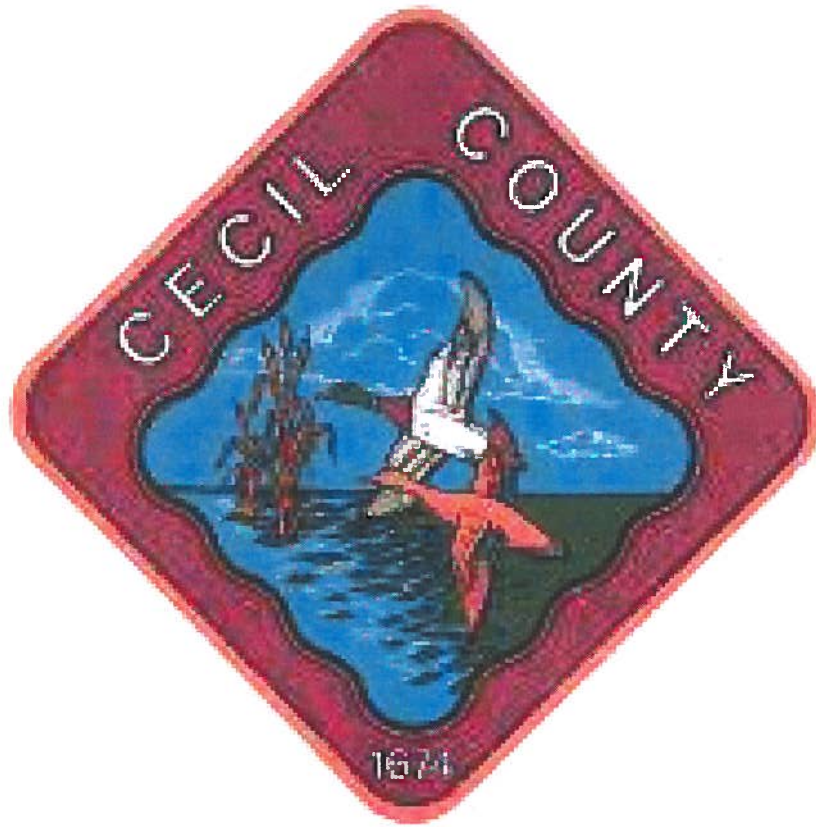


# Cecil County Maryland



## Comprehensive Annual Financial Report For the Year Ended June 30, 2012

Prepared by the Cecil County Treasurer's Office

# CECIL COUNTY, MARYLAND

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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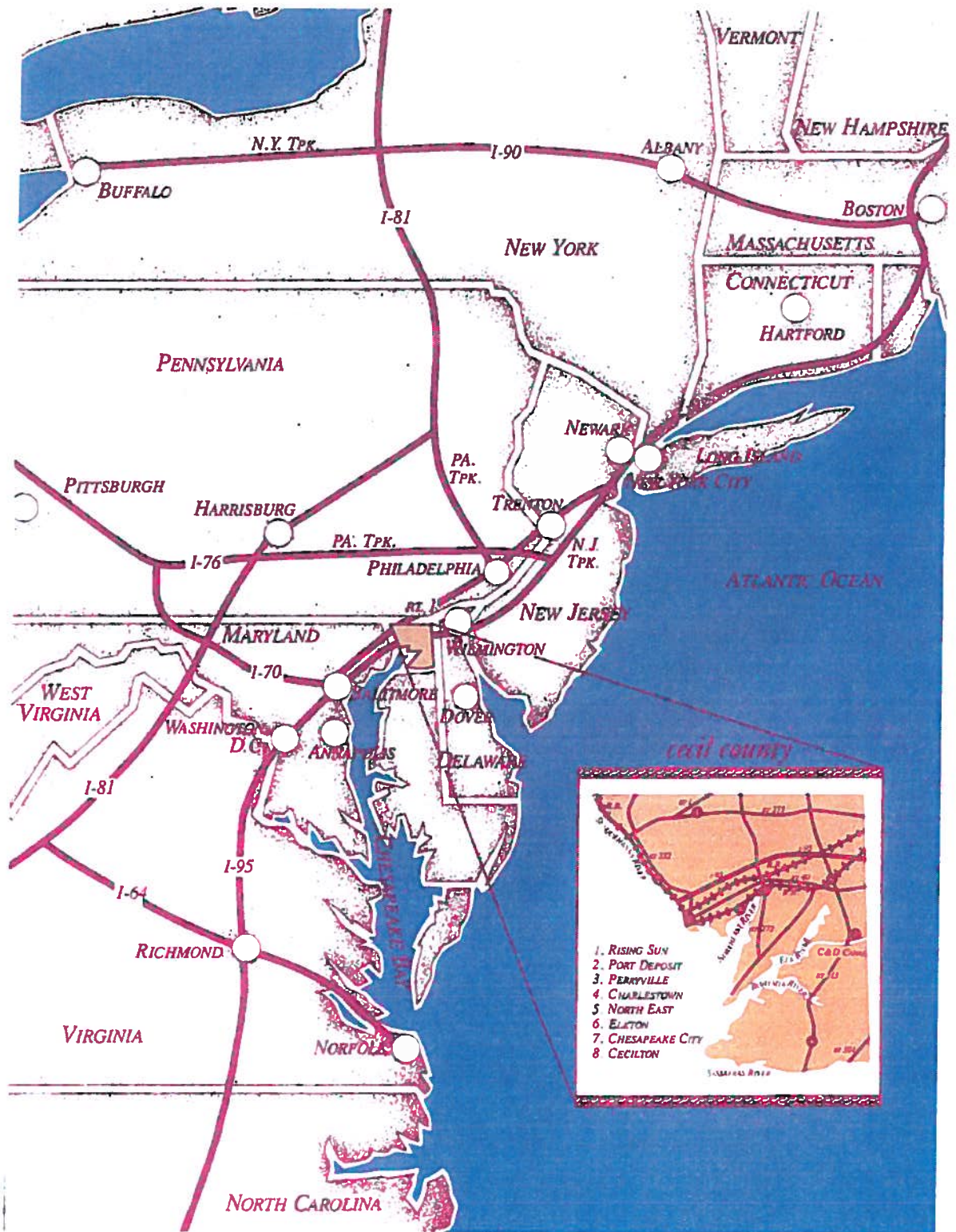
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Front cover photos courtesy of Joe Gulick & Ben Cook



*cecil county*



1. RISING SUN
2. PORT DEPOSIT
3. PERRYVILLE
4. CHARLESTOWN
5. NORTH EAST
6. ELTON
7. CHESAPEAKE CITY
8. CECILTON



INTRODUCTORY  
SECTION





**William M. Feehley**

CECIL COUNTY TREASURER

200 CHESAPEAKE BLVD., SUITE 1100

ELKTON, MARYLAND 21921

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

October 31, 2012

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

Greetings, it is my privilege to present this year's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012, for Cecil County, Maryland.

Pursuant to Maryland state law that requires all local governments prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

SB & Company, LLC, a firm of licensed certified public accountants audited the County's financial statements. The objective of the independent audit is to provide a reasonable basis for the expression of an opinion regarding the financial statements taken as a whole. The audit involves examining, on a test basis, evidence supporting the amounts represented, disclosures in the financial statements; assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the testing, that there is a reasonable basis for the expression of an unqualified opinion, and that the financial statements of Cecil County present fairly in all material aspects the financial position at June 30, 2012, and for the year then ended.

The independent audit of the financial statements of Cecil County is part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the County's separately issued Single Audit report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A immediately follows the independent auditors report.

### **Profile of the Government**

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

Cecil County Government serves an estimated population of 101,700 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and personal property used in connection with a business, an income tax on residents and non-residents working in the County, and to levy or collect various other taxes and charges for services. Cecil County provides a wide range of services to its citizens including police, a correctional facility, emergency management services, the construction and maintenance of roads, bridges, and other infrastructures, recreational activities and cultural events. Several volunteer fire companies located throughout the County provide fire protection with County assisted funding. The County in certain areas provides water and wastewater services and a central landfill is maintained. Cecil County is also financially accountable for and provides significant financial support to the legally separate Board of Education, Cecil College, and the Cecil County Public Library. These entities, considered component units of the County, are included in these financial statements and further described in Note 1 to the financial statements.

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

The County uses a six-year Capital Improvement Program to plan and budget for its capital projects. This plan is updated throughout the fiscal year and is used as a management tool for decisions involving the scheduling and funding of various capital projects. The County includes the current portion of the Capital Improvement Plan in its annual operating budget. The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented on page 22 as part of the basic financial statements for the

governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report starting on page 82.

### **Local Outlook**

Cecil County's future is bright with an abundance of land and our proximity to both Baltimore and Philadelphia. As businesses look to expand their operations, Cecil County has become one of their choices. Restoration Hardware signed one of the largest industrial leases in the country last year to occupy 1.2 million square feet of warehouse space, they have occupied 600,000 sq. ft. of the 1.2 million, and the remaining 600,000 sq. ft. is currently under construction. The company operates this facility as the east coast distribution center for its stores. The County also saw growth in the manufacturing segment with a small manufacturing company beginning operations in the County.

The Hollywood Casino in Perryville, Maryland, had a better than anticipated first year of operations, but with the opening of Maryland Live Casino in Anne Arundel County the revenue has dropped as expected. During the first full year of operations, the casino generated \$3,462,000 of revenue to the County, which is 14.6% more than our budgeted revenue. The November election will allow the voters to determine if table games will be available for the public. When West Virginia first allowed table games they saw an increase of 40% in revenue during the first year of operating the table games.

The elections in November will officially start the change of government from Commissioner form to Charter form with the election of our first County Executive. The Commissioners appointed a Charter Transition Committee who has been busy developing a set of council rules and procedures in addition to editing the existing County Code to account for the separation of duties between the County Council and the County Executive. As the County moves forward, the Council will be responsible for all legislative actions while the Executive will be responsible for the daily operations of the County.

December 21, 2011, the County closed on the sale of the water assets with Artesian Water Maryland, Inc. The Public Service Commission approved this sale and transfer on August 31, 2011. As of June 30, 2012, the County has closed the water fund and transferred the remaining \$2,248,300 of fund balance to the wastewater fund.

I am happy to say the local unemployment rate has started to drop. The rate has gone from a high in February 2010 of 11.8% to 8.7% in June 2012. As the County put more of its citizens back into the workforce the County also saw an increase in its share of the State income tax revenues with an increase of 6.36%.

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

Cecil County's manufacturing sector is nearly three times that of the State average and provides jobs for 15% of the County's workforce. Employment at the County's three largest manufacturing

employers, W. L. Gore, Terumo and ATK Elkton remain strong. It was recently announced that a new Chrysler Auto dealership would soon be opening in Elkton.

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

### **Long Term Outlook**

The County has traditionally been very conservative and that has allowed the County to weather the current economic downturn and retain its fund balance. At June 30, 2012, the County's budget projected the use of \$1,642,906 of fund balance. Because of increased revenue and cost cutting measures, we were able to add \$1,416,153 to fund balance. As the County prepared its current budget for the fiscal year ended June 30, 2013, it is projected to use \$612,436 of fund balance to balance the budget. It is hoped that having the same fiscal responsibility that was shown last year will allow the County to achieve the same positive results for fiscal year 2013.

The budget issues of the Federal Government as well as the State of Maryland is putting pressure on the County through decreased funding and the passing on of expenses. The Maryland General Assembly in its last session passed legislation that the State would be passing pension costs to the local government in an effort to balance their budget. The local economy has a bright future in that recently some commercial construction has been taking place; new businesses are opening and prospering.

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

### **Risk Management**

The County is self-insured for Workers Compensation for its employees in 2012. Due to increased efforts by management, the County saw a significant reduction in the claims filed this year, and this should translate into cost savings in future years. The County is self-insured for health care provided to employees of the County government, Cecil College and the Cecil County Public Library. Being self-insured has allowed the County to maintain benefits while controlling cost to the County and employees. The County insures liability, property damage and excess liability coverage through the Maryland Local Government Insurance Trust, which is a public entity risk pool.

### **Awards and Acknowledgements**

**Awards**-The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the twenty-sixth consecutive year that the County has received this award. This award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published an easily

readable and efficiently organized CAFR. This report satisfies generally accepted accounting principles as well as legal requirements.

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

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

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

Sincerely,

William M. Feehley, CPA  
Treasurer of Cecil County

**Cecil County, Maryland**

**Principal Officials**

**June 30, 2012**

**Elected Officials**

**Board of County Commissioners**

President

Vice President

Commissioner

Commissioner

Commissioner

James T. Mullin

Diana Broomell

Robert J. Hodge

Tari Moore

Michael W. Dunn

Treasurer

William M. Feehley, CPA

Sheriff

Barry A. Janney, Sr.

State's Attorney

Edward D. E. Rollins, III

Circuit Court

Administrative Judge

Judge

Judge

V. Michael Whelan

Keith A. Baynes

Jane Cairns Murray

**Other Officials and Department Directors**

County Administrator

Alfred C. Wein, Jr.

County Attorney

H. Norman Wilson, Jr.

Department Directors

Senior Services & Community Transit

Economic Development

Emergency Management

Housing & Community Development

Human Resources

Permits and Inspections

Planning and Zoning

Public Works

David Trolio

Lisa Webb

Richard K. Brooks, III

David B. Mahaney

Donna M. Nichols

Patrick T. Conway

Eric S. Sennstrom

W. Scott Flanigan

District Court

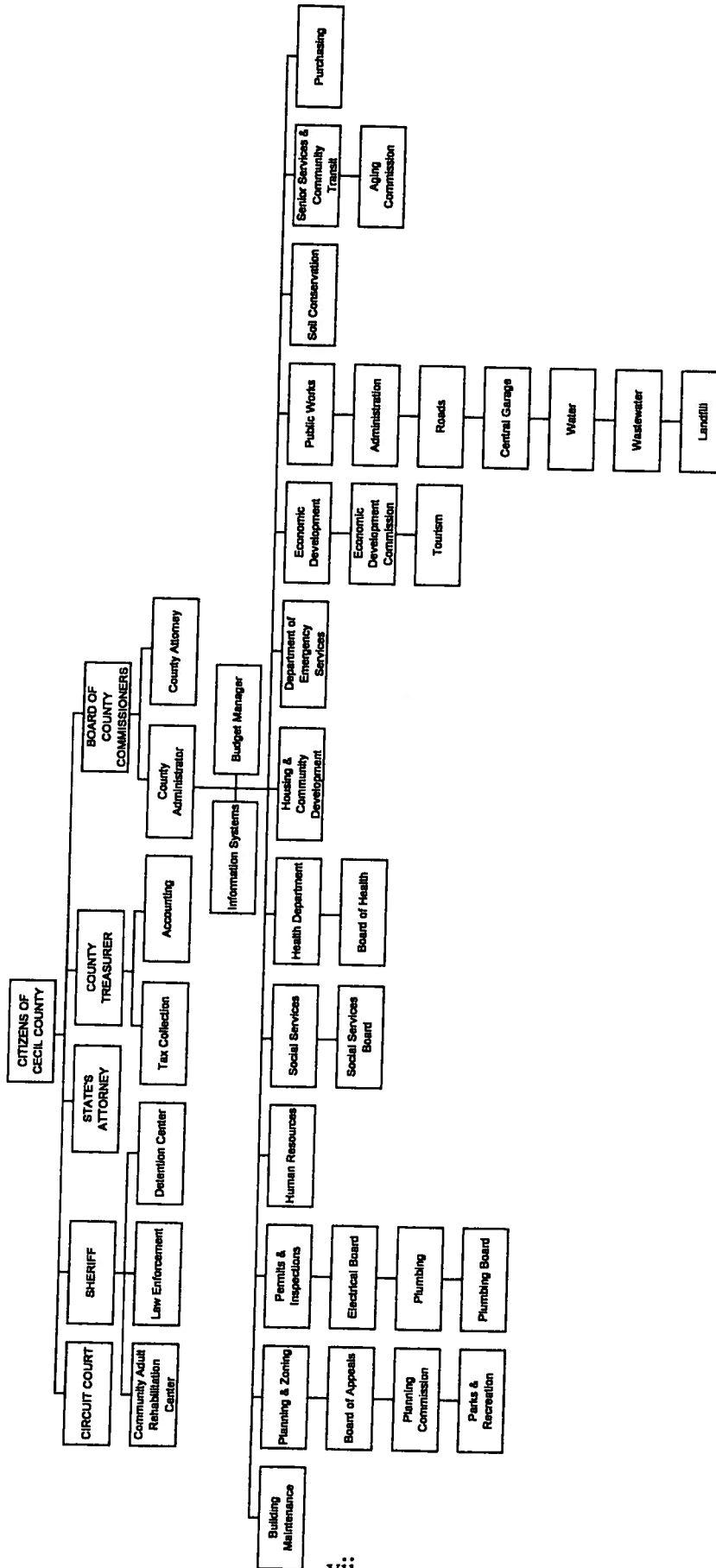
Administrative Judge

Judge

Stephen J. Baker

Bonnie G. Schneider

# COUNTY ORGANIZATIONAL CHART CECIL COUNTY, MARYLAND FISCAL YEAR 2012



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cecil County  
Maryland

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Ennis*

Executive Director



FINANCIAL  
SECTION



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

## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cecil County, Maryland (the County), as of June 30, 2012 and for the year then ended, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units: the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Cecil County, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, housing programs, and casino local impact funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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

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

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

Hunt Valley, Maryland  
October 19, 2012

*SB & Company, LLC*

## **CECIL COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2012**

The Treasurer of Cecil County and the Board of County Commissioners of Cecil County are pleased to present to the readers of the financial statements of the County this narrative overview and analysis of the financial activities of Cecil County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

### **Financial Highlights**

- The assets of the County (primary government) exceeded its liabilities at the close of the fiscal year by \$175,929,889 (net assets). Of this amount, \$169,789,307 was invested in capital assets, net of related debt. The County reported \$26,005,670 restricted for specific purposes and negative \$19,865,088 in unrestricted net assets. Component units reported net assets of \$243,803,103 with \$16,501,115 unrestricted.
- Total net assets of the primary government increased by \$22,852,139. The net assets of governmental activities increased \$23,602,966 from the previous year, while the net assets from business activities decreased \$750,827.
- As of June 30, 2012, the County reported combined ending fund balances in governmental funds of \$63,876,838 an increase of \$7,712,385 from the previous year.
- The unrestricted fund balance of the General Fund was \$37,292,594 or 22% of total General Fund expenditures and transfers out. Of this balance, \$13,118,597 has been committed for fiscal year 2012 expenditures and contingencies and \$4,541,000 assigned for future capital expenditures and to offset reductions in state funding.
- The County's general obligation debt related to governmental activities was \$151,265,730; an increase of \$6,827,813. The increase came from the issuance of the 2011 & 2012 public improvement bonds.

### **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

Since the fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided (pages 19 and 21) to demonstrate the differences between the Governmental Funds Balance Sheet and the Statement of Net Assets and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities. Comparison of the two sets of statements for the governmental funds and the governmental activities may provide the reader with insight into the long-term impact of short-term financing decisions as the fund statements are from a short-term perspective and the activities statements show long term information.

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

- General
- Housing Programs
- Casino Local Impact
- General Capital Projects
- Board of Education Construction

The remaining non-major governmental funds have been combined and presented in one column. Combining statements for the non-major funds is presented beginning on page 77.

- *Proprietary Funds* – When the County charges for the services it provides, proprietary funds are generally used to report these activities. Cecil County uses two types of proprietary funds; enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and internal service funds which are used to accumulate and allocate costs internally among the government funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method of accounting used by private sector businesses. Enterprise funds, the Water, Wastewater, and Landfill funds, report activities that provide supplies and services to the general public. Internal service funds, the Central Garage, Health Insurance and Workers Compensation Fund, report activities that provide supplies and services for the County's other programs and activities.
- *Fiduciary Funds* – The County acts as a fiduciary to account for resources held for the benefit of parties outside the government. The County has agency funds to collect and remit certain taxes and fees on behalf of the state and several local municipalities.

The Cecil County Pension Plan for Public Safety Employees is a fiduciary fund of the County. Payment of retirement, disability and death benefits to participants as well as contributions from the County and participants are accounted for in this fiduciary fund.

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

Fiduciary funds are reported in a separate Statement of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 30 and are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent assets available to the County to finance its operations.

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

**Other information.** Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information as well as combining and individual non-major fund statements begins on page 74. The County also provides certain informational and statistical schedules that begin on page 103.

