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.
Comprehensive Annual Financial Report

For The Fiscal Year Ended
June 30, 2017

Department of the Comptroller
Carroll County, Maryland

Robert M. Burk, Comptroller
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December 14, 2017

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, 2017.

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 CohnReznick 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, 2017, 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 2017 population estimate of 173,594. 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, 2013 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 37 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 178.
Local Economy:
Local indicators show the continued stability of Carroll County. The unemployment rate for Carroll County was at 3.2% in September 2017, compared to 5.3% nationally. This is a result of the gradual continuing economic recovery. Carroll County 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 10 employers in the County show the diversity as it contains the County Government, County Board of Education, two hospitals, two retirement communities, two colleges, a warehouse and distribution business, and a manufacturer. Included in these employers are companies like Penguin Random House, Evapco, and Carroll Lutheran Village.

The County has a labor force of approximately 92,693 as of September 2017, which was a decrease of 2% 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 2017, the commissioners adopted a Real Property Tax Rate of $1.018 per $100 of assessed value, unchanged from the prior year.

Personal Property Tax Rate:
The Personal Property Tax Rate is also set annually by the Commissioners during adoption of the budget. For fiscal year 2017, 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. For 2017, the rate remained at 3.03% of 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 five 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 five 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 five percent 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 $26.9 million to continue the County’s efforts in purchasing agriculture land preservation easements, $21.3 million for watershed assessment and improvements, $60 million to build a new Career and Technology Center, $19 million for various public schools HVAC improvements and replacements, and $74.5 million in road improvements for projects like several connector roads to relieve congestion in areas of growth.
The program also includes a $11.3 million project 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.

**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 20 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. As of June 30, 2017, 70,311 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 (S&P AAA; Moody’s Aa1; Fitch AAA) 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 Lincoln Financial 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, 2016. Carroll County, Maryland has received a Certificate of Achievement for the last 32 consecutive years (fiscal years 1985-2016). 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 2016 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 nine consecutive years (2008-2016). Currently, the County has submitted its fiscal year 2017 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, 2016

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Carroll County, Maryland
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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
Christine C. Kay
    Director of Citizen Services
Jeffrey D. Castonguay
    Director of Public Works
Scott R. Campbell
    Director of Public Safety
Philip R. Hager
    Director of Comprehensive 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
CohnReznick, LLP
Baltimore, Maryland

Bond Counsel
McKennon Shelton & Henn, LLP
Baltimore, Maryland

Financial Advisor
Davenport & Company, LLC
Baltimore, Maryland

Board of County Commissioners
Richard Weaver
    President
    District 2
Dennis Frazier
    Vice President
    District 3
Shephen Wantz
    Secretary
    District 1
Richard Rothschild
    District 4
J. Douglas Howard
    District 5
Financial Section
Independent Auditor’s Report

To the County Commissioners
Carroll County, 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, and the
aggregate remaining fund information of Carroll County, Maryland (the “County”), as of and for the year
ended June 30, 2017, 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not
audit the financial statements of the Board of Education of Carroll County, Carroll Community College,
and Carroll County Public Library which represent 94.7 percent, 96.1 percent, and 99.6 percent,
respectively, of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Education of Carroll County, Carroll Community College, and Carroll County Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Maryland, as of June 30, 2017, 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.

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 16-29, the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Carroll County's Contributions, and the Schedule of Investment Returns for the Carroll County Employee Pension Plan, the Carroll County Certified Law Officers Pension Plan, and the Volunteer Fireman Pension Plan, the Schedule of Proportionate Share of the Net Pension Liability ("NPL") and Schedule of Pension Plan Contributions for the State of Maryland for the Carroll County Elected/Appointed Officials Pension Plan and the Carroll County Soil Conservation District Pension Plan, the Schedule of Changes in the Net OPEB Liability and Related Ratios for the Retiree Benefit Trust and Board of County Commissioner of Carroll County, Maryland, the Schedule of Carroll County's Contributions for the Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland, the Schedule of Investment Returns for the Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland and the Schedule of Funding Progress and Employer Contributions Other Post-Employment Benefits Funds on pages 162-176 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 and other auditors 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 Carroll County, Maryland's basic financial statements. The introductory section, supplementary information section, additional information section, and statistical sections 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 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The supplementary and additional 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 statement 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.
statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States if America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary and additional information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, 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 December 11, 2017, on our consideration of Carroll County, Maryland'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 results 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 Carroll County, Maryland's internal control over financial reporting and compliance.

Baltimore, Maryland
December 11, 2017
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, 2017. 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 5-9 of this report.

Financial Highlights

Government-wide:

- The assets and deferred outflows of resources of Carroll County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2017 by $316,137,426 (total net position), compared to $302,570,690 at June 30, 2016. For fiscal year ended June 30, 2017, total net position was net of the $54,181,850 deficit in the 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, 2017, $30,534,223 was restricted for specific purpose (restricted net position) in comparison to $28,752,451, at June 30, 2016. The total net investment in capital assets was $339,785,053 at June 30, 2017, compared to $321,544,472 at June 30, 2016.

- The total net position increased by $13,566,736 or 4.5%.

Fund level:

- At the close of the fiscal year, unassigned fund balance for the general fund (primary operating fund) was $14,529,685 or 3.89% of general fund revenues.

- As of June 30, 2017, the County’s governmental funds reported combined fund balances of $140,637,699, a decrease of $5,859,974 from the prior year. Approximately 10.3% of the combined fund balance is available to meet the County’s current and future needs (unassigned), 28.1% 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, 41.7% is committed or restricted for future use, stabilization arrangement, restricted investments and other purposes, and 19.9% 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 $16,182,373, or 5% from fiscal year 2016. For fiscal year 2017, the County paid an average interest rate of 4%.
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: Board of Education of Carroll County, 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 32 and 33 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carroll County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with
finance-related legal requirements. All of the funds of Carroll County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**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 five 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 three 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 187 to 189 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 37 of this report.

The basic governmental funds financial statements can be found on pages 34 and 35 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 38 to 40 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, Airport, and Fiber Network which are considered to be major funds of Carroll County Government. Individual fund data for each of the two non-major proprietary funds is provided in the form of combining statements which can be found on pages 190 to 192 of this report.
**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the 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 two agency funds which are the Carroll County Development Corporation “CCDC” and Carroll 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 43 to 160 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 162 to 176.

**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 $316,137,426 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 $37,546,612 reflect the imbalance of liabilities without corresponding assets.

Restricted net position of $30,534,223 represents 8.9 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 $54,181,850.

During fiscal year 2017, the County’s net position increased by $13,566,736. The increases in income tax along with the increase in investment earnings were contributing factors to the increase in net position.
Another factor for the increase was due to the real property assessments increasing which increase the amount of property tax. The State of Maryland deeded back to the County three schools and the associated land that were closed due to decrease in student population. These assets were recorded at the Board of Education's carrying amount at the time of transfer.

<table>
<thead>
<tr>
<th>Carroll County Government's Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Govt. Activities</strong></td>
</tr>
<tr>
<td>Non-current assets</td>
</tr>
<tr>
<td>Capital assets</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>Deferred outflows</td>
</tr>
<tr>
<td>Total assets and deferred outflows</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Non-current liabilities</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td>Deferred inflows</td>
</tr>
<tr>
<td>Total liabilities and deferred inflows</td>
</tr>
<tr>
<td>Net position:</td>
</tr>
<tr>
<td>Net investment in</td>
</tr>
<tr>
<td>capital assets</td>
</tr>
<tr>
<td>Restricted</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
</tr>
<tr>
<td>Total net position</td>
</tr>
</tbody>
</table>
The following table indicates the changes in net position for governmental and business-type activities:

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$17,256,109</td>
<td>$19,938,435</td>
<td>$19,710,138</td>
</tr>
<tr>
<td>Operating grants &amp; contributions</td>
<td>21,016,535</td>
<td>14,740,101</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>6,065,593</td>
<td>5,339,545</td>
<td>1,972,099</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>201,438,220</td>
<td>199,281,166</td>
<td>-</td>
</tr>
<tr>
<td>Income tax</td>
<td>149,896,467</td>
<td>146,049,675</td>
<td>-</td>
</tr>
<tr>
<td>Recordation tax</td>
<td>14,241,331</td>
<td>14,093,918</td>
<td>-</td>
</tr>
<tr>
<td>Admission &amp; amusement tax</td>
<td>351,742</td>
<td>387,725</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>6,005,593</td>
<td>5,339,545</td>
<td>1,972,099</td>
</tr>
<tr>
<td>Gain on sale of capital asset</td>
<td>-</td>
<td>-</td>
<td>47,237</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>409,740,663</td>
<td>404,460,503</td>
<td>21,365,950</td>
</tr>
<tr>
<td>Program Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>42,244,881</td>
<td>41,378,683</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>51,691,641</td>
<td>45,677,379</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>33,927,901</td>
<td>31,583,099</td>
<td>-</td>
</tr>
<tr>
<td>Health</td>
<td>4,654,075</td>
<td>4,400,381</td>
<td>-</td>
</tr>
<tr>
<td>Human services</td>
<td>14,679,925</td>
<td>14,032,995</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>201,927,058</td>
<td>196,452,853</td>
<td>-</td>
</tr>
<tr>
<td>Libraries</td>
<td>6,298,819</td>
<td>4,992,787</td>
<td>-</td>
</tr>
<tr>
<td>Libraries</td>
<td>14,808,509</td>
<td>14,452,299</td>
<td>-</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>10,167,939</td>
<td>12,140,369</td>
<td>-</td>
</tr>
<tr>
<td>Economic development</td>
<td>3,851,580</td>
<td>4,234,039</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>8,455,090</td>
<td>8,670,838</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>10,996,087</td>
<td>12,894,133</td>
<td>-</td>
</tr>
<tr>
<td>Bureau of Utilities</td>
<td>-</td>
<td>-</td>
<td>11,588,148</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>-</td>
<td>-</td>
<td>8,784,687</td>
</tr>
<tr>
<td>Airport</td>
<td>-</td>
<td>-</td>
<td>861,147</td>
</tr>
<tr>
<td>Septage</td>
<td>-</td>
<td>-</td>
<td>594,277</td>
</tr>
<tr>
<td>Firearms</td>
<td>-</td>
<td>-</td>
<td>128,986</td>
</tr>
<tr>
<td>Fiber Network</td>
<td>-</td>
<td>-</td>
<td>1,321,618</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>403,703,505</td>
<td>390,909,855</td>
<td>23,278,863</td>
</tr>
<tr>
<td>Excess (deficiency) before transfers</td>
<td>6,037,158</td>
<td>13,550,648</td>
<td>(2,192,913)</td>
</tr>
<tr>
<td>Transfer of assets from component unit</td>
<td>9,442,491</td>
<td>4,992,787</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,619,490</td>
<td>8,353,317</td>
<td>2,619,490</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>38,850,956</td>
<td>10,715,331</td>
<td>706,577</td>
</tr>
<tr>
<td>Net Position - Beginning</td>
<td>176,491,801</td>
<td>176,491,801</td>
<td>52,078,889</td>
</tr>
<tr>
<td>Net Position - Ending</td>
<td>$189,351,960</td>
<td>$189,351,960</td>
<td>$126,785,466</td>
</tr>
</tbody>
</table>

- **Governmental activities:** Overall revenue has increased by $5,280,160, which is a 1.3 percent increase from fiscal year 2016. Property tax revenue increased by $2,157,054 over last fiscal year due to the increase in real property assessments. Income tax increased by $3,846,792 due to more income tax being collected. Investment earnings decreased by $5,140,084 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. Operating grants and contributions increased by $6,276,434. Due to declining enrollment, the Board of Education made the decision to close three schools for the school year 2016-2017. The schools that were closed are: Charles Carroll Elementary, New Windsor Middle and North Carroll High School. The Board of Education deeded the buildings and land back to the County. The assets were recorded at the carrying cost on on the Board of Education's books at the date of transfer. This amount is shown as a transfer of assets for component units. The County also recorded $2,827,849 of roads constructed by developers.
The expenses of the governmental activities have increased by $12,793,650 or 3.3 percent from fiscal year 2016. The public safety function increased by $6,014,262. The Public Safety Office increased by $3,175,519 for two reasons: 1.) the completion of the digital radio communication system CIP project totaling $20,596,232 was put in service at the end of fiscal year 2016. During fiscal year 2017, one year of depreciation expense totaling $2,059,623. 2.) a new maintenance agreement totaling $1,115,896 began in FY17 to cover the new digital system. The increase in Sheriff Services and Detention Center of approximately $1,529,700 were due to additional costs for the Drug Enforcement Support Program the Sheriff Department was in its third year of implementing its compensation plan. Culture and Recreation increased by $1,306,032 due to park construction. The County continues to review its process of allocating direct costs by function.
**Business-type activities:** There was an overall decrease in revenues of $758,021 or 3.5 percent from fiscal year 2016. The primary reason for the decrease was due to the reduction of interest earnings. The expenses of the business-type activities have decreased by $1,000,117 or 4.3 percent from fiscal year 2016. The primary reason for the decrease happened in the Fiber Network and the Solid Waste funds. Solid Waste purchased a new compactor which was able compress trash tighter in the landfill and reduce the amount of waste transfers. Fiber Network depreciation expense increased by $166,370 when the CIP project for replacing equipment was put in service at the beginning of the year.
Revenues by Source-Business-Type Activities

- Charges for Service: 87%
- Capital Grants & Contributions: 9%
- Investment Earnings: 3%
- Gain on Sale of Capital Assets: 1%

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.

**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 $140,637,699, a decrease of $5,859,974. Approximately 10.3 percent of this total ($14,529,685) constitutes *unassigned fund balance*, which is available for future appropriation. The *assigned fund balance*, at 28.1 percent of total fund balance is not available for new spending because it has already been assigned to encumbrances from subsequent years expenditures. The *committed fund balance*, at 15.3 percent of total fund balance is for future use, stabilization arrangement and other purposes. The *non-spendable fund balance*, at 19.9 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 ($15,607,452), 2) dedicated for inventory and advances to Industrial Development Authority ($2,378,053), prepaid costs ($488,096) and money due from other funds ($9,511,158). The remaining 26.4 percent of fund balance ($37,102,352) constitutes *restricted fund balance*, primarily investments pledged to the repayment of agricultural preservation installment purchase agreement general obligation debt.

The general fund is the primary operating fund of Carroll County Government. At the end of the fiscal year, unassigned fund balance of the general fund was $14,529,685, while total fund balance was $113,520,293. 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 3.8 percent of total general fund expenditures, while total fund balance represents 30 percent of that same amount.

A decrease in fund balance was budgeted with an appropriation of $9,198,782 of fund balance. The anticipated decrease in fund balance was partially mitigated by conservative spending which resulted in $2,054,750, less in expenditures than budgeted. Total assets decreased by $1,624,859. Liabilities decreased by $3,087,345 due to a decrease in the amount owed to the Board of Education at year-end.

The revenues in the General Fund have increased by $3,277,575 compared to the prior fiscal year. The primary contributing factor to the increase was due to the increase in income tax and the increase in Real Property Tax due to the increase of assessments. Expenditures increased by $10,489,603 compared to the prior fiscal year. The increase was due to additional funding to the Board of Education to cover operating expenditures and costs associated with the teacher pensions. Another contributing factor to the increase was in Public Safety due the third year of implementing a compensation plan for the Sheriff’s department. Public Safety also increased due to the new maintenance agreement on the newly complete digital radio system. Vehicle maintenance, fuel and telephone expenditures were recognized as direct costs in the proper functions.
The Capital Projects Fund balance sheet shows a $6,143,426 decrease in assets in fiscal year 2017. The decrease in cash is mainly due to several projects that began in fiscal year 2017 are being funded with future general obligation bonds not yet issued.

The Capital Projects Fund has a total fund balance of $23,611,972, of which $17,903,635 is assigned to liquidate purchase orders and $5,708,337 is unspent bond proceeds which are restricted for future capital project expenditures.

The Non-Major Governmental Funds have a total fund balance of $3,505,434 all of which is nonspendable, committed, or externally restricted for specific purposes or assigned.

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 $16,635,238 and unrestricted component of net position in the Internal Service Fund totaled $12,689,670. The total increase in net position for the proprietary funds of $706,577 was primarily due to the operating transfers from the General Fund. The net position for the Internal Service Fund increased by $1,765,029. 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 $177,854,306 for fiscal year 2017. The investments in the trusts totaled $178,238,024 at the end of fiscal year 2017, which was a 16.9 percent increase from fiscal year 2016. Agency funds had an asset total of $696,225 at the end of fiscal year 2017. Other factors concerning trust funds are discussed in the notes to these statements starting with Note 11.

General Fund Budgetary Highlights

In the original budget, the Board of Commissioners approved a reserve for contingencies of approximately 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 decreased from the original budget by $1,474,634. This decrease was due to costs associated with addition of a position for a boiler mechanic, purchasing four buses for Carroll Transit Service, a vehicle for the Veterans Shuttle Services and additional costs with providing this service and, additional costs for the Sheriff’s Department to continue to provide offsite housing for inmates. 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 $374,141,558, compared to budgeted amount of $367,303,978, a positive variance of $6,837,580. The major differences between the final budgeted amounts and the actual revenues are as follows:

- Interest and gains on investments came in $1.3 million lower than the final budget as a result of change in market values at year end on restricted investments.
• Miscellaneous revenues were $7 million more than budget due to unbudgeted in-kind rental income associated with the Board of Education, Library, and Community College facilities.

The budgetary statements of the General Fund show actual expenditures of $378,193,409, compared to budgeted amount of $380,248,159, resulting in $2,054,750 or 0.6 percent less than planned. The major differences between the final budgeted amounts and the actual expenditures are as follows:

• General Government expenditures came in $5.7 million less than final budget primarily due to in-kind services for component units being allocated to the correct functions, which decreased general government and increased Education and Library costs. The County also had savings due to a drop in prices for fuel and utilities.

• 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 2017, $2.7 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 allocate 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, 2017, amounted to $551,317,504 (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 6.5 percent (a 8.2 percent increase for governmental activities and a 1.5 percent increase for business-type activities). Additional information on the County’s capital assets can be found on pages 76-77 of this report.

<table>
<thead>
<tr>
<th>Carroll County Government's Capital Assets (Net of depreciation)</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$35,889,680</td>
<td>$34,569,392</td>
<td>$9,038,262</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>10,184,255</td>
<td>9,727,788</td>
<td>12,386,984</td>
</tr>
<tr>
<td>Building and contents</td>
<td>138,428,637</td>
<td>135,676,793</td>
<td>14,474,948</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>49,650,766</td>
<td>47,959,931</td>
<td>5,942,747</td>
</tr>
<tr>
<td>Auto, machinery &amp; equipment</td>
<td>14,124,375</td>
<td>13,640,300</td>
<td>19,614,952</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>143,971,004</td>
<td>144,836,702</td>
<td>71,620,098</td>
</tr>
<tr>
<td>Total</td>
<td>$392,248,717</td>
<td>$386,410,906</td>
<td>$133,077,991</td>
</tr>
</tbody>
</table>

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

• The costs associated with the Energy Performance project decreased CIP by $0.7 million and was put into service.
• Land increased by $5.6 million due to the County gaining the ownership the property located at North Carroll High School and New Windsor Middle School due to the Board of Education closing them as a result of decreasing student enrollment.

• Buildings increased by $25 million due to the County gaining the ownership of buildings formerly known as North Carroll High School and New Windsor Middle School due to the Board of Education closing them as a result of decreasing student enrollment.

• The on-going costs and completion of various watershed protection projects totaled $1.0 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 on-going costs associated with various Utilities capital projects totaled $5 million which was funded by Water/Sewer user rates and resulted in an increase in CIP of Business-Type Activities.

**General obligation debt:**
At the end of the fiscal year, Carroll County Government had total general obligation debt outstanding of $330,333,769, which is debt backed by the full faith and credit of the County.

<table>
<thead>
<tr>
<th>Carroll County Government’s Outstanding General Obligation Debt</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds, net</td>
<td>$284,254,930</td>
<td>$299,706,818</td>
<td>$13,251,331</td>
</tr>
<tr>
<td>General Obligation Debt</td>
<td>32,827,508</td>
<td>31,524,508</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$317,082,438</td>
<td>$331,231,326</td>
<td>$13,251,331</td>
</tr>
</tbody>
</table>

During the current fiscal year, Carroll County Government’s total general obligation debt decreased by $16,182,373. During the year, the County issued general obligation bonds totaling $20,350,000. Of these bonds, $14,000,000 were sold to cover capital projects in the governmental activities and $6,350,000 were issued for redeeming outstanding January 2007 bonds to achieve debt service savings. The new debt issue will be repaid over 20 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 November 2016 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 Global Ratings assigned an AAA credit rating in November 2016, citing “We view the County’s management 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 a Aa1 rating to Carroll County Government, citing “the Aa1 rating reflects the County’s sound financial position, supported by comprehensive fiscal policies, and healthy 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 $1,199,599,196, 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 2018 adopted budget appropriation for the general fund is $400,042,050, representing an increase of $11.6 million or 3.0 percent increase over fiscal year 2017, with no change in tax rates.
- Real property tax is expected to increase in fiscal year 2018 due to increasing assessments.
- Income tax is expected to be higher in fiscal year 2018. The expected increase is due to expected growth in withholdings and estimated payments.
- Recordation is expected to be higher in fiscal year 2018 due to increased activity in the housing market.
- Public Safety appropriation increased in fiscal year 2018 due to a one-time funding to address recruitment and retention of volunteer firefighters and emergency services personnel.
- Education appropriation increased in fiscal year 2018 due to additional money funding teacher’s pensions.
- Public Works appropriation increased for utility costs, maintenance of the buildings formerly known as Charles Carroll Elementary and North Carroll High school closures and several new positions.
- The County income tax will be reduced $28,901 for nine months for a total of $260,106, beginning in September 2016 due to tax refunds for the Wynne case.

All of these factors were considered in preparing the Carroll County Government’s budget for the 2018 fiscal year.

**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/default.asp](http://ccgovernment.carr.org/ccg/comp/default.asp).

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
## Statement of Net Position

### June 30, 2017

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$134,795,058</td>
<td>$21,255,912</td>
<td>$156,050,970</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>356,293</td>
<td>66,758</td>
<td>423,051</td>
<td>7,600,005</td>
<td>1,373,104</td>
<td>29,987</td>
<td>5,586,450</td>
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<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>20,200,147</td>
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<td>24,130,437</td>
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<tr>
<td>Taxes and receivables, net</td>
<td>626,513</td>
<td>2,320</td>
<td>628,833</td>
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<tr>
<td>Due from component units</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,619,101</td>
<td>39,667</td>
<td>3,658,768</td>
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<td>-</td>
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<tr>
<td>Prepaid expenses</td>
<td>2,380,200</td>
<td>176,213</td>
<td>2,556,413</td>
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<tr>
<td>Due from fiduciary funds</td>
<td>138,428,637</td>
<td>14,474,948</td>
<td>152,903,585</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Due from primary government</td>
<td>14,124,375</td>
<td>19,614,952</td>
<td>33,739,327</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Due to other governments</td>
<td>143,971,004</td>
<td>71,620,098</td>
<td>215,591,102</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Total assets</td>
<td>612,760,721</td>
<td>156,494,426</td>
<td>769,255,147</td>
<td>469,792,003</td>
<td>23,119,517</td>
<td>5,330,614</td>
<td>27,373,167</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt refunding</td>
<td>8,896,780</td>
<td>664</td>
<td>8,974,444</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Pensions</td>
<td>5,424,452</td>
<td>-</td>
<td>5,424,452</td>
<td>225,511</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>14,323,232</td>
<td>664</td>
<td>14,323,896</td>
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<td>-</td>
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</table>

### Total assets and deferred outflows

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>627,083,953</td>
<td>156,495,090</td>
<td>783,579,043</td>
<td>469,792,003</td>
<td>23,119,517</td>
<td>5,330,614</td>
<td>27,373,167</td>
</tr>
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</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>5,269,449</td>
<td>3,123,353</td>
<td>8,392,802</td>
<td>952,164</td>
<td>225,511</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>Retainage and guarantees due contractors</td>
<td>1,110,066</td>
<td>-</td>
<td>1,110,066</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to component units</td>
<td>34,702,647</td>
<td>-</td>
<td>34,702,647</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Due to primary government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,611,170</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Unearned revenue</td>
<td>3,619,101</td>
<td>39,667</td>
<td>3,658,768</td>
<td>1,611,170</td>
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<td>-</td>
<td>8,381,944</td>
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<tr>
<td>Total liabilities</td>
<td>627,083,953</td>
<td>156,495,090</td>
<td>783,579,043</td>
<td>469,792,003</td>
<td>23,119,517</td>
<td>5,330,614</td>
<td>27,373,167</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt refunding</td>
<td>-</td>
<td>104,907</td>
<td>104,907</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pensions</td>
<td>4,201,239</td>
<td>-</td>
<td>4,201,239</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>4,201,239</td>
<td>104,907</td>
<td>4,306,146</td>
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<td>-</td>
<td>-</td>
<td>8,381,944</td>
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</table>

### Net position

<table>
<thead>
<tr>
<th>Category</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Education</th>
<th>Community</th>
<th>Library</th>
<th>Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>219,328,550</td>
<td>120,456,503</td>
<td>339,785,053</td>
<td>2,221,908</td>
<td>3,468,186</td>
<td>7,884,358</td>
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</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>5,708,337</td>
<td>22,964,201</td>
<td>28,672,538</td>
<td>43,523</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special revenue funds</td>
<td>1,861,685</td>
<td>1,861,685</td>
<td>3,723,370</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>122,838</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Food services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>335,607</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Educational purposes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,896</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>37,546,612</td>
<td>16,635,238</td>
<td>54,181,850</td>
<td>4,907,505</td>
<td>8,381,944</td>
<td>-</td>
<td>3,576,013</td>
</tr>
<tr>
<td>Total net position</td>
<td>$189,351,960</td>
<td>$126,785,466</td>
<td>$316,137,426</td>
<td>281,177,993</td>
<td>(3,771,958)</td>
<td>$3,450,656</td>
<td>11,460,371</td>
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</tbody>
</table>

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

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
Westminster, Maryland  
**Statement of Activities**  
For the Year Ended June 30, 2017

### Program Revenues

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Operating Capital</th>
<th>Net (Expense) Revenue and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government</strong></td>
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<td></td>
</tr>
<tr>
<td>General government</td>
<td>42,244,881</td>
<td>11,742,589</td>
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<tr>
<td>Public safety</td>
<td>51,691,641</td>
<td>1,918,271</td>
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<tr>
<td>Public works</td>
<td>33,927,901</td>
<td>1,306,602</td>
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<tr>
<td>Health</td>
<td>4,654,075</td>
<td>3,284</td>
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<tr>
<td>Human services</td>
<td>14,679,925</td>
<td>84,722</td>
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<tr>
<td>Education</td>
<td>201,927,058</td>
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</tr>
<tr>
<td>Culture and recreation</td>
<td>6,298,819</td>
<td>2,072,530</td>
</tr>
<tr>
<td>Libraries</td>
<td>14,808,509</td>
<td>-</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>10,167,939</td>
<td>128,111</td>
</tr>
<tr>
<td>Economic development</td>
<td>3,851,580</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>8,455,090</td>
<td>-</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>403,703,505</td>
<td>17,256,109</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureau of Utilities</td>
<td>11,588,148</td>
<td>10,578,433</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>8,784,687</td>
<td>7,056,454</td>
</tr>
<tr>
<td>Airport</td>
<td>861,147</td>
<td>792,059</td>
</tr>
<tr>
<td>Septage</td>
<td>594,277</td>
<td>913,330</td>
</tr>
<tr>
<td>Firearms</td>
<td>128,986</td>
<td>157,720</td>
</tr>
<tr>
<td>Fiber Network</td>
<td>1,321,618</td>
<td>212,142</td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>23,278,863</td>
<td>19,710,138</td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>426,982,368</td>
<td>36,966,247</td>
</tr>
<tr>
<td><strong>Component units:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Education</td>
<td>386,857,350</td>
<td>4,140,446</td>
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<tr>
<td>Carroll Community College</td>
<td>38,822,458</td>
<td>10,171,230</td>
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<tr>
<td>Library</td>
<td>17,220,508</td>
<td>224,932</td>
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<td>Industrial Development Authority</td>
<td>908,017</td>
<td>224,932</td>
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<tr>
<td>Total component units</td>
<td>443,808,333</td>
<td>14,759,658</td>
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<tr>
<td><strong>General revenues:</strong></td>
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</tr>
<tr>
<td>Property taxes</td>
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<tr>
<td>Income tax</td>
<td>149,896,467</td>
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<tr>
<td>Recordation tax</td>
<td>14,241,331</td>
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<tr>
<td>Admission and amusement tax</td>
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<tr>
<td>Agricultural transfer tax</td>
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<td>Hotel rental tax</td>
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<tr>
<td>Local appropriations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State aide</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants and contributions not restricted to specific programs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain (Loss) on sale of capital asset</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment earnings and miscellaneous, unrestricted</td>
<td>(968,894)</td>
<td>(363,434)</td>
</tr>
<tr>
<td>Transfers</td>
<td>(2,619,490)</td>
<td>(2,619,490)</td>
</tr>
<tr>
<td>Transfer of asset from component unit</td>
<td>9,442,491</td>
<td>-</td>
</tr>
<tr>
<td>Total general revenues and transfers</td>
<td>372,288,863</td>
<td>2,303,293</td>
</tr>
</tbody>
</table>

The accompanying notes to the basic financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$81,074,503</td>
<td>$32,990,155</td>
<td>$3,037,812</td>
<td>$117,102,470</td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td>356,293</td>
<td>-</td>
<td>356,293</td>
<td>356,293</td>
</tr>
<tr>
<td>Taxes and receivables, net</td>
<td>17,858,873</td>
<td>97,281</td>
<td>2,228,479</td>
<td>20,184,633</td>
</tr>
<tr>
<td>Due from component units</td>
<td>626,513</td>
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<td>-</td>
<td>626,513</td>
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<tr>
<td>Due from other governments</td>
<td>28,879,852</td>
<td>2,469,228</td>
<td>-</td>
<td>31,349,080</td>
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<tr>
<td>Due from other governmental funds</td>
<td>7,147,766</td>
<td>-</td>
<td>300,166</td>
<td>7,447,932</td>
</tr>
<tr>
<td>Due from fiduciary funds</td>
<td>448,728</td>
<td>-</td>
<td>-</td>
<td>448,728</td>
</tr>
<tr>
<td>Due from proprietary funds</td>
<td>2,326,226</td>
<td>-</td>
<td>-</td>
<td>2,326,226</td>
</tr>
<tr>
<td>Due from fiduciary funds</td>
<td>1,765,143</td>
<td>-</td>
<td>-</td>
<td>1,765,143</td>
</tr>
<tr>
<td>Due from fiduciary funds</td>
<td>52,000</td>
<td>-</td>
<td>-</td>
<td>52,000</td>
</tr>
<tr>
<td>Due from fiduciary funds</td>
<td>28,219,985</td>
<td>-</td>
<td>-</td>
<td>28,219,985</td>
</tr>
<tr>
<td>Total assets</td>
<td>$168,755,882</td>
<td>$35,556,664</td>
<td>$6,002,553</td>
<td>$210,315,099</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</th>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$2,645,993</td>
<td>$1,320,835</td>
<td>$895,123</td>
<td>$4,861,951</td>
</tr>
<tr>
<td>Retainage and guarantees due contractors</td>
<td>1,110,066</td>
<td>-</td>
<td>1,110,066</td>
<td></td>
</tr>
<tr>
<td>Due to component units</td>
<td>33,309,363</td>
<td>1,351,782</td>
<td>41,502</td>
<td>34,702,647</td>
</tr>
<tr>
<td>Due to other governmental funds</td>
<td>300,166</td>
<td>6,799,470</td>
<td>348,296</td>
<td>7,447,932</td>
</tr>
<tr>
<td>Due to internal service fund</td>
<td>2,228,136</td>
<td>-</td>
<td>2,966</td>
<td></td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>77,449</td>
<td>2,472,605</td>
<td>1,057,168</td>
<td>3,607,222</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$39,671,173</td>
<td>11,944,692</td>
<td>2,497,119</td>
<td>54,112,984</td>
</tr>
<tr>
<td>Deferred inflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue</td>
<td>15,564,416</td>
<td>-</td>
<td>-</td>
<td>15,564,416</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>15,564,416</td>
<td>-</td>
<td>-</td>
<td>15,564,416</td>
</tr>
<tr>
<td>Fund Balances:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>27,548,663</td>
<td>-</td>
<td>436,096</td>
<td>27,984,759</td>
</tr>
<tr>
<td>Restricted</td>
<td>29,656,499</td>
<td>5,708,337</td>
<td>1,737,516</td>
<td>37,102,352</td>
</tr>
<tr>
<td>Committed</td>
<td>21,402,103</td>
<td>-</td>
<td>109,396</td>
<td>21,511,499</td>
</tr>
<tr>
<td>Assigned</td>
<td>20,383,343</td>
<td>17,903,635</td>
<td>1,222,426</td>
<td>39,509,404</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>113,520,293</td>
<td>23,611,972</td>
<td>3,505,434</td>
<td>140,637,699</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources, and fund balances</td>
<td>$168,755,882</td>
<td>$35,556,664</td>
<td>$6,002,553</td>
<td>$210,315,099</td>
</tr>
</tbody>
</table>

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

- Total governmental fund balance 140,637,699
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 392,248,717
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds. 15,564,416
- Adjustment for net pension liabilities (12,957,784)
- Net other postemployment benefit obligation, which is included in the governmental activities in the statement of net position. (38,246,693)
- Deferred outflows related to pensions that are applicable to future periods and, therefore, are not presented in the funds. 5,426,452
- Deferred inflows related to pensions that are applicable to future periods and, therefore, are not presented in the funds. (4,201,239)
- 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. 12,689,670
- 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. 319,720,037
- Bonds, notes payable, compensated absences, etc. $ (321,899,278)
- Accrued interest payable (2,089,241)
- Net position of governmental activities $189,351,960

The accompanying notes to the basic financial statements are an integral part of this statement.
## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2017

#### General Fund

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- local property</td>
<td>$198,685,867</td>
<td>$806,500</td>
<td>$1,945,853</td>
</tr>
<tr>
<td>- local other</td>
<td>155,282,950</td>
<td>10,935,516</td>
<td>324,144</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>3,246,094</td>
<td>-</td>
<td>3,246,094</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>3,210,574</td>
<td>5,468,423</td>
<td>14,973,737</td>
</tr>
<tr>
<td>Charges for services</td>
<td>3,993,056</td>
<td>-</td>
<td>448,780</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>71,866</td>
<td>-</td>
<td>71,866</td>
</tr>
<tr>
<td>Interest and gain on investments</td>
<td>3,246,094</td>
<td>7,704,577</td>
<td>11,950,671</td>
</tr>
<tr>
<td>Miscellaneous revenues</td>
<td>8,448,670</td>
<td>423,108</td>
<td>8,871,778</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>373,735,328</td>
<td>16,277,719</td>
<td>17,698,276</td>
</tr>
</tbody>
</table>

#### Expenditures

**Current:**

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>36,361,269</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>46,807,421</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>16,022,251</td>
<td>-</td>
</tr>
<tr>
<td>Health</td>
<td>4,640,830</td>
<td>-</td>
</tr>
<tr>
<td>Human services</td>
<td>4,818,024</td>
<td>9,889,352</td>
</tr>
<tr>
<td>Education</td>
<td>198,300,740</td>
<td>-</td>
</tr>
<tr>
<td>Library</td>
<td>14,249,443</td>
<td>-</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>4,118,902</td>
<td>-</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>1,049,610</td>
<td>1,234,088</td>
</tr>
<tr>
<td>Economic development</td>
<td>2,541,045</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>7,693,495</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capital outlay:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>-</td>
<td>2,273,282</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>163,222</td>
</tr>
<tr>
<td>Public works</td>
<td>-</td>
<td>12,083,133</td>
</tr>
<tr>
<td>Human services</td>
<td>-</td>
<td>61,708</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>3,247,641</td>
</tr>
<tr>
<td>Library</td>
<td>-</td>
<td>381,086</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>-</td>
<td>1,643,466</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>-</td>
<td>10,568,185</td>
</tr>
<tr>
<td><strong>Debt service:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>28,620,058</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>12,814,116</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>378,037,204</td>
<td>30,421,723</td>
</tr>
</tbody>
</table>

**Excess (deficiency of revenues over (under) expenditures:**

(4,301,876) | (14,144,004) | (19,375,875)

#### Other Financing Sources (Uses)

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>11,864,524</td>
<td>2,990,856</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(7,614,074)</td>
<td>(11,588,410)</td>
</tr>
<tr>
<td>Payment to escrow agent</td>
<td>(6,524,948)</td>
<td>-</td>
</tr>
<tr>
<td>Redemption</td>
<td>6,138,284</td>
<td>-</td>
</tr>
<tr>
<td>Bonds issued</td>
<td>303,200</td>
<td>13,696,800</td>
</tr>
<tr>
<td>Bonds premium</td>
<td>400,000</td>
<td>902,370</td>
</tr>
<tr>
<td>Issuance of debt - GO debt</td>
<td>1,303,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>5,869,986</td>
<td>6,001,616</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>1,568,110</td>
<td>(8,142,388)</td>
</tr>
<tr>
<td>Fund balance - beginning</td>
<td>111,836,434</td>
<td>31,754,360</td>
</tr>
<tr>
<td>Increase in reserve for inventory</td>
<td>115,749</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance - ending</strong></td>
<td>113,520,293</td>
<td>23,611,972</td>
</tr>
</tbody>
</table>

The accompanying notes to the basic financial statements are an integral part of this statement.
Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds $ (5,975,723)

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.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Adjustment to the net pension liabilities.

Adjustment to the Other Postemployment Benefit (OPEB) annual OPEB cost for the net OPEB obligation.

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.

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.

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.

Net change in deferred outflows related to pension expense reported in the Statement of Activities.

Net change in deferred inflows related to pension expense reported in the Statement of Activities.

Change in net position - governmental activities $ 12,860,159

The accompanying notes to the basic financial statements are an integral part of this statement.
### RESOURCES (INFLows)

**Revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- local property</td>
<td>$199,573,377</td>
<td>$199,573,377</td>
<td>$199,092,098</td>
<td>$ (481,279)</td>
</tr>
<tr>
<td>- local other</td>
<td>$155,393,255</td>
<td>$155,393,255</td>
<td>$156,165,610</td>
<td>$772,355</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>$3,158,790</td>
<td>$3,158,790</td>
<td>$3,246,094</td>
<td>$87,304</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$1,380,350</td>
<td>$1,380,350</td>
<td>$2,327,913</td>
<td>$947,563</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$4,064,766</td>
<td>$4,064,766</td>
<td>$3,993,056</td>
<td>$(71,710)</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>$83,000</td>
<td>$83,000</td>
<td>$71,866</td>
<td>$(11,134)</td>
</tr>
<tr>
<td>Interest and gain on investments</td>
<td>$2,184,020</td>
<td>$2,184,020</td>
<td>$796,251</td>
<td>$(1,387,769)</td>
</tr>
<tr>
<td>Miscellaneous revenues</td>
<td>$1,466,420</td>
<td>$1,466,420</td>
<td>$8,448,670</td>
<td>$6,982,250</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$367,303,978</td>
<td>$367,303,978</td>
<td>$374,141,558</td>
<td>$5,743,567</td>
</tr>
</tbody>
</table>

**Other financing resources**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriated fund balance</td>
<td>$9,198,782</td>
<td>$9,198,782</td>
<td>-</td>
<td>$(9,198,782)</td>
</tr>
<tr>
<td>Transfers in</td>
<td>$11,904,240</td>
<td>$11,904,240</td>
<td>$11,864,524</td>
<td>$(39,716)</td>
</tr>
<tr>
<td>Redemptions - GO bonds</td>
<td>-</td>
<td>-</td>
<td>$6,138,285</td>
<td>$6,138,285</td>
</tr>
<tr>
<td>Bonds issued</td>
<td>-</td>
<td>-</td>
<td>$303,200</td>
<td>$303,200</td>
</tr>
<tr>
<td>Bonds premium</td>
<td>-</td>
<td>-</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Issuance of debt - GO debt</td>
<td>-</td>
<td>-</td>
<td>$1,303,000</td>
<td>$1,303,000</td>
</tr>
<tr>
<td><strong>Total other financing resources</strong></td>
<td>$21,103,022</td>
<td>$21,103,022</td>
<td>$20,009,009</td>
<td>$(1,094,013)</td>
</tr>
</tbody>
</table>

**Total Resources (Inflows)**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$388,407,000</td>
<td>$388,407,000</td>
<td>$394,150,567</td>
<td>$5,743,567</td>
</tr>
</tbody>
</table>

### CHARGES TO APPROPRIATIONS (OUTfLOWS)

**Expenditures**

**Current:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$58,858,120</td>
<td>$42,483,228</td>
<td>$36,753,837</td>
<td>$5,729,391</td>
</tr>
<tr>
<td>Public safety</td>
<td>$39,937,580</td>
<td>$47,186,132</td>
<td>$46,736,833</td>
<td>$449,299</td>
</tr>
<tr>
<td>Public works</td>
<td>$12,793,380</td>
<td>$17,224,482</td>
<td>$15,835,324</td>
<td>$1,391,558</td>
</tr>
<tr>
<td>Health</td>
<td>$4,640,830</td>
<td>$4,640,830</td>
<td>$4,640,830</td>
<td>-</td>
</tr>
<tr>
<td>Human services</td>
<td>$4,457,690</td>
<td>$4,870,950</td>
<td>$4,831,731</td>
<td>$39,219</td>
</tr>
<tr>
<td>Education</td>
<td>$191,151,480</td>
<td>$191,151,480</td>
<td>$198,300,740</td>
<td>$(7,149,260)</td>
</tr>
<tr>
<td>Library</td>
<td>$9,815,120</td>
<td>$12,153,785</td>
<td>$14,249,443</td>
<td>$(2,095,658)</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>$3,438,530</td>
<td>$4,207,053</td>
<td>$4,128,555</td>
<td>$78,498</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>$964,250</td>
<td>$1,073,155</td>
<td>$1,049,611</td>
<td>$23,544</td>
</tr>
<tr>
<td>Economic development</td>
<td>$2,934,390</td>
<td>$3,140,902</td>
<td>$2,539,649</td>
<td>$501,253</td>
</tr>
<tr>
<td>Judicial</td>
<td>$6,308,900</td>
<td>$7,810,998</td>
<td>$7,693,132</td>
<td>$117,866</td>
</tr>
<tr>
<td>Reserve for contingencies</td>
<td>$4,219,850</td>
<td>$2,745,216</td>
<td>-</td>
<td>$2,474,216</td>
</tr>
</tbody>
</table>

**Debt service:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt service - County</td>
<td>$29,167,910</td>
<td>$29,167,910</td>
<td>$29,042,136</td>
<td>$125,774</td>
</tr>
<tr>
<td>Debt service - Board of Education</td>
<td>$12,037,000</td>
<td>$12,392,038</td>
<td>$12,392,038</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$380,725,030</td>
<td>$380,248,159</td>
<td>$378,193,859</td>
<td>$2,054,300</td>
</tr>
</tbody>
</table>

**Other financing uses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers out</td>
<td>$7,681,970</td>
<td>$8,158,841</td>
<td>$7,614,074</td>
<td>$447,767</td>
</tr>
<tr>
<td>Payment to escrow agent</td>
<td>-</td>
<td>-</td>
<td>$6,524,948</td>
<td>$(6,524,948)</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>$7,681,970</td>
<td>$8,158,841</td>
<td>$14,139,022</td>
<td>$(5,980,181)</td>
</tr>
</tbody>
</table>

**Total charges to appropriations (outflows)**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$388,407,000</td>
<td>$388,407,000</td>
<td>$392,332,881</td>
<td>$3,925,881</td>
</tr>
</tbody>
</table>

**Net change in fund balances**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$1,817,686</td>
<td>$1,817,686</td>
</tr>
</tbody>
</table>

**Fund balance - beginning, as restated**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$115,173,312</td>
<td>$116,990,998</td>
<td></td>
</tr>
</tbody>
</table>

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

### Current assets:

- **Equity in pooled cash and investments:** $9,849,206
- **Cash and cash equivalents:**
  - 363, $64,172, 50
  - 2,173
- **Receivables, net:**
  - 2,963,068, 632,208, 213,076, 32,054
  - 92,204, 3,932,810, 15,514
- **Due from other funds:**
- **Due from general fund:**
- **Due from component units:**
- **Inventories:**
  - 461,830, 13,717
- **Prepaid expenses:**
  - 12,374,467, 10,537,145, 226,843
  - 43,887, 2,590,318

### Non-current assets:

- **Capital assets:**
  - **Land:** 2,534,118, 6,702,298, 5
  - 9,038,262
  - **Buildings:** 17,676,654, 1,752,296, 4,569,596
  - 274,051, 24,272,597
  - **Improvements other than buildings:** 1,940,496, 6,315,553, 1,785,748
  - 1,139,212, 408,405, 11,933,414
  - **Auto, machinery and equipment:** 3,003,792, 4,369,029, 901,948
  - 21,455,399, 234,091, 20,964,259
  - **Infrastructure:** 103,170,779
  - 103,170,779
  - **Construction in progress:** 11,970,522
  - 416,432, 12,388,984
  - **Less accumulated depreciation:**
    - (43,131,182), (6,164,523), (3,140,309), (4,409,548)
    - (552,741), (97,348,303)
  - **Total capital assets (net of accumulated depreciation):**
    - 94,582,432, 8,359,973, 10,819,291, 18,185,068
    - 930,238, 133,077,902

### Total assets:

107,257,899, 18,819,118, 11,046,124, 18,228,955

### Deferred Outflows of Resources:

- **Debt refunding:**
  - 664
  - 664
  - 664
  - 664

### Total assets and deferred outflows:

107,257,899, 18,819,118, 11,046,124, 18,228,955

## LIABILITIES

### Current liabilities:

- **Accounts payable:**
  - 2,534,158, 813,979, 71,049
  - 25,593, 77,360, 3,123,353
- **Accrued interest payable:**
  - 84,183, 9,114, 6,761
- **Unearned revenue:**
  - 6,073, 33,594
- **Accrued expenses:**
  - 79,744, 43,389, 6,892, 43,333, 2,855
  - 176,213
- **Due to other funds:**
  - 78,709, 2,247,617
  - 2,236,228
- **Long-term liabilities due within one year:**
  - **General obligation bonds payable:**
    - 1,389,067, 311,483, 219,954
    - 9,971, 1,930,455
  - **Unpaid claims:**
  - **Loans payable:**
  - **Landfill closure, postclosure remediation:**
  - **Compensated absences:**
    - 84,134, 65,522, 2,265
    - 151,941
  - **Total long-term due within one year:**
    - 1,504,123, 616,745, 222,219
    - 9,971, 2,205,061, 2,236,770

### Total current liabilities:

4,006,514, 1,283,227, 419,285, 2,316,389, 90,846, 8,119,098, 3,309,411

### Non-current liabilities:

- **General obligation bonds payable:**
  - 9,850,520, 759,080, 618,856
  - 52,420, 11,320,876
- **Unpaid claims:**
  - 1,711,967
- **Loans payable:**
  - 97,682
- **Landfill closure, postclosure remediation:**
  - 12,127,069
- **Compensated absences:**
  - 179,813, 85,980, 1,485
  - 266,278
  - 23,811,905
  - 1,711,967

### Total non-current liabilities:

10,187,019, 12,972,129, 620,341

### Total liabilities:

14,178,528, 14,255,356, 1,039,606, 2,316,389, 143,986, 31,930,043, 5,021,398

### Deferred Inflows of Resources:

- **Debt refunding:**
  - 54,866, 45,979, 4,062
  - 104,907
  - 104,907

### NET POSITION

- **Net investment in capital assets:**
  - 83,656,310, 7,864,947, 9,982,336, 18,402,118
  - 767,847, 120,673,858
- **Restricted for:**
  - 16,021,139, 4,347,065, 1,983,525
  - 12,904, 599,568, 22,964,201
  - 12,689,670

### Total net position:

93,026,507, 4,956,783, 10,002,456, 15,912,566, 3,248,194, 126,785,468, 12,689,670

The accompanying notes to the basic financial statements are an integral part of this statement.
### BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

**Governmental Non-Major Activities—Bureau of Solid Fiber Enterprise Internal Utilities Waste Airport Network Funds Total Service Funds**

<table>
<thead>
<tr>
<th>Operating revenues:</th>
<th>Bureau of Utilities</th>
<th>Solid Waste</th>
<th>Airport</th>
<th>Fiber Network</th>
<th>Enterprise Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$10,578,433</td>
<td>$7,056,454</td>
<td>$792,059</td>
<td>$212,142</td>
<td>$1,071,050</td>
<td>$19,710,138</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>10,578,433</td>
<td>7,056,454</td>
<td>792,059</td>
<td>212,142</td>
<td>1,071,050</td>
<td>19,710,138</td>
</tr>
</tbody>
</table>

| Operating expenses: | | Bureau of Utilities | Solid Waste | Airport | Fiber Network | Enterprise Funds | Total |
|---------------------| |---------------------|-------------|---------|---------------|----------------|-------|
| Personal services   | 2,628,389 | 1,484,759 | 248,404 | - | 80,712 | 4,442,264 | - |
| Contractual services| 4,392,048 | 6,463,526 | 348,961 | 309,926 | 290,519 | 11,804,980 | - |
| Materials and supplies| 1,628,370 | 168,101 | 44,831 | - | 68,394 | 1,909,696 | - |
| Rents and utilities  | 579,075 | 47,801 | 22,124 | 39,983 | 90,859 | 779,842 | - |
| Landfill closure and post-closure | - | - | - | - | - | - | - |
| Insurance claims | - | - | - | - | - | - | - |
| Miscellaneous | 63,901 | 14,971 | 20,544 | 7,667 | 145,221 | 252,304 | - |
| Depreciation | 2,296,365 | 605,529 | 176,283 | 964,042 | 47,558 | 4,089,777 | - |
| Total operating expenses| 11,588,148 | 8,784,687 | 861,147 | 1,321,618 | 723,263 | 23,278,863 | 17,338,289 |

| Operating income (loss) | (1,009,715) | (1,728,233) | (69,088) | (1,109,476) | 347,787 | (3,568,725) | 1,282,279 |

| Nonoperating revenues (expenses): | | Bureau of Utilities | Solid Waste | Airport | Fiber Network | Enterprise Funds | Total |
|---------------------| |---------------------|-------------|---------|---------------|----------------|-------|
| Penalties and interest | 141,440 | 41,895 | - | - | 7,817 | 191,152 | 55,380 |
| Medicare Part D | - | - | - | - | - | - | 231,256 |
| Bond interest subsidy | 18,210 | - | - | - | - | 18,210 | - |
| Interest and fiscal charges | (483,441) | (46,408) | (39,899) | - | (3,048) | (372,796) | - |
| Gain (loss) on disposal of capital assets | 11,558 | 22,500 | 13,179 | - | - | 47,237 | - |
| Total nonoperating revenues (expenses) | (312,233) | 17,987 | (26,720) | - | 4,799 | (316,197) | 286,636 |

| Income (loss) before contributions and transfers | (1,321,948) | (1,710,246) | (95,808) | (1,109,476) | 352,556 | (3,884,922) | 1,568,915 |
|---------------------| | Bureau of Utilities | Solid Waste | Airport | Fiber Network | Enterprise Funds | Total |
| Capital contributions (Area Connection Charges & Grants) | 300,231 | 2,303 | 189,422 | - | - | 491,956 | - |
| Capital contributions (Maintenance Fee) | 1,480,053 | - | - | - | 1,480,053 | - | - |
| Transfers in | 294,490 | 2,415,000 | - | - | - | 2,619,490 | 196,114 |
| Change in net position | 662,826 | 707,057 | 93,614 | (1,109,476) | 352,556 | 706,577 | 1,765,029 |
| Total net position - beginning of year | 92,363,681 | 3,888,726 | 9,008,842 | 17,022,042 | 126,078,889 | 10,924,641 |
| Total net position - end of year | $93,026,507 | $4,595,783 | $15,912,566 | $3,248,154 | $126,816,066 | $12,609,030 |

The accompanying notes to the basic financial statements are an integral part of this statement.
CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users 10,561,816 $  7,183,428 $  724,884 $  195,431 $  1,107,578 $  19,773,137 $  18,620,568 $ 18,620,568 $ 18,620,568
Receipts from other funds 12,431  60,745  150,639 -  223,815 (2,966)
Payments to suppliers (2,587,130) (7,580,701) (446,551) (302,763) (700,151) (11,617,096) (16,772,134)
Payments to employees (6,416,815) (57,239)  176,308 -  (3,517) (628,456)
Net cash provided (used) by operating activities 1,557,871 (1,866,530)  84,105  43,307  326,562  145,315  1,845,468

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in 204,490  2,415,000 -  -  -  2,619,490  196,114
Net cash provided by noncapital financing activities 204,490  2,415,000 -  -  -  2,619,490  196,114

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets (5,219,546) (714,731) (6,221) (43,307) (42,606) (6,026,411)
Principal paid on capital debt (1,463,839) (349,700) (237,906) -  (12,180) (2,063,625)
Interest paid on capital debt (524,971) (57,239) (42,729) -  (3,517) (628,456)
Proceeds of the disposition of capital asset 11,558  22,500  13,179 -  -  47,237
Capital contributions 1,780,284  2,303  189,422 -  -  1,972,009
Bond interest subsidy 18,210 -  -  -  -  18,210
Net cash provided (used) by capital and related financing activities (5,398,304) (1,096,867) (84,255) (43,307) (58,303) (6,681,036)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments and cash 141,440  41,895 -  -  8,328  191,663  55,381
Net cash provided by investing activities 141,440  41,895 -  -  8,328  191,663  55,381

Equity and pooled cash and investments at beginning of year 12,444,072  10,411,439  200 -  2,191,527  25,047,238  15,364,369
Equity and pooled cash and investments at end of year 8,949,569  9,904,937  50 -  2,468,114  21,322,670  17,461,332

Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities:

Operating income (loss) (1,009,715) (1,728,233) (69,088) (1,109,476) 347,787 (3,568,725) 1,282,279
Adjustments to reconcile operating income to net cash provided (used) by operating activities:
Depreciation expense 2,296,365  605,529  176,283  964,042  47,558  4,089,777
Effect of changes in operating assets and liabilities:
Due to other funds -  12,431  60,745  150,639 -  223,815 (2,966)
Due to other component units -  3,000 -  -  -  3,000
Accounts receivable (16,735)  128,992 (68,125) (16,711)  36,328  63,949 (15,409)
Prepaid expense -  13,900  4,167 -  -  18,067
Inventory 75,047 -  1,201 -  -  76,248
Compensated absences payable 30,168 (1,099) (7,259) -  -  21,810
Accounts payable and accrued expenses 182,623 (566,771) (24,302) 50,646 (105,311) (433,315) (69,617)
Unearned revenue 118 (5,019)  950 -  -  3,951  8,916
Claims liability -  -  -  -  -  642,265
Landfill closure, postclosure, remediation costs -  (345,360) -  -  (345,360)
Total adjustments 2,567,586  138,297  153,193  1,152,783 (21,225) 3,714,040  563,189
Net cash provided (used) by operating activities 1,557,871 (1,866,530)  84,105  43,307  326,562  145,315  1,845,468

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, 2017

<table>
<thead>
<tr>
<th></th>
<th>Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$</td>
<td>$ 582,762</td>
</tr>
<tr>
<td>Receivables-notes</td>
<td>24,212</td>
<td>113,463</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>2,386</td>
<td>-</td>
</tr>
<tr>
<td>Investments at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short - term investments</td>
<td>590,979</td>
<td>-</td>
</tr>
<tr>
<td>Bond funds</td>
<td>26,510,428</td>
<td>-</td>
</tr>
<tr>
<td>Equity funds</td>
<td>73,645,720</td>
<td>-</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>77,490,897</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>178,238,024</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>178,264,622</td>
<td>$ 696,225</td>
</tr>
</tbody>
</table>

|                      |     |              |
| **LIABILITIES**      |     |              |
| Accounts payable     | 24,853 | 91,078      |
| Due to primary government | 385,463 | 63,265      |
| Deposits            | -   | 541,882      |
| **Total liabilities**| 410,316 | $ 696,225  |

|                      |     |
| **FIDUCIARY NET POSITION** |     |
| Fiduciary net position restricted for pension, OPEB, and other purposes | $ 177,854,306 |

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions:</td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>$13,638,340</td>
</tr>
<tr>
<td>Plan members</td>
<td>$2,982,389</td>
</tr>
<tr>
<td>Total contributions</td>
<td>$16,620,729</td>
</tr>
<tr>
<td>Investment earnings:</td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>$39,692</td>
</tr>
<tr>
<td>Net increase in the fair value of investments</td>
<td>$17,155,137</td>
</tr>
<tr>
<td>Total investment earnings</td>
<td>$17,194,829</td>
</tr>
<tr>
<td>Less investment expense</td>
<td>($86,883)</td>
</tr>
<tr>
<td>Net investment earnings</td>
<td>$17,107,946</td>
</tr>
<tr>
<td>Total additions</td>
<td>$33,728,675</td>
</tr>
</tbody>
</table>

## DEDUCTIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits and refunds paid to plan members and beneficiaries</td>
<td>$7,505,670</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>$61,688</td>
</tr>
<tr>
<td>Total deductions</td>
<td>$7,567,358</td>
</tr>
</tbody>
</table>

Net increase in fiduciary net position: $26,161,317

Fiduciary net position-beginning: $151,692,989

Fiduciary net position-ending: $177,854,306

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

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, 2017. 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 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, 2017. 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 Education Article §16-304. The College serves the constituents of the County. At year-end any unspent appropriation up to 10 percent of the current year operating budget are retained by the College as a component of their net position. Any excess above the 10 percent 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, 2017.
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 CohnReznick 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, 2017.

