

# *Cecil County* *Maryland*



## *Comprehensive Annual Financial Report* *For The Year Ended June 30, 2008*

*Prepared by the Cecil County Treasurer's Office*



# CECIL COUNTY, MARYLAND

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

### TABLE OF CONTENTS

#### INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
Cecil County Organization Chart	vii
Principal Officials	viii
GFOA Certificate of Achievement for Excellence in Financial Reporting	ix

#### FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Funds	
General Fund	22
Housing Programs	23
Highway	24
Statement of Net Assets - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28

**CECIL COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

	<u>Page</u>
<b>Basic Financial Statements (Continued)</b>	
<b>Fund Financial Statements (Continued):</b>	
Statement of Fiduciary Net Assets - Fiduciary Funds and Similar Component Unit	30
Statement of Changes in Fiduciary Net Assets and Similar Component Unit	31
Statement of Net Assets - Discretely Presented Nonfiduciary Component Units	32
Statement of Activities - Discretely Presented Nonfiduciary Component Units	33
<b>Notes to the Financial Statements</b>	
1. Summary of Significant Accounting Policies	35
2. Stewardship, Compliance, and Accountability	42
3. Deposits and Investment Portfolio Disclosure	43
4. Receivables	46
5. Notes Receivable	47
6. Capital Assets	48
7. Interfund Receivables, Payables, and Transfers	52
8. Long-Term Debt	52
9. Leases	57
10. Landfill Closure and Postclosure Care Costs	57
11. Reserved and Designated Fund Balances	58
12. Risk Management	59
13. Commitments and Contingencies	60
14. Retirement Plans and Benefits	61
15. Post-Retirement Health Care Benefits	63
16. Subsequent Events	64
<b>Combining and Individual Fund Statements and Schedules:</b>	
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - General Fund	66
Combining Balance Sheet - Non-Major Governmental Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	70

**CECIL COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

	<b><u>Page</u></b>
Combining and Individual Fund Statements and Schedules (Continued):	
Combining Balance Sheet -	
Non-Major Governmental Funds - Special Revenue Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Non-Major Governmental Funds - Special Revenue Funds	73
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	
Non-Major Governmental Funds - Special Revenue Funds	
Community Adult Rehabilitation Center	74
Other Public Safety	75
Open Space	76
Agricultural Land Preservation	77
Gilpin Falls Covered Bridge	78
Senior Services & Community Transit	79
Economic Development Revolving Loan Fund	80
Combining Balance Sheet -	
Non-Major Governmental Funds - Capital Project Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Non-Major Governmental Funds - Capital Project Funds	83
Balance Sheet - Debt Service Fund	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	
Non-Major Governmental Funds - Debt Service Fund	87
Combining Statement of Net Assets - Internal Service Funds	89
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets -	
Non-Major Governmental Funds - Internal Service Funds	90
Combining Statement of Cash Flows - Internal Service Funds	91
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	94

**CECIL COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS (Continued)**

**STATISTICAL SECTION**

	<u>Table</u>	<u>Page</u>
Government-wide Net Asset Information:		
Net Assets by Component	I	99
Changes in Net Assets	II	100
Governmental Fund Information:		
Fund Balances of Governmental Funds	III	102
Changes in Fund Balances of Governmental Funds	IV	103
Assessable Value and Actual Value of Taxable Property	V	104
Direct and Overlapping Property Tax Rates	VI	105
Principal Property Taxpayers	VII	106
Property Tax Levies and Collections	VIII	107
Ratios of Outstanding Debt by Type	IX	108
Ratios of General Bonded Debt Outstanding	X	109
Direct and Overlapping Governmental Activities Debt	XI	110
Legal Debt Limitation Information	XII	110
Pledged-Revenues Coverage	XIII	111
Demographic and Economic Statistics	XIV	112
Principal Employers	XV	113
Full-Time Equivalent County Government Employees by Function	XVI	114
Operating Indicators by Function	XVII	115
Capital Asset Statistics by Function	XVIII	116







# INTRODUCTORY SECTION



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October 31, 2008

To the Board of County Commissioners and  
The Citizens of Cecil County, Maryland

Pursuant to Maryland state law that requires essentially all local governments to prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, we hereby issue the Comprehensive Annual Financial Report of Cecil County for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of Cecil County. Consequently, management of the County assumes responsibility for the completeness and fairness of the presentation, including all disclosures. To provide a reasonable basis for making these representations, the management of Cecil County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the County's financial statements in conformity with GAAP. Because the cost should not outweigh the benefits, Cecil County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Cecil County's financial statements have been audited by Santora CPA Group, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Cecil County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Cecil County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Cecil County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

The annual budget serves as the foundation for Cecil County's financial planning and control. The County maintains certain budgetary controls (further explained in Note 2 to the financial statements) to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Estimates. Activities of the General Fund, certain Special Revenue Funds, and the Debt Service Fund are included in the annual budget. The County Commissioners may pass budget amendments through the end of the fiscal year and, with certain limitations, department heads may make transfers of appropriations within a department. The County uses a six-year Capital Improvement Program to plan and budget for its capital projects. This plan is updated throughout the fiscal year and is used as a management tool for decisions involving the scheduling and funding of various capital projects. The County includes the current portion of the Capital Improvement Plan in its annual operating budget. The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented starting on page 22 as part of the basic financial statements for the governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report starting on page 74.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Cecil County was incorporated in 1674 and is located in the northeast corner of the State of Maryland. Local government is provided by a Board of five Commissioners, elected every four years, who exercise those powers granted by the General Assembly of Maryland. The commissioners exercise both legislative and executive powers under a Maryland commissioner form of government. Other elected officials include the County Treasurer, the Sheriff, the State's Attorney, and three Circuit Court Judges.

The government serves a population of over 103,000 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and certain personal property used in business, an income tax on residents and non-residents working in the County, and to levy or collect various other taxes and charges for services. Cecil County provides a wide range of services to its citizens including police, a correctional institution, and emergency management; the construction and maintenance of highways, streets, bridges, other infrastructure; and recreational activities and cultural events. Fire protection is provided by several volunteer fire departments located throughout the County and the County assists with the funding of these companies. Water and wastewater services are provided by the County in certain areas and a central landfill is

maintained. Cecil County is also financially accountable for, and provides significant financial support to, the legally separate Board of Education of Cecil County, Cecil Community College, the Cecil County Public Library and the Bainbridge Development Corporation. These entities, considered component units of the County, are included in these financial statements and are further described in Note 1 to the financial statements.

### **Economic Condition and Outlook**

Cecil County is located in the northeastern part of the State, midway between Baltimore and Philadelphia. From a residential, industrial and commercial standpoint, Cecil County's location is ideal. Interstate 95, the most important business corridor on the country's east coast, traverses the northern part of the county from east to west and provides Cecil County easy access to major Mid-Atlantic markets which has resulted in strong economic growth. Much of this area is also accessible by rail and Cecil County is becoming a key spot for those industries in the Mid-Atlantic region that demand access to transportation afforded by rail-served land.

Cecil County has an abundance of industrial land available for development. The County continues to pursue its primary economic development objective of encouraging substantial growth in the industrial sector, particularly in the areas of light manufacturing, distribution, research and development, and corporate office development. Unemployment in the County remained at 4.29% for fiscal year 2008. This is just slightly above the state average of 3.65% for the same period.

In accordance with its adopted land use plan, Cecil County encourages development in what is locally known as the "growth corridor" located between Route 40 and I-95; agriculture remains a major segment of the economy and the County is taking steps to preserve its farmland. Cecil County has a growing tourism industry due to ready access to the Chesapeake Bay and five of its tributaries, several parks and outdoor recreation areas, scenic small towns and a wealth of history. The County continues to maintain an attractive mix of suburban and rural areas while still experiencing growth in the manufacturing area.

Property taxes and local income taxes provided approximately 78% of Cecil County's operating revenue for the fiscal year ended June 30, 2008. Revenues from these two sources are expected to continue to grow due to a combination of residential, commercial and industrial growth, however, this growth is expected to moderate due to the slowing global economy. The County's General Fund increased its fund balance by \$2.9 million to \$38,722,755 of which \$7,629,769 is unreserved and undesignated.

Under the Base Realignment and Closure act (BRAC), the United States Army is in the process of moving jobs from Fort Monmouth, New Jersey to Aberdeen Proving Ground (APG), located less than fifteen miles from Cecil County's southwest border. This relocation is expected to affect the entire region around APG including Harford, Baltimore, and Cecil counties. While the Army's ordinance school will move, thus reducing the number of "military" jobs by about 4,000, the base will gain approximately 8,200 new civilian jobs in the electronics and advanced communications research and development fields. Average pay for the new jobs is expected to be in the upper \$80,000 range; 62% will require a four year degree and 20% will require a master's degree. Additionally, many new contractor jobs are expected to be created in the surrounding area.

**Major Initiatives**

**Current Year.** In fiscal year 2007-2008, the County funded several major programs designed to improve services for citizens including the following:

- Continued systematic repair or replacement of the counties bridges. Two bridges were completed and reopened in FY2008. Total expenditure for bridge replacement during the fiscal year was \$ 1,763,364.
- Completion of the new public library in Perryville. FY2008 expenditures were \$2.1 million.
- Completion of the new County Administration building which will allow for renovations of the courthouse to accommodate an expanding court system.
- Supported Cecil College with \$500,000 for the design phase of the new physical education building.
- Began the engineering and design phase of the renovations to the Detention Center.

The County continues to fund much of its capital improvement program through pay-as-you-go funding. Accordingly, it has designated over \$12.1 million of its June 30, 2008, General Fund fund balance toward capital projects.

Over 200 new jobs were created in a variety of occupations in Cecil County as a result of new or expanded industrial development during FY2008. Some examples of the types of development the County experienced include:

- ATK Elkton, a rocket propulsion research and manufacturing facility added 100 new jobs.
- Diamond State Truck Center, a truck service center, opened a new facility creating 50 jobs.
- Terumo Cardiovascular, a manufacturer of medical products, created 22 new jobs.

**Long Term.** Cecil County continues to be one of the fastest growing counties in Maryland. Despite the slowdown in the housing market, the County continues to experience moderate industrial growth due to its location and the availability of land. The County is currently updating its Comprehensive Plan to ensure that it can balance the needs of growth and agriculture while still maintaining its quality of life.

Showing a commitment to the future development of Cecil County, a variety firms are in the process of building throughout the County. Some examples include:

- H&S Bakeries is currently constructing a 17,000 square foot distribution center in the town of North East and is expected to create 60 new jobs.
- Phillips Mushroom has invested \$1,500,000 in a 250,000 square foot mushroom facility in the southern end of the County and will employ 50 people.
- DuPont Dow Viton is constructing a manufacturing center in Elkton.

In the area of education, renovation on Elkton High School and Perryville Middle School will continue throughout FY09, as well as renovation of the Calvert Elementary School and Perryville High School. The design phase has begun for renovation of the physical education building at the Cecil College Main Campus.

**Factors Affecting Financial Condition**

**Debt Administration.** The County's rating on its general obligation debt remained the same with a Moody's Investors Service rating of Aa3 and a Standard & Poor's Corporation rating of AA-. Under current State statutes, the County's general obligation bonded debt issuances are subject to authorization by the Maryland State Legislature. The County has ongoing authority under State law to issue bonds for water and sewer projects up to 15% of the assessable base. At June 30, 2008, the County's net general obligation debt was \$132,552,771 and debt per capita equaled \$1,280.83

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, or other investments authorized by State statute and the County's Investment Policy. Each bank holding County funds provides regular reports of collateralization of the County's deposits. The County earned interest revenue of \$3,947,780 on all investments (excluding component units) for the year ended June 30, 2008.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All investments held by the County during the year ended June 30, 2008, were classified in the lowest risk category as defined by the Governmental Accounting Standards Board.

**Risk Management.** The County is self-insured for health care provided for employees of County government, Cecil College and the Cecil County Public Library. The County insures liability, property damage and excess liability coverage through the Maryland Local Government Insurance Trust, which is a public entity risk pool. Workers' compensation insurance is provided through Injured Workers Insurance Fund, an independent agency of the State of Maryland.

**Pension and Other Post-employment Benefits.** The County sponsors a single-employer defined benefit pension plan for its public safety employees. All other employees, excluding some contractual and part-time employees, are covered through the County's participation the Maryland State Retirement and Pension System. The County has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the Pension System.

The County also provides \$75 per month towards post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 62 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. The County has taken steps to fund the liability for non-pension post-employment benefits by creating the Cecil County Non-Pension Post Employment Benefits Trust in June 2008. The first payment to the Trust will be made in early fiscal 2009.

Additional information on the County's pension arrangements and post-employment benefits can be found in Notes 14 and 15 to the financial statements.

**Awards and Acknowledgements**

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the twenty-second consecutive year that the government has received this prestigious award which recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published

an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

**Acknowledgements.** The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Cecil County Treasurer's Office; each member of the staff has my sincere appreciation.

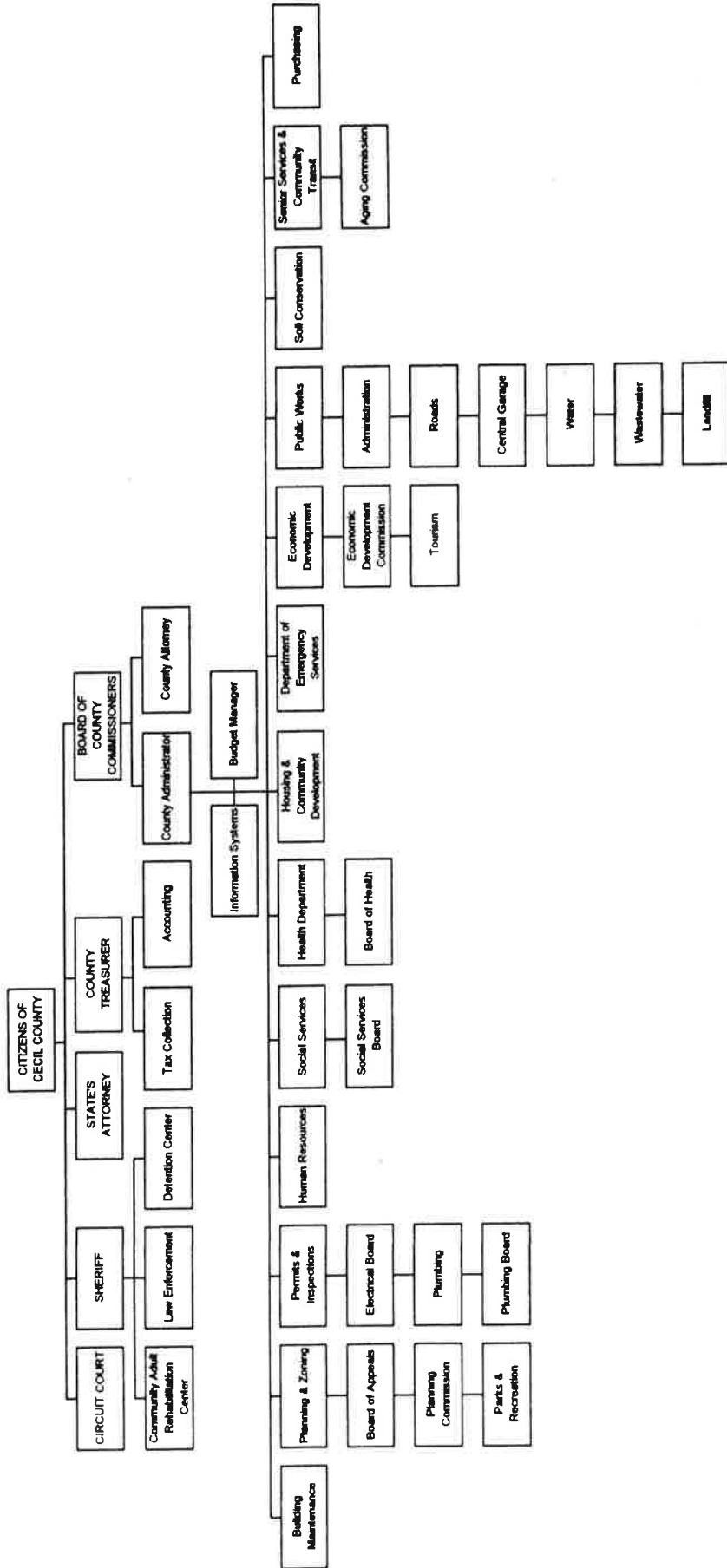
In closing, with the leadership and support of the Board of County Commissioners, preparation of this report reflects the interest and support in planning and conducting the operations of Cecil County Government in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Pamela R. Howard".

Pamela R. Howard  
Treasurer of Cecil County

# COUNTY ORGANIZATIONAL CHART CECIL COUNTY, MARYLAND FISCAL YEAR 2008





**Cecil County, Maryland**

**Principal Officials**

**June 30, 2008**

**Elected Officials**

**Board of County Commissioners**

**President**

**Vice President**

**Commissioner**

**Commissioner**

**Commissioner**

**William C. Manlove**

**Mark H. Guns**

**Rebecca J. Demmler**

**Brian L. Lockhart**

**Wayne L. Tome**

**Treasurer**

**Pamela R. Howard**

**Sheriff**

**Barry A. Janney, Sr.**

**State's Attorney**

**Christopher J. Eastridge**

**Circuit Court**

**Administrative Judge**

**Judge**

**Judge**

**Richard E. Jackson**

**O. Robert Lidums**

**Dexter M. Thompson, Jr.**

**Other Officials and Department Directors**

**County Administrator**

**Alfred C. Wein, Jr.**

**County Attorney**

**H. Norman Wilson, Jr.**

**Department Directors**

**Senior Services & Community Transit**

**Economic Development**

**Emergency Management**

**Housing & Community Development**

**Human Resources**

**Permits and Inspections**

**Planning and Zoning**

**Public Works**

**Susan Twigg**

**Vernon Thompson**

**Richard K. Brooks III**

**David B. Mahaney**

**Donna M. Nichols**

**Patrick T. Conway**

**Eric S. Sennstrom**

**W. Scott Flanigan**

**District Court**

**Administrative Judge**

**Judge**

**James C. McKinney**

**Stephen J. Baker**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cecil County  
Maryland

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

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



*Oliver S. Cox*

President

*Jeffrey R. Enow*

Executive Director



**FINANCIAL  
SECTION**

## **Independent Auditors' Report**

To the County Commissioners  
Cecil County, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cecil County, Maryland (the County) as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation, which collectively represents 100% of the assets and revenues of the aggregate discretely-presented component units. These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Board of Education, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation, are 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

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

To the County Commissioners  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 13 and the budgetary comparison schedules for the General Fund and Special Revenue Funds on pages 22 through 24 and pages 74 through 80 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

  
A handwritten signature in cursive script that reads "Sartor CPA Group" is written over a horizontal line.

October 31, 2008  
Newark, Delaware

**CECIL COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008**

The Treasurer of Cecil County and the Board of County Commissioners of Cecil County are pleased to present to readers of the financial statements of Cecil County this narrative overview and analysis of the financial activities of Cecil County for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

**Financial Highlights**

- The assets of the County (primary government) exceeded its liabilities at the close of the fiscal year by \$146,492,749 (net assets). Of this amount, \$150,353,833 was invested in capital assets, net of related debt, and \$5,693,316 was restricted for specific purposes. The County has a negative \$9,554,400 in unrestricted net assets due to the fact that while the County issues general obligation bonds to pay for school construction, the assets (school buildings) are owned by the Cecil County Board of Education which is a separate legal entity. Component units reported net assets of \$219,620,349, with \$10,182,401 unrestricted.
- Total net assets of the primary government increased by \$13,253,613 or 9%. The net assets of governmental activities increased \$5,488,661 from the previous year, while the net assets from business activities increased \$7,764,953.
- At June 30, 2008, the County reported combined ending fund balances in governmental funds of \$68,116,306, an increase of \$5,665,259 from the previous year. Of the current ending fund balances, \$25,980,520 is reported as unreserved in the General Fund, \$27,436,746 as unreserved in special revenue and capital project funds, and a total of \$14,699,040 is reported as reserved for encumbrances, inventories and prepaid items, contingencies, and notes receivable in all funds.
- The unreserved balance of the General Fund was \$25,980,520, or 17% of total General Fund expenditures and transfers out. Of this balance, \$18,350,751 has been designated for capital expenditures and fiscal year 2008 expenditures.
- The County's general obligation debt related to governmental activities was \$133,875,069, an increase of \$18,134,515. This increase came from the issuance of the 2007 public improvement bonds.

**Overview of the Financial Statements**

This discussion and analysis is an introduction to Cecil County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Assets (page 16) presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities (page 17) presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include general administration, public safety, public works, social services, parks, education, libraries, and economic development.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the cost of the water, wastewater, and landfill services it provides.
- *Discretely Presented Nonfiduciary Component Units (Component Units)* – Component units are legally separate organizations for which the County is financially accountable. The County includes in this report the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation.

**Fund Financial Statements.** The fund financial statements begin on page 18 and provide detailed information about the major individual funds. A fund is a grouping of related accounts to maintain control over specific sources that have been segregated for specific activities or objectives. Cecil County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Most of the County's basic services are reported in the governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, the fund statements focus on near-term inflows and outflows of spendable resources and the balances available for future spending at fiscal year end. This information may be useful in evaluating the County's near-term financing requirements.

Since the fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided (pages 19 and 21) to demonstrate the differences between the Governmental Funds Balance Sheet and the Statement of Net Assets and



between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities. Comparison of the two sets of statements for the governmental funds and the governmental activities may provide the reader with insight into the long-term impact of short-term financing decisions as the fund statements are from a short-term perspective and the activities statements show long term information.

The County presents the following major governmental funds individually in the County's basic financial statements:

- General
- Housing Programs
- Highway
- General Capital Projects
- Board of Education Construction

The remaining non-major governmental funds have been combined and presented in one column. Combining statements for the non-major funds is presented beginning on page 69.

- *Proprietary Funds* –When the County charges for the services it provides, proprietary funds are generally used to report these activities. Cecil County uses two types of proprietary funds; enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and internal service funds which are used to accumulate and allocate costs internally among the government funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public – water, wastewater, and landfill services. Internal service funds report activities that provide supplies and services for the County's other programs and activities - the Central Garage and Health Insurance.
- *Fiduciary Funds* – The County acts as a fiduciary to account for resources held for the benefit of parties outside the government. The County has agency funds to collect and remit certain taxes and fees on behalf of the state and several local municipalities. The Cecil County Pension Plan for Public Safety Employees is a component unit of the county. Payment of retirement, disability and death benefits to participants as well as contributions from the county and participants are accounted for in a fiduciary fund. Fiduciary funds are reported in a separate Statement of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 30 and are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent assets available to the County to finance its operations.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 35 of this report.

**Other information.** Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information as well as combining and individual non-major fund statements begins on page 66. The County also provides certain informational and statistical schedules that begin on page 97.

**Financial Analysis of the Government as a Whole**

**Net Assets.** As noted earlier, Cecil County's net assets exceeded liabilities by \$146,492,749. Over time, changes in net assets serve as a useful indicator of a government's financial position. A year-to-year comparison of net assets follows:

**Cecil County's Net Assets as of June 30, 2008 and 2007**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Government-wide Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Current and Other Assets	\$ 98,554,171	\$ 93,725,904	\$ 16,847,760	\$ 16,939,302	\$ 115,401,931	\$ 110,665,206
Capital Assets	159,728,956	139,785,004	63,563,826	47,491,036	223,292,782	187,276,040
<b>Total Assets</b>	<b>258,283,127</b>	<b>233,510,908</b>	<b>80,411,586</b>	<b>64,430,338</b>	<b>338,694,713</b>	<b>297,941,246</b>
Long Term Liabilities	129,806,927	108,216,398	37,954,331	28,375,353	167,761,258	136,591,751
Other Liabilities	22,121,547	24,446,491	2,319,159	3,739,101	24,440,706	28,185,592
<b>Total Liabilities</b>	<b>151,928,474</b>	<b>132,662,889</b>	<b>40,273,490</b>	<b>32,114,454</b>	<b>192,201,964</b>	<b>164,777,343</b>
<b>Net Assets:</b>						
Invested in Capital Assets, net of Related Debt	118,947,569	109,193,073	31,406,264	23,793,438	150,353,833	132,986,511
Restricted	4,964,961	4,461,531	728,355	923,596	5,693,316	5,385,127
Unrestricted (Deficit)	(17,557,877)	(12,806,585)	8,003,477	7,598,850	(9,554,400)	(5,207,735)
<b>Total Net Assets</b>	<b>\$ 106,354,653</b>	<b>\$ 100,848,019</b>	<b>\$ 40,138,096</b>	<b>\$ 32,315,884</b>	<b>\$ 146,492,749</b>	<b>\$ 133,163,903</b>

The largest component of the County's net assets, \$150,353,833, reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt. The increase in Invested in Capital Assets (net of Related Debt) of \$17,367,322 is primarily caused by net capital asset additions exceeding the net change of depreciation and new debt. It should be noted that capital assets are not available for future spending as they are used to provide services to citizens. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be liquidated to repay these liabilities. Additionally, it should be noted that while the County issues debt for the construction and renovation of public schools, the school buildings are owned by the legally separate Board of Education of Cecil County. Consequently, the County's financial statements reflect debt incurred on behalf of the Board of Education, but do not show the related asset.

Restricted net assets of \$5,693,316 are the next largest component and represent resources that are subject to external restrictions, state or County law provisions, or enabling legislation on how they may be used. Restricted assets for governmental activities increased by \$503,430 while restricted net assets for business-type activities decreased \$195,241 for a total increase of \$308,189 from fiscal year 2007.

The remaining portion of net assets is a negative unrestricted net asset balance of \$9,554,400. Governmental activities' unrestricted net assets, negative \$17,557,877, is due to outstanding debt incurred to construct or renovate buildings owned by the Board of Education. Business-type activities unrestricted net assets of \$8,003,477 are derived from the landfill, negative \$904,981,

wastewater services, \$9,327,356, and water services, negative \$418,898, and are essentially limited to use by the operation from which the net assets derive.

**Changes in Net Assets.** As shown in the following schedule, the County's combined net assets increased \$13,253,614 over the course of this fiscal year's operations.

	<b>Cecil County's Changes in Net Assets</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Government-wide Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 4,272,353	\$ 5,138,783	\$ 9,607,784	\$ 8,675,189	\$ 13,880,137	\$ 13,813,972
Operating Grants & Contributions	22,453,267	16,731,002	-	-	22,453,267	16,731,002
Capital Grants & Contributions	1,183,860	3,224,095	4,803,214	1,373,258	5,987,074	4,597,353
General Revenues:						
Property Taxes	86,399,908	78,732,734	-	-	86,399,908	78,732,734
Income Taxes	50,565,845	48,678,549	-	-	50,565,845	48,678,549
Entitlements	6,714,410	8,701,341	-	-	6,714,410	8,701,341
Investment Earnings	3,800,175	5,159,287	147,605	63,057	3,947,780	5,222,344
Other Revenue & Gains (Losses)	61,174	1,965,275	2,905,486	39,500	2,966,660	2,004,775
<b>Total Revenues</b>	<b>175,450,992</b>	<b>168,331,066</b>	<b>17,464,089</b>	<b>10,151,004</b>	<b>192,915,081</b>	<b>178,482,070</b>
<b>EXPENSES</b>						
General Government	11,227,374	9,863,529	-	-	11,227,374	9,863,529
Public Safety	31,247,533	28,205,141	-	-	31,247,533	28,205,141
Highways, Streets, & Bridges	13,669,424	13,348,855	-	-	13,669,424	13,348,855
Health and Welfare	10,937,738	10,219,407	-	-	10,937,738	10,219,407
Recreation and Culture	665,321	340,882	-	-	665,321	340,882
Education	87,757,907	96,385,038	-	-	87,757,907	96,385,038
Public Libraries	5,056,857	3,876,453	-	-	5,056,857	3,876,453
Economic Development	1,130,393	1,181,638	-	-	1,130,393	1,181,638
Agricultural Programs	2,184,444	2,386,359	-	-	2,184,444	2,386,359
Municipalities	691,663	558,077	-	-	691,663	558,077
Interest on Long Term Debt	5,393,680	4,330,990	-	-	5,393,680	4,330,990
Water	-	-	922,353	867,921	922,353	867,921
Wastewater	-	-	4,303,249	3,953,215	4,303,249	3,953,215
Landfill	-	-	4,473,534	4,631,952	4,473,534	4,631,952
<b>Total Expenses</b>	<b>169,962,331</b>	<b>170,696,369</b>	<b>9,699,136</b>	<b>9,453,088</b>	<b>179,661,468</b>	<b>180,149,457</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 5,488,661</b>	<b>\$ (2,365,303)</b>	<b>\$ 7,764,953</b>	<b>\$ 697,916</b>	<b>\$ 13,253,614</b>	<b>\$ (1,667,387)</b>

The net assets of the governmental activities increased \$5,488,661. The revenue from governmental activities increased 4.2%, and expenses remained the same.

