



# *Worcester County*

MARYLAND



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

[www.co.worcester.md.us](http://www.co.worcester.md.us)

# *Worcester County, Maryland*

## **Comprehensive Annual Financial Report**

For Fiscal Year Ended  
June 30, 2008



*Prepared by:*

Gerald T. Mason,  
Chief Administrative Officer

Phillip G. Thompson, CPA  
Assistant Finance Officer

Harold L. Higgins, CPA  
Finance Officer

Kathleen J. Whited,  
Budget Officer





# **INTRODUCTORY SECTION**

LOCATION MAP

LETTER OF TRANSMITTAL

ORGANIZATION CHART

LIST OF PRINCIPAL OFFICERS

WORCESTER COUNTY, MARYLAND  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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## Worcester County

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HAROLD L. HIGGINS, CPA  
FINANCE OFFICER

PHILLIP G. THOMPSON, CPA  
ASSISTANT FINANCE OFFICER

January 26, 2009

To the County Commissioners and Citizens of Worcester County, Maryland:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for Worcester County, Maryland for the fiscal year ended June 30, 2008 as required by both local and state statutes. These statutes require that Worcester County, Maryland annually issue financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for these representations, the management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the 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.

The public accounting firm of Trice, Geary and Myers, LLC has audited Worcester County, Maryland's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Worcester County, Maryland for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by

management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Worcester County, Maryland's financial statements for the fiscal year ended June 30, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This independent audit of the County's financial statements 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, including the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Worcester County's separately issued single audit report.

### **Profile of the Government**

Worcester County, established in 1742, lies in the middle of a three-state region known as the Delmarva Peninsula, which comprises portions of Delaware, Maryland and Virginia. The County is the seventh largest in Maryland, having a land area of 483 square miles and 106 square miles of water. On the north, it is bounded by Sussex County, Delaware; on the south by Accomack County, Virginia; on the west by Wicomico and Somerset Counties, Maryland; and on the east by the Atlantic Ocean. One of Worcester County's greatest assets is its seashore. An excellent beach, which forms the entire oceanfront in Maryland, stretches for 31 miles across the entire eastern boundary of the County on a barrier island, which is separated from the mainland by a series of shallow bays.

There are four incorporated municipalities in the County: Berlin, Ocean City, Pocomoke City and Snow Hill. Berlin, Pocomoke City and Snow Hill are well-established communities ranging in size from 2,400 to about 4,100 year-round residents. Each was originally built as a residential, economic and social center to serve its surrounding agricultural communities. The Town of Ocean City is the County's most developed and fastest growing area. The Town's major industry is tourism. Ocean City generated \$262.2 million in gross hotel, motel and condominium rentals in 2007. While retail sales figures reported for Worcester County in 2007 rose to \$1.28 billion. The County's population also continues to grow; projections for 2010 show the County population to be 51,800. According to recent estimates, summer populations average over 295,000 in July and August and peak at nearly 325,000 on the July 4<sup>th</sup> weekend. The Towns and County provide its residents and visitors with various government services, including police and fire protection, beach patrol, water and sewage disposal, public transportation, recreational facilities and emergency health care services.

### **Form of Government**

The County is governed by an elected seven-member Board of County Commissioners, each of whom is elected from one of the seven Commissioner districts. Elections are held every four years in November. The Commissioners must be qualified voters of the County and must have resided at least two years in Worcester County immediately preceding their election. The



Board must meet at least twice each month and must remain in session so long as may be necessary to properly transact the business of the County. The Board elects its own president and vice president.

The Chief Administrative Officer of the County is charged with the administration of all agencies of the County government. The County provides a full range of municipal services including education, libraries, public safety (police, detention center, and volunteer fire services), recreation activities, health and social services, sanitary districts, waste disposal, recycling, highways and streets, planning and zoning, and general administrative services.

### **Budget Process**

The Board adopts an operating budget for the General Fund and Enterprise Fund of the County. Revenue estimates for the ensuing fiscal year from the units of the County government are reviewed and compiled by the Budget Officer in February of each year. The expenditure requests are submitted to the Chief Administrative Officer, who in turn presents a requested budget to the Board in April. The Board must then conduct a public hearing on the budget submitted, on or before May 30, and shall advertise at least once per week for two weeks prior to said hearing in a publication of general circulation within the County. The Board must then adopt the budget and tax rates on or before the first Tuesday in June.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

**Local Economy** - Worcester County's local economic performance reflects the current national recession. However, the trends in Worcester County are not nearly as severe as the national trends. The real estate market in the County has cooled, evidenced by a 35.7% reduction in transfer and recordation tax receipts. Conversely, room tax receipts and food tax receipts were stronger than expected with a 12.8% and 10.7% positive variance over budget. The County's unemployment rates have been consistent in recent years. The County has the second lowest property tax rate and the lowest income tax rate providing the County with financial flexibility for future years.

The County has a strong tourism business, drawing visitors from all over the Country to its pristine seashore and many historic sites. Additionally, in recent years the County's central location relative to the major mid-Atlantic metropolitan areas has made it a target destination for retirees who seek a better quality of life. Development is purposely controlled to protect the County's beauty and the fragile environment of its shoreline and waters.

**Long Term Financial Planning** – The Board adopts annually a multiyear capital budget plan, covering 10 years, that forecasts spending for all anticipated capital projects. The plan addresses both repair and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. It enables the County to identify needed capital projects and to coordinate facility financing and timing.

**Cash Management Policies and Practices** – The County invests its funds according to its adopted investment policy, which provides for safety of principal and maximizes security, meets daily cash flow demands and seeks to achieve an adequate rate of return. Cash temporarily idle during the year is invested in the Maryland Local Government Investment Pool.

**Risk Management** – The County is a member of the Maryland Local Government Insurance Trust. The Trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverage and operates under the terms of a Trust Agreement. The Trust provides insurance and risk management services to its members.

The County obtains worker's compensation and employee medical coverage through a commercial insurance company.

**Pension and Other Post Employment Benefits** – County employees are covered by either the Employees Retirement System or the Employees Pension System of the State of Maryland. These are multiple-employer public retirement systems sponsored and administered by the Maryland State Retirement and Pensions Systems and created by the Maryland General Assembly. In addition to the State Plan the County assumed management of a plan that is administered by the Nationwide Life Insurance Company following the abolishment of the Worcester County Sanitary Commission in 1994. This plan provides coverage for the former employees of the Sanitary Commission, many of whom now work for the County Department of Public Works.

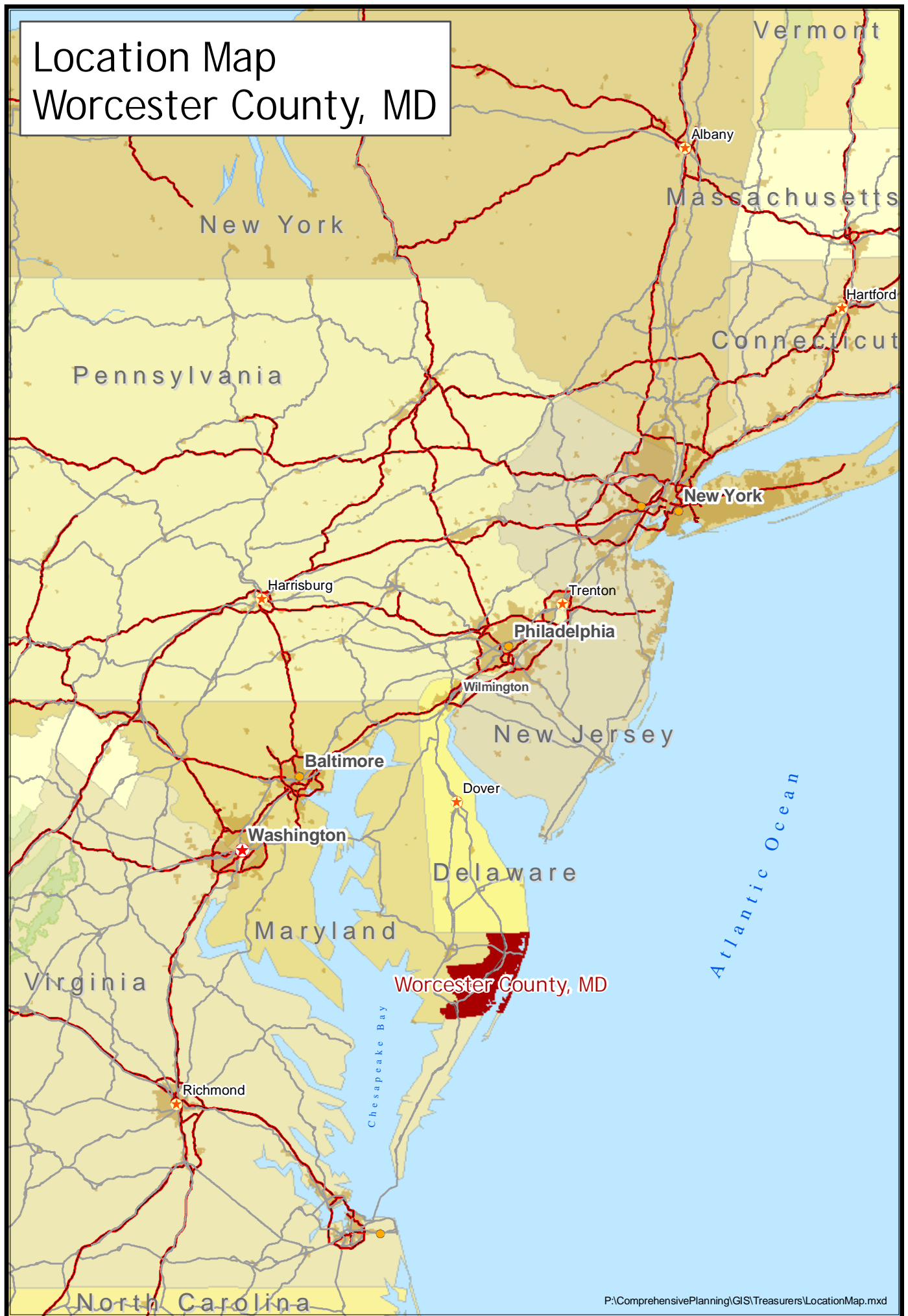
The County also provides post-retirement health care benefits for retirees (OPEB) and their dependents who meet the Maryland State Retirement System benefit qualifications. A separate fund is being used to account for and accumulate resources for the payment of certain non-pension retirement benefits.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Harold L. Higgins".

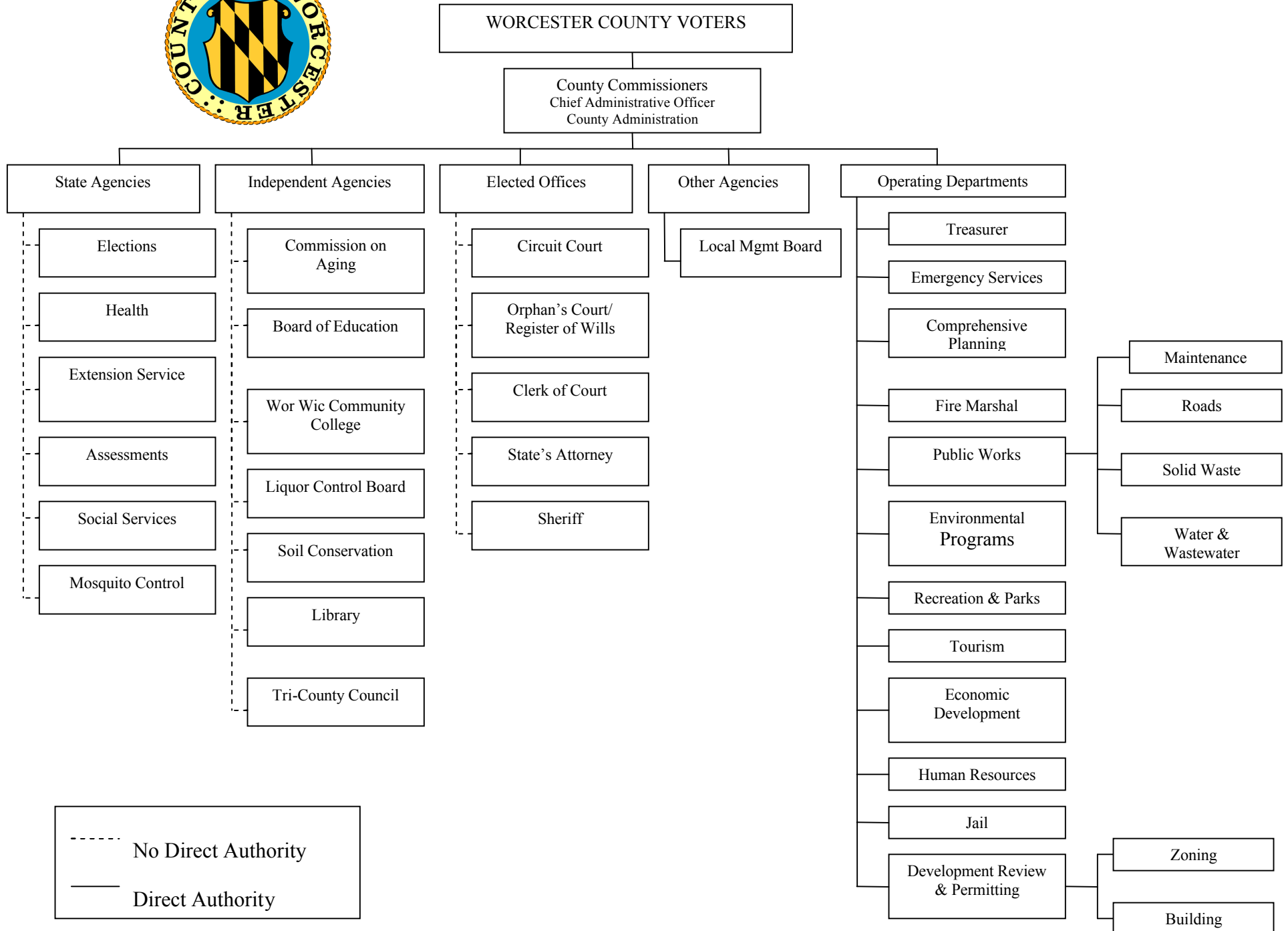
Harold L. Higgins, CPA  
Treasurer

# Location Map Worcester County, MD





# Worcester County Organization Chart





Worcester County, Maryland  
List of Principal Officials and Directors  
June 30, 2008

Elected Officials

County Commissioners	Virgil L. Shockley, President Louise L. Guylas, Vice President Judith O. Boggs Linda C. Busick James C. Church Robert L. Cowger, Jr. James L. Purnell, Jr.
Sheriff	Charles T. Martin
State's Attorney	Joel J. Todd

Appointed Officials

County Administrator	Gerald T. Mason
Assistant County Administrator	Kelly Shannahan
Attorney	John E. Bloxom
Comprehensive Planning Director	Sandy Coyman
Jail Warden	Ira F. Shockley
Economic Development Director	Gerald Redden
Emergency Services Director	Teresa A. Owens
Environmental Programs Director	Robert Mitchell
Treasurer	Harold L. Higgins
Fire Marshall	Jeff McMahon
Human Resources Director	George Bradley
Library Director	Mark Thomas
Local Management Bd. Director	Michael Dyer
Development Review and Permitting	Edward Tudor
Public Works Director	John Tustin
Recreation and Parks Director	Sharon Reilly
Tourism Director	Lisa Challenger

## **FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

County Commissioners of  
Worcester County, Maryland  
Snow Hill, Maryland

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 Worcester County, Maryland as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Worcester County, Maryland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Worcester County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the Board of Education of Worcester County, is based solely upon 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the 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 Worcester County, Maryland, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009, on our consideration of Worcester 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 11 – 22 and 70 - 91, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Worcester County, Maryland's basic financial statements. The introductory section, additional supplementary information and schedules in the financial section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Worcester County, Maryland. The additional supplementary financial information in the financial section have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Salisbury, Maryland  
January 26, 2009



## *Management's Discussion and Analysis*

This discussion and analysis of Worcester County's (County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended June 30, 2008. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this, in conjunction with additional information provided within the statements, will assist readers in identifying significant financial issues and changes in the County's financial position.

### *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.** This report also contains **4) supplementary information** in addition to the basic financial statements themselves.

#### **1) Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private business. The government-wide financial statements include a *statement of net assets* and a *statement of activities*.

- The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (E.g. uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and 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 the County include general government, public safety, public works, health and hospitals, social services, education, libraries, recreation and culture, conservation of natural resources, economic development, and inter-governmental.
- The *business-type activities* of the County include solid waste and water and sewer utility operations.

The government-wide financial statements include not only the County itself (the primary government), but also includes the Worcester County Board of Education and the Worcester County Liquor Control Board as legally separate component units and are reported separately from financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24-26 of this report.

#### **2) 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental, proprietary, and fiduciary funds.*

- **Governmental Funds.** Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Capital project, Department of Social Services, Reserve, Local Management Board, Local Law Enforcement Block Grant, and Debt service funds.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 29-33 of this report.

- **Proprietary funds.** Proprietary funds are comprised of two types: 1) *Enterprise funds* and 2) *Internal Service funds*. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. Enterprise funds are used to account for functions of the County in which user charges are collected to cover the cost of the service being provided. The County uses enterprise funds to account for both its solid waste and its water and sewer operations. Internal service funds are used to report activities that provide supplies and services for the government's other programs and activities. The County does not utilize an internal service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund statements can be found on pages 35-39 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 statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to a proprietary fund.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

### 3) ***Notes to the Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-69 of this report.

### 4) ***Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information*. Required supplementary information can be found on page 71 of this report.

## Financial Analysis on Government-Wide Financial Statements

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$206,043,264 as of June 30, 2008 compared to \$206,021,610 for the year ended June 30, 2007, an increase of \$21,654.

### Worcester County, Maryland

#### Net Assets

	June 30, 2008			June 30, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other						
assets	\$ 112,834,940	\$ 31,822,856	\$ 144,657,796	\$ 117,112,533	\$ 35,359,133	\$ 152,471,666
Capital assets	101,589,861	79,289,684	180,879,545	95,720,475	79,278,542	174,999,017
<b>Total assets:</b>	<b>214,424,801</b>	<b>111,112,540</b>	<b>325,537,341</b>	<b>212,833,008</b>	<b>114,637,675</b>	<b>327,470,683</b>
<b>Liabilities:</b>						
Current and other						
liabilities	15,957,261	23,481,732	39,438,993	12,940,287	21,961,916	34,902,203
Long-term liabilities	62,508,989	17,746,095	80,255,084	66,854,462	19,692,408	86,546,870
<b>Total liabilities:</b>	<b>78,466,250</b>	<b>41,227,827</b>	<b>119,694,077</b>	<b>79,794,749</b>	<b>41,654,324</b>	<b>121,449,073</b>
<b>Net assets:</b>						
Invested in capital assets						
net of related debt	88,196,133	58,545,520	146,741,653	77,605,845	57,150,700	134,756,545
Restricted	1,500,000	-	1,500,000	1,500,000	-	1,500,000
Unrestricted	46,462,418	11,339,193	57,801,611	53,932,414	15,832,651	69,765,065
<b>Total net assets:</b>	<b>\$ 136,158,551</b>	<b>\$ 69,884,713</b>	<b>\$ 206,043,264</b>	<b>\$ 133,038,259</b>	<b>\$ 72,983,351</b>	<b>\$ 206,021,610</b>

One of the largest portions of the County's net assets (71.2 percent) reflects its investments in capital assets (e.g., land, buildings, roads, equipment, and bridges) less related outstanding debt used to acquire those assets in the amount of \$146,741,653 at June 30, 2008. 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.

The remaining balance of unrestricted assets \$57,801,611 may be used to meet the County's ongoing obligations to citizens and creditors.

It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to \$50,517,489 at June 30, 2008. Absent the effect of this relationship, the County would have reported unrestricted net assets of \$108,319,100 on its government-wide financial statements, rather than the unrestricted net assets of \$57,801,611.

The following table indicates the functional revenues and expenses of governmental activities to demonstrate the extent which the governmental functions produce revenues to offset program costs. Expenses not covered by direct program revenues are covered primarily by taxes, licenses, and state shared revenues.

**Worcester County, Maryland**  
**Changes in Net Assets**

	June 30, 2008			June 30, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 4,439,925	\$ 15,968,423	\$ 20,408,348	\$ 4,897,072	\$ 16,898,715	\$ 21,795,787
Operating grants and contributions	4,036,459	25,000	4,061,459	5,675,002	30,000	5,705,002
Capital grants and contributions	1,463,798		1,463,798	1,908,265	8,983,508	10,891,773
<b>General revenues:</b>						
Real and personal property taxes	116,778,663		116,778,663	99,594,792		99,594,792
Income taxes	13,684,600		13,684,600	15,842,045		15,842,045
Other local taxes	26,305,749		26,305,749	30,073,645		30,073,645
State shared taxes	5,654,165		5,654,165	6,194,180		6,194,180
Franchise fees	22,341		22,341	21,713		21,713
Distribution - WCLCB	415,403		415,403	363,442		363,442
Interest income	5,980,550	368,852	6,349,402	5,069,327	600,400	5,669,727
Gain(loss) on sale of capital asset			-	(643,251)		(643,251)
Other income	555,387		555,387	562,566		562,566
<b>Total revenues:</b>	179,337,040	16,362,275	195,699,315	169,558,798	26,512,623	196,071,421
<b>Expenses:</b>						
General government	27,928,659		27,928,659	26,551,619		26,551,619
Public safety	20,618,197		20,618,197	19,260,096		19,260,096
Public works	11,938,484		11,938,484	12,977,393		12,977,393
Health and hospitals	5,325,834		5,325,834	4,751,608		4,751,608
Social services	1,586,489		1,586,489	1,321,765		1,321,765
Education	88,762,738		88,762,738	65,947,811		65,947,811
Libraries, recreation and culture	5,156,677		5,156,677	4,289,428		4,289,428
Conservation of natural reasources	582,842		582,842	561,242		561,242
Economic development	2,393,008		2,393,008	1,821,965		1,821,965
Interest charges	2,477,071		2,477,071	1,848,694		1,848,694
Miscellaneous	9,407,889		9,407,889	10,084,539		10,084,539
Landfill		7,639,296	7,639,296		6,071,486	6,071,486
Water and wastewater		11,860,477	11,860,477		10,931,337	10,931,337
<b>Total expenses:</b>	176,177,888	19,499,773	195,677,661	149,416,160	17,002,823	166,418,983
Transfers	(38,860)	38,860	-	-	-	-
Increase (decrease) in net assets	3,120,292	(3,098,638)	21,654	20,142,638	9,509,800	29,652,438
Net assets, beginning	133,038,259	72,983,351	206,021,610	112,895,621	63,473,551	176,369,172
Net assets, ending	\$ 136,158,551	\$ 69,884,713	\$ 206,043,264	\$ 133,038,259	\$ 72,983,351	\$ 206,021,610



## ***Financial Analysis on Government Fund Financial Statements***

### **Governmental Activities:**

Key elements in the revenue increase of \$9,778,242 for governmental activities are as follows:

- The largest increase was attributable to real and personal property taxes. Real and personal property tax revenues increased 17.3% or \$17,183, 871 as a result of assessment increases and new construction primarily in the northern portion of the County. Property tax represents the County's largest revenue source, 65% of the total revenue stream. The County tax rate of \$0.70 per \$100 per assessed value remains the 2<sup>nd</sup> lowest in Maryland.
- Income tax revenue decreased by \$2,157,445 or 15.8% from FY07 levels. This is attributable primarily to the slowdown in the housing market and its effect on the construction, real estate sales and related trades.
- The revenue for other local taxes decreased by \$3,767,896 or 14.3%. Included in this category are room, food, admission, recordation, trailer park, and transfer taxes. Room taxes which are the largest revenue source in this category increased from 4.0% to 4.5%. Recordation and transfer taxes decreased by \$4,289,673 or 35.7% due to a cooling real estate market.
- Interest income increased \$911,223 above the prior year due to better than anticipated rates of return during the first half of the fiscal year.

Expenses for governmental activities increased 17.9% or \$26,761,728 compared to FY07 primarily due to the following:

- Wages and employee benefits for general fund departments which are 19.6% of total expenses increased 11.2% from the prior year. Wages rose 9.9% or \$1,959,033 due to 19 new positions, salary increases and cost of living adjustments of 5%. The cost of employee benefits increased \$1,043,268 or 17.5%. This included increases for health insurance of \$505,254, retiree benefits of \$311,106 due to the rate change from 3% to 4% with the Maryland State Retirement System, workers compensation insurance costs of \$99,309, and long term disability insurance cost increases of \$22,741.
- Other operating expenses increased \$1,052,761 or 5.6%. The largest percentage increase was for intergovernmental, which includes Grants to Towns and the increase in the room tax rate at \$393,578 or 3.7%. Tourism expenditures were increased for promotional materials and monies to assist with matching of state grants for a Discovery Center, an interactive learning center, at \$374,781 or 3.5%. Expenditures of \$284,402 or 2.7% were increased over the prior year to the Commission on Aging due to increased utility costs and the County share of operations due to State budget cuts.
- There were significant percentage increases in three functional areas: public safety 5.1%; general government 5.1%; and libraries recreation and culture 3.2%.
  - Public Safety increased by \$1,358,101 with nine new employees in the following departments: Sheriff's Office (three school resource officers in the high schools), Animal Control, Emergency Services and the Jail. In addition funds were increased to Volunteer Fire and Ambulance companies in the County.
  - General Government increased \$1,377,040 with six new employees in the following departments: Circuit Court, States Attorney, Treasurers' Office and County Administration. Pass thru grants increased for the Circuit Court, Comprehensive Planning and Environmental Programs.
  - Recreation, Parks and the Library increased \$867,249 with three new employees; increases in grants for State Program Open Space park improvements and Waterway improvement for boat landings grants which are reimbursed to the County.
- Education which represents the largest expenditure item for the county increased by 34.6% or \$22,824,927. Operating expenses for the Board of Education increased by \$7,044,349 or 11%. The increase includes salary to fund seven new positions, continuation of salaries which equates to compensation for 10 new teachers, continue positions previously funded by expiring grants, and provides a salary package increase of 7.5% all of which equates to \$4,255,286 over the prior year. An additional \$1,387,969 was approved to cover other operating accounts which include benefits, utilities and increases for Instructional programs. A year-end supplemental appropriation of \$385,000 was paid for unanticipated expenses needed for Special Education and utilities. A \$1,100,000 judgment claim by a contractor is included as a liability, details can be found in Note 15.

- Also for education, the County funded the construction of the Worcester Career and Technical High School in the amount of \$15,622,326 in FY08. This is a new 139,077 sf state of the art facility which opened in the fall of 2008 for 13 programs of study.

### **Governmental Funds:**

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements, restrictions, and fiscal accountability.

The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is as of June 30, 2008 and 2007:

<u>Governmental Activities - Fund Statements</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Net Change in Fund Balance</u>
General Fund	\$ 34,056,402	\$ 36,393,808	\$ (2,337,406)
Capital Projects Fund	11,550,057	34,080,904	(22,530,847)
Debt Service Fund	5,290	5,217	73
Reserve	17,870,025	17,870,025	-
Other Post Employment Benefits	35,187,018	17,426,937	17,760,081
Other Governmental Funds	761,245	823,721	(62,476)
<b>Total</b>	<b>\$ 99,430,037</b>	<b>\$ 106,600,612</b>	<b>\$ (7,170,575)</b>

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$99,430,037, a decrease of \$7,170,575 in comparison with the prior year.

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year the fund balance of the General Fund was \$34,056,402. This fund balance includes designations of \$5,488,823 for encumbrances, \$76,121 for prepaid expenses, \$27,991,458 for future capital projects, and \$500,000 as undesignated fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.1% of total general fund expenditures, while total fund balance represents 22.8% of that same amount.

The **Capital Projects Fund** is used to account for major capital acquisition and construction of County facilities. Major sources for these projects are pay-as-you-go funding, debt proceeds, and federal and state grants. The fund balance of the County's Capital Projects Fund decreased by \$22.5 million during the current fiscal year. This decrease was associated with construction of the Worcester Career and Technology School which will open in the fall of 2008.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest and related costs. The fund balance of the Debt Service Fund decreased by \$73 during the current fiscal year. The entire fund balance is reserved for fund purposes.

The **Reserve Fund** is maintained for contingency and emergency situations as determined by the County Commissioners. There was no activity in the Reserve Fund in FY08 since it was at the required fund level of 10% of budgeted General Fund expenditures.

The **Other Post Employment Benefits Fund** or "OPEB" Fund is used to account for and accumulate resources for the payment of certain non-pension retirement benefits. In FY08 the County contributed \$17,014,392 to this fund.

The **Other Governmental Funds** include the Department of Social Services, Local Management Board, and the Energy Service Fund. Fund balance in these funds decreased by \$62,476 from FY08 primarily due to the activity of the Local Management Board as detailed on page 95.

