

# Cecil County Maryland



## Comprehensive Annual Financial Report For the Year Ended June 30, 2011

Prepared by the Cecil County Treasurer's Office

**CECIL COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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# CECIL COUNTY, MARYLAND

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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INTRODUCTORY  
SECTION





**William M. Feehley**

CECIL COUNTY TREASURER  
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ELKTON, MARYLAND 21921

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TELEPHONE: (410)-996-5385 OR (410) 658-4041  
FAX: (410)-996-5319

October 25, 2011

To the Citizens of Cecil County and  
The Board of County Commissioners:

It is with great pleasure I present the Comprehensive Annual Financial Report (CAFR) for year ended June 30, 2011, for Cecil County, Maryland.

Pursuant to Maryland state law that requires all local governments 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.

This report consists of management's representations concerning the County's financial position and results of operations; consequently, management of the County assumes responsibility for the complete and fair presentation, including all disclosures. In order to provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to provide reasonable assurance that County assets are safeguarded from loss, theft or misuse and to provide sufficient information for the preparation of the County's financial statements in conformity with GAAP.

SB & Company, LLC, a firm of licensed certified public accountants audited the County's financial statements. The objective of the independent audit is to provide a reasonable basis for the expression of an opinion regarding the financial statements taken as a whole. The audit involves examining, on a test basis, evidence supporting the amounts represented, disclosures in the financial statements; assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the testing, that there is a reasonable basis for the expression of an unqualified opinion, and that the financial statements of Cecil County present fairly in all material aspects the financial position at June 30, 2011, and for the year then ended.



The independent audit of the financial statements of Cecil County is 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 internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the County's separately issued Single Audit report.

Generally accepted accounting principles 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 the MD&A and should be read in conjunction with it. The County's MD&A immediately follows the independent auditors report.

### **Profile of the Government**

Incorporated in 1674 Cecil County is located in the northeast corner of the State of Maryland. A five member Board of Commissioners, elected every four years by the citizens at large, provides local government. These Commissioners exercise both legislative and executive powers granted by the General Assembly under a Maryland commissioner form of government. Other elected officials include the County Treasurer, the State's Attorney, and three Circuit Court Judges.

Cecil County Government serves an estimated population of 101,100 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and personal property used in connection with a 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 facility, emergency management services, the construction and maintenance of roads, bridges, and other infrastructures, recreational activities and cultural events. Several volunteer fire companies located throughout the County provide fire protection with County assisted funding. The County in certain areas provides water and wastewater services 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, Cecil College, and the Cecil County Public Library. These entities, considered component units of the County, are included in these financial statements and further described in Note 1 to the financial statements.

Each year the Board of County Commissioners acts as the Board of Estimates for the purpose of preparing and adopting the annual budget. The Board of Estimates is required to approve the budget by June 1 of each year, and this annual budget serves as the foundation for the County's financial planning and control. Activities of the General Fund, certain Special Revenue Funds, and the Debt Service Fund are included in the annual budget. The budget is presented by fund, function (e.g., public safety), and department (e.g., sheriff's office). Department heads may transfer resources within a department as necessary.

Amendments to the budget require the approval of the Board of County Commissioners. 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 government fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented 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 82.

### **Local Outlook**

Cecil County is expecting to be one of the fastest growing counties in the State of Maryland over the next 15 to 20 years. Much of this growth is a result of the Federal Governments Base Realignment and Closure (BRAC) program. The facility known as, Aberdeen Proving Grounds (APG) is in the midst of a major expansion and when completed will be the Technology Center for the Department of the Army. This expansion will create many new jobs in the area. These will be both government as well as private sector positions. Due to the abundance of land in Cecil County, we hope that employees will be looking at the very affordable housing in the County, and we hope to become the location of choice for the homebuyer.

Cecil County as well as the State of Maryland experienced major changes during the past fiscal year. The opening of the Hollywood Casino in Perryville was the first casino to open in Maryland and what a grand opening they had. During the first 10 months of operations, the casino has hired more than 350 people and generated more than \$82,000,000 in revenue.

The elections in 2010 also brought a major change to Cecil County with the passing of the Charter Government referendum. In 2012 the citizens will elect the first County Executive. We should all be looking forward to what this change will have in store for the future of our County. The new Executive will have authority over the day-to-day operations of the County while the Commissioners will transfer to the Council members and will have legislative authority for the County. This change will allow the County to create laws and ordinances that affect Cecil County without the need for approval of the General Assembly in Annapolis.

The Maryland Court of Appeals ruled on June 21, 2011, in a 30 page opinion the County has the authority to grant a franchise agreement with Artesian Water, Maryland Inc., and Artesian Wastewater, Maryland Inc., and to sell the water and wastewater assets of the Elkton West service area. The Public Service Commission on August 31, 2011, approved the sale of the assets to Artesian Water, Maryland Inc., and Artesian Wastewater Maryland Inc. On September 27, 2011, the Board of Commissioners entered into a mutual agreement with Artesian to terminate the sale of the wastewater assets. The settlement on the sale of the water assets is likely to occur on or before December 31, 2011.

With all the positive steps the County and local employers have undertaken this past year the County's unemployment rate still hovers in the 9% range. Many of the unemployed worked in nearby Delaware in facilities that discontinued operations during the past several years.

Recently it was announced that the former Chrysler plant location in Newark, Delaware, will be opening another automobile assembly plant, and would be hiring as many as 500 new employees in the near future. This facility is being developed as part of an environmentally



friendly business area on property owned by the University of Delaware. As the County and local businesses move forward it is hoped this will lessen this statistic.

Due to its location midway between Baltimore and Philadelphia and the availability of commercial and industrial land, Cecil County is projected to see its population increase to 155,000 within the next 20 years, making it one of the fastest growing counties in the State. Our location is ideal with Interstate 95, crossing the county from northeast to southeast, this major interstate highway makes the County an ideal location for distribution, light manufacturing, research and development, and corporate office development. Much of this land is assessable by rail as well as highway. In accordance with the adopted land use plan, the County encourages development in the ("Growth Corridor") the area between US Route 40 and Interstate 95. Agriculture remains a major segment of the economy and the County is actively working to preserve the agricultural heritage of the County.

Cecil County's manufacturing sector is nearly three times that of the State's average and provides jobs for 15% of the County's workforce. Employment at the County's three largest employers, W. L. Gore, Terumo and ATK Elkton remain strong. ATK Elkton was very involved in the country's space program. Although, there have been cutbacks in funding of the space program, ATK Elkton has been able to secure additional customers to keep the facility operating.

Employment in the government sector remains strong due to increased staffing at APG. Trade and transportation, education and health care services, and leisure and hospitality account for 55% of the workforce. Personal income for citizens remains strong and we continue to rank in the top for income among the smaller counties in Maryland.

### **Long Term Outlook**

The County has traditionally been very conservative and that has allowed the County to weather the current economic downturn and retain its fund balance. At June 30, 2011, the County's budget projected the use of fund balance of \$3,715,000. As a result of cost cutting, we were able to add \$1,296,693 to the fund balance. As the County prepared its current budget for the fiscal year ended June 30, 2012, it is projected to use \$1,642,906 of fund balance to balance the budget. It is hoped that having same fiscal responsibility that was shown last year will allow the County to achieve the same positive results for the current fiscal year.

The budget issues of the Federal Government as well as the State of Maryland is putting pressure on the County through decreased funding and the passing on of expenses. The Maryland General Assembly in its last session gave indications that the State would be passing pension costs to the local government in an effort to balance their budget. While this sounds grim the County has been able to accumulate a fund balance that will help us weather this storm. The local economy has a bright future in that recently some commercial construction has been taking place, new businesses are starting to open, and national chain restaurants are looking to Cecil County for opening their businesses.

Last year the stock market did well, and for most of this year it has been very volatile but overall still strong. Home sales have been slow but spring housing sales were the best in several years. Retailers continue to post strong sales figures and while the economy is still weak it is certainly showing signs of a brighter future. With the world becoming a global economy, issues with other countries economies have had an effect on our national economy and of course, this trickles down to our local economy. I believe that the worst of the storm has passed and that we



must all do our part to keep things moving forward. If we all pull together Cecil County will emerge as financially strong as ever.

**Factors Affecting Financial Condition**

The County's investment policy is to minimize credit and market risks while maintaining competitive yields on its portfolio. With declining interest rates during the year-end June 30, 2011, and rates at near all time lows, the County earned \$604,016 for last fiscal year, which is a decrease of \$388,587 from June 30, 2010. In May of 2011 the County amended its investment policy to allow longer maturities to increase its yield while maintaining the same degree of safety.

**Risk Management**

The County is self-insured for Workers Compensation for its employees in 2011. Due to increased efforts by management, the County saw a significant reduction in the claims filed this year, and this should translate into cost savings in future years. The County is self-insured for health care provided to employees of the County government, Cecil College and the Cecil County Public Library. Being self-insured has allowed the County to maintain benefits while controlling cost to the County and employees. The County insures liability, property damage and excess liability coverage through the Maryland Local Government Insurance Trust, which is a public entity risk pool.

**Awards and Acknowledgements**

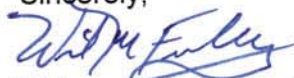
**Awards-**The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-fifth consecutive year that the government has received this award. This award 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 satisfies generally accepted accounting principles as well as legal requirements.

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

**Acknowledgments-**The preparation of the report would not have been possible without the tireless and dedicated service of the entire staff of the Cecil County Treasurer's Office. I wish personally to thank each one of you for your support and drive to make things run smoothly and efficiently. Each of you played a role in the preparation of this report and I thank you.

We would like to acknowledge the Board of County Commissioners for their leadership and support in this process and for their dedication to the citizens of Cecil County.

Sincerely,



William M. Feehley, CPA  
Treasurer of Cecil County



**Cecil County, Maryland**

**Principal Officials**

**June 30, 2011**

**Elected Officials**

Board of County Commissioners

President

Vice President

Commissioner

Commissioner

Commissioner

James T. Mullin

Diana Broomell

Robert J. Hodge

Tari Moore

Michael W. Dunn

Treasurer

William M. Feehley, CPA

Sheriff

Barry A. Janney, Sr.

State's Attorney

Edward D. E. Rollins, III

Circuit Court

Administrative Judge

Judge

V. Michael Whelan

Keith A. Baynes

**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

Al Wein (Acting)

Vernon Thompson

Richard K. Brooks, III

David B. Mahaney

Donna M. Nichols

Patrick T. Conway

Eric S. Sennstrom

W. Scott Flanigan

District Court

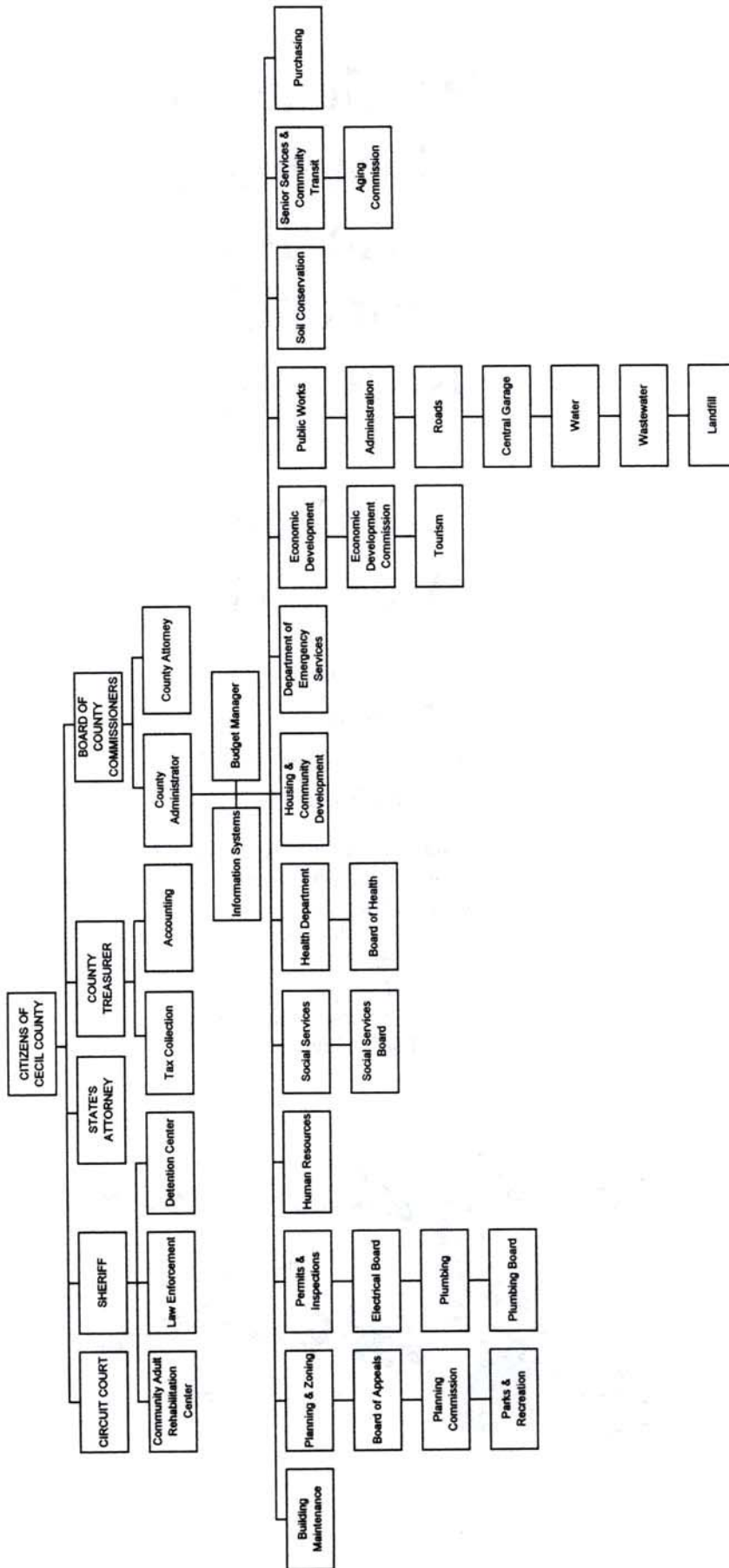
Administrative Judge

Judge

Stephen J. Baker

Bonnie G. Schneider

# COUNTY ORGANIZATIONAL CHART CECIL COUNTY, MARYLAND FISCAL YEAR 2011



# 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, 2010

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.



*Linda C. Dandison*

President

*Jeffrey R. Emer*

Executive Director

FINANCIAL  
SECTION





**SB & COMPANY, LLC**  
EXPERIENCE • QUALITY • CLIENT SERVICE

## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

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

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 June 30, 2011 and for the year then ended, 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 discretely presented component units: the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Cecil County, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors referred to above provide a reasonable basis for our opinion.

In our opinion, based on our audit 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, housing programs, and casino local impact funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental schedules of funding progress and employer contributions for Public Safety Employees Retirement System and Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Hunt Valley, Maryland  
October 25, 2011

*SB & Company, LLC*



**CECIL COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

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, 2011. 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 \$153,077,750 (net assets). Of this amount, \$186,778,934 was invested in capital assets, net of related debt. The County reported \$25,406,395 restricted for specific purposes and negative \$59,107,579 in unrestricted net assets. Component units reported net assets of \$248,030,962 with \$8,709,804 unrestricted.
- Total net assets of the primary government increased by \$12,784,483. The net assets of governmental activities increased \$14,010,516 from the previous year, while the net assets from business activities decreased \$1,226,033.
- As of June 30, 2011, the County reported combined ending fund balances in governmental funds of \$56,164,453, a decrease of \$17,485,679 from the previous year.
- The unrestricted balance of the General Fund was \$34,545,738 or 21% of total General Fund expenditures and transfers out. Of this balance, \$13,885,400 has been committed for fiscal year 2011 expenditures and contingencies and \$7,784,000 assigned for future capital expenditures and to offset reductions in state funding.
- The County's general obligation debt related to governmental activities was \$144,437,917; a decrease of \$9,547,962. This decrease reflects actual debt payments during the current year. The Commissioners decided to delay the issuance of new debt and front funded the current years capital projects due to the low earning rates on excess funds.

**Overview of the Financial Statements**

This discussion and analysis is an introduction to Cecil County's basic financial statements which 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 Non-fiduciary 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 designed to maintain control over specific resources 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
- Casino Local Impact
- 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 77.

- *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, the Water, Wastewater, and Landfill funds, report activities that provide supplies and services to the general public. Internal service funds, the Central Garage, Health Insurance and Workers Compensation Fund, report activities that provide supplies and services for the County's other programs and activities.
- *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 fiduciary fund 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 this fiduciary fund.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, commonly referred to as Other Post Employment Benefits (OPEB). The County implemented GASB Statement No. 45 in fiscal year 2009. Statement 45 addresses how governmental entities should account for and report the cost and obligation related to post employment healthcare and other non-pension benefits. These activities are accounted for in the Cecil County Maryland Non-Pension Post Employment Benefits Trust Fund. The County recognizes the cost of post employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information relative to future liabilities which is useful in assessing potential demands on the County's future cash flow. The unfunded liability was amortized over a period of 29 years using the level percentage of pay method.

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 74. The County also provides certain informational and statistical schedules that begin on page 105.



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

**Net Assets.** As noted earlier, Cecil County's assets exceeded liabilities by \$153,077,750. 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:

	Governmental Activities		Business-type Activities		Government-wide Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 92,184,054	\$ 101,743,397	\$ 15,716,872	\$ 26,193,464	\$ 107,900,926	\$ 127,936,861
Capital Assets	186,114,089	167,969,013	81,307,638	73,825,142	267,421,727	241,794,155
<b>Total Assets</b>	<b>278,298,143</b>	<b>269,712,410</b>	<b>97,024,510</b>	<b>100,018,606</b>	<b>375,322,653</b>	<b>369,731,016</b>
Other Liabilities	14,218,239	10,156,287	2,529,239	3,138,379	16,747,478	13,294,666
Long Term Liabilities	149,749,175	159,235,910	55,748,250	56,907,173	205,497,425	216,143,083
<b>Total Liabilities</b>	<b>163,967,414</b>	<b>169,392,197</b>	<b>58,277,489</b>	<b>60,045,552</b>	<b>222,244,903</b>	<b>229,437,749</b>
Net Assets:						
Invested in Capital Assets, net of Related Debt	144,335,428	116,206,965	42,443,506	42,218,878	186,778,934	158,425,843
Restricted	15,691,081	27,864,318	9,715,314	19,166,532	25,406,395	47,030,850
Unrestricted Deficit	(45,695,780)	(43,751,070)	(13,411,799)	(21,412,356)	(59,107,579)	(65,163,426)
<b>Total Net Assets</b>	<b>\$ 114,330,729</b>	<b>\$ 100,320,213</b>	<b>\$ 38,747,021</b>	<b>\$ 39,973,054</b>	<b>\$ 153,077,750</b>	<b>\$ 140,293,267</b>

The largest component of the County's net assets, \$186,778,934, reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt. 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 the public schools and the college, the buildings are owned by the legally separate component units. Consequently, the County's financial statements reflect debt incurred on behalf of the Board of Education, but do not show the related assets.

Restricted net assets of \$25,406,395 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 decreased by \$12,173,237 and restricted net assets for business-type activities decreased \$9,451,218 for a total decrease to restricted net assets of \$21,624,455 from fiscal year 2010.

The remaining portion of net assets shows a negative unrestricted net assets balance of \$59,107,579. Governmental activities' negative unrestricted net assets of \$45,695,780 represents net assets that may be used at the County's discretion. Business-type activities negative unrestricted net assets of \$13,411,799 are derived from the landfill, (\$12,841,932), wastewater services, (\$564,284) and water services, (\$5,583), 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 \$12,784,483 over the course of this fiscal year's operations.

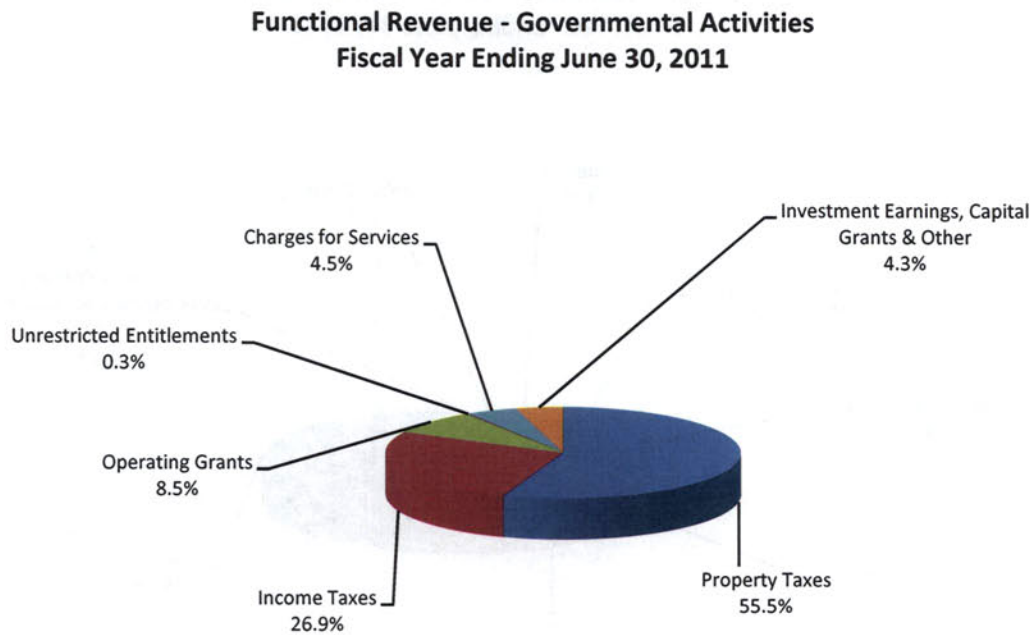
	Cecil County's Changes in Net Assets					
	Governmental Activities		Business-type Activities		Government-wide Total	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 8,219,308	\$ 8,214,641	\$ 10,233,785	\$ 9,157,312	\$ 18,453,093	\$ 17,371,953
Operating Grants & Contributions	15,499,994	12,792,599	-	-	15,499,994	12,792,599
Capital Grants & Contributions	7,248,329	1,518,598	645,117	1,901,600	7,893,446	3,420,198
General Revenues:						
Property Taxes	101,274,085	101,463,330	-	-	101,274,085	101,463,330
Income Taxes	49,000,281	45,825,168	-	-	49,000,281	45,825,168
Entitlements	518,068	109,595	-	-	518,068	109,595
Investment Earnings	571,783	969,436	32,233	23,167	604,016	992,603
Other Revenue & Gains/Losses	48,787	(2,514)	(189,000)	1,348	(140,213)	(1,166)
<b>Total Revenues</b>	<b>182,380,635</b>	<b>170,890,853</b>	<b>10,722,135</b>	<b>11,083,427</b>	<b>193,102,770</b>	<b>181,974,280</b>
<b>EXPENSES</b>						
General Government	13,541,706	13,294,360	-	-	13,541,706	13,294,360
Public Safety	34,124,715	34,059,214	-	-	34,124,715	34,059,214
Highways, Streets, & Bridges	14,174,041	13,432,401	-	-	14,174,041	13,432,401
Health and Welfare	12,498,027	12,100,852	-	-	12,498,027	12,100,852
Recreation and Culture	983,512	1,008,810	-	-	983,512	1,008,810
Education	81,391,571	83,991,156	-	-	81,391,571	83,991,156
Public Libraries	4,599,509	4,613,704	-	-	4,599,509	4,613,704
Economic Development	960,743	1,100,961	-	-	960,743	1,100,961
Agricultural Programs	546,120	1,230,023	-	-	546,120	1,230,023
Interest on Long Term Debt	5,550,175	6,060,747	-	-	5,550,175	6,060,747
Water	-	-	1,168,243	1,097,403	1,168,243	1,097,403
Wastewater	-	-	5,200,826	5,290,073	5,200,826	5,290,073
Landfill	-	-	5,538,979	6,165,937	5,538,979	6,165,937
<b>Total Expenses</b>	<b>168,370,119</b>	<b>170,892,228</b>	<b>11,908,048</b>	<b>12,553,413</b>	<b>180,278,167</b>	<b>183,445,641</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 14,010,516</b>	<b>\$ (1,375)</b>	<b>\$ (1,185,913)</b>	<b>\$ (1,469,986)</b>	<b>\$ 12,824,603</b>	<b>\$ (1,471,361)</b>

**Governmental Activities**

Revenues of governmental activities for fiscal year 2011 showed an increase of \$11,489,782 over fiscal year 2010. The main items affecting this change are the County's receiving grant revenue for the construction of the County's Detention Center, revenue associated with the Penn National Hollywood Casino local impact grant and additional income tax revenue received from the State. Property tax revenue remained level as a result of the Commissioner's decision to use the Constant Yield rate.