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

<table>
<thead>
<tr>
<th>Board of Education of Carroll County</th>
<th>Carroll Community College</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 North Court Street</td>
<td>1601 Washington Road</td>
</tr>
<tr>
<td>Westminster, Maryland 21157</td>
<td>Westminster, Maryland 21157</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Development Authority</th>
<th>Carroll County Public Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>225 N. Center Street</td>
<td>1100 Green Valley Road</td>
</tr>
<tr>
<td>Westminster, Maryland 21157</td>
<td>New Windsor, Maryland 21776</td>
</tr>
</tbody>
</table>

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 finds, 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
Note 1 - Summary of significant accounting policies-continued
C. Basis of presentation- continued

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

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.

The **Carroll County Fiber Network** accounts for the operation and infrastructure development of the inter-county broadband fiber network.
Note 1 - Summary of significant accounting policies-continued
D. Basis of presentation- fund financial statements - continued

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

The *Carroll County Septage Treatment Facility* 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 *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 *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 Fund* primarily accounts for revenues that are formally restricted by law for a particular purpose or have specific requirements associated with eligible program costs.

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

D. Basis of presentation- fund financial statements – continued

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 Carroll Cable Regulatory Commission administers the cable franchise agreement for the County and eight towns.


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 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.
Note 1 - Summary of significant accounting policies-continued
E. Measurement focus and basis of accounting– continued

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 except grants and similar items which are considered available if collected within one year. 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.

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, Hotel Rental Tax Fund, and Watershed Protection and Restoration Fund.
Note 1 - Summary of significant accounting policies-continued  
F. Budgetary information-continued  

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, 2017, expenditures exceeded appropriations by $7,149,260 in Education and $2,095,658 in Library due primarily 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.

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 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.
Note 1 - Summary of significant accounting policies-continued
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued

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 amortized cost. 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 amortized cost. 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 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 5th Floor West; Baltimore, Maryland 21201; or by calling 410-237-5629.
Note 1 - Summary of significant accounting policies-continued
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance-continued

**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 cost. 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.

**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.
Note 1 - Summary of significant accounting policies-continued
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued

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 acquisition 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 on donated assets. Assets donated from component units are recorded at the carrying value of the asset at the time of donation. 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:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>50 years</td>
</tr>
<tr>
<td>Building improvements</td>
<td>10 years</td>
</tr>
<tr>
<td>Water and sewer systems</td>
<td>50-75 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5-10 years</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>5–10 years</td>
</tr>
<tr>
<td>Roads</td>
<td>50-75 years</td>
</tr>
<tr>
<td>Bridges</td>
<td>30-50 years</td>
</tr>
<tr>
<td>Fiber optic system</td>
<td>25-50 years</td>
</tr>
</tbody>
</table>

Deferred outflows/inflows of resources
In addition to assets, the Statement of Net 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) 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 one-five year period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 Net Position 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. In addition, this includes the deferred loss on debt when refunded. The deferred loss is amortized over the life of the bonds.
Note 1 - Summary of significant accounting policies-continued

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

The government has one such item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the deferred outflow or inflow of resources. 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 represents 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 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 each Plan. 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.
Note 1 - Summary of significant accounting policies-continued
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued

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 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 $1,070,563 in the solid waste fund, $575,538 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, 2017, fees collected through water/sewer user rates, area connection charges and maintenance fees totaling $16,021,139 have been restricted for future capital projects. The Solid Waste, Airport, Fiber Network and Septage funds have restricted component of net position for capital projects in the amounts of $4,347,065, $1,983,525, $12,904 and $599,568, respectively. These amounts totaling $22,964,201 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. The general fund is the only fund that reports a positive unassigned fund balance.
Note 1 - Summary of significant accounting policies
G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance- continued

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 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.) A sudden and unexpected decline in total general fund revenues that exceed one percent of 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, 2017. 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.
Note 1 - Summary of significant accounting policies-continued

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.

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, Fiber Network, 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 1st and may be paid without interest on or before September 30th. For fiscal year 2017, the following discounts were allowed: 1 percent on full year tax payments made on or before July 31st and 0.5 percent on full year tax payments made on or before August 31st. Semi-annual tax payments are not eligible for the discount. Second semi-annual installments are due on December 1st and may be paid without interest on or before December 31st. A service charge is payable with the second installment unless both installments are paid by September 30th. Delinquent accounts are issued final bills and legal notices on April 1st. 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.
Note 1 - Summary of significant accounting policies- continued
J. Revenues and expenditures/expenses- continued

The real property tax rate during the year ended June 30, 2017 was $1.018 per $100 of assessed value and the personal property rate was $2.515 per $100. Real property taxes for the County, State and Towns are billed to property owners and collected by the County.

5.) Other Taxes & Fees

Impact fees are included in the capital projects fund to provide 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.

Like impact fees Agricultural Transfer Tax is included in the capital projects fund and 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.

6.) 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.

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.

7.) 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.
Note 1 - Summary of significant accounting policies-continued

J. Revenues and expenditures/expenses- continued

8.) 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 expensed as incurred.

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.

9.) Arbitrage Payable

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, 2017, there is no arbitrage liability due to the Internal Revenue Service.

K. New Accounting Pronouncements

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. The County has implemented the effects of this Statement for reporting period ending June 30, 2017 with no affect.
Note 1 - Summary of significant accounting policies-continued
K. New Accounting Pronouncements- continued

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. The County has implemented the effects of this Statement for reporting period ending June 30, 2017.

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. The County has implemented the effects of this Statement for reporting period ending June 30, 2017, with no effect.

Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans
This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68. The County has implemented the effects of this Statement for reporting period ending June 30, 2017, with no affect.

Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB No. 14
This Statement will improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. The Statement was not applicable to the County and therefore was implemented for reporting period ending June 30, 2017 with no effect.

Statement No. 81, Irrevocable Split-Interest Agreements
This Statement will improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement was not applicable to the County and therefore was implemented for reporting period ending June 30, 2017 with no effect.

Statement No. 82, Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No.73
This Statement will provide guidance for applying fair value to investments and disclosures related to all fair value measurements. The County has implemented the effects of this Statement for reporting period ending June 30, 2017.

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. 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.
Note 1 - Summary of significant accounting policies-continued
K. New Accounting Pronouncements- continued

Statement No. 83, Certain Asset Retirement Obligations
This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement will become effective for fiscal years beginning after June 15, 2018.

Statement No. 84, Fiduciary Activities
The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will become effective for fiscal years beginning after December 15, 2018.

Statement No. 85, Omnibus 2017
The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will become effective for fiscal years beginning after June 15, 2017.

Statement No. 86, Certain Debt Extinguishment Issues
The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purposes of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is deceased in substance. This Statement will become effective for fiscal years beginning after June 15, 2017.

Statement No. 87, Leases
The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This Statement will become effective for fiscal years beginning after December 15, 2019.

L. Prior Period Adjustment
Component Units
Board of Education’s net position of statement of activities were restated because accumulated depreciation on capital assets, specifically school buildings was not correctly calculated and recorded for financial statement purposes. An adjusting journal entry totaling $4,861,330 was recorded to increase beginning net position. Therefore, the total net position of the Statement of activities was previously reported as $301,218,752, and was restated with a net increase of $4,861,330 to a restated amount of $306,080,082.
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 details of bonds payable and compensated absences difference are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable</td>
<td>$262,840,938</td>
</tr>
<tr>
<td>General Obligation Debt-Installment Purchases</td>
<td>32,827,508</td>
</tr>
<tr>
<td>Purchase Agreements Payable</td>
<td>5,334,709</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>6,199,670</td>
</tr>
<tr>
<td>Premium on Bonds</td>
<td>21,413,992</td>
</tr>
<tr>
<td><strong>Total long-term debt and compensated absences</strong></td>
<td><strong>328,616,817</strong></td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>(8,896,780)</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities &amp; Deferred Charges</strong></td>
<td><strong>319,720,037</strong></td>
</tr>
</tbody>
</table>

The details of net pension liabilities differences are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Employee Pension Liability</td>
<td>$ 8,501,249</td>
</tr>
<tr>
<td>Net Certified Law Officer Pension Liability</td>
<td>2,596,538</td>
</tr>
<tr>
<td>Net LOSAP Pension Liability</td>
<td>1,343,404</td>
</tr>
<tr>
<td>Net MSRA Pension Liability:</td>
<td></td>
</tr>
<tr>
<td>CC Officials State of MD</td>
<td>$279,129</td>
</tr>
<tr>
<td>Soil Conservation</td>
<td>237,464</td>
</tr>
<tr>
<td><strong>Net MSRA Pension Liability:</strong></td>
<td><strong>516,593</strong></td>
</tr>
<tr>
<td><strong>Total MSRA Pension Liability:</strong></td>
<td><strong>12,957,784</strong></td>
</tr>
</tbody>
</table>

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.”

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes- unavailable</td>
<td>$ 779,333</td>
</tr>
<tr>
<td>Income Taxes- unavailable</td>
<td>14,785,083</td>
</tr>
<tr>
<td><strong>Total Other Long-term Assets</strong></td>
<td><strong>15,564,416</strong></td>
</tr>
</tbody>
</table>
B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the net change in fund balances – total governmental funds and change in net 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:

- Purchase of capital assets: $10,881,443
- Donated assets: 2,832,224
- Depreciation: (17,201,690)
- Disposal of assets: (116,657)
- Transferred from Component unit:
  - Land: 910,175
  - Building & Improvements: 20,802,164
  - Accumulated depreciation: (12,269,848)
- Net book value: 9,442,491
- Total: $5,837,811

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 $(221,823) difference represents the net change of $375,349 Property Taxes-unavailable plus $(597,172) 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 installment purchase agreements: $1,303,000
  - Issuance of new general obligation bonds: (20,516,961)
  - Principal payments on general obligation bonds: 35,332,127
  - Principal payments on purchase agreements: 331,392
  - Net change in amortization of deferred loss on refunding bonds: (1,114,139)
  - Net change in amortization of bond premium: 636,722
  - Net change in accrued interest expense: 272,414
- Total: $13,638,555
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 - continued

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Compensated Absences Accrual</td>
<td>$(174,025)</td>
</tr>
<tr>
<td>Difference between accrual method used in Government wide Statements and the Purchase Method of inventory used in the Fund Statements</td>
<td>115,749</td>
</tr>
<tr>
<td></td>
<td>$(58,276)</td>
</tr>
</tbody>
</table>

The details of adjustment to the net pension liabilities are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Employee Pension Liability</td>
<td>$2,075,707</td>
</tr>
<tr>
<td>Certified Law Officer Pension Liability</td>
<td>68,656</td>
</tr>
<tr>
<td>LOSAP Pension Liability</td>
<td>73,916</td>
</tr>
<tr>
<td>MSRA Pension Liability:</td>
<td></td>
</tr>
<tr>
<td>CC Officials</td>
<td>$(77,310)</td>
</tr>
<tr>
<td>Soil Conservation</td>
<td>16,366</td>
</tr>
<tr>
<td></td>
<td>(60,944)</td>
</tr>
<tr>
<td></td>
<td>$2,157,335</td>
</tr>
</tbody>
</table>
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 $18,931,965. The Federal Depositary Insurance Corporation “FDIC” insured $250,000 and the balance of $18,681,965 was collateralized with investments held in the County’s name at the Federal Reserve Bank. At June 30, 2017, 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 position and the statement of fiduciary net position at June 30, 2017:

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Primary Government</th>
<th>Fiduciary Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity in Pooled Cash &amp; Investments</td>
<td>$156,050,970</td>
<td>$582,762</td>
<td>$156,633,732</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>423,051</td>
<td>-</td>
<td>423,051</td>
</tr>
<tr>
<td>Restricted Assets-Investments</td>
<td>28,219,985</td>
<td>178,238,024</td>
<td>206,458,009</td>
</tr>
<tr>
<td>Total Cash and Investments</td>
<td>$184,694,006</td>
<td>$178,820,786</td>
<td>$363,514,792</td>
</tr>
</tbody>
</table>

| Bank balances and cash on hand | $18,931,965 |
| Investments | $344,582,827 |
| Total Balances at June 30, 2017 | $363,514,792 |

COMPONENT UNITS

The following table reconciles the Component Unit’s deposits and investments to the government-wide statement of net position at June 30, 2017:

<table>
<thead>
<tr>
<th>Carroll College</th>
<th>Carroll Community</th>
<th>Carroll Industrial Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$15,843,870</td>
<td>$7,307,887</td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>10,000,000</td>
<td>9,765,304</td>
</tr>
<tr>
<td>Total Cash and Investments</td>
<td>$25,843,870</td>
<td>$10,057,422</td>
</tr>
<tr>
<td>Bank balances and cash on hand</td>
<td>$15,843,870</td>
<td>1,343,945</td>
</tr>
<tr>
<td>Investments</td>
<td>10,000,000</td>
<td>5,963,942</td>
</tr>
<tr>
<td>Total Balances at June 30, 2017</td>
<td>$25,843,870</td>
<td>$10,057,422</td>
</tr>
</tbody>
</table>

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

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, 2017 the 30 percent was $47,000,000). 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, 2017, 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 than 10 percent of its portfolio in commercial paper.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty’s trust department or agent, but not in the government’s name. County and State 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, 2017, the County’s investments were not exposed to custodial credit risk.

The following table displays the fair value measurements within the fair value hierarchy by investment type established by generally accepted accounting principles. Investments for the primary government and fiduciary funds have the following recurring fair value measurements as of June 30, 2017.

The three levels of the fair value hierarchy under the accounting guidance are listed below:

Level 1
Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the County can access at the measurement date.
Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

Level 2
Inputs other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly.

Level 3
Inputs that are unobservable and significant to the fair value measurement for an asset or liability.

<table>
<thead>
<tr>
<th>Primary Government:</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments by fair value level</td>
<td>Fair Value/ Amortized Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal agencies (2)</td>
<td>$ 64,777,050</td>
<td>$ -</td>
<td>$ 64,777,050</td>
</tr>
<tr>
<td>U.S. government securities (1)</td>
<td>26,788,985</td>
<td>-</td>
<td>26,788,985</td>
</tr>
<tr>
<td>Total debt securities</td>
<td>91,566,035</td>
<td>-</td>
<td>91,566,035</td>
</tr>
<tr>
<td>Equity Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money rate savings account</td>
<td>10,002,239</td>
<td>10,002,239</td>
<td>-</td>
</tr>
<tr>
<td>Total Equity Securities</td>
<td>10,002,239</td>
<td>10,002,239</td>
<td>-</td>
</tr>
<tr>
<td>Total Primary Government Investments</td>
<td>101,568,274</td>
<td>10,002,239</td>
<td>91,566,035</td>
</tr>
<tr>
<td>Other Post Employment Benefits (OPEB) and Pension Funds:</td>
<td>Investments by fair value level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>26,510,428</td>
<td>26,510,428</td>
<td>-</td>
</tr>
<tr>
<td>Total debt securities</td>
<td>26,510,428</td>
<td>26,510,428</td>
<td>-</td>
</tr>
<tr>
<td>Equity Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities (3)</td>
<td>73,645,720</td>
<td>73,645,720</td>
<td>-</td>
</tr>
<tr>
<td>Short-term investments (3)</td>
<td>590,979</td>
<td>590,979</td>
<td>-</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>77,490,897</td>
<td>77,490,897</td>
<td>-</td>
</tr>
<tr>
<td>Total Equity Securities</td>
<td>151,727,596</td>
<td>151,727,596</td>
<td>-</td>
</tr>
<tr>
<td>Total OPEB and Pension Funds</td>
<td>178,238,024</td>
<td>178,238,024</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments at fair value</td>
<td>$ 279,806,298</td>
<td>$ 188,240,263</td>
<td>$ 91,566,035</td>
</tr>
<tr>
<td>Investments at amortized costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MLGIP</td>
<td>64,776,529</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 344,582,827</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) These investments are backed by full faith & credit of the U.S. Government
(2) These agencies mature in fiscal year 2018/2019 but are callable monthly, quarterly, semi-annually until maturity.
(3) These investments are unrated.

The following is a description of the valuation methodologies the County used to measure investments at fair value and determine which level the investment belongs in for the fair value hierarchy.

Equity Securities are valued at the last sales price or if no sale price is available and the market is active then the last transaction price before year-end is used. These securities are in level 1 of the fair value hierarchy.

Debt Securities are valued at the most recent price of the equivalent quoted yield. Debt securities are in level 2 of the fair value hierarchy.
Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

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 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.

Established by generally accepted accounting principles, the accounting guidance provides direction for measuring fair value. A fair value hierarchy is used to measure fair value of the investments. There are three levels in the fair value hierarchy. With Level 1 being the highest priority to unadjusted quoted prices in the markets for identical assets and Level 3 being the lowest priority.

Component Units

At year-end, the carrying value of the Board of Education’s combined deposits was $16,124,906 and cash on hand was $3,513. The bank balance of deposits was $17,226,135. 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, 2017, the cash on hand for petty cash and change in funds for Carroll Community College was $3,300.

At June 30, 2017, the College’s cash and cash equivalents balance by type were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$3,300</td>
</tr>
<tr>
<td>Cash in bank</td>
<td>1,340,645</td>
</tr>
<tr>
<td>Bank money market</td>
<td>1,034,221</td>
</tr>
<tr>
<td>Maryland Local Government Investment Pool</td>
<td>4,929,721</td>
</tr>
<tr>
<td></td>
<td><strong>$7,307,887</strong></td>
</tr>
</tbody>
</table>
Note 3 – Equity in Pooled Cash and Investments, Cash Equivalents and Investments-continued

As of June 30, 2017, the carrying amount of the Library’s deposits was $1,403,091 and the bank balance was $1,586,348. There is no custodial credit risk for either of these investments as the amounts are fully collateralized.

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, 2017, the Industrial Development Authority bank balance was $13,968,394. 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 Hotel Rental Tax 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.
Note 4 – Budgets and Budgetary Accounting-continued

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 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, 2017.

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 yearend 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:

<table>
<thead>
<tr>
<th></th>
<th>Tax</th>
<th>Accounts</th>
<th>Interest</th>
<th>Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>$535,804</td>
<td>$249,729</td>
<td>$349,898</td>
<td>$16,772,842</td>
<td>$17,908,273</td>
</tr>
<tr>
<td>Capital Projects fund</td>
<td>-</td>
<td>94,978</td>
<td>2,303</td>
<td>-</td>
<td>97,281</td>
</tr>
<tr>
<td>Non-major funds</td>
<td>-</td>
<td>2,038,083</td>
<td>-</td>
<td>190,396</td>
<td>2,228,479</td>
</tr>
<tr>
<td>Uncollectible allowances</td>
<td>(49,400)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total government funds</td>
<td>535,804</td>
<td>2,382,790</td>
<td>352,201</td>
<td>16,963,238</td>
<td>20,234,033</td>
</tr>
<tr>
<td>Amount not scheduled for collection during subsequent year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$16,054,206</td>
<td>$16,054,206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Tax</th>
<th>Accounts</th>
<th>Interest</th>
<th>Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proprietary funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureau of Utilities</td>
<td>$2,963,068</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td>629,888</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport</td>
<td>213,076</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiber Network</td>
<td>32,054</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-major funds</td>
<td>92,204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>15,514</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total proprietary funds</td>
<td>$3,945,804</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount not scheduled for collection during subsequent year</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$16,054,206</td>
<td>$16,054,206</td>
</tr>
</tbody>
</table>

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

Balances for the component units for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Accounts Restricted</th>
<th>Accounts and Notes Unrestricted</th>
<th>Other</th>
<th>Students</th>
<th>Contributions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education</td>
<td>$ -</td>
<td>$ 297,852</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 297,852</td>
</tr>
<tr>
<td>Carroll Community College</td>
<td>-</td>
<td>-</td>
<td>134,816</td>
<td>782,439</td>
<td>1,852,488</td>
<td>2,769,743</td>
</tr>
<tr>
<td>Library</td>
<td>61,377</td>
<td>7,597</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>68,974</td>
</tr>
<tr>
<td>Industrial Development Authority</td>
<td>-</td>
<td>7,294,968</td>
<td>-</td>
<td>782,439</td>
<td>-</td>
<td>7,294,968</td>
</tr>
<tr>
<td>Less: allowances</td>
<td>61,377</td>
<td>(2,387,463)</td>
<td>134,816</td>
<td>462,658</td>
<td>(2,850,121)</td>
<td>(7,581,416)</td>
</tr>
<tr>
<td>Total component unit activities</td>
<td>$ 61,377</td>
<td>$ 5,212,954</td>
<td>$ 134,816</td>
<td>$ 319,781</td>
<td>$ 1,852,488</td>
<td>$ 7,581,416</td>
</tr>
<tr>
<td>Amount not scheduled for</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,842,948</td>
</tr>
<tr>
<td>collection during subsequent year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unearned Revenues

Governmental and Enterprise Funds also report unearned revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2017, the various components of unearned revenue reported were as follows:

**Governmental funds**

**General Fund:**
- City of Westminster $77,449

**Capital Fund:**
- Highway user revenue 1,328,418
- Developer Contributions 138,845
- Impact fees 800,484
- Community Support 5,003
- BOE restricted 199,855

**Grants Fund:**
- Draws in excess of expenditures 1,057,168

**Total governmental funds** $3,607,222

**Proprietary funds**

**Bureau of Utilities** $6,073

**Airport** 33,594

**Internal Service Fund:**
- Future benefit payments from retirees 11,879

**Total proprietary funds** $51,546
Deferred Outflows of Resources
In the government-wide statement of net position, deferred outflows of resources are reported as follows:

**Deferred Outflows of Resources:**

<table>
<thead>
<tr>
<th>Government-Wide</th>
<th>Deferred Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities</td>
<td></td>
</tr>
<tr>
<td>Deferred charge on refunding</td>
<td></td>
</tr>
<tr>
<td>Deferred charge for pension:</td>
<td></td>
</tr>
<tr>
<td>Carroll County Employee Pension</td>
<td>$4,074,268</td>
</tr>
<tr>
<td>Carroll County Certified Law Officers Pension</td>
<td>871,404</td>
</tr>
<tr>
<td>Length of Service Award Program (LOSAP)</td>
<td>324,113</td>
</tr>
<tr>
<td>State employee pension- cc officials</td>
<td>76,550</td>
</tr>
<tr>
<td>State employee pension- soil conservation</td>
<td>80,117</td>
</tr>
<tr>
<td>Total deferred charge for pension</td>
<td>$ 5,426,452</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
</tr>
<tr>
<td>Deferred charge on refunding</td>
<td>664</td>
</tr>
<tr>
<td>Total government-wide</td>
<td>$ 14,323,896</td>
</tr>
</tbody>
</table>

Deferred Inflows of Resources

Deferred Inflows are as follows:

<table>
<thead>
<tr>
<th>Government-Wide</th>
<th>Deferred Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities</td>
<td></td>
</tr>
<tr>
<td>Carroll county employee pension</td>
<td>$2,961,909</td>
</tr>
<tr>
<td>Carroll County Certified Law Officers Pension</td>
<td>921,238</td>
</tr>
<tr>
<td>LOSAP</td>
<td>281,198</td>
</tr>
<tr>
<td>MSRA-CC Officials</td>
<td>14,084</td>
</tr>
<tr>
<td>MSRA- Soil Conservation</td>
<td>22,810</td>
</tr>
<tr>
<td>Total deferred inflows for pension</td>
<td>4,201,239</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
</tr>
<tr>
<td>Deferred charge on refunding</td>
<td>104,907</td>
</tr>
<tr>
<td>Total government-wide</td>
<td>$ 4,306,146</td>
</tr>
</tbody>
</table>

Governmental funds reported unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period.

<table>
<thead>
<tr>
<th>Governmental funds</th>
<th>Unavailable Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>$ 14,785,083</td>
</tr>
<tr>
<td>Property taxes</td>
<td>779,333</td>
</tr>
<tr>
<td>Total governmental funds</td>
<td>$ 15,564,416</td>
</tr>
</tbody>
</table>
Note 6 – Interfund Receivables, Payables and Transfers

Interfund Transfers
At June 30, 2017, the Interfund transfers between primary government major and non-major funds were as follows:

<table>
<thead>
<tr>
<th>Transfers In:</th>
<th>Transfers Out:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 11,588,410</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>2,977,556</td>
</tr>
<tr>
<td>Bureau of Utilities</td>
<td>204,490</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>2,415,000</td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>196,114</td>
</tr>
<tr>
<td>Non-Major Governmental Funds</td>
<td>1,820,914</td>
</tr>
<tr>
<td><strong>Total transfers</strong></td>
<td><strong>7,614,074</strong></td>
</tr>
</tbody>
</table>

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. 9.09 percent of Income Tax is dedicated to the capital fund and is transferred to the general fund to cover debt service for school construction.

Due from/to Component Units
The due from/to component units at June 30, 2017 consisted of the following:

<table>
<thead>
<tr>
<th>Due From</th>
<th>Due To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Government:</td>
<td></td>
</tr>
<tr>
<td>Board of Education</td>
<td>$ 13,867</td>
</tr>
<tr>
<td>Carroll Community College</td>
<td>445</td>
</tr>
<tr>
<td>Library</td>
<td>1,611</td>
</tr>
<tr>
<td>Industrial Development Authority</td>
<td>612,910</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 628,833</strong></td>
</tr>
</tbody>
</table>

| Component Units: | |
| Primary Government (Board of Education) | 34,655,913 | 13,867 |
| Primary Government (Carroll Community College) | 41,614 | 445 |
| Primary Government (Library) | 5,120 | 1,611 |
| Primary Government (IDA) | - | 612,910 |
| **Total** | **$ 34,702,647** | **$ 628,833** |
Note 6 – Interfund Receivables, Payables and Transfers-continued

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

<table>
<thead>
<tr>
<th>Due From</th>
<th>Due To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trust Funds:</strong></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Other Postemployment Benefit Trust</td>
<td>$385,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$385,463</td>
</tr>
</tbody>
</table>

Due from/to Other Governmental Funds

<table>
<thead>
<tr>
<th>Due From</th>
<th>Due To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Funds:</strong></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$300,166</td>
</tr>
<tr>
<td>Capital Fund</td>
<td>6,799,470</td>
</tr>
<tr>
<td>Non-Major Governmental Funds (Grants)</td>
<td>$348,296</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$7,447,932</td>
</tr>
</tbody>
</table>

Internal Balances

Due from/to Business-type funds:

<table>
<thead>
<tr>
<th>Due From</th>
<th>Due To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Balances</strong></td>
<td></td>
</tr>
<tr>
<td>Business-type Activities:</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ -</td>
</tr>
<tr>
<td>Grant Fund</td>
<td>2,966</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,966</td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
</tr>
<tr>
<td>Fiber Network</td>
<td>$2,247,517</td>
</tr>
<tr>
<td>Airport</td>
<td>78,709</td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$2,326,226</td>
</tr>
</tbody>
</table>

The Airport Fund, Fiber Network and OPEB trust fund 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, Fiber Network and OPEB trust fund at June 30, 2017.
### Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance June 30, 2016</th>
<th>Additions*</th>
<th>Net of Transfers and Retirements</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$34,569,392</td>
<td>$1,360,675</td>
<td>$40,387</td>
<td>$35,889,680</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>9,727,788</td>
<td>6,434,264</td>
<td>(5,977,797)</td>
<td>10,184,255</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>44,297,180</td>
<td>7,794,939</td>
<td>(6,018,184)</td>
<td>46,073,935</td>
</tr>
<tr>
<td>Capital assets, being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and contents</td>
<td>193,393,561</td>
<td>18,477,933</td>
<td>-</td>
<td>211,871,494</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>73,666,509</td>
<td>2,868,309</td>
<td>5,624,102</td>
<td>82,158,920</td>
</tr>
<tr>
<td>Automobiles, machinery and equipment</td>
<td>46,727,086</td>
<td>3,456,977</td>
<td>(1,222,111)</td>
<td>48,961,952</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>572,280,713</td>
<td>2,827,848</td>
<td>-</td>
<td>575,108,561</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>886,067,869</td>
<td>27,631,067</td>
<td>-</td>
<td>918,100,927</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and contents</td>
<td>57,716,768</td>
<td>15,726,089</td>
<td>-</td>
<td>73,442,857</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>25,706,578</td>
<td>6,801,576</td>
<td>-</td>
<td>32,508,154</td>
</tr>
<tr>
<td>Automobiles, machinery and equipment</td>
<td>33,086,786</td>
<td>3,250,327</td>
<td>(1,499,536)</td>
<td>34,837,577</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>427,444,011</td>
<td>3,693,546</td>
<td>-</td>
<td>431,137,557</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>543,954,143</td>
<td>29,471,538</td>
<td>(1,499,536)</td>
<td>571,926,145</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>342,113,726</td>
<td>5,954,468</td>
<td>(116,657)</td>
<td>346,174,782</td>
</tr>
<tr>
<td>Governmental activities capital assets, net</td>
<td>$386,410,906</td>
<td>5,954,468</td>
<td>(116,657)</td>
<td>392,248,717</td>
</tr>
</tbody>
</table>

**Business-type activities:**

<table>
<thead>
<tr>
<th></th>
<th>Balance June 30, 2016</th>
<th>Additions*</th>
<th>Net of Transfers and Retirements</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$8,968,255</td>
<td>$70,007</td>
<td>-</td>
<td>9,038,262</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>9,174,076</td>
<td>4,988,483</td>
<td>(1,775,575)</td>
<td>12,386,984</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>18,142,331</td>
<td>5,058,490</td>
<td>(1,775,575)</td>
<td>21,425,246</td>
</tr>
<tr>
<td>Capital assets, being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and contents</td>
<td>24,272,597</td>
<td>-</td>
<td>-</td>
<td>24,272,597</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>11,550,808</td>
<td>42,606</td>
<td>-</td>
<td>11,593,414</td>
</tr>
<tr>
<td>Automobiles, machinery and equipment</td>
<td>27,487,207</td>
<td>2,700,889</td>
<td>(223,837)</td>
<td>29,964,259</td>
</tr>
<tr>
<td>Infrastructure:</td>
<td>55,439,328</td>
<td>-</td>
<td>-</td>
<td>55,439,328</td>
</tr>
<tr>
<td>Water facilities</td>
<td>166,481,390</td>
<td>2,743,495</td>
<td>(223,837)</td>
<td>169,001,048</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and contents</td>
<td>9,311,979</td>
<td>485,670</td>
<td>-</td>
<td>9,797,649</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>5,146,422</td>
<td>504,245</td>
<td>-</td>
<td>5,650,667</td>
</tr>
<tr>
<td>Automobiles, machinery and equipment</td>
<td>9,151,940</td>
<td>1,421,204</td>
<td>(223,837)</td>
<td>10,349,307</td>
</tr>
<tr>
<td>Infrastructure:</td>
<td>12,332,305</td>
<td>968,616</td>
<td>-</td>
<td>13,300,921</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>53,482,362</td>
<td>4,089,778</td>
<td>(223,837)</td>
<td>57,348,303</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>112,999,028</td>
<td>(1,346,283)</td>
<td>(1,775,575)</td>
<td>111,652,745</td>
</tr>
<tr>
<td>Business-type activities capital assets, net</td>
<td>$131,141,359</td>
<td>3,712,207</td>
<td>(1,775,575)</td>
<td>$133,077,991</td>
</tr>
</tbody>
</table>

*Additions to accumulated depreciation includes the transfer of capital assets of $20,802,164 from the Board of Education along with accumulated depreciation of $12,269,848.
Note 7 – Capital Assets-continued

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

**Governmental activities:**
- General Government: $6,748,752
- Public Safety: 3,858,165
- Public Works: 4,720,590
- Health: 9,017
- Culture & Recreation: 1,163,288
- Judicial: 74,141
- Economic Development: 231,792
- Conservation of Natural Resources: 395,138
- Human Services: 807

Total depreciation expense-governmental activities: $17,201,690

**Business-type activities:**
- Bureau of Utilities: $2,296,365
- Solid Waste: 605,529
- Septage: 19,273
- Airport: 176,283
- Firearms Facility: 28,285
- Fiber Network: 964,043

Total depreciation expense-business-type activities: $4,089,778

**Component units**

Activity for the Board of Education for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th>Capital assets not being depreciated</th>
<th>Balance</th>
<th>Net Transfers and Retirements</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2016</td>
<td></td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Land and improvements</td>
<td>$15,052,303</td>
<td>$-</td>
<td>$(910,175)</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>225,711</td>
<td>6,066,984</td>
<td>(2,788,220)</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>15,278,014</td>
<td>6,066,984</td>
<td>(3,698,395)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital assets being depreciated</th>
<th>Balance</th>
<th>Net Transfers and Retirements</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>602,483,454</td>
<td>(20,802,164)</td>
<td>584,539,561</td>
</tr>
<tr>
<td>Equipment</td>
<td>44,081,119</td>
<td>(2,703,733)</td>
<td>42,740,112</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>646,564,573</td>
<td>(23,505,897)</td>
<td>627,279,673</td>
</tr>
</tbody>
</table>

**Less accumulated depreciation**

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Net Transfers and Retirements</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and Improvements</td>
<td>211,274,490</td>
<td>(12,269,848)</td>
<td>213,674,746</td>
</tr>
<tr>
<td>Equipment</td>
<td>34,377,094</td>
<td>(2,387,844)</td>
<td>34,864,938</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>245,651,584</td>
<td>(14,657,692)</td>
<td>231,993,892</td>
</tr>
<tr>
<td>Total capital assets, being depreciated, net</td>
<td>400,912,989</td>
<td>(8,848,205)</td>
<td>392,064,784</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$416,191,003</td>
<td>$(12,546,600)</td>
<td>$396,994,403</td>
</tr>
</tbody>
</table>

76
Note 7 – Capital Assets-continued

Component units-continued
Activity for the Carroll Community College for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance at June 30, 2016</th>
<th>Additions</th>
<th>Net Transfers and Retirements</th>
<th>Balance at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital assets not being depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td>$382,525</td>
<td>$3,925</td>
<td>$(1,500)$</td>
<td>$384,950</td>
</tr>
<tr>
<td><strong>Capital assets being depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building improvements</td>
<td>2,563,943</td>
<td>194,909</td>
<td>-</td>
<td>2,758,852</td>
</tr>
<tr>
<td>Equipment</td>
<td>3,742,831</td>
<td>303,324</td>
<td>(81,566)</td>
<td>3,964,589</td>
</tr>
<tr>
<td>Vehicles</td>
<td>128,692</td>
<td>58,224</td>
<td>-</td>
<td>186,916</td>
</tr>
<tr>
<td>Library books</td>
<td>1,602,476</td>
<td>34,801</td>
<td>(44,217)</td>
<td>1,593,060</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td>8,037,942</td>
<td>591,258</td>
<td>(125,783)</td>
<td>8,503,417</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building improvements</td>
<td>1,041,414</td>
<td>158,648</td>
<td>-</td>
<td>1,200,062</td>
</tr>
<tr>
<td>Equipment</td>
<td>3,305,742</td>
<td>184,246</td>
<td>(81,566)</td>
<td>3,408,422</td>
</tr>
<tr>
<td>Vehicles</td>
<td>125,618</td>
<td>7,233</td>
<td>-</td>
<td>132,851</td>
</tr>
<tr>
<td>Library books</td>
<td>1,541,479</td>
<td>42,060</td>
<td>(43,365)</td>
<td>1,540,174</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td>6,014,253</td>
<td>392,187</td>
<td>(124,931)</td>
<td>6,281,509</td>
</tr>
<tr>
<td><strong>Total capital assets, being depreciated, net</strong></td>
<td>2,023,689</td>
<td>199,071</td>
<td>(852)</td>
<td>2,221,908</td>
</tr>
<tr>
<td><strong>Capital assets, net</strong></td>
<td>$2,406,214</td>
<td>$202,996</td>
<td>$(2,352)$</td>
<td>$2,606,858</td>
</tr>
</tbody>
</table>

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 $384,950, as of June 30, 2017, and $381,025 as of June 30, 2016, and adjusted accordingly in the financial statements. Collectibles and artwork with indeterminate useful lives are not depreciated.

Since the donors placed no restriction on their gift of these collections, they are included in Unrestricted Net Position.
Note 7 – Capital Assets-continued

Activity for the Carroll County Public Library for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance at June 30, 2016</th>
<th>Additions</th>
<th>Net Transfers and Retirements</th>
<th>Balance at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>$ 13,232</td>
<td>$ -</td>
<td>$ (13,232)</td>
<td>$ -</td>
</tr>
<tr>
<td>Capital assets being depreciated by location</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headquarters</td>
<td>1,135,350</td>
<td>52,074</td>
<td>(43,589)</td>
<td>1,143,835</td>
</tr>
<tr>
<td>Westminster</td>
<td>1,241,372</td>
<td>-</td>
<td>(50,676)</td>
<td>1,190,696</td>
</tr>
<tr>
<td>Eldersburg</td>
<td>432,521</td>
<td>-</td>
<td>(4,170)</td>
<td>428,351</td>
</tr>
<tr>
<td>Mt. Airy</td>
<td>961,465</td>
<td>-</td>
<td>-</td>
<td>961,465</td>
</tr>
<tr>
<td>North Carroll</td>
<td>293,936</td>
<td>-</td>
<td>(2,025)</td>
<td>291,911</td>
</tr>
<tr>
<td>Taneytown</td>
<td>138,432</td>
<td>-</td>
<td>-</td>
<td>138,432</td>
</tr>
<tr>
<td>Finksburg</td>
<td>124,214</td>
<td>-</td>
<td>-</td>
<td>124,214</td>
</tr>
<tr>
<td>Circulation materials</td>
<td>3,260,040</td>
<td>1,100,402</td>
<td>(1,107,836)</td>
<td>3,252,606</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>7,587,330</td>
<td>1,152,476</td>
<td>(1,208,296)</td>
<td>7,531,510</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>3,924,462</td>
<td>1,338,106</td>
<td>(1,199,244)</td>
<td>4,063,324</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$3,676,100</td>
<td>$(185,630)</td>
<td>$(22,284)</td>
<td>$3,468,186</td>
</tr>
</tbody>
</table>

Activity for the Industrial Development Authority of Carroll County for the year ended June 30, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Net Transfers and Retirements</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 7,274,323</td>
<td>$ -</td>
<td>$ (183,153)</td>
<td>$ 7,091,170</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>1,779,929</td>
<td>9,076</td>
<td>(407,870)</td>
<td>1,381,135</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>9,054,252</td>
<td>9,076</td>
<td>(591,023)</td>
<td>8,472,305</td>
</tr>
<tr>
<td>Capital assets being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>37,886</td>
<td>-</td>
<td>-</td>
<td>37,886</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>37,886</td>
<td>-</td>
<td>-</td>
<td>37,886</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>9,495</td>
<td>3,428</td>
<td>-</td>
<td>12,923</td>
</tr>
<tr>
<td>Total capital assets, being depreciated, net</td>
<td>28,391</td>
<td>(3,428)</td>
<td>-</td>
<td>24,963</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$ 9,082,643</td>
<td>$ 5,648</td>
<td>$ (591,023)</td>
<td>$ 8,497,268</td>
</tr>
</tbody>
</table>

THE COUNTY COMMISSIONERS OF CARROLL COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

78
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, 2017:

<table>
<thead>
<tr>
<th>Governmental activities:</th>
<th>Balance July 1, 2016</th>
<th>Additions</th>
<th>Principal Repayments/Amortization</th>
<th>Balance June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Agreements</td>
<td>5,666,101</td>
<td>-</td>
<td>$331,392</td>
<td>5,334,709</td>
<td>296,536</td>
</tr>
<tr>
<td>General Obligation Debt</td>
<td>31,524,508</td>
<td>1,303,000</td>
<td>-</td>
<td>32,827,508</td>
<td>-</td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>277,656,104</td>
<td>20,516,961</td>
<td>35,332,127</td>
<td>262,840,938</td>
<td>27,491,643</td>
</tr>
<tr>
<td>Bonds premium/discount</td>
<td>22,050,714</td>
<td>-</td>
<td>1,939,092</td>
<td>21,411,992</td>
<td>1,745,740</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>336,897,427</td>
<td>23,122,331</td>
<td>37,602,611</td>
<td>322,417,147</td>
<td>29,533,919</td>
</tr>
<tr>
<td>Net other post employments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefit obligation</td>
<td>36,845,328</td>
<td>1,401,365</td>
<td>-</td>
<td>38,246,693</td>
<td>-</td>
</tr>
<tr>
<td>Net LOSAP liability</td>
<td>1,417,320</td>
<td>484,089</td>
<td>558,005</td>
<td>1,343,404</td>
<td>-</td>
</tr>
<tr>
<td>Net employee pension liability</td>
<td>10,576,956</td>
<td>8,117,562</td>
<td>10,193,269</td>
<td>8,501,249</td>
<td>-</td>
</tr>
<tr>
<td>Net certified law officers pension liability</td>
<td>2,665,194</td>
<td>2,277,063</td>
<td>2,345,719</td>
<td>2,596,538</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability (CC Officials State of MD)</td>
<td>201,819</td>
<td>77,310</td>
<td>-</td>
<td>279,129</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability (Soil Conservation- State)</td>
<td>253,830</td>
<td>-</td>
<td>16,366</td>
<td>237,464</td>
<td>-</td>
</tr>
<tr>
<td>Estimated liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for claims in process-worker's comp</td>
<td>2,136,529</td>
<td>1,763,037</td>
<td>923,496</td>
<td>2,976,070</td>
<td>1,279,710</td>
</tr>
<tr>
<td>for claims in process-insurance</td>
<td>1,971,577</td>
<td>15,820,148</td>
<td>-</td>
<td>1,562,687</td>
<td>1,547,060</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>6,025,644</td>
<td>3,052,766</td>
<td>2,878,740</td>
<td>6,199,670</td>
<td>-</td>
</tr>
<tr>
<td><strong>Governmental activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>$398,991,624</td>
<td>$56,115,671</td>
<td>$70,747,243</td>
<td>$384,360,051</td>
<td>$32,360,689</td>
</tr>
</tbody>
</table>

| Business-type activities:         |                     |           |                                  |                       |                     |
| Loans Payable                    | 158,748             | -         | $30,141                         | 128,607               | 30,925              |
| General Obligation Bonds         | 15,284,816          | 211,715   | 2,245,200                       | 13,251,331            | 1,930,455           |
| **Subtotal**                     | 15,443,564          | 211,715   | 2,275,341                       | 13,379,938            | 1,961,380           |
| Landfill closure/post closure    | 12,712,169          | -         | 345,360                         | 12,366,809            | 239,740             |
| Compensated Absences             | 396,409             | 154,171   | 132,361                         | 418,219               | 151,941             |
| **Business-type activity**       |                     |           |                                  |                       |                     |
| Long-term liabilities            | $28,552,142         | $365,886  | $2,753,062                      | $26,164,966           | $2,353,061          |

| Component Units:                 |                     |           |                                  |                       |                     |
| Board of Education:              |                     |           |                                  |                       |                     |
| Net other post employment        |                     |           |                                  |                       |                     |
| benefit obligation               | 93,788,726          | 26,930,000| $12,241,106                     | 108,477,620           | -                   |
| Compensated Absences             | 15,778,411          | 1,657,783 | 1,829,095                       | 15,607,099            | 2,400,000           |
| Net pension liability (State of MD) | 17,874,365         | 2,732,743 | 1,483,375                       | 19,123,733            | -                   |
| Capital Lease Obligations        | 2,615,846           | -         | 870,718                         | 1,745,128             | 930,441             |
| **Total Board of Education**     | $130,057,348        | $31,320,526| $16,424,294                    | $144,953,580          | $3,330,441          |

| Carroll Community College        |                     |           |                                  |                       |                     |
| Net other post employment        |                     |           |                                  |                       |                     |
| benefit obligation               | 20,150,543          | 2,640,880 | -                                | 22,791,423            | -                   |
| Compensated Absences             | 889,948             | -         | 15,519                          | 874,429               | 740,152             |
| **Total Carroll Community College** | $21,040,491       | $2,640,880| $15,519                         | $23,665,852           | $740,152            |

| Library                          |                     |           |                                  |                       |                     |
| Compensated Absences             | 523,475             | 24,401    | -                                | 547,876               | -                   |
| Net pension liability            | 581,213             | 153,739   | 55,927                          | 679,025               | -                   |
| **Total Library**                | $1,104,688          | 178,140   | 55,927                          | $1,226,901            | -                   |

| Industrial Development Authority |                     |           |                                  |                       |                     |
| Loans                            | 5,764,567           | -         | -                               | 5,764,567             | -                   |
| **Total Industrial Dev. Authority** | $5,764,567        | -         | -                               | $5,764,567            | -                   |
Note 8 – Long-Term Debt—continued

A.) Governmental Activities
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.

Payments are made to the pension and other post-employment trust funds from the General Fund as an employer contribution to help reduce the liability.

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, 2017 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.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Interest Rate</th>
<th>Year Series Matures</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SunTrust/AAIG Johnson Controls</td>
<td>4.040%</td>
<td>2021</td>
<td>$ 2,649,079</td>
<td>$ 909,188</td>
<td>$ 228,704</td>
</tr>
<tr>
<td>AAIG Johnson Controls</td>
<td>2.353%</td>
<td>2031</td>
<td>4,536,852</td>
<td>4,425,521</td>
<td>67,832</td>
</tr>
<tr>
<td>Total Purchase Agreements</td>
<td></td>
<td></td>
<td></td>
<td>$ 5,334,709</td>
<td>$ 296,536</td>
</tr>
</tbody>
</table>
### Note 8 – Long-Term Debt—continued

#### A.) Governmental Activities—continued

**A.) Governmental Activities**

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$296,536</td>
<td>$138,025</td>
<td>$434,561</td>
</tr>
<tr>
<td>2019</td>
<td>316,017</td>
<td>126,594</td>
<td>442,611</td>
</tr>
<tr>
<td>2020</td>
<td>336,498</td>
<td>114,513</td>
<td>451,011</td>
</tr>
<tr>
<td>2021</td>
<td>391,245</td>
<td>101,461</td>
<td>492,706</td>
</tr>
<tr>
<td>2022</td>
<td>344,966</td>
<td>91,064</td>
<td>436,030</td>
</tr>
<tr>
<td>2023-2027</td>
<td>2,057,960</td>
<td>316,342</td>
<td>2,374,302</td>
</tr>
<tr>
<td>2028-2031</td>
<td>1,591,487</td>
<td>71,015</td>
<td>1,662,502</td>
</tr>
<tr>
<td><strong>Total purchase agreement</strong></td>
<td><strong>5,334,709</strong></td>
<td><strong>959,014</strong></td>
<td><strong>6,293,723</strong></td>
</tr>
</tbody>
</table>

**General Obligation Debt**

The County issues general obligation debt for the Agricultural Preservation Program to enter 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 2037. The interest rates on these purchase agreements range from 4.641% to 6.00%.