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

**Net Assets.** As noted earlier, Cecil County's assets exceeded liabilities by \$175,929,889. Over time, changes in net assets serve as a useful indicator of a government's financial position. A year-to-year comparison of net assets follows:

**Cecil County's Net Assets as of June 30, 2012 and 2011**

	Governmental Activities		Business-type Activities		Government-wide Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 102,577,318	\$ 92,184,054	\$ 13,580,770	\$ 15,716,872	\$ 116,158,088	\$ 107,900,926
Capital Assets	205,047,833	186,114,089	81,274,888	81,307,638	286,322,721	267,421,727
<b>Total Assets</b>	<b>307,625,151</b>	<b>278,298,143</b>	<b>94,855,658</b>	<b>97,024,510</b>	<b>402,480,809</b>	<b>375,322,653</b>
Other Liabilities	13,654,690	14,218,239	55,324,945	2,529,239	68,979,635	16,747,478
Long Term Liabilities	156,036,766	149,749,175	1,534,519	55,748,250	157,571,285	205,497,425
<b>Total Liabilities</b>	<b>169,691,456</b>	<b>163,967,414</b>	<b>56,859,464</b>	<b>58,277,489</b>	<b>226,550,920</b>	<b>222,244,903</b>
<b>Net Assets:</b>						
Invested in Capital Assets, net of Related Debt	131,319,211	144,335,428	38,470,096	42,443,506	169,789,307	186,778,934
Restricted	21,257,511	15,691,081	4,748,159	9,715,314	26,005,670	25,406,395
Unrestricted Deficit	(14,643,027)	(45,695,780)	(5,222,061)	(13,411,799)	(19,865,088)	(59,107,579)
<b>Total Net Assets</b>	<b>\$ 137,933,695</b>	<b>\$ 114,330,729</b>	<b>\$ 37,996,194</b>	<b>\$ 38,747,021</b>	<b>\$ 175,929,889</b>	<b>\$ 153,077,750</b>

The largest component of the County's net assets, \$169,789,307 reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be liquidated to repay these liabilities. Additionally, it should be noted that while the County issues debt for the construction and renovation of the public schools and the college, the buildings are owned by the legally separate component units. Consequently, the County's financial statements reflect debt incurred on behalf of the Board of Education and Cecil College, but do not show the related assets.

Restricted net assets of \$26,005,670 are the next largest component and represent resources that are subject to external restrictions, state or county law provisions, or enabling legislation on how they may be used. Restricted assets for governmental activities increased by \$5,566,430 and restricted net assets for business-type activities decreased \$4,967,155 for a total increase to restricted net assets of \$599,275 from fiscal year 2011.

The remaining portion of net assets shows a negative unrestricted net assets balance of \$19,865,088. Governmental activities' negative unrestricted net assets of \$14,646,515 represents net assets that may be used at the County's discretion. Business-type activities negative unrestricted net assets of \$5,222,061 are derived from the landfill, (\$7,616,265) and wastewater services \$2,394,204 and are essentially limited to use by the operation from which the net assets derive.



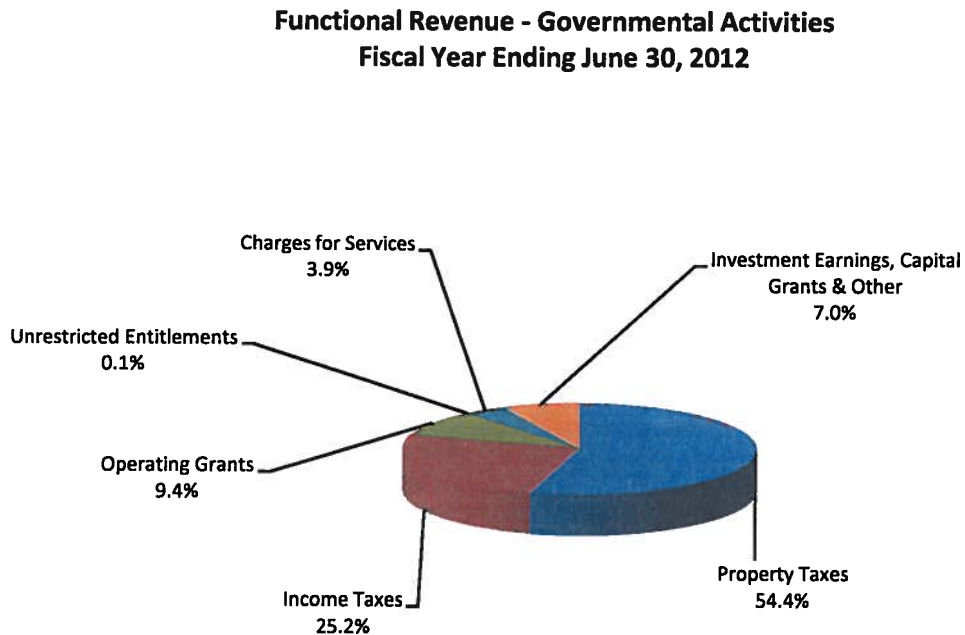
**Changes in Net Assets.** As shown in the following schedule, the County's combined net assets increased \$22,852,139 over the course of this fiscal year's operations.

	Cecil County's Changes in Net Assets					
	Governmental Activities		Business-type Activities		Government-wide Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 7,439,295	\$ 8,219,308	\$ 10,583,423	\$ 10,233,785	\$ 18,022,718	\$ 18,453,093
Operating Grants & Contributions	17,745,716	15,499,994	-	-	17,745,716	15,499,994
Capital Grants & Contributions	12,722,681	7,248,329	1,710,837	645,117	14,433,518	7,893,446
General Revenues:						
Property Taxes	102,575,768	101,274,085	-	-	102,575,768	101,274,085
Income Taxes	47,342,973	49,000,281	-	-	47,342,973	49,000,281
Entitlements	163,625	518,068	-	-	-	518,068
Investment Earnings	334,147	571,783	13,410	32,233	-	604,016
Other Revenue & Gains/Losses	40,831	48,787	(470,940)	(229,120)	-	(140,213)
<b>Total Revenues</b>	<b>188,365,036</b>	<b>182,380,635</b>	<b>11,836,730</b>	<b>10,682,015</b>	<b>200,201,766</b>	<b>193,062,650</b>
<b>EXPENSES</b>						
General Government	13,473,632	13,541,706	-	-	13,473,632	13,294,360
Public Safety	34,008,873	34,124,715	-	-	34,008,873	34,059,214
Highways, Streets, & Bridges	13,893,866	14,174,041	-	-	13,893,866	13,432,401
Health and Welfare	12,177,894	12,498,027	-	-	12,177,894	12,100,852
Recreation and Culture	1,020,488	983,512	-	-	1,020,488	1,008,810
Education	78,627,416	81,391,571	-	-	78,627,416	83,991,156
Public Libraries	4,480,298	4,599,509	-	-	4,480,298	4,613,704
Economic Development	1,589,105	960,743	-	-	1,589,105	1,100,961
Agricultural Programs	551,134	546,120	-	-	551,134	1,230,023
Interest on Long Term Debt	4,939,364	5,550,175	-	-	4,939,364	6,060,747
Water	-	-	672,752	1,168,243	-	1,097,403
Wastewater	-	-	5,734,358	5,200,826	-	5,290,073
Landfill	-	-	6,180,447	5,538,979	-	6,165,937
<b>Total Expenses</b>	<b>164,762,070</b>	<b>168,370,119</b>	<b>12,587,557</b>	<b>11,908,048</b>	<b>177,349,627</b>	<b>180,278,167</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 23,602,966</b>	<b>\$ 14,010,516</b>	<b>\$ (750,827)</b>	<b>\$ (1,226,033)</b>	<b>\$ 22,852,139</b>	<b>\$ 12,784,483</b>

**Governmental Activities**

Revenues of governmental activities for fiscal year 2012 showed an increase of \$5,984,401 over fiscal year 2011. The main item affecting this change was the Federal Aid for highway and bridge construction projects.

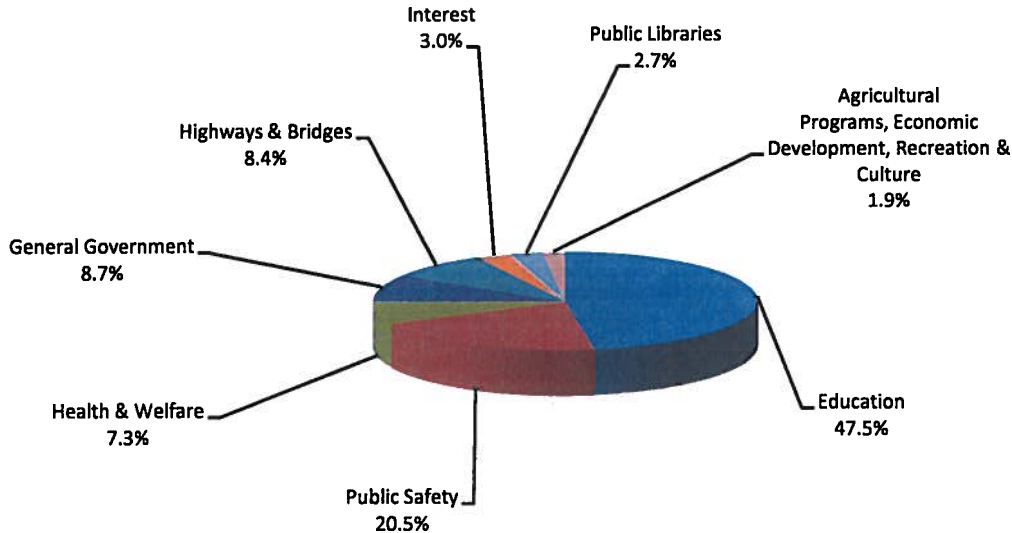
The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2012:



Expenses of governmental activities resulted in a decrease of \$3,608,049. The largest reduction in spending was in the area of education with a decrease of \$2,764,155. An increase occurred in economic development and interest on long-term debt, however other categories in the government remained basically unchanged due to the Administration's decision to hold or reduce spending.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2012:

**Functional Expenses - Governmental Activities  
Fiscal Year Ending June 30, 2012**



**Business-type Activities**

In 2012, net assets of business-type activities decreased by \$750,827 from fiscal year 2011. Expenses for water decreased \$495,491, while wastewater and landfill increased \$533,532 and \$641,468 respectively.

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

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

As the County completed the fiscal year, its governmental funds reported fund balances of \$63,876,838. Of the current ending fund balances, \$37,292,594 is reported as unrestricted in the General Fund, \$18,650,074 as unrestricted in capital project funds, \$7,457,083 as restricted in special revenue funds and \$477,087 is reported as non-spendable for advances, tax deferrals and inventories & prepaid items.

### **Governmental Funds**

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the non-spendable fund balance was \$477,087 and the unrestricted fund balance was \$37,292,594. The statements show \$13,118,597 has been committed for fiscal year 2013 expenditures and contingencies. The County has assigned \$4,041,000 of the unrestricted fund balance for future capital projects; \$250,000 for costs associated with the consolidation of the administrative and public safety IT departments and \$250,000 for ongoing legal expenses.

**General Fund – Comparison to Budget.** Property taxes exceeded budget by \$868,663. Income taxes exceeded budget by \$4,977,026, however, this was partially offset by budget shortfalls in nearly all other revenue categories including a \$1,521,255 shortfall in intergovernmental revenue and a \$779,674 shortfall in charges for services. In addition investment earnings were \$593,208 below budget due to decrease in interest rates.

Actual expenditures and transfers out were \$3,853,409 less than the final budget as the County initiated across-the-board budget reductions in anticipation of reduced State assistance and the sluggish economy. General Government costs were \$728,735 less than budget, Public Safety had an expenditure shortfall of \$1,287,381 and savings were realized in nearly all other categories.

**Housing Programs.** The fund had a \$250,565 decrease to fund balance. Revenues decreased by \$693,803 while expenditures decreased \$358,773 from the previous year as a result of a decrease in funding for housing programs.

**General Capital Projects Fund.** Revenues in the fund increased \$5,474,358 while expenditures in the fund decreased \$2,110,883 from the previous year. This activity reflects the renovation of the Cecil County Detention Center (CCDC) nearing completion and the replacement of several bridges.

**Board of Education Construction Fund.** The fund reported a decrease of \$2,063,346 in spending compared to 2011. This activity reflects the completion of mechanical and HVAC repairs to various County public schools.

**Non-Major Governmental Funds.** Spending levels of non-major funds decreased by \$1,256,214 compared to 2011. This reflects the consolidation of the CARC fund.

**Proprietary Funds**

**Water Services Fund.** Operating revenues and expenses decreased slightly resulting in operating loss of \$18,921. The fund supports the daily operation of the County Water system. The Board of County Commissioners closed on the sale of the water assets on December 21, 2011 with Artesian. The County transferred the remaining assets to the Wastewater Fund on June 30, 2012.

**Wastewater Services Fund.** Due to an increase in pricing, operating revenues for fiscal year 2012 increased \$1,054,375 from last year to \$4,737,750, while operating expenses increased by \$550,207 to \$4,976,129 which resulted in an operating loss of \$238,379. The increase in expenses is mainly attributable to increased costs for the County to bring the facilities up to federal & state standards. Several of these facilities were scheduled to be sold, but the contract was canceled. During the contract period the County did not invest in upgrades but with the cancelation must now complete the necessary upgrades.

**Landfill Fund.** Operating revenues in the fund decreased \$83,475 from 2011, while operating expenses increased by \$797,718 to \$5,619,803. The increase in expenses is mainly attributable to the increase and changes in depletion and post-closure cost.

**Health Insurance Internal Service Fund** – Premiums received from participants increased \$46,502 to \$9,474,270. The County pays 85% of the premium and the employee pays 15%. Medical claims and administrative fees increased \$584,036 to \$8,36,729 due to a combination of medical inflation and a few large claims. The County is self insured for this benefit and has been able to control costs and avoid the industry wide increases in health costs.

**Workers Compensation Internal Service Fund** – The County is self insured for this benefit. Premiums received from the County were \$1,354,604. Benefit claims and administrative fees decreased \$786,571 to \$730,693.

**Central Garage Internal Service Fund** – The County uses a third party vehicle maintenance company to operate the County's vehicle maintenance facility. The fund records the full value of the services, parts, and cost of supplying the facility to the contractor and charges user departments for the services. The fund allocates back to users all costs and retains as net assets only the remaining useful life of buildings and equipment. The fund's 2012 operating costs were higher than 2011 by \$389,854 due to an increase in expenses that are not covered under the County's contract.

**General Fund Budgetary Highlights**

The County adopted its fiscal year 2012 budget on May 24, 2011, and amended it to meet operational needs during the year. The legal level of budgetary control is at the departmental level and while department heads may make budget transfers within their own department, the Board of County Commissioners must approve any budget amendments that increase or decrease revenue or move appropriations between departments.

Budget changes during the year added \$2,006,388 to revenues and other financing sources while expenditures and transfers increased by \$6,852,690. Additional grant funding accounted for approximately two thirds of the additional budgetary revenues and accompanying expenditures, while the balance of the increase in expenditures was associated with change orders for the renovations of the Cecil County Detention Center.

The final budget contained \$163,596,734 of revenues and other financing sources, \$169,334,942 of expenditures and transfers, and \$5,738,208 of appropriated fund balance. The actual revenues and other financing sources were \$3,330,952 more than the final budget and actual expenditures and transfers \$2,442,273 below the final budget.

**Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2012, the County had invested \$286,322,721, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation and depletion charges for this fiscal year totaled \$14,354,697.

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

- Highway projects within the General Capital Projects Fund including the replacement of the following bridges: Calvert Road Bridge, Regan Road Bridge, Appleton Road Bridge and Knights Corner Road Bridge.
- On-going construction of the Cecil County Correctional Facilities Renovation Project.
- Fuel System Project at the Cecil County Administration Building.
- Construction of the Cell 4 Re-Development project at the Cecil County Landfill.
- Winding Brook and Razor Strap Road Improvements.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 13,202,935	\$ 13,142,227	\$ 844,811	\$ 878,348	\$ 14,047,746	\$ 14,020,575
Construction in Progress	39,834,478	28,140,022	5,454,318	14,099,649	45,288,796	42,239,671
Landfill & Land Improvements	7,400,059	5,172,763	22,065,187	8,319,324	29,465,246	13,492,087
Highways & Bridges	89,740,166	82,935,249	-	-	89,740,166	82,935,249
Utility Systems	-	-	21,221,016	23,913,992	21,221,016	23,913,992
Buildings	37,828,091	38,639,296	10,427,173	11,016,104	48,255,264	49,655,400
Machinery & Equipment	17,042,104	18,084,532	21,262,383	23,080,221	38,304,487	41,164,753
<b>Total Capital Assets</b>	<b>\$ 205,047,833</b>	<b>\$ 186,114,089</b>	<b>\$ 81,274,888</b>	<b>\$ 81,307,638</b>	<b>\$ 286,322,721</b>	<b>\$ 267,421,727</b>

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

**Long Term Debt.** At the end of the current fiscal year, the County had total general obligation debt of \$194,121,980. All of this debt is backed by the full faith and credit of the government. Governmental activities report \$146,564,707 and business-type activities report \$47,557,272 of general obligation bonds. Special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment consists of \$121,977. The County is

empowered by state law to issue debt obligations within the limits of authority passed from time to time by the state legislature. There is no legal aggregate limit to the amount of indebtedness.

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

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

While Cecil County is expected to remain the fastest growing county in Maryland for the next several years, it is not immune from the current global recession. The County continues to face significant fiscal challenges as the state further reduced or eliminated funding. The unemployment rate has decreased to 8.7% for the first six months of calendar 2012.

There are many positive factors that will impact the County's economic future. The success of Penn National's Hollywood Casino at Perryville has added 350 jobs and been an economic boost to the County government as well. Last year saw the signing of a lease by Restoration Hardware for 1.2 million sq. ft. of warehouse space. For the first time in many years it has been reported that a new auto dealership will be opening in Elkton. Another positive note in the local economy is home prices have stabilized in the past couple of months and it has been reported that fewer homes are for sale this year than in years past.

The General Fund budget for fiscal year 2013 attempts to balance the budget shortfalls with the County's need for infrastructure. While the Commissioners approved a rate less than the Constant Yield Tax Rate, assessment decreases will cause property tax revenues to remain constant. As the County continues to implement cost savings initiatives, the operating budget for all General Fund departments was reduced or remained unchanged. Operating transfers from the General Fund to Capital Projects were reduced as the County either deferred or removed several projects. The County appropriated approximately \$612,436 of the current fiscal year's \$37,769,681 fund balance to ensure that it would be able to meet its obligations to County citizens.

**Requests for Information**

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

The component units issue their own audited financial statements. These statements may be obtained directly from the component units. Their contact information can be found in Note 1A of the financial statements.

## BASIC FINANCIAL STATEMENTS



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 23,415,995	\$ 9,786,462	\$ 33,202,457	\$ 30,290,314
Investments	37,729,150	-	37,729,150	5,247,115
Receivables, Net	1,699,000	3,704,645	5,403,645	1,263,115
Due from Primary Government	-	-	-	931,739
Due from Other Governments	26,169,690	62,790	26,232,480	3,974,357
Inventories	444,140	-	444,140	223,646
Prepaid Items & Other Assets	5,505,773	26,873	5,532,646	1,338,652
Restricted Assets:				
Cash and Investments	7,613,570	-	7,613,570	4,222,598
Capital Assets, Net:				
Land	13,202,935	844,811	14,047,746	6,531,516
Construction in Progress	40,871,486	5,454,318	46,325,804	6,558,657
Landfill & Land Improvements	6,363,051	22,065,187	28,428,238	11,409,016
Highways & Bridges	89,740,166	-	89,740,166	-
Utility Systems	-	21,221,016	21,221,016	-
Buildings	37,828,091	10,427,173	48,255,264	192,162,773
Machinery & Equipment	17,042,104	21,262,383	38,304,487	14,253,522
<b>Total Assets</b>	<b>307,625,151</b>	<b>94,855,658</b>	<b>402,480,809</b>	<b>278,407,020</b>
<b>LIABILITIES</b>				
Accounts Payable	9,520,535	1,059,072	10,579,607	5,840,149
Salary and Benefits Payable	1,296,598	67,686	1,364,284	14,059,669
Due to Component Units	931,739	-	931,739	-
Due to Other Governments	285,016	-	285,016	-
Unearned Revenue	453,266	-	453,266	2,236,179
Other Liabilities	1,141,072	407,761	1,548,833	-
Liabilities Payable with Restricted Assets	26,464	-	26,464	-
Long Term Liabilities				
Due within one year:				
Bonds Payable	9,285,628	3,028,642	12,314,270	-
Capital Leases	316,247	-	316,247	1,517,121
Insurance Claims Payable	2,808,545	-	2,808,545	1,947,000
Compensated Absences	1,097,496	69,474	1,166,970	445,289
Due in more than one year:				
Bonds Payable	141,980,102	44,524,309	186,504,411	-
Capital Leases	-	-	-	6,191,050
Compensated Absences	548,748	34,736	583,484	2,367,460
Accrued Landfill Closure/Postclosure	-	7,667,784	7,667,784	-
<b>Total Liabilities</b>	<b>169,691,456</b>	<b>56,859,464</b>	<b>226,550,920</b>	<b>34,603,917</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	131,319,211	38,470,096	169,789,307	223,207,313
Restricted for:				
Capital Projects	13,800,428	4,748,159	18,548,587	47,848
Health and Welfare	1,072,103	-	1,072,103	-
Agriculture	1,945,547	-	1,945,547	-
Economic Development	4,390,958	-	4,390,958	-
Debt Service and Other	48,475	-	48,475	4,046,827
Unrestricted	(14,643,027)	(5,222,061)	(19,865,088)	16,501,115
<b>Total Net Assets</b>	<b>\$ 137,933,695</b>	<b>\$ 37,996,194</b>	<b>\$ 175,929,889</b>	<b>\$ 243,803,103</b>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Grants and Contributions		Governmental Activities	Primary Government		
			Operating	Capital		Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 13,473,632	\$ 4,572,364	\$ 737,650	\$ 395,452	\$ (7,768,166)	\$ -	\$ (7,768,166)	\$ -
Public Safety	34,008,873	2,114,895	1,638,061	9,166,064	(21,089,853)	-	(21,089,853)	-
Highways, Streets, and Bridges	13,893,866	236,162	4,507,514	2,730,311	(6,419,879)	-	(6,419,879)	-
Health and Welfare	12,177,894	304,855	7,109,815	-	(4,763,224)	-	(4,763,224)	-
Recreation and Culture	1,020,488	211,019	163,630	430,854	(214,985)	-	(214,985)	-
Education	78,627,416	-	-	-	(78,627,416)	-	(78,627,416)	-
Public Libraries	4,480,298	-	-	-	(4,480,298)	-	(4,480,298)	-
Economic Development	1,589,105	-	3,579,467	-	1,990,362	-	1,990,362	-
Agriculture	551,134	-	9,579	-	(541,555)	-	(541,555)	-
Interest on Long-Term Debt	4,939,364	-	-	-	(4,939,364)	-	(4,939,364)	-
<b>Total Governmental Activities</b>	<b>164,762,070</b>	<b>7,439,295</b>	<b>17,745,716</b>	<b>12,722,681</b>	<b>(126,854,378)</b>	<b>-</b>	<b>(126,854,378)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water	672,752	653,831	-	-	-	(18,921)	(18,921)	-
Wastewater	5,734,358	4,737,750	-	1,710,837	-	714,229	714,229	-
Landfill	6,180,447	5,191,842	-	-	-	(988,605)	(988,605)	-
<b>Total Business-Type Activities</b>	<b>12,587,557</b>	<b>10,583,423</b>	<b>-</b>	<b>1,710,837</b>	<b>-</b>	<b>(293,297)</b>	<b>(293,297)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$177,349,627</b>	<b>\$ 18,022,718</b>	<b>\$ 17,745,716</b>	<b>\$ 14,433,518</b>	<b>(126,854,378)</b>	<b>(293,297)</b>	<b>(127,147,675)</b>	<b>-</b>
<b>Component Units:</b>								
Board of Education	\$205,198,292	\$ 2,469,932	\$ 63,533,480	\$ 4,747,799	-	-	-	(134,447,081)
Cecil College	30,429,780	6,741,603	5,172,298	1,859,541	-	-	-	(16,856,338)
Cecil County Library	5,871,247	166,254	-	-	-	-	-	(5,704,993)
Bainbridge Development Corporation	424,513	12,000	-	-	-	-	-	(412,513)
<b>Total Component Units</b>	<b>\$241,923,832</b>	<b>\$ 9,389,789</b>	<b>\$ 68,705,778</b>	<b>\$ 6,607,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(157,220,925)</b>
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes, Levied for General Purposes					102,575,768	-	102,575,768	-
Income Taxes					47,342,973	-	47,342,973	-
Investment Earnings					334,147	13,410	347,557	159,474
Other Revenues including Capital Asset Sales (Gains/Loss)					40,831	(470,940)	(430,109)	562,393
Payments From the Primary Government					-	-	-	79,363,140
Payments From the State Government					-	-	-	69,556,253
Entitlements, and Contributions not Restricted to Specific Programs					163,625	-	163,625	3,351,806
<b>Total General Revenues, Special Items, and Transfers</b>					<b>150,457,344</b>	<b>(457,530)</b>	<b>149,999,814</b>	<b>152,993,066</b>
Change in Net Assets					23,602,966	(750,827)	22,852,139	(4,227,859)
<b>Net Assets - June 30, 2011</b>					<b>114,330,729</b>	<b>38,747,021</b>	<b>153,077,750</b>	<b>248,030,962</b>
<b>Net Assets - June 30, 2012</b>					<b>\$ 137,933,695</b>	<b>\$ 37,996,194</b>	<b>\$ 175,929,889</b>	<b>\$ 243,803,103</b>