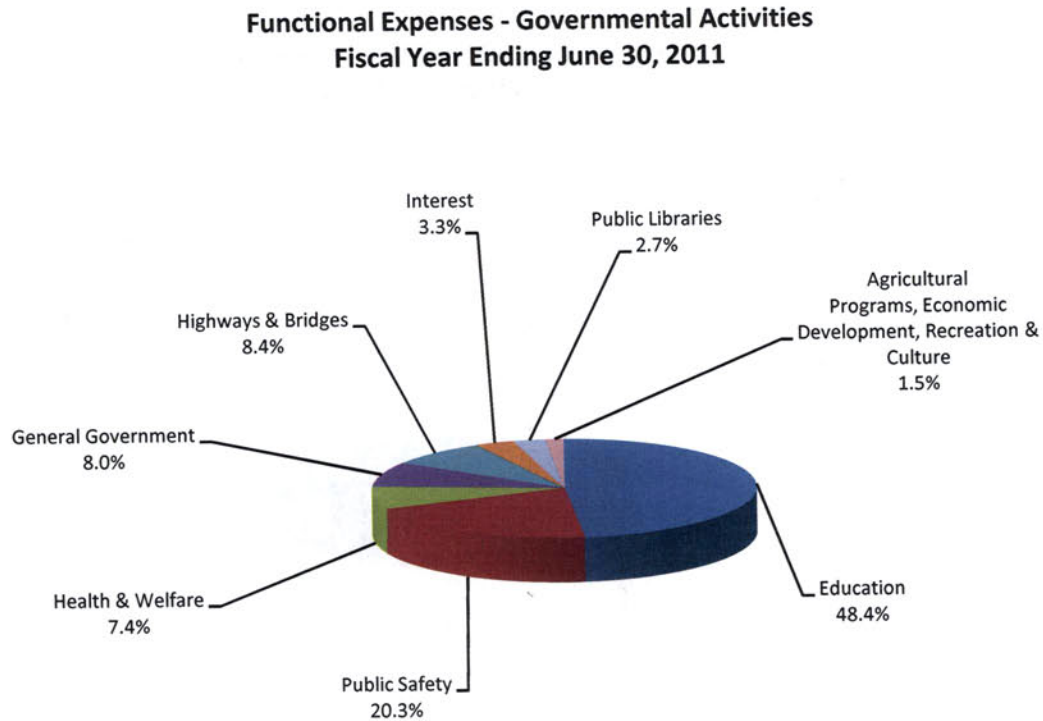


The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2011:



Expenses of governmental activities resulted in a decrease of \$2,522,109. The largest reduction in spending was in the area of education with a decrease of \$2,599,585. Slight increases occurred in public safety and health and welfare, however other categories in the government remained basically unchanged due to the Administration's decision to hold or reduce spending.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2011:



**Business-type Activities**

In 2011, net assets of business-type activities decreased by \$1,226,033 from fiscal year 2010. Expenses for water increased \$70,840, while wastewater and landfill decreased \$89,247 and \$626,958 respectively.

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

As previously noted, Cecil County uses fund accounting as a 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. Unrestricted 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 \$56,164,453. Of the current ending fund balances, \$34,545,738 is reported as unrestricted in the General Fund, \$13,006,747 as unrestricted in capital project funds, \$6,804,178 as restricted in special revenue funds and \$1,807,790 is reported as non-spendable for advances, tax deferrals and inventories & prepaid items.

### **Governmental Funds**

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the non-spendable fund balance was \$1,807,790 and the unrestricted fund balance was \$34,545,738. The statements show \$13,885,400 has been committed for fiscal year 2012 expenditures and contingencies. The County has assigned \$3,684,000 of the unrestricted fund balance for future capital projects; \$2,000,000 to help offset anticipated reduction of FY2012 State funding for County Teacher pension costs; \$500,000 for ongoing legal expenses related to certain County assets; \$100,000 for fuel system project; and \$1,500,000 as contingency for the detention center renovation.

**General Fund – Comparison to Budget.** Property and income taxes exceeded budget by \$104,296 and \$170,787 respectively. However the aforementioned were offset by budget shortfalls in nearly all other revenue categories including a \$1,619,774 shortfall in intergovernmental revenue. In addition investment earnings were \$270,053 below budget.

Actual expenditures and transfers out were \$6,132,479 less than the final budget as the County initiated across-the-board budget reductions in anticipation of reduced State assistance and the sluggish economy. General Government costs were \$1,145,502 less than budget, Public Safety had an expenditure shortfall of \$2,056,274 and savings were realized in nearly all other categories. Due to the reduction of funding from the State, the highway fund was consolidated into the Department of Public Works operating budget.

**Housing Programs.** The fund had an \$81,784 increase to fund balance. Revenues increased by \$517,581 while expenditures increased \$389,617 from the previous year due to the increase in housing programs.

**General Capital Projects Fund.** Revenues in the fund increased \$6,462,381 and expenditures in the fund increased \$19,421,977 from the previous year. This activity reflects the major renovation of the Cecil County Detention Center (CCDC) and the completion of several bridge projects.

**Board of Education Construction Fund.** The fund reported a decrease of \$2,236,564 in spending compared to 2010. This activity reflects the completion of certain major projects at County public schools including the renovation of Calvert Elementary School and the completion of the Elkton High School Stadium.

**Non-Major Governmental Funds.** Spending levels of non-major funds decreased by \$2,198,466 compared to 2010. This reflects the completion of the Gilpin Falls Covered Bridge project which the County received an award for the rehabilitation project.



**Proprietary Funds**

**Water Services Fund.** Operating revenues and expenses increased slightly resulting in operating income of \$106,850. The fund supports the daily operation of the County Water system. The Commissioners have decided not to pursue capital projects and improvements pending the sale of the assets. Settlement on these assets are expected to occur on or before December 31, 2011.

**Wastewater Services Fund.** Due to an increase in volume, operating revenues for fiscal year 2011 increased \$320,534 from last year to \$3,683,375, while operating expenses decreased by \$57,097 to \$4,425,922, which resulted in an operating loss of \$742,547. The increase in expenses is mainly attributable to increased depreciation. The County had several plants under a sales contract which was canceled in September 2011.

**Landfill Fund.** Operating revenues in the fund increased \$708,963 from 2010, while operating expenses decreased by \$885,200 to \$4,822,085. The increase in revenues is attributable to the increase and changes in the fee structure. Depletion and post-closure cost are the main reasons for the decrease in expenses.

**Health Insurance Internal Service Fund** – Premiums received from participants increased \$1,055,042 to \$9,427,768. The County pays 85% of the premium and the employee pays 15%. Medical claims and administrative fees decreased \$418,344 to \$7,780,693 due to several claims that reached the stop loss limit. The County is self insured for this benefit and has been able to control costs and avoid the industry wide increases in health costs.

**Workers Compensation Internal Service Fund** – The County established a self-funded workers compensation fund in 2010. Premiums received from the County were \$1,373,751. Benefit claims and administrative fees were \$1,517,264, which included \$693,058 increase for claims incurred but not reported as of June 30, 2011.

**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 2011 operating costs were higher than 2010 by \$92,696 due to an increase in expenses that are not covered under the County's contract.

**General Fund Budgetary Highlights**

The County adopted its fiscal year 2011 budget on May 25, 2010, 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 \$3,196,745 to revenues and other financing sources while expenditures and transfers increased by \$4,186,353. Additional grant funding accounted for most of the additional budgetary revenues and accompanying expenditures and included \$2.9 million in additional grant funding for various projects and programs such as a \$1,771,977 grant from the



Emergency Numbers Systems Board to upgrade the 911 call center. The County was also awarded \$341,627 in Homeland Security Grant Funds to cover the costs of Law Enforcement Terrorism Prevention expenses. The variance in budgeted expenditures for Highways, Streets and Bridges as well as the variance in the transfers to special revenue funds reflects the consolidation of the Highway Fund in to the General Fund for Highways, Streets and Bridges.

The final budget contained \$164,047,064 of revenues and other financing sources, \$167,762,499 of expenditures and transfers, and \$3,715,435 of appropriated fund balance. The actual revenues and other financing sources were \$1,120,081 less than the final budget and actual expenditures and transfers \$6,132,479 below the final budget.

**Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2011, the County had invested \$267,421,727, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation and depletion charges for this fiscal year totaled \$13,790,161.

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

- Highway projects within the General Capital Projects Fund including the replacement of the following bridges: Lombard Road Bridge, Blake Road Bridge and Winch Road Bridge.
- On-going construction of the Cecil County Correctional Facilities Renovation Project.
- Bus Canopies and Fuel System Project at the Cecil County Administration Building.
- On-going construction of the Cell 4 Re-Development project at the Cecil County Landfill.
- Stormwater Management Improvements at Hacks Point and De La Plaine Manor.

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

**Cecil County's Capital Assets as of June 30, 2011 and 2010**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 13,142,227	\$ 13,127,862	\$ 878,348	\$ 918,469	\$ 14,020,575	\$ 14,046,331
Construction in Progress	28,140,022	9,901,793	14,099,649	9,620,019	42,239,671	19,521,812
Landfill & Land Improvements	5,172,763	3,931,231	8,319,324	8,303,873	13,492,087	12,235,104
Highways & Bridges	82,935,249	81,317,298	-	-	82,935,249	81,317,298
Utility Systems	-	-	23,913,992	19,480,237	23,913,992	19,480,237
Buildings	38,639,296	39,747,364	11,016,104	11,380,616	49,655,400	51,127,980
Machinery & Equipment	18,084,532	19,943,465	23,080,221	24,121,928	41,164,753	44,065,393
<b>Total Capital Assets</b>	<b>\$ 186,114,089</b>	<b>\$ 167,969,013</b>	<b>\$ 81,307,638</b>	<b>\$ 73,825,142</b>	<b>\$ 267,421,727</b>	<b>\$ 241,794,155</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 general obligation debt of \$191,576,758. All of this debt is backed by the full faith and credit of the government. Governmental activities report \$142,990,434 and business-type activities report \$48,586,324 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 \$135,263. 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.

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**

While Cecil County is expected to remain the fastest growing county in Maryland for the next several years, it is not immune from the current global recession. The County continues to face significant fiscal challenges as the state further reduced or eliminated funding. The unemployment rate for the first six months of calendar 2011 has decreased to 9%.

There are many positive factors that will impact the County's economic future. The success of Penn National's Hollywood Casino at Perryville has added 350 jobs and been an economic boost to the County government as well. Several national chain restaurants and retailers have begun construction in the County and will be hiring citizens to staff the businesses. Another positive note in the local economy is home prices have stabilized in the past couple of months and it has been reported that fewer homes are for sale this year than in years past.

The General Fund budget for fiscal year 2012 attempts to balance the budget shortfalls with the County's need for infrastructure. While the Commissioners approved a rate less than the Constant Yield Tax Rate, assessment decreases will cause property tax revenues to remain constant. As the County continues to implement cost savings initiatives, the operating budget for all General Fund departments was reduced or remained unchanged. Operating transfers from the General Fund to Capital Projects were reduced as the County either deferred or removed several projects. The County appropriated approximately \$1,642,906 of the current fiscal year's \$36,353,528 unrestricted fund balance to ensure that it would be able to meet its obligations to County citizens.

### **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 William M. Feehley, CPA, 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 component units. Their contact information can be found in Note 1A of the financial statements.



## BASIC FINANCIAL STATEMENTS

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash equivalents	\$ 20,662,629	\$ 11,843,859	\$ 32,506,488	\$ 11,427,680
Investments	31,140,008	-	31,140,008	27,717,628
Receivables, Net	1,787,237	4,017,266	5,804,503	1,027,418
Due from Primary Government	-	-	-	366,649
Due from Other Governments	27,518,750	20,825	27,539,575	4,388,852
Internal Balances	199,183	(199,183)	-	-
Inventories	486,607	-	486,607	171,597
Prepaid Items & Other Assets	2,605,091	34,105	2,639,196	1,320,390
Restricted Assets:				
Cash and Investments	7,784,549	-	7,784,549	-
Capital Assets, Net:				
Land	13,142,227	878,348	14,020,575	6,531,516
Construction in Progress	28,140,022	14,099,649	42,239,671	16,590,372
Landfill & Land Improvements	5,172,763	8,319,324	13,492,087	9,741,810
Highways & Bridges	82,935,249	-	82,935,249	-
Utility Systems	-	23,913,992	23,913,992	-
Buildings	38,639,296	11,016,104	49,655,400	189,517,393
Machinery & Equipment	18,084,532	23,080,221	41,164,753	16,966,495
<b>Total Assets</b>	<b>278,298,143</b>	<b>97,024,510</b>	<b>375,322,653</b>	<b>285,767,800</b>
<b>LIABILITIES</b>				
Accounts Payable	8,193,760	1,993,386	10,187,146	5,921,511
Salary and Benefits Payable	2,583,037	123,829	2,706,866	13,935,436
Due to Component Units	366,649	-	366,649	-
Due to Other Governments	1,593,987	-	1,593,987	-
Unearned Revenue	306,047	-	306,047	4,301,253
Other Liabilities	1,088,472	412,024	1,500,496	-
Liabilities Payable with Restricted Assets	86,287	-	86,287	-
Long Term Liabilities				
Due within one year:				
Bonds Payable	10,421,133	2,536,812	12,957,945	-
Capital Leases	614,194	-	614,194	1,487,251
Insurance Claims Payable	2,759,996	-	2,759,996	1,604,000
Compensated Absences	1,080,547	73,644	1,154,191	426,376
Due in more than one year:				
Bonds Payable	134,016,784	46,042,634	180,059,418	-
Capital Leases	316,247	-	316,247	7,708,171
Compensated Absences	540,274	36,823	577,097	2,352,840
Accrued Landfill Closure/Postclosure	-	7,058,337	7,058,337	-
<b>Total Liabilities</b>	<b>163,967,414</b>	<b>58,277,489</b>	<b>222,244,903</b>	<b>37,736,838</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	144,335,428	42,443,506	186,778,934	235,507,495
Restricted for:				
Capital Projects	8,886,903	9,715,314	18,602,217	47,644
Health and Welfare	1,322,668	-	1,322,668	-
Agriculture	1,435,968	-	1,435,968	-
Economic Development	3,814,651	-	3,814,651	-
Debt Service and Other	230,891	-	230,891	3,766,019
Unrestricted	(45,695,780)	(13,411,799)	(59,107,579)	8,709,804
<b>Total Net Assets</b>	<b>\$ 114,330,729</b>	<b>\$ 38,747,021</b>	<b>\$ 153,077,750</b>	<b>\$ 248,030,962</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, 2011**

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	Capital		Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 13,541,708	\$ 5,420,182	\$ 713,864	\$ 102,714	\$ (7,304,968)	\$ -	\$ (7,304,968)	\$ -
Public Safety	34,124,715	2,038,347	2,235,483	5,519,109	(24,331,796)	-	(24,331,796)	-
Highways, Streets, and Bridges	14,174,041	311,194	1,580,313	1,014,879	(11,267,855)	-	(11,267,855)	-
Health and Welfare	12,498,027	256,720	7,899,753	334,868	(4,208,888)	-	(4,208,888)	-
Recreation and Culture	983,512	192,785	219,840	278,981	(293,928)	-	(293,928)	-
Education	81,391,571	-	-	-	(81,391,571)	-	(81,391,571)	-
Public Libraries	4,599,509	-	-	-	(4,599,509)	-	(4,599,509)	-
Economic Development	980,743	100	3,026,920	-	2,068,277	-	2,068,277	-
Agriculture	548,120	-	23,841	-	(522,279)	-	(522,279)	-
Interest on Long-Term Debt	5,550,175	-	-	-	(5,550,175)	-	(5,550,175)	-
<b>Total Governmental Activities</b>	<b>168,370,119</b>	<b>8,219,308</b>	<b>15,499,994</b>	<b>7,248,329</b>	<b>(137,402,488)</b>	<b>-</b>	<b>(137,402,488)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water	1,168,243	1,275,093	-	14,000	-	120,850	120,850	-
Wastewater	5,200,826	3,683,375	-	631,117	-	(888,334)	(888,334)	-
Landfill	5,538,979	5,275,317	-	-	-	(283,682)	(283,682)	-
<b>Total Business-Type Activities</b>	<b>11,908,048</b>	<b>10,233,785</b>	<b>-</b>	<b>645,117</b>	<b>-</b>	<b>(1,029,146)</b>	<b>(1,029,146)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$180,278,187</b>	<b>\$ 18,453,093</b>	<b>\$ 15,499,994</b>	<b>\$ 7,893,446</b>	<b>(137,402,488)</b>	<b>(1,029,146)</b>	<b>(138,431,834)</b>	<b>-</b>
<b>Component Units:</b>								
Board of Education	\$209,577,847	\$ 2,732,374	\$ 86,136,117	\$ 4,813,478	-	-	-	(138,095,880)
Cecil College	31,317,240	8,739,428	4,598,141	3,045,402	-	-	-	(16,934,271)
Cecil County Library	5,491,544	169,829	-	-	-	-	-	(5,321,715)
Bainbridge Development Corporation	875,355	18,000	-	-	-	-	-	(857,355)
<b>Total Component Units</b>	<b>\$247,281,786</b>	<b>\$ 9,859,829</b>	<b>\$ 70,734,258</b>	<b>\$ 7,858,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(159,209,021)</b>
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes, Levied for General Purposes					101,274,085	-	101,274,085	-
Income Taxes					49,000,281	-	49,000,281	-
Investment Earnings					571,783	32,233	604,016	866,121
Other Revenues Including Capital Asset Sales (Gains/Loss)					48,787	(229,120)	(180,333)	912,383
Payments From the Primary Government					-	-	-	80,858,894
Payments From the State Government					-	-	-	89,892,125
Entitlements, and Contributions not Restricted to Specific Programs					518,088	-	518,088	4,471,455
<b>Total General Revenues, Special Items, and Transfers</b>					<b>151,413,004</b>	<b>(196,887)</b>	<b>151,216,117</b>	<b>158,998,958</b>
<b>Change in Net Assets</b>					<b>14,010,516</b>	<b>(1,228,033)</b>	<b>12,784,483</b>	<b>(2,210,083)</b>
<b>Net Assets - June 30, 2010</b>					<b>100,320,213</b>	<b>39,973,054</b>	<b>140,293,269</b>	<b>250,241,025</b>
<b>Net Assets - June 30, 2011</b>					<b>\$ 114,330,729</b>	<b>\$ 38,747,021</b>	<b>\$ 153,077,752</b>	<b>\$ 248,030,962</b>

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



**CECIL COUNTY, MARYLAND**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>Capital Projects</u>	<u>Board of Education Construction</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash	\$13,717,987	\$ -	\$ -	\$ -	\$ 3,043,031	\$ 865,639	\$ 17,626,657
Investments	19,796,829	-	-	5,993,118	-	-	25,789,947
Receivables, Net (Note 4)	1,216,925	-	-	-	-	206,271	1,423,196
Due from Other Funds	597,290	-	-	-	-	-	597,290
Due from Other Governments	18,199,103	80,250	1,013,981	6,915,564	-	1,309,852	27,518,750
Inventory	468,416	-	-	-	-	-	468,416
Advances to Other Funds	199,183	-	-	-	-	-	199,183
Other Assets	1,134,071	-	-	-	-	-	1,134,071
Restricted Assets:							
Cash and Investments (Note 3)	72,891	1,429,186	3,534,915	-	-	2,747,557	7,784,549
<b>Total Assets</b>	<b>\$55,402,695</b>	<b>\$ 1,509,436</b>	<b>\$ 4,548,896</b>	<b>\$ 12,908,682</b>	<b>\$ 3,043,031</b>	<b>\$ 5,129,319</b>	<b>\$ 82,542,059</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 1,729,200	\$ 69,181	\$ -	\$ 4,344,661	\$ 152,620	\$ 372,856	\$ 6,668,518
Salaries and Benefits Payable	2,377,863	25,755	-	-	-	179,419	2,583,037
Due to Other Funds	-	5,545	-	-	-	493,810	499,355
Due to Other Governments	-	-	1,591,923	2,064	-	-	1,593,987
Deferred Revenue	13,242,408	-	-	-	-	4,218	13,246,626
Other Liabilities	1,699,696	-	-	-	-	100	1,699,796
Liabilities Payable from Restricted Funds	-	86,287	-	-	-	-	86,287
<b>Total Liabilities</b>	<b>19,049,167</b>	<b>186,768</b>	<b>1,591,923</b>	<b>4,346,725</b>	<b>152,620</b>	<b>1,050,403</b>	<b>26,377,606</b>
<b>Fund Balances:</b>							
Non-Spendable Fund Balance	1,807,790	-	-	-	-	-	1,807,790
Restricted Fund Balance	-	1,322,668	2,956,973	-	-	2,524,537	6,804,178
Committed Fund Balance	13,885,400	-	-	8,561,957	2,890,411	1,554,379	26,892,147
Assigned Fund Balance	7,784,000	-	-	-	-	-	7,784,000
Unassigned Fund Balance	12,876,338	-	-	-	-	-	12,876,338
<b>Total Fund Balances</b>	<b>36,353,528</b>	<b>1,322,668</b>	<b>2,956,973</b>	<b>8,561,957</b>	<b>2,890,411</b>	<b>4,078,916</b>	<b>56,164,453</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$55,402,695</b>	<b>\$ 1,509,436</b>	<b>\$ 4,548,896</b>	<b>\$ 12,908,682</b>	<b>\$ 3,043,031</b>	<b>\$ 5,129,319</b>	<b>\$ 82,542,059</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**  
**JUNE 30, 2011**

