-	-	1,805	(1,805)
Postage	-	-	100	(100)
Mileage & conference reimbursement	-	-	846	(846)
Insurance-liability	-	-	200	(200)
Training expense	-	-	180	(180)
New vehicles & equipment	-	-	1,300	(1,300)
	-	-	94,259	(94,259)
RENTAL ALLOWANCE PROGRAM:				
Passthrough funds	-	-	4,150	(4,150)
LMB JUVENILE INTERVENTION:				
Passthrough funds	7,160	7,160	-	7,160
LMB VICTIM OUTREACH:				
Passthrough funds	3,333	3,333	-	3,333
HOUSING REHAB PROGRAM:				
Administration	-	-	12,548	(12,548)
LMB JUVENILE DRUG COURT:				
Training expense	-	-	7,695	(7,695)
New equipment	-	-	8,364	(8,364)
	-	-	16,059	(16,059)
LMB INCENTIVE OCFY:				
Incentives	-	-	117,436	(117,436)
LMB GCAP/IP 99-08:				
Passthrough funds	-	-	5,000	(5,000)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
SOCIAL SERVICES (continued):				
LMB ADMINISTRATION:				
Health insurance	$ 21,257	$ 21,257	$ 16,117	$ 5,140
Social security	6,496	6,496	5,609	887
Retirement	3,266	3,266	3,155	111
Unemployment insurance	2,049	2,049	-	2,049
Unemployment insurance	850	850	710	140
Salaries/supervisor	43,280	43,280	46,578	(3,298)
Salaries/other	43,545	43,545	43,963	(418)
Telephone	2,000	2,000	1,425	575
Electric	2,000	2,000	1,590	410
Advertising	2,500	2,500	387	2,113
Contractual services	2,000	2,000	3,360	(1,360)
Rental of land and building	13,000	13,000	12,697	303
Office supplies	1,565	1,565	2,795	(1,230)
Other expenses	-	-	40	(40)
Postage	1,192	1,192	1,120	72
Conferences/conventions	2,500	2,500	555	1,945
Business travel	500	500	689	(189)
Insurance	2,000	2,000	1,503	497
Training expense	-	-	585	(585)
New vehicles and equipment	-	-	407	(407)
	150,000	150,000	143,285	6,715
LMB COMMUNITY CARE:				
Health insurance	-	-	10,548	(10,548)
Social security	-	-	99	(99)
Retirement	-	-	1,639	(1,639)
Salaries/other	33,442	33,442	3,119	30,323
Contractual services	13,558	13,558	-	13,558
	47,000	47,000	15,405	31,595
LMB POS EDUCATION BLOCK:				
Passthrough funds	52,552	52,552	-	52,552
Total social services	1,739,749	1,739,749	1,952,583	(212,834)

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
RECREATION & PARKS:				
PROGRAM OPEN SPACE:				
Capital outlay	$ 57,500	$ 57,500	$ 111,111	$ (53,611)
QUEST:				
Social security	1,836	3,500	2,819	681
Workers compensation insurance	1,047	2,300	1,830	470
Salaries/other	24,000	45,200	36,854	8,346
Contractual services	20,017	31,000	24,033	6,967
Other expenses	3,100	8,000	7,796	204
	50,000	90,000	73,332	16,668
Total recreation & parks	107,500	147,500	184,443	(36,943)
NATURAL RESOURCES:				
CRITICAL AREAS:				
Health insurance	6,967	6,967	1,705	5,262
Social security	1,682	1,682	398	1,284
Retirement	1,005	1,005	1,671	(666)
Workers compensation insurance	82	82	20	62
Salaries/other	27,264	27,264	22,654	4,610
Advertising	-	-	130	(130)
Contractual services	4,600	4,600	14,953	(10,353)
Office supplies	-	-	69	(69)
Postage	-	-	-	-
	41,600	41,600	41,600	-
Total natural resources	41,600	41,600	41,600	-
ECONOMIC DEVELOPMENT:				
TOURISM MARKETING TIER II:				
Advertising	39,000	39,000	31,764	7,236
HTE DORCHESTER FIRST:				
Printing, publishing	-	-	280	(280)
Other expenses	-	-	357	(357)
	-	-	637	(637)
MHHA UGRR SB PHASE I:				
Summary budget	20,000	20,000	-	20,000
Printing, publishing	-	-	2,600	(2,600)
Contractual services	-	-	5,602	(5,602)
	20,000	20,000	8,202	11,798