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

**CECIL COUNTY, MARYLAND**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>Capital Projects</u>	<u>Board of Education Construction</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash	\$14,402,352	\$ -	\$ -	\$ -	\$ 2,694,390	\$ 914,104	\$ 18,010,846
Investments	20,272,410	-	-	12,177,603	-	-	32,450,013
Receivables, Net (Note 4)	1,530,580	1,450	6,432	-	-	143,159	1,681,621
Due from Other Funds	561,353	-	-	-	-	-	561,353
Due from Other Governments	17,068,133	99,771	814,331	6,817,101	-	1,355,257	26,154,593
Inventory	425,785	-	-	-	-	2,055	427,840
Other Assets	43,646	-	-	-	-	-	43,646
Restricted Assets:							
Cash and Investments (Note 3)	<u>308,844</u>	<u>1,179,059</u>	<u>3,006,262</u>	<u>-</u>	<u>-</u>	<u>3,119,405</u>	<u>7,613,570</u>
<b>Total Assets</b>	<b><u>\$54,613,103</u></b>	<b><u>\$ 1,280,280</u></b>	<b><u>\$ 3,827,025</u></b>	<b><u>\$ 18,994,704</u></b>	<b><u>\$ 2,694,390</u></b>	<b><u>\$ 5,533,980</u></b>	<b><u>\$ 86,943,482</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 3,231,791	\$ 98,508	\$ 14,179	\$ 4,366,044	\$ 28,652	\$ 1,038,012	\$ 8,777,186
Salaries and Benefits Payable	1,230,511	13,546	-	-	-	52,541	1,296,598
Due to Other Funds	-	69,659	-	-	-	225,935	295,594
Due to Other Governments	-	-	285,016	-	-	-	285,016
Deferred Revenue	10,866,751	-	-	-	-	4,566	10,871,317
Other Liabilities	1,514,369	-	-	-	-	100	1,514,469
Liabilities Payable from Restricted Funds	<u>-</u>	<u>26,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,464</u>
<b>Total Liabilities</b>	<b><u>16,843,422</u></b>	<b><u>208,177</u></b>	<b><u>299,195</u></b>	<b><u>4,366,044</u></b>	<b><u>28,652</u></b>	<b><u>1,321,154</u></b>	<b><u>23,066,644</u></b>
<b>Fund Balances:</b>							
Non-Spendable Fund Balance	477,087	-	-	-	-	-	477,087
Restricted Fund Balance	-	1,072,103	3,527,830	-	-	2,857,150	7,457,083
Unrestricted Fund Balance							
Committed Fund Balance	13,118,597	-	-	14,628,660	2,665,738	1,355,676	31,768,671
Assigned Fund Balance	4,541,000	-	-	-	-	-	4,541,000
Unassigned Fund Balance	<u>19,632,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,632,997</u>
<b>Total Fund Balances</b>	<b><u>37,769,681</u></b>	<b><u>1,072,103</u></b>	<b><u>3,527,830</u></b>	<b><u>14,628,660</u></b>	<b><u>2,665,738</u></b>	<b><u>4,212,826</u></b>	<b><u>63,876,838</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$54,613,103</u></b>	<b><u>\$ 1,280,280</u></b>	<b><u>\$ 3,827,025</u></b>	<b><u>\$ 18,994,704</u></b>	<b><u>\$ 2,694,390</u></b>	<b><u>\$ 5,533,980</u></b>	<b><u>\$ 86,943,482</u></b>

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

**CECIL COUNTY, MARYLAND**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

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

<b>Total Fund Balances for Government Funds (Page 18)</b>		<b>\$ 63,876,838</b>
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation, as detailed in Note 6, are included in the Statement of Net Assets. Also excluded are \$236,444 of internal service fund capital assets accounted for in the following line.		204,811,389
Internal service funds are used by management to charge the costs of fleet management and health insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. The increase is equal to the internal service fund net assets.		7,943,890
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unearned revenue in the funds.		
Property Taxes	\$ (258,160)	
Income Taxes	<u>10,677,304</u>	10,419,144
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Over Funding of Net OPEB Obligation	\$ 1,003,488	
Compensated Absences	\$ (1,646,244)	
Accrued interest on long-term debt	(1,141,072)	
Deferred - Bond Premium	(5,380,516)	
Deferred - Bond Issuance Costs	4,248,239	
Deferred - Advance Refunding Difference	801,471	
Bonds and Notes Payable	<u>(147,002,932)</u>	<u>(149,117,566)</u>
<b>Total Net Assets of Governmental Activities (Page 16)</b>		<b><u>\$ 137,933,695</u></b>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	General	Housing Programs	Casino Local Impact	General Capital Projects	Board of Education Construction	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 102,628,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,628,643
Special Assessments - Current	-	-	-	-	-	13,988	13,988
Income Taxes	49,813,198	-	-	-	-	-	49,813,198
Licenses and Permits	1,545,645	-	-	-	-	-	1,545,645
Intergovernmental	5,992,955	4,126,632	3,461,994	12,708,693	-	1,361,058	27,651,332
Charges for Services	5,654,850	-	-	-	-	236,990	5,891,840
Investment Earnings	281,792	2,547	2,998	-	-	5,450	292,787
Contributions & Other Revenues	44,983	27,057	-	-	-	-	72,040
<b>Total Revenues</b>	<b>165,962,086</b>	<b>4,156,236</b>	<b>3,464,992</b>	<b>12,708,693</b>	<b>-</b>	<b>1,617,486</b>	<b>187,909,473</b>
<b>EXPENDITURES</b>							
Current:							
General Government	13,106,207	-	-	-	-	-	13,106,207
Public Safety	33,398,961	-	-	-	-	45,509	33,444,470
Highways, Streets, and Bridges	9,601,220	-	-	-	-	-	9,601,220
Health and Welfare	5,087,208	4,429,108	-	-	-	2,562,070	12,078,386
Recreation and Culture	928,135	-	-	-	-	46	928,181
Education	75,267,220	-	-	-	-	-	75,267,220
Public Libraries	4,283,817	-	-	-	-	-	4,283,817
Economic Development	867,101	-	739,135	-	-	-	1,606,236
Agriculture	558,768	-	-	-	-	-	558,768
Municipalities	725,251	-	-	-	-	-	725,251
Debt Service:							
Principal	-	-	-	-	-	10,935,206	10,935,206
Interest	-	-	-	-	-	4,838,557	4,838,557
Capital Outlay	-	-	-	23,169,179	2,205,921	1,636,112	27,011,212
<b>Total Expenditures</b>	<b>143,823,888</b>	<b>4,429,108</b>	<b>739,135</b>	<b>23,169,179</b>	<b>2,205,921</b>	<b>20,017,500</b>	<b>194,384,731</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>22,138,198</b>	<b>(272,872)</b>	<b>2,725,857</b>	<b>(10,480,486)</b>	<b>(2,205,921)</b>	<b>(18,400,014)</b>	<b>(6,475,258)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from							
Capital Asset Disposal	74,639	-	-	-	-	-	74,639
Bonds Issued	-	-	-	11,504,000	560,000	1,203,000	13,267,000
Premium on Debt Issued	-	-	-	899,972	-	2,470,270	3,370,242
Refunding Bonds Issued	-	-	-	-	-	25,860,000	25,860,000
Bond Issuance Cost	-	-	-	(53,968)	-	(173,490)	(227,458)
Advance Refunding Agent	-	-	-	-	-	(28,156,780)	(28,156,780)
Transfers In	860,981	22,307	-	4,177,185	1,421,248	17,440,905	23,922,626
Transfers Out	(21,657,645)	-	(2,155,000)	-	-	(109,981)	(23,922,626)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,722,025)</b>	<b>22,307</b>	<b>(2,155,000)</b>	<b>16,527,189</b>	<b>1,981,248</b>	<b>18,533,924</b>	<b>14,187,643</b>
<b>Net Change in Fund Balances</b>	<b>1,416,153</b>	<b>(250,565)</b>	<b>570,857</b>	<b>6,066,703</b>	<b>(224,673)</b>	<b>133,910</b>	<b>7,712,385</b>
<b>Fund Balances - June 30, 2011</b>	<b>36,353,528</b>	<b>1,322,668</b>	<b>2,956,973</b>	<b>8,561,957</b>	<b>2,890,411</b>	<b>4,078,916</b>	<b>56,164,453</b>
<b>Fund Balances - June 30, 20112</b>	<b>\$ 37,769,681</b>	<b>\$ 1,072,103</b>	<b>\$ 3,527,830</b>	<b>\$ 14,628,660</b>	<b>\$ 2,665,738</b>	<b>\$ 4,212,826</b>	<b>\$ 63,876,838</b>

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

**CECIL COUNTY, MARYLAND**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

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

**Net Change in Fund Balances - Total Government Funds (Page 20)** \$ 7,712,385

Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$29,003,792) exceed depreciation (\$10,030,577) in the current period. Depreciation excludes \$20,759 from the internal service fund. 18,973,214

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset less accumulated depreciation. (33,808)

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

Property Taxes	\$	(52,875)	
Income Taxes		<u>(2,470,225)</u>	
Net Adjustment			(2,523,100)

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

	<u>Debt Issued</u>	<u>Repayments:</u>	
General Obligation bonds	\$ (13,267,000)	\$ 10,935,206	
Current Refunding	(25,860,000)	28,156,780	
Issuance Costs & Similar Items	<u>(3,142,781)</u>	<u>(48,207)</u>	
Net Adjustment	(42,269,781)	<u>39,043,779</u>	(3,226,002)

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

Change in OPEB Accrual	\$	1,003,488	
Compensated Absences	\$	(25,423)	
Accrued interest on long-term debt		<u>(52,600)</u>	
Net Adjustment			925,465

The change in net assets of certain internal service funds are reported with governmental activities. 1,774,812

**Change in Net Assets of Government Activities (Page 17)** \$ 23,602,966

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Property Taxes	\$ 101,759,980	\$101,759,980	\$ 102,628,643	\$ 868,663
Income Taxes	44,836,172	44,836,172	49,813,198	4,977,026
Licenses and Permits	1,404,950	1,423,848	1,545,645	121,797
Intergovernmental	5,610,736	7,514,210	5,992,955	(1,521,255)
Charges for Services	6,350,508	6,434,524	5,654,850	(779,674)
Investment Earnings	875,000	875,000	281,792	(593,208)
Contributions & Other Revenues	2,000	2,000	44,983	42,983
<b>Total Revenues</b>	<u>160,839,346</u>	<u>162,845,734</u>	<u>165,962,066</u>	<u>3,116,332</u>
<b>EXPENDITURES</b>				
Current:				
General Government	13,483,333	13,834,942	13,106,207	728,735
Public Safety	33,420,623	34,686,342	33,398,961	1,287,381
Highways, Streets, and Bridges	8,744,503	10,011,638	9,601,220	410,418
Health and Welfare	5,101,228	5,595,472	5,087,208	508,264
Recreation and Culture	957,521	1,019,315	928,135	91,180
Education	75,267,220	75,267,220	75,267,220	-
Public Libraries	4,283,817	4,283,817	4,283,817	-
Economic Development	898,327	972,190	867,101	105,089
Agriculture	585,169	585,169	558,768	26,401
Municipalities	715,624	715,624	725,251	(9,627)
<b>Total Expenditures</b>	<u>143,457,365</u>	<u>146,971,729</u>	<u>143,823,888</u>	<u>3,147,841</u>
<b>Excess of Revenues</b>				
<b>Over Expenditures</b>	<u>17,381,981</u>	<u>15,874,005</u>	<u>22,138,178</u>	<u>6,264,173</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Asset Disposal	-	-	74,639	74,639
Operating Transfers In	751,000	751,000	860,981	109,981
Transfers Out	(19,775,887)	(22,363,213)	(21,657,645)	705,568
<b>Total Other Financing Sources (Uses)</b>	<u>(18,273,887)</u>	<u>(21,612,213)</u>	<u>(20,722,025)</u>	<u>890,188</u>
<b>Net Change in Fund Balance</b>	(891,906)	(5,738,208)	1,416,153	7,154,361
<b>Fund Balance - June 30, 2011</b>	<u>24,569,514</u>	<u>18,870,729</u>	<u>36,353,528</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 23,677,608</u>	<u>\$ 13,132,521</u>	<u>\$ 37,769,681</u>	<u>\$ 24,637,160</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**HOUSING PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 5,186,956	\$ 4,275,180	\$ 4,126,632	\$ (148,548)
Investment Earnings	-	-	2,547	2,547
Contributions & Other Revenues	-	-	27,057	27,057
<b>Total Revenues</b>	<u>5,186,956</u>	<u>4,275,180</u>	<u>4,156,236</u>	<u>(118,944)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>5,202,300</u>	<u>4,737,858</u>	<u>4,429,108</u>	<u>308,750</u>
<b>Total Expenditures</b>	<u>5,202,300</u>	<u>4,737,858</u>	<u>4,429,108</u>	<u>308,750</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(15,344)</u>	<u>(462,678)</u>	<u>(272,872)</u>	<u>189,806</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	<u>15,344</u>	<u>16,000</u>	<u>22,307</u>	<u>6,307</u>
<b>Net Change in Fund Balance</b>	-	(446,678)	(250,565)	196,113
<b>Fund Balance - June 30, 2011</b>	<u>2,159,997</u>	<u>1,291,305</u>	<u>1,322,668</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 2,159,997</u>	<u>\$ 844,627</u>	<u>\$ 1,072,103</u>	<u>\$ 227,476</u>

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR FUND**  
**CASINO LOCAL IMPACT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 3,021,667	\$ 3,021,667	\$ 3,461,994	\$ 440,327
Investment Earnings	-	-	2,998	2,998
<b>Total Revenues</b>	<u>3,021,667</u>	<u>3,021,667</u>	<u>3,464,992</u>	<u>443,325</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	-	500,000	739,135	(239,135)
<b>Total Expenditures</b>	<u>-</u>	<u>500,000</u>	<u>739,135</u>	<u>(239,135)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>3,021,667</u>	<u>2,521,667</u>	<u>2,725,857</u>	<u>204,190</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(2,155,000)	(2,155,000)	(2,155,000)	-
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>(2,155,000)</u>	<u>(2,155,000)</u>	<u>(2,155,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	866,667	366,667	570,857	204,190
<b>Fund Balance - June 30, 2011</b>	-	-	2,956,973	-
<b>Fund Balance - June 30, 2012</b>	<u>\$ 866,667</u>	<u>\$ 366,667</u>	<u>\$ 3,527,830</u>	<u>\$ 204,190</u>