**Proprietary funds:**

<u>Enterprise Fund Statements</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Change in Net Assets</u>
Water and Sewer Utilities	\$ 58,939,283	\$ 60,738,191	\$ (1,798,908)
Solid Waste	<u>10,945,430</u>	<u>12,245,160</u>	<u>(1,299,730)</u>
Total	<u>\$ 69,884,713</u>	<u>\$ 72,983,351</u>	<u>\$ (3,098,638)</u>

**Solid Waste**

***Revenues***

- Tipping fee revenue continued to decline from \$7.2 million in FY06 to \$6 million in FY07 to \$5.2 million in FY08 due to a decrease in the volume of demolition and construction waste being brought in to the landfill. Solid waste tipping rates were increased from \$50 to \$60 a ton to help stabilize the revenue stream.
- Interest income dropped from \$440,890 in FY07 to \$290,913 in FY08 due to declining interest rates late in the fiscal year and reduced balances due to funds spent constructing cell 4.

***Expenses***

- Closure & postclosure costs were substantially higher in FY06 and FY08 due to revised engineering estimates on the cost of covering existing full landfill cells. The covers for these cells are petroleum based, and the prices increased substantially as fuel costs were increasing. The costs for current cells is amortized over the life of the cell, however, increases for previously amortized cells were recognized in the years the estimates were revised.
- Administrative expenses increased \$53,316 or 11% from FY07 to FY08. This increase was due to increases in salary and benefits expenses.
- Solid waste expenses (without the above closure & postclosure costs) increased \$349,335 or 15% from FY07 to FY08. This increase was due to increases in salary and benefits expenses and rising fuel costs.
- Recycling expenses increased \$47,751 or 7.5% from FY07 to FY08. This increase was due to increases in salary and benefits expenses which were slightly offset by a reduction in special events costs. Special events largest cost is for two annual hazardous waste days at a cost of approximately \$10,000 each. Because of timing, for FY07 three such days were held and for FY08 one such day was held.

**Water and Wastewater**

***Revenues***

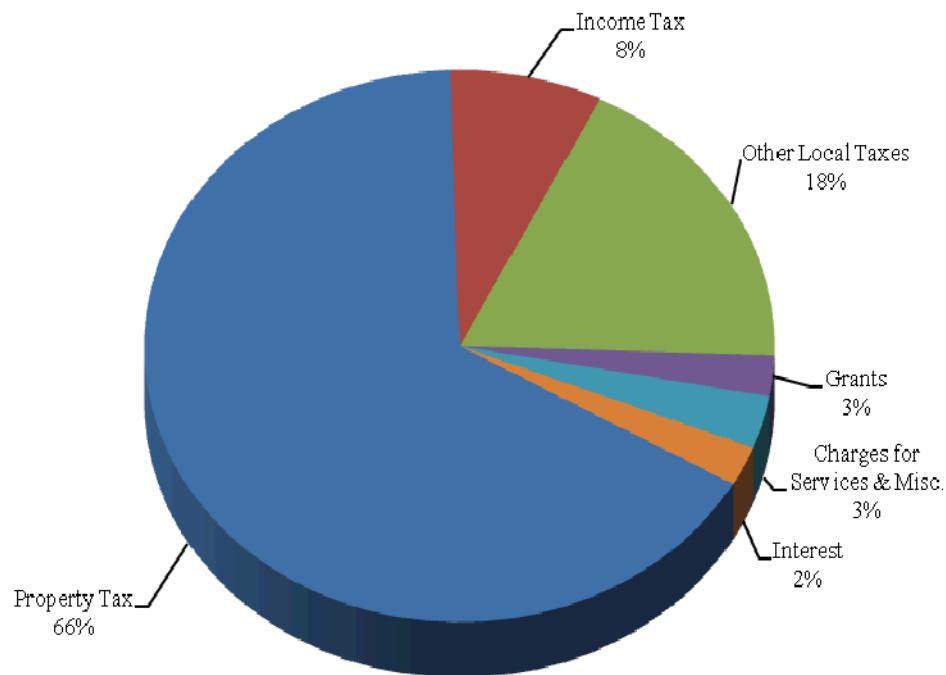
- Charges for services increased from \$6,757,930 in FY07 to \$7,740,822 in FY08 or 14.5% mainly due to planned rate increases to keep up with rising costs including energy, insurance, and chemicals.

***Expenses***

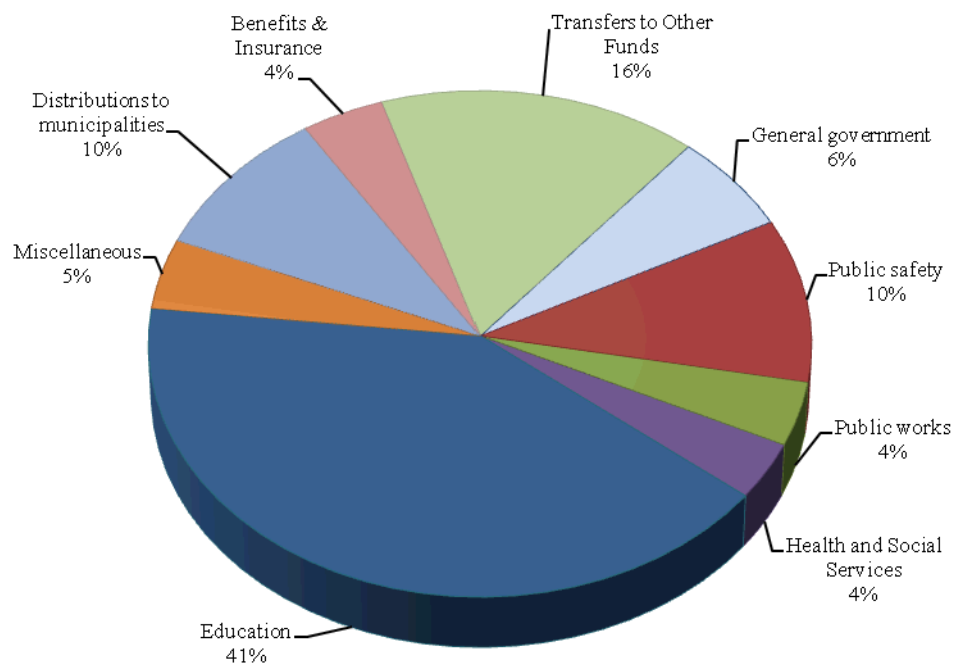
- Overall operating expenses increased from \$7,799,550 in FY07 to \$8,602,464 in FY08 or 10.3%. Some of the details include salary increases of 2.5% for step and 3.6% for cola instituted from FY07 to FY08. Benefits increased by 11% due mainly to increased health care premiums. Fuel costs increased in all service areas by 35-45%. Because most of the chemicals used in the treatment process are tied to the petroleum market, chemical costs also increased 35-45%.
- Depreciation increased from \$2.2 million to \$2.6 million mainly due to the addition of the Landings water and sewer systems donated in FY07 from the original developer and the Snug Harbor sewer collection system built through grant and loan funds also in FY07.

Fiscal year 2008 revenues and expenses are summarized in the charts on the following pages for both the business type (proprietary) and governmental activities.

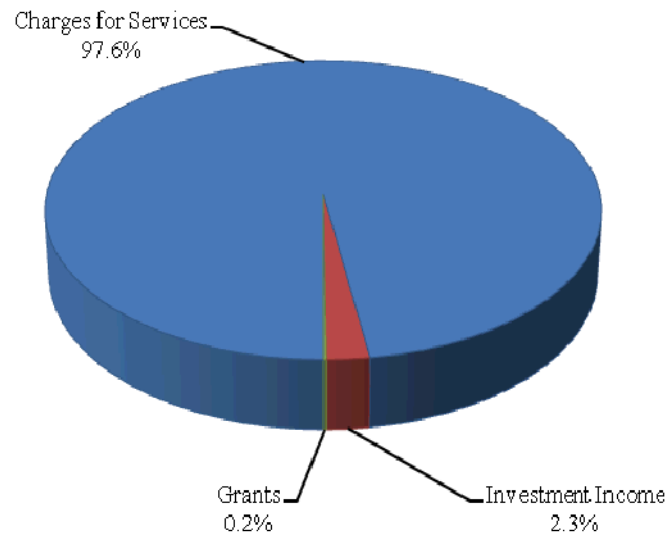
# Revenues by Source- Governmental Activities For the Year Ended June 30, 2008



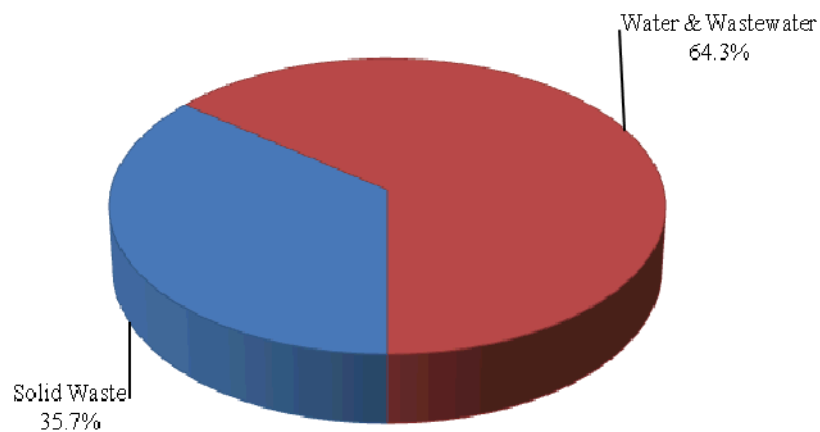
# Expenses - Governmental Activities For the Year Ended June 30, 2008



Revenues by Source - Business - Type Activities  
For the Year Ended June 30, 2008



Expenses - Business - Type Activities  
For the Year Ended June 30, 2008



## ***Capital Asset and Debt Administration***

**Capital assets:** The County's investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$180,879,545 (net of accumulated depreciation). The total increase in the County's investment in capital assets for the current year was 3.4%. This investment in capital assets includes land, buildings, water and sewer infrastructure, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Change in net assets over a period of time can be used as an indicator of the financial health of the County.

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

- A new 31,000 square foot parcel was purchased as the future site for a new Water tower for the Newark Service Area. Purchase price \$91,643.

- Construction was completed on the new Ocean City Library on Coastal Highway and 100<sup>th</sup> street. The 10,154 square foot building with an additional 1,600 square feet of space on porches for expanded summer use. This modern architectural style building utilizes flexible open space design for both floors and incorporates Green Building features. The approximate cost for the improvements were \$6,129,426 and was opened to the public in the summer of 2008.



- Construction is still underway for the addition/renovations to the County Health Department. This project includes a 35,000 square foot addition and a 10,500 square foot renovation to the existing building in Snow Hill. The approximate cost for the improvements is \$9,400,000 with \$1,910,000 in State Grant funds.



- Construction is underway for the addition and renovation project to the County Jail located in Snow Hill, Maryland. The current capacity of the Jail at 319 will be increased by 183 for a total capacity of 502 inmates. The additional square footage of 64,367 and renovation of 13,283 square foot is estimated to cost \$25,960,186 and will utilize County and State funds.



- Improvements to various County parks and Boat landings totaled \$714,054 in FY08.
- The County contributed \$16,554,472 for the following education projects:
  - \$102,383 to Wor-Wic Community College towards campus development
  - \$16,517 for construction of a new Ocean City Elementary School
  - \$15,622,326 for construction of a new Worcester Career & Technology Center School
  - \$813,246 for construction of an addition to the Pocomoke High School.
- The construction of cell 4 at the County landfill was completed during FY08 at a total cost of \$9,683,790. Waste started being accepted at cell 4 on August 27<sup>th</sup>, 2007. The estimated useful life of cell 4 is seven years.



**Worcester County, Maryland**  
**Capital Assets (Net of Depreciation)**

	June 30, 2008			June 30, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land and improvements	\$ 9,143,339	\$ 1,341,872	\$ 10,485,211	\$ 9,103,339	\$ 1,341,872	\$ 10,445,211
Building and building improvements	30,208,191	3,619,998	33,828,189	31,108,346	3,725,828	34,834,174
Improvements other than buildings	2,644,069	9,069,315	11,713,384	2,219,164	7,682,098	9,901,262
Machinery and equipment	12,777,118	4,941,137	17,718,255	13,650,561	4,890,075	18,540,636
Water and sewer sytems		58,990,112	58,990,112		59,764,624	59,764,624
Infrastructure	22,221,943		22,221,943	27,237,889		27,237,889
Construction in progress	24,595,201	1,327,250	25,922,451	12,401,176	1,874,045	14,275,221
<b>Total:</b>	<u>\$ 101,589,861</u>	<u>\$ 79,289,684</u>	<u>\$ 180,879,545</u>	<u>\$ 95,720,475</u>	<u>\$ 79,278,542</u>	<u>\$ 174,999,017</u>

Additional information on Worcester County's capital assets can be found in note 5 on pages 53-54 of this report.

**Long-term debt:** At the end of the current fiscal year, Worcester County had total bonded long-term debt of \$81,808,336. The total debt is backed by the full faith and credit of Worcester County. Business-type activities are directly responsible for \$18,268,965 of the total debt.

**Worcester County, Maryland**  
**Outstanding Debt/General Obligation Bonds**

	June 30, 2008			June 30, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Bonded Debt	<u>\$ 63,539,371</u>	<u>\$ 18,268,965</u>	<u>\$ 81,808,336</u>	<u>\$ 67,565,671</u>	<u>\$ 19,674,003</u>	<u>\$ 87,239,674</u>

The County's total bonded debt decreased by \$5,431,338 during the current fiscal year due to planned debt retirement. See Note 6 of this report for details of additional debt incurred and existing debt paid.

Worcester County maintains an "AA-" rating from Fitch and an "Aa3" rating from Moody's for general obligation debt.

Additional information on the County's long-term debt can be found in note 6 on pages 55-59 of this report.

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

- The unemployment rate for the County as of June 30, 2008 is 4.4%, which is an increase from a rate of 3.7% a year ago. This compares to the state's average unemployment rate of 4.2%.
- Tourism has remained relatively stable due in part of the proximity of the areas from which these visitors travel to reach Ocean City with average summer populations from 295,000 to nearly 310,000 on the July 4<sup>th</sup> weekend.
- Room tax revenues increased due to a rate change from 4% to 4.5% in January 2008.

### **Revenues 2009 Budget**

- Real property tax revenues including reassessments increased 14.2% net of the Homestead Tax Credit.
- Local income tax decreased \$500,000 due to anticipated State adjustments.
- Transfer and recordation tax revenues were below the FY08 budget for a combined 14.3% or \$1,750,000 due to economic conditions.

### **Expenditures 2009 Budget**

- One-time programs for the Board of Education include \$400,000 in technology improvements, \$400,000 for school building improvements, and \$150,000 for school construction projects.
- Grants to four municipalities and Ocean Pines Association increased \$2,475,000 or 122.2%.
- In response to recent Governmental Accounting Standards Board (GASB) statements which will require public sector employers to account differently for certain non-pension benefits the County continues to fund an other post employment benefits contingency fund for County and Board of Education employees with a \$17,014,392 contribution in FY09.

### **Requests for Information**

This financial report is designed to provide a general overview of Worcester County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Government Center Room 1105, Snow Hill, MD, 21863.

## **BASIC FINANCIAL STATEMENTS**

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET ASSETS  
PRIMARY GOVERNMENT AS OF JUNE 30, 2008  
COMPONENT UNITS AS OF JUNE 30, 2008 AND APRIL 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	The Board of Education of Worcester County	Liquor Control Board of Worcester County
<b>ASSETS</b>					
Cash and short-term investments	\$ 97,205,158	\$ 9,691,715	\$ 106,896,873	\$ 4,399,912	\$ 614,776
Receivables:					
Taxes	3,721,794	-	3,721,794	-	-
Federal, state, and local governments	6,330,494	-	6,330,494	2,148,327	-
Mortgage receivable	-	-	-	-	-
Other	4,390,885	5,183,671	9,574,556	45,864	383,609
Internal balances	1,095,599	(1,095,599)	-	803,443	-
Inventories, at first-in, first-out method	-	-	-	-	3,176,478
Prepaid items	76,121	-	76,121	-	48,992
Other assets	14,889	18,043,069	18,057,958	-	-
Nondepreciable capital assets	33,738,540	2,669,122	36,407,662	36,163,634	212,158
Depreciable capital assets, net	67,851,321	76,620,562	144,471,883	60,819,023	1,999,944
<b>Total assets</b>	<b>214,424,801</b>	<b>111,112,540</b>	<b>325,537,341</b>	<b>104,380,203</b>	<b>6,435,957</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	9,188,507	580,222	9,768,729	5,489,821	1,118,436
Due to other governmental units	-	87,223	87,223	-	870,735
Unearned revenue	618,832	8,269,396	8,888,228	1,335,909	-
Due to fiduciary funds	147,694	-	147,694	-	-
Compensated absences	560,000	132,000	692,000	-	-
Long-term liabilities					
Compensated absences	840,000	198,000	1,038,000	21,750	-
Due within one year	5,242,228	14,214,891	19,457,119	27,090	3,736,040
Due in more than one year	61,668,989	17,746,095	79,415,084	398,273	410,806
<b>Total liabilities</b>	<b>78,266,250</b>	<b>41,227,827</b>	<b>119,494,077</b>	<b>7,272,843</b>	<b>6,136,017</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	88,196,133	58,545,520	146,741,653	96,982,657	-
Restricted for:					
Capital projects	-	-	-	66,660	-
Fiscal year 2009 budget	1,500,000	-	1,500,000	31,691	-
Unrestricted	46,462,418	11,339,193	57,801,611	26,352	299,940
<b>Total net assets</b>	<b>\$136,158,551</b>	<b>\$ 69,884,713</b>	<b>\$ 206,043,264</b>	<b>\$ 97,107,360</b>	<b>\$ 299,940</b>

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

WORCESTER COUNTY, MARYLAND

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

		Program Revenues		
Function/Program	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b><u>Governmental Activities</u></b>				
Current:				
General government	\$ 27,928,659	\$ 1,948,504	\$ 682,661	\$ 21,241
Public safety	20,618,197	1,636,510	572,289	305,046
Public works	11,938,484	37,233	-	461,599
Health and hospitals	5,325,834	503,239	692,526	-
Social services	1,586,489	-	-	99,000
Education	88,762,738	-	-	-
Libraries, recreation and culture	5,156,677	294,456	666,616	493,914
Conservation of natural resources	582,842	-	-	-
Economic development	2,393,008	19,983	90,075	82,998
Interest on long-term debt	2,477,071	-	-	-
Miscellaneous	9,407,889	-	1,332,292	-
<b>Total Governmental Activities</b>	<b>176,177,888</b>	<b>4,439,925</b>	<b>4,036,459</b>	<b>1,463,798</b>
<b><u>Business-Type Activities</u></b>				
Landfill	7,639,296	6,048,653	-	-
Department of Water and Wastewater	11,860,477	9,919,770	25,000	-
<b>Total Business-Type Activities</b>	<b>19,499,773</b>	<b>15,968,423</b>	<b>25,000</b>	<b>-</b>
<b>Total Primary Government</b>	<b>195,677,661</b>	<b>20,408,348</b>	<b>4,061,459</b>	<b>1,463,798</b>
<b><u>Component Units</u></b>				
The Board of Education of Worcester County	101,558,072	1,204,857	97,788,060	24,416,137
The Liquor Control Board for Worcester County	13,871,332	14,642,007	-	-
Total Component Units	115,429,404	15,846,864	97,788,060	24,416,137

**General Revenues**

Taxes:

Real and personal property

Income

Other:

Room tax

Admission and amusement

Recordation

Trailer park excise tax

Transfer tax

Food tax

State shared

Franchise fees

Distribution from Worcester County Liquor Control Board

Interest

Other

*Total General Revenues*

Transfers

Total Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	The Board of Education of Worcester County	The Liquor Control Board of Worcester County
\$ (25,276,253)	\$ -	\$ (25,276,253)	\$ -	\$ -
(18,104,352)	-	(18,104,352)	-	-
(11,439,652)	-	(11,439,652)	-	-
(4,130,069)	-	(4,130,069)	-	-
(1,487,489)	-	(1,487,489)	-	-
(88,762,738)	-	(88,762,738)	-	-
(3,701,691)	-	(3,701,691)	-	-
(582,842)	-	(582,842)	-	-
(2,199,952)	-	(2,199,952)	-	-
(2,477,071)	-	(2,477,071)	-	-
(8,075,597)	-	(8,075,597)	-	-
(166,237,706)	-	(166,237,706)	-	-
-	(1,590,643)	(1,590,643)	-	-
-	(1,915,707)	(1,915,707)	-	-
-	(3,506,350)	(3,506,350)	-	-
(166,237,706)	(3,506,350)	(169,744,056)	-	-
(57,196,493)	-	(57,196,493)	21,850,982	-
-	-	-	-	770,675
(57,196,493)	-	(57,196,493)	21,850,982	770,675
116,778,663	-	116,778,663	-	-
13,684,600	-	13,684,600	-	-
11,284,976	-	11,284,976	-	-
597,615	-	597,615	-	-
8,026,476	-	8,026,476	-	-
181,203	-	181,203	-	-
3,984,963	-	3,984,963	-	-
2,230,516	-	2,230,516	-	-
5,654,165	-	5,654,165	-	-
22,341	-	22,341	-	-
415,403	-	415,403	-	(870,735)
5,980,550	368,852	6,349,402	252,090	-
555,387	-	555,387	28,437	-
169,396,858	368,852	169,765,710	280,527	(870,735)
(38,860)	38,860	-	-	-
3,120,292	(3,098,638)	21,654	22,131,509	(100,060)
133,038,259	72,983,351	206,021,610	74,975,851	400,000
\$ 136,158,551	\$ 69,884,713	\$ 206,043,264	\$ 97,107,360	\$ 299,940



# WORCESTER COUNTY, MARYLAND

## BALANCE SHEET GOVERNMENTAL FUNDS

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>ASSETS</b>			
Cash and short-term investments	\$ 45,835,735	\$ 15,885,666	\$ 5,290
Receivables:			
Taxes	3,721,794	-	-
Federal, state and local governments	4,420,494	1,910,000	-
Other	3,900,232	215,355	-
Due from other funds	16,624,678	11,590,493	-
Prepaid items	76,121	-	-
Other assets	14,889	-	-
<b>Total assets</b>	<b>\$ 74,593,943</b>	<b>\$ 29,601,514</b>	<b>\$ 5,290</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 6,252,260	\$ 1,776,027	\$ -
Due to other funds	30,351,602	15,529,991	-
Unearned revenue	3,373,679	-	-
Other	560,000	745,439	-
<b>Total liabilities</b>	<b>40,537,541</b>	<b>18,051,457</b>	<b>-</b>
<b>FUND BALANCES</b>			
Fund balances:			
Reserved for encumbrances	5,488,823	-	-
Reserved for prepaid items	76,121	-	-
Reserved for fund purposes	-	-	5,290
Unreserved:			
Designated for capital projects	27,991,458	11,550,057	-
Undesignated	500,000	-	-
Unreserved, reported in nonmajor:			
Special revenue funds	-	-	-
<b>Total Fund Balances</b>	<b>34,056,402</b>	<b>11,550,057</b>	<b>5,290</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 74,593,943</b>	<b>\$ 29,601,514</b>	<b>\$ 5,290</b>

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

<u>Reserve</u> <u>Fund</u>	<u>Other Post</u> <u>Employment</u> <u>Benefits</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
\$ -	35,187,018	\$ 291,449	\$ 97,205,158
-	-	-	3,721,794
-	-	-	6,330,494
-	-	275,298	4,390,885
17,870,025	-	744,302	46,829,498
-	-	-	76,121
-	-	-	14,889
<hr/>			
\$ 17,870,025	\$ 35,187,018	\$ 1,311,049	\$ 158,568,839

\$ -	\$ -	\$ 414,781	\$ 8,443,068
-	-	-	45,881,593
-	-	135,023	3,508,702
-	-	-	1,305,439
<hr/>			
-	-	549,804	59,138,802
<hr/>			
-	-	-	5,488,823
-	-	-	76,121
17,870,025	35,187,018	-	53,062,333
-	-	-	39,541,515
-	-	-	500,000
-	-	761,245	761,245
<hr/>			
17,870,025	35,187,018	761,245	99,430,037
<hr/>			
\$ 17,870,025	\$ 35,187,018	\$ 1,311,049	\$ 158,568,839

WORCESTER COUNTY, MARYLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

June 30, 2008

Total fund balances, governmental funds	\$ 99,430,037
---	---------------

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

Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.	101,589,861
---	-------------

Certain revenues that do not provide current financial resources are reported as unearned revenue in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Assets.	2,889,870
--	-----------

Some liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets. Those liabilities consist of:

Bond, notes and capital leases payable	(66,911,217)
Compensated absences	<u>(840,000)</u>

Total long-term liabilities	<u>(67,751,217)</u>
-----------------------------	---------------------

Net assets of governmental activities in the Statement of Net Assets	<u><u>\$ 136,158,551</u></u>
--	------------------------------

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

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WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>REVENUES:</b>			
Taxes and special assessments	\$ 162,000,993	\$ -	\$ -
Licenses and permits	2,010,919	-	-
Intergovernmental	4,173,425	67,500	-
Service charges and fees	2,704,784	-	-
Miscellaneous	4,800,852	1,142,533	73
Other	-	-	-
<b>Total revenues</b>	<b>175,690,973</b>	<b>1,210,033</b>	<b>73</b>
<b>EXPENDITURES:</b>			
Current:			
General government	11,299,386	-	-
Public safety	18,629,005	-	-
Public works	7,241,317	-	-
Health and hospitals	5,057,711	-	-
Social services	1,444,120	-	-
Education	73,140,412	-	-
Libraries, recreation and culture	5,411,184	-	-
Conservation of natural resources	582,842	-	-
Economic development	2,028,008	-	-
Distributions to incorporated municipalities	17,249,935	-	-
Miscellaneous	7,383,893	-	-
Capital projects	-	28,721,826	-
Debt service:			
Principal retirement	-	-	4,026,300
Interest and other charges	-	-	2,500,068
<b>Total expenditures</b>	<b>149,467,813</b>	<b>28,721,826</b>	<b>6,526,368</b>
Excess (deficiency) of revenues over expenditures	26,223,160	(27,511,793)	(6,526,295)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,119,520	7,043,996	6,526,368
Transfers out	(29,680,086)	(2,063,050)	-
<b>Total other financing sources (uses)</b>	<b>(28,560,566)</b>	<b>4,980,946</b>	<b>6,526,368</b>
Net change in fund balances	(2,337,406)	(22,530,847)	73
Fund balances, beginning	36,393,808	34,080,904	5,217
Fund balances, ending	\$ 34,056,402	\$ 11,550,057	\$ 5,290

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

<u>Reserve</u>		<u>Other Post</u>	<u>Other</u>	
<u>Fund</u>		<u>Employment</u>	<u>Governmental</u>	<u>Total</u>
		<u>Benefits</u>	<u>Funds</u>	
		<u>Fund</u>		
\$	-	\$	-	\$ 162,000,993
	-		-	2,010,919
	-		1,264,792	5,505,717
	-		-	2,704,784
	-		-	5,943,458
	-	745,689	3,296	748,985
	-	745,689	1,268,088	178,914,856
	-			
	-		-	11,299,386
	-		-	18,629,005
	-		-	7,241,317
	-		-	5,057,711
	-		142,369	1,586,489
	-		-	73,140,412
	-		-	5,411,184
	-		-	582,842
	-		-	2,028,008
	-		-	17,249,935
	-		1,188,195	8,572,088
	-		-	28,721,826
	-		-	
	-		-	4,026,300
	-		-	2,500,068
	-		1,330,564	186,046,571
	-	745,689	(62,476)	(7,131,715)
	-	17,014,392	-	31,704,276
	-	-	-	(31,743,136)
	-	17,014,392	-	(38,860)
	-	17,760,081	(62,476)	(7,170,575)
17,870,025	17,426,937	823,721	106,600,612	
\$ 17,870,025	\$ 35,187,018	\$ 761,245	\$ 99,430,037	



WORCESTER COUNTY, MARYLAND

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

Year Ended June 30, 2008

Net change in fund balances, governmental funds \$ (7,170,575)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	14,471,091	
Loss on disposal of asset	-	
Depreciation expense	<u>(8,601,705)</u>	
Excess of capital outlay over depreciation expense		5,869,386

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues decreased by this amount this year. 422,184

Bond issue costs, premiums, discounts and similar items are reported in governmental funds when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. 22,997

Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. 4,026,300

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	<u>(50,000)</u>
----------------------------------	-----------------