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
ECONOMIC DEVELOPMENT (continued):				
USDA RBEG D1ST/LOAN FUND:				
Social security	$ -	$ 1,428	$ 127	$ 1,301
Workers compensation insurance	-	215	-	215
Unemployment insurance	-	187	-	187
Salaries/other	-	18,670	15,660	3,010
Revolving loan disbursement	-	40,000	-	40,000
Supplies	-	1,500	106	1,394
Other expenses	-	500	471	29
Travel & mileage	-	500	38	462
Equipment	-	2,000	1,839	161
	-	65,000	18,241	46,759
MEDCO MARKETING:				
Other expenses	-	-	4,000	(4,000)
MHAA MARKETING:				
Advertising	15,000	15,000	-	15,000
NTHP BARTUS TREW HT/UGRR SP:				
Contractual services	-	-	5,000	(5,000)
UMES RDC HYATT IMPACT STUDY:				
Contractual services	-	-	5,000	(5,000)
MD HERITAGE AREA CRITICAL:				
Summary budget	22,500	22,500	-	22,500
Contractual services	-	-	5,000	(5,000)
	22,500	22,500	5,000	17,500
NPS CBGN UGRR SB INTERPRETIVE:				
Summary budget	20,000	20,000	-	20,000
Printing, publishing	-	-	1,305	(1,305)
Contractual services	-	-	12,474	(12,474)
Other expenses	-	-	1,470	(1,470)
	20,000	20,000	15,249	4,751

DORCHESTER COUNTY, MARYLAND

EXPENDITURE DETAIL
BUDGET AND ACTUAL
SPECIAL REVENUE - GRANTS FUND
Year Ended June 30, 2005
(continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
ECONOMIC DEVELOPMENT (continued):				
MD HERITAGE OPERATING:				
Summary budget	$ 60,000	$ 60,000	$ -	$ 60,000
Health insurance	-	-	38	(38)
Social security	-	-	391	(391)
Salaries/other	-	-	11,042	(11,042)
Other expenses	-	-	2,497	(2,497)
	60,000	60,000	13,968	46,032
OTHER EXPENSES:				
Health insurance	-	-	387	(387)
Social security	-	-	1,117	(1,117)
Salaries/other	-	-	30,028	(30,028)
Contractual services	-	-	19,190	(19,190)
Other expenses	-	-	14,884	(14,884)
	-	-	65,606	(65,606)
Total economic development	176,500	241,500	172,667	68,833
PUBLIC WORKS:				
TRANSPORTATION:				
Other expenses	-	-	377,173	(377,173)
Total public works	-	-	377,173	(377,173)
Total expenditures	$ 2,221,635	$ 2,453,797	$ 3,663,034	$ (1,209,237)

DORCHESTER COUNTY, MARYLAND

REVENUES AND EXPENDITURE DETAIL
BUDGET AND ACTUAL - TRANSFER TAX FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
County transfer tax	$ 676,539	$ 676,539	$ 1,947,210	$ 1,270,671
Total revenues	676,539	676,539	1,947,210	1,270,671
EXPENDITURES				
GENERAL GOVERNMENT				
COURTHOUSE MAINTENANCE				
Salaries/other	38,998	38,998	52,209	(13,211)
Utilities	45,200	45,200	69,420	(24,220)
Maintenance	20,000	20,000	164,664	(144,664)
Other expenses	3,803	3,803	4,543	(740)
	108,001	108,001	290,836	(182,835)
PUBLIC SAFETY				
COURTHOUSE SECURITY				
Salaries/other	146,692	146,692	124,752	21,940
Equipment	-	-	20,116	(20,116)
	146,692	146,692	144,868	1,824
MISCELLANEOUS				
Courthouse improvements	90,000	90,000	22,370	67,630
Compensated absenses	-	-	10,252	(10,252)
Unallocated fringes	61,278	61,278	-	61,278
	151,278	151,278	32,622	118,656
Total expenditures	405,971	405,971	468,326	(62,355)
Excess of revenues over expenditures	270,568	270,568	1,478,884	1,208,316
OTHER FINANCING USES				
Bond principal	226,380	226,380	226,380	-
Bond interest	44,188	44,188	44,188	-
Total other financing uses	270,568	270,568	270,568	-
Excess of revenues over expenditures and other financing uses	$ -	$ -	$ 1,208,316	$ 1,208,316