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

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**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	\$ -	\$ 4,296,716	\$ 5,489,746	\$ 9,786,462	\$ 5,405,149
Cash Equivalents	-	-	-	-	5,279,137
Receivables, Net:					
Accounts	-	1,297,815	371,410	1,669,225	17,379
Other	-	4,754	22,094	26,848	-
Due from Other Governments	-	55,122	7,668	62,790	15,097
Inventory	-	-	-	-	16,300
Prepaid Items and Other Assets	-	19,402	7,471	26,873	210,400
<b>Total Current Assets</b>	<b>-</b>	<b>5,673,809</b>	<b>5,898,389</b>	<b>11,572,198</b>	<b>10,943,462</b>
<b>Non-Current Assets:</b>					
Accounts Receivable - Non-Current	-	2,008,572	-	2,008,572	-
Capital Assets, Net:					
Land	-	363,973	480,838	844,811	-
Construction in Progress	-	3,548,396	1,905,922	5,454,318	-
Landfill and Land Improvements	-	1,216,809	20,848,378	22,065,187	-
Wastewater Lines	-	21,221,016	-	21,221,016	-
Buildings	-	7,370,215	3,056,958	10,427,173	220,679
Machinery & Equipment	-	16,215,610	5,046,773	21,262,383	15,765
<b>Total Non-Current Assets</b>	<b>-</b>	<b>51,944,591</b>	<b>31,338,869</b>	<b>83,283,460</b>	<b>236,444</b>
<b>Total Assets</b>	<b>-</b>	<b>57,618,400</b>	<b>37,237,258</b>	<b>94,855,658</b>	<b>11,179,906</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	-	590,227	372,293	962,520	160,619
Construction Retainage Payable	-	16,069	80,483	96,552	-
Salary & Benefits Payable	-	26,356	41,330	67,686	-
Accrued Expenses & Other Liabilities	-	129,342	278,419	407,761	2,808,545
Due to Other Funds	-	-	-	-	265,759
Deferred Revenue	-	-	-	-	1,093
Bonds Payable	-	1,663,850	1,366,799	3,028,642	-
Compensated Absences	-	31,329	38,145	69,474	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>2,457,173</b>	<b>2,177,469</b>	<b>4,634,642</b>	<b>3,236,016</b>
<b>Non-Current Liabilities:</b>					
Bonds Payable					
(Net of Unamortized Discounts)	-	26,776,658	17,745,644	44,524,309	-
Compensated Absences	-	15,664	19,072	34,736	-
Accrued Landfill Closure and Postclosure Costs	-	-	7,667,784	7,667,784	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>26,792,322</b>	<b>25,432,500</b>	<b>52,224,822</b>	<b>-</b>
<b>Total Liabilities</b>	<b>-</b>	<b>29,249,495</b>	<b>27,609,969</b>	<b>56,859,464</b>	<b>3,236,016</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	-	23,735,106	14,734,990	38,470,096	236,444
Restricted for:					
Capital Projects	-	2,239,595	2,508,564	4,748,159	-
Unrestricted	-	2,394,204	(7,616,265)	(5,222,061)	7,707,446
<b>Total Net Assets</b>	<b>\$ -</b>	<b>\$ 28,368,905</b>	<b>\$ 9,627,289</b>	<b>\$ 37,996,194</b>	<b>\$ 7,943,890</b>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for Services:					
Sales and User Fees	\$ 653,831	\$ 4,632,330	\$ 5,191,842	\$ 10,478,003	\$ 12,656,499
Intergovernmental	-	105,420	-	105,420	-
<b>Total Operating Revenues</b>	<b>653,831</b>	<b>4,737,750</b>	<b>5,191,842</b>	<b>10,583,423</b>	<b>12,656,499</b>
<b>OPERATING EXPENSES</b>					
Salaries and Related	119,995	861,516	1,393,937	2,375,448	-
Materials, Supplies, and Services	467,615	1,752,195	1,739,859	3,959,669	2,808,958
Benefit Payments	-	-	-	-	8,093,330
Depreciation	85,142	2,362,418	1,279,120	3,726,680	20,759
Depletion	-	-	597,440	597,440	-
Landfill Closure and Postclosure	-	-	609,447	609,447	-
<b>Total Operating Expenses</b>	<b>672,752</b>	<b>4,976,129</b>	<b>5,619,803</b>	<b>11,268,684</b>	<b>10,923,047</b>
<b>Operating Income (Loss)</b>	<b>(18,921)</b>	<b>(238,379)</b>	<b>(427,961)</b>	<b>(685,261)</b>	<b>1,733,452</b>
<b>NON-OPERATING</b>					
<b>REVENUES (EXPENSES)</b>					
Investment Earnings	-	9,070	4,340	13,410	41,360
Interest Expense	-	(758,229)	(560,644)	(1,318,873)	-
Loss on Sale of Capital Assets	(460,494)	-	(10,446)	(470,940)	-
<b>Total Non-Operating</b>	<b>(460,494)</b>	<b>(749,159)</b>	<b>(566,750)</b>	<b>(1,776,403)</b>	<b>41,360</b>
<b>Revenues (Expenses)</b>	<b>(460,494)</b>	<b>(749,159)</b>	<b>(566,750)</b>	<b>(1,776,403)</b>	<b>41,360</b>
<b>Income (Loss) before</b>					
<b>Contributions and Transfers</b>	<b>(479,415)</b>	<b>(987,538)</b>	<b>(994,711)</b>	<b>(2,461,664)</b>	<b>1,774,812</b>
<b>Capital Contributions:</b>					
Sewage and Water Connection Fees	-	1,581,657	-	1,581,657	-
Developers Capital Contributions	-	129,180	-	129,180	-
Transfers In	-	2,248,311	-	2,248,311	-
Transfers Out	(2,248,311)	-	-	(2,248,311)	-
<b>Change in Net Assets</b>	<b>(2,727,726)</b>	<b>2,971,610</b>	<b>(994,711)</b>	<b>(750,827)</b>	<b>1,774,812</b>
<b>Net Assets - June 30, 2011</b>	<b>2,727,726</b>	<b>25,397,295</b>	<b>10,622,000</b>	<b>38,747,021</b>	<b>6,169,078</b>
<b>Net Assets - June 30, 2012</b>	<b>\$ -</b>	<b>\$ 28,368,905</b>	<b>\$ 9,627,289</b>	<b>\$37,996,194</b>	<b>\$ 7,943,890</b>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Total</u>	<u>Activities - Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers and Users	\$ 938,234	\$ 4,519,635	\$ 5,396,222	\$ 10,854,091	\$ 12,987,493
Payments to Suppliers	(731,961)	(1,584,048)	(2,774,200)	(5,090,209)	(10,883,326)
Payments to Employees	(145,634)	(869,766)	(1,422,448)	(2,437,848)	-
<b>Net Cash from Operating Activities</b>	<u>60,639</u>	<u>2,065,821</u>	<u>1,199,574</u>	<u>3,326,034</u>	<u>2,104,167</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>					
Advances from Other Funds	-	-	-	-	167,823
<b>Net Cash from Non-Capital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,823</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from Bond Issues	-	1,510,320	-	1,510,320	-
Transfer from Close of Water Fund	(2,248,311)	2,248,311	-	-	-
Sewage and Water Connection Fees	-	1,581,657	-	1,581,657	-
Acquisition and Construction of Capital Assets	-	(2,118,025)	(4,768,282)	(6,886,307)	(15,097)
Principal Paid on Bond Maturities and Capital Lease:	-	(1,638,654)	(900,720)	(2,539,374)	-
Interest Paid on Bonds and Capital Leases	-	(758,229)	(558,085)	(1,316,314)	-
Proceeds from Sale of Capital Assets	2,187,672	-	65,505	2,253,177	-
<b>Net Cash from Capital and Related Financing Activities</b>	<u>(60,639)</u>	<u>825,380</u>	<u>(6,161,582)</u>	<u>(5,396,841)</u>	<u>(15,097)</u>
<b>Cash Flows From Investing Activities:</b>					
Interest on Investments	-	9,070	4,340	13,410	41,360
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>-</u>	<u>2,900,271</u>	<u>(4,957,668)</u>	<u>(2,057,397)</u>	<u>2,298,253</u>
<b>Cash and Cash Equivalents - June 30, 2011</b>	<u>-</u>	<u>1,396,445</u>	<u>10,447,414</u>	<u>11,843,859</u>	<u>8,386,033</u>
<b>Cash and Cash Equivalents - June 30, 2012</b>	<u>\$ -</u>	<u>\$ 4,296,716</u>	<u>\$ 5,489,746</u>	<u>\$ 9,786,462</u>	<u>\$ 10,684,286</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>	
	<u>Water</u>	<u>Wastewater</u>	<u>Landfill</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>	
<b>Reconciliation of Operating Income to Net Cash from Operating Activities:</b>					
Operating Income (Loss)	\$ (18,921)	\$ (238,379)	\$ (427,961)	\$ (685,261)	\$ 1,733,452
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation and Depletion	85,142	2,362,418	1,876,560	4,324,120	20,759
Increase in Closure/Postclosure Liability	-	-	609,447	609,447	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	284,392	(218,115)	204,379	270,656	331,566
Other Assets	-	2,807	4,425	7,232	1,890
Accounts Payable	(264,335)	160,745	(1,029,907)	(1,133,497)	(31,477)
Salaries & Benefits Payable	(13,214)	(11,615)	(31,314)	(56,143)	-
Accrued Expenses	-	4,596	(8,859)	(4,263)	48,549
Deferred Revenue	-	-	-	-	(572)
Compensated Absences	(12,425)	3,364	2,804	(6,257)	-
<b>Net Cash Provided from Operating Activities</b>	<u>\$ 60,639</u>	<u>\$ 2,065,821</u>	<u>\$ 1,199,574</u>	<u>\$ 3,326,034</u>	<u>\$ 2,104,167</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	<u>Trust Funds</u>		<u>Agency Funds</u>
	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>State &amp; Town Collections</u>
<b>ASSETS</b>			
Cash	\$ 128,482	\$ 215,228	\$ 932,019
Receivables, Net:			
Property Taxes & Fees	-	-	149,170
Investments, at fair value:			
Institutional Separate Accounts	27,720,273	-	-
Mutual Funds	-	2,358,033	-
Total Investments	<u>27,720,273</u>	<u>2,358,033</u>	<u>-</u>
<b>Total Assets</b>	<u>27,848,755</u>	<u>2,573,261</u>	<u>1,081,189</u>
<b>LIABILITIES</b>			
Accounts Payable	1,703	-	-
Due to Other Governments	-	-	1,081,189
<b>Total Liabilities</b>	<u>1,703</u>	<u>-</u>	<u>1,081,189</u>
<b>NET ASSETS</b>			
Held in Trust for:			
Employee Benefits	27,847,052	2,573,261	-
<b>Total Net Assets</b>	<u>\$ 27,847,052</u>	<u>\$ 2,573,261</u>	<u>\$ -</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Trust Funds</u>	
	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>
<b>ADDITIONS</b>		
Contributions		
Cecil County	\$ 2,220,158	\$ 915,000
Participants	845,230	-
Total Contributions	<u>3,065,388</u>	<u>915,000</u>
<b>INVESTMENT INCOME</b>		
Net Appreciation (Depreciation) in Fair Value of Investments	(263,136)	(27,758)
Interest and Dividends	563,705	50,964
	300,569	23,206
Less: Investment Expense	<u>(243,068)</u>	<u>(15,041)</u>
Net Investment Income (Loss)	<u>57,501</u>	<u>8,165</u>
Total Additions	<u>3,122,889</u>	<u>923,165</u>
<b>DEDUCTIONS</b>		
Benefit Payments	1,102,667	573,650
Refunds of Contributions	565,050	-
Administrative Expense	56,176	6,313
Total Deductions	<u>1,723,893</u>	<u>579,963</u>
<b>Change in Net Assets</b>	1,398,996	343,202
<b>Net Assets - June 30, 2011</b>	<u>26,448,056</u>	<u>2,230,059</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 27,847,052</u>	<u>\$ 2,573,261</u>

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



**CECIL COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2012**

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Public Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 26,525,055	\$ 2,521,678	\$ 1,163,954	\$ 79,627	\$ 30,290,314
Investments	3,347,115	1,900,000	-	-	5,247,115
Receivables, Net	157,119	896,341	47,655	162,000	1,263,115
Due from Primary Government	34,630	897,109	-	-	931,739
Due from Other Governments	3,418,130	556,227	-	-	3,974,357
Inventories	223,646	-	-	-	223,646
Prepaid Expenses & Other Assets	777,885	560,767	-	-	1,338,652
Restricted Assets:					
Cash and Investments	-	4,222,598	-	-	4,222,598
Capital Assets, Net:					
Land	1,202,153	1,779,763	-	3,549,600	6,531,516
Construction in Progress	4,543,767	2,014,890	-	-	6,558,657
Land Improvements	11,409,016	-	-	-	11,409,016
Buildings & Leasehold Improvements	149,300,301	42,862,472	-	-	192,162,773
Machinery & Equipment	10,326,746	1,272,671	2,650,147	3,958	14,253,522
<b>Total Assets</b>	<u>211,265,563</u>	<u>59,484,516</u>	<u>3,861,756</u>	<u>3,795,185</u>	<u>278,407,020</u>
<b>LIABILITIES</b>					
Accounts Payable	3,115,650	1,874,949	38,088	811,462	5,840,149
Accrued Salaries and Benefits	13,165,096	829,501	65,072	-	14,059,669
Unearned Revenue	984,210	1,171,969	-	80,000	2,236,179
Due within one year:					
Capital Leases	1,517,121	-	-	-	1,517,121
Insurance Claims Payable	1,947,000	-	-	-	1,947,000
Compensated Absences	445,289	-	-	-	445,289
Due in more than one year:					
Capital Leases	6,191,050	-	-	-	6,191,050
Compensated Absences	2,367,460	-	-	-	2,367,460
<b>Total Liabilities</b>	<u>29,732,876</u>	<u>3,876,419</u>	<u>103,160</u>	<u>891,462</u>	<u>34,603,917</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	169,073,812	47,929,796	2,650,147	3,553,558	223,207,313
Restricted for:					
Capital Projects	47,848	-	-	-	47,848
Donor Restrictions	-	4,046,827	-	-	4,046,827
Unrestricted	12,411,027	3,631,474	1,108,449	(649,835)	16,501,115
<b>Total Net Assets</b>	<u>\$181,532,687</u>	<u>\$ 55,608,097</u>	<u>\$ 3,758,596</u>	<u>\$ 2,903,723</u>	<u>\$ 243,803,103</u>

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

**CECIL COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Grants and Contributions			Component Units				
		Charges for Services	Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	Total
<b>Board of Education</b>									
Instruction	\$ 199,227,031	\$ 257,499	\$ 59,509,110	\$ 4,747,799	\$(134,712,623)	\$ -	\$ -	\$ -	\$(134,712,623)
Student Services	5,816,017	2,212,433	4,024,370	-	420,786	-	-	-	420,786
Interest on Long term Del	155,244	-	-	-	(155,244)	-	-	-	(155,244)
Total Board of Education	<u>\$ 205,198,292</u>	<u>\$ 2,489,932</u>	<u>\$ 63,533,480</u>	<u>\$ 4,747,799</u>	<u>\$(134,447,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$(134,447,081)</u>
<b>Cecil College</b>									
Instruction	\$ 28,874,784	\$ 5,125,775	\$ 5,172,298	\$ 1,859,541	-	(16,717,170)	-	-	(16,717,170)
Student Services	1,554,996	1,615,828	-	-	-	60,832	-	-	60,832
Total Cecil Community College	<u>\$ 30,429,780</u>	<u>\$ 6,741,603</u>	<u>\$ 5,172,298</u>	<u>\$ 1,859,541</u>	<u>-</u>	<u>\$(16,656,338)</u>	<u>-</u>	<u>-</u>	<u>\$(18,656,338)</u>
<b>Cecil County Public Library</b>									
Public Libraries	\$ 5,871,247	\$ 166,254	\$ -	\$ -	-	-	(5,704,993)	-	(5,704,993)
<b>Bainbridge Development Corporation</b>									
Economic Development	\$ 424,513	\$ 12,000	\$ -	\$ -	-	-	-	(412,513)	(412,513)
<b>General Revenues:</b>									
Payments From the Primary Government					67,156,014	7,923,308	4,283,818	-	79,363,140
Payments From the State Government					63,388,472	4,977,419	1,190,362	-	69,558,253
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	3,351,806	-	-	3,351,806
Investment Earnings					25,693	131,809	1,939	33	159,474
Other Revenues including Capital Asset Sales Gains					241,568	153,981	56,790	110,054	562,393
Total General Revenues, Special Items, and Transfers					<u>130,811,747</u>	<u>18,538,323</u>	<u>5,532,909</u>	<u>110,087</u>	<u>152,993,066</u>
Change in Net Assets					(3,835,334)	(118,015)	(172,084)	(302,426)	(4,227,859)
<b>Net Assets - June 30, 2011</b>					<u>185,168,021</u>	<u>55,726,112</u>	<u>3,930,680</u>	<u>3,206,149</u>	<u>248,030,962</u>
<b>Net Assets - June 30, 2012</b>					<u>\$ 181,532,687</u>	<u>\$ 55,608,097</u>	<u>\$ 3,758,596</u>	<u>\$ 2,903,723</u>	<u>\$ 243,803,103</u>

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

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**1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles (GAAP) in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) has issued the following accounting standards listed below which the County is evaluating the effects of these pronouncements and plans to adopt them as applicable by their effective dates.

Statement No. 61 The Financial Reporting Entity: Omnibus – An amendment of GASB No. 14 & No. 34.

Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

Statement No. 63 Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources, and Net Position.

Statement No. 65 Items Previously Reported as Assets and Liabilities.

Statement No. 66 Technical Corrections – 2012 an amendment of GASB Statements No. 10 & No. 62.

Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.

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

The following summarizes the County's significant accounting policies:

**A. Financial Reporting Entity**

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

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

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

The Cecil County Pension Plan for Public Safety Employees (the Plan) is a public employee retirement plan that covers certain public safety employees. The County appoints all members of the Plan's trustees, makes all employer contributions to the Plan, only County public safety employees can be members of the Plan, and the County is financially responsible for the Plan's pension obligations.

The Cecil County Maryland Non-Pension Employment Benefits Plan collects monies to assist retirees with payment of post-retirement health insurance premiums. Both Plans are fiduciary funds of the County.

**Discretely Presented Component Units**

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

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

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

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

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

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

Cecil College  
One Seahawk Drive  
North East, MD 21901

Cecil County Public Library  
301 Newark Avenue  
Elkton, MD 21921

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

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

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

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

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

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

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

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

**Government Fund Financial Statements**

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

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

The County reports the following major governmental funds:

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

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

The **Casino Local Impact Fund**, a special revenue fund, was established to account for the County's share of the revenue generated at Penn National's Hollywood Casino Perryville. The County has agreed to share 35% of the revenue with the Town of Perryville.

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

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

The County reports the following major enterprise funds:

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

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

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

The County also reports the following fund types:

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

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

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

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

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

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

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

**Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments maturing within 90 days. Available funds are pooled in the General Fund and investment income is recorded in the General Fund unless required to do otherwise by statute, grant, or covenant.

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



**Receivables and Payables**

**Property taxes** on real estate are recorded as receivables and attached as an enforceable lien on property on July 1, the date levied. Semi-annual installment payments are mandatory for qualified properties unless the taxpayer chooses to pay in one installment. Qualified property is defined as "an owner-occupied principal residence or certain commercial properties whose real estate tax amount is less than \$50,000." Under the semi-annual plan, one-half of the tax bill is due September 30 with the balance due on December 31. For all other properties, the bill is due in its entirety on September 30. After the due date, interest is charged on the delinquent portion at one percent per month. A three percent penalty is charged March 1 and thereafter. The County holds an annual property tax lien certificate sale the first Monday of June to collect all unpaid property taxes as of that date.

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

The County bills and collects its own property taxes, and revenues are recognized in the government funds in the period in which they become susceptible to accrual, that is, when they become both measurable and available. Outstanding tax levies are offset on the government fund balance sheet by deferred revenues in the liabilities section. Annual, interim and delinquent real estate taxes as yet uncollected are included as deferred revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2013, are recorded as revenue.

**Local income taxes** are collected on behalf of the County by the State of Maryland and are remitted to the County monthly except for the months of April and December. In the event a taxpayer lives in an incorporated municipality, the County only receives 33 percent of the income tax, with the remainder going to the respective municipality. The tax rate is determined annually by the Board of County Commissioners. For the tax years ended December 31, 2011 and 2012, the local income tax rate was 2.80 percent of Maryland taxable income. Income taxes collected by the State and remitted within the first 60 days of the next fiscal year, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due to the County from transactions prior to year-end but not collected within 60 days are recorded in the governmental fund balance sheet as a receivable and an equal amount deferred as not available.

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

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

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

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

**Inventories and Prepaid Items**

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

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

**Restricted Assets**

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

**Capital Assets**

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

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

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

**Deferred Revenue**

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

**Compensated Absences**

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

**Long-Term Liabilities**

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

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

**Net Assets and Fund Equity**

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

In the governmental fund financial statements, non-spendable and restricted fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Committed fund balance represents amounts that are reserved for a particular purpose by the Board of County Commissioners and would require action by the board to release the fund balance from its commitment. Assigned fund balance represent tentative management plans that are subject to change.

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

**A. Budgetary Accounting and Control**

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

- a. The County adopts legal annual budgets for the general fund, certain special revenue funds and the debt service fund. The County legally adopts project length budgets for its capital projects funds. Since project periods may differ from the County's fiscal year, a comparison of budgetary

information for the combined capital projects funds would not be meaningful and has not been presented in the accompanying financial statements.

- b. As of February 1 of each year, County department heads are required to submit to the Board of Estimates preliminary operating budgets for the fiscal year commencing the following July 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases of operating expenditures (i.e. additional employees, capital expenditures).
- c. The submitted budgets are then subject to a detailed review by the Board of Estimates. This review process, which continues through May, includes meetings with the department heads, making comparisons with prior years' spending patterns, and forecasting future needs.
- d. As required by the County Code, the proposed budget is made available for public inspection for at least 10 days prior to the date of adoption, with adoption required by June 1. Simultaneous to the budget adoption, the Board of Estimates adopts the appropriate measures required to put the budget into effect and fixes the rate of taxation.
- e. After the legal adoption of the budget, the Commissioners file a copy of the budget with the Department of Fiscal Services of the State of Maryland. Should supplemental budget appropriations be required, the Commissioners may authorize such budget changes at the scheduled Commissioners' meetings. The County's legal level of budgetary control is at the departmental level. Department heads may make budget amendments within their respective departments, however all amendments above the departmental level, i.e., interdepartmental and functional, require the formal approval of the County Commissioners in public session. The original budget adopted for the fiscal year ended June 30, 2012, and the budget as revised for budget amendments approved by the County Commissioners during the year are presented as part of the budget versus actual schedules presented in these financial statements.
- f. Expenditures may not legally exceed budgeted appropriations at the departmental level. Appropriations lapse at fiscal year-end for all funds except the capital projects funds. The County legally adopts project-length budgets for its capital projects funds and unexpended appropriations automatically carry forward to the next fiscal year.

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

Governmental funds, for which budgets have been legally adopted and included in the appropriate Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the year ended June 30, 2012, were the General Fund and certain Special Revenue Funds.

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

**C. Expenditures Over Appropriations**

During the year end June 30, 2012, expenditures exceeded appropriations as follows:

General Fund	Central Store Building Maintenance	\$	29
	Human Resources		3,676
	Sheriff Patrol - Special Assignments		308
	Emergency Medical Services		16,576
	Soil Conservation		2,599
	Municipalities		9,627

**3. Deposit and Investment Portfolio Disclosure**

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

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

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

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Discretely Presented Component Units</u>
<b><u>Cash</u></b>			
Insured Deposits (FDIC)	\$ 9,626,304	\$ 26,548	\$ 3,222,834
Money Market Mutual Funds	-	317,162	180,894
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	20,598,848	932,019	26,480,807
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	-	-	2,058,866
CDARS due within 90 days (FDIC Insured)	10,572,127	-	-
<b>Total Cash</b>	<b>\$ 40,797,279</b>	<b>\$ 1,275,729</b>	<b>\$ 31,943,401</b>
<b><u>Investments</u></b>			
Certificates of Deposit due greater than 90 days - Collateral held by pledging bank's agent in the County or Unit's name	\$ 7,192,154	\$ -	\$ 1,643,516
CDARS due greater than 90 days (FDIC Insured)	18,571,195	-	-
Other governmental agencies	3,001,874	-	-
Investment in Maryland Local Government Investment Pool	8,963,927	-	3,603,599
Institutional Separate Accounts	-	27,720,273	-
Balanced Fund Mutual Fund	-	2,358,033	4,031,068
<b>Total Investments</b>	<b>\$ 37,729,150</b>	<b>\$ 30,078,306</b>	<b>\$ 9,278,183</b>

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

With regards to the Pension Plan, no rating was available for the money market fund. The Plan holds nine institutional separate accounts, which were rated by Morning Star, of which one received a 5 star rating, one received a 4 star rating, six of the accounts received a 3 star rating and one account received a 2 star, with 5 being the best and 1 being the worst.