Some key elements of the changes are:

- Property tax increase of \$7,667,174 (9.1%)
- Operating grants increased \$5,722,265 (34%)
- Increase of \$3,042,392 (10.7%) in expenses for public safety
- Increase of \$1,180,404 (30.4%) in expenses for public libraries

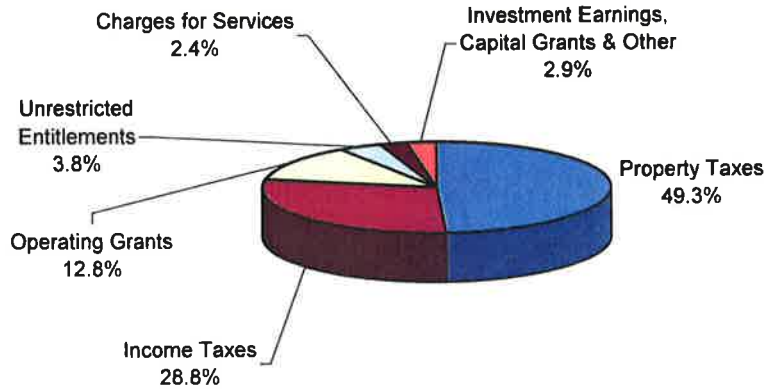
These items will be discussed in greater detail in the fund statement analysis beginning on page 9.

Although the net assets of the County's business-type activities increased by \$7,764,953, these resources cannot be used to make up for any net asset deficit in governmental activities due to state statutory restrictions. The County can only use these business-type net assets to finance the water, wastewater, and landfill operations.

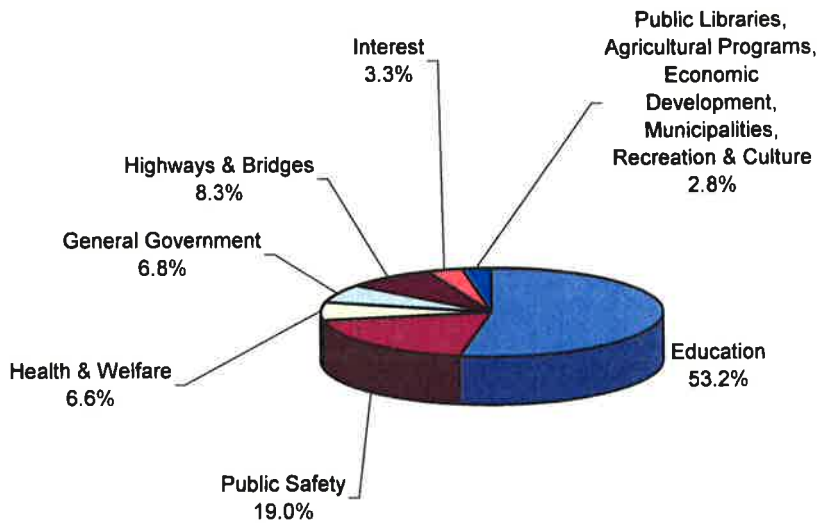
**Governmental Activities**

The following charts depict revenues and expenditures of the governmental activities for the fiscal year.

**Revenues - Governmental Activities  
Fiscal Year Ending June 30, 2008**



**Functional Expenses - Governmental Activities  
Fiscal Year Ending June 30, 2008**



Revenues of governmental activities for fiscal year 2008 exceeded 2007 by \$7,119,926. Of this increase, \$7,667,174 came from increased property tax revenues and \$5,722,265 from increased grants, primarily related to Project Open Space. Lower interest rates resulted in a decrease of \$1,359,112 in investment earning, thus adversely effecting total revenues. The revenue elements are discussed later in the fund statement comparisons.

Expenses of governmental activities remained relatively unchanged with a decrease of \$734,039. Expenses were affected by modest increases in most governmental functions offset by a decrease in capital projects. The components of these changes are discussed later in the fund statement comparisons.

### **Business-type Activities**

In 2008, net assets of business-type activities increased by \$7,764,953 from fiscal year 2007. This change was \$7,067,037 more than the increase that occurred between 2006 and 2007, and is attributable to revenues associated with the construction of two residential communities, rate increases that became effective in the first quarter of fiscal year 2008 and an adjustment to the depletion cost associated with the landfill.

### **Financial Analysis of the County's Funds**

As previously noted, Cecil County uses fund accounting as means of ensuring and demonstrating compliance with finance-related legal requirements. Governmental funds provide useful information regarding near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance is particularly helpful in measuring the net resources available for spending at fiscal year end.

As the County completed the fiscal year, its governmental funds reported fund balances of \$68,116,306. Of the current ending fund balances, \$25,980,520 is reported as unreserved in the General Fund, \$27,436,746 as unreserved in special revenue and capital project funds, and \$14,699,040 is reported as reserved for encumbrances, inventories & prepaid items, contingencies, and notes receivable in all funds.

The unreserved balance of the General Fund amounts to 12% of total General Fund expenditures and transfers out. Of the unreserved balance, \$18,350,751 has been designated for capital expenditures and fiscal year 2009 expenditures.

### **Governmental Funds**

**General Fund – Comparison to Prior Year.** The General Fund is the chief operating fund of the County. At the end of fiscal year, the reserved fund balance was \$12,742,235 and the unreserved fund balance was \$25,980,520. The General Fund reserved fund balance is not available for new spending; most of it, \$12,091,588 has already been committed for contingencies as required by County policy and the remaining balance consists of inventory & prepaid items and non-current notes receivable neither of which are readily available for spending. The County has designated \$12,115,910 of the unreserved fund balance for future capital projects and \$6,234,841 for fiscal year 2008 expenditures.

The fund balance of Cecil County's General Fund increased by \$2,920,693 in fiscal year 2008. Total General Fund revenue increased by \$6,745,690 due largely to the following:

- Property taxes increased \$7,995,043 or 10.1% due to increased property tax assessments combined with growth in the County. The County maintained a constant tax rate (versus constant yield).
- With the overall economy slowed, income taxes increased \$3,327,773 over the previous year due to the timing of tax payments to the state and subsequent remittance to the County.
- Recordation fees decreased \$1,977,290 from 2007 as the County felt the effects of the nationwide slump in the housing market.
- Investment earnings decreased by \$1,376,611 due to lower interest rates.
- Fiscal year 2007 revenue included a one time settlement payment of \$1,796,867 associated with the former Woodlawn landfill.

While General Fund revenue increased by 4.5%, expenditures and transfers out decreased by \$559,448 over 2007. The following are key components of this decrease:

- Expenditures for general government increased \$1,069,101 due to increased wages, legal fees and professional services.
- Public Safety experienced a \$2,406,143 increase in expenditures due to additional grant expenditures for training and communication equipment. Increased wages and benefits as well as higher prices for gasoline and repairs and maintenance accounted for the rest of the change.
- The Department of Public Works expenditures increased \$566,142; approximately half of this increase went to professional services associated with the water & sewer master plan.
- Transfers to other funds decreased \$4,889,745 mainly due to the operating transfer to the Roads Department. After two years of aggressive repairs, the roads maintenance expenditures return to a typical level.

**General Fund – Comparison to Budget.** Property taxes exceeded budget by \$222,127. Income taxes exceeded budget by \$3,017,279, however, this was offset by shortfalls in intergovernmental revenue including \$1,735,990 in recordation fees and public safety grants whose expenditures were deferred into 2009. Charges for service were \$257,144 under budget due to the slow down in the housing market. Interest revenue was lower than budget by \$481,188 as lower interest rates reduced investment earnings to \$3,518,812.

Actual expenditures and transfers out were \$7,718,655 less than final budget. General government costs were \$1,203,401 less than budget; A mild winter was the primary reason for \$221,058 savings in Reserve for Emergencies. The general government also saw savings due to short term vacancies and unused grant funds. Public Safety had an expenditure shortfall of \$1,626,935 representing a combination of unfilled positions and grant expenditures deferred into 2009. The Department of Social Services had approximately \$300,000 of unspent grant funds associated with the Healthy Marriage grant. The department of public works had \$547,309 in expenditure savings associated with a delay in the engineering of new projects. Due to an adjustment in funding requirements, expenditures for the Board of Education were \$1,480,038 under budget. Delays in road paving and equipment purchases in the Roads Department account for the operating transfer from the General Fund to be \$533,845 less than budget.

**Housing Programs.** The Fund had a \$360,633 increase to fund balance. Expenditures were up 4% from the previous year due to overall increases in the cost of operations, however these expenditures are offset by associated grant revenues.

**Highway Fund.** The Fund had a decrease in spending of \$5,785,862 from fiscal year 2007. Lower snow removal costs saved over \$370,000 compared to last year and \$148,890 compared to budget. After two years of very aggressive road repairs, road maintenance expenditures for fiscal year 2008 returned to a typical level. Total expenditures were under budget by \$1,336,707; consequently, the operating transfer from the General Fund was also under budget by \$533,845.

**General Capital Projects Fund.** Expenditures in the fund exceeded the previous year's by \$4,587,263; nearly all of this was due to expenditures related to the construction of a new administration building.

**Board of Education Construction Fund.** The Fund reported a decrease of \$8,334,730 in spending compared to 2007. This activity reflects the completion of certain major projects at County public schools.

**Non-Major Governmental Funds.** Spending levels of non-major funds increased by \$4,058,419 compared to 2007. This represents funding for the acquisition of parkland as well as a previous privately owned sports complex, which will be available for public use.

### **Proprietary Funds**

**Water Services Fund.** Revenue in this fund increased by 60.5% from last year to \$1,263,870 due to a rate increase which became effective July 1, 2007. Expenses increased by 6.2% to \$922,353 resulting in operating income of \$341,517.

**Wastewater Services Fund.** While revenues for fiscal year 2008 increased by 20.5% from last year to \$2,986,929 it was insufficient to offset a \$3,731,492 (5.9%) increase in expenses which resulted in an operating loss of \$744,563. The increase in expenditures is attributable to increased depreciation and operating cost.

**Landfill Fund.** The landfill fund's operating income increased to \$1,111,205 from \$1,026,921 in 2007. Revenue in the fund remained relatively unchanged for 2008, while expenditures decreased by \$138,006 to \$4,245,780. This decrease in expenditures can be attributed to the adjustment in the closure/post closure cost and updated estimated capacity.

**Health Insurance Internal Service Fund** – Premiums received from participants increased by \$640,630 to \$7,520,446 as price increases have taken effect. Medical claims and administrative fees increased \$826,780 to \$6,608,498 due to a combination of medical inflation and increased prescription costs. The County pays 85% of the premium and the employee pays 15%.

**Central Garage Internal Service Fund** – The County uses a third party vehicle maintenance company to operate the County's vehicle maintenance facility. The Fund records the full value of the services, parts, and cost of supplying the facility to the contractor and charges user departments for the services. The fund allocates back to users all costs and retains as net assets only the remaining useful life of buildings and equipment. The fund's 2008 operating costs were slightly higher than 2007 by \$83,128 or 7.2% due to a increase in expenses that are not covered under the County's contract.

**General Fund Budgetary Highlights**

The County adopted its fiscal year 2008 budget on May 20, 2008, and amended it to meet operational needs during the year. The legal level of budgetary control is at the departmental level and while department heads may make budget transfers within their own department, the Board of County Commissioners must approve any budget amendments that increase or decrease revenue or move appropriations between departments.

Budget changes during the year added \$2,472,050 to revenues and expenditures and transfers increased revenues by \$3,343,629. Additional grant funding accounted for just over \$2.3 million additional budgetary revenues and accompanying expenditures and included the following:

- The Department of Emergency Services received approximately \$1.3 million in additional grant funding for various programs designed to enhance public safety.
- The department of Social Services received an additional \$358,556 related to the Healthy Marriage Grant
- Additional grant funding of \$163,514 was awarded to Law Enforcement primarily to enhance school security.
- Funding for projects in process, but not completed at the end of fiscal year 2007 was reappropriated in fiscal year 2008.

The final budget contained \$155,922,127 of revenues, \$160,103,311 of expenditures and transfers, and \$4,181,204 of appropriated fund balance. The actual revenues and other financing sources were \$616,758 less than final budget and actual expenditures and transfers \$7,718,655 below final budget.

**Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2008, the County had invested \$223,292,782, net of accumulated depreciation, in a broad range of capital assets (table - page13). Depreciation and depletion charges for this fiscal year totaled \$10,554,060.

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

- The completion of a Homeowners convenience center located & Septage Acceptance Station, both located at the central landfill.
- The completion of a new County Administration Building
- Highway projects within the Highway Fund and General Capital Projects Fund continue to emphasize complete refurbishment of the County's bridges as well as maintaining pavement resurfacing programs.



The following table comprises the County's capital assets net of accumulated depreciation and depletion.

**Cecil County's Capital Assets as of June 30, 2008 and 2007**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 12,995,474	\$ 8,136,191	\$ 915,468	\$ 875,348	\$ 13,910,942	\$ 9,011,539
Construction in Progress	3,701,356	13,766,302	3,112,339	3,381,721	6,813,695	17,148,023
Landfill & Land Improvements	2,303,240	2,092,718	8,034,828	2,649,361	10,338,068	4,742,079
Highways & Bridges	81,501,017	81,582,240	-	-	81,501,017	81,582,240
Utility Systems	-	-	16,459,823	13,840,930	16,459,823	13,840,930
Buildings	38,227,062	16,157,847	11,523,216	7,205,634	49,750,278	23,363,481
Machinery & Equipment	21,000,807	18,049,706	23,518,152	19,538,042	44,518,959	37,587,748
<b>Total Capital Assets</b>	<b>\$ 159,728,956</b>	<b>\$ 139,785,004</b>	<b>\$ 63,563,826</b>	<b>\$ 47,491,036</b>	<b>\$ 223,292,782</b>	<b>\$ 187,276,040</b>

Additional information on the County's capital assets is contained in Note 6 to the financial statements.

**Long Term Debt.** At the end of the current fiscal year, the County had total bonded debt of \$164,201,867. All of this debt is backed by the full faith and credit of the government. Governmental activities report \$132,552,771 and business-type activities report \$27,435,710 of general obligation bonds. Special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment consists of \$173,384. Revenue bonds for which the government is liable for fee or tax increases to repay the debt in the event revenue from landfill fees is insufficient to pay the related debt service account for \$4,040,000.

The County is empowered by state law to issue debt obligations within the limits of authority passed from time to time by the state legislature. There is no legal aggregate limit to the amount of indebtedness. In December 2007, the County issued \$32,045,000 in general obligation bonds, all of which supported current construction programs at the Board of Education, Cecil College and the County Detention Center, as well as construction of wastewater facilities and highway improvements.

The County's bond rating remained stable with a rating of Aa3 from Moody's Investors Service and Standard and Poor's rating of AA-. Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

Cecil County is expected to be the fastest growing county in Maryland for the next several years. While the Base Realignment and Closure Act (BRAC) is expected to bring more jobs to the region, especially in neighboring Harford County, it will also bring more residential growth and increased demands for services and infrastructure to Cecil County. The County must find a way to channel this growth to its designated growth corridor in order to preserve the agricultural areas in the rest of the county and to this end, it is working with State and local officials to develop adequate infrastructure to support the growth.

Cecil's unemployment rate averaged 4% for fiscal year 2008 and is slightly higher than the State's average for the same period of time. The County's economy is a diversified mix of agricultural, manufacturing and service industries which follows national inflation and activity trends. It is not likely to be significantly impacted by any one industry's problems.

All these economic factors were taken into account when adopting the General Fund budget for fiscal year 2009. The County's budget addresses the development and land preservation needs as well as expanded public safety and infrastructure needs. The property tax rate remained \$.96 per \$100 of assessed value while reassessments and increased taxable assets increased the tax assessable property base. The County appropriated \$3,564,841 of the current fiscal year \$25,980,520 unreserved fund balance for expenditures in the next fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of Cecil County's finances to the citizens of Cecil County and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to Pamela R. Howard, Cecil County Treasurer, 200 Chesapeake Boulevard, Elkton, MD 21921.

The component units issue their own audited financial statements. These statements may be obtained directly from the units from sources listed in Note 1 to the financial statements.

## BASIC FINANCIAL STATEMENTS

**CECIL COUNTY, MARYLAND**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Investments (Note 3)	\$ 71,659,956	\$ 12,573,073	\$ 84,233,029	\$ 28,124,323
Receivables, Net (Note 4)	2,141,009	3,978,448	6,119,457	1,476,849
Due from Primary Government	-	-	-	2,142,463
Due from Other Governments	20,778,566	-	20,778,566	2,630,335
Internal Balances	483,246	(483,246)	-	-
Inventories	501,745	-	501,745	166,937
Prepaid Items & Other Assets	1,553,194	51,130	1,604,324	879,248
Restricted Assets:				
Cash and Investments	1,436,455	728,355	2,164,810	3,328,966
Capital Assets, Net (Note 6):				
Land	12,995,474	915,468	13,910,942	6,531,516
Construction in Progress	3,701,356	3,112,339	6,813,695	69,745,743
Landfill & Land Improvements	2,303,240	8,034,828	10,338,068	3,205,617
Highways & Bridges	81,501,017	-	81,501,017	-
Utility Systems	-	16,459,823	16,459,823	-
Buildings	38,227,062	11,523,216	49,750,278	123,358,407
Machinery & Equipment	21,000,807	23,518,152	44,518,959	13,813,956
<b>Total Assets</b>	<b>258,283,127</b>	<b>80,411,586</b>	<b>338,694,713</b>	<b>255,404,360</b>
<b>LIABILITIES</b>				
Accounts Payable	7,615,897	2,010,622	9,626,519	6,200,794
Salary and Benefits Payable	1,795,659	109,153	1,904,812	12,026,778
Due to Component Units	2,142,463	-	2,142,463	-
Unearned Revenue	351,714	-	351,714	2,538,255
Other Liabilities	1,083,329	199,384	1,282,713	-
Liabilities Payable with Restricted Assets	40,319	-	40,319	-
Long Term Liabilities (Note 8):				
Due within one year:				
Bonds Payable	8,334,381	1,757,584	10,091,965	-
Capital Leases	546,029	213,260	759,289	1,256,901
Insurance Claims Payable	937,759	-	937,759	1,317,600
Compensated Absences	967,569	80,592	1,048,161	579,920
Due in more than one year:				
Bonds Payable	125,540,688	29,700,635	155,241,323	-
Capital Leases	2,088,882	699,343	2,788,225	9,301,790
Compensated Absences	483,785	40,297	524,082	2,561,973
Accrued Landfill Closure/Postclosure	-	5,462,620	5,462,620	-
<b>Total Liabilities</b>	<b>151,928,474</b>	<b>40,273,490</b>	<b>192,201,964</b>	<b>35,784,011</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	118,947,569	31,406,264	150,353,833	206,096,548
Restricted for:				
Capital Projects	92,601	-	92,601	40,074
Health and Welfare	1,023,363	-	1,023,363	-
Agriculture	2,859,749	-	2,859,749	-
Economic Development	828,539	-	828,539	-
Debt Service and Other	160,709	728,355	889,064	3,301,326
Unrestricted	(17,557,877)	8,003,477	(9,554,400)	10,182,401
<b>Total Net Assets</b>	<b>\$ 106,354,653</b>	<b>\$ 40,138,096</b>	<b>\$ 146,492,749</b>	<b>\$ 219,620,349</b>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Grants and Contributions		Governmental Activities	Primary Government		
			Operating	General Capital		Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 11,227,374	\$ 1,214,042	\$ 620,227	\$ -	\$ (9,393,105)	\$ -	\$ (9,393,105)	\$ -
Public Safety	31,247,533	2,317,402	3,261,791	813,600	(24,854,740)	-	(24,854,740)	-
Highways, Streets, and Bridges	13,669,424	511,444	6,941,511	370,260	(5,846,209)	-	(5,846,209)	-
Health and Welfare	10,937,738	121,469	6,455,856	-	(4,360,413)	-	(4,360,413)	-
Recreation and Culture	665,321	107,796	4,283,809	-	3,726,284	-	3,726,284	-
Education	87,757,907	-	-	-	(87,757,907)	-	(87,757,907)	-
Public Libraries	5,056,857	-	-	-	(5,056,857)	-	(5,056,857)	-
Economic Development	1,130,393	200	101,300	-	(1,028,893)	-	(1,028,893)	-
Agriculture	2,184,442	-	788,773	-	(1,395,669)	-	(1,395,669)	-
Municipalities	691,663	-	-	-	(691,663)	-	(691,663)	-
Interest on Long-Term Debt	5,393,680	-	-	-	(5,393,680)	-	(5,393,680)	-
Total Governmental Activities	<u>169,962,331</u>	<u>4,272,353</u>	<u>22,453,267</u>	<u>1,183,860</u>	<u>(142,052,851)</u>	<u>-</u>	<u>(142,052,851)</u>	<u>-</u>
<b>Business-Type Activities:</b>								
Water	922,353	1,263,870	-	51,728	-	393,245	393,245	-
Wastewater	4,303,249	2,986,929	-	4,751,486	-	3,435,166	3,435,166	-
Landfill	4,473,534	5,356,985	-	-	-	883,451	883,451	-
Total Business-Type Activities	<u>9,699,136</u>	<u>9,607,784</u>	<u>-</u>	<u>4,803,214</u>	<u>-</u>	<u>4,711,862</u>	<u>4,711,862</u>	<u>-</u>
Total Primary Government	<u>\$179,661,467</u>	<u>\$ 13,880,137</u>	<u>\$ 22,453,267</u>	<u>\$ 5,987,074</u>	<u>(142,052,851)</u>	<u>4,711,862</u>	<u>(137,340,989)</u>	<u>-</u>
<b>Component Units:</b>								
Board of Education	\$193,566,427	\$ 3,568,839	\$ 48,901,527	\$ 17,653,368	-	-	-	(123,442,693)
Cecil Community College	22,758,594	5,854,129	2,645,939	1,671,893	-	-	-	(12,586,633)
Cecil County Library	4,557,891	133,142	1,094,069	3,977,313	-	-	-	646,633
Bainbridge Development Corporation	215,503	41,343	-	-	-	-	-	(174,160)
Total Component Units	<u>\$221,098,415</u>	<u>\$ 9,597,453</u>	<u>\$ 52,641,535</u>	<u>\$ 23,302,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,556,853)</u>
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes	-	-	-	-	86,399,908	-	86,399,908	-
Income Taxes	-	-	-	-	50,565,845	-	50,565,845	-
Investment Earnings	-	-	-	-	3,800,175	147,605	3,947,780	841,235
Other Revenues including Capital Asset Sales Gains	-	-	-	-	61,174	2,905,486	2,966,660	1,127,730
Payments From the Primary Government	-	-	-	-	-	-	-	71,845,487
Payments From the State Government	-	-	-	-	-	-	-	73,691,139
Grants, Entitlements, and Contributions not Restricted to Specific Programs	-	-	-	-	6,714,410	-	6,714,410	1,512,941
Total General Revenues, Special Items, and Transfers	-	-	-	-	<u>147,541,512</u>	<u>3,053,091</u>	<u>150,594,603</u>	<u>149,018,532</u>
Change in Net Assets	-	-	-	-	5,488,661	7,764,953	13,253,613	13,461,679
<b>Net Assets - June 30, 2007</b>	-	-	-	-	<u>100,865,993</u>	<u>32,373,143</u>	<u>133,239,136</u>	<u>206,158,670</u>
<b>Net Assets - June 30, 2008</b>	-	-	-	-	<u>\$ 106,354,653</u>	<u>\$ 40,138,096</u>	<u>\$ 146,492,749</u>	<u>\$219,620,349</u>

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

**CECIL COUNTY, MARYLAND**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<u>General</u>	<u>Housing Programs</u>	<u>Highway</u>	<u>General Capital Projects</u>	<u>Board of Education Construction</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and Investments (Note 3)	\$35,622,583	\$ -	\$ 723,333	\$ 13,351,146	\$ 11,776,508	\$ 4,610,543	\$ 66,084,113
Receivables, Net (Note 4)	933,256	-	200	775,349	-	391,307	2,100,112
Due from Other Funds	326,251	-	-	-	-	-	326,251
Due from Other Governments	18,087,865	55,882	1,670,919	-	-	963,900	20,778,566
Inventory	33,352	-	448,469	-	-	98	481,919
Advances to Other Funds	483,246	-	-	-	-	-	483,246
Other Assets	130,951	-	-	-	-	-	130,951
Restricted Assets:							
Cash and Investments (Note 3)	13,234	1,149,844	-	-	-	273,377	1,436,455
<b>Total Assets</b>	<b>55,630,738</b>	<b>1,205,726</b>	<b>2,842,921</b>	<b>14,126,495</b>	<b>11,776,508</b>	<b>6,239,225</b>	<b>91,821,613</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 2,396,445	\$ 74,567	\$ 2,289,137	\$ 1,578,082	\$ 1,317,326	\$ 1,025,443	\$ 8,681,000
Salaries and Benefits Payable	1,525,140	22,728	105,315	-	-	142,476	1,795,659
Due to Other Funds	-	44,749	-	-	-	70,707	115,456
Deferred Revenue	12,040,808	-	-	-	-	86,475	12,127,283
Other Liabilities	945,590	-	-	-	-	-	945,590
Liabilities Payable from Restricted Funds	-	40,319	-	-	-	-	40,319
<b>Total Liabilities</b>	<b>16,907,983</b>	<b>182,363</b>	<b>2,394,452</b>	<b>1,578,082</b>	<b>1,317,326</b>	<b>1,325,101</b>	<b>23,705,307</b>
<b>Fund Balances:</b>							
<b>Reserved:</b>							
Encumbrances	-	-	-	1,452,070	-	56,266	1,508,336
Inventories and Prepaid Items	164,303	-	448,469	-	-	-	612,772
Non-Current Notes Receivable	3,098	-	-	-	-	-	3,098
Contingencies	12,091,588	-	-	-	-	-	12,091,588
Advances to other funds	483,246	-	-	-	-	-	483,246
<b>Unreserved, Reported in:</b>							
<b>General Fund:</b>							
Designated	18,350,751	-	-	-	-	-	18,350,751
Undesignated	7,629,769	-	-	-	-	-	7,629,769
Special Revenue Funds	-	1,023,363	-	-	-	3,941,598	4,964,961
Capital Project Funds	-	-	-	11,096,343	10,459,182	916,260	22,471,785
<b>Total Fund Balances</b>	<b>38,722,755</b>	<b>1,023,363</b>	<b>448,469</b>	<b>12,548,413</b>	<b>10,459,182</b>	<b>4,914,124</b>	<b>68,116,306</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$55,630,738</b>	<b>\$ 1,205,726</b>	<b>\$ 2,842,921</b>	<b>\$ 14,126,495</b>	<b>\$ 11,776,508</b>	<b>\$ 6,239,225</b>	<b>\$ 91,821,613</b>

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

**CECIL COUNTY, MARYLAND**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

The Total Net Assets reported for governmental activities in the Statement of Net Assets (Page 16) is different because:

<b>Total Fund Balances for Government Funds (Page 18)</b>		\$ 68,116,306
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in Note 6 are included in the Statement of Net Assets. Also excluded are \$302,119 of internal service capital assets accounted for in the following line.		159,426,837
Internal service funds are used by management to charge the costs of fleet management and health insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. The increase is equal to the internal service net assets.		4,754,786
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unearned revenue in the funds.		
Property Taxes	\$ 309,372	
Income Taxes	<u>11,466,772</u>	11,776,144
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Compensated Absences	\$ (1,451,354)	
Accrued interest on long-term debt	(1,083,329)	
Deferred Charges - Bond Issuance Costs	(1,688,726)	
Deferred Charges - Bond Premium	1,325,243	
Deferred Charges - Advance Refunding Difference	539,812	
Bonds and Notes Payable	<u>(135,361,066)</u>	<u>(137,719,420)</u>
<b>Total Net Assets of Governmental Activities (Page 16)</b>		<u>\$ 106,354,653</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General</u>	<u>Housing Programs</u>	<u>Highway</u>	<u>General Capital Projects</u>	<u>Board of Education Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Property Taxes	\$ 86,506,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,506,000
Special Assessments - Current	-	-	-	-	-	50,203	50,203
Income Taxes	50,192,279	-	-	-	-	-	50,192,279
Licenses and Permits	1,531,579	-	3,334	-	-	-	1,534,913
Intergovernmental	10,988,110	4,108,002	6,505,776	1,133,657	-	7,048,271	29,783,816
Charges for Services	2,424,434	-	500	-	-	312,506	2,737,440
Investment Earnings	3,518,812	17,703	-	-	-	23,418	3,559,933
Contributions & Other Revenues	14,584	51,150	-	-	-	20,729	86,463
<b>Total Revenues</b>	<b>155,175,798</b>	<b>4,176,855</b>	<b>6,509,610</b>	<b>1,133,657</b>	<b>-</b>	<b>7,455,127</b>	<b>174,451,047</b>
<b>EXPENDITURES</b>							
Current:							
General Government	10,819,769	-	-	-	-	-	10,819,769
Public Safety	28,681,575	-	-	-	-	1,703,754	30,385,329
Highways, Streets, and Bridges	2,813,771	-	8,898,213	-	-	-	11,711,984
Health and Welfare	4,580,698	3,824,329	-	-	-	2,328,918	10,733,945
Recreation and Culture	675,409	-	-	-	-	4,382,377	5,057,786
Education	72,085,349	-	-	-	-	-	72,085,349
Public Libraries	3,982,188	-	-	-	-	-	3,982,188
Economic Development	1,151,965	-	-	-	-	-	1,151,965
Agriculture	559,734	-	-	-	-	1,622,996	2,182,730
Municipalities	691,663	-	-	-	-	-	691,663
Debt Service:							
Principal	-	-	-	-	-	8,240,914	8,240,914
Interest	-	-	-	-	-	5,102,747	5,102,747
Capital Outlay	-	-	-	17,506,504	14,918,967	3,102,081	35,527,552
<b>Total Expenditures</b>	<b>126,042,121</b>	<b>3,824,329</b>	<b>8,898,213</b>	<b>17,506,504</b>	<b>14,918,967</b>	<b>26,483,787</b>	<b>197,673,921</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>29,133,677</b>	<b>352,526</b>	<b>(2,388,603)</b>	<b>(16,372,847)</b>	<b>(14,918,967)</b>	<b>(19,028,660)</b>	<b>(23,222,875)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from							
Capital Asset Disposal	129,571	-	-	-	-	-	129,571
Bonds Issued	-	-	-	12,301,700	15,530,046	743,254	28,575,000
Premium on Debt Issued	-	-	-	485,778	-	-	485,778
Bond Issuance Cost	-	-	-	(302,215)	-	-	(302,215)
Transfers In	-	8,107	2,556,281	5,857,000	1,179,910	16,741,257	26,342,555
Transfers Out	(26,342,555)	-	-	-	-	-	(26,342,555)
<b>Total Other Financing Sources (Uses)</b>	<b>(26,212,984)</b>	<b>8,107</b>	<b>2,556,281</b>	<b>18,342,263</b>	<b>16,709,956</b>	<b>17,484,511</b>	<b>28,888,134</b>
<b>Net Change in Fund Balances</b>	<b>2,920,693</b>	<b>360,633</b>	<b>167,678</b>	<b>1,969,416</b>	<b>1,790,989</b>	<b>(1,544,149)</b>	<b>5,665,259</b>
<b>Fund Balances - June 30, 2007</b>	<b>35,802,062</b>	<b>662,730</b>	<b>280,791</b>	<b>10,578,997</b>	<b>8,668,193</b>	<b>6,458,274</b>	<b>62,451,047</b>
<b>Fund Balances - June 30, 2008</b>	<b>\$ 38,722,755</b>	<b>\$ 1,023,363</b>	<b>\$ 448,469</b>	<b>\$ 12,548,413</b>	<b>\$ 10,459,182</b>	<b>\$ 4,914,125</b>	<b>\$ 68,116,306</b>

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



**CECIL COUNTY, MARYLAND**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

Amounts reported for governmental activities in the Statement of Activities (Page 17) are different because:

**Net Change in Fund Balances - Total Government Funds (Page 20)** \$ 5,665,259

Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$27,453,477) exceeded depreciation (\$7,462,935) in the year ended June 30, 2008. 19,990,512

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset less accumulated depreciation. (68,397)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.

Property Taxes	\$ (106,092)	
Income Taxes	<u>373,566</u>	
Net Adjustment		267,474

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

	<u>Debt issued:</u>	<u>Repayments:</u>	
General Obligation bonds	\$ (28,575,000)	\$8,240,914	
Issuance Costs & Similar Items	<u>(183,563)</u>	<u>(100,385)</u>	
Net Adjustment	<u>(28,758,563)</u>	<u>8,140,529</u>	(20,618,034)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following are the impact of the net changes in balances.

Compensated Absences	\$ (153,274)	
Accrued interest on long-term debt	<u>(190,548)</u>	
Net Adjustment		(343,822)

The net revenue of certain internal service funds is reported with governmental activities. 595,669

**Change in Net Assets of Government Activities (Page 17)** \$ 5,488,661

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Property Taxes	\$ 86,283,873	\$ 86,283,873	\$ 86,506,000	\$ 222,127
Income Taxes	47,175,000	47,175,000	50,192,279	3,017,279
Licenses and Permits	1,739,305	1,739,305	1,531,579	(207,726)
Intergovernmental	11,658,010	14,042,371	10,988,110	(3,054,261)
Charges for Services	2,593,889	2,681,578	2,424,434	(257,144)
Investment Earnings	4,000,000	4,000,000	3,518,812	(481,188)
Contributions & Other Revenues	-	-	14,584	14,584
<b>Total Revenues</b>	<u>153,450,077</u>	<u>155,922,127</u>	<u>155,175,798</u>	<u>(746,329)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	11,504,874	12,023,170	10,819,769	1,203,401
Public Safety	28,632,164	30,308,510	28,681,575	1,626,935
Highways, Streets, and Bridges	3,335,660	3,361,080	2,813,771	547,309
Health and Welfare	4,898,240	5,240,902	4,580,698	660,204
Recreation and Culture	674,786	842,728	675,409	167,319
Education	73,565,387	73,565,387	72,085,349	1,480,038
Public Libraries	3,981,813	3,982,188	3,982,188	-
Economic Development	1,148,636	1,266,027	1,151,965	114,062
Agriculture	630,267	570,529	559,734	10,795
Municipalities	691,664	691,664	691,663	1
<b>Total Expenditures</b>	<u>129,063,491</u>	<u>131,852,185</u>	<u>126,042,121</u>	<u>5,810,064</u>
<b>Excess of Revenues</b> <b>Over Expenditures</b>	<u>24,386,586</u>	<u>24,069,942</u>	<u>29,133,677</u>	<u>5,063,735</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Asset Disposal	-	-	129,571	129,571
Transfers Out	(27,696,211)	(28,251,146)	(26,342,555)	1,908,591
<b>Total Other Financing Sources (Uses)</b>	<u>(27,696,211)</u>	<u>(28,251,146)</u>	<u>(26,212,984)</u>	<u>2,038,162</u>
<b>Net Change in Fund Balance</b>	(3,309,625)	(4,181,204)	2,920,693	7,101,897
<b>Fund Balance - June 30, 2007</b>	<u>35,802,062</u>	<u>35,802,062</u>	<u>35,802,062</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 32,492,437</u>	<u>\$ 31,620,858</u>	<u>\$ 38,722,755</u>	<u>\$ 7,101,897</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**HOUSING PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<b>REVENUES</b>				
Intergovernmental	\$ 3,385,273	\$ 3,769,426	\$ 4,108,002	\$ 338,576
Investment Earnings	10,000	10,000	17,703	7,703
Contributions & Other Revenues	18,500	38,810	51,150	12,340
<b>Total Revenues</b>	<u>3,413,773</u>	<u>3,818,236</u>	<u>4,176,855</u>	<u>358,619</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>3,491,609</u>	<u>3,883,714</u>	<u>3,824,329</u>	<u>59,385</u>
<b>Total Expenditures</b>	<u>3,491,609</u>	<u>3,883,714</u>	<u>3,824,329</u>	<u>59,385</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(77,836)</u>	<u>(65,478)</u>	<u>352,526</u>	<u>418,004</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	<u>-</u>	<u>12,310</u>	<u>8,107</u>	<u>(4,203)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>12,310</u>	<u>8,107</u>	<u>(4,203)</u>
<b>Net Change in Fund Balance</b>	(77,836)	(53,168)	360,633	413,801
<b>Fund Balance - June 30, 2007</b>	<u>662,730</u>	<u>662,730</u>	<u>662,730</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 584,894</u>	<u>\$ 609,562</u>	<u>\$ 1,023,363</u>	<u>\$ 413,801</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**HIGHWAY**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and Permits	\$ 5,000	\$ 5,000	\$ 3,334	\$ (1,666)
Intergovernmental	7,139,794	7,139,794	6,505,776	(634,018)
Charges for Services	-	-	500	500
<b>Total Revenues</b>	<u>7,144,794</u>	<u>7,144,794</u>	<u>6,509,610</u>	<u>(635,184)</u>
<b>EXPENDITURES</b>				
Current:				
Highways, Streets, and Bridges	<u>9,961,317</u>	<u>10,234,920</u>	<u>8,898,213</u>	<u>1,336,707</u>
<b>Total Expenditures</b>	<u>9,961,317</u>	<u>10,234,920</u>	<u>8,898,213</u>	<u>1,336,707</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,816,523)</u>	<u>(3,090,126)</u>	<u>(2,388,603)</u>	<u>701,523</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>2,816,523</u>	<u>3,090,126</u>	<u>2,556,281</u>	<u>(533,845)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,816,523</u>	<u>3,090,126</u>	<u>2,556,281</u>	<u>(533,845)</u>
<b>Net Change in Fund Balance</b>	-	-	167,678	167,678
<b>Fund Balance - June 30, 2007</b>	<u>208,791</u>	<u>280,791</u>	<u>280,791</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 208,791</u>	<u>\$ 280,791</u>	<u>\$ 448,469</u>	<u>\$ 167,678</u>

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Internal</u>
	<u>Services</u>	<u>Services</u>			<u>Service Funds</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Investments	\$ -	\$ 7,749,508	\$ 4,823,565	\$ 12,573,073	\$ 5,575,843
Receivables, Net:					
Accounts	309,674	907,077	582,593	1,799,344	40,897
Other	22,731	379,193	77,241	479,165	-
Inventory	-	-	-	-	19,826
Prepaid Items and Other Assets	-	20,886	30,244	51,130	97,000
<b>Total Current Assets</b>	<b>332,405</b>	<b>9,056,664</b>	<b>5,513,643</b>	<b>14,902,712</b>	<b>5,733,566</b>
<b>Non-Current Assets:</b>					
Restricted Assets: Cash and Investments	-	-	728,355	728,355	-
Accounts Receivable - Non-Current	-	1,699,939	-	1,699,939	-
Capital Assets, Net:					
Land	25,734	411,896	477,838	915,468	-
Construction in Progress	460,177	2,131,910	520,252	3,112,339	-
Landfill and Land Improvements	-	982,822	7,052,006	8,034,828	-
Water and Wastewater Lines	1,296,089	15,163,734	-	16,459,823	-
Buildings	255,996	7,873,050	3,394,170	11,523,216	240,558
Machinery & Equipment	645,082	16,708,498	6,164,572	23,518,152	61,561
<b>Total Non-Current Assets</b>	<b>2,683,078</b>	<b>44,971,849</b>	<b>18,337,193</b>	<b>65,992,120</b>	<b>302,119</b>
<b>Total Assets</b>	<b>3,015,483</b>	<b>54,028,513</b>	<b>23,850,836</b>	<b>80,894,832</b>	<b>6,035,685</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	217,765	935,969	554,693	1,708,427	131,771
Construction Retainage Payable	15,387	284,895	1,913	302,195	-
Salary & Benefits Payable	14,404	38,416	56,333	109,153	-
Accrued Expenses & Other Liabilities	-	128,561	70,823	199,384	937,759
Due to Other Funds	-	-	-	-	210,794
Deferred Revenue	-	-	-	-	575
Capital Leases Payable	-	-	213,260	213,260	-
Bonds Payable	-	1,324,855	432,729	1,757,584	-
Compensated Absences	13,667	27,604	39,321	80,592	-
<b>Total Current Liabilities</b>	<b>261,223</b>	<b>2,740,300</b>	<b>1,369,072</b>	<b>4,370,595</b>	<b>1,280,899</b>
<b>Non-Current Liabilities:</b>					
Capital Leases Payable	-	-	699,343	699,343	-
Bonds Payable					
(Net of Unamortized Discounts)	-	26,110,855	3,589,780	29,700,635	-
Advances From Other Funds	483,246	-	-	483,246	-
Compensated Absences	6,834	13,802	19,661	40,297	-
Accrued Landfill Closure and Postclosure Costs	-	-	5,462,620	5,462,620	-
<b>Total Non-Current Liabilities</b>	<b>490,080</b>	<b>26,124,657</b>	<b>9,771,404</b>	<b>36,386,141</b>	<b>-</b>
<b>Total Liabilities</b>	<b>751,303</b>	<b>28,864,957</b>	<b>11,140,476</b>	<b>40,756,736</b>	<b>1,280,899</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	2,683,078	15,836,200	12,886,986	31,406,264	302,119
Restricted for:					
Debt Service	-	-	728,355	728,355	-
Unrestricted	(418,898)	9,327,356	(904,981)	8,003,477	4,452,667
<b>Total Net Assets</b>	<b>\$ 2,264,180</b>	<b>\$ 25,163,556</b>	<b>\$ 12,710,360</b>	<b>\$ 40,138,096</b>	<b>\$ 4,754,786</b>

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

**CECIL COUNTY, MARYLAND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water Services</b>	<b>Wastewater Services</b>	<b>Landfill</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for Services:					
Sales and User Fees	\$ 1,263,870	\$ 2,986,929	\$ 5,356,985	\$ 9,607,784	\$ 8,760,237
<b>Total Operating Revenues</b>	<u>1,263,870</u>	<u>2,986,929</u>	<u>5,356,985</u>	<u>9,607,784</u>	<u>8,760,237</u>
<b>OPERATING EXPENSES</b>					
Salaries and Related	285,985	742,620	1,229,155	2,257,760	-
Materials, Supplies, and Services	509,557	1,177,815	1,596,033	3,283,405	1,780,514
Benefit Payments	-	-	-	-	6,608,498
Depreciation	126,811	1,811,057	787,433	2,725,301	15,797
Depletion	-	-	350,026	350,026	-
Landfill Closure and Postclosure	-	-	283,133	283,133	-
<b>Total Operating Expenses</b>	<u>922,353</u>	<u>3,731,492</u>	<u>4,245,780</u>	<u>8,899,625</u>	<u>8,404,809</u>
<b>Operating Income (Loss)</b>	<u>341,517</u>	<u>(744,563)</u>	<u>1,111,205</u>	<u>708,159</u>	<u>355,428</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Earnings	-	121,294	26,311	147,605	240,241
Interest Expense	-	(571,757)	(227,754)	(799,511)	-
Recovery Depletion	-	-	2,223,335	2,223,335	-
Recovery Closure and Postclosure	-	-	793,316	793,316	-
Gain/Loss on Sale of Capital Assets	1,225	(65,599)	(46,791)	(111,165)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,225</u>	<u>(516,062)</u>	<u>2,768,417</u>	<u>2,253,580</u>	<u>240,241</u>
<b>Net Income (Loss) before Contributions and Transfers</b>	342,742	(1,260,625)	3,879,622	2,961,739	595,669
Capital Contributions:					
Intergovernmental Capital Grant	-	372,550	-	372,550	-
Sewage and Water Connection Fees	-	3,127,085	-	3,127,085	-
Developers Capital Contributions	51,728	1,251,851	-	1,303,579	-
<b>Change in Net Assets</b>	394,470	3,490,861	3,879,622	7,764,953	595,669
<b>Net Assets - June 30, 2007</b>	<u>1,869,710</u>	<u>21,672,695</u>	<u>8,830,738</u>	<u>32,373,143</u>	<u>4,159,117</u>
<b>Net Assets - June 30, 2008</b>	<u>\$ 2,264,180</u>	<u>\$25,163,556</u>	<u>\$12,710,360</u>	<u>\$40,138,096</u>	<u>\$ 4,754,786</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Wastewater</b>			<b>Activities -</b>
	<b>Services</b>	<b>Services</b>	<b>Landfill</b>	<b>Total</b>	<b>Internal</b>
					<b>Service Funds</b>
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers and Users	\$ 1,162,069	\$ 2,523,914	\$ 5,367,125	\$ 9,053,108	\$ 8,737,770
Payments to Suppliers	(345,939)	(734,771)	(2,235,951)	(3,316,661)	(8,353,859)
Payments to Employees	(279,433)	(724,824)	(1,225,055)	(2,229,312)	-
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>536,697</b>	<b>1,064,319</b>	<b>1,906,119</b>	<b>3,507,135</b>	<b>383,911</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Advances to Other Funds	-	-	-	-	60,739
Advances from Other Funds	116,934	-	-	116,934	-
<b>Net Cash Provided by (used in) Non-Capital Financing Activities</b>	<b>116,934</b>	<b>-</b>	<b>-</b>	<b>116,934</b>	<b>60,739</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from Bond Issues	-	9,088,054	1,168,592	10,256,646	-
Sewage and Water Connection Fees	-	3,127,085	-	3,127,085	-
Acquisition and Construction of Capital Assets	(654,856)	(6,489,254)	(8,251,867)	(15,395,977)	(37,132)
Principal Paid on Bond Maturities and Capital Leases	-	(941,842)	(645,989)	(1,587,831)	-
Interest Paid on Bonds and Capital Leases	-	(571,758)	(223,344)	(795,102)	-
Proceeds from Sale of Capital Assets	1,225	3,535	92,810	97,570	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(653,631)</b>	<b>4,215,820</b>	<b>(7,859,798)</b>	<b>(4,297,609)</b>	<b>(37,132)</b>
<b>Cash Flows From Investing Activities:</b>					
Interest on Investments	-	121,294	26,311	147,605	240,241
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>121,294</b>	<b>26,311</b>	<b>147,605</b>	<b>240,241</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>5,401,433</b>	<b>(5,927,368)</b>	<b>(525,935)</b>	<b>647,759</b>
<b>Cash and Cash Equivalents - June 30, 2007</b>					
(including \$923,596 for the Landfill Fund reported in restricted accounts)	-	2,348,075	11,479,288	13,827,363	4,928,084
<b>Cash and Cash Equivalents - June 30, 2008</b>					
(including \$728,355 for the Landfill Fund reported in restricted accounts)	\$ -	\$ 7,749,508	\$ 5,551,920	\$ 13,301,428	\$ 5,575,843

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Internal</u>
	<u>Services</u>	<u>Services</u>	<u>Landfill</u>	<u>Total</u>	<u>Service Funds</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 341,517	\$ (744,563)	\$ 1,111,205	\$ 708,159	\$ 355,428
Adjustments to reconcile Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:					
Depreciation and Depletion	126,811	1,811,057	1,137,459	3,075,327	15,797
Increase in Closure/Postclosure Liability	-	-	283,133	283,133	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(101,801)	(458,866)	10,140	(550,527)	(19,357)
(Increase) Decrease in Other Assets	-	(8,427)	7,625	(802)	6,561
Increase (Decrease) in Accounts Payable	163,618	445,884	(459,531)	149,971	(27,076)
Increase (Decrease) in Salaries & Benefits Payable	3,490	8,031	6,417	17,938	-
Increase (Decrease) in Accrued Expenses	-	1,437	(188,012)	(186,575)	55,668
Increase (Decrease) in Deferred Revenue	-	-	-	-	(3,110)
Increase (Decrease) in Compensated Absences	3,062	9,766	(2,317)	10,511	-
<b>Net Cash Provided by (used in) Operating Activities</b>	<b><u>\$ 536,697</u></b>	<b><u>\$ 1,064,319</u></b>	<b><u>\$ 1,906,119</u></b>	<b><u>\$ 3,507,135</u></b>	<b><u>\$ 383,911</u></b>

**Non-Cash Investing, Capital, and Financing Activities:**

Capital Assets of \$51,728 were acquired by the Water Fund through contributions from developers.

Capital Assets of \$1,251,851 were acquired by the Wastewater Fund through contributions from developers.

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2008**

	<u>Pension Fund</u> (Blended Component Unit) <u>Public Safety Employees</u>	<u>Agency Funds</u>  <u>State &amp; Town Collections</u>
<b>ASSETS</b>		
Cash and Short-Term Investments	\$ 932,932	\$ 264,659
Receivables, Net:		
Property Taxes & Fees	-	117,796
Interest & Other	50,822	-
Investments, at fair value:		
U.S. Government Obligations	566,245	-
Other Governmental Agencies	1,777,466	-
Domestic Corporate Bonds	3,077,447	-
Domestic Stocks	7,794,470	-
International Stocks	2,412,946	-
Total Investments	<u>15,628,574</u>	<u>-</u>
<b>Total Assets</b>	<u>16,612,328</u>	<u>382,455</u>
<b>LIABILITIES</b>		
Accounts Payable	1,577	-
Due to Other Governments	-	382,455
<b>Total Liabilities</b>	<u>1,577</u>	<u>382,455</u>
<b>NET ASSETS</b>		
Held in Trust for:		
Employees' Pension Benefits	16,610,751	-
<b>Total Net Assets</b>	<u>\$ 16,610,751</u>	<u>\$ -</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Pension Fund</b>
	<b>(Blended</b>
	<b>Component Unit)</b>
	<b>Public Safety</b>
	<b>Employees</b>
<b>ADDITIONS</b>	
Contributions	
Cecil County	\$ 1,410,479
Participants	729,653
Total Contributions	2,140,132
<b>INVESTMENT INCOME</b>	
Net Appreciation (Depreciation)	
in Fair Value of Investments	(1,194,548)
Interest and Dividends	525,712
	(668,836)
Less: Investment Expense	(183,514)
Net Investment Income (Loss)	(852,350)
Total Additions	1,287,782
<b>DEDUCTIONS</b>	
Pension Benefits	550,457
Refunds of Contributions	95,854
Administrative Expense	105,885
Total Deductions	752,196
<b>Change in Net Assets</b>	535,586
<b>Net Assets - June 30, 2007</b>	16,075,165
<b>Net Assets - June 30, 2008</b>	\$ 16,610,751

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**DISCRETELY PRESENTED NONFIDUCIARY COMPONENT UNITS**  
**JUNE 30, 2008**

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Public Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and Investments	\$ 23,139,878	\$ 3,679,741	\$ 919,506	\$ 385,198	\$ 28,124,323
Receivables, Net	423,654	549,429	-	503,766	1,476,849
Due from Primary Government	1,317,326	770,033	55,104	-	2,142,463
Due from Other Governments	2,221,073	400,762	8,500	-	2,630,335
Inventories	166,937	-	-	-	166,937
Prepaid Expenses & Other Assets	670,574	208,674	-	-	879,248
Restricted Assets:					
Cash and Investments	-	3,328,966	-	-	3,328,966
Capital Assets, Net:					
Land	1,202,153	1,779,763	-	3,549,600	6,531,516
Construction in Progress	68,647,217	1,098,526	-	-	69,745,743
Land Improvements	3,205,617	-	-	-	3,205,617
Buildings & Leasehold Improvements	95,371,428	27,986,979	-	-	123,358,407
Machinery & Equipment	9,930,592	1,418,834	2,461,473	3,057	13,813,956
<b>Total Assets</b>	<u>206,296,449</u>	<u>41,221,707</u>	<u>3,444,583</u>	<u>4,441,621</u>	<u>255,404,360</u>
<b>LIABILITIES</b>					
Accounts Payable	4,780,471	1,264,404	48,809	107,110	6,200,794
Accrued Salaries and Benefits	11,420,398	605,689	-	691	12,026,778
Unearned Revenue	1,308,570	1,214,685	-	15,000	2,538,255
Due within one year:					
Capital Leases	1,256,901	-	-	-	1,256,901
Insurance Claims Payable	1,317,600	-	-	-	1,317,600
Compensated Absences	332,771	192,763	54,386	-	579,920
Due in more than one year:					
Capital Leases	9,301,790	-	-	-	9,301,790
Compensated Absences	2,465,592	96,381	-	-	2,561,973
<b>Total Liabilities</b>	<u>32,184,093</u>	<u>3,373,922</u>	<u>103,195</u>	<u>122,801</u>	<u>35,784,011</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	167,798,316	32,284,102	2,461,473	3,552,657	206,096,548
Restricted for:					
Capital Projects	40,074	-	-	-	40,074
Donor Restrictions	-	3,301,326	-	-	3,301,326
Unrestricted	6,273,966	2,262,357	879,915	766,163	10,182,401
<b>Total Net Assets</b>	<u>\$174,112,356</u>	<u>\$ 37,847,785</u>	<u>\$ 3,341,388</u>	<u>\$ 4,318,820</u>	<u>\$219,620,349</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED NONFIDUCIARY COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Grants and Contributions			Component Units				
		Charges for Services	Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	Total
<b>Board of Education</b>									
Instruction	\$ 188,126,343	\$ 617,308	\$ 46,247,752	\$17,653,368	\$(123,607,915)	\$ -	\$ -	\$ -	\$(123,607,915)
Student Services	5,439,250	2,951,531	2,653,775	-	166,056	-	-	-	166,056
Interest on Long term Deb	834	-	-	-	(834)	-	-	-	(834)
Total Board of Education	<u>193,566,427</u>	<u>3,568,839</u>	<u>48,901,527</u>	<u>17,653,368</u>	<u>(123,442,693)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,442,693)</u>
<b>Cecil College</b>									
Instruction	21,602,584	4,713,725	2,645,939	1,671,893	-	(12,571,027)	-	-	(12,571,027)
Student Services	1,156,010	1,140,404	-	-	-	(15,606)	-	-	(15,606)
Total Cecil Community College	<u>22,758,594</u>	<u>5,854,129</u>	<u>2,645,939</u>	<u>1,671,893</u>	<u>-</u>	<u>(12,586,633)</u>	<u>-</u>	<u>-</u>	<u>(12,586,633)</u>
<b>Cecil County Public Library</b>									
Public Libraries	4,557,891	133,142	1,094,069	3,977,313	-	-	646,633	-	646,633
Total Cecil County Library	<u>4,557,891</u>	<u>133,142</u>	<u>1,094,069</u>	<u>3,977,313</u>	<u>-</u>	<u>-</u>	<u>646,633</u>	<u>-</u>	<u>646,633</u>
<b>Bainbridge Development Corporation</b>									
Economic Development	215,503	41,343	-	-	-	-	-	(174,160)	(174,160)
Total Bainbridge Development Corporation	<u>\$ 215,503</u>	<u>\$ 41,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (174,160)</u>	<u>\$ (174,160)</u>
<b>General Revenues:</b>									
Payments From the Primary Government					\$ 64,435,162	\$ 7,410,325	\$ -	\$ -	\$ 71,845,487
Payments From the State Government					69,088,532	4,602,607	-	-	73,691,139
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	1,512,941	-	-	1,512,941
Investment Earnings					852,892	(17,601)	-	5,944	841,235
Other Revenues including Capital Asset Sales Gains					974,052	153,678	-	-	1,127,730
Total General Revenues, Special Items, and Transfers					<u>135,350,638</u>	<u>13,661,950</u>	<u>-</u>	<u>5,944</u>	<u>149,018,532</u>
Change in Net Assets					11,907,945	1,075,317	646,633	(168,216)	13,461,679
<b>Net Assets - June 30, 2007</b>					<u>162,204,411</u>	<u>36,772,468</u>	<u>2,694,755</u>	<u>4,487,036</u>	<u>206,158,670</u>
<b>Net Assets - June 30, 2008</b>					<u>\$ 174,112,356</u>	<u>\$37,847,785</u>	<u>\$ 3,341,388</u>	<u>\$4,318,820</u>	<u>\$ 219,620,349</u>

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



**1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the County conform in all material respects to accounting principals generally accepted (GAAP) in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The County has adopted all GASB Statements through No. 42, 44, and 46 through 50.