Change in net assets of governmental activities \$ 3,120,292

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

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WORCESTER COUNTY, MARYLAND

STATEMENT OF FUND NET ASSETS

BUSINESS - TYPE ACTIVITIES

June 30, 2008

	Landfill	Department of Water and Wastewater Services	Total
<b>ASSETS</b>			
<u>Current assets</u>			
Cash and short-term investments	\$ 7,763,127	\$ 1,928,588	\$ 9,691,715
Accounts receivable	605,403	4,578,268	5,183,671
<b>Total current assets</b>	<b>8,368,530</b>	<b>6,506,856</b>	<b>14,875,386</b>
<u>Noncurrent assets</u>			
Capital assets			
Land, land rights and improvements	1,226,989	114,883	1,341,872
Construction in progress	-	1,327,250	1,327,250
Buildings and building improvements	4,233,213	-	4,233,213
Improvements other than buildings	27,468,636	-	27,468,636
Water and sewer systems	-	76,461,814	76,461,814
Machinery and equipment	6,341,438	4,514,613	10,856,051
	39,270,276	82,418,560	121,688,836
Less accumulated depreciation	(22,162,742)	(20,236,410)	(42,399,152)
	17,107,534	62,182,150	79,289,684
<u>Other assets</u>			
Long-term edu receivable	-	18,043,069	18,043,069
<b>Total noncurrent assets</b>	<b>17,107,534</b>	<b>80,225,219</b>	<b>97,332,753</b>
<b>Total assets</b>	<b>25,476,064</b>	<b>86,732,075</b>	<b>112,208,139</b>

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

	<u>Landfill</u>	Department of Water and Wastewater <u>Services</u>	<u>Total</u>
<b>LIABILITIES</b>			
<u>Current liabilities</u>			
Accounts payable and accrued expenses	280,989	210,872	491,861
Due to state	-	87,223	87,223
Bonds payable - current	-	1,859,049	1,859,049
Capital leases payable - current	691,204	48,116	739,320
Landfill - closure and postclosure costs	11,578,866	-	11,578,866
Accrued bond interest payable	-	220,361	220,361
Due to other funds	201,365	833,547	1,034,912
<b>Total current liabilities</b>	<b>12,752,424</b>	<b>3,259,168</b>	<b>16,011,592</b>
<u>Noncurrent liabilities</u>			
Unearned revenues	13,671	8,255,725	8,269,396
Vacation benefits	78,818	119,182	198,000
Bonds payable	-	16,409,884	16,409,884
Bond costs deferred	-	(362,044)	(362,044)
Capital leases payable	1,685,721	50,190	1,735,911
Due to other funds	-	60,687	60,687
<b>Total noncurrent liabilities</b>	<b>1,778,210</b>	<b>24,533,624</b>	<b>26,311,834</b>
<b>Total liabilities</b>	<b>14,530,634</b>	<b>27,792,792</b>	<b>42,323,426</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	14,730,609	43,814,911	58,545,520
Unrestricted (deficit)	(3,785,179)	15,124,372	11,339,193
<b>Total net assets</b>	<b>\$ 10,945,430</b>	<b>\$ 58,939,283</b>	<b>\$ 69,884,713</b>

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS

BUSINESS - TYPE ACTIVITIES

Year Ended June 30, 2008

	<u>Landfill</u>	Department of Water and Wastewater <u>Services</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Domestic charges	\$ -	\$ 7,220,818	\$ 7,220,818
Commercial charges	-	349,473	349,473
Swimming pool charges	-	2,428	2,428
Hook-up charges	-	22,424	22,424
Future capital development	-	42,674	42,674
Interest and penalties on overdue accounts	697	109,501	110,198
Additional assessments	-	266,990	266,990
Payment by developers	-	147,594	147,594
Other revenue	91,299	351,696	442,995
Edu revenue	-	1,237,172	1,237,172
Tank fee revenue	-	1,600	1,600
White Horse Park revenue	-	167,400	167,400
Recycling charges	353,019	-	353,019
Stump removal charges	48,591	-	48,591
Licenses and permits	334,656	-	334,656
Landfill fees	5,220,391	-	5,220,391
<b>Total operating revenues</b>	6,048,653	9,919,770	15,968,423
<b>Total operating expenses</b>	5,526,343	8,602,464	14,128,807
Operating income before depreciation	522,310	1,317,306	1,839,616
Depreciation	1,997,624	2,631,994	4,629,618
Operating (loss) income	(1,475,314)	(1,314,688)	(2,790,002)
<b>NONOPERATING INCOME (EXPENSE):</b>			
Interest on investments	290,913	77,939	368,852
Operating grants	-	25,000	25,000
Interest expense	(115,329)	(626,019)	(741,348)
Total nonoperating income (expense)	175,584	(523,080)	(347,496)
Change in net assets before transfers	(1,299,730)	(1,837,768)	(3,137,498)
Transfers, net	-	38,860	38,860
Change in net assets	(1,299,730)	(1,798,908)	(3,098,638)
Net assets, beginning	12,245,160	60,738,191	72,983,351
Net assets, ending	\$ 10,945,430	\$ 58,939,283	\$ 69,884,713

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

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS

BUSINESS-TYPE ACTIVITIES

Year Ended June 30, 2008

	<u>Landfill</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received for services	\$ 5,864,633	\$ 7,944,564	\$ 13,809,197
Cash received from other revenues	91,996	351,696	443,692
Cash received for future capital development	-	42,674	42,674
Cash payments to employees	(1,660,904)	(2,908,520)	(4,569,424)
Cash payments for fringe benefits	(534,781)	(1,193,093)	(1,727,874)
Cash payments for materials, supplies, and services	(1,607,183)	(4,629,190)	(6,236,373)
Net cash provided (used) by operating activities	2,153,761	(391,869)	1,761,892
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of property and equipment	(2,703,673)	(1,299,273)	(4,002,946)
Proceeds from sales of property and equipment	100,000	-	100,000
Principal paid on capital lease maturities	(670,295)	(46,129)	(716,424)
Principal paid on bond and note maturities	-	(1,405,067)	(1,405,067)
Interest paid on bonds and notes	(115,329)	(626,019)	(741,348)
Bond costs deferred	-	37,655	37,655
Front foot assessments deferred	-	2,026,946	2,026,946
Net cash used by capital and related financing activities	(3,389,297)	(1,311,887)	(4,701,184)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received for operating grants	-	25,000	25,000
Net cash provided by noncapital and financing activities	-	25,000	25,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Advances from other funds	-	38,860	38,860
Interest on investments	290,913	77,939	368,852
Net cash provided by investing activities	290,913	116,799	407,712
<b>Net decrease in cash and short-term investments</b>	(944,623)	(1,561,957)	(2,506,580)
<b>Cash and short-term investments, beginning</b>	8,707,750	3,490,545	12,198,295
<b>Cash and short-term investments, ending</b>	\$ 7,763,127	\$ 1,928,588	\$ 9,691,715

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

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS  
BUSINESS-TYPE ACTIVITIES (Continued)  
Year Ended June 30, 2008

	<u>Landfill</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING LOSS TO</b>			
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating loss	\$ (1,475,314)	\$ (1,314,688)	\$ (2,790,002)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation	1,997,624	2,631,994	4,629,618
Changes in assets and liabilities:			
Accounts receivable	(102,020)	(949,226)	(1,051,246)
Due to state	-	75,517	75,517
Due from/to other funds	23,482	30,515	53,997
Deferred revenue	9,996	(631,610)	(621,614)
Vacation benefits	16,963	12,966	29,929
Accounts payable and accrued expenses	1,683,030	(247,337)	1,435,693
Net cash provided (used) by operating activities	\$ 2,153,761	\$ (391,869)	\$ 1,761,892

**NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

The County acquired equipment for use in its landfill operations under capital leases totaling approximately \$738,000.

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

WORCESTER COUNTY, MARYLAND

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

June 30, 2008

	Public Drainage <u>Associations</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 389,196	\$ 3,721,077
Taxes receivable	-	616,548
Special assessments receivable	3,939	-
Due from other funds	1,195	147,249
<b>Total assets</b>	<b>394,330</b>	<b>4,484,874</b>
<b>LIABILITIES</b>		
Due to other governmental units	-	792,031
Due to other funds	-	750
Other liabilities	-	3,692,093
<b>Total liabilities</b>	<b>-</b>	<b>4,484,874</b>
<b>NET ASSETS</b>		
Restricted	\$ 394,330	\$ -

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



WORCESTER COUNTY, MARYLAND

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Year Ended June 30, 2008

	Public Drainage <u>Associations</u>
<b>ADDITIONS:</b>	
Special assessments	\$ 95,929
Intergovernmental	9,100
Interest	12,812
Miscellaneous	15,502
<hr/>	
Total additions	133,343
<hr/>	
<b>DEDUCTIONS:</b>	
Ditch maintenance	72,550
Miscellaneous	69
<hr/>	
Total deductions	72,619
<hr/>	
Change in net assets	60,724
<hr/>	
Net assets, beginning	333,606
<hr/>	
Net assets, ending	\$ 394,330
<hr/>	

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

## NOTES TO FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Description of Worcester County, Maryland**

Worcester County, Maryland (the “County”) is a home rule county governed by a seven-member Board of County Commissioners and is located in Snow Hill, Maryland. The County government directly provides all basic local governmental services.

The financial statements of Worcester County, Maryland are prepared in accordance with U.S. generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are allowed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected to follow subsequent private-sector guidance provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

### **Note 2. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

The component unit columns contain the financial data of the County’s discretely presented component units: the Board of Education of Worcester County and the Liquor Control Board of Worcester County. They are reported in separate columns to emphasize that they are legally separate from the County. Although these organizations are legally separate entities and have separately elected governing boards, they are included in the financial statements of the County because the County is financially accountable for each organization.

The *Board of Education of Worcester* (BOE) is a separately elected body that administers the public school system in the county. The BOE is organized as a separate legal entity, but does not have the power to levy taxes or issue bonds. The BOE’s budget is subject to approval by the County Commissioners, and the BOE receives a significant portion of its operational and capital project funding from the County.

The *Liquor Control Board of Worcester County* (LCB) is a separately elected body that oversees the operation of liquor sales in the County. The LCB is organized as a separate legal entity, but does not have the power to levy taxes or issue bonds. The County approves the LCB’s budget. The Liquor Control Board is included as of and for its fiscal year ended April 30, 2008.

Separately issued financial statements can be obtained from the following:

Board of Education of Worcester County  
6270 Worcester Highway  
Newark, Maryland 21841

Liquor Control Board of Worcester County  
5363 Snow Hill Road  
Snow Hill, Maryland 21863

#### **B. Basis of Presentation**

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

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Significant Accounting Policies (continued)

#### B. Basis of Presentation (continued)

##### GOVERNMENT WIDE FINANCIAL STATEMENTS

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or functions of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department, and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

##### FUND FINANCIAL STATEMENTS

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

#### C. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund is summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the County:

##### GOVERNMENTAL FUND TYPES

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. The following are the reporting entity's major governmental funds:

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

Other Post-Employment Benefits Fund - The Other Post-Employment Benefits Fund holds funds that are reserved for employee pension benefits.

Reserve Fund - The Reserve Fund contains funds that are reserved as a percentage of governmental expenditures.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Significant Accounting Policies (continued)

In addition, the County has the following non-major governmental funds which the County has chosen to show as major due to their importance to the overall performance of the County:

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by proprietary funds.

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

The remaining governmental funds which are non-major consist of the following:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Department of Social Services Fund, the Local Management Board, and the Energy Service Fund are the special revenue funds of the County.

### PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into investment in capital assets and unrestricted net assets.

Enterprise Funds - Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Landfill Fund and the Department of Water and Wastewater Services are the only enterprise funds of the County.

### FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the County in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County as an agent for other funds and/or other governments. These funds include the Public Drainage Fund (a private purpose trust fund), and the following agency funds: State of Maryland Property Tax Fund, Maryland Department of Motor Vehicles Fund, Tax Sale Fund, Development Tax Fund, Performance Bond Fund, Confiscated Monies Fund, Personal Property Tax Fund, Forest Conservation Fund, Bay Restoration Fund, Snow Hill Property Tax Fund, Berlin Property Tax Fund, and Special Loans Fund.

### D. Measurement Focus

### GOVERNMENT WIDE FINANCIAL STATEMENTS

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

### FUND FINANCIAL STATEMENTS

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

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Significant Accounting Policies (continued)

explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

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

#### E. Basis of Accounting

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

#### REVENUES - EXCHANGE AND NONEXCHANGE TRANSACTIONS

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: property taxes, franchise taxes, special assessments, intergovernmental revenues, interest revenue, and charges for services. Income taxes collected and held by the State at year-end on behalf of the County also are recognized as revenue. Licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

#### UNEARNED REVENUES

Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes not collected within the available period have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements were met also have been recorded as unearned revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned revenue.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Significant Accounting Policies (continued)

#### EXPENSES/ EXPENDITURES

On the accrual basis, expenses are recognized at the time they are incurred.

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

#### F. Budgetary Data

Formal budgetary accounting is employed as a management control for all Enterprise Funds. The annual budgets for the Enterprise Funds are prepared in accordance with the basis of accounting utilized by those funds. The general fund of the County has a legally adopted budget. The Budgetary Comparison Schedule - General Fund (schedule A) and Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund (schedule B) are prepared on a basis consistent with the budget. The County's budget includes appropriations of prior year fund balance as other sources in the current year. Also, the Statement of Activities is prepared on a basis consistent with GAAP where encumbrances are treated as reservations of fund balance and prior year fund balances are not recognized as other revenue sources. The budgets shown in the financial statements are the budget ordinances at the close of the day on June 30, 2008. All annual appropriations lapse at fiscal year end.

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

- (1) Prior to April 30, the Chief Administrative Officer submits to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes requested expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) No later than the first Tuesday in June, the budget is legally enacted through passage of a budget resolution.
- (4) The Chief Administrative Officer is not authorized to make any transfers of budgeted amounts. The County's legal level of budgetary control is at the County Commissioner level in that all transfers must be approved by the County Commissioners.

The Board of Education of Worcester County (the "Board") follows these procedures in establishing its general fund budgetary data reflected in the financial statements:

- (1) The Superintendent and Supervisor of Business Operations formulate a proposed budget for review by the Board during the second public hearing scheduled in February.
- (2) Prior to March 31, the Board adopts the proposed budget. The proposed budget, exclusive of amounts relating to restricted programs, is submitted to the County Commissioners.
- (3) In mid-May, the County Commissioners and the Board discuss the budget in public forum.
- (4) The County Commissioners approve the budget no later than the first Tuesday in June. The approved budget is subject to affirmation by the Board within thirty days of the County Commissioners' approval.

## NOTES TO FINANCIAL STATEMENTS

### **Note 2. Significant Accounting Policies (continued)**

#### **G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

#### **H. Cash and Short-Term Investments**

For purposes of the statement of cash flows, the County considers all highly liquid investments with original maturities of less than 30 days to be cash equivalents.

#### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, are reported as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/ expense in the year in which services are consumed.

#### **J. Property Tax**

Taxes are levied annually on July 1 and are due in full by September 30 for non-owner occupied properties. Owner occupied property taxes are due in two equal semi-annual installments on September 30 and December 31, respectively. Property taxes are attached as an enforceable lien and are in arrears on October 1 for non-owner occupied properties and January 1 for owner occupied properties. The County bills and collects its own taxes. County property tax revenues are recognized when collected.

#### **K. Inventory**

Inventory is stated at the lower of cost (first in, first out) or market.

#### **L. Capital assets**

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide financial statements of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost or estimated cost and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of \$10,000. The County's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.



## NOTES TO FINANCIAL STATEMENTS

### Note 2. Significant Accounting Policies (continued)

#### L. Capital assets (continued)

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

Description	Estimated Lives
Buildings and building improvements	40-100 years
Improvements other than buildings	40 years
Machinery and equipment	5-20 years
Water and sewer systems	6-20 years
Infrastructure	5-50 years

#### M. Interfund Receivables/ Payables

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

#### N. Compensated Absences

Vacation benefits are earned by employees of the reporting entity based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless sickness causes employees to be absent, except that accumulated sick time is credited to months of service in the calculation of employees' retirement benefits. The County records vested vacation benefits as earned.

The entire compensated absences liability is reported on the government-wide financial statements. Accumulated vested vacation benefits of the other component unit as of June 30, 2008 is not material.

#### O. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and leases are recognized as a liability on the fund financial statements when due.

## NOTES TO FINANCIAL STATEMENTS

### **Note 2. Significant Accounting Policies (continued)**

#### **P. Net Assets**

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

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

#### **Q. Governmental Fund Balance Reserves**

The County reserves those portions of governmental fund balances that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

#### **R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the County, these revenues are charges for services for department of water and waste water and landfill. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

#### **S. Interfund Transactions**

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

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

#### **T. Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### **Note 3. Cash and Short-Term Investments**

Deposits are maintained in a variety of financial institutions.

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

At June 30, 2008, Worcester County had deposits of \$114,293,169, including investments (carrying value \$111,018,796). The depository banks pledge collateral for specific accounts, which are held in the County's name at the Federal Reserve Bank of Richmond and at Mercantile-Safe Deposit and Trust Company. Deposits in financial institutions were fully insured or collateralized at June 30, 2008, and therefore have no custodial risk associated with them. Petty cash funds totaled \$11,650 at June 30, 2008.

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 short-term investments of funds. The State Legislature created MLGIP with the passage of Article 94 22G of the Annotated Code of Maryland. The MLGIP is managed by PNC Safe Deposit and Trust Company, which is under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants has been formed to review the activities of the Fund on a quarterly basis and provide suggestions to enhance the pool. The MLGIP is rated AAAM by Standard and Poor's. The fair value of the pool is the same as the value of the pool shares. At June 30, 2008, the County had investments of \$102,733,757 with the Maryland Local Government Investment Pool, which are recorded at cost, which approximates fair value.

The County's exposure to investment rate and credit risk is minimal, as all investments are in cash or MLGIP and are thus precluded from having to sell below original cost. Custodial credit risk is also mitigated by having all investments fully collateralized by securities as mentioned previously.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Interfund Balances

As a result of its operations, the County effects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2008, appropriate due from/to other funds have been established.

Interfund transactions are classified as follows:

1. Transfers to support the operations of other funds are recorded as "Transfers in (out) to other funds" and classified as "Other Financing Sources (Uses)" in the fund statements. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the Government-wide financial statements.
2. Loans between funds are classified as Interfund loans receivable and payable or as advances to and from other funds in the fund statements. Interfund loans do not affect total equity, but advances to other funds are offset by a reservation of the fund equity. Loans and advances are netted as part of the reconciliation of the Government-wide financial statements.

Interfund balances at June 30, 2008, consisted of the following individual fund receivables and payables:

	Due From Other Funds	Due to Other Funds
<b>General fund:</b>		
Enterprise funds:		
Landfill	\$ 201,365	\$ -
Department of Water and Wastewater	892,572	1,788
Reserve fund	-	17,870,025
Energy service fund	-	744,302
Department of Motor Vehicles fund	750	-
Capital Projects fund	15,529,991	11,587,043
State of Maryland property tax agency fund	-	125,596
Snow Hill property tax agency fund	-	3,367
Berlin property tax agency fund	-	8,592
Public Drainage Association	-	1,195
Chesapeake Bay Restoration Fund	-	9,694
<b>Other governmental funds:</b>		
General fund	744,302	-
<b>Reserve Fund:</b>		
General fund	17,870,025	-
<b>Capital projects funds:</b>		
General fund	11,587,043	15,529,991
Department of Water and Wastewater	3,450	-
<b>Fiduciary funds:</b>		
General fund	148,444	750
<b>Enterprise funds:</b>		
Capital Projects fund	-	3,450
General fund	1,788	1,093,937
	<u>\$46,979,730</u>	<u>\$46,979,730</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Transfers and Reductions	Balance June 30, 2008
<b>Primary Government</b>				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	\$ 9,103,339	\$ 40,000	\$ -	\$ 9,143,339
Construction in progress	12,401,176	12,266,835	(72,810)	24,595,201
<b>Total Nondepreciable Capital Assets</b>	<b>21,504,515</b>	<b>12,306,835</b>	<b>(72,810)</b>	<b>33,738,540</b>
Depreciable Capital Assets:				
Building and building improvements	41,318,092	169,169	31,490	41,518,751
Improvements other than buildings	4,312,074	567,970	41,320	4,921,364
Machinery and equipment	24,670,475	1,427,117	(837,102)	25,260,490
Infrastructure	104,400,351	-	-	104,400,351
<b>Total Depreciable Assets</b>	<b>174,700,992</b>	<b>2,164,256</b>	<b>(764,292)</b>	<b>176,100,956</b>
Less accumulated depreciation for:				
Buildings and building improvements	(10,209,746)	(1,100,814)	-	(11,310,560)
Improvements other than buildings	(2,092,910)	(184,385)	-	(2,277,295)
Machinery and equipment	(11,019,914)	(2,300,560)	837,102	(12,483,372)
Infrastructure	(77,162,462)	(5,015,946)	-	(82,178,408)
<b>Total accumulated depreciation</b>	<b>(100,485,032)</b>	<b>(8,601,705)</b>	<b>837,102</b>	<b>(108,249,635)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>74,215,960</b>	<b>(6,437,449)</b>	<b>72,810</b>	<b>67,851,321</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 95,720,475</b>	<b>\$ 5,869,386</b>	<b>\$ -</b>	<b>\$101,589,861</b>

# NOTES TO FINANCIAL STATEMENTS

## Note 5. Capital Assets (continued)

	Balance June 30, 2007	Additions	Transfers and Reductions	Balance June 30, 2008
<b>Business-type Activities</b>				
Nondepreciable Capital Assets:				
Land, land rights and improvements	\$ 1,341,872	\$ -	\$ -	\$ 1,341,872
Construction in progress	1,874,045	724,942	(1,271,737)	1,327,250
<b>Total Nondepreciable Capital Assets</b>	<b>3,215,917</b>	<b>724,942</b>	<b>(1,271,737)</b>	<b>2,669,122</b>
Depreciable Capital Assets:				
Buildings and building improvements	4,233,213	-	-	4,233,213
Improvements other than buildings	24,843,425	2,625,211	-	27,468,636
Machinery and equipment	10,579,528	1,336,382	(1,059,859)	10,856,051
Water and sewer systems	75,154,474	1,331,508	(24,168)	76,461,814
<b>Total Depreciable Assets</b>	<b>114,810,640</b>	<b>5,293,101</b>	<b>(1,084,027)</b>	<b>119,019,714</b>
Less accumulated depreciation for:				
Buildings and building improvements	(507,385)	(105,830)	-	(613,215)
Improvements other than buildings	(17,161,327)	(1,237,994)	-	(18,399,321)
Machinery and equipment	(5,689,453)	(1,179,771)	989,905	(5,879,319)
Water and sewer systems	(15,389,850)	(2,141,615)	24,168	(17,507,297)
<b>Total accumulated depreciation</b>	<b>(38,748,015)</b>	<b>(4,665,210)</b>	<b>1,014,073</b>	<b>(42,399,152)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>76,062,625</b>	<b>627,891</b>	<b>(69,954)</b>	<b>76,620,562</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 79,278,542</b>	<b>\$ 1,352,833</b>	<b>\$ (1,341,691)</b>	<b>\$ 79,289,684</b>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 583,193
Public safety	1,565,935
Public works	5,430,437
Health and hospitals	279,579
Libraries, recreation and culture	739,425
Miscellaneous	3,136
<b>Total depreciation expense</b>	<b>\$ 8,601,705</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt

Changes in the County's long-term obligations during 2008 were as follows:

	Balance at June 30, 2007	Additions	Reductions	Balance at June 30, 2008	Amount Due in One Year
<b>Governmental Activities</b>					
Estimated landfill closure costs	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -
General obligation bonds:					
Consolidated Public Improvement Bonds, 1998 Series; interest 4% to 5%; due annually to 2013	3,410,000	-	(425,000)	2,985,000	445,000
Consolidated Public Improvement Bonds, 2000 Series; interest 5.25% to 6%; due annually to 2015, partially redeemed with 2004 series	4,435,000	-	(1,405,000)	3,030,000	1,475,000
Consolidated Public Improvement Bonds, 2002 Series; interest 2% to 3.75%; due annually to 2017	3,565,000	-	(270,588)	3,294,412	280,735
Consolidated Public Improvement Bonds, 2004 Series; interest 2.5% to 5%; due annually to 2020	24,775,000	-	(1,705,000)	23,070,000	1,405,000
Consolidated Public Improvement Bonds, 2007 Series; interest at 3.5% to 4.5%; payable semiannually to 2022	28,100,000	-	-	28,100,000	1,385,000
MDE Water Quality Bond; interest at .4%, due annually to 2024	3,280,671	-	(220,712)	3,059,959	228,496
Deferred Bond Discount, net	394,843	-	(22,997)	371,846	22,997
	70,960,514	-	(4,049,297)	66,911,217	5,242,228
Compensated absences	1,315,000	1,080,000	(995,000)	1,400,000	560,000
<b>Total Governmental Activities</b>	<b>\$ 72,275,514</b>	<b>\$ 1,080,000</b>	<b>\$ (5,044,297)</b>	<b>\$ 68,311,217</b>	<b>\$ 5,802,228</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt (continued)

	Balance at June 30, 2007	Additions	Reductions	Balance at June 30, 2008	Amount Due in One Year
<b>Business-Type Activities</b>					
Estimated landfill closure costs	\$ 9,937,324	\$ 1,641,542	\$ -	\$11,578,866	\$11,578,866
General obligation bonds:					
Consolidated Public Improvement Bonds, 1998 Series; interest 4% to 5%; due annually to 2013	1,670,000	-	(210,000)	1,460,000	220,000
Consolidated Public Improvement Bonds, 2002 Series; interest 2% to 3.75%; due annually to 2017	1,705,000	-	(129,412)	1,575,588	134,265
Consolidated Public Improvement Bonds, 2004 Series; interest 2.5% to 5%, due annually to 2020	1,935,000	-	(165,000)	1,770,000	170,000
MDE Water Quality Bond; interest at .4%; due annually to 2024	6,013,815	-	(409,624)	5,604,191	404,633
Public Refunding Bonds, 2007; interest at 3.5% to 4.5 %; payable semiannually to 2022	7,765,000	-	(460,000)	7,305,000	900,000
Snug Harbor Water Quality Loan Agreement, 2007; interest 0.04%, due semiannually to 2026	585,187	-	(31,001)	554,186	30,183
Deferred Bond Costs, net	(399,702)	-	37,624	(362,078)	37,624
Capital lease payable	2,453,842	737,814	(716,423)	2,475,233	739,320
	31,665,466	2,379,356	(2,083,836)	31,960,986	14,214,891
Compensated absences	280,000	312,000	(262,000)	330,000	132,000
<b>Total Business-Type Activities</b>	<b>\$31,945,466</b>	<b>\$ 2,691,356</b>	<b>\$ (2,345,836)</b>	<b>\$32,290,986</b>	<b>\$14,346,891</b>

The County issued \$6,800,000 in Consolidated Public Improvement Bonds, 2002 Series, with an average interest rate of 3.28% and maturing in 2017. Proceeds of \$3,100,000 was used for the renovation and equipping of the Worcester County Court House, \$1,500,000 was used for the purchase of land, construction and equipping of a new Snow Hill Senior Center/Adult Medical Day Care Center and \$2,200,000 was used for various Department of Water and Wastewater water and sewer projects.

The County issued \$21,740,000 in Consolidated Public Improvement Bonds, 2000 Series, with an average interest rate of 5.4%. Proceeds of the Bonds were used to finance all or a portion of the costs of the construction, equipping and acquisition of land for a new county government office building, renovation to the existing court house, renovations and improvements to Stephen Decatur High School, and to pay all costs of issuance of the Bonds.

The County issued \$9,190,000 in Consolidated Public Improvement Bonds, 1998 Series, with an average interest rate of 4.4%. Proceeds of \$6,265,000 and \$2,925,000 will be repaid by the County and the Department of Water and Wastewater, respectively. Proceeds of the Bonds were used to finance all or a portion of the costs of the construction and equipping of a new North County Library, an approximately 60-bed addition to the Worcester County Jail, renovations at various schools within the County, the County's share of the Wor-Wic Community College campus development, various improvements to the water system and wastewater collection system and upgrades to the wastewater treatment plant in the Ocean Pines Sanitary Service Area, and to pay costs of issuance of the Bonds.



## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt (continued)

The County issued \$21,990,000 in Consolidated Public Improvement Project and Refunding Bonds in 1996, with an average interest rate of 5.3%. \$11,200,000 of the 1996 Series bonds were issued to finance construction of a new school and sewer project and \$10,790,000 was issued to advance refund outstanding general obligation bonds, 1990 series and Sanitary District Capital Projects Fund, and a portion of the Series J Bonds with an average interest rate of 6.8% and 6.5%, respectively.

During 1990, the operations of three County landfills were terminated. During 1998, changes in Federal and State regulations will cause the County to incur additional closure costs in capping the Berlin rubble fill, which had already been previously closed. The County currently estimates that related closure costs to be incurred under current Federal and State regulations will approximate \$3,000,000. Engineering studies are presently being conducted to evaluate closure alternatives and develop a more accurate estimate of the related costs. The County intends to fund such costs with future revenues and has included its current estimate of such costs in long-term debt.

