

# *Carroll County, Maryland*



## *Comprehensive Annual Financial Report*



For the Fiscal Year Ended  
June 30, 2015



# Carroll County Mission

It is the mission of Carroll County Government to protect the Constitutional Rights of our citizens, maintain excellent public safety, infrastructure and education in a conservative and fiscally responsible manner, keeping Carroll County strong today and in the future.

Carroll County Government leads by example, respects the proper role of government, openly engages its citizens, and strives to preserve and protect the true American Spirit.

Front cover photo: Piney Run Park, *courtesy of Carroll County Department of Recreation & Parks.*

# Comprehensive Annual Financial Report

For The Fiscal Year Ended  
June 30, 2015

Department of the Comptroller  
Carroll County, Maryland

Robert M. Burk, Comptroller



# Introductory Section



Rachel McCusker, 2014—2015  
Teacher of the Year with a student



John Baugher, 2014 – 2015 Principal  
of the Year with students



Steve Guthrie, School Superintendent and a student

THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015

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

December 3, 2015

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

State law requires that all general-purpose local governments publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Carroll County, Maryland for the fiscal year ended June 30, 2015.

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

Carroll County's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Carroll County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Carroll County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Report starts on page 244.

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

**Profile of the Government:**

Carroll County was created pursuant to an Act of the General Assembly of the State of Maryland on January 19, 1837. Carroll County is situated in the north central part of Maryland lying south of the Pennsylvania state line, which is part of the historic Mason-Dixon line. It is bordered on the east by Baltimore County, on the south by Howard County and on the west by Frederick County. The County is 456 square miles in area and is approximately 27 miles both in length and width with a 2015 population estimate of 171,702. The County seat



and largest city is Westminster. Carroll County is empowered to levy a property tax on both real and personal properties located within its boundaries. During the last three decades, the basic character of the County's land and residents has changed from predominantly rural to suburban and rural.

Carroll County has operated under the commissioner form of government since the County was formed by the State of Maryland legislature. The County is governed by an elected five-member Board of County Commissioners (the "Board"). The Board may only exercise such powers as are conferred upon it by the General Assembly of Maryland. The Board operates under the Code of Public Local Laws of Carroll County, 2004 Edition, as amended, being Article 7 of the Code of Public Local Laws of Maryland. Both the executive and legislative functions of the County are vested in the Board of County Commissioners. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing a County Administrator, a Clerk to the Board, and the directors of various departments. The County Administrator and Clerk to the Board are charged, generally, with the day-to-day management of the County. The board members serve four-year concurrent terms, limited to two consecutive terms by State law. The County is divided into five districts based on equal population. Each district elects a commissioner to represent their district.

Carroll County provides a full range of services including public safety (police, volunteer fire protection, emergency services and detention center), highways and streets, sanitation, planning and zoning, economic development, culture-recreation, education, a community college, libraries, judicial and general administrative services. The County also operates, in conjunction with the State, services related to general community health and human services. In addition, the County operates a water and wastewater utility, a solid waste operations, a septage treatment operation, an airport, a firearms facility (shooting range), and a fiber network as enterprise funds.

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

The annual budget serves as the foundation for Carroll County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Department of Management and Budget in December of each year. Management and Budget uses these requests as the starting point for developing a proposed budget. Management and Budget then presents this proposed budget to the Commissioners for review prior to April 30. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than 30 days before the close of the County's current fiscal year. The appropriated budget is prepared by fund, function (e.g., general government), and department (e.g., planning). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the Board. A budget-to-actual comparison is provided in this report for the individual governmental funds for which a legal appropriated annual budget has been adopted. The general fund comparison is presented on page 36 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Supplementary Information subsection of the report, which starts on page 181.

#### **Local Economy:**

Local indicators show the continued stability of Carroll County. The unemployment rate for Carroll County was at 4.8% in June 2015, compared to 5.3% nationally. This is a result of the gradual continuing economic recovery. Carroll County still maintains a mix of manufacturing, industrial, and service businesses that when joined with the strong agri-business, provides for a stable business climate. The top ten employers in the County show the diversity as it contains the County Government, County Board of Education, two hospitals, a

retirement community, two colleges, a warehouse and distribution business, a manufacturer, and a clothing manufacturer. Included in these employers are companies like Penguin Random House, Evapco, and Jos. A. Bank Clothiers.

The County has a labor force of approximately 95,769 as of June 2015, which was an increase of .7% from last year.

### **Long-term Financial Planning:**

#### *Real Property Tax Rate:*

The Real Property Tax Rate is set by the Commissioners annually during the adoption of the budget. For fiscal year 2015 the commissioners adopted a Real Property Tax Rate of \$1.018 per \$100 of assessed value, unchanged from the prior year. In fiscal year 2015 the Commissioners issued a Real Property Tax rebate of \$0.01 per \$100 of assessment, totaling \$1.77 million.

#### *Personal Property Tax Rate:*

The Personal Property Tax Rate is also set annually by the Commissioners during adoption of the budget. For fiscal year 2015 the Commissioners adopted a Personal Property Tax Rate of \$2.515 per \$100 of assessed value, unchanged from the prior year.

#### *Income Tax Rate:*

Effective January 1, 2015 the income tax rate reduced from 3.04% to 3.03% of the State taxable income.

#### *Homestead Tax Credit:*

The Homestead Tax Credit is set by the Commissioners which caps the amount taxes can increase on a primary residence at 5 percent a year. The credit equals the County's tax rate multiplied by the amount by which the current year's assessment on residential property exceeds 5 percent of the previous year's taxable assessment.

#### *Stabilization Arrangement:*

The County formally adopted an ordinance for the stabilization arrangement during fiscal year 2013. The arrangement requires the County to maintain at least 5% of the upcoming fiscal year adopted general fund budget to be available to meet unforeseen emergency situations.

#### *Operating Budget:*

The County maintains a balanced six-year Operating Plan and a Community Investment Plan (CIP) for expenditures built on projected revenues. The development of six-year plans requires the County to evaluate the impact of current decisions on the long-term financial position of the County.

#### *Capital Projects:*

The County Commissioners six-year Community Investment Plan is focused on maintaining existing infrastructure. The six-year program includes \$26 million to continue the County's efforts in purchasing agriculture land preservation easements, \$20.6 million for watershed assessment and improvements, and \$77.6 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.

The program also includes \$12.5 million for upgrading to enhanced nutrient removal for the Hampstead Waste Water Treatment Plant, with the funding being collected by way of connection fees and an annual assessment on current and future users. A \$12.8 million project is included to replace the current cast iron water mains and clay sanitary sewer lines in the Town of Sykesville where Bureau of Utilities operates and maintains both the water and sewer in the town. A funding program for water and sewer projects estimated to be needed to build-out has been put in place that would fund all needed projects through user assessments and connection fees and not require new debt financing. A \$50 million project is included for the airport runway extension to expand the current 5,100 foot runway to 5,400 feet and widen and extend taxiways. The runway will be moved

approximately 400 feet from its current location to allow larger aircraft to land. The majority of funding on this project is from Maryland Aviation Administration and Federal Aviation Administration.

*Debt Administration:*

The County plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, available financing instruments, trends in bond market structures, and trends in interest rates. The County finances its capital needs on a regular basis dictated by its capital spending pattern. A financial advisor firm and bond counsel assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

The county consolidates general County improvements into Consolidated Public Improvement bonds with a term of no longer than the estimated life of the assets for which they are used to purchase. Debt obligations are generally issued through a competitive sale. However, the County may use a negotiated sale process when it deems bids received through a competitive sale are unsatisfactory or does not receive bids.

**Financial Policies and Practices:**

*Debt Policy:*

The debt policy sets forth comprehensive guidelines for the financing of capital expenditures. The policy provides parameters for issuing debt and managing outstanding debt. The policy provides guidance to decision makers regarding the timing and purpose for which debt may be issued, what types and amounts of debt are permissible, the method of sale that may be used and the debt structuring practices that may be used. The County recognizes that adherence to a debt policy helps ensure that it maintains a sound debt position and that credit quality is protected.

*Investment Policy:*

The County has a written investment policy and procedures manual that ensures that the investment program is strictly adhered to and the security of County investments are maximized. Cash held temporarily idle during the year by Carroll County, excluding component units, was invested in repurchase agreements, certificates of deposits, obligations of federal government agencies instrumentalities, the State of Maryland Local Government Investment Pool and a bank money rate savings account all of which are fully collateralized by United States Government obligations for periods ranging from one day to twenty years. The County also has a delivered collateral policy and a master repurchase agreement as part of its overall investment program.

**Major Initiatives:**

The County continues to focus on maintaining essential services. The County continues the process of transitioning the 800 MHz radio system from its existing analog infrastructure to a new digital infrastructure. More than 66,642 acres are under permanent easement in our Agricultural Land Preservation programs supporting agribusiness, maintaining open space and our rural heritage, and avoiding the costs of services and infrastructure to serve residential development.

Carroll County continues to maintain strong ratings from the credit rating agencies and the County's bonds are competitively sold with strong investor interest.

*Pension and 401(k) Plans:*

The Carroll County Employee Pension Plan, a defined benefit plan, was established by the County in 2004 and administered by the County to accumulate resources for pension benefit payments. The Carroll County Employee Pension Plan was amended October 1, 2009 to establish the Carroll County Certified Law Officers Pension Plan. It allows eligible law enforcement officers to receive a non-reduced pension after 25 years of service. Effective October 1, 2009, the County amended the 401(k) Defined Contribution Plan and discontinued County contributions for employees that were hired July 1, 1985 or later and for those employees

hired prior to July 1, 1985 who elected to participate in the Carroll County Pension Plan. Employees may still choose to voluntarily contribute to the plan. Administration of this plan is provided by the County, with recordkeeping services provided by the American Funds Group. Additional information on the plans can be found in Note 11 of the notes to the financial statements.

**Awards and Acknowledgements.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carroll County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. Carroll County, Maryland has received a Certificate of Achievement for the last 30 consecutive years (fiscal years 1985-2014). The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

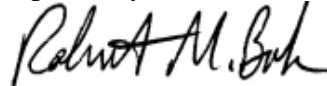
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2015 adopted budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The Distinguished Budget Presentation Award is valid for a period of one year only. Carroll County has received the Distinguished Budget Presentation Award for the last 8 consecutive years (2008-2015). Currently, the County has submitted its fiscal year 2016 adopted budget document for award consideration.

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

Respectfully submitted,



Robert M. Burk, CPA  
Comptroller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Carroll County  
Maryland**

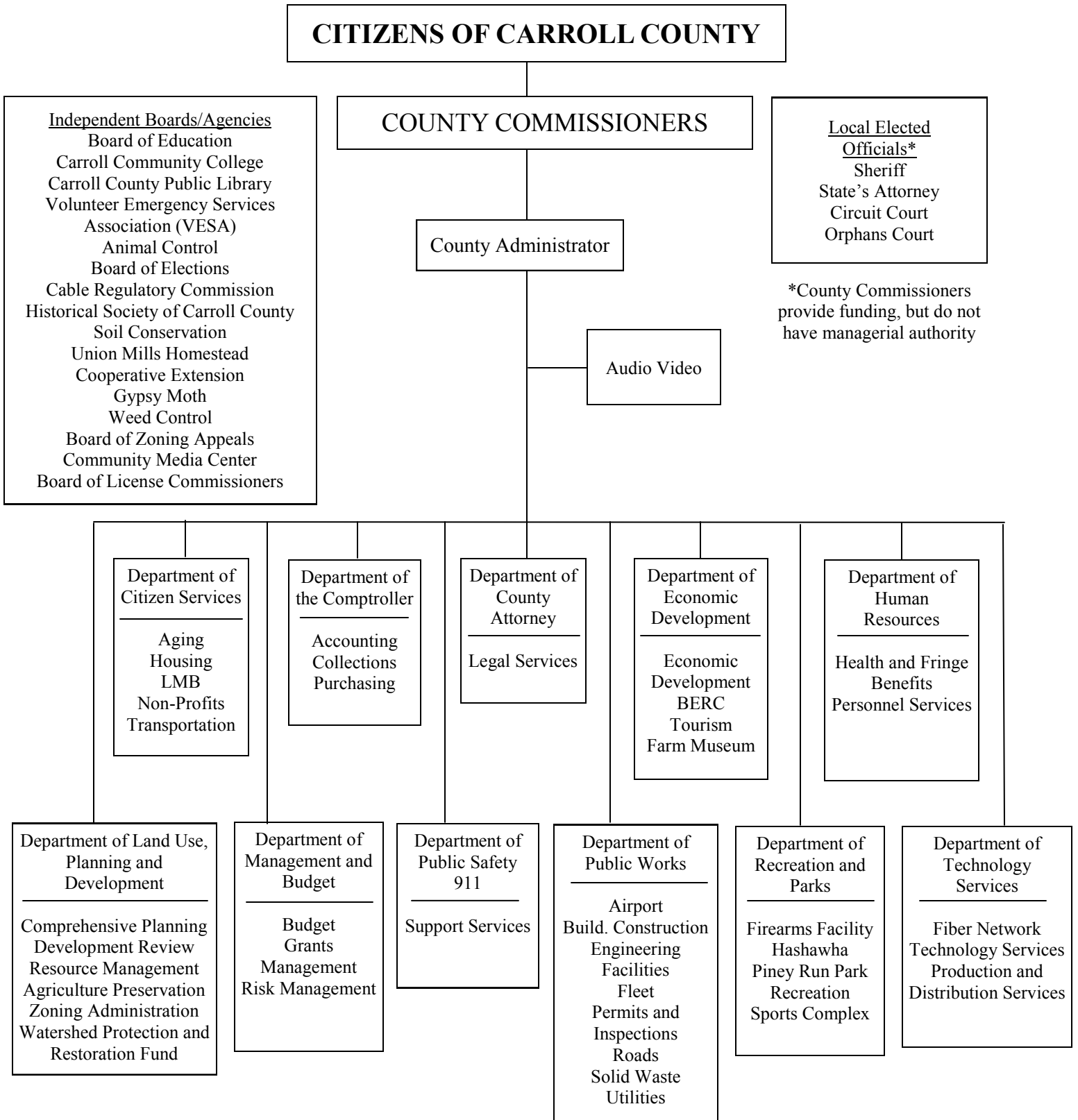
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# CARROLL COUNTY GOVERNMENT

## Organizational Chart





## Carroll County, Maryland

225 North Center Street  
Westminster, Maryland 21157  
Telephone (410) 386-2400  
Fax (410) 386-2485  
[ccgovernment.carr.org](http://ccgovernment.carr.org)

### Appointed Officials

Roberta Windham  
County Administrator  
Shawn Reese  
County Clerk  
Robert M. Burk  
Comptroller  
Theodore Zaleski, III  
Director of Management and Budget  
Timothy C. Burke  
County Attorney  
Vacant  
Director of Citizen Services  
Vacant  
Director of Public Works  
Scott R. Campbell  
Director of Public Safety  
Philip R. Hager  
Director of Planning  
Thomas Devilbiss  
Director of Land and Resource  
Management  
Jeff R. Degitz  
Director of Recreation and Parks  
Kimberly L. Frock  
Director of Human Resources  
Mark Ripper  
Director of Technology Services  
John Lyburn, Jr.  
Director of Economic Development

### Independent Auditors

CliftonLarsonAllen, LLP  
Timonium, Maryland

### Bond Counsel

McKennon Shelton & Henn, LLP  
Baltimore, Maryland

### Financial Advisor

Davenport & Company, LLC  
Baltimore, Maryland

## Board of County Commissioners



J. Douglas Howard  
President  
District 5



Stephen Wantz  
Vice President  
District 1



Richard Weaver  
Secretary  
District 2



Richard Rothschild  
District 4



Dennis Frazier  
District 3





# Financial Section



The Sheriff's Department is very active & involved with the citizens of Carroll County. They helped out with the Baltimore City riots (pictured at top), they run a Camp Cops for kids during the summer (lower left), and they also participate in National night out (lower right). These are just a few of the many things they do for the citizens besides their regular scheduled duties.



## INDEPENDENT AUDITORS' REPORT

The County Commissioners of Carroll County  
Westminster, Maryland

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of Carroll County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

### *Change in Accounting Principles*

During fiscal year ended June 30, 2015, the County adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. As a result of the implementation of these standards, the County reported a restatement for the change in accounting principle (see Note 11) Our auditors' opinion was not modified with respect to the restatement.

### *Correction of Errors*

As described in Note 1 to the financial statements, the County restated beginning balances resulting from the correction of accounting errors that occurred in the prior period. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16-30 and the schedules of net pension liability and related ratios, contributions, and investment returns on pages 164-180, 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 sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, additional information, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of the expenditures of federal awards, as noted in the single audit section of the table of contents, is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and

Non-Profit Organizations, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The introductory section, additional information, and statistical section as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 18, 2015

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

As management of Carroll County, MD we offer readers of Carroll County Government's financial statements this narrative overview and analysis of the financial activities of Carroll County Government for the fiscal year ended June 30, 2015. The objective of this overview and analysis is to assist readers in focusing on significant financial issues, provide an overview of the County's financial activity, identify changes in the County's financial position, identify any material deviations from the financial plan, and identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 4-11 of this report.

**Financial Highlights**

**Government-wide:**

- The assets and deferred outflows of resources of Carroll County exceeded its liabilities at the close of the fiscal year ended June 30, 2015 by \$289,275,017 (total net position), compared to \$278,997,530 at June 30, 2014, as restated. For fiscal year ended June 30, 2015 total net position was net of the \$68,297,575 deficit in unrestricted component of net position. The deficit occurred primarily because the County issues debt to fund construction costs for the Board of Education which is a component unit of the County. The assets are then recorded on the component unit's books and the related debt is recorded on the County's books. Of total net position at June 30, 2015 \$27,429,357 was restricted for specific purpose (restricted net position) in comparison to \$30,730,474, at June 30, 2014. The total net investment in capital assets was \$330,143,235 at June 30, 2015 compared to \$307,133,305 at June 30, 2014.
- The total net position increased by \$10,277,487 or 4%.

**Fund level:**

- At the close of the fiscal year, unassigned fund balance for the general fund (primary operating fund) was \$7,383,735 or 2.1% of general fund revenues.
- As of June 30, 2015, the County's governmental funds reported combined fund balances of \$134,887,580, a decrease of \$9,314,663 from the prior year. Approximately 5.5 percent of the combined fund balance is available to meet the County's current and future needs (*unassigned*), 34.6 percent is assigned, indicating that it is not available for new spending because it has already been assigned for items such as existing purchase orders and construction contracts, 38.4 percent is committed or restricted for future use, stabilization arrangement, restricted investments and other purposes, and 21.5 percent is non spendable meaning it is in the form of loans receivable, inventory and notes receivable.

**Long-term Debt:**

- Carroll County Government's total bonded debt decreased by \$9,115,867, or 3% from fiscal year 2014. For fiscal year 2015 the County paid an average interest rate of 4.25%.

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**Overview of the Financial Statements**

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

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

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only Carroll County Government itself (known as the *primary government*), but also legally separate component units. Carroll County Government has the following component units: Carroll County Board of Education, Carroll Community College, Carroll County Public Library, and Industrial Development Authority of Carroll County. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 31 and 32 of this report.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carroll County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with



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finance-related legal requirements. All of the funds of Carroll County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Carroll County Government maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements which can be found on pages 188 to 195 of this report.

Carroll County Government adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and can be found on page 36 of this report.

The basic governmental funds financial statements can be found on pages 33 and 34 of this report.

**Proprietary funds:** Carroll County Government maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Carroll County Government uses an enterprise fund to account for its Bureau of Utilities, Solid Waste, Airport, Septage, Firearms Facility and Fiber Network. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Carroll County Government's various functions. Carroll County Government uses an internal service fund to account for risk management activities and employee health benefits. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 37 to 39 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Bureau of Utilities, Solid Waste, and Airport, which are considered to be major funds of Carroll County Government. Individual fund data for each of the three non-major proprietary funds is provided in the form of combining statements which can be found on pages 196 to 198 of this report.

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***Fiduciary funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Carroll County Government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County has four trust funds which are the Carroll County Employee Pension Trust Fund; the Carroll County Certified Law Officers Pension Trust Fund; the Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (OPEB); and the Volunteer Firemen Length of Service Award Program (LOSAP). In addition to the four trust funds the County has six agency funds which are the Carroll County Development Corporation (CCDC) the Carroll County Drug Task Force- Non Federal, Carroll County Drug Task Force-Treasury, Sheriff's Department Drug & Alcohol, Law Enforcement Activities, and Cable Regulatory Commission. The basic fiduciary funds financial statements can be found on pages 40 and 41 of this report.

***Notes to the financial statements:*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42 to 163 of this report.

***Required Supplementary Information:*** Required supplementary information is not part of the basic financial statements; however it provides additional information. Required Supplementary Information can be found on pages 164 to 180.

**Financial analysis of the County as a whole**

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial position. In the case of Carroll County Government, total net position was \$289,275,017 at the close of the most recent fiscal year. Components for Carroll County Government's net position are divided into three categories, net investment in capital assets, restricted net position and unrestricted net position. The largest portion of the County's net position reflects its investment in capital assets net of depreciation (e.g., buildings, building improvements, water and sewer systems, vehicles, machinery, equipment, roads and bridges), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that although counties in the State of Maryland issue debt for the construction of schools, school buildings are owned by each County's Public School System. Ownership reverts to the County if the local board determines that a building is no longer needed. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. The negative unrestricted net position in governmental activities of \$56,074,648 reflect the imbalance of liabilities without corresponding assets.

Restricted net position of \$27,429,357 represents 9 percent of total net position. Restricted net position is resources that are subject to external restrictions on how they may be used. Unrestricted net position of the total government is a deficit of \$68,297,575.

During fiscal year 2015 the County's net position increased by \$10,277,487. The increases in income tax along with the decrease in expenses in Conservation of Natural Resources for agricultural land preservation were contributing factors to the increase in net position. Another factor for the increase was due to the

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restatement of fiscal year 2014's net position from implementing GASB Statement 68, which eliminated negative net pension obligations (assets) and reflects pension liabilities on the Statement of Net Position.

**Carroll County Government's Net Position**

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2015	Restated as of June 30, 2014*	June 30, 2015	Restated as of June 30, 2014*	June 30, 2015	Restated as of June 30, 2014*
Current assets	\$ 188,027,181	\$ 194,850,140	\$ 31,653,269	\$ 33,158,726	\$ 219,680,450	\$ 228,008,866
Non-current assets	25,979,899	30,838,922	-	-	25,979,899	30,838,922
Capital assets	384,199,871	379,964,360	128,885,883	128,767,060	513,085,754	508,731,420
Total assets	598,206,951	605,653,422	160,539,152	161,925,786	758,746,103	767,579,208
Deferred outflows	11,859,208	5,054,556	(29,155)	78,772	11,830,053	5,133,328
Total assets and deferred outflows	610,066,159	610,707,978	160,509,997	162,004,558	770,576,156	772,712,536
Current liabilities	89,933,952	95,226,438	7,051,014	5,481,763	96,984,966	100,708,201
Non-current liabilities	355,725,907	347,770,782	28,060,402	29,289,338	383,786,309	377,060,120
Total liabilities	445,659,859	442,997,220	35,111,416	34,771,101	480,771,275	477,768,321
Deferred inflows	529,864	-	-	-	529,864	-
Total liabilities and deferred inflows	446,189,723	442,997,220	35,111,416	34,771,101	481,301,139	477,768,321
Net position:						
Net investment in capital assets	218,185,521	204,437,083	111,957,714	102,696,222	330,143,235	307,133,305
Restricted	1,765,563	7,792,322	25,663,794	22,938,152	27,429,357	30,730,474
Unrestricted	(56,074,648)	(44,518,647)	(12,222,927)	1,599,083	(68,297,575)	(42,919,564)
Total net position	\$ 163,876,436	\$ 167,710,758	\$ 125,398,581	\$ 127,233,457	\$ 289,275,017	\$ 294,944,215

\*The County implemented GASB Statement No. 68 effective July 1, 2014. The 2014 amounts presented have not been restated to reflect the implementation of GASB 68. However, the 2014 amounts have been restated to reflect a correction of an error. Refer to Note 1.

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

**Carroll County Government's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Government	
	June 30, 2015	June 30, 2014*	June 30, 2015	June 30, 2014*	June 30, 2015	June 30, 2014*
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 21,593,325	\$ 19,746,864	\$ 18,735,993	\$ 17,637,096	\$ 40,329,318	\$ 37,383,960
Operating grants & contributions	15,436,302	16,136,623	-	-	15,436,302	16,136,623
Capital grants & contributions	6,562,362	8,372,841	1,970,091	10,131,680	8,532,453	18,504,521
<b>General revenues:</b>						
Property taxes	195,465,262	197,220,873	-	-	195,465,262	197,220,873
Income tax	144,994,220	131,714,052	-	-	144,994,220	131,714,052
Recordation tax	11,888,637	10,576,850	-	-	11,888,637	10,576,850
Admission & amusement tax	353,937	262,098	-	-	353,937	262,098
Agricultural transfer tax	59,558	365,510	-	-	59,558	365,510
Hotel rental tax	284,101	309,992	-	-	284,101	309,992
State shared, unrestricted	-	948,717	-	-	0	948,717
Investment earnings	2,068,767	1,721,180	404,594	756,859	2,473,361	2,478,039
Gain on sale of capital asset	-	-	1,695	9,000	1,695	9,000
<b>Total Revenues</b>	<b>\$ 398,706,471</b>	<b>\$ 387,375,600</b>	<b>\$ 21,112,373</b>	<b>\$ 28,534,635</b>	<b>\$ 419,818,844</b>	<b>\$ 415,910,235</b>
<b>Program Expenses:</b>						
General government	49,409,874	57,641,753	-	-	49,409,874	57,641,753
Public safety	43,979,786	42,220,945	-	-	43,979,786	42,220,945
Public works	38,511,223	35,383,930	-	-	38,511,223	35,383,930
Health	4,280,644	4,504,233	-	-	4,280,644	4,504,233
Human services	6,875,694	1,234,170	-	-	6,875,694	1,234,170
Education	191,534,142	192,529,402	-	-	191,534,142	192,529,402
Culture and recreation	4,637,178	2,617,282	-	-	4,637,178	2,617,282
Libraries	14,145,909	13,909,531	-	-	14,145,909	13,909,531
Conservation of natural resources	8,936,174	11,395,342	-	-	8,936,174	11,395,342
Economic development	4,822,656	6,723,025	-	-	4,822,656	6,723,025
Judicial	7,283,903	6,222,691	-	-	7,283,903	6,222,691
Interest on long-term debt	11,851,872	12,506,841	-	-	11,851,872	12,506,841
Bureau of Utilities	-	-	11,046,657	11,328,410	11,046,657	11,328,410
Solid Waste	-	-	9,550,820	6,319,530	9,550,820	6,319,530
Airport	-	-	733,816	800,811	733,816	800,811
Septage	-	-	604,130	536,068	604,130	536,068
Firearms	-	-	106,373	100,324	106,373	100,324
Fiber Network	-	-	1,230,506	673,718	1,230,506	673,718
<b>Total Expenses</b>	<b>386,269,055</b>	<b>386,889,145</b>	<b>23,272,302</b>	<b>19,758,861</b>	<b>409,541,357</b>	<b>406,648,006</b>
Excess (deficiency) before transfers	12,437,416	486,455	(2,159,929)	8,775,774	10,277,487	9,262,229
Transfers	(325,053)	(2,447,601)	325,053	2,447,601	-	-
Increase (Decrease) in Net Position	12,112,363	(1,961,146)	(1,834,876)	11,223,375	10,277,487	9,262,229
Net Position-Beginning, as restated	151,764,073	169,671,904	127,233,457	116,010,082	278,997,530	285,681,986
Net Position - Ending	<b>\$ 163,876,436</b>	<b>\$ 167,710,758</b>	<b>\$ 125,398,581</b>	<b>\$ 127,233,457</b>	<b>\$ 289,275,017</b>	<b>\$ 294,944,215</b>

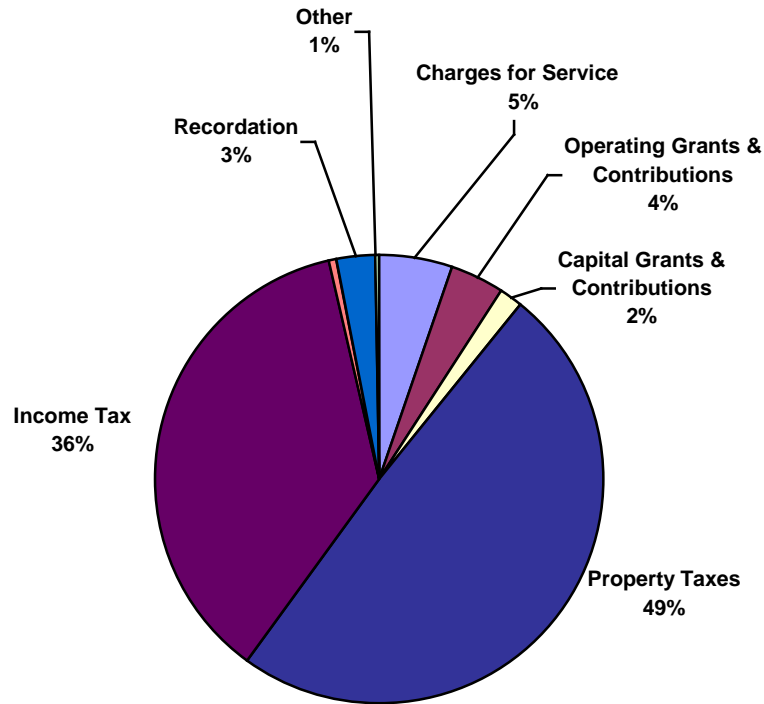
\* The County implemented GASB Statement No. 68 effective July 1, 2014. The 2014 amounts presented have not been restated to reflect the implementation of GASB 68. However, the 2014 amounts have been restated to reflect a correction of an error. Refer to Note 1.

- Governmental activities:** Overall revenue has increased by \$11,330,871, which is a 3 percent increase from fiscal year 2014. Property tax revenue decreased by \$1,755,611 over last fiscal year due to the issuance of property tax rebates which were \$0.01 per \$100 of assessment. Income tax increased by \$13,280,168 due to the increase amount that the State of Maryland has collected for the County but, has not distributed and more income tax was collected. Investment earnings increased by \$347,587 as a result of change in market values at year end on restricted investments in U.S Treasury Strips and Bonds for Installment Purchase Agreements. Recordation increased by \$1,311,787 over last fiscal year due to increased activity in the real estate market. Capital grants and contributions decreased by \$1,810,479. There was a decrease in the amount of agricultural land grant reimbursements the County received in fiscal year 2015 compared to fiscal year 2014. Another reason for the decrease was due to the County

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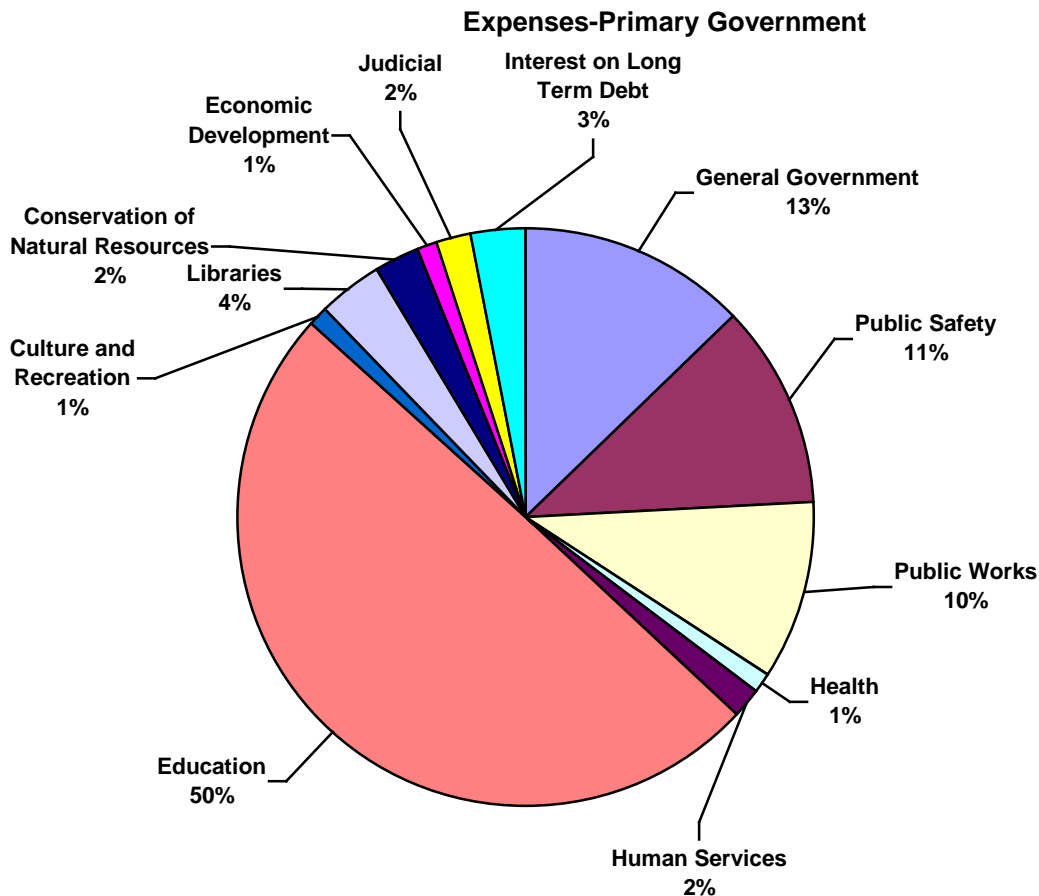
receiving less money in fiscal year 2015 compared to fiscal year 2014, from the State Numbers Board for the relocation of the Emergency Operations Center.

**Revenues by Source-Primary Government**



The expenses of the governmental activities have decreased by \$620,090 or .016 percent from fiscal year 2014. Public Works increased by \$3,127,293. The increase in Roads Operations was due to additional costs associated with snow during the fiscal year. Conservation of Natural Resources decreased \$2,459,168, primarily due to a decreased amount of easements purchased for agricultural land preservation. The primary reason for the \$8,231,879 decrease in General Government in fiscal year 2015 was due to fuel, vehicle maintenance and telephone expenses being allocated by function. The County continues to review its process of allocating direct costs by function. Public Safety increased by \$1,758,841 due to the reclassifying of activities by function for better representation of financial information.

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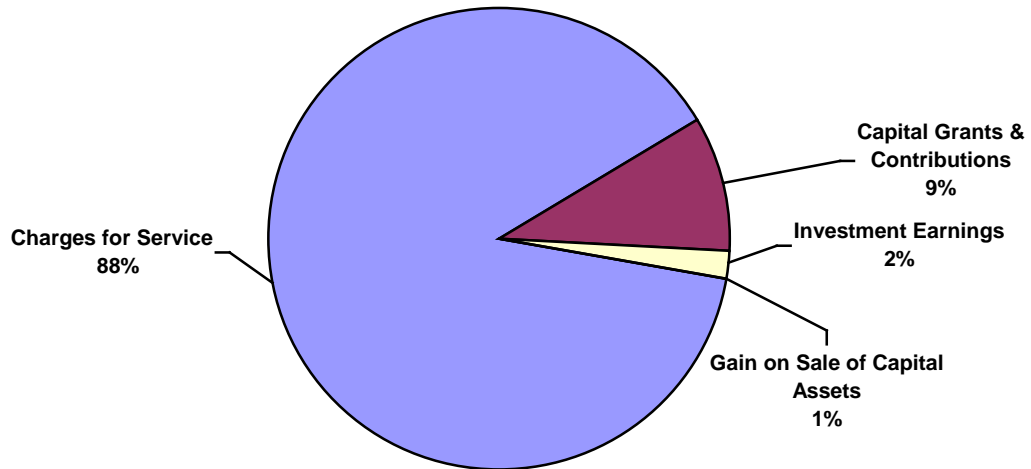


**Business-type activities:** There was an overall decrease in revenues of \$7,422,262 or 2 percent from fiscal year 2014. The primary reason for the decrease is due to the restatement of fiscal year 2014 to reflect donated assets in the Fiber Network fund. Capital assets balances for the Fiber Network fund were restated as of June 30, 2014 to correctly record assets that were built under the Federal Broadband Technology Opportunities Program. Howard County government served as a Sub-recipient to construct the fiber network under the Federally Funded Multi-County Agreement. The expenses of the business-type activities have increased by \$3,513,441 or 15% from fiscal year 2014. The primary reason for the increase happened in the Solid Waste fund. The Solid Waste expenses increased by \$3,231,290 in fiscal year 2015 compared to fiscal year 2014 due the County recording a reduction in accrued liabilities in fiscal year 2014 in the Solid Waste fund. This reduction resulted from the withdraw from the Waste to Energy Project and reduced expenses in the Solid Waste fund in fiscal year 2014.

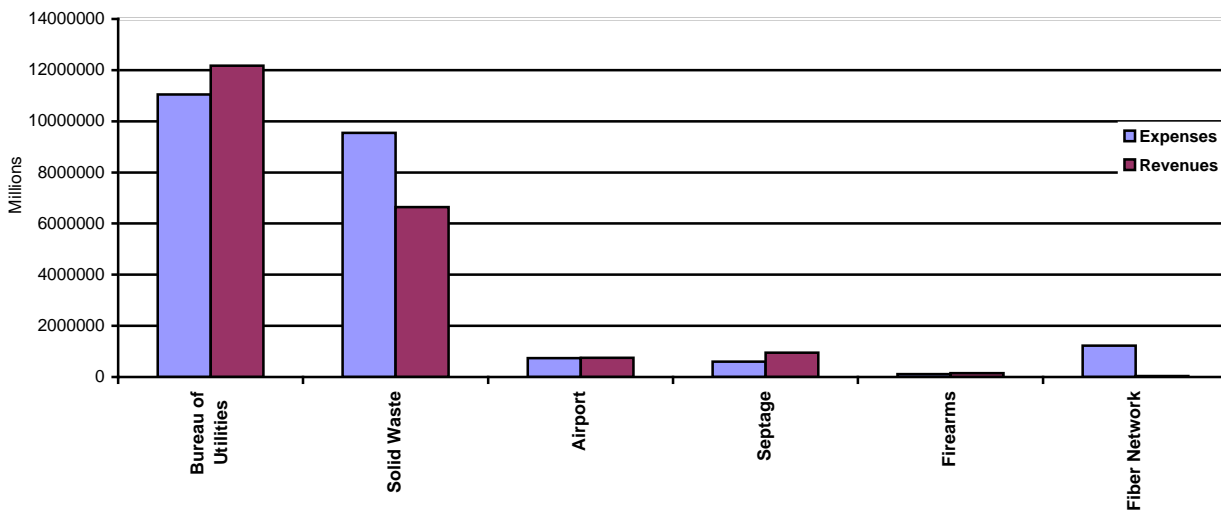
The County's transfers between governmental activities and business-type activities decreased by \$2,122,548 during fiscal year 2015.

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**Revenues by Source-Business-Type Activities**



**Expenses and Program Revenues - Business-type Activities**



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

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



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

As of the end of the current fiscal year, Carroll County Government's governmental funds reported combined ending fund balances of \$134,887,580, a decrease of \$9,140,976. Approximately 5.5 percent of this total (\$7,383,735) constitutes *unassigned fund balance*, which is available for future appropriation. The *assigned fund balance*, at 34.6 percent of total fund balance is not available for new spending because it has already been assigned to encumbrances from the prior year and subsequent years expenditures. The *committed fund balance*, at 17 percent of total fund balance is for future use, stabilization arrangement and other purposes. The *non spendable fund balance*, at 21.6 percent is not available for new spending because it is not expected to be converted to cash in the near future: 1) to cover loans receivable balances (\$18,380,681), 2) dedicated for inventory and advances to Industrial Development Authority (\$612,910), prepaid costs (\$211,074) and money due from other funds (\$9,799,459). The remaining 21.5 percent of fund balance (\$27,423,603) constitutes *restricted fund balance*.

The general fund is the primary operating fund of Carroll County Government. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,383,735, while total fund balance was \$102,668,549. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 2 percent of total general fund expenditures, while total fund balance represents 28 percent of that same amount.

A decrease in fund balance was budgeted with an appropriation of \$14,317,450 of fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in \$455,612 less in expenditures than budgeted. Total assets increased \$500,070. Liabilities decreased by \$5,196,835 due to a reduction in the amount owed to the Board of Education at year end.

The revenues in the General Fund have increased by \$4,987,331 compared to the prior fiscal year. The primary contributing factor to the increase was due the increase in income tax. Expenditures increased by \$6,489,629 compared to the prior fiscal year. The increase was due to additional one time funding to the Board of Education to cover operating expenditures. Another contributing factor to the increase was in Public Safety due to the full year impact of five partial positions and the implementation of a new compensation plan for the Sheriff's department. Vehicle maintenance, fuel and telephone expenditures were allocated across all functions. Public Works experienced an increase in expenditures due to increased costs associated with snow removal during the fiscal year.

The Capital Projects Fund balance sheet shows a \$9,955,330 decrease in assets in fiscal year 2015. The decrease in cash is mainly due to several projects beginning construction. Also, fewer bonds were issued for capital projects in fiscal year 2015 than in fiscal year 2014.

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The Capital Projects Fund has a total fund balance of \$28,542,650, of which \$13,155,341 is assigned to liquidate purchase orders and \$15,094,534 is assigned for future capital project expenditures. Unspent bond proceeds of \$292,775 are restricted for use on specific projects.

The Non-Major Governmental Funds have a total fund balance of \$3,676,381, all of which is formally committed or externally restricted for specific purposes.

**Proprietary funds:** Carroll County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The total unrestricted net position of the proprietary funds at the end of the year amounted to a deficit of \$12,222,927 and unrestricted component of net position in the Internal Service Fund totaled \$6,366,655. The total decrease in net position for the proprietary funds of \$1,834,876 was primarily due to the County recording a reduction in accrued liabilities in fiscal year 2014 in the Solid Waste fund. This reduction was the result of withdrawing from the Waste to Energy Project and reduced expenses in the Solid Waste fund in fiscal year 2014. The net position for the Internal Service Fund increased by \$2,231,685. Other factors concerning these funds' finances have been addressed in the discussion of Carroll County Government's business-type activities.

**Fiduciary funds:** Carroll County Government's fiduciary fund statements provide information regarding the County's Employee Pension Plan, the Certified Law Officers Plan, the Volunteer Firemen's Length of Service Award Program (LOSAP), the Other Post Employment Benefit Trust and agency funds. Total net position for the four plans is \$138,805,205 for fiscal year 2015. The investments in the trusts totaled \$139,402,752 at the end of fiscal year 2015 which was a 14% increase from fiscal year 2014. Agency funds had an asset total of \$1,040,130 at the end of fiscal year 2015. Other factors concerning these funds' finances have been addressed in the notes to these statements.

### **General Fund Budgetary Highlights**

In the original budget, the Board of Commissioners approved a reserve for contingencies of 1 percent of total budget to provide funds for emergency and unforeseeable expenditures that may arise during the current fiscal year. The final budget for reserve for contingencies increased from the original budget by \$364,128. Funds can only be moved to or from the reserve during the year with approval from the Board of Commissioners. Any balance left in the reserve at year end falls to unassigned fund balance.

The budgetary statements of the General Fund show actual revenues of \$351,342,272, compared to budgeted amount of \$338,821,571, a positive variance of \$12,520,701. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Local property taxes came in \$1.2 million more than the final budget due to railroad and public utility tax coming in stronger than anticipated.
- Local other taxes came in \$4.5 million more than final budget due to income tax growth being stronger than anticipated.
  
- Miscellaneous revenues were \$6.8 million more than budget due to unbudgeted in-kind rental income associated with the Board of Education, Library, and Community College facilities.

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The budgetary statements of the General Fund show actual expenditures of \$360,574,908, compared to budgeted amount of \$361,030,520, resulting in \$455,612 or 0.1 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

- General Government expenditures came in \$4 million less than final budget primarily due to in-kind services for component units being reallocated to the correct functions, which decreased general government.
- The Reserve for Contingency is set up in case funds are needed to be moved into functions to address specific problems or opportunities. For fiscal year 2015, \$3.6 million was left in the Reserve for Contingency creating a positive budget variance.
- The final budgets for each function in the expenditures were reallocated from the original budget to reflect changes made throughout the year. One of the changes made was to reallocate vehicle maintenance, fuel, and telephone direct costs by function.

**Capital Asset and Debt Administration**

**Capital assets:** Carroll County Government's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounted to \$513,085,754 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. The total increase in Carroll County Government's investment in capital assets for the current fiscal year was 0.9 percent (a 0.8 percent increase for governmental activities and a 0.1 percent increase for business-type activities). Additional information on the County's capital assets can be found on pages 75-76 of this report.

Additional information on the 2014 restatement can be found in Note 1.

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

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Land	\$ 34,466,628	\$ 33,041,200	\$ 8,943,617	\$ 8,944,412	\$ 43,410,245	\$ 41,985,612
Construction in progress	38,549,035	31,640,221	4,184,831	1,039,342	42,733,866	32,679,563
Building and contents	133,371,431	136,610,530	15,446,288	15,931,958	148,817,719	152,542,488
Improvements						
other than buildings	19,254,632	11,619,968	6,836,493	6,719,145	26,091,125	18,339,113
Auto, machinery & equipment	12,294,315	12,862,812	18,720,181	19,703,123	31,014,496	32,565,935
Infrastructure	146,263,830	154,189,629	74,754,473	76,429,080	221,018,303	230,618,709
Total	<u>\$ 384,199,871</u>	<u>\$ 379,964,360</u>	<u>\$ 128,885,883</u>	<u>\$ 128,767,060</u>	<u>\$ 513,085,754</u>	<u>\$ 508,731,420</u>

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

- The donation of the Army Reserve Building resulted in an increase of Land by \$1,047,600 and Building by \$1,186,400.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

- The on-going costs associated with the Carroll County 800MHZ radio & 911 project totaled \$5.49 million which was funded by general obligation bonds proceeds, real property tax revenue, general fund revenue, and State Number Board revenue, and resulted in an increase in CIP.
- The on-going costs associated with the Public Safety Training Center project totaled \$4.23 million which was funded by general obligation bonds proceeds and general fund revenue, and resulted in an increase in CIP.
- The on-going costs associated with the Krimgold Park project totaled \$1.49 million which was funded by impact fee revenue, State Program Open Space revenue, and general fund revenue, and resulted in an increase in CIP.
- The on-going costs and completion of various watershed protection projects totaled \$5.68 million which was funded by general obligation bonds proceeds, State Highway Administration revenue, State Department of Natural Resources revenue, and general fund revenue, and resulted in an increase in CIP and Improvements.
- The completion of the EOC Relocation project totaled \$6.15 million which was funded by general obligation bonds proceeds, real property tax revenue, and State Number Board revenue, and resulted in an increase in CIP and increase in Improvements.
- The start of phase 3 on the Energy Performance capital project totaled \$920,636 which was funded by Capital Lease Agreement, and resulted in an increase in CIP.
- The on-going costs associated with various Utilities capital projects totaled \$2.98 million which was funded by Water/Sewer user rates and resulted in an increase in CIP of Business-Type Activities.
- The completion of the new Northern Landfill Office capital project totaled \$313,493 which was funded by Solid Waste user fees, and resulted in an increase in Improvements of Business-Type Activities.
- The start of the Carroll County Fiber Network Equipment Replacement capital project totaled \$853,550 which was funded by Fiber Network revenue, and resulted in an increase in CIP of Business-Type Activities.

**General obligation debt:**

At the end of the current fiscal year, Carroll County Government had total general obligation debt outstanding of \$346,413,192, which is debt backed by the full faith and credit of the County.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds, net	\$ 297,878,654	\$ 304,903,421	\$ 17,483,954	\$ 19,575,054	\$ 315,362,608	\$ 324,478,475
General Obligation Debt	31,050,584	31,050,584	-	-	31,050,584	31,050,584
Total	<u>\$ 328,929,238</u>	<u>\$ 335,954,005</u>	<u>\$ 17,483,954</u>	<u>\$ 19,575,054</u>	<u>\$ 346,413,192</u>	<u>\$ 355,529,059</u>

During the current fiscal year Carroll County Government's total general obligation debt decreased by \$9,115,867. During the year, the County issued general obligation bonds totaling \$73,515,000. Of these bonds, \$15,000,000 were sold to cover capital projects in the governmental activities and \$58,515,000 were issued for refunding outstanding 2008 bonds to achieve debt service savings. The new debt issue will be

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

repaid over twenty years. Additional information on Carroll County Government's long-term debt can be found in Note 8 of this report.

Carroll County Government was assigned an AAA credit rating in October 2014 by Fitch Ratings. Fitch cited "Carroll County's fiscal operations are well managed through long-term financial planning and frequent monitoring of revenues and expenditures, resulting in healthy reserve levels." Standard and Poor's Rating Services assigned an AAA credit rating in October 2014, citing "We view the County's management conditions as very strong with "strong" financial management practices under our Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable." Moody's Investors Service, Inc. has continued to assign an Aa1 rating to Carroll County Government, citing "the Aa1 rating and stable outlook reflects the County's sound financial position, supported by comprehensive fiscal policies, and satisfactory available fund balance." All three rating agencies gave the County a rating outlook of stable.

For charter counties, state statutes limit the amount of general obligation debt a government entity may issue up to 15.0 percent of its net assessed valuation of personal and corporate property plus 6.0 percent of the total assessed valuation of real property. While Carroll County is not a charter county, and does not have a legal debt limit, it uses the state statute as a recommended guideline on debt limit. The current debt limitation for Carroll County Government is \$1,156,709,607, which is significantly in excess of the Carroll County Government's outstanding general obligation debt. Additional information on the computation of the legal debt margin can be found in Table 13 of this report.

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

- The fiscal year 2016 adopted budget appropriation for the general fund is \$379,962,320 representing an increase of \$11.5 million or 3.1 percent increase over fiscal year 2015.
- Real property tax is expected to increase in fiscal year 2016 due to increasing assessments. This is the first positive reassessment in six years.
- Income tax is expected to be higher in fiscal year 2016. The expected increase is due to expected growth in withholdings and estimated payments.
- Recordation is expected to be higher in fiscal year 2016 due to the County starting to see positive growth in the housing market.
- Education appropriation increased in fiscal year 2016 due to additional money funding teachers pensions.
- Public Safety appropriation increased under Sheriff Services due to five additional positions associated with the drug enforcement Support Program and the second year implementation of an enhanced salary plan for Sheriff Services.
- The County anticipates a reduction in income tax due to tax refunds for the Wynnes case. At this time an amount has not been determined.

All of these factors were considered in preparing the Carroll County Government's budget for the 2016 fiscal year.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Requests for Information**

This financial report is designed to provide a general overview of Carroll County Government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of the Comptroller, Carroll County Government, 225

North Center Street, Westminster, Maryland 21157 or call 410-386-2085. This report can also be found on the County's website at <http://ccgovernment.carr.org/ccg/comp/>.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit. Contact information can be found in Note 1 of this report.