In April 2004, the GASB issued Statement No. 43 "Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans" to be implemented in phase 2 governments for periods beginning after December 15, 2007. This statement establishes uniform financial reporting standards for OPEB plans. The County will adopted this Statement for the fiscal year ending June 30, 2009.

In June 2004, the GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" to be implemented in phase 2 governments for periods beginning after December 15, 2007. This statement provides guidance on all aspects of OPEB reporting by employers. The County will adopted this Statement for the fiscal year ended June 30, 2009.

The following summarizes the County's significant accounting policies.

**A. Financial Reporting Entity**

Cecil County (the County) was incorporated in 1674. Local government is provided by a Board of five Commissioners, elected every four years, who exercise those powers granted by the General Assembly of Maryland. The County principally provides general administrative services; public safety services; street, highway, and bridge repairs and maintenance; education; a correctional institution; and sanitation system maintenance.

The County is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of the Board of County Commissioners of Cecil County (the primary government), and the County's blended and discretely presented component units; entities for which the government is considered financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

**Blended Component Unit**

The Cecil County Pension Plan for Public Safety Employees is a public employee retirement plan that covers certain public safety employees. The County appoints all members of the Plan's trustees, makes all employer contributions to the Plan, only County public safety employees can be members of the Plan, and the County is financially responsible for the Plan's pension obligations. The Plan is a blended component unit because it provides services and benefits exclusively to the County.

**Discretely Presented Component Units**

The Board of Education of Cecil County is responsible for elementary and secondary education in the County and operates all public schools (grades K through 12). The County is financially accountable for the Board of Education because the County approves the Board's annual budget and provides a substantial portion of the Board's operating and capital funding.

Cecil College provides post-secondary and continuing education for residents of Cecil County and its surrounding counties. The County is financially accountable for the College because the County approves the annual budget and provides a substantial portion of the College's operating and capital budgets.

The Cecil County Public Library operates all public libraries within the County. The County is financially accountable for the Library because the County approves the annual budget and provides the majority of the Library's operating and capital budgets.

The Bainbridge Development Corporation was established to develop the closed Bainbridge Naval Training Center located outside Port Deposit. The Corporation received the property of the former Center from the U. S. Navy and may grant, sell, or conduct business activity to develop the property to the benefit of Cecil County. The County Commissioners appoint all members of the Corporation's Board of Directors and the County is the recipient of net earnings in excess of the needs of the Corporation.

Each of the discretely presented component units has been audited by other independent auditors and these reports have been issued under separate covers. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Board of Education of Cecil County  
201 Booth Street  
Elkton, MD 21921

Cecil College  
One Seahawk Drive  
North East, MD 21901

Cecil County Public Library  
301 Newark Avenue  
Elkton, MD 21921

Bainbridge Development Corporation  
98 North Main Street, PO Box 2  
Port Deposit, MD 21904

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the County (the primary government) and its component units. Eliminations of interfund activity have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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



Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds report only assets and liabilities as they do not have a measurement focus, but do use the accrual basis of accounting.

**Government Fund Financial Statements**

The government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the County considers all revenues to be available if they are collected within 60 days after fiscal year-end. Revenues considered susceptible to accrual include property taxes, income taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is considered to be susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the County.

Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

The County reports the following major governmental funds:

The **General Fund** is the primary operating fund of the County. It accounts for all financial resources of the County except those resources required to be accounted for in another fund. The general tax revenues of the County, as well as other resources received and not designated for a specified purpose, are accounted for in the General Fund.

The **Housing Programs Fund**, a special revenue fund, accounts for state and federal grants legally restricted to assist low income families and individuals with paying their rent, utility, and other housing costs.

The **Highway Fund**, a special revenue fund, was established to account for the expenditures on highway and road operations in the County. State highway user revenues fund the majority of these expenditures.

The **General Capital Projects – Construction Fund**, a capital projects fund, was established to account for the expenditures on buildings and other facilities intended for general use by the County. Bonds and other general County resources fund these expenditures.

The **Board of Education – Construction Fund**, a capital projects fund, was established to account for the expenditures on Board of Education buildings and other capital facilities funded by bonds and general County resources.

The County reports the following major enterprise funds:

The **Water Fund** accounts for the water service operations and is intended to be self-supporting through user charges. The Water Fund operates water treatment, storage, and distributions systems.

The **Wastewater Fund** accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges. The Wastewater Fund operates sewage collection and treatment systems.

The **Landfill Fund** accounts for the solid waste operations and is intended to be self-supporting through user charges. The Landfill Fund operates solid waste collection points, recycling programs, and a central landfill.

The County also reports the following fund types:

**Internal Service Funds** are used to account for vehicle maintenance services and financing of health insurance provided by the County to other departments or component units of the County on a cost-reimbursement basis. In addition, employee contributions to the health insurance plan and related expenses are accounted for within these funds.

The **Pension Fund** accounts for the activities of The Cecil County Pension Plan for Public Safety Employees, a blended component unit, which accumulates resources for pension benefit payments to qualified public safety employees or their beneficiaries.

**Agency Funds** account for assets held by the County in a custodial capacity (assets equal liabilities) and do not present results of operations or have a measurement focus. The State Tax Collection Fund and the State Bay Restoration Fund are used to account for taxes and fees collected by the County on behalf of the State of Maryland. The Town Collection Funds are used to account for taxes and fees collected by the County on behalf of the towns of Cecilton, Charlestown, Chesapeake City, Elkton, North East, Perryville and Port Deposit.

All government and business-type activities and enterprise funds of the County follow Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County also has the option to follow subsequent private-sector guidance for its business-type activities and enterprise funds with certain limitations, but has elected not to do so.

With limited exceptions, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, and landfill enterprise funds and the garage and health insurance internal service funds are charges to customers for sales and services. The water and wastewater funds recognize as operating revenues the portion of connection fees related to the cost to connect customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use in certain programs, it is the County's policy to apply cost-reimbursement grant resources first to those programs, followed by bond proceeds, categorical block grants, and then by general revenues, as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities within one year of acquisition. Available funds are pooled in the General Fund and investment income is recorded in the General Fund unless required to do otherwise by statute, grant, or covenant.

Investments of the pension plan are recorded at fair value. Securities traded on a national or international exchange are valued at the last reported sales price using current exchange rates.

**Receivables and Payables**

**Property taxes** on real estate are recorded as receivables and attached as an enforceable lien on property on July 1, the date levied. Semi-annual installment payments are mandatory for qualified properties unless the taxpayer chooses to pay in one installment. Qualified property is defined as "an owner-occupied principal residence." Under the semi-annual plan, one-half of the tax bill is due September 30 with the balance due on December 31. For all other properties, the bill is due in its entirety on September 30. After the due date, interest is charged on the delinquent portion at one percent per month. A three percent penalty is charged March 1 and thereafter. The County holds an annual property tax lien certificate sale the first Monday of June to collect all unpaid property taxes as of that date.

**Personal property taxes** are imposed on certain machinery and equipment used in business. Personal property taxes are billed and recorded as receivables annually throughout the year. Payment is due in 30 days. The County charges one percent per month interest on all delinquent business taxes as well as a three percent penalty, which accrues March 1.

The County bills and collects its own property taxes, and revenues are recognized in the government funds in the period in which they become susceptible to accrual, that is, when they become both measurable and available. Outstanding tax levies are offset on the government fund balance sheet by deferred revenues in the liabilities section. Annual, interim and delinquent real estate taxes as yet uncollected are included as deferred revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2009, are recorded as revenue.

**Local income taxes** are collected on behalf of the County by the State of Maryland and are remitted to the County monthly except for the months of April and December. In the event a taxpayer lives in an incorporated municipality, the County only receives 33 percent of the income tax, with the remainder going to the respective municipality. The tax rate is determined annually by the Board of County Commissioners. For the tax years ended December 31, 2007 and 2008, the local income tax rate was 2.80 percent of Maryland taxable income. Income taxes collected by the State and remitted within the first 60 days of the fiscal year ended June 30, 2009, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due the County from transactions prior to year-end but not collected within 60 days are recorded in the governmental fund balance sheet as a receivable and an equal amount deferred as not available.

**Water, wastewater, and landfill customer charges** are recorded when billed except that an amount is recorded for services rendered, but not yet billed, as of the close of the fiscal year. The accrued amount is based on actual billings made subsequent to year-end for water and wastewater customers that are billed quarterly based on consumption/use through the end of the quarter.

**Revenues** in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenues and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific account evaluation as necessary.

**Due to/from Other Funds** which are recorded in the fund financial statements is the year-end outstanding balance of a variety of transactions between funds to finance operations, service debt and otherwise meet obligations as they become due.

**Due to/from Other Governments (or Component Units)** primarily consist of amounts arising from transfer payments and amounts due from grantors or to grantees for specific programs and capital projects.

### **Inventories and Prepaid Items**

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories of the General Fund, Highway Fund, and Enterprise Funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

### Restricted Assets

Certain assets of the County are classified as restricted as their use is limited by third party restrictions and / or enabling legislation.

### Capital Assets

Capital assets including property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County has defined capital assets as assets with a minimum cost of \$5,000 and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Estimated historic costs are either based on similar assets of the same era or on deflated current values obtained from the Maryland Department of Assessments and Taxation. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the County and its components are depreciated using the straight-line method over the estimated useful lives of the related assets. The County records six months' depreciation in the year the asset is acquired. Depletion of the landfill is based on usage of estimated capacity. The County and its components generally use the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

<u>Asset Class</u>	<u>Years</u>
Land and Leasehold Improvements	15 – 30
Roads and Bridges	8 – 50
Buildings	20 – 50
Building Improvements	20 – 30
Vehicles, Computers, Equipment	5 – 15

### Deferred Revenue

Deferred revenue consists of revenues that have not met all requirements of revenue recognition. Deferred items primarily consist of reimbursement-type grants where costs have not yet been incurred; this includes instances where the County receives periodic advance funding, but has not expended the funds nor met all the criteria to claim the funds as revenue for the current fiscal period. Deferred interest income has also been recorded with a note receivable. In the fund financial statements, deferred revenue includes property and income taxes that are not available resources.

### Compensated Absences

Compensated absences are those earned but unused absences for which employees will be paid, such as vacation and sick leave. Employees are granted vacation and sick leave in varying amounts. It is the County's policy to permit employees to accumulate all earned but unused sick leave and up to 30 days of vacation leave. Vacation and sick pay are accrued as applicable in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

**Long-Term Liabilities**

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

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Assets and Fund Equity**

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net Assets are classified as "Invested in Capital Assets, Net of Related Debt," legally "Restricted" for a specific purpose or "Unrestricted" and available for appropriation for the general purposes of the fund.

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

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Accounting and Control**

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. The County adopts legal annual budgets for the general fund, certain special revenue funds and the debt service fund. The County legally adopts project length budgets for its capital projects funds. Since project periods may differ from the County's fiscal year, a comparison of budgetary information for the combined capital projects funds would not be meaningful and has not been presented in the accompanying financial statements.
- b. As of February 1 of each year, County department heads are required to submit to the Board of Estimates preliminary operating budgets for the fiscal year commencing the following July 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases of operating expenditures (i.e., additional employees, capital expenditures and so forth).
- c. The submitted budgets are then subject to a detailed review by the Board of Estimates. This review process, which continues through May, includes meetings with the department heads, making comparisons with prior years' spending patterns, and forecasting future needs.

- d. As required by the County Code, the proposed budget is made available for public inspection for at least 10 days prior to the date of adoption, with adoption required by June 1. Simultaneous to the budget adoption, the Board of Estimates adopts the appropriate measures required to put the budget into effect and fixes the rate of taxation.
- e. After the legal adoption of the budget, the Commissioners file a copy of the budget with the Department of Fiscal Services of the State of Maryland. Should supplemental budget appropriations be required, the Commissioners may authorize such budget changes at the bi-weekly Commissioners' meetings. The County's legal level of budgetary control is at the departmental level. Department heads may make budget amendments within their respective departments, however all amendments above the departmental level, i.e., interdepartmental and functional, require the formal approval of the County Commissioners in public session. The original budget adopted for the fiscal year ended June 30, 2008, and the budget as revised for budget amendments approved by the County Commissioners during the year are presented as part of the budget versus actual schedules presented in these financial statements.
- f. Expenditures may not legally exceed budgeted appropriations at the departmental level. Appropriations lapse at fiscal year end for all funds except the capital projects funds. The County legally adopts project-length budgets for its capital projects funds and unexpended appropriations automatically carry forward to the next fiscal year.

**B. Legally Adopted Budgets – General and Major Special Revenue Funds**

Governmental funds, for which budgets have been legally adopted and included in the appropriate Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the year ended June 30, 2008, are the General Fund and major Special Revenue Funds.

All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted deficiencies within each governmental fund are provided for by prior year designations of fund balance.

**C. Expenditures Over Appropriations**

During the year ended June 30, 2008, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Sheriff - Special Assignments	\$ 2,457
	Sheriff Patrol - Charlestown	\$ 282
	Pauper Burials	\$ 200
	Non-Profit Agencies	\$ 8,104

**3. Deposit and Investment Portfolio Disclosure**

The County maintains a cash and investment pool that is available for use by all funds except the pension plan fund, which is managed separately. Each fund type's portion of this pool is displayed on the combined balance sheet under the caption "Cash and Investments." Restricted cash and investments represent deposits and investments that are held by the County subject to specific grant or loan imposed restrictions. Each component unit manages its cash and investments in a similar manner.

**Custodial Risk** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits in excess of FDIC insurance.

The summary below identifies the investment type of the deposits and investments of the primary government and its component units.

	<b>Primary Government</b>	<b>Discretely Presented Component Units</b>
<b>Deposits</b>		
Insured Deposits (FDIC)	\$ 311,830	\$ 1,167,202
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	-	2,005,315
Certificates of Deposit due within One Year - Collateral held by pledging bank's agent in the County or Unit's name	19,881,157	3,442,943
Certificates of Deposit due within 13-24 months - Collateral held by pledging bank's agent in the County or Unit's name bank's agent in the County or Unit's name	2,023,955	-
Uninsured, uncollateralized	-	10,994
<b>Total Deposits</b>	<b>\$ 23,615,763</b>	<b>\$ 6,626,454</b>
<b>Investments</b>		
Certificates of Deposit due within 13-18 months - Collateral held by pledging bank's agent in the County or Unit's name	\$ -	\$ -
Collateral Pool - Collateral held by pledging bank's agent against all public deposits it holds.	-	-
Repurchase Agreements	-	-
Money Market Mutual Funds	17,145,004	172,408
Investment in Maryland Local Government Investment Pool	44,805,341	-
U.S. Government obligations	566,245	23,011,204
U.S. Agencies - Government guaranteed	-	-
U.S. Agencies - Other	3,786,517	-
Corporate Bonds	3,077,447	-
Stock Equities	10,207,415	-
Balanced Fund Mutual Fund	-	3,026,166
<b>Total Investments</b>	<b>\$ 79,587,969</b>	<b>\$ 26,209,778</b>

**Credit Risk.** It is the County's policy to minimize credit risk by investing only in the highest quality investments including U.S. Treasury and U.S. Government Agency obligations; collateralized repurchase agreements and certificates of deposit; the Maryland Local Government Investment Pool; commercial paper and money market mutual funds of the highest rating; and bankers' acceptances guaranteed by a financial institution with the highest rating.

The Pension Plan minimizes credit risk by limiting its fixed income investments to those of U.S. Treasury and U.S. Agency securities backed by the full faith and credit of the U.S. Government; other U.S. Agency securities; and corporate notes and bonds with a rating comparable to Standard & Poor's rating of A or better. As of June 20, 2008, the plan had corporate notes and bonds of \$1,070,014 that had a A- or AA- rating. All agency securities held by the County that were not explicitly guaranteed by the U.S. Government had a rating of AAA.



The Maryland Local Government Investment Pool is duly chartered, administered and subject to regulatory oversight by the State of Maryland. This pool is managed in a "Rule 2(a)-7 like" manner and has an S&P rating of AAAm. All money market funds have a Moody's rating of Aaa. A bank sponsored collateral pool for governmental entities is 102% collateralized with U.S. Treasury and federal agency securities. Securities of agencies of the U.S. government that have an implied and not explicit guarantee are classified as U.S. Agencies – Other. All bonds are pension plan assets and had a S&P rating of A- or better as of June 30, 2008.

**Interest Rate Risk.** The County limits its interest rate risk by primarily investing in securities with maturity dates under one year.

All corporate bonds, U.S. Treasury, and U.S. Agencies investments are held by the general fund and pension plan. It is the policy of both the general fund and pension plan to hold investments until maturity unless there is an economic reason to do otherwise. Listed below are the investments and maturities as of June 30, 2008:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Over 10 Years</u>
U. S. Treasury Obligations	\$ 566,245	\$ 122,540	\$ 222,123	\$ 82,481	\$ 139,101
U.S. Agencies - Govt. guaranteed	-	-	-	-	-
U.S. Agencies - Other	3,786,517	204,971	2,189,245	130,819	1,261,482
Corporate Bonds	<u>3,077,447</u>	<u>126,179</u>	<u>1,196,525</u>	<u>1,459,158</u>	<u>295,585</u>
	<u>\$ 7,430,209</u>	<u>\$ 453,690</u>	<u>\$ 3,607,893</u>	<u>\$ 1,672,458</u>	<u>\$ 1,696,168</u>

**Concentration Risk.** The County limits the investment in certain instruments to a certain percentage of its portfolio as follows: U.S Treasury Obligations and U.S. Government Agency or sponsored instrumentalities, 100%; Repurchase agreements, 100%; Maryland Local Government Investment Pool, 100%; collateralized, non-negotiable certificates of deposit, 80%; money market mutual funds, 60%, bankers acceptances, 40% and commercial paper, 5%. The County's portfolio was in compliance with this policy.

The pension plan ensures diversity of its portfolio as follows: Large capitalization, 12% - 22%; mid capitalization, 10% - 20%; small capitalization, 15% - 25%; international equity, 10% - 20%; fixed income, 28% - 38%; and cash equivalents 0% - 10%. Additionally, the pension plan's investment policy limits investments with one corporation to no more than 5%. At June 30, 2008, the plan had \$1,134,357 or 6.9% of its assets invested in Federal National Mortgage Association securities.

The County's investments were in compliance with the County's Investment Policies. The Pension's investments were not in compliance as noted above under the credit risk section

The following provides reconciliation between the amounts disclosed in the chart below and the amounts presented in the Statement of Net Assets.

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Deposits	\$ 23,615,763	\$ 6,626,455	\$ 30,242,218
Investments	\$ 79,587,969	26,209,778	105,797,747
Petty Cash Amounts	\$ 20,272	6,700	26,972
<b>Total</b>	<b>\$ 103,224,004</b>	<b>\$ 32,842,933</b>	<b>\$ 136,066,937</b>
Unrestricted	\$ 84,233,029	\$ 28,081,380	\$ 112,314,409
Restricted	2,164,810	3,371,909	5,536,719
Fiduciary Funds	16,826,165	1,389,644	18,215,809
<b>Total Cash and Investments</b>	<b>\$ 103,224,004</b>	<b>\$ 32,842,933</b>	<b>\$ 136,066,937</b>

**4. Receivables**

**Primary Government**

The following are receivables as of year-end for the Government’s major and non-major funds including applicable allowances for uncollectible accounts. Receivables of the internal service funds in the amount of \$40,897 are included in the governmental activities of the government-wide statement.

	<u>Governmental Fund Financial Statements</u>						<u>Government-wi Statements</u>
	<u>General</u>	<u>Housing Programs</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Governmenta Activities</u>
Receivables:							
Property Taxes	\$ 1,062,508	\$ -	\$ -	\$ -	\$ -	\$ 1,062,508	\$ 1,062
Accounts	-	105,291	-	775,349	20,218	900,858	941
Notes-Current (Note 5)	2,927	-	-	-	-	2,927	2
Notes-Non-Current (Note 5)	3,098	-	-	-	370,346	373,444	373
Interest and Other	504,589	-	200	-	743	505,532	505
<b>Gross Receivables</b>	<b>1,573,122</b>	<b>105,291</b>	<b>200</b>	<b>775,349</b>	<b>391,307</b>	<b>2,845,269</b>	<b>2,886</b>
Less: Allowances for Uncollectibles	(639,866)	(105,291)	-	-	-	(745,157)	(745)
<b>Net Total Receivables</b>	<b>\$ 933,256</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 775,349</b>	<b>\$ 391,307</b>	<b>\$ 2,100,112</b>	<b>\$ 2,141</b>

Receivables as of year-end for the Government's enterprise funds and business-type activities including applicable allowances for uncollectible accounts are as follows:

	<b>Enterprise Fund Financial Statements</b>					<b>Government-wide</b>
	<b>Current</b>				<b>Non-Current</b>	<b>Statements</b>
	<b>Water Services</b>	<b>Wastewater Services</b>	<b>Landfill Services</b>	<b>Total</b>	<b>Wastewater Services</b>	<b>Business-type Activities</b>
Receivables:						
Accounts	\$ 309,674	\$ 953,203	\$ 707,179	\$ 1,970,056	\$ -	\$ 1,970,056
Other	22,731	379,193	77,241	479,165	-	479,165
Non-Current	-	-	-	-	1,699,939	1,699,939
Gross Receivables	332,405	1,332,396	784,420	2,449,221	1,699,939	4,149,160
Less: Allowances for Uncollectibles	-	(46,126)	(124,586)	(170,712)	-	(170,712)
Net Total Receivables	<u>\$ 332,405</u>	<u>\$ 1,286,270</u>	<u>\$ 659,834</u>	<u>\$ 2,278,509</u>	<u>\$ 1,699,939</u>	<u>\$ 3,978,448</u>

**Component Units**

Receivables as of year-end for the Component Units are as follows:

	<b>Board of Education</b>	<b>Cecil College</b>	<b>Bainbridge Development Corporation</b>	<b>Total</b>
Receivables:				
Accounts	423,654	989,592	503,766	1,917,012
Other	-	-	-	-
Gross Receivables	423,654	989,592	503,766	1,917,012
Less: Allowances for Uncollectibles	-	(440,163)	-	(440,163)
Net Total Receivables	<u>423,654</u>	<u>549,429</u>	<u>503,766</u>	<u>1,476,849</u>

**5. Notes Receivable**

**A. General Fund**

The County, in cooperation with the Maryland Department of Business and Economic Development, provided an economic development loan to James E. Waters, II trading as Triumph Industrial Park which expanded its facilities thereby adding jobs to the local economy. As of June 30, 2008, the balance was \$6,025. This loan has an interest rate of 5% and final payment is due June 2010. Additionally, the County has guaranteed a related State loan in the amount of \$210,000.

**B. Economic Development Loan Fund**

The fund provides small loans, via a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2008 there were six outstanding loans totaling \$370,346.

**6. Capital Assets****A. Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2008 was as follows:

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets Not Being Depreciated				
Land	\$ 8,136,191	\$ 4,859,283	\$ -	\$ 12,995,474
Construction in Progress	<u>13,766,302</u>	<u>18,806,185</u>	<u>(28,871,131)</u>	<u>3,701,356</u>
Total Capital Assets Not Being Depreciated	<u>21,902,493</u>	<u>23,665,468</u>	<u>(28,871,131)</u>	<u>16,696,830</u>
Capital Assets Being Depreciated				
Land Improvements	2,426,259	294,827	-	2,721,086
Highways & Bridges	186,440,883	4,370,963	(1,442,189)	189,369,657
Building and Improvements	24,183,315	22,906,989	(12,728)	47,077,576
Machinery & Equipment	<u>26,234,304</u>	<u>5,130,818</u>	<u>(891,850)</u>	<u>30,473,272</u>
Total Capital Assets Being Depreciated	<u>239,284,761</u>	<u>32,703,597</u>	<u>(2,346,767)</u>	<u>269,641,591</u>
Less Accumulated Depreciation for:				
Land Improvements	(333,541)	(84,306)	-	(417,847)
Highways & Bridges	(104,858,643)	(4,452,187)	1,442,189	(107,868,641)
Building and Improvements	(8,032,320)	(825,830)	7,637	(8,850,513)
Machinery & Equipment	<u>(8,184,599)</u>	<u>(2,116,410)</u>	<u>828,544</u>	<u>(9,472,465)</u>
Total Accumulated Depreciation	<u>(121,409,103)</u>	<u>(7,478,733)</u>	<u>2,278,370</u>	<u>(126,609,466)</u>
Total Capital Assets Being Depreciated, Net	<u>117,875,658</u>	<u>25,224,864</u>	<u>(68,397)</u>	<u>143,032,125</u>
Government Activities Capital Assets, Net	<u>\$ 139,778,151</u>	<u>\$ 48,890,332</u>	<u>\$ (28,939,528)</u>	<u>\$ 159,728,955</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2008 was as follows:

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
<b><u>Business-Type Activities:</u></b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 875,348	\$ 47,487	\$ (7,367)	\$ 915,468
Construction in Progress	<u>3,381,721</u>	<u>12,870,144</u>	<u>(13,139,526)</u>	<u>3,112,339</u>
Total Capital Assets Not Being Depreciated	<u>4,257,069</u>	<u>12,917,631</u>	<u>(13,146,893)</u>	<u>4,027,807</u>
<b>Capital Assets Being Depreciated</b>				
Landfill and Land Improvements	14,538,967	3,641,898	-	18,180,865
Water & Wastewater Lines	23,946,378	3,466,320	(115,225)	27,297,473
Buildings & Improvements	11,805,296	4,699,202	-	16,504,498
Machinery & Equipment	<u>26,169,378</u>	<u>5,579,070</u>	<u>(923,687)</u>	<u>30,824,761</u>
Total Capital Assets Being Depreciated	<u>76,460,019</u>	<u>17,386,490</u>	<u>(1,038,912)</u>	<u>92,807,597</u>
<b>Less Accumulated Depreciation for:</b>				
Landfill and Land Improvements	(11,889,606)	(456,005)	2,199,574	(10,146,037)
Water & Wastewater Lines	(10,105,398)	(778,342)	46,090	(10,837,650)
Building and Improvements	(4,599,662)	(381,620)	-	(4,981,282)
Machinery & Equipment	<u>(6,631,335)</u>	<u>(1,459,360)</u>	<u>784,086</u>	<u>(7,306,609)</u>
Total Accumulated Depreciation	<u>(33,226,001)</u>	<u>(3,075,327)</u>	<u>3,029,750</u>	<u>(33,271,578)</u>
Total Capital Assets Being Depreciated, Net	<u>43,234,018</u>	<u>14,311,163</u>	<u>1,990,838</u>	<u>59,536,019</u>
Business-Type Activities Capital Assets, Net	<u>\$ 47,491,087</u>	<u>\$ 27,228,794</u>	<u>\$ (11,156,055)</u>	<u>\$ 63,563,826</u>

Depreciation and depletion expense was charged to the following activities:

<b>Government-Wide Activities:</b>		<b>Business-type Activities:</b>	
General Government	\$ 546,646	Enterprise Funds:	
Public Safety	1,564,046	Water	\$ 126,811
Highways, Streets, and Bridges	4,951,246	Wastewater	1,811,057
Health and Welfare	207,301	Landfill	<u>1,137,459</u>
Recreation and Culture	92,799		<u>\$ 3,075,327</u>
Public Libraries	114,674		
Economic Development	<u>2,021</u>		
	<u>\$ 7,478,733</u>		

**Construction Commitments**

Cecil County has active construction contracts as of June 30, 2008. The programs include highway, streets, bridges, an emergency communications system, and water production and wastewater treatment facilities. At year-end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Highways and Bridges	\$ 184,215	\$ 883,619
Emergency Services Communications	186,630	112,475
Other Capital Projects	1,013,520	1,787,706
Wastewater Treatment Facilities	<u>5,835,979</u>	<u>1,209,833</u>
Total	<u>\$ 7,220,344</u>	<u>\$ 3,993,633</u>

**B. Discretely Presented Component Units**

The following summarizes the capital asset activity of the County's component units for the year ended June 30, 2008.