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-</td>
<td>$1,818,826</td>
<td>$1,818,826</td>
</tr>
<tr>
<td>2019</td>
<td>1,201,211</td>
<td>1,818,826</td>
<td>3,020,037</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td>1,746,753</td>
<td>1,746,753</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>1,746,753</td>
<td>1,746,753</td>
</tr>
<tr>
<td>2022</td>
<td>246,000</td>
<td>1,746,753</td>
<td>1,992,753</td>
</tr>
<tr>
<td>2023-2027</td>
<td>7,797,488</td>
<td>7,982,046</td>
<td>15,779,534</td>
</tr>
<tr>
<td>2028-2032</td>
<td>17,885,220</td>
<td>5,092,368</td>
<td>22,977,588</td>
</tr>
<tr>
<td>2033-2037</td>
<td>5,697,589</td>
<td>756,859</td>
<td>6,454,448</td>
</tr>
<tr>
<td><strong>Total purchase agreement</strong></td>
<td><strong>32,827,508</strong></td>
<td><strong>22,709,184</strong></td>
<td><strong>55,536,692</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Issue</th>
<th>Interest Rate</th>
<th>Year Matures</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHA Loan of 1972-Watershed Bonds</td>
<td>3.502%</td>
<td>2022</td>
<td>$769,700</td>
<td>$158,846</td>
<td>$27,266</td>
</tr>
<tr>
<td>FHA Loan of 1974- Watershed Bonds</td>
<td>3.649%</td>
<td>2024</td>
<td>253,000</td>
<td>79,663</td>
<td>9,218</td>
</tr>
<tr>
<td>FHA Loan of 1979- Watershed Bonds</td>
<td>3.649%</td>
<td>2031</td>
<td>678,800</td>
<td>321,131</td>
<td>18,008</td>
</tr>
<tr>
<td>2006 Public Improvement Bonds</td>
<td>3.50%-4.00%</td>
<td>2021</td>
<td>20,260,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007 Refunding Bonds (January)</td>
<td>3.50%-5.00%</td>
<td>2020</td>
<td>23,165,883</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>20,430,000</td>
<td>1,159,156</td>
<td>1,159,156</td>
</tr>
<tr>
<td>2007 Refunding Bonds (November)</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>6,670,000</td>
<td>2,640,000</td>
<td>620,000</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>28,294,094</td>
<td>1,159,156</td>
<td>1,159,156</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>14,759,547</td>
<td>4,945,275</td>
<td>1,578,534</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series B</td>
<td>4.70%-5.625%</td>
<td>2029</td>
<td>17,631,476</td>
<td>17,159,565</td>
<td>-</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series A</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>6,044,297</td>
<td>485,273</td>
<td>485,273</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>1.03%-3.51%</td>
<td>2030</td>
<td>8,841,618</td>
<td>7,108,432</td>
<td>419,313</td>
</tr>
<tr>
<td>2011 Public Improvement Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>11,042,955</td>
<td>8,558,303</td>
<td>1,842,190</td>
</tr>
<tr>
<td>2011 Refunding Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>9,104,764</td>
<td>5,124,029</td>
<td>1,842,190</td>
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<tr>
<td>2012 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>13,600,000</td>
<td>10,075,197</td>
<td>631,201</td>
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<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>13,685,415</td>
<td>12,120,859</td>
<td>2,586,369</td>
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<tr>
<td>2013 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2033</td>
<td>23,412,567</td>
<td>18,078,596</td>
<td>1,101,902</td>
</tr>
<tr>
<td>2014 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2034</td>
<td>14,099,475</td>
<td>10,764,158</td>
<td>509,048</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2029</td>
<td>19,078,563</td>
<td>15,447,052</td>
<td>1,105,502</td>
</tr>
<tr>
<td>2015 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2035</td>
<td>25,448,730</td>
<td>20,998,085</td>
<td>1,105,802</td>
</tr>
<tr>
<td>2015 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2022</td>
<td>5,529,176</td>
<td>5,516,503</td>
<td>-</td>
</tr>
<tr>
<td>2016 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2036</td>
<td>11,291,144</td>
<td>9,722,736</td>
<td>486,137</td>
</tr>
<tr>
<td>2016 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2020</td>
<td>2,617,306</td>
<td>2,617,306</td>
<td>912,966</td>
</tr>
<tr>
<td><strong>Subtotal General Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$156,775,712</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issue</th>
<th>Interest Rate</th>
<th>Year Matures</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006 Public Improvement Bonds</td>
<td>3.50%-4.00%</td>
<td>2021</td>
<td>$20,260,000</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>2007 Refunding Bonds (January)</td>
<td>3.50%-5.00%</td>
<td>2020</td>
<td>23,165,883</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>20,430,000</td>
<td>102,101</td>
<td>102,101</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>43,613,906</td>
<td>4,361,275</td>
<td>2,127,433</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>8,305,513</td>
<td>2,846,077</td>
<td>908,469</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series B</td>
<td>4.70%-5.625%</td>
<td>2029</td>
<td>15,946,285</td>
<td>15,946,284</td>
<td>-</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series A</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>6,044,297</td>
<td>486,057</td>
<td>486,057</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>1.03%-3.51%</td>
<td>2030</td>
<td>10,272,510</td>
<td>8,269,136</td>
<td>526,929</td>
</tr>
<tr>
<td>2011 Public Improvement Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>6,957,045</td>
<td>5,610,127</td>
<td>289,417</td>
</tr>
<tr>
<td>2011 Refunding Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>769,193</td>
<td>336,233</td>
<td>160,508</td>
</tr>
<tr>
<td>2012 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>6,400,000</td>
<td>5,117,740</td>
<td>320,565</td>
</tr>
<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>2,347,757</td>
<td>2,138,034</td>
<td>428,724</td>
</tr>
<tr>
<td>2013 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2033</td>
<td>1,852,433</td>
<td>1,566,365</td>
<td>95,471</td>
</tr>
<tr>
<td>2014 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2034</td>
<td>2,347,757</td>
<td>810,473</td>
<td>45,026</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2029</td>
<td>1,852,433</td>
<td>31,079,281</td>
<td>745,518</td>
</tr>
<tr>
<td>2015 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2035</td>
<td>1,736,270</td>
<td>1,649,407</td>
<td>86,863</td>
</tr>
<tr>
<td>2015 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2022</td>
<td>485,905</td>
<td>485,905</td>
<td>-</td>
</tr>
<tr>
<td>2016 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2036</td>
<td>2,405,656</td>
<td>2,405,656</td>
<td>120,283</td>
</tr>
<tr>
<td>2016 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2020</td>
<td>3,520,979</td>
<td>3,520,979</td>
<td>1,228,184</td>
</tr>
<tr>
<td><strong>Subtotal Board of Education:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$86,731,130</td>
</tr>
</tbody>
</table>

Subtotal General Government $156,775,712 Subtotal Board of Education $86,731,130
Note 8 – Long-Term Debt–continued
A.) Governmental Activities–continued

General Obligation Bonds

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Interest Rate</th>
<th>Year Series of Original Issue</th>
<th>Amount Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer Fire Companies:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003 Fire Company Bonds</td>
<td>2.00%-3.85%</td>
<td>2018</td>
<td>2,100,000</td>
<td>$345,000</td>
</tr>
<tr>
<td>2004 Fire Company Bonds</td>
<td>4.13%</td>
<td>2019</td>
<td>2,065,000</td>
<td>517,628</td>
</tr>
<tr>
<td>2005 Fire Company Bonds</td>
<td>3.50%-4.125%</td>
<td>2020</td>
<td>2,900,000</td>
<td>760,000</td>
</tr>
<tr>
<td>2006 Public Improvement Bonds</td>
<td>3.50%-4.00%</td>
<td>2021</td>
<td>20,260,000</td>
<td>-</td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>20,430,000</td>
<td>170,000</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>184,000</td>
<td>27,600</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>270,000</td>
<td>92,522</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series A</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>385,000</td>
<td>30,667</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series B</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>2,210,000</td>
<td>275,000</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>3.75%-4.90%</td>
<td>2030</td>
<td>535,000</td>
<td>335,000</td>
</tr>
<tr>
<td>2011 Public Improvement Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>750,000</td>
<td>604,800</td>
</tr>
<tr>
<td>2012 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>1,460,000</td>
<td>1,167,436</td>
</tr>
<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>187,173</td>
<td>187,173</td>
</tr>
<tr>
<td>2013 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2033</td>
<td>735,000</td>
<td>621,494</td>
</tr>
<tr>
<td>2013 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2024</td>
<td>60,458</td>
<td>60,458</td>
</tr>
<tr>
<td>2014 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2034</td>
<td>735,000</td>
<td>621,494</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2029</td>
<td>1,925,370</td>
<td>60,458</td>
</tr>
<tr>
<td>2015 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2035</td>
<td>815,000</td>
<td>730,000</td>
</tr>
<tr>
<td>2016 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2036</td>
<td>303,200</td>
<td>303,200</td>
</tr>
<tr>
<td>Subtotal Volunteer Fire Companies</td>
<td></td>
<td></td>
<td>6,227,978</td>
<td>$1,371,565</td>
</tr>
<tr>
<td>2013 Taxable Pension Bonds</td>
<td>2.24%</td>
<td>2019</td>
<td>4,524,000</td>
<td>$2,670,000</td>
</tr>
<tr>
<td>Subtotal Taxable Pension Bonds</td>
<td></td>
<td></td>
<td>2,670,000</td>
<td>$917,000</td>
</tr>
<tr>
<td>Watershed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>20,430,000</td>
<td>$2,663</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>28,294,094</td>
<td>61,333</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>14,759,547</td>
<td>112,428</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series B</td>
<td>4.70%-5.625%</td>
<td>2029</td>
<td>17,631,476</td>
<td>471,910</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>1.03%-3.51%</td>
<td>2030</td>
<td>8,814,618</td>
<td>104,531</td>
</tr>
<tr>
<td>2011 Public Improvement Bonds</td>
<td>2.00%-4.25%</td>
<td>2031</td>
<td>11,042,955</td>
<td>346,770</td>
</tr>
<tr>
<td>2012 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2032</td>
<td>13,600,000</td>
<td>799,627</td>
</tr>
<tr>
<td>2013 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2033</td>
<td>23,412,567</td>
<td>1,718,545</td>
</tr>
<tr>
<td>2014 Public Improvement Bonds</td>
<td>2.00%-5.00%</td>
<td>2034</td>
<td>14,099,475</td>
<td>1,718,545</td>
</tr>
<tr>
<td>2015 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2035</td>
<td>25,448,730</td>
<td>1,718,545</td>
</tr>
<tr>
<td>2015 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2022</td>
<td>5,529,176</td>
<td>12,673</td>
</tr>
<tr>
<td>2016 Public Improvement Bonds</td>
<td>3.00%-5.00%</td>
<td>2036</td>
<td>11,291,144</td>
<td>1,568,408</td>
</tr>
<tr>
<td>Subtotal Board of Education</td>
<td></td>
<td></td>
<td>10,436,118</td>
<td>$600,575</td>
</tr>
<tr>
<td>Subtotal General Obligation Bonds</td>
<td></td>
<td></td>
<td>262,840,938</td>
<td>$27,491,643</td>
</tr>
<tr>
<td>Bond premium/discount</td>
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<td></td>
<td>21,413,992</td>
<td>1,745,740</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>284,254,930</td>
<td>$29,237,383</td>
</tr>
</tbody>
</table>

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2017, are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$27,491,643</td>
<td>$10,482,088</td>
<td>$37,973,731</td>
</tr>
<tr>
<td>2019</td>
<td>25,649,440</td>
<td>9,330,711</td>
<td>34,980,151</td>
</tr>
<tr>
<td>2020</td>
<td>24,223,753</td>
<td>8,261,056</td>
<td>32,484,809</td>
</tr>
<tr>
<td>2021</td>
<td>21,154,371</td>
<td>7,252,343</td>
<td>28,406,714</td>
</tr>
<tr>
<td>2022</td>
<td>17,655,879</td>
<td>6,354,601</td>
<td>24,010,480</td>
</tr>
<tr>
<td>2023-2027</td>
<td>75,765,334</td>
<td>21,004,065</td>
<td>96,769,399</td>
</tr>
<tr>
<td>2028-2032</td>
<td>56,135,518</td>
<td>6,967,818</td>
<td>63,103,336</td>
</tr>
<tr>
<td>2033-2037</td>
<td>859,847</td>
<td>14,765,000</td>
<td>15,624,847</td>
</tr>
<tr>
<td>Total General Obligation Bonds</td>
<td>$262,840,938</td>
<td>$70,512,529</td>
<td>$333,353,467</td>
</tr>
</tbody>
</table>

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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.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Interest Rate</th>
<th>Year Series Matures</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maryland Water Quality Financing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002 Revolving Loan - Hampstead</td>
<td>2.60%</td>
<td>2021</td>
<td>$532,680</td>
<td>$128,607</td>
<td>$30,925</td>
</tr>
<tr>
<td>Total Loans Payable</td>
<td></td>
<td></td>
<td></td>
<td>$128,607</td>
<td>$30,925</td>
</tr>
</tbody>
</table>

The annual requirements to repay the loans payable outstanding as of June 30, 2017, are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$30,925</td>
<td>$5,059</td>
<td>$35,984</td>
</tr>
<tr>
<td>2019</td>
<td>31,728</td>
<td>4,255</td>
<td>35,983</td>
</tr>
<tr>
<td>2020</td>
<td>32,554</td>
<td>3,430</td>
<td>35,984</td>
</tr>
<tr>
<td>2021</td>
<td>33,400</td>
<td>2,583</td>
<td>35,983</td>
</tr>
<tr>
<td>Total Loans Payable</td>
<td>$128,607</td>
<td>$15,327</td>
<td>$143,934</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Issue</th>
<th>Interest Rate</th>
<th>Year Series Matures</th>
<th>Amount of Original Issue</th>
<th>Outstanding June 30, 2017</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau of Utilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006 Public Improvement Bonds</td>
<td>3.50%-4.00%</td>
<td>2021</td>
<td>$200,000</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Amount Outstanding</td>
<td>$200,000</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>9,401,000</td>
<td>625,867</td>
<td>625,867</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>7,616,000</td>
<td>818,858</td>
<td>399,435</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>745,461</td>
<td>255,450</td>
<td>81,540</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series B</td>
<td>4.70%-5.625%</td>
<td>2029</td>
<td>1,072,240</td>
<td>1,072,240</td>
<td>-</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series A</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>6,371</td>
<td>512</td>
<td>512</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>3.75%-4.90%</td>
<td>2030</td>
<td>13,742</td>
<td>11,062</td>
<td>705</td>
</tr>
<tr>
<td>2011 Refunding Bonds</td>
<td>2.00%-4.25%</td>
<td>2021</td>
<td>484,430</td>
<td>228,821</td>
<td>100,225</td>
</tr>
<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2022</td>
<td>198,550</td>
<td>181,169</td>
<td>36,179</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2024</td>
<td>5,446,358</td>
<td>5,050,753</td>
<td>124,963</td>
</tr>
<tr>
<td>2015 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2022</td>
<td>2,978,549</td>
<td>2,978,548</td>
<td>-</td>
</tr>
<tr>
<td>2016 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2020</td>
<td>56,307</td>
<td>56,307</td>
<td>19,641</td>
</tr>
<tr>
<td>Subtotal Bureau of Utilities</td>
<td>11,279,587</td>
<td>1,389,067</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007 Refunding Bonds (January)</td>
<td>3.50%-5.00%</td>
<td>2020</td>
<td>345,658</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007 Public Improvement Bonds</td>
<td>3.75%-5.25%</td>
<td>2022</td>
<td>604,000</td>
<td>40,211</td>
<td>40,211</td>
</tr>
<tr>
<td>2008 Public Improvement Bonds</td>
<td>3.25%-5.00%</td>
<td>2028</td>
<td>296,000</td>
<td>45,386</td>
<td>22,138</td>
</tr>
<tr>
<td>2009 Public Improvement Bonds Series A</td>
<td>2.00%-4.00%</td>
<td>2019</td>
<td>9,479</td>
<td>3,248</td>
<td>1,037</td>
</tr>
<tr>
<td>2011 Refunding Bonds</td>
<td>2.00%-4.25%</td>
<td>2021</td>
<td>789,648</td>
<td>475,148</td>
<td>158,221</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2024</td>
<td>406,860</td>
<td>223,611</td>
<td>57,928</td>
</tr>
<tr>
<td>2015 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2022</td>
<td>191,370</td>
<td>191,370</td>
<td>-</td>
</tr>
<tr>
<td>2016 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2020</td>
<td>91,589</td>
<td>91,589</td>
<td>31,948</td>
</tr>
<tr>
<td>Subtotal Solid Waste Fund</td>
<td>1,070,563</td>
<td>311,483</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001 Public Improvement Bonds</td>
<td>3.25%-4.75%</td>
<td>2021</td>
<td>2,200,000</td>
<td>550,000</td>
<td>110,000</td>
</tr>
<tr>
<td>2007 Refunding Bonds (January)</td>
<td>3.50%-5.00%</td>
<td>2020</td>
<td>240,854</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010 Refunding Bonds Series A</td>
<td>0.30%-1.70%</td>
<td>2018</td>
<td>93,300</td>
<td>7,491</td>
<td>7,491</td>
</tr>
<tr>
<td>2010 Public Improvement Bonds Series D</td>
<td>3.75%-4.90%</td>
<td>2030</td>
<td>27,130</td>
<td>21,839</td>
<td>1,392</td>
</tr>
<tr>
<td>2011 Refunding Bonds</td>
<td>2.00%-4.25%</td>
<td>2021</td>
<td>286,966</td>
<td>145,769</td>
<td>58,856</td>
</tr>
<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2022</td>
<td>18,716</td>
<td>15,374</td>
<td>3,843</td>
</tr>
<tr>
<td>2014 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2020</td>
<td>85,400</td>
<td>34,498</td>
<td>16,091</td>
</tr>
<tr>
<td>2016 Refunding Bonds</td>
<td>3.00%-5.00%</td>
<td>2020</td>
<td>63,819</td>
<td>63,819</td>
<td>22,261</td>
</tr>
<tr>
<td>Subtotal Airport Fund</td>
<td>838,790</td>
<td>219,934</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Septage Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006 Public Improvement Bonds</td>
<td>3.50%-4.00%</td>
<td>2021</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012 Refunding Bonds</td>
<td>2.00%-5.00%</td>
<td>2022</td>
<td>62,391</td>
<td>62,391</td>
<td>9,971</td>
</tr>
<tr>
<td>Subtotal Septage Fund</td>
<td>62,391</td>
<td>9,971</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total General Obligation Bonds</td>
<td>$13,251,331</td>
<td>$1,930,455</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note 8 – Long-Term Debt—continued
B.) Business-type Activities—continued

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2017, are as follows:

| Years Ending June 30, Principal Interest Total | | |
|-----------------------------------------------|-----------------------------------------------|
| Business-type activities:                     | | |
| 2018   $ 1,930,455 | $ 574,188 | $ 2,504,643 |
| 2019   1,714,447   | 485,426    | 2,199,873    |
| 2020   1,752,272   | 404,948    | 2,157,220    |
| 2021   1,461,175   | 325,349    | 1,786,524    |
| 2022   1,436,831   | 263,544    | 1,700,375    |
| 2023-2027 3,638,243 | 498,621    | 4,136,864    |
| 2028-2031 1,317,908 | 26,836     | 1,344,744    |
| Total General Obligation Bonds                | | |
| $ 13,251,331 | $2,578,912 | $15,830,243 |

Advanced Refunding
The County issued general obligation refunding bonds during the current year. The County issued $6,350,000 on November 10, 2016 of general obligation refunding bonds to redeem the January 2007 outstanding bonds. The net proceeds of $6,786,228 (after payment of $76,364 for issuance costs) were used to redeem $6,750,000 of general obligation bonds from January 2007 bonds. The November 2016 redemption was undertaken to reduce total debt service payments by $284,580. The economic gain or net present value of savings from redeeming general obligation bonds was $36,228

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, 2017, $58,827,875 of defeased bonds remains outstanding.

Bond Authorization
The County has authorization to sell approximately $153,037,698 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 $110,611,278 of the available authorization.

C.) Component Units
In October of 2004, the Board of Education entered into a 10-year energy management plan to provide air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures. During the fiscal year ended June 30, 2017, no new capital leases were entered into by the Board of Education.

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:
Note 8 – Long-Term Debt–continued

Board of Ed energy management equipment

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th>Energy Management Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$992,243</td>
</tr>
<tr>
<td>2019</td>
<td>844,235</td>
</tr>
<tr>
<td></td>
<td>1,836,478</td>
</tr>
<tr>
<td>less interest</td>
<td>(91,350)</td>
</tr>
<tr>
<td>Present value of future minimum lease payments</td>
<td>$ 1,745,128</td>
</tr>
</tbody>
</table>

Interest expense related to capital leases was $92,625 for the year ended June 30, 2017.

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 loaned 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 2017, 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, 2017. On November 29, 2017, the IDA and the State of Maryland Department of Commerce negotiated and executed a final settlement of the loan outstanding. To satisfy the loan, a payment of $3,764,567 was made and the interest payable on the loan, which was $1,142,937 as of June 30, 2017, was forgiven.

On June 30, 2016, the IDA entered into a $2,000,000 investment agreement with the State of Maryland and the Department of Commerce to develop the North Carroll Business park project, located in Hampstead, Maryland. The proceeds of the loan are to be used for eligible project costs to develop the infrastructure of the approximately 80 acre park. The agreements states the loan will be interest free for a period of twenty four months beginning on the date of disbursement of the proceeds. Beginning on the day following the end of the 24 month period, the outstanding balance of the investment shall bear interest at 3% per annum.
Note 8 – Long-Term Debt–continued

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, 2017 amounted to $391,641. Future lease revenues for these rentals are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3,764,567</td>
<td>$-</td>
<td>$3,764,567</td>
</tr>
<tr>
<td>2019</td>
<td>$-</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>2020</td>
<td>$-</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>2021</td>
<td>$-</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>2022</td>
<td>$-</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>2023-2026</td>
<td>2,000,000</td>
<td>240,000</td>
<td>2,240,000</td>
</tr>
<tr>
<td></td>
<td>$5,764,567</td>
<td>$480,000</td>
<td>$6,244,567</td>
</tr>
</tbody>
</table>

Note 9 – Lease Obligations

Operating Leases

Governmental Activities

The County is committed under various leases to rent 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, 2017 for the County amounted to $297,630. Future lease payments for these leases are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$301,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$310,030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$319,331</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>$328,911</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$338,778</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023-2026</td>
<td>$1,459,841</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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, 2017 amounted to $391,641. Future lease revenues for these rentals are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$304,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$304,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$304,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>$304,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$304,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023-2027</td>
<td>$1,520,244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028-2097</td>
<td>$70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In Kind Services

The primary government owns facilities that are used in the operation by their component units (related parties). For the fiscal year 2017, the County recorded $1,559,430 for the Library; $3,534,200 for Carroll Community College and $1,615,574 for the Board of Education as in kind revenue and additional support to the component units.
Note 9 – Lease Obligations-continued

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, 2017 for the County totaled to $374,764 and has a six-year commitment remaining. The total future minimum payments are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$386,008</td>
</tr>
<tr>
<td>2019</td>
<td>397,587</td>
</tr>
<tr>
<td>2020</td>
<td>409,045</td>
</tr>
<tr>
<td>2021</td>
<td>421,318</td>
</tr>
<tr>
<td>2022</td>
<td>433,959</td>
</tr>
</tbody>
</table>

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 total lease expense for the year ended June 30, 2017 for the County totaled $109,570 and has a 14-year commitment remaining. The total future minimum payments are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$112,856</td>
</tr>
<tr>
<td>2019</td>
<td>116,242</td>
</tr>
<tr>
<td>2020</td>
<td>119,730</td>
</tr>
<tr>
<td>2021</td>
<td>123,321</td>
</tr>
<tr>
<td>2022</td>
<td>127,021</td>
</tr>
<tr>
<td>2023-2027</td>
<td>694,602</td>
</tr>
<tr>
<td>2028-2031</td>
<td>550,437</td>
</tr>
</tbody>
</table>

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, 2017 amounted to $359,507. Future lease revenues for these rentals are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$298,808</td>
</tr>
<tr>
<td>2019</td>
<td>301,032</td>
</tr>
<tr>
<td>2020</td>
<td>302,559</td>
</tr>
<tr>
<td>2021</td>
<td>304,699</td>
</tr>
<tr>
<td>2022</td>
<td>306,727</td>
</tr>
<tr>
<td>2023-2027</td>
<td>313,552</td>
</tr>
</tbody>
</table>
Note 9 – Lease Obligations-continued

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

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$13,461,837</td>
<td>$512,770</td>
<td>$13,974,607</td>
</tr>
<tr>
<td>Buildings</td>
<td>123,544,313</td>
<td>-</td>
<td>123,544,313</td>
</tr>
<tr>
<td>Less: Accumulated depreciation (42,343,943)</td>
<td>-</td>
<td>(42,343,943)</td>
<td></td>
</tr>
<tr>
<td>Net carrying value</td>
<td>$94,662,207</td>
<td>$512,770</td>
<td>$95,174,977</td>
</tr>
</tbody>
</table>

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 ended June 30, 2019.

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

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th>Minimum Annual Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$294,141</td>
</tr>
<tr>
<td>2019</td>
<td>171,725</td>
</tr>
<tr>
<td>2020</td>
<td>89,963</td>
</tr>
<tr>
<td>2021</td>
<td>5,814</td>
</tr>
<tr>
<td>Total</td>
<td>$561,643</td>
</tr>
</tbody>
</table>

Operating lease expenditures/expenses for the year ended June 30, 2017 were $415,332.

The Library leases various office equipment under noncancelable operating leases that extend through the year ending June 30, 2022. Total rental expenditures were $26,897 for leases for the year ended June 30, 2017. The future minimum lease payments for these leases are as follows:

<table>
<thead>
<tr>
<th>Years Ending June 30,</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$26,609</td>
</tr>
<tr>
<td>2019</td>
<td>26,609</td>
</tr>
<tr>
<td>2020</td>
<td>22,176</td>
</tr>
<tr>
<td>2021</td>
<td>22,176</td>
</tr>
<tr>
<td>2022</td>
<td>1,848</td>
</tr>
<tr>
<td>Total</td>
<td>$99,418</td>
</tr>
</tbody>
</table>
Note 9 – Lease Obligations-continued

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 $182,882 for the year ended June 30, 2017. 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:

<table>
<thead>
<tr>
<th>Years Ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 169,620</td>
</tr>
<tr>
<td>2019</td>
<td>14,135</td>
</tr>
<tr>
<td>Total</td>
<td>$ 183,755</td>
</tr>
</tbody>
</table>

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 26.5 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 the majority of 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 $5,838,213, of which 100 percent has been accrued as of June 30, 2017. 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 $1,528,596 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 $12,366,809.

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

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

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 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, 2016. The membership data related to the plan was as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and beneficiaries currently receiving benefits</td>
<td>241</td>
</tr>
<tr>
<td>Terminated plan members entitled to, but not yet receiving benefits</td>
<td>188</td>
</tr>
<tr>
<td>Active plan members</td>
<td>733</td>
</tr>
<tr>
<td>Total</td>
<td>1,162</td>
</tr>
</tbody>
</table>

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

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 three 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 five percent of their annual base pay. The County contributed 7.7 percent of the employees’ annual base pay. For fiscal year 2017, the County contributed $2,636,200 to the Carroll County Employee Pension Plan.

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:

<table>
<thead>
<tr>
<th>Investment Fund</th>
<th>Fair Value in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway International Value Fund</td>
<td>$3,769,341</td>
</tr>
<tr>
<td>Harding Loevner International Equity Fund</td>
<td>3,743,572</td>
</tr>
</tbody>
</table>
Note 11– Pension Plans-continued  
Carroll County Employee Pension Plan-continued

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.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Maximum</th>
<th>Allocation at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA/Aaa</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>AA/Aa</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>A/A</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>BAA/Baa</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>BBB</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Large Cap Equities</td>
<td>35.0%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Domestic Mid Cap Equities</td>
<td>0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Domestic Small Cap Equities</td>
<td>0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Real Estate Equities</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>International Equities</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>20.0%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0.0%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on the CCEPP investments, net of pension plan investment expense, was 11.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
Note 11– Pension Plans-continued
Carroll County Employee Pension Plan-continued

Net Pension Liability of the County
The components of the net pension liability of the County at June 30, 2017, were as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$85,408,335</td>
</tr>
<tr>
<td>CCEPP fiduciary net position</td>
<td>$(76,907,086)</td>
</tr>
<tr>
<td>County’s net pension liability</td>
<td>$8,501,249</td>
</tr>
</tbody>
</table>

CCEPP fiduciary net position as a percentage of the total pension liability 90.05%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 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-2014 with generational projections using scale MP-2014

Changes since prior valuation: None

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

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>45%</td>
<td>5.60%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>10%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>10%</td>
<td>6.80%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>10%</td>
<td>6.10%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>3.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Discount rate: The discount rate used to measure the total pension liability was seven 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.
Note 11– Pension Plans-continued
Carroll County Employee Pension Plan-continued

Changes in Net Pension liability:

<table>
<thead>
<tr>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 6/30/16</td>
<td>$ 77,290,773</td>
<td>$ 66,713,817</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>3,859,961</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>5,345,393</td>
<td></td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>768,238</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - employer</td>
<td></td>
<td>2,636,200</td>
</tr>
<tr>
<td>Contributions - member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td></td>
<td>7,682,570</td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(1,856,030)</td>
<td>(1,856,030)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td></td>
<td>(42,578)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Changes</td>
<td>8,117,562</td>
<td>10,193,269</td>
</tr>
<tr>
<td>Balances at 6/30/17</td>
<td>$ 85,408,335</td>
<td>$ 76,907,086</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>1% Decrease (6.0%)</th>
<th>Current Discount Rate (7.0%)</th>
<th>1% Increase (8.0%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s net pension liability</td>
<td>$21,694,016</td>
<td>$8,501,249</td>
</tr>
</tbody>
</table>

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

For the year ended June 30, 2017, the County recognized pension expense of $3,327,477. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:
Note 11– Pension Plans-continued
Carroll County Employee Pension Plan-continued

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 614,590</td>
<td>$ 622,127</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>981,107</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investment</td>
<td>2,478,571</td>
<td>2,339,782</td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,074,268</td>
<td>$ 2,961,909</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Years Ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$610,494</td>
</tr>
<tr>
<td>2019</td>
<td>610,492</td>
</tr>
<tr>
<td>2020</td>
<td>322,671</td>
</tr>
<tr>
<td>2021</td>
<td>(431,298)</td>
</tr>
</tbody>
</table>

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.
Statement of Fiduciary Net Position
Carroll County Employee Pension Plan

Assets:
Investments at fair value:
  Short-term investments $ 264,158
  Bond funds 18,889,081
  Equity funds 57,764,263
Total assets 76,917,502
Liabilities:
  Accounts payable 10,416
  Total liabilities 10,416
Fiduciary Net Position:
  Net position held in trust for pension benefits
    and other purposes $ 76,907,086

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

ADDITIONS
Contributions:
  Employer $ 2,636,200
  Plan Members 1,773,107
  Total Contributions 4,409,307
Investment earnings:
  Net increase in the fair value of investments 7,729,314
  Total investment earnings 7,729,314
  Less investment expense (46,744)
    Net investment earnings 7,682,570
Total additions 12,091,877

DEDUCTIONS
  Benefits 1,856,030
  Administrative expenses 42,578
  Total deductions 1,898,608
Change in net position 10,193,269

NET POSITION RESTRICTED FOR COUNTY PENSION
Beginning of year 66,713,817
End of year $ 76,907,086
Note 11– Pension Plans-continued
Carroll County Employee Pension Plan-continued

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 using the following actuarial assumptions, applied to the periods included in the measurements:

- Projected payroll increases: 3% per year
- Salary valuation: 36-month average highest pay
- Post retirement cost-of-living adjustments: 1.8%
- Inflation rate: 3.0%

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 CCLOPP.

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, 2016. The membership data related to the plan was as follows:

- Retirees and beneficiaries currently receiving benefits: 9
- Terminated plan members entitled to, but not yet receiving benefits: -
- Active plan members: 105
- Total: 114
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 eight percent of their annual base pay. The County contributed 14.3 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
Note 11– Pension Plans-continued
Carroll County Certified Law Officers Pension Plan-continued

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 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:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway International Value Fund</td>
<td>$609,036</td>
</tr>
<tr>
<td>Harding Loevner International Equity Fund</td>
<td>605,050</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Maximum</th>
<th>Allocation at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA/Aaa</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>AA/Aa</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>A/A</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>BAA/Baa</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>BBB</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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:
Note 11– Pension Plans-continued
Carroll County Certified Law Officers Pension Plan-continued

Carroll County Certified Law Officer Trust Fund

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Large Cap Equities</td>
<td>35.0%</td>
</tr>
<tr>
<td>Domestic Mid Cap Equities</td>
<td>0%</td>
</tr>
<tr>
<td>Domestic Small Cap Equities</td>
<td>0%</td>
</tr>
<tr>
<td>Real Estate Equities</td>
<td>5.0%</td>
</tr>
<tr>
<td>International Equities</td>
<td>5.0%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>20.0%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Rate of return. For the year ended June 30, 2017, the annual money-weighted rate of return on the CCCLOPP investments, net of pension plan investment expense, was 10.99 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, 2017, were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$15,084,074</td>
</tr>
<tr>
<td>CCCLOPP fiduciary net position</td>
<td>(12,487,536)</td>
</tr>
<tr>
<td>County’s net pension liability</td>
<td>$ 2,596,538</td>
</tr>
<tr>
<td>CCCLOPP fiduciary net position as a percentage of the total pension liability</td>
<td>82.79%</td>
</tr>
</tbody>
</table>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 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-2014 with generational projections using scale of MP-2014

Changes since prior valuation: None.
Note 11– Pension Plans-continued
Carroll County Certified Law Officers 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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>45%</td>
<td>5.60%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>10%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>10%</td>
<td>6.80%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>10%</td>
<td>6.10%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>3.00%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Discount rate: The discount rate used to measure the total pension liability was seven 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.
Note 11– Pension Plans-continued

Carroll County Certified Law Officers Pension Plan-continued

Changes in Net Pension Liability:

<table>
<thead>
<tr>
<th></th>
<th>Increase (Decrease)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Pension Liability (a)</td>
<td>Plan Fiduciary Net Position (b)</td>
<td>Net Pension Liability (a - b)</td>
<td></td>
</tr>
<tr>
<td>Balances at 6/30/16</td>
<td>$12,807,011</td>
<td>$10,141,817</td>
<td>$2,665,194</td>
<td></td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>1,090,452</td>
<td>-</td>
<td>1,090,452</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>887,392</td>
<td>-</td>
<td>887,392</td>
<td></td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>559,179</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>-</td>
<td>559,179</td>
<td></td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>-</td>
<td>798,560</td>
<td>(798,560)</td>
<td></td>
</tr>
<tr>
<td>Contributions - member</td>
<td>-</td>
<td>619,466</td>
<td>(619,466)</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>1,195,894</td>
<td>(1,195,894)</td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(259,960)</td>
<td>(259,960)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(8,241)</td>
<td>8,241</td>
<td></td>
</tr>
<tr>
<td>Net Changes</td>
<td>2,277,063</td>
<td>2,345,719</td>
<td>(68,656)</td>
<td></td>
</tr>
<tr>
<td>Balances at 6/30/17</td>
<td>$15,084,074</td>
<td>$12,487,536</td>
<td>$2,596,538</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.0%)</th>
<th>Current Discount Rate (7.0%)</th>
<th>1% Increase (8.0%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCCLOPP net pension liability</td>
<td>$5,253,386</td>
<td>$2,596,538</td>
<td>$489,924</td>
</tr>
</tbody>
</table>

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

For the year ended June 30, 2017, the County recognized pension expense of $646,121.
Note 11– Pension Plans-continued
Carroll County Certified Law Officers Pension Plan-continued

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 503,261</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investment</td>
<td>368,143</td>
</tr>
<tr>
<td>Total</td>
<td>$ 871,404</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Years Ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 29,673</td>
</tr>
<tr>
<td>2019</td>
<td>29,671</td>
</tr>
<tr>
<td>2020</td>
<td>(11,712)</td>
</tr>
<tr>
<td>2021</td>
<td>(106,835)</td>
</tr>
<tr>
<td>2022</td>
<td>(17,692)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>27,061</td>
</tr>
</tbody>
</table>

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.
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, 2016 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:

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>8.75%</td>
</tr>
<tr>
<td>35</td>
<td>5.75%</td>
</tr>
<tr>
<td>45</td>
<td>5.25%</td>
</tr>
</tbody>
</table>

(c) projected disability rate as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>.110%</td>
</tr>
<tr>
<td>35</td>
<td>.205%</td>
</tr>
<tr>
<td>45</td>
<td>.530%</td>
</tr>
<tr>
<td>55</td>
<td>1.44%</td>
</tr>
</tbody>
</table>

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, 2016 ranges from 15 to 20 years.
**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

<table>
<thead>
<tr>
<th>Assets: Investments at fair value:</th>
<th>$</th>
<th>104,795</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>$</td>
<td>104,795</td>
</tr>
<tr>
<td>Bond funds</td>
<td>$</td>
<td>3,052,984</td>
</tr>
<tr>
<td>Equity funds</td>
<td>$</td>
<td>9,334,375</td>
</tr>
<tr>
<td>Total assets</td>
<td>$</td>
<td>12,492,154</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities: Accounts payable</th>
<th>$</th>
<th>4,618</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$</td>
<td>4,618</td>
</tr>
</tbody>
</table>

**Fiduciary Net Position:**
Net position held in trust for pension benefits and other purposes  $ 12,487,536

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

| ADDITIONS Contributions: Employer $ 798,560 |
|--------------------------------------------|-----|
| Plan members                               $ 619,466 |
| Total contributions                        $ 1,418,026 |
| Investment earnings:                      |
| Net increase in fair value of investments $ 1,217,489 |
| Total investment earnings                  $ 1,217,489 |
| Less investment earnings                   $ (21,595) |
| Net investment earnings                    $ 1,195,894 |
| Total additions                            $ 2,613,920 |

<table>
<thead>
<tr>
<th>DEDUCTIONS Benefits and refunds paid to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>plan members and beneficiaries           $ 259,960</td>
</tr>
<tr>
<td>Administrative expenses                  $ 8,241</td>
</tr>
<tr>
<td>Total deductions                         $ 268,201</td>
</tr>
<tr>
<td>Change in net position                   $ 2,345,719</td>
</tr>
</tbody>
</table>

**NET POSITION RESTRICTED FOR LAW OFFICERS PENSION**
Net position-beginning of year 10,141,817
Net position-end of year  $ 12,487,536
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.

Plan membership. The most current actuarial valuation was completed as of January 1, 2017. The membership data related to the plan was as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and beneficiaries currently receiving benefits</td>
<td>226</td>
</tr>
<tr>
<td>Terminated plan members entitled to, but not yet</td>
<td></td>
</tr>
<tr>
<td>receiving benefits</td>
<td>22</td>
</tr>
<tr>
<td>Active plan members</td>
<td>660</td>
</tr>
<tr>
<td>Total</td>
<td>908</td>
</tr>
</tbody>
</table>

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 5th year to determine if any changes should 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
Note 11– Pension Plans–continued
Volunteer Firemen Pension Plan (LOSAP)–continued

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:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway International Value Fund</td>
<td>$453,115</td>
</tr>
<tr>
<td>Harbor International Fund</td>
<td>465,170</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Maximum</th>
<th>Allocation at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA/Aaa</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>AA/Aa</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>A/A</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>BAA/Baa</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>BBB</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Large Cap Equities</td>
<td>35.0%</td>
</tr>
<tr>
<td>Domestic Mid and Small Cap Equities</td>
<td>0.0%</td>
</tr>
<tr>
<td>Real Estate Equities</td>
<td>5.0%</td>
</tr>
<tr>
<td>International Equities</td>
<td>5.0%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>10.0%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Rate of return. For the year ended June 30, 2017, the annual money-weighted rate of return on the LOSAP investments, net of pension plan investment expense, was 9.57 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, 2017, were as follows:

- Total pension liability: $9,805,694
- LOSAP fiduciary net position: $8,462,290
- County’s net pension liability: $(1,343,404)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2016 rolled forward to June 30, 2017 using the following actuarial assumptions, applied to the periods included in the measurements:

- 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 percent
- Salary increases: Not Applicable
- Investment rate of return: 7.0 percent, 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 adjustments, blended 75% male and generational projection using Scale AA
Note 11– Pension Plans-continued
Volunteer Firemen Pension Plan (LOSAP)-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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>45%</td>
<td>5.60%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>10%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>10%</td>
<td>6.80%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>10%</td>
<td>6.10%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>20%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>5%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>3.00%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Discount rate: The discount rate used to measure the total pension liability was seven percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. 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 volunteer firemen. 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.
Note 11– Pension Plans-continued
Volunteer Firemen Pension Plan (LOSAP)-continued

Changes in Net Pension Liability:

<table>
<thead>
<tr>
<th></th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Pension</td>
</tr>
<tr>
<td></td>
<td>(a)</td>
</tr>
<tr>
<td>Balances at 6/30/16</td>
<td>$9,722,079</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>147,110</td>
</tr>
<tr>
<td>Interest</td>
<td>681,084</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>-</td>
</tr>
<tr>
<td>Differences between expected</td>
<td>(44,119)</td>
</tr>
<tr>
<td>and actual experience</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments, including</td>
<td>(700,460)</td>
</tr>
<tr>
<td>refunds of member contributions</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>83,615</td>
</tr>
<tr>
<td>Balances at 6/30/17</td>
<td>$9,805,694</td>
</tr>
</tbody>
</table>

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 one-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Current</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>1% Discount</td>
<td>Rate (7.0%)</td>
</tr>
<tr>
<td>(6.0%)</td>
<td>(8.0%)</td>
<td></td>
</tr>
<tr>
<td>LOSAP net pension liability</td>
<td>$2,179,072</td>
<td>$1,343,404</td>
</tr>
</tbody>
</table>
Note 11– Pension Plans-continued
Volunteer Firemen Pension Plan (LOSAP)-continued

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

For the year ended June 30, 2017, the County recognized pension expense of $271,750.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>$ -</td>
<td>$38,604</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investment</td>
<td>324,113</td>
<td>242,594</td>
</tr>
<tr>
<td>Total</td>
<td>$324,113</td>
<td>$281,198</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Years Ending June 30:</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$17,945</td>
</tr>
<tr>
<td>2018</td>
<td>17,497</td>
</tr>
<tr>
<td>2019</td>
<td>65,804</td>
</tr>
<tr>
<td>2020</td>
<td>(42,237)</td>
</tr>
<tr>
<td>2021</td>
<td>(5,515)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(11,029)</td>
</tr>
</tbody>
</table>

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

Pension Plan Fiduciary Net Position:

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

<table>
<thead>
<tr>
<th>Assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value:</td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>$ 222,026</td>
</tr>
<tr>
<td>Bond funds</td>
<td>1,700,501</td>
</tr>
<tr>
<td>Equity funds</td>
<td>6,547,082</td>
</tr>
<tr>
<td>Total assets</td>
<td>8,469,609</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>7,319</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>7,319</td>
</tr>
</tbody>
</table>

Fiduciary Net Position:
Net position held in trust for pension benefits and other purposes $8,462,290

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

ADDITIONS
Contributions: $100,000
Investment earnings:
Net increase in the fair value of investments 775,104
Total investment earnings 775,104
Less investment expense (8,544)
Net investment earnings 766,560
Total additions 866,560

DEDUCTIONS
Benefits 700,460
Administrative expenses 8,569
Total deductions 709,029
Change in net position 157,531

NET POSITION RESTRICTED FOR LOSAP
Net position-beginning of year 8,304,759
Net position-end of year $8,462,290
Note 11– Pension Plans—continued
Maryland State Retirement and Pension System
Plan Description
The County participates in the Maryland State Retirement and Pension System “the System” and qualifies as a Participating Governmental Unit "PGU". 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 State is obligated to annually pay into the accumulation fund of each State system at least an amount that, when combined with the System’s accumulation funds, is sufficient to provide benefits payable under each plan during that fiscal year. The System is accounted for as one defined benefit 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. The System’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 can be found at www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2016.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.

The County adopted GASB Statement No. 68-"Accounting and Financial Reporting for Pensions" ("GASB 68"). GASB 68 requires that a PGU recognize its proportionate share of the System's net pension liability (i.e. unfunded pension liability) and pension expense.

The County adopted GASB Statement No. 71-"Pension Transition for Contributions Made Subsequent to the Measurement Date-AN Amendment of GASB No. 68" ("GASB 71"). GASB 71, which is only applicable during the year which GASB 68 was adopted, requires that contributions to the pension plan subsequent to the measurement date be recognized as a deferred outflow of resources.

On June 30, 1985, the Board of Carroll County Commissioners elected to withdraw from the Maryland State Retirement Agency “Agency”. Employees participating in the Employees’ Retirement and Pension Systems at that time continued their participation in those Systems. Employees hired July 1, 1985 and after were not permitted to enroll. After the County’s withdrawal, the Agency calculated an unfunded accrued liability owed by the County and instituted a payment schedule whereby the County would make annual payments until the liability was paid. The balance of the unfunded accrued liability was paid to the Agency with the proceeds from taxable pension funding bonds issued in 2004. As of June 30, 2016, 48 employees participate in the Employees’ Retirement Systems.
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System–continued
In addition, certain “State Elected Officials” and “Soil Conservation District” employees hired after June 30, 1985 are entitled to participate in Employees’ Retirement and Pension Systems. As of June 30, 2016, three Officials and seven Soil Conservation District employees participate. State Elected Officials and Soil Conservation District employees who participate in the Employees' Retirement and Pension Systems contributed 7 percent of their compensation during fiscal year 2017 as stipulated by the System.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2017, the County reported a total liability of $516,593 for its proportionate share of the net pension liability: $279,129 for County Elected/Appointed Officials and $237,464 for County Soil Conservation District. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability “NPL” 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, 2016. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2016, the County’s proportionate share was 0.0011831% for CC Elected Officials and 0.0010065% for Soil Conservation employees.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the MSRA System for CC Elected Official from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in assumptions</td>
<td>$ 9,103</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>41,020</td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>26,427</td>
</tr>
<tr>
<td>Total</td>
<td>$ 76,550</td>
</tr>
</tbody>
</table>

$26,427 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Years ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$(8,600)</td>
</tr>
<tr>
<td>2019</td>
<td>(8,599)</td>
</tr>
<tr>
<td>2020</td>
<td>(11,948)</td>
</tr>
<tr>
<td>2021</td>
<td>(7,504)</td>
</tr>
<tr>
<td>2022</td>
<td>612</td>
</tr>
</tbody>
</table>
Carroll County Elected/Appointed Officials allocated net pension liability and related information:

- County Elected/Appointed Officials Contribution: $23,047
- St. of MD total adjusted contributions: $1,948,083,000
- County’s proportion of total contributions: 0.0011831%

Total Net Pension Liability – St. of MD: $23,594,027,000
County Elected/Appointed Officials share of NPL: $279,129

Total Pension Expense – St. of MD: $2,708,535,670
County Elected/Appointed Officials share pension exp.: $78,016

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the MSRA for Soil Conservation from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in assumptions</td>
<td>$16,928</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>41,441</td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>21,748</td>
</tr>
<tr>
<td>Total</td>
<td>$80,117</td>
</tr>
<tr>
<td></td>
<td>$22,810</td>
</tr>
</tbody>
</table>

$21,748 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:

- 2018: $(6,698)
- 2019: $(6,697)
- 2020: $(11,342)
- 2021: $(11,343)
- 2022: 521
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System–continued

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Soil Conservation Dist. Contribution</td>
<td>$19,607</td>
</tr>
<tr>
<td>St. of MD total adjusted contributions</td>
<td>$1,948,083,000</td>
</tr>
<tr>
<td>County’s proportion of total contributions</td>
<td>0.0010065%</td>
</tr>
<tr>
<td>Total Net Pension Liability – St. of MD</td>
<td>$23,594,027,000</td>
</tr>
<tr>
<td>County Soil Conservation Dist. share of NPL</td>
<td>$237,464</td>
</tr>
<tr>
<td>Total Pension Expense – St. of MD</td>
<td>$2,708,535,670</td>
</tr>
<tr>
<td>County Soil Conservation Dist. - pension expense</td>
<td>$(16,381)</td>
</tr>
</tbody>
</table>

Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The States Consulting Actuary performed an experience study of MSRPS for the period 2010-2015 after completion of the June 30, 2015 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates, and rates of salary increase were adopted by the Board for first use in the actuarial valuation as of June 30, 2016. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.70% were used for the June 30, 2016 valuation.

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>37%</td>
<td>6.60%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>7.40%</td>
</tr>
<tr>
<td>Rate Sensitive</td>
<td>20%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Credit Opportunity</td>
<td>9%</td>
<td>4.20%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>15%</td>
<td>4.70%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>9%</td>
<td>3.70%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System–continued
Investments

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, 2016.

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 1.10%. 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 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. 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:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Current Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. of MD CC Elected Officials.</td>
<td>(6.55%)</td>
<td>(7.55%)</td>
<td>(8.55%)</td>
</tr>
<tr>
<td>St. of MD Soil Conservation.</td>
<td>$383,408</td>
<td>$279,129</td>
<td>$192,353</td>
</tr>
<tr>
<td></td>
<td>$326,177</td>
<td>$237,464</td>
<td>$163,641</td>
</tr>
</tbody>
</table>

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 related to pensions, 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.
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 publicly 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 retiree’s 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.

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 member’s 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
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

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.

Beginning in FY2017, the Board pays the normal cost for their teachers in the Teachers Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board’s annual required contribution to the Teachers Retirement and Pension System. For the year ended June 30, 2017, the Board’s contribution was $6,934,964. The State’s contributions on behalf of the Board for the year ended June 30, 2017 was $20,917,175. The fiscal 2017 contribution 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.

The Board’s contractually required contribution rate for the Employees’ Retirement and Pension Systems for the year ended June 30, 2017, was 6.73% 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, 2017 of $1,483,375.

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, 2017, the Board reported a liability of $19,123,733 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2016, 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, 2016. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2016, the Board’s proportionate share was 0.0810533%, which is a decrease of .0049568 from its proportion measured as of June 30, 2015.
Note 11—Pension Plans—continued
Maryland State Retirement and Pension System—continued

For the year ended June 30, 2017, the Board recognized pension expense of $2,352,771. At June 30, 2017, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>$ -</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>815,054</td>
</tr>
<tr>
<td>Change in proportion</td>
<td>562,550</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on Pension Plan Investments</td>
<td>2,290,767</td>
</tr>
<tr>
<td>Net difference between actual and proportionate share of contributions</td>
<td>379,811</td>
</tr>
<tr>
<td>Board contributions subsequent to the measurement date</td>
<td>1,483,375</td>
</tr>
<tr>
<td>Total</td>
<td>$5,531,557</td>
</tr>
</tbody>
</table>

$1,483,375 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Years ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 710,033</td>
</tr>
<tr>
<td>2019</td>
<td>710,033</td>
</tr>
<tr>
<td>2020</td>
<td>954,795</td>
</tr>
<tr>
<td>2021</td>
<td>523,620</td>
</tr>
<tr>
<td>2022</td>
<td>(174,800)</td>
</tr>
</tbody>
</table>

Teachers’ Retirement and Pension Systems
At June 30, 2017, 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 Board 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:
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-continued

State's proportionate share of the net pension liability $ 241,411,271
Board's proportionate share of the net pension liability -
Total $ 241,411,271

The net pension liability was measured as of June 30, 2016, 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, 2017, the Board recognized pension expense of $27,852,139 and revenue of $20,917,175 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Rate Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>2.70% general, 3.20% wage</td>
</tr>
<tr>
<td>Salary increases</td>
<td>3.20% to 9.20%, including inflation</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.55%</td>
</tr>
</tbody>
</table>

Mortality rates were based on RP-2014 Mortality Table with generational mortality projections using scale MP-2014, calibrated to the System’s experience.

The economic and demographic actuarial assumptions used in the June 30, 2016 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2010-2014, which was completed during FY 2014. Assumptions from the experience study including investment return, inflation, COLA increases, 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, 2015. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.70% were used in the June 30, 2016 valuation.
Note 11– Pension Plans—continued
Maryland State Retirement and Pension System—Continued
Component Units

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>37%</td>
<td>6.60%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>7.40%</td>
</tr>
<tr>
<td>Rate Sensitive</td>
<td>20%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Credit Opportunity</td>
<td>9%</td>
<td>4.20%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>15%</td>
<td>4.70%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>9%</td>
<td>3.70%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

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, 2016.

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 1.10%. 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 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. 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.
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System–Continued
Component Units

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 7.55%, 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:

<table>
<thead>
<tr>
<th>Current 1% Decrease Discount Rate</th>
<th>1% Increase Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6.55%)</td>
<td>(7.55%)</td>
</tr>
<tr>
<td>$ 26,268,113</td>
<td>$ 19,123,733</td>
</tr>
<tr>
<td>$ 13,178,548</td>
<td></td>
</tr>
</tbody>
</table>

Board's proportionate share of the net pension liability

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- Community 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/.

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
Note 11—Pension Plans—continued
Maryland State Retirement and Pension System—Continued
Component Units

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 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, 2017 and 2016, was $864,945 and $885,072, respectively. The fiscal 2017 contributions made by the State on behalf of the college have been included as both revenues
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

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, 2017 and 2016, 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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>State’s proportionate share of the net pension liability</td>
<td>$10,719,468</td>
<td>$8,861,075</td>
</tr>
<tr>
<td>College’s proportionate share of the net pension liability</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,719,468</strong></td>
<td><strong>$8,861,075</strong></td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2016 and 2015, 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 following actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation-general</td>
<td>2.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Inflation-wage</td>
<td>3.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>3.2% to 9.2%, including inflation</td>
<td>3.2% to 9.2%, including inflation</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.55%</td>
<td>7.55%</td>
</tr>
</tbody>
</table>
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units
Mortality Rates
RP-2014 Mortality Tables with
Projected generational mortality
Improvements based on the RP-2014
2-dimensional mortality improvement
Scale
RP-2014 Mortality Tables with
Projected generational mortality
Improvements based on the RP-2014
2-dimensional mortality improvement
Scale

The economic and demographic actuarial assumptions used in the June 30, 2016 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2010-2014, completion of the June 30, 2014 valuations. Assumptions from the experience study included investment return inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the College for the first use in actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.70% were used for the June 30, 2016 valuation.

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>2017</th>
<th>Long-Term Expected Real Rate of Return</th>
<th>Target Allocation</th>
<th>2016</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>35%</td>
<td>5.00%</td>
<td></td>
<td>35%</td>
<td>6.30%</td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>10%</td>
<td>2.00%</td>
<td></td>
<td>10%</td>
<td>0.60%</td>
<td></td>
</tr>
<tr>
<td>Credit Opportunity</td>
<td>10%</td>
<td>3.00%</td>
<td></td>
<td>10%</td>
<td>3.20%</td>
<td></td>
</tr>
<tr>
<td>Real Return</td>
<td>14%</td>
<td>3.00%</td>
<td></td>
<td>14%</td>
<td>1.80%</td>
<td></td>
</tr>
<tr>
<td>Absolute Return</td>
<td>10%</td>
<td>5.00%</td>
<td></td>
<td>10%</td>
<td>4.20%</td>
<td></td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>6.00%</td>
<td></td>
<td>10%</td>
<td>7.20%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>10%</td>
<td>5.00%</td>
<td></td>
<td>10%</td>
<td>4.40%</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1%</td>
<td>1.00%</td>
<td></td>
<td>1%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>1.00%</td>
<td></td>
<td>100%</td>
<td>0.00%</td>
<td></td>
</tr>
</tbody>
</table>

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, 2017 and 2016, respectively.
Note 11—Pension Plans—continued
Maryland State Retirement and Pension System—Continued
Component Units

For the years ended June 30, 2017 and 2016, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 1.10% and 2.71%. 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 7.55% and 7.55% as of June 30, 2017 and 2016, respectively. This single discount rate was based on the expected rate of return on pension plan investments of 7.55% as of June 30, 2017 and 2016. 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.

Optional Defined Contribution Plan (ORP)

Professional employees otherwise eligible to join the State of Maryland Plan may choose instead to join the Optional Retirement Plan administered by the State of Maryland. This Plan is a noncontributory defined contribution plan. The Plan provides for retirement and death benefits. The Plan was established by, and can be amended by, the State Legislature. The State of Maryland contributes 7.25% of eligible salaries on behalf of the College. For 2017 and 2016, the contribution was $546,861 and $549,009, and the covered payroll was $7,542,910 and $7,572,543, respectively.

Deferred Compensation Plan

The College offers a defined contribution 403(B) retirement plan to all of its eligible employees. The Plan is contributory on a voluntary basis with all contributions being paid to the trustee. The College makes no basic or matching contributions on behalf of its employees.
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

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 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.

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
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

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, 2017, was $857,186. The fiscal 2017 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.

The Library’s contractually required contribution rate for the Employees’ Retirement and Pension Systems for the year ended June 30, 2017, was 6.73% 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, 2017 of $55,927.

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, 2017, the Library reported a liability of $679,025 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2016, 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, 2015. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2016, the Library’s proportionate share was 0.002878000%, which was an increase of 0.000812 from its proportion measured as of June 30, 2015.
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

For the year ended June 30, 2017, the Library recognized pension expense of $103,376. At June 30, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in assumptions</td>
<td>$26,086</td>
</tr>
<tr>
<td>Changes in proportions</td>
<td>$-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>70,981</td>
</tr>
<tr>
<td>Net difference between actual and proportionate share of contributions</td>
<td>83,316</td>
</tr>
<tr>
<td>Net difference between expected and actual experience</td>
<td>11,953</td>
</tr>
<tr>
<td>Board contributions subsequent to the measurement date</td>
<td>55,927</td>
</tr>
<tr>
<td>Total</td>
<td>$248,263</td>
</tr>
</tbody>
</table>

$55,927 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:

<table>
<thead>
<tr>
<th>Years ending June 30</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$43,829</td>
</tr>
<tr>
<td>2019</td>
<td>43,829</td>
</tr>
<tr>
<td>2020</td>
<td>50,806</td>
</tr>
<tr>
<td>2021</td>
<td>35,480</td>
</tr>
<tr>
<td>2022</td>
<td>1,493</td>
</tr>
</tbody>
</table>

Teachers Retirement and Pension Systems

At June 30, 2017, 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State's proportionate share of the net pension liability</td>
<td>$9,945,403</td>
</tr>
<tr>
<td>Board's proportionate share of the net pension liability</td>
<td>$-</td>
</tr>
<tr>
<td>Total</td>
<td>$9,945,403</td>
</tr>
</tbody>
</table>
Note 11– Pension Plans–continued
Maryland State Retirement and Pension System-Continued
Component Units

The net pension liability was measured as of June 30, 2016, 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, 2017, the Board recognized pension expense of $857,186 and revenue of $857,186 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.70% general, 3.20% wage
- Salary increases 3.30% to 9.20%, including inflation
- Investment rate of return 7.55%

Mortality rates were based on RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to the System’s experience.

The economic and demographic actuarial assumptions used in the June 30, 2016 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2010-2014, which was completed during FY 2014. 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, 2015. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.70% were used for the June 30, 2016 valuation.

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:
Note 11– Pension Plans–continued  
Maryland State Retirement and Pension System-Continued  
Component Units

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>37%</td>
<td>6.30%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>7.40%</td>
</tr>
<tr>
<td>Real Return</td>
<td>20%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Credit Opportunity</td>
<td>9%</td>
<td>4.20%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>15%</td>
<td>4.70%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>9%</td>
<td>3.70%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>3.70%</td>
</tr>
</tbody>
</table>

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, 2016.

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 1.10%. 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 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. 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 discount rate of 7.55%, 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:
Note 11—Pension Plans—continued
Maryland State Retirement and Pension System—Continued
Component Units

<table>
<thead>
<tr>
<th>Current</th>
<th>1% Decrease</th>
<th>Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6.55%)</td>
<td>(7.55%)</td>
<td>(8.55%)</td>
</tr>
</tbody>
</table>

Library's proportionate share of the net pension liability

$932,700   $679,025   $467,930

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 Lincoln Financial 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) 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, 2017 were $135,189 and $2,063,404 respectively.

The Plan also offers a “Roth” option which allows employees to make after-tax contributions. Approximately 13.8 percent of employee contributions to the plan are being made as “Roth” contributions as of June 30, 2017.
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland
Plan Description

*Plan administration:* 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 Carroll County Government does not issue a separate audited financial statement for RBTCCCC.

Management of the RBTCCCC is vested in the appointed Board of Trustees to serve at the pleasure of the County Commissioners, which consists of the Comptroller of Carroll County Government and the Bureau Chief of Benefits of Carroll County Government.