# *Basic Financial Statements*





**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Net Position**  
**June 30, 2015**

Exhibit A

	Primary Government			Component Units			
	Governmental	Business-type	Total	Board of	Carroll	Industrial	
	Activities	Activities		Education	Community College	Library	
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 124,893,020	\$ 29,022,954	\$ 153,915,974	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	-	28,117	28,117	10,804,521	7,491,162	1,185,469	1,652,042
Restricted cash	-	-	-	-	-	29,833	11,348,010
Investments	-	-	-	-	7,876,732	-	-
Taxes and receivables, net	23,923,233	3,957,572	27,880,805	421,494	1,128,238	61,531	7,072,466
Due from component units	628,517	7,212	635,729	-	-	-	-
Due from primary government	-	-	-	32,307,554	390,562	22,003	75,000
Due from other governments	30,663,947	-	30,663,947	7,159,953	-	-	-
Due from fiduciary funds	579,733	-	579,733	-	-	-	-
Internal balances	1,733,715	(1,733,715)	-	-	-	-	-
Inventories	1,370,396	367,796	1,738,192	652,591	-	5,752	-
Prepaid expenses	4,234,620	3,333	4,237,953	367,514	278,523	-	-
Investments -restricted	25,979,899	-	25,979,899	-	-	-	-
Capital assets not being depreciated:							
Land	34,466,628	8,943,617	43,410,245	15,049,603	180,000	-	7,274,323
Construction in progress	38,549,035	4,184,831	42,733,866	3,618,441	-	-	1,779,344
Art and doll collection	-	-	-	-	382,525	-	-
Capital assets net of accumulated depreciation:							
Buildings and contents	133,371,431	15,446,288	148,817,719	392,619,286	1,551,983	3,981,452	-
Improvements other than buildings	19,254,632	6,836,493	26,091,125	-	-	-	-
Auto, machinery and equipment	12,294,315	18,720,181	31,014,496	10,745,403	9,222	-	31,818
Infrastructure	146,263,830	74,754,473	221,018,303	-	-	-	-
Capital assets, net of depreciation	384,199,871	128,885,883	513,085,754	422,032,733	2,123,730	3,981,452	9,085,485
Total assets	598,206,951	160,539,152	758,746,103	473,746,360	19,288,947	5,286,040	29,233,003
<b>Deferred Outflows of Resources</b>							
Deferred charge on refunding	10,452,016	(29,155)	10,422,861	-	-	-	-
Deferred charge for pensions	1,407,192	-	1,407,192	2,407,645	-	75,904	-
Total deferred outflows of resources	11,859,208	(29,155)	11,830,053	2,407,645	-	75,904	-
Total assets and deferred outflows	610,066,159	160,509,997	770,576,156	476,154,005	19,288,947	5,361,944	29,233,003
<b>LIABILITIES</b>							
Accounts payable	12,590,180	4,342,620	16,932,800	4,989,737	1,078,043	117,479	1,300
Retainage and guarantees due contractors	1,442,216	-	1,442,216	-	-	-	-
Due to component units	32,795,119	-	32,795,119	-	-	-	-
Due to primary government	-	-	-	21,309	166	1,343	612,910
Due to other governments	-	-	-	2,201,101	-	-	-
Unearned revenue	5,177,596	24,220	5,201,816	714,068	1,585,429	25,278	11,348,010
Accrued interest payable	1,755,818	157,813	1,913,631	48,288	-	-	906,842
Accrued expenses	1,592,711	97,942	1,690,653	32,436,640	926,038	284,176	3,807
Long-term liabilities							
Due within one year	34,560,392	2,428,419	36,988,811	2,913,850	691,801	-	-
Due in more than one year	355,745,827	28,060,402	383,806,229	107,288,714	17,711,081	909,922	4,000,000
Total liabilities	445,659,859	35,111,416	480,771,275	150,613,707	21,992,558	1,338,198	16,872,869
<b>Deferred Inflows of Resources</b>							
Deferred inflows for pensions	529,864	-	529,864	1,573,885	-	44,866	-
Total deferred inflows of resources	529,864	-	529,864	1,573,885	-	44,866	-
<b>NET POSITION</b>							
Net investment in capital assets	218,185,521	111,957,714	330,143,235	418,603,037	1,561,205	3,981,452	8,472,575
Restricted for:							
Capital projects	292,775	25,663,794	25,956,569	-	-	46,431	-
Special revenue taxes and fees	1,472,788	-	1,472,788	-	-	-	-
Food services	-	-	-	381,226	-	-	-
Educational purposes	-	-	-	-	6,956,005	-	-
Unrestricted	(56,074,648)	(12,222,927)	(68,297,575)	(95,017,850)	(11,220,821)	(49,003)	3,887,559
Total net position	\$ 163,876,436	\$ 125,398,581	\$ 289,275,017	\$ 323,966,413	\$ (2,703,611)	\$ 3,978,880	\$ 12,360,134

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

**Exhibit B**

	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Education	Carroll Community College	Library	Industrial Development Authority
<b>Functions/Programs</b>											
<b>Primary government:</b>											
General government	\$ 49,409,874	\$ 17,670,046	\$ 11,592,264	\$ 199	\$ (20,147,365)	\$ -	\$ (20,147,365)	\$ -	\$ -	\$ -	\$ -
Public safety	43,979,786	1,950,898	2,544,087	122,819	(39,361,982)	-	(39,361,982)	-	-	-	-
Public works	38,511,223	216,246	-	2,124,160	(36,170,817)	-	(36,170,817)	-	-	-	-
Health	4,280,644	6,684	-	-	(4,273,960)	-	(4,273,960)	-	-	-	-
Human services	6,875,694	86,275	-	-	(6,789,419)	-	(6,789,419)	-	-	-	-
Education	191,534,142	-	-	4,308	(191,529,834)	-	(191,529,834)	-	-	-	-
Culture and recreation	4,637,178	1,621,589	201,956	1,532,854	(1,280,779)	-	(1,280,779)	-	-	-	-
Libraries	14,145,909	-	-	-	(14,145,909)	-	(14,145,909)	-	-	-	-
Conservation of natural resources	8,936,174	41,587	48,867	2,778,022	(6,067,698)	-	(6,067,698)	-	-	-	-
Economic development	4,822,656	-	1,049,128	-	(3,773,528)	-	(3,773,528)	-	-	-	-
Judicial	7,283,903	-	-	-	(7,283,903)	-	(7,283,903)	-	-	-	-
Interest on long-term debt	11,851,872	-	-	-	(11,851,872)	-	(11,851,872)	-	-	-	-
Total governmental activities	386,269,055	21,593,325	15,436,302	6,562,362	(342,677,066)	-	(342,677,066)	-	-	-	-
<b>Business-type activities:</b>											
Bureau of Utilities	11,046,657	10,233,000	-	1,945,091	-	1,131,434	1,131,434	-	-	-	-
Solid Waste	9,550,820	6,637,638	-	-	-	(2,913,182)	(2,913,182)	-	-	-	-
Airport	733,816	727,987	-	25,000	-	19,171	19,171	-	-	-	-
Septage	604,130	946,123	-	-	-	341,993	341,993	-	-	-	-
Firearms	106,373	153,687	-	-	-	47,314	47,314	-	-	-	-
Fiber Network	1,230,506	37,558	-	-	-	(1,192,948)	(1,192,948)	-	-	-	-
Total business-type activities	23,272,302	18,735,993	-	1,970,091	-	(2,566,218)	(2,566,218)	-	-	-	-
Total primary government	\$ 409,541,357	\$ 40,329,318	\$ 15,436,302	\$ 8,532,453	(342,677,066)	(2,566,218)	(345,243,284)	-	-	-	-
<b>Component units:</b>											
Board of Education	385,122,696	3,842,585	48,803,116	9,242,656	-	-	(323,234,339)	-	-	-	-
Carroll Community College	38,172,924	10,059,850	4,174,503	-	-	-	(23,938,571)	-	-	-	-
Library	17,278,591	122,083	1,766,782	467,149	-	-	-	-	(14,922,577)	-	-
Industrial Development Authority	217,907	-	673,774	-	-	-	-	-	-	-	455,867
Total component units	\$ 440,792,118	\$ 14,024,518	\$ 55,418,175	\$ 9,709,805	-	-	(323,234,339)	(23,938,571)	(14,922,577)	-	455,867
<b>General revenues:</b>											
Property taxes					195,465,262	-	195,465,262	-	-	-	-
Income tax					144,994,220	-	144,994,220	-	-	-	-
Recordation tax					11,888,637	-	11,888,637	-	-	-	-
Admission and amusement tax					353,937	-	353,937	-	-	-	-
Agricultural transfer tax					59,558	-	59,558	-	-	-	-
Hotel rental tax					284,101	-	284,101	-	-	-	-
Local appropriations					-	-	-	172,875,135	9,327,614	13,687,211	-
State aide					-	-	-	122,047,243	7,705,441	-	-
Grants and contributions not restricted to specific programs					-	-	-	-	4,658,471	-	-
Gain on sale of capital asset					-	1,695	1,695	-	-	-	-
Investment earnings and miscellaneous, unrestricted					2,068,767	404,594	2,473,361	1,269,257	165,054	805,312	42,577
Transfers					(325,053)	325,053	-	-	-	-	-
Total general revenues and transfers					354,789,429	731,342	355,520,771	296,191,635	21,856,580	14,492,523	42,577
Change in net position					12,112,363	(1,834,876)	10,277,487	(27,042,704)	(2,081,991)	(430,054)	498,444
Net position - beginning of year, as restated					151,764,073	127,233,457	278,997,530	351,009,117	(621,620)	4,408,934	11,861,690
Net position - ending					\$ 163,876,436	\$ 125,398,581	\$ 289,275,017	\$ 323,966,413	\$ (2,703,611)	\$ 3,978,880	\$ 12,360,134

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

**Exhibit C**

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 73,517,917	\$ 38,036,291	\$ 4,735,992	\$ 116,290,200
Taxes and receivables, net	20,276,322	1,154,224	2,440,914	23,871,460
Due from component units	624,248	4,269	-	628,517
Due from other governments	29,137,881	1,526,066	-	30,663,947
Due from other governmental funds	7,486,012	-	-	7,486,012
Due from fiduciary funds	579,733	-	-	579,733
Due from proprietary funds	1,733,715	-	-	1,733,715
Inventories	1,370,396	-	-	1,370,396
Prepaid costs	211,074	3,616,413	407,133	4,234,620
Investments- restricted	25,979,899	-	-	25,979,899
Total assets	160,917,197	44,337,263	7,584,039	212,838,499
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 6,589,847	\$ 4,767,212	\$ 948,472	\$ 12,305,531
Retainage and guarantees due contractors	1,442,216	-	-	1,442,216
Due to component units	31,490,000	1,301,680	3,439	32,795,119
Due to other governmental funds	-	7,486,012	-	7,486,012
Accrued expenditures	1,478,756	-	113,955	1,592,711
Unearned revenue	84,791	2,239,709	2,841,792	5,166,292
Total liabilities	41,085,610	15,794,613	3,907,658	60,787,881
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	17,163,038	-	-	17,163,038
Total deferred inflows of resources	17,163,038	-	-	17,163,038
Fund Balances:				
Nonspendable	29,004,124	-	-	29,004,124
Restricted	27,423,603	292,775	1,472,788	29,189,166
Committed	20,398,120	-	2,203,593	22,601,713
Assigned	18,458,967	28,249,875	-	46,708,842
Unassigned	7,383,735	-	-	7,383,735
Total fund balances	102,668,549	28,542,650	3,676,381	134,887,580
Total liabilities, deferred inflows of resources, and fund balances	\$ 160,917,197	\$ 44,337,263	\$ 7,584,039	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				384,199,871
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.				17,163,038
Adjustment for net pension liabilities				(11,142,251)
Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net position.				(36,259,580)
Deferred outflows related to pensions that are applicable to future periods and, therefore, are not presented in the funds.				1,407,192
Deferred inflows related to pensions that are applicable to future periods and, therefore, are not presented in the funds.				(529,864)
Internal service funds are used by management to charge the costs of health, liability and Local Government Insurance Trust insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.				6,366,655
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds, notes payable, compensated absences, etc.			\$ (330,460,387)	
Accrued interest payable			(1,755,818)	(332,216,205)
Net position of governmental activities				\$ 163,876,436

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
-local property	\$ 192,962,798	\$ -	\$ 1,066,890	\$ 194,029,688
-local other	140,153,066	12,668,815	1,780,069	154,601,950
Impact fees	-	-	184,605	184,605
Licenses and permits	1,600,930	-	-	1,600,930
Intergovernmental revenues	2,185,170	5,038,940	13,066,527	20,290,637
Charges for services	4,151,045	-	294,752	4,445,797
Fines and forfeits	96,800	3,040	-	99,840
Interest and gain on investments	1,449,796	1,025,038	2,275	2,477,109
Miscellaneous revenues	8,289,638	1,518,915	-	9,808,553
Total revenues	<u>350,889,243</u>	<u>20,254,748</u>	<u>16,395,118</u>	<u>387,539,109</u>
<b>EXPENDITURES</b>				
Current:				
General government	35,490,896	-	9,483,246	44,974,142
Public safety	41,504,322	-	1,216,794	42,721,116
Public works	17,125,929	-	13,363	17,139,292
Health	4,265,673	-	4,000	4,269,673
Human services	4,878,742	-	1,977,136	6,855,878
Education	186,866,867	-	-	186,866,867
Library	13,687,211	-	-	13,687,211
Culture and recreation	3,891,617	-	291,007	4,182,624
Conservation of natural resources	1,003,041	-	997,947	2,000,988
Economic development	3,537,715	-	1,049,128	4,586,843
Judicial	6,572,962	-	738,008	7,310,970
Capital outlay:				
General government	-	3,904,368	-	3,904,368
Public safety	-	9,899,452	-	9,899,452
Public works	-	11,100,648	-	11,100,648
Education	-	4,667,275	-	4,667,275
Library	-	396,972	-	396,972
Culture and recreation	-	1,853,627	-	1,853,627
Conservation of natural resources	-	9,509,023	-	9,509,023
Debt service:				
Principal	28,145,359	-	-	28,145,359
Interest	13,339,130	-	-	13,339,130
Total expenditures	<u>360,309,464</u>	<u>41,331,365</u>	<u>15,770,629</u>	<u>417,411,458</u>
Excess (deficiency) of revenues over (under) expenditures	(9,420,221)	(21,076,617)	624,489	(29,872,349)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,246,802	6,018,887	1,467,681	22,733,370
Transfers out	(7,463,620)	(14,029,120)	(1,565,683)	(23,058,423)
Payment to escrow agent	(59,780,169)	-	-	(59,780,169)
Refunding bonds issued	52,576,682	-	-	52,576,682
Bonds issued	-	15,000,000	-	15,000,000
Bonds premium	7,290,919	1,258,455	-	8,549,374
Issuance of debt-purchase agreement	-	4,536,852	-	4,536,852
Total other financing sources (uses)	<u>7,870,614</u>	<u>12,785,074</u>	<u>(98,002)</u>	<u>20,557,686</u>
Net change in fund balances	(1,549,607)	(8,291,543)	526,487	(9,314,663)
Fund balance - beginning	104,044,469	36,834,193	3,149,894	144,028,556
Increase in reserve for inventory	173,687	-	-	173,687
Fund balance - ending	<u>\$ 102,668,549</u>	<u>\$ 28,542,650</u>	<u>\$ 3,676,381</u>	<u>\$ 134,887,580</u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of the Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2015**

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

Net change in fund balances - total governmental funds	\$ (9,314,663)
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 depreciation, net of asset disposals, and transfers exceeded capital outlays in the current period.	4,235,511
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,072,825
Adjustment to the net pension liabilities.	(317,490)
Adjustment to the Other Postemployment Benefit (OPEB) annual OPEB cost for the net OPEB obligation.	(748,587)
The issuance of long-term debt (i.e. bonds, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	8,039,881
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	80,063
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	2,231,685
Net change in deferred outflows related to pension expense reported in the Statement of Activities.	1,363,002
Net change in deferred inflows related to pension expense reported in the Statement of Activities.	(529,864)
Change in net position - governmental activities	<u><u>\$ 12,112,363</u></u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**General Fund**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Taxes:				
-local property	\$ 192,208,631	\$ 192,208,631	\$ 193,415,826	\$ 1,207,195
-local other	135,605,960	135,605,960	140,153,066	4,547,106
Licenses and permits	1,761,770	1,761,770	1,600,930	(160,840)
Intergovernmental revenues	2,209,960	2,209,960	2,185,171	(24,789)
Charges for services	4,267,150	4,267,150	4,151,046	(116,104)
Fines and forfeits	82,000	82,000	96,800	14,800
Interest and gains on investments	1,220,550	1,220,550	1,449,796	229,246
Miscellaneous revenues	1,465,550	1,465,550	8,289,637	6,824,087
Total revenues	<u>338,821,571</u>	<u>338,821,571</u>	<u>351,342,272</u>	<u>12,520,701</u>
Other financing resources				
Appropriated fund balance	14,317,450	14,317,450	-	(14,317,450)
Transfers in	15,355,119	15,355,119	15,246,802	(108,317)
Refunding bonds issued	-	-	52,576,682	52,576,682
Bonds premium	-	-	7,290,919	7,290,919
Total other financing resources	<u>29,672,569</u>	<u>29,672,569</u>	<u>75,114,403</u>	<u>45,441,834</u>
Total Resources (Inflows)	<u>368,494,140</u>	<u>368,494,140</u>	<u>426,456,675</u>	<u>57,962,535</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Current:				
General government	56,495,190	39,535,977	35,518,078	4,017,899
Public safety	36,202,320	42,462,673	41,440,083	1,022,590
Public works	11,713,730	17,457,986	17,426,853	31,133
Judicial	5,427,710	6,590,482	6,577,161	13,321
Health	4,268,780	4,268,780	4,265,673	3,107
Human services	4,277,010	5,016,007	4,876,177	139,830
Education	179,775,000	179,775,000	186,866,867	(7,091,867)
Library	9,305,210	11,326,319	13,687,211	(2,360,892)
Culture and recreation	3,294,430	4,062,733	3,899,408	163,325
Conservation of natural resources	954,650	1,043,293	1,003,041	40,252
Economic development	3,535,480	3,642,889	3,529,868	113,021
Reserve for contingencies	3,276,083	3,640,211	-	3,640,211
Debt service:				
Debt service-County	28,667,110	28,667,110	28,203,856	463,254
Debt service- Board of Education	13,541,060	13,541,060	13,280,632	260,428
Total expenditures	<u>360,733,763</u>	<u>361,030,520</u>	<u>360,574,908</u>	<u>455,612</u>
Other financing uses				
Transfers out	7,760,377	7,463,620	7,463,620	-
Payment to escrow agent	-	-	59,780,169	(59,780,169)
Total other financing uses	<u>7,760,377</u>	<u>7,463,620</u>	<u>67,243,789</u>	<u>(59,780,169)</u>
Total charges to appropriations (outflows)	<u>368,494,140</u>	<u>368,494,140</u>	<u>427,818,697</u>	<u>(59,324,557)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,362,022)</u>	<u>\$ (1,362,022)</u>
Fund balance - beginning			108,180,582	
Fund balance - ending			<u>\$ 106,818,560</u>	

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds	Total	
<b>ASSETS</b>						
Current assets:						
Equity in pooled cash and investments	\$ 16,493,372	\$ 10,850,000	\$ -	\$ 1,679,582	\$ 29,022,954	\$ 8,602,820
Cash and cash equivalents	2,843	23,399	1,575	300	28,117	-
Receivables, net	3,047,219	728,803	38,529	143,021	3,957,572	51,773
Due from component units	-	7,212	-	-	7,212	-
Inventories	354,140	-	13,656	-	367,796	-
Prepaid expenses	-	-	-	3,333	3,333	-
Total current assets	19,897,574	11,609,414	53,760	1,826,236	33,386,984	8,654,593
Noncurrent assets:						
Capital assets:						
Land	182,332	2,083,618	6,677,667	-	8,943,617	-
Buildings	17,676,654	1,752,296	4,569,596	274,051	24,272,597	-
Improvements other than buildings	1,910,610	6,319,553	1,785,748	1,465,140	11,481,051	-
Auto, machinery and equipment	2,200,188	3,608,572	988,265	20,419,010	27,216,035	-
Infrastructure	103,020,470	-	-	-	103,020,470	-
Construction in progress	2,982,515	-	-	1,202,316	4,184,831	-
Less accumulated depreciation	(38,969,487)	(5,324,143)	(2,887,257)	(3,051,831)	(50,232,718)	-
Total capital assets (net of accumulated depreciation)	89,003,282	8,439,896	11,134,019	20,308,686	128,885,883	-
Total assets	108,900,856	20,049,310	11,187,779	22,134,922	162,272,867	8,654,593
<b>Deferred Outflows of Resources</b>						
Deferred charge on refunding	35,047	(57,269)	(7,928)	995	(29,155)	-
Total deferred outflows of resources	35,047	(57,269)	(7,928)	995	(29,155)	-
Total assets and deferred outflows	\$ 108,935,903	\$ 19,992,041	\$ 11,179,851	\$ 22,135,917	\$ 162,243,712	\$ 8,654,593
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 3,420,701	\$ 693,661	\$ 9,259	\$ 218,999	\$ 4,342,620	\$ 284,649
Accrued interest payable	143,172	13,935	-	706	157,813	-
Unearned revenue	9,878	5,019	9,323	-	24,220	11,304
Accrued expenses	58,316	32,138	4,670	2,818	97,942	-
Due to other funds	-	-	75,745	1,657,970	1,733,715	-
Long-term liabilities due within one year:						
General obligation bonds payable	1,425,087	358,312	243,081	12,180	2,038,660	-
Unpaid claims	-	-	-	-	-	1,972,065
Loans payable	29,377	-	-	-	29,377	-
Landfill closure, postclosure remediation	-	229,868	-	-	229,868	-
Compensated absences	75,531	51,406	3,577	-	130,514	-
Total long-term due within one year	1,529,995	639,586	246,658	12,180	2,428,419	1,972,065
Total current liabilities	5,162,062	1,384,339	345,655	1,892,673	8,784,729	2,268,018
Noncurrent liabilities:						
General obligation bonds payable	12,864,078	1,429,950	1,076,696	74,570	15,445,294	-
Unpaid claims	-	-	-	-	-	19,920
Loans payable	158,748	-	-	-	158,748	-
Landfill closure, postclosure remediation	-	12,229,055	-	-	12,229,055	-
Compensated absences	143,519	79,336	4,450	-	227,305	-
Total noncurrent liabilities	13,166,345	13,738,341	1,081,146	74,570	28,060,402	19,920
Total liabilities	18,328,407	15,122,680	1,426,801	1,967,243	36,845,131	2,287,938
<b>NET POSITION</b>						
Net investment in capital assets	74,647,134	7,571,693	9,516,952	20,221,935	111,957,714	-
Restricted for:						
Capital projects	17,753,463	4,984,504	2,012,143	913,684	25,663,794	-
Unrestricted (deficit)	(1,793,101)	(7,686,836)	(1,776,045)	(966,945)	(12,222,927)	6,366,655
Total net position	\$ 90,607,496	\$ 4,869,361	\$ 9,753,050	\$ 20,168,674	\$ 125,398,581	\$ 6,366,655

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



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<u>Business-type Activities-Enterprise Funds</u>					<u>Governmental Activities- Internal Service Funds</u>
	<u>Bureau of Utilities</u>	<u>Solid Waste</u>	<u>Airport</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	
Operating revenues:						
Charges for services	\$ 10,233,000	\$ 6,637,638	\$ 727,987	\$ 1,137,368	\$ 18,735,993	\$ 16,043,371
Total operating revenues	10,233,000	6,637,638	727,987	1,137,368	18,735,993	16,043,371
Operating expenses:						
Personal services	2,443,101	1,435,456	198,133	62,969	4,139,659	-
Contractual services	3,870,435	5,948,705	191,901	676,037	10,687,078	-
Materials and supplies	1,006,712	342,752	44,737	60,822	1,455,023	-
Rents and utilities	739,880	52,684	25,071	158,620	976,255	-
Insurance claims	-	-	-	-	-	13,812,022
Miscellaneous	75,101	1,100,016	34,095	135,786	1,344,998	-
Depreciation	2,204,733	577,666	174,578	842,740	3,799,717	-
Total operating expenses	<u>10,339,962</u>	<u>9,457,279</u>	<u>668,515</u>	<u>1,936,974</u>	<u>22,402,730</u>	<u>13,812,022</u>
Operating income (loss)	<u>(106,962)</u>	<u>(2,819,641)</u>	<u>59,472</u>	<u>(799,606)</u>	<u>(3,666,737)</u>	<u>2,231,349</u>
Nonoperating revenues (expenses):						
Penalties and interest	203,991	181,994	5	167	386,157	336
Bond interest subsidy	18,129	-	308	-	18,437	-
Interest and fiscal charges	(706,695)	(93,541)	(65,301)	(4,035)	(869,572)	-
Gain on disposal of capital asset	793	-	902	-	1,695	-
Total nonoperating revenues (expenses)	<u>(483,782)</u>	<u>88,453</u>	<u>(64,086)</u>	<u>(3,868)</u>	<u>(463,283)</u>	<u>336</u>
Income (loss) before contributions and transfers	(590,744)	(2,731,188)	(4,614)	(803,474)	(4,130,020)	2,231,685
Capital contributions (Area Connection Charges & Grants)	482,614	-	25,000	-	507,614	-
Capital contributions (Maintenance Fee)	1,462,477	-	-	-	1,462,477	-
Transfers in	199,420	125,633	-	-	325,053	-
Change in net position	1,553,767	(2,605,555)	20,386	(803,474)	(1,834,876)	2,231,685
Total net position - beginning of year, as restated	<u>89,053,729</u>	<u>7,474,916</u>	<u>9,732,664</u>	<u>20,972,148</u>	<u>127,233,457</u>	<u>4,134,970</u>
Total net position - end of year	<u>\$ 90,607,496</u>	<u>\$ 4,869,361</u>	<u>\$ 9,753,050</u>	<u>\$ 20,168,674</u>	<u>\$ 125,398,581</u>	<u>\$ 6,366,655</u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Business-type Activities-Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Bureau of Utilities	Solid Waste	Airport	Non-Major Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 9,955,620	\$ 6,560,181	\$ 753,621	\$ 1,134,192	\$ 18,403,614	\$ 16,009,554
Receipts from other funds	-	-	27,548	1,199,843	1,227,391	-
Payments to suppliers	(3,961,289)	(6,890,638)	(326,970)	(906,277)	(12,085,174)	(13,671,051)
Payments to employees	(2,427,633)	(1,417,035)	(196,212)	(62,490)	(4,103,370)	-
Net cash provided (used) by operating activities	3,566,698	(1,747,492)	257,987	1,365,268	3,442,461	2,338,503
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	199,420	125,632	-	-	325,052	-
Net cash provided by noncapital financing activities	199,420	125,632	-	-	325,052	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,750,737)	-	-	(1,168,596)	(3,919,333)	-
Principal paid on capital debt	(1,420,883)	(438,351)	(248,318)	(12,180)	(2,119,732)	-
Interest paid on capital debt	(662,560)	(27,542)	(56,447)	(3,993)	(750,542)	-
Proceeds of the disposition of capital asset	793	-	1,697	-	2,490	-
Capital contributions (Area Connection Charges & Grants)	1,945,091	-	25,000	-	1,970,091	-
Bond interest subsidy	18,129	-	308	-	18,437	-
Net cash provided (used) by capital and related financing activities	(2,870,167)	(465,893)	(277,760)	(1,184,769)	(4,798,589)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments and cash	203,991	181,994	5	167	386,157	336
Net cash provided by investing activities	203,991	181,994	5	167	386,157	336
Net increase (decrease) in cash and cash equivalents	1,099,942	(1,905,759)	(19,768)	180,666	(644,919)	2,338,839
Cash and cash equivalents at beginning of year	15,396,273	12,779,158	21,343	1,499,216	29,695,990	6,263,981
Cash and cash equivalents at end of year	<u>\$ 16,496,215</u>	<u>\$ 10,873,399</u>	<u>\$ 1,575</u>	<u>\$ 1,679,882</u>	<u>\$ 29,051,071</u>	<u>\$ 8,602,820</u>
<b>Reconciliation of Operating Income to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (106,962)	\$ (2,819,641)	\$ 59,472	\$ (799,606)	\$ (3,666,737)	\$ 2,231,349
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,204,733	577,666	174,578	842,740	3,799,717	-
Effect of Changes in operating assets and liabilities:						
Due to other funds	-	1,077	27,548	1,199,843	1,228,468	-
Accounts receivable	(279,491)	(79,189)	25,634	(3,176)	(336,222)	(37,931)
Inventory	(37,583)	-	2,539	-	(35,044)	-
Compensated absences payable	6,442	12,737	1,513	-	20,692	-
Accounts payable and accrued expenses	1,777,448	(350,336)	(33,297)	125,467	1,519,282	140,971
Unearned revenue	2,111	655	-	-	2,766	4,114
Landfill closure, postclosure, remediation costs	-	909,539	-	-	909,539	-
Total adjustments	3,673,660	1,072,149	198,515	2,164,874	7,109,198	107,154
Net cash provided (used) by operating activities	<u>\$ 3,566,698</u>	<u>\$ (1,747,492)</u>	<u>\$ 257,987</u>	<u>\$ 1,365,268</u>	<u>\$ 3,442,461</u>	<u>\$ 2,338,503</u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Fiduciary Net Position**  
**Trust and Agency Funds**  
**June 30, 2015**

	<b>Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ -	\$ 919,239
Receivables-notes	-	120,891
Investments at fair value:		
Short term investments	859,976	-
Bond funds	23,022,451	-
Equity funds	60,001,970	-
Marketable securities	55,518,355	-
Total investments	139,402,752	-
Total assets	139,402,752	\$ 1,040,130
<b>LIABILITIES</b>		
Accounts payable	17,815	154,961
Due to primary government	579,732	-
Deposits	-	885,169
Total liabilities	597,547	\$ 1,040,130
<b>FIDUCIARY NET POSITION</b>		
Net position held in trust for pension, benefits, and other purposes	\$ 138,805,205	

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Change in Fiduciary Net Position**  
**Trust Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 13,276,300
Plan members	2,507,940
Contributions from sources other than employer(s) and plan members	251,701
Total contributions	16,035,941
Investment earnings:	
Interest and dividends	2,489
Net increase in the fair value of investments	5,819,381
Total investment earnings	5,821,870
Less investment expense	(79,022)
Net investment earnings	5,742,848
Total additions	21,778,789
<b>DEDUCTIONS</b>	
Benefits and refunds paid to plan members and beneficiaries	5,463,291
Administrative expenses	56,672
Total deductions	5,519,963
Net increase in fiduciary net position	16,258,826
Net position-beginning	122,546,379
Net position-ending	\$ 138,805,205

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

**A. Description of Government-wide financial statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting entity**

Carroll County was created pursuant to an act of the General Assembly of the State of Maryland on January 19, 1837. Both executive and legislative functions of the County are vested in the elected five-member Board of County Commissioners of Carroll County. Each commissioner represents a district in the County.

The basic financial statements include Carroll County Maryland as the primary government, and its significant component units, entities for which the County is considered to be financially accountable. The component units include the activities of the Board of Education, the Library, the Community College, and Industrial Development Authority. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County in that the County approves budgetary request and provides a significant amount of funding.

Discretely presented component units

The financial data of the County's component units are discretely presented in a column separate from the financial data of the primary government. They are reported in a separate column to emphasize that they are legally separate from the County. The following are the County's component units that are included in the reporting:

The Board of Education of Carroll County as currently constituted was established under Title 3, Subtitle 103, Education, of the Annotated Code of Maryland. The Board is a five member elected body responsible for the operation of Carroll County Public Schools. The Board of Education of Carroll County is a component unit of Carroll County, Maryland by virtue of the County's responsibility for levying taxes and its budgetary control over the Board of Education. The Board does not report any component units itself. The Board of Education's financial statements were audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor concluded that the Board of Education's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information as of and for the year ended June 30, 2015. At year end any unspent appropriation up to 5 percent of the current year operating budget are retained by the Board of Education as a component of their fund balance. Any excess above the 5 percent is returned to the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**  
**B. Reporting entity- continued**

The Carroll County Library Board of Trustees is established under Title 23, Subtitle 401, Education, of the Annotated Code of Maryland. The Board of Trustees is a seven member body and is responsible for the operation of Carroll County Public Library (the Library). The members are appointed by the County Commissioners from nominees submitted by the Library Board of Trustees. The Library is a component unit of Carroll County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and is the primary source of the Library Board of Trustees' budget. The Library's financial statements were audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor concluded that the Library's financial statements present fairly, in all material respects, the financial position of the governmental activities, and each major fund as of and for the year ended June 30, 2015. At year end any unspent appropriation up to 5 percent of the current year operating budget are retained by the Library as a component of their fund balance. Any excess above the 5 percent is returned to the County.

Carroll Community College (the College) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State). The seven-member Board of Trustees of Carroll Community College governs the College. The Board of Trustees are appointed for six-year terms by the Governor of the State with the advice and consent of the State Senate. The College is a component unit of Carroll County Government by virtue of the County's responsibility for levying taxes and its power to appropriate funds to establish and operate a community college as referenced in The Annotated Code of Maryland Article §16-304. The College serves the constituents of the County. At year end any unspent appropriation up to 10% of the current year operating budget are retained by the College as a component of their net position. Any excess above the 10% is returned to the County.

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

Carroll Community College's financial statements including the Carroll Community College Foundation, were audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor concluded that Carroll Community College's financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit as of and for the year ended June 30, 2015.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**B. Reporting entity- continued**

The Industrial Development Authority (IDA) of Carroll County was established pursuant to Sections 266A-1 through 266A-3 of Article 41 of the Annotated Code of Maryland, and Resolution 25-80 adopted by the Board of County Commissioners of Carroll County on October 16, 1980. The IDA provides economic development services to commercial enterprises in the County. The County Commissioners appoint a voting majority of the Authority, which is also fiscally dependent on the County. The IDA's financial statements were audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor concluded that The IDA's financial statements present fairly, in all material respects, the financial position of the business-type activities as of and for the year ended June 30, 2015.

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

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

Carroll Community College  
1601 Washington Road  
Westminster, Maryland 21157

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

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

The above are the only entities that qualify as component units based on the criteria set forth in GASB Statement No. 39 and GASB Statement No. 61, amendments of GASB Statement 14.

**C. Basis of presentation- government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has four discretely presented component units. They are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**C. Basis of presentation- continued**

government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of presentation- fund financial statements**

The fund financial statements provide information about the County's funds, and its fiduciary funds. Separate statements for each fund category- governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The government reports the following major governmental funds:

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

The *capital projects fund* is used to account for financial resources related to the acquisition or construction of capital assets of the County (other than those financed by proprietary fund types).

The government reports the following major proprietary funds:

*Enterprise Funds:*

The *Carroll County Bureau of Utilities* provides public water and sewer services in certain areas of the County. This fund accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Solid Waste Fund* provides solid waste disposal facilities for residential and commercial use. This fund accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Regional Airport* accounts for the corporate hangar facilities and Airport operations, construction or acquisition of capital assets, and related debt service costs.

Additionally, the government reports the following additional non-major proprietary funds:

The *Carroll County Septage Treatment* provides septage waste disposal services. This fund accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**D. Basis of presentation- fund financial statements - continued**

The *Carroll County Firearms Facility* is located at the Northern Landfill. The Hap Baker Firearms Facility accounts for the operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted for use only in this fund.

The *Carroll County Fiber Network* accounts for the operation and infrastructure development of the inter-county broadband fiber network.

The *Internal Service Fund* is used to account for certain risk financing activities. The Internal Service Fund accounts for risk management activities for workers' compensation, general liability, environmental, vehicle and property insurance and County employee health benefits costs.

The government reports the following Non-Major Special Revenue Funds:

The *Grant Funds* are revenues that are formally restricted by law for a particular purpose or have specific requirements associated with eligible program costs.

The *Impact Fee Fund* is restricted by law and provides funding to capital projects for schools and parks that are eligible to receive impact fee funding. In order for a project to be eligible it must be created to alleviate pressures related to growth as described in the impact fee ordinance. Impact Fees are collected at the time a permit is issued for the construction of a new residential dwelling.

The *Agricultural Transfer Tax Fund* is restricted by law to provide funding for the Agricultural Land Preservation Program. Agricultural Transfer Tax is collected on the sale of agricultural property that is changing use from agriculture to another classification.

The *Hotel Rental Tax Fund* is restricted by law to provide funding for tourism and promotion of the County. The Hotel Rental Tax is a five percent tax applied to the hotel room rate and paid by the hotel guest.

The *Cable Franchise Fee Fund* is committed by County Resolution to provide funding for public interest and educational programming on cable TV, and the administration of the cable franchise agreement. Cable Franchise Fees are five percent of gross cable television revenue.

The *Watershed Protection and Restoration Fund* is committed by County Resolution to provide funding for operating expenses related to the County's National Pollutant Discharge Elimination System permit and Watershed Restoration efforts. Property tax revenue is dedicated to the fund on an annual basis.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**D. Basis of presentation- fund financial statements – continued**

The County reports the following Fiduciary Funds:

*Trust Funds:*

*Pension trust Funds* are used to account for the activities of the County's single-employer public employee retirement plans. These include the General Employee's Plan and the Certified Law Officers Plan. The plans account for employee contributions, County contributions and the earnings and profits from investments. They also account for the disbursements made for employee retirements, withdrawals, disability and death benefits as well as administrative expenses. The Volunteer Firemen's Length of Service Award Program (LOSAP) accounts for the benefit program for the volunteer fire personnel serving the various independent volunteer fire companies in the County. The LOSAP Fund is treated as a trust fund but, is not a legally established trust.

*The Other Post Employment Benefit (OPEB) Trust* accounts for retiree contributions and County contributions to provide health benefits for the County's eligible retirees. The plan also accounts for the earnings from investments as well as the disbursements made for medical premiums, the payments of medical claims, and administrative expenses.

The *Agency Fund* is used to account for assets that the County holds on behalf of others as their agent. The Agency Funds are custodial in nature (assets equal liabilities). The Carroll County Development Corporation (CCDC) Fund accounts for the transactions for economic development receivables collected by the County on behalf of a local nonprofit corporation. The Drug Task Force funds are held on behalf of a multi-agency County law enforcement task force. The Sherriff and Law Enforcement activities account for funds held by the County on behalf of the inmates in county detention center. The Cable Regulatory Commission administers the cable franchise agreement for the County and eight towns.

All governmental and business-type activities of the County follow GASB Statement 62, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements which incorporates into GASB authoritative literature certain accounting and financial reporting guidance previously included in FASB, AICPA, and Accounting Principles Board Opinions (APB), guidance issued before November 30, 1989.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**D. Basis of presentation- fund financial statements – continued**

eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**F. Budgetary information**

**1. Budgetary basis of accounting**

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

The appropriated budget in the General Fund is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Project length budgets along with the current year's portion of each project are budgeted in the Capital Projects Fund. The appropriated budgets are prepared by individual grants for Special Revenue Funds. The legal level of budgetary control is at the project level for the Capital Projects fund and at the program level for the Grant Fund and on an annual basis for Impact Fees Fund, Agricultural Transfer Tax Fund, Hotel Rental Tax Fund, Cable Franchise Fee Fund and Watershed Protection and Restoration Fund.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**2. Excess of expenditures over appropriations**

For the year ended June 30, 2015, expenditures exceeded appropriations by \$7,091,867 in Education and \$2,360,892 in Library due to the recording of in-kind services provided to the Board of Education, Community College, and Library. These in-kind services are not in the budget for Education and Library. The overspending in both functions occurred due to the recording of unbudgeted in-kind services.

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

Cash and Cash Equivalents

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

Deposits and Investments

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as "equity in pooled cash and investments". In addition to participating in the County's cash

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued**

and investment pool, each fund may maintain separate cash and investments that are specific to the individual fund. Investments are reported at fair value in accordance with applicable GASB standards.

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

State statutes authorize the County to invest in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, repurchase agreements secured by direct government or agency obligations and mutual funds limited to a portfolio of direct obligations of the United States government and repurchase agreements fully collateralized by the United States government obligations. Statutes have clarified that obligations of federal instrumentalities are authorized investments. In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The County has an independent third party as custodian for securities collateralizing repurchase agreements and all other investments and certificates of deposits. The County has an agreement with the custodian used for the overnight repurchase agreement whereby the County's authorization is needed to release any collateral being held in their name. The financial condition of this other custodian was monitored by the County throughout the year to mitigate the risk. Investments of the County are recorded at fair value, which is based on quoted market prices provided by Carroll County's Custodian, except for the investments in the Maryland Local Government Investment Pool (MLGIP), and Money Market funds. MLGIP investments are recorded at cost, which approximates fair value. Investments in Money Market funds are valued at the closing net asset value per share on the day of valuation. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

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

State statutes require uninsured deposits to be fully collateralized.

The County is a participant in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP within the articles of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, has been managed by a single financial institution, PNC Institutional Investments. The pool has a AAAM rating from Standard and Poor's and

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued**

maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares.

The MLGIP issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: PNC Bank Institutional Investments; Maryland Local Government Investment Pool; 1 East Pratt Street 5<sup>th</sup> Floor West; Baltimore, Maryland 21201; or by calling 410-237-5629.

Receivables

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

Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and prepaid items

Inventories shown in the general and enterprise Funds of the primary government consist of expendable supplies held for consumption and are valued at the lower of average cost or market. The inventory in the General Fund of the primary government is reflected in the financial statements by the purchase method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. An amount equal to the carrying value of inventory is reported in the nonspendable fund balance category in the general fund.

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The general fund reports fund balance for prepaid items under the nonspendable fund balance category. The general fund uses consumption method.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued**

Restricted Assets

Certain assets of the governmental activities are classified as restricted assets on the balance sheet. Included as restricted assets are investments in U.S. Treasury Bonds and Strips held to maturity for the principal payment on the installment purchase of agricultural land easements. Deposits with Farmers and Merchants Bank is pledged collateral for the low interest energy efficient loan program.

Capital assets

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

Capital Assets

Buildings	50 years
Building improvements	10 years
Water and sewer systems	50-75 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Roads	50-75 years
Bridges	30-50 years
Fiber optic system	25-50 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. One such item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County also recognizes deferred outflows of resources for differences between projected and actual earnings on pension plan investments, changes in actuarial assumptions, and contributions made subsequent to the measurement date. These amounts are being amortized over a 1-5 year period.

In addition, to liabilities the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*,

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued**

represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County recognizes deferred inflows of resources on the Statement of Activities for differences between expected and actual experience and the differences between projected and actual earnings on plan investments of the MSRA plans. These amounts are being amortized over a 5-10 year period. The government has one such item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category.

Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet for taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position

Government-wide:

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

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

The County issues debt to finance the construction of school facilities for the Board of Education component unit because the Board of Education does not have borrowing or taxing authority. The County reports this debt, whereas the Board of Education reports the related capital assets. The County also issues debt to finance the construction of facilities and various equipment purchases for the County's Volunteer Fire Companies because the Fire Companies do not have taxing authority. The sources of repayment of the debt are secured notes receivable due from the Volunteer Fire Companies.

Maryland State Retirement Pension (MSRP)- For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the MSRP and additions to/deduction from the fiduciary net position have been determined on the same basis as they are reported by MSRP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Carroll County Employee Pension, Carroll County Certified Law Officers Pension, and Volunteer Firemen's Length of Service Award Program- For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to each of the County Pension



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued**

Plans and pension expense, information about the fiduciary net position of these Pension Plans and additions to/deductions from each of the fiduciary net positions have been determined on the same basis as they are reported by for each Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In July 2004, the County issued taxable general obligation bonds to pay the entirety of the County's unfunded accrued liability to the Employees' Retirement System of the State of Maryland. These bonds were refunded in December 2013. The County realized savings on a present value basis rather than paying the liability under the amortization plan offered by the Employees' Retirement System. This debt is also not related to any capital assets.

Business-Type:

In prior years, the Solid Waste Fund issued debt to finance the construction of closing of several County landfills. The costs were not capitalized as assets. Of the total outstanding debt of \$1,788,262 in the solid waste fund, \$920,058 is associated with landfills closing costs.

The Bureau of Utilities fund collects certain fees that are subject to restrictions imposed by law. As of June 30, 2015 fees collected through water/sewer user rates, area connection charges and maintenance fees totaling \$17,753,463 have been restricted for future capital projects. The Solid Waste, Airport, Septage, and Firearms funds have restricted component of net position for capital projects in the amounts of \$4,984,504, \$2,012,143, \$667,234 and \$246,450 respectively. These amounts totaling \$25,663,794 are restricted in the business-type activities of the Statement of Net Position.

Fund Equity

In the fund financial statements, governmental funds report limitations of fund balance for amounts that are nonspendable and are not available for appropriation or are legally restricted by outside parties or creditors for use for a specific purpose. Commitments of fund balance represent limitations placed on spending that are imposed by and may be removed by the adoption of County Ordinance by the Board of County Commissioners. Assignments of fund balance reflect tentative plans by Board that may be subject to change. The Board of County Commissioners delegates authority to the Comptroller and the Director of Management and Budget to establish assignments of fund balance. Residual net resources are reported as unassigned fund balance and are the excess of nonspendable, restricted, committed and assigned fund balance. The County considers restricted, committed, assigned or unassigned fund balance amounts to have been spent when an expenditure is incurred for the purposes for which the fund balance classifications could be used. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Stabilization Arrangement

The Board of County Commissioners adopted ordinance number 2013-07 to establish the Stabilization Arrangement which must total a minimum of five percent of the following fiscal year adopted general fund

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies-continued**

budget. Requests for appropriations from the Stabilization Arrangement shall occur only after exhausting current year's budgetary flexibility and spending of the current year's appropriated contingency. The funds can be spent if one of the following events occurs:

1) Unanticipated general fund revenues in total fall more than one percent below the original projected revenues, **AND** actual revenues for two of the following major revenue sources are projected in the current year to fall below the actual amount from the prior year: property taxes, income tax, recordation tax, state shared taxes, investment interest.

**OR**

2.) One of the following events occurs that creates a significant financial difficulty for the County and are in excess of the current year's appropriated contingency: a.) Declaration of a State of Emergency by the Governor of Maryland; b.) Unanticipated expenditures as a result of legislative changes from State/Federal governments in the current fiscal year; c.) Acts of Terrorism declared by the Governor of Maryland or the President of the United States; or d.) Acts of nature, which are infrequent in occurrence and unusual in nature.

**H. Estimated Liability for Claims in Process**

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker's compensation, property damage and medical claims as of June 30, 2015. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

**I. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**J. Revenues and expenditures/expenses**

1.) Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**  
**J. Revenues and expenditures/expenses- continued**

2.) Proprietary Funds, Operating & Nonoperating Revenues and Expenses

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

3.) Encumbrances

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

4.) Property Taxes

Full year taxes and first semi-annual installments are billed and due on July 1<sup>st</sup> and may be paid without interest on or before September 30<sup>th</sup>. For fiscal year 2015 the following discounts were allowed: 1 percent on full year tax payments made on or before July 31<sup>st</sup>; 0.5 percent on full year tax payments made on or before August 31<sup>st</sup>. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1<sup>st</sup> and may be paid without interest on or before December 31<sup>st</sup>. A service charge is payable with the second installment unless both installments are paid by September 30<sup>th</sup>. Delinquent accounts are issued final bills and legal notices on April 1<sup>st</sup>. Following the required advertisements and notices, the appointed tax collector conducts a Tax Sale on the last business day of the fiscal year.

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

The real property tax rate during the year ended June 30, 2015 was \$1.018 per \$100 of assessed value and the personal property rate was \$2.515 per \$100. In fiscal year 2015 the Commissioners issued a real property tax rebate of \$0.01 per \$100 of assessed value. Taxes for the County, State and Towns are billed to property owners and collected by the County.

5.) Compensated absences

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 1 - Summary of significant accounting policies**  
**J. Revenues and expenditures/expenses- continued**

County employees who are participants in the State retirement program are given credited service days toward their retirement benefits for accumulated sick leave. County employees who are not in the State retirement program may be eligible to claim a portion of their unused sick days upon retirement.

Accrued unused vacations, compensatory, and sick leave, along with the employer paid portion of taxes and benefits, are reported as expenses and/or liability of the activity and function that will pay it. A liability for these amounts is reported in the funds only if they have matured, for example, as a result of employee resignations and retirements. Earned but unused vacation and compensatory leave of proprietary funds are recorded as an expense and liability of those funds.

Component Units

Board of Education employees hired prior to July 1, 1997 meeting specified service requirements are eligible to accumulate sick time and upon retirement, are entitled to payment for unused sick time at 50% of their accrued sick leave balance at their previous three year average daily rate. The remaining employees, hired prior to July 1, 1997, may accumulate unused sick time and will be paid for a maximum of 250 days or their accumulated balance at June 30, 2003, whichever is greater. Employees hired July 31, 1997 and later are eligible to accumulate unlimited sick time, but are not entitled to payment for unused sick time upon retirement. There is a maximum accrual of 30 paid vacation days for those employees eligible to earn and accumulate vacation time. Library and Community College employees are permitted to accumulate vacation time and carry it over to future periods. Upon separation, employees are reimbursed for accumulated vacation. Employees are not reimbursed for accumulated unused sick leave.

6.) Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in General Government. It is the County's internal policy that refunding bond premiums and discounts are allocated to the general fund. Premiums related to new bond issues are allocated to the capital fund. Discounts are recorded as general fund expenditures. Issuance costs are allocated to the general fund.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

**J. Revenues and expenditures/expenses- continued**

7.) Arbitrage Payable

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to general obligation bond issuances of 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, and 2003 respectively.

The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue. The County calculates arbitrage internally every six months. As of June 30, 2015 there is no arbitrage liability due to the Internal Revenue Service.

**K. New Accounting Pronouncements**

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*

The objective of this Statement is to improve accounting and financial reporting by state and local government employers for the pension in which they are involved. The County has implemented the effects of this Statement for reporting period ending June 30, 2015. The effect of this statement was reporting of the net pension liability on the Government Wide statements for the County's pension plans including LOSAP. In addition there was a restatement of the beginning balance of net postision. See letter L in this note.

Statement No. 69, *Government Combinations and Disposals of Government Operations*

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The County has implemented the effects of this Statement for reporting period ending June 30, 2015. The effect of this statement had no substantial impact on the financial statements.

Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date- an Amendment of GASB Statement No. 68*

This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. The County has implemented the effects of this Statement for the reporting period ending June 30, 2015.

**Future Accounting Pronouncements**

GASB has issued the following Statements which will become effective in future years as shown below. Management is currently evaluating the effect of the implementation of these Standards.

Statement No. 72, *Fair Value Measurement and Application*

This Statement will provide guidance for applying fair value to investments and disclosures related to all fair value measurements. This Statement will become effective for reporting periods beginning after June 15, 2015.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

This Statement establishes requirements for defined benefit pensions that are not within the scope of GASB 68. This Statement will become effective for fiscal years beginning after June 15, 2016.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

The objective of this Statement is to improve the usefulness of information about Postemployment Benefits Other than Pensions included in general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement will become in effect for fiscal years beginning after June 15, 2016.

Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*

The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement will become effective for fiscal years beginning after June 15, 2017.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The objective of this Statement is to identify in the context of the current governmental financial reporting environment- the hierarchy of generally accepted accounting principles. This Statement will become effective for reporting periods beginning after June 15, 2015.

Statement No. 77, *Tax Abatement Disclosures*

This Statement requires governments that enter into tax abatement agreements to disclose a brief description of the agreement, the amount of taxes being abated and commitments made by government other than abated taxes that are part of the tax abatement agreement. This Statement will become effective for reporting periods beginning after December 15, 2015.

**L. Prior Period Adjustment**

Governmental Activities:

Capital Assets balances were restated as of June 30, 2014 to correctly record assets that were previously constructed as part of the Watershed Protection and Restoration Program. It was determined that those projects qualified as assets and were added based on completion date which created an understatement in Construction in Progress of \$1,421,008, Improvements of \$2,404,620, and Accumulated Depreciation-Improvements of \$410,002.

Economic Development funded a fiber connection totaling \$71,646. The connection was placed in service in June 2014. The asset was then transferred into the Fiber Network Fund based on the in-service date which resulted in certain incorrect Capital Assets balances in Governmental Activities as of June 30, 2014.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

Total Net Capital Assets were restated from \$376,620,380 to \$379,964,360.

Total Net Capital Assets, June 30, 2014, as previously stated	\$376,620,380
Construction in Progress	1,421,008
Improvements	2,404,620
Accumulated Depreciation-Improvements	(410,002)
Automobiles, machinery, and equipment	<u>(71,646)</u>
Total Net Capital Assets, June 30, 2014, as restated	<u>\$379,964,360</u>

Net Position was restated as of June 30, 2014 to reflect the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68*. This Statement eliminated Negative Net Pension Obligations for both the County Employee Pension Plan (CCEPP) and the Certified Law Officers Pension

(CCLOPP) Plan. It also eliminated the Net Pension Obligation for the Volunteer Firemen's Length of Service Award Program (LOSAP). GASB Statement 68 requires governments to report the Net Pension Liability on the Statement of Net Position for all pensions.

Net Position at June 30, 2014 was reduced by \$15,946,685 to reflect the implementation of GASB Statement 68 and 71.

Eliminate the Negative Net Pension Obligation-CCEPP at June 30, 2014	\$(5,653,132)
Eliminate the Negative Net Pension Obligation-CCLOPP at June 30, 2014	(382,937)
Eliminate the Net Pension Obligation- LOSAP at June 30, 2014	869,955
Set up CCEPP Net Pension Liability at June 30, 2014	(6,263,004)
Set up CCLOPP Net Pension Liability at June 30, 2014	(2,772,236)
Set up LOSAP Net Pension Liability at June 30, 2014	(1,418,500)
Set up CC Officials Net Pension Liability at June 30, 2014	(155,486)
Set up Soil Conservation Net Pension Liability at June 30, 2014	(215,535)
Reclassify FY 14 CC Officials contributions as deferred outflows	18,519
Reclassify FY 14 Soil Conservation contributions as deferred outflows	<u>25,671</u>
Total adjustment to Net Position to reflect GASB 68 as of June 30, 2014	<u>\$(15,946,685)</u>

Total Net Position was restated from \$164,366,778 to \$151,764,073.