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
<b><u>Board of Education</u></b>				
Capital Assets Not Being Depreciated				
Land	\$ 1,202,153	\$ -	\$ -	\$ 1,202,153
Construction in Progress	<u>52,403,359</u>	<u>18,279,402</u>	<u>(2,035,544)</u>	<u>68,647,217</u>
Total Capital Assets Not Being Depreciated	<u>53,605,512</u>	<u>18,279,402</u>	<u>(2,035,544)</u>	<u>69,849,370</u>
Capital Assets Being Depreciated				
Land Improvements	4,627,415	44,544	(3,160)	4,668,799
Building and Improvements	168,603,137	5,727,772	(209,249)	174,121,660
Machinery & Equipment	<u>20,339,263</u>	<u>4,093,168</u>	<u>(1,366,301)</u>	<u>23,066,130</u>
Total Capital Assets Being Depreciated	<u>193,569,815</u>	<u>9,865,484</u>	<u>(1,578,710)</u>	<u>201,856,589</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,233,399)	(231,515)	1,732	(1,463,182)
Building and Improvements	(73,755,157)	(5,075,991)	80,915	(78,750,233)
Machinery & Equipment	<u>(11,705,421)</u>	<u>(2,703,869)</u>	<u>1,273,753</u>	<u>(13,135,537)</u>
Total Accumulated Depreciation	<u>(86,693,977)</u>	<u>(8,011,375)</u>	<u>1,356,400</u>	<u>(93,348,952)</u>
Total Capital Assets Being Depreciated, Net	<u>106,875,838</u>	<u>1,854,109</u>	<u>(222,310)</u>	<u>108,507,637</u>
Board of Education Capital Assets, Net	<u>\$ 160,481,350</u>	<u>\$ 20,133,511</u>	<u>\$ (2,257,854)</u>	<u>\$ 178,357,007</u>

## Capital assets of County's component Units (continued)

	June 30, 2007	Increases	Decreases	June 30, 2008
<b><u>Cecil College</u></b>				
Capital Assets Not Being Depreciated				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	<u>-</u>	<u>1,098,526</u>	<u>-</u>	<u>\$ 1,098,526</u>
Total Capital Assets Not Being Depreciated	<u>1,779,763</u>	<u>1,098,526</u>	<u>-</u>	<u>2,878,289</u>
Capital Assets Being Depreciated				
Leasehold and Other Improvements	3,287,242	348,459	-	3,635,701
Building and Improvements	36,762,835	-	-	36,762,835
Machinery & Equipment	<u>5,759,944</u>	<u>455,581</u>	<u>(15,673)</u>	<u>6,199,852</u>
Total Capital Assets Being Depreciated	<u>45,810,021</u>	<u>804,040</u>	<u>(15,673)</u>	<u>46,598,388</u>
Less Accumulated Depreciation for:				
Leasehold and Other Improvements	(1,491,000)	(183,114)	-	(1,674,114)
Building and Improvements	(9,817,122)	(920,321)	-	(10,737,443)
Machinery & Equipment	<u>(4,376,129)</u>	<u>(420,562)</u>	<u>15,673</u>	<u>(4,781,018)</u>
Total Accumulated Depreciation	<u>(15,684,251)</u>	<u>(1,523,997)</u>	<u>15,673</u>	<u>(17,192,575)</u>
Total Capital Assets Being Depreciated, Net	<u>30,125,770</u>	<u>(719,957)</u>	<u>-</u>	<u>29,405,813</u>
Community College Capital Assets, Net	<u>\$ 31,905,533</u>	<u>\$ 378,569</u>	<u>\$ -</u>	<u>\$ 32,284,102</u>
<b><u>Public Library</u></b>				
Capital Assets Being Depreciated				
Machinery & Equipment	<u>\$ 2,695,945</u>	<u>\$ 1,429,118</u>	<u>\$ (396,438)</u>	<u>\$ 3,728,625</u>
Total Capital Assets Being Depreciated	<u>2,695,945</u>	<u>1,429,118</u>	<u>(396,438)</u>	<u>3,728,625</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(1,141,339)</u>	<u>(522,251)</u>	<u>396,438</u>	<u>(1,267,152)</u>
Total Accumulated Depreciation	<u>(1,141,339)</u>	<u>(522,251)</u>	<u>396,438</u>	<u>(1,267,152)</u>
Total Capital Assets Being Depreciated, Net	<u>1,554,606</u>	<u>906,867</u>	<u>-</u>	<u>2,461,473</u>
Public Library Capital Assets, Net	<u>\$ 1,554,606</u>	<u>\$ 906,867</u>	<u>\$ -</u>	<u>\$ 2,461,473</u>
<b><u>Bainbridge Development Corporation</u></b>				
Capital Assets Not Being Depreciated				
Land	<u>\$ 3,549,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,549,600</u>
Total Capital Assets Not Being Depreciated	<u>3,549,600</u>	<u>-</u>	<u>-</u>	<u>3,549,600</u>
Capital Assets Being Depreciated				
Machinery & Equipment	<u>10,602</u>	<u>-</u>	<u>-</u>	<u>10,602</u>
Total Capital Assets Being Depreciated	<u>10,602</u>	<u>-</u>	<u>-</u>	<u>10,602</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(5,348)</u>	<u>(2,197)</u>	<u>-</u>	<u>(7,545)</u>
Total Accumulated Depreciation	<u>(5,348)</u>	<u>(2,197)</u>	<u>-</u>	<u>(7,545)</u>
Total Capital Assets Being Depreciated, Net	<u>5,254</u>	<u>(2,197)</u>	<u>-</u>	<u>3,057</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,554,854</u>	<u>\$ (2,197)</u>	<u>\$ -</u>	<u>\$ 3,552,657</u>

**7. Interfund Receivables, Payables, Advances and Transfers**

Interfund balances arise primarily from the General Fund's role as receiver, investor, and disbursing agent of cash. Transactions that are short term are classified as interfund receivables. The composition of interfund receivables as of June 30, 2008, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Programs Fund	\$ 44,749
	Non-Major Governmental Funds	70,707
	Internal Service Funds	210,795
		<u>\$ 326,251</u>

Interfund transfers from the General Fund consist of operating transfers to finance debt service of \$13,293,458, capital projects and highway maintenance of \$10,265,071, and \$2,784,026 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2008 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Housing Fund</u>	<u>Highway Fund</u>	<u>General Capital Projects Fund</u>	<u>Board of Education Construction Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ 8,107	\$ 2,556,281	\$ 5,857,000	\$ 1,179,910	\$ 16,741,257	\$ 26,342,555

**8. Long-Term Debt**

**A. Changes in Long-Term Liabilities**

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 115,026,980	\$ 25,675,000	\$ (7,975,823)	132,726,157	\$ 8,014,605
Less: Deferred Charges					
Premium on Debts Issued	1,388,055	485,778	(185,108)	1,688,725	185,108
Gain on Refunding	(674,481)	-	134,668	(539,813)	134,668
Total Bonds Payable	115,740,554	26,160,778	(8,026,263)	133,875,069	8,334,381
Capital Leases	-	2,900,000	(265,089)	2,634,911	546,029
Insurance Claims Payable	882,091	6,323,035	(6,267,367)	937,759	937,759
Compensated Absences	1,298,077	1,639,518	(1,486,242)	1,451,353	967,569
Governmental Activity Long-Term Liabilities	\$ 117,920,722	\$ 37,023,331	\$ (16,044,961)	\$ 138,899,093	\$ 10,785,738



## Changes in Long-Term Liabilities (continued)

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-Type Activities:</b>					
Bonds Payable	\$ 23,719,498	\$ 9,088,054	\$ (1,331,842)	\$ 31,475,710	\$ 1,761,574
Less: Discount on Issuance	(21,900)	-	4,409	(17,491)	(3,990)
Total Bonds Payable	23,697,598	9,088,054	(1,327,433)	31,458,219	1,757,584
Capital Leases	-	1,168,592	(255,989)	912,603	213,260
Compensated Absences	110,379	112,064	(101,554)	120,889	80,592
Accrued Landfill Closure and Postclosure Costs	5,972,803	283,133	(793,316)	5,462,620	-
Business-Type Activity Long-Term Liabilities	<u>\$ 29,780,780</u>	<u>\$ 10,651,843</u>	<u>\$ (2,478,292)</u>	<u>\$ 37,954,331</u>	<u>\$ 2,051,436</u>
<b>Component Units</b>					
Board of Education	\$ 8,055,779	\$ 8,237,600	\$ (1,618,725)	\$ 14,674,654	\$ 2,907,272
Cecil College	248,324	60,179	(19,359)	289,144	192,763
Cecil County Public Library	41,219	13,167	-	54,386	54,386
Component Units Long-Term Liabilities	<u>\$ 8,345,322</u>	<u>\$ 8,310,946</u>	<u>\$ (1,638,084)</u>	<u>\$ 15,018,184</u>	<u>\$ 3,154,421</u>

Compensated absences are reported in the fund which incurred the obligation and liabilities are liquidated within the respected fund.

**B. General Obligation Bonds**

Cecil County issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds have been issued for both governmental and business-type activities; they are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 10 to 20 year serial bonds with varying amounts of principal due each year.

Cecil County has also issued special assessment debt to provide for the construction of shore erosion control projects. These funds will be repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources are received.

Cecil County has also recorded the issuance of revenue bonds (i.e., bonds supported by revenues of the County's enterprise operations). The economic essence of the 2000 Maryland Environmental Services Lease, Revenue Bonds is that of a revenue bond obligation issued by the County. The bonds financed the expansion of the County's central landfill and the County has pledged income derived from the landfill to pay debt service. In the event that a deficiency exists at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources are received.

There are certain limitations and restrictions contained in the various bond indentures including call provisions. The County is in compliance with the limitations and restrictions.

The following is a summary of general, special assessment, and revenue bonds outstanding as June 30, 2008.

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding June 30, 2008</u>
1992/2011	367,103	Maryland Water Quality Financing Administration, Charlestown Manor Sewer.	4.45%	68,354
1997/2012	4,850,000	Consolidated Public Improvement Bonds of 1997.	4.9725%	2,030,000
1999/2009	11,795,000	Consolidated Public Improvement Bonds of 1999.	5.10% - 5.25%	270,000
2001/2010	2,068,166	Consolidated Public Improvement Bonds of 2001, Series A.	5.765%	742,773
2001/2021	15,245,000	Consolidated Public Improvement Bonds of 2001, Series B.	5.765%	11,855,000
2002/2023	2,050,000	Sanitary District Bond, Series 2002	2.0%	1,610,929
2002/2024	6,279,112	Sanitary District Bond, Series 2002B	1.9%	5,057,909
2002/2017	13,795,000	Consolidated Public Improvement and Refunding Bonds of 2002	3.0%-3.875%	9,660,000
2003/2043	845,000	Sanitary District Bond, Series 2003A	4.252%	802,556
2003/2023	21,140,000	Consolidated Public Improvement and Refunding Bonds of 2003	2.25%-4.5%	12,000,000
2004/2023	2,616,645	Sanitary District Bond, Series 2003B	1.2%	2,113,136
2004/2044	1,585,000	Sanitary District Bond, Series 2004A	4.577%	1,526,813
2004/2025	8,000,000	Sanitary District Bond, Series 2004B	1.1%	7,167,959

## List of Bonds outstanding at June 30, 2008 (continued):

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding June 30, 2008</u>
2004/2024	9,025,000	Consolidated Public Improvement Bonds of 2004	3.0% - 4.3%	8,005,000
2005/2025	39,615,000	Consolidated Public Improvement and Refunding Bonds of 2005	3.75% - 5%	36,515,000
2007/2027	26,720,000	Consolidated G.O. Public Improvement Bonds of 2006	3.5% - 5%	25,800,000
2008/2027	32,045,000	Consolidated G.O. Public Improvement Bonds of 2007	4% - 5%	32,045,000
2008/2027	2,702,000	Sanitary District Bond, Series 2008A (Only \$1,918,054 drawn at June 30, 2008)	1%	1,918,054
2008/2028	800,000	Sanitary District Bond, Series 2008B	0%	<u>800,000</u>
Sub-Total General Obligation Bonds				<u>159,988,481</u>
1996/2011	107,801	West View Shores - Shore Erosion Control District	0%	28,747
2004/2019	149,000	West View Shores II - Shore Erosion Control District	0%	<u>144,637</u>
Sub-Total Special Assessment Debt				<u>173,384</u>
2000/2015	6,385,000	Maryland Environmental Services Lease, Revenue Bonds (Cecil Co.), Series 2000	4.75% - 5.5%	<u>4,040,000</u>
Sub-Total Revenue Bonds				<u>4,040,000</u>
Total				<u>\$ 164,201,865</u>

Bond issues described as "Consolidated Public Improvement Bonds" are used to finance the design, planning, renovation, construction, and equipping of public facilities in Cecil County. The majority of these bonds are for school construction. Funding from Sanitary District Bonds is used to design, plan, renovate, construct or equip various water or wastewater facilities. Maryland Environmental Services Lease, Revenue Bonds were used to pay for construction of a new cell at the landfill. The County also issued bonds to pay for construction of the Charlestown Manor Sewer (1992/2011) and erosion control at West View Shores.

The annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2008, are as follows:

Year Ending June 30	General Obligation Bonds				Special Assessment Bonds		Revenue Bonds	
	Governmental Activities		Business-Type Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	8,003,055	5,399,216	1,346,574	633,042	11,550	-	415,000	202,09
2010	8,372,755	5,042,150	1,369,418	604,876	13,286	-	435,000	180,84
2011	8,309,110	4,537,340	1,386,427	576,185	13,286	-	460,000	158,18
2012	8,133,479	4,334,917	1,392,267	547,127	13,286	-	490,000	133,65
2013	7,334,534	3,994,255	1,417,859	518,180	6,099	-	515,000	107,26
2014-2018	35,275,537	15,508,390	7,491,718	2,118,508	30,494	-	1,725,000	144,40
2019-2023	33,671,399	8,357,174	8,259,357	1,353,471	30,494	-	-	-
2024-2028	23,452,902	1,974,768	4,081,983	612,819	30,494	-	-	-
2029-2033	-	-	359,115	289,385	24,395	-	-	-
2034-2038	-	-	447,216	201,284	-	-	-	-
2039-2043	-	-	556,948	91,551	-	-	-	-
2044-2048	-	-	110,776	7,305	-	-	-	-
	132,552,771	\$ 49,148,210	28,219,658	\$ 7,553,732	173,384	\$ -	4,040,000	\$ 926,44
Less: Funds not Drawn	-	-	(783,948)	-	-	-	-	-
Total	\$ 132,552,771	-	\$ 27,435,710	-	\$ 173,384	-	\$ 4,040,000	-

### C. Conduit Debt Obligations

The County has issued revenue based bonds for the express purpose of providing capital financing to third parties who are not part of the County or its component units. Although the debt bears the County's name, the County has no obligation for this debt beyond the resources of the third party or the related project as provided for in the bonds. Because the County has no liability for this debt, it is not recorded in the County's financial statements. Three revenue bond issues are outstanding. The face amounts of these offerings amount to \$7,935,000. As of June 30, 2008, the aggregate principal amount remaining payable for these bonds is \$6,203,543.

**9. Leases**

**A. Operating Leases**

The County leases office facilities, including a public safety facility, under noncancelable operating leases. The Board of Education leases office and warehouse space, and bus parking. The future minimum lease payments for these leases are as follows:

	<b><u>Primary Government</u></b>	<b><u>Board of Education</u></b>
2009	354,250	609,654
2010	367,875	317,064
2011	367,875	313,443
2012	382,700	305,133
2013	382,700	16,728
2014-2018	1,971,758	-
2019-2023	2,165,014	-
2024-2028	<u>926,496</u>	<u>-</u>
Total Commitment under the Operating Lease	<b><u>\$ 6,918,668</u></b>	<b><u>\$ 1,562,022</u></b>

**B. Capital Leases**

The General Fund has entered into a capital lease for the purchase of equipment for the new administration building. The Landfill Fund has entered into a capital lease for the purchase of a compactor. The Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As of June 30, 2008, future minimum payments under capital leases were as follows:

	<b><u>Governmental</u></b>	<b><u>Business Type</u></b>	<b><u>Board of Education</u></b>
2009	546,029	213,260	1,256,901
2010	567,865	222,595	1,201,619
2011	590,575	233,212	1,255,910
2012-2022	<u>930,442</u>	<u>243,536</u>	<u>6,844,261</u>
Total Commitment under the Capital Leases	<b><u>2,634,911</u></b>	<b><u>912,603</u></b>	<b><u>10,558,691</u></b>

**10. Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require the County to place a final cover on its central refuse landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

The landfill closure and postclosure care liability of \$5,462,620 at June 30, 2008, represented the cumulative amount reported to date based on the use of approximately 68% of the estimated capacity of the currently constructed cells at the landfill. The remaining estimated cost of closure and postclosure care of \$2,544,465 will be recognized as the remaining estimated capacity is filled. The amount is based on what it would cost to perform all closure and postclosure care in 2008. Actual cost may be different because of inflation, changes in technology, or changes in regulations. Based on a review of an aerial topographic survey to the permitted grades, it was estimated there is an additional 1,800,000 cubic yards of estimated disposal capacity. This increase in capacity was used in calculating the liability and closure/post closure care costs for 2008, as well as the costs recovered as a result of the additional estimated capacity. The current estimated life of the landfill is approximately 50 years.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements relative to financing the expected cost of closure and postclosure care. The County is in compliance with these requirements.

**11. Reserved and Designated Fund Balances**

The County reserves fund balance where amounts either do not constitute “available spendable resources” or are not expected to be received by the General Fund in the next operating cycle. Fund balances have been reserved for the following purposes at June 30, 2008:

**General Fund**

The reserved fund balance of \$12,742,235 at June 30, 2008, represents the following:

Inventory, Deposits, and Prepaid Expenses	\$ 164,303
Contingencies in accordance with Board of County Commissioners' resolution	12,091,588
Advance to Water Services Fund	483,246
Non-Current Notes Receivable	<u>3,098</u>
	<u>\$ 12,742,235</u>

The designated fund balance of \$18,350,751 at June 30, 2008, represents the following:

Designated for subsequent year's expenditures	\$ 3,564,841
Designated for senior tax credit	1,500,000
Designated for fuel contingency	250,000
Designated for Courthouse renovations contingency	620,000
Designated for Economic Development Blue Sky	300,000
Designated for anticipated pay-as-you go capital projects funding	<u>12,115,910</u>
	<u>\$ 18,350,751</u>

**Other Funds**

The reserved fund balance in other funds amounts to \$1,956,805 at June 30, 2008, and consists of the following:

Major Fund	Highway Fund	Inventory	\$ 448,469
Major Fund	General Capital Projects	Encumbrances	1,452,070
Non-Major Fund	Gilpin Falls Construction	Encumbrances	<u>56,266</u>
			<u>\$ 1,956,805</u>

The unreserved fund balances for all special revenue funds amounting to \$4,964,961 and all capital funds totaling \$22,471,785 are designated to be used for subsequent years' expenditures for various grants, activities, and capital projects.

**12. Risk Management**

**A. Health Insurance**

The County is self-insured for health care benefits provided to employees. The County pays 85% of the cost of providing benefits with employees contributing 15% of the cost. Benefits are provided through the Health Insurance Internal Service Fund. The Fund was established in fiscal year 1993 to provide health benefits to employees of the County government, and two component units (Cecil College and Cecil County Public Library). Under the Plan, charges are made to employers on a formula basis. Interfund charges within the County are recorded as revenue in the Health Insurance Fund and as expenditure/expense to the benefiting department.

The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of health-related claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$150,000 per plan year or if total claims for a plan year exceed a formula-based limit. Settled claims have not exceeded the commercial coverage purchased by the County in any of the past three fiscal years.

The liability for Health Insurance Fund claims of \$937,759 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2008. Historical claims experience and other relevant reports are the basis for these estimates.

Changes in the fund's claims liability for the last two fiscal years are as follows:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2006-2007	776,298	5,589,022	(5,483,229)	882,091
2007-2008	882,091	6,323,035	(6,267,367)	937,759

**B. Other Insurance**

The County is exposed to various risks of loss related to torts, thefts or damage to assets, destruction of assets, errors and omissions, injuries to employees and other losses. The County participates in the Maryland Local Government Insurance Trust (LGIT) and Injured Workers' Insurance Fund. Coverage and deductibles under LGIT vary depending on type of incident. The Injured Workers' Insurance Fund provides coverage up to the statutory limit of each incident.

The County insures its primary liability, property damage, and excess liability coverages through participation in the Maryland Local Government Insurance Trust (LGIT), a public entity risk pool.

For the pooled coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Stop loss insurance is provided to protect against catastrophic losses.

Premiums are paid by the General Fund. The County does not have any claim liability in addition to premiums, unless an assessment is made by the Trust.

**13. Commitments and Contingencies**

**A. Educational Funding Commitments**

The Annotated Code of Maryland (the Code) requires that the County provide funding equal to at least 32% of the Cecil College current expenditures. The County has met the funding requirement for the year ended June 30, 2008. Funding for the year ending June 30, 2009, is estimated to be \$7,900,000. The Code also requires that the County maintain its funding level from year to year for the Board of Education. For the year ended June 30, 2008, such funding amounted to \$64,435,162 and is estimated to be \$65,915,162 for the year ending June 30, 2009.

**B. Litigation and Grant Compliance**

The County is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the County's attorneys, likely to have a material adverse impact on the County's financial position.

The use of grant monies received by the County for funding certain programs or projects is subject to compliance audits by disbursing governmental agencies. The County believes it is in compliance with all significant grant requirements.



**14. Employee Retirement Systems and Pension Plans****A. Pension Plans – Primary Government**

The County sponsors a single-employer, defined benefit pension plan, the Cecil County Pension Plan for Public Safety Employees (PPPSE), to provide benefits to certain law enforcement and public safety personnel. Except for employees of the Bainbridge Development Corporation, all other County employees and the employees of its component units are covered by the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple employer public employee retirement system.

**Cecil County Pension Plan for Public Safety Employees (PPPSE)**

Plan description. Established by the Board of County Commissioners of Cecil County on July 1, 2002, the Cecil County Pension Plan for Public Safety Employees (PPPSE) is a single-employer, defined benefit pension plan which provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan covers all full-time employees on the County's Public Safety Pay Scale hired after June 30, 2002, the Cecil County Sheriff, and eligible public safety employees who have opted to convert from the Maryland State Retirement and Pension System Plan. As of July 1, 2007, the date of the latest actuarial valuation, there were 192 active Plan members, 31 retirees receiving benefits, 1 disabled beneficiary receiving benefits and 6 members entitled to but not yet receiving retirement benefits. Responsibility for the administration and operation of the Plan is vested with a 9-member Board of Trustees. The Plan issues publicly available financial statements which are available from the Cecil County Department of Human Resources, 200 Chesapeake Blvd. Elkton, MD 21921.

**Summary of significant accounting policies – basis of accounting and valuation of investments.**

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

Funding Policy. The contribution requirements of Plan members and the County are established by resolution of the Board of County Commissioners and may be amended by resolution. Plan members are required to contribute 8% of the base compensation. Cecil County as the employer is required to make actuarially determined annual contribution amounts; the current rate is 19.0% of covered payroll.

Annual Pension Cost. For the fiscal year ended June 30, 2008, the County's annual contribution to the PPPSE was \$1,753,647 and equaled its required and actual contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 7.5% investment rate of return compounded annually, net of investment expenses; (b) projected salary increases of 11.0% per year compounded annually for the first five years, 10.0% annually for the next five years, and 5.75% annually thereafter; (c) termination of service estimates as 25.0% annually for the first three years, 15.0% annually for the next two years, 8% annually for the next three years and 2.0% annually thereafter; (d) an inflation rate of 3.0% resulting in post-retirement benefit increases of the maximum 2%; (e) rates of mortality, disablement and retirement are based on the RP-2000 combined annuitant-nonannuitant no collar adjustment, sex distinct, projected to 2008 and PBGC Disabled Life Mortality Tables III and IV. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Three-Year Trend Information for PPPSE

<u>Fiscal Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Covered</u>	<u>Net Pension Obligation</u>
2006	1,251,450	100%	-
2007	1,274,061	100%	-
2008	1,410,479	100%	-

Summary of Three- Year Trend of actuarial valuations for PPPSE**SCHEDULE OF FUNDING PROGRESS**

**Retirement Plans and Benefits  
Cecil County Pension Plan for Public Safety Employees**

<u>Actuarial Valuation Date July 1</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2005	10,717,426	18,301,914	7,584,488	58.6%	7,249,072	104.6%
2006	12,928,657	21,635,271	8,706,614	59.8%	7,827,147	111.2%
2007*	15,442,512	26,337,765	10,895,253	58.6%	8,894,702	122.5%

\* Reflects changes in Plan actuarial assumptions

**Maryland State Retirement and Pension System (MSRPS)**

Plan description. Except for public safety personnel participating in the Pension Plan for Public Safety described previously and employees of Bainbridge Development Corporation, the employees of the County and its component units are covered by a plan within either the Employees' Retirement and Pension System or the Teachers' Retirement and Pension System. These plans are part of the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer public employee retirement system administered by the State Retirement Agency. The MSRPS was established by the State Personnel and Pensions Article of the Annotated Code of Maryland (State law) to provide retirement allowances and other benefits to state employees, teachers, police, judges, legislators and employees of participating governmental units. Responsibility for the administration and operation of the MSRPS is vested in a 14-member Board of Trustees. The MSRPS issues annual financial statements which are publicly available and may be obtained by writing to the State Retirement and Pension System of Maryland, 301 West Preston Street, Baltimore, MD 21201, or by calling 1-800-492-5909.

**Funding policy.** The contribution requirements for plan members, the County and its component units are established by State law. Employees are required to contribute two percent to seven percent of their compensation, depending on the plan in which they are enrolled. Employers, including the County, are required to contribute at an actuarially determined rate based on annual actuarial valuations using the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of Trustees. Current employer contribution rates to the Employees' Retirement and Employees' Pension plans vary from 8.1% to 13.1% of covered payroll depending on the plan. The County's contributions to the MSRPS for the years ending June 30, 2008, 2007, and 2006, were \$1,185,747, \$998,860 and \$764,589 respectively and equaled the required and actual contribution for each year.