ADDITIONAL SUPPLEMENTARY INFORMATION

DORCHESTER COUNTY, MARYLAND

REVENUE AND EXPENDITURE DETAIL
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Federal bridge revenue	$ 2,380,000	$ 2,380,000	$ 808,039	$ (1,571,961)
Other state aid	-	25,000	390,000	365,000
Interest	-	-	127,328	127,328
Total revenues	2,380,000	2,405,000	1,325,367	(1,079,633)
EXPENDITURES:				
Information technology - new vehicles/equipmei	300,000	300,000	274,055	25,945
Information technology - capital outlay	-	-	6,502	(6,502)
Health department building - capital outlay	15,000	40,000	40,000	-
Sheriff's office - new vehicles/equipment	270,369	270,369	270,369	-
Detention center - new vehicles and/or equipme	10,000	10,000	3,148	6,852
911 telephone system - new vehicles/equipment	61,555	61,555	2,076,714	(2,015,159)
Public works - courthouse maintenance	-	-	3,265	(3,265)
Public works - shoreline erosion control	-	-	25,000	(25,000)
Public works - highway - new vehicles/equipme	336,500	512,569	427,991	84,578
Public works - highway - capital outlay	15,000	15,000	1,667,715	(1,652,715)
Public works - highway - contractual services	2,200,000	2,200,000	-	2,200,000
Public works - highway - capital outlay	800,000	800,000	-	800,000
Public works - highway - salaries/other	-	-	22,162	(22,162)
Public works - highway - other materials	-	-	140	(140)
Public works-highways-asphalt s/t materials	-	-	5,986	(5,986)
Public works-highways-stone s/t materials	-	-	14,509	(14,509)
Public works-highways-fuel oil	-	-	21,962	(21,962)
Schools - new vehicles and/or equipment	185,000	185,000	416,699	(231,699)
Schools - capital outlay	543,000	543,000	186,521	356,479
Schools - Maces Lane Middle school 2001 bonc	-	-	1,155,754	(1,155,754)
Schools - Capital Projects FY 2002	-	-	16,703	(16,703)
Schools - Capital Projects FY 2003	-	-	21,061	(21,061)
Chesapeake comm. college-new veh. and equip.	36,630	36,630	-	36,630
Chesapeake comm. college-capital outlay	407,571	407,571	385,506	22,065
Recreation - new vehicles and equipment	18,400	18,400	18,240	160
Tourism - new vehicles and/or equip	-	-	178	(178)
Cost of bond issuance	-	-	23,711	(23,711)
Total expenditures	5,199,025	5,400,094	7,083,891	(1,683,797)
Deficiency of revenues over expenditures	$ (2,819,025)	$ (2,995,094)	$ (5,758,524)	$ (2,763,430)

DORCHESTER COUNTY, MARYLAND

REVENUE AND EXPENDITURE DETAIL
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
OTHER FINANCING SOURCES:				
Issuance of refunding bonds	$ 620,000	$ 620,000	$ -	$ (620,000)
Issuance of debt	794,525	794,525	25,000	(769,525)
Transfers in	1,404,500	1,580,569	1,580,569	-
Total other financing sources	2,819,025	2,995,094	1,605,569	(1,389,525)
Excess of expenditures over other financing sources	$ -	$ -	$ (4,152,955)	$ (4,152,955)