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

**Interest Rate Risk** The County limits its interest rate risk by primarily investing in securities with maturity dates under five years. All U.S. Treasury, and U.S. Agencies investments are held by the general fund. It is the policy of the general fund to hold investments until maturity unless there is an economic reason to do otherwise. Listed below are the investments and maturities as of June 30, 2012:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Over 10 Years</u>
U.S. Agencies - Other	\$ 3,001,874	\$ 2,000,076	\$ 1,001,798	\$ -	\$ -

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

The Pension Plan's investment policy applies the prudent person rule to its investments. The Plan invests in Institutional Separate Accounts, which are essentially mutual funds. This sub-advised approach provides the Plan with access to some of the most respected investment professionals in the industry. The investment policy establishes an asset allocation by asset class where allowable ranges are identified by asset class. Rebalancing is performed on at least a quarterly basis, as appropriate, such that the allocation for each asset class shall not exceed the bounds of the allowable ranges. During the years ended June 30, 2012 and 2011, the Plan complied with the Plan's investment policy.

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

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

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 40,797,279	\$ 1,275,729	\$ 31,943,401	\$ 74,016,409
Investments	37,729,150	30,078,306	9,278,183	77,085,639
Petty Cash Amounts	18,748	-	8,825	27,573
<b>Total</b>	<u>\$ 78,545,177</u>	<u>\$ 31,354,035</u>	<u>\$ 41,230,409</u>	<u>\$ 151,129,621</u>
Unrestricted	\$ 70,931,607	\$ -	\$ 35,537,429	\$ 106,469,036
Restricted	7,613,570	-	4,222,598	11,836,168
Fiduciary Funds	-	31,354,035	1,470,382	32,824,417
<b>Total Cash and Investments</b>	<u>\$ 78,545,177</u>	<u>\$ 31,354,035</u>	<u>\$ 41,230,409</u>	<u>\$ 151,129,621</u>

**4. Receivables**

**Primary Government**

The following are receivables as of June 30, 2012, for the Government’s major and non-major funds including applicable allowances for uncollectible accounts. Receivables of the internal service funds in the amount of \$17,380 are included in the governmental activities of the government-wide statement.

	<u>Governmental Fund Financial Statements</u>					<u>Government-wide Statements</u>
	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Governmental Activities</u>
Receivables:						
Property Taxes	\$ 1,177,463	\$ -	\$ -	\$ -	\$ 1,177,463	\$ 1,177,463
Accounts	-	148,411	6,432	51	154,894	172,274
Notes	-	-	-	142,830	142,830	142,830
Interest and Other	1,045,484	-	-	278	1,045,762	1,045,762
<b>Gross Receivables</b>	<u>2,222,947</u>	<u>146,961</u>	<u>6,432</u>	<u>143,159</u>	<u>2,519,499</u>	<u>2,538,329</u>
Less: Allowances for Uncollectibles	<u>(692,367)</u>	<u>(146,961)</u>	<u>-</u>	<u>-</u>	<u>(839,328)</u>	<u>(839,328)</u>
<b>Net Total Receivables</b>	<u>\$ 1,530,580</u>	<u>\$ 1,450</u>	<u>\$ 6,432</u>	<u>\$ 143,159</u>	<u>\$ 1,681,621</u>	<u>\$ 1,699,001</u>

Receivables as of June 30, 2012 for the Government’s enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	Enterprise Fund Financial Statements				Government-wide Statements	
	Current			Non-Current	Business-type Activities	
	Water Services	Wastewater Services	Landfill Services	Total		
Receivables:						
Accounts	\$ -	\$ 1,371,336	\$ 463,158	\$ 1,834,494	\$ -	\$ 1,834,494
Other	-	4,754	22,094	26,848	-	26,848
Non-Current	-	-	-	-	2,008,572	2,008,572
Gross Receivables	-	1,376,090	485,252	1,861,342	2,008,572	3,869,914
Less: Allowances for Uncollectibles	-	(73,521)	(91,748)	(165,269)	-	(165,269)
Net Total Receivables	\$ -	\$ 1,302,569	\$ 393,504	\$ 1,696,073	\$ 2,008,572	\$ 3,704,645

**Component Units**

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

	Board of Education	Cecil College	Cecil County Library	Bainbridge Development Corporation	Total
Gross Receivables	157,119	1,475,622	47,655	162,000	1,842,396
Less: Allowances for Uncollectibles	-	(579,281)	-	-	(579,281)
Net Total Receivables	\$ 157,119	\$ 896,341	\$ 47,655	\$ 162,000	\$ 1,263,115

**5. Notes Receivable**

**Economic Development Revolving Loan Fund**

The fund provides small loans, through a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2012, there were four outstanding loans totaling \$142,830.



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

The capital asset activity for Governmental Activities for the year ended June 30, 2012, was as follows:

	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 13,142,227	\$ 60,708	\$ -	\$ 13,202,935
Construction in Progress	<u>28,140,022</u>	<u>23,407,217</u>	<u>(10,675,753)</u>	<u>40,871,486</u>
Total Capital Assets Not Being Depreciated	<u>41,282,249</u>	<u>23,467,925</u>	<u>(10,675,753)</u>	<u>54,074,421</u>
Capital Assets Being Depreciated:				
Land Improvements	6,081,129	1,552,844	(233,914)	7,400,059
Highways & Bridges	202,557,105	12,605,570	(1,113,296)	214,049,379
Building & Improvements	50,965,313	452,704	-	51,418,017
Machinery & Equipment	<u>33,137,271</u>	<u>1,615,599</u>	<u>(392,434)</u>	<u>34,360,436</u>
Total Capital Assets Being Depreciated	<u>292,740,818</u>	<u>16,226,717</u>	<u>(1,739,644)</u>	<u>307,227,891</u>
Less Accumulated Depreciation for:				
Land Improvements	(908,366)	(362,556)	233,914	(1,037,008)
Highways & Bridges	(119,621,856)	(5,800,653)	1,113,296	(124,309,213)
Building & Improvements	(12,326,017)	(1,263,909)	-	(13,589,926)
Machinery & Equipment	<u>(15,052,739)</u>	<u>(2,624,219)</u>	<u>358,626</u>	<u>(17,318,332)</u>
Total Accumulated Depreciation	<u>(147,908,978)</u>	<u>(10,051,337)</u>	<u>1,705,836</u>	<u>(156,254,479)</u>
Total Capital Assets Being Depreciated, Net	<u>144,831,840</u>	<u>6,175,380</u>	<u>(33,808)</u>	<u>150,973,412</u>
Governmental Activities Capital Assets, Net	<u>\$ 186,114,089</u>	<u>\$ 29,643,305</u>	<u>\$ (10,709,561)</u>	<u>\$ 205,047,833</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2012, was as follows:

	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>
<b><u>Business-Type Activities:</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 878,348	\$ 27,000	\$ (60,537)	\$ 844,811
Construction in Progress	<u>14,099,649</u>	<u>6,469,232</u>	<u>(15,114,563)</u>	<u>5,454,318</u>
Total Capital Assets Not Being Depreciated	<u>14,977,997</u>	<u>6,496,232</u>	<u>(15,175,100)</u>	<u>6,299,129</u>
Capital Assets Being Depreciated:				
Landfill & Land Improvements	20,389,899	14,685,159	-	35,075,058
Water & Wastewater Lines	37,345,120	142,365	(2,992,864)	34,494,621
Buildings & Improvements	17,328,584	89,011	(338,123)	17,079,472
Machinery & Equipment	<u>35,947,967</u>	<u>794,625</u>	<u>(1,551,131)</u>	<u>35,191,461</u>
Total Capital Assets Being Depreciated	<u>111,011,570</u>	<u>15,711,160</u>	<u>(4,882,118)</u>	<u>121,840,612</u>
Less Accumulated Depreciation for:				
Landfill & Land Improvements	(12,070,575)	(10,811,132)	9,871,836	(13,009,871)
Water & Wastewater Lines	(13,431,128)	(943,992)	1,101,515	(13,273,605)
Building & Improvements	(6,312,480)	(457,228)	117,409	(6,652,299)
Machinery & Equipment	<u>(12,867,746)</u>	<u>(2,060,946)</u>	<u>999,614</u>	<u>(13,929,078)</u>
Total Accumulated Depreciation	<u>(44,681,929)</u>	<u>(14,273,298)</u>	<u>12,090,374</u>	<u>(46,864,853)</u>
Total Capital Assets Being Depreciated, Net	<u>66,329,641</u>	<u>1,437,862</u>	<u>7,208,256</u>	<u>74,975,759</u>
	<u>\$ 81,307,638</u>	<u>\$ 7,934,094</u>	<u>\$ (7,966,844)</u>	<u>\$ 81,274,888</u>

Depreciation and depletion expense was charged to the following activities:

<b>Governmental Activities:</b>		<b>Business-type Activities:</b>	
General Government	\$ 910,149	Enterprise Funds:	
Public Safety	1,916,394	Water	\$ 85,142
Highways, Streets, and Bridges	6,502,629	Wastewater	2,362,418
Health and Welfare	212,813	Landfill	<u>1,876,560</u>
Recreation and Culture	295,052		<u>\$ 4,324,120</u>
Public Libraries	189,497		
Economic Development	<u>4,043</u>		
	<u>\$ 10,030,577</u>		

**Construction Commitments**

Cecil County has active construction contracts as of June 30, 2012. The programs include highway, streets, bridges, an emergency communications system, and water production and wastewater treatment facilities. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Highways and Bridges	\$ 1,667,746	\$ 3,632,872
Detention Center Renovations	18,540,960	11,441,988
Landfill - Cell 4 Re-Development	10,493,181	3,090,338
Wastewater Treatment Facilities	<u>2,355,019</u>	<u>2,249,542</u>
Total	<u>\$ 33,056,906</u>	<u>\$ 20,414,740</u>

**B. Discretely Presented Component Units**

The following summarizes the capital asset activity of the County's component units for the year ended June 30, 2012:

	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>
<b><u>Board of Education</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,202,153	\$ -	\$ -	\$ 1,202,153
Construction in Progress	<u>16,070,509</u>	<u>4,747,639</u>	<u>(16,274,381)</u>	<u>4,543,767</u>
Total Capital Assets Not Being Depreciated	<u>17,272,662</u>	<u>4,747,639</u>	<u>(16,274,381)</u>	<u>5,745,920</u>
Capital Assets Being Depreciated:				
Land Improvements	240,021,579	12,525,554	(196,755)	252,350,378
Building & Improvements	12,420,733	2,301,371	(223,647)	14,498,457
Machinery & Equipment	<u>25,852,299</u>	<u>679,452</u>	<u>(1,299,159)</u>	<u>25,232,592</u>
Total Capital Assets Being Depreciated	<u>278,294,611</u>	<u>15,506,377</u>	<u>(1,719,561)</u>	<u>292,081,427</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,678,924)	(7,265,139)	67,813	(103,050,076)
Building & Improvements	(95,882,750)	(604,407)	193,890	(3,089,441)
Machinery & Equipment	<u>(13,093,027)</u>	<u>(2,999,276)</u>	<u>1,186,456</u>	<u>(14,905,847)</u>
Total Accumulated Depreciation	<u>111,654,701</u>	<u>(10,838,822)</u>	<u>1,448,159</u>	<u>(121,045,364)</u>
Total Capital Assets Being Depreciated, Net	<u>166,639,910</u>	<u>4,667,555</u>	<u>(271,402)</u>	<u>171,036,063</u>
Board of Education Capital Assets, Net	<u>\$ 183,912,572</u>	<u>\$ 9,415,194</u>	<u>\$ (16,545,783)</u>	<u>\$ 176,781,983</u>

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

	June 30, 2011	Increases	Decreases	June 30, 2012
<b><u>Cecil College</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	519,863	1,495,027	-	2,014,890
Total Capital Assets Not Being Depreciated	<u>2,299,626</u>	<u>1,495,027</u>	<u>-</u>	<u>3,794,653</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	25,803,882	(2,017)	-	25,801,865
Building and Improvements	36,738,065	-	-	36,738,065
Machinery & Equipment	7,012,312	161,769	(563,465)	6,610,616
Total Capital Assets Being Depreciated	<u>69,554,259</u>	<u>159,752</u>	<u>(563,465)</u>	<u>69,150,546</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(3,685,221)	(1,594,374)	-	(5,279,595)
Building & Improvements	(13,478,161)	(919,702)	-	(14,397,863)
Machinery & Equipment	(5,488,491)	(323,066)	473,612	(5,337,945)
Total Accumulated Depreciation	<u>(22,651,873)</u>	<u>(2,837,142)</u>	<u>473,612</u>	<u>(25,015,403)</u>
Total Capital Assets Being Depreciated, Net	<u>46,902,386</u>	<u>(2,677,390)</u>	<u>(89,853)</u>	<u>44,135,143</u>
Cecil College Capital Assets, Net	<u>\$ 49,202,012</u>	<u>\$ (1,182,363)</u>	<u>\$ (89,853)</u>	<u>\$ 47,929,796</u>
<b><u>Public Library</u></b>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 4,438,632	\$ 706,932	\$ (600,417)	\$ 4,545,147
Total Capital Assets Being Depreciated	<u>4,438,632</u>	<u>706,932</u>	<u>(600,417)</u>	<u>4,545,147</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(1,759,242)	(736,175)	(600,417)	(3,095,834)
Total Accumulated Depreciation	<u>(1,759,242)</u>	<u>(736,175)</u>	<u>(600,417)</u>	<u>(3,095,834)</u>
Total Capital Assets Being Depreciated, Net	<u>2,679,390</u>	<u>(29,243)</u>	<u>-</u>	<u>2,650,147</u>
Public Library Capital Assets, Net	<u>\$ 2,679,390</u>	<u>\$ (29,243)</u>	<u>\$ -</u>	<u>\$ 2,650,147</u>
<b><u>Bainbridge Development Corporation</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ -	\$ 3,549,600
Total Capital Assets Not Being Depreciated	<u>3,549,600</u>	<u>-</u>	<u>-</u>	<u>3,549,600</u>
Capital Assets Being Depreciated:				
Machinery & Equipment	13,498	1,436	-	14,934
Total Capital Assets Being Depreciated	<u>13,498</u>	<u>1,436</u>	<u>-</u>	<u>14,934</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(9,486)	(1,490)	-	(10,976)
Total Accumulated Depreciation	<u>(9,486)</u>	<u>(1,490)</u>	<u>-</u>	<u>(10,976)</u>
Total Capital Assets Being Depreciated, Net	<u>4,012</u>	<u>(54)</u>	<u>-</u>	<u>3,958</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,553,612</u>	<u>\$ (54)</u>	<u>\$ -</u>	<u>\$ 3,553,558</u>

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

Inter-fund balances arise primarily from the General Fund's role as receiver, investor, and disbursing agent of cash. Transactions that are short-term were classified as inter-fund receivables. The inter-fund receivables as of June 30, 2012, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Programs Fund	\$ 69,659
	Non-Major Governmental Funds	225,935
	Internal Service Funds	265,759
		<u>\$ 561,353</u>

Inter-fund transfers from the General Fund consist of operating transfers to finance debt service of \$15,759,775, capital projects of \$4,864,433, and \$1,033,437 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2012, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Housing Fund</u>	<u>General Capital Projects Fund</u>	<u>Board of Education Construction Fund</u>	<u>Non-Major Governmental Funds</u>	<u>General Fund</u>	
General Fund	\$ 22,307	\$ 3,957,185	\$ 907,248	\$ 16,770,905	\$ -	\$ 21,657,645
Casino Local Impact	-	220,000	514,000	670,000	751,000	2,155,000
Non-Major Governmental Funds	-	-	-	-	109,981	109,981
<b>Total</b>	<u>\$ 22,307</u>	<u>\$ 4,177,185</u>	<u>\$ 1,421,248</u>	<u>\$ 17,440,905</u>	<u>\$ 860,981</u>	<u>\$ 23,922,626</u>

**8. Long-Term Debt**

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

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 143,125,697	\$ 39,127,000	\$ (35,566,013)	\$ 146,686,684	\$ 9,182,214
Less: Deferred Charges					
Premium on Debts Issued	2,281,331	3,370,241	(271,055)	5,380,517	271,054
Gain on Refunding	(969,111)	167,640	-	(801,471)	(167,640)
<b>Total Bonds Payable</b>	<u>144,437,917</u>	<u>42,664,881</u>	<u>(35,837,068)</u>	<u>151,265,730</u>	<u>9,285,628</u>
Capital Leases	930,441	-	(614,194)	316,247	316,247
Insurance Claims Payable	1,027,863	9,793,333	(8,012,651)	2,808,545	2,808,545
Compensated Absences	1,620,821	1,849,863	(1,824,440)	1,646,244	1,097,496
<b>Governmental Activity</b>					
Long-Term Liabilities	<u>\$ 148,017,042</u>	<u>\$ 54,308,077</u>	<u>\$ (46,288,353)</u>	<u>\$ 156,036,766</u>	<u>\$ 13,507,916</u>

Changes in Long-Term Liabilities (continued):

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Bonds Payable	\$ 48,586,324	\$ 1,510,320	\$ (2,539,372)	\$ 47,557,272	\$ 3,030,649
Less: Discount on Issuance	<u>(6,879)</u>	<u>-</u>	<u>(2,558)</u>	<u>(4,321)</u>	<u>(2,007)</u>
Total Bonds Payable	48,579,445	1,510,320	(2,536,813)	47,552,951	3,028,642
Compensated Absences	110,468	127,285	(133,543)	104,210	69,474
Accrued Landfill Closure and Postclosure Costs	<u>7,058,337</u>	<u>609,447</u>	<u>-</u>	<u>7,667,784</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 55,748,250</u>	<u>\$ 2,247,052</u>	<u>\$ (2,670,356)</u>	<u>\$ 55,324,945</u>	<u>\$ 3,098,116</u>
<b>Component Units</b>					
Board of Education	\$ 13,578,638	\$ 820,821	\$ (1,931,539)	\$ 13,467,920	\$ 3,909,410
Cecil College	320,263	-	(17,309)	302,954	201,969
Cecil County Public Library	<u>58,840</u>	<u>6,232</u>	<u>-</u>	<u>65,072</u>	<u>43,381</u>
Component Units Long-Term Liabilities	<u>\$ 13,957,741</u>	<u>\$ 827,053</u>	<u>\$ (1,948,848)</u>	<u>\$ 12,835,946</u>	<u>\$ 4,154,761</u>

Compensated absences are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

**B. General Obligation Bonds**

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

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

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

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2012:

<b>Date of Issue/ Maturity</b>	<b>Amount of Original Issue</b>	<b>Description</b>	<b>Interest Rates</b>	<b>Balance Outstanding June 30, 2012</b>
1997/2012	\$4,850,000	Consolidated Public Improvement Bonds 1997 General \$20,000 BOE \$3,540,690 College \$1,289,310	4.9725%	\$450,000
2002/2023	2,050,000	Sanitary District Bond 2002A CherryHill WWTP	2.0%	1,226,990
2002/2024	6,279,112	Sanitary District Bond 2002B North East River WWTP	1.9%	3,849,699
2002/2015	13,795,000	Consolidated Public Improvement and Refunding Bonds 2002 General \$1,510,318 BOE \$3,456,660 Refunding 1993 & 1995 \$8,828,022	3.0%-3.875%	2,920,000
2003/2043	845,000	Sanitary District Bond 2003A CherryHill WWTP	4.252%	759,569
2003/2013	21,140,000	Consolidated Public Improvement and Refunding Bonds of 2003 General \$3,521,742 BOE \$3,896,804 College \$3,558,262 Refunding Bal. 1993 \$10,163,192	2.25%-4.5%	1,025,000
2004/2023	2,616,645	Sanitary District Bond, Series 2003B Lakeside/Rt 272 Sewer Upgrades	1.2%	1,586,070
2004/2044	1,585,000	Sanitary District Bond, Series 2004A Carpenters Point Ph I collection system	4.577%	1,452,983

## List of Bonds outstanding at June 30, 2012 (continued):

<b>Date of Issue/ Maturity</b>	<b>Amount of Original Issue</b>	<b>Description</b>	<b>Interest Rates</b>	<b>Balance Outstanding June 30, 2012</b>
2004/2025	\$8,000,000	Sanitary District Bond, Series 2004B Meadowview WWTP	1.1%	\$5,585,021
2004/2014	9,025,000	Consolidated Public Improvement Bonds 2004 General \$5,704,256 BOE \$2,197,686 College \$591,058 Library \$532,000	3.0%-4.3%	1,235,000
2005/2025	39,615,000	Consolidated Public Improvement and Refunding Bonds 2005 General \$12,069,296 BOE \$12,870,884 Library \$2,919,820 Refunding 1996 & 1999 \$11,755,000	3.75%-5%	15,930,000
2007/2027	26,720,000	Consolidated Public Improvement Bonds 2006 General \$4,407,443 BOE \$20,205,776 Library \$2,106,781	3.5%-5%	21,785,000
2008/2027	32,045,000	Consolidated Public Improvement Bonds 2007 General \$9,401,700 BOE \$15,530,046 College \$743,254 Waste Water \$6,370,000	4%-5%	27,420,000
2008/2027	2,702,000	Sanitary District Bond 2008A Washington Street Pump Station Carpenters Point Ph II collection system	1%	2,066,001
2009/2028	800,000	Sanitary District Bond 2008B Septage Receiving Facility	None	640,000