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>	<b>\$ 56,164,453</b>	
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 \$242,106 of internal service fund capital assets accounted for in the following line.		185,871,983
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 fund net assets.		6,169,078
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	\$ (205,283)	
Income Taxes	<u>13,147,529</u>	12,942,246
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	\$ (1,620,821)	
Accrued interest on long-term debt	(1,088,472)	
Deferred - Bond Premium	(2,281,331)	
Deferred - Bond Issuance Costs	1,260,620	
Deferred - Advance Refunding Difference	969,111	
Bonds and Notes Payable	<u>(144,056,138)</u>	<u>(146,817,031)</u>
<b>Total Net Assets of Governmental Activities (Page 16)</b>		<b><u>\$ 114,330,729</u></b>

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

CECIL COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	General	Housing Programs	Casino Local Impact	General Capital Projects	Board of Education Construction	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 101,811,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,811,471
Special Assessments - Current	-	-	-	-	-	13,994	13,994
Income Taxes	46,835,947	-	-	-	-	-	46,835,947
Licenses and Permits	1,427,706	-	-	-	-	-	1,427,706
Intergovernmental	5,593,254	4,828,048	2,956,427	7,234,335	-	2,281,128	22,873,190
Charges for Services	6,554,898	-	-	-	-	343,483	6,898,159
Investment Earnings	479,947	3,821	546	-	-	6,914	491,226
Contributions & Other Revenues	46,433	18,170	-	-	-	30,591	97,194
<b>Total Revenues</b>	<b>162,751,454</b>	<b>4,850,039</b>	<b>2,956,973</b>	<b>7,234,335</b>	<b>-</b>	<b>2,656,086</b>	<b>180,448,889</b>
<b>EXPENDITURES</b>							
Current:							
General Government	12,156,101	-	-	-	-	-	12,156,101
Public Safety	31,507,369	-	-	-	-	1,613,884	33,121,253
Highways, Streets, and Bridges	9,438,103	-	-	-	-	-	9,438,103
Health and Welfare	5,130,899	4,787,881	-	-	-	2,497,943	12,416,523
Recreation and Culture	817,817	-	-	-	-	-	817,817
Education	78,475,835	-	-	-	-	-	78,475,835
Public Libraries	4,462,309	-	-	-	-	-	4,462,309
Economic Development	967,840	-	-	-	-	-	967,840
Agriculture	552,009	-	-	-	-	-	552,009
Municipalities	840,039	-	-	-	-	-	840,039
Debt Service:							
Principal	-	-	-	-	-	10,038,416	10,038,416
Interest	-	-	-	-	-	5,894,206	5,894,206
Capital Outlay	-	-	-	25,334,030	4,269,267	1,429,218	31,032,515
<b>Total Expenditures</b>	<b>142,350,221</b>	<b>4,787,881</b>	<b>-</b>	<b>25,334,030</b>	<b>4,269,267</b>	<b>21,273,669</b>	<b>198,015,086</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>20,401,233</b>	<b>82,158</b>	<b>2,956,973</b>	<b>(18,099,695)</b>	<b>(4,269,267)</b>	<b>(18,617,581)</b>	<b>(17,566,179)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from							
Capital Asset Disposal	80,500	-	-	-	-	-	80,500
Transfers In	95,029	19,626	-	585,000	589,000	16,106,173	19,374,828
Transfers Out	(19,279,799)	-	-	-	-	(95,029)	(19,374,828)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,104,270)</b>	<b>19,626</b>	<b>-</b>	<b>585,000</b>	<b>589,000</b>	<b>16,011,144</b>	<b>80,500</b>
<b>Net Change in Fund Balances</b>	<b>1,296,963</b>	<b>81,784</b>	<b>2,956,973</b>	<b>(17,514,695)</b>	<b>(3,700,267)</b>	<b>(608,437)</b>	<b>(17,465,679)</b>
<b>Consolidation of Highway Fund</b>	<b>415,800</b>						<b>415,800</b>
<b>Fund Balances - June 30, 2010</b>	<b>34,840,965</b>	<b>1,240,884</b>	<b>-</b>	<b>26,076,652</b>	<b>6,590,678</b>	<b>4,665,353</b>	<b>73,234,532</b>
<b>Fund Balances - June 30, 2011</b>	<b>\$ 36,353,526</b>	<b>\$ 1,322,668</b>	<b>\$ 2,956,973</b>	<b>\$ 8,561,957</b>	<b>\$ 2,890,411</b>	<b>\$ 4,078,916</b>	<b>\$ 58,164,453</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, 2011**

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)** \$ (17,485,679)

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 (\$28,067,518) exceed depreciation (\$9,870,723) in the current period. Depreciation excludes \$20,007 from the internal service fund. 18,196,795

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. (31,713)

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	\$	(537,386)	
Income Taxes		<u>2,164,334</u>	
Net Adjustment			1,626,948

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>Repayments:</u>			
General Obligation bonds	\$	10,038,418	
Issuance Costs & Similar Items		<u>(59,936)</u>	
Net Adjustment		<u>9,978,482</u>	9,978,482

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	\$	(62,402)	
Accrued interest on long-term debt		<u>203,967</u>	
Net Adjustment			141,565

The change in net assets of certain internal service funds are reported with governmental activities. 1,584,118

**Change in Net Assets of Government Activities (Page 17)** \$ 14,010,516

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, 2011**

	<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	\$ 101,707,202	\$ 101,707,202	\$ 101,811,471	\$ 104,269
Income Taxes	46,665,160	46,665,160	46,835,947	170,787
Licenses and Permits	1,251,020	1,371,020	1,427,706	56,686
Intergovernmental	4,229,982	7,213,028	5,593,254	(1,619,774)
Charges for Services	6,246,955	6,340,654	6,554,696	214,042
Investment Earnings	750,000	750,000	479,947	(270,053)
Contributions & Other Revenues	-	-	48,433	48,433
<b>Total Revenues</b>	<u>160,850,319</u>	<u>164,047,064</u>	<u>162,751,454</u>	<u>(1,295,610)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	13,192,024	13,303,603	12,158,101	1,145,502
Public Safety	32,343,948	33,563,643	31,507,369	2,056,274
Highways, Streets, and Bridges	2,814,521	10,318,870	9,438,103	880,767
Health and Welfare	5,224,728	5,739,948	5,130,699	609,249
Recreation and Culture	931,360	958,837	817,817	141,020
Education	76,518,233	76,518,233	76,475,835	42,398
Public Libraries	4,462,309	4,462,309	4,462,309	-
Economic Development	1,040,685	1,071,827	967,940	103,887
Agriculture	600,637	600,637	552,009	48,628
Municipalities	840,040	840,040	840,039	1
<b>Total Expenditures</b>	<u>137,968,485</u>	<u>147,377,947</u>	<u>142,350,221</u>	<u>5,027,726</u>
<b>Excess of Revenues</b> <b>Over Expenditures</b>	<u>22,881,834</u>	<u>16,669,117</u>	<u>20,401,233</u>	<u>3,732,116</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Asset Disposal	-	-	80,500	80,500
Operating Transfers In	-	-	95,029	95,029
Transfers Out	(25,607,661)	(20,384,552)	(19,279,799)	1,104,753
<b>Total Other Financing Sources (Uses)</b>	<u>(25,607,661)</u>	<u>(20,384,552)</u>	<u>(19,104,270)</u>	<u>1,280,282</u>
<b>Net Change in Fund Balance</b>	(2,725,827)	(3,715,435)	1,296,963	5,012,398
<b>Consolidation of Highway Fund</b>	-	-	415,600	-
<b>Fund Balance - June 30, 2010</b>	<u>27,295,341</u>	<u>22,586,164</u>	<u>34,640,965</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 24,569,514</u>	<u>\$ 18,870,729</u>	<u>\$ 36,353,528</u>	<u>\$ 17,482,799</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**HOUSING PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ 5,143,499	\$ 5,302,098	\$ 4,828,048	\$ (474,050)
Investment Earnings	-	-	3,821	3,821
Contributions & Other Revenues	<u>14,000</u>	<u>14,000</u>	<u>18,170</u>	<u>4,170</u>
<b>Total Revenues</b>	<u>5,157,499</u>	<u>5,316,098</u>	<u>4,850,039</u>	<u>(466,059)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>4,294,433</u>	<u>5,321,724</u>	<u>4,787,881</u>	<u>533,843</u>
<b>Total Expenditures</b>	<u>4,294,433</u>	<u>5,321,724</u>	<u>4,787,881</u>	<u>533,843</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>863,066</u>	<u>(5,626)</u>	<u>62,158</u>	<u>67,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	<u>19,626</u>	<u>19,626</u>	<u>19,626</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	882,692	14,000	81,784	67,784
<b>Fund Balance - June 30, 2010</b>	<u>1,277,305</u>	<u>1,277,305</u>	<u>1,240,884</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 2,159,997</u>	<u>\$ 1,291,305</u>	<u>\$ 1,322,668</u>	<u>\$ 31,363</u>

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**CASINO LOCAL IMPACT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ -	\$ -	\$ 2,956,427	\$ 2,956,427
Investment Earnings	-	-	546	546
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>2,956,973</u>	<u>2,956,973</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,956,973</u>	<u>2,956,973</u>
<b>Net Change In Fund Balance</b>	-	-	2,956,973	2,956,973
<b>Fund Balance - June 30, 2010</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,956,973</u>	<u>\$ 2,956,973</u>

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

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**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash equivalents	\$ -	\$ 1,396,445	\$ 10,447,414	\$ 11,843,859	\$ 3,035,972
Investments	-	-	-	-	5,350,061
Receivables, Net:					
Accounts	263,566	1,042,424	563,459	1,869,449	364,041
Other	-	3,059	42,092	45,151	-
Due from Other Governments	20,825	-	-	20,825	-
inventory	-	-	-	-	18,191
Prepaid Items and Other Assets	-	22,209	11,896	34,105	210,400
<b>Total Current Assets</b>	<b>284,391</b>	<b>2,464,137</b>	<b>11,064,861</b>	<b>13,813,389</b>	<b>8,978,665</b>
<b>Non-Current Assets:</b>					
Accounts Receivable - Non-Current	-	2,102,666	-	2,102,666	-
Capital Assets, Net:					
Land	60,537	336,973	480,838	878,348	-
Construction in Progress	-	1,554,640	12,545,009	14,099,649	-
Landfill and Land Improvements	-	1,266,208	7,053,116	8,319,324	-
Water and Wastewater Lines	1,940,087	21,973,905	-	23,913,992	-
Buildings	225,755	7,687,479	3,102,870	11,016,104	214,892
Machinery & Equipment	506,930	17,232,026	5,341,265	23,080,221	27,214
<b>Total Non-Current Assets</b>	<b>2,733,309</b>	<b>52,153,897</b>	<b>28,523,098</b>	<b>83,410,304</b>	<b>242,106</b>
<b>Total Assets</b>	<b>3,017,700</b>	<b>54,618,034</b>	<b>39,587,959</b>	<b>97,223,693</b>	<b>9,220,771</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	65,152	270,124	995,627	1,330,903	192,097
Construction Retainage Payable	-	175,427	487,056	662,483	-
Salary & Benefits Payable	13,214	37,971	72,644	123,829	-
Accrued Expenses & Other Liabilities	-	124,746	287,278	412,024	2,759,996
Due to Other Funds	-	-	-	-	97,935
Deferred Revenue	-	-	-	-	1,665
Bonds Payable	-	1,638,653	898,159	2,536,812	-
Compensated Absences	8,283	29,086	36,275	73,644	-
<b>Total Current Liabilities</b>	<b>86,649</b>	<b>2,276,007</b>	<b>2,777,039</b>	<b>5,139,695</b>	<b>3,051,693</b>
<b>Non-Current Liabilities:</b>					
Bonds Payable					
(Net of Unamortized Discounts)	-	26,930,189	19,112,445	46,042,634	-
Advances From Other Funds	199,183	-	-	199,183	-
Compensated Absences	4,142	14,543	18,138	36,823	-
Accrued Landfill Closure and Postclosure Costs	-	-	7,058,337	7,058,337	-
<b>Total Non-Current Liabilities</b>	<b>203,325</b>	<b>26,944,732</b>	<b>26,188,920</b>	<b>53,336,977</b>	<b>-</b>
<b>Total Liabilities</b>	<b>289,974</b>	<b>29,220,739</b>	<b>28,965,959</b>	<b>58,476,672</b>	<b>3,051,693</b>
<b>NET ASSETS</b>					
invested In Capital Assets, Net of Related Debt	2,733,309	23,721,984	15,988,213	42,443,506	242,106
Restricted for:					
Capital Projects	-	2,239,595	7,475,719	9,715,314	-
Unrestricted	(5,583)	(564,284)	(12,841,932)	(13,411,799)	5,926,972
<b>Total Net Assets</b>	<b>\$ 2,727,726</b>	<b>\$ 25,397,295</b>	<b>\$ 10,622,000</b>	<b>\$ 38,747,021</b>	<b>\$ 6,169,078</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, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for Services:					
Sales and User Fees	<u>\$1,275,093</u>	<u>\$ 3,683,375</u>	<u>\$ 5,275,317</u>	<u>\$10,233,785</u>	<u>\$ 12,239,290</u>
<b>OPERATING EXPENSES</b>					
Salaries and Related	245,439	725,347	1,364,237	2,335,023	-
Materials, Supplies, and Services	745,271	1,401,791	1,677,832	3,824,894	1,963,366
Benefit Payments	-	-	-	-	8,752,358
Depreciation	177,533	2,298,784	1,255,565	3,731,882	20,004
Depletion	-	-	187,555	187,555	-
Landfill Closure and Postclosure	-	-	<u>336,896</u>	<u>336,896</u>	-
<b>Total Operating Expenses</b>	<u>1,168,243</u>	<u>4,425,922</u>	<u>4,822,085</u>	<u>10,416,250</u>	<u>10,735,728</u>
<b>Operating Income (Loss)</b>	<u>106,850</u>	<u>(742,547)</u>	<u>453,232</u>	<u>(182,465)</u>	<u>1,503,562</u>
<b>NON-OPERATING</b>					
<b>REVENUES (EXPENSES)</b>					
Investment Earnings	-	12,895	19,338	32,233	80,555
Interest Expense	-	(774,904)	(716,894)	(1,491,798)	-
Loss on Sale of Capital Assets	-	<u>(229,120)</u>	-	<u>(229,120)</u>	-
<b>Total Non-Operating</b>					
<b>Revenues (Expenses)</b>	<u>-</u>	<u>(991,129)</u>	<u>(697,556)</u>	<u>(1,688,685)</u>	<u>80,555</u>
<b>Income (Loss) before</b>					
<b>Contributions and Transfers</b>	106,850	(1,733,676)	(244,324)	(1,871,150)	1,584,117
<b>Capital Contributions:</b>					
Sewage and Water Connection Fees	<u>14,000</u>	<u>631,117</u>	-	<u>645,117</u>	-
<b>Change in Net Assets</b>	120,850	(1,102,559)	(244,324)	(1,226,033)	1,584,117
<b>Net Assets - June 30, 2010</b>	2,606,876	26,499,854	10,866,324	39,973,054	4,584,961
<b>Net Assets - June 30, 2011</b>	<u>\$2,727,726</u>	<u>\$25,397,295</u>	<u>\$10,622,000</u>	<u>\$38,747,021</u>	<u>\$ 6,169,078</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, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u>
					<u>Service Funds</u>
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers and Users	\$1,314,574	\$ 3,733,671	\$ 5,150,076	\$ 10,198,321	\$ 12,689,995
Payments to Suppliers	(781,049)	(2,004,660)	(1,653,387)	(4,439,096)	(10,086,996)
Payments to Employees	(247,043)	(727,016)	(1,359,881)	(2,333,940)	-
<b>Net Cash from Operating Activities</b>	<u>286,482</u>	<u>1,001,995</u>	<u>2,136,808</u>	<u>3,425,285</u>	<u>2,602,999</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Advances from Other Funds	(265,679)	-	-	(265,679)	(30,241)
<b>Net Cash from Non-Capital Financing Activities</b>	<u>(265,679)</u>	<u>-</u>	<u>-</u>	<u>(265,679)</u>	<u>(30,241)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from Bond Issues	-	1,179,406	2,140,000	3,319,406	-
Sewage and Water Connection Fees	14,000	631,117	-	645,117	-
Acquisition and Construction of Capital Assets	(34,803)	(3,788,318)	(7,842,736)	(11,665,857)	-
Principal Paid on Bond Maturities and Capital Lease	-	(1,571,460)	(3,238,759)	(4,810,219)	-
Interest Paid on Bonds and Capital Leases	-	(774,904)	(713,821)	(1,488,725)	-
Proceeds from Sale of Capital Assets	-	34,803	-	34,803	-
<b>Net Cash from Capital and Related Financing Activities</b>	<u>(20,803)</u>	<u>(4,289,356)</u>	<u>(9,655,316)</u>	<u>(13,965,475)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>					
Interest on Investments	-	12,895	19,338	32,233	80,555
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>-</u>	<u>(3,274,466)</u>	<u>(7,499,170)</u>	<u>(10,773,636)</u>	<u>2,653,313</u>
<b>Cash and Cash Equivalents - June 30, 2010</b>	<u>-</u>	<u>4,670,911</u>	<u>17,946,584</u>	<u>22,617,495</u>	<u>5,732,720</u>
<b>Cash and Cash Equivalents - June 30, 2011</b>	<u>\$ -</u>	<u>\$ 1,396,445</u>	<u>\$ 10,447,414</u>	<u>\$ 11,843,859</u>	<u>\$ 8,386,033</u>

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, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities:</b>					
Operating income (Loss)	\$ 106,850	\$ (742,547)	\$ 453,232	\$ (182,465)	\$ 1,503,562
Adjustments to reconcile Operating Income (Loss) to Net Cash provided from Operating Activities:					
Depreciation and Depletion	177,533	2,298,784	1,443,120	3,919,437	20,004
Increase in Closure/Postclosure Liability	-	-	336,896	336,896	-
Effect of changes in non-cash operating Assets and Liabilities:					
Accounts Receivable	39,481	46,758	(125,241)	(39,002)	449,974
Other Assets	-	2,324	5,314	7,638	5,768
Accounts Payable	(35,778)	(595,041)	19,516	(611,303)	(300)
Salaries & Benefits Payable	689	(778)	9,250	9,161	-
Accrued Expenses	-	(6,614)	(383)	(6,997)	622,667
Deferred Revenue	-	-	-	-	1,324
Compensated Absences	(2,293)	(891)	(4,896)	(8,080)	-
<b>Net Cash Provided from Operating Activities</b>	<b><u>\$ 286,482</u></b>	<b><u>\$ 1,001,995</u></b>	<b><u>\$ 2,136,808</u></b>	<b><u>\$ 3,425,285</u></b>	<b><u>\$ 2,602,999</u></b>

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, 2011**

	<u>Trust Funds</u>		<u>Agency Funds</u>
	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>State &amp; Town Collections</u>
<b>ASSETS</b>			
Cash	\$ 76,446	\$ 358,490	\$ 760,647
Receivables, Net:			
Property Taxes & Fees	-	-	104,179
Investments, at fair value:			
Institutional Separate Accounts	26,377,662	-	-
Mutual Funds	-	1,871,569	-
Total Investments	<u>26,377,662</u>	<u>1,871,569</u>	<u>-</u>
<b>Total Assets</b>	<u>26,454,108</u>	<u>2,230,059</u>	<u>864,826</u>
<b>LIABILITIES</b>			
Accounts Payable	6,052	-	-
Due to Other Governments	-	-	864,826
<b>Total Liabilities</b>	<u>6,052</u>	<u>-</u>	<u>864,826</u>
<b>NET ASSETS</b>			
Held in Trust for:			
Employee Benefits	26,448,056	2,230,059	-
<b>Total Net Assets</b>	<u>\$ 26,448,056</u>	<u>\$ 2,230,059</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, 2011**

	<u>Trust Funds</u>	
	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>
<b>ADDITIONS</b>		
Contributions		
Cecil County	\$ 2,019,471	\$ 879,000
Participants	809,404	-
Total Contributions	<u>2,828,875</u>	<u>879,000</u>
<b>INVESTMENT INCOME</b>		
Net Appreciation (Depreciation) in Fair Value of Investments	5,043,055	302,550
Interest and Dividends	421,026	30,522
	<u>5,464,081</u>	<u>333,072</u>
Less: Investment Expense	<u>(234,205)</u>	<u>(25,364)</u>
Net Investment Income (Loss)	<u>5,229,876</u>	<u>307,708</u>
Total Additions	<u>8,058,751</u>	<u>1,186,708</u>
<b>DEDUCTIONS</b>		
Benefit Payments	899,083	547,750
Refunds of Contributions	137,739	-
Administrative Expense	31,419	9,487
Total Deductions	<u>1,068,241</u>	<u>557,237</u>
<b>Change in Net Assets</b>	6,990,510	629,471
<b>Net Assets - June 30, 2010</b>	<u>19,457,546</u>	<u>1,600,588</u>
<b>Net Assets - June 30, 2011</b>	<u>\$ 26,448,056</u>	<u>\$ 2,230,059</u>