*Plan membership.* The most recent actuarial valuation was completed as of July 1, 2016. The membership data related to the plan was as follows:

<table>
<thead>
<tr>
<th>Number of Participants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active employees</td>
<td>922</td>
</tr>
<tr>
<td>Deferred vested terminations</td>
<td>-</td>
</tr>
<tr>
<td>Retirees in pay status (pre Medicare)</td>
<td>123</td>
</tr>
<tr>
<td>Retirees in pay status (Medicare age)</td>
<td>296</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,341</strong></td>
</tr>
</tbody>
</table>

*Benefits provided:* To be eligible for benefits under this plan, employees, former employees, or beneficiaries of Carroll County Government must meet the following eligibility requirements:

- Age plus service equals at least 75,
- Has at least 10 years of total County service (15 years if hired after May 1, 2005 or later)
- Has at least 5 years of continuous County service through the date of retirement, and
- Was eligible for County provided health care coverage as a regular employee for at least 5 years immediately preceding the date of retirement.

Full-time employees who retire can also insure their spouses. 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.

*Contributions:* Retirees contribute a portion of their health care cost which is based on their age and years of service with the County. In fiscal year 2017, the County contributed $12,124,000 towards the ARC for the Other Postemployment Benefit fund. Administrative costs of the RBTCCCC are financed through investment earnings.
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-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 Retiree Benefit Trust, Board of County Commissioner of Carroll County had the following unrated mutual fund investments with exposure to foreign currency risk from various international currency denominations including European Countries:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causeway International Value Fund</td>
<td>$4,918,693</td>
</tr>
<tr>
<td>Harding Loevner International Equity Fund</td>
<td>4,886,667</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Maximum</th>
<th>Allocation at June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA/Aaa</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>AA/Aa</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>A/A</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>BAA/Baa</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>BBB</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-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:

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Large Cap Equities</td>
<td>35.0%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Domestic Mid Cap Equities</td>
<td>0.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Domestic Small Cap Equities</td>
<td>4.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Real Estate Equities</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>International Equities</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>20.0%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0.0%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on the RBTCCCC investments, net of pension plan investment expense, was 27.39 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County: The components of the net OPEB liability of Carroll County at June 30, 2017, were as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td>$198,924,027</td>
</tr>
<tr>
<td>RBTCCCC fiduciary net position</td>
<td>(79,997,394)</td>
</tr>
<tr>
<td>RBTCCCC's net OPEB liability</td>
<td>$118,926,633</td>
</tr>
</tbody>
</table>

RBTCCCC fiduciary net position as a percentage of the total OPEB liability

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Inflation: 3.0 percent
Salary increases: 3.0 percent, average, including inflation
Investment rate of return: 7.0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates: Based on Society of Actuaries Long-Term Medical Trend Model, the 2012 rate is 6.00% decreasing gradually. The ultimate rate is 4.39% and is attained in 2050.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

The long-term expected rate of return on OPEB 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 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>45%</td>
<td>5.60%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>10%</td>
<td>6.70%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>10%</td>
<td>6.80%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>10%</td>
<td>6.10%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>3.00%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the County total and net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Current Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6.0%)</td>
<td>(7.0%)</td>
<td>(8.0%)</td>
</tr>
<tr>
<td>County's total OPEB liability</td>
<td>$229,116,582</td>
<td>$198,924,027</td>
<td>$174,586,087</td>
</tr>
<tr>
<td>County's net OPEB liability (Asset)</td>
<td>149,119,188</td>
<td>118,926,633</td>
<td>94,588,693</td>
</tr>
</tbody>
</table>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:  The following presents the County’s total and net OPEB liability. We also present the total and net OPEB liability if it is calculated using a trend rate that is 1-percentage-point lower (3.40 percent) or 1-percentage-point higher (5.40 percent) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Current Trend Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.40%</td>
<td>4.40%</td>
<td>5.40%</td>
</tr>
<tr>
<td>County's total OPEB liability</td>
<td>$171,692,709</td>
<td>$198,924,027</td>
<td>$233,041,129</td>
</tr>
<tr>
<td>County's net OPEB liability</td>
<td>91,695,315</td>
<td>118,926,633</td>
<td>153,043,735</td>
</tr>
</tbody>
</table>

Basis of Accounting:  The Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland “RBTCCCCC” 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.
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$11,353,000</td>
</tr>
<tr>
<td>Interest</td>
<td>2,579,173</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(2,427,228)</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>11,504,945</td>
</tr>
<tr>
<td>Contributions made</td>
<td>(10,103,580)</td>
</tr>
<tr>
<td>Change in net OPEB obligation</td>
<td>1,401,365</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>36,845,328</td>
</tr>
<tr>
<td>Net OPEB obligation - end of year</td>
<td>$38,246,693</td>
</tr>
</tbody>
</table>

The annual required contribution was determined as part of the July 1, 2016 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:**

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>11.14%</td>
</tr>
<tr>
<td>35</td>
<td>6.21%</td>
</tr>
<tr>
<td>45</td>
<td>3.06%</td>
</tr>
</tbody>
</table>

**Law Officers:**

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Age</th>
<th>10</th>
<th>15</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25</td>
<td>6.55%</td>
<td>3.28%</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>3.65%</td>
<td>1.83%</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>1.80%</td>
<td>0.90%</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>0.50%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

The actuarial value of assets was determined using the fair value as of July 1, 2016.

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, 2016 is as follows:

**Trend Information for the last six years for RBTCCCC:**

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost (AOPEBC)</th>
<th>% of AOPEBC Contributed</th>
<th>Actual Contribution</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$12,496,803</td>
<td>58%</td>
<td>$7,298,000</td>
<td>$28,249,507</td>
</tr>
<tr>
<td>2012</td>
<td>12,347,059</td>
<td>64%</td>
<td>7,852,800</td>
<td>32,743,766</td>
</tr>
<tr>
<td>2013</td>
<td>10,487,348</td>
<td>81%</td>
<td>8,438,080</td>
<td>34,793,034</td>
</tr>
<tr>
<td>2014</td>
<td>10,774,859</td>
<td>94%</td>
<td>10,056,900</td>
<td>35,510,993</td>
</tr>
<tr>
<td>2015</td>
<td>10,381,487</td>
<td>92%</td>
<td>9,632,900</td>
<td>36,259,580</td>
</tr>
<tr>
<td>2016</td>
<td>10,689,328</td>
<td>95%</td>
<td>10,103,580</td>
<td>36,845,328</td>
</tr>
<tr>
<td>2017</td>
<td>11,504,945</td>
<td>88%</td>
<td>10,103,580</td>
<td>38,246,693</td>
</tr>
</tbody>
</table>
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Retiree Benefit Trust, Board of County Commissioner of Carroll County, Maryland-continued

Statement of Fiduciary Net Position
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

Assets:
Receivables-notes $24,212
Accrued interest 2,386
Investments at fair value:
  Bond funds 2,867,862
  Marketable securities 77,490,897
Total assets 80,385,357

Liabilities:
Accounts payable 2,500
Due to primary government 385,463
Total liabilities 387,963

Fiduciary Net Position:
Net position restricted for postemployment benefits other than pensions $79,997,394

Statement of Changes in Fiduciary Net Position
Carroll County Postemployment Benefits
Other than Pension Benefits (OPEB)

ADDITIONS:
Contributions:
  Employer $10,103,580
  Plan members 589,816
  Total contributions 10,693,396
Investment earnings:
  Interest and dividends 39,692
  Net increase or decrease in the fair value of investments 7,433,230
  Total investment earnings 7,472,922
Less investment expense (10,000)
Net investment earnings 7,462,922
Total additions 18,156,318

DEDUCTIONS
Benefits 4,689,220
Administrative expenses 2,300
Total deductions 4,691,520
Change in net position 13,464,798
Net position restricted for postemployment benefits other than pensions:
  Beginning of year 66,532,596
  End of year $79,997,394
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

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.

Retirees with at least 10 years of service (15 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 30 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, 2017, 2016 and 2015 were $1,439,256, $1,277,560, and $1,243,684, respectively.

Board of Education

The Board provides medical benefits to eligible employees who retire from employment with the Carroll County Public School System. The employer's contributions are financed on a pay-as-you-go basis and any amounts budgeted to be contributed towards meeting the annual required contribution per the actuarial valuation. The future payment of these benefits is contingent upon the annual approval of the operating budget.

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, 2017, 1,066 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 30 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:
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units-continued

Annual required contribution $22,475,000
Interest 4,455,000
Adjustment to annual required contribution (4,878,000)
Annual OPEB cost 22,052,000
Contributions made (7,363,106)
Increase in net OPEB obligation 14,688,894
Net OPEB obligation - beginning of year 93,788,726
Net OPEB obligation - end of year $108,477,620

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 2017 and the two preceding fiscal years are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost (AOPEBC)</th>
<th>% of AOPEBC</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$20,904,000</td>
<td>22.22%</td>
<td>$75,142,431</td>
</tr>
<tr>
<td>2016</td>
<td>23,535,000</td>
<td>20.77%</td>
<td>93,788,726</td>
</tr>
<tr>
<td>2017</td>
<td>22,052,000</td>
<td>33.39%</td>
<td>108,477,620</td>
</tr>
</tbody>
</table>

Funding Policy:
As of July 1, 2016, the most recent actuarial valuation date, the Plan was 6.2% funded. The actuarial accrued liability for benefits was $261,573,000 and the actuarial value of assets was $16,135,200 resulting in an unfunded actuarial accrued liability “UAAL” of $245,438,000. The covered payroll (annual payroll of active employees covered by the plan) was $194,800,080, and the ratio of the UAAL to the covered payroll was 126.0%.

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.
### Note 12 – Postemployment Benefits Other Than Pension Benefits—continued

#### Component Units—continued

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (1)</th>
<th>Actuarial Liability (AAL) (2)</th>
<th>Actuarial Percentage (3)</th>
<th>Unfunded AAL (4)</th>
<th>Annual Covered Payroll (5)</th>
<th>UAAL as a Percentage of Covered Payroll (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2010</td>
<td>$3,722,000</td>
<td>$110,803,000</td>
<td>3.40%</td>
<td>$107,081,000</td>
<td>$200,942,793</td>
<td>53.3%</td>
</tr>
<tr>
<td>July 1, 2011</td>
<td>7,369,200</td>
<td>181,428,000</td>
<td>4.10%</td>
<td>174,058,800</td>
<td>187,912,812</td>
<td>92.6%</td>
</tr>
<tr>
<td>July 1, 2012</td>
<td>9,277,000</td>
<td>192,349,000</td>
<td>4.80%</td>
<td>183,072,000</td>
<td>198,512,177</td>
<td>92.2%</td>
</tr>
<tr>
<td>July 1, 2013</td>
<td>12,385,000</td>
<td>231,734,000</td>
<td>5.30%</td>
<td>219,349,000</td>
<td>199,323,185</td>
<td>92.2%</td>
</tr>
<tr>
<td>July 1, 2014</td>
<td>13,252,000</td>
<td>245,811,000</td>
<td>5.40%</td>
<td>232,559,000</td>
<td>199,079,448</td>
<td>116.8%</td>
</tr>
<tr>
<td>July 1, 2015</td>
<td>15,566,200</td>
<td>285,881,000</td>
<td>5.40%</td>
<td>270,314,800</td>
<td>193,498,864</td>
<td>139.7%</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>6,135,200</td>
<td>251,573,200</td>
<td>6.20%</td>
<td>245,438,000</td>
<td>194,800,080</td>
<td>126.0%</td>
</tr>
</tbody>
</table>

#### Schedule of Employer Contributions:

<table>
<thead>
<tr>
<th>Year Ended June 30:</th>
<th>Annual Required Contribution</th>
<th>Percentage Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$9,725,000</td>
<td>53.53%</td>
<td>$21,373,441</td>
</tr>
<tr>
<td>2012</td>
<td>15,475,000</td>
<td>32.03%</td>
<td>31,956,508</td>
</tr>
<tr>
<td>2013</td>
<td>16,499,000</td>
<td>32.14%</td>
<td>43,190,699</td>
</tr>
<tr>
<td>2014</td>
<td>19,744,000</td>
<td>19.95%</td>
<td>58,881,226</td>
</tr>
<tr>
<td>2015</td>
<td>21,182,000</td>
<td>22.22%</td>
<td>75,142,431</td>
</tr>
<tr>
<td>2016</td>
<td>24,020,000</td>
<td>20.77%</td>
<td>93,788,726</td>
</tr>
<tr>
<td>2017</td>
<td>22,475,000</td>
<td>32.76%</td>
<td>108,477,620</td>
</tr>
</tbody>
</table>

#### 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.

In the July 1, 2016, 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, 2016, was 24 years.
Additional information as of the latest actuarial valuation follows:

Valuation Date: July 1, 2016
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 / 5.1% ultimate (not applicable to Life)
- Post-65 Medical: 7.0% initial / 4.8% ultimate (not applicable to Life)

The Board has adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Statement enhances the Board’s footnote disclosures and expands the required supplemental information (RSI) data with new schedules. It was issued to improve financial reporting by state and local government other postemployment pension plans.

**Plan Description**

*Plan administration.* The Board administers the Carroll County Public Schools Retiree Health Plan (the Plan), a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) to eligible employees who retire from employment with the Carroll County Public School System.

Management of the Plan is vested in the Board of Education of Carroll County.

**Plan membership.** At June 30, 2017, plan membership consisted of the following:

<table>
<thead>
<tr>
<th>Plan Membership</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments</td>
<td>1,076</td>
</tr>
<tr>
<td>Inactive Plan Members Entitled to but not Yet Receiving Benefit Payments</td>
<td>-</td>
</tr>
<tr>
<td>Active Plan Members</td>
<td>2,576</td>
</tr>
<tr>
<td>Total Plan Members</td>
<td>3,652</td>
</tr>
</tbody>
</table>

**Benefits provided.** The Board provides medical benefits to retirees pursuant to two medical 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 stipend paid by the Board was dependent upon the retiree’s years of service and ranged from 10% to 100%. For retirees who retired after September 1, 1988, the percentage of the stipend paid by the Board is dependent upon the retiree’s years of service and ranges from 0% to 100%. These percentages are applied to stipends 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.
Note 12 – Postemployment Benefits Other Than Pension Benefits—continued
Component Units—continued

Contributions.
Employer contributions are financed on a pay-as-you-go basis and any amounts budgeted to be contributed towards meeting the annual required contribution per the actuarial valuation.

Investments
Investment policy.
The following was the Board’s adopted asset allocation policy as of June 30, 2017:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>45%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>10%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>10%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>10%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>25%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Rate of return. For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 11.1 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Board
The components of the net OPEB liability of the Board at June 30, 2017 were as follows:
- Total OPEB Liability: $344,293,000
- Plan Fiduciary Net Position: $20,174,665
- Board's Net OPEB Liability: $324,118,335

Plan fiduciary net position as a percentage of the total OPEB liability: 5.86%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:
- Inflation: 2.20%
- Salary increases: 3.00%
- Investment rate of return: 3.81%
- Healthcare cost trend rates:
  - Pre-65 medical: 7.0% initial / 5.1% ultimate (not applicable to life)
  - Post-65 medical: 7.0% initial / 4.8% ultimate (not applicable to life)

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, adjusted for morality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period 2010-2014 after completion of the June 30, 2014 valuations.
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued

Component Units-continued

The long term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Large Cap Equities</td>
<td>5.6%</td>
</tr>
<tr>
<td>U.S. Small/Mid Cap Equities</td>
<td>6.7%</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>6.8%</td>
</tr>
<tr>
<td>Real Estate (REITs)</td>
<td>6.1%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>1.3%</td>
</tr>
<tr>
<td>Cash</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.81%. The benefit payment stream for the Plan is discounted based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher for years when the projected benefit payouts are expected to be unfunded and 7.00% for years when the projected benefit payouts are expected to be funded. The long-term expected rate of return on assets of 7.00% and a long-term expected rate of return on internal fund rate of 3.58% as of June 30, 2017 was used for the calculations.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the Board, as well as what the Board’s net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.81%) or one-percentage point higher (4.81%) than the current discount rate:

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2.81%)</td>
<td>(3.81%)</td>
<td>(4.81%)</td>
</tr>
<tr>
<td>Net OPEB Liability $ 392,831,335</td>
<td>$ 324,118,335</td>
<td>$ 269,674,335</td>
</tr>
</tbody>
</table>

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the Board, as well as what the Board’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage point lower or one-percentage point higher than the current healthcare cost trend rates:

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>Trend Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net OPEB Liability $ 261,553,335</td>
<td>$ 324,118,335</td>
<td>$ 406,918,335</td>
</tr>
</tbody>
</table>
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units -continued

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 10 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 College continues contributions toward the premiums for medical insurance for such employees with at least 10 years of service. Contributions by the College are made as follows:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 to 14</td>
<td>35%</td>
</tr>
<tr>
<td>15 to 19</td>
<td>55%</td>
</tr>
<tr>
<td>20 to 24</td>
<td>70%</td>
</tr>
<tr>
<td>25 or more</td>
<td>80%</td>
</tr>
</tbody>
</table>

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 2017 and 2016, Carroll Community College contributed $460,897 and $500,561, respectively, to the plan, which is recorded in the statement of revenues, expenses and changes in net assets allocated (deficit) 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 30 years.
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units-continued

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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$3,593,000</td>
<td>$3,339,000</td>
</tr>
<tr>
<td>Interest</td>
<td>802,000</td>
<td>699,000</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(1,092,000)</td>
<td>(912,000)</td>
</tr>
<tr>
<td>Annual OPEB costs (expense)</td>
<td>3,303,000</td>
<td>3,126,000</td>
</tr>
<tr>
<td>Contributions made- (current premiums)</td>
<td>(460,897)</td>
<td>(500,561)</td>
</tr>
<tr>
<td>Contributions made- (to the trust to prefund)</td>
<td>(201,223)</td>
<td>-</td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>2,640,880</td>
<td>2,625,439</td>
</tr>
<tr>
<td>Net OPEB obligation-beginning of year</td>
<td>20,150,543</td>
<td>17,525,104</td>
</tr>
<tr>
<td>Net OPEB obligation-end of year</td>
<td>$22,791,423</td>
<td>$20,150,543</td>
</tr>
</tbody>
</table>

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/15</td>
<td>$2,971,000</td>
<td>16.5%</td>
<td>$17,525,104</td>
</tr>
<tr>
<td>6/30/16</td>
<td>3,126,000</td>
<td>16.0%</td>
<td>20,150,143</td>
</tr>
<tr>
<td>6/30/17</td>
<td>3,303,000</td>
<td>20.0%</td>
<td>22,791,423</td>
</tr>
</tbody>
</table>
Note 12 – Postemployment Benefits Other Than Pension Benefits-continued
Component Units-continued
Schedule of Funding Progress

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Percentage Funded (1)/(2)</th>
<th>Unfunded AAL (UAAL)</th>
<th>Covered Payroll (5)</th>
<th>Percentage of Covered Payroll ((2-1)/5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2008</td>
<td>$ -</td>
<td>$ 19,685,000</td>
<td>0.00%</td>
<td>$ 19,685,000</td>
<td>$ 9,631,527</td>
<td>204%</td>
</tr>
<tr>
<td>June 30, 2009</td>
<td>-</td>
<td>21,673,000</td>
<td>0.00%</td>
<td>21,673,000</td>
<td>9,631,527</td>
<td>225%</td>
</tr>
<tr>
<td>June 30, 2010</td>
<td>-</td>
<td>20,410,000</td>
<td>0.00%</td>
<td>20,410,000</td>
<td>12,452,217</td>
<td>164%</td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>-</td>
<td>22,589,000</td>
<td>0.00%</td>
<td>22,589,000</td>
<td>12,850,358</td>
<td>176%</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>-</td>
<td>21,261,000</td>
<td>0.00%</td>
<td>21,261,000</td>
<td>13,212,157</td>
<td>161%</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>-</td>
<td>22,998,000</td>
<td>0.00%</td>
<td>22,998,000</td>
<td>13,832,855</td>
<td>166%</td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>-</td>
<td>26,013,000</td>
<td>0.00%</td>
<td>26,013,000</td>
<td>14,526,437</td>
<td>179%</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>-</td>
<td>28,202,000</td>
<td>0.00%</td>
<td>28,202,000</td>
<td>14,234,818</td>
<td>198%</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>-</td>
<td>29,403,000</td>
<td>0.00%</td>
<td>29,403,000</td>
<td>14,334,394</td>
<td>205%</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>201,223</td>
<td>31,831,000</td>
<td>0.60%</td>
<td>31,629,777</td>
<td>14,483,592</td>
<td>218%</td>
</tr>
</tbody>
</table>

Funded Status and Funding Progress. The actuarial accrued liability for benefits was $31.831 million at June 30, 2017 and the actuarial value of assets was $201,223, resulting in an unfunded actuarial accrued liability “UAAL” of $31.630 million. The covered payroll (annual payroll of active employees covered by the plan) was $14,403,404, and the ratio of the UAAL to the covered payroll was 218 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.

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, 2015 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 4.70%, decreasing gradually to 3.12% in 2075. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization at June 30, 2017, was 22 years.
Note 13 – Fund Equity
A summary of fund balances as of June 30, 2017 follows:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Capital Projects Funds</th>
<th>Non Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nonspendable:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$1,765,143</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,765,143</td>
</tr>
<tr>
<td>Prepaid costs</td>
<td>52,000</td>
<td>-</td>
<td>436,096</td>
<td>488,096</td>
</tr>
<tr>
<td>Loans to community organizations</td>
<td>6,034,578</td>
<td>-</td>
<td>-</td>
<td>6,034,578</td>
</tr>
<tr>
<td>Loans to fire companies</td>
<td>9,423,837</td>
<td>-</td>
<td>-</td>
<td>9,423,837</td>
</tr>
<tr>
<td>Loans to municipalities</td>
<td>149,037</td>
<td>-</td>
<td>-</td>
<td>149,037</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>9,511,158</td>
<td>-</td>
<td>-</td>
<td>9,511,158</td>
</tr>
<tr>
<td>Advances and proceeds to Industrial Development Authority</td>
<td>612,910</td>
<td>-</td>
<td>-</td>
<td>612,910</td>
</tr>
<tr>
<td><strong>Total nonspendable fund balance</strong></td>
<td>27,548,663</td>
<td>-</td>
<td>436,096</td>
<td>27,984,759</td>
</tr>
<tr>
<td><strong>Restricted:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weed control</td>
<td>123,498</td>
<td>-</td>
<td>-</td>
<td>123,498</td>
</tr>
<tr>
<td>Agricultural preservation investments</td>
<td>27,989,985</td>
<td>-</td>
<td>-</td>
<td>27,989,985</td>
</tr>
<tr>
<td>Loans collectible within one year</td>
<td>1,313,016</td>
<td>-</td>
<td>-</td>
<td>1,313,016</td>
</tr>
<tr>
<td>Farmers &amp; Merchants - collateral</td>
<td>230,000</td>
<td>-</td>
<td>-</td>
<td>230,000</td>
</tr>
<tr>
<td>Unspent bond proceeds</td>
<td>-</td>
<td>5,708,337</td>
<td>-</td>
<td>5,708,337</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>1,061,998</td>
<td>1,061,998</td>
</tr>
<tr>
<td>Hotel Rental tax</td>
<td>-</td>
<td>-</td>
<td>675,518</td>
<td>675,518</td>
</tr>
<tr>
<td><strong>Total restricted fund balance</strong></td>
<td>29,656,499</td>
<td>5,708,337</td>
<td>1,737,516</td>
<td>37,102,352</td>
</tr>
<tr>
<td><strong>Committed:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stabilization arrangement</td>
<td>20,002,103</td>
<td>-</td>
<td>-</td>
<td>20,002,103</td>
</tr>
<tr>
<td>ISF health</td>
<td>1,400,000</td>
<td>-</td>
<td>-</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Watershed Protection and Restoration</td>
<td>-</td>
<td>-</td>
<td>109,396</td>
<td>109,396</td>
</tr>
<tr>
<td><strong>Total committed fund balance</strong></td>
<td>21,402,103</td>
<td>-</td>
<td>109,396</td>
<td>21,511,499</td>
</tr>
<tr>
<td><strong>Assigned:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encumbrances:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>1,332,477</td>
<td>594,524</td>
<td>-</td>
<td>1,927,001</td>
</tr>
<tr>
<td>Public safety</td>
<td>64,384</td>
<td>968,782</td>
<td>-</td>
<td>1,033,166</td>
</tr>
<tr>
<td>Public works</td>
<td>1,065,567</td>
<td>8,965,797</td>
<td>-</td>
<td>10,031,364</td>
</tr>
<tr>
<td>Social Services</td>
<td>13,707</td>
<td>-</td>
<td>-</td>
<td>13,707</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>21,050</td>
<td>150,973</td>
<td>-</td>
<td>172,023</td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>-</td>
<td>640,665</td>
<td>-</td>
<td>640,665</td>
</tr>
<tr>
<td>Economic Development</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Subsequent year's expenditure:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Use in fiscal year 2018 budget</td>
<td>10,157,850</td>
<td>-</td>
<td>-</td>
<td>10,157,850</td>
</tr>
<tr>
<td>Use in fiscal year 2019-2020 budget</td>
<td>7,000,000</td>
<td>-</td>
<td>-</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>6,582,894</td>
<td>-</td>
<td>6,582,894</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>1,222,426</td>
<td>1,222,426</td>
</tr>
<tr>
<td>Community Media Center loan</td>
<td>703,308</td>
<td>-</td>
<td>-</td>
<td>703,308</td>
</tr>
<tr>
<td><strong>Total assigned fund balance</strong></td>
<td>20,383,343</td>
<td>17,903,635</td>
<td>1,222,426</td>
<td>39,509,404</td>
</tr>
<tr>
<td><strong>Unassigned:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>14,529,685</td>
<td>-</td>
<td>-</td>
<td>14,529,685</td>
</tr>
<tr>
<td><strong>Total unassigned fund balance</strong></td>
<td>14,529,685</td>
<td>-</td>
<td>-</td>
<td>14,529,685</td>
</tr>
<tr>
<td><strong>Grand total fund balances</strong></td>
<td>$113,520,293</td>
<td>$23,611,972</td>
<td>$3,505,434</td>
<td>$140,637,699</td>
</tr>
</tbody>
</table>
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 5.09 percent. The balance of these loans at June 30, 2017 is $10,736,853 and is secured by land, buildings and equipment. The County made loans to various community organizations. The balance of these loans at June 30, 2017 is $6,034,578 and they are secured through promissory notes.

The General Fund 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, 2017 in the amount of $9,511,158.

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:

<table>
<thead>
<tr>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
</tr>
<tr>
<td>Actual amount (budgetary basis) &quot;revenues&quot; from the budgetary comparison schedule</td>
</tr>
<tr>
<td>Unavailable property tax revenues</td>
</tr>
<tr>
<td>Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual amount (budgetary basis) &quot;expenditures&quot; from the budgetary comparison</td>
</tr>
<tr>
<td>Encumbrance adjustment</td>
</tr>
<tr>
<td>Total expenditure as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund</td>
</tr>
</tbody>
</table>
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, 2017, the County had the following commitments with respect to unfinished capital projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Amount</th>
<th>Future Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$40,694,760</td>
<td>$33,057,940</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$35,481,727</td>
<td>$35,297,411</td>
</tr>
<tr>
<td>Health</td>
<td>81,388</td>
<td>81,388</td>
</tr>
<tr>
<td>Public Works</td>
<td>$35,481,727</td>
<td>$35,297,411</td>
</tr>
<tr>
<td>Board of Education</td>
<td>$211,742,591</td>
<td>6,534,766</td>
</tr>
<tr>
<td>Carroll Community College</td>
<td>7,510,057</td>
<td>160,543</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>15,355,313</td>
<td>1,995,450</td>
</tr>
<tr>
<td>Library</td>
<td>4,101,905</td>
<td>81,000</td>
</tr>
<tr>
<td>Conservation of Natural Resources</td>
<td>200,901,260</td>
<td>31,089,969</td>
</tr>
<tr>
<td>Water Resources</td>
<td>12,378,988</td>
<td>12,500,296</td>
</tr>
<tr>
<td>Governmental Activities</td>
<td>582,042,210</td>
<td>88,426,416</td>
</tr>
<tr>
<td>Wastewater Treatment Facilities</td>
<td>7,933,525</td>
<td>3,314,090</td>
</tr>
<tr>
<td>Other Water Projects</td>
<td>8,386,079</td>
<td>22,890,888</td>
</tr>
<tr>
<td>Other Wastewater Projects</td>
<td>13,105,982</td>
<td>3,400,019</td>
</tr>
<tr>
<td>Landfill Upgrades</td>
<td>4,408,000</td>
<td>-</td>
</tr>
<tr>
<td>Landfill Remediations</td>
<td>3,520,244</td>
<td>-</td>
</tr>
<tr>
<td>Fiber Network</td>
<td>1,100,000</td>
<td>-</td>
</tr>
<tr>
<td>Septage</td>
<td>1,016,000</td>
<td>3,484,000</td>
</tr>
<tr>
<td>Airport</td>
<td>1,100,000</td>
<td>47,853,266</td>
</tr>
<tr>
<td>Business Type Activities</td>
<td>41,971,010</td>
<td>80,942,264</td>
</tr>
<tr>
<td>Total Funds</td>
<td>$793,381,900</td>
<td>$599,285,010</td>
</tr>
<tr>
<td></td>
<td>$624,013,220</td>
<td>$169,368,679</td>
</tr>
</tbody>
</table>
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, 2017, the County’s share in the limited liability company totaled $4,976.

The Supreme Court ruled in favor of the Wynnes case which wrongly exposed some Maryland residents with out-of-state income to double taxation by not allowing the full tax credit for income tax paid outside of the state. The effect of this ruling on the County is income tax will be reduced $28,901 for nine quarters for a total of $260,106 beginning in September 2016 to refund those residents in Carroll County that were eligible for the credit but didn’t receive it for the tax returns filed between 2006 and 2014.

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, cyber, and business automobile.

LGIT is a joint association of Maryland local governments established to provide an alternative to the diminishing availability of insurance coverages to the public sector and the increasing premium costs in the municipal insurance market. LGIT is owned 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.

LGIT 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.
Note 16 – Risk Management-continued
Primary Government-continued
The County is using an internal service fund to account for and finance its uninsured risks of loss. 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, 2017 for the deductible portions of general, auto, police, legal and public officials covered under LGIT and employee health care coverage are $10,500 and $1,552,187 respectively.

The total claims liability of $1,562,687 reported in the internal service fund at June 30, 2017 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability was incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liabilities are calculated based on historical claim settlement trends and analysis of all outstanding and potential claims.

Changes in the claims for employee health care coverage and the deductible portions of liability and property claims under LGIT were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning-of-Fiscal Year Liability</th>
<th>Current-Year Changes in Claim Estimates</th>
<th>Claim Payments</th>
<th>Balance at Year-End</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liability and property:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1, 2014 – June 30, 2015</td>
<td>$9,138</td>
<td>$50,962</td>
<td>$(30,100)</td>
<td>$30,000</td>
</tr>
<tr>
<td>July 1, 2015 – June 30, 2016</td>
<td>30,000</td>
<td>(3,310)</td>
<td>(8,441)</td>
<td>18,249</td>
</tr>
<tr>
<td>July 1, 2016 – June 30, 2017</td>
<td>18,249</td>
<td>9,504</td>
<td>(17,253)</td>
<td>10,500</td>
</tr>
</tbody>
</table>

|                |                                  |                                        |                |                     |
| **Employee Health Care Coverage:** |                                 |                                        |                |                     |
| July 1, 2014 – June 30, 2015 | $1,951,436                        | $13,461,255                            | $(13,450,706)  | $1,961,985          |
| July 1, 2015 – June 30, 2016 | 1,961,985                         | 15,484,758                             | (15,493,416)   | 1,953,327           |
| July 1, 2016 – June 30, 2017 | 1,953,327                         | 15,810,644                             | (16,211,784)   | 1,552,187           |

The County is self-insured for its worker’s compensation. Premiums are paid into the internal service 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 internal service fund. As of June 30, 2017, 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.
Note 16 – Risk Management-continued

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 $2,976,070 has been reported at June 30, 2017. This liability is calculated based on historical claim settlement trends.

Changes in the claims for worker’s compensation were as follows:

<table>
<thead>
<tr>
<th>Worker’s Compensation:</th>
<th>Beginning-Of-Fiscal Year Liability</th>
<th>Current-Year Claims and Changes in Estimates</th>
<th>Claim Payments</th>
<th>Balance at Fiscal Year-End</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2014 – June 30, 2015</td>
<td>$2,078,649</td>
<td>$1,864,656</td>
<td>$(1,668,542)</td>
<td>$2,274,763</td>
</tr>
<tr>
<td>July 1, 2015 – June 30, 2016</td>
<td>2,274,763</td>
<td>1,023,380</td>
<td>(1,161,614)</td>
<td>2,136,529</td>
</tr>
<tr>
<td>July 1, 2016 – June 30, 2017</td>
<td>2,136,529</td>
<td>1,763,037</td>
<td>(923,496)</td>
<td>2,976,070</td>
</tr>
</tbody>
</table>

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.
Note 16 – Risk Management-continued

Changes in the balances of claims liabilities not including actuarial liabilities were as follows:

<table>
<thead>
<tr>
<th>Health Care:</th>
<th>Beginning- Of-Fiscal Year Liability</th>
<th>Claims and Changes in Estimates</th>
<th>Claim Payments</th>
<th>Balance at Fiscal Year-End</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2014-- June 30, 2015</td>
<td>$4,590,000</td>
<td>$50,984,357</td>
<td>$(47,333,257)</td>
<td>$8,241,100</td>
</tr>
<tr>
<td>July 1, 2015-- June 30, 2016</td>
<td>8,241,100</td>
<td>48,327,654</td>
<td>(48,318,754)</td>
<td>8,250,000</td>
</tr>
<tr>
<td>July 1, 2016 – June 30, 2017</td>
<td>8,250,000</td>
<td>49,701,630</td>
<td>(50,201,630)</td>
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Required Supplementary Information
## Schedule of Changes in the Net Pension Liability and Related Ratios

### Schedule of Changes in the Net Pension Liability and Related Ratios for the Carroll County Employee Pension Plan

(last 10 fiscal years)

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<tbody>
<tr>
<td>Total pension liability</td>
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<tr>
<td>Service cost</td>
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<td>Interest</td>
<td>5,345</td>
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<td>3,955</td>
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<tr>
<td>Differences between expected</td>
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<td>and actual experience</td>
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<td>Changes of assumptions</td>
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<tr>
<td>Benefit payments including</td>
<td>(1,856)</td>
<td>(1,300)</td>
<td>(1,086)</td>
<td>(925)</td>
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<tr>
<td>refunds of member contributions</td>
<td>(1,856)</td>
<td>(1,300)</td>
<td>(1,086)</td>
<td>(925)</td>
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<tr>
<td>Net change in total pension</td>
<td>8,117</td>
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<td>6,115</td>
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<tr>
<td>Total pension liability-</td>
<td>$77,291</td>
<td>69,571</td>
<td>63,079</td>
<td>56,964</td>
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<td>beginning</td>
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<tr>
<td>Total pension liability-</td>
<td>$85,408</td>
<td>77,291</td>
<td>69,571</td>
<td>63,079</td>
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<td>Plan fiduciary net position</td>
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<tr>
<td>Contribution-employer</td>
<td>$2,636</td>
<td>$2,542</td>
<td>$2,558</td>
<td>$2,367</td>
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<td>Contributions-member</td>
<td>1,773</td>
<td>1,688</td>
<td>1,619</td>
<td>1,573</td>
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<td>Net investment income</td>
<td>7,683</td>
<td>1,506</td>
<td>2,645</td>
<td>7,867</td>
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<tr>
<td>Benefit payments, including</td>
<td>(1,856)</td>
<td>(1,300)</td>
<td>(1,086)</td>
<td>(925)</td>
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<tr>
<td>refund of member contributions</td>
<td>(1,856)</td>
<td>(1,300)</td>
<td>(1,086)</td>
<td>(925)</td>
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<tr>
<td>Administrative expense</td>
<td>(43)</td>
<td>(37)</td>
<td>(37)</td>
<td>(45)</td>
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<td>Net change in plan fiduciary</td>
<td>10,193</td>
<td>4,199</td>
<td>5,699</td>
<td>10,837</td>
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<tr>
<td>Plan fiduciary net position-</td>
<td>$66,714</td>
<td>62,515</td>
<td>56,816</td>
<td>45,979</td>
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<tr>
<td>Plan fiduciary net position-</td>
<td>$56,816</td>
<td>62,515</td>
<td>56,816</td>
<td>45,979</td>
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<tr>
<td>Net pension liability -</td>
<td>$8,501</td>
<td>$10,577</td>
<td>7,056</td>
<td>6,263</td>
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<td>Notes to Schedule:</td>
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</tbody>
</table>

**Benefit Changes:**
- There were no changes for FY 2017

**Changes of Assumptions:**
- There were no changes for FY 2017

Coordinated- payroll:
- 15.28%
- 106.72%
- 110.03%
- 123.57%

Covered- payroll:
- $34,841
- 106.72%
- 110.03%
- 123.57%

Net Pension liability as a percentage of covered- payroll:
- 24.40%
- 32.01%
- 21.86%
- 20.40%

Expected average remaining service years for all participants:
- 5
- 5
- 6
- 6
### 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)

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</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$2,636</td>
<td>$2,542</td>
<td>$2,538</td>
<td>$2,366</td>
<td>$2,253</td>
<td>$2,590</td>
<td>$2,810</td>
<td>$1,302</td>
<td>$878</td>
<td>$921</td>
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<td>Contributions in relation to the actuarially determined contribution</td>
<td>2,636</td>
<td>2,542</td>
<td>2,558</td>
<td>2,367</td>
<td>2,586</td>
<td>2,741</td>
<td>3,000</td>
<td>2,660</td>
<td>958</td>
<td>985</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$(20)</td>
<td>$(1)</td>
<td>$(333)</td>
<td>$(191)</td>
<td>$(190)</td>
<td>$(1,358)</td>
<td>$(80)</td>
<td>$(64)</td>
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<tr>
<td>Covered-payroll</td>
<td>$34,841</td>
<td>$33,047</td>
<td>$32,278</td>
<td>$30,699</td>
<td>$30,414</td>
<td>$32,267</td>
<td>$34,986</td>
<td>$32,402</td>
<td>$29,792</td>
<td>$26,845</td>
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<tr>
<td>Contributions as a percentage of covered-payroll</td>
<td>7.57%</td>
<td>7.69%</td>
<td>7.92%</td>
<td>7.71%</td>
<td>8.50%</td>
<td>8.49%</td>
<td>8.57%</td>
<td>8.21%</td>
<td>3.22%</td>
<td>3.67%</td>
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</table>

**Valuation date:**
Actuarial determinations 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**
- **Amortization method**
- **Remaining amortization period**
- **Asset valuation method**
- **Inflation**
- **Salary increases**
- **Investment rate of return**
- **Retirement age**
- **Mortality**

- **Projected Unit Credit**
- **Level Percentage of Payroll**
- **Remaining amortization period for gains and losses (closed), 20 years for prior plan and assumption changes**
- **5-year smoothed market**
- **3.0 percent**
- **Rates vary by participant age**
- **7.0 percent, net of pension plan investment expense, including inflation**
- **100% when first eligible for unreduced benefits**
- **RP-2014 with generational projection using scale MP-2014**
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</thead>
<tbody>
<tr>
<td>Return, net of investment expense</td>
<td>11.19%</td>
<td>2.08%</td>
<td>4.53%</td>
<td>16.32%</td>
<td>Information for FY 2013 and earlier is not available</td>
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</table>
### 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)*

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<tr>
<td>Total pension liability</td>
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<tr>
<td>Service cost</td>
<td>$1,090</td>
<td>$1,000</td>
<td>$983</td>
<td>$904</td>
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<tr>
<td>Interest</td>
<td>887</td>
<td>813</td>
<td>726</td>
<td>630</td>
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<td>Differences between expected and actual experience</td>
<td>560</td>
<td>(380)</td>
<td>(242)</td>
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<tr>
<td>Change of assumption</td>
<td>-</td>
<td>(115)</td>
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<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(260)</td>
<td>(244)</td>
<td>(199)</td>
<td>(124)</td>
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<tr>
<td>Net change in total pension liability</td>
<td>2,277</td>
<td>1,074</td>
<td>1,268</td>
<td>1,410</td>
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<td></td>
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</tr>
<tr>
<td>Total pension liability- beginning</td>
<td>$12,807</td>
<td>$11,733</td>
<td>$10,465</td>
<td>$9,055</td>
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<tr>
<td>Total pension liability- ending</td>
<td>$15,084</td>
<td>$12,807</td>
<td>$11,733</td>
<td>$10,465</td>
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<tr>
<td>Plan fiduciary net position</td>
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<tr>
<td>Contribution-employer</td>
<td>$799</td>
<td>$681</td>
<td>$835</td>
<td>$870</td>
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<td>Contributions-member</td>
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<td>416</td>
<td>415</td>
<td>580</td>
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</tr>
<tr>
<td>Net investment income</td>
<td>1,196</td>
<td>191</td>
<td>368</td>
<td>978</td>
<td></td>
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</tr>
<tr>
<td>Benefit payments, including refund of member contributions</td>
<td>-</td>
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</tr>
<tr>
<td>Net change in plan fiduciary net position</td>
<td>2,346</td>
<td>1,037</td>
<td>1,412</td>
<td>2,297</td>
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<tr>
<td>Plan fiduciary net position- beginning</td>
<td>10,142</td>
<td>9,105</td>
<td>7,693</td>
<td>5,796</td>
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<tr>
<td>Plan fiduciary net position- ending</td>
<td>12,488</td>
<td>10,142</td>
<td>9,105</td>
<td>7,693</td>
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<tr>
<td>Net pension liability - ending</td>
<td>$15,084</td>
<td>$12,807</td>
<td>$11,733</td>
<td>$10,465</td>
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</tbody>
</table>

**Notes to Schedule**

**Benefit changes:**

There were no changes for FY 2017

**Changes of Assumptions:**

RP-2014 with generational projection using scale MP 2014

**Plan fiduciary net position as a percentage of the total pension liability**

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</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>82.79%</td>
<td>79.19%</td>
<td>77.60%</td>
<td>73.51%</td>
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**Covered- payroll**

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<tbody>
<tr>
<td>Percentage</td>
<td>$ 5,586</td>
<td>$ 4,974</td>
<td>$ 5,552</td>
<td>$ 5,295</td>
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</table>

**Net pension liability as a percentage of covered-employee payroll**

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</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>46.48%</td>
<td>53.58%</td>
<td>47.33%</td>
<td>52.35%</td>
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**Expected average remaining service years of all participants**

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<tbody>
<tr>
<td>Years</td>
<td>10</td>
<td>10</td>
<td>10</td>
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# Schedule of Carroll County’s Contributions

## For the Carroll County Certified Law Officers Pension Plan

**Last 10 Fiscal Years**

(Dollar amounts in thousands)

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</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$645</td>
<td>$683</td>
<td>$686</td>
<td>$558</td>
<td>$505</td>
<td>$520</td>
<td>$544</td>
<td>$-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>799</td>
<td>681</td>
<td>835</td>
<td>870</td>
<td>787</td>
<td>700</td>
<td>590</td>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$(154)</td>
<td>$2</td>
<td>$(149)</td>
<td>$(312)</td>
<td>$(282)</td>
<td>$(180)</td>
<td>$(46)</td>
<td>$(250)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered-payroll</td>
<td>$5,586</td>
<td>$4,974</td>
<td>$5,552</td>
<td>$5,295</td>
<td>$5,295</td>
<td>$5,295</td>
<td>$5,295</td>
<td>$5,295</td>
<td>$5,295</td>
<td>$5,295</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>14.30%</td>
<td>13.69%</td>
<td>15.04%</td>
<td>16.43%</td>
<td>14.86%</td>
<td>13.22%</td>
<td>11.14%</td>
<td>4.72%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Per GASB 82, the amounts shown reflect pensionable earnings only.

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**
- **Amortization method**
- **Remaining amortization period**
- **Asset valuation method**
- **Salary increases**
- **Investment rate of return**
- **Retirement age**
- **Mortality**
- **Projected Unit Credit (Entry Age used for GASB 67 purposes)**
- **Level Percentage of Payroll**
- **20 years for gains and losses (closed), 20 years for prior plan and assumption changes 5-year smoothed market**
- **Rates vary by participant age**
- **7.0 percent, net of pension plan investment expense, including inflation**
- **100% when first eligible for unreduced benefits**
- **RP-2014 with generational projection using scale MP2014**
## SCHEDULE OF INVESTMENT RETURNS

FOR THE CARROLL COUNTY CERTIFIED LAW OFFICERS PENSION PLAN

Last 10 Fiscal Years

(Dollar amounts in thousands)

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</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>10.99%</td>
<td>2.11%</td>
<td>4.51%</td>
<td>15.33%</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Annual money-weighted rate of return, net of investment expense.

Information for FY 13 and earlier is not available.
## 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)**

<table>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability</strong></td>
<td>$147</td>
<td>$151</td>
<td>$146</td>
<td>$147</td>
<td>$151</td>
<td>$146</td>
<td>$147</td>
<td>$151</td>
<td>$146</td>
<td>$146</td>
</tr>
<tr>
<td>Service cost</td>
<td>661</td>
<td>672</td>
<td>661</td>
<td>681</td>
<td>692</td>
<td>681</td>
<td>681</td>
<td>681</td>
<td>681</td>
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</tr>
<tr>
<td><strong>Difference between actual and expected</strong></td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
<td>(44)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(701)</td>
<td>(687)</td>
<td>(988)</td>
<td>(701)</td>
<td>(687)</td>
<td>(988)</td>
<td>(701)</td>
<td>(687)</td>
<td>(988)</td>
<td>(988)</td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>83</td>
<td>136</td>
<td>(181)</td>
<td>83</td>
<td>136</td>
<td>(181)</td>
<td>83</td>
<td>136</td>
<td>(181)</td>
<td>(181)</td>
</tr>
<tr>
<td><strong>Total pension liability-beginning</strong></td>
<td>9,722</td>
<td>9,586</td>
<td>9,767</td>
<td>9,722</td>
<td>9,586</td>
<td>9,767</td>
<td>9,722</td>
<td>9,586</td>
<td>9,767</td>
<td>9,767</td>
</tr>
<tr>
<td><strong>Total pension liability-ending</strong></td>
<td>9,805</td>
<td>9,722</td>
<td>9,586</td>
<td>9,805</td>
<td>9,722</td>
<td>9,586</td>
<td>9,805</td>
<td>9,722</td>
<td>9,586</td>
<td>9,586</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position</strong></td>
<td>$100</td>
<td>$50</td>
<td>$290</td>
<td>$100</td>
<td>$50</td>
<td>$290</td>
<td>$100</td>
<td>$50</td>
<td>$290</td>
<td>$290</td>
</tr>
<tr>
<td>Contribution-employer</td>
<td>766</td>
<td>484</td>
<td>874</td>
<td>766</td>
<td>484</td>
<td>874</td>
<td>766</td>
<td>484</td>
<td>874</td>
<td>874</td>
</tr>
<tr>
<td>Contributions-member</td>
<td>(700)</td>
<td>(687)</td>
<td>(988)</td>
<td>(700)</td>
<td>(687)</td>
<td>(988)</td>
<td>(700)</td>
<td>(687)</td>
<td>(988)</td>
<td>(988)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>(9)</td>
<td>(6)</td>
<td>(20)</td>
<td>(9)</td>
<td>(6)</td>
<td>(20)</td>
<td>(9)</td>
<td>(6)</td>
<td>(20)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>157</td>
<td>(159)</td>
<td>116</td>
<td>157</td>
<td>(159)</td>
<td>116</td>
<td>157</td>
<td>(159)</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position-beginning</strong></td>
<td>8,305</td>
<td>8,464</td>
<td>8,348</td>
<td>8,305</td>
<td>8,464</td>
<td>8,348</td>
<td>8,305</td>
<td>8,464</td>
<td>8,348</td>
<td>8,348</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position-ending</strong></td>
<td>8,462</td>
<td>8,305</td>
<td>8,464</td>
<td>8,462</td>
<td>8,305</td>
<td>8,464</td>
<td>8,462</td>
<td>8,305</td>
<td>8,464</td>
<td>8,464</td>
</tr>
<tr>
<td><strong>Net pension liability ending</strong></td>
<td>$1,343</td>
<td>$1,417</td>
<td>$1,222</td>
<td>$1,343</td>
<td>$1,417</td>
<td>$1,222</td>
<td>$1,343</td>
<td>$1,417</td>
<td>$1,222</td>
<td>$1,222</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>86.30%</td>
<td>85.42%</td>
<td>88.30%</td>
<td>86.30%</td>
<td>85.42%</td>
<td>88.30%</td>
<td>86.30%</td>
<td>85.42%</td>
<td>88.30%</td>
<td>88.30%</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net pension liability as a percentage of covered-employee payroll</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Expected average remaining service years of all participants</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
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</tr>
</tbody>
</table>

### Notes to Schedule:

**Benefit changes:** There were no changes for FY2017.

**Change of Assumptions:** There were no changes for FY2017.
# 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)*

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$276</td>
<td>$276</td>
<td>$436</td>
<td>$436</td>
<td>$436</td>
<td>$380</td>
<td>$380</td>
<td>$380</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>100</td>
<td>50</td>
<td>250</td>
<td>250</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$176</td>
<td>$226</td>
<td>$186</td>
<td>$186</td>
<td>$436</td>
<td>$380</td>
<td>$380</td>
<td>$380</td>
<td>$(1,000)</td>
<td>-</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>NA</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>NA</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

## 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**  
- **Amortization method**  
- **Remaining amortization period**  
- **Asset valuation method**  
- **Inflation**  
- **Salary increases**  
- **Investment rate of return**  
- **Retirement age**  
- **Mortality**

- Unit Credit (Entry Age used for GASB 67 purposes)  
- Level payments over a period of 10 years  
- 10 years  
- Market Value  
- 3.0%  
- Not Applicable  
- 7.0%, net of pension plan investment expense, including inflation  
- The later of 25 years of service and age 60  
- 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)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Annual money-weighted rate of return, net of investment expense</td>
<td>9.57%</td>
<td>6.08%</td>
<td>4.43%</td>
<td>Information for FY14 and earlier is not available</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (NPL)

FOR THE STATE OF MARYLAND – CARROLL COUNTY ELECTED/APPOINTED OFFICIALS PENSION PLAN

### Last 10 Fiscal Years

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>County's proportionate share (%) of collective net pension liability</td>
<td>0.0011831%</td>
<td>0.0009711%</td>
<td>0.0000795%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>County's proportionate share ($) of collective net pension liability</td>
<td>$279,129</td>
<td>$201,819</td>
<td>$141,030</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>County's covered-payroll ($)</td>
<td>144,568</td>
<td>140,701</td>
<td>131,805</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County's proportionate share (%) of collective net pension liability of its covered payroll</td>
<td>193.08%</td>
<td>143.44%</td>
<td>107.00%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>65.79%</td>
<td>68.78%</td>
<td>71.87%</td>
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<td></td>
<td></td>
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</tbody>
</table>

## SCHEDULE OF PENSION PLAN CONTRIBUTIONS

FOR THE STATE OF MARYLAND – CARROLL COUNTY ELECTED/APPOINTED OFFICIALS PENSION PLAN

### Last 10 Fiscal Years

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$23,047</td>
<td>$20,469</td>
<td>$18,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>23,047</td>
<td>20,469</td>
<td>18,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$18,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$144,568</td>
<td>$140,701</td>
<td>$131,805</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions as a percentage of covered-payroll</td>
<td>15.94%</td>
<td>14.55%</td>
<td>14.05%</td>
<td></td>
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</tbody>
</table>

Information for FY 14 and earlier is not available.
## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (NPL)
FOR THE STATE OF MARYLAND – CARROLL COUNTY SOIL CONSERVATION DISTRICT PENSION PLAN

### Last 10 Fiscal Years

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>County's proportionate share (%) of collective net pension liability</td>
<td>0.0010065%</td>
<td>0.0012214%</td>
<td>0.0011016%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>County's proportionate share ($) of collective net pension liability</td>
<td>$237,464</td>
<td>$253,830</td>
<td>$195,496</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County's covered-payroll ($)</td>
<td>$261,489</td>
<td>$225,564</td>
<td>$260,994</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County's proportionate share (%) of collective net pension liability of its covered payroll</td>
<td>90.81%</td>
<td>112.53%</td>
<td>74.90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>65.79%</td>
<td>68.78%</td>
<td>71.87%</td>
<td></td>
<td></td>
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</table>

## SCHEDULE OF PENSION PLAN CONTRIBUTIONS
FOR THE STATE OF MARYLAND – CARROLL COUNTY SOIL CONSERVATION DISTRICT PENSION PLAN

### Last 10 Fiscal Years

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$19,607</td>
<td>$25,744</td>
<td>$25,671</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>19,607</td>
<td>25,744</td>
<td>25,671</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered-payroll Contributions</td>
<td>$261,489</td>
<td>$225,564</td>
<td>$260,994</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

as a percentage of covered-payroll

- 7.50%
- 11.41%
- 9.84%

Information for FY 14 and earlier is not available.
## SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

**FOR THE RETIREE BENEFIT TRUST, BOARD OF COUNTY COMMISSIONER OF CARROLL COUNTY, MARYLAND**

**Last 10 Fiscal Years**

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<tr>
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</thead>
<tbody>
<tr>
<td>Total OPEB liability</td>
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<tr>
<td>Service cost</td>
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<td>Interest</td>
<td>12,894,546</td>
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<tr>
<td>Differences between</td>
<td></td>
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<tr>
<td>expected and actual</td>
<td>Information for FY 16 and earlier is not available</td>
<td></td>
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<tr>
<td>experience</td>
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<tr>
<td>Changes of assumptions</td>
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<tr>
<td>Benefit payments</td>
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<tr>
<td>including refunds of</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>member contributions</td>
<td>(4,099,405)</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Net change in total</td>
<td>12,666,530</td>
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<tr>
<td>OPEB liability</td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Total OPEB liability -</td>
<td>186,257,497</td>
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<td></td>
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</tr>
<tr>
<td>beginning</td>
<td>$198,924,027</td>
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<tr>
<td>Total OPEB liability -</td>
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<tr>
<td>ending</td>
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### Plan fiduciary net position

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Contribution-employer</td>
<td>$10,103,580</td>
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<tr>
<td>Net investment income</td>
<td>7,460,623</td>
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<tr>
<td>Benefit payments</td>
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<tr>
<td>including refunds of</td>
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</tr>
<tr>
<td>member contributions</td>
<td>(4,099,405)</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net change in plan</td>
<td>13,464,798</td>
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<td></td>
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<tr>
<td>fiduciary net position</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total OPEB liability -</td>
<td>66,532,596</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>beginning</td>
<td>$79,997,394</td>
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<tr>
<td>Total OPEB liability -</td>
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<td>ending</td>
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</tbody>
</table>

### Net OPEB Liability - ending

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Plan fiduciary net position as a percentage of the total OPEB liability</td>
<td>40.22%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Covered- payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net OPEB liability as a percentage of covered-payroll (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Expected average remaining service years for all participants</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Notes to Schedule:

- Benefit changes: None
- Changes of Assumptions: None
- Discount Rate:
  - 6/30/2016: 7%
  - 6/30/2017: 7%
### SCHEDULE OF CARROLL COUNTY'S CONTRIBUTIONS FOR THE RETIREE BENEFIT TRUST, BOARD OF COUNTY COMMISSIONER OF CARROLL COUNTY, MARYLAND