## List of Bonds outstanding at June 30, 2012 (continued):

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding June 30, 2012</u>
2009/2028	\$27,695,000	Consolidated Public Improvement Bonds 2009 General \$6,857,437 BOE \$9,175,563 College \$6,987,000 Waste Water \$3,700,000 Solid Waste \$975,000	3.0%-4.375%	\$23,540,000
2010/2021	25,160,000	Consolidated Public Improvement and Refunding Bonds 2010A General \$4,553,000 BOE \$1,646,000 College \$751,000 Solid Waste \$8,500,000 Refunding 2001B \$9,710,000	2.0%-3.0%	23,615,000
2010/2030	15,420,000	Consolidated Public Improvement and Refunding Bonds 2010B General \$6,920,000 Solid Waste \$8,500,000	4.75%-5.7%	15,420,000
2010/2030	1,257,000	Sanitary District Bond 2010A Carpenters Point Ph III collection system (Only \$50,274 drawn at June 30, 2010)	1%	1,195,647
2011/2014	2,140,000	Landfill Refunding Bond, Series 2010	1.90%	1,810,000
2011/2024	6,615,000	2011 GO Refunding Bond Refunding 2003 and 2004	2.35%	6,615,000
2012/2032	33,995,000	Consolidated Public Improvement and Refunding Bonds of 2012 General \$11,504,000 BOE \$560,000 College \$1,203,000 Waste Water \$1,483,000 Refunding 2002, 2003,2004 & 2005 \$19,245,000	2.25%-5.0%	<u>33,995,000</u>
Sub-Total General Obligation Bonds				<u>194,121,980</u>
2004/2031	149,000	West View Shores II - Erosion Control - Special Assessment Debt	None	121,977
Total				<u>\$194,243,957</u>

*Bond issues described as "Consolidated Public Improvement Bonds" are used to finance the design, planning, renovation, construction, and equipping of public facilities in Cecil County. The majority of these bonds are for school construction. Funding from Sanitary District Bonds is used to design, plan, renovate, construct or equip various water or wastewater facilities.*

The annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2012, were as follows:

Years Ending June 30	General Obligation Bonds				Special Assessment Bonds	
	Governmental Activities		Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 9,072,701	\$ 5,534,821	\$ 3,030,649	\$ 1,403,231	\$ 6,099	\$ -
2014	9,842,308	5,091,740	3,248,594	1,333,634	6,099	-
2015	9,410,612	4,736,458	3,293,150	1,265,677	6,099	-
2016	9,766,916	4,385,623	2,713,022	1,203,911	6,099	-
2017	9,693,226	4,027,561	2,749,211	1,144,880	6,099	-
2018-2022	47,520,225	14,927,220	14,699,244	4,702,308	30,494	-
2023-2027	40,374,627	6,337,919	11,266,160	2,615,022	30,494	-
2028-2032	10,222,992	897,341	5,290,144	2,615,022	30,494	-
2033-2037	661,101	11,570	501,914	779,513	-	-
2038-2042	-	-	533,033	221,778	-	-
2043-2047	-	-	232,151	15,630	-	-
	<u>\$ 146,564,708</u>	<u>\$ 45,950,253</u>	<u>\$ 47,557,272</u>	<u>\$ 17,300,606</u>	<u>\$ 121,977</u>	<u>\$ -</u>

**C. Conduit Debt Obligations**

The County has issued revenue based bonds to provide capital financing to third parties who are not part of the County or its component units. Although the debt bears the County's name, the County has no obligation for this debt beyond the resources of the third party or the related project as provided for in the bonds. Because the County has no liability for this debt, it is not recorded in the County's financial statements. Two revenue bond issues are outstanding. The total offering was \$18,650,000. As of June 30, 2012, the aggregate principal amount outstanding for these bonds is \$17,292,618.

**9. Leases**

**A. Operating Leases**

The County leases office facilities, including a public safety facility, under non-cancelable operating leases. The Board of Education leases office and warehouse space, and bus parking. The future minimum lease payments for these leases were as of June 30, 2012:

<b>Years Ending June 30</b>	<b>Primary Government</b>	<b>Board of Education</b>
2013	\$ 419,884	\$ 674,571
2014	433,509	674,571
2015	433,509	679,082
2016	448,765	686,661
2017	448,765	694,467
2018-2022	2,243,824	-
2023-2027	<u>1,676,597</u>	<u>-</u>
Total Commitment under the Operating Lease	<u>\$ 6,104,853</u>	<u>\$ 3,409,352</u>

**B. Capital Leases**

The General Fund has entered into a capital lease for the purchase of equipment for the new administration building. The Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As of June 30, 2012, future minimum payments under capital leases were as follows:

<b>Years Ending June 30</b>	<b>Governmental</b>	<b>Board of Education</b>
2013	\$ 322,509	\$ 1,736,036
2014	-	1,350,423
2015	-	813,910
2016	-	813,910
2017	-	813,910
2018-2021	<u>-</u>	<u>3,255,638</u>
Total Payments	322,509	8,783,827
Less Interest	<u>6,262</u>	<u>1,075,656</u>
Capitalized lease obligations	<u>\$ 316,247</u>	<u>\$ 7,708,171</u>

**10. Landfill Closure and Post-closure Care Costs**

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

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

The landfill closure and post-closure care liability of \$7,667,784 as of June 30, 2012, represented the cumulative amount reported to date based on the use of approximately 67% of the estimated capacity of the currently constructed cells at the landfill. Based on the historical average disposal volume in the last 5 years, it is anticipated that the existing landfill has approximately 10-12 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$3,766,412 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2012 costs. Actual cost may be different because of inflation, changes in technology, or changes in regulations.

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

**11. Fund Balance**

**General Fund**

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

The Non-spendable fund balance of \$477,087 as of June 30, 2012, represented the following:

Inventory and Prepaid	\$ 469,431
Senior Citizen Tax Deferral	<u>7,656</u>
	<u>\$ 477,087</u>

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

The Committed fund balance of \$13,118,597 as of June 30, 2012, represented the following:

**Committed**

Contingencies (Rainy Day)	\$ 12,506,161
Fund Balance Appropriation FY2013	<u>612,436</u>
	<u>\$ 13,118,597</u>

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

The Assigned fund balance of \$4,541,000 as of June 30, 2012, represented the following:

**Assigned**

On-going legal expenses	\$ 250,000
IT Consolidation	250,000
County pay as you go funding FY2013	<u>4,041,000</u>
	<u>\$ 4,541,000</u>

**Other Funds**

The fund balance in other funds as of June 30, 2012, consists of the following:

Major Fund	Housing	Restricted	\$ 1,072,103
Major Fund	Casino Local Impact	Restricted	3,527,830
Non-Major Funds	Other Governmental	Restricted	<u>2,857,150</u>
			<u>\$ 7,457,083</u>

The restricted fund balances for all special revenue funds amounting to \$7,457,083 were intended to be used for subsequent years' expenditures for various grants and activities.

Major Fund	General Capital Projects	Committed	14,628,660
Major Fund	Board of Education Construction	Committed	2,665,738
Non-Major Funds	Other Capital Projects	Committed	<u>1,355,675</u>
			<u>\$18,650,073</u>

The committed fund balances for all capital funds were intended to be used for on-going capital projects.

**12. Risk Management**

**A. Health Insurance**

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

The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of health-related claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$100,000 per plan year. During the fiscal year ended June 30, 2012, the County incurred a series of claims that exceeded the stop loss limit. The County received reimbursement for these claims and the fund finished the year with a fund balance above the amount required by the funds' fund balance policy.

The liability for Health Insurance Fund claims of \$1,113,834 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2012. Historical claims experience and other relevant reports are the basis for these estimates.

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

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2010-2011	\$ 1,098,254	\$ 7,314,953	\$ (7,385,344)	\$ 1,027,863
2011-2012	1,027,863	7,888,843	(7,802,872)	1,113,834

**B. Workers Compensation Insurance**

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

The liability for Workers Compensation Fund claims of \$1,694,711, is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2012.

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

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2010-2011	\$ 1,072,341	\$ 1,437,405	\$ (777,613)	\$ 1,732,133
2011-2012	1,732,133	204,487	(241,909)	1,694,711

**C. Other Insurance**

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

The County insures its primary liability, property damage, and excess liability coverage through participation in LGIT, a public entity risk pool. For the pooled coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Stop loss insurance is provided to protect against catastrophic losses. Premiums are paid by the General Fund. The County does not have any claim liability in addition to premiums, unless an assessment is made by the Trust.

**13. Commitments and Contingencies**

**A. Educational Funding Commitments**

The Annotated Code of Maryland (the Code) requires that the County provide funding equal to at least 32% of the Cecil College current expenditures. The County has met the funding requirement for the year ended June 30, 2012. Funding for the year ending June 30, 2013, is estimated to be \$7,914,308. The Code also requires that the County maintain its funding level from year to year for the Board of Education. For the year ended June 30, 2012, such funding amounted to \$67,156,014 and is estimated to remain the same for the year ending June 30, 2013.

**B. Litigation and Grant Compliance**

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

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

**14. Employee Retirement Systems and Pension Plans**

**A. Pension Plans – Primary Government**

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

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

Plan description. Established by the Board of County Commissioners of Cecil County on July 1, 2002, the Cecil County Pension Plan for Public Safety Employees (PPPSE) is a single-employer, defined benefit pension plan which provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan covers all full-time employees on the County's Public Safety Pay Scale hired after June 30, 2002, the Cecil County Sheriff, and eligible public safety employees who have opted to convert from the Maryland State Retirement and Pension System Plan. As of July 1, 2011, the date of the latest actuarial valuation, there were 229 active Plan members, 54 retirees receiving benefits, 1 disabled beneficiary receiving benefits and 10 members entitled to but not yet receiving retirement benefits. Responsibility for the administration and operation of the Plan is vested with a 9-member Board of Trustees. The Plan issues publicly available financial statements which are available from the Cecil County Department of Human Resources, 200 Chesapeake Blvd. Elkton, MD 21921.

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

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



**Funding Policy.** The contribution requirements of Plan members and the County are established by resolution of the Board of County Commissioners and may be amended by resolution. Plan members are required to contribute 8% of the base compensation. Cecil County, as the employer, is required to make actuarially determined annual contribution amounts; the current rate is 19.73% of covered payroll.

**Annual Pension Cost.** For the fiscal year ended June 30, 2012, the County's annual contribution to the PPPSE was \$2,220,158 and equaled its required contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2011, actuarial valuation using the projected unit actuarial cost method and level percentage – closed amortization method. The actuarial assumptions included: (a) 7.5% investment rate of return compounded annually, net of investment expenses; (b) projected salary increases of 11.0% per year compounded annually for the first five years, 10.0% annually for the next five years, and 5.75% annually thereafter; (c) termination of service estimates at 25.0% annually for the first three years, 15.0% annually for the next two years, 8% annually for the next three years and 2.0% annually thereafter; (d) an inflation rate of 3.0% resulting in post-retirement benefit increases of the maximum 2%; (e) rates of mortality, disablement and retirement are based on the RP-2000 combined annuitant and non-annuitant no collar adjustment, sex distinct, projected to 2008 and PBGC Disabled Life Mortality Tables III and IV. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period; (f) the amortization period is 22 years for the original unfunded liability, 27 years for Plan change, 13 years for assumption change and 15 years for actuarial gains and losses.

Three Year Historical Trend Information for the PPPSE System is as follows:

<b>Fiscal Years Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Covered</b>	<b>Net Pension Obligation</b>
2010	\$ 1,798,040	100%	\$ -
2011	2,019,471	100%	-
2012	2,220,158	100%	-

The funded status of the PPPSE plan as of June 30, 2011, the most recent valuation date, is as follows:

<b>Actuarial Valuation Date July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
2011	\$ 24,993,398	\$ 37,691,735	\$ 12,698,337	66.3%	\$ 10,439,660	121.6%

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

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

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

Funding policy. The contribution requirements for plan members, the County and its component units are established by State law. Employees are required to contribute two percent to seven percent of their compensation, depending on the plan in which they are enrolled. Employers, including the County, are required to contribute at an actuarially determined rate based on annual actuarial valuations using the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of Trustees. Current employer contribution rates to the Employees' Retirement and Employees' Pension plans vary from 8.1% to 13.1% of covered payroll depending on the plan. The County's contributions to the MSRPS for the years ending June 30, 2012, 2011, and 2010, were \$1,694,199, \$1,685,148 and \$1,212,634, respectively and equaled the required contribution for each year. Amounts contributed by the State on behalf of the component units can be found in their respective financial statements.

Summary of total pension costs. The total annual pension cost for the County and its component units to the MSRPS and the Pension Plan for Public Safety Employees for the year ended June 30, 2012, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 1,685,148	\$ 2,220,158	\$ 3,905,306
Component Units			
Board of Education	15,000,723	-	15,000,723
Community College	478,542	-	478,542
Public Library	478,542	-	478,542
	<u>478,542</u>	<u>-</u>	<u>478,542</u>
Total	<u>\$ 17,642,955</u>	<u>\$ 2,220,158</u>	<u>\$ 19,863,113</u>

**B. Defined Contribution Plan**

Employees of Cecil College are eligible to be covered under the Teachers' Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF). TIAA-CREF, a private insurance company, is the optional retirement program chosen by the State Board of Community Colleges for professional staff only. The College has also chosen a TIAA-CREF plan to provide retirement benefits to certain employees not eligible to participate in any other plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$6,048,232 in 2012.

**15. Other Post-Employment Benefits**

**A. Plan Description**

The Cecil County Maryland Non-Pension Post Employment Benefits Trust (the "Plan") is a single employer defined benefit plan administered by the County. The Plan provides medical, prescription drug, dental and vision to all eligible retired employees of the County, Cecil County Public Library and Cecil College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must meet the eligibility requirements of the plan. In addition, eligible spouses and dependants desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement depending on the employee's years of service, the County contributes \$75 to \$150 per month per participant to the Plan, and the participant is required to pay the balance of the Plan's insurance premiums, as well as any annual deductibles. As of July 1, 2010, the date of the last actuarial valuation, approximately 84 retirees and their beneficiaries were receiving benefits, and an estimated 668 active employees are potentially eligible to receive future benefits. The Plan issues publicly available financial statements, which are available from the Cecil County Treasurer's Office, 200 Chesapeake Blvd. Elkton, MD 21921.

**B. Funding Policy**

The County pays a portion of retiree healthcare premiums based on years of service. The retiree pays the remaining premium, including the cost of eligible dependents. The Cecil County Maryland, Non-Pension Post Employment Benefits Trust was established by the Board of County Commissioners of Cecil County to provide funding for post retirement non-pension benefits for certain employees of the County, Cecil College and the Cecil County Library. The County funded the Annual Required Contribution (ARC) in the amount of \$931,000.

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

An actuarial study was prepared calculating the postemployment healthcare cost as of June 30, 2011. The actuarial evaluation estimated the Unfunded Actuarial Accrued Liability ("UAAL") at \$7,261,000 and the Annual Required Contribution ("ARC") of \$931,000. The post-employment healthcare cost was determined under the Projected Unit Credit Actuarial Cost Method and uses a level percentage closed amortization method. The calculation uses a 7.50 percent discount rate and the amortization of the UAAL over 30 years. The rate of inflation is implicit in the healthcare cost increase based on the society of actuaries long term medical trend model. This ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus any unfunded liability amortized over a period not to exceed thirty years. The County pays post retirement medical benefits (normal cost) from the General Fund, not from the trust.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB Plan for the year ended June 30, 2012:

Annual Required Contribution (ARC)	\$ 931,000
Interest on Net OPEB Obligation	(75,000)
Adjustment to the ARC	<u>59,000</u>
Annual OPEB Cost	915,000
Payments to retirees from General Fund	(573,650)
Contributions made	<u>(341,350)</u>
Increase in Net OPEB Obligation	-
Net OPEB obligation (asset) - beginning of year	<u>(1,003,488)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (1,003,488)</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012, were as follows:

Fiscal Years Ended June 30	Annual OPEB Cost (AOC)	Percentage of AOC Covered	Net OPEB Obligation
2010	\$ 648,000	100%	\$ (1,003,488)
2011	879,000	100%	(1,003,488)
2012	915,000	100%	(1,003,488)

#### D. Funding Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$9,286,000. The County fully funded the annual required contribution (ARC). As of June 30, 2012, there were \$2,573,261 in net assets.

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

#### E. Actuarial Methods and Assumptions

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

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

**Board of Education**

The Board of Education (the Board) offers post-retirement health care benefits, in accordance with a Board-adopted plan, to all retired employees who have completed fourteen years or more of service and have been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 513 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$7,595 per year based on years of service and employee classification. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include an accrual for the estimate of the amount payable at the end of the fiscal year. During fiscal year 2012, \$3,958,437 was recorded for current post-retirement health care costs.

## REQUIRED SUPPLEMENTARY INFORMATION

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

### SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>July 1</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Projected Unit Cost Method <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
2002	\$ 4,930,633	\$ 12,312,475	\$ 7,381,842	40.0%	\$ 6,089,345	121.2%
2003	6,783,242	14,038,972	7,255,730	48.3%	6,426,628	112.9%
2004	8,665,871	16,498,936	7,833,065	52.5%	7,061,252	110.9%
2005	10,717,426	18,301,914	7,584,488	58.6%	7,249,072	104.6%
2006	12,928,657	21,635,271	8,706,614	59.8%	7,827,147	111.2%
2007*	15,442,512	26,337,765	10,895,253	58.6%	8,894,702	122.5%
2009**	19,775,437	31,813,317	12,037,880	62.2%	10,405,176	115.7%
2011	24,993,398	37,691,735	12,698,337	66.3%	10,439,660	121.6%

\* Reflects changes in Plan actuarial assumptions.

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

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Years Ended <u>June 30</u>	Annual Required Contribution	Percentage of ARC Covered	Net Pension Obligation
2004	\$ 1,055,473	100%	\$ -
2005	1,160,256	100%	-
2006	1,251,450	100%	-
2007	1,274,061	100%	-
2008	1,410,479	100%	-
2009	1,753,647	100%	-
2010	1,798,040	100%	-
2011	2,019,471	100%	-
2012	2,220,158	100%	-

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

### SCHEDULE OF FUNDING PROGRESS

<b>Actuarial Valuation Date June 30</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Cost Method (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
2009	\$ 1,100,000	\$ 7,039,000	\$ 5,939,000	15.6%	\$ 28,693,498	20.7%
2011	2,025,000	9,286,000	7,261,000	21.8%	25,443,669	28.5%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage of ARC Covered</b>	<b>Net Pension Obligation *</b>
2009	\$ 516,000	100%	\$ (1,003,488)
2010	668,000	100%	(1,003,488)
2011	896,000	100%	(1,003,488)
2012	931,000	100%	1,003,488

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



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## **Major Governmental Fund**

### **General Fund**

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

The schedules on the following pages present General Fund budget and actual activity in its lowest level of legal budgetary control - the department.