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2011**

	<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	\$ 7,367,054	\$ 2,643,276	\$ 1,384,199	\$ 33,151	\$ 11,427,680
Investments	22,300,400	5,417,228	-	-	27,717,628
Receivables, Net	178,811	575,407	5,200	268,000	1,027,418
Due from Primary Government	152,620	214,029	-	-	366,649
Due from Other Governments	2,532,687	1,856,165	-	-	4,388,852
Inventories	171,597	-	-	-	171,597
Prepaid Expenses & Other Assets	1,026,595	293,795	-	-	1,320,390
Capital Assets, Net:					
Land	1,202,153	1,779,763	-	3,549,600	6,531,516
Construction in Progress	16,070,509	519,863	-	-	16,590,372
Land Improvements	9,741,810	-	-	-	9,741,810
Buildings & Leasehold Improvements	144,138,828	45,378,565	-	-	189,517,393
Machinery & Equipment	12,759,272	1,523,821	2,679,390	4,012	16,966,495
<b>Total Assets</b>	<u>217,642,336</u>	<u>60,201,912</u>	<u>4,068,789</u>	<u>3,854,763</u>	<u>285,767,800</u>
<b>LIABILITIES</b>					
Accounts Payable	2,797,617	2,396,011	79,269	648,614	5,921,511
Accrued Salaries and Benefits	12,860,433	1,016,163	58,840	-	13,935,436
Unearned Revenue	3,237,627	1,063,626	-	-	4,301,253
Due within one year:					
Capital Leases	1,487,251	-	-	-	1,487,251
Insurance Claims Payable	1,604,000	-	-	-	1,604,000
Compensated Absences	426,376	-	-	-	426,376
Due in more than one year:					
Capital Leases	7,708,171	-	-	-	7,708,171
Compensated Absences	2,352,840	-	-	-	2,352,840
<b>Total Liabilities</b>	<u>32,474,315</u>	<u>4,475,800</u>	<u>138,109</u>	<u>648,614</u>	<u>37,736,838</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	180,072,481	49,202,012	2,679,390	3,553,612	235,507,495
Restricted for:					
Capital Projects	47,644	-	-	-	47,644
Donor Restrictions	-	3,766,019	-	-	3,766,019
Unrestricted	5,047,896	2,758,081	1,251,290	(347,463)	8,709,804
<b>Total Net Assets</b>	<u>\$185,168,021</u>	<u>\$ 55,726,112</u>	<u>\$ 3,930,680</u>	<u>\$ 3,206,149</u>	<u>\$ 248,030,962</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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	\$ 203,743,373	\$ 281,810	\$ 82,337,034	\$ 4,813,478	\$(138,511,253)	\$ -	\$ -	\$ -	\$(138,511,253)
Student Services	5,723,358	2,450,764	3,799,083	-	528,491	-	-	-	528,491
Interest on Long term Del	110,918	-	-	-	(110,918)	-	-	-	(110,918)
<b>Total Board of Education</b>	<b>\$ 209,577,647</b>	<b>\$ 2,732,374</b>	<b>\$ 86,136,117</b>	<b>\$ 4,813,478</b>	<b>(138,095,680)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(138,095,680)</b>
<b>Cecil College</b>									
Instruction	\$ 29,882,817	\$ 5,254,392	\$ 4,598,141	\$ 3,045,402	-	(18,784,882)	-	-	(18,784,882)
Student Services	1,834,823	1,485,034	-	-	-	(149,589)	-	-	(149,589)
<b>Total Cecil Community College</b>	<b>\$ 31,317,240</b>	<b>\$ 6,739,426</b>	<b>\$ 4,598,141</b>	<b>\$ 3,045,402</b>	<b>-</b>	<b>(18,934,271)</b>	<b>-</b>	<b>-</b>	<b>(18,934,271)</b>
<b>Cecil County Public Library</b>									
Public Libraries	\$ 5,491,544	\$ 189,829	\$ -	\$ -	-	-	(5,321,715)	-	(5,321,715)
<b>Bainbridge Development Corporation</b>									
Economic Development	\$ 875,355	\$ 16,000	\$ -	\$ -	-	-	-	(857,355)	(857,355)
<b>General Revenues:</b>									
Payments From the Primary Government					68,350,818	8,043,967	4,482,309	-	80,856,894
Payments From the State Government					63,952,891	4,883,640	1,055,794	-	69,892,125
Grants, Entitlements, and Contributions not Restricted to Specific Programs					1,648,113	2,825,342	-	-	4,471,455
Investment Earnings					87,058	798,353	2,671	41	866,121
Other Revenues including Capital Asset Sales Gains					555,600	202,914	59,882	93,987	912,363
<b>Total General Revenues, Special Items, and Transfers</b>					<b>134,572,078</b>	<b>18,752,218</b>	<b>5,580,656</b>	<b>94,008</b>	<b>158,998,958</b>
<b>Change in Net Assets</b>					<b>(1,523,802)</b>	<b>(182,055)</b>	<b>258,941</b>	<b>(783,347)</b>	<b>(2,210,063)</b>
<b>Net Assets - June 30, 2010</b>					<b>186,891,823</b>	<b>55,908,167</b>	<b>3,871,739</b>	<b>3,989,498</b>	<b>250,241,025</b>
<b>Net Assets - June 30, 2011</b>					<b>\$ 185,168,021</b>	<b>\$ 55,726,112</b>	<b>\$ 3,930,680</b>	<b>\$ 3,206,149</b>	<b>\$ 248,030,962</b>

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

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**1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles (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. 59.

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.

The Cecil County Pension Plan for Public Safety Employees (the Plan) 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 Cecil County Maryland Non-Pension Employment Benefits Plan collects monies to assist retirees with payment of post-retirement health insurance premiums. Both Plans are fiduciary funds of 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 activities) report information on all of the non-fiduciary activities of the County (the primary government) and its component units. Eliminations of inter-fund 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 segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers 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 asset 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 **Casino Local Impact Fund**, a special revenue fund, was established to account for the County's share of the revenue generated at Penn National's Hollywood Casino Perryville. The County has agreed to share 35% of the revenue with the Town of Perryville.

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 workers compensation and health insurance provided by the County to other departments and 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 Funds** are fiduciary funds of the County and are used to account for monies set aside by the County to pay for future post-retirement benefits. This group consists of The Cecil County Pension Plan for Public Safety Employees Trust Fund which accumulates resources for pension benefit payments to qualified public safety employees or their beneficiaries and The Cecil County Maryland Non-Pension Post Employment Benefits Trust Fund which collects monies to assist retirees with payment of post-retirement health insurance premiums.

**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, Port Deposit and Rising Sun.

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 inter-fund 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 internal and external customers for sales and services. 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 maturing within 90 days. 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 or certain commercial properties whose real estate tax amount is less than \$50,000." 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.

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, 2012, 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, 2010 and 2011, 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 next fiscal year, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due to 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 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>
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. 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. Employees are granted vacation in varying amounts. It is the County's policy to permit employees to accumulate all earned but unused vacation leave up to 30 days. Vacation pay is 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, non-spendable and restricted fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Committed fund balance represents amounts that are reserved for a particular purpose by the Board of County Commissioners and would require action by the board to release the fund balance from its commitment. Assigned 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).
- 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 scheduled 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, 2011, 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, 2011, were the General Fund and all 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 end June 30, 2011, expenditures exceeded appropriations as follows:

<b>Fund</b>	<b>Budget Line Item</b>	<b>Over Budget</b>
General Fund	State's Attorney's Office	\$ 4,252
	Sheriff - Special Assignments	1,083
	Sheriff Patrol - Chesapeake City	118
	Youth Panel	1,333

**3. Deposit and Investment Portfolio Disclosure**

The County maintains a cash and investment pool that is available for use by all funds except the trust funds, which are 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 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.

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b><u>Cash</u></b>		
Insured Deposits (FDIC)	\$ 7,689,585	\$ 3,069,760
Money Market Mutual Funds	-	164,589
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	14,405,902	7,985,006
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	3,510,011	200,000
CDARS due within 90 days (FDIC Insured)	8,220,377	-
<b>Total Deposits</b>	<b>\$ 33,825,875</b>	<b>\$ 11,419,355</b>
<b><u>Investments</u></b>		
Certificates of Deposit due greater than 90 days - Collateral held by pledging bank's agent in the County or Unit's name	15,384,038	3,889,005
CDARS due greater than 90 days (FDIC Insured)	4,937,772	-
Other governmental agencies	8,505,662	-
Investment in Maryland Local Government Investment Pool	8,758,950	21,233,375
Institutional Separate Accounts	-	-
Balanced Fund Mutual Fund	-	4,017,228
<b>Total Investments</b>	<b>\$ 37,586,422</b>	<b>\$ 29,139,608</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 invests in Institutional Separate Accounts. The Institutional Separate Accounts were rated by Morning Star if the fund had at least five years of history. If the fund, had less than five years of history, a peer group ranking was used to classify how the fund performed against other funds similar in nature. The Plan holds a total of eight separate accounts. Six of the eight separate accounts were rated by Morning Star of which two received a 4 star rating, three received a 3 star rating and one account received a one star rating, with 5 being the best and 1 being the worst. The remaining two separate

accounts were rated using the peer group ranking (one of these accounts received a quartile rank of 1 and one account received a quartile rank of 2, with 1 being the best and 4 being the worst).

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 AAA. 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.

**Interest Rate Risk** The County limits its interest rate risk by primarily investing in securities with maturity dates under five year. All U.S. Treasury, and U.S. Agencies investments are held by the general fund. It is the policy of the general fund 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, 2011:

<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. Agencies - Other	\$ 8,505,662	\$ -	\$ 8,505,662	\$ -	\$ -

**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's investment policy applies the prudent person rule to its investments. The Plan invests in Institutional Separate Accounts, which are essentially mutual funds. This sub-advised approach provides the Plan with access to some of the most respected investment professionals in the industry. The investment policy establishes an asset allocation by asset class where allowable ranges are identified by asset class. Rebalancing is performed on at least a quarterly basis, as appropriate, such that the allocation for each asset class shall not exceed the bounds of the allowable ranges. During the years ended June 30, 2011 and 2010, the Plan complied with the Plan's investment policy.

The OPEB Trust's investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

The chart below 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>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 33,825,875	\$ 1,195,583	\$ 11,418,355	\$ 46,440,813
Investments	37,586,422	28,249,231	29,139,608	94,975,261
Petty Cash Amounts	18,748	-	9,325	28,073
<b>Total</b>	<b>\$ 71,431,045</b>	<b>\$ 29,444,814</b>	<b>\$ 40,567,288</b>	<b>\$ 141,444,147</b>
Unrestricted	\$ 63,646,496	\$ -	\$ 34,847,253	\$ 98,493,749
Restricted	7,784,549	-	4,299,055	12,083,604
Fiduciary Funds	-	29,444,814	1,421,980	30,866,794
<b>Total Cash and Investments</b>	<b>\$ 71,431,045</b>	<b>\$ 29,444,814</b>	<b>\$ 40,567,288</b>	<b>\$ 141,444,147</b>

**4. Receivables**

**Primary Government**

The following are receivables as of June 30, 2011 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 \$364,041 are included in the governmental activities of the government-wide statement.

	<u>Governmental Fund Financial Statements</u>					<u>Government-wide Statements</u>
	<u>General</u>	<u>Housing Programs</u>	<u>Highway</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Governmental Activities</u>
Receivables:						
Property Taxes	\$ 882,287	\$ -	\$ -	\$ -	\$ 882,287	\$ 882,287
Accounts	-	132,788	-	26,341	159,129	523,170
Notes	-	-	-	179,573	179,573	179,573
Interest and Other	946,838	-	-	357	947,195	947,195
<b>Gross Receivables</b>	<b>1,829,125</b>	<b>132,788</b>	<b>-</b>	<b>206,271</b>	<b>2,168,184</b>	<b>2,532,225</b>
Less: Allowances for Uncollectibles	(612,200)	(132,788)	-	-	(744,988)	(744,988)
<b>Net Total Receivables</b>	<b>\$ 1,216,925</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 206,271</b>	<b>\$ 1,423,196</b>	<b>\$ 1,787,237</b>



Receivables as of June 30, 2011 for the Government's enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	<b>Enterprise Fund Financial Statements</b>				<b>Government-wide Statements</b>	
	<b>Current</b>			<b>Non-Current</b>	<b>Business-type Activities</b>	
	<b>Water Services</b>	<b>Wastewater Services</b>	<b>Landfill Services</b>	<b>Total</b>		
<b>Receivables:</b>						
Accounts	\$ 263,566	\$ 1,102,688	\$ 665,314	\$ 2,031,568	\$ -	\$ 2,031,568
Other	-	3,059	42,092	45,151	-	45,151
Non-Current	-	-	-	-	2,102,666	2,102,666
<b>Gross Receivables</b>	<b>263,566</b>	<b>1,105,747</b>	<b>707,406</b>	<b>2,076,719</b>	<b>2,102,666</b>	<b>4,179,385</b>
<b>Less: Allowances for Uncollectibles</b>	<b>-</b>	<b>(60,264)</b>	<b>(101,855)</b>	<b>(162,119)</b>	<b>-</b>	<b>(162,119)</b>
<b>Net Total Receivables</b>	<b>\$ 263,566</b>	<b>\$ 1,045,483</b>	<b>\$ 605,551</b>	<b>\$ 1,914,600</b>	<b>\$ 2,102,666</b>	<b>\$ 4,017,266</b>

**Component Units**

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

	<b>Board of Education</b>	<b>Cecil College</b>	<b>Cecil County Library</b>	<b>Bainbridge Development Corporation</b>	<b>Total</b>
Gross Receivables	178,811	1,084,708	5,200	268,000	1,536,719
Less: Allowances for Uncollectibles	-	(509,301)	-	-	(509,301)
<b>Net Total Receivables</b>	<b>\$ 178,811</b>	<b>\$ 575,407</b>	<b>\$ 5,200</b>	<b>\$ 268,000</b>	<b>\$ 1,027,418</b>

**5. Notes Receivable**

**Economic Development Revolving Loan Fund**

The fund provides small loans, through a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2011, there were four outstanding loans totaling \$179,573.

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

The capital asset activity for Governmental Activities for the year ended June 30, 2011, was as follows:

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 13,127,862	\$ 14,365	\$ -	\$ 13,142,227
Construction in Progress	<u>9,901,793</u>	<u>25,697,988</u>	<u>(7,459,759)</u>	<u>28,140,022</u>
Total Capital Assets Not Being Depreciated	<u>23,029,655</u>	<u>25,712,353</u>	<u>(7,459,759)</u>	<u>41,282,249</u>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	4,583,662	1,497,467	-	6,081,129
Highways & Bridges	196,207,752	7,316,081	(966,728)	202,557,105
Building & Improvements	50,824,359	140,954	-	50,965,313
Machinery & Equipment	<u>32,755,335</u>	<u>860,422</u>	<u>(478,486)</u>	<u>33,137,271</u>
Total Capital Assets Being Depreciated	<u>284,371,108</u>	<u>9,814,924</u>	<u>(1,445,214)</u>	<u>292,740,818</u>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	(652,431)	(255,935)	-	(908,366)
Highways & Bridges	(114,890,454)	(5,698,130)	966,728	(119,621,856)
Building & Improvements	(11,076,995)	(1,249,022)	-	(12,326,017)
Machinery & Equipment	<u>(12,811,870)</u>	<u>(2,687,643)</u>	<u>446,774</u>	<u>(15,052,739)</u>
Total Accumulated Depreciation	<u>(139,431,750)</u>	<u>(9,890,730)</u>	<u>1,413,502</u>	<u>(147,908,978)</u>
Total Capital Assets Being Depreciated, Net	<u>144,939,358</u>	<u>(75,806)</u>	<u>(31,712)</u>	<u>144,831,840</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,969,013</u>	<u>\$ 25,636,547</u>	<u>\$ (7,491,471)</u>	<u>\$ 186,114,089</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2011, was as follows:

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>
<b>Business-Type Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 918,469	\$ 34,802	\$ (74,923)	\$ 878,348
Construction In Progress	<u>9,620,019</u>	<u>11,430,253</u>	<u>(6,950,623)</u>	<u>14,099,649</u>
Total Capital Assets Not Being Depreciated	<u>10,538,488</u>	<u>11,465,055</u>	<u>(7,025,546)</u>	<u>14,977,997</u>
<b>Capital Assets Being Depreciated:</b>				
Landfill & Land Improvements	19,861,149	528,750	-	20,389,899
Water & Wastewater Lines	31,984,316	5,360,804	-	37,345,120
Buildings & Improvements	17,235,949	92,635	-	17,328,584
Machinery & Equipment	<u>34,967,732</u>	<u>1,169,235</u>	<u>(189,000)</u>	<u>35,947,967</u>
Total Capital Assets Being Depreciated	<u>104,049,146</u>	<u>7,151,424</u>	<u>(189,000)</u>	<u>111,011,570</u>
<b>Less Accumulated Depreciation for:</b>				
Landfill & Land Improvements	(11,557,276)	(513,299)	-	(12,070,575)
Water & Wastewater Lines	(12,504,079)	(927,049)	-	(13,431,128)
Building & Improvements	(5,855,333)	(457,147)	-	(6,312,480)
Machinery & Equipment	<u>(10,845,804)</u>	<u>(2,021,942)</u>	<u>-</u>	<u>(12,867,746)</u>
Total Accumulated Depreciation	<u>(40,762,492)</u>	<u>(3,919,437)</u>	<u>-</u>	<u>(44,681,929)</u>
Total Capital Assets Being Depreciated, Net	<u>63,286,654</u>	<u>3,231,987</u>	<u>(189,000)</u>	<u>66,329,641</u>
	<u>\$ 73,825,142</u>	<u>\$ 14,697,042</u>	<u>\$ (7,214,546)</u>	<u>\$ 81,307,638</u>

Depreciation and depletion expense was charged to the following activities:

**Governmental Activities:**

General Government	\$ 917,683
Public Safety	1,958,929
Highways, Streets, and Bridges	6,393,128
Health and Welfare	217,532
Recreation and Culture	209,916
Public Libraries	189,498
Economic Development	4,044
	<u>\$ 9,890,730</u>

**Business-type Activities:**

Enterprise Funds:

Water	\$ 177,533
Wastewater	2,298,784
Landfill	<u>1,443,120</u>
	<u>\$ 3,919,437</u>

**Construction Commitments**

Cecil County has active construction contracts as of June 30, 2011. 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	\$ 1,667,746	\$ 3,632,872
Detention Center Renovations	18,540,960	11,441,988
Landfill - Cell 4 Re-Development	10,493,181	3,090,338
Wastewater Treatment Facilities	<u>2,355,019</u>	<u>2,249,542</u>
Total	<u>\$ 33,056,906</u>	<u>\$ 20,414,740</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, 2011:

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>
<b><u>Board of Education</u></b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,202,153	\$ -	\$ -	\$ 1,202,153
Construction in Progress	<u>14,468,604</u>	<u>4,613,477</u>	<u>(3,011,572)</u>	<u>16,070,509</u>
Total Capital Assets Not Being Depreciated	<u>15,670,757</u>	<u>4,613,477</u>	<u>(3,011,572)</u>	<u>17,272,662</u>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	12,423,808	24,533	(27,607)	12,420,734
Building & Improvements	239,892,010	1,684,228	(1,554,680)	240,021,578
Machinery & Equipment	<u>25,546,660</u>	<u>5,133,429</u>	<u>(4,827,790)</u>	<u>25,852,299</u>
Total Capital Assets Being Depreciated	<u>277,862,478</u>	<u>6,842,190</u>	<u>(6,410,057)</u>	<u>278,294,611</u>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	(2,100,365)	(601,197)	22,638	(2,678,924)
Building & Improvements	(89,701,507)	(7,270,543)	1,089,300	(95,882,750)
Machinery & Equipment	<u>(13,959,746)</u>	<u>(2,999,350)</u>	<u>3,866,069</u>	<u>(13,093,027)</u>
Total Accumulated Depreciation	<u>(105,761,618)</u>	<u>(10,871,090)</u>	<u>4,978,007</u>	<u>(111,654,701)</u>
Total Capital Assets Being Depreciated, Net	<u>172,100,860</u>	<u>(4,028,900)</u>	<u>(1,432,050)</u>	<u>166,639,910</u>
Board of Education Capital Assets, Net	<u>\$ 187,771,617</u>	<u>\$ 584,577</u>	<u>\$ (4,443,622)</u>	<u>\$ 183,912,572</u>



## Capital assets of the County's component units (continued)

	June 30, 2010	Increases	Decreases	June 30, 2011
<b><u>Cecil College</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	20,382,341	231,391	(20,093,869)	\$ 519,863
Total Capital Assets Not Being Depreciated	<u>22,162,104</u>	<u>231,391</u>	<u>(20,093,869)</u>	<u>2,299,626</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	4,234,133	21,569,749	-	25,803,882
Building and Improvements	36,762,835	-	(24,770)	36,738,065
Machinery & Equipment	6,565,313	524,279	(77,280)	7,012,312
Total Capital Assets Being Depreciated	<u>47,562,281</u>	<u>22,094,028</u>	<u>(102,050)</u>	<u>69,554,259</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(2,090,402)	(1,594,819)	-	(3,685,221)
Building & Improvements	(12,578,085)	(919,702)	19,626	(13,478,161)
Machinery & Equipment	(5,202,526)	(357,280)	71,315	(5,488,491)
Total Accumulated Depreciation	<u>(19,871,013)</u>	<u>(2,871,801)</u>	<u>90,941</u>	<u>(22,651,873)</u>
Total Capital Assets Being Depreciated, Net	<u>27,691,268</u>	<u>19,222,227</u>	<u>(11,109)</u>	<u>46,902,386</u>
Cecil College Capital Assets, Net	<u>\$ 49,853,372</u>	<u>\$ 19,453,618</u>	<u>\$ (20,104,978)</u>	<u>\$ 49,202,012</u>
<b><u>Public Library</u></b>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 4,231,628	\$ 779,079	\$ (572,075)	\$ 4,438,632
Less Accumulated Depreciation for:				
Machinery & Equipment	(1,609,475)	(721,842)	572,075	(1,759,242)
Total Capital Assets Being Depreciated, Net	<u>2,622,153</u>	<u>57,237</u>	<u>-</u>	<u>2,679,390</u>
Public Library Capital Assets, Net	<u>\$ 2,622,153</u>	<u>\$ 57,237</u>	<u>\$ -</u>	<u>\$ 2,679,390</u>
<b><u>Bainbridge Development Corporation</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ -	\$ 3,549,600
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	11,948	1,550	-	13,498
Total Capital Assets Being Depreciated	<u>11,948</u>	<u>1,550</u>	<u>-</u>	<u>13,498</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(7,999)	(1,487)	-	(9,486)
Total Accumulated Depreciation	<u>(7,999)</u>	<u>(1,487)</u>	<u>-</u>	<u>(9,486)</u>
Total Capital Assets Being Depreciated, Net	<u>3,949</u>	<u>-</u>	<u>-</u>	<u>3,949</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,552,549</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 3,553,612</u>

**7. Inter-fund Receivables, Payables, Advances and Transfers**

Inter-fund balances arise primarily from the General Fund's role as receiver, investor, and disbursing agent of cash. Transactions that are short-term were classified as inter-fund receivables. The inter-fund receivables as of June 30, 2011, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Programs Fund	\$ 5,545
	Non-Major Governmental Funds	493,810
	Internal Service Funds	97,935
		<u>\$ 597,290</u>

Inter-fund transfers from the General Fund consist of operating transfers to finance debt service of \$15,718,630, capital projects of \$1,751,000, and \$1,810,169 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2011, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Housing Fund</u>	<u>General Capital Projects Fund</u>	<u>Board of Education Construction Fund</u>	<u>Non-Major Governmental Funds</u>	<u>General Fund</u>	
General Fund	\$ 19,626	\$ 585,000	\$ 569,000	\$ 18,106,173	\$ -	\$ 19,279,799
Non-Major Governmental Funds	-	-	-	-	95,029	95,029
Total	<u>\$ 19,626</u>	<u>\$ 585,000</u>	<u>\$ 569,000</u>	<u>\$ 18,106,173</u>	<u>\$ 95,029</u>	<u>\$ 19,374,828</u>

**8. Long-Term Debt**

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

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 152,573,539	\$ -	\$ (9,447,842)	\$ 143,125,697	\$ 10,321,012
Less: Deferred Charges					
Premium on Debts Issued	2,563,769	-	(282,438)	2,281,331	282,438
Gain on Refunding	(1,151,429)	182,318	-	(969,111)	(182,318)
Total Bonds Payable	153,985,879	182,318	(9,730,280)	144,437,917	10,421,132
Capital Leases	1,521,017	-	(590,576)	930,441	614,194
Compensated Absences	1,558,419	1,893,269	(1,830,867)	1,620,821	1,080,547
Governmental Activity Long-Term Liabilities	<u>\$ 157,065,315</u>	<u>\$ 2,075,587</u>	<u>\$ (12,151,723)</u>	<u>\$ 146,989,179</u>	<u>\$ 13,143,736</u>

## Changes in Long-Term Liabilities (continued)

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
<b>Business-Type Activities:</b>					
Bonds Payable	\$ 50,077,137	\$ 3,319,406	\$ (4,810,219)	\$ 48,586,324	\$ 2,539,371
Less: Discount on Issuance	(9,952)	-	3,073	(6,879)	(2,559)
Total Bonds Payable	50,067,185	3,319,406	(4,807,146)	48,579,445	2,536,812
Compensated Absences	118,548	114,529	(122,609)	110,468	73,644
Accrued Landfill Closure and Postclosure Costs	6,721,441	336,896	-	7,058,337	-
Business-Type Activity Long-Term Liabilities	<u>\$ 56,907,174</u>	<u>\$ 3,770,831</u>	<u>\$ (4,929,755)</u>	<u>\$ 55,748,250</u>	<u>\$ 2,610,456</u>
<b>Component Units</b>					
Board of Education	\$ 14,366,699	\$ 2,504,225	\$ (3,292,286)	\$ 13,578,638	\$ 3,517,627
Cecil College	313,632	6,631	-	320,263	213,509
Cecil County Public Library	57,873	967	-	58,840	39,227
Component Units Long-Term Liabilities	<u>\$ 14,738,204</u>	<u>\$ 2,511,823</u>	<u>\$ (3,292,286)</u>	<u>\$ 13,957,741</u>	<u>\$ 3,770,362</u>

Compensated absences are reported in the fund which incurred the obligation and liabilities are liquidated within the respective 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 of June 30, 2011.