The Phase II Beach Replenishment Project - General Obligation Bond in the original amount of \$6,000,000 was issued by the County as its share of Phase II of the beach replenishment project. The Town of Ocean City agreed to pay the County \$2,570,000 as its share of the \$6,000,000 obligation. The County services the debt on the entire issue.

In August 2004 the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling \$12,325,000 with an interest rate of 0.4% and administrative charges of 0.5% to be repaid over the next 20 years. The loan will be used to fund landfill closure projects in Pocomoke (\$2,600,000) and Snow Hill (\$2,800,000) and various water and wastewater projects (\$6,900,000), including the expansion of the Ocean Pines wastewater treatment facility.

In November 2004, the County issued \$30,115,000 in Consolidated Public Improvement Project and Refunding Bonds, 2004 series, with an average interest rate of 3.55% and maturing in 2020. Proceeds of \$13,110,000 were used for the renovation and equipping for a new Ocean City Elementary School. In addition, the Consolidated Public Improvement Bonds, 1992 series was redeemed, plus a portion of the 1996 and 2000 series was also redeemed. The additional proceeds were placed in escrow for the purpose of generating resources for all future debt service payments on \$16,765,000 of general obligation bonds. As a result, the liability has been removed. A net interest savings of \$745,708 was achieved over the life of the bond.

In April 2007, the County issued \$35,865,000 in Consolidated Public Improvement Project and Refunding Bonds, 2007 series, with an average interest rate of 4.0% and maturing in 2022. Proceeds of \$28,100,000 were designated to finance a new Worcester Career & Technology Center. In addition, the Sanitary District Bonds, Series J, and the Consolidated Public Improvement Project and Refunding Bonds, 1996 Series, were refunded. The Consolidated additional proceeds were placed in escrow for the purpose of generating resources for all future debt service payments on \$7,620,000 of general obligation bonds. As a result, the liability has been removed. A net interest savings of \$523,511 was achieved over the life of the bond.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds with an escrow agent in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the financial statements for the County. At June 30, 2008, \$6,855,000 of bonds are considered defeased during prior years which are related to Business-Type Activities.

The following is a summary of the County's future annual debt service requirements on long-term obligations (excluding capital lease obligations, which are reported separately):

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt (continued)

#### Governmental Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 5,219,231	\$ 2,585,904	\$ 7,805,135
2010	5,436,910	2,341,495	7,778,405
2011	5,842,975	2,170,942	8,013,917
2012	8,699,043	1,922,827	10,621,870
2013	5,413,498	1,668,446	7,081,944
2014-2018	21,619,288	5,026,933	26,646,221
2019-2023	14,308,426	1,537,214	15,845,640
2024-2028	-	-	-
<b>Total</b>	<b>\$ 66,539,371</b>	<b>\$ 17,253,761</b>	<b>\$ 83,793,132</b>

#### Business-Type Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 13,437,947	\$ 496,885	\$ 13,934,832
2010	1,859,023	440,923	2,299,946
2011	1,865,621	384,832	2,250,453
2012	1,927,227	322,791	2,250,018
2013	1,955,459	257,429	2,212,888
2014-2018	7,071,145	536,357	7,607,502
2019-2023	1,642,400	17,294	1,659,694
2024-2028	89,009	684	89,693
<b>Total</b>	<b>\$ 29,847,831</b>	<b>\$ 2,457,195</b>	<b>\$ 32,305,026</b>

The County has entered into leases for the acquisition of various equipment, which transfer ownership at the end of the lease. Accordingly, the present value of future minimum lease payments and the related assets have been recorded in the appropriate fund.

The assets acquired through capital leases are as follows:

#### Business-Type Activities

Equipment	\$ 4,474,255
Less accumulated depreciation	(1,350,198)
<b>Total</b>	<b>\$ 3,124,057</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Long-Term Debt (continued)

The following is a summary of the future minimum lease payments on the capital leases:

#### Business-Type Activities

<u>Year Ending June 30,</u>	
2009	\$ 849,363
2010	782,726
2011	583,766
2012	375,523
2013	128,274
	<hr/> 2,719,652
Less amount representing interest	(244,419)
	<hr/>
Present value of future minimum lease payments	<hr/> \$ 2,475,233 <hr/>

Neither the County nor its component units are in violation of any debt agreement provisions.

#### Funds Used for Debt Service and Liquidation of Compensated Absences

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

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the County has participated in Industrial Revenue Bonds for various projects within the County. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the County and, accordingly, they are not included in the governmental funds.

### Note 7. Pension Plans

#### Plan Description

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

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

## NOTES TO FINANCIAL STATEMENTS

### Note 7. Pension Plans (continued)

#### Funding Policy

The State Personnel and Pensions Article requires active members to contribute to the System at the rate of 5% or 7% of their covered salary depending upon the retirement option selected.

Employer's payroll and contributions under the plans, are:

	2008	2007	2006
Payroll covered under the plan	\$ 24,744,468	\$ 21,417,944	\$ 19,932,327
Contributions paid in:			
County payments	2,210,432	1,773,519	1,431,887
Actual contributions to required contributions	100%	100%	100%
On-behalf payments (Library)	117,400	84,889	68,336

The employees of the Department of Water and Wastewater Services are covered by a mandatory contributory defined benefit plan administered by Nationwide Life Insurance Company. Employees contribute 4% of their annual salary. The employees of the Town of Ocean City are also participating in this plan.

The pension plan provides pension, death and disability benefits. Normal retirement age is 65 although early retirement may be taken at age 55 with the completion of 10 years of service. Reduced benefits then apply. Any employee is fully vested after 5 years of service.

The plan's accrued benefits and net assets available as of June 30, 2007, the latest date available, are:

Actuarially computed value of:

Vested accrued benefit obligation	\$ 3,885,260
Nonvested accrued benefit obligation	-

3,885,260

Net assets available for pension benefits

5,628,063

Net pension (obligation) asset

\$ 1,742,803

Contributions to the system are defined by the retirement law to consist of a "normal contribution" which is to cover the portion of projected liabilities accruing on account of service of members during the year following the valuation date, and an "unfunded actuarial liability contribution" which together with assets on hand is to cover the portion of projected liabilities on account of service rendered prior to the valuation date.

The Department's contribution to the pension plan for the year ended June 30, 2008 was \$103,332 and is based on the entry age normal cost method.

Covered payroll for the Department totaled approximately \$2,539,351.

The following are the major actuarial assumptions and procedures for the pension plan:

Valuation	7%, including inflation rate of 4%
Cost Method	Aggregate
Mortality Rates	1983 Group Annuity (Male) Table with Female Ages Set Back 6 Years
Salary Scale	5% per Year to Age 65, including inflation rate of 4%
Cost of living adjustment	4%

As of June 30, 2008, all assets of the plan were held in a deposit administration (guaranteed) fund under a group annuity contract issued by Nationwide Life Insurance Company.

## NOTES TO FINANCIAL STATEMENTS

### **Note 7. Pension Plans (continued)**

The plan uses the aggregate cost method to determine necessary funding. This method does not amortize past service liabilities separately from current and future expenses.

The normal cost is calculated for the plan as a whole by spreading the difference between the present value of projected future benefits, including prior years' gains and losses, less assets, less the present value of future employee contributions, in a level manner over the future salary of plan participants.

Information regarding the System's funding status for fiscal years 2007-2005 is as follows:

	2007	2006	2005
Net assets available for pension benefits	\$ 5,628,063	\$ 5,098,067	\$ 4,812,637
Pension obligation	\$ 3,885,260	\$ 3,444,891	\$ 3,143,190
Percentage funded	145%	148%	153%
Net pension assets	\$ 1,742,803	\$ 1,653,176	\$ 1,669,447
Annual covered payroll	\$ 2,539,351	\$ 2,415,221	\$ 2,259,770
Assets in excess of pension obligation as a percentage of covered payroll	69%	68%	74%
Employer contributions - Department only	\$ 173,850	\$ 143,761	\$ 125,559
Employer contributions as a percentage of covered payroll	7%	6%	6%

### **Note 8. Post-Employment Benefits**

In addition to the pension benefits described in Note 7, the County pays 90% of the premiums for post-retirement health care benefits to retirees and their dependents who meet the Maryland State Retirement System qualifications for full retirement benefits. The retiree must be a full-time employee at the date of their retirement, are at least 60 years of age, and have completed at least twelve years of employment with the County. Presently, 178 retirees and spouses meet these eligibility requirements. The County finances the benefit on a pay-as-you-go basis. During the year ended June 30, 2008, expenditures of \$712,314 were recognized for post-retirement health care benefits.

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. GASB No. 45 requires employer governments to account for and report the annual cost of other postemployment benefits in the same manner as they do for pensions. This statement is effective for the County's financial statements for periods beginning after December 15, 2007, fiscal year 2009.

The County obtained an actuarial valuation of its and the Board of Education of Worcester County's Post-Employment Health Benefits obligations, calculated in accordance with GASB No. 45 standards as of July 1, 2006. Based on the plan and contribution level that the County and Board offers, the present value of future benefits, assuming a 7.5% interest rate, was estimated to be \$92.7 million, while the annual normal cost is \$6.8 million. If the accrued actuarial liability of \$121.6 million were amortized over a 30-year period, the total annual required contribution (normal cost plus amortization amount) would be \$17 million.

## NOTES TO FINANCIAL STATEMENTS

### **Note 9. Deferred Compensation**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible full-time County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency; as approved by the County Commissioners.

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments underwritten by Van Kampen American Capital Funds and/or Lincoln National Life Insurance Company.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

### **Note 10. Commitments, Contingencies and Subsequent Event**

The County is a defendant in several lawsuits. After considering all relevant facts and the opinion of legal counsel, it is management's opinion that such litigation will not, in the aggregate, have a material adverse effect on the financial position of the County.

In addition to the County's long-term debt relating to the cost of the Ocean City Beach Replenishment project, the County is also committed to fund a portion of the annual maintenance costs related to the project with an annual contribution (less interest earned) of \$500,000. Such payments began in December 1988.

The County has entered into various contracts for the construction of the new Library in Ocean City. The contracts are for \$6,020,998 of which \$5,679,100 was expended through June 30, 2008.

The County has entered into various contracts for the construction of the new Health Department in Snow Hill. The contracts are for \$9,465,192 of which \$8,506,597 was expended through June 30, 2008. This project is being partially funded by State of Maryland grants totaling \$1,910,000.

The County entered into various contracts for the construction of the Jail addition and renovation in Snow Hill. The contracts are for \$22,917,824 of which \$6,616,573 was expended through June 30, 2008. This project is being partially funded by State of Maryland grants totaling \$9,165,000.

The County entered into a contract for the construction of the new States Attorney building in Snow Hill. The contract is for \$2,408,417 of which \$211,969 was expended through June 30, 2008.

In November 2008, the County issued \$35,000,000 in Public Improvement Bonds 2008 Series, with an average interest rate of 4.0% and maturing in 2023. All proceeds of this bond are designated to finance renovations and additions to the Pocomoke High School.

## NOTES TO FINANCIAL STATEMENTS

### **Note 11. Reserved and Designated Fund Balance**

Reservations of fund balance show amounts that are not available for current appropriations or are legally restricted for specific uses. Designations of fund balance are used to show the amounts within unreserved fund balance, which are intended to be used for specific purposes but are not legally restricted. The designations for 2008 are summarized as follows:

Designated for:

ADA County Buildings	\$ 8,375
ADA Recreation Facility Access	15,000
Berlin Health Department Storage and Parking	300,000
Berlin Rubblefill Cap and Closure	400,000
Commission on Aging Building Renovation	1,000,000
Computer Upgrade/Document Imaging	700,000
County Storage Facility	2,429,571
Firing Range Pole Building	10,000
Health Department Addition and Roof Replacement	700,000
Isle of Wight Building	878,400
Jail Central Booking Facility	9,400,000
Newark Land for Spray Area	750,000
North End Public Works Building	500,000
Ocean City Elementary School	200,000
Ocean City Library	150,000
Pocomoke High School Design and Construction	160,000
Public Landing Marina	130,000
Public Works Building Expansion	100,000
Route 50 Service Road	1,700,000
Rural Legacy Program	6,400
Sailor Wireless Network Technology	150,000
Showell Elementary School Sewer Line	1,350,000
Snow Hill High School Athletic Fields	512,730
Snow Hill High School Design and Construction	1,077,000
States Attorney Office Renovate Aging Building	2,100,000
Subsequent years' expenditures	1,500,000
Wor-Wic College Campus Development	4,982
Wor-Wic College New Allied Health Building	1,759,000
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Total designations	\$ 27,991,458
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## NOTES TO FINANCIAL STATEMENTS

### **Note 12. Landfill Closure and Postclosure Care Costs**

State and Federal laws and regulations require the County to place a final cover on Worcester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure.

The Berlin landfill stopped accepting waste in 1990. The landfill has been capped and only has postclosure care costs associated with it, currently estimated to be approximately \$20,000 each year for the next thirty years.

The Pocomoke landfill stopped accepting waste in 1990. The landfill has been capped and only has postclosure care cost associated with it, currently estimated to be approximately \$20,000 each year for the next thirty years.

The Snow Hill landfill stopped accepting waste in 1990. The landfill has been capped and only has postclosure care cost associated with it, currently estimated to be approximately \$20,000 each year for the next thirty years.

The County has reported \$3,000,000 as the landfill closure and postclosure care liability at June 30, 2008 in the long-term liabilities section of the Statement of Net Assets relating to the closed landfills and rubble fill, mentioned above (see also Note 6). Also, \$11,578,866 has been reported as the estimated landfill closure and postclosure care liability at June 30, 2008 in the Enterprise Fund relating to the Central County Landfill. Accrual of closure and postclosure care costs have been recognized based on estimated capacity used to date.

The Central Landfill Facility in Newark is the only active landfill in the County. The state-of-the art facility is situated on a 724.5 acre parcel located approximately 3.5 miles northeast of the Town of Snow Hill. The facility, which began operation in 1990, has a permitted life span of 40 years and includes eight landfill cells. As of June 30, 2007 the first two cells are full and cell #3 is at approximately 88% of its capacity. The construction of cell #4 will be complete and it will be put into service during the FY07/08 year. The County has included provisions in the FY08 Operating Budget to begin mining the existing cell #1 instead of closing or “capping” it in order to reclaim as much as 40% of the airspace for future use. If successful, the mining operation will likely continue to the other closed or “filled” cells in order to reclaim landfill capacity and extend the overall life of the facility.

Though there are currently no legal restrictions on available funds, the County has approximately \$8,368,530 of currently available assets for landfill closure and postclosure care costs available within the Landfill enterprise fund. The shortfalls may need to be covered by any combination of charges to future landfill users, future tax revenue, or additional borrowings.

The County has satisfied its financial assurance requirements based upon the local government financial ratio tests as of June 30, 2007. The County expects to satisfy these requirements as of June 30, 2008 using the same criteria.

Due to inflation and changes in technology, laws and regulations, estimated closure and postclosure care costs may change in the future.



## NOTES TO FINANCIAL STATEMENTS

### **Note 13. Risk Management**

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

For general, property, excess and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (LGIT). This is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

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

The Primary Government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County carries commercial insurance for these and other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in the last three years.

### **Note 14. On-Behalf Payments**

On-Behalf Payments for Fringe Benefits represents the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the Library. The amount recognized as revenue and expenditures for the fiscal year ended June 30, 2008 was \$117,400 for the Library, which is included in miscellaneous revenue and libraries, recreation and culture expenditures, respectively.

### **Note 15. Component Units**

#### **A. The Board of Education of Worcester County**

##### Cash and Short-Term Investments

At June 30, 2008, the Board of Education had deposits of \$6,187,122 (carrying value \$4,399,912), which were either fully insured or collateralized with securities held in the name of the Board of Education, with \$5,988,187 of the balance invested in an overnight investment account which was repurchased the following day.

# NOTES TO FINANCIAL STATEMENTS

## Note 15. Component Units (continued)

### A. The Board of Education of Worcester County (continued)

#### Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Transfers and Reductions	Balance June 30, 2008
<b>Governmental Activities:</b>				
Nondepreciable Capital Assets:				
Land and improvements	\$ 1,886,779	\$ -	\$ -	\$ 1,886,779
Construction in progress	10,476,682	23,800,173	-	34,276,855
<b>Total Nondepreciable Capital Assets</b>	<b>12,363,461</b>	<b>23,800,173</b>	<b>-</b>	<b>36,163,634</b>
Depreciable Capital Assets:				
Building and building improvements	90,551,659	491,550	(230,090)	90,813,119
Machinery and equipment	1,452,821	328,579	(72,263)	1,709,137
<b>Total Depreciable Assets</b>	<b>92,004,480</b>	<b>820,129</b>	<b>(302,353)</b>	<b>92,522,256</b>
Less accumulated depreciation for:				
Buildings and building improvements	(28,655,333)	(2,238,497)	172,997	(30,720,833)
Machinery and equipment	(1,017,847)	(150,094)	72,263	(1,095,678)
<b>Total accumulated depreciation</b>	<b>(29,673,180)</b>	<b>(2,388,591)</b>	<b>245,260</b>	<b>(31,816,511)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>62,331,300</b>	<b>(1,568,462)</b>	<b>(57,093)</b>	<b>60,705,745</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 74,694,761</b>	<b>\$ 22,231,711</b>	<b>\$ (57,093)</b>	<b>\$ 96,869,379</b>
<b>Business-type Activities</b>				
Depreciable Capital Assets:				
Machinery and equipment	\$ 265,708	\$ 21,826	\$ (11,576)	\$ 275,958
Less accumulated depreciation for:				
Machinery and equipment	(146,358)	(19,775)	3,453	(162,680)
<b>Total Depreciable Capital Assets, Net</b>	<b>119,350</b>	<b>2,051</b>	<b>(8,123)</b>	<b>113,278</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 119,350</b>	<b>\$ 2,051</b>	<b>\$ (8,123)</b>	<b>\$ 113,278</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 15. Component Units (continued)

#### A. The Board of Education of Worcester County (continued)

##### Long-Term Debt

The following is a summary of long-term debt transactions of the Board of Education for the year ended June 30, 2008:

Amounts payable at June 30, 2007	\$ 366,808
Increase in vested vacation benefits	70,949
Decrease in early retirement incentive payments	(12,394)
<hr/>	
Amounts payable at June 30, 2008	\$ 425,363

##### Post-Retirement Benefits

The Board currently funds 90% of the health care insurance for retirees who have accumulated the required number of years of service with the Board prior to their retirement. The Board received \$2,332,128 from the County to fund post retirement health care benefits for the year ended June 30, 2008.

##### Commitments and Contingencies

The Board has entered into various contracts for the completion of construction documents for the new Worcester Career and Technology Center. The contracts are for \$36,093,000 of which \$30,251,000 was expended through June 30, 2008.

The Board entered into a contract for the construction of the new Pocomoke High School. The contract is for \$34,427,938 of which \$2,948,049 was expended through June 30, 2008.

The Board also has lease agreements for copiers over the next several years. The approximate annual amount is \$431,000, but exact amounts will vary since many of the leases expire at various times.

The Board is being sued for breach of contract by a contractor involved in the construction of the Ocean City Elementary School, which was completed several years ago. A \$1,100,000 judgment claim by a contractor is included as a liability.

##### Risk Management

The Board 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. In July 1995, the Board joined the Maryland Association of Boards of Education Workers' Compensation Group Insurance Fund (the Fund), a public entity risk pool currently providing workers compensation coverage for participating boards of education in the State of Maryland. The Board pays an annual premium to the Fund calculated based on projected payroll. The agreement for the Fund provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims which exceed coverage limits as specified in the agreement. Should the Fund encounter deficits in its casualty and/or property funds, an assessment may be made up from additional assessments of boards participating in the deficit Fund. The Board continues to carry commercial insurance for all other risks of loss, including general liability, employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in the last three years.

## NOTES TO FINANCIAL STATEMENTS

### Note 15. Component Units (continued)

#### On-Behalf Payments

On-Behalf Payments for Fringe Benefits represents the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the Board. The amount recognized as revenue and expenditures for the fiscal year ended June 30, 2008 was \$5,243,341 for the Board, which is included in intergovernmental revenue and education expenditures, respectively.

#### **B. The Liquor Control Board of Worcester County**

##### Cash and Short-Term Investments

At April 30, 2008, the Liquor Control Board of Worcester County had deposits of \$608,374 (carrying value \$609,276), which were either fully insured or collateralized with pledged securities held in the name of the Liquor Control Board at the Federal Reserve Bank of Richmond. In addition, there was \$5,500 in change funds.

##### Capital Assets

Capital asset activity for the year ended April 30, 2008, was as follows:

	Balance April 30, 2007	Additions	Transfers and Reductions	Balance April 30, 2008
<b>Business-type Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 212,158	\$ -	\$ -	\$ 212,158
Construction in progress	-	-	-	-
<b>Total Nondepreciable Capital Assets</b>	<b>212,158</b>	<b>-</b>	<b>-</b>	<b>212,158</b>
Depreciable Capital Assets:				
Buildings and building improvements	1,709,329	444,975	27,103	2,127,201
Machinery and equipment	390,519	27,964	7,363	411,120
<b>Total Depreciable Assets</b>	<b>2,099,848</b>	<b>472,939</b>	<b>34,466</b>	<b>2,538,321</b>
Less accumulated depreciation for:				
Buildings and building improvements	(142,261)	(74,639)	11,293	(205,607)
Machinery and equipment	(295,086)	(45,047)	7,363	(332,770)
<b>Total accumulated depreciation</b>	<b>(437,347)</b>	<b>(119,686)</b>	<b>18,656</b>	<b>(538,377)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>1,662,501</b>	<b>353,253</b>	<b>53,122</b>	<b>1,999,944</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 1,874,659</b>	<b>\$ 353,253</b>	<b>\$ 53,122</b>	<b>\$ 2,212,102</b>

## NOTES TO FINANCIAL STATEMENTS

### **Note 15. Component Units (continued)**

#### Long-Term Debt

The following is a summary of long-term debt as of April 30, 2008:

	April 30, 2007	Additions	Reductions	April 30, 2008	Due in one year
Notes payable	\$ 1,332,964	\$ -	\$ 306,596	\$ 1,026,368	\$ 615,562
Line of Credit	1,842,876	2,600,000	1,322,398	3,120,478	3,120,478
	<u>\$ 3,175,840</u>	<u>\$ 2,600,000</u>	<u>\$ 1,628,994</u>	<u>\$ 4,146,846</u>	<u>\$ 3,736,040</u>

## REQUIRED SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 161,479,313	\$ 161,479,313	\$ 162,000,993	\$ 521,680
Licenses and permits	2,084,500	2,084,500	2,010,919	(73,581)
Intergovernmental	4,413,305	4,413,305	4,173,425	(239,880)
Service charges and fees	2,954,100	2,954,100	2,704,784	(249,316)
Miscellaneous	3,176,525	3,176,525	4,800,852	1,624,327
<b>Total revenues</b>	<b>174,107,743</b>	<b>174,107,743</b>	<b>175,690,973</b>	<b>1,583,230</b>
<b>EXPENDITURES:</b>				
General government	12,810,920	12,791,320	11,299,386	1,491,934
Public safety	18,990,708	18,990,708	18,629,005	361,703
Public works	6,940,354	6,940,354	7,241,317	(300,963)
Health and hospitals	4,910,586	4,910,586	5,057,711	(147,125)
Social services	1,408,939	1,428,539	1,444,120	(15,581)
Education	71,560,783	71,560,783	73,140,412	(1,579,629)
Libraries, recreation and culture	5,367,495	5,367,495	5,411,184	(43,689)
Conservation of natural resources	1,016,031	1,016,031	582,842	433,189
Economic development	2,634,070	2,634,070	2,028,008	606,062
Intergovernmental	16,050,264	16,050,264	17,249,935	(1,199,671)
Miscellaneous	8,768,802	8,768,802	7,383,893	1,384,909
<b>Total expenditures</b>	<b>150,458,952</b>	<b>150,458,952</b>	<b>149,467,813</b>	<b>991,139</b>
Excess of revenues over expenditures	23,648,791	23,648,791	26,223,160	2,574,369
<b>OTHER FINANCING SOURCES (USES):</b>				
Fund balance appropriated	1,500,000	1,500,000	-	(1,500,000)
Operating transfers, net	(25,148,791)	(25,148,791)	(28,560,566)	(3,411,775)
<b>Total other financing uses</b>	<b>(23,648,791)</b>	<b>(23,648,791)</b>	<b>(28,560,566)</b>	<b>(4,911,775)</b>
Net Change in Fund Balance	\$ -	\$ -	(2,337,406)	<u>\$ (2,337,406)</u>
Fund Balance, beginning			36,393,808	
Fund Balance, ending			<u>\$ 34,056,402</u>	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>Taxes:</b>				
Real and personal property:				
Real property:				
Full-year levy	\$ 118,816,851	\$ 118,816,851	\$ 117,818,127	\$ (998,724)
Semi-year levy	560,000	560,000	536,794	(23,206)
Personal property	506,822	506,822	345,276	(161,546)
Corporations and utilities	4,546,986	4,546,986	5,367,164	820,178
Net additions and abatements	(358,200)	(358,200)	(315,147)	43,053
	124,072,459	124,072,459	123,752,214	(320,245)
Interest on delinquent taxes	300,000	300,000	741,979	441,979
Discounts allowed on taxes	(890,000)	(890,000)	(883,219)	6,781
Tax credits for assessment increase	(7,414,850)	(7,414,850)	(7,254,495)	160,355
Total real and personal property	116,067,609	116,067,609	116,356,479	288,870
Local income tax	14,000,000	14,000,000	13,684,600	(315,400)
Other local taxes:				
Room tax	10,000,000	10,000,000	11,284,976	1,284,976
Admission and amusement	560,000	560,000	597,615	37,615
Recordation	8,500,000	8,500,000	8,026,476	(473,524)
Trailer park excise tax	200,000	200,000	181,203	(18,797)
Transfer tax	4,250,000	4,250,000	3,984,963	(265,037)
Food tax	2,015,000	2,015,000	2,230,516	215,516
State shared:				
Highway user revenue	5,320,818	5,320,818	5,113,106	(207,712)
911 State fees	565,886	565,886	541,059	(24,827)
<b>Total taxes</b>	<b>161,479,313</b>	<b>161,479,313</b>	<b>162,000,993</b>	<b>521,680</b>



WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Licenses and permits:</b>				
Business:				
Liquor licenses	\$ 675,000	\$ 675,000	\$ 745,063	\$ 70,063
Vending machine licenses	125,000	125,000	144,326	19,326
Traders licenses	95,000	95,000	133,250	38,250
Occupational licenses	33,000	33,000	32,770	(230)
Bingo permits	15,000	15,000	13,562	(1,438)
Tourist and trailer park permits	10,000	10,000	12,042	2,042
Other:				
Building permits	425,000	425,000	294,659	(130,341)
Marriage licenses	26,000	26,000	24,050	(1,950)
Shoreline permits	35,000	35,000	26,950	(8,050)
Environmental permits	175,000	175,000	176,669	1,669
EDU transfer fee	8,000	8,000	5,400	(2,600)
Health permits	275,000	275,000	297,526	22,526
Raffle permits	2,500	2,500	3,000	500
Plumbing permits	130,000	130,000	65,842	(64,158)
Gas permits	45,000	45,000	9,370	(35,630)
Forest conservation fees	10,000	10,000	26,440	16,440
<b>Total licenses and permits</b>	<b>2,084,500</b>	<b>2,084,500</b>	<b>2,010,919</b>	<b>(73,581)</b>
<b>Intergovernmental:</b>				
Federal grants:				
Payments in lieu of taxes	10,000	10,000	10,459	459
COPS FAST	38,500	38,500	13,563	(24,937)
FEMA salary match	40,528	40,528	40,528	-
CDBG economic development grant	750,000	750,000	82,998	(667,002)
MD Coastal Bays	19,324	19,324	11,297	(8,027)
Coastal zone grant	-	-	14,313	14,313
Critical area grant	43,000	43,000	43,000	-
Bio-terrorism grant	235,000	235,000	155,039	(79,961)
State grants:				
Police protection	120,131	120,131	148,048	27,917
911 support	-	-	155,524	155,524
Child support enforcement	20,593	20,593	36,985	16,392
State park revenues	350,000	350,000	333,765	(16,235)
Open space	580,680	580,680	493,914	(86,766)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Intergovernmental, continued:</b>				
State grants, continued:				
Library aid	\$ 136,500	\$ 136,500	\$ 136,500	\$ -
Library grant	68,000	68,000	96,506	28,506
Mass transit grant	-	-	99,000	99,000
Johnsongrass control	3,500	3,500	2,500	(1,000)
Fire companies	256,819	256,819	260,248	3,429
Highway safety	113,000	113,000	107,539	(5,461)
Tourism	39,126	39,126	53,320	14,194
SSTAP	131,927	131,927	-	(131,927)
Septic system monitoring	16,390	16,390	16,850	460
Social services programs	216,457	216,457	210,478	(5,979)
Family support grant	157,847	157,847	222,513	64,666
FEMA Hurricane grant	2,000	2,000	1,000	(1,000)
Drug court coordinator	181,266	181,266	230,281	49,015
State's Attorney grant	39,910	39,910	39,911	1
State Aid for Highways	115,000	115,000	461,599	346,599
Sheriff's office grant	9,400	9,400	52,043	42,643
IOW Restoration grant	96,000	96,000	12,832	(83,168)
Public landings grant	261,500	261,500	99,846	(161,654)
ECD development grant	28,000	28,000	-	(28,000)
Developmental center grant	-	-	300,000	300,000
Water resources grant	1,000	1,000	94,458	93,458
Department of environment training	10,000	10,000	11,473	1,473
Agricultural transfer tax	15,000	15,000	-	(15,000)
Other grants	306,907	306,907	125,095	(181,812)
<b>Total intergovernmental</b>	<b>4,413,305</b>	<b>4,413,305</b>	<b>4,173,425</b>	<b>(239,880)</b>
<b>Service charges and fees:</b>				
Liquor dispensary profits	400,000	400,000	415,403	15,403
Liquor advertising fees	1,500	1,500	1,860	360
Donation sponsorship program	6,000	6,000	285	(5,715)
Zoning fees	115,000	115,000	71,862	(43,138)
Sheriff fees	116,500	116,500	64,310	(52,190)
Sales of publications and copies	6,500	6,500	8,512	2,012
Library use charges	35,000	35,000	45,394	10,394
Animal shelter fees	7,500	7,500	5,266	(2,234)
Mosquito control charges	50,000	50,000	29,045	(20,955)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Service charges and fees, continued:</b>				
Recreation fees	\$ 283,400	\$ 283,400	\$ 249,062	\$ (34,338)
Tourism event fees	-	-	956	956
Vehicle tag fees	1,500	1,500	4,493	2,993
Critical area fees	40,000	40,000	36,240	(3,760)
Critical area fees in lieu of	5,000	5,000	-	(5,000)
Library special projects	9,000	9,000	-	(9,000)
Soil conservation fee	60,000	60,000	63,774	3,774
Mediation program	400	400	-	(400)
Circuit court bar library	5,000	5,000	4,497	(503)
Firearms training center fees	22,800	22,800	10,725	(12,075)
Payments for jail use	1,450,000	1,450,000	1,449,780	(220)
Fire inspection fees	150,000	150,000	111,696	(38,304)
Roads Department charges	49,000	49,000	26,567	(22,433)
Family service fees	1,500	1,500	4,978	3,478
Shared facility service area fee	3,500	3,500	-	(3,500)
Community service fees	100,000	100,000	64,175	(35,825)
Housing program fees	12,500	12,500	13,563	1,063
Franchise fees	22,500	22,500	22,341	(159)
<b>Total service charges and fees</b>	<b>2,954,100</b>	<b>2,954,100</b>	<b>2,704,784</b>	<b>(249,316)</b>
<b>Miscellaneous:</b>				
Court fines	70,000	70,000	67,727	(2,273)
Civil infraction fines	5,000	5,000	4,450	(550)
Retiree drug subsidy	-	-	262,740	262,740
Interest on investments	3,000,000	3,000,000	4,089,032	1,089,032
Rent revenue	66,525	66,525	84,329	17,804
Sale of fixed assets	10,000	10,000	72,012	62,012
Miscellaneous	25,000	25,000	220,562	195,562
<b>Total miscellaneous</b>	<b>3,176,525</b>	<b>3,176,525</b>	<b>4,800,852</b>	<b>1,624,327</b>
<b>Other financing sources:</b>				
Transfers from other funds	-	-	1,119,520	1,119,520
Fund Balance from prior year surplus	1,500,000	1,500,000	-	(1,500,000)
<b>Total other financing sources</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,119,520</b>	<b>(380,480)</b>
<b>Total revenues</b>	<b>\$ 175,607,743</b>	<b>\$ 175,607,743</b>	<b>\$ 176,810,493</b>	<b>\$ 1,202,750</b>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES:</b>				
<b>General government:</b>				
County Commissioners' office:				
Salaries	\$ 841,061	\$ 841,061	\$ 844,844	\$ (3,783)
Administrative	54,125	54,125	53,006	1,119
Consulting services	5,000	5,000	-	5,000
Training and travel	50,000	50,000	30,141	19,859
Legal	(26,000)	(26,000)	(13,504)	(12,496)
Advertisements	33,280	26,780	26,442	338
Vehicle operations	8,000	8,000	4,144	3,856
Other supplies and equipment	15,400	21,900	17,793	4,107
Enterprise fund credits	(138,939)	(138,939)	(139,745)	806
	841,927	841,927	823,121	18,806
Circuit Court:				
Salaries	708,279	708,279	708,168	111
Administrative	46,410	46,410	39,076	7,334
Training and travel	9,360	8,185	7,528	657
Legal	18,000	18,000	6,380	11,620
Jury	50,000	37,140	37,140	-
Court library	2,000	2,000	2,000	-
Court reporters	20,000	4,625	4,625	-
Family support services	104,740	104,740	104,242	498
Grant services	-	36,612	57,853	(21,241)
Drug treatment court program	65,116	65,116	149,764	(84,648)
Other supplies and equipment	18,925	11,723	11,723	-
	1,042,830	1,042,830	1,128,499	(85,669)
Orphans' Court:				
Salaries	15,000	15,000	15,000	-
Administrative	700	700	80	620
Training and travel	9,359	9,359	4,800	4,559
	25,059	25,059	19,880	5,179
State's Attorney's office:				
Salaries	1,213,037	1,213,037	1,162,638	50,399
Overtime pay	46,000	46,000	49,777	(3,777)
Administrative	37,367	37,367	44,880	(7,513)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>General government, continued:</b>				
State's Attorney's office, continued:				
Training and travel	\$ 6,344	\$ 6,344	\$ 8,345	\$ (2,001)
Vehicle operations	6,800	6,800	12,705	(5,905)
Other supplies and equipment	46,975	46,975	40,592	6,383
Ocean City office rent	20,177	20,177	21,100	(923)
Prosecution	21,850	21,850	48,885	(27,035)
	1,398,550	1,398,550	1,388,922	9,628
Treasurer's office:				
Salaries	1,425,963	1,425,963	1,368,438	57,525
Overtime pay	6,960	6,960	4,458	2,502
Administrative	66,599	66,599	63,131	3,468
Vehicle operating expense	-	-	334	(334)
Training and travel	19,025	19,025	29,281	(10,256)
Consulting services	10,000	10,000	-	10,000
Other supplies and equipment	110,050	110,050	93,506	16,544
Tax bills	17,000	17,000	23,764	(6,764)
Credits for support	(357,791)	(357,791)	(351,191)	(6,600)
	1,297,806	1,297,806	1,231,721	66,085
Elections office:				
Salaries	7,800	7,837	7,837	-
State employees' salaries	319,547	289,510	262,891	26,619
Administrative	47,500	47,500	24,243	23,257
Consulting services	-	30,000	23,005	6,995
Training and travel	21,228	21,228	8,534	12,694
Other supplies and equipment	6,000	6,000	4,864	1,136
New equipment	74,000	106,782	73,992	32,790
Voting machines and poll expenses	202,840	170,058	135,802	34,256
Building and property	16,980	16,980	13,930	3,050
	695,895	695,895	555,098	140,797

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>General government, continued:</b>				
Human resources:				
Salaries	\$ 321,032	\$ 321,032	\$ 322,904	\$ (1,872)
Administrative	10,600	10,600	10,044	556
Legal	1,520	1,520	878	642
Training and travel	3,000	3,000	1,062	1,938
Consulting services	18,600	18,600	11,249	7,351
Vehicle operating expenses	8,100	8,100	5,457	2,643
Other supplies and equipment	7,700	7,700	4,476	3,224
Volunteer services	14,100	14,100	10,277	3,823
Enterprise fund credits	(60,806)	(60,806)	(60,806)	-
	323,846	323,846	305,541	18,305
Planning and permits:				
Salaries	1,718,064	1,718,064	1,688,375	29,689
Administrative	96,900	96,900	50,902	45,998
Training and travel	54,600	54,600	35,524	19,076
Advertisements	18,430	18,480	18,456	24
Legal	54,975	50,725	25,905	24,820
Consulting services	57,000	61,000	60,585	415
Vehicle operating expenses	24,000	24,200	24,105	95
Other supplies and equipment	10,800	10,800	7,161	3,639
Enterprise fund credits	(19,443)	(19,443)	(18,431)	(1,012)
	2,015,326	2,015,326	1,892,582	122,744
Comprehensive planning:				
Salaries	379,886	379,886	369,968	9,918
Administrative	18,000	18,000	19,726	(1,726)
Training and travel	16,150	16,150	15,300	850
Legal	3,050	3,050	2,675	375
Consulting services	1,000	1,000	92,308	(91,308)
Grant services	136,000	136,000	2,864	133,136
Vehicle operating expenses	1,850	1,850	1,738	112
Other supplies and equipment	40,500	40,500	16,803	23,697
	596,436	596,436	521,382	75,054

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>General government, continued:</b>				
Environmental programs:				
Salaries	\$ 769,912	\$ 769,912	\$ 717,230	\$ 52,682
Administrative	39,652	39,652	26,394	13,258
Advertising	1,000	1,000	-	1,000
Training and travel	6,000	6,000	3,100	2,900
Legal	1,500	1,500	127	1,373
Vehicle operating expenses	23,500	23,500	23,595	(95)
Other supplies and equipment	30,867	30,867	23,935	6,932
Grant services	1,000	1,000	91,669	(90,669)
New equipment	29,000	29,000	24,405	4,595
Fund credits	(35,925)	(35,925)	(35,925)	-
	866,506	866,506	874,530	(8,024)
Other general government:				
Independent audit	33,000	39,240	39,240	-
Tri-County Council	15,000	15,000	15,000	-
Tri-County Council - Shore transit funding	572,754	572,754	436,784	135,970
Courthouse expenses	475,560	420,560	375,482	45,078
Isle of Wight building expenses	54,660	54,660	53,840	820
Courthouse improvements	184,920	239,920	239,757	163
Association of counties	49,155	49,155	20,359	28,796
Training and travel	39,125	39,125	38,895	230
Computer services	421,940	421,940	184,708	237,232
Photocopies	800	800	800	-
Postage	122,335	140,217	140,216	1
Briddletown water project	25,000	25,000	25,000	-
Other grants to Towns	350,000	350,000	350,000	-
Towns share county liquor fees	303,000	303,000	310,032	(7,032)
Miscellaneous	33,000	33,000	34,902	(1,902)
Other supplies and equipment	150,000	106,278	86,546	19,732
New equipment	721,490	721,490	105,623	615,867
Emergency preparedness	150,000	150,000	98,676	51,324

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>General government, continued:</b>				
Other general government (continued):				
Courier service	\$ 5,000	\$ 5,000	\$ 2,250	\$ 2,750
	3,706,739	3,687,139	2,558,110	1,129,029
<b>Total general government</b>	<b>12,810,920</b>	<b>12,791,320</b>	<b>11,299,386</b>	<b>1,491,934</b>
<b>Public safety:</b>				
Sheriff's office:				
Salaries	3,885,180	3,847,872	3,544,841	303,031
Overtime pay	166,700	187,599	187,599	-
Administrative	39,450	34,918	33,446	1,472
Training and travel	59,000	54,821	54,821	-
Consulting	3,016	2,329	2,329	-
Vehicle operating expenses	249,200	305,980	305,959	21
Radio	22,846	28,456	28,452	4
Uniforms and personal equipment	90,935	75,592	75,592	-
Other supplies and equipment	120,000	127,556	127,556	-
New equipment	366,155	366,155	323,731	42,424
Veterinary services	3,100	1,798	1,798	-
Building and property	46,580	37,897	38,387	(490)
Equipment maintenance	37,290	28,877	28,876	1
Firearms training center	18,500	8,102	8,102	-
	5,107,952	5,107,952	4,761,489	346,463
Emergency services:				
Salaries	1,092,897	1,071,359	1,056,713	14,646
Overtime pay	35,000	56,538	56,538	-
Administrative	34,639	34,639	34,769	(130)
Equipment maintenance	76,845	76,845	59,866	16,979
Training and travel	17,700	17,700	10,973	6,727
Vehicle operating expenses	10,000	10,000	9,421	579
Radio supplies	30,000	30,000	59,243	(29,243)
Radio expenses	270,100	270,100	334,968	(64,868)
Other supplies and equipment	266,345	266,345	283,346	(17,001)
New equipment	50,000	50,000	64,572	(14,572)
Transmitter sites	120,800	120,800	45,918	74,882
911 equipment charges	152,000	152,000	155,868	(3,868)
	2,156,326	2,156,326	2,172,195	(15,869)



WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Public safety, continued:</b>				
Jail:				
Salaries	\$ 4,182,347	\$ 4,106,005	\$ 4,106,005	\$ -
Overtime pay	25,000	13,219	13,164	55
Administrative	22,600	10,500	10,465	35
Consulting services	1,600	700	690	10
Training and travel	12,400	14,620	14,614	6
Vehicle operating expenses	17,200	14,789	14,679	110
Uniforms and personal equipment	51,400	42,463	42,463	-
Other supplies and equipment	14,750	13,538	13,392	146
New equipment	16,000	16,410	30,487	(14,077)
Maintenance and utilities	520,000	578,053	581,048	(2,995)
Medical services	359,000	394,500	394,453	47
Food services	525,000	548,400	548,399	1
Inmate supplies and services	34,000	28,100	28,093	7
	5,781,297	5,781,297	5,797,952	(16,655)
Fire Marshall:				
Salaries	309,065	309,065	308,627	438
Overtime pay	12,500	12,500	10,217	2,283
Administrative	13,655	13,655	10,932	2,723
Training and travel	16,465	16,465	15,861	604
Consulting services	1,700	1,700	133	1,567
Vehicle operating expenses	16,400	21,938	21,938	-
Uniforms and personal equipment	7,400	7,400	3,030	4,370
Other supplies and equipment	43,450	37,912	17,198	20,714
Safety program	61,360	61,360	45,311	16,049
	481,995	481,995	433,247	48,748
Volunteer fire departments:				
County grant to fire companies	2,220,584	2,220,584	2,236,584	(16,000)
Fireman's Training Center	20,000	20,000	12,155	7,845
State grant for fire companies	256,819	256,819	260,248	(3,429)
County grant to ambulance companies	2,841,435	2,841,435	2,841,435	-
LOSAP appropriation	124,300	124,300	113,700	10,600
	5,463,138	5,463,138	5,464,122	(984)
<b>Total public safety</b>	<b>18,990,708</b>	<b>18,990,708</b>	<b>18,629,005</b>	<b>361,703</b>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	Budgeted Amounts		Actual	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Public works:</b>				
Maintenance:				
Salaries	\$ 832,789	\$ 832,789	\$ 796,096	\$ 36,693
Overtime pay	6,500	5,000	4,902	98
Administrative	10,600	7,000	7,156	(156)
Training and travel	2,910	2,610	2,606	4
Vehicle operating expenses	47,850	53,168	53,168	-
Uniforms and personal equipment	14,160	12,458	12,434	24
Safety program	5,950	2,709	2,725	(16)
Other supplies and equipment	24,375	23,276	23,321	(45)
New equipment	18,000	18,000	13,799	4,201
Building expenses	19,205	25,329	25,753	(424)
	982,339	982,339	941,960	40,379
<b>Roads department:</b>				
Salaries	1,687,971	1,687,971	1,598,358	89,613
Overtime pay	20,000	20,000	4,318	15,682
Administrative	17,380	17,380	14,552	2,828
Training and travel	2,500	2,500	435	2,065
Consulting services	3,500	54,487	465,933	(411,446)
Vehicle and equipment operating expenses	362,000	362,000	412,987	(50,987)
Radio expenses	6,000	6,000	3,928	2,072
Uniforms and personal equipment	21,465	21,465	16,060	5,405
Other supplies and equipment	60,600	60,600	55,057	5,543
New equipment	791,369	729,626	719,813	9,813
Building and property	45,225	48,797	48,491	306
Road maintenance materials	1,412,898	1,412,898	1,380,030	32,868
Special road construction	30,000	30,000	150	29,850
Street lighting	62,000	69,184	70,934	(1,750)
Signs, signals and stripping	64,800	64,800	50,659	14,141
Ocean Pines road maintenance	780,860	780,860	757,368	23,492
State aid road construction projects	143,750	143,750	348,629	(204,879)
Interfund charges	(27,500)	(27,500)	(27,500)	-
	5,484,818	5,484,818	5,920,202	(435,384)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Public works, continued:</b>				
Other public works:				
Salaries	\$ 420,957	\$ 420,957	\$ 436,157	\$ (15,200)
Administrative	12,600	12,600	10,985	1,615
Training and travel	3,200	3,200	2,328	872
Consulting services	210,000	186,400	82,194	104,206
Central vehicle service	(8,884)	11,116	9,787	1,329
Building and property	10,000	13,000	14,855	(1,855)
Central gas facility	7,700	8,300	8,296	4
Safety program	1,875	1,875	461	1,414
Supplies and equipment	6,800	6,800	5,143	1,657
Enterprise fund credits	(191,051)	(191,051)	(191,051)	-
	473,197	473,197	379,155	94,042
<b>Total public works</b>	<b>6,940,354</b>	<b>6,940,354</b>	<b>7,241,317</b>	<b>(300,963)</b>
<b>Health and hospitals:</b>				
Health department:				
Health clinic's building expenses	334,015	446,553	358,944	87,609
Other non-matching expenses	40,568	28,170	28,170	-
New equipment	13,000	11,456	11,456	-
Matching appropriation	3,391,903	3,293,307	3,382,439	(89,132)
	3,779,486	3,779,486	3,781,009	(1,523)
Mosquito control:				
Salaries	29,147	29,147	29,147	-
Administrative	1,500	1,900	2,830	(930)
Vehicle operations	8,500	15,000	14,969	31
Building and property expenses	2,380	2,380	2,336	44
Appropriation for spraying	130,073	123,173	95,366	27,807
	171,600	171,600	144,648	26,952

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Health and hospitals, continued:</b>				
Other health and hospitals:				
Drug Abuse Task Force	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Atlantic General Hospital	250,000	250,000	250,000	-
Worcester Development Center	573,000	573,000	750,683	(177,683)
Worcester County Commission for Women	1,000	1,000	1,000	-
Hartley Hall	12,500	12,500	12,500	-
Highway Safety Program	113,000	113,000	107,871	5,129
	959,500	959,500	1,132,054	(172,554)
<b>Total health and hospitals</b>	<b>4,910,586</b>	<b>4,910,586</b>	<b>5,057,711</b>	<b>(147,125)</b>
<b>Social services:</b>				
Commission on Aging:				
Senior center building expenses	200,000	219,600	219,576	24
Appropriation for Commission on Aging	580,512	580,512	580,512	-
Senior Transportation	215,177	215,177	215,177	-
	995,689	1,015,289	1,015,265	24
Other social services:				
Salaries	157,343	157,343	152,298	5,045
Administrative	30,700	30,700	36,600	(5,900)
Maryland Food Bank	1,000	1,000	1,000	-
Life Crisis Center	9,000	9,000	9,000	-
Youth and Family counseling	101,900	101,900	101,900	-
Diakonia	56,807	56,807	74,557	(17,750)
Samaritan shelter	12,500	12,500	9,500	3,000
Save the Youth programs	20,000	20,000	20,000	-
Oasis Ministries, Inc.	10,000	10,000	10,000	-

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Social services, continued:</b>				
Other social services (continued):				
BRAVE program	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Worcester County G.O.L.D.	10,000	10,000	10,000	-
	413,250	413,250	428,855	(15,605)
<b>Total social services</b>	<b>1,408,939</b>	<b>1,428,539</b>	<b>1,444,120</b>	<b>(15,581)</b>
<b>Education:</b>				
Board of Education:				
Retirement	393,810	393,810	386,056	7,754
Retirees hospitalization insurance	2,332,128	2,332,128	2,332,128	-
Judgements and lawsuits	-	-	1,100,000	(1,100,000)
School building improvements	500,000	500,000	500,000	-
School building construction	500,000	500,000	500,000	-
Operating appropriations	65,318,960	65,318,960	65,703,960	(385,000)
Technology program	500,000	500,000	500,000	-
	69,544,898	69,544,898	71,022,144	(1,477,246)
WOR-WIC Community College:				
Operating appropriation	1,765,885	1,765,885	1,765,885	-
Campus development	-	-	102,383	(102,383)
Child development center grant	250,000	250,000	250,000	-
	2,015,885	2,015,885	2,118,268	(102,383)
<b>Total education</b>	<b>71,560,783</b>	<b>71,560,783</b>	<b>73,140,412</b>	<b>(1,579,629)</b>
<b>Libraries, recreation and culture:</b>				
Recreation department:				
Salaries	963,371	963,371	847,605	115,766
Administrative	27,900	27,900	26,680	1,220
Training and travel	14,900	14,900	13,634	1,266
Vehicle and equipment operating	28,250	31,610	30,425	1,185

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Libraries, recreation and culture, continued:</b>				
Recreation department (continued):				
Uniforms and personal equipment	\$ 4,680	\$ 4,680	\$ 4,177	\$ 503
Other supplies and equipment	84,100	103,464	73,245	30,219
New equipment	14,500	14,500	12,949	1,551
Park expenses	249,170	249,170	252,112	(2,942)
Park improvements	645,200	645,200	737,107	(91,907)
Recreation program	309,000	286,276	225,529	60,747
	2,341,071	2,341,071	2,223,463	117,608
Boat Landings:				
Landing expenses	312,750	312,750	19,203	293,547
Landing improvements	254,000	254,000	531,488	(277,488)
	566,750	566,750	550,691	16,059
Library:				
Salaries	1,463,374	1,463,374	1,450,725	12,649
Overtime pay	4,000	4,000	3,078	922
Administrative	138,000	138,000	132,312	5,688
Training and travel	11,000	11,000	15,528	(4,528)
Other supplies and equipment	56,800	56,800	65,536	(8,736)
Special projects	9,000	9,000	5,273	3,727
Maintenance and utilities	230,000	230,000	238,279	(8,279)
Books	333,000	333,000	371,331	(38,331)
Grant services	69,000	69,000	92,068	(23,068)
On-behalf payments	-	-	117,400	(117,400)
	2,314,174	2,314,174	2,491,530	(177,356)
Other recreation and culture:				
Salvation Army youth recreation	10,500	10,500	10,500	-
Worcester County Art Council	5,000	5,000	5,000	-
Rackliffe House Trust	50,000	50,000	50,000	-
Germantown School	50,000	50,000	50,000	-
Museum of Maryland history	500	500	500	-
Calvin B. Taylor house	3,000	3,000	3,000	-

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Libraries, recreation and culture, continued:</b>				
Other recreation and culture (continued):				
Julia Purnell museum	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Costen house	4,000	4,000	4,000	-
Veteran's Memorial in Ocean Pines	1,000	1,000	1,000	-
Ocean City Lifesaving museum	4,000	4,000	4,000	-
Queponco Rail Station	2,500	2,500	2,500	-
Sturgis One-Room Schoolhouse	3,000	3,000	3,000	-
Girdletree Foundation	4,000	4,000	4,000	-
Mid-Atlantic symphony orchestra	4,000	4,000	4,000	-
	145,500	145,500	145,500	-
<b>Total libraries, recreation and culture</b>	<b>5,367,495</b>	<b>5,367,495</b>	<b>5,411,184</b>	<b>(43,689)</b>
<b>Conservation of natural resources:</b>				
Extension service:				
Salaries	12,948	12,948	6,597	6,351
Administrative	16,500	16,500	13,384	3,116
Other supplies and equipment	16,863	16,863	17,203	(340)
Office rent and utilities	21,470	21,470	21,015	455
Operating appropriation	126,467	126,467	126,467	-
Johnsongrass control program	2,850	2,850	2,057	793
	197,098	197,098	186,723	10,375
Other natural resources:				
Gypsy moth control	5,000	5,000	541	4,459
Soil Conservation District	34,433	34,433	34,433	-
Forest Conservancy Board	2,000	2,000	2,000	-
Conservation Easements	277,500	277,500	51,588	225,912
Beach maintenance	500,000	500,000	307,557	192,443
	818,933	818,933	396,119	422,814
<b>Total conservation of natural resources</b>	<b>1,016,031</b>	<b>1,016,031</b>	<b>582,842</b>	<b>433,189</b>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Economic development:</b>				
Economic development department:				
Salaries	\$ 104,744	\$ 104,744	\$ 104,744	\$ -
Administrative	9,439	11,490	11,490	-
Training and travel	9,600	15,923	15,923	-
Advertisements	19,000	14,967	14,967	-
Vehicle operating expenses	1,300	4,709	4,709	-
Other supplies and equipment	7,550	1,912	1,912	-
Consulting services	35,000	39,192	39,512	(320)
Economic/industrial development	745,000	738,696	189,024	549,672
Home innovation	22,500	22,500	23,730	(1,230)
Housing rehabilitation program	207,300	207,300	133,555	73,745
	1,161,433	1,161,433	539,566	621,867
<b>Tourism:</b>				
Salaries	114,200	114,200	114,117	83
Administrative	8,200	8,200	8,701	(501)
Training and travel	5,350	5,350	6,000	(650)
Legal	189,126	189,126	205,465	(16,339)
Vehicle operating expenses	1,700	1,700	1,987	(287)
Other supplies and equipment	124,254	124,254	125,365	(1,111)
Furnace Town, Inc.	58,912	58,912	58,912	-
Snow Hill Alliance Response Program	22,526	22,526	22,526	-
Lower Eastern Shore Heritage	10,000	10,000	10,000	-
Delmarva Low-Impact Tourism	10,000	10,000	10,000	-
Economic/Industrial development program	3,000	3,000	-	3,000
Mar Va Theatre	125,369	125,369	125,369	-
Pocomoke marketing partnership	800,000	800,000	800,000	-
	1,472,637	1,472,637	1,488,442	(15,805)
<b>Total economic development</b>	2,634,070	2,634,070	2,028,008	606,062



WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Intergovernmental:</b>				
Towns share county room tax	\$ 9,750,000	\$ 9,750,000	\$ 10,850,039	\$ (1,100,039)
Towns share county bingo fees	2,000	2,000	1,878	122
Towns share county income tax	1,643,200	1,643,200	1,525,005	118,195
Towns share county food tax	1,915,000	1,915,000	2,118,990	(203,990)
Grants to towns for police	60,064	60,064	74,023	(13,959)
Grants to towns for fire	640,000	640,000	640,000	-
Grants to towns for tourism	365,000	365,000	365,000	-
Other grants to towns	1,675,000	1,675,000	1,675,000	-
<b>Total intergovernmental</b>	<b>16,050,264</b>	<b>16,050,264</b>	<b>17,249,935</b>	<b>(1,199,671)</b>
<b>Miscellaneous:</b>				
Social security taxes	1,662,846	1,607,046	1,560,043	47,003
Employee retirement	1,947,269	1,947,269	1,492,224	455,045
Hospitalization insurance	3,952,026	3,952,026	3,139,713	812,313
Worker's compensation insurance	622,823	622,823	595,592	27,231
Unemployment insurance	28,838	28,838	20,717	8,121
Property-liability insurance	405,000	460,800	460,761	39
Miscellaneous and contingency	50,000	50,000	66,411	(16,411)
Compensated absences	-	-	35,000	(35,000)
Judgements and lawsuits	100,000	100,000	13,432	86,568
<b>Total miscellaneous</b>	<b>8,768,802</b>	<b>8,768,802</b>	<b>7,383,893</b>	<b>1,384,909</b>
<b>Total expenditures</b>	<b>150,458,952</b>	<b>150,458,952</b>	<b>149,467,813</b>	<b>991,139</b>
<b>Excess of revenues over expenditures</b>	<b>25,148,791</b>	<b>25,148,791</b>	<b>27,342,680</b>	<b>2,193,889</b>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
GENERAL FUND

Year Ended June 30, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>OTHER FINANCING USES:</b>				
Transfer to Worcester County Debt Service Fund	\$ 5,632,335	\$ 5,632,335	\$ 5,621,698	\$ 10,637
Transfer to Other Post Retirement Benefits Fund	17,014,392	17,014,392	17,014,392	-
Transfer to Worcester County Capital Projects Fund	2,502,064	2,502,064	7,043,996	(4,541,932)
<b>Total other financing uses</b>	25,148,791	25,148,791	29,680,086	(4,531,295)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(2,337,406)</b>	<b>\$ (2,337,406)</b>
Fund balance, beginning			36,393,808	
Fund balance, ending			<u>\$ 34,056,402</u>	

**WORCESTER COUNTY, MARYLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Note 1. Budgetary Basis**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered part of the basic financial statements. Such information includes budgetary comparison schedules for the general fund. The budgetary information is prepared and adopted on a basis that is consistent with generally accepted accounting principles.