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$101,759,980	\$101,759,980	\$102,628,643	\$ 868,663
Income Taxes	44,836,172	44,836,172	49,813,198	4,977,026
Licenses and Permits	1,404,950	1,423,848	1,545,645	121,797
Intergovernmental	5,610,736	7,514,210	5,992,955	(1,521,255)
Charges for Services	6,350,508	6,434,524	5,654,850	(779,674)
Investment Earnings	875,000	875,000	281,792	(593,208)
Contributions & Other Revenues	<u>2,000</u>	<u>2,000</u>	<u>44,983</u>	<u>42,983</u>
<b>Total Revenues</b>	<u>160,839,346</u>	<u>162,845,734</u>	<u>165,962,066</u>	<u>3,116,332</u>
<b>Other Financing Sources</b>				
Proceeds from Capital Asset Disposal	-	-	74,639	74,639
Transfers in from other funds	<u>751,000</u>	<u>751,000</u>	<u>860,981</u>	<u>109,981</u>
<b>Total Other Financing Sources</b>	<u>751,000</u>	<u>751,000</u>	<u>935,620</u>	<u>184,620</u>
<b>Total Revenues and Other Financing Sources</b>	<u>\$161,590,346</u>	<u>\$163,596,734</u>	<u>\$166,897,686</u>	<u>\$ 3,300,952</u>
<b>Expenditures</b>				
<b>General Government</b>				
County Commissioners	\$ 404,757	\$ 398,379	\$ 389,230	\$ 9,149
Office of Administrator	174,011	173,211	171,347	1,864
Budget	113,050	113,050	111,513	1,537
Administration Building Maintenance	709,154	771,754	741,630	30,124
Purchasing Department	244,592	250,592	219,575	31,017
Central Store Building Maintenance	404	404	433	(29)
Other General Government	2,954,569	3,471,319	3,440,799	30,520
Judgments and Losses	10,000	7,790	2,493	5,297
Human Resources	585,170	596,370	600,046	(3,676)
Treasurer's Office	1,632,836	1,615,836	1,550,598	65,238
Information Systems	1,205,543	1,159,543	1,045,275	114,268
Circuit Court	2,329,596	2,166,770	1,860,026	306,744
Orphans Court	23,274	23,274	20,802	2,472
Board of Elections	605,025	605,025	568,986	36,039
Voting Machine Maintenance	2,871	2,871	1,102	1,769
Liquor Board Licensing	172,452	180,825	172,387	8,438
Planning and Zoning	1,131,371	1,121,371	1,059,912	61,459
Board of Appeals	28,500	28,500	13,158	15,342
Planning Commission	37,500	47,500	40,093	7,407
Courthouse Maintenance	<u>1,118,658</u>	<u>1,100,558</u>	<u>1,096,802</u>	<u>3,756</u>
<b>Total General Government</b>	<u>\$ 13,483,333</u>	<u>\$ 13,834,942</u>	<u>\$ 13,106,207</u>	<u>\$ 728,735</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>Expenditures (Continued)</b>				
<b>Public Safety</b>				
State's Attorney's Office	\$ 1,807,404	\$ 1,865,404	\$ 1,792,928	\$ 72,476
Sheriff's Office - Law Enforcement	9,425,660	9,480,650	8,924,339	556,311
Sheriff - Special Assignments	51,773	51,773	52,081	(308)
Sheriff Patrol - Charlestown	48,091	48,091	40,187	7,904
Sheriff Patrol - Chesapeake City	36,011	63,511	60,380	3,131
Detention Center	6,614,665	7,104,104	7,054,502	49,602
Detention Center Maintenance	311,887	311,887	257,656	54,231
County Work Release Program	2,102,456	2,231,371	2,106,753	124,618
Emergency Management	3,703,959	4,117,780	3,752,298	365,482
Emergency Medical Services	3,091,112	3,167,068	3,183,645	(16,577)
Volunteer Fire Departments	4,009,071	4,009,071	3,953,518	55,553
Civil Defense - 911 System	150,000	150,000	150,000	-
EMCDA Facility Maintenance	604,054	599,554	597,737	1,817
Permits and Licenses	841,480	863,078	849,937	13,141
Society for the Prevention of Cruelty to Animals	623,000	623,000	623,000	-
<b>Total Public Safety</b>	<u>33,420,623</u>	<u>34,686,342</u>	<u>33,398,961</u>	<u>1,287,381</u>
<b>Highways, Streets, and Bridges</b>				
Public Works Administration	2,572,402	2,560,802	2,404,038	156,764
Roads Administration	3,456,546	4,144,625	4,124,739	19,886
Roads Maintenance	2,646,423	3,237,079	3,023,287	213,792
Weed Control	69,132	69,132	49,156	19,976
<b>Total Highways, Streets, and Bridges</b>	<u>8,744,503</u>	<u>10,011,638</u>	<u>9,601,220</u>	<u>410,418</u>
<b>Health and Welfare</b>				
Health Department	2,433,720	2,440,188	2,440,188	-
New Health Department Maintenance	118,484	118,484	112,488	5,996
Mosquito Control	49,995	49,995	33,207	16,788
Pauper Burials	1,400	1,400	1,200	200
Social Services	738,108	775,993	746,107	29,886
Domestic Violence	793,961	1,191,843	891,485	300,358
Human Service Agency	-	466,365	428,627	37,738
Healthy Marriage	556,000	150,555	59,553	91,002
Domestic Violence - Coord. Council	50,273	61,423	45,648	15,775
Youth Panel	89,001	68,114	67,212	902
Maryland School for the Blind	1,901	2,727	2,727	-
Senior Center Maintenance	4,804	4,804	3,504	1,300
Old Help Center Maintenance	5,317	5,317	3,899	1,418
Cecil County Adult Day Care	34,237	34,237	34,237	-
Non-Profit Agencies	224,027	224,027	217,126	6,901
<b>Total Health and Welfare</b>	<u>\$ 5,101,228</u>	<u>\$ 5,595,472</u>	<u>\$ 5,087,208</u>	<u>\$ 508,264</u>

**CECIL COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER**  
**FINANCING SOURCES (USES) - BUDGET AND ACTUAL**  
**GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued)</b>				
<b>Recreation and Culture</b>				
Board of Parks	\$ 907,257	\$ 969,051	\$ 883,494	\$ 85,557
Parks and Recreation Maintenance	33,726	33,726	31,637	2,089
Old Library Building Maintenance	<u>16,538</u>	<u>16,538</u>	<u>13,004</u>	<u>3,534</u>
<b>Total Recreation and Culture</b>	<u>957,521</u>	<u>1,019,315</u>	<u>928,135</u>	<u>91,180</u>
<b>Education</b>				
Cecil County Board of Education	67,156,014	67,156,014	67,156,014	-
Cecil Community College	8,067,706	8,067,706	8,067,706	-
Cecil Community College - Scholarships	<u>43,500</u>	<u>43,500</u>	<u>43,500</u>	<u>-</u>
<b>Total Education</b>	<u>75,267,220</u>	<u>75,267,220</u>	<u>75,267,220</u>	<u>-</u>
<b>Public Libraries</b>	<u>4,283,817</u>	<u>4,283,817</u>	<u>4,283,817</u>	<u>-</u>
<b>Economic Development</b>	<u>898,327</u>	<u>972,190</u>	<u>867,101</u>	<u>105,089</u>
<b>Agriculture</b>				
Agricultural Extension Service	179,593	179,593	179,593	-
Soil Conservation	370,576	370,576	373,175	(2,599)
Gypsy Moth Control	<u>35,000</u>	<u>35,000</u>	<u>6,000</u>	<u>29,000</u>
<b>Total Agriculture</b>	<u>585,169</u>	<u>585,169</u>	<u>558,768</u>	<u>26,401</u>
<b>Municipalities</b>	<u>715,624</u>	<u>715,624</u>	<u>725,251</u>	<u>(9,627)</u>
<b>Total Expenditures</b>	<u>143,457,365</u>	<u>146,971,729</u>	<u>143,823,888</u>	<u>3,147,841</u>
<b>Other Financing Uses</b>				
Transfers to Special Revenue Funds	1,096,430	1,148,114	1,033,437	114,677
Transfers to Debt Service Fund	16,754,457	16,350,666	15,759,775	590,891
Transfers to Capital Projects Funds	<u>1,925,000</u>	<u>4,864,433</u>	<u>4,864,433</u>	<u>-</u>
<b>Total Other Financing Uses</b>	<u>19,775,887</u>	<u>22,363,213</u>	<u>21,657,645</u>	<u>705,568</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>\$ 163,233,252</u>	<u>\$ 169,334,942</u>	<u>\$ 165,481,533</u>	<u>\$ 3,853,409</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 914,104	\$ 914,104
Receivables, Net	143,108	51	-	143,159
Due from Other Governments	379,551	-	975,706	1,355,257
Inventory	2,055	-	-	2,055
Restricted Assets: Cash and Investments	<u>2,714,042</u>	<u>-</u>	<u>405,363</u>	<u>3,119,405</u>
<b>Total Assets</b>	<u>\$ 3,238,756</u>	<u>\$ 51</u>	<u>\$ 2,295,173</u>	<u>\$ 5,533,980</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 98,515	\$ -	\$ 939,497	\$ 1,038,012
Salaries and Benefits Payable	52,541	-	-	52,541
Due to Other Funds	225,884	51	-	225,935
Deferred Revenue	4,566	-	-	4,566
Other Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total Liabilities</b>	<u>381,606</u>	<u>51</u>	<u>939,497</u>	<u>1,321,154</u>
<b>Fund Balances:</b>				
Restricted Fund Balance	2,857,150	-	-	2,857,150
Unrestricted Fund Balance	-	-	1,355,676	1,355,676
Committed Fund Balance	<u>-</u>	<u>-</u>	<u>1,355,676</u>	<u>1,355,676</u>
<b>Total Fund Balances</b>	<u>2,857,150</u>	<u>-</u>	<u>1,355,676</u>	<u>4,212,826</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,238,756</u>	<u>\$ 51</u>	<u>\$ 2,295,173</u>	<u>\$ 5,533,980</u>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>				
Special Assessments	\$ -	\$ 13,988	\$ -	\$ 13,988
Intergovernmental	1,361,058	-	-	1,361,058
Charges for Services	236,990	-	-	236,990
Investment Earnings	<u>5,450</u>	<u>-</u>	<u>-</u>	<u>5,450</u>
<b>Total Revenues</b>	<u>1,603,498</u>	<u>13,988</u>	<u>-</u>	<u>1,617,486</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	45,509	-	-	45,509
Health and Welfare	2,562,070	-	-	2,562,070
Debt Service:				
Principal	-	10,935,206	-	10,935,206
Interest	-	4,838,557	-	4,838,557
Capital Outlay	<u>64,408</u>	<u>-</u>	<u>1,571,704</u>	<u>1,636,112</u>
<b>Total Expenditures</b>	<u>2,672,033</u>	<u>15,773,763</u>	<u>1,571,704</u>	<u>20,017,500</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,068,535)</u>	<u>(15,759,775)</u>	<u>(1,571,704)</u>	<u>(18,400,014)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	-	-	1,203,000	1,203,000
Premium on Debt Issued	-	2,470,270	-	2,470,270
Refunding Bonds Issued	-	25,860,000	-	25,860,000
Bond Issuance Cost	-	(173,490)	-	(173,490)
Advance Refunding Agent	-	(28,156,780)	-	(28,156,780)
Transfers In	1,511,130	15,759,775	170,000	17,440,905
Transfers Out	<u>(109,981)</u>	<u>-</u>	<u>-</u>	<u>(109,981)</u>
<b>Total Other Financing Sources</b>	<u>1,401,149</u>	<u>15,759,775</u>	<u>1,373,000</u>	<u>18,533,924</u>
<b>Net Change in Fund Balances</b>	332,614	-	(198,704)	133,910
<b>Fund Balances - June 30, 2011</b>	<u>2,524,537</u>	<u>-</u>	<u>1,554,379</u>	<u>4,078,916</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 2,857,151</u>	<u>\$ -</u>	<u>\$ 1,355,675</u>	<u>\$ 4,212,826</u>

## **Non-Major Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

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



**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2012**

	<u>Other Public Safety</u>	<u>Open Space</u>	<u>Agricultural Land Preservation</u>	<u>Senior Services &amp; Community Transit</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Receivables, Net:						
Interest	-	-	-	-	278	278
Notes	-	-	-	-	142,830	142,830
Due from Other Governments	-	-	-	379,551	-	379,551
Inventory / Prepaid	-	-	-	2,055	-	2,055
Restricted Assets: Cash and Investments	<u>48,475</u>	<u>-</u>	<u>1,945,547</u>	<u>-</u>	<u>720,020</u>	<u>2,714,042</u>
<b>Total Assets</b>	<b><u>\$ 48,475</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,945,547</u></b>	<b><u>\$ 381,606</u></b>	<b><u>\$ 863,128</u></b>	<b><u>\$ 3,238,756</u></b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 98,515	\$ -	\$ 98,515
Salaries and Benefits Payable	-	-	-	52,541	-	52,541
Due to Other Funds	-	-	-	225,884	-	225,884
Deferred Revenue	-	-	-	4,566	-	4,566
Other Liabilities	-	-	-	100	-	100
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>381,606</u></b>	<b><u>-</u></b>	<b><u>381,606</u></b>
<b>Fund Balances:</b>						
Restricted Fund Balance	<u>48,475</u>	<u>-</u>	<u>1,945,547</u>	<u>-</u>	<u>863,128</u>	<u>2,857,150</u>
<b>Total Fund Balances</b>	<b><u>48,475</u></b>	<b><u>-</u></b>	<b><u>1,945,547</u></b>	<b><u>-</u></b>	<b><u>863,128</u></b>	<b><u>2,857,150</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 48,475</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,945,547</u></b>	<b><u>\$ 381,606</u></b>	<b><u>\$ 863,128</u></b>	<b><u>\$ 3,238,756</u></b>

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Other Public Safety</b>	<b>Open Space</b>	<b>Agricultural Land Preservation</b>	<b>Senior Services &amp; Community Transit</b>	<b>Economic Development Revolving Loan Fund</b>	<b>Total</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 9,579	\$ 1,351,479	\$ -	\$ 1,361,058
Charges for Services	-	-	-	236,990	-	236,990
Investment Earnings	-	-	-	-	5,450	5,450
Contributions & Other Revenues	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>9,579</b>	<b>1,588,469</b>	<b>5,450</b>	<b>1,603,498</b>
<b>EXPENDITURES</b>						
Current:						
Public Safety	45,509	-	-	-	-	45,509
Highways, Streets, and Bridges	-	-	-	-	-	-
Health and Welfare	-	-	-	2,562,071	-	2,562,071
Recreation and Culture	-	46	-	-	-	46
Capital Outlay	-	64,408	-	-	-	64,408
<b>Total Expenditures</b>	<b>45,509</b>	<b>64,454</b>	<b>-</b>	<b>2,562,071</b>	<b>-</b>	<b>2,672,034</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(45,509)</b>	<b>(64,454)</b>	<b>9,579</b>	<b>(973,602)</b>	<b>5,450</b>	<b>(1,068,536)</b>
<b>OTHER FINANCING SOURCES</b>						
Transfers In	37,528	-	500,000	973,602	-	1,511,130
<b>Total Other Financing Sources</b>	<b>37,528</b>	<b>(109,981)</b>	<b>500,000</b>	<b>973,602</b>	<b>-</b>	<b>1,401,149</b>
<b>Net Change in Fund Balances</b>	<b>(7,981)</b>	<b>(174,435)</b>	<b>509,579</b>	<b>-</b>	<b>5,450</b>	<b>332,613</b>
<b>Fund Balances - June 30, 2011</b>	<b>56,456</b>	<b>174,435</b>	<b>1,435,968</b>	<b>-</b>	<b>857,678</b>	<b>2,524,537</b>
<b>Fund Balances - June 30, 2012</b>	<b>\$ 48,475</b>	<b>\$ -</b>	<b>\$ 1,945,547</b>	<b>\$ -</b>	<b>\$ 863,128</b>	<b>\$ 2,857,150</b>

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

**OTHER PUBLIC SAFETY**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 37,528	\$ -	\$ (37,528.00)
<b>Total Revenues</b>	<u>-</u>	<u>37,528</u>	<u>-</u>	<u>(37,528)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>-</u>	<u>93,984</u>	<u>45,509</u>	<u>48,475</u>
<b>Total Expenditures</b>	<u>-</u>	<u>93,984</u>	<u>45,509</u>	<u>48,475</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(56,456)</u>	<u>(45,509)</u>	<u>10,947</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>-</u>	<u>53,056</u>	<u>37,528</u>	<u>(15,528)</u>
<b>Total Other Financing Sources</b>	<u>-</u>	<u>53,056</u>	<u>37,528</u>	<u>(15,528)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(3,400)</u>	<u>(7,981)</u>	<u>(4,581)</u>
<b>Fund Balance - June 30, 2011</b>	<u>51,527</u>	<u>51,527</u>	<u>56,456</u>	<u>(15,528)</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 51,527</u>	<u>\$ 48,127</u>	<u>\$ 48,475</u>	<u>\$ (20,109)</u>

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

**OPEN SPACE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 200,235	\$ 200,235	\$ -	\$ (200,235)
<b>Total Revenues</b>	<u>200,235</u>	<u>200,235</u>	<u>-</u>	<u>(200,235)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	-	-
Highways, Streets, and Bridges	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Culture	-	-	46	(46)
Capital Outlay	<u>250,293</u>	<u>250,293</u>	<u>64,408</u>	<u>185,885</u>
<b>Total Expenditures</b>	<u>250,293</u>	<u>250,293</u>	<u>64,454</u>	<u>185,839</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(50,058)</u>	<u>(50,058)</u>	<u>(64,454)</u>	<u>(14,396)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	50,058	50,058	-	(50,058)
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(109,981)</u>	<u>(109,981)</u>
<b>Total Other Financing</b>				
<b>Sources</b>	<u>50,058</u>	<u>50,058</u>	<u>(109,981)</u>	<u>(160,039)</u>
<b>Net Change in Fund Balance</b>	-	-	(174,435)	(174,435)
<b>Fund Balance - June 30, 2011</b>	<u>146,659</u>	<u>146,659</u>	<u>174,435</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 146,659</u>	<u>\$ 146,659</u>	<u>\$ -</u>	<u>\$ (174,435)</u>

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

**AGRICULTURAL LAND PRESERVATION**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 9,579	\$ (20,421)
<b>Total Revenues</b>	<u>30,000</u>	<u>30,000</u>	<u>9,579</u>	<u>(20,421)</u>
<b>EXPENDITURES</b>				
Current:				
Agriculture	<u>1,942,000</u>	<u>1,935,968</u>	<u>-</u>	<u>1,935,968</u>
<b>Total Expenditures</b>	<u>1,942,000</u>	<u>1,935,968</u>	<u>-</u>	<u>1,935,968</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(1,912,000)</u>	<u>(1,905,968)</u>	<u>9,579</u>	<u>1,915,547</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>Total Other Financing</b>				
<b>Sources</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(1,412,000)	(1,405,968)	509,579	1,915,547
<b>Fund Balance - June 30, 2011</b>	<u>1,412,127</u>	<u>1,412,127</u>	<u>1,435,968</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 127</u>	<u>\$ 6,159</u>	<u>\$ 1,945,547</u>	<u>\$ 1,915,547</u>

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

**SENIOR SERVICES & COMMUNITY TRANSIT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,852,734	\$ 1,945,667	\$ 1,351,479	\$ (594,188)
Charges for Services	<u>193,260</u>	<u>193,260</u>	<u>236,990</u>	<u>43,730</u>
<b>Total Revenues</b>	<u>2,045,994</u>	<u>2,138,927</u>	<u>1,588,469</u>	<u>(550,458)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Welfare	<u>3,077,022</u>	<u>3,183,455</u>	<u>2,562,071</u>	<u>621,384</u>
<b>Total Expenditures</b>	<u>3,077,022</u>	<u>3,183,455</u>	<u>2,562,071</u>	<u>621,384</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over (Under) Expenditures</b>	<u>(1,031,028)</u>	<u>(1,044,528)</u>	<u>(973,602)</u>	<u>70,926</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,029,935</u>	<u>1,044,528</u>	<u>973,602</u>	<u>(70,926)</u>
<b>Total Other Financing</b> <b>Sources</b>	<u>1,029,935</u>	<u>1,044,528</u>	<u>973,602</u>	<u>(70,926)</u>
<b>Net Change in Fund Balance</b>	(1,093)	-	-	-
<b>Fund Balance - June 30, 2011</b>	<u>(1,093)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ (2,186)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**ECONOMIC DEVELOPMENT REVOLVING LOAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Investment Earnings	\$ -	\$ -	\$ 5,450	\$ 5,450
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>5,450</u>	<u>5,450</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>5,450</u>	<u>5,450</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>5,450</u>	<u>5,450</u>
<b>Fund Balance - June 30, 2011</b>	<u>841,335</u>	<u>841,335</u>	<u>857,678</u>	<u>-</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 841,335</u>	<u>\$ 841,335</u>	<u>\$ 863,128</u>	<u>\$ 5,450</u>

## **Non-Major Governmental Funds**

### **Debt Service Fund**

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



**CECIL COUNTY, MARYLAND**

**BALANCE SHEET  
NON-MAJOR FUND  
DEBT SERVICE FUND  
JUNE 30, 2012**

<b>ASSETS</b>	
Receivables, Net	\$ <u>51</u>
<b>Total Assets</b>	<u>51</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Due to Other Funds	<u>51</u>
<b>Total Liabilities</b>	<u>51</u>
 <b>Fund Balance:</b>	
Restricted	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>
 <b>Total Liabilities and Fund Balance</b>	 <u>\$ 51</u>

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

**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Special Assessments	\$ 49,389	\$ 49,389	\$ 13,988	\$ (35,401)
<b>Total Revenues</b>	<u>49,389</u>	<u>49,389</u>	<u>13,988</u>	<u>(35,401)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	11,321,176	10,975,187	10,935,206	39,981
Interest	<u>5,482,670</u>	<u>5,424,868</u>	<u>4,838,557</u>	<u>586,311</u>
<b>Total Expenditures</b>	<u>16,803,846</u>	<u>16,400,055</u>	<u>15,773,763</u>	<u>626,292</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(16,754,457)</u>	<u>(16,350,666)</u>	<u>(15,759,775)</u>	<u>590,891</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on Debt Issued	-	-	2,470,270	2,470,270
Refunding Bonds Issued	-	-	25,860,000	25,860,000
Bond Issuance Cost	-	-	(173,490)	(173,490)
Advance Refunding Agent	-	-	(28,156,780)	(28,156,780)
Transfers In	<u>16,754,457</u>	<u>16,350,666</u>	<u>15,759,775</u>	<u>(590,891)</u>
<b>Total Other Financing Sources</b>	<u>16,754,457</u>	<u>16,350,666</u>	<u>15,759,775</u>	<u>(590,891)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - June 30, 2011</b>	44,242	44,242	-	(44,242)
<b>Prior Period Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2011</b>	<u>44,242</u>	<u>44,242</u>	<u>-</u>	<u>(44,242)</u>
<b>Fund Balance - June 30, 2012</b>	<u>\$ 44,242</u>	<u>\$ 44,242</u>	<u>\$ -</u>	<u>\$ (44,242)</u>

## **Non-Major Governmental Funds**

### **Capital Projects Funds**

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

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

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

**CECIL COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**CAPITAL PROJECT FUNDS**  
**JUNE 30, 2012**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 405,363	\$ 914,104	\$ 1,319,467
Due from Other Governments	<u>975,706</u>	<u>-</u>	<u>975,706</u>
<b>Total Assets</b>	<u>\$ 1,381,069</u>	<u>\$ 914,104</u>	<u>\$ 2,295,173</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ <u>897,109</u>	\$ <u>42,388</u>	\$ <u>939,497</u>
<b>Total Liabilities</b>	<u>897,109</u>	<u>42,388</u>	<u>939,497</u>
<b>Fund Balances:</b>			
Unrestricted:			
Committed Fund Balance	<u>483,960</u>	<u>871,716</u>	<u>1,355,676</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,381,069</u>	<u>\$ 914,104</u>	<u>\$ 2,295,173</u>