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding June 30, 2011</u>
1997/2012	\$ 4,850,000	Consolidated Public Improvement Bonds 1997 General \$20,000 BOE \$3,540,690 College \$1,289,310	4.9725%	\$ 875,000
2001/2021	15,245,000	Consolidated Public Improvement Bonds 2001B General \$2,645,000 BOE \$12,310,920 College \$289,080	5.765%	710,000
2002/2023	2,050,000	Sanitary District Bond 2002A CherryHill WWTP	2.0%	1,325,844
2002/2024	6,279,112	Sanitary District Bond 2002B North East River WWTP	1.9%	4,160,332
2002/2017	13,795,000	Consolidated Public Improvement and Refunding Bonds 2002 General \$1,510,318 BOE \$3,456,660 Refunding 1993 & 1995 \$8,828,022	3.0%-3.875%	6,145,000
2003/2043	845,000	Sanitary District Bond 2003A CherryHill WWTP	4.252%	771,007
2003/2023	21,140,000	Consolidated Public Improvement and Refunding Bonds of 2003 General \$3,521,742 BOE \$3,896,804 College \$3,558,262 Refunding Bal. 1993 \$10,163,192	2.25%-4.5%	8,225,000



## List of Bonds outstanding at June 30, 2011 (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, 2011</u>
2004/2023	\$ 2,616,645	Sanitary District Bond, Series 2003B Lakeside/Rt 272 Sewer Upgrades	1.2%	\$ 1,720,203
2004/2044	1,585,000	Sanitary District Bond, Series 2004A Carpenters Point Ph I collection system	4.577%	1,472,698
2004/2025	8,000,000	Sanitary District Bond, Series 2004B Meadowview WWTP	1.1%	5,987,273
2004/2024	9,025,000	Consolidated Public Improvement Bonds 2004 General \$5,704,256 BOE \$2,197,686 College \$591,058 Library \$532,000	3.0%-4.3%	6,910,000
2005/2025	39,615,000	Consolidated Public Improvement and Refunding Bonds 2005 General \$12,069,296 BOE \$12,870,884 Library \$2,919,820 Refunding 1996 & 1999 \$11,755,000	3.75%-5%	30,040,000
2007/2027	26,720,000	Consolidated Public Improvement Bonds 2006 General \$4,407,443 BOE \$20,205,776 Library \$2,106,781	3.5%-5%	22,845,000
2008/2027	32,045,000	Consolidated Public Improvement Bonds 2007 General \$9,401,700 BOE \$15,530,046 College \$743,254 Waste Water \$6,370,000	4%-5%	28,635,000
2008/2027	2,702,000	Sanitary District Bond 2008A Washington Street Pump Station Carpenters Point Ph II collection system	1%	2,199,721
2009/2028	800,000	Sanitary District Bond 2008B Septage Receiving Facility	None	680,000

List of Bonds outstanding at June 30, 2011 (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, 2011</u>
2009/2028	\$ 27,695,000	Consolidated Public Improvement Bonds 2009 General \$6,857,437 BOE \$9,175,563 College \$6,987,000 Waste Water \$3,700,000 Solid Waste \$975,000	3.0%-4.375%	\$ 24,925,000
2010/2021	25,160,000	Consolidated Public Improvement and Refunding Bonds 2010A General \$4,553,000 BOE \$1,646,000 College \$751,000 Solid Waste \$8,500,000 Refunding 2001B \$9,710,000	2.0%-3.0%	25,160,000
2010/2030	15,420,000	Consolidated Public Improvement and Refunding Bonds 2010B General \$6,920,000 Solid Waste \$8,500,000	4.75%-5.7%	15,420,000
2010/2030	1,257,000	Sanitary District Bond 2010A Carpenters Point Ph III collection system (Only \$50,274 drawn at June 30, 2010)	1%	1,229,680
2011/2014	2,140,000	Landfill Refunding Bond, Series 2010	1.9%	<u>2,140,000</u>
Sub-Total General Obligation Bonds				<u>191,576,758</u>
1996/2011	107,801	West View Shores I - Erosion Control	None	7,187
2004/2019	149,000	West View Shores II - Erosion Control	None	<u>128,076</u>
Sub-Total Special Assessment Debt				135,263
Total				<u>\$ 191,712,021</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 annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2011, were as follows:

Years Ending June 30	General Obligation Bonds				Special Assessment Bonds	
	Governmental Activities		Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 10,307,727	\$ 5,461,250	\$ 2,539,371	\$ 1,407,144	\$ 13,286	\$ -
2013	9,172,701	5,095,799	3,030,649	1,345,678	6,099	-
2014	9,161,709	4,754,290	3,174,193	1,281,446	6,099	-
2015	8,775,013	4,428,460	3,218,749	1,216,465	6,099	-
2016	9,048,317	4,108,414	2,638,621	1,157,675	6,099	-
2017-2021	44,065,893	15,569,192	13,782,984	4,872,591	30,494	-
2022-2026	40,038,587	7,088,894	12,375,777	2,919,849	30,494	-
2027-2031	12,420,487	978,345	6,585,200	1,026,320	30,494	-
2032-2036	-	-	409,639	238,861	6,099	-
2037-2041	-	-	510,146	138,355	-	-
2042-2046	-	-	348,315	29,166	-	-
	<u>\$ 142,990,434</u>	<u>\$ 47,484,644</u>	<u>\$ 48,613,644</u>	<u>\$ 15,633,550</u>	<u>\$ 135,263</u>	<u>\$ -</u>
Less: Funds not Drawn	-		(27,320)		-	
Total	<u>\$ 142,990,434</u>		<u>\$ 48,586,324</u>		<u>\$ 135,263</u>	

**C. Conduit Debt Obligations**

The County has issued revenue based bonds to provide 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. Two revenue bond issues are outstanding. The total offering is \$16,484,447. As of June 30, 2011, the aggregate principal amount outstanding for these bonds is \$15,436,947.

**9. Leases**

**A. Operating Leases**

The County leases office facilities, including a public safety facility, under non-cancelable operating leases. The Board of Education leases office and warehouse space, and bus parking. The future minimum lease payments for these leases were as of June 30, 2011:

<b>Years Ending June 30</b>	<b>Primary Government</b>	<b>Board of Education</b>
2012	419,884	620,287
2013	419,884	620,290
2014	433,509	620,290
2015	433,509	624,801
2016	448,765	632,380
2017-2021	2,340,850	-
2022-2026	<u>2,028,336</u>	<u>-</u>
<b>Total Commitment under the Operating Lease</b>	<b><u>\$ 6,524,737</u></b>	<b><u>\$ 3,118,048</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 Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As of June 30, 2011, future minimum payments under capital leases were as follows:

<b>Years Ending June 30</b>	<b>Governmental</b>	<b>Board of Education</b>
2012	\$ 645,018	\$ 1,736,036
2013	322,510	1,736,036
2014	-	1,350,453
2015	-	813,910
2016	-	813,910
2017-2021	<u>-</u>	<u>4,069,547</u>
<b>Total Payments</b>	<b>\$ 967,528</b>	<b>\$ 10,519,892</b>
<b>Less Interest</b>	<b><u>37,087</u></b>	<b><u>1,324,470</u></b>
<b>Capitalized lease obligations</b>	<b><u>\$ 930,441</u></b>	<b><u>\$ 9,195,422</u></b>

**10. Landfill Closure and Post-closure 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 post-closure 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 post-closure 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 post-closure care liability of \$7,058,337 as of June 30, 2011, represented the cumulative amount reported to date based on the use of approximately 65.86% of the estimated capacity of the currently constructed cells at the landfill. Based on the historical average disposal volume in the last 5 years, it is anticipated that the existing landfill has approximately 10-12 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$3,658,078 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2011 costs. Actual cost may be different because of inflation, changes in technology, or changes in regulations.

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 post-closure care. The County is in compliance with these requirements.

**11. Fund Balance**

**General Fund**

Non-spendable fund balance reports resources that cannot be spent because of their form, or due to legal or contractual requirements.

The Non-spendable fund balance of \$1,807,790, as of June 30, 2011, represented the following:

Inventory and Prepaid	\$ 1,602,488
Advance to Water Services Fund	199,183
Senior Citizen Tax Deferral	<u>6,119</u>
	<u>\$ 1,807,790</u>

Committed fund balance reports resources with self-imposed limitations approved by the Board of County Commissioners prior to the end of the period. Formal action is required to remove or modify a constraint reflected in the committed fund balance.



The Committed fund balance of \$13,885,400, as of June 30, 2011, represented the following:

<b>Committed</b>		
Contingencies (Rainy Day)		\$ 12,242,494
Fund Balance Appropriation FY2012		<u>1,642,906</u>
		<u>\$ 13,885,400</u>

Assigned fund balance records the portion of fund balance that reflects the government's intended use of resources. Assigned fund balance can be established by either the Board of County Commissioners or County Administrator. Unlike committed fund balance, formal action is not required to impose, remove or modify assigned fund balance.

The Assigned fund balance of \$7,784,000, as of June 30, 2011, represented the following:

<b>Assigned</b>		
On-going legal expenses		\$ 500,000
Fuel System Contingency		100,000
State Pension - Board of Education		2,000,000
CCDC Renovations Contingency		1,500,000
County pay as you go funding FY2013		<u>3,684,000</u>
		<u>\$ 7,784,000</u>

**Other Funds**

The fund balance in other funds amounts to \$19,810,925, as of June 30, 2011, and consists of the following:

Major Fund	Housing	Restricted	\$ 1,322,668
Major Fund	Casino Local Impact	Restricted	2,956,973
Non-Major Funds	Other Governmental	Restricted	2,524,537
Major Fund	General Capital Projects	Committed	8,561,957
Major Fund	Board of Education Construction	Committed	2,890,411
Non-Major Funds	Other Capital Projects	Committed	<u>1,554,379</u>
			<u>\$19,810,925</u>

The restricted fund balances for all special revenue funds amounting to \$6,804,178, and committed fund balance for all capital funds totaling \$10,116,336, were intended 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 care 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. Inter-fund 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 \$100,000 per plan year. During the fiscal year ended June 30, 2011, the County incurred a series of claims that exceeded the stop loss limit. The County received reimbursement for these claims and the fund finished the year with a fund balance above the amount required by the funds' fund balance policy.

The liability for Health Insurance Fund claims of \$1,027,863 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2011. 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>
2009-2010	\$ 1,026,341	\$ 7,424,575	\$ (7,352,662)	\$ 1,098,254
2010-2011	1,098,254	7,314,953	(7,385,344)	1,027,863

**B. Workers Compensation Insurance**

Effective July 1, 2009, the County became self-insured for workers compensation benefits provided to employees. The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of workers compensation claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$500,000, per plan year.

The liability for Workers Compensation Fund claims of \$1,732,133, is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2011.

The fund's claims liability for the fiscal year is as follows:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2009-2010	\$ -	\$ 1,352,758	\$ (280,417)	\$ 1,072,341
2010-2011	1,072,341	1,437,405	(777,613)	1,732,133

**C. 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). Coverage and deductibles under LGIT vary depending on type of incident.

The County insures its primary liability, property damage, and excess liability coverage through participation in 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, 2011. Funding for the year ending June 30, 2011, is estimated to be \$7,923,308. 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, 2011, such funding amounted to \$68,350,618, and is estimated to be \$67,156,014, for the year ending June 30, 2012.

**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, 2009, the date of the latest actuarial valuation, there were 221 active Plan members, 41 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, 2011, the County's annual contribution to the PPPSE was \$2,019,471 and equaled its required contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2009, actuarial valuation using the projected unit actuarial cost method and level percentage – closed amortization 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 at 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 and non-annuitant 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 Historical Trend Information for the PPPSE System is as follows:

<b>Fiscal Years Ending June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Covered</b>	<b>Net Pension Obligation</b>
2009	\$ 1,753,647	100%	\$ -
2010	1,798,040	100%	-
2011	2,019,471	100%	-

The funded status of the PPPSE plan as of June 30, 2009, the most recent valuation date, is as follows:

<b>Actuarial Valuation Date July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b-a)/c)</b>
2009	\$ 19,775,437	\$ 31,813,317	\$ 12,037,880	62.2%	\$ 10,405,176	115.7%



The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. The Schedule of Funding Progress also discloses the relationship between the systems covered payroll and the unfunded actuarial accrued liability. This relationship, expressed as a ratio, is a measure of the significance of the unfunded AAL relative to the capacity to pay all contributions required to fund the liability.

**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 at [www.sra.state.md.us](http://www.sra.state.md.us) or 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, 2011, 2010, and 2009, were \$1,661,080, \$1,212,634 and \$1,125,107, respectively and equaled the required contribution for each year. Amounts contributed by the State on behalf of the component units can be found in their respective financial statements.

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, 2011, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 1,661,080	\$ 2,019,471	\$ 3,680,551
Component Units			
Board of Education	14,837,622	-	14,837,622
Community College	485,237	-	485,237
Public Library	338,958	-	338,958
	<u>17,322,897</u>	<u>2,019,471</u>	<u>19,342,368</u>
Total	<u>\$ 17,322,897</u>	<u>\$ 2,019,471</u>	<u>\$ 19,342,368</u>

**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 has also chosen a TIAA-CREF plan to provide retirement benefits to certain employees not eligible to participate in any other plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$5,910,295 in 2011.

**15. Other Post-Employment Benefits**

**A. Plan Description**

The Cecil County Maryland Non-Pension Post Employment Benefits Trust (the "Plan") is a single employer defined benefit plan administered by the County. The Plan provides medical, prescription drug, dental and vision to all eligible retired employees of the County, Cecil County Public Library and Cecil College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must meet the eligibility requirements of the plan. In addition, eligible spouses and dependants desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement depending on the employee's years of service, the County contributes \$75 to \$150 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. As of June 30, 2011, the date of the last actuarial valuation, approximately 84 retirees and their beneficiaries were receiving benefits, and an estimated 668 active employees are potentially eligible to receive future benefits.

**B. Funding Policy**

The County pays a portion of retiree healthcare premiums based on years of service. The retiree pays the remaining premium, including the cost of eligible dependents. The Cecil County Maryland, Non-Pension Post Employment Benefits Trust was established by the Board of County Commissioners of Cecil County to provide funding for post retirement non-pension benefits for certain employees of the County, Cecil College and the Cecil County Library. The County funded the Annual Required Contribution (ARC) in the amount of \$879,000.

**C. Annual OPEB Cost and Net OPEB Obligation**

An actuarial study was prepared calculating the postemployment healthcare cost as of June 30, 2011. The actuarial evaluation estimated the Unfunded Actuarial Accrued Liability ("UAAL") at \$9,286,000 and the Annual Required Contribution ("ARC") of \$896,000. The post-employment healthcare cost was determined under the Projected Unit Credit Actuarial Cost Method and uses a level percentage closed amortization method. The calculation uses a 7.50 percent discount rate and the amortization of the UAAL over 30 years. This ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus any unfunded liability amortized over a period not to exceed thirty years. The County pays post retirement medical benefits (normal cost) from the General Fund, not from the trust.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB Plan for the year ended June 30, 2011.

Annual Required Contribution (ARC)	\$ 896,000
Interest on Net OPEB Obligation	(75,000)
Adjustment to the ARC	<u>58,000</u>
Annual OPEB Cost	879,000
Payments to retirees from General Fund	(547,750)
Contributions made	<u>(331,250)</u>
Increase in Net OPEB Obligation	-
Net OPEB obligation (asset) - beginning of year	<u>(1,003,488)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (1,003,488)</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2011, were as follows:

<u>Fiscal Years Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage of ARC Covered</u>	<u>Net OPEB Obligation</u>
2009	\$ 516,000	294.47%	\$ (1,003,488)
2010	648,000	100%	(1,003,488)
2011	879,000	100%	(1,003,488)

**D. Funding Status and Funding Progress**

As of June 30, 2011, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$9,286,000. The County fully funded the annual required contribution (ARC). As of June 30, 2011, there were \$2,230,059 in net assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality, and health care cost trends. The amounts determined from the actuarial study regarding the funded status of the Plan and annual required contributions of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress shows whether the actuarial value of the Plans assets is increasing or decreasing over time related to the AAL.

**E. Actuarial Methods and Assumptions**

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

In the June 30, 2011 actuarial valuation, the cost method used was the projected unit credit, with linear proration to assumed benefit commencement. The actuarial assumptions included a 7.50 percent rate of return, a 4.0% annual projected salary increase and an annual healthcare cost trend rate of 8.0 percent trending down in future years. The inflation rate is implicit in the healthcare cost increases listed above. The UAAL is being amortized over thirty years based on a level percentage of projected payroll.

**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 have been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 480 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$7,303 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 2011, \$2,978,542 was recorded for current post-retirement health care costs.

**16. Subsequent Events**

By unanimous resolutions dated October 7, 2008 the Board of County Commissioners approved (i) the expansion of franchises for the operation of water and wastewater systems within the so-called Extended Elkton West Service Area, in eastern Cecil County, and (ii) the execution and delivery of a series of three asset purchase agreements between the County and the franchisees for the sale and conveyance of seven water and wastewater facilities located in the franchise area. Closing of these sales and conveyances was to have occurred by June 30, 2009, but closing was delayed because County residents and community organizations filed suit to challenge the County's authority to sell and convey the water and wastewater assets. The County prevailed in the matter before the Circuit Court for Cecil County, in July 2009, but the challengers appealed the Circuit Court's ruling. On June 21, 2011 the Maryland Court of Special Appeals issued a ruling stating that the County had the right to sell its assets to Artesian. On August 31, 2011, the Public Service Commission approved the sale of the assets to Artesian. On September 27, 2011, the Board of County Commissioners entered into a mutual agreement with Artesian to cancel the contracts for the sale of the wastewater assets and that Artesian would only be moving forward with the purchase of the water system. On October 7, 2011 the County was given notice that a Petition for Judicial Review has been filed requesting a review of the decision of the Public Service Commission. As of this writing we are not aware that this Judicial Review will delay the closing on the contract. The sale and conveyance is now expected to occur in fiscal year 2012.

## REQUIRED SUPPLEMENTARY INFORMATION



The following schedules present the County's actuarially determined funding progress and required contribution for the Cecil County Pension Plan for Public Safety Employees.

### SCHEDULE OF FUNDING PROGRESS

<b>Actuarial Valuation Date July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
2002	\$ 4,930,633	\$ 12,312,475	\$7,381,842	40.0%	\$ 6,089,345	121.2%
2003	6,783,242	14,038,972	7,255,730	48.3%	6,426,628	112.9%
2004	8,665,871	16,498,936	7,833,065	52.5%	7,061,252	110.9%
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%
2009**	19,775,437	31,813,317	12,037,880	62.2%	10,405,176	115.7%

\* Reflects changes in Plan actuarial assumptions.

\*\* Actuarial report is completed every two years.

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<b>Fiscal Years Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Covered</b>	<b>Net Pension Obligation</b>
2004	\$ 1,055,473	100%	\$ -
2005	1,160,256	100%	-
2006	1,251,450	100%	-
2007	1,274,061	100%	-
2008	1,410,479	100%	-
2009	1,753,647	100%	-
2010	1,798,040	100%	-
2011	2,019,471	100%	-

The following schedules present the County's actuarially determined funding progress and required contribution for the Cecil County Non-Pension Post Employment Trust Fund.

### SCHEDULE OF FUNDING PROGRESS

<b>Actuarial Valuation Date June 30</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
2011	\$ 2,025,000	\$ 9,286,000	\$ 7,261,000	21.8%	\$ 25,443,669	28.5%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Covered</b>	<b>Net Pension Obligation *</b>
2009	\$ 516,000	294.47%	\$ (1,003,488)
2010	648,000	100%	(1,003,488)
2011	879,000	100%	(1,003,488)

\* It should be noted that the County has a negative OPEB obligation, which means that the Plan is currently funded in excess of the required amount.