Total Net Position, June 30, 2014, as previously stated	\$164,366,778
Adjustment to Net Position for restatement of Capital Assets	3,343,980
Adjustment to Net Position to reflect GASB 68 and 71	<u>(15,946,685)</u>
Total Net Position, June 30, 2014, as restated	<u>\$151,764,073</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

Business-type Activities:

Capital Assets balances for the Carroll County Fiber Network Fund were restated as of June 30, 2014 to correctly record assets that were built under the Federal Broadband Technology Opportunities Program. Howard County Government served as a Sub-recipient to construct the fiber network under the Federally Funded Multi-County Agreement. The assets were completed in 2013 and totaled \$7,916,542 and Accumulated Depreciation totaled \$290,273.

A fiber connection was built and funded by the General Fund totaling of \$71,646. The connection was placed in service in June 2014. It was then transferred into the Fiber Network Fund based on the in-service date which resulted in an increase to Automobiles, machinery, and equipment of \$71,646 and Accumulated Depreciation of \$120.

Net Capital Assets were restated from \$121,069,265 to \$128,767,060.

Total Net Capital Assets, June 30, 2014, as previously stated	\$121,069,265
Automobiles, machinery, and equipment	7,916,542
Accumulated Depreciation-Automobiles, machinery and equipment	(290,273)
Automobiles, machinery, and equipment	71,646
Accumulated Depreciation-Automobiles, machinery and equipment	<u>(120)</u>
Total Net Capital Assets, June 30, 2014, as restated	<u>\$128,767,060</u>

Total Net Position was restated from \$119,535,662 to \$127,233,457.

Total Net Position, June 30, 2014, as previously stated	\$119,535,662
Adjustment to Net Position for restatement of Capital Assets	<u>7,697,795</u>
Total Net Position, June 30, 2014, as restated	<u>\$127,233,457</u>

Component Units-Board of Education:

The Board adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans, an amendment of GASB Statement No. 27* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which improves accounting and financial reporting by state and local government employers whose employees are provided benefits through pensions. The Board is now required to record a liability for future pension benefits in excess of accumulated plan contributions. These pronouncements require the restatement of the June 30, 2014 net position of governmental activities.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 1 - Summary of significant accounting policies**

In addition to the new accounting pronouncement, net position at July 1, 2014 of governmental activities has been restated to correct an error in accounting for compensated absences as follows:

Net position July 1, 2014, as previously stated	\$ 368,593,026
Effect of correction of an error	(3,512,885)
Cumulative affect of application of GASB 68, net pension liability	(15,959,173)
Cumulative affect of application of GASB 71, deferred outflow of resources for Board contributions made to the plan during the fiscal year ending June 30, 2014	<u>1,888,149</u>
Net position July 1, 2014, as restated	<u>\$ 351,009,117</u>

**Library**

The Library adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans, an amendment of GASB Statement No. 27* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which improves accounting and financial reporting by state and local government employers whose employees are provided benefits through pensions. The Library is now required to record a liability for future pension benefits in excess of accumulated plan contributions.

These pronouncements require the restatement of the June 30, 2014 net position of governmental activities as follows:

Net position July 1, 2014, as previously stated	\$ 4,810,053
Cumulative affect of application of GASB 68, net pension liability	(454,944)
Cumulative affect of application of GASB 71, deferred outflow of resources for Library contributions made to the plan during the fiscal year ending June 30, 2014	<u>53,825</u>
Net position July 1, 2014, as restated	<u>\$ 4,408,934</u>

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, and pension liabilities are not due and payable in the current period and therefore are not reported in the funds”.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

The details of bonds payable and compensated absences difference are as follows:

Bonds Payable	\$277,922,490
General Obligation Debt-Installment Purchases	31,050,584
Purchase Agreements Payable	5,875,768
Compensated Absences	6,107,397
Deferred charges	(10,452,016)
Premium on Bonds	<u>19,956,164</u>
	<u>\$ 330,460,387</u>

The details of net pension liabilities differences are as follows:

Net Pension Liability	\$7,055,782
Net Certified Law Officer’s Pension Liability	2,627,554
Net LOSAP Pension Liability	1,122,389
Net MSRA Pension Liability:	
CC Officials State of MD	141,030
Soil Conservation	<u>195,496</u>
	<u>336,526</u>
	<u>\$11,142,251</u>

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

Property Taxes- unavailable	\$1,435,574
Income Taxes- unavailable	<u>15,727,464</u>
	<u>\$17,163,038</u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.**

Purchase of Capital Assets	\$ 19,826,368
Donated Assets	4,838,904
Depreciation	(20,152,516)
Loss on Trade in of Assets	<u>(277,245)</u>
	<u>\$ 4,235,511</u>

Another element of that reconciliation states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this \$7,072,825 difference represents the net change of \$(256,383) in Property Taxes-unavailable plus \$7,329,208 in Income Taxes-unavailable in the fund statements.

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

Debt Issued or Incurred:

Issuance of New Purchase Agreement	\$ (4,536,852)
Issuance of New General Obligation Bonds	(67,576,682)
Principal Payments on General Obligation Bonds	81,616,297
Principal Payments on Purchase Agreements	201,774
Net Change in Amortization of	
Deferred loss on Refunding Bonds	5,397,460
Net Change in Amortization of Bond Premium	(7,014,848)
Net Change In Accrued Interest Expense	<u>(47,268)</u>
	<u>\$ 8,039,881</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of some expense differences are as follows:

Increase in Compensated Absences Accrual	\$ (93,624)
Difference between accrual method used in Government wide Statements and the Purchase Method of inventory used in the Fund Statements	<u>(173,687)</u>
	<u>\$ 80,063</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

County Pension Liability		(\$792,778)
Certified Law Officers Pension Liability		144,682
LOSAP Pension Liability		296,111
MSRA Pension Liability:		
CC Officials	14,456	
Soil Conservation	<u>20,039</u>	
		<u>34,495</u>
		<u>(317,490)</u>

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

PRIMARY GOVERNMENT

*Custodial Credit Risk Deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At year-end the collected bank balance was \$19,050,315. The Federal Depository Insurance Corporation (FDIC) insured \$250,000 and the balance of \$18,800,315 was collateralized with investments held in the County's name at the Federal Reserve Bank. At June 30, 2015, the County's deposits were not exposed to custodial credit risk.

The following table reconciles the County's deposits and investments to the government-wide statement of net assets and the statement of fiduciary net position.

Reconciliation:

<u>Total Primary Government – Exhibit A</u>		
Equity in Pooled Cash and Investments		\$153,915,974
Cash and cash equivalents		28,117
Restricted Assets – Investments		25,979,899
 <u>Trust Funds-Exhibit J</u>		
Trust funds:		
Total Cash and Investments		139,402,752
Agency Funds:		
Equity in pooled cash and investments		<u>919,239</u>
Total all cash and investments		320,245,981
Less: Investments –		<u>(301,195,666)</u>
Total collected bank balance		<u>\$19,050,315</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

COMPONENT UNITS

At year-end the carrying amount of combined deposits was \$32,511,337 including cash on hand of \$7,058. All of the collected bank balance was insured by the FDIC and/or collateralized by securities held by the component unit or its' agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net assets.

Reconciliation:

Cash & Investments for Component Units

Board of Education	\$10,804,821
Carroll Community College	7,491,162
Carroll County Library	1,215,302
Industrial Development Authority	<u>13,000,052</u>
Total	<u>\$32,511,337</u>

Primary Government

Investment Risk

**Interest Rate Risk:** The County plans its investments to match cash flow requirements. In accordance with the investment policy, the County does not invest in securities maturing more than two years from the date of purchase and only 30 percent of the lowest investment balance can be invested between one and two years (as of June 30, 2015 the 30 percent was \$44,986,000). The only exception is the purchase of U.S Treasury bonds and U.S. Treasury strips for the Agricultural Land Preservation Program. These securities have no coupon and have long-term maturity lengths; therefore, they are very interest rate sensitive. If market rates were to rise, the market value of these securities would decline further than a similar coupon-paying Treasury security. Conversely, if market interest rates were to fall, the market value of these securities would rise further than a similar coupon-paying Treasury security. The County plans to hold these securities to their maturity to pay off the related debt when due.

**Credit Risk:** State law limits investments in bankers' acceptances and commercial paper to the highest letter and numerical rating by at least one nationally recognized statistical rating organization. As of June 30, 2015, the County did not invest in any of these types of investments.

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

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
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**Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments continued**

Primary Government  
Investment Risk-continued

counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificate of deposits, repurchase agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government's name. As of June 30, 2015, the County's investments were not exposed to custodial credit risk.

The following table displays segmented time distribution investments for the primary government and fiduciary funds by maturity and investment type as of June 30, 2015.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 yr.</u>	<u>1 to 2 yrs.</u>	<u>over 2 yrs.</u>
<b><u>Pooled Investments</u></b>				
Federal agencies (2)	\$ 65,080,600	\$ 20,094,600	\$ 44,986,000	\$ -
MLGIP	7,956,919	7,956,919	-	-
subtotal	73,037,519	28,051,519	44,986,000	-
<b><u>Non-Pooled Investments</u></b>				
U.S. government securities (1)	25,749,899	-	-	25,749,899
Money rate savings account	63,005,496	63,005,496	-	-
Other Post Employment Benefits and Pension Funds:				
Short-term investments (3)	859,976	859,976	-	-
Equities (3)	60,001,970	-	-	60,001,970
Corporate Bonds	23,022,451	-	-	23,022,451
Marketable securities	55,518,355	-	-	55,518,355
subtotal	228,158,147	63,865,472	-	164,292,675
Total	\$ 301,195,666	\$ 91,916,991	\$ 44,986,000	\$ 164,292,675

- (1) These investments are backed by full faith & credit of the U.S. Government.  
(2) These agencies mature in fiscal year 2016/2017 but are callable monthly, quarterly, semi-annually until maturity.  
(3) These investments are unrated.

Fiduciary Funds  
Investment Risk

Fiduciary funds for Carroll County are the Carroll County Employee Pension Plan, the Carroll County Certified Law Officer Pension, LOSAP, & OPEB (the Trust Funds). The Trust Funds operate under one investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed. Investments for the Trust Funds are reported at fair value.

The Trust Funds invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

will occur in the near term and that such a change could materially affect the amounts reported in the statement of fiduciary net position available for benefits.

Component Units

At year-end, the carrying value of the Board of Education’s combined deposits was \$10,417,796 excluding agency cash held by the Board) and cash on hand was \$3,758. The bank balance of deposits was \$15,834,010. The bank balance was covered either by federal depository insurance or collateral held by the financial institution’s trust department in the Board’s name. Statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No. 40, the Board’s deposits are not subject to custodial or credit risk at year end. Because of the short-term maturity and type of investments, there is limited interest rate risk.

As of June 30, 2015, the cash on hand for petty cash and change in funds for Carroll Community College was \$3,300.

At June 30, 2015, the College’s cash and cash equivalents balance by type were as follows:

Cash on hand	\$ 3,300
Cash in bank	1,705,968
Bank money market	5,007,370
Maryland Local Government Investment Pool	416,587
Cash with Carroll Community College Foundation	<u>357,937</u>
	<u>\$7,491,162</u>

As of June 30, 2015, the carrying amount of the Library’s deposits was \$1,215,302 and the bank balance was \$1,317,339. There is no custodial credit risk for either of these investments as the amounts are fully collateralized.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

Restricted cash consists of amounts previously contributed to the Library. The funds were established in 1996 by the Board of Trustees of the Library for the purpose of establishing a fund that enables the Library both to continue and to expand programs that are or will be authorized in accordance with its mission. The funds are segregated from operating funds.

As of June 30, 2015, the Industrial Development Authority bank balance was \$13,000,052. All deposits were covered by Federal Depository Insurance and/or collateral held in the Authority's name by the financial institution.

**Note 4 - Budgets and Budgetary Accounting**

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

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

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

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

The appropriated budget for the General Fund is prepared by function, department, activity and object. The legal level of budgetary control for the County's General Fund is at the department level. Project-length budgets along with the current year's portion of each project are budgeted in the Capital Projects Fund. The appropriated budgets are prepared by individual grants for the Special Revenue Funds. The legal level of budgetary control is at the project level for the Capital Projects Fund and at the program level for the Grant Fund and on an annual basis for Impact Fees Fund, Agricultural Transfer Tax Fund, Hotel Rental Tax Fund, Cable Franchise Fee Fund, and Watershed Protection and Restoration Fund.

Transfers in the General Fund can be made between departments and functions with the approval of the Board.

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



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 4 - Budgets and Budgetary Accounting-continued**

The budgeted amounts are as originally adopted, or as amended by the County Commissioners. There were no supplemental budgetary appropriations adopted for the year ending June 30, 2015.

**Note 5 – Receivables and Deferred Inflows/Outflows**

Receivables

Most of the receivables in the Governmental Funds are liens on real property that will be collected via the annual tax sale process if not paid. Receivables as of year end for the government’s individual major funds and non-major and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>Tax</u>	<u>Accounts</u>	<u>Interest</u>	<u>Notes</u>	<u>Total</u>
<b><u>Governmental funds</u></b>					
General fund	\$ 1,604,735	\$ 361,668	\$ 274,257	\$ 18,200,412	\$ 20,441,072
Capital Projects fund	-	1,154,111	113	-	1,154,224
Non-major funds	-	2,440,914	-	-	2,440,914
	<u>1,604,735</u>	<u>3,956,693</u>	<u>274,370</u>	<u>18,200,412</u>	<u>24,036,210</u>
Uncollectible allowance	(164,750)	-	-	-	(164,750)
Total governmental funds	<u>\$ 1,439,985</u>	<u>\$ 3,956,693</u>	<u>\$ 274,370</u>	<u>\$ 18,200,412</u>	<u>\$ 23,871,460</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,868,590</u>	<u>\$ 16,868,590</u>

	<u>Accounts</u>
<b><u>Business-type funds</u></b>	
Bureau of Utilities	\$ 3,047,219
Solid Waste	728,803
Airport	164,873
Non-major funds	143,021
Internal Service Fund	51,773
	<u>4,135,689</u>
Uncollectible allowance(Airport)	(126,344)
Total business-type funds	<u>\$ 4,009,345</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 5 – Receivables and Deferred Inflows/Outflows-continued**

Balances for the component units for the year ended June 30, 2015 was as follows:

<u>Component Units</u>	<u>Accounts Restricted</u>	<u>Accounts and Notes Unrestricted</u>	<u>Other</u>	<u>Students</u>	<u>Contributions</u>	<u>Total</u>
Board of Education	\$ -	\$ 421,494	\$ -	\$ -	\$ -	\$ 421,494
Carroll Community College	-	-	285,160	816,237	424,727	1,526,124
Library	52,201	9,330	-	-	-	61,531
Industrial Development Authority	-	7,736,976	-	-	-	7,736,976
	<u>52,201</u>	<u>8,167,800</u>	<u>285,160</u>	<u>816,237</u>	<u>424,727</u>	<u>9,746,125</u>
Less: allowance	-	(664,510)	-	(397,886)	-	(1,062,396)
Total component unit activities	<u>\$ 52,201</u>	<u>\$ 7,503,290</u>	<u>\$ 285,160</u>	<u>\$ 418,351</u>	<u>\$ 424,727</u>	<u>\$ 8,683,729</u>
Amount not scheduled for collection during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,707</u>	<u>\$ 107,707</u>

**Unearned Revenues**

Governmental funds report deferred inflows- unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and Enterprise Funds also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2015, the various components of unearned revenue reported were as follows:

	<u>Unearned</u>
<b><u>Governmental funds</u></b>	
General Fund:	
City of Westminster	\$ 84,791
Capital Fund:	
Other	2,239,709
Grants Fund:	
Draw down of excess of expenditures	2,841,792
Internal Service Fund:	
Future benefit payments from retirees	11,304
Total governmental funds	<u>\$ 5,177,596</u>
<b><u>Business-type funds</u></b>	
Solid Waste- property rentals	\$ 5,019
Bureau of Utilities	9,878
Airport	9,323
Total business-type funds	<u>\$ 24,220</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 5 – Receivables and Deferred Inflows/Outflows-continued**

Deferred Outflows of Resources

In the government-wide statement of net position, deferred outflows of resources are reported as follows:

<u>Government-Wide</u>	<u>Deferred Charge</u>
Governmental activities	
Deferred charge on refunding	\$ 10,452,016
Deferred charge for pension:	
Carroll County Employee Pension	1,151,286
Carroll County law officers pension	165,546
State employee pension- cc officials	61,788
State employee pension- soil conservation	28,572
Total deferred charge for pension	1,407,192
Business-type activities	
Deferred charge on refunding	(29,155)
Total government-wide	\$ 11,830,053

Deferred Inflows of Resources

Deferred Inflows are as follows:

<u>Government-Wide</u>	<u>Deferred Inflows for Pension</u>
Governmental activities	
Carroll county employee pension	\$ 83,672
Carroll county law officers pension	217,931
LOSAP	191,426
MSRA- CC Officials	15,437
MSRA- Soil Conservation	21,398
Total governmental wide	\$ 529,864
<u>Governmental funds</u>	
General Fund:	
Income taxes	\$ 15,727,464
Property taxes	1,435,574
Total governmental funds	\$ 17,163,038

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 6 – Interfund Receivables, Payables and Transfers**

Interfund Transfers

At June 30, 2015, the Interfund transfers between primary government major and non-major funds were as follows:

	Transfers Out			
	General Fund	Capital Projects Fund	Non-Major Fund	Total
Transfers In:				
General Fund	\$ -	\$ 14,029,120	\$ 1,217,682	\$ 15,246,802
Capital Projects Fund	5,670,886	-	348,001	6,018,887
Bureau of Utilities	199,420	-	-	199,420
Solid Waste	125,633	-	-	125,633
Non-Major Governmental Funds	1,467,681	-	-	1,467,681
Total transfers	<u>\$ 7,463,620</u>	<u>\$ 14,029,120</u>	<u>\$ 1,565,683</u>	<u>\$ 23,058,423</u>

The primary reason Interfund Transfers are made between the general fund to other major and non-major funds is for the continuation of operations and/or the funding of capital projects.

Due to/from Component Units

The due to/from component units at June 30, 2015 consisted of the following:

Carroll Community College	166	390,562
Library	1,344	22,003
Industrial Development Authority	612,910	75,000
Component Units:		
Primary Government	32,307,554	21,309
Primary Government	390,562	166
Primary Government	22,003	1,344
Primary Government	75,000	612,910
	<u>\$ 33,430,848</u>	<u>\$ 33,430,848</u>

Due to/from Fiduciary Funds

Due to/from primary government and due from fiduciary funds:

	Due From	Due To
Trust Fund:		
General Fund	\$ -	\$ 579,733
Governmental Activities:		
Other Postemployment Benefit Trust	579,733	-
	<u>\$ 579,733</u>	<u>\$ 579,733</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 6 – Interfund Receivables, Payables and Transfers-continued**

Due to/from Other Governmental Funds

Due to primary government and due from Other Governmental Funds:

	Due From	Due To
Governmental Activities:		
General Fund	\$ -	\$ 7,486,012
Capital Fund	7,486,012	-
	\$ 7,486,012	\$ 7,486,012

Internal Balances

Due to/due from Business-type funds:

	Due From	Due To
Business-type Activities:		
General Fund	\$ -	\$ 1,733,715
Governmental Activities:		
Fiber Network	1,657,970	
Airport	75,745	-
	\$ 1,733,715	\$ 1,733,715

The Airport Fund and Fiber Network overdrew their share of Equity in Pooled Cash accounts. The overdraw was covered by the General Fund. The General Fund had an outstanding accounts receivable with the Airport, Solid Waste and Fiber Network at June 30, 2015.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 7 – Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance, Restated June 30, 2014	Additions	Net of Transfers and Retirements	Balance June 30, 2015
<b><u>Governmental activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 33,041,200	\$ 1,562,824	\$ (137,396)	\$ 34,466,628
Construction in progress	31,640,221	16,841,598	(9,932,784)	38,549,035
Total capital assets, not being depreciated	64,681,421	18,404,422	(10,070,180)	73,015,663
<b>Capital assets, being depreciated:</b>				
Buildings and contents	185,447,068	1,186,400	-	186,633,468
Improvements other than buildings	32,475,255	9,792,526	-	42,267,781
Automobiles, machinery and equipment	42,518,400	2,623,503	(1,577,097)	43,564,806
Infrastructure	567,431,922	2,591,205	-	570,023,127
Total capital assets, being depreciated	827,872,645	16,193,634	(1,577,097)	842,489,182
<b>Less accumulated depreciation for:</b>				
Buildings and contents	48,836,538	4,425,499	-	53,262,037
Improvements other than buildings	20,855,287	2,157,862	-	23,013,149
Automobiles, machinery and equipment	29,655,588	3,052,151	(1,437,248)	31,270,491
Roads and bridges	413,242,293	10,517,004	-	423,759,297
Total accumulated depreciation	512,589,706	20,152,516	(1,437,248)	531,304,974
Total capital assets, being depreciated, net	315,282,939	(3,958,882)	(139,849)	311,184,208
Governmental activities capital assets, net	<u>\$ 379,964,360</u>	<u>\$ 14,445,540</u>	<u>\$ (10,210,029)</u>	<u>\$ 384,199,871</u>
<b><u>Business-type activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 8,944,412	\$ 1	\$ (796)	\$ 8,943,617
Construction in progress	1,039,342	3,795,906	(650,417)	4,184,831
Total capital assets, not being depreciated	9,983,754	3,795,907	(651,213)	13,128,448
<b>Capital assets, being depreciated:</b>				
Buildings and contents	24,272,597	-	-	24,272,597
Improvements other than buildings	10,830,634	650,417	-	11,481,051
Automobiles, machinery and equipment	27,310,603	123,427	(217,995)	27,216,035
Infrastructure:				
Water facilities	55,193,273	-	-	55,193,273
Sewer facilities	47,827,197	-	-	47,827,197
Total capital assets, being depreciated	165,434,304	773,844	(217,995)	165,990,153
<b>Less accumulated depreciation for:</b>				
Buildings and contents	8,340,639	485,670	-	8,826,309
Improvements other than buildings	4,111,489	533,069	-	4,644,558
Automobiles, machinery and equipment	7,607,480	1,106,370	(217,996)	8,495,854
Water facilities	10,427,263	963,340	-	11,390,603
Sewer facilities	16,164,127	711,267	-	16,875,394
Total accumulated depreciation	46,650,998	3,799,716	(217,996)	50,232,718
Total capital assets, being depreciated, net	118,783,306	(3,025,872)	1	115,757,435
Business-type activities capital assets, net	<u>\$ 128,767,060</u>	<u>\$ 770,035</u>	<u>\$ (651,212)</u>	<u>\$ 128,885,883</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 7 – Capital Assets-continued**

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

Governmental activities:

General Government	\$5,808,894
Public Safety	1,752,280
Public Works	11,497,867
Health	10,971
Human Services	11,586
Culture & Recreation	570,715
Judicial	42,297
Economic Development	231,698
Conservation of Natural Resources	<u>226,208</u>
Total depreciation expense-governmental activities	<u>\$20,152,516</u>

Business-type activities:

Bureau of Utilities	\$2,204,733
Solid Waste	577,666
Septage	174,578
Airport	22,999
Firearms Facility	23,915
Fiber Network	<u>795,827</u>
Total depreciation expense-business-type activities	<u>\$3,799,716</u>

Component units

Activity for the Board of Education for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Net Transfers and Retirements	Balance June 30, 2015
<b>Capital assets not being depreciated</b>				
Land and improvements	\$ 15,049,603	\$ -	\$ -	\$ 15,049,603
Construction in Progress	<u>5,275,167</u>	<u>8,808,048</u>	<u>10,464,774</u>	<u>3,618,441</u>
Total capital assets, not being depreciated	20,324,770	8,808,048	10,464,774	18,668,044
<b>Capital assets being depreciated</b>				
Building and improvements	584,407,409	9,076,624	-	593,484,033
Equipment	<u>40,772,963</u>	<u>3,005,383</u>	<u>1,032,244</u>	<u>42,746,102</u>
Total capital assets being depreciated	625,180,372	12,082,007	1,032,244	636,230,135
<b>Less accumulated depreciation</b>				
Buildings and improvements	186,134,636	14,730,111	-	200,864,747
Equipment	<u>29,949,232</u>	<u>3,079,401</u>	<u>1,027,934</u>	<u>32,000,699</u>
Total accumulated depreciation	<u>216,083,868</u>	<u>17,809,512</u>	<u>1,027,934</u>	<u>232,865,446</u>
Total capital assets, being depreciated, net	<u>409,096,504</u>	<u>(5,727,505)</u>	<u>4,310</u>	<u>403,364,689</u>
Capital assets, net	<u>\$ 429,421,274</u>	<u>\$ 3,080,543</u>	<u>\$ 10,469,084</u>	<u>\$ 422,032,733</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 7 – Capital Assets-continued**

Component units-continued

Activity for the Carroll Community College for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Net Transfers and Retirements	Balance at June 30, 2015
<b>Capital assets not being depreciated</b>				
Foundation	\$ 562,525	\$ -	\$ -	\$ 562,525
<b>Capital assets being depreciated</b>				
Building Improvements	1,649,567	292,046	-	1,941,613
Equipment	3,379,421	240,011	10,754	3,608,678
Vehicles	128,692	-	-	128,692
Library Books	1,794,144	37,941	64,867	1,767,218
Total capital assets being depreciated	6,951,824	569,998	75,621	7,446,201
<b>Less accumulated depreciation</b>				
Building improvements	795,774	108,563	-	904,337
Equipment	3,000,181	173,130	10,754	3,162,557
Vehicles	112,228	7,242	-	119,470
Library books	1,698,816	63,539	63,723	1,698,632
Total accumulated depreciation	5,606,999	352,474	74,477	5,884,996
Total capital assets, being depreciated, net	1,344,825	217,524	1,144	1,561,205
Capital assets, net	<u>\$ 1,907,350</u>	<u>\$ 217,524</u>	<u>\$ 1,144</u>	<u>\$ 2,123,730</u>

**Foundation**

The art collection consists of various paintings and drawings by Hiram Williams. These donated items were recorded at their fair value, as determined by independent appraisal, at \$381,025, as of June 30, 2015 and 2014, and adjusted accordingly in the financial statements. Collectibles and artwork with indeterminate useful lives are not depreciated.

The doll collection consists of approximately 100 dolls from various countries, purchased by the donor while traveling to the various countries over a period of twenty years. These donated items are recorded at their fair value of \$1,500, as determined by management, at the date of donation.

The Foundation was gifted real estate in 2009. The fair value of the real estate was \$180,000 and is included with Capital Assets on the Statements of Net Assets.

Since the donors placed no restriction on their gift of these collections, they are included in Unrestricted Net Position.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 7 – Capital Assets-continued**

Activity for the Carroll County Public Library for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Net Transfers and Retirements	Balance at June 30, 2015
<b>Capital assets being depreciated by location</b>				
Headquarters	\$ 1,131,984	\$ 30,941	\$ 18,214	\$ 1,144,711
Westminster	1,113,831	112,381	-	1,226,212
Eldersburg	434,613	-	-	434,613
Mt. Airy	867,415	94,050	-	961,465
North Carroll	309,561	-	-	309,561
Taneytown	133,357	-	-	133,357
Finksburg	127,425	-	3,211	124,214
Circulation materials	3,324,004	1,067,688	1,134,674	3,257,018
Construction in progress	139,166	0	139,166	0
Total capital assets, being depreciated	<u>7,581,356</u>	<u>1,305,060</u>	<u>1,295,265</u>	<u>7,591,151</u>
<b>Less accumulated depreciation</b>	<u>3,258,972</u>	<u>-</u>	<u>(350,727)</u>	<u>3,609,699</u>
Capital assets, net	<u><u>\$ 4,322,384</u></u>	<u><u>\$ 1,305,060</u></u>	<u><u>\$ 1,645,992</u></u>	<u><u>\$ 3,981,452</u></u>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Net Transfers and Retirements	Balance June 30, 2015
<b>Capital assets not being depreciated</b>				
Land	\$ 7,682,468	\$ 227,697	\$ 635,842	\$ 7,274,323
Construction in Progress	1,768,770	10,574	-	1,779,344
Total capital assets, not being depreciated	<u>9,451,238</u>	<u>238,271</u>	<u>635,842</u>	<u>9,053,667</u>
<b>Capital assets being depreciated</b>				
Equipment	5,000	32,886	-	37,886
Total capital assets being depreciated	<u>5,000</u>	<u>32,886</u>	<u>-</u>	<u>37,886</u>
<b>Less accumulated depreciation</b>				
Equipment	5,000	1,068	-	6,068
Total capital assets, being depreciated, net	<u>-</u>	<u>31,818</u>	<u>-</u>	<u>31,818</u>
Capital assets, net	<u><u>\$ 9,451,238</u></u>	<u><u>\$ 270,089</u></u>	<u><u>\$ 635,842</u></u>	<u><u>\$ 9,085,485</u></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt**

The following is an analysis of the changes in long-term obligations of the reporting entity for the year ended June 30, 2015.

	Balance 7/1/2014 (restated)	Additions	Principal Repayments/ Amortization	Balance June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
Purchase Agreements	\$ 1,540,690	\$ 4,536,852	\$ 201,774	\$ 5,875,768	\$ 209,666
General Obligation Debt	31,050,584	-	-	31,050,584	-
General Obligation Bonds	291,962,105	67,576,682	81,616,297	277,922,490	27,961,865
Bonds premium/discount	12,941,316	8,549,374	1,534,526	19,956,164	1,712,638
Subtotal	337,494,695	80,662,908	83,352,597	334,805,006	29,884,169
Net other post employment benefit obligation	35,510,993	12,596,770	11,848,183	36,259,580	-
Net LOSAP liability	1,418,500	117,258	413,369	1,122,389	-
Net pension liability	6,263,004	6,491,857	5,699,079	7,055,782	-
Net certified law officers pension liability	2,772,236	1,267,954	1,412,636	2,627,554	-
Net pension liability (CC Officials State of MD)	155,486	-	14,456	141,030	-
Net pension liability (Soil Conservation- State)	215,535	-	20,039	195,496	-
Estimated liability for claims in process	1,960,574	13,512,217	13,480,806	1,991,985	1,972,065
Compensated Absences	6,013,773	2,797,782	2,704,158	6,107,397	2,704,158
<b>Governmental activity Long-term liabilities</b>	<b>\$ 391,804,796</b>	<b>\$ 117,446,746</b>	<b>\$ 118,945,323</b>	<b>\$ 390,306,219</b>	<b>\$ 34,560,392</b>
<b>Business-type activities:</b>					
Loans Payable	\$ 216,757	\$ -	\$ 28,632	\$ 188,125	\$ 29,377
General Obligation Bonds	19,575,054	5,938,318	8,029,418	17,483,954	2,038,660
Subtotal	19,791,811	5,938,318	8,058,050	17,672,079	2,068,037
Landfill closure/postclosure	11,549,384	909,539	-	12,458,923	229,868
Compensated Absences	337,127	131,406	110,714	357,819	130,514
<b>Business-type activity Long-term liabilities</b>	<b>\$ 31,678,322</b>	<b>\$ 6,979,263</b>	<b>\$ 8,168,764</b>	<b>\$ 30,488,821</b>	<b>\$ 2,428,419</b>
<b>Component Units:</b>					
<b>Board of Education:</b>					
Net other post employment benefit obligation	\$ 58,881,226	\$ 23,464,000	\$ 7,202,795	\$ 75,142,431	\$ -
Compensated Absences	18,888,176	722,712	2,359,542	17,251,346	2,100,000
Net pension liability (State of MD)	14,071,024	308,067	-	14,379,091	-
Capital Lease Obligations	4,189,410	-	759,714	3,429,696	813,850
<b>Total Board of Education</b>	<b>\$ 96,029,836</b>	<b>\$ 24,494,779</b>	<b>\$ 10,322,051</b>	<b>\$ 110,202,564</b>	<b>\$ 2,913,850</b>
<b>Carroll Community College</b>					
Net other post employment benefit obligation	\$ 15,043,591	\$ 2,481,513	\$ -	\$ 17,525,104	\$ -
Compensated Absences	812,812	64,966	-	877,778	691,801
<b>Total Carroll Community College</b>	<b>\$ 15,856,403</b>	<b>\$ 2,546,479</b>	<b>\$ -</b>	<b>\$ 18,402,882</b>	<b>\$ 691,801</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt-continued**

**A.) Governmental Activities**

	Balance 7/1/14 (restated)	Additions	Principal Repayments/ Amortization	Balance June 30, 2015	Due Within One Year
Library					
Compensated Absences	\$ 455,843	\$ 44,178	\$ -	\$ 500,021	\$ -
Net pension liability	\$ 454,944	-	45,043	409,901	-
Total Library	<u>\$ 910,787</u>	<u>\$ 44,178</u>	<u>\$ 45,043</u>	<u>\$ 909,922</u>	<u>\$ -</u>
Industrial Development Authority					
Loan	\$ 4,000,000	-	-	\$ 4,000,000	-
Total Industrial Dev. Authority	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>

Payments on the non-current liabilities above (excluding compensated absences), that pertain to the County's governmental activities are made by the General Fund. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund. The additions to the unamortized premium on bonds payable for governmental activities are recorded as an Other Financing Source in the General Fund for refunding bonds issued, and in the Capital Projects Fund for new bonds issued.

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

Long-term obligations at June 30, 2015 consist of the following:

**Purchase Agreements**

In March 2006, the County entered into phase two with Suntrust Equipment Finance/AAIG Johnson Controls to purchase and install energy saving fixtures for various County buildings. The maturity date for this purchase agreement is February 15, 2021. Payments are due quarterly at an interest rate of 4.04%. The principal sources of repayment for this debt are general revenues of the County including property taxes and income taxes and the debt is secured by the equipment acquired.

In March 2015 phase three was entered into between the County and AAIG/Johnson Controls to continue purchasing and installing energy saving fixtures for various County buildings. The maturity date for this purchase agreement is December 15, 2031. Payments are due quarterly at an interest rate of 2.353%. The principal sources of repayment for this debt are general revenues of the County including property taxes and income taxes and the debt is secured by the equipment acquired.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt—continued**

**A.) Governmental Activities—continued**

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2015	Due Within One Year
<u>General Government:</u>					
Suntrust/AAIG Johnson Controls	4.040%	2021	\$ 2,649,079	\$ 1,338,916	\$ 210,378
AAIG Johnson Controls	2.353%	2031	4,536,852	4,536,852	(712)
Total Purchase Agreements				<u>\$ 5,875,768</u>	<u>\$ 209,666</u>

Years Ending June 30,	Principal	Interest	Total
2016	\$ 209,666	\$ 187,375	\$ 397,041
2017	331,393	149,308	480,701
2018	296,536	138,025	434,561
2019	316,017	126,594	442,611
2020	336,498	114,513	451,011
2021-2025	1,941,662	411,375	2,353,037
2026-2030	2,208,573	166,430	2,375,003
2031	235,423	2,076	237,499
Total purchase agreement	<u>\$ 5,875,768</u>	<u>\$ 1,295,696</u>	<u>\$ 7,171,464</u>

**General Obligation Debt**

The County issues general obligation debt to provide funds for the Agricultural Preservation Program to finance Installment Purchase Agreements for land easements. This debt is an obligation of the County for which its full faith and credit are pledged. The sources of repayment for this debt are the general revenues of the County including property taxes, income taxes and dedicated interest earnings and restricted principal from federal obligation securities with a maturity of 10-20 years. These loans range in maturity dates from fiscal year 2019 to fiscal year 2034. The interest rates on these purchase agreements range from 4.641% to 6.00%.

Years Ending June 30,	Principal	Interest	Total
2016	\$ -	\$ 1,728,795	\$ 1,728,795
2017	-	1,728,795	1,728,795
2018	-	1,728,795	1,728,795
2019	1,201,212	1,728,795	2,930,007
2020	-	1,656,722	1,656,722
2021-2025	4,113,488	8,038,680	12,152,168
2026-2030	8,699,720	6,454,238	15,153,958
2031-2034	17,036,164	1,371,230	18,407,394
Total general obligation debt	<u>\$ 31,050,584</u>	<u>\$ 24,436,050</u>	<u>\$ 55,486,634</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt–continued**

A.) Governmental Activities-continued

General Obligation Bonds

The County issues general obligation bonds to provide funds for construction of major capital facilities such as libraries, parks and schools, to loan to the volunteer fire companies and for other general county uses such as construction of roads and bridges. The bonds are obligations of the County for which its full faith and credit are pledged. The principal sources of repayment for the bonds are the general revenues of the County including property taxes and income taxes and to the extent bond proceeds are used to finance loans to the volunteer fire companies' loan payments from such entities.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt–continued**

**A.) Governmental Activities–continued**

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2015	Due Within One Year
<u>General Government:</u>					
FHA Loan of 1972-Watershed Bonds	3.502%	2022	\$ 769,700	\$ 210,640	\$ 25,451
FHA Loan of 1974- Watershed Bonds	3.649%	2024	253,000	97,135	8,580
FHA Loan of 1979- Watershed Bonds	3.649%	2031	678,800	355,266	16,761
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	1,812,966	1,812,966
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	2,116,409	1,058,204
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	5,090,351	1,337,505
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	9,297,565	1,164,829
2007 Refunding Bonds (November)	3.75%-5.25%	2022	6,670,000	3,790,000	560,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	28,294,094	7,172,691	1,669,499
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	14,759,547	8,081,296	1,482,694
2009 Public Improvement Bonds Series B	4.70%-5.625%	2029	17,631,476	17,631,476	-
2010 Refunding Bonds Series A	0.30%-1.70%	2018	6,044,297	2,231,777	881,660
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	8,841,618	8,046,339	411,926
2011 Public Improvement Bonds	2.00%-4.25%	2031	11,042,955	9,788,498	435,822
2011 Refunding Bonds	2.00%-4.25%	2031	9,104,764	8,732,052	1,796,247
2012 Public Improvement Bonds	2.00%-5.00%	2032	13,600,000	12,237,412	681,294
2012 Refunding Bonds	2.00%-5.00%	2032	13,685,415	13,685,415	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	23,412,567	22,210,438	1,206,649
2014 Public Improvement Bonds	2.00%-5.00%	2034	14,099,475	14,099,476	704,974
2014 Refunding Bonds	2.00%-5.00%	2029	19,078,563	19,078,563	1,771,499
Subtotal General Government				<b>\$ 165,765,765</b>	<b>\$ 17,026,560</b>
<u>Board of Education:</u>					
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	243,023	243,023
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	500,484	250,242
2007 Refunding Bonds (January)	3.50%-5.00%	2020	23,165,983	6,847,888	1,799,303
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	817,072	102,365
2008 Public Improvement Bonds	3.25%-5.00%	2028	43,613,906	8,329,249	1,939,055
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	8,305,513	4,547,518	834,344
2009 Public Improvement Bonds Series B	4.70%-5.625%	2029	15,946,285	15,946,284	-
2010 Refunding Bonds Series A	0.30%-1.70%	2018	6,054,056	2,235,381	883,084
2010 Public Improvement Bonds Series D	1.03%-3.51%	2030	10,272,510	9,291,691	506,061
2011 Public Improvement Bonds	2.00%-4.25%	2031	6,957,045	6,166,702	274,578
2011 Refunding Bonds	2.00%-4.25%	2031	769,193	636,082	147,151
2012 Public Improvement Bonds	2.00%-5.00%	2032	6,400,000	5,758,870	320,565
2012 Refunding Bonds	2.00%-5.00%	2032	2,347,757	2,347,757	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	1,852,433	1,757,307	95,471
2014 Public Improvement Bonds	2.00%-5.00%	2034	2,347,757	900,525	45,026
2014 Refunding Bonds	2.00%-5.00%	2029	1,852,433	33,437,662	1,194,646
Subtotal Board of Education				<b>\$ 99,763,495</b>	<b>\$ 8,634,914</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt—continued**  
**A.) Governmental Activities—continued**  
General Obligation Bonds

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2015	Due Within One Year
<u>Volunteer Fire Companies:</u>					
2003 Fire Company Bonds	2.00%-3.85%	2018	2,100,000	660,000	155,000
2004 Fire Company Bonds	4.13%	2019	2,065,000	829,402	152,736
2005 Public Improvement Bonds	3.50%-4.125%	2020	31,799,320	105,000	105,000
2005 Fire Company Bonds	3.50%-4.125%	2020	2,900,000	1,145,000	195,000
2006 Public Improvement Bonds	3.50%-4.00%	2021	20,260,000	79,865	39,932
2007 Public Improvement Bonds	3.75%-5.25%	2022	20,430,000	495,000	160,000
2008 Public Improvement Bonds	3.25%-5.00%	2028	180,000	52,687	12,262
2009 Public Improvement Bonds Series A	2.00%-4.00%	2019	270,000	147,833	27,123
2010 Refunding Bonds Series A	0.30%-1.70%	2018	381,976	141,039	55,717
2010 Refunding Bonds Series B	0.30%-1.70%	2018	2,210,000	855,000	295,000
2010 Public Improvement Bonds Series D	3.75%-4.90%	2030	535,000	435,000	50,000
2011 Public Improvement Bonds	2.00%-4.25%	2031	750,000	664,800	29,600
2012 Public Improvement Bonds	2.00%-5.00%	2032	1,460,000	1,313,718	73,141
2012 Refunding Bonds	2.00%-5.00%	2032	187,173	187,173	-
2013 Public Improvement Bonds	2.00%-5.00%	2033	735,000	697,255	37,880
2014 Refunding Bonds	2.00%-5.00%	2024	60,458	60,458	-
Subtotal Volunteer Fire Companies				\$ 7,869,230	\$ 1,388,391
2013 Taxable Pension Bonds	2.24%	2019	\$ 4,524,000	\$ 4,524,000	\$ 912,000
Subtotal Taxable Pension Bonds				\$ 4,524,000	\$ 912,000
Subtotal General Obligation Bonds				\$ 277,922,490	\$ 27,961,865
Bond premium/ discount				19,956,164	1,712,638
Total				\$ 297,878,654	\$ 29,674,503

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2015, are as follows:

Years Ending June 30,	Principal	Interest	Total
2016	\$ 27,961,865	\$ 11,012,299	\$ 38,974,164
2017	26,983,502	10,020,779	37,004,281
2018	25,467,476	8,964,032	34,431,508
2019	23,913,733	7,921,900	31,835,633
2020	22,170,753	6,953,242	29,123,995
2021-2025	74,943,239	22,999,846	97,943,085
2026-2030	60,556,431	9,097,014	69,653,445
2031-2035	15,925,491	984,565	16,910,056
Total General Obligation Bonds	\$ 277,922,490	\$ 77,953,677	\$ 355,876,167

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt–continued**

B.) Business-type activities

Bureau of Utilities

Loans Payable-Special Assessment Debt with Governmental Commitment

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

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2015	Due Within One Year
Maryland Water Quality Financing:					
2002 Revolving Loan- Hampstead	2.60%	2021	\$ 532,680	\$ 188,125	\$ 29,377
Total Loans Payable				<u>\$ 188,125</u>	<u>\$ 29,377</u>

The annual requirements to repay the loans payable outstanding as of June 30, 2015, are as follows:

Years Ending June 30,	Principal	Interest	Total
2016	\$ 29,377	\$ 6,606	\$ 35,983
2017	30,141	5,842	35,983
2018	30,924	5,059	35,983
2019	31,729	4,255	35,984
2020	32,554	3,430	35,984
2021	33,400	2,583	35,983
Total Loans Payable	<u>\$ 188,125</u>	<u>\$ 27,775</u>	<u>\$ 215,900</u>

General Obligation Bonds

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



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt–continued**  
**B.) Business-type activities–continued**

Issue	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2015	Due Within One Year
<b><u>Bureau of Utilities:</u></b>					
2005 Public Improvement Bonds	3.50%-4.125%	2020	302,525	20,139	20,139
2006 Public Improvement Bonds	3.50% -4.00%	2021	200,000	28,883	14,442
2007 Refunding Bonds (January)	3.50% -5.00%	2020	212,504	109,511	28,774
2007 Public Improvement Bonds	3.75% -4.25%	2022	9,401,000	5,008,570	627,490
2008 Public Improvement Bonds	3.25% -5.00%	2028	7,616,000	1,563,731	364,019
2009 Public Improvement Bonds Series A	2.00% -4.00%	2019	745,461	408,162	74,887
2009 Public Improvement Bonds Series B	4.70% -5.625%	2029	1,072,240	1,072,240	-
2010 Refunding Bonds Series A	0.30% -1.70%	2018	6,371	2,352	929
2010 Public Improvement Bonds Series D	3.75% -4.90%	2030	13,742	12,430	677
2011 Refunding Bonds	2.00% -4.25%	2021	484,430	418,538	93,486
2012 Refunding Bonds	2.00% -5.00%	2022	198,550	198,550	-
2014 Refunding Bonds	2.00% -5.00%	2028	5,446,358	5,446,058	200,244
Subtotal Bureau of Utilities				\$ 14,289,164	\$ 1,425,087
<b><u>Solid Waste Fund</u></b>					
2007 Refunding Bonds (January)	3.50% -5.00%	2020	345,658	178,130	46,804
2007 Public Improvement Bonds	3.75% -5.25%	2022	604,000	321,795	40,315
2008 Public Improvement Bonds	3.25% -5.00%	2028	296,000	86,642	20,165
2009 Public Improvement Bonds Series A	2.00% -4.00%	2019	9,479	5,190	952
2011 Refunding Bonds	2.00% -4.25%	2021	789,648	789,646	157,250
2014 Refunding Bonds	2.00% -5.00%	2024	406,860	406,860	92,826
Subtotal Solid Waste Fund				\$ 1,788,263	\$ 358,312
<b><u>Airport Fund</u></b>					
2001 Public Imp. Bonds	3.25% -4.75%	2021	2,200,000	770,000	110,000
2005 Public Improvement Bonds	3.50% -4.125%	2020	58,555	3,871	3,871
2007 Refunding Bonds (January)	3.50% -5.00%	2020	240,854	124,120	32,613
2010 Refunding Bonds Series A	0.30% -1.70%	2018	93,300	34,451	13,609
2010 Public Improvement Bonds Series D	3.75% -4.90%	2030	27,130	24,539	1,336
2011 Refunding Bonds	2.00% -4.25%	2021	286,966	258,680	55,866
2012 Refunding Bonds	2.00% - 5.00%	2022	18,716	18,716	-
2014 Refunding Bonds	2.00% - 5.00%	2020	85,400	85,400	25,785
Subtotal Airport Fund				\$ 1,319,777	\$ 243,080
<b><u>Septage Fund</u></b>					
2006 Public Improvement Bonds	3.50% -4.00%	2021	200,000	24,359	12,181
2012 Refunding Bonds	2.00% -5.00%	2022	62,391	62,391	-
Subtotal Septage Fund				\$ 86,750	\$ 12,181
Total General Obligation Bonds				\$ 17,483,954	\$ 2,038,660

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2015, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Business-type activities:</b>			
2016	\$ 2,038,660	\$ 732,226	\$ 2,770,886
2017	2,020,147	649,939	2,670,086
2018	1,934,622	557,802	2,492,424
2019	1,880,153	466,576	2,346,729
2020	1,755,273	383,352	2,138,625
2021-2025	5,439,749	942,397	6,382,146
2026-2030	2,412,579	129,558	2,542,137
2031	2,771	68	2,839
Total General Obligation Bonds	\$ 17,483,954	\$ 3,861,918	\$ 21,345,872

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 8 – Long-Term Debt—continued**  
General Obligation Bonds-continued

Advanced Refunding

The County issued general obligation refunding bonds during the current year. The County issued \$58,515,000 on November 13, 2014 of general obligation refunding bonds to provide resources to purchase United States Government State and Local Government Series Securities (SLGS) that were placed in an irrevocable trust. The net proceeds of \$59,780,169 (after payment of \$87,432 for issuance costs) were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of \$53,672,712 of general obligation bonds from 2008 bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amounts of the old debt by \$6,194,889. This amount is a deferred outflow and amortized over the life of the new debt issued, which is shorter than the remaining life of the refunded debt. The November 2014 advanced refunding was undertaken to reduce total debt service payments by \$3,761,972 and resulted in an economic loss of \$6,107,457.

Advance Refunding – Prior Years

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2015, \$71,473,866 of defeased bonds remains outstanding.

Bond Authorization

The County has authorization to sell approximately \$151,333,058 in additional bonds for the construction and renovation of several public schools; numerous general public projects and various road and bridge projects. The County has already appropriated \$95,279,435 of the available authorization.

C.) Component Units

During the fiscal year ended June 30, 2015, no new capital leases were entered into by the Board of Education. In October of 2004, the Board entered into a ten-year energy management plan to provide air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures.

The Board of Education leases energy management equipment pursuant to capital lease agreements entered into in prior years. Payments made on capital leases are recorded in the General Fund. Future minimum lease obligations are as follows:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 8 – Long-Term Debt—continued**

<u>Years Ending June 30,</u>	<u>Energy Management Equipment</u>
2016	\$ 935,285
2017	963,343
2018	992,243
2019	844,235
	<u>3,735,106</u>
less interest	(305,410)
Present value of future minimum lease payments	<u><u>\$ 3,429,696</u></u>

Interest expense related to capital leases was \$148,329 for the year ended June 30, 2015.

On January 5, 2005, the IDA entered into an Investment Agreement with the State of Maryland department of Business and Economic Development to fund the rehabilitation of the Warfield Complex. The proceeds were reloaned to the Warfield Development Corporation. The total amount of the Note is \$4,000,000. Repayment is based upon a nineteen-year amortization with interest at 3.0%, but payments are based upon actual cash flow from the Warfield Complex. This payment structure allows for the deferral of payments in years of insufficient cash flow. In the event payments are deferred, they become due and payable in the subsequent payment period. At loan maturity, December 31, 2025, any unsatisfied deferred payments may be considered for forgiveness, provided all the terms of the agreement have been met. During fiscal year 2014 and 2013, all terms of the agreement have been met and the Warfield Complex generated no cash flow; therefore, no principal payments were due at June 30, 2015 and 2014. The accrued interest payable at June 30, 2015 and 2014 totals \$906,842 and \$786,842, respectively.

The annual requirements to amortize note payable outstanding as of June 30, 2015 are as follow:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Component Unit-IDA:			
2016	\$ 1,894,738	\$ 808,947	\$ 2,703,685
2017	210,526	60,001	270,527
2018	210,526	53,684	264,210
2019	210,526	47,368	257,894
2020	210,526	41,053	251,579
2021-2025	1,263,158	198,947	1,462,105
Total	<u>\$ 4,000,000</u>	<u>\$ 1,210,000</u>	<u>\$ 5,210,000</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9 – Lease Obligations**

Operating Leases

Governmental Activities

The County is committed under various leases for office space, parking and a storage facility as lessee. All leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2015 for the County amounted to \$290,084. Future lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2016	\$304,000
2017	311,600
2018	320,948
2019	330,576
2020	340,494
2021-2024	1,467,234

The County is committed under various rental lease agreements as lessor. All leases are considered for accounting purposes to be collectable leases. Lease revenues for the year ended June 30, 2015 amounted to \$230,104. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2016	\$267,536
2017	267,536
2018	267,536
2019	267,536
2020	267,536
2021-2025	1,337,680
2026-2095	70

In 2006 the County entered into an Energy Performance Operating Lease with Johnson Controls, Inc. for the first and second phases of the energy project. The lease agreement requires a performance guarantee and service maintenance contract payment which if the County terminates payment before the term ends, the assured performance guarantee shall automatically terminate. The total lease expense for the year ended June 30, 2015 for the County totaled to \$353,252 and has a 7 year commitment remaining. The total future payments are as follows:

<u>Years Ending June 30,</u>	
2016	\$363,849
2017	374,764
2018	386,008
2019	397,587
2020	409,045
2021-2025	855,277

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 9 – Lease Obligations-continued**

In February 2015, the County signed a new 15 year Energy Performance Operating Lease with Johnson Controls, Inc. to start the third phase of the energy project. The quarterly payments begin on March 15, 2016. The total future payments are as follows:

<u>Years Ending June 30,</u>	
2016	\$ 53,975
2017	109,570
2018	112,856
2019	116,242
2020	119,730
2021-2025	654,729
2026-2030	759,010
2031	81,642

Business Type Activities

The County is committed under various business-type rental lease agreements as lessor. All leases are considered for accounting purposes to be collectable leases. Lease revenues for the year ended June 30, 2015 amounted to \$320,813. Future lease revenues for these rentals are as follows:

<u>Years Ending June 30,</u>	
2016	\$304,506
2017	262,981
2018	238,510
2019	180,489
2020	160,000
2021-2025	160,000

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

	<u>Governmental</u> <u>Activities</u>	<u>Type Activities</u>	<u>Business</u> <u>Total</u>
Asset:			
Land	\$12,329,475	\$512,770	\$12,842,245
Buildings	17,279,243	-	17,279,243
Less: Accumulated depreciation	<u>(6,181,566)</u>	<u>-</u>	<u>(6,181,566)</u>
Net carrying value	<u>\$23,427,152</u>	<u>\$512,770</u>	<u>\$23,939,922</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9 – Lease Obligations-continued**

Component Units

The Board of Education leases equipment under agreements reported as operating leases. The annual lease payments are recorded as expenses in the Government-Wide Statement of Activities and Expenditures in the General Fund. Operating lease terms extend through the year June 30, 2019.