**Last 10 Fiscal Years**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$ 11,353,000</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 10,103,380</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ 1,249,420</td>
<td></td>
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<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Information for FY2016 and earlier is not available

**Notes to Schedule**

Contributions as a percentage of covered employee payroll

1 -Because this OPEB plan does not depend on salary, we do not have salary information.
THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland  
SCHEDULE OF INVESTMENT RETURNS  
FOR THE RETIREEE BENEFIT TRUST, BOARD OF COUNTY COMMISSIONER OF CARROLL COUNTY,  
MARYLAND  
Last 10 Fiscal Years

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Annual money-weighted rate of return, net of investment expense</td>
<td>27.39%</td>
<td>Information for FY 2016 and earlier is not available</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (1)</th>
<th>Actuarial Accrued Liability (AAL) (2)</th>
<th>Percentage Funded (1)/(2) (3)</th>
<th>Unfunded AAL (UAAL) (2)-(1) (4)</th>
<th>Annual Covered Payroll (5)</th>
<th>UAAL as a Percentage of Covered Payroll (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2010</td>
<td>$12,612,050</td>
<td>$132,526,000</td>
<td>9.52%</td>
<td>$119,913,950</td>
<td>$44,405,390</td>
<td>270.04%</td>
</tr>
<tr>
<td>July 1, 2012</td>
<td>25,999,300</td>
<td>132,709,000</td>
<td>19.60%</td>
<td>106,709,700</td>
<td>44,548,939</td>
<td>239.53%</td>
</tr>
<tr>
<td>July 1, 2014</td>
<td>47,996,872</td>
<td>144,903,000</td>
<td>33.12%</td>
<td>96,906,128</td>
<td>47,677,710</td>
<td>203.25%</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>66,532,596</td>
<td>174,401,000</td>
<td>38.15%</td>
<td>107,868,404</td>
<td>51,577,434</td>
<td>209.14%</td>
</tr>
</tbody>
</table>

Schedule of Employer Contributions:

<table>
<thead>
<tr>
<th>Year Ended June 30:</th>
<th>Annual Required Contribution</th>
<th>Amount Contributed by Employer</th>
<th>Percentage Contributed by Employer</th>
<th>Federal Subsidy</th>
<th>Total Percentage Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$11,937,000</td>
<td>$7,298,000</td>
<td>61%</td>
<td>$172,559</td>
<td>63%</td>
</tr>
<tr>
<td>2012</td>
<td>11,661,000</td>
<td>7,852,800</td>
<td>67%</td>
<td>184,061</td>
<td>69%</td>
</tr>
<tr>
<td>2013</td>
<td>10,142,000</td>
<td>8,438,080</td>
<td>83%</td>
<td>197,696</td>
<td>85%</td>
</tr>
<tr>
<td>2014</td>
<td>10,457,000</td>
<td>10,056,900</td>
<td>96%</td>
<td>226,975</td>
<td>98%</td>
</tr>
<tr>
<td>2015</td>
<td>10,111,000</td>
<td>9,632,900</td>
<td>95%</td>
<td>251,701</td>
<td>98%</td>
</tr>
<tr>
<td>2016</td>
<td>10,474,000</td>
<td>10,103,580</td>
<td>96%</td>
<td>-</td>
<td>96%</td>
</tr>
<tr>
<td>2017</td>
<td>11,353,000</td>
<td>10,578,580</td>
<td>89%</td>
<td>-</td>
<td>89%</td>
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Supplementary Information
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<tr>
<th>RESOURCES (INFLOWS)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes - Local Property</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Real property</td>
<td>$184,399,190</td>
<td>$184,399,190</td>
<td>$184,762,338</td>
<td>$363,148</td>
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<tr>
<td>Real property - prior years</td>
<td>300,000</td>
<td>300,000</td>
<td>(510,732)</td>
<td>(810,732)</td>
</tr>
<tr>
<td>Personal property</td>
<td>250,000</td>
<td>250,000</td>
<td>386,040</td>
<td>136,040</td>
</tr>
<tr>
<td>Railroad and public utilities</td>
<td>6,850,300</td>
<td>6,850,300</td>
<td>7,161,059</td>
<td>310,759</td>
</tr>
<tr>
<td>Ordinary business corporations</td>
<td>7,931,000</td>
<td>7,931,000</td>
<td>7,356,171</td>
<td>(574,829)</td>
</tr>
<tr>
<td>Penalties and interest-delinquent taxes</td>
<td>800,000</td>
<td>800,000</td>
<td>818,257</td>
<td>18,257</td>
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<tr>
<td>Semi-annual service charges</td>
<td>65,000</td>
<td>65,000</td>
<td>140,388</td>
<td>75,388</td>
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<tr>
<td></td>
<td>$200,595,490</td>
<td>$200,595,490</td>
<td>$200,113,521</td>
<td>(481,969)</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
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<tr>
<td>Discounts allowed on taxes</td>
<td>(800,000)</td>
<td>(800,000)</td>
<td>(800,540)</td>
<td>(540)</td>
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<tr>
<td>Property Tax Rebate</td>
<td>-</td>
<td>-</td>
<td>(211)</td>
<td>(211)</td>
</tr>
<tr>
<td>Senior tax credit</td>
<td>(20,000)</td>
<td>(20,000)</td>
<td>(7,103)</td>
<td>12,897</td>
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<tr>
<td>Payment in Lieu of Taxes</td>
<td>25,960</td>
<td>25,960</td>
<td>6,729</td>
<td>(19,231)</td>
</tr>
<tr>
<td>Homestead tax credit</td>
<td>(228,073)</td>
<td>(228,073)</td>
<td>(220,297)</td>
<td>7,776</td>
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<tr>
<td></td>
<td>(1,022,113)</td>
<td>(1,022,113)</td>
<td>(1,021,422)</td>
<td>691</td>
</tr>
<tr>
<td><strong>Net Taxes - Local Property</strong></td>
<td>$199,573,377</td>
<td>$199,573,377</td>
<td>$199,092,098</td>
<td>(481,278)</td>
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<tr>
<td><strong>Taxes - Local Other</strong></td>
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<td></td>
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<tr>
<td>Income tax</td>
<td>139,692,655</td>
<td>139,692,655</td>
<td>139,476,252</td>
<td>(216,403)</td>
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<td>911 service fees</td>
<td>1,030,000</td>
<td>1,030,000</td>
<td>1,087,610</td>
<td>57,610</td>
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<td>Recordation tax</td>
<td>13,500,000</td>
<td>13,500,000</td>
<td>14,241,331</td>
<td>741,331</td>
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<td>Heavy equipment tax</td>
<td>100,000</td>
<td>100,000</td>
<td>126,016</td>
<td>26,016</td>
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<td>Admissions and amusement tax</td>
<td>306,000</td>
<td>306,000</td>
<td>351,742</td>
<td>45,742</td>
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<td>Police Aid-Regular</td>
<td>764,600</td>
<td>764,600</td>
<td>882,661</td>
<td>118,061</td>
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<tr>
<td><strong>Total Taxes - Local Other</strong></td>
<td>$155,393,255</td>
<td>$155,393,255</td>
<td>$156,165,610</td>
<td>772,355</td>
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<td><strong>Licenses and Permits</strong></td>
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<td></td>
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<tr>
<td>Beer, wine and liquor licenses</td>
<td>201,600</td>
<td>201,600</td>
<td>213,164</td>
<td>11,564</td>
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<tr>
<td>Amusement</td>
<td>5,500</td>
<td>5,500</td>
<td>1,845</td>
<td>(3,655)</td>
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<tr>
<td>Traders</td>
<td>130,000</td>
<td>130,000</td>
<td>132,314</td>
<td>2,314</td>
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<tr>
<td>Animal</td>
<td>75,000</td>
<td>75,000</td>
<td>60,881</td>
<td>(14,119)</td>
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<tr>
<td>Buildings</td>
<td>1,050,400</td>
<td>1,050,400</td>
<td>1,057,250</td>
<td>6,850</td>
</tr>
<tr>
<td>Mobile home licenses</td>
<td>63,700</td>
<td>63,700</td>
<td>61,890</td>
<td>(1,810)</td>
</tr>
<tr>
<td>Cable Franchise Fee</td>
<td>1,561,090</td>
<td>1,561,090</td>
<td>1,645,750</td>
<td>84,660</td>
</tr>
<tr>
<td>Marriage</td>
<td>32,000</td>
<td>32,000</td>
<td>32,890</td>
<td>890</td>
</tr>
<tr>
<td>Grading</td>
<td>21,500</td>
<td>21,500</td>
<td>20,887</td>
<td>(613)</td>
</tr>
<tr>
<td>Kennel Licenses</td>
<td>18,000</td>
<td>18,000</td>
<td>19,225</td>
<td>1,225</td>
</tr>
<tr>
<td><strong>Total Licenses and Permits</strong></td>
<td>$3,158,790</td>
<td>$3,158,790</td>
<td>$3,246,094</td>
<td>87,304</td>
</tr>
<tr>
<td><strong>Intergovernmental Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>-</td>
<td>-</td>
<td>745,706</td>
<td>745,706</td>
</tr>
<tr>
<td>Build America Bonds Subsidy</td>
<td>773,350</td>
<td>773,350</td>
<td>776,990</td>
<td>3,640</td>
</tr>
<tr>
<td>State Aid-Fire Companies</td>
<td>400,000</td>
<td>400,000</td>
<td>388,587</td>
<td>(11,413)</td>
</tr>
<tr>
<td>Security Interest Filing Fee</td>
<td>-</td>
<td>-</td>
<td>16,828</td>
<td>16,828</td>
</tr>
<tr>
<td>State Dept/ Health &amp; Mental Hygiene</td>
<td>-</td>
<td>-</td>
<td>375</td>
<td>375</td>
</tr>
<tr>
<td>Grand &amp; Petit Jury Reimburse</td>
<td>56,000</td>
<td>56,000</td>
<td>52,570</td>
<td>(3,430)</td>
</tr>
<tr>
<td>St Dept/Health &amp; Mental Hygiene</td>
<td>151,000</td>
<td>151,000</td>
<td>168,611</td>
<td>17,611</td>
</tr>
<tr>
<td>911 Training Reimbursement</td>
<td>-</td>
<td>-</td>
<td>109,000</td>
<td>109,000</td>
</tr>
<tr>
<td>Circuit Court Master Reimb</td>
<td>-</td>
<td>-</td>
<td>27,812</td>
<td>27,812</td>
</tr>
<tr>
<td>Westminster</td>
<td>-</td>
<td>-</td>
<td>41,433</td>
<td>41,433</td>
</tr>
<tr>
<td><strong>Total Intergovernmental Revenues</strong></td>
<td>$1,380,350</td>
<td>$1,380,350</td>
<td>$2,327,913</td>
<td>947,563</td>
</tr>
</tbody>
</table>
## Schedule of Revenues, Expenditures, and Other Financing

**THE COMMISSIONERS OF CARROLL COUNTY**  
**WESTMINSTER, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Charges for Services</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lien certificates</td>
<td>$ 210,000</td>
<td>$ 210,000</td>
<td>$ 211,306</td>
<td>$ 1,306</td>
</tr>
<tr>
<td>Data processing</td>
<td>5,500</td>
<td>5,500</td>
<td>2,081</td>
<td>(3,419)</td>
</tr>
<tr>
<td>Hearing fees-zoning appeals</td>
<td>12,000</td>
<td>12,000</td>
<td>14,595</td>
<td>2,595</td>
</tr>
<tr>
<td>Copy fees and code books</td>
<td>14,000</td>
<td>14,000</td>
<td>11,167</td>
<td>(2,833)</td>
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<tr>
<td>Health depart-telephone and janitorial</td>
<td>61,800</td>
<td>61,800</td>
<td>44,854</td>
<td>(16,946)</td>
</tr>
<tr>
<td>Hearing fees-zoning administration</td>
<td>10,000</td>
<td>10,000</td>
<td>8,400</td>
<td>(1,600)</td>
</tr>
<tr>
<td><strong>Total Serv Chrg - General Government</strong></td>
<td>313,300</td>
<td>313,300</td>
<td>292,403</td>
<td>(20,897)</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheriff's services-salary recovery</td>
<td>1,000</td>
<td>1,000</td>
<td>2,321</td>
<td>1,321</td>
</tr>
<tr>
<td>Sheriff's services-fees</td>
<td>103,000</td>
<td>103,000</td>
<td>103,577</td>
<td>577</td>
</tr>
<tr>
<td>Sheriff's services-detention center</td>
<td>171,600</td>
<td>171,600</td>
<td>174,507</td>
<td>2,907</td>
</tr>
<tr>
<td>Sheriff- Town Deputies</td>
<td>102,500</td>
<td>102,500</td>
<td>103,274</td>
<td>774</td>
</tr>
<tr>
<td>Inspection fees-roads</td>
<td>150,000</td>
<td>150,000</td>
<td>51,038</td>
<td>(98,962)</td>
</tr>
<tr>
<td>Inspections fees-development review</td>
<td>5,000</td>
<td>5,000</td>
<td>31,414</td>
<td>26,414</td>
</tr>
<tr>
<td>Detention center-commissary</td>
<td>43,000</td>
<td>43,000</td>
<td>72,142</td>
<td>29,142</td>
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<td>Detention center-work release</td>
<td>80,000</td>
<td>80,000</td>
<td>81,915</td>
<td>1,915</td>
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<tr>
<td>Sheriff/ICE transport</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Sheriff-Citations</td>
<td>5,000</td>
<td>5,000</td>
<td>6,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Fire Protection Plan Review Fee</td>
<td>-</td>
<td>-</td>
<td>53,708</td>
<td>53,708</td>
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<tr>
<td>Soc. Sec. Admin. Incentive Program</td>
<td>-</td>
<td>-</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Sheriff-home detention</td>
<td>15,500</td>
<td>15,500</td>
<td>18,840</td>
<td>3,340</td>
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<tr>
<td>Juvenile transport</td>
<td>45,000</td>
<td>45,000</td>
<td>36,404</td>
<td>(8,596)</td>
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<td>State criminal alien assistance program</td>
<td>8,000</td>
<td>8,000</td>
<td>5,682</td>
<td>(2,318)</td>
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<tr>
<td>Sheriff's Sex Offender Fees</td>
<td>25,200</td>
<td>25,200</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inspection fees-fire safety</td>
<td>45,000</td>
<td>45,000</td>
<td>-</td>
<td>(45,000)</td>
</tr>
<tr>
<td><strong>Total Serv Chrg - Public Safety</strong></td>
<td>799,800</td>
<td>799,800</td>
<td>766,445</td>
<td>(33,355)</td>
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<tr>
<td><strong>Public Works</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road maintenance</td>
<td>120,000</td>
<td>120,000</td>
<td>87,991</td>
<td>(32,009)</td>
</tr>
<tr>
<td>Fuel reimbursements</td>
<td>630,000</td>
<td>630,000</td>
<td>581,889</td>
<td>(48,111)</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>478,850</td>
<td>478,850</td>
<td>463,582</td>
<td>(15,268)</td>
</tr>
<tr>
<td>Courthouse Annex-Rent/Heat</td>
<td>13,000</td>
<td>13,000</td>
<td>12,994</td>
<td>(6)</td>
</tr>
<tr>
<td>Engineering review fees</td>
<td>24,000</td>
<td>24,000</td>
<td>9,640</td>
<td>(14,360)</td>
</tr>
<tr>
<td>Development review fees</td>
<td>100,000</td>
<td>100,000</td>
<td>150,129</td>
<td>50,129</td>
</tr>
<tr>
<td><strong>Total Serv Chrg - Public Works</strong></td>
<td>1,365,850</td>
<td>1,365,850</td>
<td>1,306,225</td>
<td>(59,625)</td>
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<tr>
<td><strong>Conservation of Natural Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater/environment review fee</td>
<td>33,500</td>
<td>33,500</td>
<td>29,649</td>
<td>(3,851)</td>
</tr>
<tr>
<td>Flood plain review fees</td>
<td>4,000</td>
<td>4,000</td>
<td>3,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Forest conservation review fee</td>
<td>26,000</td>
<td>26,000</td>
<td>17,807</td>
<td>(8,193)</td>
</tr>
<tr>
<td>Tower location analysis fee</td>
<td>-</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Weed control spraying</td>
<td>45,000</td>
<td>45,000</td>
<td>62,656</td>
<td>17,656</td>
</tr>
<tr>
<td><strong>Total Serv Chrg- Conservation of Natural Resources</strong></td>
<td>108,500</td>
<td>108,500</td>
<td>128,113</td>
<td>19,612</td>
</tr>
<tr>
<td><strong>Human Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westminster Sr. Ctr. Classes</td>
<td>14,500</td>
<td>14,500</td>
<td>9,425</td>
<td>(5,075)</td>
</tr>
<tr>
<td>North Carroll Sr. Ctr. Classes</td>
<td>22,000</td>
<td>22,000</td>
<td>22,542</td>
<td>542</td>
</tr>
<tr>
<td>South Carroll Sr. Ctr. Classes</td>
<td>24,000</td>
<td>24,000</td>
<td>30,059</td>
<td>6,059</td>
</tr>
<tr>
<td>Taneytown Sr. Ctr. Classes</td>
<td>4,000</td>
<td>4,000</td>
<td>3,516</td>
<td>(484)</td>
</tr>
<tr>
<td>Mt. Airy Sr. Ctr. Classes</td>
<td>14,000</td>
<td>14,000</td>
<td>12,581</td>
<td>(1,419)</td>
</tr>
<tr>
<td><strong>Total Serv Chrg- Human Services</strong></td>
<td>78,500</td>
<td>78,500</td>
<td>78,122</td>
<td>(377)</td>
</tr>
</tbody>
</table>
## THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND  
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING  
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017  

### Schedule 1-1

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Culture and Recreation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm museum</td>
<td>$140,000</td>
<td>$140,000</td>
<td>$181,055</td>
<td>$41,055</td>
</tr>
<tr>
<td>Piney Run Park</td>
<td>332,316</td>
<td>332,316</td>
<td>345,826</td>
<td>13,510</td>
</tr>
<tr>
<td>Bear Branch Programs</td>
<td>4,000</td>
<td>4,000</td>
<td>15,074</td>
<td>11,074</td>
</tr>
<tr>
<td><strong>Culture and Recreation-continued</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hashawha environmental center</td>
<td>250,800</td>
<td>250,800</td>
<td>255,427</td>
<td>4,627</td>
</tr>
<tr>
<td>General public &amp; school/youth programs</td>
<td>6,000</td>
<td>6,000</td>
<td>16,030</td>
<td>10,030</td>
</tr>
<tr>
<td>Outdoor school meals/concessions</td>
<td>164,000</td>
<td>164,000</td>
<td>157,939</td>
<td>(6,061)</td>
</tr>
<tr>
<td>Sports complex</td>
<td>52,000</td>
<td>52,000</td>
<td>55,794</td>
<td>3,794</td>
</tr>
<tr>
<td>Pavilion &amp; facility rentals</td>
<td>55,400</td>
<td>55,400</td>
<td>68,707</td>
<td>13,307</td>
</tr>
<tr>
<td>Bus Trips</td>
<td>-</td>
<td>-</td>
<td>5,489</td>
<td>5,489</td>
</tr>
<tr>
<td>Wine Festival</td>
<td>390,000</td>
<td>390,000</td>
<td>315,707</td>
<td>(74,293)</td>
</tr>
<tr>
<td>Dog Park memberships</td>
<td>4,300</td>
<td>4,300</td>
<td>4,700</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total Culture and Recreation</strong></td>
<td>1,398,816</td>
<td>1,398,816</td>
<td>1,421,748</td>
<td>22,932</td>
</tr>
<tr>
<td><strong>Total Charges for Services</strong></td>
<td>4,064,766</td>
<td>4,064,766</td>
<td>3,993,056</td>
<td>(71,710)</td>
</tr>
<tr>
<td><strong>Fines and Forfeits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circuit Court Fines</td>
<td>35,000</td>
<td>35,000</td>
<td>31,402</td>
<td>(3,598)</td>
</tr>
<tr>
<td>Liquor license fines</td>
<td>10,000</td>
<td>10,000</td>
<td>7,500</td>
<td>(2,500)</td>
</tr>
<tr>
<td>HS Fines/Violations</td>
<td>12,000</td>
<td>12,000</td>
<td>10,300</td>
<td>(1,700)</td>
</tr>
<tr>
<td>Humane society impoundment fees</td>
<td>25,000</td>
<td>25,000</td>
<td>20,964</td>
<td>(4,036)</td>
</tr>
<tr>
<td>Parking violations-sheriff</td>
<td>1,000</td>
<td>1,000</td>
<td>200</td>
<td>(800)</td>
</tr>
<tr>
<td>Build/zoning/health violations</td>
<td>-</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total Fines and Forfeits</strong></td>
<td>83,000</td>
<td>83,000</td>
<td>71,866</td>
<td>(11,134)</td>
</tr>
<tr>
<td><strong>Interest and gain on investments</strong></td>
<td>2,184,020</td>
<td>2,184,020</td>
<td>796,251</td>
<td>(1,387,769)</td>
</tr>
<tr>
<td><strong>Miscellaneous Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rents and concessions</td>
<td>218,600</td>
<td>218,600</td>
<td>7,100,845</td>
<td>6,882,245</td>
</tr>
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<td>Equipment sales</td>
<td>135,000</td>
<td>135,000</td>
<td>189,367</td>
<td>54,367</td>
</tr>
<tr>
<td>Postage</td>
<td>20,000</td>
<td>20,000</td>
<td>27,086</td>
<td>7,086</td>
</tr>
<tr>
<td>Pension Recovery</td>
<td>347,000</td>
<td>347,000</td>
<td>310,846</td>
<td>(36,154)</td>
</tr>
<tr>
<td>Health department</td>
<td>6,000</td>
<td>6,000</td>
<td>3,284</td>
<td>(2,716)</td>
</tr>
<tr>
<td>County attorney fees</td>
<td>194,820</td>
<td>194,820</td>
<td>-</td>
<td>(194,820)</td>
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<tr>
<td>OPEB Recovery</td>
<td>280,000</td>
<td>280,000</td>
<td>354,918</td>
<td>74,918</td>
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<tr>
<td>State Retire Recovery</td>
<td>9,000</td>
<td>9,000</td>
<td>10,090</td>
<td>1,090</td>
</tr>
<tr>
<td>Grant Cost Recovery</td>
<td>-</td>
<td>-</td>
<td>2,474</td>
<td>2,474</td>
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<tr>
<td>Aging Bus Cost Recovery</td>
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<td>-</td>
<td>20,487</td>
<td>20,487</td>
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<tr>
<td>Insurance Recovery</td>
<td>-</td>
<td>-</td>
<td>728</td>
<td>728</td>
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<tr>
<td>Jury Duty</td>
<td>-</td>
<td>-</td>
<td>502</td>
<td>502</td>
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<tr>
<td>Land Sales</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>6,000</td>
<td>6,000</td>
<td>8,000</td>
<td>2,000</td>
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<tr>
<td>Miscellaneous</td>
<td>250,000</td>
<td>250,000</td>
<td>419,042</td>
<td>169,042</td>
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<td><strong>Total Miscellaneous Revenues</strong></td>
<td>1,466,420</td>
<td>1,466,420</td>
<td>8,448,670</td>
<td>6,982,249</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>367,303,978</td>
<td>367,303,978</td>
<td>374,141,558</td>
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</table>
### CHARGES TO APPROPRIATIONS (OUTFLOWS)

#### Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Commissioners</td>
<td>$972,220</td>
<td>$1,195,117</td>
<td>$1,094,773</td>
<td>$100,344</td>
</tr>
<tr>
<td>Audio/Video Production</td>
<td>160,410</td>
<td>200,455</td>
<td>196,525</td>
<td>3,930</td>
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<tr>
<td>Zoning Administrator</td>
<td>233,930</td>
<td>376,759</td>
<td>371,584</td>
<td>5,175</td>
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<td>Technology Services</td>
<td>4,353,110</td>
<td>4,775,580</td>
<td>4,686,665</td>
<td>88,915</td>
</tr>
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<td>Production/Distribution Service</td>
<td>465,020</td>
<td>514,066</td>
<td>468,431</td>
<td>45,635</td>
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<td><strong>Total County Commissioners</strong></td>
<td>6,184,690</td>
<td>7,061,978</td>
<td>6,817,978</td>
<td>244,000</td>
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<td>Carroll County Board of Elections</td>
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<td>938,713</td>
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<td>877,850</td>
<td>977,499</td>
<td>769,662</td>
<td>207,837</td>
</tr>
<tr>
<td><strong>Comptroller</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comptroller Administration</td>
<td>392,900</td>
<td>462,726</td>
<td>457,591</td>
<td>5,135</td>
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<tr>
<td>Accounting</td>
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<td>1,126,334</td>
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<td>Purchasing</td>
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<td>499,918</td>
<td>427,289</td>
<td>72,629</td>
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<td>47,750</td>
<td>46,383</td>
<td>1,367</td>
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<tr>
<td>Bond Issuance Expense</td>
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<td>189,550</td>
<td>137,068</td>
<td>52,482</td>
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<td>Collections Office</td>
<td>1,283,280</td>
<td>1,458,633</td>
<td>1,356,456</td>
<td>102,177</td>
</tr>
<tr>
<td><strong>Total Comptroller</strong></td>
<td>3,263,700</td>
<td>3,789,582</td>
<td>3,551,121</td>
<td>238,461</td>
</tr>
<tr>
<td><strong>Human Resources &amp; Personnel Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources Administration</td>
<td>821,700</td>
<td>1,020,827</td>
<td>1,020,823</td>
<td>4</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>18,368,660</td>
<td>733,112</td>
<td>549,480</td>
<td>183,632</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>112,570</td>
<td>168,127</td>
<td>158,780</td>
<td>9,347</td>
</tr>
<tr>
<td><strong>Total Human Resources &amp; Personnel Services</strong></td>
<td>19,302,930</td>
<td>1,922,067</td>
<td>1,729,083</td>
<td>192,984</td>
</tr>
<tr>
<td><strong>Management and Budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and Budget Administration</td>
<td>254,840</td>
<td>301,405</td>
<td>299,364</td>
<td>2,041</td>
</tr>
<tr>
<td>Risk Management</td>
<td>2,241,920</td>
<td>1,903,357</td>
<td>1,744,559</td>
<td>158,798</td>
</tr>
<tr>
<td>Budget</td>
<td>614,190</td>
<td>734,609</td>
<td>709,548</td>
<td>25,061</td>
</tr>
<tr>
<td>Grant Management</td>
<td>142,990</td>
<td>172,332</td>
<td>168,786</td>
<td>3,546</td>
</tr>
<tr>
<td><strong>Total Management and Budget</strong></td>
<td>3,253,940</td>
<td>3,111,703</td>
<td>2,922,257</td>
<td>189,446</td>
</tr>
<tr>
<td><strong>Land Use, Planning &amp; Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Use, Planning &amp; Dev. Administration</td>
<td>711,260</td>
<td>888,616</td>
<td>868,680</td>
<td>19,936</td>
</tr>
<tr>
<td>Comprehensive Planning</td>
<td>880,510</td>
<td>1,059,250</td>
<td>915,982</td>
<td>143,268</td>
</tr>
<tr>
<td>Development Review</td>
<td>515,080</td>
<td>654,088</td>
<td>602,384</td>
<td>51,704</td>
</tr>
<tr>
<td>Resources Management</td>
<td>710,120</td>
<td>948,574</td>
<td>943,720</td>
<td>4,854</td>
</tr>
<tr>
<td><strong>Total Land Use, Planning &amp; Development</strong></td>
<td>2,816,970</td>
<td>3,550,528</td>
<td>3,330,766</td>
<td>219,762</td>
</tr>
</tbody>
</table>
## Schedule 1-1

**THE COMMISSIONERS OF CARROLL COUNTY**  
**WESTMINSTER, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING**  
**SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

### General Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permits &amp; Inspections</td>
<td>1,523,970$</td>
<td>2,026,390$</td>
<td>2,023,832$</td>
<td>2,558$</td>
</tr>
<tr>
<td>Building Construction</td>
<td>250,050$</td>
<td>306,628$</td>
<td>286,774$</td>
<td>19,854$</td>
</tr>
<tr>
<td>Facilities Administration</td>
<td>7,248,120$</td>
<td>7,862,737$</td>
<td>6,331,990$</td>
<td>1,530,747$</td>
</tr>
<tr>
<td>Facilities</td>
<td>2,972,080$</td>
<td>3,285,719$</td>
<td>1,403,602$</td>
<td>1,882,117$</td>
</tr>
<tr>
<td>Fleet Management</td>
<td>7,243,040$</td>
<td>4,628,391$</td>
<td>3,740,652$</td>
<td>887,739$</td>
</tr>
<tr>
<td><strong>Total General Services</strong></td>
<td>19,237,260$</td>
<td>18,109,864$</td>
<td>13,786,850$</td>
<td>4,323,014$</td>
</tr>
</tbody>
</table>

### Miscellaneous

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of License Commissioners</td>
<td>87,350$</td>
<td>91,874$</td>
<td>80,563$</td>
<td>11,311$</td>
</tr>
<tr>
<td>Administrative Hearings</td>
<td>85,040$</td>
<td>104,742$</td>
<td>100,573$</td>
<td>4,169$</td>
</tr>
<tr>
<td>Property tax payments to municipalities</td>
<td>15,530$</td>
<td>15,530$</td>
<td>15,526$</td>
<td>4$</td>
</tr>
<tr>
<td>Permits and fee payments to municipalities</td>
<td>15,000$</td>
<td>15,000$</td>
<td>8,642$</td>
<td>6,358$</td>
</tr>
<tr>
<td>Liquor license payments to municipalities</td>
<td>25,000$</td>
<td>25,000$</td>
<td>27,123$</td>
<td>(2,123$)</td>
</tr>
<tr>
<td>Town programs</td>
<td>2,659,530$</td>
<td>2,674,530$</td>
<td>2,674,531$</td>
<td>1$</td>
</tr>
<tr>
<td><strong>Total Miscellaneous</strong></td>
<td>2,887,450$</td>
<td>2,926,676$</td>
<td>2,906,958$</td>
<td>19,718$</td>
</tr>
</tbody>
</table>

### Total General Government

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Services</strong></td>
<td>19,237,260$</td>
<td>18,109,864$</td>
<td>13,786,850$</td>
<td>4,323,014$</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>2,887,450$</td>
<td>2,926,676$</td>
<td>2,906,958$</td>
<td>19,718$</td>
</tr>
<tr>
<td><strong>Total General Government</strong></td>
<td>58,858,120$</td>
<td>42,483,228$</td>
<td>36,753,387$</td>
<td>5,729,841$</td>
</tr>
</tbody>
</table>

### Public Safety

#### Police Protection

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detention Center</td>
<td>9,176,590$</td>
<td>11,692,440$</td>
<td>11,668,206$</td>
<td>24,234$</td>
</tr>
<tr>
<td>Sheriff Services</td>
<td>11,395,920$</td>
<td>15,433,146$</td>
<td>15,274,901$</td>
<td>158,245$</td>
</tr>
<tr>
<td><strong>Total Police Protection</strong></td>
<td>20,572,510$</td>
<td>27,125,586$</td>
<td>26,943,107$</td>
<td>182,479$</td>
</tr>
</tbody>
</table>

#### Fire Department

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer Emergency Services Association</td>
<td>8,336,460$</td>
<td>8,451,400$</td>
<td>8,421,456$</td>
<td>29,944$</td>
</tr>
<tr>
<td>EMS24/7 Services</td>
<td>4,224,690$</td>
<td>4,224,690$</td>
<td>4,224,690$</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Fire Department</strong></td>
<td>12,561,150$</td>
<td>12,676,090$</td>
<td>12,646,146$</td>
<td>29,944$</td>
</tr>
</tbody>
</table>

#### Emergency Services

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Service Operations</td>
<td>2,808,610$</td>
<td>2,641,596$</td>
<td>2,500,678$</td>
<td>140,918$</td>
</tr>
<tr>
<td>911 - Emergency Service</td>
<td>2,446,610$</td>
<td>3,045,278$</td>
<td>2,957,332$</td>
<td>87,946$</td>
</tr>
<tr>
<td><strong>Total Emergency Services</strong></td>
<td>5,255,220$</td>
<td>5,686,875$</td>
<td>5,458,010$</td>
<td>228,865$</td>
</tr>
</tbody>
</table>

### Other Protection

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Control</td>
<td>914,900$</td>
<td>1,125,800$</td>
<td>1,125,800$</td>
<td>-</td>
</tr>
<tr>
<td>CC Advocacy &amp; Investigation</td>
<td>144,800$</td>
<td>182,782$</td>
<td>175,182$</td>
<td>7,600$</td>
</tr>
<tr>
<td>LOSAP Funding</td>
<td>100,000$</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State aid-fire protection</td>
<td>389,000$</td>
<td>389,000$</td>
<td>388,587$</td>
<td>413$</td>
</tr>
<tr>
<td><strong>Total Other Protection</strong></td>
<td>1,548,700$</td>
<td>1,697,581$</td>
<td>1,689,569$</td>
<td>8,013$</td>
</tr>
</tbody>
</table>

### Total Public Safety

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Public Safety</strong></td>
<td>39,937,580$</td>
<td>47,186,132$</td>
<td>46,736,833$</td>
<td>449,300$</td>
</tr>
</tbody>
</table>

### Public Works

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Works-Administration</td>
<td>921,010$</td>
<td>1,174,717$</td>
<td>1,154,436$</td>
<td>20,281$</td>
</tr>
<tr>
<td>Roads Operations</td>
<td>7,946,060$</td>
<td>11,667,003$</td>
<td>11,105,725$</td>
<td>561,278$</td>
</tr>
<tr>
<td>Traffic Control</td>
<td>389,820$</td>
<td>389,820$</td>
<td>307,540$</td>
<td>82,280$</td>
</tr>
<tr>
<td>Engineering-Design</td>
<td>382,520$</td>
<td>472,322$</td>
<td>447,538$</td>
<td>24,784$</td>
</tr>
<tr>
<td>Engineering-Construction Inspection</td>
<td>364,320$</td>
<td>522,912$</td>
<td>515,176$</td>
<td>7,736$</td>
</tr>
<tr>
<td>Storm Emergencies</td>
<td>2,072,600$</td>
<td>2,037,744$</td>
<td>1,361,878$</td>
<td>675,866$</td>
</tr>
<tr>
<td>Engineering</td>
<td>396,470$</td>
<td>499,667$</td>
<td>487,107$</td>
<td>12,560$</td>
</tr>
<tr>
<td>Engineering-Survey</td>
<td>285,190$</td>
<td>424,909$</td>
<td>420,539$</td>
<td>4,370$</td>
</tr>
<tr>
<td>Road Grant - Local</td>
<td>35,390$</td>
<td>35,390$</td>
<td>35,385$</td>
<td>5$</td>
</tr>
<tr>
<td><strong>Total Public Works</strong></td>
<td>12,793,380$</td>
<td>17,224,482$</td>
<td>15,835,324$</td>
<td>1,389,158$</td>
</tr>
</tbody>
</table>

Continued
**Schedule 1-1**

THE COMMISSIONERS OF CARROLL COUNTY  
WESTMINSTER, MARYLAND  
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER  
FINANCING  
SOURCES (USES)- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Department</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget</th>
<th>Positive(Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Judicial Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer Community Services</td>
<td>$195,880</td>
<td>$254,970</td>
<td>$251,816</td>
<td>$3,154</td>
<td>106,528</td>
</tr>
<tr>
<td>Circuit Court</td>
<td>2,109,970</td>
<td>2,471,118</td>
<td>2,364,590</td>
<td>2,679</td>
<td></td>
</tr>
<tr>
<td>Circuit Court Masters</td>
<td>514,130</td>
<td>637,762</td>
<td>635,083</td>
<td>2,679</td>
<td></td>
</tr>
<tr>
<td>State's Attorney</td>
<td>3,428,410</td>
<td>4,386,638</td>
<td>4,384,442</td>
<td>2,196</td>
<td></td>
</tr>
<tr>
<td>Orphans Court</td>
<td>60,510</td>
<td>60,510</td>
<td>57,201</td>
<td>3,309</td>
<td></td>
</tr>
<tr>
<td><strong>Total Judicial Services</strong></td>
<td>6,308,900</td>
<td>7,810,998</td>
<td>7,693,132</td>
<td>117,866</td>
<td></td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Department</td>
<td>3,296,100</td>
<td>3,296,100</td>
<td>3,296,100</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Family and Children's Services-DV</td>
<td>188,280</td>
<td>188,280</td>
<td>188,280</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Change, Inc.</td>
<td>250,240</td>
<td>250,240</td>
<td>250,240</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Family and Children's Services-SA</td>
<td>181,280</td>
<td>181,280</td>
<td>181,280</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CCARC</td>
<td>250,240</td>
<td>250,240</td>
<td>250,240</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Flying Colors of Success</td>
<td>88,290</td>
<td>88,290</td>
<td>88,290</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Target, Inc.</td>
<td>250,240</td>
<td>250,240</td>
<td>250,240</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Rape Crisis</td>
<td>136,160</td>
<td>136,160</td>
<td>136,160</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Health</strong></td>
<td>4,640,830</td>
<td>4,640,830</td>
<td>4,640,830</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Human Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services-Local Funds</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Human Services</td>
<td>1,147,100</td>
<td>1,147,100</td>
<td>1,147,100</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Citizen Services Administration</td>
<td>380,440</td>
<td>406,514</td>
<td>402,694</td>
<td>3,820</td>
<td></td>
</tr>
<tr>
<td>Youth Services Bureau</td>
<td>792,360</td>
<td>792,360</td>
<td>792,360</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Recovery Support Services</td>
<td>845,630</td>
<td>856,430</td>
<td>856,011</td>
<td>419</td>
<td></td>
</tr>
<tr>
<td>Aging and Disabilities</td>
<td>1,146,670</td>
<td>1,523,056</td>
<td>1,488,112</td>
<td>34,944</td>
<td></td>
</tr>
<tr>
<td>Access Carroll</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mosaic Community Services</td>
<td>105,490</td>
<td>105,490</td>
<td>105,490</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Human Services</strong></td>
<td>4,457,690</td>
<td>4,870,950</td>
<td>4,831,731</td>
<td>39,219</td>
<td></td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC Public Ed &amp; Gov Cable Access</td>
<td>776,110</td>
<td>776,110</td>
<td>776,110</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CC Board of Ed-Local Funds</td>
<td>181,852,000</td>
<td>181,852,000</td>
<td>183,671,424</td>
<td>(1,819,424)</td>
<td></td>
</tr>
<tr>
<td>Community College-Direct Support</td>
<td>8,523,370</td>
<td>8,523,370</td>
<td>8,523,370</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Community College-In-Kind-Support</td>
<td>-</td>
<td>-</td>
<td>5,029,836</td>
<td>(5,029,836)</td>
<td></td>
</tr>
<tr>
<td>Community College-Additional Approp</td>
<td>-</td>
<td>-</td>
<td>300,000</td>
<td>(300,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Education</strong></td>
<td>191,151,480</td>
<td>191,151,480</td>
<td>198,300,740</td>
<td>(7,149,260)</td>
<td></td>
</tr>
<tr>
<td><strong>Library</strong></td>
<td>9,815,120</td>
<td>12,153,785</td>
<td>14,249,443</td>
<td>(2,095,658)</td>
<td></td>
</tr>
<tr>
<td><strong>Culture and Recreation</strong></td>
<td>3,438,530</td>
<td>4,207,053</td>
<td>4,128,555</td>
<td>78,498</td>
<td></td>
</tr>
</tbody>
</table>

Continued
<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actuals</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conservation of Natural Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture Extension Service</td>
<td>$ 474,430</td>
<td>$ 474,430</td>
<td>$ 469,192</td>
<td>$ 5,238</td>
</tr>
<tr>
<td>Weed Control</td>
<td>41,000</td>
<td>63,500</td>
<td>63,011</td>
<td>489</td>
</tr>
<tr>
<td>Gypsy Moth Control</td>
<td>30,000</td>
<td>7,500</td>
<td>6,285</td>
<td>1,215</td>
</tr>
<tr>
<td>Soil Conservation Service</td>
<td>418,820</td>
<td>527,725</td>
<td>511,123</td>
<td>16,602</td>
</tr>
<tr>
<td><strong>Total Conservation of Natural Resources</strong></td>
<td>964,250</td>
<td>1,073,155</td>
<td>1,049,611</td>
<td>23,544</td>
</tr>
<tr>
<td><strong>Economic Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development-Administration</td>
<td>914,760</td>
<td>1,031,298</td>
<td>1,000,993</td>
<td>30,305</td>
</tr>
<tr>
<td>Econ Devl-Industrial Grants</td>
<td>1,504,440</td>
<td>1,504,440</td>
<td>990,604</td>
<td>513,836</td>
</tr>
<tr>
<td>Business &amp; Employment Resource Center</td>
<td>219,290</td>
<td>289,542</td>
<td>273,334</td>
<td>16,208</td>
</tr>
<tr>
<td>Tourism</td>
<td>295,900</td>
<td>315,622</td>
<td>274,718</td>
<td>40,904</td>
</tr>
<tr>
<td><strong>Total Economic Development</strong></td>
<td>2,934,390</td>
<td>3,140,902</td>
<td>2,539,649</td>
<td>601,253</td>
</tr>
<tr>
<td><strong>Reserve for Contingencies</strong></td>
<td>4,219,850</td>
<td>2,745,216</td>
<td>-</td>
<td>2,745,216</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service-County</td>
<td>29,167,910</td>
<td>29,167,910</td>
<td>29,042,136</td>
<td>125,774</td>
</tr>
<tr>
<td>Debt service- Board of Education</td>
<td>12,037,000</td>
<td>12,392,038</td>
<td>12,392,038</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td>41,204,910</td>
<td>41,559,948</td>
<td>41,434,174</td>
<td>125,774</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>380,725,030</td>
<td>380,248,159</td>
<td>378,193,409</td>
<td>2,054,751</td>
</tr>
<tr>
<td><strong>Other Financing Uses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment to Escrow Agent</td>
<td>-</td>
<td>-</td>
<td>6,524,948</td>
<td>(6,524,948)</td>
</tr>
<tr>
<td>Transfers Out:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Capital Fund</td>
<td>2,977,556</td>
<td>2,977,556</td>
<td>2,977,556</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Special Revenue Funds - Grants</td>
<td>1,888,810</td>
<td>2,365,681</td>
<td>1,820,914</td>
<td>544,767</td>
</tr>
<tr>
<td>Transfer to Enterprise Funds</td>
<td>2,619,490</td>
<td>2,619,490</td>
<td>2,619,490</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Internal Service Fund</td>
<td>196,114</td>
<td>196,114</td>
<td>196,114</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Other Financing Uses</strong></td>
<td>7,681,970</td>
<td>8,158,841</td>
<td>14,139,022</td>
<td>(5,980,181)</td>
</tr>
<tr>
<td><strong>Total charges to appropriations (outflows)</strong></td>
<td>388,407,000</td>
<td>388,407,000</td>
<td>392,332,431</td>
<td>(3,925,431)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,818,136</td>
<td>$ 1,818,136</td>
</tr>
<tr>
<td>Fund Balance - Beginning</td>
<td>$ 115,173,312</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance - Ending</td>
<td>$ 116,991,448</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Table: Watershed Hotel Rental Protection and Tax Restoration Grant Fund

<table>
<thead>
<tr>
<th></th>
<th>Hotel Rental Fund</th>
<th>Watershed Protection and Restoration Fund</th>
<th>Grant Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$675,518</td>
<td>$145,510</td>
<td>$2,216,784</td>
<td>$3,037,812</td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$675,518</td>
<td>$145,510</td>
<td>$2,216,784</td>
<td>$3,037,812</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>2,038,083</td>
<td>2,038,083</td>
</tr>
<tr>
<td>Note receivable</td>
<td>-</td>
<td>-</td>
<td>190,396</td>
<td>190,396</td>
</tr>
<tr>
<td>Due from general fund</td>
<td>-</td>
<td>-</td>
<td>300,166</td>
<td>300,166</td>
</tr>
<tr>
<td>Prepaid costs</td>
<td>-</td>
<td>-</td>
<td>436,096</td>
<td>436,096</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$675,518</td>
<td>$145,510</td>
<td>$5,181,525</td>
<td>$6,002,553</td>
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</table>

## Table: Liabilities and Fund Balances

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Accounts payable</th>
<th>Due to component unit</th>
<th>Due to other governmental funds</th>
<th>Due to internal service fund</th>
<th>Accrued expenditures</th>
<th>Unearned revenue</th>
<th>Total liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,202</td>
<td>-</td>
<td>2,461,005</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,912</td>
<td></td>
<td>41,502</td>
<td>117,862</td>
<td>1,057,168</td>
<td>2,497,119</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$893,211</td>
<td></td>
<td></td>
<td>41,502</td>
<td>152,064</td>
<td>1,057,168</td>
<td>2,497,119</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fund Balances

<table>
<thead>
<tr>
<th></th>
<th>Non-spendable</th>
<th>Restricted</th>
<th>Committed</th>
<th>Assigned</th>
<th>Total fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$675,518</td>
<td>675,518</td>
<td>1,061,998</td>
<td>1,222,426</td>
<td>675,518</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,737,516</td>
<td></td>
<td>1,109,396</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,737,516</td>
<td></td>
<td>2,720,520</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,505,434</td>
<td></td>
<td>3,505,434</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$675,518</td>
<td>109,396</td>
<td>2,720,520</td>
<td>3,505,434</td>
<td></td>
</tr>
</tbody>
</table>

### Total liabilities and fund balances

|                        | $675,518 | $145,510 | $5,181,525 | $6,002,553 |
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Non-Major Governmental Funds

**For the Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Hotel Rental Tax Fund</th>
<th>Watershed Protection and Restoration Fund</th>
<th>Grant Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local property</td>
<td>$ -</td>
<td>$ 1,945,853</td>
<td>$ -</td>
<td>$ 1,945,853</td>
</tr>
<tr>
<td>Hotel rental tax</td>
<td>324,144</td>
<td>-</td>
<td>-</td>
<td>324,144</td>
</tr>
<tr>
<td><strong>Charges for services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm museum</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreation and parks</td>
<td>-</td>
<td>-</td>
<td>448,780</td>
<td>448,780</td>
</tr>
<tr>
<td><strong>Intergovernmental revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission on aging</td>
<td>-</td>
<td>-</td>
<td>1,643,106</td>
<td>1,643,106</td>
</tr>
<tr>
<td>Housing &amp; community development</td>
<td>-</td>
<td>-</td>
<td>5,683,679</td>
<td>5,683,679</td>
</tr>
<tr>
<td>Business employment resource center</td>
<td>-</td>
<td>-</td>
<td>997,859</td>
<td>997,859</td>
</tr>
<tr>
<td>Sheriff</td>
<td>-</td>
<td>-</td>
<td>552,597</td>
<td>552,597</td>
</tr>
<tr>
<td>Citizen services</td>
<td>-</td>
<td>-</td>
<td>2,396,508</td>
<td>2,396,508</td>
</tr>
<tr>
<td>States attorney</td>
<td>-</td>
<td>-</td>
<td>826,918</td>
<td>826,918</td>
</tr>
<tr>
<td>Circuit court</td>
<td>-</td>
<td>-</td>
<td>1,885,878</td>
<td>1,885,878</td>
</tr>
<tr>
<td>Public works</td>
<td>-</td>
<td>-</td>
<td>826,918</td>
<td>826,918</td>
</tr>
<tr>
<td>Emergency operations center</td>
<td>-</td>
<td>-</td>
<td>1,885,878</td>
<td>1,885,878</td>
</tr>
<tr>
<td>Planning</td>
<td>-</td>
<td>-</td>
<td>225,569</td>
<td>225,569</td>
</tr>
<tr>
<td>Tourism</td>
<td>-</td>
<td>-</td>
<td>39,332</td>
<td>39,332</td>
</tr>
<tr>
<td>Economic development</td>
<td>-</td>
<td>-</td>
<td>71,264</td>
<td>71,264</td>
</tr>
<tr>
<td>Municipalities</td>
<td>-</td>
<td>96,670</td>
<td>-</td>
<td>96,670</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>1,402</td>
<td>4,360</td>
<td>-</td>
<td>5,762</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>325,546</td>
<td>2,046,883</td>
<td>15,325,847</td>
<td>17,698,276</td>
</tr>
</tbody>
</table>

| **Expenditures**       |                       |                                          |            |       |
| **Current:**           |                       |                                          |            |       |
| Public safety          | -                     | -                                        | 1,095,285  | 1,095,285 |
| Public works           | -                     | -                                        | 3,090,335  | 3,090,335 |
| Health                 | -                     | -                                        | 4,228      | 4,228 |
| Human services         | -                     | -                                        | 9,889,352  | 9,889,352 |
| Culture and recreation | -                     | -                                        | 418,128    | 418,128 |
| Conservation of natural resources | - | 1,234,088 | - | 1,234,088 |
| Economic development   | -                     | -                                        | 1,087,378  | 1,087,378 |
| Judicial               | -                     | -                                        | 900,435    | 900,435 |
| **Debt service:**      |                       |                                          |            |       |
| Principal              | -                     | 518,514                                  | -          | 518,514 |
| Interest               | 393,478               | -                                        | 393,478    | 393,478 |
| **Total expenditures** | -                     | 2,146,080                                | 16,485,141 | 18,631,221 |

<p>| <strong>Other Financing Sources (uses)</strong> |                       |                                          |            |       |
| Transfers in           | -                     | -                                        | 1,820,914  | 1,820,914 |
| Transfers out          | (276,114)             | -                                        | (13,300)   | (289,414) |
| <strong>Total Other Financing Sources (uses)</strong> | (276,114)   | -                                        | 1,807,614  | 1,531,500 |
| <strong>Net change in fund balances</strong> | 49,432             | (99,197)                                 | 648,320    | 598,555 |
| Fund balances - beginning | 626,086            | 208,593                                  | 2,072,200  | 2,906,879 |
| Fund balances - ending  | $ 675,518            | $ 109,396                                | $ 2,720,520| $ 3,505,434 |</p>
<table>
<thead>
<tr>
<th>RESOURCES (INFLOWS)</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Hotel Rental Tax</td>
<td>$ 315,830</td>
<td>$ 315,830</td>
<td>$ 324,144</td>
<td>$ 8,314</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>1,402</td>
<td>1,402</td>
</tr>
<tr>
<td>Total revenues</td>
<td>315,830</td>
<td>315,830</td>
<td>325,546</td>
<td>9,716</td>
</tr>
<tr>
<td>Total Resources (Inflows)</td>
<td>315,830</td>
<td>315,830</td>
<td>325,546</td>
<td>9,716</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHARGES TO APPROPRIATIONS (OUTFLOWS)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financing uses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(315,830)</td>
<td>(315,830)</td>
<td>(276,114)</td>
<td>39,716</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>(315,830)</td>
<td>(315,830)</td>
<td>(276,114)</td>
<td>39,716</td>
</tr>
<tr>
<td>Total charges to appropriations (outflows)</td>
<td>(315,830)</td>
<td>(315,830)</td>
<td>(276,114)</td>
<td>39,716</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ -</td>
<td>$ -</td>
<td>49,432</td>
<td>$ 49,432</td>
</tr>
</tbody>
</table>

| Fund balance - beginning            |          |       |                |                         |
| Fund balance - ending               |          |       | $ 675,518      |                         |

Fund balance - beginning 626,086
# Schedule 2-4

## 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, 2017**

### RESOURCES (INFLOWS)

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget-Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local property</td>
<td>$1,945,853</td>
<td>$1,945,853</td>
<td>$1,945,853</td>
<td>$       -</td>
</tr>
<tr>
<td><strong>Intergovernmental revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipalities</td>
<td>213,667</td>
<td>213,667</td>
<td>96,670</td>
<td>(116,997)</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>600</td>
<td>600</td>
<td>4,360</td>
<td>3,760</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,160,120</td>
<td>2,160,120</td>
<td>2,046,883</td>
<td>(113,237)</td>
</tr>
<tr>
<td><strong>Total Resources (Inflows)</strong></td>
<td>2,160,120</td>
<td>2,160,120</td>
<td>2,046,883</td>
<td>(113,237)</td>
</tr>
</tbody>
</table>

### CHARGES TO APPROPRIATIONS (OUTFLOWS)

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget-Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation of natural resources</td>
<td>(2,160,120)</td>
<td>(2,160,120)</td>
<td>(1,234,088)</td>
<td>926,032</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td></td>
<td></td>
<td>(518,514)</td>
<td>(518,514)</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td>(393,478)</td>
<td>(393,478)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>(2,160,120)</td>
<td>(2,160,120)</td>
<td>(2,146,080)</td>
<td>14,040</td>
</tr>
<tr>
<td><strong>Total charges to appropriations (outflows)</strong></td>
<td>(2,160,120)</td>
<td>(2,160,120)</td>
<td>(2,146,080)</td>
<td>14,040</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$</td>
<td>-</td>
<td>(99,197)</td>
<td>$(99,197)</td>
</tr>
</tbody>
</table>

| Fund balance - beginning | $208,593 |
| Fund balance - ending    | $109,396 |
### RESOURCES (INFLOWS)

<table>
<thead>
<tr>
<th>Charges for service:</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget-Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation and parks</td>
<td>$206,900</td>
<td>$133,434</td>
<td>$448,780</td>
<td>$315,346</td>
</tr>
</tbody>
</table>

#### Intergovernmental revenues:

| Office on aging               | 1,197,704| 1,644,492| 1,643,106   | (1,386)     |
| Housing & community development| 5,964,842| 5,392,740| 5,683,679   | 290,939     |
| Business employment resource center | 1,539,320| 1,589,458| 997,859     | (591,599)   |
| Sheriff                       | 138,990  | 1,304,399| 552,597     | (751,802)   |
| Citizen services              | 1,211,260| 881,288 | 2,400,702   | 1,519,414   |
| States attorney               | 66,000   | 56,109 | 69,063      | 12,954      |
| Circuit court                 | 514,360  | 766,234| 826,918     | 60,684      |
| Public works                  | 1,308,974| 1,427,839| 1,885,878   | 458,039     |
| Emergency operations center tourism| 527,520  | 495,873| 593,995     | 98,122      |
| Planning                      | 70,000   | 70,000 | 225,570     | 155,570     |
| Tourism                       | 35,000   | 29,389 | 39,332      | 9,943       |
| Economic development          | -       | 32,000 | 71,263      | 39,263      |

Total revenues: 12,780,870

### Other financing resources

| Transfers in                  | 1,860,810| 2,049,828| 1,820,914   | (228,914)   |

Total other financing resources: 1,860,810

Total Resources (Inflows): 14,641,680

### CHARGES TO APPROPRIATIONS (OUTFLOWS)

#### Expenditures

- **Current:**
  - Public safety: 580,120
  - Public works: 2,555,974
  - Health: 4,000
  - Culture and recreation: 215,000
  - Economic development: 1,874,320
  - Judicial: 798,671
  - Human Services: 8,613,595
  - Capital outlay: -

  Total expenditures: 14,641,680

- **Other Financing resources**

  Transfer out: -

  Total charges to appropriations (outflows): 14,641,680

Net change in fund balance: $623,658

Fund balance - beginning: $1,959,305

Fund balance - ending: $2,582,963
### Assets

#### Current assets:

- **Equity in pooled cash and investments**: $2,042,387
- **Cash and cash equivalents**: $2,173
- **Accounts receivables, net**: $92,204