**Summary of total pension costs.** The total annual pension cost for the County and its component units to the MSRPS and the Pension Plan for Public Safety Employees for the year ended June 30, 2008, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 1,185,747	\$ 1,410,479	\$ 2,596,226
Component Units			
Board of Education	10,224,346	-	10,224,346
Cecil College	331,225	-	331,225
Public Library	183,089	-	183,089
	<u>11,924,407</u>	<u>1,410,479</u>	<u>13,334,886</u>
Total	\$ 11,924,407	\$ 1,410,479	\$ 13,334,886

## B. Defined Contribution Plan

Employees of Cecil College are eligible to be covered under the Teachers' Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF). TIAA-CREF, a private insurance company, is the optional retirement program chosen by the State Board of Community Colleges for professional staff only. The College also has chosen TIAA-CREF to provide retirement benefits to certain employees not eligible to participate in any other plan. This plan is a Defined Contribution Plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$5,736,664 in 2008. The amount contributed by the State on the College's behalf was \$369,149 (6.4% of covered payroll), and the amount contributed by the College was \$37,741 (.65% of covered payroll) for fiscal year 2008.

## 15. Post-Retirement Health Care Benefits

### Primary Government

In addition to the pension plans described in Note 14 the County provides post-retirement health care benefits, in accordance with a County-approved plan, to all employees of the County, Cecil County Public Library and Cecil Community College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must have attained the age of 62 with five years of service or approved for disability retirement with 15 years of service. Currently, 62 employees have met these eligibility requirements and participate in the Plan. Depending on the employee's years of service, the County contributes \$75 per month per participant to the Plan, and the participant is required to pay the balance of the Plan's insurance premiums, as well as any annual deductibles. During fiscal year 2008, post-retirement health care costs of \$54,825 were recorded.

**Board of Education**

The Board of Education (the Board) offers post-retirement health care benefits, in accordance with a Board-adopted plan, to all retired employees who have completed fourteen years or more of service and been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 466 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$5,446 per year based on years of service and employee classification. Expenditures for post-retirement health care benefits are recognized as retirees' report claims and include an accrual for the estimate of the amount payable at the end of the fiscal year. During fiscal year 2008, \$1,735,737 was recorded for current post-retirement health care costs. The Board of Education elected to early implement GASB 34 and made a prefunding contribution of \$1,480,000 resulting in a zero net OPEB obligation for fiscal year 2008.

**16. Subsequent events**

On June 17, 2008, the County created the Cecil County, Maryland Non-Pension Post Employment Benefits Trust Agreement (the "OPEB Trust") in order to arrange for the establishment of a reserve to pay promised future health benefits for employees services that have already occurred. The County intends the contributions to the Trust will qualify as "contributions in relation to the actuarial required contribution" within the meaning of GASB Statement Number 45 and that the Trust will qualify as a "trust or equivalent arrangement" within the meaning of GASB Statements 43 and 45.

On October 7, 2008, the Board of County commissioners approved the sale of seven county-owned water and sewer plants located in the eastern end of the county to a private utility company. This agreement is subject to the approval of the Maryland Public Service Commission. Closing is expected to be on or before June 30, 2009. The County will retain its Seneca Point Wastewater Treatment Plant.

## **Major Governmental Fund**

### **General Fund**

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

The following schedule presents General Fund budget and actual activity in its lowest level of legal budgetary control - the department.

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget -</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative)</b>
<b>Revenues</b>				
Property Taxes	\$ 86,283,873	\$ 86,283,873	\$ 86,506,000	\$ 222,127
Income Taxes	47,175,000	47,175,000	50,192,279	3,017,279
Licenses and Permits	1,739,305	1,739,305	1,531,579	(207,726)
Intergovernmental	11,658,010	14,042,371	10,988,110	(3,054,261)
Charges for Services	2,593,889	2,681,578	2,424,434	(257,144)
Investment Earnings	4,000,000	4,000,000	3,518,812	(481,188)
Contributions & Other Revenues	-	-	14,584	14,584
<b>Total Revenues</b>	<u>153,450,077</u>	<u>155,922,127</u>	<u>155,175,798</u>	<u>(746,329)</u>
<b>Other Financing Sources</b>				
Proceeds from Capital Asset Disposal	-	-	129,571	129,571
<b>Total Other Financing Sources</b>	-	-	129,571	129,571
<b>Total Revenues and Other Financing Sources</b>	<u>\$153,450,077</u>	<u>\$155,922,127</u>	<u>\$155,305,369</u>	<u>\$ (616,758)</u>
<b>Expenditures</b>				
<b>General Government</b>				
County Commissioners	\$ 370,269	\$ 381,992	\$ 366,233	\$ 15,759
Office of Administrator	216,978	208,224	202,506	5,718
Budget	103,499	107,366	104,164	3,202
Administration Building Maintenance	163,528	148,765	131,375	17,390
Purchasing Department	157,695	172,610	172,262	348
Central Store Building Maintenance	7,400	7,400	4,476	2,924
Other General Government	1,467,206	1,537,206	1,438,599	98,607
Judgments and Losses	20,000	20,000	8,989	11,011
Reserve for Emergencies	250,000	221,058	-	221,058
Human Resources	575,203	578,395	546,322	32,073
Treasurer's Office	1,645,092	1,659,604	1,493,267	166,337
Information Systems	1,185,006	1,275,455	1,110,874	164,581
Circuit Court	1,759,072	1,961,248	1,824,610	136,638
Orphans Court	24,428	24,428	20,996	3,432
Board of Elections	565,732	565,732	468,004	97,728
Voting Machine Maintenance	3,250	3,250	2,404	846
Liquor Board Licensing	225,979	226,008	212,653	13,355
Planning and Zoning	768,328	874,568	779,288	95,280
Board of Appeals	28,600	28,600	19,226	9,374
Planning Commission	38,000	38,000	15,893	22,107
Chesapeake Bay Critical Area	296,123	299,738	296,990	2,748
Courthouse Maintenance	1,633,486	1,683,523	1,600,638	82,885
<b>Total General Government</b>	<u>\$ 11,504,874</u>	<u>\$ 12,023,170</u>	<u>\$ 10,819,769</u>	<u>\$ 1,203,401</u>

**CECIL COUNTY, MARYLAND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER  
FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
GENERAL FUND (Continued)  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget -</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative)</b>
<b>Expenditures (Continued)</b>				
<b>Public Safety</b>				
State's Attorney's Office	\$ 1,639,199	\$ 1,694,671	\$ 1,642,720	\$ 51,951
Sheriff's Office - Law Enforcement	7,861,170	7,903,328	7,531,340	371,988
Sheriff - Special Assignments	47,295	47,295	49,752	(2,457)
Sheriff Patrol - Charlestown	47,295	47,295	47,577	(282)
Sheriff Patrol - Chesapeake City	47,295	32,295	29,152	3,143
Detention Center	6,411,499	6,309,951	6,029,634	280,317
Detention Center Maintenance	335,442	332,146	306,877	25,269
County Work Release Program	646,106	640,843	586,038	54,805
Community Work Service Program	14,639	16,999	16,150	849
Emergency Management	2,591,609	4,030,353	3,401,907	628,446
Emergency Medical Services	2,763,442	2,948,804	2,861,284	87,520
Volunteer Fire Departments	4,132,596	4,232,596	4,186,356	46,240
Civil Defense - 911 System	145,800	145,800	134,525	11,275
EMCDA Facility Maintenance	540,651	523,651	479,758	43,893
Permits and Licenses	848,238	842,595	818,617	23,978
Society for the Prevention of Cruelty to Animals	559,888	559,888	559,888	-
<b>Total Public Safety</b>	<u>28,632,164</u>	<u>30,308,510</u>	<u>28,681,575</u>	<u>1,626,935</u>
<b>Highways, Streets, and Bridges</b>				
Public Works Administration	3,259,939	3,281,463	2,744,459	537,004
Weed Control	75,721	79,617	69,312	10,305
<b>Total Highways, Streets, and Bridges</b>	<u>3,335,660</u>	<u>3,361,080</u>	<u>2,813,771</u>	<u>547,309</u>
<b>Health and Welfare</b>				
Health Department	2,246,160	2,246,160	2,246,160	-
New Health Department Maintenance	133,692	162,191	140,330	21,861
Mosquito Control	36,400	36,400	21,659	14,741
Pauper Burials	3,000	3,000	3,200	(200)
Social Services	785,839	720,689	649,432	71,257
Domestic Violence	694,836	700,257	686,761	13,496
Healthy Marriage	556,000	914,556	394,858	519,698
Domestic Violence - Coord. Council	48,608	48,608	43,617	4,991
Youth Panel	14,550	29,886	27,814	2,072
Maryland School for the Blind	7,890	7,890	3,966	3,924
Senior Center Maintenance	43,250	43,250	30,097	13,153
Old Help Center Maintenance	7,000	7,000	3,685	3,315
Cecil County Adult Day Care	34,237	34,237	34,237	-
Non-Profit Agencies	286,778	286,778	294,882	(8,104)
<b>Total Health and Welfare</b>	<u>\$ 4,898,240</u>	<u>\$ 5,240,902</u>	<u>\$ 4,580,698</u>	<u>\$ 660,204</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Expenditures (Continued)</b>				
<b>Recreation and Culture</b>				
Board of Parks	\$ 649,936	\$ 814,278	\$ 651,516	\$ 162,762
Parks and Recreation Maintenance	8,500	12,100	10,188	1,912
Old Library Building Maintenance	16,350	16,350	13,705	2,645
<b>Total Recreation and Culture</b>	<u>674,786</u>	<u>842,728</u>	<u>675,409</u>	<u>167,319</u>
<b>Education</b>				
Cecil County Board of Education	65,915,162	65,915,162	64,435,162	1,480,000
Cecil Community College	7,620,225	7,620,225	7,620,187	38
Cecil Community College - Scholarships	30,000	30,000	30,000	-
<b>Total Education</b>	<u>73,565,387</u>	<u>73,565,387</u>	<u>72,085,349</u>	<u>1,480,038</u>
<b>Public Libraries</b>	<u>3,981,813</u>	<u>3,982,188</u>	<u>3,982,188</u>	<u>-</u>
<b>Economic Development</b>	<u>1,148,636</u>	<u>1,266,027</u>	<u>1,151,965</u>	<u>114,062</u>
<b>Agriculture</b>				
Agricultural Extension Service	206,223	158,257	158,257	-
Agricultural Extension Serv. - Bldg Maint.	45,253	45,253	43,045	2,208
Soil Conservation	346,791	335,019	328,111	6,908
Gypsy Moth Control	32,000	32,000	30,321	1,679
<b>Total Agriculture</b>	<u>630,267</u>	<u>570,529</u>	<u>559,734</u>	<u>10,795</u>
<b>Municipalities</b>	<u>691,664</u>	<u>691,664</u>	<u>691,663</u>	<u>1</u>
<b>Total Expenditures</b>	<u>129,063,491</u>	<u>131,852,185</u>	<u>126,042,121</u>	<u>5,810,064</u>
<b>Other Financing Uses</b>				
Transfers to Special Revenue Funds	4,490,630	6,045,565	5,340,307	705,258
Transfers to Debt Service Fund	13,733,791	13,733,791	13,293,458	440,333
Transfers to Capital Projects Funds	9,471,790	8,471,790	7,708,790	763,000
<b>Total Other Financing Uses</b>	<u>27,696,211</u>	<u>28,251,146</u>	<u>26,342,555</u>	<u>1,908,591</u>
<b>Total Expenditures and</b>				
<b>Other Financing Uses</b>	<u>\$ 156,759,702</u>	<u>\$ 160,103,331</u>	<u>\$ 152,384,676</u>	<u>\$ 7,718,655</u>



**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 3,340,754	\$ -	\$ 1,269,789	\$ 4,610,543
Receivables, Net	391,256	51	-	391,307
Due from Other Governments	435,874	-	528,026	963,900
Inventory	98	-	-	98
Restricted Assets: Cash and Investments	<u>273,377</u>	<u>-</u>	<u>-</u>	<u>273,377</u>
<b>Total Assets</b>	<u>\$ 4,441,359</u>	<u>\$ 51</u>	<u>\$ 1,797,815</u>	<u>\$ 6,239,225</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 200,154	\$ -	\$ 825,289	\$ 1,025,443
Salaries and Benefits Payable	142,476	-	-	142,476
Due to Other Funds	70,656	51	-	70,707
Deferred Revenue	<u>86,475</u>	<u>-</u>	<u>-</u>	<u>86,475</u>
<b>Total Liabilities</b>	<u>499,761</u>	<u>51</u>	<u>825,289</u>	<u>1,325,101</u>
<b>Fund Balances:</b>				
Reserved:				
Encumbrances	-	-	56,266	56,266
Unreserved:				
Special Revenue Funds	3,941,598	-	-	3,941,598
Capital Project Funds	<u>-</u>	<u>-</u>	<u>916,260</u>	<u>916,260</u>
<b>Total Fund Balances</b>	<u>3,941,598</u>	<u>-</u>	<u>972,526</u>	<u>4,914,124</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,441,359</u>	<u>\$ 51</u>	<u>\$ 1,797,815</u>	<u>\$ 6,239,225</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>				
Special Assessments	\$ -	\$ 50,203	\$ -	\$ 50,203
Intergovernmental	7,048,271	-	-	7,048,271
Charges for Services	312,506	-	-	312,506
Investment Earnings	23,418	-	-	23,418
Contributions & Other Revenues	20,729	-	-	20,729
<b>Total Revenues</b>	<u>7,404,924</u>	<u>50,203</u>	<u>-</u>	<u>7,455,127</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,703,754	-	-	1,703,754
Health and Welfare	2,328,918	-	-	2,328,918
Recreation and Culture	4,382,377	-	-	4,382,377
Economic Development	-	-	-	-
Agriculture	1,622,997	-	-	1,622,997
Debt Service:				
Principal	-	8,240,914	-	8,240,914
Interest	-	5,102,747	-	5,102,747
Capital Outlay	-	-	3,102,081	3,102,081
<b>Total Expenditures</b>	<u>10,038,046</u>	<u>13,343,661</u>	<u>3,102,081</u>	<u>26,483,788</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,633,122)</u>	<u>(13,293,458)</u>	<u>(3,102,081)</u>	<u>(19,028,661)</u>
<b>OTHER FINANCING SOURCES</b>				
Bonds Issued	-	-	743,254	743,254
Transfers In	2,775,919	13,293,458	671,880	16,741,257
<b>Total Other Financing Sources</b>	<u>2,775,919</u>	<u>13,293,458</u>	<u>1,415,134</u>	<u>17,484,511</u>
<b>Net Change in Fund Balances</b>	142,797	-	(1,686,947)	(1,544,150)
<b>Fund Balances - June 30, 2007</b>	<u>3,798,801</u>	<u>-</u>	<u>2,659,473</u>	<u>6,458,274</u>
<b>Fund Balances - June 30, 2008</b>	<u>\$ 3,941,598</u>	<u>\$ -</u>	<u>\$ 972,526</u>	<u>\$ 4,914,124</u>

## **Non-Major Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds are used to account for operating revenues that are restricted to finance particular functions or activities of government.

**Community Adult Rehabilitation Center Fund** - This fund is used to account for the activities of the "live-in, work-out" center located at the Cecil County Detention Center. The program is supported by legally restricted state grants, charges to the inmate population, and funds from County government resources.

**Other Public Safety Fund** - This fund is used to account for federal funds legally restricted to specific public safety purposes.

**Open Space Fund** - This fund is used to account for state Program Open Space Fund grants legally restricted to the acquisition and/or development of recreational facilities.

**Agricultural Land Preservation Fund** - This fund is used to account for federal, state (including the Maryland Agricultural Land Preservation Foundation programs), and County funding of agricultural land easement purchases and direct land purchases.

**Gilpin Falls Covered Bridge Fund** - This fund is used to account for funds restricted to the support of repairs and maintenance to historic Gilpin Falls Covered Bridge

**Senior Services & Community Transit Fund** - This fund is used to account for services, programs, and activities supported by legally restricted state and federal grants, and County government resources providing additional funds.

**Economic Development Revolving Loan Fund** - This fund is used to account for federal Community Development Block Grants and state revolving loan programs legally restricted to economic development programs within the County

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2008**

	Community Adult Rehabilitation Center	Other Public Safety	Open Space	Agricultural Land Preservation	Gilpin Falls Covered Bridge	Senior Services & Community Transit	Economic Development Revolving Loan Fund	Total
<b>ASSETS</b>								
Cash and Investments	\$ -	\$ 28,124	\$ 174,107	\$ 2,844,810	\$ 92,601	\$ -	\$ 201,112	\$ 3,340,754
Receivables, Net:								
Accounts	13,680	-	-	-	-	6,487	-	20,167
Interest	-	-	-	-	-	-	743	743
Notes	-	-	-	-	-	-	370,346	370,346
Due from Other Governments	78,928	-	182,620	-	-	174,326	-	435,874
Inventory	98	-	-	-	-	-	-	98
Restricted Assets: Cash and Investments	2,100	-	-	14,939	-	-	256,338	273,377
<b>Total Assets</b>	<b>\$ 94,806</b>	<b>\$ 28,124</b>	<b>\$ 356,727</b>	<b>\$ 2,859,749</b>	<b>\$ 92,601</b>	<b>\$ 180,813</b>	<b>\$ 828,539</b>	<b>\$ 4,441,359</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts Payable	\$ 11,917	\$ -	\$ 137,667	\$ -	\$ -	\$ 50,570	\$ -	\$ 200,154
Salaries and Benefits Payable	62,384	-	-	-	-	80,092	-	142,476
Due to Other Funds	20,505	-	-	-	-	50,151	-	70,656
Due to Other Governments	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	86,475	-	-	-	-	86,475
Other Liabilities	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>94,806</b>	<b>-</b>	<b>224,142</b>	<b>-</b>	<b>-</b>	<b>180,813</b>	<b>-</b>	<b>499,761</b>
<b>Fund Balances:</b>								
Unreserved, Designated: Subsequent Years' Expenditures	-	28,124	132,585	2,859,749	92,601	-	828,539	3,941,598
<b>Total Fund Balances</b>	<b>-</b>	<b>28,124</b>	<b>132,585</b>	<b>2,859,749</b>	<b>92,601</b>	<b>-</b>	<b>828,539</b>	<b>3,941,598</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 94,806</b>	<b>\$ 28,124</b>	<b>\$ 356,727</b>	<b>\$ 2,859,749</b>	<b>\$ 92,601</b>	<b>\$ 180,813</b>	<b>\$ 828,539</b>	<b>\$ 4,441,359</b>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Community Adult Rehabilitation Center</b>	<b>Other Public Safety</b>	<b>Open Space</b>	<b>Agricultural Land Preservation</b>	<b>Glipin Falls Covered Bridge</b>	<b>Senior Services &amp; Community Transit</b>	<b>Economic Development Revolving Loan Fund</b>	<b>Total</b>
<b>REVENUES</b>								
Intergovernmental	\$ 1,007,613	\$ -	\$ 4,251,509	\$ 788,773	\$ -	\$ 1,000,376	\$ -	\$7,048,271
Charges for Services	190,837	-	-	-	-	121,469	200	312,506
Investment Earnings	-	-	-	-	3,574	-	19,844	23,418
Contributions & Other Revenues	-	-	8,872	-	-	11,857	-	20,729
<b>Total Revenues</b>	<b>1,198,450</b>	<b>-</b>	<b>4,260,381</b>	<b>788,773</b>	<b>3,574</b>	<b>1,133,702</b>	<b>20,044</b>	<b>7,404,924</b>
<b>EXPENDITURES</b>								
Current:								
Public Safety	1,676,300	27,454	-	-	-	-	-	1,703,754
Health and Welfare	-	-	-	-	-	2,328,918	-	2,328,918
Recreation and Culture	-	-	4,382,377	-	-	-	-	4,382,377
Agriculture	-	-	-	1,622,997	-	-	-	1,622,997
<b>Total Expenditures</b>	<b>1,676,300</b>	<b>27,454</b>	<b>4,382,377</b>	<b>1,622,997</b>	<b>-</b>	<b>2,328,918</b>	<b>-</b>	<b>10,038,046</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(477,850)</b>	<b>(27,454)</b>	<b>(121,996)</b>	<b>(834,224)</b>	<b>3,574</b>	<b>(1,195,216)</b>	<b>20,044</b>	<b>(2,633,122)</b>
<b>OTHER FINANCING SOURCES</b>								
Transfers In	477,850	25,086	77,767	1,000,000	-	1,195,216	-	2,775,919
<b>Total Other Financing Sources</b>	<b>477,850</b>	<b>25,086</b>	<b>77,767</b>	<b>1,000,000</b>	<b>-</b>	<b>1,195,216</b>	<b>-</b>	<b>2,775,919</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(2,368)</b>	<b>(44,229)</b>	<b>165,776</b>	<b>3,574</b>	<b>-</b>	<b>20,044</b>	<b>142,797</b>
<b>Fund Balances - June 30, 2007</b>	<b>-</b>	<b>30,492</b>	<b>176,814</b>	<b>2,693,973</b>	<b>89,027</b>	<b>-</b>	<b>808,495</b>	<b>3,798,801</b>
<b>Fund Balances - June 30, 2008</b>	<b>\$ -</b>	<b>\$ 28,124</b>	<b>\$ 132,585</b>	<b>\$ 2,859,749</b>	<b>\$ 92,601</b>	<b>\$ -</b>	<b>\$ 828,539</b>	<b>\$3,941,598</b>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**COMMUNITY ADULT REHABILITATION CENTER**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget -</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,007,613	\$ (92,387)
Charges for Services	<u>227,650</u>	<u>227,650</u>	<u>190,837</u>	<u>(36,813)</u>
<b>Total Revenues</b>	<u>1,327,650</u>	<u>1,327,650</u>	<u>1,198,450</u>	<u>(129,200)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>1,764,893</u>	<u>1,755,573</u>	<u>1,676,300</u>	<u>79,273</u>
<b>Total Expenditures</b>	<u>1,764,893</u>	<u>1,755,573</u>	<u>1,676,300</u>	<u>79,273</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(437,243)</u>	<u>(427,923)</u>	<u>(477,850)</u>	<u>(49,927)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>437,243</u>	<u>427,923</u>	<u>477,850</u>	<u>49,927</u>
<b>Total Other Financing Sources</b>	<u>437,243</u>	<u>427,923</u>	<u>477,850</u>	<u>49,927</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2007</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**OTHER PUBLIC SAFETY**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Contributions & Other Revenues	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>-</u>	<u>55,578</u>	<u>27,454</u>	<u>28,124</u>
<b>Total Expenditures</b>	<u>-</u>	<u>55,578</u>	<u>27,454</u>	<u>28,124</u>
<b>(Deficiency) of Revenues</b> <b>(Under) Expenditures</b>	<u>-</u>	<u>(55,578)</u>	<u>(27,454)</u>	<u>28,124</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>-</u>	<u>25,086</u>	<u>25,086</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>-</u>	<u>25,086</u>	<u>25,086</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(30,492)</u>	<u>(2,368)</u>	<u>28,124</u>
<b>Fund Balance - June 30, 2007</b>	<u>30,492</u>	<u>30,492</u>	<u>30,492</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 30,492</u>	<u>\$ -</u>	<u>\$ 28,124</u>	<u>\$ 28,124</u>

**CECIL COUNTY, MARYLAND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
OPEN SPACE  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 2,955,907	\$ 4,341,333	\$ 4,251,509	\$ (89,824)
Contributions & Other Revenues	<u>59,341</u>	<u>59,341</u>	<u>8,872</u>	<u>(50,469)</u>
<b>Total Revenues</b>	<u>3,015,248</u>	<u>4,400,674</u>	<u>4,260,381</u>	<u>(140,293)</u>
<b>EXPENDITURES</b>				
Current:				
Recreation and Culture	<u>3,093,015</u>	<u>4,478,441</u>	<u>4,382,377</u>	<u>96,064</u>
<b>Total Expenditures</b>	<u>3,093,015</u>	<u>4,478,441</u>	<u>4,382,377</u>	<u>96,064</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(77,767)</u>	<u>(77,767)</u>	<u>(121,996)</u>	<u>(44,229)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>77,767</u>	<u>77,767</u>	<u>77,767</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>77,767</u>	<u>77,767</u>	<u>77,767</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(44,229)</u>	<u>(44,229)</u>
<b>Fund Balance - June 30, 2007</b>	<u>176,814</u>	<u>176,814</u>	<u>176,814</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 176,814</u>	<u>\$ 176,814</u>	<u>\$ 132,585</u>	<u>\$ (44,229)</u>



**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**AGRICULTURAL LAND PRESERVATION**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 788,773	\$ 788,773
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>788,773</u>	<u>788,773</u>
<b>EXPENDITURES</b>				
Current:				
Agriculture	<u>2,004,188</u>	<u>3,874,245</u>	<u>1,622,998</u>	<u>2,251,247</u>
<b>Total Expenditures</b>	<u>2,004,188</u>	<u>3,874,245</u>	<u>1,622,998</u>	<u>2,251,247</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(2,004,188)</u>	<u>(3,874,245)</u>	<u>(834,225)</u>	<u>3,040,020</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,000,000</u>	<u>1,180,271</u>	<u>1,000,000</u>	<u>(180,271)</u>
<b>Total Other Financing</b>				
<b>Sources</b>	<u>1,000,000</u>	<u>1,180,271</u>	<u>1,000,000</u>	<u>(180,271)</u>
<b>Net Change in Fund Balance</b>	(1,004,188)	(2,693,974)	165,775	2,859,749
<b>Fund Balance - June 30, 2007</b>	<u>2,693,973</u>	<u>2,693,973</u>	<u>2,693,973</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 1,689,785</u>	<u>\$ (1)</u>	<u>\$ 2,859,748</u>	<u>\$ 2,859,749</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**GILPIN FALLS COVERED BRIDGE**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 3,574	\$ 3,574
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>3,574</u>	<u>3,574</u>
<b>EXPENDITURES</b>				
Current:				
Highways, Streets, and Bridges	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,574</u>	<u>3,574</u>
<b>Net Change in Fund Balance</b>	-	-	3,574	3,574
<b>Fund Balance - June 30, 2007</b>	<u>89,027</u>	<u>89,027</u>	<u>89,027</u>	<u>-</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 89,027</u>	<u>\$ 89,027</u>	<u>\$ 92,601</u>	<u>\$ 3,574</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**SENIOR SERVICES & COMMUNITY TRANSIT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,298,409	\$ 1,293,779	\$ 1,000,376	\$ (293,403)
Charges for Services	163,750	163,750	121,469	(42,281)
Contributions & Other Revenues	-	6,685	11,857	5,172
<b>Total Revenues</b>	<u>1,462,159</u>	<u>1,464,214</u>	<u>1,133,702</u>	<u>(330,512)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>2,621,256</u>	<u>2,696,296</u>	<u>2,328,918</u>	<u>367,378</u>
<b>Total Expenditures</b>	<u>2,621,256</u>	<u>2,696,296</u>	<u>2,328,918</u>	<u>367,378</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,159,097)</u>	<u>(1,232,082)</u>	<u>(1,195,216)</u>	<u>36,866</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,159,097</u>	<u>1,232,082</u>	<u>1,195,216</u>	<u>(36,866)</u>
<b>Total Other Financing Sources</b>	<u>1,159,097</u>	<u>1,232,082</u>	<u>1,195,216</u>	<u>(36,866)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2007</b>	-	-	-	-
<b>Fund Balance - June 30, 2008</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**ECONOMIC DEVELOPMENT REVOLVING LOAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget -</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 200	\$ 200
Investment Earnings	-	-	19,844	19,844
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>20,044</u>	<u>20,044</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>20,044</u>	<u>20,044</u>
<b>Net Change in Fund Balance</b>	-	-	20,044	20,044
<b>Fund Balance - June 30, 2007</b>	<u>808,495</u>	<u>808,495</u>	<u>808,495</u>	<u>25,472</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 808,495</u>	<u>\$ 808,495</u>	<u>\$ 828,539</u>	<u>\$ 45,516</u>

## **Non-Major Governmental Funds**

### **Capital Projects Funds**

The Capital Projects Funds account for all financial resources used in acquiring and constructing capital facilities and other fixed assets excluding those financed by the proprietary and trust funds.