Future minimum payments on operating leases with an initial or remaining noncancellable term in excess of one year are as follows:

<u>Years Ending June 30,</u>	<u>Minimum Annual Lease Payments</u>
2016	\$ 495,700
2017	422,642
2018	104,572
2019	<u>8,381</u>
Total	<u>\$ 1,031,295</u>

Operating lease expenditures/expenses for the year ended June 30, 2015 were \$447,185.

The Library leases various office equipment under noncancelable operating leases. Total rental expenditures were \$21,283 for leases for the year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Years Ending June 30,</u>	
2016	\$ 21,282
2017	11,454
2018	4,434
2019	<u>4,434</u>
Total	<u>\$41,604</u>

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

The College has also entered into an operating lease with the Xerox Corporation for copier services. The total lease expense was \$204,617 and \$195,030 for the years ended June 30, 2015 and 2014, respectively. The College renewed its operating lease in July 2013, extending the lease agreement until July 2018.

Future minimum payments on operating leases are as follows:

<u>Years Ending June 30,</u>	
2016	\$169,620
2017	169,620
2018	169,620
2019	<u>14,135</u>
Total	<u>\$ 522,995</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 10 – Landfill Closure, Postclosure and Remediation Costs**

The County operates one public disposal facility, Northern Landfill that opened in 1988. The landfill currently has four closed cells and one active cell, which opened in April 2008 and is 21.4 percent filled. Two of the four closed cells have been permanently capped. The two remaining closed cells will be capped after the active cell and remaining two cells are constructed and filled. Beginning July 1, 1997 the County elected to transfer all solid waste out-of-state. The remaining life of the landfill's active and new cells cannot be projected at this time.

Total closure and postclosure costs of Northern landfill are estimated to be \$5,664,791 of which 100 percent has been accrued as of June 30, 2015. In 1994, the County stopped accepting solid waste at its Hoods Mill landfill, with only 30 of 60 acres available being used for landfill deposits.

In addition, the County has recorded an estimated liability of \$1,794,132 for annual monitoring costs of closed landfills. An additional \$5,000,000 had been accrued for remedial care of two landfills closed in prior years, as well as other environmental concerns, for total accrued costs of \$12,458,923.

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

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

**Note 11– Pension Plans**

Carroll County Employee Pension Plan

The Carroll County Government established the Carroll County Employee Pension Plan (CCEPP) for its employees in July 2003.

Plan Description

*Plan administration.* The Carroll County Employee Pension Plan (CCEPP) is a single-employer defined benefit pension plan that covers regular employees employed on or after July 1, 2003 who are not eligible to participate in the Maryland State Pension or Retirement Plans.

The Retirement Plan Committee serves as the administrator of the plan on behalf of Carroll County Government and has the full power and authority to manage the plan. The Retirement Plan Committee consists of those individuals who hold the following positions in the employment of the County or the Carroll County Sheriff's Office:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

- Director, Department of Management and Budget
- Director, Department of Human Resources
- County Attorney
- Bureau Chief, Benefits; and
- Two participants participating in either the CCEPP or CCCLOPP (Carroll County Certified Law Officers Pension Plan) selected by the County Commissioners of Carroll County, Maryland

*Plan membership.* The most current actuarial valuation was completed as of July 1, 2014. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	181
Terminated plan members entitled to, but not yet receiving benefits	164
Active plan members	<u>732</u>
Total	<u>1,077</u>

*Benefits provided.* The defined benefit is determined by the creditable years of service an employee has. After July 1, 2003, creditable service is provided for each pay period worked, with service pro-rated for employees with less than 60 hours worked in a pay period. For those employees with service between July 1, 1985 and June 30, 2003 creditable service is based on the amount of time between their date of hire and June 30, 2003. The basic monthly pension benefit is determined by final average salary multiplied by .007 multiplied by the number of years of creditable service, divided by 12 for service earned prior to October 1, 2009 plus final average salary multiplied by .016 multiplied by the number of years of creditable service, divided by 12 (for years of serviced earned after October 1, 2009). “Final Average Salary” refers to the average annualized base salary in the highest 78 consecutive pay periods. Employees are eligible to begin drawing their pension when they retire after 30 years of service or at age 62. The County does provide an early retirement at age 55 if the employee has at least 3 years of Eligibility Service and the sum of age and the employee’s service years equals or exceeds 80. This plan has a tax exempt status. The retirement plan committee recommends any amendments to benefits provided. In order to be effective all amendments must be approved by majority vote of the Commissioners.

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

Participants who have reached the 12 month anniversary of their Benefit Commencement Date are subject to the cost of living adjustment (COLA). The adjustment shall not exceed a two percent increase in the Participant’s annual retirement income determined as of the first day of the preceding plan year.

*Contributions.* Plan members are required to contribute 5 percent of their annual base pay. The County contributed 8.3 percent of the employees’ annual base pay.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

Investment Policy: Fiduciary funds for Carroll County are the Carroll County Employee Pension Plan, the Carroll County Certified Law Officer Pension, LOSAP, & OPEB (the Trust Funds). The Trust Funds operate under one investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed. Investments for the Trust Funds are reported at fair value, as described in note 1. The retirement plan committee has the authority to establish or amend investment policy decisions.

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

Interest rate risk: The Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Trust Funds greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments are limited to maturities of one year or less.

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

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$3,092,098
Harbor International Fund	3,126,430

Credit risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The manager may purchase any cash instruments having a quality rating of A-2, P-2 or higher by either Moody's or Standard and Poor's. Time deposits and repurchase agreements are also acceptable investment vehicles. Any idle cash not invested by the investment managers shall be invested daily through an automatic interest bearing sweep vehicle.

<u>Ratings</u>	<u>Maximum</u>	<u>Allocation at June 30, 2015</u>
AAA/Aaa	100%	100%
AA/Aa	100%	0%
A/A	100%	0%
BAA/Baa	20%	0%
BBB	20%	0%

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

Concentration of credit risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 10% of the portfolio invested in obligations of any one issuer. International bonds shall not exceed more 5% of the International Equity portfolio. Investments by security type for all of the County Trust Funds are to be diversified as follows:

Carroll County Employee Pension Plan

	Minimum	Maximum
Domestic Large Cap Equities	35.0%	55.0%
Domestic Small Cap Equities	4.5%	14.5%
Real Estate Equities	5.5%	15.5%
International Equities	5.0%	15.0%
Domestic Fixed Income	20.0%	30.0%
Cash Equivalents	0.0%	5.0%

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on the CCEPP investments, net of pension plan investment expense, was 4.53 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net Pension Liability of the County*

The components of the net pension liability of the County at June 30, 2015, were as follows:

Total pension liability	\$69,571,070
CCEPP fiduciary net position	<u>(62,515,288)</u>
County’s net pension liability	<u>\$ 7,055,782</u>

CCEPP fiduciary net position as a percentage of the total pension liability	89.86%
--	--------

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2014 rolled forward to June 30, 2015 using the following actuarial assumptions, applied to the periods included in the measurements:

Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense including inflation
Mortality	RP-2000 with generational projections by Scale AA

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equities	45%	5.90%
U.S. Small/Mid Cap Equities	10%	6.50%
Foreign Equities	10%	6.90%
Real Estate (REITs)	10%	5.80%
Core Fixed Income	25%	0.75%
Cash	0%	0.00%
Inflation		3.00%
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**  
Carroll County Employee Pension Plan-continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/14</b>	\$ 63,079,213	\$ 56,816,209	\$ 6,263,004
<b>Changes for the year:</b>			
Service cost	3,300,577		3,300,577
Interest	4,377,540		4,377,540
Changes of benefit terms	-		-
Differences between expected and actual experience	(100,407)		(100,407)
Changes of assumptions	-		-
Contributions - employer		2,558,020	(2,558,020)
Contributions - member		1,618,955	(1,618,955)
Net investment income		2,644,922	(2,644,922)
Benefit payments, including refunds of member contributions	(1,085,853)	(1,085,853)	-
Administrative expense		(36,965)	36,965
Other		-	-
<b>Net Changes</b>	<u>6,491,857</u>	<u>5,699,079</u>	<u>792,778</u>
<b>Balances at 6/30/15</b>	<u>\$ 69,571,070</u>	<u>\$ 62,515,288</u>	<u>\$ 7,055,782</u>

<u>Amount</u>	
Service Cost	\$ 3,300,577
Interest on the total pension liability	4,377,540
Changes of benefit terms	-
Differences between expected and actual experience	(16,735)
Changes of assumptions	-
Employee contributions	(1,618,955)
Projected earnings on pension plan investments	(4,084,030)
Differences between expected and actual earnings on plan investments	287,822
Pension plan administrative expense	36,965
Other changes in fiduciary net position	-
<b>Total Pension Expense</b>	<u>\$ 2,283,184</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 83,672
Net difference between projected and actual earnings On pension plan investment	<u>1,151,286</u>	<u>-</u>
Total	<u>\$ 1,151,286</u>	<u>\$ 83,672</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	271,087
2017		271,087
2018		271,087
2019		271,085
2020 and thereafter		(16,732)

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County’s net pension liability	\$17,718,208	\$7,055,782	\$(1,664,290)

**Basis of Accounting:** The Carroll County Employee Pension Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The Carroll County Government does not issue a separate audited financial statement for CCEPP.

The actuarially determined contribution was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7 percent investment rate of return compounded annually (b) projected salary increases due to inflation and seniority/merit raises as follows:

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

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2014 ranges from 17 to 20 years.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 11– Pension Plans-continued**  
Carroll County Employee Pension Plan-continued

**Statement of Fiduciary Net Position  
Carroll County Employee Pension Plan**

<b>Assets:</b>	
Investments at fair value:	
Short term investments	\$ 367,355
Bond funds	15,313,399
Equity funds	<u>46,843,052</u>
Total assets	<u>62,523,806</u>
<b>Liabilities:</b>	
Accounts payable	<u>8,518</u>
Total liabilities	<u>8,518</u>
<b>Fiduciary Net Position:</b>	
Net position held in trust for pension and other purposes	<u><u>\$ 62,515,288</u></u>

**Statement of Changes in Fiduciary Net Position  
Carroll County Employee Pension Plan**

<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,558,020
Plan Members	<u>1,618,955</u>
Total Contributions	4,176,975
Investment earnings:	
Net increase in the fair value of investments	<u>2,688,846</u>
Total investment earnings	<u>2,688,846</u>
Less investment expense	<u>(43,924)</u>
Net investment earnings	<u>2,644,922</u>
Total additions	6,821,897
<b>DEDUCTIONS</b>	
Benefits	1,085,853
Administrative expenses	<u>36,965</u>
Total deductions	<u>1,122,818</u>
Change in net position	5,699,079
<b>NET POSITION RESTRICTED FOR COUNTY PENSION</b>	
Beginning of year	56,816,209
End of year	<u><u>\$ 62,515,288</u></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

The Schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2009	\$ 15,523,970	\$ 25,213,680	61.57%	\$ 9,689,710	\$ 32,267,152	30.03%
July 1, 2010	22,285,227	29,210,223	76.29%	6,924,996	30,414,456	22.77%
July 1, 2011	32,467,828	34,721,749	93.51%	2,253,921	29,603,146	7.61%
July 1, 2012	38,015,237	40,184,901	94.60%	2,169,664	29,795,430	7.28%
July 2, 2013	44,313,054	46,486,737	95.32%	2,173,683	30,698,576	7.08%
July 1, 2014	51,844,307	52,935,676	97.93%	1,091,369	32,277,749	3.38%

Schedule of Employer Contributions:

Year Ended June 30:	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2010	\$ 1,301,090	\$ 2,660,000	204%
2011	2,810,444	3,000,000	106%
2012	2,550,479	2,741,200	107%
2013	2,252,813	2,585,599	114%
2014	2,365,793	2,367,000	100%
2015	2,537,821	2,558,020	101%

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

Valuation date	7/1/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	17 to 20 years
Asset valuation method	5 years smoothed market
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	Varies by age (8.75% at age 25 to 5.25% at age 45)



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Employee Pension Plan-continued

Projected payroll increases	3% per year
Salary valuation	36-month average highest pay
Post retirement cost-of-living adjustments	2%
Inflation rate	N/A

Carroll County Certified Law Officers Pension Plan

The Carroll County Government established the Carroll County Certified Law Officers Pension Plan (CCCLOPP) for eligible law enforcement officers on October 1, 2009.

Plan Description

*Plan administration.* The Carroll County Certified Law Officers Pension Plan (CCCLOPP) is a single-employer defined benefit pension plan that covers Carroll County Sheriff’s Certified Law Officers who are not eligible to participate in the Maryland State Pension or Retirement Plans. The Carroll County Government does not issue a separate audited financial statement for CCCLOPP.

The Retirement Plan Committee serves as the administrator of the plan on behalf of Carroll County Government and has the full power and authority to manage the plan. The Retirement Plan Committee consists of those individuals who hold the following positions in the employment of the County or the Carroll County Sheriff’s Office:

- Director, Department of Management and Budget
- Director, Department of Human Resources
- County Attorney
- Bureau Chief, Benefits; and
- Two participants participating in either the CCEPP or CCCLOP (Carroll County Certified Law Officers Pension Plan) selected by the County Commissioners of Carroll County, Maryland

*Plan membership.* The most current actuarial valuation was completed as of July 1, 2014. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	8
Terminated plan members entitled to, but not yet receiving benefits	1
Active plan members	<u>102</u>
Total	<u>111</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

*Benefits provided.* For officers hired October 1, 2009 or later, the Certified Law Officers Pension Plan would replace 50.5% of final average salary after 25 years of service and will replace a smaller percentage of final average salary for officers hired prior to October 1, 2009 (who previously received employer contributions to their 401 (k) Plan accounts). Employees are eligible to begin drawing their pension when they retire after 25 years of service or at age 55 with at least 15 years of service. Employees who retire prior to age 55 with at least 15 years of service may begin drawing their pension at age 62. The plan does not provide early retirement benefits. The retirement plan committee recommends any amendments to benefits provided. In order to be effective all amendments must be approved by majority vote of the Commissioners.

The plan provides retirement, disability and death benefits to plan members or the plan member's beneficiaries. This plan has a tax exempt status.

Participants who have reached the 12 month anniversary of their Benefit Commencement Date are subject to the cost of living adjustment (COLA). The adjustment shall not exceed a two percent increase in the Participant's annual retirement income determined as of the first day of the preceding plan year.

*Contributions.* Plan members are required to contribute 8 percent of their annual base pay. The County contributed 14.8 percent of the employees' annual base pay.

*Investment Policy:* Fiduciary funds for Carroll County are the Carroll County Employee Pension Plan, the Carroll County Certified Law Officer Pension, LOSAP, & OPEB (the Trust Funds). The Trust Funds operate under one investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed. Investments for the Trust Funds are reported at fair value, as described in note 1. The retirement plan committee has the authority to establish or amend investment policy decisions.

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

*Interest rate risk:* The Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Trust Funds greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments are limited to maturities of one year or less.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

Foreign currency risk:

The Carroll County Certified Law Officers Pension Plan had the following unrated mutual fund investments with exposure to foreign currency risk from various international currency denominations including European Countries:

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$445,343
Harbor International Fund	450,308

Credit risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The manager may purchase any cash instruments having a quality rating of A-2, P-2 or higher by either Moody's or Standard and Poor's. Time deposits and repurchase agreements are also acceptable investment vehicles. Any idle cash not invested by the investment managers shall be invested daily through an automatic interest bearing sweep vehicle.

<u>Ratings</u>	<u>Maximum</u>	<u>Allocation at June 30, 2015</u>
AAA/Aaa	100%	100%
AA/Aa	100%	0%
A/A	100%	0%
BAA/Baa	20%	0%
BBB	20%	0%

Concentration of credit risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 10% of the portfolio invested in obligations of any one issuer. International bonds shall not exceed more 5% of the International Equity portfolio. Investments by security type for all of the County Trust Funds are to be diversified as follows:

Carroll County Certified Law Officer Trust Fund

	Minimum	Maximum
Domestic Large Cap Equities	35.0%	55.0%
Domestic Small Cap Equities	4.5%	14.5%
Real Estate Equities	5.5%	15.5%
International Equities	5.0%	15.0%
Domestic Fixed Income	20.0%	30.0%
Cash Equivalents	0.0%	5.0%

Rate of return. For the year ended June 30, 2015, the annual money-weighted rate of return on the CCCLOPP investments, net of pension plan investment expense, was 4.51 percent. The money-weighted

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net Pension Liability of the County*

The components of the net pension liability of the County at June 30, 2015, were as follows:

Total pension liability	\$ 11,733,031
CCCLOPP fiduciary net position	(9,105,477)
County’s net pension liability	\$ <u>2,627,554</u>
 CCCLOPP fiduciary net position as a percentage of the total pension liability	 77.61%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2014 rolled forward to June 30, 2015 using the following actuarial assumptions, applied to the periods included in the measurements:

Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality	RP-2000 with generational projections by Scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 11– Pension Plans-continued**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equities	45%	5.90%
U.S. Small/Mid Cap Equities	10%	6.50%
Foreign Equities	10%	6.90%
Real Estate (REITs)	10%	5.80%
Core Fixed Income	25%	0.75%
Cash	0%	0.00%
Inflation		3.00%
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/14</b>	\$ 10,465,077	\$ 7,692,841	\$ 2,772,236
<b>Changes for the year:</b>			
Service cost	983,042		983,042
Interest	725,606		725,606
Changes of benefit terms	-		-
Differences between expected and actual experience	(242,146)		(242,146)
Changes of assumptions	-		-
Contributions - employer		835,380	(835,380)
Contributions - member		415,107	(415,107)
Net investment income		368,124	(368,124)
Benefit payments, including refunds of member contributions	(198,548)	(198,548)	-
Administrative expense		(7,427)	7,427
Other		-	-
<b>Net Changes</b>	<u>1,267,954</u>	<u>1,412,636</u>	<u>(144,682)</u>
<b>Balances at 6/30/15</b>	<u>\$ 11,733,031</u>	<u>\$ 9,105,477</u>	<u>\$ 2,627,544</u>

Description	Amount
Service Cost	\$ 983,042
Interest on the total pension liability	725,606
Changes of benefit terms	-
Differences between expected and actual experience	(24,215)
Changes of assumptions	-
Employee contributions	( 415,107)
Projected earnings on pension plan investments	(575,057)
Differences between expected and actual earnings on plan investments	41,387
Pension plan administrative expense	7,427
Other changes in fiduciary net position	-
<b>Total Pension Expense</b>	<u>\$ 743,083</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 217,931
Net difference between projected and actual earnings		
On pension plan investment	<u>165,546</u>	<u>-</u>
Total	<u>\$ 165,546</u>	<u>\$ 217,931</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	17,172
2017		17,172
2018		17,172
2019		17,170
2020		(24,215)
Thereafter		(96,856)

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the CCCLOPP, calculated using the discount rate of 7.0 percent, as well as what the CCCLOPP net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
CCCLOPP net pension liability	\$4,674,566	\$2,627,554	\$992,938

**Basis of Accounting:** The CCCLOPP’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

The actuarially determined contribution was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return compounded annually (b) projected salary increases due to inflation and seniority/merit raises as follows:

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

(c) projected disability rate as follows:

<u>Age</u>	<u>Rate</u>
25	.110%
35	.205%
45	.530%
55	1.44%

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2014 ranges from 17 to 20 years.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

**Statement of Fiduciary Net Position**  
**Carroll County Certified Law Officers Pension Plan**

**Assets:**

Investments at fair value:

Short term investments	\$ 157,781
Bond funds	2,205,576
Equity funds	<u>6,746,427</u>
Total assets	<u>9,109,784</u>

**Liabilities:**

Accounts payable	<u>4,307</u>
Total liabilities	<u>4,307</u>

**Net Position:**

Net position held in trust for pension benefits and other purposes	<u>\$ 9,105,477</u>
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**Statement of Changes in Fiduciary Net Position**  
**Carroll County Certified Law Officers Pension Plan**

**ADDITIONS**

Contributions:

Employer	\$ 835,380
Plan Members	<u>415,107</u>
Total Contributions	1,250,487

Investment earnings:

Net increase in fair value of investments	<u>384,778</u>
Total investment earnings	<u>384,778</u>
Less investment earnings	<u>(16,654)</u>
Net investment earnings	<u>368,124</u>

Total additions 1,618,611

**DEDUCTIONS**

Benefits and refunds paid to

plan members and beneficiaries 198,548

Administrative expenses 7,427

Total deductions 205,975

Change in net position 1,412,636

**NET POSITION RESTRICTED FOR LAW OFFICERS**

**PENSION**

Net position-beginning of year 7,692,841

Net position-end of year \$ 9,105,477

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Carroll County Certified Law Officers Pension Plan-continued

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2009	\$ 987,940	\$ 4,240,867	23.30%	\$ 3,252,927	\$ 3,115,115	104.42%
July 1, 2010	1,468,264	4,372,214	33.58%	2,903,950	3,098,478	93.72%
July 1, 2011	2,469,585	5,155,892	47.90%	2,686,307	3,120,474	86.09%
July 1, 2012	3,609,591	6,059,575	59.57%	2,449,984	3,648,792	67.15%
July 1, 2013	5,210,054	7,928,099	65.72%	2,718,045	4,630,473	58.70%
July 1, 2014	7,104,110	9,119,997	77.90%	2,015,887	4,841,747	41.64%

Schedule of Employer Contributions:

Year Ended June 30:	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2011	\$ 544,156	\$ 590,000	108%
2012	519,754	700,000	134%
2013	504,699	786,577	155%
2014	558,367	869,760	155%
2015	685,558	835,380	121%

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

Valuation date	7/1/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll (closed)
Remaining amortization period	17 to 20 years
Asset valuation method	5 year smoothed market
Investment rate of return	7%
Actuarial assumptions:	
Projected salary increases	Varies by age (8.75% at age 25 to 5.25% at age 45)
Projected disability increase	Varies by age (.11% at age 25 to 1.44% at age 55)
Projected payroll increases	3% per year
Salary valuation	36-month average highest pay
Post retirement cost-of-living adjustments	2%
Inflation rate	N/A

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Volunteer Firemen Pension Plan (LOSAP)

The Carroll County Government established the Volunteer Fireman Pension Plan Length of Service Award Program (LOSAP) for volunteer firefighters in June 1997.

Plan Description

*Plan administration.* The Volunteer Fireman Pension Plan (LOSAP) is a single-employer defined benefit length of service award program that covers all volunteer members of all Carroll County Fire Companies or Departments. Members are eligible to participate in the service award plan if they are certified as an active member and attain 50 points through various functions for each year of service.

The Retirement Plan Committee serves as the administrator of the plan on behalf of Carroll County Government and has the full power and authority to manage the plan. The Retirement Plan Committee consists of those individuals who hold the following positions in the employment of the County or the Carroll County Sheriff’s Office:

- Director, Department of Management and Budget
- Director, Department of Human Resources
- County Attorney
- Bureau Chief, Benefits; and
- Two participants participating in either the CCEPP or CCCLOP (Carroll County Certified Law Officers Pension Plan) selected by the County Commissioners of Carroll County, Maryland

*Plan membership.* The most current actuarial valuation was completed as of January 1, 2015. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	226
Terminated plan members entitled to, but not yet receiving benefits	22
Active plan members	<u>660</u>
Total	<u>908</u>

*Benefits provided.* The defined length of service benefit is determined once members reach 25 years of service and age 60, they may begin receiving disbursements from LOSAP. Benefits are calculated at \$125 per month for life for the first 25 years of service. An additional payment of \$8 per month shall be added to the benefits for each full year of service in excess of 25 years. LOSAP provides a burial benefit of \$5,000 for qualified volunteer firemen upon their death. This plan has tax exempt status. The retirement plan committee recommends any amendments to benefits provided. In order to be effective, all amendments must be approved by majority vote of the Commissioners.

*Contributions.* Carroll County must provide annual contributions that satisfy the required amount to fund this program. Funding of this program shall be reviewed every 5<sup>th</sup> year to determine if any changes should

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

be made. There are not participant-financed benefits in this plan. Administrative costs are financed through investment earnings.

**Investment Policy:**

Fiduciary funds for Carroll County are the Carroll County Employee Pension Plan, the Carroll County Certified Law Officer Pension, LOSAP, & OPEB (the Trust Funds). The Trust Funds operate under one investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed. Investments for the Trust Funds are reported at fair value, as described in note 1. Carroll County Government has the authority to establish or amend investment policy decisions.

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

**Interest rate risk:** The Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Trust Funds greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments are limited to maturities of one year or less.

**Foreign currency risk:**

The Volunteer Fireman Pension Plan (LOSAP) had the following unrated mutual fund investments with exposure to foreign currency risk from various international currency denominations including European Countries:

	<u>Fair Value in U.S. Dollars</u>
Causeway International Value Fund	\$433,260
Harbor International Fund	434,913

**Credit risk:** The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The manager may purchase any cash instruments having a quality rating of A-2, P-2 or higher by either Moody's or Standard and Poor's. Time deposits and repurchase agreements are also acceptable investment vehicles. Any idle cash not invested by the investment managers shall be invested daily through an automatic interest bearing sweep vehicle.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

<u>Ratings</u>	<u>Maximum</u>	<u>Allocation at June 30, 2015</u>
AAA/Aaa	100%	100%
AA/Aa	100%	0%
A/A	100%	0%
BAA/Baa	20%	0%
BBB	20%	0%

Concentration of credit risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 10% of the portfolio invested in obligations of any one issuer. International bonds shall not exceed more 5% of the International Equity portfolio. Investments by security type for all of the County Trust Funds are to be diversified as follows:

Volunteer Firemen Pension Plan (LOSAP)

	Minimum	Maximum
Domestic Large Cap Equities	35.0%	55.0%
Domestic Small Cap Equities	4.5%	14.5%
Real Estate Equities	5.5%	15.5%
International Equities	5.0%	15.0%
Domestic Fixed Income	20.0%	30.0%
Cash Equivalents	0.0%	5.0%

Rate of return. For the year ended June 30, 2015, the annual money-weighted rate of return on the LOSAP investments, net of pension plan investment expense, was 4.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net Pension Liability of the County*

The components of the net pension liability of the County at June 30, 2015, were as follows:

Total pension liability	\$ 9,585,804
LOSAP fiduciary net position	(8,463,415)
County's net pension liability	\$ <u>1,122,389</u>

LOSAP fiduciary net position as a percentage of the total pension liability	88.30%
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**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015 using the following actuarial assumptions, applied to the periods included in the measurements:

Inflation	3.0 percent
Salary increases	Not Applicable
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Healthy tables with Blue Collar adjustments, Blended 75% male and generational projection using Scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equities	45%	5.90%
U.S. Small/Mid Cap Equities	10%	6.50%
Foreign Equities	10%	6.90%
Real Estate (REITs)	10%	5.80%
Core Fixed Income	20%	0.75%
Cash	5%	0.00%
Inflation		3.00%
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**  
Volunteer Firemen Pension Plan (LOSAP)-continued

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/14</b>			
<b>Changes for the year:</b>	\$ 9,766,944	\$ 8,533,208	\$ 1,233,736
Service cost	146,317		146,317
Interest	661,242		661,242
Changes of benefit terms	-		-
Differences between expected and actual experience	-		-
Changes of assumptions	-		-
Contributions - employer		250,000	(250,000)
Contributions - member		-	-
Net investment income		363,329	(363,329)
Benefit payments, including refunds of member contributions	(988,699)	(675,742)	(312,957)
Administrative expense		(5,075)	5,075
Other		(2,305)	2,305
<b>Net Changes</b>	<u>(181,140)</u>	<u>(69,793)</u>	<u>(111,347)</u>
<b>Balances at 6/30/15</b>	<u>\$ 9,585,804</u>	<u>\$ 8,463,415</u>	<u>\$ 1,122,389</u>

Description	Amount
Service Cost	\$ 146,317
Interest on the total pension liability	661,242
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Employee contributions	-
Projected earnings on pension plan investments	(570,519)
Differences between expected and actual earnings on plan investments	(47,857)
Pension plan administrative expense	5,075
Other changes in fiduciary net position	104,685
<b>Total Pension Expense</b>	<u>\$ 298,943</u>



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 191,426
Net difference between projected and actual earnings		
On pension plan investment	-	-
Total	\$ -	\$ 191,426

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2015	\$	(47,857)
2016		(47,857)
2017		(47,857)
2018		(47,855)
2019		-
Thereafter		-

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans-continued**

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of LOSAP, calculated using the discount rate of 7.0 percent, as well as what the LOSAP net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
LOSAP net pension liability	\$2,226,809	\$1,122,389	\$197,788

**Basis of Accounting:** The Volunteer Fireman Pension Plan (LOSAP) financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are made on a long term basis investing in various securities which are exposed to various risks such as interest rate, market and credit risks.

The Carroll County Government does not issue a separate audited financial statement for LOSAP.

The actuarially determined contribution was determined as part of the January 1, 2015 actuarial valuation using the traditional unit credit actuarial cost method. The actuarial assumptions included 7.0 percent investment rate of return compounded annually. The Firemen are volunteers and therefore would not have a projected salary increase. The assumptions did not include postretirement benefit increases since none are provided. The actuarial value of assets was determined using market value as of January 1, 2015. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at January 1, 2015 was 10 years.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**  
Volunteer Firemen Pension Plan (LOSAP)-continued

**Statement of Fiduciary Net Position**  
**Volunteer Firemen Pension Plan (LOSAP)**

<b>Assets:</b>	
Investments at fair value:	
Short term investments	\$ 334,840
Bond funds	1,721,074
Equity funds	<u>6,412,491</u>
Total assets	<u>8,468,405</u>
<b>Liabilities:</b>	
Accounts payable	<u>4,990</u>
Total liabilities	<u>4,990</u>
<b>Net Position:</b>	
Net position held in trust for pension benefits	
and other purposes	<u><u>\$ 8,463,415</u></u>

**Statement of Changes in Fiduciary Net Position**  
**Volunteer Firemen Pension Plan (LOSAP)**

<b>ADDITIONS</b>	
Contributions:	\$ 250,000
Investment earnings:	
Net increase in the fair value of investments	<u>374,273</u>
Total investment earnings	374,273
Less investment expense	<u>(10,944)</u>
Net investment earnings	<u>363,329</u>
Total additions	613,329
<b>DEDUCTIONS</b>	
Benefits	675,742
Administrative expenses	<u>7,380</u>
Total deductions	<u>683,122</u>
Change in net position	(69,793)
<b>NET POSITION RESTRICTED FOR LOSAP</b>	
Net position-beginning of year	<u>8,533,208</u>
Net position-end of year	<u><u>\$ 8,463,415</u></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Volunteer Firemen Pension Plan (LOSAP)-continued

The Schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress: (Inception to date)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)
January 1, 1997	\$ 1,000,000	\$ 3,068,020	32.59%	\$ 2,068,020
January 1, 2003	6,767,155	4,465,745	151.53%	(2,301,410)
January 1, 2006	7,233,605	5,259,708	137.53%	(1,973,897)
January 1, 2009	6,218,088	7,327,879	84.86%	1,109,791
January 1, 2012	6,956,744	8,274,618	84.07%	1,317,874
January 1, 2015	8,761,863	8,993,371	97.43%	231,508

Schedule of Employer Contributions:

Year Ended June 30:	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2010	\$ 380,384	\$ -	N/A
2011	380,384	-	N/A
2012	380,384	-	N/A
2013	435,951	-	N/A
2014	435,951	250,000	57%
2015	435,951	250,000	57%

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

Valuation date	1/1/2015
Actuarial cost method	Traditional unit credit
Amortization method	Level dollar
Remaining amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

Projected salary increases	N/A
Post retirement cost-of-living adjustments	N/A
Inflation Rate	N/A
Service Credit after Retirement	Potential to earn additional service and benefits after “retire” allowing their benefit to increase further.

Maryland State Retirement and Pension System

Plan Description

The State Retirement Agency (the “Agency”) is the administrator of the Maryland State Retirement and Pension System (the “System”). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the system’s administration and operation is vested in a 15-member Board of Trustees.

The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The Agency is legally authorized to use all assets accumulated for the payment of benefits to pay such obligations to any plan member or beneficiary as defined by the terms of the plan. Consequently, the System is accounted for as a single plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, “Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25.” Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. Accordingly, the System is included in the State’s reporting entity and disclosed in its financial statements as a pension trust fund. The Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer can be found at [www.sra.maryland.gov/employers](http://www.sra.maryland.gov/employers) . The System’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 can be found at [www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2014.pdf](http://www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2014.pdf) .

The System is comprised of the Teachers’ Retirement and Pension, systems, Employees’ Retirement and Pension systems, State Police Retirement System, Judges’ Retirement System, and the Law Enforcement Officers’ Pension System.

On June 30, 1985, the Board of Carroll County Commissioners elected to withdraw from the Maryland State Retirement Agency (“MSRA”). Employees participating in the Retirement System or the NC Pension System at that time continued their participation in those Systems. Employees hired July 1, 1985 and after were not permitted to enroll in the State Retirement System or State NC Pension System. After the County’s withdrawal, MSRA calculated an unfunded accrued liability owed by the County and instituted a payment schedule whereby the County would make 33 annual payments until the liability was paid. The balance of the unfunded accrued liability was paid to MSRA with the proceeds from taxable pension funding bonds issued in 2004. As of June 30, 2015, 45 employees participate in the NC Pension System and 5 employees participate in the Retirement System.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

In addition, certain “State Elected Officials” employees hired after June 30, 1985 are entitled to participate in “State Employer” plans established by the MSRA. As of June 30, 2015, 3 officials are thereby enrolled in the Maryland State Alternate Contributory Pension System (“ACPS”) and 1 official is enrolled in the Maryland State Reformed Contributory Pension System (“RCPS”). The ACPS replaces 1.2 percent of “final average salary” for each year of service prior to June 30, 2009, and 1.8 percent of “final average salary” for each year of service afterward. Employees hired on or after July 1, 2011 are enrolled in the RCPS and receive 1.5 percent of their “final average salary” for each year of service. Employees contribute 7 percent to both ACPS and RCPS. The County’s contribution to the MSRA in fiscal year 2016 will be 16.38 percent of the base salaries of the 4 employees enrolled.

The “Soil Conservation District,” is another Participating Governmental Unit (PGU). PGUs are subject to both a Contributory Pension Benefit (CPB) surcharge and an ACPS surcharge. As of June 30, 2015, 5 Soil Conservation District employees are enrolled in the ACPS. The County’s contribution to the ACPS in fiscal year 2016 will be 8.53 percent of the base salaries of the 5 employees

At June 30, 2015 the County reported a total liability of \$336,526 for its proportionate share of the net pension liability: \$141,030 for County Elected/Appointed Officials and \$195,496 for County Soil Conservation District. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. At June 30, 2014, the County’s proportion of the net pension liability for County Elected/Appointed Officials was .000795 percent and County Soil Conservation District was .001102 percent.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

**Employees Retirement and Pension Systems**

At June 30, 2015, the County reported a liability of \$336,526 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2014, the County’s proportionate share was 0.00079468% for CC Elected Officials and 0.00110158% for Soil Conservation employees.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to the MSRA for CC Official from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 2,040	\$ -
Net difference between projected and actual earnings on pension plan investments	-	15,437
County contributions subsequent to the measurement date	<u>59,748</u>	<u>-</u>
Total	<u>\$61,788</u>	<u>\$ 15,437</u>

\$59,748 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ending June 30:**

2016	\$ (3,349)
2017	(3,349)
2018	(3,349)
2019	(3,350)

Carroll County Elected/Appointed Officials allocated net pension liability and related information:

County Elected/Appointed Officials Contribution	\$18,519
St. of MD total adjusted contributions	<u>\$2,330,360,947</u>
County’s proportion of total contributions	.00079468376026228%
Total Net Pension Liability –St. of MD	\$17,746,731,000
County Elected/Appointed Officials share of NPL	\$141,030

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

Total Pension Expense – St. of MD	\$511,236,000
County Elected/Appointed Officials share pension exp.	\$17,460

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to the MSRA for Soil Conservation from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 2,828	\$ -
Net difference between projected and actual earnings on pension plan investments	-	21,398
County contributions subsequent to the measurement date	<u>25,744</u>	<u>-</u>
Total	<u>\$28,572</u>	<u>\$ 21,398</u>

\$28,572 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ending June 30:**

2016	\$ (4,642)
2017	(4,642)
2018	(4,643)
2019	(4,643)

Carroll County Soil Conservation Dist. allocated net pension liability and related information:

County Soil Conservation Dist. Contribution	\$25,671
St. of MD total adjusted contributions	<u>\$2,330,360,947</u>
County’s proportion of total contributions	.00110158900640925%
Total Net Pension Liability –St. of MD	\$17,746,731,000
County Soil Conservation Dist. share of NPL	\$195,496
Total Pension Expense – St. of MD	\$511,236,000
County Soil Conservation Dist. - pension expense	\$24,202



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

Actuarial assumptions: Key actuarial assumptions used to perform the June 30, 2014 State of Maryland pension liability calculations are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of payroll, closed
Inflation	2.90% general, 3.4% wage
Salary increases	3.40% to 11.9%, including inflation
Discount rate	7.65%
Investment Rate of Return	7.65%
Mortality	RP-2000 combined Healthy Mortality Table projected to the year 2025

The economic and demographic actuarial assumptions used in the June 30, 2014 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2006-2010, which was completed during FY 2011. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2012. The System’s Board of Trustees adopted new economic assumptions for the June 30, 2013 valuation, in particular, an investment return assumption of 7.70% and an inflation assumption of 2.95%. The ultimate assumptions of a 7.55% investment return and 2.80% price inflation are being phased in over a four-year period. As a result, an investment return assumption of 7.65% and an inflation assumption of 2.90% were used for the June 30, 2014 valuation. The COLA, salary increase and payroll growth assumptions have also changed as a result of the change in the inflation assumption.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset class that is included in the System’s target asset allocation, these best estimates are summarized in the following table:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**  
Maryland State Retirement and Pension System

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	<u>1%</u>	1.40%
Total	<u>100%</u>	

The above was the System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2014.

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 14.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The net pension liability sensitivity to changes in the single discount rate is as follows:

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Maryland State Retirement and Pension System

	1% Decrease	Current Discount Rate	1% Increase
	(6.65%)	(7.65%)	(8.65%)
St. of MD CC Elected Officials.	\$203,242	\$141,030	\$88,920
St. of MD Soil Conservation.	\$281,734	\$195,496	\$123,260

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s financial report.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Maryland State Retirement Pension System (the System) pension plans and additions to/deductions from the plans have been determined on the same basis they are reported by the System. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Component Units

*Plan description.* The employees of the Board are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers’ Retirement and Pension Systems or the Employees’ Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System issues a publically available financial report that can be obtained at <http://www.sra.state.md.us/>.

*Benefits provided.* The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers’ Retirement and Pension Systems and the Employees’ Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers’ Pension System and Employees’ Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retirees’ benefits allowance will be computed. Some of these options require actuarial reductions based on the retirees’ and/or designated beneficiary’s attained age and similar actuarial factors.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 11– Pension Plans–continued**

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

*Contributions.* The Board and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7 % annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

The State makes a substantial portion of the Board's annual required contribution to the Teachers' Retirement and Pension Systems on behalf of the Board. The State's contributions on behalf of the Board for the year ended June 30, 2015, was \$21,274,653. The fiscal 2015 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

Beginning in FY 2013, the State of Maryland General Assembly passed a bill that required the Boards of Education in Maryland to begin paying the normal cost for their teachers into the Teachers' Retirement and Pension Systems. The legislation structured this as a four year phase in to the full normal cost so that 50% was paid in FY 2013. Full normal cost will be paid in FY 2017 and each year thereafter. The

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Board’s required contribution to the Teachers’ Retirement and Pension Systems for the year ended June 30, 2015 was \$6,495,621.

The Board’s contractually required contribution rate for the Employees’ Retirement and Pension Systems for the year ended June 30, 2015, was 6.72% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2015 of \$1,812,859.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

**Employees Retirement and Pension Systems**

At June 30, 2015, the Board reported a liability of \$14,379,091 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board’s proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2014, the Board’s proportionate share was 0.08102%.

For the year ended June 30, 2015, the Board recognized pension expense of \$1,287,167. At June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in assumptions	\$ 208,005	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,573,885
Net difference between actual and proportionate share of contributions	3 86,781	-
Board contributions subsequent to the measurement date	<u>1,812,859</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 2,407,645</u></b>	<b><u>\$ 1,573,885</u></b>

\$1,812,859 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30:</b>	
2016	\$ (244,775)
2017	(244,775)
2018	(244,775)
2019	(244,774)

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

Teachers Retirement and Pension Systems

At June 30, 2015, the Board did not report a liability related to the Teachers’ Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

State's proportionate share of the net pension liability	\$ 201,622,624
Board's proportionate share of the net pension liability	<u>-</u>
Total	<u>\$ 201,622,624</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2015, the Board recognized pension expense of \$27,770,274 and revenue of \$21,274,653 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

*Actuarial assumptions.* The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.90% general, 3.4% wage
Salary increases	3.40% to 11.9%, including inflation
Investment rate of return	7.65%

Mortality rates were based on RP-2000 Combined Healthy Mortality Table projected to the year 2025.

The economic and demographic actuarial assumptions used in the June 30, 2014 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2006-2010, which was completed during FY 2011. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2012. The System’s Board of Trustees adopted new economic assumptions for the June 30, 2013 valuation, in particular, an investment return assumption of 7.70% and an inflation assumption of 2.95%. The ultimate assumptions of a 7.55% investment return and 2.80% price inflation are being phased in over a four-year period. As a result, an investment return assumption of 7.65% and an inflation assumption of 2.90% were used for the June 30, 2014 valuation. The COLA, salary increase and payroll growth assumptions have also changed as a result of the change in the inflation assumption.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 11– Pension Plans–continued**

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset class that is included in the System’s target asset allocation, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	1%	1.40%
Total	<u>100%</u>	

The above was the System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2014.

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 14.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board’s net pension liability, calculated using a single

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**Note 11– Pension Plans–continued**

discount rate of 7.65%, as well as what the Board’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	<b>Current</b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(6.75%)</b>	<b>(7.65%)</b>	<b>(7.65%)</b>	<b>(8.75%)</b>
Board's proportionate share of the net pension liability	\$ 20,722,051	\$ 14,379,091	\$ 14,379,091	\$ 9,066,036

Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not record a net pension liability related to the Teachers Retirement and Pension Systems.

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s financial report.

**Component Unit- College**

*Plan description.* The employees of the College are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System issues a publically available financial report that can be obtained at <http://www.sra.state.md.us/>.



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**Note 11– Pension Plans–continued**

*Benefits provided.* The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers' Retirement and Pension Systems and the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers' Pension System and Employees' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of the Teachers' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals  $1/55$  (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

*Contributions.* The Board and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7 % annually, depending on the retirement option selected. The contribution

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**Note 11– Pension Plans–continued**

requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

The State makes a substantial portion of the College’s annual required contribution to the Teachers’ Retirement and Pension Systems on behalf of the College. The State’s contributions on behalf of the College for the years ended June 30, 2015 and 2014, was \$898,711 and \$828,973, respectively. The fiscal 2015 contributions made by the State on behalf of the college have been included as both revenues and expenditures in the accompanying Statement of Revenues, Expenditures, and Changes in Net Position (Deficit).

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

Employees Retirement and Pension Systems

At June 30, 2015, the College did not report a liability related to Teachers’ Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for College and the College pays the normal cost related to the Colleges members in the Teachers Retirement and Pension Systems; therefore, the College is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

State’s proportionate share of the net pension liability	\$6,312,997
College’s proportionate share of the net pension liability	<u>-</u>
Total	<u>\$6,312,997</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the College did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

*Actuarial assumptions.* The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.90% general, 3.4% wage
Salary increases	3.40% to 11.9%, including inflation

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**Note 11– Pension Plans–continued**

Investment rate of return 7.65%

Mortality rates were based on RP-2000 Combined Healthy Mortality Table projected to the year 2025. The economic and demographic actuarial assumptions used in the June 30, 2014 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2006-2010, which was completed during FY 2011. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the College for the first use in the actuarial valuation as of June 30, 2012. The System’s Board of Trustees adopted new economic assumptions for the June 30, 2013 valuation, in particular, an investment return assumption of 7.70% and an inflation assumption of 2.95%. The ultimate assumptions of a 7.55% investment return and 2.80% price inflation are being phased in over a four-year period. As a result, an investment return assumption of 7.65% and an inflation assumption of 2.90% were used for the June 30, 2014 valuation. The COLA, salary increase and payroll growth assumptions have also changed as a result of the change in the inflation assumption.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the College after considering input from the System’s investment consultant(s) and actuary(s). For each major asset class that is included in the System’s target asset allocation, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	<u>1%</u>	1.40%
Total	<u>100%</u>	

The above was the System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2014.

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**Note 11– Pension Plans–continued**

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 14.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability.* Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the College did not record a net pension liability related to the Teachers Retirement and Pension Systems.

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s financial report.

**Component Unit-Library:**

*Plan description.* The employees of the Library are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers’ Retirement and Pension Systems or the Employees’ Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System issues a publically available financial report that can be obtained at <http://www.sra.state.md.us/>.

*Benefits provided.* The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers’ Retirement and Pension Systems and the Employees’ Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers’ Pension System and Employees’ Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under

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**Note 11– Pension Plans–continued**

each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

*Contributions.* The Library and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7 % annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

The State makes a substantial portion of the Library's annual required contribution to the Teachers' Retirement and Pension Systems on behalf of the Board. The State's contributions on behalf of the Board for the year ended June 30, 2015, was \$739,249. The fiscal 2015 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

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**Note 11– Pension Plans–continued**

The Library’s contractually required contribution rate for the Employees’ Retirement and Pension Systems for the year ended June 30, 2015, was 6.72% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Library made its share of the required contributions during the year ended June 30, 2015 of \$58,948.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

**Employees Retirement and Pension Systems**

At June 30, 2015, the Library reported a liability of \$409,901 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board’s proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2014, the Library’s proportionate share was 0.002%.

For the year ended June 30, 2015, the Board recognized pension expense of \$36,693. At June 30, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in assumptions	\$ 5,930	\$ -
Net difference between projected and actual earnings on pension plan investments	-	44,866
Net difference between actual and proportionate share of contributions	11,026	-
Board contributions subsequent to the measurement date	<u>58,948</u>	<u>-</u>
Total	<u>\$ 75,904</u>	<u>\$ 44,866</u>

\$58,948 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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**Note 11– Pension Plans–continued**

**Year ending June 30:**

2016	\$ (6,978)
2017	(6,978)
2018	(6,978)
2019	(6,978)

Teachers Retirement and Pension Systems

At June 30, 2015, the Board did not report a liability related to the Teachers’ Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

State's proportionate share of the net pension liability	\$ 5,354,388
Board's proportionate share of the net pension liability	<u>                  -</u>
Total	<u>\$ 5,354,388</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2015, the Board recognized pension expense of \$739,249 and revenue of \$739,249 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

*Actuarial assumptions.* The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.90%	general, 3.4% wage
Salary increases	3.40% to 11.9%,	including inflation
Investment rate of return	7.65%	

Mortality rates were based on RP-2000 Combined Healthy Mortality Table projected to the year 2025. The economic and demographic actuarial assumptions used in the June 30, 2014 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2006-2010, which was completed during FY 2011. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase

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**Note 11– Pension Plans–continued**

were adopted by the Board for the first use in the actuarial valuation as of June 30, 2012. The System’s Board of Trustees adopted new economic assumptions for the June 30, 2013 valuation, in particular, an investment return assumption of 7.70% and an inflation assumption of 2.95%. The ultimate assumptions of a 7.55% investment return and 2.80% price inflation are being phased in over a four-year period. As a result, an investment return assumption of 7.65% and an inflation assumption of 2.90% were used for the June 30, 2014 valuation. The COLA, salary increase and payroll growth assumptions have also changed as a result of the change in the inflation assumption.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset class that is included in the System’s target asset allocation, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	<u>1%</u>	1.40%
Total	<u>100%</u>	

The above was the System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2014.

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 14.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made



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**Note 11– Pension Plans–continued**

at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board’s net pension liability, calculated using a single discount rate of 7.65%, as well as what the Board’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.75%)</b>	<b>(7.65%)</b>	<b>(8.75%)</b>
Board's proportionate share of the net pension liability	\$ 590,719	\$ 409,901	\$ 258,443

Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not record a net pension liability related to the Teachers Retirement and Pension Systems.

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s financial report.

401(k) Retirement Plan

The County offers a defined contribution 401(k) retirement plan to all its eligible employees. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings/losses. This plan is self-administered, with record keeping provided through the American Funds Group. This plan is governed by regulations and statutes promulgated by the Internal Revenue Service. The plan was amended on October 1, 2009.

Employees are eligible to participate upon hire if employment is at least at the half-time level. Employees hired prior to January 1, 1980 who participate in the “Maryland State Employees’ Retirement System” are not eligible to participate in the 401(k) Plan.

Eligible employees can contribute up to an amount allowed by applicable federal law, and not in excess of a member’s annual compensation. The plan is contributory on a voluntary basis with all contributions being paid to the trustee. Prior to October 1, 2009, the County made quarterly contributions to the accounts of each participant. Starting October 1, 2009, the County stopped contributing to the 401(k)

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**Note 11– Pension Plans–continued**

Plan accounts of employees enrolled in either of the County’s pension plans. Eligible employees hired prior to July 1, 1985 who are not enrolled in either of the County’s pension plans remain eligible for County contributions to their 401(k) Plan accounts. These contributions range from 2% to 8% of base salary, depending upon the amount contributed by the employee.

The County’s and the employees’ contributions for the year ended June 30, 2015 were \$168,762 and \$1,792,199, respectively.

The Plan also offers a “Roth” option which allows employees to make after-tax contributions. Approximately 11.5 percent of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2015.

**Note 12 – Postemployment Benefits Other Than Pension Benefits**

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

Plan Description: The Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland (RBTCCCC) is a single-employer defined benefit plan that provides access to medical insurance benefits to eligible retirees who retire from County service in accordance with County policy.

The County incurred total post-employment medical plan benefit expenditures of \$3,503,148 during the fiscal period ending June 30, 2015. Of this amount, the County paid \$3,029,270 and the retirees paid \$473,878.

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

Retirees who meet certain age and years of service thresholds, may qualify for membership in the County’s retiree group medical plan(s). Full-time employees who retire can also insure their spouses. As of June 30, 2015 retirees pay between 8 percent and 100 percent of the County’s full premium equivalent cost, based upon their age and years of service at retirement. As of June 30, 2015, 307 Primary Government retirees and 228 retiree spouses were eligible to receive benefits. Of these, 271 retirees and 204 spouses were enrolled. Retirees who are eligible for County contributions toward the cost of their medical plan may elect to discontinue coverage and re-enroll at future “open enrollment” periods. This plan has a tax exempt status.

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

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**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

The most recent actuarial valuation was completed as of July 1, 2014. The membership data related to the plan was as follows:

Number of Participants	
Active employees	919
Deferred vested terminations	-
Retirees in pay status (pre Medicare)	112
Retirees in pay status (Medicare age)	<u>249</u>
 Total	 <u>1,280</u>

Contributions: In fiscal year 2015, the County contributed \$9,632,900 towards the ARC for the Other Postemployment Benefit fund. Retirees contribute a portion of their health care cost which is based on their age and years of service with the County. Administrative costs of the RBTCCCC are financed through investment earnings.

Annual other postemployment benefit cost (AOPEBC) and net other post employment benefit obligation of the Retiree Benefit Trust, Board of County Commissioners of Carroll County, Maryland are as follows:

Annual required contribution	\$ 10,111,000
Interest	2,485,770
Adjustment to annual required contribution	<u>(2,215,283)</u>
Annual OPEB cost	10,381,487
Contributions made	<u>(9,632,900)</u>
Change in net OPEB obligation	748,587
Net OPEB obligation - beginning of year	<u>35,510,993</u>
Net OPEB obligation - end of year	<u>\$ 36,259,580</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
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**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

The annual required contribution was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return compounded annually, (b) projected turnover rates are as follows:

General Government:

<u>Age</u>	<u>Rate</u>
25	11.14%
35	6.21%
45	3.06%

Law Officers:

<u>Age</u>	<u>Years of Service</u>		
	<u>10</u>	<u>15</u>	<u>20</u>
25	6.55%	3.28%	0.50%
35	3.65%	1.83%	0.50%
45	1.80%	0.90%	0.50%
55	0.50%	0.00%	0.00%

The actuarial value of assets was determined using the fair value as of July 1, 2014.