Total current assets: $2,134,591

#### Noncurrent assets:

- **Capital assets**:
  - **Buildings**: $274,051
  - **Improvements other than buildings**: $408,405
  - **Autos, machinery, equipment**: $234,091
  - **Construction in progress**: $416,432

  Less accumulated depreciation: $(347,045)

  Total capital assets (net of accumulated depreciation): $436,504

Total assets: $2,571,095

### Liabilities

#### Current liabilities:

- **Accounts payable**: $77,046
- **Accrued interest payable**: $460
- **Accrued expenses**: $2,855

Total current liabilities: $87,477

#### Noncurrent liabilities:

- **General obligation bonds payable**: $52,420

Total noncurrent liabilities: $52,420

Total liabilities: $139,897

### Deferred Inflows of Resources

#### Non-Major Enterprise Funds

- **Deferred charge on refunding**: $664

Total deferred inflows of resources: $664

### Net Position

- **Net investment in capital assets**: $374,113
- **Restricted for capital projects**: $599,568
- **Unrestricted**: $1,458,181

Total net position: $2,431,862

---

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
Westminster, Maryland  
Combining Statement of Net Position  
Non-Major Enterprise Funds  
June 30, 2017

<table>
<thead>
<tr>
<th>Schedule 3-1</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td>$2,042,387</td>
<td>$423,554</td>
<td>$2,465,941</td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>2,173</td>
<td>2,173</td>
</tr>
<tr>
<td>Accounts receivables, net</td>
<td>92,204</td>
<td>-</td>
<td>92,204</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$2,134,591</td>
<td>425,727</td>
<td>$2,560,318</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>-</td>
<td>274,051</td>
<td>274,051</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>185,278</td>
<td>223,127</td>
<td>408,405</td>
</tr>
<tr>
<td>Autos, machinery, equipment</td>
<td>181,839</td>
<td>52,252</td>
<td>234,091</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>416,432</td>
<td>-</td>
<td>416,432</td>
</tr>
</tbody>
</table>

Less accumulated depreciation | $(347,045) | (155,696) | $(502,741) |

Total capital assets (net of accumulated depreciation): $436,504

Total assets: $2,571,095

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred charge on refunding</td>
<td>664</td>
<td>-</td>
<td>664</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>664</td>
<td>-</td>
<td>664</td>
</tr>
</tbody>
</table>

Total assets and deferred outflows: $2,571,759

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$77,046</td>
<td>$314</td>
<td>$77,360</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>460</td>
<td>-</td>
<td>460</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>-</td>
<td>2,855</td>
<td>2,855</td>
</tr>
<tr>
<td>Long-term liabilities due within one year:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General obligation bonds payable</td>
<td>9,971</td>
<td>-</td>
<td>9,971</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>87,477</td>
<td>3,169</td>
<td>90,646</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent liabilities:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds payable</td>
<td>52,420</td>
<td>-</td>
<td>52,420</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>52,420</td>
<td>-</td>
<td>52,420</td>
</tr>
</tbody>
</table>

Total liabilities: $139,897

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total deferred inflows of resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>374,113</td>
<td>393,734</td>
<td>767,847</td>
</tr>
<tr>
<td>Restricted for capital projects</td>
<td>599,568</td>
<td>-</td>
<td>599,568</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,458,181</td>
<td>422,558</td>
<td>1,880,739</td>
</tr>
<tr>
<td>Total net position</td>
<td>$2,431,862</td>
<td>$816,292</td>
<td>$3,248,154</td>
</tr>
</tbody>
</table>
## Schedule 3-2

### 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, 2017

<table>
<thead>
<tr>
<th>Operating revenues:</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$913,330</td>
<td>$157,720</td>
<td>$1,071,050</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>913,330</td>
<td>157,720</td>
<td>1,071,050</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating expenses:</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal services</td>
<td>-</td>
<td>80,712</td>
<td>80,712</td>
</tr>
<tr>
<td>Contractual services</td>
<td>288,007</td>
<td>2,512</td>
<td>290,519</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>53,719</td>
<td>14,675</td>
<td>68,394</td>
</tr>
<tr>
<td>Rents and utilities</td>
<td>88,057</td>
<td>2,802</td>
<td>90,859</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>145,221</td>
<td>-</td>
<td>145,221</td>
</tr>
<tr>
<td>Depreciation</td>
<td>19,273</td>
<td>28,285</td>
<td>47,558</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>594,277</td>
<td>128,986</td>
<td>723,263</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating income</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>319,053</td>
<td>28,734</td>
<td>347,787</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonoperating revenues (expenses):</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penalties and interest</td>
<td>6,286</td>
<td>2,042</td>
<td>8,328</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>(3,048)</td>
<td>(511)</td>
<td>(3,559)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>3,238</td>
<td>1,531</td>
<td>4,769</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in net position</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>322,291</td>
<td>30,265</td>
<td>352,556</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total net position- beginning of year</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,109,571</td>
<td>786,027</td>
<td>2,895,598</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total net position- end of year</th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,431,862</td>
<td>$816,292</td>
<td>$3,248,154</td>
<td></td>
</tr>
</tbody>
</table>
### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers and users</td>
<td>$949,858</td>
<td>$157,720</td>
<td>$1,107,578</td>
</tr>
<tr>
<td>Payments to suppliers and other funds</td>
<td>(680,112)</td>
<td>(20,039)</td>
<td>(700,151)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>-</td>
<td>(80,865)</td>
<td>(80,865)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>269,746</td>
<td>56,816</td>
<td>326,562</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>-</td>
<td>(42,606)</td>
<td>(42,606)</td>
</tr>
<tr>
<td>Principal paid on capital debt</td>
<td>(12,180)</td>
<td>-</td>
<td>(12,180)</td>
</tr>
<tr>
<td>Interest paid on capital debt</td>
<td>(3,006)</td>
<td>-</td>
<td>(3,006)</td>
</tr>
<tr>
<td>Net cash used by capital and related financing activities</td>
<td>(15,186)</td>
<td>(42,606)</td>
<td>(57,792)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on investments and cash</td>
<td>6,286</td>
<td>1,531</td>
<td>7,817</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>6,286</td>
<td>1,531</td>
<td>7,817</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>260,846</td>
<td>15,741</td>
<td>276,587</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>1,781,541</td>
<td>409,986</td>
<td>2,191,527</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$ 2,042,387</td>
<td>$ 425,727</td>
<td>$ 2,468,114</td>
</tr>
</tbody>
</table>

### Reconciliation of Operating Income to net cash provided (used) by operating activities:

<table>
<thead>
<tr>
<th></th>
<th>Septage</th>
<th>Firearms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$319,053</td>
<td>$28,734</td>
<td>$347,787</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>19,273</td>
<td>28,285</td>
<td>47,558</td>
</tr>
<tr>
<td>Effect of changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>36,528</td>
<td>-</td>
<td>36,528</td>
</tr>
<tr>
<td>Accounts payable and accrued expense</td>
<td>(105,108)</td>
<td>(203)</td>
<td>(105,311)</td>
</tr>
<tr>
<td>Total adjustment</td>
<td>(49,307)</td>
<td>28,082</td>
<td>(21,225)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$269,746</td>
<td>$56,816</td>
<td>$326,562</td>
</tr>
</tbody>
</table>
### THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland

#### Combining Statement of Fiduciary Net Position
Trust Funds
June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Employee Pension Plan</th>
<th>Certified Law Officers Pension</th>
<th>LOSAP</th>
<th>Other Post Employment Benefits</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 24,212</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>2,386</td>
</tr>
<tr>
<td>Investments, at fair value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>264,158</td>
<td>104,795</td>
<td>222,026</td>
<td>-</td>
<td>590,979</td>
</tr>
<tr>
<td>Bond funds</td>
<td>18,889,081</td>
<td>3,052,984</td>
<td>1,700,501</td>
<td>2,867,862</td>
<td>26,510,428</td>
</tr>
<tr>
<td>Equity funds</td>
<td>57,764,263</td>
<td>9,334,375</td>
<td>6,547,082</td>
<td>-</td>
<td>73,645,720</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>77,490,897</td>
<td>77,490,897</td>
</tr>
<tr>
<td>Total investments</td>
<td>76,917,502</td>
<td>12,492,154</td>
<td>8,469,609</td>
<td>80,358,759</td>
<td>178,238,024</td>
</tr>
<tr>
<td>Total assets</td>
<td>76,917,502</td>
<td>12,492,154</td>
<td>8,469,609</td>
<td>80,385,357</td>
<td>178,264,622</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>10,416</th>
<th>4,618</th>
<th>7,319</th>
<th>2,500</th>
<th>24,853</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to primary government</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>385,463</td>
<td>385,463</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>10,416</td>
<td>4,618</td>
<td>7,319</td>
<td>387,963</td>
<td>410,316</td>
</tr>
</tbody>
</table>

### FIDUCIARY NET POSITION

Fiduciary net position held in trust for pension, OPEB benefits and other purposes

<table>
<thead>
<tr>
<th></th>
<th>$ 76,907,086</th>
<th>$ 12,487,536</th>
<th>$ 8,462,290</th>
<th>$ 79,997,394</th>
<th>$ 177,854,306</th>
</tr>
</thead>
</table>
### ADDITIONS

**Contributions:**
- Employer: $2,636,200, $798,560, $100,000, $10,103,580, $13,638,340
- Plan members: 1,773,107, 619,466, -, 589,816, 2,982,389

**Total contributions:** 4,409,307, 1,418,026, 100,000, 10,693,396, 16,620,729

**Investment earnings:**
- Interest and dividends: -, -, -, $39,692, $39,692
- Net increase in the fair value of investments: 7,729,314, 1,217,489, 775,104, 7,433,230, 17,155,137

**Total investment earnings:** 7,729,314, 1,217,489, 775,104, 7,472,922, 17,194,829

**Less investment expense:** $(46,744), $(21,595), $(8,544), $(10,000), $(86,883)

**Net investment earnings:** 7,682,570, 1,195,894, 766,560, 7,462,922, 17,107,946

**Total additions:** 12,091,877, 2,613,920, 866,560, 18,156,318, 33,728,675

### DEDUCTIONS

**Benefits and refunds paid to plan members and beneficiaries:** 1,856,030, 259,960, 700,460, 4,689,220, 7,505,670

**Administrative expenses:** 42,578, 8,241, 8,569, 2,300, 61,688

**Total deductions:** 1,898,608, 268,201, 709,029, 4,691,520, 7,567,358

**Net increase in fiduciary net position:** 10,193,269, 2,345,719, 157,531, 13,464,798, 26,161,317

**Fiduciary net position-beginning:** 66,713,817, 10,141,817, 8,304,759, 66,532,596, 151,692,989

**Fiduciary net position-ending:** $76,907,086, $12,487,536, $8,462,290, $79,997,394, $177,854,306
THE COUNTY COMMISSIONERS OF CARROLL COUNTY  
Westminster, Maryland  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2017

### Carroll County Development Corporation

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2016</td>
<td></td>
<td></td>
<td>June 30, 2017</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$ 310,476</td>
<td>$ 13,145</td>
<td>$ 43,249</td>
<td>$ 280,372</td>
</tr>
<tr>
<td>Receivables-notes, mortgages and leases</td>
<td>118,132</td>
<td>-</td>
<td>4,669</td>
<td>113,463</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 428,608</td>
<td>$ 13,145</td>
<td>$ 47,918</td>
<td>$ 393,835</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>$ 428,608</td>
<td>$ 8,476</td>
<td>$ 43,249</td>
<td>$ 393,835</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$ 428,608</td>
<td>$ 8,476</td>
<td>$ 43,249</td>
<td>$ 393,835</td>
</tr>
</tbody>
</table>

### Carroll Cable Regulatory Commission

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2016</td>
<td></td>
<td></td>
<td>June 30, 2017</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$ 203,492</td>
<td>$ 1,022,095</td>
<td>$ 923,197</td>
<td>$ 302,390</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 203,492</td>
<td>$ 1,022,095</td>
<td>$ 923,197</td>
<td>$ 302,390</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 3,377</td>
<td>$ 523,693</td>
<td>$ 372,727</td>
<td>$ 154,343</td>
</tr>
<tr>
<td>Deposits</td>
<td>200,115</td>
<td>498,402</td>
<td>550,470</td>
<td>148,047</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$ 203,492</td>
<td>$ 1,022,095</td>
<td>$ 923,197</td>
<td>$ 302,390</td>
</tr>
</tbody>
</table>

### Totals - All Agencies

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2016</td>
<td></td>
<td></td>
<td>June 30, 2017</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in pooled cash and investments</td>
<td>$ 513,968</td>
<td>$ 1,035,240</td>
<td>$ 966,446</td>
<td>$ 582,762</td>
</tr>
<tr>
<td>Receivables-notes, mortgages and leases</td>
<td>118,132</td>
<td>-</td>
<td>4,669</td>
<td>113,463</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 632,100</td>
<td>$ 1,035,240</td>
<td>$ 971,115</td>
<td>$ 696,225</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 3,377</td>
<td>$ 523,693</td>
<td>$ 372,727</td>
<td>$ 154,343</td>
</tr>
<tr>
<td>Deposits</td>
<td>628,723</td>
<td>506,878</td>
<td>593,719</td>
<td>541,882</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>$ 632,100</td>
<td>$ 1,030,571</td>
<td>$ 966,446</td>
<td>$ 696,225</td>
</tr>
</tbody>
</table>
## ASSETS

Current assets:
- Equity in pooled cash and investments: $11,440,703
- Due from other funds: 2,767
- Receivables, net: 15,514

Total assets: $11,458,984

## LIABILITIES

Current liabilities:
- Accounts payable: $463,112
- Unearned revenue: 11,879
- Unpaid claims due within one year: $1,536,665
- Total current liabilities: $2,011,656

Noncurrent liabilities:
- Unpaid claims: 15,522
- Total noncurrent liabilities: 15,522

Total liabilities: $2,027,178

## NET POSITION

- Unrestricted: 9,431,806
- Total net position: 9,431,806

### Governmental Activities - Internal Service Funds

<table>
<thead>
<tr>
<th>Health</th>
<th>Risk</th>
<th>Auto</th>
<th>Insurance</th>
<th>Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Management</td>
<td>Damage</td>
<td>Deductibles</td>
<td>Compensation</td>
<td></td>
</tr>
<tr>
<td>$11,440,703</td>
<td>$643,888</td>
<td>$323,290</td>
<td>$166,297</td>
<td>$5,118,410</td>
<td>$17,692,588</td>
</tr>
</tbody>
</table>

Schedule 5-1
### Governmental Activities - Internal Service Funds

<table>
<thead>
<tr>
<th>Health Benefits</th>
<th>Risk Management</th>
<th>Auto Damage</th>
<th>Insurance Deductibles</th>
<th>Workers Compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$17,394,635</td>
<td>$8,274</td>
<td>$82,236</td>
<td>$ -</td>
<td>$1,135,423</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>17,394,635</td>
<td>8,274</td>
<td>82,236</td>
<td>-</td>
<td>1,135,423</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance claims</td>
<td>15,644,504</td>
<td>24,077</td>
<td>86,646</td>
<td>5,811</td>
<td>1,577,251</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>15,644,504</td>
<td>24,077</td>
<td>86,646</td>
<td>5,811</td>
<td>1,577,251</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>1,750,131</td>
<td>(15,803)</td>
<td>(4,410)</td>
<td>(5,811)</td>
<td>(441,828)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalties and interest</td>
<td>55,380</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medicare Part D</td>
<td>231,256</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>286,636</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income (loss) before transfers</td>
<td>2,036,767</td>
<td>(15,803)</td>
<td>(4,410)</td>
<td>(5,811)</td>
<td>(441,828)</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in net position</td>
<td>2,036,767</td>
<td>(15,803)</td>
<td>(4,410)</td>
<td>(5,811)</td>
<td>(245,714)</td>
</tr>
<tr>
<td>Total net position - beginning of year</td>
<td>7,395,039</td>
<td>649,191</td>
<td>327,700</td>
<td>172,108</td>
<td>2,380,603</td>
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<tr>
<td>Total net position - end of year</td>
<td>$9,431,806</td>
<td>$633,388</td>
<td>$323,290</td>
<td>$166,297</td>
<td>$2,134,889</td>
</tr>
</tbody>
</table>
CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users $17,394,635  $ 8,274  $ 82,236  $  -  $ 1,135,423  $18,620,568
Receipts from other funds (2,767)  -  -  -  (199)  (2,966)
Payments to suppliers (16,093,794) (34,757) (87,001) (5,811) (550,771) (16,772,134)
Net cash provided (used) by operating activities 1,298,074  (26,483)  (4,765)  (5,811)  584,453  1,845,468

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
Medicare Part D 231,256  -  -  -  -  231,256
Transfers in -  -  -  -  196,114  196,114
Net cash provided by noncapital financing activities 231,256  -  -  -  196,114  427,370

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
Medicare Part D -  -  -  -  -  -
Net cash provided by capital and related financing activities -  -  -  -  -  -

CASH FLOWS FROM INVESTING ACTIVITIES
Interest on investments and cash 55,381  -  -  -  -  55,381
Net increase (decrease) in cash and cash equivalents 1,584,711  (26,483)  (4,765)  (5,811)  780,567  2,328,219
Equity in pooled cash and investments at beginning of year 9,855,992  670,371  328,055  172,108  4,337,843  15,364,369
Equity in pooled cash and investments at end of year 11,440,703  643,888  323,290  166,297  5,118,410  17,692,588

Reconciliation of Operating Income (Loss) to net cash provided (used) by operating activities:
Operating income (loss)  $1,750,131  $ (15,803)  $ (4,410)  $ (5,811)  $ (441,828)  $1,282,279
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
Due to / from other funds  (2,767)  -  -  -  (199)  (2,966)
Accounts receivable and payable and accrued expenses  (15,409)  -  -  -  (15,409)
Unearned revenue  (41,657)  (18,430)  (355)  -  (9,175)  (69,617)
Claims Liability  9,915  -  -  -  9,915
Total adjustments  (401,140)  (7,750)  (355)  -  1,035,655  642,265
Net cash provided (used) by operating activities 1,298,074  (26,483)  (4,765)  (5,811)  584,453  1,845,468
<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4021 Government</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>8006 ** IT Sys Comp Replacement 03</td>
<td>$2,920,666</td>
<td>$1,857,471</td>
<td>$11,625</td>
<td>$34,489</td>
<td>1,017,081</td>
</tr>
<tr>
<td>8199 Government Complex</td>
<td>7,000,000</td>
<td>2,808,624</td>
<td>253,493</td>
<td>-</td>
<td>3,937,883</td>
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<td>8274 Records Management</td>
<td>461,800</td>
<td>394,929</td>
<td>2,921</td>
<td>-</td>
<td>63,950</td>
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<tr>
<td>8361 Voting Machines - Optical Scan</td>
<td>449,458</td>
<td>97,553</td>
<td>113,567</td>
<td>-</td>
<td>238,338</td>
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<tr>
<td>8412 ** County Phone System Replacemnt</td>
<td>1,250,000</td>
<td>901,576</td>
<td>278,182</td>
<td>10,360</td>
<td>59,882</td>
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<tr>
<td>8451 ** Circuit Court - New Courtroom</td>
<td>2,820,000</td>
<td>2,619,848</td>
<td>127,640</td>
<td>44,175</td>
<td>28,337</td>
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<tr>
<td>8485 Piney Run Dam Repairs</td>
<td>290,000</td>
<td>88,791</td>
<td>5,000</td>
<td>-</td>
<td>196,209</td>
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<tr>
<td>8579 Energy Performance Ph III</td>
<td>4,541,852</td>
<td>3,981,618</td>
<td>555,235</td>
<td>-</td>
<td>4,999</td>
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<tr>
<td>8589 Courthouse Annex Renov</td>
<td>152,400</td>
<td>-</td>
<td>-</td>
<td>152,400</td>
<td></td>
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<tr>
<td>8590 Payroll/HR System Rplcmnt</td>
<td>1,000,000</td>
<td>263,609</td>
<td>357,614</td>
<td>201,789</td>
<td>176,988</td>
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<tr>
<td>8702 ** Orphan's Court Renovations</td>
<td>90,000</td>
<td>-</td>
<td>87,228</td>
<td>-</td>
<td>2,772</td>
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<tr>
<td>9418 Handicapped Accessibility 92</td>
<td>909,600</td>
<td>839,124</td>
<td>-</td>
<td>-</td>
<td>70,476</td>
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<tr>
<td>9648 Computer System Improvements</td>
<td>10,035,082</td>
<td>8,870,351</td>
<td>428,884</td>
<td>-</td>
<td>735,847</td>
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<tr>
<td>9921 Parking Lot Overlays (Fr 9658)</td>
<td>1,718,144</td>
<td>1,639,144</td>
<td>12,880</td>
<td>102,000</td>
<td>295,175</td>
</tr>
<tr>
<td>9954 Cnty Bldg Systemic Renovictions</td>
<td>7,024,101</td>
<td>5,827,496</td>
<td>303,711</td>
<td>841,001</td>
<td></td>
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<tr>
<td>9957 General Government Unallocated</td>
<td>31,657</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,657</td>
</tr>
<tr>
<td>Total General</td>
<td>40,694,760</td>
<td>30,190,134</td>
<td>2,273,282</td>
<td>594,524</td>
<td>7,636,820</td>
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<tr>
<td><strong>Health</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>8519 SIP-ADA Restroom Addition</td>
<td>81,388</td>
<td>3,000</td>
<td>61,708</td>
<td>-</td>
<td>16,680</td>
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<tr>
<td>Total Health</td>
<td>81,388</td>
<td>3,000</td>
<td>61,708</td>
<td>-</td>
<td>16,680</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8003 * EOC Relocation 03</td>
<td>6,158,064</td>
<td>6,158,064</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8163 ** CC Public Safety Training Cntr</td>
<td>7,025,000</td>
<td>6,760,093</td>
<td>78,242</td>
<td>161,052</td>
<td>25,631</td>
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<td>8168 Public Safety TC-Renovations</td>
<td>167,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167,000</td>
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<td>8264 ** Carroll County 800 MHz &amp; 911</td>
<td>21,057,287</td>
<td>20,647,232</td>
<td>12,880</td>
<td>102,000</td>
<td>295,175</td>
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<td>8480 PS Emergency Crisis Mgmt</td>
<td>275,000</td>
<td>107,875</td>
<td>44,000</td>
<td>-</td>
<td>123,125</td>
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<td>8518 Humane Scy Parking Stormwater</td>
<td>300,000</td>
<td>825</td>
<td>-</td>
<td>-</td>
<td>299,175</td>
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<td>8592 Army Reserve Renovations</td>
<td>6,100,000</td>
<td>-</td>
<td>22,500</td>
<td>-</td>
<td>6,077,500</td>
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<td>9022 Regional Water Supply</td>
<td>6,100,000</td>
<td>675,634</td>
<td>5,000</td>
<td>9,300</td>
<td>409,266</td>
</tr>
<tr>
<td>Total Public Safety</td>
<td>42,878,581</td>
<td>34,349,723</td>
<td>163,222</td>
<td>968,782</td>
<td>7,396,854</td>
</tr>
<tr>
<td>Total Highways &amp; Streets</td>
<td>42,878,581</td>
<td>34,349,723</td>
<td>163,222</td>
<td>968,782</td>
<td>7,396,854</td>
</tr>
<tr>
<td><strong>Highways &amp; Streets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8308 Ridenour Way 08</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>8321 ** Ridge Road Improvements</td>
<td>160,600</td>
<td>100,449</td>
<td>20,206</td>
<td>1,266</td>
<td>38,679</td>
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<tr>
<td>8353 Londontown Blvd Improvements</td>
<td>3,700,000</td>
<td>80</td>
<td>-</td>
<td>-</td>
<td>3,699,920</td>
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<tr>
<td>8438 Windy Hills</td>
<td>81,000</td>
<td>2,100</td>
<td>-</td>
<td>-</td>
<td>78,900</td>
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<tr>
<td>8440 Pavement Management FY13</td>
<td>9,333,358</td>
<td>9,228,685</td>
<td>-</td>
<td>-</td>
<td>104,673</td>
</tr>
<tr>
<td>8474 * Pavement Management FY14</td>
<td>9,456,318</td>
<td>9,456,318</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8476 ** Rohrbaugh Road</td>
<td>800,000</td>
<td>333,366</td>
<td>-</td>
<td>-</td>
<td>466,634</td>
</tr>
<tr>
<td>8494 Poolsdale</td>
<td>10,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,500</td>
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<tr>
<td>8504 ** Pavement Management FY15</td>
<td>9,790,326</td>
<td>9,084,420</td>
<td>61,331</td>
<td>-</td>
<td>644,575</td>
</tr>
<tr>
<td>8505 * Pavement Preservation FY15</td>
<td>1,040,021</td>
<td>1,040,021</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>970,840</td>
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</tbody>
</table>
### Schedule of Appropriations, Expenditures and Encumbrances

**Capital Projects Fund**

**For The Year Ended June 30, 2017**

**Budgetary (Non-GAAP) Basis**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
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<tbody>
<tr>
<td>8507 Unpaved Roads</td>
<td>2,524,761</td>
<td>1,239,152</td>
<td>411,994</td>
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<td>8508 Road Improvmt-Challendon</td>
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<td>8609 Monroe Avenue</td>
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<td>-</td>
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<td>32,240</td>
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<td>7,485,890</td>
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<td>8626 Ramp and Sidewal Upgrades</td>
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<td>790,300</td>
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<td>754,051</td>
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<td>8628 Hollingsworth Rd/Unname Tributa</td>
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<td>-</td>
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<td>9684 Bridge Inspection &amp; Inventory</td>
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<td>1,021,715</td>
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<td>9882 Bridge Maint/Structural Repair</td>
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<tr>
<td>Description</td>
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<td>Prior Years Expenditures</td>
<td>Current Year Expenditures</td>
<td>Encumbered</td>
<td>Unexpended Appropriation</td>
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<td>-</td>
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<td>208,420</td>
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<td>9554 Handicapped Accessibility</td>
<td>1,504,684</td>
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**Community College**

<table>
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<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
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<tr>
<td>8516 ** CCC-Security Improvements</td>
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<td>6,267,070</td>
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</tbody>
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continued
## Schedule of Appropriations, Expenditures and Encumbrances

### Budgetary (Non-GAAP) Basis

**For The Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
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### Recreation & Parks

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<th>Expenditures</th>
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<th>Unexpended</th>
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<td>27,353</td>
<td>1,958,195</td>
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<td>7,574</td>
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<tr>
<td>8282 * Westminster Comm Pond Renovate</td>
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<td>392,300</td>
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<tr>
<td>8330 * Bennett Cerf Park Revitalize</td>
<td>231,951</td>
<td>231,951</td>
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</tr>
<tr>
<td>8411 * Westminster Community Trail</td>
<td>198,000</td>
<td>198,000</td>
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</tr>
<tr>
<td>8439 ** Winfield Property Project</td>
<td>253,259</td>
<td>242,011</td>
<td>10,741</td>
<td>-</td>
</tr>
<tr>
<td>8477 Union Mills Restoration</td>
<td>248,900</td>
<td>107,342</td>
<td>-</td>
<td>141,558</td>
</tr>
<tr>
<td>8510 * Union Mills-ADA Bathroom</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>8513 Gov Brown Trail Phase I</td>
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<td>8514 MacBeth Trail Connection</td>
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<tr>
<td>8515 Westminster Comm Trail PhsII</td>
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<tr>
<td>8577 MD Bikeways Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8631 Deer Park &amp; Sandymount Ct Resu</td>
<td>223,150</td>
<td>177,874</td>
<td>43,276</td>
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<tr>
<td>8632 Union Mills Main House Renovat</td>
<td>510,000</td>
<td>-</td>
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<tr>
<td>8633 Mayeski Park Ent Rd Overlay</td>
<td>100,000</td>
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<td>8667 Wmsr Comm Trl-Cmrcc Cntr</td>
<td>85,000</td>
<td>50,037</td>
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<td>8688 Indoor Track-Shipley Arena</td>
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<td>8701 Deer Park Extension</td>
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<tr>
<td>9139 Recs &amp; Parks/Local-Unallocated</td>
<td>45,693</td>
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<td>9736 Town Fund</td>
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<td>9925 ** Tot Lot Replacement</td>
<td>521,876</td>
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<td>55,088</td>
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<tr>
<td>9926 ** Krimgold Park</td>
<td>6,159,633</td>
<td>5,428,461</td>
<td>24,077</td>
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### Total

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<tr>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>16,745,978</td>
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### Hashawha/Bear Branch

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<tbody>
<tr>
<td>8630 Bear Branch Tot Lot</td>
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### Total

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<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>150,000</td>
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<td>2,907</td>
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### Self-Help Projects

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>8426 * Hodges/Eldbg Elem Ballfld Mix</td>
<td>8,400</td>
<td>8,400</td>
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<td>-</td>
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<tr>
<td>8446 * Charles Car Storage/Ball Mix</td>
<td>5,212</td>
<td>5,212</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8447 * N. Carroll Bat Cage/Bleachers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8466 * Ball Field Mix Multiple Loc SH</td>
<td>5,784</td>
<td>5,784</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8470 * Chrls Car Pitch Mac/Nets SH</td>
<td>5,637</td>
<td>5,146</td>
<td>491</td>
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<tr>
<td>8489 * Sandymount/DP Field Repair SH</td>
<td>5,390</td>
<td>3,665</td>
<td>1,725</td>
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<tr>
<td>8491 * Freedom Area Field/Sod/Mix SH</td>
<td>3,440</td>
<td>3,440</td>
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<tr>
<td>8492 * Mayeski Prk Topsoil/Mix SH</td>
<td>3,330</td>
<td>3,330</td>
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<tr>
<td>8493 * Mayeski Prk Balldiamod Mix SH</td>
<td>3,300</td>
<td>3,300</td>
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<tr>
<td>8497 * FRC-Basketball BB SH</td>
<td>4,336</td>
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<tr>
<td>8498 * NCRC-Shed/Fld Hamp SH</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8499 * NCRC-Xmas Tree Prk Fields SH</td>
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<td>8571 Hampstead Lions Clb Trail-SH</td>
<td>13,794</td>
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<td>8573 * Jayce Park Storage Shed-SH</td>
<td>8,203</td>
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<table>
<thead>
<tr>
<th>Description</th>
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<tr>
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<tr>
<td>8574 * Mayeski Park Ball Mix</td>
<td>4,725</td>
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<td>8575 * S. Carroll HS Backstop-SH</td>
<td>10,750</td>
<td>10,750</td>
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<td>8597 * Carroll Arts-Console Lightng SH</td>
<td>11,006</td>
<td>11,006</td>
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<tr>
<td>8598 * Charles Car-Fence Chrtwnrd SH</td>
<td>3,043</td>
<td>3,043</td>
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</tr>
<tr>
<td>8599 * N Carroll-SGar Elem HghtAdj SH</td>
<td>1,968</td>
<td>1,968</td>
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<tr>
<td>8600 * N Carroll-Soccer Goal SH</td>
<td>6,280</td>
<td>6,280</td>
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<tr>
<td>8601 * West-Bleacher Jaycee Pk SH</td>
<td>10,209</td>
<td>10,209</td>
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<td>8602 * West-Wrestling Mats SH</td>
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<td>8,002</td>
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<tr>
<td>8603 * West-Avondale Bsb1 Fld SH</td>
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<tr>
<td>8604 * Charles Car-Soccer Goals SH</td>
<td>3,446</td>
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<td>8610 * Freedom Soccer Storage SH</td>
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<td>8611 * NC Field Hockey Goals SH</td>
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<td>8612 * NC Flat Goals SH</td>
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<td>8613 * Westminster JC Prk Fence SH</td>
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<td>8614 * Westminster Field Expand SH</td>
<td>11,786</td>
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<tr>
<td>8615 Mayeski Baseball Fld Mix SH</td>
<td>5,144</td>
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<td>8616 Mayeski Softball Fld Mix SH</td>
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<td>3,250</td>
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<td>8617 * Winfield Lions Club Fld Mix SH</td>
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<td>8618 * Bohde's Tot Lot-Krimgold SH</td>
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<tr>
<td>8619 * Playground-Krimgold</td>
<td>154,959</td>
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<td>154,959</td>
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<tr>
<td>8694 Westminster Rec Infield Mix-SH</td>
<td>12,700</td>
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<td>12,517</td>
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<tr>
<td>8695 Winfield Park Field-SH</td>
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<td>20,000</td>
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<tr>
<td>8696 NC Rec Soccer Goals-SH</td>
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<td>2,951</td>
<td>432</td>
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<tr>
<td>8697 * NC Rec Infield Mix-SH</td>
<td>11,437</td>
<td>-</td>
<td>8,506</td>
<td>2,931</td>
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<tr>
<td>8698 * Carroll Arts Video Projtn-SH</td>
<td>20,000</td>
<td>-</td>
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<tr>
<td>8699 Charles Carroll Infield Mix-SH</td>
<td>1,800</td>
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<tr>
<td>8700 Chrls Carroll Scoreboard-SH</td>
<td>4,840</td>
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<tr>
<td>8704 NC Rec BallMix/Fencing-SH</td>
<td>6,824</td>
<td>-</td>
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<td>6,824</td>
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<tr>
<td>8705 Taneytown Memorial Prk-SH</td>
<td>13,120</td>
<td>-</td>
<td>9,965</td>
<td>2,442</td>
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<tr>
<td>8706 Wmnstr Rec Wrestling Brd-SH</td>
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<tr>
<td>8707 Windfield Krimgold Prk1/3-SH</td>
<td>5,100</td>
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<td>5,100</td>
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<tr>
<td>8708 Mayeski Batting Cage-SH</td>
<td>3,970</td>
<td>-</td>
<td>3,970</td>
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<tr>
<td>8709 Saltbox Prk-Mix/Pav Rpr-SH</td>
<td>2,200</td>
<td>-</td>
<td>2,135</td>
<td>65</td>
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<tr>
<td>9718 * New Winds Mid Schl Storage-SH</td>
<td>9,893</td>
<td>9,893</td>
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<tr>
<td>9735 Community Self Help</td>
<td>10,138</td>
<td>-</td>
<td>-</td>
<td>10,138</td>
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<tr>
<td>Total Culture and Recreation</td>
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<td>139,995</td>
<td>248,283</td>
<td>9,339</td>
</tr>
<tr>
<td>Total Library/Senior Centers</td>
<td>17,350,762</td>
<td>12,056,088</td>
<td>1,643,466</td>
<td>150,973</td>
</tr>
<tr>
<td>Library/Senior Centers</td>
<td>4,182,905</td>
<td>3,251,261</td>
<td>381,086</td>
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<tr>
<td>Total Library/Senior Centers</td>
<td>4,182,905</td>
<td>3,251,261</td>
<td>381,086</td>
<td>-</td>
</tr>
<tr>
<td>Conservation &amp; Open Space</td>
<td>22,089,803</td>
<td>15,960,248</td>
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</tr>
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</table>
## 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, 2017**

### Schedule 6

<table>
<thead>
<tr>
<th>Description</th>
<th>Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
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<tbody>
<tr>
<td>9007 Ag Land Preservation</td>
<td>154,086,010</td>
<td>144,890,838</td>
<td>5,944,463</td>
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<td>3,250,709</td>
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<td>328,087</td>
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<td>9702 Traffic Impact Studies/Develop</td>
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<td>130,629</td>
<td>-</td>
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<td>9851 Rural Legacy-Easement Purchase</td>
<td>22,026,728</td>
<td>21,918,418</td>
<td>4,887</td>
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<td>103,423</td>
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### Water Resources

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<tr>
<td>8294 Reservoir Development</td>
<td>20,611,401</td>
<td>8,933,571</td>
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<td>-</td>
<td>11,677,830</td>
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<td>8295 Storm Water Facility Maint</td>
<td>2,913,382</td>
<td>2,913,282</td>
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<tr>
<td>8328 Environmental Compliance</td>
<td>1,354,500</td>
<td>325,492</td>
<td>29,117</td>
<td>14,162</td>
<td>985,729</td>
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<tr>
<td><strong>Total</strong></td>
<td>24,879,283</td>
<td>12,172,345</td>
<td>29,117</td>
<td>14,162</td>
<td>12,663,659</td>
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### Watershed Improvements

<table>
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<tr>
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<th>Unexpended Appropriation</th>
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<tbody>
<tr>
<td>8521 * Carrolltowne 2A Barnes Fill 1</td>
<td>987,341</td>
<td>956,326</td>
<td>31,015</td>
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<td>8523 Elderwood Village Sec F&amp;B</td>
<td>2,279,355</td>
<td>128,334</td>
<td>9,278</td>
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<td>2,141,743</td>
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<td>8524 Manchester Skate Park</td>
<td>826,043</td>
<td>67,028</td>
<td>12,190</td>
<td>-</td>
<td>746,825</td>
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<td>8526 Finksburg Industrial Park</td>
<td>2,599,909</td>
<td>224,073</td>
<td>2,246,937</td>
<td>127,885</td>
<td>1,014</td>
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<td>8528 Carroll Co Tree Planting #1</td>
<td>139,579</td>
<td>98,408</td>
<td>3,735</td>
<td>12,235</td>
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<td>8529 Carroll Co Tree Planting #2</td>
<td>255,161</td>
<td>190,417</td>
<td>10,603</td>
<td>17,977</td>
<td>36,164</td>
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<tr>
<td>8530 Carroll Co Tree Planting #3</td>
<td>534,676</td>
<td>398,108</td>
<td>29,162</td>
<td>5,717</td>
<td>49,466</td>
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<td>8551 ** Sullivan Rd Comnty Pond Phs1</td>
<td>2,674,495</td>
<td>2,527,650</td>
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<td>8532 Sullivan Rd Phase 2</td>
<td>99,098</td>
<td>88,187</td>
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<td>965,692</td>
<td>287,976</td>
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<td>8534 * Windmere/Libman</td>
<td>31,343</td>
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<td>8536 Langdon Property</td>
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<td>8538 Carroll Co Maint Center Pond</td>
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<td>286,262</td>
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<td>8540 Eldersburg Estates Sec 3-5</td>
<td>486,837</td>
<td>485,732</td>
<td>1,105</td>
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<tr>
<td>8543 Willow Pond/Eden Farms</td>
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<td>40,849</td>
<td>74,717</td>
<td>74,927</td>
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<tr>
<td>8551 * Springmount Estates</td>
<td>15,123</td>
<td>14,423</td>
<td>700</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8561 Piney Run Sediment Study</td>
<td>25,800</td>
<td>23,805</td>
<td>-</td>
<td>-</td>
<td>1,995</td>
</tr>
<tr>
<td>8576 Farm Museum ESD</td>
<td>312,372</td>
<td>108,577</td>
<td>168,668</td>
<td>-</td>
<td>35,127</td>
</tr>
<tr>
<td>8578 Blue Ridge Manor</td>
<td>539,313</td>
<td>4,383</td>
<td>28,145</td>
<td>-</td>
<td>506,785</td>
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<tr>
<td>8584 Stormwtr Facility Renovat FY16</td>
<td>280,000</td>
<td>72,649</td>
<td>157,444</td>
<td>-</td>
<td>49,907</td>
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<tr>
<td>8593 Shannon Run/Hawks Ridge</td>
<td>1,255,813</td>
<td>67,060</td>
<td>21,220</td>
<td>-</td>
<td>1,167,533</td>
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<tr>
<td>8594 Watershed Plan Review</td>
<td>31,000</td>
<td>24,733</td>
<td>147</td>
<td>5,713</td>
<td>407</td>
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<tr>
<td>8595 Local Watershed Modeling</td>
<td>65,000</td>
<td>53,327</td>
<td>8,034</td>
<td>3,219</td>
<td>420</td>
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<tr>
<td>8605 8 Small Crossings</td>
<td>690,210</td>
<td>19,108</td>
<td>162,483</td>
<td>220,888</td>
<td>287,731</td>
</tr>
<tr>
<td>8606 6 Whispering Valley</td>
<td>812,958</td>
<td>19,575</td>
<td>8,140</td>
<td>-</td>
<td>785,243</td>
</tr>
<tr>
<td>8607 13 Merridale Gardens</td>
<td>919,028</td>
<td>16,121</td>
<td>52,824</td>
<td>-</td>
<td>850,083</td>
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<td>8608 1 Roberts Mill Regional Pond</td>
<td>2,183,313</td>
<td>3,800</td>
<td>32,555</td>
<td>-</td>
<td>2,146,958</td>
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<tr>
<td>8634 Stormwtr Renova FY17</td>
<td>331,500</td>
<td>-</td>
<td>126,619</td>
<td>-</td>
<td>204,881</td>
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<tr>
<td>8635 Central MD Wet Pond</td>
<td>50,000</td>
<td>-</td>
<td>44,145</td>
<td>-</td>
<td>5,855</td>
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<tr>
<td>8690 Locust Street</td>
<td>234,313</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>233,813</td>
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<td>8691 * Restoration Research Grant</td>
<td>175,730</td>
<td>-</td>
<td>94,923</td>
<td>80,807</td>
<td>-</td>
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<td>8692 Northern Landfill Fill Site</td>
<td>65,000</td>
<td>-</td>
<td>64,922</td>
<td>-</td>
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<td>8703 Eldersburg Business Cntr</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
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<tr>
<td>8736 Shiloh Middle School</td>
<td>199,855</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>199,855</td>
</tr>
<tr>
<td>9920 Watershed Assessment &amp; Improve</td>
<td>9,310,293</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,310,293</td>
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</table>

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*continued*
## Schedule of Appropriations, Expenditures and Encumbrances

**Budgetary (Non-GAAP) Basis**

**For The Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>33,243,831</td>
<td>7,470,551</td>
<td>4,576,025</td>
<td>626,503</td>
<td>20,570,753</td>
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<td>Total Conservation and Natural Resources</td>
<td>256,870,514</td>
<td>201,914,790</td>
<td>10,568,185</td>
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<td>42,790,548</td>
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<td>Total Governmental Activities</td>
<td>$670,468,626</td>
<td>$521,279,510</td>
<td>$30,421,724</td>
<td>$11,320,741</td>
<td>$107,250,102</td>
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</table>
## Business-type Activities:

### Bureau of Utilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6311 Water &amp; Sewer Meters</td>
<td>3,832,862</td>
<td>2,963,288</td>
<td>867,164</td>
<td>-</td>
<td>2,410</td>
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<tr>
<td>6332 Tank Painting</td>
<td>1,388,032</td>
<td>438,798</td>
<td>54,068</td>
<td>6,900</td>
<td>888,266</td>
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<tr>
<td>6344 HWHTP-Effluent Chillers</td>
<td>2,436,967</td>
<td>621,844</td>
<td>-</td>
<td>-</td>
<td>1,815,123</td>
</tr>
<tr>
<td>6358 8-12-16 Mains/Hydraulic Loop</td>
<td>634,221</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>634,221</td>
</tr>
<tr>
<td>6359 Hydrant Replacement</td>
<td>1,569,350</td>
<td>1,373,521</td>
<td>162,653</td>
<td>-</td>
<td>33,175</td>
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<tr>
<td>6364 8-12-16 Mains/Hydraulic Loop</td>
<td></td>
<td></td>
<td></td>
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<td>33,175</td>
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<tr>
<td>6374 Relief Sewer No. 2</td>
<td>164,000</td>
<td>12,000</td>
<td>138,875</td>
<td>9,500</td>
<td>3,625</td>
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<tr>
<td>6376 Relief Sewer No. 4</td>
<td>108,500</td>
<td>26,777</td>
<td>113</td>
<td>65,562</td>
<td>16,048</td>
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<tr>
<td>6378 Relief Sewer No. 6</td>
<td>3,162,000</td>
<td>324,815</td>
<td>2,837,185</td>
<td>-</td>
<td>2,837,185</td>
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<tr>
<td>6382 Relief Sewer No. 10</td>
<td>930,800</td>
<td>-</td>
<td>77,280</td>
<td>7,070</td>
<td>846,450</td>
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<td>6385 Sewer Study Update</td>
<td>765,000</td>
<td>187,647</td>
<td>363,610</td>
<td>173,450</td>
<td>40,293</td>
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<tr>
<td>6390 Sykesville Eleva W/Tank #6 04</td>
<td>62,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62,000</td>
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<tr>
<td>6403 Sanitary Sewer Manhole Rehab</td>
<td>1,954,200</td>
<td>1,124,307</td>
<td>65,562</td>
<td>-</td>
<td>614,036</td>
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<tr>
<td>6409 FD Looping Monroe (Okla-Benn)</td>
<td>74,800</td>
<td></td>
<td></td>
<td>-</td>
<td>74,800</td>
</tr>
<tr>
<td>6413 Hampstead Sludge Tank Renovate</td>
<td>158,200</td>
<td>138,392</td>
<td>19,808</td>
<td>-</td>
<td>19,808</td>
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<tr>
<td>6418 North Pump Station Wet Well</td>
<td>730,000</td>
<td>334,102</td>
<td>150,280</td>
<td>65,562</td>
<td>395,898</td>
</tr>
<tr>
<td>6419 Freedom Waste Water TP-ENR</td>
<td>10,500,000</td>
<td>5,433,543</td>
<td>3,676,643</td>
<td>-</td>
<td>1,389,815</td>
</tr>
<tr>
<td>6421 Sanitary Sewer Main Lining</td>
<td>2,499,701</td>
<td>1,169,945</td>
<td>65,562</td>
<td>-</td>
<td>395,480</td>
</tr>
<tr>
<td>6422 Gravity Sewer Main</td>
<td>1,980,400</td>
<td>252,170</td>
<td>113</td>
<td>65,562</td>
<td>395,480</td>
</tr>
<tr>
<td>6423 N Carroll Farms Pump Stat Rehb</td>
<td>266,000</td>
<td>248,743</td>
<td>-</td>
<td>-</td>
<td>17,257</td>
</tr>
<tr>
<td>6425 Water Main Loops FY12</td>
<td>590,622</td>
<td>6,877</td>
<td>(6,877)</td>
<td>-</td>
<td>590,622</td>
</tr>
<tr>
<td>6426 W. Hampstead Sewer Upgrade</td>
<td>1,845,000</td>
<td>5,100</td>
<td>347,356</td>
<td>-</td>
<td>1,492,544</td>
</tr>
<tr>
<td>6427 Water Main Blow-Off Replcmnts</td>
<td>661,800</td>
<td>275,636</td>
<td>227,040</td>
<td>-</td>
<td>159,124</td>
</tr>
<tr>
<td>6428 Water Service Line Replacement</td>
<td>937,300</td>
<td>632,490</td>
<td>456,595</td>
<td>-</td>
<td>35,723</td>
</tr>
<tr>
<td>6429 Hampstead Grit Removal</td>
<td>18,340,000</td>
<td>1,177,885</td>
<td>474,056</td>
<td>-</td>
<td>14,800,707</td>
</tr>
<tr>
<td>6431 Sykesville Sewer Upgrade</td>
<td>550,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>550,000</td>
</tr>
<tr>
<td>6432 Asset Management System</td>
<td>200,000</td>
<td>102,828</td>
<td>69,540</td>
<td>-</td>
<td>42,532</td>
</tr>
<tr>
<td>6433 Bark Hill WTP-Improvmnts</td>
<td>194,000</td>
<td>69,024</td>
<td>24,542</td>
<td>-</td>
<td>100,454</td>
</tr>
<tr>
<td>6434 ** Freedom WTP-Membrance Fltr</td>
<td>776,250</td>
<td>706,289</td>
<td>-</td>
<td>-</td>
<td>69,961</td>
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<tr>
<td>6435 Freedom WTP-Sludge Press</td>
<td>285,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>285,000</td>
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<tr>
<td>6436 Piney Run Pump Station Improv</td>
<td>365,000</td>
<td>12,500</td>
<td>-</td>
<td>-</td>
<td>352,500</td>
</tr>
<tr>
<td>6437 Stone Manor Pump Station Rehab</td>
<td>302,500.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>302,500</td>
</tr>
<tr>
<td>6442 Roberts Fld Pump Station Rehab</td>
<td>396,000.00</td>
<td>-</td>
<td>58,929</td>
<td>-</td>
<td>303,324</td>
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<tr>
<td>6443 Standby Generator Replcmnt</td>
<td>266,700.00</td>
<td>-</td>
<td>183,482</td>
<td>-</td>
<td>183,482</td>
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<tr>
<td>6450 McBeth Looping</td>
<td>92,157.82</td>
<td>-</td>
<td>6,841</td>
<td>-</td>
<td>(10,022)</td>
</tr>
<tr>
<td>6451 Linton Looping</td>
<td>11,220.00</td>
<td>-</td>
<td>11,220</td>
<td>-</td>
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<tr>
<td><strong>Total</strong></td>
<td>59,030,583</td>
<td>18,158,521</td>
<td>7,620,223</td>
<td>2,124,999</td>
<td>31,127,840</td>
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</table>

### Solid Waste

<table>
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<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6520 Hoods Mill Remediation</td>
<td>1,174,626</td>
<td>943,499</td>
<td>930</td>
<td>4,978</td>
<td>225,219</td>
</tr>
<tr>
<td>6521 Northern Landfill Remediation</td>
<td>1,014,000</td>
<td>904,448</td>
<td>12,000</td>
<td>-</td>
<td>97,552</td>
</tr>
<tr>
<td>6528 John Owings LF Remediation</td>
<td>800,000</td>
<td>617,675</td>
<td>-</td>
<td>3,858</td>
<td>178,467</td>
</tr>
<tr>
<td>6534 Nrtln Landfill-Caps I&amp;2</td>
<td>3,948,000</td>
<td>53,413</td>
<td>3,029,383</td>
<td>-</td>
<td>313,256</td>
</tr>
<tr>
<td>6535 Northern LF-Leachate Ponds</td>
<td>460,000</td>
<td>-</td>
<td>280,343</td>
<td>-</td>
<td>133,281</td>
</tr>
<tr>
<td>6537 Bark Hill Remediation/Maint</td>
<td>13,506</td>
<td>-</td>
<td>13,506</td>
<td>-</td>
<td>13,506</td>
</tr>
<tr>
<td>6538 Hodges Remediation/Maint</td>
<td>518,112</td>
<td>41,465</td>
<td>56,993</td>
<td>-</td>
<td>10,229</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td>2,560,500</td>
<td>3,375,555</td>
<td>971,510</td>
<td>31,127,840</td>
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</table>

### Fiber Network

<table>
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<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6602 Fiber Equipment Replacement</td>
<td>1,100,000</td>
<td>990,216</td>
<td>96,880</td>
<td>-</td>
<td>12,904</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,100,000</td>
<td>990,216</td>
<td>96,880</td>
<td>-</td>
<td>12,904</td>
</tr>
</tbody>
</table>
## Schedule 6

### Septage

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westminster Sept Screen/Grit</td>
<td>4,500,000</td>
<td>416,432</td>
<td>-</td>
<td>-</td>
<td>4,083,568</td>
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<tr>
<td>Total</td>
<td>4,500,000</td>
<td>416,432</td>
<td>-</td>
<td>-</td>
<td>4,083,568</td>
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</tbody>
</table>

### Airport

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grounds &amp; Facility Impr (9541)</td>
<td>365,180</td>
<td>310,546</td>
<td>32,110</td>
<td>-</td>
<td>22,524</td>
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<tr>
<td>Airport Runway Extension</td>
<td>49,655,934</td>
<td>15,852</td>
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<td>49,655,934</td>
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<tr>
<td>AP Master Plan Study Phase 1</td>
<td>333,332</td>
<td>302,400</td>
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<td>30,932</td>
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<td>Master Plan Updated AIP30</td>
<td>-</td>
<td>-</td>
<td>49,853</td>
<td>-</td>
<td>(49,853)</td>
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<tr>
<td>Land Services AIP31</td>
<td>-</td>
<td>-</td>
<td>213,737</td>
<td>-</td>
<td>(213,737)</td>
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<tr>
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<td>279,848</td>
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<td>49,709,390</td>
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### Total Business-type Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation</th>
<th>Prior Years Expenditures</th>
<th>Current Year Expenditures</th>
<th>Encumbered</th>
<th>Unexpended Appropriation</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$122,913,273</td>
<td>$22,754,466</td>
<td>$9,017,631</td>
<td>$5,499,555</td>
<td>$85,905,211</td>
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* Completed CIP projects put into service during FY17
** Partially completed CIP projects put into service during FY17
## Governmental Activities

### General Obligation Bonds

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount Outstanding 07/01/16</th>
<th>New Debt Activity</th>
<th>New Principal Payments</th>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer Fire Dept. Project - 2003</td>
<td>$505,000</td>
<td>$160,000</td>
<td>$345,000</td>
<td>$16,033</td>
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<td>Volunteer Fire Dept. Project - 2004</td>
<td>676,665</td>
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<td>24,661</td>
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<tr>
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<td>950,000</td>
<td>-</td>
<td>760,000</td>
<td>35,625</td>
<td></td>
</tr>
<tr>
<td>General Obligation Refunding Bonds-2007</td>
<td>1,348,376</td>
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<td>1,348,376</td>
<td>26,967</td>
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</tr>
<tr>
<td>General Obligation Refunding Bonds-Nov 2007</td>
<td>3,230,000</td>
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<td>2,640,000</td>
<td>127,288</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds-Nov 2009 Series A</td>
<td>10,432,487</td>
<td>-</td>
<td>7,996,303</td>
<td>368,576</td>
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<tr>
<td>General Obligation Bonds-Nov 2009 Series B</td>
<td>33,577,761</td>
<td>-</td>
<td>33,577,761</td>
<td>1,734,776</td>
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<tr>
<td>General Obligation Refunding Bonds-Oct 2010 Series A</td>
<td>2,787,739</td>
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<td>1,785,741</td>
<td>37,897</td>
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<td>560,000</td>
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<td>275,000</td>
<td>8,350</td>
<td></td>
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<tr>
<td>General Obligation Bonds-Oct 2010 Series D</td>
<td>16,305,044</td>
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<td>897,945</td>
<td>468,799</td>
<td></td>
</tr>
<tr>
<td>General Obligation Refunding Bonds-Nov 2011</td>
<td>7,424,736</td>
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<td>5,460,262</td>
<td>277,272</td>
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</tr>
<tr>
<td>General Obligation Bonds-Nov 2011</td>
<td>15,880,000</td>
<td>-</td>
<td>15,120,000</td>
<td>578,850</td>
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<tr>
<td>General Obligation Bonds-Oct 2012</td>
<td>18,255,000</td>
<td>-</td>
<td>17,160,000</td>
<td>596,862</td>
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<tr>
<td>General Obligation Bonds-Oct 2013</td>
<td>23,325,000</td>
<td>-</td>
<td>21,985,000</td>
<td>1,004,575</td>
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<tr>
<td>General Obligation Refunding Bonds-Oct 2014</td>
<td>3,612,000</td>
<td>-</td>
<td>2,670,000</td>
<td>70,358</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds-Oct 2015</td>
<td>14,250,000</td>
<td>-</td>
<td>13,500,000</td>
<td>536,250</td>
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<tr>
<td>General Obligation Refunding Bonds-Oct 2016</td>
<td>6,015,081</td>
<td>-</td>
<td>6,015,081</td>
<td>240,603</td>
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<tr>
<td>General Obligation Refunding Bonds-Oct 2016</td>
<td>28,000,000</td>
<td>-</td>
<td>26,555,000</td>
<td>1,028,981</td>
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</tr>
<tr>
<td>General Obligation Refunding Bonds-Oct 2017</td>
<td>3,612,000</td>
<td>-</td>
<td>3,612,000</td>
<td>70,358</td>
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<tr>
<td>Total General Obligation Bonds</td>
<td>277,043,851</td>
<td>-</td>
<td>262,281,294</td>
<td>11,258,954</td>
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</table>