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## **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 schedules on the following pages present 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, 2011**

	<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>				
Property Taxes	\$101,707,202	\$101,707,202	\$101,811,471	\$ 104,269
Income Taxes	46,665,160	46,665,160	46,835,947	170,787
Licenses and Permits	1,251,020	1,371,020	1,427,706	56,686
Intergovernmental	4,229,982	7,213,028	5,593,254	(1,619,774)
Charges for Services	6,246,955	6,340,654	6,554,696	214,042
Investment Earnings	750,000	750,000	479,947	(270,053)
Contributions & Other Revenues	-	-	48,433	48,433
<b>Total Revenues</b>	<u>160,850,319</u>	<u>164,047,064</u>	<u>162,751,454</u>	<u>(1,295,610)</u>
<b>Other Financing Sources</b>				
Proceeds from Capital Asset Disposal	-	-	80,500	80,500
Transfers in from Gilpin Falls Capital Fund	-	-	95,029	95,029
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>175,529</u>	<u>175,529</u>
<b>Total Revenues and Other Financing Sources</b>	<u>\$160,850,319</u>	<u>\$164,047,064</u>	<u>\$162,926,983</u>	<u>\$(1,120,081)</u>
<b>Expenditures</b>				
<b>General Government</b>				
County Commissioners	\$ 399,084	\$ 418,384	\$ 408,135	\$ 10,249
Office of Administrator	232,357	167,767	161,507	6,260
Budget	111,437	111,437	109,972	1,465
Administration Building Maintenance	650,810	649,120	635,821	13,299
Purchasing Department	254,206	248,511	213,194	35,317
Central Store Building Maintenance	750	750	480	270
Other General Government	2,242,179	2,473,179	2,297,883	175,296
Judgments and Losses	10,000	10,000	8,821	1,179
Reserve for Emergencies	125,000	125,000	-	125,000
Human Resources	576,505	576,605	561,967	14,638
Treasurer's Office	1,753,342	1,714,158	1,652,586	61,572
Information Systems	1,181,975	1,196,572	1,042,621	153,951
Circuit Court	2,088,729	1,957,736	1,811,016	146,720
Orphans Court	23,083	23,083	20,776	2,307
Board of Elections	787,366	787,366	675,219	112,147
Voting Machine Maintenance	2,900	2,900	1,658	1,242
Liquor Board Licensing	225,542	237,222	213,267	23,955
Planning and Zoning	911,618	903,048	748,206	154,842
Board of Appeals	28,500	28,500	9,641	18,859
Planning Commission	37,500	37,500	11,997	25,503
Chesapeake Bay Critical Area	327,828	327,828	324,846	2,982
Courthouse Maintenance	1,221,313	1,306,937	1,248,488	58,449
<b>Total General Government</b>	<u>\$ 13,192,024</u>	<u>\$ 13,303,603</u>	<u>\$ 12,158,101</u>	<u>\$ 1,145,502</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, 2011**

	<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>Expenditures (Continued)</b>				
<b>Public Safety</b>				
State's Attorney's Office	\$ 1,767,404	\$ 1,770,104	\$ 1,774,356	\$ (4,252)
Sheriff's Office - Law Enforcement	9,047,995	9,187,038	8,884,594	302,444
Sheriff - Special Assignments	50,612	50,612	51,695	(1,083)
Sheriff Patrol - Charlestown	47,013	47,013	41,165	5,848
Sheriff Patrol - Chesapeake City	35,204	54,604	54,722	(118)
Detention Center	6,951,329	6,943,464	6,539,535	403,929
Detention Center Maintenance	308,483	316,783	242,726	74,057
County Work Release Program	875,150	825,345	668,756	156,589
Emergency Management	3,546,331	4,512,797	3,526,773	986,024
Emergency Medical Services	3,098,354	3,134,269	3,101,859	32,410
Volunteer Fire Departments	4,488,980	4,488,980	4,466,856	22,124
Civil Defense - 911 System	150,000	150,000	150,000	-
EMCDA Facility Maintenance	584,500	612,050	585,179	26,871
Permits and Licenses	744,593	822,584	771,153	51,431
Society for the Prevention of Cruelty to Animals	648,000	648,000	648,000	-
<b>Total Public Safety</b>	<u>32,343,948</u>	<u>33,563,643</u>	<u>31,507,369</u>	<u>2,056,274</u>
<b>Highways, Streets, and Bridges</b>				
Public Works Administration	2,729,343	2,594,204	2,330,113	264,091
Roads Administration	-	3,906,796	3,891,537	15,259
Roads Maintenance	-	3,732,692	3,179,865	552,827
Weed Control	85,178	85,178	36,588	48,590
<b>Total Highways, Streets, and Bridges</b>	<u>2,814,521</u>	<u>10,318,870</u>	<u>9,438,103</u>	<u>880,767</u>
<b>Health and Welfare</b>				
Health Department	2,445,950	2,445,950	2,445,950	-
New Health Department Maintenance	123,108	122,808	119,242	3,566
Mosquito Control	24,405	24,405	24,123	282
Pauper Burials	2,800	2,800	1,200	1,600
Social Services	749,757	886,880	825,433	61,447
Domestic Violence	909,752	1,089,405	796,648	292,757
Healthy Marriage	556,000	736,825	498,654	238,171
Domestic Violence - Coord. Council	48,810	48,810	43,681	5,129
Youth Panel	77,579	91,335	92,668	(1,333)
Maryland School for the Blind	5,667	5,667	1,901	3,766
Senior Center Maintenance	3,400	5,275	4,029	1,246
Old Help Center Maintenance	6,800	6,800	4,182	2,618
Cecil County Adult Day Care	34,237	34,237	34,237	-
Non-Profit Agencies	236,463	238,751	238,751	-
<b>Total Health and Welfare</b>	<u>\$ 5,224,728</u>	<u>\$ 5,739,948</u>	<u>\$ 5,130,699</u>	<u>\$ 609,249</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, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Expenditures (Continued)</b>				
<b>Recreation and Culture</b>				
Board of Parks	\$ 875,660	\$ 903,437	\$ 770,286	\$ 133,151
Parks and Recreation Maintenance	39,500	39,500	35,504	3,996
Old Library Building Maintenance	16,200	15,900	12,027	3,873
<b>Total Recreation and Culture</b>	<u>931,360</u>	<u>958,837</u>	<u>817,817</u>	<u>141,020</u>
<b>Education</b>				
Cecil County Board of Education	68,350,618	68,350,618	68,350,618	-
Cecil Community College	8,125,027	8,125,027	8,082,629	42,398
Cecil Community College - Scholarships	42,588	42,588	42,588	-
<b>Total Education</b>	<u>76,518,233</u>	<u>76,518,233</u>	<u>76,475,835</u>	<u>42,398</u>
<b>Public Libraries</b>	<u>4,462,309</u>	<u>4,462,309</u>	<u>4,462,309</u>	<u>-</u>
<b>Economic Development</b>	<u>1,040,685</u>	<u>1,071,827</u>	<u>967,940</u>	<u>103,887</u>
<b>Agriculture</b>				
Agricultural Extension Service	181,407	181,407	172,794	8,613
Soil Conservation	384,230	384,230	375,690	8,540
Gypsy Moth Control	35,000	35,000	3,525	31,475
<b>Total Agriculture</b>	<u>600,637</u>	<u>600,637</u>	<u>552,009</u>	<u>48,628</u>
<b>Municipalities</b>	<u>840,040</u>	<u>840,040</u>	<u>840,039</u>	<u>1</u>
<b>Total Expenditures</b>	<u>137,968,485</u>	<u>147,377,947</u>	<u>142,350,221</u>	<u>5,027,726</u>
<b>Other Financing Uses</b>				
Transfers to Special Revenue Funds	7,348,132	2,125,023	1,810,169	314,854
Transfers to Debt Service Fund	16,158,529	16,158,529	15,718,630	439,899
Transfers to Capital Projects Funds	2,101,000	2,101,000	1,751,000	350,000
<b>Total Other Financing Uses</b>	<u>25,607,661</u>	<u>20,384,552</u>	<u>19,279,799</u>	<u>1,104,753</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>\$ 163,576,146</u>	<u>\$ 167,762,499</u>	<u>\$ 161,630,020</u>	<u>\$ 6,132,479</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<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	\$ -	\$ -	\$ 865,639	\$ 865,639
Receivables, Net	205,874	397	-	206,271
Due from Other Governments	650,729	-	659,123	1,309,852
Restricted Assets: Cash and Investments	<u>2,466,500</u>	<u>-</u>	<u>281,057</u>	<u>2,747,557</u>
<b>Total Assets</b>	<u>\$ 3,323,103</u>	<u>\$ 397</u>	<u>\$ 1,805,819</u>	<u>\$ 5,129,319</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 121,416	\$ -	\$ 251,440	\$ 372,856
Salaries and Benefits Payable	179,419	-	-	179,419
Due to Other Funds	493,413	397	-	493,810
Deferred Revenue	4,218	-	-	4,218
Other Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total Liabilities</b>	<u>798,566</u>	<u>397</u>	<u>251,440</u>	<u>1,050,403</u>
<b>Fund Balances:</b>				
Restricted Fund Balance	2,524,537	-	-	2,524,537
Committed Fund Balance	<u>-</u>	<u>-</u>	<u>1,554,379</u>	<u>1,554,379</u>
<b>Total Fund Balances</b>	<u>2,524,537</u>	<u>-</u>	<u>1,554,379</u>	<u>4,078,916</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,323,103</u>	<u>\$ 397</u>	<u>\$ 1,805,819</u>	<u>\$ 5,129,319</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ -	\$ 13,994	\$ -	\$ 13,994
Intergovernmental	2,261,126	-	-	2,261,126
Charges for Services	343,463	-	-	343,463
Investment Earnings	6,914	-	-	6,914
Contributions & Other Revenues	<u>30,591</u>	-	-	<u>30,591</u>
<b>Total Revenues</b>	<u>2,642,094</u>	<u>13,994</u>	<u>-</u>	<u>2,656,088</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,613,884	-	-	1,613,884
Health and Welfare	2,497,943	-	-	2,497,943
Debt Service:				
Principal	-	10,038,418	-	10,038,418
Interest	-	5,694,206	-	5,694,206
Bond Issuance Cost	-	-	-	-
Capital Outlay	<u>363,959</u>	-	<u>1,065,259</u>	<u>1,429,218</u>
<b>Total Expenditures</b>	<u>4,475,786</u>	<u>15,732,624</u>	<u>1,065,259</u>	<u>21,273,669</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,833,692)</u>	<u>(15,718,630)</u>	<u>(1,065,259)</u>	<u>(18,617,581)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,790,543	15,718,630	597,000	18,106,173
Transfers Out	<u>-</u>	<u>-</u>	<u>(95,029)</u>	<u>(95,029)</u>
<b>Total Other Financing Sources</b>	<u>1,790,543</u>	<u>15,718,630</u>	<u>501,971</u>	<u>18,011,144</u>
<b>Net Change in Fund Balances</b>	(43,149)	-	(563,288)	(606,437)
<b>Fund Balances - June 30, 2010</b>	<u>2,567,686</u>	<u>-</u>	<u>2,117,667</u>	<u>4,685,353</u>
<b>Fund Balances - June 30, 2011</b>	<u>\$ 2,524,537</u>	<u>\$ -</u>	<u>\$ 1,554,379</u>	<u>\$ 4,078,916</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.

**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 funds from County government resources.

**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, 2011**

	<u>Community Adult Rehabilitation Center</u>	<u>Other Public Safety</u>	<u>Open Space</u>	<u>Agricultural Land Preservation</u>	<u>Senior Services &amp; Community Transit</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Total</u>
<b>ASSETS</b>							
Receivables, Net:							
Accounts	\$ 9,549	\$ -	\$ 16,395	\$ -	\$ -	\$ -	\$ 25,944
Interest	-	-	-	-	-	357	357
Notes	-	-	-	-	-	179,573	179,573
Due from Other Governments	-	-	-	-	650,729	-	650,729
Restricted Assets: Cash and Investments	<u>88,425</u>	<u>56,456</u>	<u>208,651</u>	<u>1,435,220</u>	<u>-</u>	<u>677,748</u>	<u>2,466,500</u>
<b>Total Assets</b>	<b><u>\$ 97,974</u></b>	<b><u>\$ 56,456</u></b>	<b><u>\$ 225,046</u></b>	<b><u>\$ 1,435,220</u></b>	<b><u>\$ 650,729</u></b>	<b><u>\$ 857,678</u></b>	<b><u>\$ 3,323,103</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 17,038	\$ -	\$ 50,611	\$ (748)	\$ 54,515	\$ -	\$ 121,416
Salaries and Benefits Payable	80,936	-	-	-	98,483	-	179,419
Due to Other Funds	-	-	-	-	493,413	-	493,413
Deferred Revenue	-	-	-	-	4,218	-	4,218
Other Liabilities	-	-	-	-	100	-	100
<b>Total Liabilities</b>	<u>97,974</u>	<u>-</u>	<u>50,611</u>	<u>(748)</u>	<u>650,729</u>	<u>-</u>	<u>798,566</u>
<b>Fund Balances:</b>							
Restricted Fund Balance	<u>-</u>	<u>56,456</u>	<u>174,435</u>	<u>1,435,968</u>	<u>-</u>	<u>857,678</u>	<u>2,524,537</u>
<b>Total Fund Balances</b>	<u>-</u>	<u>56,456</u>	<u>174,435</u>	<u>1,435,968</u>	<u>-</u>	<u>857,678</u>	<u>2,524,537</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 97,974</u></b>	<b><u>\$ 56,456</u></b>	<b><u>\$ 225,046</u></b>	<b><u>\$ 1,435,220</u></b>	<b><u>\$ 650,729</u></b>	<b><u>\$ 857,678</u></b>	<b><u>\$ 3,323,103</u></b>



**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Community Adult Rehabilitation Center</b>	<b>Other Public Safety</b>	<b>Open Space</b>	<b>Agricultural Land Preservation</b>	<b>Senior Services &amp; Community Transit</b>	<b>Economic Development Revolving Loan Fund</b>	<b>Total</b>
<b>REVENUES</b>							
Intergovernmental	\$ 714,480	\$ -	\$ 163,488	\$ 23,841	\$ 1,359,317	\$ -	\$ 2,261,126
Charges for Services	139,696	-	-	-	203,667	100	343,463
Investment Earnings	-	-	-	-	-	6,914	6,914
Contributions & Other Revenues	-	-	30,591	-	-	-	30,591
<b>Total Revenues</b>	<b>854,176</b>	<b>-</b>	<b>194,079</b>	<b>23,841</b>	<b>1,562,984</b>	<b>7,014</b>	<b>2,642,094</b>
<b>EXPENDITURES</b>							
Current:							
Public Safety	1,570,624	43,260	-	-	-	-	1,613,884
Health and Welfare	-	-	-	-	2,497,943	-	2,497,943
Capital Outlay	-	-	363,959	-	-	-	363,959
<b>Total Expenditures</b>	<b>1,570,624</b>	<b>43,260</b>	<b>363,959</b>	<b>-</b>	<b>2,497,943</b>	<b>-</b>	<b>4,475,786</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(716,448)</b>	<b>(43,260)</b>	<b>(169,880)</b>	<b>23,841</b>	<b>(934,959)</b>	<b>7,014</b>	<b>(1,833,692)</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers In	716,448	53,056	86,080	-	934,959	-	1,790,543
<b>Total Other Financing Sources</b>	<b>716,448</b>	<b>53,056</b>	<b>86,080</b>	<b>-</b>	<b>934,959</b>	<b>-</b>	<b>1,790,543</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>9,796</b>	<b>(83,800)</b>	<b>23,841</b>	<b>-</b>	<b>7,014</b>	<b>(43,149)</b>
<b>Fund Balances - June 30, 2010</b>	<b>-</b>	<b>46,660</b>	<b>258,235</b>	<b>1,412,127</b>	<b>-</b>	<b>850,664</b>	<b>2,567,686</b>
<b>Fund Balances - June 30, 2011</b>	<b>\$ -</b>	<b>\$ 56,456</b>	<b>\$ 174,435</b>	<b>\$ 1,435,968</b>	<b>\$ -</b>	<b>\$ 857,678</b>	<b>\$ 2,524,537</b>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**COMMUNITY ADULT REHABILITATION CENTER**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ 700,000	\$ 700,000	\$ 714,480	\$ 14,480
Charges for Services	<u>150,400</u>	<u>150,400</u>	<u>139,696</u>	<u>(10,704)</u>
<b>Total Revenues</b>	<u>850,400</u>	<u>850,400</u>	<u>854,176</u>	<u>3,776</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>1,797,855</u>	<u>1,797,855</u>	<u>1,570,624</u>	<u>227,231</u>
<b>Total Expenditures</b>	<u>1,797,855</u>	<u>1,797,855</u>	<u>1,570,624</u>	<u>227,231</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(947,455)</u>	<u>(947,455)</u>	<u>(716,448)</u>	<u>231,007</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>947,455</u>	<u>947,455</u>	<u>716,448</u>	<u>(231,007)</u>
<b>Total Other Financing Sources</b>	<u>947,455</u>	<u>947,455</u>	<u>716,448</u>	<u>(231,007)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2010</b>	-	-	-	-
<b>Fund Balance - June 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**OTHER PUBLIC SAFETY**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>-</u>	<u>99,715</u>	<u>43,260</u>	<u>56,455</u>
<b>Total Expenditures</b>	<u>-</u>	<u>99,715</u>	<u>43,260</u>	<u>56,455</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(99,715)</u>	<u>(43,260)</u>	<u>56,455</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>-</u>	<u>53,056</u>	<u>53,056</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>-</u>	<u>53,056</u>	<u>53,056</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<u>-</u>	<u>(46,659)</u>	<u>9,796</u>	<u>56,455</u>
<b>Fund Balance - June 30, 2010</b>	<u>51,527</u>	<u>51,527</u>	<u>46,660</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 51,527</u>	<u>\$ 4,868</u>	<u>\$ 56,456</u>	<u>\$ 56,455</u>

**CECIL COUNTY, MARYLAND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**OPEN SPACE  
FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ 258,238	\$ 258,238	\$ 163,488	\$ (94,750)
Contributions & Other Revenues	-	-	30,591	30,591
<b>Total Revenues</b>	<u>258,238</u>	<u>258,238</u>	<u>194,079</u>	<u>(64,159)</u>
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	<u>334,318</u>	<u>444,318</u>	<u>363,959</u>	<u>80,359</u>
<b>Total Expenditures</b>	<u>334,318</u>	<u>444,318</u>	<u>363,959</u>	<u>80,359</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(76,080)</u>	<u>(186,080)</u>	<u>(169,880)</u>	<u>16,200</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>86,080</u>	<u>86,080</u>	<u>86,080</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>86,080</u>	<u>86,080</u>	<u>86,080</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	10,000	(100,000)	(83,800)	16,200
<b>Fund Balance - June 30, 2010</b>	<u>146,659</u>	<u>146,659</u>	<u>258,235</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 156,659</u>	<u>\$ 46,659</u>	<u>\$ 174,435</u>	<u>\$ 16,200</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**AGRICULTURAL LAND PRESERVATION**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ -	\$ -	\$ 23,841	\$ 23,841
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>23,841</u>	<u>23,841</u>
<b>EXPENDITURES</b>				
Current:				
Agriculture	<u>2,108,428</u>	<u>2,108,428</u>	<u>-</u>	<u>2,108,428</u>
<b>Total Expenditures</b>	<u>2,108,428</u>	<u>2,108,428</u>	<u>-</u>	<u>2,108,428</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,108,428)</u>	<u>(2,108,428)</u>	<u>23,841</u>	<u>2,132,269</u>
<b>Net Change in Fund Balance</b>	(2,108,428)	(2,108,428)	23,841	2,132,269
<b>Fund Balance - June 30, 2010</b>	<u>1,412,127</u>	<u>1,412,127</u>	<u>1,412,127</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ (696,301)</u>	<u>\$ (696,301)</u>	<u>\$ 1,435,968</u>	<u>\$ 2,132,269</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**SENIOR SERVICES & COMMUNITY TRANSIT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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>				
Intergovernmental	\$ 1,679,289	\$ 1,686,661	\$ 1,359,317	\$ (327,344)
Charges for Services	159,160	192,770	203,667	10,897
<b>Total Revenues</b>	<u>1,838,449</u>	<u>1,879,431</u>	<u>1,562,984</u>	<u>(316,447)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>2,868,384</u>	<u>2,937,655</u>	<u>2,497,943</u>	<u>439,712</u>
<b>Total Expenditures</b>	<u>2,868,384</u>	<u>2,937,655</u>	<u>2,497,943</u>	<u>439,712</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(1,029,935)</u>	<u>(1,058,224)</u>	<u>(934,959)</u>	<u>123,265</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,029,935</u>	<u>1,058,224</u>	<u>934,959</u>	<u>(123,265)</u>
<b>Total Other Financing</b>				
<b>Sources</b>	<u>1,029,935</u>	<u>1,058,224</u>	<u>934,959</u>	<u>(123,265)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2010</b>	-	-	-	-
<b>Fund Balance - June 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**ECONOMIC DEVELOPMENT REVOLVING LOAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 100	\$ 100
Investment Earnings	\$ -	\$ -	\$ 6,914	\$ 6,914
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>7,014</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>7,014</u>
<b>Net Change In Fund Balance</b>	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>7,014</u>
<b>Fund Balance - June 30, 2010</b>	<u>841,335</u>	<u>841,335</u>	<u>850,664</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 841,335</u>	<u>\$ 841,335</u>	<u>\$ 857,678</u>	<u>\$ 7,014</u>

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## **Non-Major Governmental Funds**

### **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  
NON-MAJOR FUND  
DEBT SERVICE FUND  
JUNE 30, 2011**

<b>ASSETS</b>	
Receivables, Net	\$ <u>397</u>
<b>Total Assets</b>	<u>397</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Due to Other Funds	<u>397</u>
<b>Total Liabilities</b>	<u>397</u>
<b>Fund Balance:</b>	
Restricted	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	\$ <u>397</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON-MAJOR FUND**

**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special Assessments	\$ 49,389	\$ 49,389	\$ 13,994	\$ (35,395)
<b>Total Revenues</b>	<u>49,389</u>	<u>49,389</u>	<u>13,994</u>	<u>(35,395)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	10,109,165	10,109,165	10,038,418	70,747
Interest	<u>6,098,753</u>	<u>6,098,753</u>	<u>5,694,206</u>	<u>404,547</u>
<b>Total Expenditures</b>	<u>16,207,918</u>	<u>16,207,918</u>	<u>15,732,624</u>	<u>475,294</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(16,158,529)</u>	<u>(16,158,529)</u>	<u>(15,718,630)</u>	<u>439,899</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>16,158,529</u>	<u>16,158,529</u>	<u>15,718,630</u>	<u>(439,899)</u>
<b>Total Other Financing Sources</b>	<u>16,158,529</u>	<u>16,158,529</u>	<u>15,718,630</u>	<u>(439,899)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2010</b>	<u>44,242</u>	<u>44,242</u>	-	<u>(44,242)</u>
<b>Fund Balance - June 30, 2011</b>	<u>\$ 44,242</u>	<u>\$ 44,242</u>	<u>\$ -</u>	<u>\$ (44,242)</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, 2011**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Gilpin Falls Construction</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 281,057	\$ 865,639	\$ -	\$ 1,146,696
Due from Other Governments	<u>659,123</u>	<u>-</u>	<u>-</u>	<u>659,123</u>
<b>Total Assets</b>	<u>\$ 940,180</u>	<u>\$ 865,639</u>	<u>\$ -</u>	<u>\$ 1,805,819</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 214,029	\$ 37,411	\$ -	\$ 251,440
<b>Total Liabilities</b>	<u>214,029</u>	<u>37,411</u>	<u>-</u>	<u>251,440</u>
<b>Fund Balances:</b>				
Unrestricted:				
Committed Fund Balance	<u>726,151</u>	<u>828,228</u>	<u>-</u>	<u>1,554,379</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 940,180</u>	<u>\$ 865,639</u>	<u>\$ -</u>	<u>\$ 1,805,819</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGE IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Gilpin Falls Construction</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital Outlay	<u>1,005,086</u>	<u>60,173</u>	<u>-</u>	<u>1,065,259</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,005,086)</u>	<u>(60,173)</u>	<u>-</u>	<u>(1,065,259)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	597,000	-	-	597,000
Transfers Out	<u>-</u>	<u>-</u>	<u>(95,029)</u>	<u>(95,029)</u>
<b>Total Other Financing Sources</b>	<u>597,000</u>	<u>-</u>	<u>(95,029)</u>	<u>501,971</u>
<b>Net Change in Fund Balances</b>	(408,086)	(60,173)	(95,029)	(563,288)
<b>Fund Balances - June 30, 2010</b>	<u>1,134,237</u>	<u>888,401</u>	<u>95,029</u>	<u>2,117,667</u>
<b>Fund Balances - June 30, 2011</b>	<u>\$ 726,151</u>	<u>\$ 828,228</u>	<u>\$ -</u>	<u>\$ 1,554,379</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.