**Note 2. Excess of Expenditures Over Appropriations**

The following fund had an excess of expenditures, including other financing sources, over appropriations for the year ended June 30, 2008:

Fund	Budgeted Expenditures	Actual Expenditures	Excess of Actual Over Budgeted Expenditures
General	\$ 174,107,743	\$ 178,028,379	\$ 3,920,636

Funds to provide for the excess expenditures were made available from unbudgeted revenues and from prior years fund balance.

## ADDITIONAL SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2008

	Department of Social Services <u>Fund</u>	Local Management <u>Board</u>	Energy Service <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Assets:				
Cash and short-term investments	\$ 37,194	\$ 254,255	\$ -	\$ 291,449
Accounts receivable	-	275,298	-	275,298
Due from other funds	-	-	744,302	744,302
<b>Total assets</b>	<b>\$ 37,194</b>	<b>\$ 529,553</b>	<b>\$ 744,302</b>	<b>\$ 1,311,049</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 414,781	\$ -	\$ 414,781
Unearned revenue	-	135,023	-	135,023
<b>Total liabilities</b>	<b>-</b>	<b>549,804</b>	<b>-</b>	<b>549,804</b>
Fund balances:				
Reserved for fund purposes	37,194	(20,251)	744,302	761,245
<b>Total liabilities and fund balances</b>	<b>\$ 37,194</b>	<b>\$ 529,553</b>	<b>\$ 744,302</b>	<b>\$ 1,311,049</b>

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	Department of Social Services <u>Fund</u>	Local Management Board <u>Board</u>	Energy Service Fund <u>Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 137,272	\$ 1,127,520	\$ -	\$ 1,264,792
Interest income	-	3,296	-	3,296
<b>Total revenues</b>	137,272	1,130,816	-	1,268,088
<b>EXPENDITURES:</b>				
Social services	142,369	-	-	142,369
Other	-	1,182,497	5,698	1,188,195
<b>Total expenditures</b>	142,369	1,182,497	5,698	1,330,564
Deficiency of revenues over expenditures	(5,097)	(51,681)	(5,698)	(62,476)
Fund balances, beginning	42,291	31,430	750,000	823,721
Fund balances, ending	\$ 37,194	\$ (20,251)	\$ 744,302	\$ 761,245

WORCESTER COUNTY, MARYLAND

BALANCE SHEET

LOCAL MANAGEMENT BOARD- NONMAJOR GOVERNMENTAL FUND

June 30, 2008

**ASSETS**

Cash	\$ 254,255
Accounts receivable	275,298
<hr/>	
<b>Total assets</b>	<b>\$ 529,553</b>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accounts payable	\$ 414,781
Unearned revenue	135,023
<hr/>	
<b>Total liabilities</b>	<b>549,804</b>
<hr/>	
Fund balance	(20,251)
<hr/>	
<b>Total liabilities and fund balance</b>	<b>\$ 529,553</b>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
LOCAL MANAGEMENT BOARD- NONMAJOR GOVERNMENTAL FUND  
Year Ended June 30, 2008

**REVENUES:**

Administrative grant	\$ 279,665
Community partnership grant	450,960
Local coordinating council grant	11,027
Systems of care grant	110,876
Enhanced families grant	48,308
Other grants	226,684

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<b>Total revenues</b>	<b>1,127,520</b>
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**EXPENDITURES:**

Administrative:	
Salaries and benefits	163,728
Administrative/fiscal support	4,500
Training, travel and support	11,315
Consultant	14,579
Rent	13,800
Supplies and equipment	52,163
Miscellaneous	19,557
Community partnership grant	450,960
Local coordinating council grant	67,464
Systems of care grant	110,876
Youth strategies grant	48,308
Other grants	225,247

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<b>Total expenditures</b>	<b>1,182,497</b>
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Deficiency of revenues over expenditures	(54,977)
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**OTHER FINANCING SOURCES:**

Interest income	3,296
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Deficiency of revenues over expenditures and other financing sources	(51,681)
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Fund balance, beginning	31,430
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Fund balance, ending	\$ (20,251)
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WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET ASSETS - OPERATING FUNDS

DEPARTMENT OF WATER AND WASTEWATER SERVICES

June 30, 2008

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Briddletown Service <u>Area</u>	Shared Facilities	Edgewater Acres <u>S.A.</u>
<b>ASSETS</b>						
<u>Current assets</u>						
Cash and short-term investments	\$ 301,654	\$ 189,684	\$ (20,801)	\$ 33,718	\$ 55,989	\$ (27,227)
Accounts receivable - usage billings	277,720	1,231,245	19,794	3,113	(3,767)	39,629
<b>Total current assets</b>	<b>579,374</b>	<b>1,420,929</b>	<b>(1,007)</b>	<b>36,831</b>	<b>52,222</b>	<b>12,402</b>
<u>Capital assets</u>						
Land and land rights	47,037	63,319	4,527	-	-	-
Water and sewer systems	10,222,006	36,166,314	665,206	300,620	-	94,806
Machinery and equipment	-	3,244,818	-	-	-	81,156
Construction in progress	210,885	909,103	-	-	-	-
	10,479,928	40,383,554	669,733	300,620	-	175,962
Less accumulated depreciation	(5,619,882)	(12,093,104)	(452,874)	(149,676)	-	(80,121)
	4,860,046	28,290,450	216,859	150,944	-	95,841
<b>Total assets</b>	<b>5,439,420</b>	<b>29,711,379</b>	<b>215,852</b>	<b>187,775</b>	<b>52,222</b>	<b>108,243</b>
<b>LIABILITIES</b>						
<u>Current liabilities</u>						
Accounts payable and accrued expenses	19,506	208,301	4,508	2,357	9,464	6,692
Due to state	48,488	-	1,718	683	-	-
Due to other funds	868	144,038	261	-	7,585	-
Capital lease payable - current	-	-	-	-	-	-
Interfund payable	36,632	2,246,575	89,114	-	-	-
<b>Total current liabilities</b>	<b>105,494</b>	<b>2,598,914</b>	<b>95,601</b>	<b>3,040</b>	<b>17,049</b>	<b>6,692</b>
Capital lease payable - long-term	-	-	-	-	-	-
<b>Total liabilities</b>	<b>105,494</b>	<b>2,598,914</b>	<b>95,601</b>	<b>3,040</b>	<b>17,049</b>	<b>6,692</b>
<b>NET ASSETS</b>						
Unrestricted net assets	\$ 5,333,926	\$ 27,112,465	\$ 120,251	\$ 184,735	\$ 35,173	\$ 101,551

Assateague Point <u>S.A.</u>	River Run <u>S.A.</u>	Mystic Harbour <u>S.A.</u>	Lighthouse Sound <u>S.A.</u>	Riddle Farm <u>S.A.</u>	The Landings <u>S.A.</u>	Support Groups	Total
\$ (6,459)	\$ 175,819	\$ 96,819	\$ 9,500	\$ 72,462	\$ (55,039)	\$ 62,021	\$ 888,140
42,720	26,605	211,814	23,967	73,262	40,175	3,526	1,989,803
36,261	202,424	308,633	33,467	145,724	(14,864)	65,547	2,877,943
-	-	-	-	-	-	-	114,883
1,085,701	-	453,258	-	18,490,395	8,983,508	-	76,461,814
-	83,255	532,025	-	-	-	573,359	4,514,613
-	-	63,069	-	-	-	-	1,183,057
1,085,701	83,255	1,048,352	-	18,490,395	8,983,508	573,359	82,274,367
(73,753)	(45,744)	(411,017)	-	(924,520)	(224,588)	(161,131)	(20,236,410)
1,011,948	37,511	637,335	-	17,565,875	8,758,920	412,228	62,037,957
1,048,209	239,935	945,968	33,467	17,711,599	8,744,056	477,775	64,915,900
6,197	1,885	59,665	1,345	3,194	3,191	3,749	330,054
8,152	2,607	18,314	1,425	4,418	1,418	-	87,223
-	-	-	-	-	1,236	102,581	256,569
-	-	-	-	-	-	48,116	48,116
23,354	-	6,712	-	-	-	-	2,402,387
37,703	4,492	84,691	2,770	7,612	5,845	154,446	3,124,349
-	-	-	-	-	-	50,190	50,190
37,703	4,492	84,691	2,770	7,612	5,845	204,636	3,174,539
\$ 1,010,506	\$ 235,443	\$ 861,277	\$ 30,697	\$ 17,703,987	\$ 8,738,211	\$ 273,139	\$ 61,741,361

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET ASSETS - CAPITAL PROJECTS FUNDS  
DEPARTMENT OF WATER AND WASTEWATER SERVICES

June 30, 2008

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Oyster Harbor <u>S.A.</u>	Newark Service <u>Area</u>
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and short-term investments	\$ 292,017	\$ 562,870	\$ 59,669	\$ 104,830
Accounts receivable - edu	157,776	2,305,640	45,640	13,665
Interfund receivable	36,632	2,246,575	-	89,114
<b>Total current assets</b>	<b>486,425</b>	<b>5,115,085</b>	<b>105,309</b>	<b>207,609</b>
<u>Other assets</u>				
Long-term edu receivable	941,529	15,800,098	490,489	89,054
Construction in process	-	-	-	144,193
<b>Total other assets</b>	<b>941,529</b>	<b>15,800,098</b>	<b>490,489</b>	<b>233,247</b>
<b>Total assets</b>	<b>1,427,954</b>	<b>20,915,183</b>	<b>595,798</b>	<b>440,856</b>
<b>LIABILITIES</b>				
<u>Current liabilities</u>				
Due to other funds	3,450	-	57,237	-
Bonds payable - current portion	96,432	1,705,735	-	8,296
Accrued bond interest payable	13,347	204,360	-	824
<b>Total current liabilities</b>	<b>113,229</b>	<b>1,910,095</b>	<b>57,237</b>	<b>9,120</b>
<u>Other</u>				
Unearned revenue	-	6,866,098	521,792	97,350
Due to general fund	-	-	490,488	-
Bonds payable	687,939	14,910,992	-	89,054
Bond costs deferred	(44,889)	(313,939)	-	(1,049)
<b>Total other liabilities</b>	<b>643,050</b>	<b>21,463,151</b>	<b>1,012,280</b>	<b>185,355</b>
<b>Total liabilities</b>	<b>756,279</b>	<b>23,373,246</b>	<b>1,069,517</b>	<b>194,475</b>
<b>NET ASSETS</b>				
Unrestricted net assets	\$ 671,675	\$ (2,458,063)	\$ (473,719)	\$ 246,381

South Point <u>S.A.</u>	Sunset Village <u>S.A.</u>	Snug Harbor <u>S.A.</u>	<u>Total</u>
\$ (1,534)	\$ 22,596	\$ -	\$ 1,040,448
6,875	18,272	40,597	2,588,465
1,836	4,876	23,354	2,402,387
7,177	45,744	63,951	6,031,300
54,089	143,805	524,005	18,043,069
-	-	-	144,193
54,089	143,805	524,005	18,187,262
61,266	189,549	587,956	24,218,562
-	-	-	60,687
5,039	13,396	30,151	1,859,049
500	1,330	-	220,361
5,539	14,726	30,151	2,140,097
59,128	157,201	554,156	8,255,725
-	-	86,490	576,978
54,089	143,805	524,005	16,409,884
(559)	(1,608)	-	(362,044)
112,658	299,398	1,164,651	24,880,543
118,197	314,124	1,194,802	27,020,640
\$ (56,931)	\$ (124,575)	\$ (606,846)	\$ (2,802,078)

**WORCESTER COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET AND ACTUAL**  
**DEPARTMENT OF WATER AND WASTEWATER SERVICES**  
**Year Ended June 30, 2008**

	<b>West Ocean City Service Area</b>			<b>Ocean Pines Service Area</b>		
	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
<b>OPERATING REVENUES</b>						
Charges for service	\$ 984,000	\$ 1,000,773	\$ 16,773	\$ 5,200,400	\$ 5,099,386	\$ (101,014)
Interest and penalties	35,000	38,462	3,462	135,000	81,711	(53,289)
Operating grants	-	-	-	-	-	-
Other revenue	454,963	8,345	(446,618)	1,716,826	74,091	(1,642,735)
<b>Total operating revenues</b>	<b>1,473,963</b>	<b>1,047,580</b>	<b>(426,383)</b>	<b>7,052,226</b>	<b>5,255,188</b>	<b>(1,797,038)</b>
<b>OPERATING EXPENSES</b>						
Personnel services	69,416	81,142	11,726	1,607,414	1,553,904	(53,510)
Supplies and materials	9,123	5,423	(3,700)	496,200	484,320	(11,880)
Maintenance and services	72,817	79,383	6,566	1,292,140	1,375,778	83,638
Other charges	818,281	672,238	(146,043)	1,385,912	1,510,414	124,502
Interfund charges	104,326	145,754	41,428	527,360	501,834	(25,526)
<b>Total operating expenses</b>	<b>1,073,963</b>	<b>983,940</b>	<b>(90,023)</b>	<b>5,309,026</b>	<b>5,426,250</b>	<b>117,224</b>
Operating income before depreciation	400,000	63,640	(336,360)	1,743,200	(171,062)	(1,914,262)
Depreciation	260,000	257,038	(2,962)	1,500,000	1,381,150	(118,850)
<b>Net operating income (loss)</b>	<b>140,000</b>	<b>(193,398)</b>	<b>(333,398)</b>	<b>243,200</b>	<b>(1,552,212)</b>	<b>(1,795,412)</b>
<b>NON-OPERATING REVENUES</b>						
<b>(EXPENSES)</b>						
Transfer (to) from other funds	-	-	-	-	-	-
Transfer (to) from district	-	-	-	-	320,070	320,070
Interest income	10,000	11,375	1,375	10,000	4,772	(5,228)
Interest expense	-	-	-	-	-	-
<b>Net non-operating revenues (expenses)</b>	<b>10,000</b>	<b>11,375</b>	<b>1,375</b>	<b>10,000</b>	<b>324,842</b>	<b>314,842</b>
<b>Net income (loss)</b>	<b>\$ 150,000</b>	<b>\$ (182,023)</b>	<b>\$ (332,023)</b>	<b>\$ 253,200</b>	<b>\$ (1,227,370)</b>	<b>\$ (1,480,570)</b>
<b>OTHER BUDGETED EXPENDITURES</b>						
Capital outlay	\$ (150,000)			\$ (253,200)		
Debt service	-			-		
<b>Total other budgeted expenditures</b>	<b>(150,000)</b>			<b>(253,200)</b>		
<b>Budgeted net income (loss)</b>	<b>\$ -</b>			<b>\$ -</b>		

Newark Service Area			Bridgetown Service Area			Edgewater Acres Service Area		
Original and Final Budget	Actual	Variance With Final Budget	Original and Final Budget	Actual	Variance With Final Budget	Original and Final Budget	Actual	Variance With Final Budget
\$ 87,000	\$ 70,259	\$ (16,741)	\$ 10,000	\$ 10,392	\$ 392	\$ 165,700	\$ 164,706	\$ (994)
600	2,190	1,590	300	610	310	1,100	3,150	2,050
-	-	-	25,000	25,000	-	-	-	-
19,122	9,206	(9,916)	1,942	50	(1,892)	14,128	1,967	(12,161)
106,722	81,655	(25,067)	37,242	36,052	(1,190)	180,928	169,823	(11,105)
36,582	43,991	7,409	4,294	4,383	89	22,472	22,766	294
5,770	13,427	7,657	175	99	(76)	1,024	1,489	465
23,971	16,488	(7,483)	4,079	3,681	(398)	14,115	14,289	174
16,655	27,920	11,265	17,264	16,957	(307)	118,286	123,885	5,599
6,244	7,504	1,260	2,630	2,650	20	14,131	14,172	41
89,222	109,330	20,108	28,442	27,770	(672)	170,028	176,601	6,573
17,500	(27,675)	(45,175)	8,800	8,282	(518)	10,900	(6,778)	(17,678)
17,500	19,250	1,750	8,800	8,441	(359)	11,000	10,690	(310)
-	(46,925)	(46,925)	-	(159)	(159)	(100)	(17,468)	(17,368)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	100	-	(100)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	100	-	(100)
\$ -	\$ (46,925)	\$ (46,925)	\$ -	\$ (159)	\$ (159)	\$ -	\$ (17,468)	\$ (17,468)
\$ -			\$ -			\$ -		
-			-			-		
-			-			-		
\$ -			\$ -			\$ -		

**WORCESTER COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET AND ACTUAL**  
**DEPARTMENT OF WATER AND WASTEWATER SERVICES**  
**Year Ended June 30, 2008 (Continued)**

	<b>Assateague Point Service Area</b>			<b>River Run Service Area</b>		
	<u>Original and</u>		<u>Variance With</u>	<u>Original and</u>		<u>Variance With</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>
<b>OPERATING REVENUES</b>						
Charges for service	\$ 151,385	\$ 146,414	\$ (4,971)	\$ 130,000	\$ 149,394	\$ 19,394
Interest and penalties	1,800	2,607	807	3,500	568	(2,932)
Operating grants	-	-	-	-	-	-
Other revenue	69,570	636	(68,934)	37,694	-	(37,694)
<b>Total operating revenues</b>	<b>222,755</b>	<b>149,657</b>	<b>(73,098)</b>	<b>171,194</b>	<b>149,962</b>	<b>(21,232)</b>
<b>OPERATING EXPENSES</b>						
Personnel services	40,877	42,333	1,456	6,135	3,453	(2,682)
Supplies and materials	23,395	14,234	(9,161)	4,807	3,385	(1,422)
Maintenance and services	39,284	39,852	568	29,789	29,216	(573)
Other charges	32,889	32,337	(552)	84,942	71,532	(13,410)
Interfund charges	27,010	36,793	9,783	5,821	9,437	3,616
<b>Total operating expenses</b>	<b>163,455</b>	<b>165,549</b>	<b>2,094</b>	<b>131,494</b>	<b>117,023</b>	<b>(14,471)</b>
Operating income before depreciation	59,300	(15,892)	(75,192)	39,700	32,939	(6,761)
Depreciation	60,000	72,524	12,524	10,200	10,151	(49)
<b>Net operating income (loss)</b>	<b>(700)</b>	<b>(88,416)</b>	<b>(87,716)</b>	<b>29,500</b>	<b>22,788</b>	<b>(6,712)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Transfer (to) from other funds	-	-	-	-	-	-
Transfer (to) from district	-	-	-	-	-	-
Interest income	700	111	(589)	500	693	193
Interest expense	-	-	-	-	-	-
<b>Net non-operating revenues (expenses)</b>	<b>700</b>	<b>111</b>	<b>(589)</b>	<b>500</b>	<b>693</b>	<b>193</b>
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ (88,305)</b>	<b>\$ (88,305)</b>	<b>\$ 30,000</b>	<b>\$ 23,481</b>	<b>\$ (6,519)</b>
<b>OTHER BUDGETED EXPENDITURES</b>						
Capital outlay	\$ -			\$ (30,000)		
Debt service	-			-		
<b>Total other budgeted expenditures</b>	<b>-</b>			<b>(30,000)</b>		
<b>Budgeted net income (loss)</b>	<b>\$ -</b>			<b>\$ -</b>		

Mystic Harbor Service Area			Lighthouse Sound Service Area			Riddle Farm Service Area		
Original and Final Budget	Actual	Variance With Final Budget	Original and Final Budget	Actual	Variance With Final Budget	Original and Final Budget	Actual	Variance With Final Budget
\$ 690,000	\$ 701,192	\$ 11,192	\$ 73,000	\$ 75,200	\$ 2,200	\$ 222,000	\$ 242,567	\$ 20,567
120,000	104,101	(15,899)	13,500	11,352	(2,148)	81,500	96,213	14,713
-	-	-	-	-	-	-	-	-
358,913	28,209	(330,704)	3,319	-	(3,319)	490,759	(300)	(491,059)
1,168,913	833,502	(335,411)	89,819	86,552	(3,267)	794,259	338,480	(455,779)
204,384	181,562	(22,822)	31,674	34,964	3,290	107,293	83,610	(23,683)
61,476	52,202	(9,274)	8,835	4,760	(4,075)	36,318	37,651	1,333
275,700	286,148	10,448	29,813	23,462	(6,351)	96,706	109,073	12,367
218,917	277,063	58,146	14,753	17,562	2,809	59,583	45,554	(14,029)
85,436	97,368	11,932	6,244	6,547	303	21,359	22,030	671
845,913	894,343	48,430	91,319	87,295	(4,024)	321,259	297,918	(23,341)
323,000	(60,841)	(383,841)	(1,500)	(743)	757	473,000	40,562	(432,438)
95,000	102,801	7,801	-	-	-	463,000	462,260	(740)
228,000	(163,642)	(391,642)	(1,500)	(743)	757	10,000	(421,698)	(431,698)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,000	2,170	170	1,500	459	(1,041)	-	-	-
-	-	-	-	-	-	-	-	-
2,000	2,170	170	1,500	459	(1,041)	-	-	-
\$ 230,000	\$ (161,472)	\$ (391,472)	\$ -	\$ (284)	\$ (284)	\$ 10,000	\$ (421,698)	\$ (431,698)
\$ (230,000)			\$ -			\$ (10,000)		
-			-			-		
(230,000)			-			(10,000)		
\$ -			\$ -			\$ -		



**WORCESTER COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET AND ACTUAL**  
**DEPARTMENT OF WATER AND WASTEWATER SERVICES**  
**Year Ended June 30, 2008 (Continued)**

	<u>The Landings Service Area</u>			<u>Support Group</u>		
	<u>Original and</u>		<u>Variance With</u>	<u>Original and</u>		<u>Variance With</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>
<b>OPERATING REVENUES</b>						
Charges for service	\$ 90,000	\$ 80,539	\$ (9,461)	\$ -	\$ -	\$ -
Interest and penalties	84,000	89,648	5,648	-	-	-
Operating grants	-	-	-	-	-	-
Other revenue	225,388	10	(225,378)	-	179,674	179,674
Total operating revenues	399,388	170,197	(229,191)	-	179,674	179,674
<b>OPERATING EXPENSES</b>						
Personnel services	69,484	49,037	(20,447)	-	-	-
Supplies and materials	6,776	7,514	738	-	-	-
Maintenance and services	62,145	57,041	(5,104)	-	-	-
Other charges	31,384	21,681	(9,703)	-	-	-
Interfund charges	4,599	8,648	4,049	-	-	-
Total operating expenses	174,388	143,921	(30,467)	-	-	-
Operating income before depreciation	225,000	26,276	(198,724)	-	179,674	179,674
Depreciation	225,000	224,588	(412)	-	83,101	83,101
Net operating income (loss)	-	(198,312)	(198,312)	-	96,573	96,573
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Transfer (to) from other funds	-	(1,125)	(1,125)	-	-	-
Transfer (to) from district	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	(6,225)	(6,225)
Net non-operating revenues (expenses)	-	(1,125)	(1,125)	-	(6,225)	(6,225)
Net income (loss)	\$ -	\$ (199,437)	\$ (199,437)	\$ -	\$ 90,348	\$ 90,348
<b>OTHER BUDGETED EXPENDITURES</b>						
Capital outlay	\$ -			\$ -		
Debt service	-			-		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	\$ -			\$ -		

Shared Facilities			Combined Totals		
Original and Final Budget	Actual	Variance With Final Budget	Original and Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$7,803,485	\$ 7,740,822	\$ (62,663)
-	-	-	476,300	430,612	(45,688)
-	-	-	25,000	25,000	-
-	147,905	147,905	3,392,624	449,793	(2,942,831)
-	147,905	147,905	11,697,409	8,646,227	(3,051,182)
-	-	-	2,200,025	2,101,145	(98,880)
-	-	-	653,899	624,504	(29,395)
-	-	-	1,940,559	2,034,411	93,852
-	172,524	172,524	2,798,866	2,989,667	190,801
-	-	-	805,160	852,737	47,577
-	172,524	172,524	8,398,509	8,602,464	203,955
-	(24,619)	(24,619)	3,298,900	43,763	(3,255,137)
-	-	-	2,650,500	2,631,994	(18,506)
-	(24,619)	(24,619)	648,400	(2,588,231)	(3,248,912)
-	-	-	-	(1,125)	(1,125)
-	-	-	-	320,070	320,070
-	1,983	1,983	24,800	21,563	(3,237)
-	-	-	-	(6,225)	(6,225)
-	1,983	1,983	24,800	334,283	309,483
\$ -	\$ (22,636)	\$ (22,636)	\$ 673,200	\$ (2,253,948)	\$ (2,927,148)
\$ -			(673,200)		
-			-		
-			(673,200)		
\$ -			\$ -		

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS- CAPITAL PROJECTS FUNDS  
DEPARTMENT OF WATER AND WASTEWATER SERVICES  
Year Ended June 30, 2008

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Oyster Harbor <u>S.A.</u>	Newark Service Area
Revenues:				
Tank fee revenue	\$ -	\$ 1,600	\$ -	\$ -
Future capital development	-	10,274	-	-
EDU revenue	44,942	1,057,768	51,400	20,448
Other revenues	-	7,775	1,133	31,455
Total revenues	44,942	1,077,417	52,533	51,903
Operating income	44,942	1,077,417	52,533	51,903
Nonoperating income (expense):				
Interest on investments	9,969	43,817	1,317	1,111
Bond interest expense	(38,951)	(543,946)	(21,777)	(3,458)
Transfer from (to) other funds	-	39,985	-	-
Transfer from (to) service area	-	(320,070)	-	-
Total nonoperating income (expense)	(28,982)	(780,214)	(20,460)	(2,347)
Change in net assets	15,960	297,203	32,073	49,556
Net assets, beginning	655,715	(2,755,266)	(505,792)	196,825
Net assets, ending	\$ 671,675	\$ (2,458,063)	\$ (473,719)	\$ 246,381

South Point <u>S.A.</u>	Sunset Village <u>S.A.</u>	Snug Harbor <u>S.A.</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 1,600
-	-	-	10,274
7,344	19,504	33,800	1,235,206
-	-	11,100	51,463
<hr/>			
7,344	19,504	44,900	1,298,543
<hr/>			
7,344	19,504	44,900	1,298,543
<hr/>			
-	162	-	56,376
(2,092)	(5,574)	(3,996)	(619,794)
-	-	-	39,985
-	-	-	(320,070)
<hr/>			
(2,092)	(5,412)	(3,996)	(843,503)
<hr/>			
5,252	14,092	40,904	455,040
(62,183)	(138,667)	(647,750)	(3,257,118)
<hr/>			
\$ (56,931)	\$ (124,575)	\$ (606,846)	\$ (2,802,078)
<hr/>			

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND  
NET ASSETS BY OPERATING FUND- BUDGET AND ACTUAL  
LANDFILL

Year Ended June 30, 2008

	Budget Original/ Final	Actual	Variance Positive (Negative)
Operating Revenues:			
Licenses and permits	\$ 343,000	\$ 334,656	\$ (8,344)
Recycling charges	178,000	353,019	175,019
Stump, yard waste, and mulch revenue	140,000	48,591	(91,409)
Interest and penalties on overdue accounts	2,000	697	(1,303)
Other revenue	885,429	91,299	(794,130)
Tipping fees	7,200,000	5,220,391	(1,979,609)
Total operating revenues	8,748,429	6,048,653	(2,699,776)
Total operating expenses	5,268,929	5,526,343	(257,414)
Operating income before depreciation	3,479,500	522,310	(2,957,190)
Depreciation	2,800,000	1,997,624	802,376
Operating income (loss)	679,500	(1,475,314)	(2,154,814)
Nonoperating income (expense):			
Interest on investments	300,000	290,913	(9,087)
Interest expense	(145,000)	(115,329)	29,671
Debt service	(765,000)	-	765,000
Capital outlay	(69,500)	-	69,500
Total nonoperating (expense) income	(679,500)	175,584	855,084
Change in net assets	\$ -	(1,299,730)	\$ (1,299,730)
Net assets, beginning		12,245,160	
Net assets, ending		\$ 10,945,430	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND  
NET ASSETS BY OPERATING FUND- BUDGET AND ACTUAL  
LANDFILL

Year Ended June 30, 2008

	Budget Original/ <u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Expenses:			
<b>Department: Administration</b>			
Salaries	\$ 128,343	\$ 132,749	\$ (4,406)
Benefits	46,832	52,500	(5,668)
Salaries - Treasurer's support	87,999	87,696	303
Salaries - Public works	84,485	84,951	(466)
Administrative support	106,432	108,101	(1,669)
Administrative expenses	14,000	12,514	1,486
Audit services	6,000	5,000	1,000
Insurance	30,000	33,942	(3,942)
Uniforms	1,000	543	457
Supplies/equipment	5,000	189	4,811
Safety	1,000	-	1,000
Solid waste committee	1,200	1,450	(250)
	<u>512,291</u>	<u>519,635</u>	<u>(7,344)</u>
<b>Department: Solid Waste</b>			
Salaries	985,843	1,009,264	(23,421)
Benefits	359,734	366,689	(6,955)
Telephone	8,000	7,656	344
Utilities	25,000	26,570	(1,570)
Training	4,000	3,887	113
Consulting services	150,000	90,209	59,791
Fuel	250,000	338,937	(88,937)
Leachate expense	250,000	352,013	(102,013)
Supplies/equipment	15,000	2,864	12,136
Safety	4,000	2,874	1,126
Vehicles expense	460,000	334,744	125,256
Uniforms	8,500	7,927	573
Buildings and grounds	120,000	134,023	(14,023)
Closure and postclosure costs	1,400,000	1,641,542	(241,542)
	<u>4,040,077</u>	<u>4,319,199</u>	<u>(279,122)</u>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND  
NET ASSETS BY OPERATING FUND- BUDGET AND ACTUAL  
LANDFILL