**College Construction** - This fund is used to account for the acquisition, construction, and renovation of capital facilities and other fixed assets of Cecil College. These expenditures are financed from the proceeds of certain County general obligation bonds and from County general resources.

**Library Construction** - This fund is used to account for the acquisition, construction, and renovation of capital facilities in the Cecil County Public Library System. These expenditures are financed from the proceeds of certain County general obligation bonds and from County general resources.

**Gilpin Falls Construction** - This fund is used to account for the renovation of the Gilpin Falls Covered Bridge, which is an historical landmark located in the County. These expenditures are financed from donations, grants, and County general resources.

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**CAPITAL PROJECT FUNDS**  
**JUNE 30, 2008**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Gilpin Falls Construction</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Investments	\$ 571,350	\$ 371,043	\$ 327,396	\$ 1,269,789
Due from Other Governments	<u>528,026</u>	<u>-</u>	<u>-</u>	<u>528,026</u>
<b>Total Assets</b>	<u>1,099,376</u>	<u>371,043</u>	<u>327,396</u>	<u>1,797,815</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	<u>770,033</u>	<u>55,104</u>	<u>152</u>	<u>825,289</u>
<b>Total Liabilities</b>	<u>770,033</u>	<u>55,104</u>	<u>152</u>	<u>825,289</u>
<b>Fund Balances:</b>				
Reserved:				
Encumbrances	-	-	56,266	56,266
Unreserved:				
Designated:				
Various Construction Projects	<u>329,343</u>	<u>315,939</u>	<u>270,978</u>	<u>916,260</u>
<b>Total Fund Balances</b>	<u>329,343</u>	<u>315,939</u>	<u>327,244</u>	<u>972,526</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,099,376</u>	<u>\$ 371,043</u>	<u>\$ 327,396</u>	<u>\$ 1,797,815</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Gilpin Falls Construction</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Projects	830,791	2,221,439	49,851	3,102,081
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(830,791)</u>	<u>(2,221,439)</u>	<u>(49,851)</u>	<u>(3,102,081)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	743,254	-	-	743,254
Transfers In	416,880	255,000	-	671,880
<b>Total Other Financing Sources</b>	<u>1,160,134</u>	<u>255,000</u>	<u>-</u>	<u>1,415,134</u>
<b>Net Change in Fund Balances</b>	329,343	(1,966,439)	(49,851)	(1,686,947)
<b>Fund Balances - June 30, 2007</b>	<u>-</u>	<u>2,282,378</u>	<u>377,095</u>	<u>2,659,473</u>
<b>Fund Balances - June 30, 2008</b>	<u>\$ 329,343</u>	<u>\$ 315,939</u>	<u>\$ 327,244</u>	<u>\$ 972,526</u>





## **Debt Service Fund**

The Debt Service Fund is maintained to account for the issuance and payment of long term general obligation bonds and other long term debt.

**CECIL COUNTY, MARYLAND**

**BALANCE SHEET  
DEBT SERVICE FUND  
JUNE 30, 2008**

**ASSETS**

Cash and Investments	\$	-
Receivables, Net		<u>51</u>
<b>Total Assets</b>		<u>51</u>

**LIABILITIES AND FUND BALANCES**

**Liabilities:**

Due to Other Funds		<u>51</u>
<b>Total Liabilities</b>		<u>51</u>

**Fund Balance:**

Debt Service		<u>-</u>
<b>Total Fund Balances</b>		<u>-</u>

<b>Total Liabilities and Fund Balance</b>	\$	<u>51</u>
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**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR FUND**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Special Assessments	\$ 50,113	\$ 50,113	\$ 50,203	\$ 90
<b>Total Revenues</b>	<u>50,113</u>	<u>50,113</u>	<u>50,203</u>	<u>90</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	8,744,165	9,009,766	8,240,914	768,852
Interest	<u>5,039,739</u>	<u>5,102,747</u>	<u>5,102,747</u>	<u>-</u>
<b>Total Expenditures</b>	<u>13,783,904</u>	<u>14,112,513</u>	<u>13,343,661</u>	<u>768,852</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(13,733,791)</u>	<u>(14,062,400)</u>	<u>(13,293,458)</u>	<u>768,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>13,733,791</u>	<u>14,062,400</u>	<u>13,293,458</u>	<u>(768,942)</u>
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>13,733,791</u>	<u>14,062,400</u>	<u>13,293,458</u>	<u>(768,942)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2007</b>	<u>44,242</u>	<u>44,242</u>	<u>-</u>	<u>(44,242)</u>
<b>Fund Balance - June 30, 2008</b>	<u>\$ 44,242</u>	<u>\$ 44,242</u>	<u>\$ -</u>	<u>\$ (44,242)</u>

## **Internal Service Funds**

Internal Service Funds are maintained to account for the financing of goods and/or services provided by one department to other departments or governmental units on a cost-reimbursement basis.

**Health Insurance Fund** - This fund is used to account for the expenditures and allocations of costs of the group health insurance plan. The plan employer participants are Cecil County Government, Cecil College, and Cecil County Public Library.

**Central Garage Fund** - This fund is used to account for the expenditures and allocations of the vehicle repair and maintenance shop. The expenditures consist of a third party vehicle maintenance services contract and the costs (including depreciation and utilities) to provide use of the County's central garage facility.

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2008**

	<u>Health Insurance</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Investments	\$ 5,575,843	\$ -	\$ 5,575,843
Receivables, Net:			
Accounts	40,897	-	40,897
Inventory	-	19,826	19,826
Prepaid Items & Other Assets	97,000	-	97,000
<b>Total Current Assets</b>	<u>5,713,740</u>	<u>19,826</u>	<u>5,733,566</u>
<b>Non-Current Assets:</b>			
Capital Assets, Net:			
Buildings	-	240,558	240,558
Machinery & Equipment	-	61,561	61,561
<b>Total Non-Current Assets</b>	<u>-</u>	<u>302,119</u>	<u>302,119</u>
<b>Total Assets</b>	<u>\$ 5,713,740</u>	<u>\$ 321,945</u>	<u>\$ 6,035,685</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 520	\$ 131,251	\$ 131,771
Due to Other Funds	20,100	190,694	210,794
Accrued Expenses	937,759	-	937,759
Unearned Revenue	575	-	575
<b>Total Liabilities</b>	<u>958,954</u>	<u>321,945</u>	<u>1,280,899</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	-	302,119	302,119
Unrestricted (Deficit)	4,754,786	(302,119)	4,452,667
<b>Total Net Assets</b>	<u>\$ 4,754,786</u>	<u>\$ -</u>	<u>\$ 4,754,786</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Health Insurance</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>			
Charges for Services	\$ 7,520,446	\$ 1,239,791	\$ 8,760,237
<b>Operating Expenses:</b>			
Benefit Payments	6,608,498	-	6,608,498
Materials, Supplies, and Services	556,520	1,223,994	1,780,514
Depreciation	<u>-</u>	<u>15,797</u>	<u>15,797</u>
<b>Total Operating Expenses</b>	<u>7,165,018</u>	<u>1,239,791</u>	<u>8,404,809</u>
<b>Operating Income (Loss)</b>	<u>355,428</u>	<u>-</u>	<u>355,428</u>
<b>Non-Operating Revenues</b>			
Investment Earnings	<u>240,241</u>	<u>-</u>	<u>240,241</u>
<b>Total Non-Operating Revenues</b>	<u>240,241</u>	<u>-</u>	<u>240,241</u>
<b>Change in Net Assets</b>	595,669	-	595,669
<b>Net Assets - June 30, 2007</b>	<u>4,159,117</u>	<u>-</u>	<u>4,159,117</u>
<b>Net Assets - June 30, 2008</b>	<u>\$ 4,754,786</u>	<u>\$ -</u>	<u>\$ 4,754,786</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Health Insurance</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from Service Charges & Insured	\$ 7,497,979	\$ 1,239,791	\$ 8,737,770
Payments to Suppliers and Providers	<u>(7,110,561)</u>	<u>(1,243,298)</u>	<u>(8,353,859)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>387,418</u>	<u>(3,507)</u>	<u>383,911</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
Advances to Other Funds	<u>20,100</u>	<u>40,639</u>	<u>60,739</u>
<b>Net Cash Flows From Non-Capital Financing Activities</b>	<u>20,100</u>	<u>40,639</u>	<u>60,739</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	<u>-</u>	<u>(37,132)</u>	<u>(37,132)</u>
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>-</u>	<u>(37,132)</u>	<u>(37,132)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on Investments	<u>240,241</u>	<u>-</u>	<u>240,241</u>
<b>Net Cash Flows From Non-Capital Financing Activities</b>	<u>240,241</u>	<u>-</u>	<u>240,241</u>
<b>Net Increase in Cash and Cash Equivalents</b>	647,759	-	647,759
<b>Cash and Cash Equivalents - June 30, 2007</b>	<u>4,928,084</u>	<u>-</u>	<u>4,928,084</u>
<b>Cash and Cash Equivalents - June 30, 2008</b>	<u>\$ 5,575,843</u>	<u>\$ -</u>	<u>\$ 5,575,843</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	\$ 355,428	-	\$ 355,428
Adjustments to Reconcile Operating Income to Net Cash provided by (Used in) Operating Activities:			
Depreciation	-	15,797	15,797
Changes in Assets and Liabilities:			
(Increase) in Accounts Receivable	(19,357)	-	(19,357)
Decrease in Inventory	-	6,561	6,561
Decrease in Accounts Payable	(1,211)	(25,865)	(27,076)
Increase in Accrued Expenses	55,668	-	55,668
Decrease in Deferred Revenue	<u>(3,110)</u>	<u>-</u>	<u>(3,110)</u>
Total Adjustments	<u>31,990</u>	<u>(3,507)</u>	<u>28,483</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 387,418</u>	<u>\$ (3,507)</u>	<u>\$ 383,911</u>





## **Fiduciary Fund Type - Agency Funds**

The Agency Funds are maintained to account for assets held by the County in an agency capacity.

**State Tax Collection Fund** - This fund is maintained to account for state taxes collected and held in an agency capacity.

**State Bay Restoration Fee Collection Fund** - This fund is maintained to account for state Bay Restoration Fees collected and held in an agency capacity.

**Town Collection Funds** - These funds are maintained to account for taxes billed and collected on behalf of the County's incorporated towns and held in an agency capacity.

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>COLLECTIONS - STATE TAXES</b>				
<b>Assets</b>				
Cash	\$ 144,613	\$ 9,400,532	\$ (9,440,341)	\$ 104,804
Accounts Receivable - Property Taxes	<u>27,879</u>	<u>11,621,069</u>	<u>(11,630,859)</u>	<u>18,089</u>
<b>Total Assets</b>	<u>\$ 172,492</u>	<u>\$ 21,021,601</u>	<u>\$ (21,071,200)</u>	<u>\$ 122,893</u>
<b>Liabilities</b>				
Due to Other Governments	<u>172,492</u>	<u>19,475,100</u>	<u>(19,524,699)</u>	<u>122,893</u>
<b>Total Liabilities</b>	<u>\$ 172,492</u>	<u>\$ 19,475,100</u>	<u>\$ (19,524,699)</u>	<u>\$ 122,893</u>
<b>COLLECTIONS - STATE BAY RESTORATION FEE</b>				
<b>Assets</b>				
Cash	\$ 83,942	\$ 840,716	\$ (838,356)	\$ 86,302
Accounts Receivable - Fees	<u>66,329</u>	<u>883,468</u>	<u>(882,320)</u>	<u>67,477</u>
<b>Total Assets</b>	<u>\$ 150,271</u>	<u>\$ 1,724,184</u>	<u>\$ (1,720,676)</u>	<u>\$ 153,779</u>
<b>Liabilities</b>				
Due to Other Governments	<u>150,271</u>	<u>1,526,060</u>	<u>(1,522,552)</u>	<u>153,779</u>
<b>Total Liabilities</b>	<u>\$ 150,271</u>	<u>\$ 1,526,060</u>	<u>\$ (1,522,552)</u>	<u>\$ 153,779</u>
<b>COLLECTIONS - CECILTON</b>				
<b>Assets</b>				
Cash	\$ 805	\$ 174,001	\$ (173,385)	\$ 1,421
Accounts Receivable - Fees & Taxes	<u>7</u>	<u>156,972</u>	<u>(156,707)</u>	<u>272</u>
<b>Total Assets</b>	<u>\$ 812</u>	<u>\$ 330,973</u>	<u>\$ (330,092)</u>	<u>\$ 1,693</u>
<b>Liabilities</b>				
Due to Other Governments	<u>812</u>	<u>303,583</u>	<u>(302,702)</u>	<u>1,693</u>
<b>Total Liabilities</b>	<u>\$ 812</u>	<u>\$ 303,583</u>	<u>\$ (302,702)</u>	<u>\$ 1,693</u>
<b>COLLECTIONS - CHESAPEAKE CITY</b>				
<b>Assets</b>				
Cash	\$ 1,074	\$ 374,598	\$ (372,971)	\$ 2,701
Accounts Receivable - Property Taxes	<u>920</u>	<u>366,327</u>	<u>(364,682)</u>	<u>2,565</u>
<b>Total Assets</b>	<u>\$ 1,994</u>	<u>\$ 740,925</u>	<u>\$ (737,653)</u>	<u>\$ 5,266</u>
<b>Liabilities</b>				
Due to Other Governments	<u>1,994</u>	<u>716,741</u>	<u>(713,469)</u>	<u>5,266</u>
<b>Total Liabilities</b>	<u>\$ 1,994</u>	<u>\$ 716,741</u>	<u>\$ (713,469)</u>	<u>\$ 5,266</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>COLLECTIONS - CHARLESTOWN</b>				
<b>Assets</b>				
Cash	\$ 4,721	\$ 268,406	\$ (272,100)	1,027
Accounts Receivable - Property Taxes	<u>2,322</u>	<u>302,256</u>	<u>(302,955)</u>	<u>1,623</u>
<b>Total Assets</b>	<b>\$ 7,043</b>	<b>\$ 570,662</b>	<b>\$ (575,055)</b>	<b>\$ 2,650</b>
<b>Liabilities</b>				
Due to Other Governments	<u>7,043</u>	<u>572,043</u>	<u>(576,436)</u>	<u>2,650</u>
<b>Total Liabilities</b>	<b>\$ 7,043</b>	<b>\$ 572,043</b>	<b>\$ (576,436)</b>	<b>\$ 2,650</b>
<b>COLLECTIONS - ELKTON</b>				
<b>Assets</b>				
Cash	\$ 51,285	\$ 5,373,950	\$ (5,371,474)	\$ 53,761
Accounts Receivable - Property Taxes	<u>3,480</u>	<u>5,750,631</u>	<u>(5,739,807)</u>	<u>14,304</u>
<b>Total Assets</b>	<b>\$ 54,765</b>	<b>\$ 11,124,581</b>	<b>\$ (11,111,281)</b>	<b>\$ 68,065</b>
<b>Liabilities</b>				
Due to Other Governments	<u>54,765</u>	<u>5,336,637</u>	<u>(5,323,337)</u>	<u>68,065</u>
<b>Total Liabilities</b>	<b>\$ 54,765</b>	<b>\$ 5,336,637</b>	<b>\$ (5,323,337)</b>	<b>\$ 68,065</b>
<b>COLLECTIONS - NORTH EAST</b>				
<b>Assets</b>				
Cash	\$ 9,121	\$ 1,369,275	\$ (1,370,548)	\$ 7,848
Accounts Receivable - Fees & Taxes	<u>1,080</u>	<u>1,669,483</u>	<u>(1,668,049)</u>	<u>2,514</u>
<b>Total Assets</b>	<b>\$ 10,201</b>	<b>\$ 3,038,758</b>	<b>\$ (3,038,597)</b>	<b>\$ 10,362</b>
<b>Liabilities</b>				
Due to Other Governments	<u>10,201</u>	<u>1,531,782</u>	<u>(1,531,621)</u>	<u>10,362</u>
<b>Total Liabilities</b>	<b>\$ 10,201</b>	<b>\$ 1,531,782</b>	<b>\$ (1,531,621)</b>	<b>\$ 10,362</b>
<b>COLLECTIONS - PORT DEPOSIT</b>				
<b>Assets</b>				
Cash	\$ 4,246	\$ 346,112	\$ (348,343)	\$ 2,015
Accounts Receivable - Property Taxes	<u>123</u>	<u>362,299</u>	<u>(361,306)</u>	<u>1,116</u>
<b>Total Assets</b>	<b>\$ 4,369</b>	<b>\$ 708,411</b>	<b>\$ (709,649)</b>	<b>\$ 3,131</b>
<b>Liabilities</b>				
Due to Other Governments	<u>4,369</u>	<u>393,847</u>	<u>(395,085)</u>	<u>3,131</u>
<b>Total Liabilities</b>	<b>\$ 4,369</b>	<b>\$ 393,847</b>	<b>\$ (395,085)</b>	<b>\$ 3,131</b>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>COLLECTIONS - PERRYVILLE</b>				
<b>Assets</b>				
Cash	\$ 7,977	\$ 1,162,018	\$ (1,165,215)	\$ 4,780
Accounts Receivable - Property Taxes	<u>2,497</u>	<u>1,480,578</u>	<u>(1,473,239)</u>	<u>9,836</u>
<b>Total Assets</b>	<b><u>\$ 10,474</u></b>	<b><u>\$ 2,642,596</u></b>	<b><u>\$ (2,638,454)</u></b>	<b><u>\$ 14,616</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>10,474</u>	<u>1,156,434</u>	<u>(1,152,292)</u>	<u>14,616</u>
<b>Total Liabilities</b>	<b><u>\$ 10,474</u></b>	<b><u>\$ 1,156,434</u></b>	<b><u>\$ (1,152,292)</u></b>	<b><u>\$ 14,616</u></b>
<b>TOTALS - ALL FUNDS</b>				
<b>Assets</b>				
Cash	\$ 307,784	\$ 19,309,608	\$ (19,352,733)	\$ 264,659
Accounts Receivable - Fees & Taxes	<u>104,637</u>	<u>22,593,083</u>	<u>(22,579,924)</u>	<u>117,796</u>
<b>Total Assets</b>	<b><u>\$ 412,421</u></b>	<b><u>\$ 41,902,691</u></b>	<b><u>\$ (41,932,657)</u></b>	<b><u>\$ 382,455</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>412,421</u>	<u>31,012,227</u>	<u>(31,042,193)</u>	<u>382,455</u>
<b>Total Liabilities</b>	<b><u>\$ 412,421</u></b>	<b><u>\$ 31,012,227</u></b>	<b><u>\$ (31,042,193)</u></b>	<b><u>\$ 382,455</u></b>

**STATISTICAL  
SECTION**

# CECIL COUNTY, MARYLAND

## STATISTICAL SECTION (Unaudited)

This part of Cecil County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b>Contents</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	99
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	104
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax	
<b>Debt Capacity</b>	108
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	113
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	115
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the services it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.



Table I

**NET ASSETS BY COMPONENT  
LAST FIVE FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)**

	2004	2005	2006	2007	2008
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 72,003,665	\$ 77,792,074	\$ 87,707,104	\$ 109,193,073	\$ 118,947,569
Restricted	1,665,713	2,364,272	4,463,489	4,461,531	4,964,961
Unrestricted (Deficit)	(9,244,958)	2,653,858	11,042,730	(12,806,585)	(17,557,877)
<b>Total Governmental Activities Net Assets</b>	<b>\$64,424,420</b>	<b>\$ 82,810,204</b>	<b>\$103,213,323</b>	<b>\$ 100,848,019</b>	<b>\$ 106,354,653</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$21,354,093	\$ 23,806,044	\$ 20,670,342	\$ 23,793,438	\$ 31,193,004
Restricted	7,985,353	3,884,856	929,726	923,596	728,355
Unrestricted	(2,630,243)	1,284,677	10,017,900	7,598,850	8,216,737
<b>Total Business-type Activities Net Assets</b>	<b>\$26,709,203</b>	<b>\$ 28,975,577</b>	<b>\$ 31,617,968</b>	<b>\$ 32,315,884</b>	<b>\$ 40,138,096</b>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$93,357,758	\$101,598,118	\$108,377,446	\$ 132,986,511	\$ 150,140,573
Restricted	9,651,066	6,249,128	5,393,215	5,385,127	5,693,316
Unrestricted	(11,875,201)	3,938,535	21,060,630	(5,207,735)	(9,341,140)
<b>Total Primary Government Net Assets</b>	<b>\$91,133,623</b>	<b>\$111,785,781</b>	<b>\$134,831,291</b>	<b>\$ 133,163,903</b>	<b>\$ 146,492,749</b>



Table II

**CHANGES IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)**

	2004	2005	2006	2007	2008
<b>EXPENSES</b>					
<b>Governmental Activities:</b>					
General Government	\$ 6,933,993	\$ 7,454,740	\$ 8,067,921	\$ 9,863,529	\$ 11,227,374
Public Safety	19,540,348	21,746,418	24,026,137	28,205,141	31,247,533
Highways, Streets, and Bridges	12,200,812	8,738,927	11,364,774	13,348,855	13,669,424
Health and Welfare	8,520,107	8,371,293	9,124,169	10,219,407	10,937,738
Recreation and Culture	202,076	249,125	199,476	340,882	665,321
Education	70,352,269	67,220,411	75,496,621	96,385,038	87,757,907
Public Libraries	1,743,588	2,051,254	2,986,777	3,876,453	5,056,857
Economic Development	699,693	680,716	959,773	1,181,638	1,130,391
Agriculture	1,070,545	433,684	464,606	2,386,359	2,184,443
Municipalities	407,229	456,525	498,224	558,077	691,663
Interest on Long-Term Debt	3,229,277	3,099,629	3,507,162	4,330,990	5,393,680
Total Governmental Activities Expenses	124,899,937	120,502,722	136,695,640	170,696,370	169,962,331
<b>Business-Type Activities:</b>					
Water	692,929	701,969	824,410	867,921	922,353
Wastewater	3,413,619	3,010,680	3,511,634	3,953,215	4,303,249
Landfill	3,606,459	4,023,981	4,065,771	4,631,952	4,473,534
Total Business-Type Activities Expenses	7,713,007	7,736,630	8,401,815	9,453,088	9,699,136
<b>Total Primary Government Expenses</b>	<b>\$ 132,612,944</b>	<b>\$ 128,239,352</b>	<b>\$ 145,097,455</b>	<b>\$ 180,149,458</b>	<b>\$ 179,661,467</b>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	\$ 735,974	\$ 676,773	\$ 1,212,604	\$ 1,092,989	\$ 1,214,042
Public Safety	3,237,223	3,035,119	2,836,791	2,598,355	2,317,402
Highways, Streets, and Bridges	380,381	596,892	658,621	1,206,587	511,444
Other Activities	88,937	89,478	165,935	240,852	229,465
Operating Grants and Contributions	11,856,206	13,288,383	15,645,620	16,731,002	22,453,267
Capital Grants and Contributions	4,477,692	5,439,960	4,582,308	3,224,095	1,183,860
Total Governmental Activities Revenues	20,776,413	23,126,605	25,101,879	25,093,880	27,909,480

<b>Business-Type Activities:</b>						
Charges for Services:						
Water	590,572	651,059	755,310	787,028	1,263,870	
Wastewater	2,076,379	2,284,445	3,883,929	2,477,454	2,986,929	
Landfill	4,916,840	5,458,626	5,596,761	5,410,707	5,356,985	
Capital Grants and Contributions	3,891,555	1,561,561	747,580	1,373,258	4,803,214	
Total Business-Type Activities Revenues	11,475,346	9,955,691	10,983,580	10,048,447	14,410,998	
<b>Total Primary Government Revenues</b>	<b>\$ 32,251,759</b>	<b>\$ 33,082,296</b>	<b>\$ 36,085,459</b>	<b>\$ 35,142,327</b>	<b>\$ 42,320,478</b>	
<b>OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental Activities:</b>						
Taxes						
Property Taxes	\$ 60,207,047	\$ 66,332,180	\$ 72,324,454	\$ 80,546,737	\$ 86,399,908	
Income Taxes	38,561,366	40,319,985	46,103,323	46,864,546	50,565,845	
Investment Earnings	615,315	1,291,934	3,203,450	5,159,287	3,800,175	
Other Revenues including Capital Asset Sales Gains (Losses)	(32,990)	77,784	34,099	1,965,275	61,174	
Grants, Entitlements, and Contributions not Restricted to Specific Programs	6,859,324	7,740,018	10,331,555	8,701,341	6,714,410	
Total Governmental Activities	106,210,062	115,761,901	131,996,881	143,237,186	147,541,512	
<b>Business-Type Activities:</b>						
Investment Earnings	26,150	31,364	48,257	63,057	147,605	
Other Revenues including Capital Asset Sales Gains (Losses)	39,830	15,949	12,369	39,500	2,905,486	
Total Business-Type Activities	65,980	47,313	60,626	102,557	3,053,091	
<b>Total Primary Government</b>	<b>\$ 106,276,042</b>	<b>\$ 115,809,214</b>	<b>\$ 132,057,507</b>	<b>\$ 143,339,743</b>	<b>\$ 150,594,603</b>	
<b>CHANGE IN NET ASSETS</b>						
Governmental Activities	\$ 2,086,538	\$ 18,385,784	\$ 20,403,119	\$ (2,365,304)	\$ 5,488,661	
Business-Type Activities	3,828,319	2,266,374	2,642,391	697,916	7,764,953	
Total Primary Government	\$ 5,914,857	\$ 20,652,158	\$ 23,045,510	\$ (1,667,388)	\$ 13,253,614	

Table III

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008
<b>GENERAL FUND</b>										
Reserved	\$ 10,712,038	\$ 7,868,664	\$ 9,070,216	\$ 8,933,871	\$ 9,063,736	\$ 9,692,221	\$ 10,870,373	\$ 11,873,134	\$ 12,709,095	\$ 12,742,235
Unreserved	6,407,356	13,251,581	11,508,202	14,452,675	14,252,821	18,593,674	24,194,616	28,347,899	23,092,967	25,980,520
<b>Total General Fund</b>	<b>\$ 17,119,394</b>	<b>\$ 21,120,245</b>	<b>\$ 20,578,418</b>	<b>\$ 23,386,546</b>	<b>\$ 23,316,557</b>	<b>\$ 28,285,895</b>	<b>\$ 35,064,989</b>	<b>\$ 40,221,033</b>	<b>\$ 35,802,062</b>	<b>\$ 38,722,755</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 1,073,147	\$ 520,443	\$ 1,993,591	\$ 514,001	\$ 660,651	\$ 1,655,815	\$ 10,079,721	\$ 6,155,925	\$ 584,170	\$ 1,956,805
Unreserved, reported in:										
Special Revenue Funds	3,733,555	903,106	1,046,450	2,318,015	2,538,876	1,665,713	2,281,234	4,465,096	4,461,531	4,964,961
Capital Projects Funds	10,758,341	6,672,524	1,529,099	5,405,047	4,975,972	6,530,771	2,548,950	19,793,940	21,585,310	22,471,785
Debt Service Fund	80,055	80,046	143	-	-	-	-	44,242	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 15,645,098</b>	<b>\$ 8,176,119</b>	<b>\$ 4,569,283</b>	<b>\$ 8,237,063</b>	<b>\$ 8,175,499</b>	<b>\$ 9,852,299</b>	<b>\$ 14,909,905</b>	<b>\$ 30,459,203</b>	<b>\$ 26,631,011</b>	<b>\$ 29,393,551</b>