DORCHESTER COUNTY, MARYLAND

STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
AIRPORT ENTERPRISE FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Operating:				
Hangar and facility rentals	$ 67,345	$ 67,345	$ 55,827	$ (11,518)
T-hangar rentals	63,480	63,480	67,665	4,185
Tie-down rentals	3,660	3,660	3,061	(599)
Fuel sales	285,000	335,000	292,099	(42,901)
Miscellaneous revenue	2,850	2,850	1,690	(1,160)
Total revenues	422,335	472,335	420,342	(51,993)
EXPENSES:				
Operating:				
Electric	25,000	19,235	19,393	(158)
Repairs and maintenance	12,000	12,000	11,418	582
Contracted services - other	7,060	7,060	7,445	(385)
Meetings/conferences/registrations	240	340	308	32
Salaries and wages	117,404	117,404	114,652	2,752
Fringes/payroll taxes/workers' compensation	36,400	36,400	34,031	2,369
Phone	2,198	2,198	2,292	(94)
Uniforms	1,050	1,050	1,326	(276)
Miscellaneous	5,100	5,400	4,474	926
Fuel farm	800	800	625	175
Refueler lease	13,200	13,200	13,200	-
Fuel	156,000	206,000	224,449	(18,449)
Office supplies	1,000	1,000	1,168	(168)
Insurance	34,196	18,061	25,460	(7,399)
Capital outlay	80,000	80,000	25,130	54,870
Gas - heat	6,000	27,500	16,706	10,794
Summary Budget	4,300,000	-	-	-
Operating expenses, excluding depreciation	4,797,648	547,648	502,077	45,571
Depreciation	143,794	143,794	282,071	(138,277)
Total operating expenses	4,941,442	691,442	784,148	(92,706)
Operating loss	(4,519,107)	(219,107)	(363,806)	(144,699)
NON-OPERATING REVENUES (EXPENSES):				
Grants - Federal government	4,085,000	465,690	150,131	(315,559)
Grants - state government	-	-	3,951	3,951
Interest expense	-	(25,354)	(25,365)	(11)
Transfers from general fund	326,607	256,716	256,716	-
Total non-operating revenues	4,411,607	697,052	385,433	(311,619)
Net income	$ (107,500)	$ 477,945	$ 21,627	$ (456,318)

DORCHESTER COUNTY, MARYLAND

STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
LANDFILL ENTERPRISE FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Operating:				
Tipping fees	$ 1,600,522	$ 1,600,522	$ 2,595,421	$ 994,899
Permits	75,000	75,000	85,584	10,584
Other	181,000	181,000	19,299	(161,701)
Total operating revenues	1,856,522	1,856,522	2,700,304	843,782
EXPENSES:				
Public Works - Solid Waste Recycling				
Operating:				
Contractual services	15,000	15,000	-	15,000
Equipment lease and rent	1,000	1,000	-	1,000
Miscellaneous	500	500	-	500
Mileage and conference reimbursements	500	500	-	500
Public Works - Solid Waste				
Operating:				
Salaries and wages	447,140	400,140	429,146	(29,006)
Fringe benefits, payroll taxes, and workers' compensation	169,082	169,082	136,830	32,252
Equipment lease and rent	157,500	157,500	50,244	107,256
Contractual services	84,000	114,000	96,127	17,873
Closure and postclosure costs accrual	125,000	125,000	692,728	(567,728)
Utilities and fuel	44,000	54,000	77,739	(23,739)
Insurance	2,600	2,600	3,098	(498)
Materials and supplies	24,500	24,500	15,351	9,149
Uniforms	4,000	4,000	4,574	(574)
Repairs and maintenance	60,000	60,000	60,514	(514)
Legal	500	500	60	440
Capital outlay	25,000	40,000	42,176	(2,176)
Miscellaneous	156,200	145,200	14,269	130,931
Operating expenses before depreciation	1,316,522	1,313,522	1,622,856	(309,334)
Depreciation	580,000	580,000	511,001	68,999
Total operating expenses	1,896,522	1,893,522	2,133,857	(240,335)
Operating income (loss)	(40,000)	(37,000)	566,447	603,447
NON-OPERATING REVENUES (EXPENSES):				
Financial income, net	40,000	37,000	102,602	65,602
Total non-operating revenues (expenses)	40,000	37,000	102,602	65,602
Net income	$ -	$ -	$ 669,049	$ 669,049