Year Ended June 30, 2008

	Budget Original/ <u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Department: Recycling</b>			
Salaries	\$ 366,811	\$ 369,726	\$ (2,915)
Benefits	133,850	132,555	1,295
Telephone	2,400	1,991	409
Utilities	22,000	29,719	(7,719)
Training	2,000	1,339	661
Fuel	35,000	45,061	(10,061)
Removal expenses	27,000	22,192	4,808
Safety expense	2,000	2,949	(949)
Supplies/equipment	1,500	902	598
Vehicle expense	50,000	25,967	24,033
Uniforms	4,000	4,460	(460)
Buildings and grounds	20,000	22,078	(2,078)
Special events	50,000	28,570	21,430
	716,561	687,509	29,052
	\$ 5,268,929	\$ 5,526,343	\$ (257,414)

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WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FIDUCIARY NET ASSETS  
NONMAJOR AGENCY FUNDS  
Year Ended June 30, 2008

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Confiscated Monies Fund
<b>ASSETS</b>						
Cash and short-term investments	\$ -	\$ 28,984	\$ 1,131,229	\$ 586,875	\$ 1,531,901	\$ 51,463
Taxes receivable	463,201	-	-	-	-	-
Due from other funds	125,596	-	-	-	-	-
<b>Total assets</b>	<b>588,797</b>	<b>28,984</b>	<b>1,131,229</b>	<b>586,875</b>	<b>1,531,901</b>	<b>51,463</b>
<b>LIABILITIES</b>						
Due to other governmental units	588,797	28,234	-	-	-	-
Due to other funds	-	750	-	-	-	-
Other liabilities	-	-	1,131,229	586,875	1,531,901	51,463
<b>Total liabilities</b>	<b>588,797</b>	<b>28,984</b>	<b>1,131,229</b>	<b>586,875</b>	<b>1,531,901</b>	<b>51,463</b>
<b>NET ASSETS</b>						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<u>Personal Property Tax Liability</u>	<u>Forest Conservation</u>	<u>Bay Restoration</u>	<u>Snow Hill Property Tax</u>	<u>Berlin Property Tax</u>	<u>Special Loans</u>	<u>Total</u>
\$ 162,293	\$ 127,760	\$ -	\$ -	\$ -	\$ 100,572	\$ 3,721,077
-	-	14,793	41,643	96,911	-	616,548
-	-	9,694	3,367	8,592	-	147,249
162,293	127,760	24,487	45,010	105,503	100,572	4,484,874
-	-	24,487	45,010	105,503	-	792,031
-	-	-	-	-	-	750
162,293	127,760	-	-	-	100,572	3,692,093
162,293	127,760	24,487	45,010	105,503	100,572	4,484,874
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WORCESTER COUNTY, MARYLAND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Cash</u>	<u>Taxes Receivable</u>	<u>Due from</u>	<u>Total Assets</u>
<b>STATE OF MARYLAND PROPERTY TAXES</b>				
Balance 7-1-2007	\$ -	\$ 353,233	\$ 197,301	\$ 550,534
Additions	-	18,470,971	18,086,407	36,557,378
Deductions	-	(18,361,003)	(18,158,112)	(36,519,115)
Balance 6-30-2008	<u>\$ -</u>	<u>\$ 463,201</u>	<u>\$ 125,596</u>	<u>\$ 588,797</u>
<b>MARYLAND DEPT. of MOTOR VEHICLE - LICENSE FEES</b>				
Balance 7-1-2007	\$ 30,318	\$ -	\$ -	\$ 30,318
Additions	47,764	-	-	47,764
Deductions	(49,098)	-	-	(49,098)
Balance 6-30-2008	<u>\$ 28,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,984</u>
<b>TAX SALE FUND</b>				
Balance 7-1-2007	\$ 1,198,113	\$ -	\$ -	\$ 1,198,113
Additions	330,431	-	-	330,431
Deductions	(397,315)	-	-	(397,315)
Balance 6-30-2008	<u>\$ 1,131,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,229</u>
<b>DEVELOPMENT TAXES</b>				
Balance 7-1-2007	\$ 642,632	\$ -	\$ -	\$ 642,632
Additions	28,886	-	-	28,886
Deductions	(84,643)	-	-	(84,643)
Balance 6-30-2008	<u>\$ 586,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,875</u>
<b>PERFORMANCE BONDS</b>				
Balance 7-1-2007	\$ 1,586,213	\$ -	\$ -	\$ 1,586,213
Additions	97,496	-	-	97,496
Deductions	(151,808)	-	-	(151,808)
Balance 6-30-2008	<u>\$ 1,531,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,531,901</u>
<b>CONFISCATED MONIES</b>				
Balance 7-1-2007	\$ 76,366	\$ -	\$ -	\$ 76,366
Additions	32,236	-	-	32,236
Deductions	(57,139)	-	-	(57,139)
Balance 6-30-2008	<u>\$ 51,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,463</u>

WORCESTER COUNTY, MARYLAND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Continued)

Due to Other Funds	Due to Other Governments	Other Liabilities	Total Liabilities
\$ -	\$ 550,534	\$ -	\$ 550,534
-	18,517,800	-	18,517,800
-	(18,479,537)	-	(18,479,537)
<u>\$ -</u>	<u>\$ 588,797</u>	<u>\$ -</u>	<u>\$ 588,797</u>
\$ 750	\$ 29,567	\$ -	\$ 30,317
-	-	-	-
-	(1,333)	-	(1,333)
<u>\$ 750</u>	<u>\$ 28,234</u>	<u>\$ -</u>	<u>\$ 28,984</u>
\$ -	\$ -	\$ 1,198,913	\$ 1,198,913
-	-	711,871	711,871
-	-	(779,555)	(779,555)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,229</u>	<u>\$ 1,131,229</u>
\$ -	\$ -	\$ 642,632	\$ 642,632
-	-	37,920	37,920
-	-	(93,677)	(93,677)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,875</u>	<u>\$ 586,875</u>
\$ -	\$ -	\$ 1,586,213	\$ 1,586,213
-	-	268,310	268,310
-	-	(322,622)	(322,622)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,531,901</u>	<u>\$ 1,531,901</u>
\$ -	\$ -	\$ 76,366	\$ 76,366
-	-	-	-
-	-	(24,903)	(24,903)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,463</u>	<u>\$ 51,463</u>

WORCESTER COUNTY, MARYLAND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Continued)

	Cash	Taxes Receivable	Due from	Total Assets
<b>PERSONAL PROPERTY TAX LIABILITY</b>				
Balance 7-1-2007	\$ 139,941	\$ -	\$ -	\$ 139,941
Additions	27,751	-	-	27,751
Deductions	(5,399)	-	-	(5,399)
Balance 6-30-2008	<u>\$ 162,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,293</u>
<b>FOREST CONSERVATION</b>				
Balance 7-1-2007	\$ 92,992	\$ -	\$ -	\$ 92,992
Additions	34,768	-	-	34,768
Deductions	-	-	-	-
Balance 6-30-2008	<u>\$ 127,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,760</u>
<b>BAY RESTORATION</b>				
Balance 7-1-2007	\$ -	\$ 15,284	\$ 6,685	\$ 21,969
Additions	-	226,710	226,841	453,551
Deductions	-	(227,201)	(223,832)	(451,033)
Balance 6-30-2008	<u>\$ -</u>	<u>\$ 14,793</u>	<u>\$ 9,694</u>	<u>\$ 24,487</u>
<b>SNOW HILL PROPERTY TAX</b>				
Balance 7-1-2007	\$ -	\$ 40,455	\$ 903	\$ 41,358
Additions	-	843,006	843,844	1,686,850
Deductions	-	(841,818)	(841,380)	(1,683,198)
Balance 6-30-2008	<u>\$ -</u>	<u>\$ 41,643</u>	<u>\$ 3,367</u>	<u>\$ 45,010</u>
<b>BERLIN PROPERTY TAX</b>				
Balance 7-1-2007	\$ -	\$ 83,340	\$ 27,021	\$ 110,361
Additions	-	2,547,400	2,498,524	5,045,924
Deductions	-	(2,533,829)	(2,516,953)	(5,050,782)
Balance 6-30-2008	<u>\$ -</u>	<u>\$ 96,911</u>	<u>\$ 8,592</u>	<u>\$ 105,503</u>
<b>SPECIAL LOANS</b>				
Balance 7-1-2007	\$ 197,750	\$ -	\$ -	\$ 197,750
Additions	628,934	-	-	628,934
Deductions	(726,112)	-	-	(726,112)
Balance 6-30-2008	<u>\$ 100,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,572</u>
<b>TOTALS</b>				
Balance 7-1-2007	\$ 3,964,325	\$ 492,312	\$ 231,910	\$ 4,688,547
Additions	1,228,266	22,088,087	21,655,616	44,971,969
Deductions	(1,471,513)	(21,963,851)	(21,740,277)	(45,175,641)
Balance 6-30-2008	<u>\$ 3,721,077</u>	<u>\$ 616,548</u>	<u>\$ 147,249</u>	<u>\$ 4,484,874</u>

WORCESTER COUNTY, MARYLAND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Continued)

Due to Other Funds	Due to Other Governments	Other Liabilities	Total Liabilities
\$ -	\$ -	\$ 139,941	\$ 139,941
-	-	52,804	52,804
-	-	(30,452)	(30,452)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,293</u>	<u>\$ 162,293</u>
-	\$ -	\$ 92,992	\$ 92,992
-	-	34,768	34,768
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,760</u>	<u>\$ 127,760</u>
\$ -	\$ 21,969	\$ -	\$ 21,969
-	226,350	-	226,350
-	(223,832)	-	(223,832)
<u>\$ -</u>	<u>\$ 24,487</u>	<u>\$ -</u>	<u>\$ 24,487</u>
\$ -	\$ 41,357	\$ -	\$ 41,357
-	885,013	-	885,013
-	(881,360)	-	(881,360)
<u>\$ -</u>	<u>\$ 45,010</u>	<u>\$ -</u>	<u>\$ 45,010</u>
\$ -	\$ 110,361	\$ -	\$ 110,361
-	(2,597,778)	-	(2,597,778)
-	2,592,920	-	2,592,920
<u>\$ -</u>	<u>\$ 105,503</u>	<u>\$ -</u>	<u>\$ 105,503</u>
\$ -	\$ -	\$ 197,750	\$ 197,750
-	-	628,934	628,934
-	-	(726,112)	(726,112)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,572</u>	<u>\$ 100,572</u>
\$ 750	\$ 753,788	\$ 3,934,807	\$ 4,689,345
-	17,031,385	1,734,607	18,765,992
-	(16,993,142)	(1,977,321)	(18,970,463)
<u>\$ 750</u>	<u>\$ 792,031</u>	<u>\$ 3,692,093</u>	<u>\$ 4,484,874</u>

WORCESTER COUNTY, MARYLAND

SCHEDULE OF ASSESSABLE BASE  
GENERAL FUND

Year Ended June 30, 2008

	<u>Full-Year Assessment</u>	<u>Half-Year Assessment</u>	<u>Total</u>
Real property	\$ 16,891,473,000	\$ 153,369,573	\$ 17,044,842,573
Personal property - individuals and firms - all districts	19,730,065	-	19,730,065
Railroads and public utilities	104,603,520	-	104,603,520
Railroads and public utilities- reduced rate	167,960	-	167,960
Ordinary business corporations	202,024,412	-	202,024,412
<b>Total</b>	<b>\$ 17,217,998,957</b>	<b>\$ 153,369,573</b>	<b>\$ 17,371,368,530</b>

Computation of Taxes for County Purposes

\$16,891,482,350 assessable base at \$.70 per \$100 base (full-year)	\$ 118,240,311
\$326,357,997 assessable base at \$1.750 per \$100 base (full-year)	5,711,265
\$167,960 assessable base at \$.70 per \$100 base (full-year)	1,176
\$202,024,412 assessable base at \$.35 per \$100 base (half-year)	536,794
	124,489,545
Adjustment for deferred property taxes receivable	(422,184)
Net additions and abatements	(315,147)
<b>Total County taxes for year ended June 30, 2008</b>	<b>\$ 123,752,214</b>

# WORCESTER COUNTY, MARYLAND

## SCHEDULE OF ASSESSABLE BASES AND TAX LEVIES

### GENERAL FUND

Fiscal Years Ended June 30, 2008

<u>Fiscal Year</u>	<u>Assessable Base at June 30</u>	<u>Percentage Change From Prior Year</u>	<u>Tax Rate</u>	<u>Taxes</u>	<u>Percentage Change From Prior Year</u>
1986 - 1987	1,419,393,589	15.11 %	1.49	21,045,749	18.64 %
1987 - 1988	1,606,737,785	13.20 %	1.49	23,802,030	13.10 %
1988 - 1989	1,750,961,321	8.98 %	1.59	27,715,124	16.44 %
1989 - 1990	1,884,056,226	7.60 %	1.59	29,821,917	7.60 %
1990 - 1991	1,984,118,930	5.31 %	1.59	31,437,648	5.42 %
1991 - 1992	2,045,723,202	3.10 %	1.59	32,436,970	3.18 %
1992 - 1993	2,150,811,675	5.14 %	1.62	34,752,125	7.14 %
1993 - 1994	2,250,431,661	4.63 %	1.68	37,729,271	8.57 %
1994 - 1995	2,288,466,700	1.69 %	1.68	38,367,332	1.69 %
1995 - 1996	2,309,492,502	0.92 %	1.68	38,687,619	0.83 %
1996 - 1997	2,380,191,243	3.06 %	1.68	39,864,643	3.04 %
1997 - 1998	2,426,505,995	1.95 %	1.72	41,606,010	4.37 %
1998 - 1999	2,491,029,177	2.66 %	1.72	42,705,429	2.64 %
1999 - 2000	2,586,502,181	3.83 %	1.74	44,830,570	4.98 %
2000 - 2001	2,712,238,607	4.86 %	1.74	46,883,527	4.58 %
2001 - 2002	6,748,561,217 *	148.82 %	.73- 1.825	52,068,932	11.06 %
2002 - 2003	7,264,345,677	7.64 %	.73- 1.825	56,057,444	7.66 %
2003 - 2004	8,441,544,002	16.21 %	.73- 1.825	64,473,123	15.01 %
2004 - 2005	10,074,216,702	19.34 %	.73- 1.825	76,196,731	18.18 %
2005 - 2006	11,906,248,133	18.19 %	.73-1.825	89,397,911	17.33 %
2006 - 2007	14,580,162,820	22.46 %	.70-1.750	104,613,265	17.02 %
2007 - 2008	17,371,368,530	19.14 %	.70-1.750	124,489,545	19.00 %

\* Effective in fiscal year 2002, the State of Maryland converted to a full cash value for assessment purposes.  
Prior to fiscal year 2002, the State of Maryland assessed properties at 40% of market value.



WORCESTER COUNTY, MARYLAND

TAXES RECEIVABLE

GENERAL FUND

June 30, 2008

Levies of years ended June 30:

2008	\$ 3,130,701
2007	122,350
2006	80,287
2005	70,967
2004	118,268
2003	71,943
2002	68,516
2001	58,762
<hr/>	
Total	\$ 3,721,794
<hr/> <hr/>	

**WORCESTER COUNTY, MARYLAND**  
**NOTES TO OTHER SUPPLEMENTARY INFORMATION**

**Note 1. Budgetary Basis**

Other supplementary information includes financial statements and schedules that are not required by the Governmental Accounting Standards Board nor are they considered part of the basic financial statements. Such information is included for purposes of additional analysis. The budgetary information contained in this section is prepared and adopted on a basis consistent with generally accepted accounting principles. Such statements and schedules include:

Budgetary Comparison Schedules:

Department of Water and Wasterwater Services  
Landfill

## STATISTICAL SECTION

*This part of Worcester County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. The Statistical Section contains data which usually covers more than one year and may present non-accounting data. As a result, this section of the report is unaudited.*

### **Contents**

### **Schedule**

#### **Financial Trends**

**1 - 4**

*These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

**5 - 11**

*These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.*

#### **Debt Capacity**

**12 - 15**

*These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.*

#### **Demographic and Economic Information**

**16 - 17**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time with other governments.*

#### **Operating Information**

**18 - 20**

*These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.*

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

**Schedule 1**  
**Worcester County, Maryland**  
**Net Assets by Component, Last Six Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 35,190,773	\$ 39,123,045	\$ 62,938,380	\$ 70,423,370	\$ 77,605,845	\$ 88,196,133
Restricted	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Unrestricted	<u>29,140,049</u>	<u>34,627,993</u>	<u>26,038,080</u>	<u>40,972,251</u>	<u>53,932,414</u>	<u>46,462,418</u>
Total governmental activities net assets	\$ 65,330,822	\$ 75,251,038	\$ 90,476,460	\$ 112,895,621	\$ 133,038,259	\$ 136,158,551
Business-type activities						
Invested in capital assets, net of related debt	\$ 21,977,713	\$ 23,810,640	\$ 22,580,920	\$ 42,728,506	\$ 57,150,700	\$ 58,545,520
Restricted	2,922,846	6,295,141	6,967,061	-	-	-
Unrestricted	<u>17,942,744</u>	<u>12,311,905</u>	<u>13,992,031</u>	<u>20,745,045</u>	<u>15,832,651</u>	<u>11,339,193</u>
Total business-type activities net assets	\$ 42,843,303	\$ 42,417,686	\$ 43,540,012	\$ 63,473,551	\$ 72,983,351	\$ 69,884,713
Primary government						
Invested in capital assets, net of related debt	\$ 57,168,486	\$ 62,933,685	\$ 85,519,300	\$ 113,151,876	\$ 134,756,545	\$ 146,741,653
Restricted	3,922,846	7,795,141	8,467,061	1,500,000	1,500,000	1,500,000
Unrestricted	<u>47,082,793</u>	<u>46,939,898</u>	<u>40,030,111</u>	<u>61,717,296</u>	<u>69,765,065</u>	<u>57,801,611</u>
Total primary government net assets	<u>\$ 108,174,125</u>	<u>\$ 117,668,724</u>	<u>\$ 134,016,472</u>	<u>\$ 176,369,172</u>	<u>\$ 206,021,610</u>	<u>\$ 206,043,264</u>

**Note:** Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

**Schedule 2**

**Worcester County, Maryland**

**Changes in Net Assets, Last Six Fiscal Years**

(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>						
Governmental activities:						
General government	\$ 25,096,387	\$ 20,540,028	\$ 22,460,500	\$ 24,198,880	\$ 26,551,619	\$ 27,928,659
Public safety	1,846,750	11,857,603	13,842,261	15,274,912	19,260,096	20,618,197
Public works	10,238,421	9,840,029	9,778,226	10,448,454	12,977,393	11,938,484
Health and hospitals	2,739,644	3,144,650	3,498,059	4,098,782	4,751,608	5,325,834
Social services	1,728,700	2,002,906	1,092,431	940,841	1,321,765	1,586,489
Education	51,083,235	53,136,216	56,469,938	58,884,554	65,947,811	88,762,738
Libraries, recreation and culture	2,643,089	2,974,306	2,789,959	3,846,651	4,289,428	5,156,677
Conservation of natural resources	600,161	663,488	619,801	598,504	561,242	582,842
Economic Development	807,309	2,445,531	1,685,060	2,189,436	1,821,965	2,393,008
Interest on long-term debt	2,063,580	1,914,009	1,681,909	1,938,493	1,848,694	2,477,071
Miscellaneous	<u>5,369,152</u>	<u>7,514,613</u>	<u>16,263,594</u>	<u>13,882,170</u>	<u>10,084,539</u>	<u>9,407,889</u>
Total governmental activities expenses	<u>104,216,428</u>	<u>116,033,379</u>	<u>130,181,738</u>	<u>136,301,677</u>	<u>149,416,160</u>	<u>176,177,888</u>
Business-type activities:						
Landfill	4,933,251	5,525,548	6,137,637	6,982,920	6,071,486	7,639,296
Department of Water and Wastewater	<u>7,829,450</u>	<u>8,299,684</u>	<u>9,101,615</u>	<u>8,404,660</u>	<u>10,931,337</u>	<u>11,860,477</u>
Total business-type activities expenses	<u>12,762,701</u>	<u>13,825,232</u>	<u>15,239,252</u>	<u>15,387,580</u>	<u>17,002,823</u>	<u>19,499,773</u>
Total primary government expenses	<u>\$ 116,979,129</u>	<u>\$ 129,858,611</u>	<u>\$ 145,420,990</u>	<u>\$ 151,689,257</u>	<u>\$ 166,418,983</u>	<u>\$ 195,677,661</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
General government	\$ 2,458,180	\$ 2,382,150	\$ 2,521,664	\$ 2,596,076	\$ 2,021,984	\$ 1,948,504
Public safety	1,724,685	1,868,910	1,762,888	1,760,807	1,985,066	1,636,510
Public works	118,944	161,731	168,325	125,097	58,632	37,233
Health and hospitals	304,939	338,810	240,733	498,681	456,345	503,239
Libraries, recreation and culture	285,293	330,991	263,029	322,424	327,306	294,456
Economic Development	80,270	6,051	50,504	23,642	47,739	19,983
Operating grants and contributions	5,670,303	7,692,581	10,556,990	5,518,848	5,675,002	4,036,459
Capital grants and contributions	<u>568,577</u>	<u>2,018,229</u>	<u>1,651,819</u>	<u>2,006,905</u>	<u>1,908,265</u>	<u>1,463,798</u>
Total governmental activities program revenues	<u>11,211,191</u>	<u>14,799,453</u>	<u>17,215,952</u>	<u>12,852,480</u>	<u>12,480,339</u>	<u>9,940,182</u>
Business-type activities:						
Charges for services						
Landfill	4,787,239	5,549,618	7,530,420	7,872,851	6,587,119	6,048,653
Department of Water and Wastewater	6,907,347	7,730,598	8,929,288	8,363,401	10,311,596	9,919,770
Operating grants and contributions	40,000	40,000	25,000	55,000	30,000	25,000
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,490,430</u>	<u>8,983,508</u>	<u>-</u>
Total business-type activities program revenues	<u>11,734,586</u>	<u>13,320,216</u>	<u>16,484,708</u>	<u>34,781,682</u>	<u>25,912,223</u>	<u>15,993,423</u>
Total primary government program revenues	<u>\$ 22,945,777</u>	<u>\$ 28,119,669</u>	<u>\$ 33,700,660</u>	<u>\$ 47,634,162</u>	<u>\$ 38,392,562</u>	<u>\$ 25,933,605</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (93,005,237)	\$ (101,233,926)	\$ (112,965,786)	\$ (123,449,197)	\$ (136,935,821)	\$ (166,237,706)
Business-type activities	<u>(1,028,115)</u>	<u>(505,016)</u>	<u>1,245,456</u>	<u>19,394,102</u>	<u>8,909,400</u>	<u>(3,506,350)</u>
Total primary government net expense	<u>\$ (94,033,352)</u>	<u>\$ (101,738,942)</u>	<u>\$ (111,720,330)</u>	<u>\$ (104,055,095)</u>	<u>\$ (128,026,421)</u>	<u>\$ (169,744,056)</u>

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes	\$ 56,320,517	\$ 63,461,421	\$ 73,514,568	\$ 85,706,377	\$ 99,594,792	\$ 116,778,663
Local income tax	9,956,460	10,756,250	13,133,760	14,310,438	15,842,045	13,684,600
Other local taxes	27,583,012	31,856,389	36,611,540	36,183,091	30,073,645	26,305,749
State Shared	4,170,891	3,882,807	4,610,345	5,703,290	6,194,180	5,654,165
Franchise fees	17,774	18,809	19,777	20,808	21,713	22,341
Distribution from Worcester Liquor Control Bd.	348,001	356,450	388,579	460,862	363,442	415,403
Interest	485,682	454,909	1,245,373	3,246,509	5,069,327	5,980,550
Gain (loss) on sale of capital assets	46,780	-	-	-	(643,251)	-
Transfers in (out)	-	-	-	-	-	(38,860)
Other	1,229,189	367,107	278,961	394,839	562,566	555,387
Total governmental activities	<u>100,158,306</u>	<u>111,154,142</u>	<u>129,802,903</u>	<u>146,026,214</u>	<u>157,078,459</u>	<u>169,357,998</u>
Business-type activities:						
Transfers in (out)	-	-	-	-	-	38,860
Interest	160,926	79,399	196,430	539,437	600,400	368,852
Total business-type activities	<u>160,926</u>	<u>79,399</u>	<u>196,430</u>	<u>539,437</u>	<u>600,400</u>	<u>407,712</u>
Total primary government	<u>\$ 100,319,232</u>	<u>\$ 111,233,541</u>	<u>\$ 129,999,333</u>	<u>\$ 146,565,651</u>	<u>\$ 157,678,859</u>	<u>\$ 169,765,710</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ 7,153,069	\$ 9,920,216	\$ 16,837,117	\$ 22,577,017	\$ 20,142,638	\$ 3,120,292
Business-type activities	(867,189)	(425,617)	1,441,886	19,933,539	9,509,800	(3,098,638)
Total primary government	<u>\$ 6,285,880</u>	<u>\$ 9,494,599</u>	<u>\$ 18,279,003</u>	<u>\$ 42,510,556</u>	<u>\$ 29,652,438</u>	<u>\$ 21,654</u>

**Note:** Accrual-basis financial information for the county government as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

**Schedule 3**  
**Worcester County, Maryland**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<b>Fiscal Year</b>									
	<u><b>1999</b></u>	<u><b>2000</b></u>	<u><b>2001</b></u>	<u><b>2002</b></u>	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2008</b></u>
General Fund										
Reserved	\$ 271,729	\$ 817,631	\$ 1,267,903	\$ 1,878,820	\$ 2,461,201	\$ 2,996,264	\$ 4,106,822	\$ 5,323,510	\$ 4,706,880	\$ 5,564,944
Unreserved										
Designated	8,743,518	10,339,191	11,737,057	12,079,929	13,352,494	20,622,163	27,703,604	37,355,792	31,186,920	27,991,458
Undesignated	<u>300,000</u>	<u>300,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total General Fund	<u>\$ 9,315,247</u>	<u>\$ 11,456,822</u>	<u>\$ 13,504,960</u>	<u>\$ 14,458,749</u>	<u>\$ 16,313,695</u>	<u>\$ 24,118,427</u>	<u>\$ 32,310,426</u>	<u>\$ 43,179,302</u>	<u>\$ 36,393,800</u>	<u>\$ 34,056,402</u>
All Other Governmental Funds										
Reserved	\$ 7,131,624	\$ 22,045,938	\$ 13,316,390	\$ 9,405,439	\$ 11,538,185	\$ 10,549,585	\$ 22,265,342	\$ 24,603,073	\$ 70,206,804	\$ 65,373,635
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 7,131,624</u>	<u>\$ 22,045,938</u>	<u>\$ 13,316,390</u>	<u>\$ 9,405,439</u>	<u>\$ 11,538,185</u>	<u>\$ 10,549,585</u>	<u>\$ 22,265,342</u>	<u>\$ 24,603,073</u>	<u>\$ 70,206,804</u>	<u>\$ 65,373,635</u>
Total Governmental Funds	\$ 16,446,871	\$ 33,502,760	\$ 26,821,350	\$ 23,864,188	\$ 27,851,880	\$ 34,668,012	\$ 54,575,768	\$ 67,782,375	\$ 106,600,604	\$ 99,430,037