The County’s annual OPEB cost, percentage of OPEB cost contributed, and net other post-employment benefit obligation for the plan for the current fiscal year ended June 30, 2015 is as follows:

Trend Information for the last six years for RBTCCCC:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost (AOPEBC)</u>	<u>% of AOPEBC</u> <u>Contributed</u>	<u>Actual</u> <u>Contribution</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$13,074,008	48%	\$6,225,000	\$23,050,704
2011	12,496,803	58%	7,298,000	28,249,507
2012	12,347,059	64%	7,852,800	32,743,766
2013	10,487,348	81%	8,438,080	34,793,034
2014	10,774,859	94%	10,056,900	35,510,993
2015	10,381,487	92%	9,632,900	36,259,580



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

The Schedule of funding progress from the current and two preceding actuarial valuations, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Annual Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2010	\$ 12,612,050	\$ 132,526,000	9.52%	\$ 119,913,950	\$ 44,405,390	270.04%
July 1, 2012	25,999,300	132,709,000	19.60%	106,709,700	44,548,939	239.53%
July 1, 2014	47,996,872	144,903,000	33.12%	96,906,128	47,677,710	203.25%

Schedule of Employer Contributions:

Year Ended June 30:	Annual Required Contribution	Amount Contributed by Employer	Percentage Contributed by Employer	Federal Subsidy	Total Percentage Contributed
2010	\$ 12,993,000	\$ 6,225,000	48%	\$ 145,995	49%
2011	11,937,000	7,298,000	61%	172,559	63%
2012	11,661,000	7,852,800	67%	184,061	68%
2013	10,142,000	8,438,080	83%	197,696	85%
2014	10,457,000	10,056,900	96%	226,975	98%
2015	10,111,000	9,632,900	95%	251,701	98%

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

Valuation date	7/1/2014
Actuarial cost method	Projected unit credit
Amortization method	Closed
Remaining amortization period	24 years
Asset valuation method	Market value

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

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

Actuarial assumptions:

Investment rate of return	7.0%
Projected salary increases	3.0%
Inflation Rate	2.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, the plan, and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

<u>Service</u>	<u>Rate</u>
Less than 10	N/A
10 to 14	80%
15 to 19	90%
20 to 24	95%
25 or more	100%

Component Units

Library

*Plan Description.* The Library provides medical insurance benefits to eligible employees who retire from employment with the Carroll County Public Library in accordance with a contractual agreement through the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units-continued

Retirees with at least ten years of service (fifteen years for those hired after May 1, 2005), are eligible for medical insurance coverage during retirement. The cost of this coverage is subsidized by the employer for those who meet certain age and service requirements. Spousal coverage is also available for eligible full time employees who retire. Retirees who are eligible for this subsidy may elect to discontinue and re-enroll at a later date.

*Funding Policy.* Retirees pay between 6 percent and 100 percent of the County's full premium equivalent cost, based upon age and years of service at retirement. The County pays the Library's share of the employer contribution on behalf of the Library based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The payments made by the County on behalf of the Library which are included in the Statement of Activities for the year ended June 30, 2015, 2014 and 2013 were \$1,243,684, \$1,266,128 and \$1,066,088, respectively.

Board of Education

The Board provides medical benefits to retirees pursuant to two medical benefit plans for retired employees based on negotiated agreements with various bargaining groups. For retirees over the age of 65 who retired prior to September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree's years of service and ranges from 10% to 100%. For retirees who retired after September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree's years of service and ranges from 0% to 100%. These percentages are applied to premiums established annually by the Board for individual, husband/wife, parent/child, and family coverages. Only Carroll County Board of Education years of service are considered. As of June 30, 2015, 992 eligible participants were receiving benefits.

The Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes the Board's net OPEB obligation:



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**

Component Units -continued

Annual required contribution	\$21,182,000
Interest	2,282,000
Adjustment to annual required contribution	<u>(2,557,000)</u>
Annual OPEB cost	20,907,000
Contributions made	<u>(4,645,795)</u>
Increase in net OPEB obligation	16,261,205
Net OPEB obligation - beginning of year	<u>58,881,226</u>
Net OPEB obligation - end of year	<u>\$75,142,431</u>

The Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2015 and the two preceding fiscal years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost (AOPEBC)</u>	<u>% of AOPEBC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$16,556,000	32.14%	43,190,699
2014	19,602,000	19.95%	58,881,226
2015	20,907,000	22.22%	75,142,431

**Funding Policy:**

As of July 1, 2014, the most recent actuarial valuation date, the Plan was 5.4% funded. The actuarial accrued liability for benefits was \$245,811,000 and the actuarial value of assets was \$13,252,000 resulting in an unfunded actuarial accrued liability (UAAL) of \$232,559,000. The covered payroll (annual payroll of active employees covered by the plan) was \$199,079,448, and the ratio of the UAAL to the covered payroll was 116.80%.

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units -continued

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Annual Covered Payrol (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
July 1, 2008	\$ -	\$ 75,282,000	0.00%	\$ 75,282,000	\$ 205,042,209	36.7%
July 1, 2009	1,500,000	116,797,000	1.30%	115,297,000	204,209,308	56.5%
July 1, 2010	3,722,000	110,803,000	3.40%	107,081,000	200,942,793	53.3%
July 1, 2011	7,369,200	181,428,000	4.10%	174,058,800	187,912,812	92.6%
July 1, 2012	9,277,000	192,349,000	4.80%	183,072,000	198,512,177	92.2%
July 1, 2013	12,385,000	231,734,000	5.30%	219,349,000	199,323,185	110.0%
July 1, 2014	13,252,000	245,811,000	5.40%	232,559,000	199,079,448	116.8%

Schedule of Employer Contributions:

Year Ended June 30:	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2009	\$ 7,558,000	46.27%	\$ 10,758,137
2010	10,211,000	41.65%	16,785,610
2011	9,725,000	53.53%	21,373,441
2012	15,475,000	32.03%	31,956,508
2013	16,499,000	32.26%	43,190,699
2014	19,744,000	19.95%	58,881,226
2015	21,182,000	22.22%	75,142,431

Actuarial Methods and Assumptions:

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units- continued

In the July 1, 2014 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement method was used. The actuarial assumptions included a 4.00% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4.00% over the long term. The UAAL is being amortized as a level percentage of projected payroll on an open bases. The remaining amortization period at June 30, 2014, was 26 years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected unit method
Amortization Method	Level percentage of projected payroll over a 30-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	4%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	7.0% initial / 4.4% ultimate (not applicable to Life)
Post-65 Medical	7.0% initial / 4.4% ultimate (not applicable to Life)

Carroll Community College

*Plan Description.* Carroll Community College administers a single employer defined benefit health care plan. The College allows employees who retire with at least ten years of continuous service to continue participation in some benefit program. To be eligible for post retirement benefits, an employee must collect a retirement benefit from his/her retirement system immediately following separation. Retirees who collect a benefit from the ORP must meet the age and service requirements for early or normal retirement as defined in the Maryland State Teachers Pension/Retirement System. Services for retirees include the following:

*Medical Insurance* – Retired employees and their spouses under age 65 may continue to be covered by medical insurance offered to current employees at regular group rates. Interested retirees and/or their spouses age 65 or over must convert to coverage under a College contract which supplements Medicare.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units- continued

The College continues contributions toward the premiums for medical insurance for such employees with at least ten years of service. Contributions by the College are made as follows:

10 to 14 years of service	35%
15 to 19 years of service	55%
20 to 24 years of service	70%
25 or more years of service	80%

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

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

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

*Funding Policy.* The contribution requirements of plan members and the college are established and may be amended by the Carroll Community College Board of Trustees. The College’s contribution is based on a pay as you go basis with no funds set aside for future post retirement funding. For fiscal year 2013, Carroll Community College contributed \$386,646 to the plan, which is recorded in the statement of revenues, expenses and changes in net assets allocated among the functional expense accounts.

*Annual OPEB Cost and net OPEB Obligation.* The College’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the component of the College’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the institution’s net OPEB obligation.

Annual required contribution	\$3,123,000
Interest	595,000
Adjustment to annual required contribution	<u>(747,000)</u>
Annual OPEB costs (expense)	2,971,000
Contributions made	<u>(489,487)</u>
Increase in net OPEB obligation	2,481,513
Net OPEB obligation-beginning of year	<u>15,043,591</u>
Net OPEB obligation-end of year	<u>\$17,525,104</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units- continued

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/13	\$2,407,000	16.1%	\$12,673,850
6/30/14	2,800,000	15.4%	15,043,591
6/30/15	2,971,000	16.5%	17,525,104

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Entry Age (2)	Percentage Funded (1)/(2) (3)	Unfunded AAL (UAAL) (2)-(1) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5) (6)
June 30, 2008	\$ -	\$ 19,685,000	0.00%	\$ 19,685,000	\$ 9,631,527	204%
June 30, 2009	-	21,673,000	0.00%	21,673,000	9,631,527	225%
June 30, 2010	-	20,410,000	0.00%	20,410,000	12,452,217	164%
June 30, 2011	-	22,589,000	0.00%	22,589,000	12,850,358	176%
June 30, 2012	-	21,261,000	0.00%	21,261,000	13,212,157	161%
June 30, 2013	-	22,998,000	0.00%	22,998,000	13,832,855	166%
June 30, 2014	-	26,013,000	0.00%	26,013,000	14,526,437	179%
June 30, 2015	-	28,202,000	0.00%	28,202,000	14,234,818	198%

*Funded Status and Funding Progress.* The actuarial accrued liability for benefits was \$28.202 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$28.202 million. The covered payroll (annual payroll of active employees covered by the plan) was \$14,234,818, and the ratio of the UAAL to the covered payroll was 198 percent.

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 12 – Postemployment Benefits Other Than Pension Benefits-continued**  
Component Units- continued

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

In the July 1, 2013 biennial actuarial valuation, the most recent actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions utilized an interest discount rate of 4% return due to the plan being unfunded. Payroll is assumed to increase at 3% annually. Healthcare cost trends are based on the Society of Actuaries Long-Run Medical Trend Model, with the initial rate being 8%, decreasing gradually to 4.4% in 2050. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2015, was 23 years.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 13 – Fund Equity**

A summary of fund balances as of June 30, 2015 follows:

	General Fund	Capital Projects Funds	Non Major Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Inventory	\$ 1,370,396	\$ -	\$ -	\$ 1,370,396
Prepaid costs	211,074	-	-	211,074
Loans to community organizations	5,786,268	-	-	5,786,268
Loans to fire companies	11,082,322	-	-	11,082,322
Loans to municipalities	141,695	-	-	141,695
Due from other funds	9,799,459	-	-	9,799,459
Advances and proceeds to Industrial Development Authority	612,910	-	-	612,910
Total nonspendable fund balance	<u>29,004,124</u>	<u>-</u>	<u>-</u>	<u>29,004,124</u>
<u>Restricted:</u>				
Weed control	\$ 111,882	\$ -	\$ -	\$ 111,882
Agricultural preservation investments	25,749,899	-	-	25,749,899
Loans collectible within one year	1,331,822	-	-	1,331,822
Farmers & Merchants-collateral	230,000	-	-	230,000
Unspent bond proceeds	-	292,775	-	292,775
Impact fees	-	-	467,479	467,479
Agriculture transfer tax	-	-	481,181	481,181
Hotel tax	-	-	524,128	524,128
Total restricted fund balance	<u>27,423,603</u>	<u>292,775</u>	<u>1,472,788</u>	<u>29,189,166</u>
<u>Committed:</u>				
Stabilization arrangement	\$ 18,998,120	\$ -	\$ -	\$ 18,998,120
ISF health	1,400,000	-	-	1,400,000
Cable franchise fee	-	-	2,077,789	2,077,789
Watershed Protection and Restoration	-	-	125,804	125,804
Total committed fund balance	<u>20,398,120</u>	<u>-</u>	<u>2,203,593</u>	<u>22,601,713</u>
<u>Assigned:</u>				
Encumbrances:				
General government	\$ 524,420	\$ 1,086,047	\$ -	\$ 1,610,467
Public safety	34,510	2,554,485	-	2,588,995
Public works	1,171,355	7,691,245	-	8,862,600
Culture and recreation	4,199	796,459	-	800,658
Conservation of natural resources	7,790	1,027,105	-	1,034,895
Economic development	25,000	-	-	25,000
Subsequent year's expenditure:				
Use in fiscal year 2016 budget	10,245,750	-	-	10,245,750
Use in fiscal year 2017 budget	5,574,885	-	-	5,574,885
Capital	-	15,094,534	-	15,094,534
Community Media Center	871,058	-	-	871,058
Total assigned fund balance	<u>18,458,967</u>	<u>28,249,875</u>	<u>-</u>	<u>46,708,842</u>
<u>Unassigned:</u>				
General fund	\$ 7,383,735	\$ -	\$ -	\$ 7,383,735
Total unassigned fund balance	<u>7,383,735</u>	<u>-</u>	<u>-</u>	<u>7,383,735</u>
Grand total fund balances	<u>\$ 102,668,549</u>	<u>\$ 28,542,650</u>	<u>\$ 3,676,381</u>	<u>\$ 134,887,580</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 13 – Fund Equity- continued**

The County has loaned to various Carroll County fire companies for expansion and equipment acquisition. The loans are repayable over terms of from 5 to 20 years, bearing interest at fixed rates ranging from 2.26 percent to 5.088 percent. The balance of these loans at June 30, 2015 is \$12,414,144 and is secured by land, buildings and equipment. The County made loans to various community organizations. The balance of these loans at June 30, 2015 is \$5,786,268 and they are secured through promissory notes.

The County incurred a due from the Capital Fund for the future payouts of Installment Purchase Agreements, a due from OPEB, a due from Fiber Network and a due from the Airport Fund at June 30, 2015 in the amount of \$9,799,459.

**Note 14 – Budgetary Basis to GAAP Reconciliation**

A reconciliation of the revenues and expenditures of the General Fund Budgetary Basis to the statement of revenues and expenditures on a GAAP basis is as follows:

<u>Budgetary Funds</u>	<u>General Fund</u>
<u>Revenues</u>	
Actual amount (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 351,342,272
Unavailable property tax revenues	(453,029)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund	<u>\$ 350,889,243</u>
 <u>Expenditures</u>	
Actual amount (budgetary basis) "expenditures" from the budgetary comparison	\$ 360,574,908
Encumbrance adjustment	(265,444)
Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund	<u>\$ 360,309,464</u>



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 15 – Commitments and Contingencies**

Primary Government

Management and the County attorney estimate that potential claims against the County, not covered by insurance, resulting from various claims and lawsuits would not materially affect the financial statements of the County.

The County participates in a number of federally assisted grant programs, principal of which are the Housing and Urban Development, Commission on Aging, and the Workforce Investment Act programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the County’s compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

As of June 30, 2015, the County had the following commitments with respect to unfinished capital projects:

	Project <u>Appropriation</u>	Total <u>Expenditures</u>	Amount <u>Funded</u>	Required Future <u>Funding</u>
General Government	\$ 37,252,338	\$ 23,500,876	\$ 31,597,902	\$ 5,654,436
Public Safety	38,375,587	31,670,108	27,871,399	10,504,188
Public Works	59,678,508	27,502,788	31,183,140	28,495,368
Board of Education	207,696,302	190,339,881	204,636,516	3,059,786
Carroll Community College	7,270,600	5,496,339	6,550,600	720,000
Culture and Recreation	13,186,409	10,820,033	11,984,598	1,201,811
Library	3,277,900	2,930,288	3,115,900	162,000
Conservation of Natural Resources	192,622,766	175,191,533	179,042,898	13,579,868
Water Resources	34,661,167	20,943,229	21,602,122	13,059,045
Governmental Activities	\$ 594,021,577	\$ 488,395,075	\$ 517,585,075	\$ 76,436,502
Wastewater Treatment Facilities	8,766,000	1,920,713	4,183,887	4,582,113
Other Water Projects	7,945,857	5,058,858	7,385,061	560,796
Other Wastewater Projects	14,983,118	4,074,727	8,846,290	6,136,828
Landfill Upgrades	4,742,000	313,494	4,742,000	-
Landfill Remediations	3,023,626	2,467,628	3,023,626	-
Fiber Network	1,100,000	853,550	1,100,000	-
Septage	4,500,000	348,766	1,016,000	3,484,000
Airport	50,473,513	581,751	2,471,577	48,001,936
Business Type Activities	\$ 95,534,114	\$ 15,619,487	\$ 32,768,441	\$ 62,765,673
Total Funds	\$ 689,555,691	\$ 504,014,562	\$ 550,353,516	\$ 139,202,175

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 15 – Commitments and Contingencies - continued**

Primary Government-continued

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

The County participates in a joint venture named The Maryland Rural Counties Coalition, LLC. The joint venture is to promote and protect the interests of the Rural Counties of the State of Maryland and any and other activities as may be permitted by Limited Liability Companies under the laws of the State of Maryland. As of June 30, 2015, the County's share in the limited liability company totaled \$4,976.

The County anticipates a reduction in income tax due to tax refunds for the Wynnes case. At this time an amount has not been determined.

Component Units

Board of Education

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

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

**Note 16 – Risk Management**

Primary Government

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

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

LGIT is a joint association of Maryland local governments established to provide an alternative to the diminishing availability of insurance coverages to the public sector and the increasing premium costs in

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 16 – Risk Management-continued**  
Primary Government-continued

the municipal insurance market. LGIT is owned by the members and is directed by the trust agreement effective July 1, 1992.

The Trust Agreement provides that funds in the Capital Account may be used to satisfy obligations of LGIT if monies are not otherwise available in the General and Surplus Account to meet obligations. If the amount of deposit in the Capital Account falls below a certain level, the Capital Account must be replenished. The means for replenishing Capital Account balances would be: (a) one-time assessment not to exceed two times the participant's annual premium in the year of the deficit, (b) prospective premium increases, or (c) the issuance of Certificates of Participation.

Subscribers to coverage provided by LGIT share the risk among participants of the pools. As a result, the County's annual premium requirements will be affected by the loss experience of the various insurance pools in which it participates. Also, the County may be subject to additional assessments from time to time. These amounts would be recorded as expenditures when they are probable and can be reasonably estimated. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

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

The County is self-insuring its medical coverage for eligible employees. A commercial insurer administers the plan. In addition, the County's contract with this insurer includes a \$300,000 stop-loss per claim. To further minimize its risks, the County's contract provides for an overall cap on claims it must pay in a given year. The cap is determined by reference to pre-agreed rates, times the number of covered employees. Dental benefits are also administered by a commercial insurer. One dental plan is self-insured, and the other is fully insured.

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

Claims liabilities at June 30, 2015 for the deductible portions of general, auto, police, legal and public officials covered under LGIT and employee health care coverage are \$30,000 and \$1,961,985, respectively.

The total claims liability of \$1,991,985 reported in the internal service fund at June 30, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability was incurred at the date of the financial statements and the amount of the

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 16 – Risk Management-continued**  
Primary Government-continued

loss can be reasonably estimated. The claims liabilities are calculated based on historical claim settlement trends and analysis of all outstanding and potential claims.

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

	Beginning- Of-Fiscal Year <u>Liability</u>	Current-Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
<u>Liability and property:</u>				
July 1, 2012 – June 30, 2013	\$44,741	\$(16,355)	\$(17,453)	\$10,933
July 1, 2013 – June 30, 2014	10,933	7,808	(9,603)	9,138
July 1, 2014 – June 30, 2015	9,138	50,962	(30,100)	30,000
<u>Employee Health Care Coverage:</u>				
July 1, 2012 – June 30, 2013	\$1,838,974	\$13,810,198	\$(13,594,285)	\$ 2,054,887
July 1, 2013 – June 30, 2014	2,054,887	13,664,821	(13,768,272)	1,951,436
July 1, 2014 – June 30, 2015	1,951,436	13,461,255	(13,450,706)	1,961,985

The County is self-insured for its worker’s compensation. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claim expenditures reported in the general fund. As of June 30, 2015 such interfund premiums did not exceed reimbursable expenditures. The County contracts with a third party administrator to pay all worker’s compensation cost. The County purchases a specific excess and aggregate excess worker’s compensation and employer’s liability indemnity policy.

To date the County has not exceeded its retention limits.

The self-insured plan is administered by a commercial insurer. The County’s contract with this insurer includes a \$600,000 Self Insured Retention for all occurrences. The total claims liability of \$2,274,763 has been reported at June 30, 2015 in the general fund since it is anticipated that they will be paid from expendable available financial resources. This liability is calculated based on historical claim settlement trends.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 16 – Risk Management-continued**

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

<u>Worker’s Compensation:</u>	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current- Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
July 1, 2012 – June 30, 2013	\$1,749,451	\$ 597,542	\$(491,508)	\$1,895,485
July 1, 2013 – June 30, 2014	1,895,485	711,984	(528,820)	2,078,649
July 1, 2014 – June 30, 2015	2,078,649	1,864,656	(1,668,542)	2,274,763

Due to specific exclusions in the County’s property insurance, the County also has commercial insurance coverage for its boilers and machinery. Employees are bonded through commercial insurance carriers to limit the loss to the County in the event of employees committing acts of embezzlement or theft.

Component Units

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

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

At June 30, 2015 liabilities include an amount for claims that have been incurred but not reported (IBNR’s). Claim liabilities are calculated by an actuary based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the General Current Expense Fund.

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

<u>Health Care:</u>	<u>Beginning- Of-Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
July 1, 2012 – June 30, 2013	\$5,793,857	\$46,815,972	\$(46,763,547)	\$5,846,252
July 1, 2013 – June 30, 2014	5,846,252	48,917,568	(50,173,820)	4,590,000
July 1, 2014-- June 30, 2015	4,590,000	50,984,357	(47,333,257)	8,241,100

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 17 – Subsequent Events**

The County plans to issue \$37,270,000 of general obligation bonds of which \$9,270,000 are refunding bonds to refund the 2007 issue, during fiscal year 2016. The remaining \$28,000,000 of the sale of these securities will be used to finance school additions and projects, several road and bridge projects and Volunteer Fire Company loans.



***Required Supplementary Information***



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Total pension liability</b>										
Service cost	\$ 3,301	\$ 3,085								
Interest	4,377	3,955	Information for FY 13 and earlier is not available							
Differences between expected and actual experience	(100)	-								
refunds of member contributions	(1,086)	(925)								
<b>Net change in total pension liability</b>	<u>6,492</u>	<u>6,115</u>								
<b>Total pension liability- beginning</b>	<u>63,079</u>	<u>56,964</u>								
<b>Total pension liability- ending</b>	<u>\$ 69,571</u>	<u>\$ 63,079</u>								
<b>Plan fiduciary net position</b>										
Contributon-employer	\$ 2,558	\$ 2,367								
Contributions-member	1,619	1,573								
Net investment income	2,645	7,867								
Benefit payments, including refund of member contributions	(1,086)	(925)								
Administrative expense	(37)	(45)								
<b>Net change in plan fiduciary net position</b>	<u>5,699</u>	<u>10,837</u>								
<b>Plan fiduciary net position- beginning</b>	<u>56,816</u>	<u>45,979</u>								
<b>Plan fiduciary net position- ending</b>	<u>\$ 62,515</u>	<u>\$ 56,816</u>								
<b>Net pension liability - ending</b>	<u>\$ 7,056</u>	<u>\$ 6,263</u>								

**Notes to Schedule:**

Benefit changes: There were no changes for FY 2015  
Changes of Assumptions: There were no changes for FY 2015

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CARROLL COUNTY'S NET PENSION LIABILITY**  
**FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability	\$ 69,571	\$ 63,079	Information for FY 13 and earlier is not available							
Plan fiduciary net position	<u>62,515</u>	<u>56,816</u>								
Net pension liability	<u>\$ 7,056</u>	<u>\$ 6,263</u>								
Plan fiduciary net position as a percentage of the total pension liability	89.86%	90.07%								
Covered-employee payroll	\$ 34,148	\$ 33,203								
Net pension liability as a percentage of covered-employee payroll	20.66%	18.86%								
Expected average remaining service years for all participants	6	6								

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**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS**  
**FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 2,538	\$ 2,366	\$ 2,253	\$ 2,550	\$ 2,810	\$ 1,302	\$ 878	\$ 921	\$ 1,208	\$ 1,103
Contributions in relation to the actuarially determined contribution	2,558	2,367	2,586	2,741	3,000	2,660	958	985	1,292	5,938
Contribution deficiency (excess)	<u>\$ (20)</u>	<u>\$ (1)</u>	<u>\$ (333)</u>	<u>\$ (191)</u>	<u>\$ (190)</u>	<u>\$ (1,358)</u>	<u>\$ (80)</u>	<u>\$ (64)</u>	<u>\$ (84)</u>	<u>\$ (4,835)</u>
Covered-employee payroll	\$ 34,148	\$ 33,203	\$ 29,603	\$ 30,414	\$ 32,267	\$ 34,986	\$ 32,402	\$ 29,792	\$ 26,845	\$ 24,419
Contributions as a percentage of covered-employee payroll	7.49%	7.13%	8.74%	9.01%	9.30%	7.60%	2.96%	3.31%	4.81%	24.32%

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**Notes to Schedule**

**Valuation date:**

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll
Remaining amortization period	20 years for gains and losses (closed), 20 years for prior plan and assumption changes
Asset valuation method	5-year smoothed market
Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Retirement age	100% when first eligible for unreduced benefits
Mortality	RP-2000 with generational projection by Scale AA

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FOR THE CARROLL COUNTY EMPLOYEE PENSION PLAN**  
**Last 10 Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual money-weighted rate of return, net of investmnet expense	4.53%	16.32%	Information for FY 2013 and earlier is not available							

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF DIFFERENCES BETWEEN PROJECTED**  
**AND ACTUAL EARNINGS ON PENSION PLAN INVESTMENTS**  
(Dollar amounts in thousands)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Investments												
Year	Differences between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)										
			2011	2012	2013	2014	2015	2016	2017	2018	2019	
2011	\$ -	5	\$ -	\$ -	\$ -	\$ -	\$ -					
2012	-	5		-	-	-	-	\$ -				
2013	-	5			-	-	-	-	\$ -			
2014	-	5				-	-	-	-	\$ -		
2015	1,439,108	5						287,822	287,822	287,822	287,822	
Net increase (decrease) in pension expense			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,822</u>	<u>\$ 287,822</u>	<u>\$ 287,822</u>	<u>\$ 287,822</u>	<u>\$ 287,820</u>

**Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on Pension Plan Investments**

Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2012	\$ -	\$ -	\$ -	\$ -	\$ -
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	1,439,108	-	287,822	1,151,286	-
				<u>\$ 1,151,286</u>	<u>\$ -</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF DIFFERENCES BETWEEN EXPECTED**  
**AND ACTUAL EXPERIENCES ON PENSION PLAN INVESTMENTS**  
(Dollar amounts in thousands)

<u>Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Invest</u>											
Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2010	2011	2012	2013	2014	2015	2016	2017	2018
2010	\$ -	1	\$ -								
2011	-	1		\$ -							
2012	-	1			\$ -						
2013	-	1				\$ -					
2014	-	6					\$ -				
2015	(100,407)	6						\$ (16,735)	\$ (16,735)	\$ (16,735)	\$ (16,735)
Net increase (decrease) in pension expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,735)	\$ (16,735)	\$ (16,735)	\$ (16,735)

**Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience**

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2011	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	100,407	16,735	-	83,672
				<u>\$ -</u>	<u>\$ 83,672</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CARROLL COUNTY'S NET PENSION LIABILITY**  
**FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability	\$ 11,733	\$ 10,465	Information for FY 13 and earlier is not available							
Plan fiduciary net position	<u>9,105</u>	<u>7,693</u>								
Net pension liability	<u>\$ 2,628</u>	<u>\$ 2,772</u>								
Plan fiduciary net position as a percentage of the total pension liability	77.60%	73.51%								
Covered-employee payroll	\$ 5,552	\$ 5,295								
Net pension liability as a percentage of covered-employee payroll	47.33%	52.35%								
Expected average remaining service years of all participants	10	10								

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS**  
**FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 686	\$ 558	\$ 505	\$ 520	\$ 544	\$ -				
Contributions in relation to the actuarially determined contribution	<u>835</u>	<u>870</u>	<u>787</u>	<u>700</u>	<u>590</u>	<u>250</u>				
Contribution deficiency	<u>\$ (150)</u>	<u>\$ (311)</u>	<u>\$ (282)</u>	<u>\$ (180)</u>	<u>\$ (46)</u>	<u>\$ (250)</u>				
Covered-employee payroll	\$ 5,552	\$ 5,295	\$ 5,295	\$ 5,295	\$ 5,295	\$ 5,295				
Contributions as a percentage of covered-employee payroll	15.05%	16.43%	14.86%	13.22%	11.14%	4.72%				

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The Carroll County Certified Law Officers Pension Plan started in fiscal year 2010.

**Notes to Schedule**

**Valuation date:**

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year.

Actuarial valuations are performed every year.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll
Remaining amortization period	20 years for gains and losses (closed), 20 years for prior plan and assumption changes
Asset valuation method	5-year smoothed market
Inflation	3.0 percent
Salary increases	Rates vary by participant age
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Retirement age	100% when first eligible for unreduced benefits
Mortality	RP-2000 with generational projection by Scale AA



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN**  
**Last 10 Fiscal Years**  
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Total pension liability</b>										
Service cost	\$ 983	\$ 904	Information for FY 13 and earlier is not available							
Interest	726	630								
Differences between expected and actual experience	(242)	-								
Benefit payments, including refunds of member contributions	<u>(199)</u>	<u>(124)</u>								
<b>Net change in total pension liability</b>	<u>1,268</u>	<u>1,410</u>								
<b>Total pension liability- beginning</b>	<u>10,465</u>	<u>9,055</u>								
<b>Total pension liability- ending</b>	<u>\$ 11,733</u>	<u>\$ 10,465</u>								
<b>Plan fiduciary net position</b>										
Contribution-employer	\$ 835	\$ 870								
Contributions-member	415	580								
Net investment income	368	978								
Benefit payments, including refund of member contributions	-	-								
Administrative expense	<u>(7)</u>	<u>(7)</u>								
<b>Net change in plan fiduciary net position</b>	<u>1,412</u>	<u>2,297</u>								
<b>Plan fiduciary net position- beginning</b>	<u>7,693</u>	<u>5,396</u>								
<b>Plan fiduciary net position- ending</b>	<u>\$ 9,105</u>	<u>\$ 7,693</u>								
<b>Net pension liability - ending</b>	<u>\$ 2,628</u>	<u>\$ 2,772</u>								
<b>Notes to Schedule</b>										
Benefit changes:	There were no changes for FY 2015									
Changes of Assumptions:	There were no changes for FY 2015									

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN**  
**Last 10 Fiscal Years**  
 (Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return, net of investmet expense	4.51%	15.33%	Information for FY 13 and earlier is not available							

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**SCHEDULE OF DIFFERENCES BETWEEN PROJECTED AND ACTUAL**  
**EARNINGS ON PLAN INVESTMENTS FOR CERTIFIED LAW OFFICERS PENSION PLAN**  
(Dollar amounts in thousands)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Investments											
Year	Differences between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	2011	2012	2013	2014	2015	2016	2017	2018	2019
2011	\$ -	5	\$ -	\$ -	\$ -	\$ -	\$ -				
2012	-	5		-	-	-	-	\$ -			
2013	-	5			-	-	-	-	\$ -		
2014	-	5				-	-	-	-	\$ -	
2015	206,933	5					41,387	41,387	41,387	41,387	\$ 41,385
Net increase (decrease) in pension expense			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,387</u>	<u>\$ 41,387</u>	<u>\$ 41,387</u>	<u>\$ 41,387</u>	<u>\$ 41,385</u>

**Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on Pension Plan Investments**

Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2012	\$ -	\$ -	\$ -	\$ -	\$ -
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	206,933	-	41,387	165,546	-
				<u>\$ 165,546</u>	<u>\$ -</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland  
SCHEDULE OF DIFFERENCES BETWEEN EXPECTED AND ACTUAL  
EXPERIENCE ON CERTIFIED LAW OFFICERS PENSION PLAN  
(Dollar amounts in thousands)**

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Investments

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Year	Differences between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Investments														
			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2010	\$ -	1	\$ -														
2011	-	1		\$ -													
2012	-	1			\$ -												
2013	-	1				\$ -											
2014	-	10					\$ -										
2015	(242,146)	10						\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,211)
Net increase (decrease) in pension expense								\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,215)	\$ (24,211)

**Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience**

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2011	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	242,146	24,215	-	217,931
				\$ -	\$ 217,931

**Schedules of Required Supplementary information**  
**SCHEDULE OF CHANGES IN THE VOLUNTEER FIREMEN PENSION PLAN**  
**LIABILITY AND RELATED RATIOS**  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total pension liability</b>										
Service cost	\$ 146									
Interest	661	Information for FY 2014 and earlier is not available								
Benefit payments, including refunds of member contributions	(988)									
<b>Net change in total pension liability</b>	(181)									
<b>Total pension liability- beginning</b>	9,767									
<b>Total pension liability- ending</b>	9,586									
<b>Plan fiduciary net position</b>										
Contributon-employer	\$ 250									
Contributions-member										
Net investment income	874									
Benefit payments, including refund of member contributions	(988)									
Administrative expense	(20)									
<b>Net change in plan fiduciary net position</b>	116									
<b>Plan fiduciary net position- beginning</b>	8,348									
<b>Plan fiduciary net position- ending</b>	\$ 8,464									
<b>Net pension liability ending</b>	\$ 1,122									
<b>Notes to Schedule:</b>										
Benefit Changes	None									
Changes of Assumptions	None									

**Schedules of Required Supplementary information**  
**SCHEDULE OF CARROLL COUNTYS' NET PENSION LIABILITY**  
**FOR THE VOLUNTEER FIREMEN PENSION PLAN**  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability	\$ 9,586	Information on FY 2014 and earlier is not available								
Plan fiduciary net position	8,464									
Net pension liability	<u>\$ 1,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	88.30%									
Covered-employee payroll	N/A									
Net pension liability as a percentage of covered-employee payroll	N/A									
Expected average remaining service years of all participants	8									

**Schedules of Required Supplementary information**  
**SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS**  
**FOR THE VOLUNTEER FIREMEN PENSION PLAN**  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 436	\$ 436	\$ 436	\$ 380	\$ 380	\$ 380	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	250	250	-	-	-	-	-	1,000	-	-
Contribution deficiency (excess)	<u>\$ 186</u>	<u>\$ 186</u>	<u>\$ 436</u>	<u>\$ 380</u>	<u>\$ 380</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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**Notes to Schedule**

Valuation date:  
 Actuarially determined contribution amounts are calculated as of the beginning of the calendar year (January 1) for the following two fiscal years.  
 Actuarial valuations are expected to be performed every other year.  
 Methods and assumptions used to determine contribution rates:

Actuarial cost method	Unit Credit
Amortization method	Level payments over a period of 10 years
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	3.0%
Salary increases	Not Applicable
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	The later of 25 years of service and age 60
Mortality	RP-2000 Combined Healthy tables with Blue Collar adjustment, blended 75% male and generational projection using Scale AA

**Schedules of Required Supplementary information**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FOR THE VOLUNTEER FIREMEN PENSION PLAN**  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return, net of investmnet expense	4.43%	Information for FY 14 and earlier is not available								



**SCHEDULE OF DIFFERENCES BETWEEN PROJECTED AND ACTUAL EARNINGS ON  
PLAN INVESTMENTS FOR VOLUNTEER FIREMEN PENSION PLAN**  
(Dollar amounts in thousands)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Plan Investments											
Year	Differences between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)									
			2010	2011	2012	2013	2014	2015	2016	2017	2018
2010	\$ -	5	\$ -	\$ -	\$ -	\$ -	\$ -				
2011	-	5		-	-	-	-	\$ -			
2012	-	5			-	-	-	-	\$ -		
2013	-	5				-	-	-	-	\$ -	
2014	(239,283)	5					(47,857)	(47,857)	(47,857)	(47,857)	\$ (47,855)
Net increase (decrease) in pension expense			\$ -	\$ -	\$ -	\$ -	\$ (47,857)	\$ (47,857)	\$ (47,857)	\$ (47,857)	\$ (47,855)

**Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on Pension Plan Investments**

Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through December 31, 2014 (c)	Balances at December 31, 2014	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2011	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	239,283	47,857	-	191,426
				\$ -	\$ 191,426

## *Supplementary Information*



**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>RESOURCES (INFLOWS)</b>				
<b>Revenues</b>				
Taxes - Local Property				
Real property	\$ 181,139,090	\$ 181,139,090	\$ 180,786,379	\$ (352,711)
Real property - prior years	300,000	300,000	707,335	407,335
Personal property	247,000	247,000	267,302	20,302
Railroad and public utilities	6,455,430	6,455,430	6,798,541	343,111
Ordinary business corporations	5,930,000	5,930,000	6,758,561	828,561
Penalties and interest-delinquent taxes	940,000	940,000	800,088	(139,912)
Semi-annual service charges	65,000	65,000	64,680	(320)
	<u>195,076,520</u>	<u>195,076,520</u>	<u>196,182,886</u>	<u>1,106,366</u>
Deductions				
Discounts allowed on taxes	(780,000)	(780,000)	(778,675)	1,325
Property Tax Rebate	(1,800,000)	(1,800,000)	(1,773,546)	26,454
Senior tax credit	(20,000)	(20,000)	(11,406)	8,594
Homestead tax credit	(267,889)	(267,889)	(203,433)	64,456
	<u>(2,867,889)</u>	<u>(2,867,889)</u>	<u>(2,767,060)</u>	<u>100,829</u>
Net Taxes - Local Property	<u>192,208,631</u>	<u>192,208,631</u>	<u>193,415,826</u>	<u>1,207,195</u>
Taxes - Local Other				
Payment in Lieu of Taxes	25,960	25,960	25,961	1
Income tax	122,430,000	122,430,000	126,688,154	4,258,154
911 service fees	1,000,000	1,000,000	1,089,823	89,823
Recordation tax	11,800,000	11,800,000	11,888,637	88,637
Heavy equipment tax	50,000	50,000	106,554	56,554
Admissions and amusement tax	300,000	300,000	353,937	53,937
Total Taxes - Local Other	<u>135,605,960</u>	<u>135,605,960</u>	<u>140,153,066</u>	<u>4,547,106</u>
Licenses and Permits				
Beer, wine and liquor licenses	208,000	208,000	205,064	(2,936)
Amusement	8,500	8,500	6,607	(1,893)
Traders	130,000	130,000	125,180	(4,820)
Animal	99,000	99,000	65,759	(33,241)
Buildings	1,196,320	1,196,320	1,087,445	(108,875)
Mobile home licenses	61,800	61,800	64,188	2,388
Marriage	32,000	32,000	33,390	1,390
Grading	22,150	22,150	(10,853)	(33,003)
Inspection Fees	4,000	4,000	6,675	2,675
Kennel Licenses	0	0	17,475	17,475
Total Licenses and Permits	<u>1,761,770</u>	<u>1,761,770</u>	<u>1,600,930</u>	<u>(160,840)</u>
Intergovernmental Revenues				
Build America Bonds Subsidy	823,000	823,000	785,866	(37,134)
Police Protection Fund-Supplment	-	-	11,010	11,010
State Aid-Fire Companies	301,700	301,700	301,854	154
Security Interest Filing Fee	-	-	285	285
Parks/Recreation Facilities	-	-	17,351	17,351
Police aid	905,090	905,090	887,999	(17,091)
Grand & Petit Jury Reimburse	30,000	30,000	37,890	7,890
Circuit Court Master Reimb	150,170	150,170	142,916	(7,254)
Total Intergovernmental Revenues	<u>2,209,960</u>	<u>2,209,960</u>	<u>2,185,171</u>	<u>(24,789)</u>

**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>Charges for Services</b>				
<b>General Government</b>				
Lien certificates	\$ 168,000	\$ 168,000	\$ 208,143	\$ 40,143
Data processing	5,500	5,500	3,916	(1,584)
Hearing fees-zoning appeals	12,000	12,000	11,485	(515)
Copy fees and code books	10,520	10,520	14,603	4,083
Health depart-telephone and janitorial	50,000	50,000	54,495	4,495
Courthouse Annex-Rent/Heat	13,000	13,000	12,994	(6)
Development review	165,000	165,000	99,979	(65,021)
Fuel reimbursements	901,670	901,670	763,663	(138,007)
Stormwater/environment review fee	32,500	32,500	28,334	(4,166)
Stormwater Maintenance Service	78,790	78,790	3,647	(75,143)
Flood plain review fees	3,000	3,000	1,000	(2,000)
Vehicle maintenance	453,870	453,870	464,899	11,029
Forest conservation review fee	20,000	20,000	52,880	32,880
Tower location analysis fee	-	-	7,500	7,500
Hearing fees-zoning administration	9,500	9,500	9,000	(500)
<b>Total Serv Chrg - General Government</b>	<b>1,923,350</b>	<b>1,923,350</b>	<b>1,736,538</b>	<b>(186,812)</b>
<b>Public Safety</b>				
Sheriff's services-salary recovery	7,500	7,500	311	(7,189)
Sheriff's services-fees	115,000	115,000	102,594	(12,406)
Sheriff's services-detention center	186,350	186,350	166,603	(19,747)
Sheriff- Town Deputies	98,000	98,000	96,956	(1,044)
Inspection fees-roads	80,000	80,000	175,642	95,642
Inspections fees-development review	15,500	15,500	8,440	(7,060)
Detention center-commissary	46,350	46,350	64,064	17,714
Detention center-work release	85,000	85,000	80,718	(4,282)
Sheriff-Citations	-	-	9,000	9,000
Soc. Sec. Admin. Incentive Program	-	-	400	400
Sheriff-home detention	2,500	2,500	14,242	11,742
Juvenile transport	50,000	50,000	47,114	(2,886)
State criminal alien assistance program	5,800	5,800	7,789	1,989
Sheriff's Sex Offender Fees	30,000	30,000	29,200	(800)
<b>Total Serv Chrg - Public Safety</b>	<b>722,000</b>	<b>722,000</b>	<b>803,073</b>	<b>81,073</b>
<b>Public Works</b>				
Road maintenance	100,000	100,000	198,216	98,216
Engineering review fees	30,000	30,000	18,030	(11,970)
<b>Total Serv Chrg - Public Works</b>	<b>130,000</b>	<b>130,000</b>	<b>216,246</b>	<b>86,246</b>
<b>Conservation of Natural Resources</b>				
Weed control spraying	40,000	40,000	41,587	1,587
<b>Total Serv Chrg- Conservation of Natural Resources</b>	<b>40,000</b>	<b>40,000</b>	<b>41,587</b>	<b>1,587</b>
<b>Human Services</b>				
Westminster Sr. Ctr. Classes	11,000	11,000	13,651	2,651
North Carroll Sr. Ctr. Classes	19,000	19,000	22,030	3,030
South Carroll Sr. Ctr. Classes	16,500	16,500	23,233	6,733
Taneytown Sr. Ctr. Classes	2,500	2,500	4,880	2,380
Mt. AirySr. Ctr. Classes	11,000	11,000	15,882	4,882
<b>Total Serv Chrg- Human Services</b>	<b>60,000</b>	<b>60,000</b>	<b>79,676</b>	<b>19,676</b>
<b>Culture and Recreation</b>				
Farm museum	89,000	89,000	60,940	(28,060)
Piney Run Park	313,600	313,600	340,961	27,361
Bear Branch Programs	5,000	5,000	3,156	(1,844)

**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
Culture and Recreation-continued				
Hashawha environmental center	\$ 250,800	\$ 250,800	\$ 207,793	\$ (43,007)
General public & school/youth programs	6,000	6,000	5,007	(993)
Outdoor school meals/concessions	163,000	163,000	157,885	(5,115)
Sports complex	89,000	89,000	50,417	(38,583)
Pavilion & facility rentals	40,000	40,000	61,355	21,355
Therapeutic Recreation Programs	-	-	75	75
Bus Trips	-	-	1,390	1,390
Wine Festival	430,000	430,000	379,362	(50,638)
Dog Park memberships	5,400	5,400	5,585	185
Total Culture and Recreation	<u>1,391,800</u>	<u>1,391,800</u>	<u>1,273,926</u>	<u>(117,874)</u>
Total Charges for Services	<u>4,267,150</u>	<u>4,267,150</u>	<u>4,151,046</u>	<u>(116,104)</u>
Fines and Forfeits				
Circuit Court Fines	40,000	40,000	36,017	(3,983)
Liquor license fines	2,000	2,000	25,050	23,050
HS Fines/Violations	14,000	14,000	11,600	(2,400)
Humane society impoundment fees	25,000	25,000	23,848	(1,152)
Parking violations-sheriff	1,000	1,000	260	(740)
Build/Zoning/Health Violations	-	-	25	25
Total Fines and Forfeits	<u>82,000</u>	<u>82,000</u>	<u>96,800</u>	<u>14,800</u>
Interest and gain on investments	1,220,550	1,220,550	1,449,796	229,246
Miscellaneous Revenues				
Rents and concessions	195,620	195,620	7,018,032	6,822,412
Refunds	2,000	2,000	10,089	8,089
Equipment sales	100,000	100,000	119,780	19,780
Postage	38,140	38,140	21,536	(16,604)
Pension Recovery	329,810	329,810	345,441	15,631
Health department	5,500	5,500	6,685	1,185
County attorney fees	177,000	177,000	191,302	14,302
OPEB Recovery	315,600	315,600	266,108	(49,492)
State Retire Recovery	13,000	13,000	13,375	375
Jury Duty	350	350	350	0
Activities/special events	33,000	33,000	52,911	19,911
Land Sales	-	-	72,000	72,000
Advertising	8,000	8,000	10,501	2,501
Miscellaneous	247,530	247,530	161,527	(86,003)
Total Miscellaneous Revenues	<u>1,465,550</u>	<u>1,465,550</u>	<u>8,289,637</u>	<u>6,824,087</u>
Total Revenues	<u>338,821,571</u>	<u>338,821,571</u>	<u>351,342,272</u>	<u>12,520,701</u>
Other financing resources				
Appropriated fund balance	14,317,450	14,317,450	-	(14,317,450)
Transfers In	15,355,119	15,355,119	15,246,802	(108,317)
Refunding Bonds Issued	-	-	52,576,682	52,576,682
Bonds issued	-	-	7,290,919	7,290,919
Total Other Financing Resources	<u>29,672,569</u>	<u>29,672,569</u>	<u>75,114,403</u>	<u>45,441,834</u>
Total Resources (Inflows)	\$ <u>368,494,140</u>	\$ <u>368,494,140</u>	\$ <u>426,456,675</u>	\$ <u>57,962,535</u>

**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>Expenditures</b>				
General Government				
County Commissioners				
County Commissioners	\$ 1,053,800	\$ 1,176,583	\$ 928,109	\$ 248,474
Audio/Video Production	143,130	179,465	178,465	1,000
Zoning Administrator	228,410	280,229	278,433	1,796
Technology Services	3,875,970	4,132,972	3,821,314	311,658
Production/Distribution Service	456,870	491,996	423,000	68,996
Total County Commissioners	<u>5,758,180</u>	<u>6,261,245</u>	<u>5,629,321</u>	<u>631,924</u>
Carroll County Board of Elections	803,670	803,670	786,743	16,927
County Attorney	878,470	953,925	840,698	113,227
Comptroller				
Comptroller Administration	341,460	419,269	418,594	675
Accounting	879,930	1,065,327	1,025,175	40,152
Purchasing	438,920	487,597	426,300	61,297
Independent Post - Auditing	53,000	53,000	51,585	1,415
Bond Issuance Expense	186,830	186,830	218,225	(31,395)
Collections Office	1,215,000	1,332,811	1,284,165	48,646
Total Comptroller	<u>3,115,140</u>	<u>3,544,834</u>	<u>3,424,044</u>	<u>120,790</u>
Human Resources & Personnel Services				
Human Resources Administration	709,350	855,250	846,517	8,733
Fringe Benefits	18,302,830	3,000,164	2,954,045	46,119
Personnel Services	136,820	169,373	134,766	34,607
Total Human Resources & Personnel Services	<u>19,149,000</u>	<u>4,024,787</u>	<u>3,935,328</u>	<u>89,459</u>
Management and Budget				
Management and Budget Administration	241,610	279,610	279,540	70
Risk Management	2,169,100	2,002,477	1,898,280	104,197
Budget	566,240	647,676	647,609	67
Grant Management	136,480	142,319	142,048	271
Total Management and Budget	<u>3,113,430</u>	<u>3,072,082</u>	<u>2,967,477</u>	<u>104,605</u>
Land Use, Planning & Development				
Land Use, Planning & Dev. Administration	1,126,550	1,248,150	1,161,802	86,348
Comprehensive Planning	385,860	434,469	386,135	48,334
Development Review	477,010	560,167	496,255	63,912
Resources Management	705,070	1,230,646	1,209,843	20,803
Total Land Use, Planning & Development	<u>2,694,490</u>	<u>3,473,432</u>	<u>3,254,035</u>	<u>219,397</u>

**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>General Services</b>				
Permits & Inspections	\$ 1,348,740	\$ 1,778,214	\$ 1,777,014	\$ 1,200
Building Construction	183,830	217,990	215,825	2,165
Facilities Administration	6,554,610	6,621,326	5,802,889	818,437
Facilities	2,909,470	2,861,346	1,047,959	1,813,387
Fleet Management	7,227,120	3,082,357	3,019,543	62,814
<b>Total General Services</b>	<b>18,223,770</b>	<b>14,561,233</b>	<b>11,863,230</b>	<b>2,698,003</b>
<b>Miscellaneous</b>				
Board of License Commissioners	85,880	104,034	89,938	14,096
Administrative Hearings	82,610	97,470	88,782	8,688
Property tax payments to municipalities	15,530	15,530	15,526	4
Permits and fee payments to municipalities	13,500	11,799	11,020	779
Liquor license payments to municipalities	24,000	25,548	25,548	-
Town programs	2,537,520	2,586,388	2,586,388	-
<b>Total Miscellaneous</b>	<b>2,759,040</b>	<b>2,840,769</b>	<b>2,817,202</b>	<b>23,567</b>
<b>Total General Government</b>	<b>56,495,190</b>	<b>39,535,977</b>	<b>35,518,078</b>	<b>4,017,899</b>
<b>Public Safety</b>				
<b>Police Protection</b>				
Detention Center	8,479,280	10,852,956	10,782,176	70,780
Sheriff Services	10,328,790	13,624,768	13,363,121	261,647
<b>Total Police Protection</b>	<b>18,808,070</b>	<b>24,477,724</b>	<b>24,145,297</b>	<b>332,427</b>
<b>Fire Department</b>				
Volunteer Emergency Services Association	7,665,880	7,684,017	7,682,968	1,049
EMS24/7 Services	4,021,120	4,021,120	4,021,120	-
<b>Total Fire Department</b>	<b>11,687,000</b>	<b>11,705,137</b>	<b>11,704,088</b>	<b>1,049</b>
<b>Emergency Services</b>				
Emergency Service Operations	2,113,020	2,002,624	1,368,932	633,692
911 - Emergency Service	2,255,980	2,702,068	2,651,457	50,611
<b>Total Emergency Services</b>	<b>4,369,000</b>	<b>4,704,692</b>	<b>4,020,389</b>	<b>684,303</b>
<b>Other Protection</b>				
Animal Control	909,050	1,095,791	1,095,791	-
CC Advocacy & Investigation	127,500	177,475	172,664	4,811
State aid-fire protection	301,700	301,854	301,854	-
<b>Total Other Protection</b>	<b>1,338,250</b>	<b>1,575,120</b>	<b>1,570,309</b>	<b>4,811</b>
<b>Total Public Safety</b>	<b>36,202,320</b>	<b>42,462,673</b>	<b>41,440,083</b>	<b>1,022,590</b>