Table IV

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>										
Property Taxes	\$ 45,944,527	\$ 47,717,414	\$ 49,956,587	\$ 53,087,214	\$ 57,848,567	\$ 60,150,986	\$ 66,492,561	\$ 72,387,227	\$ 78,510,957	\$ 86,506,000
Income Taxes	26,119,410	27,384,545	30,820,850	34,402,824	34,360,500	39,138,613	40,821,907	44,608,423	46,864,546	50,192,279
Licenses and Permits	988,800	980,578	1,073,033	1,246,724	1,391,728	2,131,113	1,941,049	2,042,609	1,663,294	1,534,913
Intergovernmental	13,087,505	15,076,309	15,089,086	18,361,113	22,160,485	19,993,244	21,986,800	28,758,685	25,679,805	29,793,816
Charges for Services	1,206,508	1,386,338	1,154,578	1,829,814	2,164,120	2,311,402	2,457,213	2,750,764	3,471,173	2,737,440
Investment Earnings	1,225,652	1,809,152	2,198,496	1,035,166	702,722	621,827	1,227,236	3,049,037	4,940,892	3,559,933
Contributions and Other Revenues	414,681	474,914	360,885	688,533	539,958	85,264	201,538	227,147	2,195,852	136,668
<b>Total Revenues</b>	<b>86,987,083</b>	<b>94,829,250</b>	<b>100,653,515</b>	<b>110,661,188</b>	<b>119,168,060</b>	<b>124,432,449</b>	<b>135,078,304</b>	<b>153,823,892</b>	<b>163,326,319</b>	<b>174,451,047</b>
<b>EXPENDITURES</b>										
General Government	5,186,260	5,962,152	5,485,236	6,451,441	6,952,723	7,186,682	7,704,805	8,719,551	9,750,668	10,819,768
Public Safety	12,378,012	14,299,248	14,985,144	15,866,760	18,355,160	19,400,748	21,967,248	24,051,219	27,881,771	30,385,329
Highways, Streets, and Bridges	4,186,516	5,422,131	7,994,755	7,204,380	8,578,023	7,346,119	9,231,564	15,761,574	16,831,434	11,711,984
Health and Welfare	5,758,425	6,259,762	6,533,824	7,129,992	7,993,921	8,760,866	8,322,146	9,062,543	10,141,388	10,733,945
Recreation and Culture	233,632	183,810	211,069	449,184	401,404	177,808	544,098	384,103	1,084,736	5,057,788
Education	46,984,526	50,397,818	53,641,440	58,291,300	59,897,828	62,051,052	64,940,787	68,968,426	73,076,278	72,085,349
Public Libraries	891,510	989,623	1,004,640	1,161,498	1,543,402	1,729,574	2,024,034	2,546,162	3,449,390	3,982,188
Economic Development	295,670	426,489	934,080	591,931	594,456	697,522	689,124	961,816	1,182,390	1,151,965
Agriculture	267,185	284,331	305,256	1,162,587	733,528	1,076,089	447,505	464,634	2,388,275	2,182,731
Municipalities	309,533	318,891	330,482	1,133,856	402,968	407,229	456,525	486,225	598,077	681,663
Capital Outlay	8,067,858	7,727,229	8,911,968	14,741,912	11,076,447	11,494,366	7,758,694	20,456,312	40,256,236	35,527,552
Debt Service:										
Principal	3,429,380	4,191,551	4,623,362	5,728,222	5,152,338	5,795,467	5,581,089	6,448,787	7,668,902	8,240,914
Interest	2,515,994	2,899,815	2,693,922	2,919,268	2,953,205	2,851,153	2,882,868	3,147,065	4,026,203	5,102,747
<b>Total Expenditures</b>	<b>90,506,501</b>	<b>99,342,850</b>	<b>107,595,196</b>	<b>120,830,319</b>	<b>124,435,203</b>	<b>128,974,985</b>	<b>132,550,467</b>	<b>161,470,427</b>	<b>198,395,748</b>	<b>197,673,922</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,519,418)</b>	<b>(4,513,600)</b>	<b>(6,941,681)</b>	<b>(10,168,131)</b>	<b>(5,267,143)</b>	<b>(4,542,236)</b>	<b>2,527,837</b>	<b>(7,646,535)</b>	<b>(35,069,429)</b>	<b>(23,222,875)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Capital Asset Disposal	-	\$ 36,773	\$ 61,887	\$ 49,102	\$ 77,703	\$ 48,264	\$ 214,898	\$ 112,617	\$ 95,045	\$ 129,571
Capital Leases	12,675,055	606,515	857,024	332,950	-	-	-	-	-	-
Proceeds from Bonds Issued	-	-	2,068,166	15,779,986	13,795,000	21,140,000	9,028,100	27,988,905	26,727,140	28,575,000
Premium on Debt Issued	-	-	-	-	136,928	195,104	65,865	1,029,791	274,166	485,776
Refunding Bonds Issued	-	-	-	-	-	(10,194,994)	-	11,755,000	-	-
Bond Issuance Cost	-	-	-	-	-	-	-	(595,443)	(274,166)	(302,215)
Transfer to Refunding Agent	8,027,157	12,434,637	12,642,323	11,817,587	(8,874,041)	-	-	(11,949,000)	-	-
Transfers In	(8,027,157)	(12,434,637)	(12,642,323)	(11,817,587)	14,197,927	14,009,992	15,112,806	21,921,095	31,232,300	26,342,555
Transfers Out	-	-	-	-	(14,197,927)	(14,009,992)	(15,112,806)	(21,921,095)	(31,232,300)	(26,342,555)
<b>Total Other Financing Sources (Uses)</b>	<b>12,675,055</b>	<b>643,288</b>	<b>2,986,877</b>	<b>16,162,048</b>	<b>5,135,590</b>	<b>11,188,374</b>	<b>9,308,863</b>	<b>28,351,870</b>	<b>26,822,185</b>	<b>28,888,134</b>
<b>Net Change in Fund Balances</b>	<b>11,155,637</b>	<b>(3,870,312)</b>	<b>(3,954,804)</b>	<b>5,992,917</b>	<b>(131,553)</b>	<b>6,646,138</b>	<b>11,836,700</b>	<b>20,705,335</b>	<b>(8,247,245)</b>	<b>5,665,259</b>
<b>Prior Period Adjustments</b>	<b>(1,359,418)</b>	<b>402,184</b>	<b>(193,859)</b>	<b>482,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances of Noncapital Expenditures</b>	<b>\$ 9,796,219</b>	<b>\$ (3,468,128)</b>	<b>\$ (4,148,663)</b>	<b>\$ 6,475,908</b>	<b>\$ (131,553)</b>	<b>\$ 6,646,138</b>	<b>\$ 11,836,700</b>	<b>\$ 20,705,335</b>	<b>\$ (8,247,245)</b>	<b>\$ 5,665,259</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>6.76%</b>	<b>7.35%</b>	<b>6.98%</b>	<b>7.33%</b>	<b>6.67%</b>	<b>6.86%</b>	<b>6.53%</b>	<b>6.80%</b>	<b>7.40%</b>	<b>6.93%</b>

Note: Within expenditures of 1999 to 2002, departments have been reclassified to their current categories for comparative purposes.

**ASSESSED VALUE AND ACTUAL VALUE  
OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30	Real Property			Personal Property			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>
	Residential Property	Commercial / Industrial	Agricultural	Public Utilities	Other				
2008	\$ 6,881,115,239	n/a	\$ 1,346,611,854	\$ 483,730,198	\$ 133,224,330	\$ 168,821,610	\$684,556,419	\$ 8,328,946,812	1.012
2007	5,763,862,087	484,633,433	1,547,882,305	422,341,717	138,899,260	189,847,330	901,625,706	7,645,840,426	1.041
2006	4,967,853,196	436,840,091	1,405,862,883	385,797,432	131,382,650	154,874,610	773,489,955	6,709,120,907	1.043
2005	4,449,676,407	405,939,220	1,274,390,137	355,656,994	132,872,830	140,035,850	\$650,957,586	6,107,613,852	1.046
2004	3,960,790,828	393,125,559	1,003,860,179	330,078,706	129,405,860	131,815,890	183,856,173	5,765,220,849	1.048
2003	3,983,147,689	374,799,525	1,040,058,303	330,078,706	148,352,920	149,198,280	187,428,805	5,838,206,618	1.063
2002	4,824,976,892 <sup>2</sup>	367,697,250	n/a	n/a	152,337,950	143,676,210	562,228,330	4,933,562,247	1.068
2001	4,589,635,835 <sup>2</sup>	n/a	n/a	n/a	153,325,070	113,481,860	69,852,500	4,933,669,165	1.064
2000	4,243,007,953 <sup>2</sup>	n/a	n/a	n/a	n/a	258,121,480 <sup>3</sup>	-	4,501,129,433	1.064
1999	4,050,325,865 <sup>2</sup>	n/a	n/a	n/a	n/a	257,887,740 <sup>3</sup>	-	4,308,213,605	1.068

**Source:** Maryland State Department of Assessment and Taxation  
Cecil County Treasurer's Office

**Notes:** Effective for the fiscal year 2002 assessment, real property was taxed at 100% of the assessed value of property; tax rates were adjusted accordingly. Personal property was taxed at 100% for all fiscal years. For presentation purposes, all years are presented at 100% of the assessed value and the total direct tax rate has been adjusted accordingly.  
n/a - Information not available at time of publication.

<sup>1</sup> The total direct tax rate is a weighted average of real and personal property rates.

<sup>2</sup> Agricultural and Commercial/Industrial Property is included in Residential due to lack of data.

<sup>3</sup> Public Utilities is included in Other.

Table VI

**DIRECT AND OVERLAPPING  
PROPERTY TAX RATES  
(per \$100 of Assessed Value)  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Cecil County Direct Rates</b>										
Real Property	\$0.980	\$0.980	\$0.980	\$0.980	\$0.980	\$0.980	\$0.980	\$ 0.980	\$0.960	\$0.960
Personal Property	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.400	2.400
<sup>2</sup> Total Direct Tax Rate	1.068	1.064	1.064	1.068	1.063	1.048	1.046	1.046	1.043	1.043
<b>Towns</b>										
Cecilton	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240
Charlestown	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.280	0.280
Chesapeake City	0.472	0.472	0.472	0.470	0.470	0.472	0.472	0.462	0.462	0.420
Elkton	0.444	0.444	0.444	0.444	0.444	0.544	0.544	0.544	0.544	0.504
North East	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480
Perryville	0.376	0.376	0.376	0.376	0.376	0.376	0.376	0.362	0.362	0.362
Port Deposit	0.600	0.600	0.600	0.580	0.580	0.580	0.551	0.551	0.551	0.551
Rising Sun	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.360

**Sources:** Cecil County Treasurer's Office  
The government of each town is the source of their respective tax rate.

**Notes:** <sup>1</sup> Effective for the fiscal year 2002 assessment, real property was taxed at 100% of the assessed value of property; tax rates were adjusted accordingly. Personal property was taxed at 100% for all fiscal years. For presentation purposes, all years are presented at 100% of the assessed value and the total direct tax rate has been adjusted accordingly.

<sup>2</sup> The total direct tax rate is a weighted average of real and personal property rates.

Table VII

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	1999			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	\$ 33,320,710		1.83%	\$ 106,703,105	1	1.40%
Delmarva Power & Light Company	65,041,380		2.37%	64,926,800	2	0.85%
Ikea Property, Inc.				42,690,303	3	0.56%
Verizon-Maryland				32,627,460	4	0.43%
Pine Valley, LLC				27,346,360	5	0.36%
Wal-Mart Real Estate Business				22,399,066	6	0.29%
Basell USA, Inc.				19,556,616	7	0.26%
Terumo Medical Corporation	7,970,620		0.43%	19,371,320	8	0.25%
Kenneth O. Lester Company, Inc				17,930,936	9	0.23%
Magazine Stonegate, LLC				<u>17,371,566</u>	10	0.23%
Totals	<u>\$ 106,332,710</u>		<u>4.63%</u>	<u>\$ 370,923,532</u>		<u>4.86%</u>

**Source:** Cecil County Treasurer's Office

**Note:** Taxpayer data included only if in the ten for that year.

Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Fiscal Year</b>	<b>Total Tax Levy<sup>1</sup> for Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2008	\$ 84,487,760	\$ 84,094,382	99.5%	\$ -	\$ 84,094,382	99.5%
2007	76,292,949	75,856,903	99.4%	429,290	76,286,193	100.0%
2006	70,138,723	69,744,926	99.4%	391,863	70,136,789	100.0%
2005	63,924,981	63,528,555	99.4%	400,915	63,929,470	100.0%
2004	58,403,516	57,844,275	99.0%	559,241	58,403,516	100.0%
2003	55,623,605	55,312,121	99.4%	249,970	55,562,091	99.9%
2002	52,367,094	51,839,088	99.0%	528,006	52,367,094	100.0%
2001	49,548,638	49,022,617	98.9%	458,799	49,481,416	99.9%
2000	47,556,314	46,984,136	98.8%	502,228	47,486,364	99.9%
1999	45,774,156	45,140,465	98.6%	633,691	45,774,156	100.0%

**Source:** Cecil County Treasurer's Office

**Note:** <sup>1</sup> For presentation purposes, the County considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.



Table IX

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities				Total		Percentage of	
	General Obligation Bonds	Economic Development Bonds	Capital Leases	Special Assessment Bonds	Water Bonds	Wastewater Bonds	Landfill Bonds	Capital Leases	Primary Government	Personal Income	Per Capita <sup>1</sup>	
2008	\$ 132,552,771	\$ -	\$ 2,634,911	\$ 173,384	\$ -	\$ 27,435,710	\$ 4,040,000	\$ 912,603	\$ 167,749,379	5.19%	\$ 1,621	
2007	114,842,045	-	-	184,934	-	19,289,499	4,430,000	-	138,746,478	4.20%	1,394	
2006	94,952,363	831,578	-	184,981	-	19,358,859	4,800,000	-	120,127,781	4.28%	1,292	
2005	73,482,009	883,543	-	53,407	-	14,494,145	5,150,000	-	94,063,104	3.35%	1,012	
2004	69,981,419	933,014	-	57,494	-	9,485,220	5,485,000	-	85,942,147	3.06%	925	
2003	64,337,693	980,020	-	64,681	-	2,652,381	5,800,000	-	73,834,775	2.80%	817	
2002	63,897,997	1,024,868	-	71,867	-	623,471	6,100,000	-	71,718,203	2.86%	811	
2001	53,461,393	1,067,560	-	79,054	534,996	696,598	6,329,116	56,101	62,224,818	2.55%	720	
2000	54,715,605	1,108,296	396,125	86,240	590,000	832,544	-	-	57,728,810	2.55%	682	
1999	58,647,291	1,150,045	-	93,427	672,522	962,251	-	66,100	61,591,636	2.91%	746	

Source: Cecil County Treasurer's Office

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

<sup>1</sup> See Schedule XIV on page 112 for population data.

This ratio uses population data from the prior calendar year.

Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
	General Obligation Bonds	Economic Development Bonds <sup>3</sup>	Total		
2008	\$ 132,552,771	-	\$ 132,552,771	1.59%	\$1,280.83
2007	114,842,045	-	114,842,045	1.50%	1,154.12
2006	94,952,363	831,578	95,783,941	1.42%	1,030.48
2005	73,482,009	883,543	74,365,552	1.20%	800.05
2004	69,981,419	933,014	70,914,433	1.21%	762.92
2003	64,337,693	980,020	65,317,713	1.10%	722.81
2002	63,897,997	1,024,868	64,922,865	1.30%	734.55
2001	53,461,393	1,067,560	54,528,953	1.08%	630.53
2000	54,715,605	1,108,296	55,823,901	1.22%	659.93
1999	58,647,291	1,150,045	59,797,336	1.36%	723.91

**Source:** Cecil County Treasurer's Office

**Note:** <sup>1</sup> See Schedule V on page 104 for Actual Taxable Value of Property data.

<sup>2</sup> See Schedule XIV on page 112 for population data.

This ratio uses population data from the prior calendar year.

<sup>3</sup> Economic Development Loans are State loans relented to local businesses. Payments from these businesses support the debt service of the loans.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2008  
(Unaudited)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property and Income Taxes</b>			
Elkton	\$ 2,764,589	100%	\$ 2,764,589
North East	506,297	100%	506,297
Perryville	298,537	100%	298,537
Rising Sun	1,378,051	100%	1,378,051
Subtotal - Overlapping Debt			4,947,474
<b>Cecil County Direct Debt</b>	132,552,771	100%	132,552,771
Totals			<u>\$142,447,719</u>

**Sources:** Cecil County Treasurer's Office  
The government of each town is the source of their respective debt.

Table XII

**LEGAL DEBT LIMITATION INFORMATION  
(Unaudited)**

There is no aggregate limit to the amount of bonds and other evidences of indebtedness that may be outstanding at any one time for Cecil County. There is a general limitation for short-term borrowing in any fiscal year; the County is authorized to borrow up to \$2,500,000 on a temporary basis provided that all such borrowings be repaid and all demands fully satisfied on or before June 30 of the fiscal year in which the money is borrowed.

Table XIII

**PLEGGED - REVENUES COVERAGE  
LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Wastewater Revenue Bonds				Water Revenue Bonds			
	Sewer Charges and Other <sup>1</sup>	Less: Operating Expenses	Net Available Revenue	Debt Service Principal Interest Coverage	Water Charges and Other <sup>1</sup>	Less: Operating Expenses	Net Available Revenue	Debt Service Principal Interest Coverage
2008	\$3,108,223	\$3,731,492	\$ (623,269)	\$941,842 \$571,757 -0.41	\$ 1,263,870	\$ 922,353	\$ 341,517	\$ - \$ -
2007	2,498,596	3,520,669	(1,022,073)	927,856 432,546 -0.75	787,028	867,921	(80,893)	- -
2006	3,904,587	3,102,294	799,293	538,983 409,340 0.84	755,310	824,410	(69,100)	- -
2005	2,303,816	2,697,826	(394,010)	250,317 312,854 -0.70	651,059	701,969	(50,910)	- -
2004	2,098,851	3,246,232	(1,147,381)	244,005 167,387 -2.79	590,572	692,929	(102,357)	- -
2003	2,030,547	1,916,721	113,826	247,221 51,497 0.38	567,276	639,719	(72,443)	- -
2002	1,980,712	1,717,738	262,974	139,922 29,698 1.55	531,304	596,769	(65,465)	- -
2001	1,895,302	1,970,369	(75,067)	135,945 32,754 -0.45	512,389	561,789	(49,400)	55,004 40,089 -0.52
2000	1,817,769	1,764,483	53,286	129,708 38,743 0.32	432,127	562,836	(130,709)	82,526 43,911 -1.03
1999	1,757,266	1,592,986	164,280	126,320 44,614 0.96	586,563	592,407	(5,844)	76,824 54,485 -0.04

Fiscal Year	Landfill Revenue Bonds				Special Assessment Bonds			
	Landfill Charges and Other <sup>1</sup>	Less: Operating Expenses	Net Available Revenue	Debt Service Principal Interest Coverage	Special Assessment Collections	Debt Service <sup>4</sup> Principal	Coverage	
2008	\$5,383,296	\$4,245,780	\$ 1,137,516	\$645,989 \$227,754 1.30	\$ 50,203	\$ 50,203	1.00	
2007	5,452,622	4,383,786	1,068,836	370,000 248,166 1.73	44,242	44,242	1.00	
2006	5,627,360	3,798,326	1,829,034	350,000 267,445 2.96	44,242	44,242	1.00	
2005	5,470,619	3,738,650	1,731,969	335,000 285,331 2.79	43,968	43,968	1.00	
2004	4,920,518	3,304,058	1,616,460	315,000 296,545 2.64	43,855	43,855	1.00	
2003	3,697,508	2,534,833	1,162,675	300,000 301,593 1.93	43,753	43,753	1.00	
2002	3,977,830	2,024,880	1,952,950	341,100 355,186 2.80	43,753	43,753	1.00	
2001	3,135,216	1,397,348	1,737,868	86,590 61,040 11.77	43,445	43,445	1.00	
2000	3,188,129	2,125,846	1,062,283	66,100 111,971 5.97	43,496	43,496	1.00	
1999	2,228,103	454,189	1,773,914	95,984 272,771 4.81	43,393	43,393	1.00	

Source: Cecil County Treasurer's Office

Table XIV

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>a,1</sup></b>	<b>Per Capita Income<sup>a</sup></b>	<b>Employment<sup>b,2</sup></b>	<b>Unemployment Rate<sup>b,2</sup></b>	<b>Median Price of Housing Sales<sup>d</sup></b>	<b>School Enrollment<sup>c,3</sup></b>
2007	103,490	\$3,229,405,000	\$ 31,205	51,558	4.0%	\$279,157	16,421
2006	99,506	3,304,992,284	33,214	50,960	4.4%	\$299,000	16,521
2005	97,796	3,012,408,000	30,960	49,105	4.0%	225,000	16,535
2004	92,951	2,807,169,000	30,201	44,585	4.4%	199,000	16,475
2003	92,951	2,807,169,000	30,201	40,008	7.2%	167,000	16,203
2002	90,366	2,634,131,000	29,150	40,168	6.0%	150,000	16,095
2001	88,385	2,511,827,000	28,419	39,775	5.6%	135,000	15,905
2000	86,481	2,442,220,000	28,240	39,368	5.5%	127,000	15,680
1999	84,591	2,261,476,000	26,734	39,841	3.9%	125,951	15,550
1998	82,603	2,117,674,000	25,637	38,910	7.3%	116,567	15,327

**Sources:** <sup>a</sup> U. S. Department of Commerce, Bureau of Economic Analysis (BEA)  
<sup>b</sup> Maryland Department of Labor, Licensing, and Regulation (DLLR)  
 BEA and DLLR data is presented as revised periodically based on census and survey results and analysis, and changes to statistical benchmarks.  
 Employment data for 1995-1999 is from the U.S. Bureau of Labor Statistics  
<sup>c</sup> Cecil County Board of Education Annual Budgets  
<sup>d</sup> Maryland Association of Realtors

**Notes:** <sup>1</sup> Personal Income is a total for the year.  
<sup>2</sup> Employment and unemployment rates are adjusted annual averages. Employment is calculated as the count of County citizens employed in any location (i.e., inside or outside the County).  
<sup>3</sup> School enrollment is for the school year ended in June of the calendar year.  
<sup>4</sup> Population, personal income, and per capita income statistics for 2008 have not been released;

Table XV

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	1999			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates, Inc.	1,947	1	5.48%	2,506	1	4.92%
Cecil County Board of Education	1,778	2	5.01%	2,132	2	4.18%
Perry Point V.A. Hospital	1,321	3	3.72%	1,000	3	1.96%
Union Hospital	727	4	2.05%	900	4	1.77%
ATK Tactical Systems (formerly Thiokol Corp.)	410	8	1.15%	591	5	1.16%
Cecil County Government	446	6	1.26%	500	6	0.98%
Wal-Mart Stores, Inc.	-	-	-	300	10	0.59%
IKEA Maryland	-	-	0.00%	370	8	0.73%
Terumo Medical Corp.	431	7	1.21%	400	7	0.78%
Cecil College	-	-	0.00%	300	9	0.59%
Totals	<u>7,060</u>		<u>19.88%</u>	<u>8,999</u>		<u>17.66%</u>

Sources: Cecil County Department of Economic Development

Table XVI

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES  
BY FUNCTION  
LAST NINE FISCAL YEARS  
(Unaudited)**

Function	Full-Time Equivalent Employees as of June 30								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	79.79	79.96	81.46	86.17	90.00	97.50	85.00	91.00	91.00
Public Safety	238.30	242.12	247.95	253.95	257.95	260.45	251.00	260.00	282.00
Law Enforcement	78.00	80.00	83.00	82.00	83.00	84.00	86.00	83.00	87.00
Detention Center	59.30	59.30	60.00	60.00	60.00	57.50	52.00	57.00	66.00
EMS & Emergency Services	47.00	47.82	49.95	55.45	56.95	56.95	52.00	61.00	67.00
Other	54.00	55.00	55.00	56.50	58.00	62.00	61.00	59.00	62.00
Highways, Streets, and Bridges	54.90	63.00	64.00	68.50	66.00	66.00	69.00	70.00	76.00
Roads Maintenance	40.90	46.00	46.00	48.00	47.00	46.00	42.00	45.00	47.00
Engineering and Other	14.00	17.00	18.00	20.50	19.00	20.00	27.00	25.00	29.00
Health and Welfare	47.40	53.40	52.25	54.75	55.75	59.25	43.00	49.00	44.00
Senior Services	20.50	22.00	22.00	24.00	24.00	26.00	22.00	33.00	24.00
Other	26.90	31.40	30.25	30.25	31.75	33.25	21.00	16.00	20.00
Recreation and Culture	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	5.00
Economic Development	4.00	4.00	5.50	6.50	5.50	5.50	4.00	5.00	4.00
Agriculture	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Water	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Wastewater	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00
Landfill	19.00	21.00	23.00	22.00	22.00	23.00	20.00	24.00	25.00
Central Garage	9.00	8.00	7.00	-	-	-	-	-	-
Totals	476.39	495.48	505.16	515.87	521.20	535.70	496.00	524.00	551.00

**Sources:** Cecil County Budget and Human Resources Departments

**Note:** Budgeted Positions at the end of the fiscal year. There are no positions purposefully kept vacant. (Actual data is not available.)

Table XVII

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Public Safety</b>										
Physical Arrests	n/a	n/a	n/a	n/a	n/a	1,816	1,867	n/a	1,941	2,327
911 Calls Received	n/a	2,344	2,739	3,103	3,057	3,146	3,332	4,127	198,706	193,323
Fire/Paramedic Calls	n/a	7,790	8,240	12,337	12,228	12,670	13,865	13,304	n/a	16,207
Building Permits Issued	614	672	665	703	834	776	721	530	407	362
<b>Highways, Streets, and Bridges</b>										
Street Resurfacing (miles)	30.74	22.31	32.90	28.10	27.29	22.52	16.22	41.77	48.11	16.26
<b>Health and Welfare</b>										
Participants (avg. monthly)	n/a	n/a	944	1,108	1,207	800	967	1,025	1,300	1,600
Meals served	n/a	n/a	28,063	27,172	28,460	25,011	23,791	26,346	24,640	23,783
Bus Passengers	n/a	n/a	n/a	n/a	29,061	31,980	34,984	40,255	43,674	46,043
<b>Recreation and Culture</b>										
Safetyville (attendance)	164	95	152	141	146	158	142	139	110	116
<b>Agriculture</b>										
Acres under Preservation Agreements	7,922	8,583	8,823	10,752	11,686	12,154	12,154	12,154	12,890	12,890
<b>Water</b>										
Average Daily Consumption (thousands of gallons)	128,693	134,897	135,865	142,397	152,618	159,997	164,577	177,399	185,890	168,195
<b>Wastewater</b>										
Average Daily Sewage Treatment (thousands of gallons)	368,296	360,848	390,033	418,753	413,444	435,346	459,973	464,268	480,524	408,599
<b>Landfill</b>										
Annual Tons of Refuse	59,222	68,891	73,518	92,218	87,268	110,947	116,501	166,691	151,926	141,928

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful capital asset indicators are not available for all functions.

n/a = Not available

As of FY2007 a new Communication Systems came online to accept County-wide emergency calls.



Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Public Safety</b>										
Police Patrol Units	n/a	n/a	52	59	60	62	62	66	82	80
Paramedic Units	3	3	3	3	3	4	4	6	7	8
<b>Highways, Streets, and Bridges</b>										
Roads & Highways (miles)	581	583	585	587	588	594	599	601	601	601
Bridges	102	102	102	102	102	104	104	104	104	95
<b>Health and Welfare</b>										
Buses	7	8	8	8	9	9	9	10	11	10
<b>Recreation and Culture</b>										
Park Acreage	603	603	603	603	603	603	603	603	603	717
<b>Water</b>										
Production Capacity (millions of gallons per day)	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.468	0.529	0.800
<b>Wastewater</b>										
Wastewater Treatment Capacity (millions of gallons per day)	2.890	2.890	2.890	2.890	2.890	3.060	3.060	3.065	3.065	3.065
<b>Landfill</b>										
Remaining Built Capacity (cubic yards)	363,747	169,406	2,000,000	1,793,194	1,596,288	1,352,026	1,096,654	740,800	426,427	2,003,582

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful capital asset indicators are not available for all functions.  
n/a = Not available  
FY2008 remaining Landfill capacity increased due to updated topographical information.