**Workers Compensation Fund** - This fund is used to account for the expenditures and allocations of cost of the self-insured workers compensation benefits. The expenditures consist of payments for work related injuries to employees. Stop loss insurance is provided to protect against catastrophic losses.

**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, 2011**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash	\$ 3,035,972	\$ -	\$ -	\$ 3,035,972
Investments	3,967,813	1,382,248	-	5,350,061
Receivables, Net:				
Accounts	14,041	350,000	-	364,041
Inventory	-	-	18,191	18,191
Prepaid Items & Other Assets	135,400	75,000	-	210,400
<b>Total Current Assets</b>	<u>7,153,226</u>	<u>1,807,248</u>	<u>18,191</u>	<u>8,978,665</u>
<b>Non-Current Assets:</b>				
Capital Assets, Net:				
Buildings	-	-	214,892	214,892
Machinery & Equipment	-	-	27,214	27,214
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>	<u>242,106</u>	<u>242,106</u>
<b>Total Assets</b>	<u>7,153,226</u>	<u>1,807,248</u>	<u>260,297</u>	<u>9,220,771</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	-	29,558	162,539	192,097
Due to Other Funds	177	-	97,758	97,935
Accrued Expenses	1,027,863	1,732,133	-	2,759,996
Unearned Revenue	1,665	-	-	1,665
<b>Total Liabilities</b>	<u>1,029,705</u>	<u>1,761,691</u>	<u>260,297</u>	<u>3,051,693</u>
<b>NET ASSETS</b>				
Invested in Capital Assets	-	-	242,106	242,106
Unrestricted (Deficit)	6,123,521	45,557	(242,106)	5,926,972
<b>Total Net Assets</b>	<u>\$ 6,123,521</u>	<u>\$ 45,557</u>	<u>\$ -</u>	<u>\$ 6,169,078</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>				
Charges for Services	\$ 9,427,768	\$ 1,373,751	\$ 1,437,771	\$ 12,239,290
<b>Operating Expenses:</b>				
Benefit Payments	7,314,953	1,437,405	-	8,752,358
Materials, Supplies, and Services	465,740	79,859	1,417,767	1,963,366
Depreciation	-	-	20,004	20,004
<b>Total Operating Expenses</b>	<u>7,780,693</u>	<u>1,517,264</u>	<u>1,437,771</u>	<u>10,735,728</u>
<b>Operating Income (Loss)</b>	<u>1,647,075</u>	<u>(143,513)</u>	<u>-</u>	<u>1,503,562</u>
<b>Non-Operating Revenues</b>				
Investment Earnings	<u>69,696</u>	<u>10,859</u>	<u>-</u>	<u>80,555</u>
<b>Total Non-Operating Revenues</b>	<u>69,696</u>	<u>10,859</u>	<u>-</u>	<u>80,555</u>
<b>Change In Net Assets</b>	1,716,771	(132,654)	-	1,584,117
<b>Net Assets - June 30, 2010</b>	<u>4,406,750</u>	<u>178,211</u>	<u>-</u>	<u>4,584,961</u>
<b>Net Assets - June 30, 2011</b>	<u>\$ 6,123,521</u>	<u>\$ 45,557</u>	<u>\$ -</u>	<u>\$ 6,169,078</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>				
Receipts from Service Charges & Insured	\$ 10,228,473	\$ 1,023,751	\$ 1,437,771	\$ 12,689,995
Payments to Suppliers and Providers	<u>(7,851,084)</u>	<u>(827,914)</u>	<u>(1,407,998)</u>	<u>(10,086,996)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>2,377,389</u>	<u>195,837</u>	<u>29,773</u>	<u>2,602,999</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Advances to Other Funds	<u>(468)</u>	<u>-</u>	<u>(29,773)</u>	<u>(30,241)</u>
<b>Net Cash Flows From Non-Capital Financing Activities</b>	<u>(468)</u>	<u>-</u>	<u>(29,773)</u>	<u>(30,241)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on Investments	<u>69,696</u>	<u>10,859</u>	<u>-</u>	<u>80,555</u>
<b>Net Cash Flows From Investment Activities</b>	<u>69,696</u>	<u>10,859</u>	<u>-</u>	<u>80,555</u>
<b>Net Increase in Cash and Cash Equivalents</b>	2,446,617	206,696	-	2,653,313
<b>Cash and Cash Equivalents - June 30, 2010</b>	<u>4,557,168</u>	<u>1,175,552</u>	<u>-</u>	<u>5,732,720</u>
<b>Cash and Cash Equivalents - June 30, 2011</b>	<u>\$ 7,003,785</u>	<u>\$ 1,382,248</u>	<u>\$ -</u>	<u>\$ 8,386,033</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (loss)	\$ 1,647,075	\$ (143,513)	\$ -	\$ 1,503,562
Adjustments to Reconcile Operating Income to Net Cash provided by (Used in) Operating Activities:				
Depreciation	-	-	20,004	20,004
Effect of changes in Assets and Liabilities:				
Accounts Receivable	799,381	(350,000)	593	449,974
Inventory	-	-	5,768	5,768
Accounts Payable	-	(3,708)	3,408	(300)
Accrued Expenses	(70,391)	693,058	-	622,667
Unearned Revenue	<u>1,324</u>	<u>-</u>	<u>-</u>	<u>1,324</u>
<b>Total Adjustments</b>	<u>730,314</u>	<u>339,350</u>	<u>29,773</u>	<u>1,099,437</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 2,377,389</u>	<u>\$ 195,837</u>	<u>\$ 29,773</u>	<u>\$ 2,602,999</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, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>COLLECTIONS - STATE TAXES</b>				
<b>Assets</b>				
Cash	\$ 247,010	\$ 11,877,935	\$ (11,878,612)	\$ 246,333
Accounts Receivable - Property Taxes	<u>31,587</u>	<u>14,660,402</u>	<u>(14,683,191)</u>	<u>8,798</u>
<b>Total Assets</b>	<b><u>\$ 278,597</u></b>	<b><u>\$ 26,538,337</u></b>	<b><u>\$ (26,561,803)</u></b>	<b><u>\$ 255,131</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 278,597	\$ 23,973,016	\$ (23,996,482)	\$ 255,131
<b>Total Liabilities</b>	<b><u>\$ 278,597</u></b>	<b><u>\$ 23,973,016</u></b>	<b><u>\$ (23,996,482)</u></b>	<b><u>\$ 255,131</u></b>
<b>COLLECTIONS - STATE BAY RESTORATION FEE</b>				
<b>Assets</b>				
Cash	\$ 365,232	\$ 1,359,022	\$ (1,364,698)	\$ 359,556
Accounts Receivable - Fees	<u>71,530</u>	<u>920,507</u>	<u>(913,501)</u>	<u>78,536</u>
<b>Total Assets</b>	<b><u>\$ 436,762</u></b>	<b><u>\$ 2,279,529</u></b>	<b><u>\$ (2,278,199)</u></b>	<b><u>\$ 438,092</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 436,762	\$ 2,306,483	\$ (2,305,153)	\$ 438,092
<b>Total Liabilities</b>	<b><u>\$ 436,762</u></b>	<b><u>\$ 2,306,483</u></b>	<b><u>\$ (2,305,153)</u></b>	<b><u>\$ 438,092</u></b>
<b>COLLECTIONS - CECILTON</b>				
<b>Assets</b>				
Cash	\$ 1,553	\$ 171,305	\$ (171,325)	\$ 1,533
Accounts Receivable - Fees & Taxes	<u>688</u>	<u>178,272</u>	<u>(178,792)</u>	<u>168</u>
<b>Total Assets</b>	<b><u>\$ 2,241</u></b>	<b><u>\$ 349,577</u></b>	<b><u>\$ (350,117)</u></b>	<b><u>\$ 1,701</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 2,241	\$ 329,589	\$ (330,129)	\$ 1,701
<b>Total Liabilities</b>	<b><u>\$ 2,241</u></b>	<b><u>\$ 329,589</u></b>	<b><u>\$ (330,129)</u></b>	<b><u>\$ 1,701</u></b>
<b>COLLECTIONS - CHESAPEAKE CITY</b>				
<b>Assets</b>				
Cash	\$ 4,373	\$ 375,414	\$ (372,422)	\$ 7,365
Accounts Receivable - Property Taxes	<u>461</u>	<u>394,703</u>	<u>(394,220)</u>	<u>944</u>
<b>Total Assets</b>	<b><u>\$ 4,834</u></b>	<b><u>\$ 770,117</u></b>	<b><u>\$ (766,642)</u></b>	<b><u>\$ 8,309</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 4,834	\$ 755,504	\$ (752,029)	\$ 8,309
<b>Total Liabilities</b>	<b><u>\$ 4,834</u></b>	<b><u>\$ 755,504</u></b>	<b><u>\$ (752,029)</u></b>	<b><u>\$ 8,309</u></b>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>COLLECTIONS - CHARLESTOWN</b>				
<b>Assets</b>				
Cash	\$ 4,325	\$ 351,936	\$ (347,998)	8,263
Accounts Receivable - Property Taxes	<u>459</u>	<u>381,285</u>	<u>(381,694)</u>	<u>50</u>
<b>Total Assets</b>	<b><u>\$ 4,784</u></b>	<b><u>\$ 733,221</u></b>	<b><u>\$ (729,692)</u></b>	<b><u>\$ 8,313</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 4,784</u>	<u>\$ 718,741</u>	<u>\$ (715,212)</u>	<u>\$ 8,313</u>
<b>Total Liabilities</b>	<b><u>\$ 4,784</u></b>	<b><u>\$ 718,741</u></b>	<b><u>\$ (715,212)</u></b>	<b><u>\$ 8,313</u></b>
<b>COLLECTIONS - ELKTON</b>				
<b>Assets</b>				
Cash	\$ 110,200	\$ 5,551,715	\$ (5,580,389)	\$ 81,526
Accounts Receivable - Property Taxes	<u>14,978</u>	<u>5,762,887</u>	<u>(5,774,683)</u>	<u>3,182</u>
<b>Total Assets</b>	<b><u>\$ 125,178</u></b>	<b><u>\$ 11,314,602</u></b>	<b><u>\$ (11,355,072)</u></b>	<b><u>\$ 84,708</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 125,178</u>	<u>\$ 11,218,446</u>	<u>\$ (11,258,916)</u>	<u>\$ 84,708</u>
<b>Total Liabilities</b>	<b><u>\$ 125,178</u></b>	<b><u>\$ 11,218,446</u></b>	<b><u>\$ (11,258,916)</u></b>	<b><u>\$ 84,708</u></b>
<b>COLLECTIONS - NORTH EAST</b>				
<b>Assets</b>				
Cash	\$ 10,474	\$ 1,815,513	\$ (1,805,174)	\$ 20,813
Accounts Receivable - Fees & Taxes	<u>5,828</u>	<u>1,875,562</u>	<u>(1,879,294)</u>	<u>2,096</u>
<b>Total Assets</b>	<b><u>\$ 16,302</u></b>	<b><u>\$ 3,691,075</u></b>	<b><u>\$ (3,684,468)</u></b>	<b><u>\$ 22,909</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 16,302</u>	<u>\$ 3,650,419</u>	<u>\$ (3,643,812)</u>	<u>\$ 22,909</u>
<b>Total Liabilities</b>	<b><u>\$ 16,302</u></b>	<b><u>\$ 3,650,419</u></b>	<b><u>\$ (3,643,812)</u></b>	<b><u>\$ 22,909</u></b>
<b>COLLECTIONS - PORT DEPOSIT</b>				
<b>Assets</b>				
Cash	\$ 6,898	\$ 420,415	\$ (415,372)	\$ 11,941
Accounts Receivable - Property Taxes	<u>2,984</u>	<u>450,127</u>	<u>(444,106)</u>	<u>9,005</u>
<b>Total Assets</b>	<b><u>\$ 9,882</u></b>	<b><u>\$ 870,542</u></b>	<b><u>\$ (859,478)</u></b>	<b><u>\$ 20,946</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 9,882</u>	<u>\$ 829,393</u>	<u>\$ (818,329)</u>	<u>\$ 20,946</u>
<b>Total Liabilities</b>	<b><u>\$ 9,882</u></b>	<b><u>\$ 829,393</u></b>	<b><u>\$ (818,329)</u></b>	<b><u>\$ 20,946</u></b>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>COLLECTIONS - PERRYVILLE</b>				
<b>Assets</b>				
Cash	\$ 9,664	\$ 1,552,661	\$ (1,545,010)	\$ 17,315
Accounts Receivable - Property Taxes	<u>1,120</u>	<u>1,802,928</u>	<u>(1,803,205)</u>	<u>843</u>
<b>Total Assets</b>	<b><u>\$ 10,784</u></b>	<b><u>\$ 3,355,589</u></b>	<b><u>\$ (3,348,215)</u></b>	<b><u>\$ 18,158</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>10,784</u>	<u>3,308,753</u>	<u>(3,301,379)</u>	<u>18,158</u>
<b>Total Liabilities</b>	<b><u>\$ 10,784</u></b>	<b><u>\$ 3,308,753</u></b>	<b><u>\$ (3,301,379)</u></b>	<b><u>\$ 18,158</u></b>
<b>COLLECTIONS - RISING SUN</b>				
<b>Assets</b>				
Cash	\$ -	\$ 805,547	\$ (799,545)	\$ 6,002
Accounts Receivable - Property Taxes	<u>-</u>	<u>875,115</u>	<u>(874,558)</u>	<u>557</u>
<b>Total Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,680,662</u></b>	<b><u>\$ (1,674,103)</u></b>	<b><u>\$ 6,559</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ -</u>	<u>\$ 1,655,319</u>	<u>\$ (1,648,760)</u>	<u>\$ 6,559</u>
<b>Total Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,655,319</u></b>	<b><u>\$ (1,648,760)</u></b>	<b><u>\$ 6,559</u></b>
<b>TOTALS - ALL FUNDS</b>				
<b>Assets</b>				
Cash	\$ 759,729	\$ 24,281,463	\$ (24,280,545)	\$ 760,647
Accounts Receivable - Fees & Taxes	<u>129,635</u>	<u>27,301,788</u>	<u>(27,327,244)</u>	<u>104,179</u>
<b>Total Assets</b>	<b><u>\$ 889,364</u></b>	<b><u>\$ 51,583,251</u></b>	<b><u>\$ (51,607,789)</u></b>	<b><u>\$ 864,826</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 889,364</u>	<u>\$ 48,745,663</u>	<u>\$ (48,770,201)</u>	<u>\$ 864,826</u>
<b>Total Liabilities</b>	<b><u>\$ 889,364</u></b>	<b><u>\$ 48,745,663</u></b>	<b><u>\$ (48,770,201)</u></b>	<b><u>\$ 864,826</u></b>

**STATISTICAL  
SECTION**

# CECIL COUNTY, MARYLAND

## STATISTICAL SECTION

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 - Tables I to IV</b>	105
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 - Tables V to VIII</b>	110
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax	
<b>Debt Capacity - Tables IX to XIII</b>	114
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 - Tables XIV - XVI</b>	118
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 - Tables XVII to XVIII</b>	121
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. GASB 54 was implemented in 2010; Table III has been restated to reflect the change in fund balance presentation.

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Table I

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

	2007	2008	2009	2010	2011
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 109,193,073	\$ 118,947,569	\$ 121,977,339	\$ 116,206,965	\$ 144,335,428
Restricted	4,461,531	4,964,961	4,429,739	27,864,318	15,691,081
Unrestricted (Deficit)	<u>(12,806,585)</u>	<u>(17,557,877)</u>	<u>(26,085,408)</u>	<u>(43,751,070)</u>	<u>(45,695,780)</u>
<b>Total Governmental Activities Net Assets</b>	<u>\$ 100,848,019</u>	<u>\$ 106,354,653</u>	<u>\$ 100,321,670</u>	<u>\$ 100,320,213</u>	<u>\$ 114,330,729</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 23,793,438	\$ 31,193,004	\$ 33,060,858	\$ 42,218,878	\$ 42,443,506
Restricted	923,596	728,355	8,603,936	19,166,532	9,715,314
Unrestricted	<u>7,598,850</u>	<u>8,216,737</u>	<u>(221,754)</u>	<u>(21,412,356)</u>	<u>(13,411,799)</u>
<b>Total Business-type Activities Net Assets</b>	<u>\$ 32,315,884</u>	<u>\$ 40,138,096</u>	<u>\$ 41,443,040</u>	<u>\$ 39,973,054</u>	<u>\$ 38,747,021</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 132,986,511	\$ 150,140,573	\$ 155,038,197	\$ 158,425,843	\$ 186,778,934
Restricted	5,385,127	5,693,316	13,033,675	47,030,850	25,406,395
Unrestricted	<u>(5,207,735)</u>	<u>(9,341,140)</u>	<u>(26,307,162)</u>	<u>(65,163,426)</u>	<u>(59,107,579)</u>
<b>Total Primary Government Net Assets</b>	<u>\$ 133,163,903</u>	<u>\$ 146,492,749</u>	<u>\$ 141,764,710</u>	<u>\$ 140,293,267</u>	<u>\$ 153,077,750</u>



Table II

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

	2007	2008	2009	2010	2011
<b>EXPENSES</b>					
<b>Governmental Activities:</b>					
General Government	\$ 10,421,606	\$ 11,919,037	\$ 13,303,837	\$ 13,294,360	\$ 13,541,706
Public Safety	28,205,141	31,247,533	33,334,883	34,059,214	34,124,715
Highways, Streets, and Bridges	13,348,855	13,669,424	13,981,175	13,432,401	14,174,041
Health and Welfare	10,219,407	10,937,738	11,756,789	12,100,852	12,498,027
Recreation and Culture	340,882	665,321	880,408	1,008,810	983,512
Education	96,385,038	87,757,907	96,520,700	83,991,156	81,391,571
Public Libraries	3,876,453	5,056,857	4,681,578	4,613,704	4,599,509
Economic Development	1,181,638	1,130,391	1,214,647	1,100,961	960,743
Agriculture	2,386,359	2,184,443	2,131,412	1,230,023	546,120
Interest on Long-Term Debt	4,330,990	5,393,680	5,492,318	6,060,747	5,550,175
Total Governmental Activities Expenses	<u>170,696,370</u>	<u>169,962,331</u>	<u>183,297,747</u>	<u>170,892,228</u>	<u>168,370,119</u>
<b>Business-Type Activities:</b>					
Water	867,921	922,353	1,103,638	1,097,403	1,168,243
Wastewater	3,953,215	4,303,249	5,069,605	5,290,073	5,200,826
Landfill	4,631,952	4,473,534	4,830,035	6,165,937	5,538,979
Total Business-Type Activities Expenses	<u>9,453,088</u>	<u>9,699,136</u>	<u>11,003,278</u>	<u>12,553,413</u>	<u>11,908,048</u>
<b>Total Primary Government Expenses</b>	<u>\$ 180,149,458</u>	<u>\$ 179,661,467</u>	<u>\$ 194,301,025</u>	<u>\$ 183,445,641</u>	<u>\$ 180,278,167</u>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities:</b>					
Charges for Services:	\$ 1,092,989	\$ 1,214,042	\$ 1,163,371	\$ 5,319,506	\$ 5,420,162
General Government	2,598,355	2,317,402	2,136,375	2,102,300	2,038,347
Public Safety	1,206,587	511,444	376,370	404,378	311,194
Highways, Streets, and Bridges	240,852	229,465	322,033	388,457	449,605
Other Activities	16,731,002	22,453,267	17,265,269	12,792,599	15,499,994
Operating Grants and Contributions	3,224,096	1,183,860	3,150,745	1,518,598	7,248,329
Capital Grants and Contributions					
Total Governmental Activities Revenues	<u>25,093,880</u>	<u>27,909,480</u>	<u>24,414,163</u>	<u>22,525,838</u>	<u>30,967,631</u>

<b>Business-Type Activities:</b>						
Charges for Services:						
Water	787,028	1,263,870	1,308,395	1,228,117	1,275,093	
Wastewater	2,477,454	2,986,929	3,372,665	3,362,841	3,683,375	
Landfill	5,410,707	5,356,985	4,556,694	4,566,354	5,275,317	
Capital Grants and Contributions	1,373,258	4,803,214	2,964,543	1,901,600	645,117	
Total Business-Type Activities Revenues	10,048,447	14,410,998	12,202,297	11,058,912	10,878,902	
Total Primary Government Revenues	\$ 35,142,327	\$ 42,320,478	\$ 36,616,460	\$ 33,584,750	\$ 41,846,533	
<b>OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental Activities:</b>						
Taxes						
Property Taxes						
Income Taxes	\$ 80,546,737	\$ 86,399,908	\$ 96,078,658	\$ 101,463,330	\$ 101,274,085	
Investment Earnings	46,864,546	50,565,845	49,358,649	45,825,168	49,000,281	
Other Revenues including Capital Asset Sales Gains (Losses)	5,159,287	3,800,175	2,054,515	969,436	571,783	
Grants, Entitlements, and Contributions not Restricted to Specific Programs	1,965,275	61,174	345,432	(2,514)	48,787	
Total Governmental Activities	8,701,341	6,714,410	5,013,347	109,595	518,068	
Business-Type Activities:						
Investment Earnings	63,057	147,605	87,616	23,167	32,233	
Other Revenues including Capital Asset Sales Gains (Losses)	39,500	2,905,486	18,309	1,348	(189,000)	
Total Business-Type Activities	102,557	3,053,091	105,925	24,515	(156,767)	
Total Primary Government	\$ 143,339,743	\$ 150,594,603	\$ 152,956,526	\$ 148,389,530	\$ 151,256,237	
<b>CHANGE IN NET ASSETS</b>						
Governmental Activities	\$ (2,365,304)	\$ 5,488,661	\$ (6,032,983)	\$ (1,375)	\$ 14,010,516	
Business-Type Activities	697,916	7,764,953	1,304,944	(1,469,986)	(1,185,913)	
Total Primary Government	\$ (1,667,388)	\$ 13,253,614	\$ (4,728,039)	\$ (1,471,361)	\$ 12,824,603	