**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>Public Works</b>				
Public Works-Administration	\$ 666,830	\$ 664,024	\$ 661,479	\$ 2,545
Roads Operations	7,466,190	11,253,079	11,239,755	13,324
Traffic Control	331,850	346,950	346,695	255
Engineering-Design	441,330	479,882	479,684	198
Engineering-Construction Inspection	345,800	459,968	459,123	845
Storm Emergencies	1,905,000	3,541,900	3,529,739	12,161
Engineering	237,370	303,570	302,802	768
Engineering-Survey	283,970	373,223	372,189	1,034
Road Grant - Local	35,390	35,390	35,387	3
<b>Total Public Works</b>	<b>11,713,730</b>	<b>17,457,986</b>	<b>17,426,853</b>	<b>31,133</b>
<b>Judicial Services</b>				
Volunteer Community Services	178,280	236,761	235,245	1,516
Circuit Court	1,857,190	2,127,673	2,123,299	4,374
Circuit Court Masters	528,590	681,635	679,114	2,521
State's Attorney	2,812,880	3,493,643	3,490,789	2,854
Orphans Court	50,770	50,770	48,714	2,056
<b>Total Judicial Services</b>	<b>5,427,710</b>	<b>6,590,482</b>	<b>6,577,161</b>	<b>13,321</b>
<b>Health</b>				
Health Department	3,152,760	3,152,760	3,149,653	3,107
Family and Children's Services-DV Change, Inc.	74,250	74,250	74,250	-
Family and Children's Services-SA CCARC	237,860	237,860	237,860	-
Flying Colors of Success	205,130	205,130	205,130	-
Target, Inc.	237,860	237,860	237,860	-
Rape Crisis	36,540	36,540	36,540	-
	237,860	237,860	237,860	-
	86,520	86,520	86,520	-
<b>Total Health</b>	<b>4,268,780</b>	<b>4,268,780</b>	<b>4,265,673</b>	<b>3,107</b>
<b>Human Services</b>				
Social Services-Local Funds	55,000	55,000	55,000	-
Human Services	808,340	808,340	808,340	-
Citizen Services Administration	355,860	837,314	821,732	15,582
Youth Services Bureau	635,210	635,210	635,210	-
Recovery Support Services	970,000	938,000	820,397	117,603
Aging and Disabilities	1,063,640	1,340,265	1,337,716	2,549
Access Carroll	20,000	20,000	20,000	-
Mosaic Community Services	104,450	104,450	104,450	-
Victim Witness Assistance	264,510	277,428	273,332	4,096
<b>Total Human Services</b>	<b>4,277,010</b>	<b>5,016,007</b>	<b>4,876,177</b>	<b>139,830</b>
<b>Education</b>				
CC Public Ed & Gov Cable Access	729,780	729,780	729,780	-
Education Opportunity Funds	400,000	400,000	400,000	-
CC Board of Ed-Local Funds	171,037,000	171,037,000	172,875,135	(1,838,135)
Community College-Direct Support	7,608,220	7,608,220	7,608,220	-
Community College-In-Kind-Support	-	-	5,253,732	(5,253,732)
<b>Total Education</b>	<b>179,775,000</b>	<b>179,775,000</b>	<b>186,866,867</b>	<b>(7,091,867)</b>
Library	9,305,210	11,326,319	13,687,211	(2,360,892)

**THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND**

Schedule 1-1

**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actuals	Variance with Final Budget Positive(Negative)
<b>Culture and Recreation</b>				
Recreation & Parks-Administration	340,320	422,934	422,025	909
Recreation	398,090	468,621	462,946	5,675
Piney Run	605,160	683,187	553,503	129,684
Hashawha	789,390	1,050,934	1,044,435	6,499
Farm Musuem	873,670	1,113,589	1,111,179	2,410
Sports Complex	207,800	243,468	225,320	18,148
Historical Society	60,000	60,000	60,000	-
Homestead Museum	20,000	20,000	20,000	-
<b>Total Culture and Recreation</b>	<b>3,294,430</b>	<b>4,062,733</b>	<b>3,899,408</b>	<b>163,325</b>
<b>Conservation of Natural Resources</b>				
Agriculture Extension Service	\$ 465,050	\$ 465,050	\$ 463,870	\$ 1,180
Weed Control	35,740	48,240	44,538	3,702
Gypsy Moth Control	30,000	17,500	8,250	9,250
Soil Conservation Service	423,860	512,503	486,383	26,120
<b>Total Conservation of Natural Resources</b>	<b>954,650</b>	<b>1,043,293</b>	<b>1,003,041</b>	<b>40,252</b>
<b>Economic Development</b>				
Economic Development-Administration	955,840	995,286	992,037	3,249
BERC Management	210,680	210,680	226,354	(15,674)
Econ Devl-Industrial Grants	2,050,000	2,050,000	2,051,088	(1,088)
Business & Employment Resource Center	-	50,532	32,315	18,217
Tourism	318,960	336,391	228,074	108,317
<b>Total Economic Development</b>	<b>3,535,480</b>	<b>3,642,889</b>	<b>3,529,868</b>	<b>113,021</b>
<b>Reserve for Contingencies</b>	<b>3,276,083</b>	<b>3,640,211</b>	<b>-</b>	<b>3,640,211</b>
<b>Debt Service</b>				
Debt service-County	28,667,110	28,667,110	28,203,856	463,254
Debt service- Board of Education	13,541,060	13,541,060	13,280,632	260,428
<b>Total Debt Service</b>	<b>42,208,170</b>	<b>42,208,170</b>	<b>41,484,488</b>	<b>723,682</b>
<b>Total Expenditures</b>	<b>360,733,763</b>	<b>361,030,520</b>	<b>360,574,908</b>	<b>455,612</b>
<b>Other Financing Uses</b>				
Payment to Escrow Agent	-	-	59,780,169	(59,780,169)
Transfers Out:				
Transfer to Capital Fund	5,670,886	5,670,886	5,670,886	-
Transfer to Special Revenue Funds - Grants	1,475,071	1,467,681	1,467,681	-
Transfer to Enterprise Funds	614,420	325,053	325,053	-
<b>Total Other Financing Uses</b>	<b>7,760,377</b>	<b>7,463,620</b>	<b>67,243,789</b>	<b>(59,780,169)</b>
<b>Total charges to appropriations (outflows)</b>	<b>368,494,140</b>	<b>368,494,140</b>	<b>427,818,697</b>	<b>(59,324,557)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,362,022)</b>	<b>\$ (1,362,022)</b>
<b>Fund Balance - Beginning</b>			<b>108,180,582</b>	
<b>Fund Balance - Ending</b>			<b>\$ 106,818,560</b>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2015**

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Watershed Protection and Restoration Fund	Grant Fund	Total
<b>Assets</b>							
Equity in pooled cash and investments	\$ 467,479	\$ 485,096	\$ 524,128	\$ 2,077,789	\$ 158,690	\$ 1,022,810	\$ 4,735,992
Accounts receivable	-	-	-	-	-	2,043,477	2,043,477
Note receivable	-	-	-	-	-	397,437	397,437
Prepaid costs	-	-	-	-	-	407,133	407,133
Total assets	<u>\$ 467,479</u>	<u>\$ 485,096</u>	<u>\$ 524,128</u>	<u>\$ 2,077,789</u>	<u>\$ 158,690</u>	<u>\$ 3,870,857</u>	<u>\$ 7,584,039</u>
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 3,915	\$ -	\$ -	\$ 10,587	\$ 933,970	\$ 948,472
Due to component unit	-	-	-	-	-	3,439	3,439
Accrued expenditures	-	-	-	-	22,299	91,656	113,955
Unearned revenue	-	-	-	-	-	2,841,792	2,841,792
Total liabilities	-	3,915	-	-	32,886	3,870,857	3,907,658
<b>Fund balances</b>							
Restricted	467,479	481,181	524,128	-	-	-	1,472,788
Committed	-	-	-	2,077,789	125,804	-	2,203,593
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>467,479</u>	<u>481,181</u>	<u>524,128</u>	<u>2,077,789</u>	<u>125,804</u>	<u>-</u>	<u>3,676,381</u>
Total liabilities and fund balances	<u>\$ 467,479</u>	<u>\$ 485,096</u>	<u>\$ 524,128</u>	<u>\$ 2,077,789</u>	<u>\$ 158,690</u>	<u>\$ 3,870,857</u>	<u>\$ 7,584,039</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2015**

	Impact Fees Fund	Agricultural Transfer Tax Fund	Hotel Rental Tax Fund	Cable Franchise Fee Fund	Watershed Protection and Restoration Fund	Grant Fund	Total
<b>Revenues</b>							
Taxes:							
Local Property	\$ -	\$ -	\$ -	\$ -	\$ 1,066,890	\$ -	\$ 1,066,890
Charges for service:							
Farm museum	-	-	-	-	-	14,964	14,964
Recreation and parks	-	-	-	-	-	279,788	279,788
Intergovernmental revenues:							
Commission on aging	-	-	-	-	-	2,254,737	2,254,737
Housing & community development	-	-	-	-	-	6,233,360	6,233,360
Job training partnership act	-	-	-	-	-	939,174	939,174
Sheriff	-	-	-	-	-	259,543	259,543
Citizen services	-	-	-	-	-	1,108,879	1,108,879
States attorney	-	-	-	-	-	584,214	584,214
Circuit court	-	-	-	-	-	521,069	521,069
EOC	-	-	-	-	-	940,766	940,766
Planning	-	-	-	-	-	65,964	65,964
Tourism	-	-	-	-	-	42,943	42,943
Economic development	-	-	-	-	-	67,011	67,011
Municipalities	-	-	-	-	48,867	-	48,867
Impact fees	184,605	-	-	-	-	-	184,605
Agricultural transfer tax	-	59,558	-	-	-	-	59,558
Hotel Rental Tax	-	-	284,101	-	-	-	284,101
Cable Franchise Fee	-	-	-	1,436,410	-	-	1,436,410
Interest	-	-	286	1,406	583	-	2,275
Total revenues	184,605	59,558	284,387	1,437,816	1,116,340	13,312,412	16,395,118
<b>Expenditures</b>							
General government	-	-	-	-	-	9,483,246	9,483,246
Public safety	-	-	-	-	-	1,216,794	1,216,794
Public works	-	-	-	-	-	13,363	13,363
Health	-	-	-	-	-	4,000	4,000
Culture and recreation	-	-	-	-	-	291,007	291,007
Economic development	-	-	-	-	-	1,049,128	1,049,128
Judicial	-	-	-	-	-	738,008	738,008
Conservation of natural resources	-	-	-	-	990,536	7,411	997,947
Human Services	-	-	-	-	-	1,977,136	1,977,136
Total expenditures	-	-	-	-	990,536	14,780,093	15,770,629
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	-	1,467,681	1,467,681
Transfers out	(318,000)	(30,000)	(251,325)	(966,358)	-	-	(1,565,683)
Total Other Financing Sources (Uses)	(318,000)	(30,000)	(251,325)	(966,358)	-	1,467,681	(98,002)
Total charges to appropriations (outflows)	(318,000)	(30,000)	(251,325)	(966,358)	(990,536)	(13,312,412)	-
Net change in fund balances	(133,395)	29,558	33,062	471,458	125,804	-	526,487
Fund balances - beginning	600,874	451,623	491,066	1,606,331	-	-	3,149,894
Fund balances - ending	<u>\$ 467,479</u>	<u>\$ 481,181</u>	<u>\$ 524,128</u>	<u>\$ 2,077,789</u>	<u>\$ 125,804</u>	<u>\$ -</u>	<u>\$ 3,676,381</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Impact Fees Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Impact fees	\$ 318,000	\$ 318,000	\$ 184,605	\$ (133,395)
Interest	-	-	-	-
Total revenues	<u>318,000</u>	<u>318,000</u>	<u>184,605</u>	<u>(133,395)</u>
Total Resources (Inflows)	318,000	318,000	184,605	(133,395)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(318,000)	(318,000)	(318,000)	-
Total other financing uses	<u>(318,000)</u>	<u>(318,000)</u>	<u>(318,000)</u>	<u>-</u>
Total charges to appropriations (outflows)	(318,000)	(318,000)	(318,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(133,395)</u>	<u>\$ (133,395)</u>
Fund balance - beginning			600,874	
Fund balance - ending			<u>\$ 467,479</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Agricultural Transfer Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Agricultural Transfer Tax	\$ 30,000	\$ 30,000	\$ 59,558	\$ 29,558
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>59,558</u>	<u>29,558</u>
Total Resources (Inflows)	30,000	30,000	59,558	29,558
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total charges to appropriations (outflows)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>29,558</u>	<u>\$ 29,558</u>
Fund balance - beginning			451,623	
Fund balance - ending			<u>\$ 481,181</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Hotel Rental Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Hotel Rental Tax	\$ 359,641	\$ 359,641	\$ 284,101	\$ (75,540)
Interest	-	-	286	286
Total revenues	<u>359,641</u>	<u>359,641</u>	<u>284,387</u>	<u>(75,254)</u>
Total Resources (Inflows)	359,641	359,641	284,387	(75,254)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(359,641)	(359,641)	(251,325)	108,316
Total other financing uses	<u>(359,641)</u>	<u>(359,641)</u>	<u>(251,325)</u>	<u>108,316</u>
Total charges to appropriations (outflows)	(359,641)	(359,641)	(251,325)	108,316
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	33,062	<u>\$ 33,062</u>
Fund balance - beginning			491,066	
Fund balance - ending			<u>\$ 524,128</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Cable Franchise Fee Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Cable Franchise Fee	\$ 966,359	\$ 966,359	\$ 1,436,410	\$ 470,051
Interest	-	-	1,406	1,406
Total revenues	<u>966,359</u>	<u>966,359</u>	<u>1,437,816</u>	<u>471,457</u>
Total Resources (Inflows)	966,359	966,359	1,437,816	471,457
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	-	-	-	-
Other financing uses				
Transfers out	(966,359)	(966,359)	(966,358)	1
Total other financing uses	<u>(966,359)</u>	<u>(966,359)</u>	<u>(966,358)</u>	<u>1</u>
Total charges to appropriations (outflows)	(966,359)	(966,359)	(966,358)	1
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>471,458</u>	<u>\$ 471,458</u>
Fund balance - beginning			1,606,331	
Fund balance - ending			<u>\$ 2,077,789</u>	



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Watershed Protection and Restoration Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Taxes:				
Local Property	\$ 1,066,890	\$ 1,066,890	\$ 1,066,890	\$ -
Intergovernmental revenues:				
Municipalities	-	-	48,867	48,867
Interest	-	-	583	583
Total revenues	<u>1,066,890</u>	<u>1,066,890</u>	<u>1,116,340</u>	<u>49,450</u>
Total Resources (Inflows)	<u>1,066,890</u>	<u>1,066,890</u>	<u>1,116,340</u>	<u>49,450</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Total expenditures	<u>(1,066,890)</u>	<u>(1,066,890)</u>	<u>(990,536)</u>	<u>-</u>
Total charges to appropriations (outflows)	<u>(1,066,890)</u>	<u>(1,066,890)</u>	<u>(990,536)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>125,804</u>	<u>\$ 49,450</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 125,804</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Grant Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budgetary (NON-GAAP) Basis vs. Actual**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Revenues				
Intergovernmental revenues:				
Commission on aging	\$ 3,468,433	\$ 1,552,935	\$ 2,575,422	\$ 1,022,487
Housing & community development	6,120,337	7,390,326	5,993,530	(1,396,796)
Job training partnership act	1,210,708	1,338,680	961,479	(377,201)
Economic development	-	-	55,959	55,959
Sheriff	159,334	224,639	240,598	15,959
Citizen services	632,682	1,070,143	1,097,001	26,858
States attorney	659,171	637,453	584,213	(53,240)
Circuit court	466,290	275,231	684,882	409,651
EOC	506,152	473,983	723,307	249,324
Tourism	45,000	52,641	43,157	(9,484)
Farm Museum	30,000	30,000	18,623	(11,377)
Risk Management	-	165,504	18,021	(147,483)
Recreation and parks	166,900	268,317	274,038	5,721
Total revenues	<u>13,465,007</u>	<u>13,479,852</u>	<u>13,270,230</u>	<u>(209,622)</u>
Other financing resources				
Transfers in	1,475,070	1,467,681	1,467,681	-
Total other financing resources	<u>1,475,070</u>	<u>1,467,681</u>	<u>1,467,681</u>	<u>-</u>
Total Resources (Inflows)	<u>14,940,077</u>	<u>14,947,533</u>	<u>14,737,911</u>	<u>(209,622)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
Expenditures				
Current:				
General government	10,051,449	9,984,487	9,377,656	606,831
Public safety	690,626	707,047	902,773	(195,726)
Public works	-	13,362	13,362	-
Health	4,000	4,000	4,000	-
Culture and recreation	205,000	309,418	289,959	19,459
Economic development	1,233,708	1,391,321	1,060,176	331,145
Judicial	726,220	514,369	738,008	(223,639)
Human Services	2,029,074	2,023,529	1,977,135	46,394
Capital outlay	-	-	374,842	(374,842)
Total expenditures	<u>14,940,077</u>	<u>14,947,533</u>	<u>14,737,911</u>	<u>209,622</u>
Total charges to appropriations (outflows)	<u>14,940,077</u>	<u>14,947,533</u>	<u>14,737,911</u>	<u>209,622</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2015**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Equity in pooled cash	\$1,296,475	\$ 383,107	\$ -	\$ 1,679,582
Cash and cash equivalents	-	300	-	300
Accounts receivables, net	134,595	-	8,426	143,021
Prepaid expense	-	-	3,333	3,333
Total current assets	<u>1,431,070</u>	<u>383,407</u>	<u>11,759</u>	<u>1,826,236</u>
Noncurrent Assets:				
Capital assets:				
Buildings	-	274,051	-	274,051
Improvements other than buildings	185,278	140,650	1,139,212	1,465,140
Autos, machinery, equipment	181,839	52,252	20,184,919	20,419,010
Construction in progress	348,766	-	853,550	1,202,316
Less accumulated depreciation	<u>(304,774)</u>	<u>(99,224)</u>	<u>(2,647,833)</u>	<u>(3,051,831)</u>
Total capital assets (net of accumulated depreciation)	<u>411,109</u>	<u>367,729</u>	<u>19,529,848</u>	<u>20,308,686</u>
Total assets	<u>1,842,179</u>	<u>751,136</u>	<u>19,541,607</u>	<u>22,134,922</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	995	-	-	995
Total deferred outflows of resources	<u>995</u>	<u>-</u>	<u>-</u>	<u>995</u>
Total assets and deferred outflows	<u><u>\$1,843,174</u></u>	<u><u>\$ 751,136</u></u>	<u><u>\$19,541,607</u></u>	<u><u>\$ 22,135,917</u></u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 156,233	\$ 209	\$ 62,557	\$ 218,999
Accrued interest payable	706	-	-	706
Accrued expenses	-	2,818	-	2,818
Due to other funds	-	-	1,657,970	1,657,970
Long-term liabilities due within one year:				
General obligation bonds payable	<u>12,180</u>	<u>-</u>	<u>-</u>	<u>12,180</u>
Total current liabilities	<u>169,119</u>	<u>3,027</u>	<u>1,720,527</u>	<u>1,892,673</u>
Noncurrent liabilities:				
General obligation bonds payable	<u>74,570</u>	<u>-</u>	<u>-</u>	<u>74,570</u>
Total noncurrent liabilities	<u>74,570</u>	<u>-</u>	<u>-</u>	<u>74,570</u>
Total liabilities	<u>243,689</u>	<u>3,027</u>	<u>1,720,527</u>	<u>1,967,243</u>
<b>NET POSITION</b>				
Net investment in capital assets	324,359	367,729	19,529,847	20,221,935
Restricted for capital projects	667,234	246,450	-	913,684
Unrestricted (deficit)	<u>607,892</u>	<u>133,930</u>	<u>(1,708,767)</u>	<u>(966,945)</u>
Total net position	<u><u>\$1,599,485</u></u>	<u><u>\$ 748,109</u></u>	<u><u>\$17,821,080</u></u>	<u><u>\$ 20,168,674</u></u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2015**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 946,123	\$ 153,687	\$ 37,558	\$ 1,137,368
Total operating revenues	<u>946,123</u>	<u>153,687</u>	<u>37,558</u>	<u>1,137,368</u>
Operating expenses:				
Personal services	-	62,969	-	62,969
Contractual services	311,682	2,047	362,308	676,037
Materials and supplies	46,102	14,720	-	60,822
Rents and utilities	86,859	2,722	69,039	158,620
Miscellaneous	132,453	-	3,333	135,786
Depreciation	22,999	23,915	795,826	842,740
Total operating expenses	<u>600,095</u>	<u>106,373</u>	<u>1,230,506</u>	<u>1,936,974</u>
Operating income (loss)	<u>346,028</u>	<u>47,314</u>	<u>(1,192,948)</u>	<u>(799,606)</u>
Nonoperating revenues (expenses):				
Penalties and interest	103	64	-	167
Interest and fiscal charges	(4,035)	-	-	(4,035)
Total nonoperating revenues (expenses)	<u>(3,932)</u>	<u>64</u>	<u>-</u>	<u>(3,868)</u>
Income (loss) before contributions	<u>342,096</u>	<u>47,378</u>	<u>(1,192,948)</u>	<u>(803,474)</u>
Change in net position	342,096	47,378	(1,192,948)	(803,474)
Total net position- beginning of year, as restated	<u>1,257,389</u>	<u>700,731</u>	<u>19,014,028</u>	<u>20,972,148</u>
Total net position- end of year	<u>\$1,599,485</u>	<u>\$748,109</u>	<u>\$17,821,080</u>	<u>\$20,168,674</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2015**

	<u>Septage</u>	<u>Firearms</u>	<u>Fiber Network</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 951,373	\$ 153,687	\$ 29,132	\$ 1,134,192
Receipts from other funds	-	-	1,199,843	1,199,843
Payments to suppliers and other funds	(472,563)	(58,289)	(375,425)	(906,277)
Payments to employees	-	(62,490)	-	(62,490)
Net cash provided by operating activities	<u>478,810</u>	<u>32,908</u>	<u>853,550</u>	<u>1,365,268</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(275,815)	(39,231)	(853,550)	(1,168,596)
Principal paid on capital debt	(12,180)	-	-	(12,180)
Interest paid on capital debt	(3,993)	-	-	(3,993)
Net cash used by capital and related financing activities	<u>(291,988)</u>	<u>(39,231)</u>	<u>(853,550)</u>	<u>(1,184,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments and cash	103	64	-	167
Net cash provided by investing activities	<u>103</u>	<u>64</u>	<u>-</u>	<u>167</u>
Net increase (decrease) in cash and cash equivalents	186,925	(6,259)	-	180,666
Cash and cash equivalents at beginning of year	1,109,550	389,666	-	1,499,216
Cash and cash equivalents at end of year	<u>\$1,296,475</u>	<u>\$383,407</u>	<u>\$ -</u>	<u>\$ 1,679,882</u>
<b>Reconciliation of Operating Income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 346,028	\$ 47,314	\$ (1,192,948)	\$ (799,606)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	22,999	23,915	795,826	842,740
Effect of changes in operating assets and liabilities:				
Due to other funds	-	-	1,199,843	1,199,843
Accounts receivable	5,250	-	(8,426)	(3,176)
Accounts payable and accrued expenses	104,533	(38,321)	59,255	125,467
Total adjustments	<u>132,782</u>	<u>(14,406)</u>	<u>2,046,498</u>	<u>2,164,874</u>
Net cash provided by operating activities	<u>\$ 478,810</u>	<u>\$ 32,908</u>	<u>\$ 853,550</u>	<u>\$ 1,365,268</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2015**

	<u>Employee Pension Plan</u>	<u>Certified Law Officers Pension</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
<b>ASSETS</b>					
Investments, at fair value:					
Short term investments	\$ 367,355	\$ 157,781	\$ 334,840	\$ -	\$ 859,976
Bond funds	15,313,399	2,205,576	1,721,074	3,782,402	23,022,451
Equity funds	46,843,052	6,746,427	6,412,491	-	60,001,970
Marketable securities	-	-	-	55,518,355	55,518,355
Total investments	<u>62,523,806</u>	<u>9,109,784</u>	<u>8,468,405</u>	<u>59,300,757</u>	<u>139,402,752</u>
Total assets	62,523,806	9,109,784	8,468,405	59,300,757	139,402,752
<b>LIABILITIES</b>					
Accounts payable	8,518	4,307	4,990	-	17,815
Due to primary government	-	-	-	579,732	579,732
Total liabilities	<u>8,518</u>	<u>4,307</u>	<u>4,990</u>	<u>579,732</u>	<u>597,547</u>
<b>FIDUCIARY NET POSITION</b>					
Fiduciary net position held in trust for pension, OPEB benefits and other purposes	<u>\$ 62,515,288</u>	<u>\$ 9,105,477</u>	<u>\$ 8,463,415</u>	<u>\$ 58,721,025</u>	<u>\$ 138,805,205</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Employee Pension Plan</u>	<u>Certified Law Officers Pension</u>	<u>LOSAP</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 2,558,020	\$ 835,380	\$ 250,000	\$ 9,632,900	\$ 13,276,300
Plan members	1,618,955	415,107	-	473,878	2,507,940
Contributions from sources other than employer(s) and plan members	-	-	-	251,701	251,701
Total contributions	<u>4,176,975</u>	<u>1,250,487</u>	<u>250,000</u>	<u>10,358,479</u>	<u>16,035,941</u>
Investment earnings:					
Interest and dividends	-	-	-	2,489	2,489
Net increase in the fair value of investments	<u>2,688,846</u>	<u>384,778</u>	<u>374,273</u>	<u>2,371,484</u>	<u>5,819,381</u>
Total investment earnings	<u>2,688,846</u>	<u>384,778</u>	<u>374,273</u>	<u>2,373,973</u>	<u>5,821,870</u>
Less investment expense	<u>(43,924)</u>	<u>(16,654)</u>	<u>(10,944)</u>	<u>(7,500)</u>	<u>(79,022)</u>
Net investment earnings	<u>2,644,922</u>	<u>368,124</u>	<u>363,329</u>	<u>2,366,473</u>	<u>5,742,848</u>
Total additions	<u>6,821,897</u>	<u>1,618,611</u>	<u>613,329</u>	<u>12,724,952</u>	<u>21,778,789</u>
<b>DEDUCTIONS</b>					
Benefits and refunds paid to plan members and beneficiaries					
	1,085,853	198,548	675,742	3,503,148	5,463,291
Administrative expenses	<u>36,965</u>	<u>7,427</u>	<u>7,380</u>	<u>4,900</u>	<u>56,672</u>
Total deductions	<u>1,122,818</u>	<u>205,975</u>	<u>683,122</u>	<u>3,508,048</u>	<u>5,519,963</u>
Net increase in fiduciary net position	5,699,079	1,412,636	(69,793)	9,216,904	16,258,826
Fiduciary net position-beginning	56,816,209	7,692,841	8,533,208	49,504,121	122,546,379
Fiduciary net position-ending	<u>\$ 62,515,288</u>	<u>\$ 9,105,477</u>	<u>\$ 8,463,415</u>	<u>\$ 58,721,025</u>	<u>\$ 138,805,205</u>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2015**

**Carroll County Development Corporation**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 314,977	\$ 103,031	\$ 83,545	\$ 334,463
Receivables-notes, mortgages and leases	218,559	-	97,668	120,891
Total assets	<u>\$ 533,536</u>	<u>\$ 103,031</u>	<u>\$ 181,213</u>	<u>\$ 455,354</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,000	\$ -	\$ 2,000	\$ -
Deposits	531,536	7,363	83,545	455,354
Total liabilities	<u>\$ 533,536</u>	<u>\$ 7,363</u>	<u>\$ 85,545</u>	<u>\$ 455,354</u>

**Carroll County Drug Task Force-Non Federal**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 277,432	\$ 226,468	\$ 199,855	\$ 304,045
Total assets	<u>\$ 277,432</u>	<u>\$ 226,468</u>	<u>\$ 199,855</u>	<u>\$ 304,045</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 133,766	\$ 147,175	\$ 134,945	\$ 145,996
Deposits	143,666	79,293	64,910	158,049
Total liabilities	<u>\$ 277,432</u>	<u>\$ 226,468</u>	<u>\$ 199,855</u>	<u>\$ 304,045</u>

**Carroll County Drug Task Force - Treasury**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 76,734	\$ 16,764	\$ 13,052	\$ 80,446
Total assets	<u>\$ 76,734</u>	<u>\$ 16,764</u>	<u>\$ 13,052</u>	<u>\$ 80,446</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,282	\$ -	\$ 372	\$ 910
Deposits	75,452	16,764	12,680	79,536
Total liabilities	<u>\$ 76,734</u>	<u>\$ 16,764</u>	<u>\$ 13,052</u>	<u>\$ 80,446</u>

**Sherriff's Dept. - Drug and Alcohol**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 8,752	\$ 7,422	\$ 3,813	\$ 12,361
Total assets	<u>\$ 8,752</u>	<u>\$ 7,422</u>	<u>\$ 3,813</u>	<u>\$ 12,361</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,071	\$ 3,946	\$ 3,813	\$ 5,204
Deposits	3,681	3,476	-	7,157
Total liabilities	<u>\$ 8,752</u>	<u>\$ 7,422</u>	<u>\$ 3,813</u>	<u>\$ 12,361</u>



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2015**

**Law Enforcement Activities**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 24	\$ -	\$ -	\$ 24
Total assets	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>
<b>LIABILITIES</b>				
Deposits	\$ 24	\$ -	\$ -	\$ 24
Total liabilities	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>

**Carroll Cable Regulatory Commission**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 170,437	\$ 364,934	\$ 347,471	\$ 187,900
Total assets	<u>\$ 170,437</u>	<u>\$ 364,934</u>	<u>\$ 347,471</u>	<u>\$ 187,900</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,251	\$ 130,644	\$ 131,044	\$ 2,851
Deposits	167,186	234,290	216,427	185,049
Total liabilities	<u>\$ 170,437</u>	<u>\$ 364,934</u>	<u>\$ 347,471</u>	<u>\$ 187,900</u>

**Totals - All Agencies**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 848,356	\$ 718,619	\$ 647,736	\$ 919,239
Receivables-notes, mortgages and leases	218,559	-	97,668	120,891
Total assets	<u>\$ 1,066,915</u>	<u>\$ 718,619</u>	<u>\$ 745,404</u>	<u>\$ 1,040,130</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 145,370	\$ 281,765	\$ 272,174	\$ 154,961
Deposits	921,545	341,186	377,562	885,169
Total liabilities	<u>\$ 1,066,915</u>	<u>\$ 622,951</u>	<u>\$ 649,736</u>	<u>\$ 1,040,130</u>

## *Additional Information*



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

Schedule 5

<u>Description</u>	<u>Total</u> <u>Appropriation</u>	<u>Prior Years</u> <u>Expenditures</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended</u> <u>Appropriation</u>
<b>Governmental Activities:</b>					
<b>General Government</b>					
4021					
8006 **	\$ 2,620,666	\$ 1,794,928	\$ 54,053	\$ 33,755	\$ 737,930
8199	7,000,000	2,799,626	-	-	4,200,374
8274 **	406,000	377,223	15,426	-	13,351
8310	200,500	-	-	-	200,500
8311	490,000	463,828	-	-	26,172
8359 **	547,663	540,784	6,879	-	-
8361	449,458	-	31,237	-	418,221
8412	850,000	580,492	85,399	-	184,109
8451	2,750,000	224,249	1,010,107	1,052,292	463,352
8485	290,000	15,934	72,857	-	201,209
8519	70,800	-	-	-	70,800
8579	4,536,851	-	920,637	-	3,616,214
9418	909,600	839,124	-	-	70,476
9648 **	9,485,082	7,126,988	693,190	-	1,664,904
9921	1,428,470	961,745	193,402	-	273,323
9954	5,624,101	4,419,250	821,181	-	383,670
9957	140,810	-	-	-	140,810
	<u>37,800,001</u>	<u>20,144,171</u>	<u>3,904,368</u>	<u>1,086,047</u>	<u>12,665,415</u>
<b>Public Safety</b>					
4031					
8003 *	6,168,500	6,158,064	-	-	10,436
8163	7,025,000	1,714,290	4,304,695	677,886	328,129
8264	23,557,287	13,216,338	5,497,811	1,876,599	2,966,539
8391 *	94,801	92,501	2,300	-	-
8480	225,000	13,230	94,646	-	117,124
8518	300,000	-	-	-	300,000
9022	1,099,800	671,034	-	-	428,766
	<u>38,470,388</u>	<u>21,865,457</u>	<u>9,899,452</u>	<u>2,554,485</u>	<u>4,150,994</u>
<b>Highways &amp; Streets</b>					
4041					
8184	174,090	135,964	-	-	38,126
8308	20,000	-	-	-	20,000
8321	3,161,522	49,078	18,863	-	3,093,581
8353	3,700,000	80	-	-	3,699,920
8438	81,000	2,100	-	-	78,900
8440 **	10,545,998	8,875,480	319,570	115,265	1,235,683
8474	10,085,936	4,150,671	5,305,647	209,235	420,383
8475	1,499,949	-	1,499,949	-	-
8476	800,000	-	325,866	-	474,134
8494	10,500	-	-	-	10,500
8504	10,210,001	-	2,639,899	6,870,672	699,430
8505	1,050,000	-	-	-	1,050,000
8506	1,000,000	-	-	-	1,000,000
8507	1,724,761	-	517,424	-	1,207,337
8508	260,000	-	203,975	34,248	21,777
8509	25,239	-	25,239	-	-
8511	143,000	-	-	-	143,000
9604	50,000	3,102	-	-	46,898
9674	1,175,585	970,338	-	-	205,247
9847	1,995,207	1,563,640	210,428	-	221,139
	<u>47,712,788</u>	<u>15,750,453</u>	<u>11,066,860</u>	<u>7,229,420</u>	<u>13,666,055</u>
<b>Bridges</b>					
4043					
8032	790,300	36,230	-	-	754,070
8322	902,000	-	-	-	902,000
8323	947,000	-	-	-	947,000
8332	1,428,000	-	-	-	1,428,000
8383	721,000	10,722	574	-	709,704
8384	3,990,400	10,664	549	-	3,979,187

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

Schedule 5

	<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
8385	White Rock Rd/Piney Run	943,000	15,493	26,582	-	900,925
8512	Cape Horn Rd	129,000	-	-	-	129,000
9684	Bridge Inspection & Inventory	377,005	321,409	1,256	52,343	1,997
9686	Clean & Paint Structural Steel	1,334,250	622,277	4,827	409,482	297,664
9882	Bridge Maint/Structural Repair	606,300	402,282	-	-	204,018
9916	Saw Mill Rd Bridge/Bear Run	745,758	281,491	-	-	464,267
	Total	12,914,013	1,700,568	33,788	461,825	10,717,832
<b>4045</b>	<b>Buildings</b>					
9956	Fleet-Lifts Replacements	488,915	476,307	-	-	12,608
	Total	488,915	476,307	-	-	12,608
<b>4049</b>	<b>General Public Works</b>					
9902	Public Works-Unallocated	87,980	-	-	-	87,980
	Total	87,980	-	-	-	87,980
	Total Public Works	61,203,696	17,927,328	11,100,648	7,691,245	24,484,475
<b>4061</b>	<b>Board of Education</b>					
8041	School Surveillance	692,446	250,813	438,313	-	3,320
8133	Manchester Valley High School	70,685,300	69,123,966	7,012	-	1,554,322
8288	Full Day K-Freedom ES	1,801,601	1,801,601	(223)	-	223
8289	SC High School Fine Arts Add	17,815,941	15,963,302	2,490	-	1,850,149
8290	Westminster HS HVAC Replace	11,880,118	9,952,214	10,253	-	1,917,651
8292	Open Space Classroom Enclosure	8,000,000	6,131,225	1,349,516	-	519,259
8325	William Win Elem Kinder Additi	2,430,997	1,341,132	-	-	1,089,865
8326	Winfield Elem Kindergarten Add	1,301,000	870,256	-	-	430,744
8348	Mt. Airy Middle School	19,907,260	19,024,861	256,387	-	626,012
8349	Full Day K-Robert Moton ES	1,871,420	1,480,412	(559)	-	391,567
8350	Hampstead ES-HVAC Replace	1,478,559	1,395,128	-	-	83,431
8351	Hampstead ES Roof Replace	787,000	360,239	16,989	-	409,772
8377	Charles Carroll Ele Heat Plant	200,000	79,687	-	-	120,313
8378	Freedom Elem Roof Replacement	780,000	232,457	-	-	547,543
8379	BOE - Roof Replacements	118,000	-	-	-	118,000
8404	Freedom ES Heat Plant Convrsn	1,462,000	601,593	16,937	-	843,470
8405	William Winchester ES Roof Rpl	543,000	206,524	-	-	336,476
8424	West Middle Roof Replacement	1,289,000	687,358	-	-	601,642
8481	Carroll Springs Roof Replcmnt	417,000	246,169	(37,589)	-	208,420
8482	Taneytown ES Roof Replacmnt	550,000	30,370	237,971	-	281,659
8483	Manchester ES HVAC Replc	2,146,000	110,350	558,420	-	1,477,230
8484	Manchester ES Roof Replcmnt	672,000	-	-	-	672,000
8486	BOE Energy Efficiency Project	642,243	440,321	133,341	-	68,581
8501	CareerTech Cntr Roof Replcmnt	151,000	-	24,370	-	126,630
8502	Mechanicsville Rood	719,000	-	17,763	-	701,237
8503	Sykesville Middle Windows	164,000	-	36,549	-	127,451
9554	Handicapped Accessibility	1,504,684	1,321,805	-	-	182,879
9745	Relocatables	5,447,376	5,407,627	34,256	-	5,493
9746	BOE-General Roofing Improvements	1,852,936	1,191,427	23,607	-	637,902
9748	BOE-Paving	4,792,241	2,979,664	908,400	-	904,177
9792	BOE Technology Improvements	9,042,105	8,416,372	14,604	-	611,129
9850	School Construction-General	-	447,089	75,905	-	(522,994)
9885	Winters Mill High School	25,252,267	25,165,238	-	-	87,029
9973	NC Middle School Renovations	11,130,621	10,955,969	-	-	174,652
9974	HVAC-Improvement & Replacement	169,187	-	-	-	169,187
	Total	207,696,302	186,215,169	4,124,712	-	17,356,421
<b>4062</b>	<b>Community College</b>					
8516	CCC-Security Improvements	670,000	-	125,776	-	544,224
8517	CCC-Systemic Renovations	50,000	-	-	-	50,000
9782	Comm Coll-Technology	6,550,600	4,953,776	416,787	-	1,180,037
	Total	7,270,600	4,953,776	542,563	-	1,774,261

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

Schedule 5

<u>Description</u>	<u>Total Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Encumbered</u>	<u>Unexpended Appropriation</u>
Total Education	214,966,902	191,168,945	4,667,275	-	19,130,682
<u>4071 Recreation &amp; Parks</u>					
8121 Leister Park	1,963,299	1,640,839	118,882	100,413	103,165
8175 Westminster Veterans Mem Park	1,407,596	1,237,351	45,774	59,311	65,160
8232 ** Park Restoration Fund	750,485	628,956	80,018	-	41,511
8282 Westminster Comm Pond Renovate	392,300	241,242	100,246	-	50,812
8330 Bennett Cerf Park Revitalize	231,951	229,237	239	-	2,475
8411 Westminster Community Trail	198,000	182,486	8,889	-	6,625
8439 Winfield Property Project	253,259	206,519	2,580	-	44,160
8443 * Sports Compelx-Fencing	73,362	67,069	-	-	6,293
8477 Union Mills Restoration	188,900	19,643	78,912	-	90,345
8510 Union Mills-ADA Bathroom	70,000	-	-	-	70,000
8513 Gov Brown Trail Phase I	200,000	-	-	-	200,000
8514 MacBeth Trail Connection	128,000	-	-	-	128,000
8515 Westminster Comm Trail PhsII	85,000	-	-	-	85,000
8577 MD Bikeways Program	131,600	-	-	-	131,600
9139 Recs & Parks/Local-Unallocated	24,399	-	-	-	24,399
9736 Town Fund	384,336	298,852	3,148	-	82,336
9925 Tot Lot Replacement	413,848	362,989	-	-	50,859
9926 Krimgold Park	6,159,633	3,903,423	1,324,934	599,062	332,214
Total	<u>13,055,968</u>	<u>9,018,606</u>	<u>1,763,622</u>	<u>758,786</u>	<u>1,514,954</u>
<u>4076 Self-Help Projects</u>					
8426 Hodges/Eldbg Elem Ballfld Mix	8,540	-	-	8,400	140
8446 Charles Car Storage/Ball Mix	5,212	1,291	1,888	-	2,033
8447 N. Carroll Bat Cage/Bleachers	5,100	-	-	-	5,100
8450 Salt Box Park - Ballfield Mix	2,220	560	1,248	-	412
8460 Charles Carroll Ball Fld Mix	4,340	3,682	-	-	658
8466 Ball Field Mix Multiple Loc SH	5,976	4,544	-	-	1,432
8470 ChrIs Car Pitch Mac/Nets SH	6,328	3,470	443	-	2,415
8473 Salt Box Fld Mix/Retn Wall SH	2,244	1,651	535	-	58
8489 Sandymount/DP Field Repair SH	5,390	-	-	-	5,390
8491 Freedom Area Field/Sod/Mix SH	9,430	-	1,920	5,760	1,750
8492 Mayeski Prk Topsoil/Mix SH	3,330	-	-	3,330	-
8493 Mayeski Prk Balldiamod Mix SH	3,300	-	-	3,300	-
8495 CCRC-SandyMt Play Unit-SH	18,339	-	18,339	-	-
8496 CCRC-Lacrosse Goals SH	2,250	-	2,250	-	-
8497 FRC-Basketball BB SH	4,336	-	2,928	1,408	-
8498 NCRC-Shed/Fld Hamp SH	6,510	-	-	-	6,510
8499 NCRC-Xmas Tree Prk Fields SH	20,000	-	-	-	20,000
8500 WCRC-Bark Hill Field SH	6,138	6,138	-	-	-
8564 ** Deer Park Scoreboard SH	13,300	-	13,300	-	-
8565 Soccer Nets Cntrl Carroll-SH	2,528	-	2,468	-	60
8566 * Roaring Run Prk Ball Mix-SH	6,072	-	6,072	-	-
8567 * SandyMt/Deer Park Ball Mix-SH	9,383	-	9,383	-	-
8568 Cape Horn Park Ball Mix-SH	2,475	-	2,284	-	191
8569 Christmas Tree Prk Ball Mix-SH	2,475	-	2,284	-	191
8570 Manchester Elem Ball Mix-SH	2,475	-	2,284	-	191
8571 Hampstead Lions Clb Trail-SH	14,065	-	-	-	14,065
8572 Gateway School Ball Diam-SH	15,126	-	15,126	-	-
8573 Jaycee Park Storage Shed-SH	8,000	-	7,253	-	747
8574 Mayeski Park Ball Mix	4,725	-	-	4,725	-
8575 S. Carroll HS Backstop-SH	11,733	-	-	10,750	983
9735 Community Self Help	5,400	-	-	-	5,400
Total	<u>216,740</u>	<u>21,336</u>	<u>90,005</u>	<u>37,673</u>	<u>67,726</u>
Total Culture and Recreation	<u>13,272,708</u>	<u>9,039,942</u>	<u>1,853,627</u>	<u>796,459</u>	<u>1,582,680</u>
<u>4081 Library/Senior Centers</u>					

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

Schedule 5

	<b>Description</b>	<b>Total Appropriation</b>	<b>Prior Years Expenditures</b>	<b>Current Year Expenditures</b>	<b>Encumbered</b>	<b>Unexpended Appropriation</b>
8479	Taneytown Sr Cntr Add'l Park	162,000	-	-	-	162,000
9822	Library-Technology Improvemnts	3,115,900	2,533,316	396,972	-	185,612
	Total- Library/Senior Centers	3,277,900	2,533,316	396,972	-	347,612
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4091	<b>Conservation &amp; Open Space</b>					
9002	** Land Bank	22,089,803	15,436,299	485,008	-	6,168,496
9007	Ag Land Preservation	148,418,397	131,991,656	5,615,136	-	10,811,605
9701	Infrastructure/Plan Studies	347,167	317,167	-	-	30,000
9702	Traffic Impact Studies/Develop	137,692	129,720	909	-	7,063
9851	Rural Legacy-Easement Purchase	21,629,707	20,937,738	277,900	4,870	409,199
	Total	192,622,766	168,812,580	6,378,953	4,870	17,426,363
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4092	<b>Water Resources</b>					
8294	Reservoir Development	16,064,798	8,905,331	28,240	-	7,131,227
8295	Storm Water Facility Maint	3,035,000	2,908,101	304	61,097	65,498
8328	Environmental Compliance	1,204,500	236,276	13,049	-	955,175
9920	Watershed Assessment & Improve	-	4,871,294	-	-	(4,871,294)
	Total	20,304,298	16,921,002	41,593	61,097	3,280,606
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4093	<b>Watershed Improvements</b>					
8521	* Carrolltowne 2A Barnes Fill 1	956,326	686,815	269,511	-	-
8523	Elderwood Village Sec F&B	2,279,355	77,788	39,017	-	2,162,550
8524	Manchester Skate Park	70,000	2,300	36,615	-	31,085
8525	* Friendship/Diamond Hills Sec 2	513,860	502,732	11,128	-	-
8526	Finksburg Industrial Park	1,577,254	162,723	60,280	-	1,354,251
8528	Carroll Co Tree Planting #1	139,579	50,280	44,058	23,241	22,000
8529	Carroll Co Tree Planting #2	206,073	114,286	24,373	15,291	52,123
8530	Carroll Co Tree Planting #3	404,676	382	225,999	87,997	90,298
8531	Sullivan Rd Comnty Pond Phs1	2,668,795	529,844	1,726,387	404,631	7,933
8532	Sullivan Rd Phase 2	99,098	88,187	-	-	10,911
8533	Miller/Watts Pond	641,934	69,894	10,511	-	561,529
8534	Windmere/Libman	38,534	31,343	-	-	7,191
8536	Langdon Property	65,000	10,993	25,863	-	28,144
8537	Braddock Manor West	635,898	22,053	16,357	410,605	186,883
8538	Carroll Co Maint Center Pond	41,240	13,085	22,762	-	5,393
8540	Eldersburg Estates Sec 3-5	550,000	-	475,296	9,136	65,568
8541	Dickenson Run Strm Clean Up	462	-	462	-	-
8542	Community Rain Barrel Prog	4,900	-	4,900	-	-
8543	Willow Pond/Eden Farms	82,200	-	13,530	-	68,670
8554	* Piney Run Park Site #2	20,291	14,422	5,869	-	-
8561	Piney Run Sediment Study	25,800	-	15,515	10,237	48
8576	Farm Museum ESD	34,050	-	13,544	-	20,506
8578	Blue Ridge Manor	10,000	-	2,300	-	7,700
8580	Earth Day-Ebb Valley Elem	12,839	-	11,839	-	1,000
8593	Shannon Run/Hawks Ridge	113,230	-	43,230	-	70,000
9920	Watershed Assessment & Improve	4,661,314	10,869	(10,869)	-	4,661,314
	Total	15,852,708	2,387,996	3,088,477	961,138	9,415,097
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	Total Conservation and Natural Resources	228,779,772	188,121,578	9,509,023	1,027,105	30,122,066
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	<b>Total Governmental Activities</b>	<b>597,771,367</b>	<b>450,800,737</b>	<b>41,331,365</b>	<b>13,155,341</b>	<b>92,483,924</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2015**

Schedule 5

	Total	Prior Years	Current Year		Unexpended	
Description	Appropriation	Expenditures	Expenditures	Encumbered	Appropriation	
<b>Business-type Activities</b>						
<b>Bureau of Utilities</b>						
6030	W/S 341 Oak Creek Phase I	\$ -	\$ -	\$ -	\$ 7,878	\$ (7,878)
6311	Water & Sewer Meters	2,505,862	2,054,276	442,918	-	8,668
6332	Tank Painting	863,031	186,734	61,857	8,640	605,800
6344	HWWTP-Effluent Chillers	2,436,967	598,878	22,966	-	1,815,123
6358	8-12-16 Mains/Hydraulic Loop	634,221	-	-	-	634,221
6359	Hydrant Replacement	1,347,350	1,171,606	98,340	-	77,404
6374	Relief Sewer No. 2	164,000	-	7,500	-	156,500
6376	Relief Sewer No. 4	108,500	-	6,500	-	102,000
6378	Relief Sewer No. 6	3,162,000	306,499	7,316	-	2,848,185
6382	Relief Sewer No. 10	405,300	-	-	-	405,300
6385	Sewer Study Update	365,000	187,647	-	-	177,353
6388	Pleasant Valley Backup Well 04	280,993	7,213	263,558	-	10,222
6390	Sykesville Eleva W/Tank #6 04	62,000	-	-	-	62,000
6403	Sanitary Sewer Manhole Rehab	1,521,200	701,431	56,192	465,974	297,603
6409	FD Looping Monroe (Okla-Benn)	74,800	-	-	-	74,800
6413	Hampstead Sludge Tank Renovate	158,200	138,392	-	-	19,808
6418	North Pump Station Wet Well	730,000	59,296	127,090	134,230	409,384
6419	Freedom Waste Water TP-ENR	8,500,000	391,103	1,294,889	-	6,814,008
6421	Sanitary Sewer Main Lining	1,702,701	873,530	156,575	641,263	31,333
6422	Gravity Sewer Main	251,400	-	70,772	166,272	14,356
6423	N Carroll Farms Pump Stat Rehb	266,000	63,592	171,129	12,988	18,291
6425	Water Main Loops FY12	489,000	-	356	-	488,644
6426	W. Hampstead Sewer Upgrade	147,600	-	-	-	147,600
6428	Water Main Blow-Off Replcmts	256,300	13,112	136,921	-	106,267
6429	Water Service Line Replacement	502,300	182,961	252,620	-	66,719
6430	Hampstead Grit Removal	3,000,000	46,623	729,575	406,498	1,817,304
6432	Asset Management System	200,000	-	-	199,558	442
6433	Bark Hill WTP-Improvmnts	194,000	-	-	-	194,000
6434	Freedom WTP-Membrance Fitr	776,250	-	163,643	-	612,607
6435	Freedom WTP-Sludge Press	285,000	-	-	-	285,000
6436	Piney Run Pump Station Imprv	305,000	-	688	-	304,312
	Total- Bureau of Utilities	<u>31,694,975</u>	<u>6,982,893</u>	<u>4,071,405</u>	<u>2,043,301</u>	<u>18,597,376</u>
<b>Solid Waste</b>						
6520	Hoods Mill Remediation	1,134,626	900,133	36,339	13,431	184,723
6521	Northern Landfill Remediation	959,000	818,593	-	-	140,407
6528	John Owings LF Remediation	800,000	589,367	28,308	3,858	178,467
6532	Closed Landfill Remediation	130,000	65,306	29,582	-	35,112
6534	Nrthn Landfill-Cap Cells 1&2	3,960,000	-	-	-	3,960,000
6535 **	Northern Landfill Office	322,000	313,494	-	-	8,506
6536	Northern LF-Leachate Ponds	460,000	-	-	-	460,000
	Total- Solid Waste	<u>7,765,626</u>	<u>2,686,893</u>	<u>94,229</u>	<u>17,289</u>	<u>4,967,215</u>
<b>Fiber Network</b>						
6602	Fiber Equipment Replacement	1,100,000	-	853,550	-	246,450
	Total- Fiber Network	<u>1,100,000</u>	<u>-</u>	<u>853,550</u>	<u>-</u>	<u>246,450</u>
<b>Septage</b>						
6704	Westminster Sept Screen/Grit	4,500,000	72,951	275,815	-	4,151,234
	Total- Septage	<u>4,500,000</u>	<u>72,951</u>	<u>275,815</u>	<u>-</u>	<u>4,151,234</u>
<b>Airport</b>						
6818	Grounds & Facility Impr (9541)	315,180	283,401	10,950	6,646	14,183
6821	Airport Runway Extension	49,991,667	-	-	-	49,991,667
6822	AP Master Plan Study Phase 1	166,666	167,400	120,000	-	(120,734)
	Total- Airport	<u>50,473,513</u>	<u>450,801</u>	<u>130,950</u>	<u>6,646</u>	<u>49,885,116</u>
	<b>Total Business-type Activities</b>	<u>\$ 95,534,114</u>	<u>\$ 10,193,538</u>	<u>\$ 5,425,949</u>	<u>\$ 2,067,236</u>	<u>\$ 77,847,391</u>

\* Completed CIP projects put into service during FY15

\*\* Partially completed CIP projects put into service during FY15



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Schedule of Long-Term Indebtedness**  
**June 30, 2015**