DORCHESTER COUNTY, MARYLAND

REVENUES AND EXPENDITURE DETAIL
BUDGET AND ACTUAL
TOURISM FUND
Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Advertising support	$ 15,000	$ 15,000	$ 35,746	$ 20,746
Total revenues	15,000	15,000	35,746	20,746
EXPENDITURES				
Advertising and promotion	90,000	100,000	94,102	5,898
Printing and publications	-	-	14,260	(14,260)
Other expenses	-	-	12,384	(12,384)
Total expenditures	90,000	100,000	120,746	(20,746)
Deficiency of revenues over expenditures	(75,000)	(85,000)	(85,000)	-
OTHER FINANCING SOURCES				
Transfers In	75,000	85,000	85,000	-
Total other financing sources	75,000	85,000	85,000	-
Excess of revenues and other financing sources over expenditures	$ -	$ -	$ -	$ -

DORCHESTER COUNTY, MARYLAND

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 2005

	Capital Fund	Capital Projects Fund	Total
ASSETS			
Cash and investments	$ 5,340,253	$ 394,436	$ 5,734,689
Accrued interest receivable	10,540	-	10,540
Interfund receivables	365,015	549,752	914,767
Bond issuance costs, net	201,460	64,845	266,305
Total assets	$ 5,917,268	$ 1,009,033	$ 6,926,301
LIABILITIES			
Accounts payable	$ 1,611,344	$ -	$ 1,611,344
Interfund payables	4,104,446	-	4,104,446
Deferred revenue	25,000	-	25,000
Total liabilities	5,740,790	-	5,740,790
FUND BALANCES			
Unreserved:			
Designated for capital projects	176,478	1,009,033	1,185,511
Total fund equity	176,478	1,009,033	1,185,511
Total liabilities and fund balances	$ 5,917,268	$ 1,009,033	$ 6,926,301

DORCHESTER COUNTY, MARYLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS Year Ended June 30, 2005

	Capital Fund	Capital Projects Fund	Total
REVENUES			
Federal bridge revenue	$ 808,039	$ -	$ 808,039
Other state aid	390,000	-	390,000
Interest	113,544	13,784	127,328
Total revenues	1,311,583	13,784	1,325,367
EXPENDITURES			
Capital outlay	7,060,180	-	7,060,180
Amortization expense	16,506	7,205	23,711
Total expenditures	7,076,686	7,205	7,083,891
Deficiency of revenues over expenditures	(5,765,103)	6,579	(5,758,524)
OTHER FINANCING SOURCES (USES)			
Note proceeds	25,000	-	25,000
Operating transfers in	1,580,569	-	1,580,569
Total other financing sources	1,605,569	-	1,605,569
Excess (deficiency) of revenues and other financing financing sources over expenditures	(4,159,534)	6,579	(4,152,955)
Fund balances, beginning of year	4,336,012	1,002,454	5,338,466
Fund balances, end of year	$ 176,478	$ 1,009,033	$ 1,185,511

DORCHESTER COUNTY, MARYLAND

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
June 30, 2005

	Other Governmental Funds			
	Debt Service Fund	Reserve Fund	Commissary Fund	Building Excise Tax Fund
ASSETS				
Cash	$ -	$ 1,765,227	$ 48,122	$ 858,065
Accounts receivable	-	-	1,242	-
Interfund	247,482	-	-	-
Total assets	$ 247,482	$ 1,765,227	$ 49,364	$ 858,065
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued leave	-	-	-	-
Deferred revenues	-	-	49,364	-
Interfund payables	-	-	-	7,530
Total liabilities	-	-	49,364	7,530
FUND BALANCES				
Unrestricted	247,482	1,765,227	-	850,535
Total liabilities and fund balances	$ 247,482	$ 1,765,227	$ 49,364	$ 858,065