### Farmers Home Administration

<table>
<thead>
<tr>
<th>Loan Year</th>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
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</thead>
<tbody>
<tr>
<td>1972</td>
<td>185,191</td>
<td>6,485</td>
</tr>
<tr>
<td>1974</td>
<td>88,556</td>
<td>3,231</td>
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<tr>
<td>1979</td>
<td>338,506</td>
<td>12,352</td>
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</table>

### General Obligation Debt

<table>
<thead>
<tr>
<th>Purchase Agreement Year</th>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
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</thead>
<tbody>
<tr>
<td>FY 2002</td>
<td>396,000</td>
<td>21,937</td>
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<tr>
<td>FY 2003</td>
<td>530,930</td>
<td>27,345</td>
</tr>
<tr>
<td>FY 2004</td>
<td>100,000</td>
<td>4,937</td>
</tr>
<tr>
<td>FY 2005</td>
<td>2,179,934</td>
<td>106,200</td>
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<tr>
<td>FY 2006</td>
<td>1,346,000</td>
<td>62,012</td>
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<tr>
<td>FY 2007</td>
<td>2,584,000</td>
<td>136,980</td>
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<tr>
<td>FY 2009</td>
<td>2,215,126</td>
<td>132,908</td>
</tr>
<tr>
<td>FY 2010</td>
<td>4,662,430</td>
<td>243,702</td>
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<tr>
<td>FY 2011</td>
<td>13,115,500</td>
<td>786,930</td>
</tr>
<tr>
<td>FY 2013</td>
<td>445,320</td>
<td>23,379</td>
</tr>
<tr>
<td>FY 2014</td>
<td>3,475,344</td>
<td>182,456</td>
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<tr>
<td>FY 2016</td>
<td>473,924</td>
<td>24,881</td>
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<tr>
<td>FY 2017</td>
<td>1,303,000</td>
<td>32,575</td>
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</table>

### Total General Obligation Debt

<table>
<thead>
<tr>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
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</thead>
<tbody>
<tr>
<td>31,524,508</td>
<td>23,379</td>
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</table>

### Purchase Agreements

<table>
<thead>
<tr>
<th>Agreement Name</th>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
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</thead>
<tbody>
<tr>
<td>Johnson Controls/Suntrust</td>
<td>1,128,537</td>
<td>464,456</td>
</tr>
<tr>
<td>Johnson Controls/AAIG</td>
<td>4,577,564</td>
<td>1,028,981</td>
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</table>

### Total Purchase Agreements

<table>
<thead>
<tr>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,666,101</td>
<td>1,028,981</td>
</tr>
</tbody>
</table>

### Total Governmental Activities

<table>
<thead>
<tr>
<th>Amount Outstanding 06/30/17</th>
<th>Interest Payments 06/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$314,866,713</td>
<td>$11,214,950</td>
</tr>
</tbody>
</table>
### Business-Type Activities

#### General Obligation Bonds
- **Bureau of Utilities**
  - General Obligation Bonds - 2006: $1,251,737 $ - $725,869 $ 625,868 $ 47,722
  - General Obligation Bonds - 2007: $1,251,737 $ - $625,869 $ 625,868 $ 47,722
  - General Obligation Bonds - 2008: $1,199,712 $ - $725,869 $ 625,868 $ 47,722
  - General Obligation Bonds - 2009 Series A: $333,275 $ - $1,656 $ 1,656 $ 1,656
  - General Obligation Bonds - 2009 Series B: $1,072,240 $ - $1,656 $ 1,656 $ 1,656
  - General Obligation Bonds - 2010 Series A: $1,423 $ - $1,656 $ 1,656 $ 1,656
  - General Obligation Bonds - 2010 Series D: $1,199,712 $ - $1,656 $ 1,656 $ 1,656
  - General Obligation Refunding Bonds - Jan 2007: $131,326 $ - $131,326 $ 131,326 $ 131,326
  - General Obligation Refunding Bonds - 2008: $66,477 $ - $21,090 $ 45,387 $ 2,797
  - General Obligation Refunding Bonds - 2010 Series A: $5,245,814 $ - $1,072,240 $ 1,072,240 $ 55,397
  - General Obligation Refunding Bonds - 2010 Series D: $1,423 $ - $912 $ 511 $ 19
  - General Obligation Refunding Bonds - 2010 Series D: $11,753 $ - $912 $ 511 $ 19
  - General Obligation Refunding Bonds - 2011 Nov: $325,052 $ - $96,232 $ 228,820 $ 12,080
  - General Obligation Refunding Bonds - 2012 Nov: $198,550 $ - $17,380 $ 181,170 $ 8,139
  - General Obligation Refunding Bonds - 2014 Nov: $5,245,814 $ - $1,072,240 $ 1,072,240 $ 55,397
  - General Obligation Refunding Bonds - 2016 Nov: $18,716 $ - $3,342 $ 15,374 $ 704
  - General Obligation Refunding Bonds - 2016 Nov: $59,615 $ - $25,118 $ 34,497 $ 2,102
  - General Obligation Refunding Bonds - 2016 Nov: $63,819 $ - $25,118 $ 34,497 $ 2,102
  - General Obligation Refunding Bonds - 2016 Nov: $18,716 $ - $3,342 $ 15,374 $ 704
  - General Obligation Refunding Bonds - 2016 Nov: $59,615 $ - $25,118 $ 34,497 $ 2,102
  - General Obligation Refunding Bonds - 2016 Nov: $63,819 $ - $25,118 $ 34,497 $ 2,102

#### Solid Waste Fund
- General Obligation Bonds - Jan 2007: $131,326 $ - $131,326 $ 131,326 $ 131,326
- General Obligation Bonds - 2008: $66,477 $ - $21,090 $ 45,387 $ 2,797
- General Obligation Bonds - 2009 Series A: $4,238 $ - $990 $ 3,248 $ 150

#### Airport Fund
- General Obligation Bonds - 2001: $660,000 $ - $110,000 $ 110,000 $ 27,899
- General Obligation Refunding Bonds - 2007: $93,607 $ - $93,607 $ 93,607 $ 1,877
- General Obligation Refunding Bonds - 2010 Series A: $20,842 $ - $13,350 $ 7,492 $ 283
- General Obligation Refunding Bonds - 2010 Series D: $23,202 $ - $13,350 $ 7,492 $ 283
- General Obligation Refunding Bonds - Nov 2012: $18,716 $ - $13,350 $ 7,492 $ 283
- General Obligation Refunding Bonds - Nov 2014: $59,615 $ - $13,350 $ 7,492 $ 283
- General Obligation Refunding Bonds - Nov 2016: $63,819 $ - $13,350 $ 7,492 $ 283

#### Septage Fund
- General Obligation Bonds - 2006: $12,179 $ - $12,179 $ 12,179 $ 247

#### Notes Payable - Bureau of Utilities
- **Water Quality Loan - Maryland Department of the Environment - 2000**
  - General Obligation Refunding Bonds - Nov 2012: $158,748 $ - $30,141 $ 128,607 $ 5,842

#### Total Business-type Activities

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Amount Outstanding</th>
<th>New Debt Activity</th>
<th>Principal Payments</th>
<th>Amount Outstanding</th>
<th>Interest Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business-type Activities</td>
<td>$15,443,562</td>
<td>$211,715</td>
<td>$2,275,340</td>
<td>$13,379,937</td>
<td>$627,947</td>
</tr>
<tr>
<td>GOVERNMENTAL ACTIVITIES and BUSINESS TYPE ACTIVITIES</td>
<td>Length</td>
<td>Maturity</td>
<td>Rate (%)</td>
<td>Market Value</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>--------</td>
<td>----------</td>
<td>----------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>360</td>
<td>8-May-18</td>
<td>1.13</td>
<td>4,991,800</td>
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</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>720</td>
<td>24-May-19</td>
<td>1.45</td>
<td>5,000,300</td>
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<tr>
<td>Federal Home Loan Bank</td>
<td>720</td>
<td>23-Aug-18</td>
<td>1.13</td>
<td>4,988,900</td>
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</tr>
<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>720</td>
<td>27-Oct-17</td>
<td>0.80</td>
<td>4,996,050</td>
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<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>720</td>
<td>24-Aug-18</td>
<td>0.88</td>
<td>4,989,450</td>
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<td>Federal Home Loan Mortgage Corporation</td>
<td>720</td>
<td>28-Aug-18</td>
<td>1.03</td>
<td>4,972,450</td>
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<td>Federal Home Loan Mortgage Corporation</td>
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<td>13-Sep-18</td>
<td>1.10</td>
<td>4,980,900</td>
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<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>720</td>
<td>26-Oct-18</td>
<td>1.05</td>
<td>29,857,200</td>
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<tr>
<td>Treasury Bonds</td>
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<td>15-Nov-21</td>
<td>5.66</td>
<td>214,234</td>
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<td>Treasury Bonds</td>
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<td>15-Aug-21</td>
<td>5.69</td>
<td>142,597</td>
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<tr>
<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Aug-22</td>
<td>5.44</td>
<td>213,895</td>
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<tr>
<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Aug-22</td>
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<tr>
<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Aug-23</td>
<td>5.05</td>
<td>98,315</td>
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<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Nov-24</td>
<td>4.86</td>
<td>1,414,002</td>
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<tr>
<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Nov-24</td>
<td>4.73</td>
<td>522,987</td>
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<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Aug-25</td>
<td>4.75</td>
<td>1,218,440</td>
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<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Nov-26</td>
<td>4.93</td>
<td>1,754,148</td>
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<td>Treasury Bonds</td>
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<td>15-Feb-27</td>
<td>4.72</td>
<td>1,100,184</td>
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<tr>
<td>Treasury Bonds</td>
<td>20 yrs</td>
<td>15-Aug-29</td>
<td>4.36</td>
<td>2,346,216</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Nov-21</td>
<td>5.83</td>
<td>70,059</td>
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<td>15-Aug-21</td>
<td>5.92</td>
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<td>15-Aug-22</td>
<td>5.39</td>
<td>90,648</td>
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<td>Treasury Strips</td>
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<td>15-Aug-23</td>
<td>5.42</td>
<td>18,458</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Nov-24</td>
<td>5.12</td>
<td>460,212</td>
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<td>Treasury Strips</td>
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<td>15-Nov-25</td>
<td>4.76</td>
<td>168,075</td>
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<td>Treasury Strips</td>
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<td>15-Nov-25</td>
<td>4.60</td>
<td>197,306</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Nov-26</td>
<td>4.95</td>
<td>235,475</td>
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<td>Treasury Strips</td>
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<td>15-Feb-27</td>
<td>4.73</td>
<td>158,344</td>
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<td>Treasury Strips</td>
<td>8 yrs</td>
<td>15-May-24</td>
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<td>736,134</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-May-29</td>
<td>4.42</td>
<td>79,946</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Feb-30</td>
<td>4.76</td>
<td>942,337</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Feb-30</td>
<td>4.61</td>
<td>191,009</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Aug-29</td>
<td>4.55</td>
<td>562,038</td>
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<tr>
<td>Treasury Strips</td>
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<td>15-Nov-29</td>
<td>4.76</td>
<td>467,327</td>
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<tr>
<td>Treasury Strips</td>
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<td>15-May-30</td>
<td>4.11</td>
<td>1,366,582</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Aug-30</td>
<td>3.90</td>
<td>1,586,965</td>
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<td>Treasury Strips</td>
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<td>15-Nov-30</td>
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<td>1,902,637</td>
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<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-May-31</td>
<td>4.46</td>
<td>1,929,487</td>
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<tr>
<td>Treasury Strips</td>
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<td>15-May-31</td>
<td>4.33</td>
<td>2,455,711</td>
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<tr>
<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Nov-32</td>
<td>2.91</td>
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</tr>
<tr>
<td>Treasury Strips</td>
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<td>15-Nov-33</td>
<td>3.88</td>
<td>1,993,176</td>
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<tr>
<td>Treasury Strips</td>
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<td>15-Feb-34</td>
<td>3.69</td>
<td>238,373</td>
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<tr>
<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Nov-35</td>
<td>2.90</td>
<td>285,484</td>
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<tr>
<td>Treasury Strips</td>
<td>20 yrs</td>
<td>15-Aug-36</td>
<td>2.44</td>
<td>766,633</td>
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</tr>
<tr>
<td>State and Local Government Series</td>
<td>15 yrs</td>
<td>15-May-24</td>
<td>---</td>
<td>51,000</td>
<td></td>
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<tr>
<td>Maryland Local Government Investment Pool</td>
<td>---</td>
<td>---</td>
<td>0.95</td>
<td>64,776,529</td>
<td></td>
</tr>
<tr>
<td>Branch Banking &amp; Trust-Money Rate Savings</td>
<td>---</td>
<td>---</td>
<td>0.35</td>
<td>10,002,239</td>
<td>$ 166,344,803</td>
</tr>
</tbody>
</table>

**TRUST FUNDS**

| Pension                                              |                             | 76,917,502 |
| Other postemployment benefits (OPEB)                 |                             | 2,867,862  |
| Maryland Local Government Investment Pool-OPEB      |                             | 77,490,897 |
| Wilmington Trust Master OPEB Investment Trust        |                             | 8,469,609  |
| LOSAP                                                |                             | 12,492,154 | 178,238,024 |
| Law Officer's Pension                                |                             | 344,582,827 |
| Wilmington Trust Law Officer's Pension Account       |                             | 114,582,827 |

**TOTAL**
The County Commissioners of Carroll County
Westminster, Maryland

Capital Assets Used in the Operation of Governmental Funds
Schedule By Source (1)
June 30, 2017

Governmental funds capital assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$35,889,680</td>
</tr>
<tr>
<td>Buildings and contents</td>
<td>211,871,494</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>82,158,920</td>
</tr>
<tr>
<td>Automobiles, machinery and equipment</td>
<td>48,961,952</td>
</tr>
<tr>
<td>Roads and bridges</td>
<td>575,108,561</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>10,184,255</td>
</tr>
<tr>
<td><strong>Total governmental funds capital assets</strong></td>
<td><strong>$964,174,862</strong></td>
</tr>
</tbody>
</table>

Investments in governmental funds capital assets by source:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund revenues</td>
<td>$534,362,100</td>
</tr>
<tr>
<td>Special revenue funds</td>
<td>836,729</td>
</tr>
<tr>
<td>State grants</td>
<td>72,156,077</td>
</tr>
<tr>
<td>Federal grants</td>
<td>22,619,513</td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>166,331,819</td>
</tr>
<tr>
<td>Contributions</td>
<td>167,868,624</td>
</tr>
<tr>
<td><strong>Total investments in governmental funds capital assets by source</strong></td>
<td><strong>$964,174,862</strong></td>
</tr>
</tbody>
</table>

(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.
<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings and Contents</th>
<th>Improvements Other Than Buildings</th>
<th>Automobiles, Machinery and Equipment</th>
<th>Roads and Bridges</th>
<th>Construction in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General government</strong></td>
<td>$ 19,853,439</td>
<td>$ 184,804,279</td>
<td>$ 24,102,746</td>
<td>$ 13,937,986</td>
<td>$</td>
<td>$</td>
<td>$ 242,698,450</td>
</tr>
<tr>
<td><strong>Public safety</strong></td>
<td>1,773,156</td>
<td>19,372,698</td>
<td>29,073,082</td>
<td>17,349,823</td>
<td>$</td>
<td>$</td>
<td>67,568,759</td>
</tr>
<tr>
<td><strong>Public works</strong></td>
<td>3,186,323</td>
<td>770,185</td>
<td></td>
<td>14,725,432</td>
<td>568,191,322</td>
<td>$</td>
<td>586,873,262</td>
</tr>
<tr>
<td><strong>Judicial</strong></td>
<td>-</td>
<td>211,861</td>
<td>773,772</td>
<td>751,301</td>
<td>$</td>
<td>$</td>
<td>1,736,934</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>43,709</td>
<td>16,844</td>
<td>98,569</td>
<td>87,286</td>
<td>$</td>
<td>$</td>
<td>246,408</td>
</tr>
<tr>
<td><strong>Human Services</strong></td>
<td>-</td>
<td>-</td>
<td>24,195</td>
<td>16,100</td>
<td>$</td>
<td>$</td>
<td>140,295</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43,412</td>
<td>$</td>
<td>$</td>
<td>43,412</td>
</tr>
<tr>
<td><strong>Culture and recreation</strong></td>
<td>3,827,148</td>
<td>4,000,555</td>
<td>15,764,767</td>
<td>1,771,150</td>
<td>$</td>
<td>$</td>
<td>25,363,620</td>
</tr>
<tr>
<td><strong>Conservation and natural resources</strong></td>
<td>7,205,905</td>
<td>-</td>
<td>8,828,745</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>16,034,650</td>
</tr>
<tr>
<td><strong>Economic development</strong></td>
<td>-</td>
<td>2,695,072</td>
<td>3,493,044</td>
<td>179,462</td>
<td>6,917,239</td>
<td>$</td>
<td>13,284,817</td>
</tr>
<tr>
<td><strong>Construction in progress</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,184,255</td>
<td>10,184,255</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>35,889,680</td>
<td>211,871,494</td>
<td>82,158,920</td>
<td>48,961,953</td>
<td>575,108,561</td>
<td>10,184,255</td>
<td>964,174,862</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td>-</td>
<td>(73,442,857)</td>
<td>(32,508,154)</td>
<td>(34,837,577)</td>
<td>(431,137,557)</td>
<td>(571,926,145)</td>
<td></td>
</tr>
<tr>
<td><strong>Net governmental funds capital assets</strong></td>
<td>$ 35,889,680</td>
<td>$ 138,428,637</td>
<td>$ 49,650,766</td>
<td>$ 14,124,375</td>
<td>$ 143,971,004</td>
<td>$ 10,184,255</td>
<td>$ 392,248,717</td>
</tr>
</tbody>
</table>

Source: Carroll County Department of the Comptroller
## Schedule 9-3

**Governmental Funds**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule of Changes By Function**

**For the Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Capital Assets July 1, 2016</th>
<th>Additions</th>
<th>Net of Transfers and Retirements</th>
<th>Capital Assets June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$216,156,035</td>
<td>$23,894,603</td>
<td>$2,647,812</td>
<td>$242,698,450</td>
</tr>
<tr>
<td>Public safety</td>
<td>66,815,710</td>
<td>362,807</td>
<td>390,242</td>
<td>67,568,759</td>
</tr>
<tr>
<td>Public works</td>
<td>583,790,420</td>
<td>3,831,725</td>
<td>(748,883)</td>
<td>586,873,262</td>
</tr>
<tr>
<td>Judicial</td>
<td>642,724</td>
<td>300,748</td>
<td>793,462</td>
<td>1,736,934</td>
</tr>
<tr>
<td>Health</td>
<td>147,839</td>
<td>-</td>
<td>98,569</td>
<td>246,408</td>
</tr>
<tr>
<td>Human Services</td>
<td>84,270</td>
<td>31,830</td>
<td>24,195</td>
<td>140,295</td>
</tr>
<tr>
<td>Education</td>
<td>43,412</td>
<td>-</td>
<td>-</td>
<td>43,412</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>24,869,257</td>
<td>347,961</td>
<td>146,402</td>
<td>25,363,620</td>
</tr>
<tr>
<td>Conservation and natural resources</td>
<td>14,823,277</td>
<td>201,568</td>
<td>1,009,805</td>
<td>16,034,650</td>
</tr>
<tr>
<td>Economic development</td>
<td>13,264,317</td>
<td>20,500</td>
<td>-</td>
<td>13,284,817</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>9,727,788</td>
<td>6,434,264</td>
<td>(5,977,797)</td>
<td>10,184,255</td>
</tr>
</tbody>
</table>

**Net governmental funds capital assets**

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Capital Assets July 1, 2016</th>
<th>Additions</th>
<th>Net of Transfers and Retirements</th>
<th>Capital Assets June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>930,365,049</td>
<td>35,426,006</td>
<td>(1,616,193)</td>
<td>964,174,862</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(543,954,143)</td>
<td>(29,471,538)</td>
<td>1,499,536</td>
<td>(571,926,145)</td>
</tr>
<tr>
<td>Net governmental funds capital assets</td>
<td>$386,410,906</td>
<td>$5,954,468</td>
<td>$(116,657)</td>
<td>$392,248,717</td>
</tr>
</tbody>
</table>
The oldest standing college building in Carroll County today. No longer used as a college.
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**

- **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. ................................................................. 216-223

- **Revenue Capacity**
  These tables contain information to help the reader assess the County’s most significant local revenue sources and property tax......................... 224-226

- **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. ......................... 227-230

- **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. .................................................................................. 231-232

- **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. ............................................................................................... 233-242

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.
### Governmental Activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Investment in Capital Assets</th>
<th>Restricted</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$219,328,550</td>
<td>7,570,022</td>
<td>(37,546,612)</td>
</tr>
<tr>
<td>2016</td>
<td>$204,983,963</td>
<td>8,145,020</td>
<td>(36,637,182)</td>
</tr>
<tr>
<td>2015</td>
<td>$218,185,521</td>
<td>1,765,563</td>
<td>(54,174,614)</td>
</tr>
<tr>
<td>2014</td>
<td>$204,437,083</td>
<td>7,792,322</td>
<td>(44,518,647)</td>
</tr>
<tr>
<td>2013</td>
<td>$211,465,620</td>
<td>8,354,576</td>
<td>(50,148,292)</td>
</tr>
<tr>
<td>2012</td>
<td>$215,928,941</td>
<td>6,438,836</td>
<td>(45,963,471)</td>
</tr>
<tr>
<td>2011</td>
<td>$224,468,499</td>
<td>6,438,332</td>
<td>(51,077,932)</td>
</tr>
<tr>
<td>2010</td>
<td>$249,331,687</td>
<td>7,402,357</td>
<td>(45,926,141)</td>
</tr>
<tr>
<td>2009</td>
<td>$269,641,878</td>
<td>8,561,570</td>
<td>(7,378,808)</td>
</tr>
<tr>
<td>2008</td>
<td>$255,882,342</td>
<td>13,278,406</td>
<td>84,677,964</td>
</tr>
</tbody>
</table>

**Total:** 189,351,960

### Business-Type Activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Investment in Capital Assets</th>
<th>Restricted</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$120,456,503</td>
<td>22,964,201</td>
<td>(16,635,238)</td>
</tr>
<tr>
<td>2016</td>
<td>$116,560,509</td>
<td>20,607,431</td>
<td>(11,089,051)</td>
</tr>
<tr>
<td>2015</td>
<td>$111,957,714</td>
<td>25,663,794</td>
<td>(12,222,927)</td>
</tr>
<tr>
<td>2014</td>
<td>$102,696,222</td>
<td>22,938,152</td>
<td>(4,118,863)</td>
</tr>
<tr>
<td>2013</td>
<td>$103,109,748</td>
<td>17,019,197</td>
<td>(3,535,427)</td>
</tr>
<tr>
<td>2012</td>
<td>$102,058,828</td>
<td>12,503,774</td>
<td>5,063,524</td>
</tr>
<tr>
<td>2011</td>
<td>$104,568,783</td>
<td>370,116</td>
<td>4,257,842</td>
</tr>
<tr>
<td>2010</td>
<td>$93,558,513</td>
<td>1,308,820</td>
<td>(5,246,129)</td>
</tr>
<tr>
<td>2009</td>
<td>$95,654,846</td>
<td>9,435,295</td>
<td>6,594,607</td>
</tr>
<tr>
<td>2008</td>
<td>$82,575,108</td>
<td>6,788,158</td>
<td>6,594,607</td>
</tr>
</tbody>
</table>

**Total:** 126,785,466

### Primary Government

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Investment in Capital Assets</th>
<th>Restricted</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$339,785,053</td>
<td>30,534,223</td>
<td>(54,181,850)</td>
</tr>
<tr>
<td>2016</td>
<td>$321,544,472</td>
<td>28,752,451</td>
<td>(47,726,233)</td>
</tr>
<tr>
<td>2015</td>
<td>$330,143,235</td>
<td>27,429,357</td>
<td>(66,397,541)</td>
</tr>
<tr>
<td>2014</td>
<td>$307,133,305</td>
<td>30,730,474</td>
<td>(42,919,564)</td>
</tr>
<tr>
<td>2013</td>
<td>$314,575,368</td>
<td>25,373,773</td>
<td>(54,267,155)</td>
</tr>
<tr>
<td>2012</td>
<td>$318,134,769</td>
<td>18,942,610</td>
<td>(49,498,898)</td>
</tr>
<tr>
<td>2011</td>
<td>$329,037,282</td>
<td>6,808,448</td>
<td>(46,014,408)</td>
</tr>
<tr>
<td>2010</td>
<td>$342,890,200</td>
<td>8,711,177</td>
<td>(41,668,299)</td>
</tr>
<tr>
<td>2009</td>
<td>$365,296,724</td>
<td>17,996,865</td>
<td>(12,624,937)</td>
</tr>
<tr>
<td>2008</td>
<td>$338,457,450</td>
<td>20,066,564</td>
<td>91,272,571</td>
</tr>
</tbody>
</table>

**Total:** 316,137,426

**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.**
**Fiscal year 2015 was restated to reflect a correction to unrestricted net position.**

**Source:** Carroll County Department of the Comptroller.
Table 2
THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
2016

2015

2014

2013

2012

2011

2010

2009

2008

$ 42,244,881
51,691,641
33,927,901
4,654,075
14,679,925
201,927,058
6,298,819
14,808,509
10,167,939
3,851,580
8,455,090
10,996,087
403,703,505

$ 41,378,683
45,677,379
31,583,099
4,400,381
14,032,995
196,452,853
4,992,787
14,452,299
12,140,369
4,234,039
8,670,838
12,894,133
390,909,855

$ 49,409,874
43,979,786
38,511,223
4,280,644
6,875,694
191,534,142
4,637,178
14,145,909
8,936,174
4,822,656
7,283,903
11,851,872
386,269,055

$ 57,641,753
42,220,945
35,383,930
4,504,233
1,234,170
192,529,402
2,617,282
13,909,531
11,395,342
6,723,025
6,222,691
12,506,841
386,889,145

$ 74,177,030
36,029,829
29,857,345
4,546,895
1,208,120
192,972,220
3,208,030
13,150,071
5,116,229
4,572,817
12,347,384
377,185,970

$ 75,568,819
37,356,463
28,764,355
4,666,495
1,204,489
186,244,744
3,418,694
11,540,245
4,701,163
2,239,352
13,401,465
369,106,284

$ 89,394,541
37,244,642
29,582,890
4,939,762
1,249,949
185,038,583
3,257,483
11,277,792
20,163,969
5,370,598
12,522,525
400,042,734

$ 79,073,880
37,798,060
33,974,607
4,963,980
1,418,139
209,838,466
4,143,870
9,971,261
14,288,096
6,018,687
12,553,680
414,042,726

$ 74,296,486
38,658,117
30,238,005
4,868,271
1,346,366
219,824,282
2,606,230
7,740,076
29,125,383
5,988,296
10,282,801
424,974,313

$ 70,411,246
35,583,985
30,496,143
4,454,550
1,228,095
188,609,030
2,596,212
9,269,078
17,487,058
4,715,075
8,963,131
373,813,603

Business-Type Activities:
Bureau of Utilities
Solid Waste
Airport
Septage
Firearms
Fiber Network
Total Business-Type Activities Expenses
Total Primary Government Expenses

11,588,148
8,784,687
861,147
594,277
128,986
1,321,618
23,278,863
$ 426,982,368

11,600,209
9,996,571
823,047
629,136
113,399
1,116,618
24,278,980
$ 415,188,835

11,046,657
9,550,820
733,816
604,130
106,373
1,230,506
23,272,302
$ 409,541,357

11,328,410
6,319,530
800,811
536,068
100,324
673,718
19,758,861
$ 406,648,006

10,801,048
12,108,283
689,380
489,064
97,706
733,785
24,919,266
$ 402,105,236

11,090,468
8,727,891
1,769,112
532,369
92,935
540,436
22,753,211
$ 391,859,495

11,890,461
8,830,209
618,045
475,718
79,627
215,017
22,109,077
$ 422,151,811

10,489,645
8,961,015
829,611
474,195
76,281
20,830,747
$ 434,873,473

8,169,257
7,487,843
777,692
388,398
77,475
16,900,665
$ 441,874,978

10,056,546
7,648,918
3,097,618
395,824
74,497
21,273,403
$ 395,087,006

11,742,589
1,918,271
1,306,602
3,284
84,722
2,072,530
128,111
21,016,535
6,005,593
44,278,237

11,743,274
2,665,141
3,491,642
5,391
79,675
1,867,103
86,209
14,740,101
5,339,545
40,018,081

17,670,046
1,950,898
216,246
6,684
86,275
1,621,589
41,587
16,502,681
7,396,017
45,492,023

14,450,607
1,836,510
1,781,862
55,405
6,600
257,816
832,906
525,158
16,136,623
8,372,841
44,256,328

14,820,757
1,891,508
1,559,051
58,946
6,600
480,685
928,603
16,116,178
3,282,495
39,144,823

7,466,568
2,048,892
1,588,668
124,065
6,600
487,464
1,008,187
16,372,579
6,177,426
35,280,449

8,361,578
2,305,294
1,560,090
44,320
6,600
457,698
875,200
17,944,093
10,461,443
42,016,316

7,579,919
2,544,149
1,530,974
12,190
284,014
393,951
860,865
16,201,809
17,297,018
46,704,889

7,483,309
2,938,203
1,520,812
15,541
367,238
425,150
772,204
14,075,463
3,212,403
30,810,323

10,755,039
3,294,542
1,672,368
12,492
367,238
409,266
818,931
13,824,732
6,797,218
37,951,826

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2017
Expenses
Governmental Activities:
General government
Public safety
Public works
Health
Human services
Education
Culture and recreation
Libraries
Conservation of natural resources
Economic development
Judicial
Interest on long-term debt
Total Governmental Activities Expenses

Program Revenues
Governmental Activities:
Charges for Services:
General government
Public safety
Public works
Health
Human Services
Education
Culture and recreation
Conservation of natural resources
Economic development
Operating Grants and Contributions
Capital Grants and Contributions
Total Governmental Activities Program Revenues


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business-Type Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureau of Utilities</td>
<td>10,578,433</td>
<td>10,233,000</td>
<td>8,906,129</td>
<td>8,490,173</td>
<td>8,630,730</td>
<td>8,743,041</td>
<td>7,519,559</td>
<td>7,668,003</td>
<td>7,344,470</td>
<td>6,281,659</td>
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<tr>
<td>Solid Waste</td>
<td>7,056,454</td>
<td>6,637,638</td>
<td>6,801,739</td>
<td>7,243,944</td>
<td>7,307,108</td>
<td>5,907,344</td>
<td>6,534,243</td>
<td>6,626,896</td>
<td>6,609,679</td>
<td>6,461,528</td>
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<tr>
<td>Airport</td>
<td>792,059</td>
<td>727,987</td>
<td>649,572</td>
<td>650,660</td>
<td>675,683</td>
<td>518,581</td>
<td>671,258</td>
<td>2,222,010</td>
<td>1,840,449</td>
<td>2,041,458</td>
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<tr>
<td>Sewage</td>
<td>913,330</td>
<td>946,123</td>
<td>710,536</td>
<td>682,663</td>
<td>608,088</td>
<td>603,550</td>
<td>449,263</td>
<td>387,636</td>
<td>536,845</td>
<td>482,599</td>
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<tr>
<td>Fiber Network</td>
<td>212,142</td>
<td>37,558</td>
<td>7,619,387</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>1,972,099</td>
<td>1,970,091</td>
<td>2,933,307</td>
<td>2,012,594</td>
<td>2,073,793</td>
<td>1,908,142</td>
<td>1,963,862</td>
<td>2,520,888</td>
<td>2,079,422</td>
<td>1,562,378</td>
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<tr>
<td>Total Business-Type Activities Program Revenues</td>
<td>21,682,147</td>
<td>20,706,084</td>
<td>27,768,776</td>
<td>19,255,733</td>
<td>19,422,698</td>
<td>16,892,642</td>
<td>17,242,898</td>
<td>19,480,553</td>
<td>19,535,062</td>
<td>16,909,271</td>
</tr>
<tr>
<td>Total Primary Government Program Revenues</td>
<td>65,960,384</td>
<td>60,724,165</td>
<td>73,260,799</td>
<td>63,482,061</td>
<td>58,567,321</td>
<td>52,173,091</td>
<td>59,259,214</td>
<td>66,185,442</td>
<td>50,345,385</td>
<td>45,861,097</td>
</tr>
<tr>
<td>Net (Expense)/Revenue</td>
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</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td>(1,596,716)</td>
<td>(1,572,896)</td>
<td>4,496,474</td>
<td>(533,128)</td>
<td>(5,496,568)</td>
<td>(5,860,569)</td>
<td>(4,866,179)</td>
<td>(1,350,194)</td>
<td>2,634,397</td>
<td>(4,364,132)</td>
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<td><strong>General Revenues and Other Changes in Net Assets</strong></td>
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<td><strong>Governmental Activities</strong></td>
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<td><strong>Business-Type Activities</strong></td>
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<td><strong>Total General Revenues</strong></td>
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<td><strong>Net (Expense)/Revenue</strong></td>
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<td><strong>Total Revenues</strong></td>
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<td><strong>Net (Expense)/Revenue</strong></td>
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<td><strong>Total Revenues</strong></td>
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<tr>
<td><strong>Net (Expense)/Revenue</strong></td>
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<td><strong>Total Revenues</strong></td>
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</tr>
</tbody>
</table>

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.
Fiscal year 2015 was restated to reflect a correction to net position.
Source: Carroll County Department of the Comptroller.
## Table 3

### THE COUNTY COMMISSIONERS OF CARROLL COUNTY

**Westminster, Maryland**

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund (1)</strong></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Nonspendable</td>
<td>$27,548,663</td>
<td>$26,668,918</td>
<td>$29,004,124</td>
<td>$29,209,160</td>
<td>$29,140,848</td>
<td>$27,853,715</td>
<td>$30,774,746</td>
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<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>29,656,499</td>
<td>30,926,309</td>
<td>27,423,603</td>
<td>26,052,436</td>
<td>23,584,205</td>
<td>25,272,233</td>
<td>18,998,082</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committed</td>
<td>21,402,103</td>
<td>20,820,350</td>
<td>20,398,120</td>
<td>19,825,000</td>
<td>19,765,000</td>
<td>19,777,263</td>
<td>20,165,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned</td>
<td>14,529,685</td>
<td>10,840,140</td>
<td>7,628,502</td>
<td>6,922,173</td>
<td>16,132,542</td>
<td>14,827,375</td>
<td>16,809,577</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unassigned</td>
<td>11,520,293</td>
<td>11,836,434</td>
<td>10,913,316</td>
<td>10,444,469</td>
<td>10,847,508</td>
<td>10,677,023</td>
<td>9,630,595</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
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</tr>
</tbody>
</table>

| **Capital Projects Fund** |          |          |          |          |          |          |          |          |          |          |
| Restricted             | 5,708,337 | 7,518,934 | 292,775  |          |          |          |          |          |          |          |
| Assigned               | 17,903,635 | 24,235,426 | 29,083,530 | 36,834,193 | 40,629,996 | 37,134,531 | 33,780,969 |          |          |          |
| **Total Capital Projects Fund** | 23,611,972 | 31,754,360 | 29,376,305 | 36,834,193 | 40,629,996 | 37,134,531 | 33,780,969 |          |          |          |

| **Non-Major Governmental Funds: (1)** |          |          |          |          |          |          |          |          |          |          |
| Special Revenues Fund |          |          |          |          |          |          |          |          |          |          |
| Nonspendable          |          |          |          |          |          |          |          |          |          |          |
| Restricted            |          |          |          |          |          |          |          |          |          |          |
| Committed             |          |          |          |          |          |          |          |          |          |          |
| Assigned              |          |          |          |          |          |          |          |          |          |          |
| Unassigned            |          |          |          |          |          |          |          |          |          |          |
| **Total Special Revenues Fund** |          |          |          |          |          |          |          |          |          |          |

| **Total Governmental Funds** | $140,637,699 | $146,497,673 | $136,787,614 | $144,028,556 | $147,952,876 | $148,950,376 | $134,755,415 |          |          |          |

Unassigned General Fund Balance as a Percentage of General Fund Expenditures:

- 3.8%
- 2.9%
- 2.5%
- 2.4%
- 5.2%
- 4.8%
- 5.5%

### 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 balance must be used. Part of what would have gone to unassigned is now assigned for future fiscal years. FY 2015 was restated to reflect corrections in fund balances.
# Local Tax Revenues by Source, Governmental Funds

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Property Taxes</th>
<th>Income Tax</th>
<th>Recodartion Tax</th>
<th>Amusement Tax</th>
<th>911 Service Fees-Tax</th>
<th>Other Tax</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$174,354,873</td>
<td>$117,976,994</td>
<td>$14,948,705</td>
<td>$386,186</td>
<td>$1,240,906</td>
<td>$1,757,335</td>
<td>$310,664,999</td>
</tr>
<tr>
<td>2009</td>
<td>189,079,529</td>
<td>112,763,102</td>
<td>9,220,249</td>
<td>335,125</td>
<td>1,196,731</td>
<td>1,797,810</td>
<td>314,392,546</td>
</tr>
<tr>
<td>2010</td>
<td>201,526,399</td>
<td>108,140,073</td>
<td>9,154,578</td>
<td>246,184</td>
<td>1,163,737</td>
<td>1,478,009</td>
<td>321,708,980</td>
</tr>
<tr>
<td>2011</td>
<td>208,296,512</td>
<td>116,171,871</td>
<td>7,612,907</td>
<td>379,990</td>
<td>1,039,337</td>
<td>1,172,805</td>
<td>334,673,422</td>
</tr>
<tr>
<td>2012</td>
<td>203,601,066</td>
<td>127,249,915</td>
<td>8,520,674</td>
<td>296,890</td>
<td>1,037,075</td>
<td>1,718,042</td>
<td>342,423,662</td>
</tr>
<tr>
<td>2013</td>
<td>197,727,477</td>
<td>127,555,768</td>
<td>10,021,395</td>
<td>288,173</td>
<td>1,028,501</td>
<td>1,751,744</td>
<td>338,373,058</td>
</tr>
<tr>
<td>2014</td>
<td>195,528,915</td>
<td>131,659,596</td>
<td>10,576,850</td>
<td>262,098</td>
<td>1,039,244</td>
<td>2,065,786</td>
<td>341,132,489</td>
</tr>
<tr>
<td>2015</td>
<td>194,029,688</td>
<td>139,356,969</td>
<td>11,888,637</td>
<td>353,937</td>
<td>1,089,823</td>
<td>1,912,584</td>
<td>348,631,638</td>
</tr>
<tr>
<td>2016</td>
<td>199,281,166</td>
<td>148,005,117</td>
<td>14,093,918</td>
<td>387,725</td>
<td>1,092,094</td>
<td>676,830</td>
<td>363,536,850</td>
</tr>
<tr>
<td>2017</td>
<td>201,438,220</td>
<td>150,118,290</td>
<td>14,241,331</td>
<td>351,742</td>
<td>1,087,610</td>
<td>743,637</td>
<td>367,980,830</td>
</tr>
</tbody>
</table>

**Change**

- **2008-2017**: 15.5%  27.2%  -4.7%  -8.9%  -12.4%  -57.7%  18.4%

---

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.
## Revenues

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes-State</td>
<td>-</td>
<td>-</td>
<td>184,605</td>
<td>206,711</td>
<td>295,755</td>
<td>1,575,933</td>
<td>1,146,592</td>
<td>1,304,575</td>
<td>869,547</td>
<td>1,350,460</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>3,246,094</td>
<td>3,033,852</td>
<td>1,600,930</td>
<td>1,475,869</td>
<td>1,516,884</td>
<td>1,382,219</td>
<td>1,364,820</td>
<td>1,310,176</td>
<td>1,288,525</td>
<td>1,666,970</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>23,652,734</td>
<td>19,316,866</td>
<td>20,290,637</td>
<td>22,898,130</td>
<td>18,978,536</td>
<td>15,316,915</td>
<td>26,455,936</td>
<td>30,841,686</td>
<td>15,042,612</td>
<td>16,773,453</td>
</tr>
<tr>
<td>Charges for services</td>
<td>4,441,836</td>
<td>4,167,021</td>
<td>4,445,797</td>
<td>4,576,701</td>
<td>4,732,420</td>
<td>4,810,478</td>
<td>4,981,149</td>
<td>5,008,757</td>
<td>5,239,049</td>
<td>5,788,013</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>71,866</td>
<td>78,600</td>
<td>99,840</td>
<td>92,532</td>
<td>95,487</td>
<td>92,353</td>
<td>101,128</td>
<td>86,168</td>
<td>90,840</td>
<td>100,600</td>
</tr>
<tr>
<td>Interest and gain on</td>
<td>(553,815)</td>
<td>4,597,299</td>
<td>2,477,109</td>
<td>2,225,527</td>
<td>(229,835)</td>
<td>6,800,763</td>
<td>2,244,055</td>
<td>2,989,913</td>
<td>5,463,426</td>
<td>10,537,502</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>8,671,776</td>
<td>9,383,285</td>
<td>9,680,585</td>
<td>10,054,257</td>
<td>5,840,925</td>
<td>3,758,082</td>
<td>3,240,099</td>
<td>4,396,040</td>
<td>3,349,723</td>
<td>4,101,008</td>
</tr>
</tbody>
</table>

## Expenditures

### Current:

- General government: $36,360,819
- Public safety: $47,902,706
- Public works: $19,112,586
- Health: $4,645,058
- Human services: $14,707,376
- Education: $198,300,740
- Library: $14,249,443
- Culture and recreation: $4,537,070
- Conservation of natural resources: $2,283,698
- Economic development: $3,628,423
- Judicial: $8,593,930
- Capital outlay: $30,421,723
- **Total expenditures:** $427,089,698

### Over (under) expenditures:

- Excess (deficiency) of revenues: $19,378,375
- **Total expenditures:** $446,468,073

## Other Financing Sources (Uses)

- Transfers in: $16,676,294
- Transfers out: $(19,491,898)
- Refunding bonds issued: $6,138,284
- Redemption of bonds: $(6,524,948)
- Bonds issued: $14,000,000
- Bonds premium: $1,302,370
- Issuance of debt-long term notes: $1,303,000
- **Total other financing sources:** $13,403,102

## Net change in fund balances:

- Noncapital Expenditures: $10.3%
- **Net change in fund balances:** $(5,975,273)

### Debt Service as a percentage of:

- Noncapital Expenditures: 10.3%
### THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Assessed Value</th>
<th>Estimated Market Value</th>
<th>Direct Tax Rate</th>
<th>Assessed Value</th>
<th>Estimated Market Value</th>
<th>Direct Tax Rate</th>
<th>Total</th>
<th>Direct Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$17,292,769,748</td>
<td>$17,292,769,748</td>
<td>1.048%</td>
<td>$11,266,340</td>
<td>$267,238,630</td>
<td>$277,840,350</td>
<td>$556,345,320</td>
<td>2.620%</td>
</tr>
<tr>
<td>2009</td>
<td>19,863,606,197</td>
<td>19,863,606,197</td>
<td>1.048</td>
<td>11,958,790</td>
<td>273,972,690</td>
<td>271,526,820</td>
<td>557,458,300</td>
<td>2.620</td>
</tr>
<tr>
<td>2010</td>
<td>21,523,794,240</td>
<td>21,523,794,240</td>
<td>1.048</td>
<td>11,285,650</td>
<td>276,475,340</td>
<td>266,070,820</td>
<td>553,831,810</td>
<td>2.620</td>
</tr>
<tr>
<td>2012</td>
<td>19,164,115,652</td>
<td>19,164,115,652</td>
<td>1.028</td>
<td>10,201,300</td>
<td>388,879,330</td>
<td>266,415,290</td>
<td>665,495,920</td>
<td>2.570</td>
</tr>
<tr>
<td>2013</td>
<td>18,276,387,823</td>
<td>18,276,387,823</td>
<td>1.018</td>
<td>10,738,930</td>
<td>253,571,870</td>
<td>268,124,550</td>
<td>532,435,350</td>
<td>2.545</td>
</tr>
<tr>
<td>2014</td>
<td>18,023,463,105</td>
<td>18,023,463,105</td>
<td>1.018</td>
<td>10,646,050</td>
<td>248,768,830</td>
<td>266,503,440</td>
<td>525,918,320</td>
<td>2.515</td>
</tr>
<tr>
<td>2015</td>
<td>17,942,543,249</td>
<td>17,942,543,249</td>
<td>1.018</td>
<td>10,629,226</td>
<td>268,730,010</td>
<td>273,646,180</td>
<td>553,005,416</td>
<td>2.515</td>
</tr>
<tr>
<td>2016</td>
<td>18,171,558,916</td>
<td>18,171,558,916</td>
<td>1.018</td>
<td>13,124,970</td>
<td>268,899,780</td>
<td>279,437,200</td>
<td>561,461,950</td>
<td>2.515</td>
</tr>
<tr>
<td>2017</td>
<td>18,502,136,221</td>
<td>18,502,136,221</td>
<td>1.018</td>
<td>15,349,500</td>
<td>292,491,830</td>
<td>288,632,150</td>
<td>596,473,480</td>
<td>2.515</td>
</tr>
</tbody>
</table>

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.
### Table 7

**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**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Direct Rate</th>
<th>Overlapping Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carroll County</td>
<td>State of Maryland</td>
</tr>
<tr>
<td>2008</td>
<td>$1.048</td>
<td>$0.112</td>
</tr>
<tr>
<td>2009</td>
<td>1.048</td>
<td>0.112</td>
</tr>
<tr>
<td>2010</td>
<td>1.048</td>
<td>0.112</td>
</tr>
<tr>
<td>2011</td>
<td>1.048</td>
<td>0.112</td>
</tr>
<tr>
<td>2012</td>
<td>1.028</td>
<td>0.112</td>
</tr>
<tr>
<td>2013</td>
<td>1.018</td>
<td>0.112</td>
</tr>
<tr>
<td>2014</td>
<td>1.018</td>
<td>0.112</td>
</tr>
<tr>
<td>2015</td>
<td>1.018</td>
<td>0.112</td>
</tr>
<tr>
<td>2016</td>
<td>1.018</td>
<td>0.112</td>
</tr>
<tr>
<td>2017</td>
<td>1.018</td>
<td>0.112</td>
</tr>
</tbody>
</table>

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
**Principal Taxpayers**

**Current Fiscal Year and Nine Years Ago**

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Type of Business</th>
<th>Assessed Valuation</th>
<th>Tax Amount Paid</th>
<th>% of Total Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltimore Gas &amp; Electric</td>
<td>Utilities</td>
<td>$195,821,590</td>
<td>$4,921,173</td>
<td>1.03%</td>
</tr>
<tr>
<td>Colonial Pipeline</td>
<td>Pipeline trans.-refined petroleum</td>
<td>$28,022,050</td>
<td>704,755</td>
<td>0.15%</td>
</tr>
<tr>
<td>Verizon-Maryland</td>
<td>Communications</td>
<td>$25,864,640</td>
<td>650,496</td>
<td>0.14%</td>
</tr>
<tr>
<td>Comcast of California</td>
<td>Communications</td>
<td>$22,066,620</td>
<td>554,975</td>
<td>0.12%</td>
</tr>
<tr>
<td>Penguin Random House Inc.</td>
<td>Warehouse Distribution</td>
<td>$38,326,843</td>
<td>538,385</td>
<td>0.20%</td>
</tr>
<tr>
<td>Potomac Edison Company</td>
<td>Utilities</td>
<td>$17,883,460</td>
<td>449,769</td>
<td>0.09%</td>
</tr>
<tr>
<td>Carroll Lutheran Village</td>
<td>Retirement Village</td>
<td>$41,770,233</td>
<td>425,221</td>
<td>0.22%</td>
</tr>
<tr>
<td>Lehigh Portland Cement</td>
<td>Manufacturer</td>
<td>$31,647,272</td>
<td>424,418</td>
<td>0.17%</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Retail</td>
<td>$23,744,077</td>
<td>362,323</td>
<td>0.12%</td>
</tr>
<tr>
<td>Stag Hampstead</td>
<td>Warehouse Distribution</td>
<td>$33,835,600</td>
<td>344,446</td>
<td>0.18%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$458,982,385</td>
<td>$9,375,961</td>
<td>2.42%</td>
</tr>
<tr>
<td>Total Assessed Valuation</td>
<td>$19,098,609,701</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Type of Business</th>
<th>Assessed Valuation</th>
<th>Tax Amount Paid</th>
<th>% of Total Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltimore Gas &amp; Electric</td>
<td>Utilities</td>
<td>$160,579,530</td>
<td>$4,207,184</td>
<td>0.90%</td>
</tr>
<tr>
<td>Verizon-Maryland</td>
<td>Communications</td>
<td>$60,919,930</td>
<td>1,596,102</td>
<td>0.34%</td>
</tr>
<tr>
<td>Carroll Lutheran Village</td>
<td>Retirement Village</td>
<td>$53,923,640</td>
<td>859,416</td>
<td>0.30%</td>
</tr>
<tr>
<td>Colonial Pipeline Co.</td>
<td>Pipeline trans.-refined petroleum</td>
<td>$19,217,460</td>
<td>503,497</td>
<td>0.11%</td>
</tr>
<tr>
<td>Potomac Edison</td>
<td>Electric Utility</td>
<td>$17,305,350</td>
<td>453,400</td>
<td>0.10%</td>
</tr>
<tr>
<td>Cranberry Mall Properties LLC</td>
<td>Mall</td>
<td>$42,601,812</td>
<td>447,382</td>
<td>0.24%</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>Utilities</td>
<td>$15,986,970</td>
<td>418,859</td>
<td>0.09%</td>
</tr>
<tr>
<td>Fairhaven Inc.</td>
<td>Assisted Living</td>
<td>$35,926,900</td>
<td>376,514</td>
<td>0.20%</td>
</tr>
<tr>
<td>Random House</td>
<td>Warehouse Distribution</td>
<td>$33,289,432</td>
<td>349,001</td>
<td>0.19%</td>
</tr>
<tr>
<td>Hampstead 2004 LLC</td>
<td>Power Tools</td>
<td>$33,144,300</td>
<td>347,352</td>
<td>0.19%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$472,895,324</td>
<td>$9,558,707</td>
<td>2.66%</td>
</tr>
<tr>
<td>Total Assessed Valuation</td>
<td>$17,902,568,898</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Property is reassessed every three years.

Source: Carroll County Department of the Comptroller.
### Table 9

The County Commissioners of Carroll County  
Westminster, Maryland  
Property Tax Levies and Collections  
Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Total Tax Levy for Fiscal Year</th>
<th>Collected within Fiscal Year of the Levy</th>
<th>Collected in Subsequent Years</th>
<th>Total Collections to Date</th>
<th>Outstanding Delinquent Taxes to Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>Amount</td>
<td>Percent of Levy</td>
<td>Amount</td>
<td>Percent of Levy</td>
</tr>
<tr>
<td>2008</td>
<td>$195,748,704</td>
<td>$194,780,453</td>
<td>99.51%</td>
<td>$968,251</td>
<td>100.00%</td>
</tr>
<tr>
<td>2009</td>
<td>222,097,553</td>
<td>$221,514,565</td>
<td>99.74%</td>
<td>581,691</td>
<td>99.99%</td>
</tr>
<tr>
<td>2010</td>
<td>239,658,139</td>
<td>$238,543,223</td>
<td>99.53%</td>
<td>1,111,274</td>
<td>99.99%</td>
</tr>
<tr>
<td>2011</td>
<td>227,186,753</td>
<td>$226,056,851</td>
<td>99.50%</td>
<td>1,119,898</td>
<td>99.99%</td>
</tr>
<tr>
<td>2012</td>
<td>210,196,472</td>
<td>$209,114,927</td>
<td>99.49%</td>
<td>1,036,082</td>
<td>99.98%</td>
</tr>
<tr>
<td>2013</td>
<td>198,647,854</td>
<td>$197,845,421</td>
<td>99.60%</td>
<td>775,481</td>
<td>99.99%</td>
</tr>
<tr>
<td>2014</td>
<td>195,960,124</td>
<td>$195,202,000</td>
<td>99.61%</td>
<td>715,809</td>
<td>99.98%</td>
</tr>
<tr>
<td>2015</td>
<td>195,674,029</td>
<td>$194,784,554</td>
<td>99.55%</td>
<td>780,795</td>
<td>99.94%</td>
</tr>
<tr>
<td>2016</td>
<td>198,052,870</td>
<td>$197,837,002</td>
<td>99.89%</td>
<td>34,665</td>
<td>99.91%</td>
</tr>
<tr>
<td>2017</td>
<td>202,417,960</td>
<td>$201,772,465</td>
<td>99.68%</td>
<td>-</td>
<td>99.68%</td>
</tr>
</tbody>
</table>

The total Tax Levy is adjusted each year based on prior year abatements.

Source: Carroll County Department of the Comptroller.
## Table 10

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Water</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Base Rate</td>
<td>Tier 1*</td>
<td>Tier 2*</td>
<td>Tier 3*</td>
<td>Base Rate</td>
<td>Tier 1*</td>
<td>Tier 2*</td>
</tr>
<tr>
<td>2008</td>
<td>$</td>
<td>$8.23</td>
<td>$3.35</td>
<td>$4.18</td>
<td>$4.69</td>
<td>$11.61</td>
<td>$5.70</td>
<td>$6.71</td>
</tr>
<tr>
<td>2009</td>
<td>$</td>
<td>8.90</td>
<td>3.63</td>
<td>4.54</td>
<td>5.11</td>
<td>12.58</td>
<td>5.19</td>
<td>6.83</td>
</tr>
<tr>
<td>2010</td>
<td>$</td>
<td>8.41</td>
<td>4.02</td>
<td>4.67</td>
<td>5.07</td>
<td>11.95</td>
<td>5.91</td>
<td>7.06</td>
</tr>
<tr>
<td>2011</td>
<td>$</td>
<td>6.97</td>
<td>4.62</td>
<td>5.00</td>
<td>5.28</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
</tr>
<tr>
<td>2012</td>
<td>$</td>
<td>6.97</td>
<td>4.62</td>
<td>5.00</td>
<td>5.28</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
</tr>
<tr>
<td>2013</td>
<td>$</td>
<td>6.75</td>
<td>5.18</td>
<td>5.42</td>
<td>5.59</td>
<td>9.66</td>
<td>7.64</td>
<td>8.29</td>
</tr>
<tr>
<td>2014</td>
<td>$</td>
<td>7.37</td>
<td>5.75</td>
<td>5.93</td>
<td>6.07</td>
<td>10.45</td>
<td>8.15</td>
<td>8.69</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sewer</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Base Rate</td>
<td>Tier 1*</td>
<td>Tier 2*</td>
<td>Tier 3*</td>
<td>Base Rate</td>
<td>Tier 1*</td>
<td>Tier 2*</td>
</tr>
<tr>
<td>2008</td>
<td>$</td>
<td>11.61</td>
<td>$5.70</td>
<td>$6.71</td>
<td>$6.60</td>
<td>$11.61</td>
<td>$5.70</td>
<td>$6.71</td>
</tr>
<tr>
<td>2010</td>
<td>$</td>
<td>11.95</td>
<td>5.91</td>
<td>7.06</td>
<td>7.82</td>
<td>11.95</td>
<td>5.91</td>
<td>7.06</td>
</tr>
<tr>
<td>2011</td>
<td>$</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
<td>8.77</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
</tr>
<tr>
<td>2012</td>
<td>$</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
<td>8.77</td>
<td>9.97</td>
<td>7.27</td>
<td>8.13</td>
</tr>
<tr>
<td>2013</td>
<td>$</td>
<td>9.66</td>
<td>7.64</td>
<td>8.29</td>
<td>8.77</td>
<td>9.66</td>
<td>7.64</td>
<td>8.29</td>
</tr>
<tr>
<td>2014</td>
<td>$</td>
<td>10.45</td>
<td>8.15</td>
<td>8.69</td>
<td>9.15</td>
<td>10.45</td>
<td>8.15</td>
<td>8.69</td>
</tr>
</tbody>
</table>

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 2017 was 12,000 gals. per quarter.