	Amount Outstanding July 1, 2014	New Debt Activity	Principal Payments For Year 2015	Amount Outstanding June 30, 2015	Interest Payments For Year 2015
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Volunteer Fire Dept. Project - 2003	\$ 810,000	\$ -	\$ 150,000	\$ 660,000	\$ 26,928
General Obligation Refunding Bonds-Feb 2004	13,336,368	-	13,336,368	-	53,883
General Obligation Bonds - July 2004	1,464,590	-	1,464,590	-	26,363
General Obligation Bonds - Taxable Pension 2004	855,000	-	855,000	-	22,445
Volunteer Fire Dept. Project - 2004	976,073	-	146,675	829,398	37,283
General Obligation Bonds- 2005	4,326,921	-	2,165,931	2,160,990	129,768
Volunteer Fire Dept. Project- 2005	1,340,000	-	195,000	1,145,000	52,075
General Obligation Bonds-2006	4,045,136	-	1,348,378	2,696,758	134,838
General Obligation Refunding Bonds- Jan 2007	15,070,214	-	3,131,975	11,938,239	596,165
General Obligation Bonds-2007	12,031,831	-	1,422,195	10,609,636	488,507
General Obligation Refunding Bonds-Nov 2007	4,330,000	-	540,000	3,790,000	175,975
General Obligation Bonds-Nov 2008	62,441,555	-	46,886,928	15,554,627	1,819,062
General Obligation Bonds-Nov 2009 Series A	15,028,786	-	2,252,138	12,776,648	536,402
General Obligation Refunding Bonds-Nov 2009 Series A	828,835	-	828,835	-	9,324
General Obligation Bonds-Nov 2009 Series B	33,577,761	-	-	33,577,761	1,734,776
General Obligation Refunding Bonds-Oct 2010 Series A	6,562,591	-	1,954,392	4,608,199	111,708
General Obligation Refunding Bonds-Oct 2010 Series B	1,155,000	-	300,000	855,000	20,100
General Obligation Bonds-Oct 2010 Series D	18,721,059	-	948,028	17,773,031	687,371
General Obligation Refunding Bonds-Nov 2011	9,873,957	-	505,823	9,368,134	407,398
General Obligation Bonds-2011	17,345,000	-	725,000	16,620,000	641,775
General Obligation Refunding Bonds-2012	16,220,345	-	-	16,220,345	678,038
General Obligation Bonds-2012	20,385,000	-	1,075,000	19,310,000	661,362
General Obligation Bonds-2013	26,000,000	-	1,335,000	24,665,000	1,084,925
General Obligation Refunding Bonds- Taxable Pension 2013	4,524,000	-	-	4,524,000	112,034
General Obligation Refunding Bonds-2014	-	52,576,682	-	52,576,682	1,019,567
General Obligation Bonds- 2014	-	15,000,000	-	15,000,000	262,500
<b>Total General Obligation Bonds</b>	<b>291,250,022</b>	<b>67,576,682</b>	<b>81,567,256</b>	<b>277,259,448</b>	<b>11,530,572</b>
<b>Farmers Home Administration</b>					
Federal Loan - 1972	235,232	-	24,590	210,642	8,238
Federal Loan - 1974	105,413	-	8,277	97,136	3,849
Federal Loan - 1979	371,438	-	16,171	355,267	13,554
<b>Total Farmers Home Administration</b>	<b>712,083</b>	<b>-</b>	<b>49,038</b>	<b>663,045</b>	<b>25,641</b>
<b>General Obligation Debt</b>					
Installment Purchase Agreements FY 2002	396,000	-	-	396,000	21,937
Installment Purchase Agreements FY 2003	530,930	-	-	530,930	27,354
Installment Purchase Agreements FY 2004	100,000	-	-	100,000	4,937
Installment Purchase Agreements FY 2005	2,179,934	-	-	2,179,934	106,200
Installment Purchase Agreements FY 2006	1,346,000	-	-	1,346,000	62,012
Installment Purchase Agreements FY 2007	2,584,000	-	-	2,584,000	136,980
Installment Purchase Agreements FY 2009	2,215,126	-	-	2,215,126	132,908
Installment Purchase Agreements FY 2010	4,662,430	-	-	4,662,430	236,297
Installment Purchase Agreements FY 2011	13,115,500	-	-	13,115,500	786,930
Installment Purchase Agreements FY 2013	445,320	-	-	445,320	23,379
Installment Purchase Agreements FY 2014	3,475,344	-	-	3,475,344	182,456
<b>Total General Obligation Debt</b>	<b>31,050,584</b>	<b>-</b>	<b>-</b>	<b>31,050,584</b>	<b>1,721,390</b>
<b>Purchase Agreements</b>					
Johnson Controls/Suntrust	1,540,690	-	201,774	1,338,916	61,527
Johnson Controls/AAGI	-	4,536,852	-	4,536,852	-
<b>Total Purchase Agreements</b>	<b>1,540,690</b>	<b>4,536,852</b>	<b>201,774</b>	<b>5,875,768</b>	<b>61,527</b>
<b>Total Governmental Activities</b>	<b>\$ 324,553,379</b>	<b>\$ 72,113,534</b>	<b>\$ 81,818,068</b>	<b>\$ 314,848,845</b>	<b>\$ 13,339,130</b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Schedule of Long-Term Indebtedness**  
**June 30, 2015**

	Amount Outstanding July 1, 2014	New Debt Activity	Principal Payments For Year 2015	Amount Outstanding June 30, 2015	Interest Payments For Year 2015
<b>Business-Type Activities</b>					
<b>General Obligation Bonds</b>					
Bureau of Utilities					
General Obligation Refunding Bonds-Feb 2004	900,335	-	900,335	-	3,638
General Obligation Bonds - July 2004	25,201	-	25,201	-	454
General Obligation Bonds - 2005	40,327	-	20,188	20,139	1,209
General Obligation Bonds - 2006	43,325	-	14,442	28,883	1,429
General Obligation Refunding Bonds-Jan 2007	138,241	-	28,730	109,511	5,469
General Obligation Bonds- 2007	5,636,060	-	627,490	5,008,570	228,696
General Obligation Bonds- 2008	6,646,156	-	5,082,425	1,563,731	191,581
General Obligation Bonds- 2009 Series A	480,109	-	71,947	408,162	17,136
General Obligation Bonds- 2009 Series B	1,072,240	-	-	1,072,240	55,397
General Obligation Bonds- 2010 Series A	3,350	-	998	2,352	57
General Obligation Bonds- 2010 Series D	13,093	-	663	12,430	481
General Obligation Refunding Bonds-Nov 2011	484,428	-	65,890	418,538	19,391
General Obligation Refunding Bonds-Nov 2012	198,550	-	-	198,550	8,399
General Obligation Refunding Bonds-Nov 2014	-	5,446,058	-	5,446,058	101,586
Solid Waste Fund					
General Obligation Refunding Bonds-Feb 2004	417,363	-	417,363	-	1,686
General Obligation Bonds - July 2004	163,075	-	163,075	-	2,935
General Obligation Refunding Bonds- Jan 2007	224,862	-	46,732	178,130	8,895
General Obligation Bonds- 2007	362,109	-	40,314	321,795	14,693
General Obligation Bonds- 2008	242,288	-	155,646	86,642	7,641
General Obligation Bonds- 2009 Series A	6,105	-	915	5,190	218
General Obligation Refunding Bonds- 2009 Series A	21,166	-	21,166	-	238
General Obligation Refunding Bonds-Nov 2011	789,646	-	-	789,646	33,168
General Obligation Refunding Bonds-Nov 2014	-	406,860	-	406,860	8,557
Airport Fund					
General Obligation Bonds - 2001	880,000	-	110,000	770,000	37,249
General Obligation Refunding Bonds-Feb 2004	115,934	-	115,934	-	468
General Obligation Bonds - July 2004	27,135	-	27,135	-	488
General Obligation Bonds- 2005	7,752	-	3,881	3,871	232
General Obligation Refunding Bonds-2007	156,683	-	32,563	124,120	6,198
General Obligation Refunding Bonds-2010 Series A	49,061	-	14,610	34,451	835
General Obligation Refunding Bonds-2010 Series D	25,848	-	1,309	24,539	949
General Obligation Refunding Bonds-Nov 2011	286,966	-	28,286	258,680	11,643
General Obligation Refunding Bonds-Nov 2012	18,716	-	-	18,716	754
General Obligation Refunding Bonds-Nov 2014	-	85,400	-	85,400	1,397
Septage Fund					
General Obligation Bonds - 2006	36,539	-	12,180	24,359	1,233
General Obligation Refunding Bonds- Nov 2012	62,391	-	-	62,391	2,759
<b>Total General Obligation Bonds</b>	<u>19,575,054</u>	<u>5,938,318</u>	<u>8,029,418</u>	<u>17,483,954</u>	<u>777,159</u>
<b>Notes Payable- Bureau of Utilities</b>					
Water Quality Loan - Maryland Department of the Environment - 2000					
	216,757	-	28,633	188,124	7,351
<b>Total Notes Payable</b>	<u>216,757</u>	<u>-</u>	<u>28,633</u>	<u>188,124</u>	<u>7,351</u>
<b>Total Business-type Activities</b>	<u>\$ 19,791,811</u>	<u>\$ 5,938,318</u>	<u>\$ 8,058,051</u>	<u>\$ 17,672,078</u>	<u>\$ 784,510</u>

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

Schedule 7

**Schedule of Investments for  
Governmental Activities, Business Activities, and Trust Funds  
June 30, 2015**

	Length (in Days)	Maturity Date	Rate (%)	Market Value	Totals
<b>GOVERNMENTAL ACTIVITIES</b>					
Federal Home Loan Bank	720	30-Dec-15	0.38	\$ 5,001,550	
Federal Home Loan Bank	720	30-Mar-17	0.85	5,006,050	
Federal Home Loan Mortgage Corporation	720	24-Jun-16	0.50	5,001,350	
Federal Home Loan Mortgage Corporation	720	17-Nov-16	0.60	4,995,000	
Federal Home Loan Mortgage Corporation	720	27-Apr-17	0.85	4,992,200	
Federal Home Loan Mortgage Corporation	720	12-May-17	0.80	4,998,350	
Federal Home Loan Mortgage Corporation	720	26-May-17	0.85	4,993,250	
Federal National Mortgage Association	301	26-Oct-15	0.26	20,094,600	
Federal Farm Credit Bank	720	10-Dec-15	0.45	5,000,050	
Federal Farm Credit Bank	720	10-Mar-16	0.35	4,998,200	
Treasury Bonds	20 yrs	15-Nov-21	5.66	232,050	
Treasury Bonds	20 yrs	15-Aug-22	5.69	152,793	
Treasury Bonds	20 yrs	15-Aug-22	5.44	229,190	
Treasury Bonds	20 yrs	15-Nov-22	5.05	275,723	
Treasury Bonds	20 yrs	15-Aug-23	5.05	103,113	
Treasury Bonds	20 yrs	15-Nov-24	4.86	2,046,120	
Treasury Bonds	20 yrs	15-Aug-25	4.75	1,276,610	
Treasury Bonds	20 yrs	15-Nov-26	4.93	1,817,276	
Treasury Bonds	20 yrs	15-Feb-27	4.72	1,139,752	
Treasury Bonds	20 yrs	15-Aug-29	4.36	2,382,860	
Treasury Strips	20 yrs	15-Nov-21	5.83	66,654	
Treasury Strips	20 yrs	15-Aug-22	5.92	29,952	
Treasury Strips	20 yrs	15-Aug-22	5.78	54,392	
Treasury Strips	20 yrs	15-Nov-22	5.39	85,829	
Treasury Strips	20 yrs	15-Aug-23	5.42	17,374	
Treasury Strips	20 yrs	15-Nov-24	5.12	606,303	
Treasury Strips	20 yrs	15-Nov-25	4.76	341,489	
Treasury Strips	20 yrs	15-Nov-26	4.95	219,561	
Treasury Strips	20 yrs	15-Feb-27	4.73	146,852	
Treasury Strips	8 yrs	15-May-17	3.15	1,188,390	
Treasury Strips	20 yrs	15-May-24	4.39	690,518	
Treasury Strips	20 yrs	15-May-29	4.42	72,795	
Treasury Strips	20 yrs	15-Feb-30	4.76	854,722	
Treasury Strips	20 yrs	15-Feb-30	4.61	175,064	
Treasury Strips	20 yrs	15-Aug-29	4.55	511,380	
Treasury Strips	20 yrs	15-Nov-29	4.76	423,727	
Treasury Strips	20 yrs	15-May-30	4.11	1,235,694	
Treasury Strips	20 yrs	15-Aug-30	3.90	1,417,207	
Treasury Strips	20 yrs	15-Nov-30	4.44	1,724,780	
Treasury Strips	20 yrs	15-May-31	4.46	1,777,256	
Treasury Strips	20 yrs	15-May-31	4.33	2,172,202	
Treasury Strips	20 yrs	15-Nov-32	2.91	262,319	
Treasury Strips	20 yrs	15-Nov-33	3.88	1,759,374	
Treasury Strips	20 yrs	15-Feb-34	3.69	209,578	
State and Local Government Series	15 yrs	15-May-24	---	51,000	
Maryland Local Government Investment Pool	---	---	0.05	7,956,919	
Branch Banking & Trust-Money Rate Savings	---	---	0.15	63,005,496	\$ 161,792,914
<b>TRUST FUNDS</b>					
<u>Pension</u>					
M&T Employee Pension Account				62,523,806	
<u>Other postemployment benefits (OPEB)</u>					
Maryland Local Government Investment Pool-OPEB				3,782,402	
M&T Master OPEB Investment Trust				55,518,355	
<u>LOSAP</u>					
M&T LOSAP account				8,468,405	
<u>Law Officer's Pension</u>					
M&T Law Officer's Pension Account				9,109,784	139,402,752
<b>TOTAL</b>					<u><u>\$ 301,195,666</u></u>

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

**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source (1)**  
**June 30, 2015**

Governmental funds capital assets:	
Land	\$ 34,466,628
Buildings and contents	186,633,468
Improvements other than buildings	42,267,781
Automobiles, machinery and equipment	43,564,806
Roads and bridges	570,023,127
Construction in progress	38,549,035
Total governmental funds capital assets	<u>\$ 915,504,845</u>
Investments in governmental funds capital assets by source:	
General fund revenues	\$ 522,809,000
Special revenue funds	836,729
State grants	68,167,868
Federal grants	21,410,377
General obligation bonds	161,235,420
Contributions	141,045,451
Total investments in governmental funds capital assets by source	<u>\$ 915,504,845</u>

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

Source: Carroll County Department of the Comptroller.

THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland

Schedule 8-2

Capital Assets Used in the Operation of Governmental Funds  
Schedule By Function  
JUNE 30, 2015

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	Land	Buildings and Contents	Improvements Other Than Buildings	Automobiles, Machinery and Equipment	Roads and Bridges	Construction in Progress	Total
General government	\$ 18,654,609	\$ 166,404,588	\$ 15,862,035	\$ 10,671,843	\$ -	\$ -	\$ 211,593,075
Public safety	1,773,152	12,534,363	7,882,338	17,017,845	-	-	39,207,698
Public works	3,162,236	770,185	-	13,495,614	563,105,888	-	580,533,923
Judicial	-	211,861	-	418,657	-	-	630,518
Health	43,709	16,844	-	87,286	-	-	147,839
Human Services	-	-	115,863	101,507	-	-	217,370
Education	-	-	-	43,412	-	-	43,412
Culture and recreation	3,827,148	4,000,555	9,606,952	1,574,800	-	-	19,009,455
Conservation and natural resources	7,005,774	-	5,307,549	-	-	-	12,313,323
Economic development	-	2,695,072	3,493,044	153,842	6,917,239	-	13,259,197
Construction in progress	-	-	-	-	-	38,549,035	38,549,035
Subtotal	<u>34,466,628</u>	<u>186,633,468</u>	<u>42,267,781</u>	<u>43,564,806</u>	<u>570,023,127</u>	<u>38,549,035</u>	<u>915,504,845</u>
Less accumulated depreciation	<u>-</u>	<u>(53,262,037)</u>	<u>(23,013,149)</u>	<u>(31,270,491)</u>	<u>(423,759,297)</u>	<u>-</u>	<u>(531,304,974)</u>
Net governmental funds capital assets	<u>\$ 34,466,628</u>	<u>\$ 133,371,431</u>	<u>\$ 19,254,632</u>	<u>\$ 12,294,315</u>	<u>\$ 146,263,830</u>	<u>\$ 38,549,035</u>	<u>\$ 384,199,871</u>

(1) This schedule presents only the capital asset balances related to governmental funds.  
Accordingly, the capital assets reported in internal service funds are excluded from the

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

**Schedule 8-3**

**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function**  
**For the Year Ended June 30, 2015**

	Governmental Funds Capital Assets July 1, 2014	Additions	Net of Transfers and Retirements	Governmental Funds Capital Assets June 30, 2015
General government	\$ 193,038,734	\$ 2,064,313	\$ 16,490,028	\$ 211,593,075
Public safety	30,461,461	8,995,763	(249,526)	39,207,698
Public works	579,084,305	3,507,826	(2,058,208)	580,533,923
Judicial	-	48,774	581,744	630,518
Health	8,893,154	-	(8,745,315)	147,839
Human services	-	-	217,370	217,370
Education	4,530,487	-	(4,487,075)	43,412
Cultural and recreation	18,435,109	254,527	319,819	19,009,455
Conservation and natural resources	13,196,547	2,885,255	(3,768,479)	12,313,323
Economic development	13,274,048	-	(14,851)	13,259,197
Construction in progress	31,640,221	16,841,598	(9,932,784)	38,549,035
Subtotal	<u>892,554,066</u>	<u>34,598,056</u>	<u>(11,647,277)</u>	<u>915,504,845</u>
Less accumulated depreciation	<u>(512,589,706)</u>	<u>(20,152,516)</u>	<u>1,437,248</u>	<u>(531,304,974)</u>
Net governmental funds capital assets	<u>\$ 379,964,360</u>	<u>\$ 14,445,540</u>	<u>\$(10,210,029)</u>	<u>\$ 384,199,871</u>

Source: Carroll County Department of the Comptroller.



# Statistical Section



The elementary schools around the county participate in the Battle Of The Books event through the Public Library. Pictured above are the winners from the North Carroll area along with Lynn Wheeler, Director of the Carroll County Public Library and Commissioner Weaver. Pictured below is a group of students on campus at Carroll Community College.



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

**STATISTICAL SECTION**

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

**Contents** ..... **Page(s)**

**Financial Trends**

These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time. .... 216-225

**Revenue Capacity**

These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax..... 226-228

**Debt Capacity**

These tables contain information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future. .... 229-232

**Economic and Demographic Information**

These tables offer economic and demographic indicators to help the reader understand the environment within which the County’s financial activities take place. .... 233-234

**Operating Information**

These tables contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs. .... 235-244

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 218,185,521	\$ 204,437,083	\$ 211,465,620	\$ 215,928,941	\$ 224,468,499
Restricted	1,765,563	7,792,322	8,354,576	6,438,836	6,438,332
Unrestricted	(56,074,648)	(44,518,647)	(50,148,292)	(45,963,471)	(51,077,932)
<i>Total Governmental Activities Net Position</i>	<u>163,876,436</u>	<u>167,710,758</u>	<u>169,671,904</u>	<u>176,404,306</u>	<u>179,828,899</u>
Business-Type Activities					
Net Investment in Capital Assets	111,957,714	102,696,222	103,109,748	102,205,828	104,568,783
Restricted	25,663,794	22,938,152	17,019,197	12,503,774	370,116
Unrestricted	(12,222,927)	1,599,083	(4,118,863)	(3,535,427)	5,063,524
<i>Total Business-Type Activities Net Position</i>	<u>125,398,581</u>	<u>127,233,457</u>	<u>116,010,082</u>	<u>111,174,175</u>	<u>110,002,423</u>
Primary government					
Net Investment in Capital Assets	330,143,235	307,133,305	314,575,368	318,134,769	329,037,282
Restricted	27,429,357	30,730,474	25,373,773	18,942,610	6,808,448
Unrestricted	(68,297,575)	(42,919,564)	(54,267,155)	(49,498,898)	(46,014,408)
<i>Total Primary Government Net Position</i>	<u>\$ 289,275,017</u>	<u>\$ 294,944,215</u>	<u>\$ 285,681,986</u>	<u>\$ 287,578,481</u>	<u>\$ 289,831,322</u>

Fiscal years 2008-2012 were reclassified per GASB standards.

Fiscal year 2012 was restated to reflect unearned revenue.

Fiscal year 2014 was restated to reflect a correction to net Investment in Capital Assets.

Fiscal year 2014 and prior have not been restated for GASB 68 and 71.

Source: Carroll County Department of the Comptroller.

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

**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 249,331,687	\$ 269,641,878	\$ 255,882,342	\$ 270,193,492	\$ 279,457,684
7,402,357	8,561,570	13,278,406	21,321,426	21,667,901
(45,926,141)	(7,378,808)	84,677,964	70,332,171	57,753,704
<hr/> 210,807,903	<hr/> 270,824,640	<hr/> 353,838,712	<hr/> 361,847,089	<hr/> 358,879,289
93,558,513	95,654,846	82,575,108	78,066,986	64,416,046
1,308,820	9,435,295	6,788,158	7,077,515	12,111,572
4,257,842	(5,246,129)	6,594,607	6,918,217	3,660,752
<hr/> 99,125,175	<hr/> 99,844,012	<hr/> 95,957,873	<hr/> 92,062,718	<hr/> 80,188,370
342,890,200	365,296,724	338,457,450	348,260,478	343,873,730
8,711,177	17,996,865	20,066,564	28,398,941	33,779,473
(41,668,299)	(12,624,937)	91,272,571	77,250,388	55,150,087
<hr/> <hr/> \$ 309,933,078	<hr/> <hr/> \$ 370,668,652	<hr/> <hr/> \$ 449,796,585	<hr/> <hr/> \$ 453,909,807	<hr/> <hr/> \$ 432,803,290

Table 2

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 49,409,874	\$ 57,641,753	\$ 74,177,030	\$ 75,568,819	\$ 89,394,541	\$ 79,073,880	\$ 74,296,486	\$ 70,411,246	\$ 63,412,621	\$ 56,180,288
Public safety	43,979,786	42,220,945	36,029,829	37,356,463	37,244,642	37,798,060	38,658,117	35,583,985	28,609,006	27,078,499
Public works	38,511,223	35,383,930	29,857,345	28,764,355	29,582,890	33,974,607	30,238,005	30,496,143	20,775,987	28,093,744
Health	4,280,644	4,504,233	4,546,895	4,666,495	4,939,762	4,963,980	4,868,271	4,454,550	4,397,039	4,310,828
Human services	6,875,694	1,234,170	1,208,120	1,204,489	1,249,949	1,418,139	1,346,366	1,228,095	1,131,873	1,099,690
Education	191,534,142	192,529,402	192,972,220	186,244,744	185,038,583	209,838,466	219,824,282	188,609,030	168,198,541	152,201,781
Culture and recreation	4,637,178	2,617,282	3,208,030	3,418,694	3,257,483	4,143,870	2,606,230	2,596,212	2,772,654	2,005,587
Libraries	14,145,909	13,909,531	13,150,071	11,540,245	11,277,792	9,971,261	7,740,076	9,269,078	7,511,036	6,812,087
Conservation of natural resources	8,936,174	11,395,342	5,116,229	4,701,163	20,163,969	14,288,096	29,125,383	17,487,058	16,711,700	13,395,013
Economic development	4,822,656	6,723,025	4,572,817	2,239,352	5,370,598	6,018,687	5,988,296	4,715,075	3,076,751	2,058,988
Judicial	7,283,903	6,222,691	-	-	-	-	-	-	-	-
Interest on long-term debt	11,851,872	12,506,841	12,347,384	13,401,465	12,522,525	12,553,680	10,282,801	8,963,131	8,984,385	8,700,181
<i>Total Governmental Activities Expenses</i>	<u>386,269,055</u>	<u>386,889,145</u>	<u>377,185,970</u>	<u>369,106,284</u>	<u>400,042,734</u>	<u>414,042,726</u>	<u>424,974,313</u>	<u>373,813,603</u>	<u>325,581,593</u>	<u>301,936,686</u>
<b>Business-Type Activities:</b>										
Bureau of Utilities	11,046,657	11,328,410	10,801,048	11,090,468	11,890,461	10,489,645	8,169,257	10,056,546	7,849,747	7,510,988
Solid Waste	9,550,820	6,319,530	12,108,283	8,727,891	8,830,209	8,961,015	7,487,843	7,648,918	7,935,237	7,480,908
Airport	733,816	800,811	689,380	1,769,112	618,045	829,611	777,692	3,097,618	2,086,621	2,235,048
Septage	604,130	536,068	489,064	532,369	475,718	474,195	388,398	395,824	402,898	364,010
Firearms	106,373	100,324	97,706	92,935	79,627	76,281	77,475	74,497	58,238	60,267
Fiber Network	1,230,506	673,718	733,785	540,436	215,017	-	-	-	-	-
<i>Total Business-Type Activities Expenses</i>	<u>23,272,302</u>	<u>19,758,861</u>	<u>24,919,266</u>	<u>22,753,211</u>	<u>22,109,077</u>	<u>20,830,747</u>	<u>16,900,665</u>	<u>21,273,403</u>	<u>18,332,741</u>	<u>17,651,221</u>
<i>Total Primary Government Expenses</i>	<u>\$ 409,541,357</u>	<u>\$ 406,648,006</u>	<u>\$ 402,105,236</u>	<u>\$ 391,859,495</u>	<u>\$ 422,151,811</u>	<u>\$ 434,873,473</u>	<u>\$ 441,874,978</u>	<u>\$ 395,087,006</u>	<u>\$ 343,914,334</u>	<u>\$ 319,587,907</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General government	\$ 17,670,046	\$ 14,450,607	\$ 14,820,757	\$ 7,466,568	\$ 8,361,578	\$ 7,579,919	\$ 7,483,309	\$ 10,755,039	\$ 9,364,742	\$ 6,099,868
Public safety	1,950,898	1,836,510	1,891,508	2,048,892	2,305,294	2,544,149	2,938,203	3,294,542	3,840,410	2,704,610
Public works	216,246	1,781,862	1,559,051	1,588,668	1,560,090	1,530,974	1,520,812	1,672,368	1,456,792	1,341,439
Health	6,684	55,405	58,946	124,065	44,320	12,190	15,541	12,492	8,155	8,111
Human Services	86,275	6,600	6,600	6,600	6,600	284,014	367,238	367,238	284,564	334,806
Education	-	257,816	480,685	487,464	457,698	393,951	425,150	409,266	749,353	5,763,276
Culture and recreation	1,621,589	832,906	928,603	1,008,187	875,200	860,865	772,204	818,931	907,465	419,893
Conservation of natural resources	41,587	-	-	-	-	-	-	-	-	-
Economic development	-	525,158	-	-	-	-	-	-	-	10,741
Operating Grants and Contributions	15,436,302	16,136,623	16,116,178	16,372,579	17,944,093	16,201,809	14,075,463	13,824,732	12,841,014	11,833,487
Capital Grants and Contributions	6,562,362	8,372,841	3,282,495	6,177,426	10,461,443	17,297,018	3,212,403	6,797,218	7,453,139	3,022,177
<i>Total Governmental Activities Program Revenues</i>	<u>43,591,989</u>	<u>44,256,328</u>	<u>39,144,823</u>	<u>35,280,449</u>	<u>42,016,316</u>	<u>46,704,889</u>	<u>30,810,323</u>	<u>37,951,826</u>	<u>36,905,634</u>	<u>31,538,408</u>

Table 2

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Business-Type Activities:</b>										
Charges for Services:										
Bureau of Utilities	\$ 10,233,000	\$ 8,906,129	\$ 8,490,173	\$ 8,630,730	\$ 7,843,041	\$ 7,519,559	\$ 7,668,003	\$ 7,344,470	\$ 6,281,659	\$ 6,581,912
Solid Waste	6,637,638	6,801,739	7,243,944	7,307,108	5,907,344	6,534,243	6,626,896	6,609,679	6,461,528	6,078,340
Airport	727,987	649,572	650,660	675,683	518,581	671,258	2,222,010	1,840,449	2,041,458	1,744,414
Septage	946,123	710,536	682,663	608,688	603,550	449,263	387,636	536,845	482,599	388,871
Firearms	153,687	148,106	145,699	126,696	111,984	104,713	55,120	59,400	79,649	72,894
Fiber Network	37,558	7,619,387	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	1,064,797	-	49,256
Capital Grants and Contributions	1,970,091	2,933,307	2,012,594	2,073,793	1,908,142	1,963,862	2,520,888	2,079,422	1,562,378	5,853,894
<i>Total Business-Type Activities Program Revenues</i>	<u>20,706,084</u>	<u>27,768,776</u>	<u>19,225,733</u>	<u>19,422,698</u>	<u>16,892,642</u>	<u>17,242,898</u>	<u>19,480,553</u>	<u>19,535,062</u>	<u>16,909,271</u>	<u>20,769,581</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 64,298,073</u>	<u>\$ 72,025,104</u>	<u>\$ 58,370,556</u>	<u>\$ 54,703,147</u>	<u>\$ 58,908,958</u>	<u>\$ 63,947,787</u>	<u>\$ 50,290,876</u>	<u>\$ 57,486,888</u>	<u>\$ 53,814,905</u>	<u>\$ 52,307,989</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(342,677,066)	(342,632,817)	(338,041,147)	(333,825,835)	(358,026,418)	(367,337,837)	(394,163,990)	(335,861,777)	(288,675,959)	(270,398,278)
Business-Type Activities	(2,566,218)	8,009,915	(5,693,533)	(3,330,513)	(5,216,435)	(3,587,849)	2,579,888	(1,738,341)	(1,423,470)	3,118,360
<i>Total Primary Government Net Expense</i>	<u>\$(345,243,284)</u>	<u>\$(334,622,902)</u>	<u>\$(343,734,680)</u>	<u>\$(337,156,348)</u>	<u>\$(363,242,853)</u>	<u>\$(370,925,686)</u>	<u>\$(391,584,102)</u>	<u>\$(337,600,118)</u>	<u>\$(290,099,429)</u>	<u>\$(267,279,918)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 195,465,262	\$ 197,220,873	\$ 203,601,066	\$ 208,296,512	\$ 201,573,213	\$ 189,079,529	\$ 174,354,873	\$ 158,112,936	\$ 148,644,728	\$ 134,732,896
Income tax	144,994,220	131,714,052	118,168,038	121,921,970	95,516,527	99,973,903	120,230,118	106,921,331	108,435,386	103,315,651
Recordation	11,888,637	10,576,850	8,520,674	7,612,907	9,154,578	9,220,249	14,948,705	18,902,094	22,782,302	22,207,072
Admission and amusement tax	353,937	262,098	296,890	379,990	246,184	335,125	386,186	405,295	393,659	451,296
Agricultural transfer tax	59,558	365,510	159,227	24,977	24,199	181,458	439,268	390,420	501,049	863,696
Hotel tax	284,101	309,992	298,498	284,602	287,850	287,495	311,049	321,676	191,117	-
State shared, unrestricted	-	948,717	620,224	724,807	1,172,339	10,300,922	11,744,961	12,729,241	12,313,362	9,936,273
Investment earnings and miscellaneous, unrestricted	2,068,767	1,721,180	3,048,631	782,346	2,107,298	4,563,217	8,753,090	8,622,196	6,988,995	2,662,242
Transfers	(325,053)	(2,447,601)	(4,312,006)	(12,980,697)	(2,761,088)	(2,791,980)	(3,314,850)	(8,497,061)	(2,893,223)	(3,807,258)
<i>Total Governmental Activities</i>	<u>354,789,429</u>	<u>340,671,671</u>	<u>330,401,242</u>	<u>327,047,414</u>	<u>307,321,100</u>	<u>311,149,918</u>	<u>327,853,400</u>	<u>297,908,128</u>	<u>297,357,375</u>	<u>270,361,868</u>
Business-Type Activities:										
Investment earnings and miscellaneous, unrestricted	\$ 404,594	\$ 756,859	\$ 383,547	\$ 582,930	\$ 422,785	\$ 751,926	\$ 2,279,730	\$ 2,174,966	\$ 1,496,621	\$ 1,635,201
Gain on sale of capital asset	1,695	9,000	3,677	-	35,395	-	93,425	-	-	-
Transfers	325,053	2,447,601	4,312,006	12,980,697	2,761,088	2,791,980	3,314,850	8,497,061	2,893,223	3,807,258
<i>Total Business-Type Activities</i>	<u>731,342</u>	<u>3,213,460</u>	<u>4,699,230</u>	<u>13,563,627</u>	<u>3,219,268</u>	<u>3,543,906</u>	<u>5,688,005</u>	<u>10,672,027</u>	<u>4,389,844</u>	<u>5,442,459</u>
<i>Total Primary Government</i>	<u>355,520,771</u>	<u>343,885,131</u>	<u>335,100,472</u>	<u>340,611,041</u>	<u>310,540,368</u>	<u>314,693,824</u>	<u>333,541,405</u>	<u>308,580,155</u>	<u>301,747,219</u>	<u>275,804,327</u>
Governmental Activities	\$ 12,112,363	\$ (1,961,146)	\$ (7,639,905)	\$ (6,778,421)	\$ (50,705,318)	\$ (56,187,919)	\$ (66,310,590)	\$ (37,953,649)	\$ 8,681,416	\$ (36,410)
Business-Type Activities	(1,834,876)	11,223,375	(994,303)	10,233,114	(1,997,167)	(43,943)	8,267,893	8,933,686	2,966,374	8,560,819
<i>Total Primary Government Change in Net Position</i>	<u>\$ 10,277,487</u>	<u>\$ 9,262,229</u>	<u>\$ (8,634,208)</u>	<u>\$ 3,454,693</u>	<u>\$ (52,702,485)</u>	<u>\$ (56,231,862)</u>	<u>\$ (58,042,697)</u>	<u>\$ (29,019,963)</u>	<u>\$ 11,647,790</u>	<u>\$ 8,524,409</u>

Note:

Fiscal year 2011 and 2012 was restated to reflect GASB standards.

Fiscal year 2015 reflects the reclassification of activities by functions.

Fiscal year 2014 was restated to reflect a correction to Net Investments in Capital Assets.

Source: Carroll County Department of the Comptroller.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund (1)</b>										
Nonspendable	\$ 29,004,124	\$ 29,209,160	\$ 29,140,848	\$ 27,853,715	\$ 30,274,746					
Restricted	27,423,603	26,052,436	23,584,205	25,272,233	18,998,982					
Committed	20,398,120	19,825,000	19,765,000	19,777,263	20,165,000					
Assigned	18,458,967	22,035,700	16,264,913	20,946,437	9,782,490					
Unassigned	7,383,735	6,922,173	16,132,542	14,827,375	16,809,377					
<b>Total General Fund</b>	<b>102,668,549</b>	<b>104,044,469</b>	<b>104,887,508</b>	<b>108,677,023</b>	<b>96,030,595</b>					
<b>Capital Projects Fund</b>										
Restricted	292,775	-	-	-	-					
Assigned	28,249,875	36,834,193	40,629,996	37,134,531	33,780,969					
<b>Total Capital Projects Fund</b>	<b>28,542,650</b>	<b>36,834,193</b>	<b>40,629,996</b>	<b>37,134,531</b>	<b>33,780,969</b>					
<b>Non-Major Governmental Funds: (1)</b>										
<b>Special Revenues Fund</b>										
Restricted	1,472,788	1,543,563	1,159,415	2,227,030	4,361,704					
Committed	2,203,593	1,606,331	1,275,957	911,792	603,723					
Unassigned	-	-	-	-	(21,576)					
<b>Total Non-Major Governmental Funds</b>	<b>3,676,381</b>	<b>3,149,894</b>	<b>2,435,372</b>	<b>3,138,822</b>	<b>4,943,851</b>					
<b>Total Governmental Funds- as restated</b>	<b>\$ 134,887,580</b>	<b>\$ 144,028,556</b>	<b>\$ 147,952,876</b>	<b>\$ 148,950,376</b>	<b>\$ 134,755,415</b>					
Unassigned General Fund Balance as a Percentage of General Fund Expenditures	2.5%	2.4%	5.2%	4.8%	5.5%					
<b>General Fund</b>										
Reserved						\$ 39,429,507	\$ 34,538,703	\$ 34,265,738	\$ 36,345,385	\$ 29,544,723
Unreserved and designated						27,868,281	34,623,762	30,997,138	31,787,678	31,217,889
Unreserved, undesignated						7,993,646	8,103,281	14,858,762	7,302,102	13,542,642
<b>Total General Fund</b>						<b>75,291,434</b>	<b>77,265,746</b>	<b>80,121,638</b>	<b>75,435,165</b>	<b>74,305,254</b>
<b>Capital Projects Fund</b>										
Reserved for Encumbrances						14,173,039	19,967,975	39,912,191	11,023,565	12,857,709
Unreserved and designated						29,143,318	25,951,067	45,904,401	93,792,138	79,972,189
<b>Non-Major Governmental Funds:</b>										
<b>Special Revenues Fund</b>										
Unreserved, undesignated						4,940,003	3,338,527	2,340,051	9,973,460	9,395,177
<b>Total Other Governmental Funds</b>						<b>48,256,360</b>	<b>49,257,569</b>	<b>88,156,643</b>	<b>114,789,163</b>	<b>102,225,075</b>
<b>Total Governmental Funds</b>						<b>\$ 123,547,794</b>	<b>\$ 126,523,315</b>	<b>\$ 168,278,281</b>	<b>\$ 190,224,328</b>	<b>\$ 176,530,329</b>
Unreserved General Fund Balance										

Source: Carroll County Department of the Comptroller.

(1) In FY 2011 GASB 54 was implemented.

In FY 2014 there was a change in law of how unassigned fund balanced must be used. Part of what would have gone to unassigned is now assigned for future fiscal years.

**Table 4**

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

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Income Tax</b>	<b>Recordation Tax</b>	<b>Admission and Amusement Tax</b>	<b>911 Service Fees-Tax</b>	<b>Other Tax</b>	<b>Total</b>
2006	143,192,552	108,435,386	22,782,302	393,659	1,242,506	692,166	276,738,571
2007	158,112,936	110,300,274	18,902,094	405,295	1,600,475	1,439,455	290,760,529
2008	174,354,873	117,976,994	14,948,705	386,186	1,240,906	1,757,335	310,664,999
2009	189,079,529	112,763,102	9,220,249	335,125	1,196,731	1,797,810	314,392,546
2010	201,526,399	108,140,073	9,154,578	246,184	1,163,737	1,478,009	321,708,980
2011	208,296,512	116,171,871	7,612,907	379,990	1,039,337	1,172,805	334,673,422
2012	203,601,066	127,249,915	8,520,674	296,890	1,037,075	1,718,042	342,423,662
2013	197,727,477	127,555,768	10,021,395	288,173	1,028,501	1,751,744	338,373,058
2014	195,528,915	131,659,596	10,576,850	262,098	1,039,244	2,065,786	341,132,489
2015	194,029,688	139,356,969	11,888,637	353,937	1,089,823	1,912,584	348,631,638
Change 2006-2015	35.5%	28.5%	-47.8%	-10.1%	-12.3%	176.3%	26.0%

In fiscal year 2012, real property tax rate reduced from \$1.048 to \$1.028 per \$100 of assessed value.  
 In fiscal year 2013, real property tax rate reduced from \$1.028 to \$1.018 per \$100 of assessed value.  
 In fiscal year 2012, personal property tax rate reduced from \$2.62 to \$2.57 per \$100 of assessed value.  
 In fiscal year 2013, personal property tax rate reduced from \$2.57 to \$2.545 per \$100 of assessed value.  
 In fiscal year 2014, personal property tax rate reduced from \$2.545 to \$2.515 per \$100 of assessed value.  
 Effective January 1, 2015 income tax rate reduced from \$3.04% to 3.03% of taxable income.

Source: Carroll County Department of the Comptroller.

Table 5

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

	2015	2014	2013	2012	2011
<b>REVENUES</b>					
Taxes-Local (see Table 4)	\$348,631,638	\$341,132,489	\$338,373,058	\$342,423,662	\$334,673,422
Taxes-State Shared	-	952,204	1,635,475	1,236,284	1,447,227
Impact fees	184,605	206,711	295,755	1,575,933	1,148,592
Licenses and permits	1,600,930	1,475,869	1,518,884	1,382,219	1,364,820
Intergovernmental revenues	20,290,637	22,898,130	18,978,536	15,316,915	26,455,936
Charges for services	4,445,797	4,576,701	4,732,420	4,810,478	4,981,149
Fines and forfeits	99,840	92,532	95,487	92,355	101,128
Interest and gain on investments	2,477,109	2,225,527	(829,835)	6,800,763	1,244,055
Miscellaneous revenues	9,808,553	10,054,257	5,840,925	3,758,082	3,249,099
Total revenues	<u>387,539,109</u>	<u>383,614,420</u>	<u>370,640,705</u>	<u>377,396,691</u>	<u>374,665,428</u>
<b>EXPENDITURES</b>					
Current:					
General government	44,974,142	60,974,579	63,738,334	69,611,957	69,373,934
Public safety	42,721,116	41,484,155	35,585,271	35,914,325	35,396,452
Public works	17,139,292	13,275,887	9,565,709	8,831,776	10,649,104
Health	4,269,673	4,301,492	4,307,983	4,494,155	4,707,292
Human services	6,855,878	1,232,576	1,199,706	1,185,304	1,226,927
Education	186,866,867	185,008,583	180,570,971	173,557,501	174,935,761
Library	13,687,211	13,417,275	11,000,246	8,497,632	8,645,019
Culture and recreation	4,182,624	1,759,651	2,721,536	2,569,590	2,639,789
Conservation of natural resources	2,000,988	966,448	856,440	839,957	822,510
Economic development	4,586,843	6,484,527	4,324,885	1,970,523	5,089,136
Judicial	7,310,970	-	-	-	-
Capital outlay	41,331,365	48,515,249	33,646,285	30,304,655	44,842,000
Debt service:					
Principal	28,145,359	26,984,558	25,641,361	27,087,742	23,431,934
Interest	13,339,130	13,656,778	13,646,029	14,154,056	13,914,992
Total expenditures	<u>417,411,458</u>	<u>418,061,758</u>	<u>386,804,756</u>	<u>379,019,173</u>	<u>395,674,850</u>
Excess (deficiency) of revenues over (under) expenditures	(29,872,349)	(34,447,338)	(16,164,051)	(1,622,482)	(21,009,422)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	22,733,370	24,670,471	26,836,782	21,745,757	13,778,283
Transfers out	(23,058,423)	(25,978,861)	(35,484,572)	(26,057,763)	(16,018,252)
Refunding bonds issued	52,576,682	4,524,000	16,220,345	9,873,957	14,690,327
Payments to escrow agent	(59,780,169)	(4,478,621)	(19,357,902)	(11,299,208)	(14,593,220)
Bonds issued	15,000,000	26,000,000	21,460,000	18,750,000	21,192,091
Bonds premium	8,549,374	2,480,740	5,152,394	2,756,696	2,894
Issuance of debt-long term notes	4,536,852	3,475,344	445,320	-	13,115,500
Total other financing sources	<u>20,557,686</u>	<u>30,693,073</u>	<u>15,272,367</u>	<u>15,769,439</u>	<u>32,167,623</u>
Net change in fund balances	<u>\$ (9,314,663)</u>	<u>\$ (3,754,265)</u>	<u>\$ (891,684)</u>	<u>\$ 14,146,957</u>	<u>\$ 11,158,201</u>
Debt Service as a percentage of					
Noncapital Expenditures	10.4%	10.2%	10.3%	9.9%	8.7%

Note: For comparison purposes, transfers out to the Pension Fund for fiscal year 2006 was reclassified as expenditures by function.

Implementation of GASB 43 & 45 was fiscal year 2008.

Source: Carroll County Department of the Comptroller.



Table 5

2010	2009	2008	2007	2006
\$321,708,980	\$314,392,546	\$310,664,999	\$290,760,528	\$276,738,571
1,219,154	10,800,922	12,244,961	12,729,242	12,313,362
1,304,575	869,347	1,350,460	1,669,793	3,924,721
1,310,176	1,288,525	1,666,970	1,781,585	3,349,234
30,841,686	15,042,612	16,773,453	14,253,803	12,627,892
5,008,757	5,239,049	5,788,013	5,732,717	4,559,557
86,168	90,840	100,509	86,754	88,942
2,989,913	5,463,426	10,537,502	11,112,070	6,753,742
4,396,040	3,349,723	4,101,008	5,953,948	3,763,843
368,865,449	356,536,990	363,227,875	344,080,440	324,119,864
72,086,446	69,035,233	65,771,932	60,783,464	60,412,713
34,748,084	35,256,843	34,222,625	28,595,412	26,875,030
12,586,032	11,325,405	10,861,774	9,425,523	8,495,030
4,712,680	4,731,958	4,368,725	4,339,691	4,204,001
1,391,110	1,319,630	1,200,206	1,131,873	1,096,568
177,855,179	172,156,658	155,480,987	151,674,483	142,253,487
8,413,733	8,170,171	7,717,198	6,782,100	6,220,220
1,877,029	1,665,731	1,648,268	2,106,832	1,221,026
792,207	800,054	821,409	718,552	698,716
5,640,224	5,690,821	4,351,843	3,067,166	1,819,561
-	-	-	-	-
77,047,071	127,778,575	86,014,727	55,671,218	45,177,873
22,889,828	24,029,542	23,487,007	20,336,962	18,421,084
12,802,086	10,470,693	9,543,326	9,237,763	8,987,587
432,841,709	472,431,314	405,490,027	353,871,039	325,882,896
(63,976,260)	(115,894,324)	(42,262,152)	(9,790,599)	(1,763,032)
12,035,023	16,037,191	26,594,904	14,957,047	12,024,485
(14,780,223)	(18,829,171)	(29,909,754)	(17,812,601)	(14,890,815)
(7,936,995)	-	-	-	-
-	-	(6,786,798)	(24,849,347)	-
64,508,850	72,088,000	27,100,000	44,092,000	34,699,318
2,371,214	1,874,448	672,349	1,180,352	171,249
4,662,430	2,956,796	2,495,343	5,994,265	5,923,118
60,860,299	74,127,264	20,166,044	23,561,716	37,927,355
\$ (3,115,961)	\$ (41,767,060)	\$ (22,096,108)	\$ 13,771,117	\$ 36,164,323
8.6%	7.5%	8.3%	11.2%	11.0%

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

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

Fiscal Year	Real Property			Personal Property				Estimated Market Value	Direct Tax Rate	Grand Total Estimated Market Value	Total Direct Tax Rate
	Assessed Value	Estimated Market Value	Direct Tax Rate	Assessed Value		Public Utilities	Total				
				Unincorporated	Incorporated						
2006	\$ 12,991,405,895	\$ 12,991,405,895	\$ 1.048	\$ 11,212,790	\$ 237,290,840	\$ 247,785,660	\$ 496,289,290	\$ 496,289,290	\$ 2.62	\$ 13,487,695,185	\$ 1.106
2007	14,922,575,656	14,922,575,656	1.048	12,180,910	259,445,570	258,703,530	530,330,010	530,330,010	2.62	15,452,905,666	1.102
2008	17,292,769,748	17,292,769,748	1.048	11,266,340	267,238,630	277,840,350	556,345,320	556,345,320	2.62	17,849,115,068	1.097
2009	19,863,606,197	19,863,606,197	1.048	11,958,790	273,972,690	271,526,820	557,458,300	557,458,300	2.62	20,421,064,497	1.091
2010	21,523,794,240	21,523,794,240	1.048	11,285,650	276,475,340	266,070,820	553,831,810	553,831,810	2.62	22,077,626,050	1.087
2011	20,362,487,659	20,362,487,659	1.048	10,631,520	258,758,007	275,237,500	544,627,027	544,627,027	2.62	20,907,114,686	1.089
2012	19,164,115,652	19,164,115,652	1.028	10,201,300	388,879,330	266,415,290	665,495,920	665,495,920	2.57	19,829,611,572	1.080
2013	18,276,387,823	18,276,387,823	1.018	10,738,930	253,571,870	268,124,550	532,435,350	532,435,350	2.545	18,808,823,173	1.061
2014	18,023,463,105	18,023,463,105	1.018	10,646,050	266,503,440	248,768,830	525,918,320	525,918,320	2.515	18,549,381,425	1.060
2015	17,942,543,249	17,942,543,249	1.018	10,629,226	273,646,180	268,730,010	553,005,416	553,005,416	2.515	18,495,548,665	1.063

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Real property is reassessed every three years. Real property is assessed at market value.  
 In fiscal year 2012, real property tax rate reduced from \$1.048 to \$1.028 per \$100 of assessed value.  
 In fiscal year 2013, real property tax rate reduced from \$1.028 to \$1.018 per \$100 of assessed value.  
 In fiscal year 2012, personal property tax rate reduced from \$2.62 to \$2.57 per \$100 of assessed value.  
 In fiscal year 2013, personal property tax rate reduced from \$2.57 to \$2.545 per \$100 of assessed value.  
 In fiscal year 2014, personal property tax rate reduced from \$2.545 to \$2.515 per \$100 of assessed value  
 The total personal property assessed value is equal to the estimated market value.

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Direct Rate		Overlapping Rates							
	Carroll County	State of Maryland	Taneytown	Sykesville	Manchester	Westminster	Hampstead	New Windsor	Union Bridge	Mt. Airy
2006	\$ 1.048	\$ 0.132	\$ 0.32	\$ 0.33	\$ 0.184	\$ 0.40	\$ 0.20	\$ 0.16	\$ 0.30	\$ 0.188
2007	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.16	0.30	0.183
2008	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.174
2009	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.165
2010	1.048	0.112	0.32	0.33	0.184	0.44	0.20	0.20	0.30	0.165
2011	1.048	0.112	0.32	0.33	0.204	0.58	0.20	0.20	0.30	0.170
2012	1.028	0.112	0.32	0.33	0.216	0.58	0.20	0.20	0.30	0.170
2013	1.018	0.112	0.37	0.35	0.216	0.57	0.20	0.20	0.30	0.170
2014	1.018	0.112	0.37	0.35	0.216	0.56	0.20	0.2115	0.30	0.170
2015	1.018	0.112	0.37	0.35	0.216	0.56	0.20	0.2115	0.30	0.170

The real property tax rates indicated for the incorporated towns only apply within town limits and are in addition to the county and state taxes.

Sources: Carroll County Department of the Comptroller.  
Maryland State Department of Assessments and Taxation.

Table 8

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

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

2015

Taxpayer	Type of Business	Assessed Valuation	Tax Amount Paid	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 182,372,823	\$ 4,583,228	0.99%
Verizon-Maryland	Communications	28,689,850	721,155	0.16%
Carroll Lutheran Village	Retirement Village	57,955,800	589,990	0.31%
Colonial Pipeline Co.	Pipeline trans.-refined petroleum	22,863,330	575,013	0.12%
Penguin Random House	Warehouse Distribution	36,902,140	531,583	0.20%
Potomac Edison Co	Electric/Utilities	16,753,570	421,352	0.09%
Comcast of California/MD/PA	Communications	16,141,940	405,970	0.09%
Wal-Mart Real Estate	Retail	28,839,760	381,471	0.16%
Lehigh Cement Co. Inc	Manufacturer	30,424,100	378,513	0.16%
Fairhaven Inc	Assisted Living	30,947,700	314,986	0.17%
		<u>\$ 451,891,013</u>	<u>\$ 8,903,261</u>	<u>2.45%</u>
	Total Assessed Valuation	<u>\$ 18,448,985,330</u>		

2006

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Value
Baltimore Gas & Electric	Utilities	\$ 143,088,820	1.06%
Verizon-Maryland	Communications	64,508,030	0.48%
Carroll Lutheran Village	Retirement Village	41,397,340	0.31%
Random House Inc	Warehouse Distribution Center	41,086,330	0.31%
Cranberry Mall Properties LLC	Mall	35,173,411	0.26%
Wal-Mart Store, Inc.	Commercial Stores	33,795,169	0.25%
Fairhaven Inc.	Assisted Living	33,345,666	0.25%
Hampstead 2004 LLC	Power Tools	29,855,500	0.22%
Lehigh Portland Cement	Manufacturer of Cement	21,016,656	0.16%
Eldersburg Business Center	Business Center	20,497,564	0.15%
		<u>\$ 463,764,486</u>	<u>3.45%</u>
	Total Assessed Valuation	<u>\$ 13,470,143,079</u>	

Property is reassessed every three years.

Source: Carroll County Department of the Comptroller.