Table III

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL FUND</b>										
Non-Spendable Fund Balance	\$ 1,123,470	\$ 1,055,428	\$ 1,083,012	\$ 984,084	\$ 749,029	\$ 1,200,339	\$ 650,647	\$ 885,779	\$ 1,304,977	\$ 1,807,790
Restricted Fund Balance										
Unrestricted Fund Balance	7,810,401	8,008,308	8,609,209	9,886,289	11,124,105	11,508,756	12,091,588	12,254,857	15,089,601	13,885,400
Committed Fund Balance	9,284,907	7,704,491	10,059,038	16,256,302	22,814,258	17,986,174	18,350,751	11,466,595	8,267,000	7,784,000
Assigned Fund Balance	5,167,768	6,548,330	8,534,636	7,938,314	5,533,641	5,106,793	7,629,769	11,762,656	9,979,387	12,876,339
Unassigned Fund Balance										
<b>Total General Fund</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>\$ 36,369,887</b>	<b>\$ 34,640,965</b>	<b>\$ 36,353,529</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Non-Spendable Fund Balance	\$ 514,001	\$ 660,651	\$ 1,655,815	\$ 10,079,721	\$ 319,003	\$ 280,791	\$ 504,735	\$ 452,524	\$ 415,600	\$ -
Restricted Fund Balance	2,318,015	2,538,876	1,665,713	2,281,234	4,509,338	4,461,531	4,964,961	4,429,739	3,808,570	6,804,178
Unrestricted Fund Balance:										
Committed Fund Balance	5,405,047	4,975,972	6,530,771	2,548,950	25,630,862	21,888,689	23,923,855	28,322,186	34,784,997	13,006,747
<b>Total All Other Governmental Funds</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>	<b>\$ 33,204,449</b>	<b>\$ 39,009,167</b>	<b>\$ 19,810,925</b>

Table IV

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES</b>										
Property Taxes	\$ 53,087,214	\$ 57,848,567	\$ 60,150,986	\$ 66,492,561	\$ 72,387,227	\$ 78,510,957	\$ 86,506,000	\$ 96,173,901	\$ 101,345,357	\$ 101,811,471
Income Taxes	34,402,824	34,360,500	38,138,613	40,821,907	44,808,423	46,884,548	50,192,279	48,851,186	46,816,208	46,835,947
Licenses and Permits	1,246,724	1,391,728	2,131,113	1,941,049	2,042,609	1,863,294	1,534,913	1,288,179	1,320,505	1,427,706
Intergovernmental	18,361,113	22,160,465	19,993,244	21,936,800	28,758,865	25,679,805	28,783,816	24,422,814	13,787,534	22,873,190
Charges for Services	1,829,614	2,164,120	2,311,402	2,457,213	2,750,764	3,471,173	2,737,440	2,772,393	6,917,459	6,888,159
Investment Earnings	1,035,166	702,722	621,827	1,227,236	3,049,037	4,940,882	3,559,933	1,911,428	885,570	481,228
Contributions and Other Revenues	688,533	539,958	85,264	201,538	227,147	2,195,852	136,866	176,025	221,808	111,188
<b>Total Revenues</b>	<b>110,661,188</b>	<b>119,168,060</b>	<b>124,432,448</b>	<b>135,078,304</b>	<b>153,823,882</b>	<b>163,326,319</b>	<b>174,451,047</b>	<b>175,607,926</b>	<b>171,294,441</b>	<b>180,448,889</b>
<b>EXPENDITURES</b>										
General Government	6,451,441	6,952,723	7,186,882	7,704,805	8,719,551	9,750,668	10,819,789	11,643,833	11,767,891	12,156,101
Public Safety	15,866,760	18,355,160	19,400,746	21,967,248	24,051,219	27,881,771	30,385,329	32,059,207	33,410,429	33,121,253
Highways, Streets, and Bridges	7,204,390	8,578,023	7,346,119	9,231,564	15,761,574	16,931,434	11,711,984	12,915,367	8,525,908	9,438,103
Health and Welfare	7,129,992	7,993,921	8,760,868	8,322,146	9,062,543	10,141,388	10,733,945	11,664,882	12,271,033	12,416,523
Recreation and Culture	449,184	401,404	177,808	544,088	384,103	1,084,736	5,057,788	825,005	869,993	817,817
Education	56,291,300	59,697,628	62,061,052	64,940,787	68,968,428	73,076,278	72,085,349	78,055,262	76,577,821	76,475,835
Public Libraries	1,161,496	1,543,402	1,729,574	2,024,034	2,546,162	3,449,390	3,982,188	4,425,807	4,438,926	4,462,309
Economic Development	581,931	594,456	697,522	689,124	861,816	1,182,390	1,151,985	1,201,887	1,096,197	987,940
Agriculture	1,162,567	733,528	1,076,069	447,505	464,634	2,386,275	2,182,731	2,126,544	1,233,444	552,009
Municipalities	1,133,856	402,968	407,229	456,525	498,225	558,077	681,663	757,448	820,631	840,039
Capital Outlay	14,741,912	11,076,447	11,494,366	7,758,694	20,456,312	40,256,236	35,527,552	28,636,924	14,442,264	31,032,515
Debt Service:										
Principal	5,726,222	5,152,338	5,795,467	5,581,069	6,448,797	7,668,902	8,240,914	8,843,764	10,127,743	10,038,418
Interest	2,919,288	2,953,205	2,851,153	2,882,868	3,147,065	4,026,203	5,102,747	5,369,155	5,856,178	5,694,206
<b>Total Expenditures</b>	<b>120,830,319</b>	<b>124,435,203</b>	<b>128,974,685</b>	<b>132,550,467</b>	<b>161,470,427</b>	<b>189,395,748</b>	<b>197,673,922</b>	<b>198,556,985</b>	<b>181,438,458</b>	<b>198,015,068</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,169,131)</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>(22,949,059)</b>	<b>(10,144,017)</b>	<b>(17,566,179)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Capital Asset Disposal	48,102	77,703	48,264	214,898	112,617	95,045	129,571	772,086	70,529	80,500
Capital Leases	332,950	-	-	-	-	-	-	-	-	-
Proceeds from Bonds Issued	15,779,996	13,785,000	21,140,000	9,028,100	27,998,905	26,727,140	28,575,000	23,020,000	13,870,000	-
Premium on Debt Issued	-	136,928	195,104	65,865	1,028,791	274,166	485,778	732,707	687,594	-
Refunding Bonds Issued	-	-	(10,194,964)	-	11,755,000	-	-	-	9,710,000	-
Bond Issuance Cost	-	-	-	-	(595,443)	(274,166)	(302,215)	(117,704)	(309,186)	-
Transfer to Refunding Agent	-	(8,874,041)	-	-	(11,949,000)	-	-	-	(9,819,040)	-
Transfers In	11,817,587	14,197,927	14,008,982	15,112,806	21,921,085	31,232,300	26,342,555	28,360,406	27,613,044	19,374,828
Transfers Out	(11,817,587)	(14,197,927)	(14,008,982)	(15,112,806)	(21,921,085)	(31,232,300)	(26,342,555)	(28,360,406)	(27,613,044)	(19,374,828)
<b>Total Other Financing Sources (Uses)</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>24,407,089</b>	<b>14,219,897</b>	<b>80,500</b>
<b>Net Change in Fund Balances</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>1,458,030</b>	<b>4,075,880</b>	<b>(17,465,679)</b>
<b>Prior Period Adjustments</b>	<b>482,991</b>	-	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</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>\$ (6,247,245)</b>	<b>\$ 5,665,259</b>	<b>\$ 1,458,030</b>	<b>\$ 4,075,880</b>	<b>\$ (17,465,679)</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>8.87%</b>	<b>7.70%</b>	<b>7.94%</b>	<b>7.28%</b>	<b>7.30%</b>	<b>7.99%</b>	<b>8.97%</b>	<b>9.15%</b>	<b>9.57%</b>	<b>9.42%</b>

ASSESSED VALUE AND ACTUAL VALUE  
OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property			Commercial / Industrial		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>
	Residential Property	Governmental	Commercial / Industrial	Agricultural	Public Utilities	Other				
2011	\$ 8,289,959,319	n/a	\$ 1,865,379,056	\$ 580,610,700	\$ 129,707,850	\$ 165,677,050	\$ 1,013,288,272	\$ 10,018,045,703	0.956	
2010	8,378,308,042	n/a	1,808,137,513	601,504,059	133,390,680	183,492,540	677,356,425	10,427,476,409	0.983	
2009	7,810,141,161	n/a	1,679,833,744	548,985,870	133,234,270	180,868,020	1,066,412,895	9,286,650,170	1.009	
2008	6,881,115,239	484,633,433	1,346,611,854	483,730,198	133,224,330	168,821,610	1,169,189,852	8,328,946,812	1.012	
2007	5,763,862,087	436,840,091	1,547,882,305	422,341,717	138,899,260	189,847,330	901,625,706	7,598,047,084	1.041	
2006	4,967,853,196	405,939,220	1,405,862,883	385,797,432	131,382,650	154,874,610	773,489,955	6,678,220,036	1.043	
2005	4,449,676,407	393,125,559	1,274,390,137	355,656,994	132,872,830	140,035,850	650,957,566	6,094,800,191	1.046	
2004	3,960,790,828	374,799,525	1,003,860,179	330,078,706	129,405,860	131,815,890	183,856,173	5,746,894,815	1.048	
2003	3,983,147,689	367,697,250	1,040,058,303	330,078,706	148,352,920	149,198,280	187,428,805	5,831,104,343	1.063	
2002	4,824,976,892 <sup>2</sup>	n/a	n/a	n/a	152,337,950	143,676,210	562,228,330	4,933,562,247	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.

Table VI

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Cecil County Direct Rates</b>										
Real Property	\$0.980	\$0.980	\$0.980	\$0.980	\$0.980	\$ 0.960	\$0.960	\$0.960	\$0.940	\$ 0.915
Personal Property	2.450	2.450	2.450	2.450	2.450	2.400	2.400	2.400	2.350	2.288
<sup>2</sup> Total Direct Tax Rate	1.068	1.063	1.048	1.046	1.043	1.041	1.012	1.009	0.983	0.956
<b>Towns</b>										
Cecilton	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.219	0.219
Charlestown	0.320	0.320	0.320	0.320	0.320	0.280	0.280	0.280	0.280	0.280
Chesapeake City	0.470	0.470	0.472	0.472	0.462	0.462	0.420	0.420	0.425	0.432
Elkton	0.444	0.444	0.544	0.544	0.544	0.544	0.504	0.504	0.464	0.473
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	0.362	0.362	0.362	0.362	0.353	0.353
Port Deposit	0.580	0.580	0.580	0.551	0.551	0.551	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 establishes its 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**

Taxpayer	2002		2011		
	Taxable Assessed Value	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	\$ 94,719,663	1.92%	\$ 144,460,819	1	1.44%
Ikea Property, Inc.	-		82,474,032	2	0.82%
Delmarva Power & Light Company	70,475,980	1.43%	44,112,140	3	0.44%
Teachers Belvidere Properties, LLC	-		31,000,000	4	0.31%
Pine Valley, LLC	-		26,961,100	5	0.27%
Chesapeake Ridge, LLC	-		26,696,966	6	0.27%
Mason Dixon Sand & Gravel Co.	-		26,054,198	7	0.26%
Verizon-Maryland	40,193,320	0.81%	25,926,020	8	0.26%
Trade Center 95 Industrial, LLC	-		25,813,332	9	0.26%
Cecil 316, LLC	-	-	24,700,000	10	0.25%
<b>Totals</b>	<b>\$ 205,388,963</b>	<b>4.16%</b>	<b>\$ 458,198,607</b>		<b>4.57%</b>

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

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



Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy <sup>1</sup> for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 97,464,433	\$ 97,214,771	99.7%	\$ -	\$ 97,214,771	99.7%
2010	95,516,854	94,315,657	98.7%	234,109	94,549,766	99.0%
2009	93,799,686	93,433,467	99.6%	348,902	93,782,369	100.0%
2008	84,487,760	84,094,382	99.5%	393,378	84,487,760	100.0%
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%

**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.

**Note:** Total tax levy is all tax bill additions and insolvencies from general ledger for fiscal year. Amount collected is the total tax levy reduced by the ending general ledger balance.

Table IX

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities											Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>							
	General Obligation			Economic Development		Capital Leases		Special Assessment Bonds		Wastewater Bonds					Landfill Bonds		Capital Leases				
	Bonds		\$	Bonds		\$	Leases		\$	Bonds					\$	Bonds		\$	Leases		\$
2011	\$ 142,990,434		\$ -			\$ -			\$ 135,263		\$ 28,568,841		\$ 20,017,483		\$ 930,441				\$ 192,642,462	5.18%	\$ 1,905
2010	152,424,991		-			1,521,017			148,548		46,887,137		3,190,000		-				204,171,693	5.46%	2,026
2009	147,566,584		-			2,088,882			161,836		31,324,561		3,625,000		699,344				185,466,207	5.21%	1,856
2008	132,552,771		-			2,634,911			173,384		27,435,710		4,040,000		912,603				167,749,379	5.41%	1,688
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

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 118 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**

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		
2011	\$ 142,990,434	\$ -	\$ 142,990,434	1.43%	\$ 1,414.23
2010	152,424,991	-	152,424,991	1.46%	1,512.21
2009	147,566,584	-	147,566,584	1.59%	1,476.76
2008	132,552,771	-	132,552,771	1.59%	1,333.96
2007	114,842,045	-	114,842,045	1.51%	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	1.21%	800.05
2004	69,981,419	933,014	70,914,433	1.22%	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

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

**Note:** <sup>1</sup> See Schedule V on page 108 for Actual Taxable Value of Property data.

<sup>2</sup> See Schedule XIV on page 116 for population data.

This ratio uses population data from the prior calendar year.

<sup>3</sup> Economic Development Loans are State loans lent 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, 2011**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Cecil County</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property and Income Taxes</b>			
Elkton	\$ 2,076,894	100%	\$ 2,076,894
North East	258,351	100%	258,351
Perryville	227,500	100%	227,500
Rising Sun	1,675,778	100%	<u>1,675,778</u>
Subtotal - Overlapping Debt			4,238,523
<b>Cecil County Direct Debt</b>	142,990,434	100%	<u>142,990,434</u>
<b>Totals</b>			<u>\$ 147,228,957</u>

**Sources:** Cecil County Treasurer's Office  
The government of each town is the source of its 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 borrowing 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**

Fiscal Year	Wastewater Revenue Bonds				Water Revenue Bonds			
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage
2011	\$ 3,696,270	\$ 4,425,922	\$ (729,652)	-31%	\$ 1,289,093	\$ 1,168,243	\$ 120,850	
2010	3,375,394	4,483,019	(1,107,625)	-47%	1,234,117	1,097,403	136,714	
2009	3,455,046	4,386,638	(931,592)	-46%	1,308,395	1,103,638	204,757	
2008	3,108,223	3,731,492	(623,269)	-41%	1,263,870	922,353	341,517	
2007	2,498,596	3,520,669	(1,022,073)	-75%	787,028	867,921	(80,893)	
2006	3,901,587	3,102,294	799,293	84%	755,310	824,410	(69,100)	
2005	2,303,816	2,697,826	(394,010)	-70%	651,059	701,969	(50,910)	
2004	2,098,851	3,246,232	(1,147,381)	-279%	590,572	692,929	(102,357)	
2003	2,030,547	1,916,721	113,826	38%	567,276	639,719	(72,443)	
2002	1,980,712	1,717,738	262,974	155%	531,304	596,769	(65,465)	

Fiscal Year	Landfill Revenue Bonds				Special Assessment Bonds			
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage	Special Assessment Collections	Debt Service Principal	Coverage	Coverage
2011	\$ 5,294,655	\$ 4,822,085	\$ 472,570	39%	\$ 13,994	\$ 13,994	100%	
2010	4,576,968	5,707,285	(1,130,317)	-69%	50,051	50,051	100%	
2009	4,561,929	4,558,610	3,319	0%	50,132	50,132	100%	
2008	5,383,296	4,245,780	1,137,516	130%	50,203	50,203	100%	
2007	5,452,622	4,383,786	1,068,836	173%	44,242	44,242	100%	
2006	5,627,360	3,798,326	1,829,034	296%	44,242	44,242	100%	
2005	5,470,619	3,738,650	1,731,969	279%	43,968	43,968	100%	
2004	4,920,518	3,304,058	1,616,460	264%	43,855	43,855	100%	
2003	3,697,508	2,534,833	1,162,675	193%	43,753	43,753	100%	
2002	3,977,830	2,024,880	1,952,950	280%	43,753	43,753	100%	

Source: Cecil County Treasurer's Office

Table XIV

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	Population <sup>a</sup>	Personal Income <sup>a,1</sup>	Per Capita Income <sup>a</sup>	Average Employment <sup>b,2</sup>	Average Unemployment Rate <sup>b,2</sup>	Median Price of Housing Sales <sup>d</sup>	School Enrollment <sup>c,3</sup>
2010	101,108	\$ 3,715,479,000	\$ 36,861	44,944	9.9%	\$ 214,000	15,937
2009	100,796	3,736,203,000	37,381	46,259	9.0%	225,000	16,271
2008	99,926	3,562,166,000	35,648	48,310	5.3%	235,000	16,290
2007	99,368	3,562,166,000	35,848	48,844	3.9%	255,000	16,421
2006	99,506	3,304,992,284	33,214	48,621	4.3%	299,000	16,521
2005	97,796	3,012,408,000	30,960	47,712	4.6%	225,000	16,535
2004	92,951	2,807,169,000	30,201	46,494	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

Sources: <sup>a</sup> U.S. Census Bureau

<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.

<sup>c</sup> Maryland Department of Planning, Planning Data Services  
Employment data for 1998-1999 is from the U.S. Bureau of Labor Statistics

<sup>e</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.

Table XV

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2002			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates, Inc.	2,000	1	4.98%	2,302	1	5.1%
Cecil County Board of Education	1,933	2	4.81%	2,290	2	5.1%
Perry Point V.A. Hospital	1,173	3	2.92%	1,125	3	2.5%
Union Hospital	700	4	1.74%	1,000	4	2.2%
Cecil County Government	494	6	1.23%	586	5	1.3%
ATK Tactical Systems (formerly Thiokol Corp.)	359	8	0.89%	540	6	1.2%
Wal-Mart Stores, Inc.	300	9		500	7	1.1%
Cecil College	-			461	8	1.0%
IKEA Maryland	370			370	9	0.8%
Penn National Gaming(Hollywood Casino)	-			350	10	0.8%
Terumo Medical Corp.	550	5	1.37%	-		
Basell North America	250	10	0.62%	-		
Acme Markets	370	7	0.92%	-		
<b>Totals</b>	<b>8,499</b>		<b>19.48%</b>	<b>9,524</b>		<b>21.0%</b>

Sources: Cecil County Department of Economic Development



Table XVI

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES  
BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	81.46	86.17	90.00	97.50	85.00	91.00	91.00	103.00	104.00	102.00
Public Safety	247.95	253.95	257.95	260.45	251.00	260.00	282.00	298.00	289.00	291.00
Law Enforcement	83.00	82.00	83.00	84.00	86.00	83.00	87.00	92.00	96.00	97.00
Detention Center	60.00	60.00	60.00	57.50	52.00	57.00	66.00	62.00	55.00	65.00
EMS & Emergency Services	49.95	55.45	56.95	56.95	52.00	61.00	67.00	86.00	80.00	81.00
Other	55.00	56.50	58.00	62.00	61.00	59.00	62.00	58.00	58.00	48.00
Highways, Streets, and Bridges	64.00	68.50	66.00	66.00	69.00	70.00	76.00	72.00	67.00	68.00
Roads Maintenance	46.00	48.00	47.00	46.00	42.00	45.00	47.00	45.00	43.00	45.00
Engineering and Other	18.00	20.50	19.00	20.00	27.00	25.00	29.00	27.00	24.00	23.00
Health and Welfare	52.25	54.75	55.75	59.25	43.00	49.00	44.00	50.00	60.00	50.00
Senior Services	22.00	24.00	24.00	26.00	22.00	33.00	24.00	27.00	27.00	24.00
Other	30.25	30.25	31.75	33.25	21.00	16.00	20.00	23.00	33.00	26.00
Recreation and Culture	2.00	2.00	2.00	2.00	2.00	3.00	5.00	6.00	7.00	8.00
Economic Development	5.50	6.50	5.50	5.50	4.00	5.00	4.00	6.00	6.00	5.00
Agriculture	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	5.00	5.00	5.00	4.00	5.00	3.00	3.00	3.00
Wastewater	13.00	13.00	13.00	13.00	13.00	14.00	14.00	11.00	12.00	12.00
Landfill	23.00	22.00	22.00	23.00	20.00	24.00	25.00	24.00	24.00	25.00
Central Garage	7.00	-	-	-	-	-	-	-	-	-
Totals	505.16	515.87	521.20	535.70	496.00	524.00	551.00	578.00	577.00	569.00

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

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

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Table XVII

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Safety</b>										
Physical Arrests	n/a	n/a	1,816	1,867	n/a	1,941	2,327	2,666	2,430	2,577
911 Calls	3,103	3,057	3,146	3,332	4,127	198,706	193,323	215,419	191,866	207,019
Fire/Paramedic Calls	12,337	12,228	12,670	13,865	13,304	n/a	16,207	16,553	13,201	13,525
Building Permits Issued	703	834	776	721	530	407	362	276	282	323
<b>Highways, Streets, and Bridges</b>										
Street Resurfacing (miles)	28.10	27.29	22.52	16.22	41.77	48.11	16.26	13.06	3.32	12.67
<b>Health and Welfare</b>										
Participants (avg. monthly)	1,108	1,207	800	967	1,025	1,300	1,600	1,155	1,078	1,170
Meals served	27,172	28,460	25,011	23,791	26,346	24,640	23,783	24,887	23,004	21,276
Bus Passengers	n/a	29,061	31,980	34,984	40,255	43,674	46,043	49,875	49,709	60,066
<b>Recreation and Culture</b>										
Safetyville (attendance)	141	146	158	142	139	110	116	102	103	88
<b>Agriculture</b>										
Acres under Preservation Agreements	10,752	11,686	12,154	12,154	12,154	12,890	12,890	13,750	13,808	23,900
<b>Water</b>										
Average Daily Consumption (thousands of gallons)	142,397	152,618	159,997	164,577	177,399	185,890	168,195	162,417	162,748	169,546
<b>Wastewater</b>										
Average Daily Sewage Treatment (thousands of gallons)	418,753	413,444	435,346	459,973	464,268	480,524	408,599	469,597	509,706	496,752
<b>Landfill</b>										
Annual Tons of Refuse	92,218	87,268	110,947	116,501	166,691	151,926	141,928	128,389	111,313	104,251

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**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Safety</b>										
Police Patrol Units	59	60	62	62	66	82	80	85	85	85
Paramedic Units	3	3	4	4	6	7	8	8	8	8
<b>Highways, Streets, and Bridges</b>										
Roads & Highways (miles)	587	588	594	599	601	601	601	601	601	601
Bridges	102	102	104	104	104	104	95	95	95	95
<b>Health and Welfare</b>										
Buses	8	9	9	9	10	11	10	13	15	14
<b>Recreation and Culture</b>										
Park Acreage	603	603	603	603	603	603	717	717	717	717
<b>Water</b>										
Production Capacity (millions of gallons per day)	0.400	0.400	0.400	0.400	0.468	0.529	0.800	1.348	1.348	1.348
<b>Wastewater</b>										
Wastewater Treatment Capacity (millions of gallons per day)	2.890	2.890	3.060	3.060	3.065	3.065	3.065	3.065	3.065	3.065
<b>Landfill</b>										
Remaining Built Capacity (cubic yards)	1,793,194	1,596,288	1,352,026	1,096,654	740,800	426,427	2,003,582	1,800,984	2,420,000	2,215,500

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful capital asset indicators are not available for all functions. FY2010 remaining Landfill capacity increased due to ongoing redevelopment project.