Other Governmental Funds		
Transfer Tax Fund	Tourism Marketing Fund	Totals
$ -	$ -	$ 2,671,414
293,150	-	294,392
1,541,558	29,298	1,818,338
$ 1,834,708	$ 29,298	$ 4,784,144
$ 3,678	$ 1,760	$ 5,438
10,252	-	10,252
-	27,538	76,902
132,228	-	139,758
146,158	29,298	232,350
1,688,550	-	4,551,794
$ 1,834,708	$ 29,298	$ 4,784,144

DORCHESTER COUNTY, MARYLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS

Year Ended June 30, 2005

	Other Governmental Funds			
	Debt Service Fund	Reserve Fund	Commissary Fund	Building Excise Tax Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ 846,185
Phone commissions	-	-	74,393	-
Advertising support	-	-	-	-
Interest and dividends	-	30,872	-	4,350
Miscellaneous	56,400	-	-	-
Total revenues	56,400	30,872	74,393	850,535
EXPENDITURES				
GENERAL GOVERNMENT				
Salaries	-	-	-	-
Utilities	-	-	-	-
Maintenance	-	-	23,427	-
Other expenses	-	-	50,966	-
	-	-	74,393	-
PUBLIC SAFETY				
Salaries/other	-	-	-	-
Equipment	-	-	-	-
	-	-	-	-
ECONOMIC DEVELOPMENT				
Advertising and promotion	-	-	-	-
Printing and publication	-	-	-	-
Other expenses	-	-	-	-
	-	-	-	-
MISCELLANEOUS				
Courthouse improvements	-	-	-	-
Compensated absences	-	-	-	-
	-	-	-	-
Total expenditures	-	-	74,393	-
Excess (deficiency) of revenues over expenditures	56,400	30,872	-	850,535
OTHER FINANCING SOURCES (USES)				
Bond principal	(2,986,303)	-	-	-
Bond interest	(1,058,077)	-	-	-
Sale of capital assets	-	300,000		
Increase in pension liabiltiy	16,434	-	-	-
Transfers in	3,971,546	-	-	-
Total other financing sources (uses)	(56,400)	300,000	-	-
Excess of revenues and other financing sources (uses) over expenditures	-	330,872	-	850,535
Fund balance, beginning of year	247,482	1,434,355	-	-
Fund balance, end of year	247,482	$ 1,765,227	$ -	$ 850,535

Other Governmental Funds		
Transfer Tax Fund	Tourism Marketing Fund	Totals
$ 1,947,210	$ -	$ 2,793,395
-	-	74,393
-	35,746	35,746
-	-	35,222
-	-	56,400
1,947,210	35,746	2,995,156
52,209	-	52,209
69,420	-	69,420
164,664	-	188,091
4,543	-	55,509
290,836	-	365,229
124,752	-	124,752
20,116	-	20,116
144,868	-	144,868
-	94,102	94,102
-	14,260	14,260
-	12,384	12,384
-	120,746	120,746
22,370	-	22,370
10,252	-	10,252
32,622	-	32,622
468,326	120,746	663,465
1,478,884	(85,000)	2,331,691
(226,380)	-	(3,212,683)
(44,188)	-	(1,102,265)
-	-	300,000
-	-	16,434
-	85,000	4,056,546
(270,568)	85,000	58,032
1,208,316	-	2,389,723
480,234	-	2,162,071
$ 1,688,550	$ -	$ 4,551,794

DORCHESTER COUNTY, MARYLAND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
DEFERRED COMPENSATION PLAN
Year Ended June 30, 2005

	Balances, June 30, 2004	Employee Contributions	Earnings on Investments	Distributions	Gains/Losses	Balances, June 30, 2005
Assets:						
Investments	$ 964,347	$ 117,031	$ 41,535	$ 9,489	$ (65,055)	$ 1,067,347
Liabilities:						
Due to participants	$ 964,347	$ 117,031	$ 41,535	$ 9,489	$ (65,055)	$ 1,067,347