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

**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		Amount	Percent of Levy		Amount	Percent of Levy		
2006	\$ 148,620,872	\$ 147,744,969	99.41%	\$ 840,450	\$ 148,585,419	99.98%	\$ 35,453	0.02%
2007	170,128,050	169,106,817	99.40%	980,142	170,086,959	99.98%	41,091	0.02%
2008	195,803,333	194,780,453	99.48%	942,885	195,723,338	99.96%	79,995	0.04%
2009	222,162,191	221,514,565	99.71%	540,313	222,054,878	99.95%	107,313	0.05%
2010	239,700,128	238,543,223	99.52%	1,043,476	239,586,699	99.95%	113,429	0.05%
2011	227,243,978	226,056,851	99.48%	1,036,553	227,093,404	99.93%	150,574	0.07%
2012	210,236,086	209,114,927	99.47%	952,178	210,067,105	99.92%	168,981	0.08%
2013	198,695,291	197,845,421	99.57%	692,240	198,537,661	99.92%	157,630	0.08%
2014	196,108,388	195,202,000	99.54%	641,456	195,843,456	99.86%	264,932	0.14%
2015	195,677,697	194,784,554	99.54%	-	194,784,554	99.54%	893,143	0.46%

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Water				Sewer			
	Quarterly Base Rate	Tier 1*	Tier 2*	Tier 3*	Quarterly Base Rate	Tier 1*	Tier 2*	Tier 3*
2006	\$ 6.69	\$ 2.94	\$ 3.59	\$ 3.86	\$ 9.36	\$ 4.36	\$ 5.33	\$ 5.63
2007	7.64	3.29	4.02	4.47	10.06	5.14	6.38	7.18
2008	8.23	3.35	4.18	4.69	11.61	5.70	6.71	6.60
2009	8.90	3.63	4.54	5.11	12.58	5.19	6.83	7.85
2010	8.41	4.02	4.67	5.07	11.95	5.91	7.06	7.82
2011	6.97	4.62	5.00	5.28	9.97	7.27	8.13	8.77
2012	6.97	4.62	5.00	5.28	9.97	7.27	8.13	8.77
2013	6.75	5.18	5.42	5.59	9.66	7.64	8.29	8.77
2014	7.37	5.75	5.93	6.07	10.45	8.15	8.69	9.15
2015	9.03	6.26	6.41	6.54	12.75	8.65	9.14	9.62

Tiers are based on the following usages

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

\*Per 1,000 gallons

The standard household meter size is 5/8” and the average household usage for fiscal year 2015 was 13,000 gals. per quarter.

Source: Carroll County Department of the Comptroller.

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Personal Income (3)	% of Market Property Value (2)	Per Capita (3)
	General Obligation Bonds(1)	General Obligation Debt	Other Notes	Purchase Agreements	General Obligation Bonds (1)	Special Assessment Debt with Government Commitment				
2006	\$ 217,812,296	\$ 4,552,864	\$ 1,749,669	\$ 2,649,079	\$ 14,860,641	\$ 5,244,860	\$ 246,869,409	2.52%	1.83%	1,437
2007	218,904,371	7,136,864	4,107,759	2,725,443	13,781,251	4,511,880	251,167,568	2.59%	1.63%	1,450
2008	219,672,038	7,136,864	3,473,927	2,583,004	22,345,826	3,742,952	258,954,611	2.68%	1.45%	1,486
2009	271,851,752	9,351,990	1,969,903	2,432,323	28,139,243	2,936,297	316,681,508	2.27%	1.55%	1,811
2010	308,741,636	14,014,420	937,965	2,268,571	27,878,604	2,090,052	355,931,248	2.02%	1.61%	2,027
2011	307,155,888	27,129,920	200,000	2,097,835	26,190,843	1,202,259	363,976,745	2.08%	1.74%	2,167
2012	300,214,844	27,129,920	-	1,919,820	23,758,129	271,865	353,294,578	2.15%	1.78%	2,095
2013	304,173,204	27,575,240	-	1,734,212	21,687,221	244,664	355,414,541	N/A	1.89%	2,090
2014	304,903,421	31,050,584	-	1,540,690	19,575,054	216,757	357,286,506	N/A	1.93%	2,094
2015	297,878,654	31,050,584	-	5,875,768	17,483,954	188,125	352,477,085	N/A	1.91%	2,053

Notes: N/A not available.

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

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

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

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

Source: Carroll County Department of the Comptroller.

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

**Ratios of Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds &amp; Debt Outstanding</b>	<b>Percent of Actual Property Value (1)</b>	<b>Percent of Personal Income (2)</b>	<b>Per Capita (2)</b>
2006	\$ 237,225,801	1.76%	2.62%	\$ 1,381
2007	239,822,486	1.55%	2.72%	1,384
2008	249,154,728	1.39%	2.79%	1,430
2009	309,342,985	1.52%	2.32%	1,769
2010	350,634,660	1.59%	2.05%	1,997
2011	360,476,651	1.72%	2.05%	2,146
2012	351,102,893	1.77%	2.17%	2,082
2013	353,435,665	1.88%	N/A	2,078
2014	355,529,059	1.91%	N/A	2,083
2015	346,413,192	1.87%	N/A	2,017

Notes: N/A not available.

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

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

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

Source: Carroll County Department of the Comptroller.



**Table 13**

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

**Computation of Legal Debt Margin  
June 30, 2015**

Net assessed value- Real Property	\$ 17,942,543,249	
Debt limit - 6% of net total assessed value (1)		\$ 1,076,552,595
Assessed Value-Personal Property	<u>553,005,416</u>	
Debt limit- 15% of net assessed value (1)		<u>82,950,812</u>
Debt Limit- (6%/15%) of net assessed value		1,159,503,407
Amount of debt applicable to debt limit:		
Total Bonded Debt	\$ 326,457,028	
Less- Agricultural Preservation Program Self Supporting Debt	31,050,584	
Less- Fire Company Loans- Self Supporting Debt	7,869,230	
Less - Bureau of Utilities bonds	14,289,164	
Less - Septage bonds	86,750	
Total amount of debt applicable to debt limit		<u>273,161,300</u>
Legal debt margin		<u><u>\$ 886,342,107</u></u>

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

Schedule of Legal Debt Margin  
2006-2015

Fiscal Year	Assessed Value	Legal Debt Limitation	Legal Borrowing Limitation	Debt Subject to Limitation	Legal Debt Margin	Ratio of Debt Subject to Limitation To Legal Borrowing Limitation
2006	\$ 13,470,143,079	6.0%	\$ 852,874,621	\$ 226,319,103	\$ 626,555,518	26.54%
2007	15,441,306,101	6%/15%	974,208,067	211,725,319	762,482,748	21.73%
2008	17,902,568,898	6%/15%	1,124,225,213	214,237,099	909,988,114	19.06%
2009	20,409,412,280	6%/15%	1,274,735,984	268,496,244	1,006,239,740	21.06%
2010	22,066,168,625	6%/15%	1,373,814,980	303,156,906	1,070,658,074	22.07%
2011	20,895,165,478	6%/15%	1,302,726,361	301,960,750	1,000,765,611	23.18%
2012	19,813,576,019	6%/15%	1,248,709,194	292,937,714	955,771,480	23.46%
2013	18,789,765,921	6%/15%	1,175,305,137	287,113,093	888,192,044	24.43%
2014	18,514,343,538	6%/15%	1,158,193,261	286,486,025	871,707,236	24.74%
2015	18,495,548,665	6%/15%	1,159,503,407	273,161,300	886,342,107	23.56%

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

**Computation of Direct And Overlapping Debt**  
**June 30, 2015**

<b>Jurisdiction</b>	<b>Real Property Assessed Valuation (1)</b>	<b>Percent of Assessed Valuation to Overlapping Jurisdictions</b>	<b>Pro rata Share of Direct Debt to Jurisdictions(2)</b>	<b>Overlapping Debt(3)</b>	<b>Total Direct and Overlapping Debt</b>
Hampstead	\$ 535,492,720	2.98%	\$ 10,010,670	\$ 1,109,846	\$ 1,109,846
Manchester	452,175,342	2.52%	8,470,567	177,233	177,233
Mt. Airy	826,893,385	4.61%	15,467,991	7,513,456	7,513,456
New Windsor	126,200,565	0.70%	2,377,116	-	-
Sykesville	385,845,987	2.15%	7,231,788	810,304	810,304
Taneytown	552,558,424	3.08%	10,345,475	16,760,711	16,760,711
Union Bridge	69,972,218	0.39%	1,305,740	1,375,736	1,375,736
Westminster	1,586,245,918	8.84%	29,663,724	14,796,494	14,796,494
Unincorporated areas	13,407,158,690	74.72%	249,931,935	-	-
County-wide Totals	<u>\$ 17,942,543,249</u>	<u>100.00%</u>	<u>\$ 334,805,006</u>	<u>\$ 42,543,780</u>	<u>\$ 42,543,780</u>

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

(2) See Note 8.

(3) Overlapping debt is provided by each municipality

Source: Carroll County Department of the Comptroller.  
 Incorporated Municipalities.

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

**Demographic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (\$ in thous.) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2006	171,742	\$ 6,209,401	\$ 36,874	28,219	3.00%
2007	173,208	6,516,268	38,694	28,575	3.70%
2008	174,249	6,944,986	41,147	28,261	3.80%
2009	174,909	7,176,136	42,264	27,745	6.60%
2010	167,134	7,192,191	44,247	27,524	6.50%
2011	167,929	7,400,133	45,507	27,201	6.80%
2012	168,570	7,612,765	48,919	26,937	6.60%
2013	169,519	8,180,090	N/A	26,506	6.20%
2014	170,643	N/A	N/A	26,153	5.40%
2015	171,702	N/A	N/A	25,706	4.80%

Source: (1) Carroll County Department of Land Use, Planning and Development, June 2015. FY 2010 reflects the 2010 Census data. All other fiscal years are estimates.

(2) Maryland Department of Planning, Planning Data Services, from U.S. Bureau of Economic Analysis, April 2014.

(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2014-2015.

(4) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information.

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

**Major Employers  
Current Fiscal Year and Nine Years Ago**

**2015**

<u>Firm</u>	<u>Product/Service</u>	<u>Total Employment *</u>	<u>Percentage of Total County Employment</u>
Board of Education of Carroll County **	Elementary and secondary school systems	3,630	6.47%
Carroll Hospital Center	General hospital	1,997	3.56%
Springfield Hospital Center	Mental health services	833	1.48%
Jos. A. Bank Clothiers	Corporate HQ/ Distribution	778	1.39%
Penguin Random House, Inc.	Book warehousing and distribution	753	1.34%
EMA/Fairhaven	Retirement/Assisted Living	700	1.25%
McDaniel College	Higher education	621	1.11%
Carroll County Government***	Local government	592	1.05%
Carroll Community College	Higher education	509	0.91%
EVAPCO	Cooling Equipment Manufacturer	440	0.78%
	<b>Total</b>	<b>10,853</b>	<b>19.33%</b>
	Annual Average Employment in Carroll County****	<b>56,144</b>	

**2006**

<u>Firm</u>	<u>Product/Service</u>	<u>Total Employment</u>	<u>Percentage of Total County Employment</u>
Board of Education of Carroll County **	Elementary and secondary school systems	3,342	6.18%
Carroll County General Hospital	General hospital	1,438	2.66%
Springfield Hospital center	Mental health services	833	1.54%
Random House, Inc	Book warehousing and distribution	830	1.53%
Carroll County Government ***	Local government central office	642	1.19%
McDaniel College	Higher Education	623	1.15%
Fairhaven (Episcopal Ministries)	Life care retirement community	580	1.07%
Jos. A. Bank Clothiers	Corporate HQ/ distribution	487	0.90%
Northrop Grumman	Electronic manufacturing/testing	425	0.79%
English American Tailoring	Clothing manufacturer	415	0.77%
	<b>Total</b>	<b>9,615</b>	<b>17.78%</b>
	Annual Average Employment in Carroll County	<b>54,082</b>	

- Notes: \* As of July 15, 2014.  
 \*\* Does not include hourly employees such as substitutes, aides, etc.  
 \*\*\* Central offices only. Excludes Sheriff's Department, Courts, etc.  
 \*\*\*\* As of June 2014.

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

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

<u>Function/program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
County Commissioners										
Legislative	5	5	6	5	9	9	8	9	11	10
* Licenses/Zoning Appeals Board	-	-	-	-	-	-	-	-	-	4
Public Information	-	-	-	-	-	2	2	2	2	3
* Farm Museum	-	-	-	-	-	7	9	10	10	10
* Building Construction	2	2	2	2	2	-	-	-	-	-
* Facilities	50	51	47	47	48	-	-	-	-	-
* Fleet	23	23	22	23	24	-	-	-	-	-
* Permits	22	22	22	22	22	-	-	-	-	-
* Airport Management	-	-	-	-	-	2	2	3	2	2
Judicial Services	70	68	68	68	69	73	75	73	72	65
County Attorney	10	11	12	10	10	10	10	10	10	10
Comptroller	34	33	34	34	34	35	36	37	37	36
Administrative Services										
Administrative Services- Admin	-	-	-	-	1	-	-	-	-	-
Human Resources and Personnel Svcs	11	12	13	12	13	13	16	17	17	17
Management Analysis	-	-	-	-	1	1	2	2	2	3
TV Production	2	2	2	2	2	2	1	1	1	-
Production & Distribution Svcs	3	3	3	3	3	3	3	3	3	3
Technology Services	29	27	27	25	25	25	25	27	25	24
Management and Budget	15	14	15	15	14	16	18	16	18	17
Land Use, Planning and Development	48	47	45	46	43	43	43	45	42	45
* General Services	-	-	-	-	-	103	118	127	122	114
Human Services	51	55	50	48	48	45	54	56	51	51
Public Safety										
Sheriff Services	249	253	242	230	211	204	209	197	196	186
Emergency Services	36	36	34	37	30	31	32	36	35	34
Public Works										
* Supervision & Administration	7	5	4	3	2	2	4	4	4	6
* Airport	1	1	1	1	1	-	-	-	-	-
Roads	100	101	101	100	99	97	105	112	108	103
* Engineering	18	18	19	18	19	20	22	23	21	22
Bureau of Utilities-Operations	32	31	32	33	33	32	33	34	30	29
Solid Waste-Operations	18	17	20	20	20	19	20	20	20	21
Social Services	12	17	16	17	17	16	16	15	15	15
Education	1	1	1	1	1	1	1	1	1	1
*Culture and Recreation	26	25	32	31	31	22	27	27	27	27
Conservation of Natural Resources										
Soil Conservation Service	5	6	6	6	6	5	5	6	6	6
Economic Development										
Economic Development	8	7	6	6	6	6	7	7	7	7
BERC	9	9	9	9	9	10	8	8	10	10
* Tourism	8	8	1	1	1	1	2	2	2	2
Total Full Time Employee Totals	<u>905</u>	<u>910</u>	<u>892</u>	<u>875</u>	<u>854</u>	<u>855</u>	<u>913</u>	<u>930</u>	<u>907</u>	<u>883</u>
Part Time Employees	<u>5</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>8</u>	<u>12</u>	<u>14</u>	<u>15</u>	<u>17</u>
Total Employees	<u><u>910</u></u>	<u><u>915</u></u>	<u><u>898</u></u>	<u><u>880</u></u>	<u><u>859</u></u>	<u><u>863</u></u>	<u><u>925</u></u>	<u><u>944</u></u>	<u><u>922</u></u>	<u><u>900</u></u>

\* Denotes departments affected by reorganizations.

Source: Department of the Comptroller

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Information</b>										
Population	171,702	170,643	169,519	168,570	167,929	167,134	174,909	174,249	173,208	171,742
Registered Voters	120,076	119,595	116,523	112,931	112,688	110,336	109,428	106,828	106,853	104,318
<b>General Government</b>										
Building Permits Issued for Residential	287	329	340	246	187	201	159	255	335	661
Estimated Value (\$ in thousands) Residential	\$ 53,298	\$ 54,620	\$ 56,305	\$ 40,741	\$ 31,803	\$ 32,699	\$ 26,308	\$ 44,316	\$ 57,126	\$ 118,037
Building Permits Issued for other purposes	2,082	1,681	1,775	1,826	1,828	1,745	1,908	2,534	2,727	3,244
Estimated Value (\$ in thousands) Other	\$ 90,926	\$ 70,835	\$ 80,519	\$ 71,994	\$ 66,314	\$ 52,397	\$ 108,861	\$ 177,729	\$ 102,781	\$ 138,171
<b>Fire and Emergency Service</b>										
Paid Firemen	120	120	120	120	120	115	115	112	92	85
Active Volunteers (estimated)	725	725	700	714	714	704	663	675	675	750
Dispatched Incidents	18,786	18,786	18,731	18,488	18,216	18,081	17,848	17,584	16,357	15,969
911 Calls Received	71,437	71,437	62,319	60,037	60,752	59,565	61,140	59,186	57,761	55,923
<b>Police Protection</b>										
Resident Troopers	-	-	15	30	46	46	46	46	46	45
Sheriff's Department	106	106	101	87	64	64	64	66	64	64
Citations/Warnings	25,195	23,410	19,579	16,940	16,551	15,845	17,805	14,802	16,551	16,280
911 Calls for Service	19,880	19,880	19,242	14,670	18,293	18,293	17,721	12,779	6,083	6,158
<b>Detention Center</b>										
Detention Center Officers	91	91	91	92	92	92	95	93	93	90
Total Prisoner Days	95,793	88,565	82,994	84,739	93,252	92,144	100,430	98,155	107,711	104,874
<b>Water</b>										
Daily Average Usage (mgd)	2.02	2.05	2.18	2.28	2.07	2.05	2.08	2.18	2.16	2.34
Plants Daily Capacity (mgd)	7.39	7.39	7.39	7.39	7.39	7.39	7.39	3.39	3.39	3.39
Number of Customer Accounts	8521	8474	8428	8382	8323	8268	8256	8247	8230	8163
<b>Wastewater</b>										
Daily Average Usage (mgd)	2.89	2.64	2.63	2.86	2.83	2.71	2.59	2.95	2.89	2.74
Plants Daily Capacity (mgd)	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45
Number of Customer Accounts	9107	9040	8995	8953	8891	8844	8816	8793	8766	8745
<b>Solid Waste</b>										
Tons In	95,480	95,758	96,908	101,616	105,683	85,942	81,447	100,195	108,608	116,267
Tons Recycled	20,502	21,182	21,181	30,587	30,154	20,155	20,322	20,652	21,080	21,533
Tons into Landfill	13,100	17,271	12,840	12,809	13,588	11,576	12,370	14,051	8,969	13,466
Tons Transferred	82,380	78,487	84,068	87,153	91,306	74,364	69,078	86,144	100,028	105,660
<b>Education</b>										
Number of Teachers	2,128	2,152	2,154	2,163	2,198	2,209	2,251	2,209	2,375	2,116
Number of Students	25,706	26,153	26,506	26,937	27,201	27,524	27,745	28,261	28,575	28,219
<b>Community College</b>										
Full Time Equivalent Students (FTE's)	2,803	2,920	3,167	3,173	3,347	3,138	2,920	2,867	2,517	2,519
Faculty-Full Time	85	82	84	79	77	73	75	63	63	65
Faculty-Part Time	196	199	212	296	580	527	545	143	417	249
<b>Airport</b>										
Fuel Sales (gals)	252,457	329,762	270,784	279,664	304,837	255,099	280,319	471,700	503,574	574,155
Tie Downs Occupied	12	12	15	15	25	25	25	25	25	25
Corporate Hangars Occupied	7	7	7	7	7	6	6	6	7	7
T Hangars Occupied	82	82	82	82	82	82	82	82	82	82
<b>Libraries</b>										
Number of volumes (estimated)	600,018	555,600	557,220	548,749	570,742	552,892	551,376	517,239	511,026	553,824
Circulation	3,970,949	3,987,246	4,200,368	4,402,122	4,295,264	4,214,073	3,885,584	3,606,169	3,421,828	3,579,244
<b>Senior Centers</b>										
Outside Groups using facilities	2,280	2,280	1,998	2,007	3,213	2,516	2,922	3,156	3,133	2,976
Volunteer Hours performed at Centers	54,857	54,857	57,402	49,518	44,689	41,493	39,311	39,352	42,957	43,051
Meals Served	34,357	34,357	33,606	30,446	33,297	29,171	26,020	25,188	27,242	29,145
Seniors Attending Activities	273,041	273,041	274,588	271,716	241,749	243,226	159,518	129,635	173,707	160,416

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Information										
Area in Square Miles	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52	455.52
Miles of Roads Paved	915	905	903	899	896	896	893	891	888	886
Miles of Roads Unpaved	70	80	80	80	83	83	84	86	87	89
Number of Bridges	151	151	151	145	147	147	147	147	147	147
Acres in Agricultural Land Preservation	66,642	65,761	62,366	62,078	60,002	57,627	54,858	50,711	46,998	46,737
Fire and Emergency Service										
Stations	14	14	14	14	14	14	14	14	14	14
Detention Center										
Capacity	185	185	185	185	185	185	185	185	185	185
Water										
Water Mains (miles)	141	140	139	139	139	139	135	135	134	134
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Water Tanks	6	6	6	6	6	6	6	6	6	6
Wastewater										
Sewer Mains (miles)	128	127	125	125	125	125	125	122	121	121
Treatment Plants	4	4	4	4	4	4	4	4	4	4
Pumping Stations	18	18	18	18	18	18	18	18	18	18
Solid Waste										
Active Landfills	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Parks (1)	32	32	32	32	31	29	28	27	27	27
Acreage	4,773	4,773	4,773	4,773	4,629	4,652	4,478	4,478	4,478	4,478
Education										
Elementary	23	23	23	23	23	23	23	23	22	22
Middle	9	9	9	9	9	9	9	9	9	9
High	8	8	8	8	8	8	8	7	7	7
Vocational technical	2	2	2	2	2	2	2	2	2	2
Special/Alternative Education	2	2	2	2	2	2	2	2	2	2
College	1	1	1	1	1	1	1	1	1	1
Airport										
Runway (feet)	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
T Hangars Available	82	82	82	82	82	82	82	82	82	82
Corporate Hangars Available	7	7	7	7	7	7	7	7	7	7
Tie Downs Available	52	52	52	52	52	52	52	52	52	52
Apron Area (acres)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Firearms Facility	1	1	1	1	1	1	1	1	1	1
Libraries	6	6	6	6	6	6	6	5	5	5
Senior Centers	5	5	5	5	5	5	5	5	5	5

Note: (1) Includes two proposed reservoirs.  
Source: Carroll County Government.

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

**Bureau of Utilities - Revenue and Expenses  
Last Ten Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>										
Usage charges	\$ 10,233,000	\$ 9,272,482	\$ 8,676,619	\$ 8,312,844	\$ 8,446,852	\$ 7,620,404	\$ 7,328,198	\$ 7,305,990	\$ 7,119,000	\$ 6,076,750
Service charges	-	-	-	798	11,838	4,680	421	54,991	64,593	56,666
Penalties and interest	222,120	480,963	577,270	179,147	382,493	209,239	442,379	1,815,891	1,526,835	1,050,682
Operating transfer - County	199,420	193,390	202,790	199,511	(305,031)	200,200	206,980	629,850	212,000	138,310
Capital contributions (1)	482,614	775,916	1,008,491	335,174	523,776	426,563	75,395	855,655	291,282	389,700
Maintenance fee	1,462,477	1,455,846	1,454,435	1,443,774	1,438,797	1,432,610	1,428,013	1,427,782	1,421,568	850,713
Other	793	262,830	265,575	176,530	172,040	217,957	190,940	307,022	160,877	148,243
<b>Total revenue</b>	<u>12,600,424</u>	<u>12,441,427</u>	<u>12,185,180</u>	<u>10,647,778</u>	<u>10,670,765</u>	<u>10,111,653</u>	<u>9,672,326</u>	<u>12,397,181</u>	<u>10,796,155</u>	<u>8,711,064</u>
<b>Expenses</b>										
Salaries	2,443,101	2,510,322	2,298,153	2,358,994	2,341,948	2,394,033	2,499,181	2,241,162	2,027,979	1,996,372
Operating expenses	5,692,128	5,795,999	5,434,123	5,605,458	6,280,389	5,129,427	3,157,883	5,652,991	3,861,160	3,506,230
Depreciation	2,204,733	2,285,154	2,279,024	2,266,863	2,275,618	1,914,768	1,579,651	1,534,088	1,515,493	1,510,276
Interest	706,695	736,935	789,748	859,153	992,506	1,051,417	932,542	628,305	406,980	498,110
<b>Total expense</b>	<u>11,046,657</u>	<u>11,328,410</u>	<u>10,801,048</u>	<u>11,090,468</u>	<u>11,890,461</u>	<u>10,489,645</u>	<u>8,169,257</u>	<u>10,056,546</u>	<u>7,811,612</u>	<u>7,510,988</u>
<b>Excess (deficiency) of revenue over (under) expense:</b>	<u>\$ 1,553,767</u>	<u>\$ 1,113,017</u>	<u>\$ 1,384,132</u>	<u>\$ (442,690)</u>	<u>\$ (1,219,696)</u>	<u>\$ (377,992)</u>	<u>\$ 1,503,069</u>	<u>\$ 2,340,635</u>	<u>\$ 2,984,543</u>	<u>\$ 1,200,076</u>

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

Source: Carroll County Department of the Comptroller.



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

**Solid Waste Fund - Revenue and Expenses  
Last Ten Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>										
Charge for services	\$ 6,023,220	\$ 5,862,657	\$ 6,165,482	\$ 6,647,622	\$ 6,713,042	\$ 5,435,007	\$ 6,133,596	\$ 6,269,365	\$ 6,353,183	\$ 6,253,935
Penalties and interest	2,573	21,644	19,936	15,624	14,773	211,945	302,752	447,743	631,268	441,286
Proceeds from sales of recyclables	317,760	546,110	628,089	596,322	591,880	461,818	391,872	340,424	227,025	202,325
Capital contributions-equip. transferred from County	-	-	-	-	-	15,888	-	-	-	-
Gain on sale of fixed assets	-	-	78,616	3,677	-	35,395	-	-	-	-
Other	476,079	265,732	256,367	186,955	186,399	10,519	8,775	17,107	29,471	5,268
Operating transfer - County	125,632	1,115,000	6,445,000	2,545,000	2,545,000	2,545,000	2,545,000	2,645,000	2,645,000	2,645,000
<b>Total revenue</b>	<u>6,945,264</u>	<u>7,811,143</u>	<u>13,593,490</u>	<u>9,995,200</u>	<u>10,051,094</u>	<u>8,715,572</u>	<u>9,381,995</u>	<u>9,719,639</u>	<u>9,885,947</u>	<u>9,547,814</u>
<b>Expense</b>										
Salaries	1,435,456	1,436,414	1,524,733	1,522,883	1,604,911	1,633,798	1,633,309	1,387,457	1,335,170	1,220,245
Operating expenses	7,444,156	4,218,417	9,874,810	6,459,000	6,453,160	6,652,203	5,363,689	5,817,255	6,162,316	5,798,265
Depreciation	577,666	564,037	585,096	621,723	615,658	472,313	266,818	203,133	174,008	154,380
Interest	93,541	100,662	123,644	124,285	156,480	202,701	224,027	241,073	263,743	308,018
<b>Total expense</b>	<u>9,550,819</u>	<u>6,319,530</u>	<u>12,108,283</u>	<u>8,727,891</u>	<u>8,830,209</u>	<u>8,961,015</u>	<u>7,487,843</u>	<u>7,648,918</u>	<u>7,935,237</u>	<u>7,480,908</u>
<b>Excess (deficiency) of revenue over expense</b>	<u>\$ (2,605,555)</u>	<u>\$ 1,491,613</u>	<u>\$ 1,485,207</u>	<u>\$ 1,267,309</u>	<u>\$ 1,220,885</u>	<u>\$ (245,443)</u>	<u>\$ 1,894,152</u>	<u>\$ 2,070,721</u>	<u>\$ 1,950,710</u>	<u>\$ 2,066,906</u>
Tipping Fee per ton *	\$ 62.00	\$ 62.00	\$ 62.00	\$ 62.00	\$ 60.00	\$ 58.00	\$ 76.00	\$ 61.00	\$ 58.00	\$ 54.00

Source: Carroll County Department of the Comptroller.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenue</b>										
Rent	\$ 667,119	\$ 638,096	\$ 586,247	\$ 588,932	\$ 611,167	\$ 462,981	\$ 470,011	\$ 495,278	\$ 450,749	\$ 517,732
Fuel sales	60,589	75,846	63,270	61,685	64,016	53,570	197,646	1,715,510	1,378,850	1,523,726
Capital contributions (1)	25,000	186,719	434,316	233,646	111,220	48,969	460,454	91,598	366,572	348,858
Capital contributions-County	-	-	-	-	-	-	-	-	5,603,372	-
Land sale	902	-	-	-	-	-	-	-	1,064,797	-
Operating transfer-County	-	-	2,000,000	-	-	-	40,000	40,000	40,000	83,020
Other	592	9,009	55	43	691	2,030	3,601	11,222	10,850	-
<b>Total revenue</b>	<b>754,202</b>	<b>909,670</b>	<b>3,083,888</b>	<b>884,306</b>	<b>787,094</b>	<b>567,550</b>	<b>1,171,712</b>	<b>2,353,608</b>	<b>8,915,190</b>	<b>2,473,336</b>
<b>Expenses</b>										
Salaries	198,133	200,002	199,851	188,612	212,539	247,203	256,173	236,788	184,513	182,310
Operating expenses	175,804	153,102	216,549	1,312,582	124,103	308,329	267,209	2,359,958	1,612,527	1,562,774
Operating expenses-capital (2)	120,000	194,565	5,438	-	15,892	-	-	255,400	36,061	227,795
Interest	65,301	70,822	78,281	84,437	93,960	104,350	113,327	122,044	130,092	138,741
Depreciation	174,578	182,320	188,935	183,140	171,551	169,729	140,983	123,428	123,428	123,428
Operating transfer-County	-	-	-	-	-	-	-	-	41,446	-
<b>Total expense</b>	<b>733,816</b>	<b>800,811</b>	<b>689,054</b>	<b>1,768,771</b>	<b>618,045</b>	<b>829,611</b>	<b>777,692</b>	<b>3,097,618</b>	<b>2,128,067</b>	<b>2,235,048</b>
<b>Excess (deficiency) of revenue over expense:</b>	<b>\$ 20,386</b>	<b>\$ 108,859</b>	<b>\$ 2,394,834</b>	<b>\$ (884,465)</b>	<b>\$ 169,049</b>	<b>\$ (262,061)</b>	<b>\$ 394,020</b>	<b>\$ (744,010)</b>	<b>\$ 6,787,123</b>	<b>\$ 238,288</b>

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

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

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

Source: Carroll County Department of the Comptroller.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Retired Members of the Carroll County Pension Plan by Type of Benefit**  
**As of June 30, 2015**

Amount of Monthly Benefit	# of Retired Members	Type of Retirement				Option Selected					
		1	2	3	4	Unmod	A	B	C	D	E
Deferred	185										
\$ 1 - \$250	65	60		5		24	7	11	19	2	2
251 - 500	80	70	5	5		21	10	9	27	3	10
501 - 750	45	38	7			14	6	12	8	1	4
751 - 1000	17	13	4			5	2	3	3		4
Over 1,000	5	5					1		3		

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

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

Source: Department of Human Resources.

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

**Carroll County Employee Pension Plan**  
**Average Benefit Payments**  
**Last Ten Fiscal Years**

Retirement Effective Date	Years of Credited Service					
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30
Period 7/1/05 to 6/30/06						
Average Monthly Benefit	\$ 51	\$ 333	\$ 1,685	\$ 2,199	\$ 1,225	\$ -
Average Final Monthly Salary	\$ 2,102	\$ 1,872	\$ 2,373	\$ 3,151	\$ 2,839	\$ -
Number of Retired Members	1	4	9	9	6	-
Period 7/1/06 to 6/30/07						
Average Monthly Benefit	\$ 70	\$ 370	\$ 1,773	\$ 4,959	\$ 2,407	\$ -
Average Final Monthly Salary	\$ 1,675	\$ 1,872	\$ 2,373	\$ 3,553	\$ 2,858	\$ -
Number of Retired Members	2	4	9	15	8	-
Period 7/1/07 to 6/30/08						
Average Monthly Benefit	\$ 137	\$ 447	\$ 2,125	\$ 6,625	\$ 4,404	\$ -
Average Final Monthly Salary	\$ 2,065	\$ 1,939	\$ 2,572	\$ 3,498	\$ 3,385	\$ -
Number of Retired Members	4	5	12	18	13	-
Period 7/1/08 to 6/30/09						
Average Monthly Benefit	\$ 198	\$ 934	\$ 3,207	\$ 9,320	\$ 6,777	\$ -
Average Final Monthly Salary	\$ 2,065	\$ 2,605	\$ 2,705	\$ 3,457	\$ 3,365	\$ -
Number of Retired Members	4	7	14	25	17	-
Period 7/1/09 to 6/30/10						
Average Monthly Benefit	\$ 206	\$ 1,276	\$ 4,144	\$ 11,327	\$ 10,647	\$ 609
Average Final Monthly Salary	\$ 1,879	\$ 3,030	\$ 2,706	\$ 3,631	\$ 3,574	\$ 3,544
Number of Retired Members	5	11	19	30	30	1
Period 7/1/10 to 6/30/11						
Average Monthly Benefit	\$ 518	\$ 1,736	\$ 5,999	\$ 13,356	\$ 17,581	\$ 622
Average Final Monthly Salary	\$ 2,314	\$ 2,909	\$ 2,849	\$ 3,886	\$ 3,649	\$ 3,544
Number of Retired Members	9	15	26	32	36	1
Period 7/1/11 to 6/30/12						
Average Monthly Benefit	\$ 822	\$ 2,499	\$ 8,352	\$ 15,819	\$ 19,982	\$ 762
Average Final Monthly Salary	\$ 2,512	\$ 2,992	\$ 2,963	\$ 3,856	\$ 3,685	\$ 3,620
Number of Retired Members	11	19	31	34	38	2
Period 7/1/12 to 6/30/13						
Average Monthly Benefit	\$ 1,089	\$ 3,107	\$ 9,970	\$ 17,569	\$ 21,338	\$ 1,793
Average Final Monthly Salary	\$ 2,614	\$ 2,897	\$ 3,043	\$ 3,818	\$ 3,708	\$ 3,408
Number of Retired Members	15	22	36	38	40	4
Period 7/1/13 to 6/30/14						
Average Monthly Benefit	\$ 1,356	\$ 4,366	\$ 11,337	\$ 20,840	\$ 23,544	\$ 4,255
Average Final Monthly Salary	\$ 2,730	\$ 2,874	\$ 3,099	\$ 3,750	\$ 3,797	\$ 3,621
Number of Retired Members	17	28	39	43	43	8
Period 7/1/14 to 6/30/15						
Average Monthly Benefit	\$ 1,738	\$ 7,062	\$ 15,280	\$ 27,295	\$ 25,804	\$ 11,100
Average Final Monthly Salary	\$ 2,850	\$ 2,952	\$ 3,171	\$ 3,879	\$ 3,781	\$ 3,749
Number of Retired Members	18	36	47	52	44	15

Source: Department of Human Resources.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**Westminster, Maryland**  
**Retired Members of the Carroll County Certified Law Officers Pension Plan by Type of Benefit**  
**As of June 30, 2015**

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

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

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

Source: Department of Human Resources.

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

**Carroll County Certified Law Officer's Pension**  
**Average Benefit Payments**  
**Last Six Fiscal Years**

Retirement Effective Date	Years of Credited Service					
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30
Period 7/1/09 to 6/30/10						
Average Monthly Benefit	\$ -	\$ -	\$ 354	\$ -	\$ -	\$ 911
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	1
Period 7/1/10 to 6/30/11						
Average Monthly Benefit	\$ -	\$ -	\$ 709	\$ -	\$ -	\$ 1,366
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	1
Period 7/1/11 to 6/30/12						
Average Monthly Benefit	\$ -	\$ -	\$ 723	\$ -	\$ -	\$ 1,393
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	1
Period 7/1/12 to 6/30/13.						
Average Monthly Benefit	\$ -	\$ -	\$ 737	\$ -	\$ -	\$ 2,483
Average Final Monthly Salary	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 4,488
Number of Retired Members	-	-	1	-	-	2
Period 7/1/13 to 6/30/14						
Average Monthly Benefit	\$ -	\$ -	\$ 1,391	\$ 130	\$ 2,947	\$ 5,316
Average Final Monthly Salary	\$ -	\$ -	\$ 5,010	\$ 4,338	\$ 4,612	\$ 4,553
Number of Retired Members	-	-	2	1	2	3
Period 7/1/14 to 6/30/15						
Average Monthly Benefit	\$ -	\$ -	\$ 1,411	\$ 390	\$ 1,209	\$ 7,869
Average Final Monthly Salary	\$ -	\$ -	\$ 5,010	\$ 4,338	\$ 4,175	\$ 4,678
Number of Retired Members	-	-	2	1	1	4

Carroll County Certified Law Officer's Pension was established during fiscal year 2010.

Source: Department of Human Resources.

# Single Audit

## Section



Department of Solid Waste/  
Recycling



Piney Run Park—Apple Fest 2014



Farm Museum—Fall Harvest  
Days 2014



Public Safety/Emergency Management—Home  
Depot Safety Day 2014



Bureau of Aging & Disabilities—Senior on the Go Expo 2015

Many Carroll County departments are involved with the community & participate in events all over the county. They host their own events at the parks or they go to different venues to show the citizens the services that we can provide to them.



## CliftonLarsonAllen

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

The County Commissioners  
of Carroll County  
Westminster, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund, and the aggregate remaining fund information of the County Commissioners of Carroll County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 18, 2015. The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2015. Our audit described below, did not include operations of the entities because these entities engaged for their own separate audit in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be significant deficiency.



**Compliance and Other Matters**

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

**County's Responses to Findings**

The County's response to the finding, item 2015-001, identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.**CliftonLarsonAllen LLP**

Baltimore, Maryland

November 18, 2015

**Independent Auditors' Report on Compliance with Requirements That  
Could Have a Direct and Material Effect on Each Major Federal Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

The County Commissioners  
of Carroll County  
Westminster, Maryland

**Report on Compliance for Each Major Federal Program**

We have audited the County Commissioners of Carroll County, Maryland's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The County's financial statements include the operations of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library for the year ended June 30, 2015, component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2015. Our audit described below did not include the operations of these entities because we were separately engaged to perform and have separately reported on the results of our audits of the Carroll County Community College, the Carroll County Board of Education, the Industrial Development Authority of Carroll County, and the Carroll County Public Library, in accordance with OMB Circular A-133, if required.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland

November 18, 2015

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>		
Direct Funding:		
Section 8 Housing Choice Vouchers Cluster:		
HUD Housing FY15	14.871	\$ 5,061,008
HUD Housing Admin FY15	14.871	466,956
FSS FED FY15	14.871	65,754
HUD Housing FY16	14.871	406,506
HUD Housing Admin FY16	14.871	627
Housing Counseling FY05	14.871	(216)
Section 8 Voucher Admin Federal Funded Subsidy FY03	14.871	1,853
Total Section 8 Housing Choice Voucher Cluster:		<u>6,002,488</u>
Continium of Care Plan FY 12	14.267	3,276
Continium of Care Plan FY 13	14.267	2,861
Passed Through Maryland Department of Community Development:		
Emergency Solutions FFY13	14.231	80,885
Home Initiatives Program FY12	14.239	11,878
<b>Total U.S. Department of Housing and Urban Development</b>		<b><u>6,101,388</u></b>
<b>U.S. Department of Labor</b>		
Passed Through Howard County Manpower Resources		
Employment and Training Assistance:		
Workforce Investment Assistance Cluster:		
BERC-Title I Adult FY15	17.258	11,377
Economically Disadvantaged Youth IIC FY14	17.259	73,103
Economically Disadvantaged Youth FY10	17.259	1,185
BERC-Youth FY15	17.259	3,916
BERC-Title I Disc Worker FY15	17.278	228,652
Economically Disadvantaged IIA FY14	17.278	173,040
Dislocated Workers III FY14	17.278	424,234
Adminstration FY14	17.278	16,109
BERC-Admin FY15	17.278	7,558
Total Workforce Investment Assistance Cluster:		<u>939,174</u>
<b>Total U.S. Department of Health and Human Services</b>		<b><u>939,174</u></b>
<b>U.S. Department of Health and Human Services</b>		
Passed Through Maryland Office on Aging:		
Aging Cluster:		
Title III, Part B FY14	93.044	30,987
Title III, Part B FY15	93.044	59,185
Title III, Part C FY15	93.045	95,532
Home Delivered Meals FY15	93.045	58,743
Title III, Part C FY14	93.045	102,195
Home Delivered Meals FY14	93.045	17,373
Total Aging Cluster:		<u>364,015</u>
Title III, Part D FY14	93.043	5,512
Title III, Part D FY15	93.043	5,242
Title III, Part E FY14	93.052	23,522
Title III, Part E FY15	93.052	37,015

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Health and Human Services</b>		
Passed Through Maryland Office on Aging:		
Ombudsman FY15	93.042	\$ 17,069
Ombudsman FY14	93.042	11,967
SMP-Exp FFY14	93.048	1,380
SMP-Exp FFY15	93.048	1,361
SMP-FFY15 Sr Med Patrol	93.048	5,618
Alcohol Compliance FY15	93.240	2,208
SHIP/SMP FY15	93.324	13,736
SHP FY16	93.324	8,247
MIPPA FY14	93.779	10,763
MIPPA FY15	93.779	4,798
Access to Recovery FY13	93.959	11,611
Passed Through Maryland State Department of Human Resources:		
Circuit Court Child Supp FY14	93.563	5,322
State's Atty Child Support FY14	93.563	140,069
Sheriff Child Support FY14	93.563	23,346
Circuit Ct Child Support FY15	93.563	14,627
St Atty Child Support FY15	93.563	436,034
Sheriff Child Support FY15	93.563	101,857
Safe+Stable FY15	93.563	125,824
Sheriff CCAIC Training Enhance FY15	93.643	980
TANF Cluster:		
Family Preservation FY15	93.558	356,250
Passed Through Maryland State Department of Health & Mental Hygiene:		
Medicaid Cluster:		
MAP FY15	93.778	95,152
MA Waiver FY14	93.778	351
MA Waiver FY15	93.778	223,707
Total Medicaid Cluster:		<u>319,210</u>
MAP Exp FY14	93.779	9,917
MFP FY15	93.791	3,137
MFP FY14	93.791	14
<b>Total of U.S. Department of Health and Human Services</b>		<b><u>2,060,651</u></b>
<b>U.S. Department of Transportation</b>		
Passed Through Maryland State Highway Administration:		
Highway Safety Cluster:		
Highway Safety Enforc FY14	20.600	16,786
Sheriff Highway Safety FY15	20.600	4,170
Smooth Operator FY11	20.609	1,816
Total Highway Safety Cluster:		<u>22,772</u>
Section 5311 FY15	20.509	65,603
Section 5307 FY15	20.509	149,441
Older Driver FY15	20.614	809
Federal Transit Cluster:		
Section 5311 Cap FY15 BR	20.507	23,944
<b>Total U.S. Department of Transportation</b>		<b><u>262,569</u></b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Homeland Security</b>		
Passed Through The Governor's Office of Crime Control and Prevention:		
Emerg Mgmt Perf FFY12	97.042	\$ 40,549
Emerg Mgmt Perf FFY13	97.042	48,641
Emerg Mgmt Perf FFY14	97.042	109,270
Passed Through Maryland Emergency Management Administration:		
UASI FFY12 Hazmat	97.008	531
UASI FFY12 Regional Planners	97.008	(62)
UASI FFY12 Functional Needs	97.008	(150)
UASI FFY13 Law Enforcement	97.008	59,329
UASI FFY13 CCTV	97.008	20,000
UASI FFY13 Hazmat	97.008	27,362
UASI FFY13 ENS Software	97.008	16,521
UASI FFY13 Emergency Planners	97.008	85,153
UASI FFY13 Regional Shltr Prep	97.008	8,970
UASI FFY13 MCCV	97.008	16,375
UASI FFY13 Incident Mgmt Sftwr	97.008	10,000
Emergency Planners	97.008	19,883
UASI-FFY11 InterOp Comm	97.008	22,948
UASI-FFY12 InterOp Comm	97.008	3,261
Est Emergency Operations Center	97.008	1,146
Respond to all Hazrds	97.008	28,837
UASI-Law Enforcement	97.008	37,438
UASI-Hazmat	97.008	10,783
UASI-MCCV	97.008	6,407
UASI-Incident Mgmt Software	97.008	10,780
Emer Notification System Softww	97.008	11,327
Mass Care Sheltering Supplies	97.008	159
UASI-Function'l Need Comm Supp	97.008	2,442
UASI-Hazmat FFY11	97.008	(85)
UASI-LETPA Equip/Train FFY11	97.008	(3,000)
UASI-Regional Planners FFY11	97.008	2,690
UASI-Technology Trn FFY11	97.008	153
UASI-Shelter Supplies FFY11	97.008	(17)
UASI-Web EOC FFY11	97.008	7,544
SHSP FFY13 EOC	97.067	14,585
State Homeland Security FFY13	97.067	27,501
SHSP FFY12 Training	97.067	(120)
SHSP FFY12 DICS	97.067	23,459
SHSP FFY13 Dev/Enh	97.067	12,000
SHSP FFY13 Recover Hazmat	97.067	9,242
SHSP FFY13 Respond Hazmat	97.067	7,000
SHSP FFY13 CAEPPR	97.067	9,000
UASI FFY12 Planners	97.067	(462)
Est sustainhomeland SECU Prog	97.067	35,000
Interoperable Comm FFY11	97.073	27,659
HAZMAT Response FFY11	97.073	(11)
HAZMAT FY14	97.021	2,800
<b>Total U.S. Department of Homeland Security</b>		<b><u>772,838</u></b>

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Energy</b>		
Passed Through State Department of Human Resources:		
Weatherization EmPower	81.042	\$ 34,655
Weatherization FY15	81.042	27,815
Weatherization Admin gFY15	81.042	12,384
ARRA EECBG Grant	81.128	3,210
<b>Total U.S. Department of Energy</b>		<b><u>78,064</u></b>
<b>U.S. Department of Justice</b>		
Passed Through Maryland Emergency Management Administration:		
Adult Drug Court FY12	16.738	163,813
Cellular Forensics FY15	16.738	5,000
Drug Court FY15	16.740	14,902
Immigration & Custom Enforcement (ICE)	16.590	2,287
Passed Through The Governor's Office of Crime Control and Prevention:		
Adventure Diversion Prog FY15	16.563	76,665
VAWA FY14 State's Atty	16.588	24,333
VAWA FY15 State's Atty	16.588	100,754
Sheriff VAWA FY15	16.588	37,886
Sheriff VAWA FY14	16.588	9,902
Passed Through The Department of Justice National Network of Children:		
Advocacy Center Grant FY15	16.582	8,338
<b>Total U.S. Department of Justice</b>		<b><u>443,880</u></b>
<b>Total Federal Programs</b>		<b><u>\$ 10,658,564</u></b>



**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2015**

**NOTE 1 – REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of the County Commissioners of Carroll County, Maryland (the County) for the year ended June 30, 2015.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the County's basic financial statements.

**NOTE 3 – RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the basic financial statements and the related federal financial reports submitted by the County.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs: Unmodified

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

**Identification of major programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster
14.871	Housing Choice Voucher (HCVP) Cluster
93.558	Temporary Assistance for Needy Families (TANF) Cluster

Dollar threshold used to distinguish between type A and type B programs: \$319,757

Auditee qualified as low-risk auditee?   X   yes      \_\_\_\_\_ no

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

**2015 – 001**

**Description:** Prior Period Adjustment to Capital Assets  
**Type of Finding:** Significant Deficiency

***Condition/Context***

A prior period restatement was necessary to correctly record assets placed into service in prior years. The effect of the adjustment was an increase in Capital Assets to Governmental Activities of \$3,343,980 and to Business-type Activities of \$7,697,795 with a corresponding increase to Net Position, Net Invested in Capital Assets, for the respective amounts.

***Criteria***

COSO/Internal Control Framework defines control activities as “policies and procedures that help to ensure management’s directives are carried out.” Management review controls are defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight activities performed, and is an integral part of any internal control structure.” COSO/Internal Control Framework state that control activities must be in place for there to be adequate internal control procedures over financial reporting. Furthermore, these control activities should be performed timely to ensure financial transactions are recorded in the correct reporting period in compliance with Generally Accepted Accounting Principles (GAAP) and the standards set by the Governmental Accounting Standards Board (GASB).

***Cause***

This was the result of information regarding the construction and donation of capital assets, including the value of the assets and the date placed in service, not being communicated to the Comptroller’s Office in a timely manner to ensure the transactions were properly recorded in the correct reporting period.

***Effect***

A prior period restatement was recorded to correct the error.

***Recommendation***

We recommend that management of the County review current procedures and make appropriate changes to ensure that necessary information related to construction and donation of capital assets, including the value of assets and the date placed in service, be communicated to the Comptroller’s Office in a timely manner that allows the finance staff to properly record the transaction in the correct fiscal period.

***Views of the Responsible Officials and Corrective Action Plan***

The County agrees with this internal control concern and in the future will recognize and properly record all donated or transferred assets at the time of donation or transfer. The County will update accounting procedures to include quarterly reviews of general ledger transactions to confirm that all revenues, expenditures, assets and liabilities are recorded in the proper fiscal year. The review process will be initiated by the Comptroller’s Office.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2015**

**Section III – Federal Award Findings and Questioned Costs**

**2015 – 002**

Federal agency: U.S. Department of Health and Human Services

Federal program: Temporary Assistance for Needy Families (TANF)

CFDA Number: 93.558

Pass-Through Agency: Maryland State Department of Human Resources

Pass-Through Number: CRRL/SSA 14-013

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Control and Compliance, Significant Deficiency

**Criteria or specific requirement:** According to OMB Circular A-133, at the time of the subaward, the pass through entity is responsible for identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable compliance requirements.

**Condition/Context:** For 1 of 1 subrecipients selected for audit testing, at the time the subaward was made, the County's Department of Citizen Services did not identify the CFDA title and number, award number, and name of Federal awarding agency.

**Questioned costs:** None

**Cause:** The County's Department of Citizen Services does not have policies and procedures in place to ensure that subrecipient agreements contain required Federal identifying information.

**Effect:** The County's Department of Citizen Services is not in compliance with subrecipient pass through identifying information requirements.

**Recommendation:** We recommend the County's Department of Citizen Services establish policies and procedures to ensure that subrecipient agreements contain required Federal identifying information.

**Views of responsible officials and planned corrective actions:**

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Actions planned in response to finding:** Carroll County Grant's Management Office will change their procedures as soon as possible to collect all necessary information on new Grant awards. Local Management Board will establish procedures to ensure that sub-recipient agreements contain required Federal identifying information.

**Responsible party:** Manager, Carroll County employee authorized to sign the subaward. Department/Agency responsible for operating the Grant. Carroll County Grant's Management Office.

**Planned completion date for corrective action plan:** February 28, 2016

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2015**

**Plan to monitor completion of corrective action plan:** Carroll County Grants Office will change their procedures as soon as possible to collect necessary information on new Grant awards and will communicate the information to County Departments to include in any subaward.

**2015 – 003**

Federal agency: U.S. Department of Housing and Urban Development

Federal program: Housing Choice Voucher Program (HCVP)

CFDA Number: 14.871

Compliance Requirement: Special Tests, Housing Quality Standards - Failed Inspections

Type of Finding: Control and Compliance, Significant Deficiency

**Criteria or specific requirement:** 24 CFR 982.158(d) and 982.404 state that for units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAP beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations.

**Condition/Context:** A sample of 40 files tested for failed inspection purposes found 1 file which documented the County's Bureau of Housing did not take prompt and vigorous action to enforce family obligations for family-caused defects. The unit in question did not pass inspection until 27 days after the required corrective period.

**Questioned costs:** None

**Cause:** The County's Bureau of Housing did not follow established procedures to ensure prompt and vigorous action to enforce family obligations related to family-caused defects resulting in a failed HQS inspection.

**Effect:** The County's Bureau of Housing is not in compliance with HUD regulations regarding the unit that did not meet HQS.

**Recommendation:** We recommend the County's Bureau of Housing continue to monitor and enhance procedures in place to ensure compliance with HQS requirements.

**Views of responsible officials and planned corrective actions:**

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2015**

**Actions planned in response to finding:**

- The Inspector will review the inspection fail log weekly to determine deadline dates for failed inspections.
- The inspector will send a letter within 24 hours of the failed inspection, informing the landlord and tenant of the 21 day requirement to call and reschedule the inspection to determine that the unit receives passing inspection within 30 days of the fail items and consequences of abatement if the unit does not pass within 30 days.
- The inspector will advise the landlord, tenant if upon re-inspection the item(s) was not corrected or if the inspector was unable to re-inspect the unit.
- The inspector will inform the Housing Specialist and Program Manager, by memo if they are unable to pass the unit within the required 30 days and an extension was not granted.
- The Housing Specialist will inform the tenant and owner of any abatement of rent or will inform the Program Manager by memo of request for termination and supply all letters and documents pertaining to the inspection.
- Program Manager will review the inspection fail log monthly to review current and pending inspections to ensure the thirty day requirement is met and if not that the appropriate measures have been taken.

**Responsible party:** Inspector, Housing Specialist and Program Manager

**Planned completion date for corrective action plan:** December 1, 2015.

**Plan to monitor completion of corrective action plan:** The Housing Program Manager will monitor the failed inspection log on a monthly basis to determine if the units have passed within 30 days or the process of abatement or termination has begun or if an extension has been granted.

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2015**

No prior year findings related to federal awards.



Department of the Comptroller  
Carroll County Government  
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Westminster, Maryland