**Schedule 4**  
**Worcester County, Maryland**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Property Tax	\$ 42,264,479	\$ 44,416,626	\$ 46,284,880	\$ 51,474,523	\$ 55,722,284	\$ 63,315,055	\$ 73,921,933	\$ 85,504,049	\$ 98,902,050	\$ 116,356,479
Income tax	6,929,606	7,380,581	10,016,666	10,474,627	9,956,460	10,756,250	13,133,760	14,310,438	15,842,045	13,684,600
Room Tax	5,742,857	6,196,694	7,633,595	9,541,556	9,652,580	10,009,637	10,049,870	10,209,181	10,842,013	11,284,976
Food Tax	1,546,528	1,831,070	1,786,962	1,908,302	1,889,742	1,986,349	2,041,504	2,151,623	2,227,465	2,230,516
Transfer tax	2,137,348	2,818,455	2,911,051	3,709,077	4,817,267	6,431,455	8,737,908	8,282,788	5,395,746	3,984,963
Recordation Tax	4,425,873	4,873,869	5,315,977	7,415,897	10,378,668	12,622,178	14,982,660	14,788,218	10,905,366	8,026,476
Other local taxes	532,323	595,891	772,115	863,984	844,691	806,729	799,559	751,281	703,055	778,818
State-shared taxes	4,077,845	4,276,301	4,728,825	4,661,590	4,447,756	3,882,807	4,610,345	5,703,290	6,194,180	5,654,165
Licenses and permits	1,624,453	1,684,976	1,823,895	2,367,595	2,311,722	2,173,730	2,216,325	2,498,979	2,000,074	2,010,919
Intergovernmental	2,512,398	4,120,827	6,450,572	5,545,849	6,238,880	8,097,480	12,209,881	7,539,229	7,595,453	5,505,717
Service charges	1,431,378	1,848,802	2,355,342	2,603,636	2,503,514	3,034,922	2,967,709	3,105,386	3,097,255	2,704,784
Miscellaneous	994,273	1,893,377	1,688,849	761,286	1,522,018	2,267,733	936,528	740,528	1,632,149	1,854,426
Interest Income	1,088,734	1,093,195	1,415,421	1,415,421	1,415,421	422,904	1,059,872	3,068,379	4,172,456	4,838,017
Total revenues	75,308,095	83,030,664	93,184,150	102,743,343	111,701,003	125,807,229	147,667,854	158,653,369	169,509,307	178,914,856
<b>Expenditures</b>										
General Government	3,954,101	4,095,589	4,298,386	5,181,446	5,872,955	6,762,309	8,247,006	9,361,611	10,790,257	11,299,386
Public Safety	6,276,544	7,051,404	7,755,725	8,543,210	9,375,283	11,447,551	13,740,554	16,109,954	18,451,149	18,629,005
Public Works	5,013,594	4,324,224	4,375,686	4,455,923	4,932,781	4,514,937	4,727,486	5,171,780	8,044,885	7,241,317
Health and hospitals	1,880,737	1,680,360	1,825,458	2,361,306	2,702,684	3,142,881	3,367,656	3,877,386	4,578,348	5,057,711
Social services	755,849	896,490	970,424	1,144,919	1,728,854	1,833,044	1,092,431	940,841	1,321,765	1,586,489
Education	37,799,271	39,872,869	43,546,851	46,831,509	50,224,884	53,136,216	56,469,938	58,884,554	65,947,811	73,140,412
Libraries, recreation and culture	1,152,138	1,340,052	2,023,166	2,454,084	2,474,605	2,794,043	5,064,580	3,580,253	4,256,144	5,411,184
Conservation of natural resources	514,912	578,194	705,437	546,583	600,161	660,954	619,801	598,504	561,242	582,842
Economic development	590,602	621,579	849,686	882,073	803,754	2,441,976	1,681,505	2,189,436	1,821,965	2,028,008
Miscellaneous	3,675,567	4,895,479	4,036,479	4,672,648	5,325,668	5,615,258	7,089,476	7,175,092	7,529,596	8,572,088
Distributions to municipalities	8,482,667	9,257,818	11,219,374	13,528,834	13,221,734	13,453,369	14,366,585	14,681,488	16,856,357	17,249,935
Debt service interest	1,108,067	1,148,386	2,286,523	2,127,026	2,063,580	1,914,009	1,858,272	5,444,242	1,871,691	2,500,068
Debt service principal	1,541,513	1,923,211	3,040,356	3,151,251	4,136,704	3,898,570	4,044,085	1,938,493	5,047,700	4,026,300
Capital Projects	2,716,808	4,146,025	13,241,534	12,355,960	7,919,925	7,350,534	19,304,370	17,150,368	11,919,855	28,721,826
Total expenditures	75,462,370	81,831,680	100,175,085	108,236,772	111,383,572	118,965,651	141,673,745	147,104,002	158,998,765	186,046,571
Excess of revenues over (under) expenditures	(154,275)	1,198,984	(6,990,935)	(5,493,429)	317,431	6,841,578	5,994,109	11,549,367	10,510,542	(7,131,715)
<b>Other Financing Sources (Uses)</b>										
Proceeds from long-term debt	6,265,000	21,843,754	-	3,200,000	4,600,000	-	31,665,210	1,815,096	28,307,695	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	(16,139,868)	-	-	-
Transfers:										
Operating transfers in	2,530,414	3,086,975	5,767,583	7,785,439	8,567,620	7,782,315	15,924,734	22,731,329	33,177,229	31,704,276
Operating transfers out	(4,534,828)	(9,073,824)	(5,767,583)	(7,785,439)	(8,567,620)	(7,782,315)	(15,924,734)	(22,731,329)	(33,177,229)	(31,743,136)
Total other financing sources (uses)	4,260,586	15,856,905	-	3,200,000	4,600,000	-	15,525,342	1,815,096	28,307,695	(38,860)
Net change in fund balances	\$ 4,106,311	\$ 17,055,889	\$ (6,990,935)	\$ (2,293,429)	\$ 4,917,431	\$ 6,841,578	\$ 21,519,451	\$ 13,364,463	\$ 38,818,237	\$ (7,170,575)
Debt service as a percentage of noncapital expenditures	3.64%	3.95%	6.13%	5.51%	5.99%	5.21%	4.82%	5.68%	4.70%	4.15%



**Schedule 5**  
**Worcester County, Maryland**  
**Assessed Value (Full Cash Value) of Taxable Property**  
**Last Ten Fiscal Years**

	<b>Real Property</b>	<b>Personal Property Indiv. &amp; Firms</b>	<b>Business, Corporations &amp; Utilities</b>	<b>Total Assessable Base</b>	<b>County Tax Rate</b>	<b>State Tax Rate</b>
2008	\$ 17,044,842,573	\$ 19,730,065	\$ 306,795,892	17,371,368,530	0.700	0.112
2007	14,276,994,202	18,282,490	284,886,128	14,580,162,820	0.700	0.112
2006	11,614,252,807	18,395,283	273,600,043	11,906,248,133	0.700	0.132
2005	9,789,426,649	19,186,630	265,538,081	10,074,151,360	0.730	0.132
2004	8,147,706,928	26,203,381	267,633,693	8,441,544,002	0.730	0.132
2003	6,961,282,759	26,668,720	276,394,198	7,264,345,677	0.730	0.132
2002	6,457,108,591	26,776,758	264,675,868	6,748,561,217	0.730	0.084
2001	6,066,153,693	30,032,690	255,744,440	6,351,930,823	0.730	0.084
2000	5,789,529,848	29,722,910	240,967,910	6,060,220,668	1.740	0.084
1999	5,577,798,052	31,054,721	228,855,235	5,837,708,008	1.740	0.084

**Source:** State of Maryland, Department of Assessments and Taxation

**Notes:**

<sup>a</sup> For fiscal years ending June 30, 2002 and later, real property is assessed at full cash value; prior to fiscal year 2002, real property was assessed at 40% of cash value.

<sup>b</sup> For all years, Public Utility Personal Property is assessed at full cash value.

<sup>c</sup> Per \$100 of value.

**Schedule 6**  
**Worcester County, Maryland**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Years**  
*(rate per \$100 of assessed value)*

	<b>Year Taxes Are Payable</b>									
	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>County Direct Rates</b>										
General	\$ 1.72	\$ 1.74	\$ 1.74	\$ 0.730	\$ 0.730	\$ 0.730	\$ 0.730	\$ 0.730	\$ 0.700	\$ 0.700
<b>Town Rates</b>										
Berlin	1.70	1.70	1.70	0.68	0.68	0.68	0.73	0.73	0.73	0.73
Ocean City	1.25	1.25	1.29	0.52	0.52	0.51	0.48	0.47	0.43	0.41
Pocomoke	0.72	0.72	0.72	0.72	0.76	0.76	0.76	0.76	0.76	0.76
Snow Hill	1.80	1.80	1.80	0.86	0.86	0.86	0.86	0.86	0.86	0.86

**Note:** For fiscal years ending June 30, 2002 and later, real property is assessed at full cash value; prior to fiscal year 2002, real property was assessed at 40% of cash value.

**Schedule 7**  
**Worcester County, Maryland**  
**Principal Property Tax Payers,**  
**Current Year and Five Years Ago**

<b><u>Taxpayer</u></b>	<b>Fiscal Year 2008</b>			<b>Fiscal Year 2003</b>		
	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Harrison Inn Stardust	\$ 55,385,966	1	0.32%			
Delmarva Power	43,583,160	2	0.25%	42,751,710	1	0.59%
Verizon Maryland	39,420,460	3	0.23%	42,159,860	2	0.58%
91st Street Joint Venture	29,908,700	4	0.17%	29,737,133	3	
American Stowaway Motel Inc.	29,100,300	5	0.17%	21,825,000	4	0.30%
Harrison Inn Ocean View	26,701,066	6	0.15%	21,533,600	5	0.30%
Harrison Hi 18 LLC	20,678,733	7	0.12%	16,112,300	6	0.22%
Individual	18,608,800	8	0.11%	15,341,700	8	0.21%
Harrison Inn 66	18,548,932	9	0.11%			
L P B O C Hotel	18,378,032	10	0.11%	15,473,300	7	0.21%
Individual				13,729,000	9	0.19%
Choptank Electric Co-op				11,889,660	10	0.16%
<b>Total</b>	<b>\$ 300,314,149</b>		<b>1.73%</b>	<b>\$ 230,553,263</b>		<b>2.76%</b>

**Schedule 8**  
**Worcester County, Maryland**  
**Property Tax Levies and Collections,**  
**Last Five Fiscal Years**

Fiscal Year	Net Taxes Levied for Fiscal Year*	Collected within the Fiscal Year of the Levy		Delinquent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 117,235,050	\$ 113,909,952	97.16%	\$ 2,446,527	\$ 116,356,479	99.25%
2007	100,027,236	97,270,141	97.24%	1,631,909	98,902,050	98.88%
2006	86,380,357	83,985,400	97.23%	1,518,649	85,504,049	98.99%
2005	74,554,554	71,917,961	96.46%	2,003,972	73,921,933	99.15%
2004	64,201,999	61,948,791	96.49%	1,366,264	63,315,055	98.62%

**Note:** The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments.

\* This chart nets the Homestead Credit with the total tax levy for each year.

**Schedule 9**  
**Worcester County, Maryland**  
**Income Tax Rates**  
**Last Ten Tax Years**

<b>Tax Year</b>	<b>State Income Tax Rate</b>				<b>Worcester County Income Tax Direct Rate</b>
	<b>1st \$1,000 of Net Taxable Income</b>	<b>2nd \$1,000 of Net Taxable Income</b>	<b>3rd \$1,000 of Net Taxable Income</b>	<b>In excess of \$3,000 Net Taxable Income</b>	
2007	2.00%	3.00%	4.00%	4.75%	1.25%
2006	2.00%	3.00%	4.00%	4.75%	1.25%
2005	2.00%	3.00%	4.00%	4.75%	1.25%
2004	2.00%	3.00%	4.00%	4.75%	1.25%
2003	2.00%	3.00%	4.00%	4.75%	1.25%
2002	2.00%	3.00%	4.00%	4.75%	1.25%
2001	2.00%	3.00%	4.00%	4.80%	1.25%
2000	2.00%	3.00%	4.00%	4.85%	1.25%
1999	2.00%	3.00%	4.00%	4.85%	1.01%
1998	2.00%	3.00%	4.00%	4.88%	20.00%

**Notes:**

For tax year 1999 and later, income tax rates reflect a percentage of Maryland taxable income; prior to tax year 1999, rates reflect a percentage of Maryland income tax.

The current maximum allowed local income tax rate is 3.2%.

**Schedule 10**  
**Worcester County, Maryland**  
**Income Tax Filers Summary Information**  
**Last Ten Tax Years**

<b>Tax Year</b>	<b>Number of Taxable Returns</b>	<b>Maryland Adjusted Gross Income</b>	<b>Net Taxable Income</b>	<b>Net State Income Tax</b>	<b>Local Income Tax</b>	<b>Total Tax Liability</b>	<b>Worcester County Income Tax Direct Rate</b>
2007	21,233	\$ 1,334,945,488	\$ 1,026,855,196	\$ 43,562,023	\$ 12,604,859	\$ 56,166,882	1.25%
2006	21,009	1,295,487,063	1,004,316,908	42,084,216	12,342,088	54,426,304	1.25%
2005	20,627	1,300,452,155	1,028,181,007	43,982,552	12,647,518	56,630,070	1.25%
2004	19,918	1,133,965,472	891,214,100	38,436,429	10,949,175	49,385,604	1.25%
2003	19,692	1,013,120,543	780,216,126	33,150,372	9,561,936	42,712,308	1.25%
2002	19,737	1,032,647,217	718,809,048	30,610,803	8,789,938	39,400,741	1.25%
2001	19,925	935,756,688	719,958,481	30,696,572	8,810,407	39,506,979	1.25%
2000	20,069	926,972,772	726,484,917	31,745,165	8,881,951	40,627,116	1.25%
1999	19,279	841,778,119	656,713,512	28,261,601	6,474,939	34,736,540	1.01%
1998	18,854	754,935,474	583,547,671	25,348,465	5,643,729	30,992,194	20.00%

**Source:** Revenue Administration Division, State of Maryland Comptroller's Office.

**Notes:**

See Schedule 11 for detailed breakout of adjusted gross income.

For tax year 1999 and later, income tax rates reflect a percentage of Maryland taxable income; prior to tax year 1999, rates reflect a percentage of Maryland income tax.

**Schedule 11**

**Worcester County, Maryland**

**Income Tax Filers, Net Taxable Income, and Liability by Adjusted Gross Income Level**

**Current Year and Nine Years Ago**

	<b>Tax Year 2007</b>					
	<b>Number of Taxable Returns</b>	<b>Percentage of Total</b>	<b>Net Taxable Income</b>	<b>Percentage of Total</b>	<b>Local Tax Liability</b>	<b>Percentage of Total</b>
<b>Adjusted Gross Income Level</b>						
\$200,000 and higher	701	2.6%	\$ 336,660,669	32.8%	\$ 4,208,260	33.4%
\$100,000 - 199,999	1,965	7.3%	207,532,318	20.2%	2,594,180	20.6%
\$50,000 - 99,999	5,014	18.5%	258,486,904	25.2%	3,231,114	25.6%
\$25,000 - 49,999	6,363	23.5%	155,135,611	15.1%	1,868,070	14.8%
\$5,000 - 24,999	7,009	25.9%	68,728,759	6.7%	699,764	5.6%
Under \$5,000	6,024	22.2%	310,935	0.0%	3,470	0.0%
Totals	27,076	100.0%	\$ 1,026,855,196	100.0%	\$ 12,604,858	100.0%

	<b>Tax Year 1998</b>					
	<b>Number of Taxable Returns</b>	<b>Percentage of Total</b>	<b>Net Taxable Income</b>	<b>Percentage of Total</b>	<b>Local Tax Liability</b>	<b>Percentage of Total</b>
<b>Adjusted Gross Income Level</b>						
\$200,000 and higher	248	1.3%	\$ 112,288,413	19.2%	\$ 1,123,213	19.9%
\$100,000 - 199,999	675	3.6%	75,607,507	13.0%	757,211	13.4%
\$50,000 - 99,999	3,130	16.6%	165,945,433	28.4%	1,665,049	29.5%
\$25,000 - 49,999	5,531	29.3%	142,818,683	24.5%	1,418,004	25.1%
\$5,000 - 24,999	9,061	48.1%	86,481,912	14.8%	677,934	12.0%
Under \$5,000	209	1.1%	405,723	0.1%	2,318	0.0%
Totals	18,854	100.0%	\$ 583,547,671	100.0%	\$ 5,643,729	100.0%

**Source:** Revenue Administration Division, State of Maryland Comptroller's Office.

**Note:** Oldest available records are from tax year 1998.

**Schedule 12**  
**Worcester County, Maryland**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business Activities		Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases			
2008	\$ 63,911,217	\$ -	\$ 17,906,887	\$ 2,475,233	\$ 84,293,337	4.84%	\$ 1,707.24
2007	67,960,514	-	19,274,300	2,453,842	89,688,656	5.14%	\$ 1,824.35
2006	44,106,276	617,240	20,153,210	1,384,919	66,261,645	4.00%	\$ 1,356.90
2005	47,159,878	1,215,781	19,365,025	1,478,260	69,218,944	4.36%	\$ 1,415.38
2004	35,032,941	1,796,190	16,079,658	1,316,123	54,224,912	3.72%	\$ 1,113.22
2003	38,647,934	2,079,767	17,164,940	1,175,121	59,067,762	4.18%	\$ 1,225.19
2002	40,562,325	3,200,000	15,917,979	681,056	60,361,360	4.42%	\$ 1,268.12
2001	40,513,576	-	16,791,335	552,482	57,857,393	4.45%	\$ 1,236.93
2000	43,553,931	-	17,639,691	540,874	61,734,496	5.08%	\$ 1,350.66
1999	23,737,141	-	18,298,046	345,740	42,380,927	3.72%	\$ 948.52

**Notes:** 2008 percentage of personal income calculated using 2007 personal income data, which is the most recent available.

See Schedule 13 for population and personal income data.



**Schedule 13**  
**Worcester County, Maryland**  
**Ratios of General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessable Base</b>	<b>Percentage of Total Taxable Assessable Base</b>	<b>Population</b>	<b>Debt Per Capita</b>
2008	\$ 81,818,104	\$ 17,371,368,530	0.47%	49,374	1,657.11
2007	87,234,814	14,580,162,820	0.60%	49,162	1,774.44
2006	64,259,486	11,906,248,133	0.54%	48,833	1,315.90
2005	66,524,903	10,074,151,360	0.66%	48,905	1,360.29
2004	51,112,599	8,441,544,002	0.61%	48,710	1,049.32
2003	55,812,874	7,264,345,677	0.77%	48,211	1,157.68
2002	56,480,304	6,748,561,217	0.84%	47,599	1,186.59
2001	57,304,911	6,351,930,823	0.90%	46,775	1,225.12
2000	61,193,622	6,060,220,668	1.01%	45,707	1,338.82
1999	42,035,187	5,837,708,008	0.72%	44,681	940.78

**Source:** Worcester County Finance Office

**Schedule 14**  
**Worcester County, Maryland**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**

<b>Governmental Unit</b>	<b>Total Assessed Valuation of Real Property</b>	<b>% of Assessed Valuation to County Total</b>	<b>Pro Rata Share of County General Obligation Bonded Debt</b>	<b>Municipal Debt Outstanding<sup>a</sup></b>	<b>Estimated Share of Direct and Overlapping Debt</b>
Berlin	390,326,895	2.29%	1,873,635	\$ 13,330,000	\$ 15,203,635
Ocean City	10,620,641,407	62.31%	50,980,861	81,363,620	132,344,481
Pocomoke	214,765,016	1.26%	1,030,908	5,062,000	6,092,908
Snow Hill	105,678,024	0.62%	507,272	1,492,000	1,999,272
Unincorporated	5,713,431,230	33.52%	27,425,428	-	27,425,428
<b>Total</b>	<b>17,044,842,573</b>	<b>100.00%</b>	<b>81,818,104</b>	<b>\$ 101,247,620</b>	<b>\$ 183,065,724</b>

**Source:** Worcester County Finance Office

<sup>a</sup> Municipal Town Clerks

**Schedule 15**  
**Worcester County, Maryland**  
**Debt Margin Information,**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*

<b>Total Debt Outstanding Limit</b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
Taxable Assessable Base	\$ 5,837,708	\$ 6,060,221	\$ 6,351,931	\$ 6,748,561	\$ 7,264,346	\$ 8,441,544	\$ 10,074,151	\$ 11,906,248	\$ 14,580,163	\$ 17,371,369
Debt Limit, 1% of Assessable Base	58,377	60,602	63,519	67,486	72,643	84,415	100,742	119,062	145,802	173,714
Amount of Debt Applicable to Limit	23,737	43,554	40,514	40,562	38,648	35,033	47,160	44,106	67,961	63,911
Debt Margin	<u>\$ 34,640</u>	<u>\$ 17,048</u>	<u>\$ 23,006</u>	<u>\$ 26,923</u>	<u>\$ 33,996</u>	<u>\$ 49,382</u>	<u>\$ 53,582</u>	<u>\$ 74,956</u>	<u>\$ 77,841</u>	<u>\$ 109,802</u>
Total debt applicable to the limit as a percentage of debt limit	40.66%	71.87%	63.78%	60.11%	53.20%	41.50%	46.81%	37.04%	46.61%	36.79%
<b>Total Debt Service Limit</b>										
Total Governmental Fund Revenue	\$ 75,308	\$ 83,031	\$ 93,184	\$ 102,743	\$ 111,701	\$ 125,807	\$ 147,668	\$ 158,653	\$ 169,509	\$ 178,915
Debt Service Limit 10% of Revenue	7,531	8,303	9,318	10,274	11,170	12,581	14,767	15,865	16,951	17,891
Debt Service Applicable to Limit	2,650	3,072	5,327	5,278	6,200	5,813	5,902	7,383	6,919	6,526
Debt Service Margin	<u>\$ 4,881</u>	<u>\$ 5,231</u>	<u>\$ 3,992</u>	<u>\$ 4,996</u>	<u>\$ 4,970</u>	<u>\$ 6,768</u>	<u>\$ 8,864</u>	<u>\$ 8,483</u>	<u>\$ 10,032</u>	<u>\$ 11,365</u>
Total debt service applicable to the limit as a percentage of debt service limit	35.18%	36.99%	57.17%	51.37%	55.51%	46.20%	39.97%	46.53%	40.82%	36.48%

**Note:** The County has established a debt capacity policy by adopting Resolution 07-1. The policy limits the County's outstanding general obligation long-term debt to no more than 1 percent of the assessable property tax base of the County and the annual debt service to no more than 10 percent of the annual government expenditures.

**Schedule 16**  
**Worcester County, Maryland**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>b</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income<sup>b</sup></b>	<b>Public School Enrollment<sup>c</sup></b>	<b>Unemployment Rate <sup>b</sup></b>
2008	49,374	*	*	6,747	6.4%
2007	49,162	1,743,294	35,460	6,830	6.0%
2006	48,833	1,655,631	33,904	6,727	6.3%
2005	48,905	1,586,005	32,430	6,676	7.1%
2004	48,710	1,456,854	29,909	6,783	7.0%
2003	48,211	1,411,897	29,286	6,871	6.6%
2002	47,599	1,364,886	28,675	6,884	6.8%
2001	46,775	1,299,036	27,772	6,892	6.7%
2000	45,707	1,215,402	26,591	6,983	7.5%
1999	44,681	1,138,515	25,481	6,913	10.0%

\* Information not yet available.

**Notes:**

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

<sup>b</sup> Bureau of Economic Analysis, U.S. Department of Commerce, BEARFACTS

<sup>c</sup> Worcester County Board of Education

**Schedule 17**  
**Worcester County, Maryland**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u><b>Employer</b></u>	<b>2008</b>			<b>1999</b>		
	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total County Employment</b></u>	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total County Employment</b></u>
Worcester Board of Education	1,176	1	3.94%	938	1	5.17%
Harrison Group	800	2	2.68%			
Town of Ocean City	626	3	2.10%	525	5	2.89%
Worcester County Government	610	4	2.05%	418	7	2.30%
Atlantic General Hospital	599	5	2.01%	350	6	1.93%
Wal-Mart	500	6	1.68%	608	3	3.35%
Phillips Seafood Restaurant	327	7	1.10%			
Clarion Fountainebleu Hotel	294	8	0.99%			
Candy Kitchen	250	9	0.84%			
Super Fresh	214	10	0.72%			
Tyson Foods Inc.				785	2	4.33%
Perdue Farms				540	4	2.98%
Sheraton Fountainebleau Hotel				262	8	1.44%
Peninsula Bank				240	9	1.32%
Castle in the Sand, Inc.				200	10	1.10%
	<u>5,396</u>		<u>18.09%</u>	<u>4,866</u>		<u>26.83%</u>

**Source:** Worcester County Economic Development, Town of Ocean City, Maryland, total County employment figures from the Maryland Department of Labor, Licensing and Regulation, Career and Workforce Information.

**Schedule 18**  
**Worcester County, Maryland**  
**Full-time Equivalent County Government Employees by Function,**  
**Last Nine Fiscal Years**

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>								
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	111.1	119.7	128.5	130.4	133.5	141.4	154.8	164.8	172.0
Public Safety	123.0	126.9	137.8	141.7	154.5	162.1	165.1	174.6	180.1
Public Works	71.7	71.3	73.1	80.2	86.1	68.1	68.1	68.7	70.7
Social Services - LMB	1.0	1.0	1.6	2.7	2.0	2.2	2.9	3.7	3.9
Library & Recreation	33.1	37.9	41.7	41.4	42.1	44.5	53.6	63.2	67.5
Natural Resources	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Water & Wastewater	50.3	46.3	54.3	62.0	61.6	60.3	64.0	66.6	69.0
Solid Waste	23.0	31.4	35.2	36.8	38.6	41.5	46.5	47.6	46.8
Total	<u>415.1</u>	<u>434.8</u>	<u>472.5</u>	<u>495.5</u>	<u>518.7</u>	<u>520.4</u>	<u>555.3</u>	<u>589.4</u>	<u>610.2</u>

**Source:** Worcester County Finance Office.

**Note:** A full-time employee is scheduled to work 260 days per year (52 weeks x 5 days per week). At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

\* Oldest available records, by function, are from FY 2000.

**Schedule 19**  
**Worcester County, Maryland**  
**Operating Indicators by Function,**  
**Last Ten Fiscal Years**

<b><u>Function/Program</u></b>	<b><u>Fiscal Year</u></b>									
	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>General Government</b>										
Building Permits issued	428	466	500	583	622	450	454	444	194	98
Value of new construction (000's)	52,124	64,562	70,077	101,945	109,469	83,283	93,580	112,867	52,891	31,990
<b>Public Safety</b>										
Detention Center										
Avg. daily population	250	270	265	279	285	293	297	305	308	274
Fire Protection (All Volunteer) **										
Fire calls answered	576	553	703	735	748	679	759	1,695	1,756	1,526
Emergency Medical Services **										
EMS Calls answered	3,655	3,825	4,026	4,242	4,320	4,406	4,538	5,535	5,700	5,812
<b>Education</b>										
Students	6,956	6,913	7,025	6,934	6,916	6,869	6,834	6,756	6,727	6,747
Teachers	456	472	487	497	510	520	546	559	575	577
Support Staff	338	343	344	368	384	386	391	412	431	433
<b>Public Works</b>										
Centerline miles of road maintained	510	511	513	517	519	520	519	520	519	524
Wastewater treated (mgd)	1.3	1.5	1.7	1.7	1.9	2.1	2.2	2.3	2.3	2.3

\* Information not available.

\*\*Does not include Ocean City calls

**Sources:** Worcester County Finance Office and individual County departments.

**Schedule 20**  
**Worcester County, Maryland**  
**Capital Asset Statistics by Function,**  
**Last Ten Fiscal Years**

<b><u>Function/Program</u></b>	<b><u>Fiscal Year</u></b>									
	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>Public Safety</b>										
Detention center capacity	300	300	300	300	300	300	300	300	300	300
Fire Companies	10	10	10	10	10	10	10	10	10	10
Emergency Medical Services Companies	6	6	6	6	6	6	7	7	7	7
<b>Education</b>										
Elementary Schools	5	5	5	5	5	5	5	5	5	5
Intermediate Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	3	3	3	3	3	3	3	3	3	3
Special School	1	1	1	1	1	1	1	1	1	1
High Schools	3	3	3	3	3	3	3	3	3	3
Technical High School	-	-	-	-	-	-	-	-	-	1
Career & Technology Center	1	1	1	1	1	1	1	1	1	-
Public Libraries	5	5	5	5	5	5	5	5	5	5
<b>Recreation Facilities</b>										
Recreation Center	-	-	-	-	-	-	1	1	1	1
County Parks	9	9	9	9	11	11	11	12	12	12
Park acreage	293	293	293	293	306	306	306	880	880	880
Public Landings & Wharves	9	9	9	9	9	9	9	9	9	9
Boat Slips	8	8	8	8	8	8	8	18	8	8
<b>Public Works</b>										
Centerline miles of county roads	510	511	513	517	519	520	519	520	519	524
Public Easements - Ocean Pines	57.64	57.64	58.09	58.09	58.09	58.14	59.24	59.24	62.88	64.16
Bridges	40	40	40	40	40	40	40	40	40	40
Wastewater Treatment Plants	6	6	6	6	6	7	7	7	8	8
Miles of sewer pipeline	155	160	160	165	168	172	175	185	187	187
Water well house facilities	4	4	4	5	5	5	5	5	5	5
Pump stations	44	45	45	46	46	46	48	51	53	53
Water Tanks	3	3	3	3	3	4	4	5	5	5
Waterlines	127	127	131	131	133	143	144	147	148	148
Water Treatment Facilities	8	8	8	8	8	9	9	10	10	10
Recycling Center	-	-	-	-	-	1	1	1	1	1

**Sources:** Worcester County Finance Office and individual County departments.





# Worcester County

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