Source: Carroll County Department of the Comptroller.
### Table 11

**The County Commissioners of Carroll County**

**Westminster, Maryland**

**Ratios of Outstanding Debt by Type**

**Last Ten Fiscal Years**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds (1)</th>
<th>General Obligation Debt</th>
<th>Other Notes</th>
<th>Purchase Agreements</th>
<th>General Obligation Bonds (1)</th>
<th>Assessment Debt with Government Commitment</th>
<th>Total Primary Government</th>
<th>% of Personal Income (3)</th>
<th>% of Market Property Value (2)</th>
<th>Per Capita (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$219,672,038</td>
<td>$7,136,864</td>
<td>$3,473,927</td>
<td>$2,583,004</td>
<td>$22,345,826</td>
<td>$3,742,952</td>
<td>$258,954,611</td>
<td>2.68%</td>
<td>1.45%</td>
<td>$1,486</td>
</tr>
<tr>
<td>2009</td>
<td>271,851,752</td>
<td>9,351,990</td>
<td>1,969,903</td>
<td>2,432,323</td>
<td>28,139,243</td>
<td>2,936,297</td>
<td>316,681,508</td>
<td>2.27%</td>
<td>1.55%</td>
<td>1,811</td>
</tr>
<tr>
<td>2010</td>
<td>308,741,636</td>
<td>14,014,420</td>
<td>937,965</td>
<td>2,268,571</td>
<td>27,878,604</td>
<td>2,090,052</td>
<td>355,931,248</td>
<td>2.02%</td>
<td>1.61%</td>
<td>2,130</td>
</tr>
<tr>
<td>2011</td>
<td>307,155,888</td>
<td>27,129,920</td>
<td>200,000</td>
<td>2,097,835</td>
<td>26,190,843</td>
<td>1,202,259</td>
<td>363,976,745</td>
<td>2.03%</td>
<td>1.74%</td>
<td>2,167</td>
</tr>
<tr>
<td>2012</td>
<td>300,214,844</td>
<td>27,129,920</td>
<td>-</td>
<td>1,919,820</td>
<td>23,758,129</td>
<td>271,865</td>
<td>353,294,578</td>
<td>2.15%</td>
<td>1.78%</td>
<td>2,096</td>
</tr>
<tr>
<td>2013</td>
<td>304,173,204</td>
<td>27,575,240</td>
<td>-</td>
<td>1,734,212</td>
<td>21,687,221</td>
<td>244,664</td>
<td>355,414,541</td>
<td>2.30%</td>
<td>1.89%</td>
<td>2,097</td>
</tr>
<tr>
<td>2014</td>
<td>304,903,421</td>
<td>31,050,584</td>
<td>-</td>
<td>1,540,690</td>
<td>19,575,054</td>
<td>216,757</td>
<td>357,286,506</td>
<td>2.50%</td>
<td>1.93%</td>
<td>2,094</td>
</tr>
<tr>
<td>2015</td>
<td>297,878,654</td>
<td>31,050,584</td>
<td>-</td>
<td>5,875,768</td>
<td>17,483,954</td>
<td>188,125</td>
<td>352,477,085</td>
<td>N/A</td>
<td>1.91%</td>
<td>2,053</td>
</tr>
<tr>
<td>2016</td>
<td>299,706,818</td>
<td>31,524,508</td>
<td>-</td>
<td>5,666,101</td>
<td>15,284,816</td>
<td>158,748</td>
<td>352,340,991</td>
<td>N/A</td>
<td>1.88%</td>
<td>2,040</td>
</tr>
<tr>
<td>2017</td>
<td>284,714,303</td>
<td>32,827,508</td>
<td>-</td>
<td>5,334,709</td>
<td>13,251,330</td>
<td>128,607</td>
<td>336,256,457</td>
<td>N/A</td>
<td>1.76%</td>
<td>1,937</td>
</tr>
</tbody>
</table>

**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.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds &amp; Debt Outstanding</th>
<th>Percent of Actual Property Value (1)</th>
<th>Percent of Personal Income (2)</th>
<th>Per Capita (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$249,154,728</td>
<td>1.40%</td>
<td>3.59%</td>
<td>$1,430</td>
</tr>
<tr>
<td>2009</td>
<td>309,342,985</td>
<td>1.51%</td>
<td>4.31%</td>
<td>1,769</td>
</tr>
<tr>
<td>2010</td>
<td>350,634,660</td>
<td>1.59%</td>
<td>4.88%</td>
<td>1,997</td>
</tr>
<tr>
<td>2011</td>
<td>360,476,651</td>
<td>1.72%</td>
<td>4.87%</td>
<td>2,146</td>
</tr>
<tr>
<td>2012</td>
<td>351,102,893</td>
<td>1.77%</td>
<td>4.61%</td>
<td>2,082</td>
</tr>
<tr>
<td>2013</td>
<td>353,435,665</td>
<td>1.88%</td>
<td>4.32%</td>
<td>2,078</td>
</tr>
<tr>
<td>2014</td>
<td>355,529,059</td>
<td>1.92%</td>
<td>3.98%</td>
<td>2,083</td>
</tr>
<tr>
<td>2015</td>
<td>346,413,192</td>
<td>1.87%</td>
<td>N/A</td>
<td>2,017</td>
</tr>
<tr>
<td>2016</td>
<td>346,516,142</td>
<td>1.85%</td>
<td>N/A</td>
<td>2,007</td>
</tr>
<tr>
<td>2017</td>
<td>330,333,769</td>
<td>1.73%</td>
<td>N/A</td>
<td>1,903</td>
</tr>
</tbody>
</table>

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.
Net assessed value- Real Property $ 18,502,136,221

Debt limit - 6% of net total assessed value (1) $ 1,110,128,173

Assessed Value-Personal Property 596,473,480

Debt limit- 15% of net assessed value (1) 89,471,022

Debt Limit- (6%/15%) of net assessed value 1,199,599,196

Amount of debt applicable to debt limit:
Total Bonded Debt $ 308,919,776

Less- Agricultural Preservation Program Self Supporting Debt 32,827,508
Less- Fire Company Loans- Self Supporting Debt 6,227,978
Less - Bureau of Utilities bonds 11,279,585
Less - Septage bonds 62,391

Total amount of debt applicable to debt limit 258,522,314

Legal debt margin $ 941,076,882

Note: (1) Recommended limit - Carroll County does not have a legal debt limit.

Source: Carroll County Department of the Comptroller.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Assessed Value</th>
<th>Legal Debt Limitation</th>
<th>Legal Debt Borrowing Limitation</th>
<th>Debt Subject to Limitation</th>
<th>Legal Debt Margin Limitation</th>
<th>Ratio of Debt Subject to Limitation To Legal Borrowing Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 17,902,568,898</td>
<td>6%/15%</td>
<td>$ 1,124,225,213</td>
<td>$ 214,237,099</td>
<td>$ 909,988,114</td>
<td>19.06%</td>
</tr>
<tr>
<td>2009</td>
<td>20,409,412,280</td>
<td>6%/15%</td>
<td>1,274,735,984</td>
<td>268,496,244</td>
<td>1,006,239,740</td>
<td>21.06%</td>
</tr>
<tr>
<td>2010</td>
<td>22,066,168,625</td>
<td>6%/15%</td>
<td>1,373,814,980</td>
<td>303,156,906</td>
<td>1,070,658,074</td>
<td>22.07%</td>
</tr>
<tr>
<td>2011</td>
<td>20,895,165,478</td>
<td>6%/15%</td>
<td>1,302,726,361</td>
<td>301,960,750</td>
<td>1,000,765,611</td>
<td>23.18%</td>
</tr>
<tr>
<td>2012</td>
<td>19,813,576,019</td>
<td>6%/15%</td>
<td>1,248,709,194</td>
<td>292,937,714</td>
<td>955,771,480</td>
<td>23.46%</td>
</tr>
<tr>
<td>2013</td>
<td>18,789,765,921</td>
<td>6%/15%</td>
<td>1,175,305,137</td>
<td>287,113,093</td>
<td>888,192,044</td>
<td>24.43%</td>
</tr>
<tr>
<td>2014</td>
<td>18,514,343,538</td>
<td>6%/15%</td>
<td>1,158,193,261</td>
<td>286,486,025</td>
<td>871,707,236</td>
<td>24.74%</td>
</tr>
<tr>
<td>2015</td>
<td>18,495,548,665</td>
<td>6%/15%</td>
<td>1,159,503,407</td>
<td>273,161,300</td>
<td>886,342,107</td>
<td>23.56%</td>
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<tr>
<td>2016</td>
<td>18,733,020,866</td>
<td>6%/15%</td>
<td>1,174,512,828</td>
<td>272,857,221</td>
<td>901,655,607</td>
<td>23.23%</td>
</tr>
<tr>
<td>2017</td>
<td>19,098,609,701</td>
<td>6%/15%</td>
<td>1,199,599,196</td>
<td>258,522,314</td>
<td>941,076,882</td>
<td>21.55%</td>
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<tr>
<td>Jurisdiction</td>
<td>Real Property Assessed Valuation (1)</td>
<td>Percent of Assessed Valuation to Overlapping Jurisdictions</td>
<td>Pro rata Share of Direct Debt to Overlapping Jurisdictions (2)</td>
<td>Overlapping Debt (3)</td>
<td>Total Direct and Overlapping Debt</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>---------------------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>Hampstead</td>
<td>$567,495,275</td>
<td>3.07%</td>
<td>$9,889,140</td>
<td>$3,617,099</td>
<td>$13,506,239</td>
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</tr>
<tr>
<td>Manchester</td>
<td>465,819,659</td>
<td>2.52%</td>
<td>8,117,346</td>
<td>1,714,239</td>
<td>9,831,585</td>
<td></td>
</tr>
<tr>
<td>Mt. Airy</td>
<td>856,955,223</td>
<td>4.63%</td>
<td>14,933,252</td>
<td>5,966,430</td>
<td>20,899,682</td>
<td></td>
</tr>
<tr>
<td>New Windsor</td>
<td>129,465,684</td>
<td>0.70%</td>
<td>2,256,061</td>
<td>-</td>
<td>2,256,061</td>
<td></td>
</tr>
<tr>
<td>Sykesville</td>
<td>401,776,611</td>
<td>2.17%</td>
<td>7,001,336</td>
<td>527,405</td>
<td>7,528,741</td>
<td></td>
</tr>
<tr>
<td>Taneytown</td>
<td>573,291,027</td>
<td>3.10%</td>
<td>9,990,136</td>
<td>15,203,038</td>
<td>25,193,174</td>
<td></td>
</tr>
<tr>
<td>Union Bridge</td>
<td>68,136,259</td>
<td>0.37%</td>
<td>1,187,338</td>
<td>1,279,837</td>
<td>2,467,175</td>
<td></td>
</tr>
<tr>
<td>Westminster</td>
<td>1,638,373,272</td>
<td>8.86%</td>
<td>28,550,197</td>
<td>17,814,841</td>
<td>46,365,038</td>
<td></td>
</tr>
<tr>
<td>Unincorporated areas</td>
<td>13,800,823,211</td>
<td>74.59%</td>
<td>240,492,340</td>
<td>-</td>
<td>240,492,340</td>
<td></td>
</tr>
<tr>
<td>County-wide Totals</td>
<td>$18,502,136,221</td>
<td>100.00%</td>
<td>$322,417,146</td>
<td>$46,122,889</td>
<td>$368,540,035</td>
<td></td>
</tr>
</tbody>
</table>

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.
## Demographic Statistics
### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population (1)</th>
<th>Personal Income ($ in thous.) (2)</th>
<th>Per Capita Personal Income (2)</th>
<th>School Enrollment (3)</th>
<th>Unemployment Rate (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>174,249</td>
<td>$6,944,986</td>
<td>$41,147</td>
<td>28,261</td>
<td>3.80%</td>
</tr>
<tr>
<td>2009</td>
<td>174,909</td>
<td>7,176,136</td>
<td>42,264</td>
<td>27,745</td>
<td>6.60%</td>
</tr>
<tr>
<td>2010</td>
<td>167,134</td>
<td>7,192,191</td>
<td>44,247</td>
<td>27,524</td>
<td>6.50%</td>
</tr>
<tr>
<td>2011</td>
<td>167,929</td>
<td>7,400,133</td>
<td>45,507</td>
<td>27,201</td>
<td>6.80%</td>
</tr>
<tr>
<td>2012</td>
<td>168,570</td>
<td>7,612,765</td>
<td>48,919</td>
<td>26,937</td>
<td>6.60%</td>
</tr>
<tr>
<td>2013</td>
<td>169,519</td>
<td>8,180,090</td>
<td>49,477</td>
<td>26,506</td>
<td>6.20%</td>
</tr>
<tr>
<td>2014</td>
<td>170,643</td>
<td>8,928,631</td>
<td>53,200</td>
<td>26,153</td>
<td>5.40%</td>
</tr>
<tr>
<td>2015</td>
<td>171,702</td>
<td>N/A</td>
<td>N/A</td>
<td>25,706</td>
<td>4.80%</td>
</tr>
<tr>
<td>2016</td>
<td>172,703</td>
<td>N/A</td>
<td>N/A</td>
<td>25,551</td>
<td>4.30%</td>
</tr>
<tr>
<td>2017</td>
<td>173,594</td>
<td>N/A</td>
<td>N/A</td>
<td>25,256</td>
<td>3.50%</td>
</tr>
</tbody>
</table>

Source:  (1) Carroll County Department of Comprehensive Planning, June 2017. 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 2015.
(3) Carroll County Board of Education Approved Operating Budget Fiscal Year 2016-2017.
(4) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information.
Table 16

## THE COUNTY COMMISSIONERS OF CARROLL COUNTY

Westminster, Maryland

Major Employers

Current Fiscal Year 2017 and Nine Years Ago

<table>
<thead>
<tr>
<th>Firm</th>
<th>Product/Service</th>
<th>2017 Employment</th>
<th>2017 Percentage of Total County Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education of Carroll County **</td>
<td>Elementary and secondary school systems</td>
<td>3,363</td>
<td>5.82%</td>
</tr>
<tr>
<td>Carroll Hospital Center</td>
<td>General hospital</td>
<td>1,995</td>
<td>3.45%</td>
</tr>
<tr>
<td>Springfield Hospital Center</td>
<td>Mental health services</td>
<td>833</td>
<td>1.44%</td>
</tr>
<tr>
<td>Penguin Random House, Inc.</td>
<td>Book warehousing and distribution</td>
<td>755</td>
<td>1.31%</td>
</tr>
<tr>
<td>Integrace - Fairhaven</td>
<td>Retirement/Assisted Living</td>
<td>753</td>
<td>1.30%</td>
</tr>
<tr>
<td>McDaniel College</td>
<td>Higher education</td>
<td>800</td>
<td>1.38%</td>
</tr>
<tr>
<td>Carroll County Government***</td>
<td>Local government</td>
<td>631</td>
<td>1.09%</td>
</tr>
<tr>
<td>Carroll Community College</td>
<td>Higher education</td>
<td>660</td>
<td>1.14%</td>
</tr>
<tr>
<td>EVAPCO</td>
<td>Cooling Equipment Manufacturer</td>
<td>440</td>
<td>0.76%</td>
</tr>
<tr>
<td>Carroll Lutheran Village</td>
<td>Retirement/Assisted Living</td>
<td>425</td>
<td>0.74%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>10,655</strong></td>
<td><strong>18.43%</strong></td>
</tr>
</tbody>
</table>

Annual Average Employment in Carroll County**** 57,783

<table>
<thead>
<tr>
<th>Firm</th>
<th>Product/Service</th>
<th>2008 Employment</th>
<th>2008 Percentage of Total County Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education of Carroll County **</td>
<td>Elementary and secondary school systems</td>
<td>3,689</td>
<td>6.53%</td>
</tr>
<tr>
<td>Carroll Hospital Center</td>
<td>General hospital</td>
<td>1,824</td>
<td>3.23%</td>
</tr>
<tr>
<td>Random House</td>
<td>Book warehousing and distribution</td>
<td>900</td>
<td>1.59%</td>
</tr>
<tr>
<td>Springfield Hospital Center</td>
<td>Mental health services</td>
<td>833</td>
<td>1.47%</td>
</tr>
<tr>
<td>Carroll County Government***</td>
<td>Local government</td>
<td>668</td>
<td>1.18%</td>
</tr>
<tr>
<td>McDaniel College</td>
<td>Higher education</td>
<td>623</td>
<td>1.09%</td>
</tr>
<tr>
<td>Fairhaven (Episcopal Ministries)</td>
<td>Life care retirement community</td>
<td>603</td>
<td>1.07%</td>
</tr>
<tr>
<td>Jos. A. Bank Clothiers</td>
<td>Corporate HQ/ Distribution services</td>
<td>527</td>
<td>0.93%</td>
</tr>
<tr>
<td>Carroll Community College</td>
<td>Higher education</td>
<td>509</td>
<td>0.90%</td>
</tr>
<tr>
<td>General Dynamics Robotic Systems</td>
<td>Technology Manufacturing</td>
<td>475</td>
<td>0.84%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>10,651</strong></td>
<td><strong>18.84%</strong></td>
</tr>
</tbody>
</table>

Annual Average Employment in Carroll County**** 56,526

Notes:

* As of 2016 Brief Economic Facts – commerce.maryland.com excludes state and local governments.

** Does not include hourly employees such as substitutes, aides, etc.

*** Central offices only. From Table 17 - Excludes Sheriff’s Department, States Attorney, etc.

**** As of June 2016.

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.
## Table 17

**THE COUNTY COMMISSIONERS OF**  
**CARROLL COUNTY**  
**Westminster, Maryland**  
**Full-Time County Employees by Function/Program**  
**Last Ten Fiscal Years**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>County Commissioners</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>9</td>
<td>9</td>
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</tr>
<tr>
<td>Legislative</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Public Information</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>* Farm Museum</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>* Building Construction</td>
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<td>2</td>
<td>2</td>
<td>2</td>
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<td>2</td>
<td>2</td>
<td>-</td>
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</tr>
<tr>
<td>* Facilities</td>
<td>53</td>
<td>48</td>
<td>50</td>
<td>51</td>
<td>47</td>
<td>47</td>
<td>48</td>
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<td>* Fleet</td>
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<td>* Permits</td>
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<tr>
<td>* Airport Management</td>
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<tr>
<td>Judicial Services</td>
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<td>68</td>
<td>69</td>
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<tr>
<td>Administrative Services- Admin</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Human Resources and Personnel Svcs</td>
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<td>11</td>
<td>12</td>
<td>13</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>16</td>
<td>17</td>
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<td>Management Analysis</td>
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<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>TV Production</td>
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<td>2</td>
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<td>2</td>
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<td>2</td>
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<td>1</td>
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<tr>
<td>Production &amp; Distribution Svcs</td>
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<td>3</td>
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<tr>
<td>Technology Services</td>
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<td>25</td>
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<td>Management and Budget</td>
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<td>14</td>
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<td>16</td>
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* Denotes departments affected by reorganizations.  
Source: Department of the Comptroller
### Table 18

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

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N/A: Information is not available for the years indicated.  
Source: Carroll County Government.
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Note: (1) Includes two proposed reservoirs.
Source: Carroll County Government.
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<td>199,420</td>
<td>193,390</td>
<td>202,790</td>
<td>199,511</td>
<td>(305,031)</td>
<td>200,200</td>
<td>206,980</td>
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<td>523,776</td>
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<td>1,438,797</td>
<td>1,432,610</td>
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<td>262,830</td>
<td>265,575</td>
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<td>172,040</td>
<td>217,957</td>
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<td><strong>Total revenue</strong></td>
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<td>13,356,394</td>
<td>12,600,424</td>
<td>12,441,427</td>
<td>12,185,180</td>
<td>10,647,778</td>
<td>10,670,765</td>
<td>10,111,653</td>
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<td>2,358,994</td>
<td>2,341,948</td>
<td>2,394,033</td>
<td>2,499,181</td>
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<td>2,285,154</td>
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<td>2,275,618</td>
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<td>1,534,088</td>
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<td>992,506</td>
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<td>932,542</td>
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<td>11,046,657</td>
<td>11,328,410</td>
<td>10,801,048</td>
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<td>8,169,257</td>
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| **Excess (deficiency) of revenue over (under) expense:** | $662,826 | $1,756,185 | $1,553,767 | $1,113,017 | $1,384,132 | $(442,690) | $(1,219,696) | $(377,992) | $1,503,069 | $2,340,635 |

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.
### Table 21
THE COUNTY COMMISSIONERS OF CARROLL COUNTY
Westminster, Maryland
Solid Waste Fund - Revenue and Expenses
Last Ten Fiscal Years

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<td>$591,880</td>
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<td>$(245,443)</td>
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<td>$62.00</td>
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</table>

Source: Carroll County Department of the Comptroller.
<table>
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<td>$588,932</td>
<td>$611,167</td>
<td>$462,981</td>
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<td>69,005</td>
<td>60,589</td>
<td>75,846</td>
<td>63,270</td>
<td>61,685</td>
<td>64,016</td>
<td>53,570</td>
<td>197,646</td>
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<td>179,130</td>
<td>25,000</td>
<td>186,719</td>
<td>434,316</td>
<td>233,646</td>
<td>111,220</td>
<td>48,969</td>
<td>460,454</td>
<td>91,598</td>
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<td>Capital contributions-County</td>
<td>-</td>
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<td>Land sale</td>
<td>-</td>
<td>5,632</td>
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</tr>
<tr>
<td>Operating transfer-County</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Other</td>
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<td>318</td>
<td>592</td>
<td>9,009</td>
<td>55</td>
<td>43</td>
<td>691</td>
<td>2,030</td>
<td>3,601</td>
<td>11,222</td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>248,404</td>
<td>235,452</td>
<td>198,133</td>
<td>200,002</td>
<td>199,851</td>
<td>188,612</td>
<td>212,539</td>
<td>247,203</td>
<td>256,173</td>
<td>236,788</td>
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<td>Operating expenses</td>
<td>162,834</td>
<td>158,637</td>
<td>175,804</td>
<td>153,102</td>
<td>216,549</td>
<td>1,312,582</td>
<td>124,103</td>
<td>308,329</td>
<td>267,209</td>
<td>2,359,958</td>
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<tr>
<td>Operating expenses-capital (2)</td>
<td>273,626</td>
<td>204,719</td>
<td>120,000</td>
<td>194,565</td>
<td>5,438</td>
<td>-</td>
<td>15,892</td>
<td>-</td>
<td>-</td>
<td>255,400</td>
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<td>Interest</td>
<td>39,899</td>
<td>48,478</td>
<td>65,301</td>
<td>70,822</td>
<td>78,281</td>
<td>84,437</td>
<td>93,960</td>
<td>104,350</td>
<td>113,327</td>
<td>122,044</td>
</tr>
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<td>Depreciation</td>
<td>176,283</td>
<td>175,761</td>
<td>174,578</td>
<td>182,320</td>
<td>188,935</td>
<td>183,140</td>
<td>171,551</td>
<td>169,729</td>
<td>140,983</td>
<td>123,428</td>
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<tr>
<td>Total expense</td>
<td>901,046</td>
<td>823,047</td>
<td>733,816</td>
<td>800,811</td>
<td>689,054</td>
<td>1,768,771</td>
<td>618,045</td>
<td>829,611</td>
<td>777,692</td>
<td>3,097,618</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenue over expense:

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$93,614</td>
<td>$155,792</td>
<td>$20,386</td>
<td>$108,859</td>
<td>$2,394,834</td>
<td>(884,465)</td>
<td>$169,049</td>
<td>(262,061)</td>
<td>$394,020</td>
<td>(744,010)</td>
</tr>
</tbody>
</table>

(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.
### Table 23

**Retired Members of the Carroll County Pension Plan by Type of Benefit**

*As of June 30, 2017*

<table>
<thead>
<tr>
<th>Amount of Monthly Benefit</th>
<th>Type of Retirement</th>
<th>Option Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Deferred</td>
<td>185</td>
<td></td>
</tr>
<tr>
<td>$1 - $250</td>
<td>74</td>
<td>67</td>
</tr>
<tr>
<td>251 - 500</td>
<td>99</td>
<td>86</td>
</tr>
<tr>
<td>501 - 750</td>
<td>53</td>
<td>46</td>
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<tr>
<td>751 - 1000</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>Over 1,000</td>
<td>21</td>
<td>19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option Selected</th>
<th>Unmod</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Normal Retirement for age and/or service</td>
<td>29</td>
<td>8</td>
<td>13</td>
<td>19</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2 - Early Retirement</td>
<td>23</td>
<td>13</td>
<td>15</td>
<td>31</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>3 - Beneficiary Payment, normal or early retirement</td>
<td>16</td>
<td>9</td>
<td>13</td>
<td>10</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>4 - Beneficiary Payment, death in service</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>5 - Beneficiary Payment, death in service</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

**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.
<table>
<thead>
<tr>
<th>Retirement Effective Date</th>
<th>0 - 5</th>
<th>5 - 10</th>
<th>10 - 15</th>
<th>15 - 20</th>
<th>20 - 25</th>
<th>25 - 30</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period 7/1/07 to 6/30/08</strong></td>
<td>$137</td>
<td>$447</td>
<td>$2,125</td>
<td>$6,625</td>
<td>$4,404</td>
<td>-</td>
</tr>
<tr>
<td>Average Monthly Benefit</td>
<td>$2,065</td>
<td>$1,939</td>
<td>$2,572</td>
<td>$3,498</td>
<td>$3,385</td>
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<tr>
<td>Average Final Monthly Salary</td>
<td>4</td>
<td>5</td>
<td>12</td>
<td>18</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>4</td>
<td>5</td>
<td>12</td>
<td>18</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td><strong>Period 7/1/08 to 6/30/09</strong></td>
<td>$198</td>
<td>$934</td>
<td>$3,207</td>
<td>$9,320</td>
<td>$6,777</td>
<td>-</td>
</tr>
<tr>
<td>Average Monthly Benefit</td>
<td>$2,065</td>
<td>$2,605</td>
<td>$2,705</td>
<td>$3,457</td>
<td>$3,365</td>
<td>-</td>
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<tr>
<td>Average Final Monthly Salary</td>
<td>4</td>
<td>7</td>
<td>14</td>
<td>25</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>4</td>
<td>7</td>
<td>14</td>
<td>25</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td><strong>Period 7/1/09 to 6/30/10</strong></td>
<td>$206</td>
<td>$1,276</td>
<td>$4,144</td>
<td>$11,327</td>
<td>$10,647</td>
<td>$609</td>
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<tr>
<td>Average Monthly Benefit</td>
<td>$1,879</td>
<td>$3,030</td>
<td>$2,706</td>
<td>$3,631</td>
<td>$3,574</td>
<td>$3,544</td>
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<tr>
<td>Average Final Monthly Salary</td>
<td>5</td>
<td>11</td>
<td>19</td>
<td>30</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>5</td>
<td>11</td>
<td>19</td>
<td>30</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td><strong>Period 7/1/10 to 6/30/11</strong></td>
<td>$518</td>
<td>$1,736</td>
<td>$5,999</td>
<td>$13,356</td>
<td>$17,581</td>
<td>$622</td>
</tr>
<tr>
<td>Average Monthly Benefit</td>
<td>$2,314</td>
<td>$2,909</td>
<td>$2,849</td>
<td>$3,886</td>
<td>$3,649</td>
<td>$3,544</td>
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<tr>
<td>Average Final Monthly Salary</td>
<td>9</td>
<td>15</td>
<td>26</td>
<td>32</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>9</td>
<td>15</td>
<td>26</td>
<td>32</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td><strong>Period 7/1/11 to 6/30/12</strong></td>
<td>$822</td>
<td>$2,499</td>
<td>$8,352</td>
<td>$15,819</td>
<td>$19,982</td>
<td>$762</td>
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<tr>
<td>Average Monthly Benefit</td>
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<td>$2,992</td>
<td>$2,963</td>
<td>$3,856</td>
<td>$3,685</td>
<td>$3,620</td>
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<td>11</td>
<td>19</td>
<td>31</td>
<td>34</td>
<td>38</td>
<td>2</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>11</td>
<td>19</td>
<td>31</td>
<td>34</td>
<td>38</td>
<td>2</td>
</tr>
<tr>
<td><strong>Period 7/1/12 to 6/30/13</strong></td>
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<td>$3,107</td>
<td>$9,970</td>
<td>$17,569</td>
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<td>$3,818</td>
<td>$3,708</td>
<td>$3,408</td>
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<td>22</td>
<td>36</td>
<td>38</td>
<td>40</td>
<td>4</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>15</td>
<td>22</td>
<td>36</td>
<td>38</td>
<td>40</td>
<td>4</td>
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<td><strong>Period 7/1/13 to 6/30/14</strong></td>
<td>$1,356</td>
<td>$4,366</td>
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<td>$20,840</td>
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<td>$2,874</td>
<td>$3,099</td>
<td>$3,750</td>
<td>$3,797</td>
<td>$3,621</td>
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<tr>
<td>Average Final Monthly Salary</td>
<td>17</td>
<td>28</td>
<td>39</td>
<td>43</td>
<td>43</td>
<td>8</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>17</td>
<td>28</td>
<td>39</td>
<td>43</td>
<td>43</td>
<td>8</td>
</tr>
<tr>
<td><strong>Period 7/1/14 to 6/30/15</strong></td>
<td>$1,738</td>
<td>$7,062</td>
<td>$15,280</td>
<td>$27,295</td>
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<td>$2,952</td>
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<td>$3,749</td>
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<td>36</td>
<td>47</td>
<td>52</td>
<td>44</td>
<td>15</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>18</td>
<td>36</td>
<td>47</td>
<td>52</td>
<td>44</td>
<td>15</td>
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<tr>
<td><strong>Period 7/1/15 to 6/30/16</strong></td>
<td>$2,777</td>
<td>$9,201</td>
<td>$17,255</td>
<td>$32,057</td>
<td>$30,023</td>
<td>$17,714</td>
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<td>Average Monthly Benefit</td>
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<td>$3,832</td>
<td>$3,982</td>
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<tr>
<td>Average Final Monthly Salary</td>
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<td>43</td>
<td>51</td>
<td>58</td>
<td>49</td>
<td>20</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>20</td>
<td>43</td>
<td>51</td>
<td>58</td>
<td>49</td>
<td>20</td>
</tr>
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<td><strong>Period 7/1/16 to 6/30/17</strong></td>
<td>$1,927</td>
<td>$10,470</td>
<td>$17,208</td>
<td>$30,471</td>
<td>$31,311</td>
<td>$31,923</td>
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<tr>
<td>Average Monthly Benefit</td>
<td>$2,694</td>
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<td>$3,855</td>
<td>$4,353</td>
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<td>Average Final Monthly Salary</td>
<td>21</td>
<td>47</td>
<td>55</td>
<td>59</td>
<td>51</td>
<td>35</td>
</tr>
<tr>
<td>Number of Retired Members</td>
<td>21</td>
<td>47</td>
<td>55</td>
<td>59</td>
<td>51</td>
<td>35</td>
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</tbody>
</table>

Source: Department of Human Resources.
Table 25

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, 2017

<table>
<thead>
<tr>
<th>Amount of Monthly Benefit</th>
<th># of Retired Members</th>
<th>Type of Retirement</th>
<th>Option Selected</th>
</tr>
</thead>
<tbody>
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<td>Deferred</td>
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<td>$1 - $250</td>
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<td>3</td>
<td>10 Yr. Cert.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td>J&amp;C 100%</td>
</tr>
<tr>
<td>251 - 500</td>
<td>1</td>
<td></td>
<td>J&amp;C 75%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>J&amp;C 50%</td>
</tr>
<tr>
<td>501 - 750</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>751 - 1000</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 1,000</td>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 10 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.
### Table 26

**THE COUNTY COMMISSIONERS OF CARROLL COUNTY**  
*Westminster, Maryland*  
Carroll County Certified Law Officer’s Pension  
**Average Benefit Payments**  
**Last Six Fiscal Years**

<table>
<thead>
<tr>
<th>Retirement Effective Date</th>
<th>Years of Credited Service</th>
<th>0 - 5</th>
<th>5 - 10</th>
<th>10 - 15</th>
<th>15 - 20</th>
<th>20 - 25</th>
<th>25 - 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period 7/1/11 to 6/30/12</td>
<td>Average Monthly Benefit</td>
<td>$</td>
<td>$</td>
<td>$723</td>
<td>$</td>
<td>$</td>
<td>$1,393</td>
</tr>
<tr>
<td></td>
<td>Average Final Monthly Salary</td>
<td>$</td>
<td>$</td>
<td>$5,059</td>
<td>$</td>
<td>$</td>
<td>$4,488</td>
</tr>
<tr>
<td></td>
<td>Number of Retired Members</td>
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<td></td>
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<td>$4,338</td>
<td>$4,175</td>
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<td>$390</td>
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<tr>
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<td>Number of Retired Members</td>
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<td>1</td>
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<td>4</td>
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</tr>
</tbody>
</table>

Carroll County Certified Law Officer’s Pension was established during fiscal year 2010.

Source: Department of Human Resources.
Main Street Sykesville, MD before the fire in the 1930’s.

Main Street Sykesville, MD now.

Single Audit Section

Mt. Airy, MD Main Street 1953

Mt. Airy, MD now.
Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

The County Commissioners of Carroll County
Westminster, Maryland

Report on Compliance for Each Major Federal Program

We have audited Carroll County, Maryland's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Carroll County, Maryland's major federal programs for the year ended June 30, 2017. Carroll County, Maryland's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carroll County, Maryland'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance 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 Carroll County, Maryland'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, 2017, 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, 2017. Our audit described below did not include operations of these entities as they are engaged under separate audits. The results of these audits are separately reported in accordance with Uniform Guidance, 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 Carroll County, Maryland's compliance.
Opinion on Each Major Federal Program

In our opinion, Carroll County, Maryland 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, 2017.

Report on Internal Control over Compliance

Management of Carroll County, Maryland 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 Carroll County, Maryland'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 the Uniform Guidance, 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 Carroll County, Maryland'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 have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-003 that we consider to be a material weakness.

Carroll County, Maryland's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Carroll County, Maryland's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP
Baltimore, Maryland
December 11, 2017
## The County Commissioners of Carroll County
### Schedule of Expenditures of Federal Awards
#### Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Federal Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through to Subrecipients</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Housing and Urban Development</strong></td>
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<tr>
<td>Direct Housing Section 8 Grants</td>
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</tr>
<tr>
<td>Section 8 Housing Choice Voucher Cluster (14.871 / 14.879)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>HUD Housing Admin FY16</td>
<td>14.871</td>
<td>$ -</td>
<td>$ 316</td>
</tr>
<tr>
<td>HUD Housing FY17</td>
<td>14.871</td>
<td>-</td>
<td>5,070,011</td>
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<tr>
<td>HUD Housing Admin FY17</td>
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<td>-</td>
<td>428,177</td>
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<tr>
<td>HUD Housing Admin FY18</td>
<td>14.871</td>
<td>-</td>
<td>653</td>
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<tr>
<td><strong>Total Section 8 Housing Choice Voucher Cluster (14.871 / 14.879)</strong></td>
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<td>-</td>
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<tr>
<td>Continuum of Care FFY16</td>
<td>14.267</td>
<td>-</td>
<td>2,351</td>
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<tr>
<td>Continium of Care FY17</td>
<td>14.267</td>
<td>-</td>
<td>6,599</td>
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<tr>
<td>Family Self-Sufficiency FY17</td>
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<td><strong>Total U.S. Department of Housing and Urban Development Section 8 Grants</strong></td>
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<td><strong>U.S. Department of Housing &amp; Community Development</strong></td>
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<tr>
<td>Passed Through Maryland Department of Community Development</td>
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<td>Emergency Solutions FY16</td>
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<td>18,544</td>
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<td>CDBG-Respite Inn FY17</td>
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<td>178,560</td>
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<tr>
<td>ARC-CDBG FY17</td>
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<td>80,647</td>
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<td><strong>Total U.S. Department of Housing and Community Development</strong></td>
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<tr>
<td><strong>Total U.S. Department of Labor</strong></td>
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<td></td>
<td>968,554</td>
</tr>
</tbody>
</table>

### U.S. Department of Labor

**Passed Through Howard County Maryland**

**Manpower Resources Employment and Training Assistance**

**WIA Cluster (17.258 / 17.259 / 17.278)**

| BER-C Title I Adult FY16 | 17.258 | - | 207,447 |
| BER-C Title I Adult FY17 | 17.258 | - | 3,099 |
| BER-C Title I Dislc Worker FY16 | 17.278 | - | 553,853 |
| BER-C Title I Dislc Worker FY17 | 17.278 | - | 593 |
| BER-C Youth FY16 | 17.259 | - | 139,004 |
| BER-C Youth FY17 | 17.259 | - | 904 |
| BER-C Admin FY16 | 17.258 | - | 32,434 |
| BER-C Admin FY17 | 17.278 | - | 11,743 |
| **Total WIA Cluster (17.258 / 17.259 / 17.278)** | | - | 968,554 |
## The County Commissioners of Carroll County

### Schedule of Expenditures of Federal Awards

#### Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Federal Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through to Subrecipients</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through Maryland Office on Aging</td>
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</tr>
<tr>
<td><strong>Aging Cluster (93.044 / 93.045 / 93.053)</strong></td>
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<tr>
<td>Title III, Part B FY16</td>
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<td>61</td>
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<tr>
<td>Title III, Part B FY17</td>
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<td>Nutritional Svc Incentive FY17</td>
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<td>35,493</td>
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<td><strong>Total Aging Cluster (93.044 / 93.045 / 93.053)</strong></td>
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<td>Title III, Part D FY17</td>
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<td>SMPOOA FY17</td>
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<td><strong>Total Cluster 93.775 / 93.777 / 93.778</strong></td>
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<tr>
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<tr>
<td>Circuit Ct Child Support FY16</td>
<td>93.563</td>
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<td>8,061</td>
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<td>St Atty Child Support FY16</td>
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<td>356,250</td>
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<td>Family Blossom IV-E FFY16</td>
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<td>39,026</td>
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<td><strong>(Cluster 93.775 / 93.777 / 93.778)</strong></td>
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<td>MA Waiver FY17</td>
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<td>MFP FY17</td>
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<td>Federal Financial Participation FY17</td>
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<td><strong>Total Cluster 93.775 / 93.777 / 93.778</strong></td>
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<tr>
<td><strong>Total U.S. Department of Health and Human Services</strong></td>
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<td></td>
<td><strong>482,074</strong> <strong>1,563,405</strong></td>
</tr>
</tbody>
</table>

<p>| <strong>U.S. Veterans Administration</strong> | | | |
| Passed Through Maryland Office On Aging | | | |
| Veterans Directed Home FY17 | 64.022 | - | 20,460 |
| <strong>Total U.S. Veterans Administration</strong> | | | <strong>20,460</strong> |</p>
<table>
<thead>
<tr>
<th>Federal Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through to Subrecipients</th>
<th>Expenditures</th>
</tr>
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<tr>
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<td>Passed Through Maryland State Highway Administration</td>
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<tr>
<td>Cluster 20.205 / 20.219 / 20.224 / 23.003</td>
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<td>White Rock Road over Piney Run</td>
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<td>MD 32 Sidewalk</td>
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<td>20,766</td>
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<td>Sheriff Highway Safety FY16</td>
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<td>11,578</td>
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<td>Section 5311 Capital FY14</td>
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<td>Section 5311 Capital FY15</td>
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<td>3,590</td>
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<tr>
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<td>13,531</td>
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<td>Section 5311 FY17</td>
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<td>Older Driver FY16</td>
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<td>UPWP FY16</td>
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<td>Hazmat FY17</td>
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<td><strong>U.S. Department of Homeland Security</strong></td>
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<td>Passed Through Maryland Emergency Management Administration</td>
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<tr>
<td>Emer Notification System Software</td>
<td>97.067</td>
<td>-</td>
<td>1,455</td>
</tr>
<tr>
<td>SHSP HST FFY15</td>
<td>97.067</td>
<td>-</td>
<td>35,515</td>
</tr>
<tr>
<td>UASI FFY15 Emg Planners</td>
<td>97.067</td>
<td>-</td>
<td>118,090</td>
</tr>
<tr>
<td>SHSP RESP FFY15</td>
<td>97.067</td>
<td>-</td>
<td>22,722</td>
</tr>
<tr>
<td>SHSP EOC FFY15</td>
<td>97.067</td>
<td>-</td>
<td>420</td>
</tr>
<tr>
<td>UASI LAW FFY15</td>
<td>97.067</td>
<td>-</td>
<td>50,617</td>
</tr>
<tr>
<td>UASI HAZM FFY15</td>
<td>97.067</td>
<td>-</td>
<td>9,843</td>
</tr>
<tr>
<td>UASI-MCCV FFY15</td>
<td>97.067</td>
<td>-</td>
<td>1,859</td>
</tr>
<tr>
<td>UASI-MCS FFY15</td>
<td>97.067</td>
<td>-</td>
<td>8,630</td>
</tr>
<tr>
<td>SHSP Respond to all Hazard events FFY16</td>
<td>97.067</td>
<td>-</td>
<td>4,412</td>
</tr>
<tr>
<td>UASI- Regional Em Planners FFY16</td>
<td>97.067</td>
<td>-</td>
<td>33,019</td>
</tr>
<tr>
<td>SHSP EOC FFY16</td>
<td>97.067</td>
<td>-</td>
<td>4,999</td>
</tr>
<tr>
<td>SHSP Homeland Sec Train FFY16</td>
<td>97.067</td>
<td>-</td>
<td>35,000</td>
</tr>
<tr>
<td>UASI ENS FFY16</td>
<td>97.067</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>UASI-Mobile Command Vehicle FFY16</td>
<td>97.067</td>
<td>-</td>
<td>8,250</td>
</tr>
<tr>
<td>UASI-CBRNE FFY16</td>
<td>97.067</td>
<td>-</td>
<td>8,077</td>
</tr>
<tr>
<td>Drug Disposal FY16</td>
<td>93.959</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td>Immigration &amp; Custom Enforcement (ICE)</td>
<td>16.590</td>
<td>-</td>
<td>4,074</td>
</tr>
<tr>
<td>Emergency Mgmt Preparedness</td>
<td>97.042</td>
<td>-</td>
<td>109,077</td>
</tr>
<tr>
<td>FEMA Reimbursement-2016 Snowstorm</td>
<td>97.036</td>
<td>-</td>
<td>786,250</td>
</tr>
</tbody>
</table>
| **Total U.S. Department of Homeland Security** | | | | 1,260,286
**The County Commissioners of Carroll County**

**Schedule of Expenditures of Federal Awards**
**Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Federal Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through to Subrecipients</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through Maryland Department of Human Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABAWD FY16</td>
<td>10.561</td>
<td>-</td>
<td>33,860</td>
</tr>
<tr>
<td>ABAWD FY17</td>
<td>10.561</td>
<td>-</td>
<td>25,711</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Agriculture</strong></td>
<td></td>
<td></td>
<td>59,571</td>
</tr>
<tr>
<td><strong>U.S. Department of Justice</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through The Governor's Office of Crime Control and Prevention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drug Task Force-State's Atty</td>
<td>16.922</td>
<td>-</td>
<td>13,312</td>
</tr>
<tr>
<td>DOJ Joint Law Enforcement Ops</td>
<td>16.111</td>
<td>-</td>
<td>9,760</td>
</tr>
<tr>
<td>DOJ Joint Law Enforcement FFY17</td>
<td>16.111</td>
<td>-</td>
<td>6,048</td>
</tr>
<tr>
<td>VAWA FY16 State's Atty</td>
<td>16.588</td>
<td>-</td>
<td>13,863</td>
</tr>
<tr>
<td>VAWA FY16 Sheriff</td>
<td>16.588</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>VAWA FY 17 State's Atty</td>
<td>16.588</td>
<td>-</td>
<td>49,378</td>
</tr>
<tr>
<td>NNCAC FY17</td>
<td>16.758</td>
<td>-</td>
<td>5,822</td>
</tr>
<tr>
<td>VAWA FY17 Sheriff</td>
<td>16.588</td>
<td>-</td>
<td>14,852</td>
</tr>
<tr>
<td>Adult Drug Ct FY17</td>
<td>16.738</td>
<td>-</td>
<td>2,600</td>
</tr>
<tr>
<td><strong>Total of U.S. Department of Justice</strong></td>
<td></td>
<td></td>
<td>120,635</td>
</tr>
<tr>
<td><strong>Executive Office of the President</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through Mercyhurst University</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HIDTA CY16</td>
<td>95.001</td>
<td>-</td>
<td>114,637</td>
</tr>
<tr>
<td>HIDTA CY17</td>
<td>95.001</td>
<td>-</td>
<td>32,281</td>
</tr>
<tr>
<td><strong>Total Executive Office of the President</strong></td>
<td></td>
<td></td>
<td>146,918</td>
</tr>
<tr>
<td><strong>U.S. Department of Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through Maryland Department of Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DORS Program FY17</td>
<td>84.126</td>
<td>-</td>
<td>34,311</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Education</strong></td>
<td></td>
<td></td>
<td>34,311</td>
</tr>
<tr>
<td><strong>Environmental Protection Agency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through National Fish and Wildlife Foundation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carroll County Maintenance Pond</td>
<td>66.466</td>
<td>-</td>
<td>222,867</td>
</tr>
<tr>
<td>Passed Through Maryland Department of Natural Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carroll County Farm Museum ESD</td>
<td>66.466</td>
<td>-</td>
<td>119,366</td>
</tr>
<tr>
<td><strong>Total Environmental Protection Agency</strong></td>
<td></td>
<td></td>
<td>342,233</td>
</tr>
<tr>
<td><strong>Federal Aviation Administration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct - Airport Improvement Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master Plan Updated AIP30</td>
<td>20.106</td>
<td>-</td>
<td>44,868</td>
</tr>
<tr>
<td>Land Services AIP31</td>
<td>20.106</td>
<td>-</td>
<td>105,133</td>
</tr>
<tr>
<td><strong>Total Federal Aviation Administration</strong></td>
<td></td>
<td></td>
<td>150,001</td>
</tr>
<tr>
<td><strong>Total Federal Programs</strong></td>
<td>$ 806,131</td>
<td>$ 13,441,205</td>
<td></td>
</tr>
</tbody>
</table>

See Notes to Schedule of Expenditures of Federal Awards.
Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of the Carroll County, Maryland under programs of the federal government for the year ended June 30, 2017. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 for State, Local and Indian Tribal Governments or cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Carroll County, Maryland, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Carroll County, Maryland.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Grant revenues are recorded for financial reporting purpose when expenditures are made in accordance with requirements of respective grants. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect cost rate

Carroll County, Maryland has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Prior year expenditures included on the schedule

Due to the timing and approval of reimbursement of certain FEMA grants, the expenditures included with CFDA #97.036 in the amount of $786,250 were expended in a prior year but included on the current year schedule due to FEMA approval of the costs during the current year.
I. Summary of Independent Auditor’s Results

Financial Statements

Type of Auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ______ Yes ______ No

Significant deficiency (ies) identified? _____ Yes _____ No

Noncompliance material to financial statements noted? ______ Yes ______ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ______ Yes ______ No

Significant deficiency(ies) identified? ______ Yes ______ No

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 2 CFR Section 200.516(a) of the Uniform Guidance ______ Yes ______ No

Identification of Major Programs

<table>
<thead>
<tr>
<th>Name of Federal Program or Cluster</th>
<th>CFDA Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Choice Voucher Cluster</td>
<td>14.871 / 14.879</td>
<td>$ 5,499,157</td>
</tr>
<tr>
<td></td>
<td>20.202 / 20.219</td>
<td></td>
</tr>
<tr>
<td></td>
<td>/ 20.224 /</td>
<td></td>
</tr>
<tr>
<td>Highway Planning and Construction Cluster</td>
<td>23.003</td>
<td>$ 1,336,565</td>
</tr>
<tr>
<td></td>
<td>20.500 / 20.507</td>
<td></td>
</tr>
<tr>
<td></td>
<td>/ 20.525 /</td>
<td></td>
</tr>
<tr>
<td>Federal Transit Formula Grants Cluster</td>
<td>20.526</td>
<td>$ 1,297,254</td>
</tr>
<tr>
<td>Disaster Grants - Public Assistance</td>
<td>97.036</td>
<td>$ 786,250</td>
</tr>
</tbody>
</table>

Auditee qualified as a low-risk auditee? _____ Yes ______ No
The County Commissioners of Carroll County

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

II. Financial Statement Findings

Finding No. 2017 - 001

Material Weakness

Condition/Context
During the course of our audit we noted material misstatements in the County's records surrounding capital assets. The misstatements related specifically to the identification of assets that are placed in service (as opposed to being construction in progress) as well as the valuation recorded for assets donated by a component unit. The material misstatements were corrected as a result of our inquiries.

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 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 forth by the Governmental Accounting Standards Board ("GASB").

Cause
The errors related to classification of assets (when placed in service) were due to a lack of consistent, documented control processes surrounding the status of capital projects being completed by the County. The employees responsible for carrying out the projects is segregated from the financial reporting process and the procedures in place to communicate project status is not consistent and thorough.

The errors related to the misstatement of donated assets is due to a misapplication of measurement criteria related to donated assets. The County's does not have a documented process for how to consider a donation from a component unit (different than a donation from an outside party).

Effect
The errors led to misclassification of material amounts of capital assets as well as overstated assets donated from component units. These misstatements were corrected during the audit process.

Recommendations
We recommend that the County update its formal documentation surrounding its procedures pertaining to capital assets. The documentation should identify policy and procedures related to all typical major transactions, such as but not limited to asset acquisitions, dispositions (sale, loss, etc.), received donations and determining service lives and placed-in-service dates. The policies should include procedures that are documented in a fashion that they can be reperformed and should be reviewed within COSO/Internal Control Framework.
Views of the Responsible Officials and Corrective Action Plan
Procedures have been put in place to meet with various departments to review the status of all CIP projects before the close of the year to make sure assets are properly recorded.

During FY17 was the first occurrence where assets were being returned to the primary government from a component unit. The correction was made as soon as we were notified of the error. Procedures have been written on how to handle component unit transfers of assets going forward.

Finding No. 2017 - 002

Material Weakness

Condition/Context
During the course of our audit we noted a material misstatement in the County's records surrounding the recognition of grant revenue related to the federal aviation grants in the Airport Fund, a major enterprise fund.

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
The errors related to timing of revenue recognition related to cost-reimbursement grants. There were Federal and State-sourced cost-reimbursed grants related to the Airport Fund for which the County incurred expenses and did not record revenue for the portion that was sourced by the grant. Grants in the County's enterprise funds are not typical and are not given the same scrutiny and review as those in the Grant Fund.

Effect
The errors let to underrecognized revenue and assets that were material to the Airport Fund. The misstatement was corrected during the audit process.

Recommendations
We recommend that the County update its formal documentation surrounding its procedures pertaining to grants. The policies and procedures should include a formal review process by a designated finance department employee with the proper subject matter expertise to help overcome the fact that grant administration is decentralized at the County. The process should include documentation of the procedures that are put in place so that the review can be reperformed.
Views of the Responsible Officials and Corrective Action Plan

Many discussions were held at year end on the proper revenue recognition. Adjustments were made to revenue recognition as soon as they were brought to our attention. Procedures are in place to correctly record the FAA grants moving forward and to review grants recorded in the enterprise funds.

III. Major Federal Award Findings and Questioned Costs

Finding No. 2017 - 003

Material Weakness

Condition/Context
During the course of our audit we found instances where the schedule of expenditures of federal awards ("SEFA") required several adjustments to stated expenditures, changes to CFDA numbers and certain programs were not properly clustered in accordance with Uniform Guidance requirements.

Criteria
The Uniform Guidance requires the auditee to have controls in place that will produce a complete, accurate and properly clustered SEFA.

Cause
The controls in place were unable to prevent adjustments to expenditures, detection of incorrect CFDA numbers and proper cluster reporting.

Effect
The SEFA expenditure amounts were misstated, the SEFA included incorrect CFDA numbers and was not properly clustered.

Recommendations
We recommend that the County enhance controls to ensure that the SEFA provided is complete, accurate and properly clustered.

Views of the Responsible Officials and Corrective Action Plan

All adjustments were made as soon as we found out about any incorrect expenditures or improper cluster groupings. The retirement of the staff member with experience and responsibility for preparing the SEFA occurred two months before year end. Replacement employee was hired after year end and the priority will be to learn the Uniform Guidance Requirements related to federal awards. A request for the addition of a grant accountant position will be considered in the upcoming budget process.
The County Commissioners of Carroll County

Schedule of Prior Year Audit Findings
Year Ended June 30, 2017

Finding No. 2016 - 001

Material Weakness

Condition/Context
The June 30, 2016, financial statements of the County reflect prior period adjustments pertaining to improper recording of revenue in the below- listed governmental funds and governmental activities. The effect of the adjustments is summarized below.

Grants Fund
Increase fund balance by $1,770,272.

Capital Fund
Increase fund balance by $655,477 and an unrelated offsetting decrease of fund balance by $303,003.

General Fund
Increase of fund balance of $244,767.

The above adjustments to governmental funds of $2,367,513 also increase net position of the governmental activities by that amount.

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").

Status
Management has satisfactorily addressed all findings noted.

Finding No. 2016 - 002

Material Weakness

Condition/Context
There were prior period adjustments related to improper fund classification. The effect of the adjustments to the following governmental funds and governmental activities is summarized below.
The County Commissioners of Carroll County

Schedule of Prior Year Audit Findings
Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Transfer Fund</td>
<td>Decrease fund balance by $481,181 for activities that did not qualify as a special revenue fund.</td>
</tr>
<tr>
<td>Impact Fee Fund</td>
<td>Decrease fund balance by $467,479 for activities that did not qualify as a special revenue fund.</td>
</tr>
<tr>
<td>Capital Fund</td>
<td>Increase fund balance by $481,181 related to the agricultural transfer tax noted above. The $467,479 related to the impact fees should have been reported as unearned revenue resulting in no charge to fund balance.</td>
</tr>
<tr>
<td>Agency Fund</td>
<td>Decrease in Assets and Liabilities of $396,876 for balances that did not qualify as an agency fund. This is now properly accounted for within the general fund.</td>
</tr>
</tbody>
</table>

**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").

**Status**

Management has satisfactorily addressed all findings noted.
Department of the Comptroller
Carroll County Government
225 North Center Street
Westminster, Maryland