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

**CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>College Construction</u>	<u>Library Construction</u>	<u>Total</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,445,191</u>	<u>126,513</u>	<u>1,571,704</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,445,191)</u>	<u>(126,513)</u>	<u>(1,571,704)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>-</u>	<u>170,000</u>	<u>170,000</u>
<b>Total Other Financing Sources</b>	<u>1,203,000</u>	<u>170,000</u>	<u>1,373,000</u>
<b>Net Change in Fund Balances</b>	(242,191)	43,487	(198,704)
<b>Fund Balances - June 30, 2011</b>	<u>726,151</u>	<u>828,228</u>	<u>1,554,379</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 483,960</u>	<u>\$ 871,715</u>	<u>\$ 1,355,675</u>

## **Internal Service Funds**

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

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

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

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

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2012**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash	\$ 5,405,149	\$ -	\$ -	\$ 5,405,149
Investments	2,982,990	2,296,147	-	5,279,137
Receivables, Net:				
Accounts	17,379	-	-	17,379
Other	-	-	-	-
Due from Other Governments	-	-	15,097	15,097
Inventory	-	-	16,300	16,300
Prepaid Items & Other Assets	<u>135,400</u>	<u>75,000</u>	<u>-</u>	<u>210,400</u>
<b>Total Current Assets</b>	<u>8,540,918</u>	<u>2,371,147</u>	<u>31,397</u>	<u>10,943,462</u>
<b>Non-Current Assets:</b>				
Capital Assets, Net:				
Buildings	-	-	220,679	220,679
Machinery & Equipment	<u>-</u>	<u>-</u>	<u>15,765</u>	<u>15,765</u>
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>	<u>236,444</u>	<u>236,444</u>
<b>Total Assets</b>	<u>8,540,918</u>	<u>2,371,147</u>	<u>267,841</u>	<u>11,179,906</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	-	-	160,619	160,619
Due to Other Funds	158,537	-	107,222	265,759
Accrued Expenses	1,113,834	1,694,711	-	2,808,545
Unearned Revenue	<u>1,093</u>	<u>-</u>	<u>-</u>	<u>1,093</u>
<b>Total Liabilities</b>	<u>1,273,464</u>	<u>1,694,711</u>	<u>267,841</u>	<u>3,236,016</u>
<b>NET ASSETS</b>				
Invested in Capital Assets	-	-	236,444	236,444
Unrestricted (Deficit)	<u>7,267,454</u>	<u>676,436</u>	<u>(236,444)</u>	<u>7,707,446</u>
<b>Total Net Assets</b>	<u>\$ 7,267,454</u>	<u>\$ 676,436</u>	<u>\$ -</u>	<u>\$ 7,943,890</u>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>				
Charges for Services	\$ 9,474,270	\$ 1,354,604	\$ 1,827,625	\$ 12,656,499
<b>Operating Expenses:</b>				
Benefit Payments	7,888,843	204,487	-	8,093,330
Materials, Supplies, and Services	475,886	526,206	1,806,866	2,808,958
Depreciation	-	-	20,759	20,759
<b>Total Operating Expenses</b>	<u>8,364,729</u>	<u>730,693</u>	<u>1,827,625</u>	<u>10,923,047</u>
<b>Operating Income (Loss)</b>	<u>1,109,541</u>	<u>623,911</u>	<u>-</u>	<u>1,733,452</u>
<b>Non-Operating Revenues</b>				
Investment Earnings	<u>34,392</u>	<u>6,968</u>	<u>-</u>	<u>41,360</u>
<b>Total Non-Operating Revenues</b>	<u>34,392</u>	<u>6,968</u>	<u>-</u>	<u>41,360</u>
<b>Change in Net Assets</b>	1,143,933	630,879	-	1,774,812
<b>Net Assets - June 30, 2011</b>	<u>6,123,521</u>	<u>45,557</u>	<u>-</u>	<u>6,169,078</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 7,267,454</u>	<u>\$ 676,436</u>	<u>\$ -</u>	<u>\$ 7,943,890</u>



**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Central Garage</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities:</b>				
Receipts from Service Charges & Insured	\$ 9,470,361	\$ 1,704,604	\$ 1,812,528	\$12,987,493
Payments to Suppliers and Providers	<u>(8,278,758)</u>	<u>(797,673)</u>	<u>(1,806,895)</u>	<u>(10,883,326)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>1,191,603</u>	<u>906,931</u>	<u>5,633</u>	<u>2,104,167</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Advances to Other Funds	<u>158,359</u>	<u>-</u>	<u>9,464</u>	<u>167,823</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>	<u>158,359</u>	<u>-</u>	<u>9,464</u>	<u>167,823</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of Capital Assets	<u>-</u>	<u>-</u>	<u>(15,097)</u>	<u>(15,097)</u>
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>(15,097)</u>	<u>(15,097)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on Investments	<u>34,392</u>	<u>6,968</u>	<u>-</u>	<u>41,360</u>
<b>Net Cash Flows From Investment Activities</b>	<u>34,392</u>	<u>6,968</u>	<u>-</u>	<u>41,360</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,384,354	913,899	-	2,298,253
<b>Cash and Cash Equivalents - June 30, 2011</b>	<u>7,003,785</u>	<u>1,382,248</u>	<u>-</u>	<u>8,386,033</u>
<b>Cash and Cash Equivalents - June 30, 2012</b>	<u>\$ 8,388,139</u>	<u>\$ 2,296,147</u>	<u>\$ -</u>	<u>\$10,684,286</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (loss)	\$ 1,109,541	\$ 623,911	\$ -	\$ 1,733,452
Adjustments to Reconcile Operating Income to Net Cash provided by (Used in) Operating Activities:				
Depreciation	-	-	20,759	20,759
Effect of changes in Assets and Liabilities:				
Accounts Receivable	(3,337)	350,000	(15,097)	331,566
Inventory	-	-	1,890	1,890
Accounts Payable	-	(29,558)	(1,919)	(31,477)
Accrued Expenses	85,971	(37,422)	-	48,549
Unearned Revenue	<u>(572)</u>	<u>-</u>	<u>-</u>	<u>(572)</u>
<b>Total Adjustments</b>	<u>82,062</u>	<u>283,020</u>	<u>5,633</u>	<u>370,715</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,191,603</u>	<u>\$ 906,931</u>	<u>\$ 5,633</u>	<u>\$ 2,104,167</u>

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

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

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

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

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

**CECIL COUNTY, MARYLAND**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>COLLECTIONS - STATE TAXES</b>				
<b>Assets</b>				
Cash	\$ 246,333	\$ 22,615,397	\$ (22,488,822)	\$ 372,908
Accounts Receivable - Property Taxes	<u>8,798</u>	<u>13,678,750</u>	<u>(13,665,056)</u>	<u>22,492</u>
<b>Total Assets</b>	<b><u>\$ 255,131</u></b>	<b><u>\$ 36,294,147</u></b>	<b><u>\$ (36,153,878)</u></b>	<b><u>\$ 395,400</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 255,131	\$ 33,799,867	\$ (33,659,598)	\$ 395,400
<b>Total Liabilities</b>	<b><u>\$ 255,131</u></b>	<b><u>\$ 33,799,867</u></b>	<b><u>\$ (33,659,598)</u></b>	<b><u>\$ 395,400</u></b>
<b>COLLECTIONS - STATE BAY RESTORATION FEE</b>				
<b>Assets</b>				
Cash	\$ 359,556	\$ 1,829,318	\$ (1,808,885)	\$ 379,989
Accounts Receivable - Fees	<u>78,536</u>	<u>991,977</u>	<u>(995,024)</u>	<u>75,489</u>
<b>Total Assets</b>	<b><u>\$ 438,092</u></b>	<b><u>\$ 2,821,295</u></b>	<b><u>\$ (2,803,909)</u></b>	<b><u>\$ 455,478</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 438,092	\$ 3,253,721	\$ (3,236,335)	\$ 455,478
<b>Total Liabilities</b>	<b><u>\$ 438,092</u></b>	<b><u>\$ 3,253,721</u></b>	<b><u>\$ (3,236,335)</u></b>	<b><u>\$ 455,478</u></b>
<b>COLLECTIONS - CECILTON</b>				
<b>Assets</b>				
Cash	\$ 1,533	\$ 350,720	\$ (344,564)	\$ 7,689
Accounts Receivable - Fees & Taxes	<u>168</u>	<u>183,970</u>	<u>(183,832)</u>	<u>306</u>
<b>Total Assets</b>	<b><u>\$ 1,701</u></b>	<b><u>\$ 534,690</u></b>	<b><u>\$ (528,396)</u></b>	<b><u>\$ 7,995</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 1,701	\$ 514,890	\$ (508,596)	\$ 7,995
<b>Total Liabilities</b>	<b><u>\$ 1,701</u></b>	<b><u>\$ 514,890</u></b>	<b><u>\$ (508,596)</u></b>	<b><u>\$ 7,995</u></b>
<b>COLLECTIONS - CHESAPEAKE CITY</b>				
<b>Assets</b>				
Cash	\$ 7,365	\$ 757,071	\$ (762,962)	\$ 1,474
Accounts Receivable - Property Taxes	<u>944</u>	<u>385,579</u>	<u>(385,082)</u>	<u>1,441</u>
<b>Total Assets</b>	<b><u>\$ 8,309</u></b>	<b><u>\$ 1,142,650</u></b>	<b><u>\$ (1,148,044)</u></b>	<b><u>\$ 2,915</u></b>
<b>Liabilities</b>				
Due to Other Governments	\$ 8,309	\$ 1,145,684	\$ (1,151,078)	\$ 2,915
<b>Total Liabilities</b>	<b><u>\$ 8,309</u></b>	<b><u>\$ 1,145,684</u></b>	<b><u>\$ (1,151,078)</u></b>	<b><u>\$ 2,915</u></b>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>COLLECTIONS - CHARLESTOWN</b>				
<b>Assets</b>				
Cash	\$ 8,263	\$ 738,840	\$ (743,696)	3,407
Accounts Receivable - Property Taxes	<u>50</u>	<u>393,098</u>	<u>(389,855)</u>	<u>3,293</u>
<b>Total Assets</b>	<b><u>\$ 8,313</u></b>	<b><u>\$ 1,131,938</u></b>	<b><u>\$ (1,133,551)</u></b>	<b><u>\$ 6,700</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 8,313</u>	<u>\$ 1,128,661</u>	<u>\$ (1,130,274)</u>	<u>\$ 6,700</u>
<b>Total Liabilities</b>	<b><u>\$ 8,313</u></b>	<b><u>\$ 1,128,661</u></b>	<b><u>\$ (1,130,274)</u></b>	<b><u>\$ 6,700</u></b>
<b>COLLECTIONS - ELKTON</b>				
<b>Assets</b>				
Cash	\$ 81,526	\$ 11,057,679	\$ (11,032,104)	\$ 107,101
Accounts Receivable - Property Taxes	<u>3,182</u>	<u>5,752,910</u>	<u>(5,734,107)</u>	<u>21,985</u>
<b>Total Assets</b>	<b><u>\$ 84,708</u></b>	<b><u>\$ 16,810,589</u></b>	<b><u>\$ (16,766,211)</u></b>	<b><u>\$ 129,086</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 84,708</u>	<u>\$ 16,652,608</u>	<u>\$ (16,608,230)</u>	<u>\$ 129,086</u>
<b>Total Liabilities</b>	<b><u>\$ 84,708</u></b>	<b><u>\$ 16,652,608</u></b>	<b><u>\$ (16,608,230)</u></b>	<b><u>\$ 129,086</u></b>
<b>COLLECTIONS - NORTH EAST</b>				
<b>Assets</b>				
Cash	\$ 20,813	\$ 3,706,161	\$ (3,709,517)	\$ 17,457
Accounts Receivable - Fees & Taxes	<u>2,096</u>	<u>1,938,050</u>	<u>(1,931,626)</u>	<u>8,520</u>
<b>Total Assets</b>	<b><u>\$ 22,909</u></b>	<b><u>\$ 5,644,211</u></b>	<b><u>\$ (5,641,143)</u></b>	<b><u>\$ 25,977</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 22,909</u>	<u>\$ 5,617,029</u>	<u>\$ (5,613,961)</u>	<u>\$ 25,977</u>
<b>Total Liabilities</b>	<b><u>\$ 22,909</u></b>	<b><u>\$ 5,617,029</u></b>	<b><u>\$ (5,613,961)</u></b>	<b><u>\$ 25,977</u></b>
<b>COLLECTIONS - PORT DEPOSIT</b>				
<b>Assets</b>				
Cash	\$ 11,941	\$ 890,711	\$ (874,910)	\$ 27,742
Accounts Receivable - Property Taxes	<u>9,005</u>	<u>470,450</u>	<u>(474,056)</u>	<u>5,399</u>
<b>Total Assets</b>	<b><u>\$ 20,946</u></b>	<b><u>\$ 1,361,161</u></b>	<b><u>\$ (1,348,966)</u></b>	<b><u>\$ 33,141</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 20,946</u>	<u>\$ 1,313,327</u>	<u>\$ (1,301,132)</u>	<u>\$ 33,141</u>
<b>Total Liabilities</b>	<b><u>\$ 20,946</u></b>	<b><u>\$ 1,313,327</u></b>	<b><u>\$ (1,301,132)</u></b>	<b><u>\$ 33,141</u></b>

**CECIL COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>COLLECTIONS - PERRYVILLE</b>				
<b>Assets</b>				
Cash	\$ 17,315	\$ 3,257,111	\$ (3,265,925)	\$ 8,501
Accounts Receivable - Property Taxes	<u>843</u>	<u>1,817,327</u>	<u>(1,816,947)</u>	<u>1,223</u>
<b>Total Assets</b>	<b><u>\$ 18,158</u></b>	<b><u>\$ 5,074,438</u></b>	<b><u>\$ (5,082,872)</u></b>	<b><u>\$ 9,724</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>18,158</u>	<u>5,073,169</u>	<u>(5,081,603)</u>	<u>9,724</u>
<b>Total Liabilities</b>	<b><u>\$ 18,158</u></b>	<b><u>\$ 5,073,169</u></b>	<b><u>\$ (5,081,603)</u></b>	<b><u>\$ 9,724</u></b>
<b>COLLECTIONS - RISING SUN</b>				
<b>Assets</b>				
Cash	\$ 6,002	\$ 1,595,174	\$ (1,595,425)	\$ 5,751
Accounts Receivable - Property Taxes	<u>557</u>	<u>825,240</u>	<u>(816,775)</u>	<u>9,022</u>
<b>Total Assets</b>	<b><u>\$ 6,559</u></b>	<b><u>\$ 2,420,414</u></b>	<b><u>\$ (2,412,200)</u></b>	<b><u>\$ 14,773</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 6,559</u>	<u>\$ 2,404,500</u>	<u>\$ (2,396,286)</u>	<u>\$ 14,773</u>
<b>Total Liabilities</b>	<b><u>\$ 6,559</u></b>	<b><u>\$ 2,404,500</u></b>	<b><u>\$ (2,396,286)</u></b>	<b><u>\$ 14,773</u></b>
<b>TOTALS - ALL FUNDS</b>				
<b>Assets</b>				
Cash	\$ 761,565	\$ 46,798,182	\$ (46,626,810)	\$ 932,019
Accounts Receivable - Fees & Taxes	<u>78,723</u>	<u>26,437,351</u>	<u>(26,392,360)</u>	<u>149,170</u>
<b>Total Assets</b>	<b><u>\$ 840,288</u></b>	<b><u>\$ 73,235,533</u></b>	<b><u>\$ (73,019,170)</u></b>	<b><u>\$ 1,081,189</u></b>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 840,288</u>	<u>\$ 70,903,456</u>	<u>\$ (70,687,093)</u>	<u>\$ 1,081,189</u>
<b>Total Liabilities</b>	<b><u>\$ 840,288</u></b>	<b><u>\$ 70,903,456</u></b>	<b><u>\$ (70,687,093)</u></b>	<b><u>\$ 1,081,189</u></b>

STATISTICAL  
SECTION

# CECIL COUNTY, MARYLAND

## STATISTICAL SECTION

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

<b>Contents</b>	<b><u>Page</u></b>
<b>Financial Trends - Tables I to IV</b>	103
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity - Tables V to VIII</b>	108
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax	
<b>Debt Capacity - Tables IX to XIII</b>	112
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information - Tables XIV - XVI</b>	116
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information - Tables XVII to XVIII</b>	119
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the services it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003 and GASB 54 was implemented in 2010; Table III has been restated to reflect the change in fund balance presentation.

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Table I

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

	2008	2009	2010	2011	2012
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 118,947,569	\$ 121,977,339	\$ 116,206,965	\$ 144,335,428	\$ 131,319,211
Restricted	4,964,961	4,429,739	27,864,318	15,691,081	21,257,511
Unrestricted (Deficit)	(17,557,877)	(26,085,408)	(43,751,070)	(45,695,780)	(14,643,027)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 106,354,653</b>	<b>\$ 100,321,670</b>	<b>\$ 100,320,213</b>	<b>\$ 114,330,729</b>	<b>\$ 137,933,695</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Invested in Capital Assets, Net of Related Debt	\$ 31,193,004	\$ 33,060,858	\$ 42,218,878	\$ 42,443,506	\$ 38,470,096
Restricted	728,355	8,603,936	19,166,532	9,715,314	4,748,159
Unrestricted	8,216,737	(221,754)	(21,412,356)	(13,411,799)	(5,222,061)
<b>Total Business-type Activities Net Assets</b>	<b>\$ 40,138,096</b>	<b>\$ 41,443,040</b>	<b>\$ 39,973,054</b>	<b>\$ 38,747,021</b>	<b>\$ 37,996,194</b>
<b>PRIMARY GOVERNMENT</b>					
Invested in Capital Assets, Net of Related Debt	\$ 150,140,573	\$ 155,038,197	\$ 158,425,843	\$ 186,778,934	\$ 169,789,307
Restricted	5,693,316	13,033,675	47,030,850	25,406,395	26,005,670
Unrestricted	(9,341,140)	(26,307,162)	(65,163,426)	(59,107,579)	(19,865,088)
<b>Total Primary Government Net Assets</b>	<b>\$ 146,492,749</b>	<b>\$ 141,764,710</b>	<b>\$ 140,293,267</b>	<b>\$ 153,077,750</b>	<b>\$ 175,929,889</b>

Table II

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

	2008	2009	2010	2011	2012
<b>EXPENSES</b>					
<b>Governmental Activities:</b>					
General Government	\$ 11,919,037	\$ 13,303,837	\$ 13,294,360	\$ 13,541,706	\$ 13,473,632
Public Safety	31,247,533	33,334,863	34,059,214	34,124,715	34,008,873
Highways, Streets, and Bridges	13,669,424	13,981,175	13,432,401	14,174,041	13,893,866
Health and Welfare	10,937,738	11,756,789	12,100,852	12,498,027	12,177,894
Recreation and Culture	665,321	880,408	1,008,810	983,512	1,020,488
Education	87,757,907	96,520,700	83,991,156	81,391,571	78,627,416
Public Libraries	5,056,857	4,681,578	4,613,704	4,599,509	4,480,298
Economic Development	1,130,391	1,214,647	1,100,961	960,743	1,589,105
Agriculture	2,184,443	2,131,412	1,230,023	546,120	551,134
Interest on Long-Term Debt	5,393,680	5,492,318	6,060,747	5,550,175	4,939,364
Total Governmental Activities Expenses	<u>169,962,331</u>	<u>183,297,747</u>	<u>170,892,228</u>	<u>168,370,119</u>	<u>164,762,070</u>
<b>Business-Type Activities:</b>					
Water	922,353	1,103,638	1,097,403	1,168,243	672,752
Wastewater	4,303,249	5,069,605	5,290,073	5,200,826	5,734,358
Landfill	4,473,534	4,830,035	6,165,937	5,538,979	6,180,447
Total Business-Type Activities Expenses	<u>9,699,136</u>	<u>11,003,278</u>	<u>12,553,413</u>	<u>11,908,048</u>	<u>12,587,557</u>
<b>Total Primary Government Expenses</b>	<u>\$ 179,661,467</u>	<u>\$ 194,301,025</u>	<u>\$ 183,445,641</u>	<u>\$ 180,278,167</u>	<u>\$ 177,349,627</u>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	\$ 1,214,042	\$ 1,163,371	\$ 5,319,506	\$ 5,420,162	\$ 4,572,364
Public Safety	2,317,402	2,136,375	2,102,300	2,038,347	2,114,895
Highways, Streets, and Bridges	511,444	376,370	404,378	311,194	236,162
Other Activities	229,465	322,033	388,457	449,605	515,874
Operating Grants and Contributions	22,453,267	17,265,269	12,792,599	15,499,994	17,745,716
Capital Grants and Contributions	1,183,860	3,150,745	1,518,598	7,248,329	12,722,681
Total Governmental Activities Revenues	<u>27,909,480</u>	<u>24,414,163</u>	<u>22,525,838</u>	<u>30,967,631</u>	<u>37,907,692</u>

<b>Business-Type Activities:</b>					
Charges for Services:					
Water	1,308,395	1,228,117	1,275,093	653,831	
Wastewater	3,372,665	3,362,841	3,683,375	4,737,750	
Landfill	4,556,694	4,566,354	5,275,317	5,191,842	
Capital Grants and Contributions	2,964,543	1,901,600	645,117	1,710,837	
Total Business-Type Activities Revenues	<u>12,202,297</u>	<u>11,058,912</u>	<u>10,878,902</u>	<u>12,294,260</u>	
<b>Total Primary Government Revenues</b>	<b>\$ 42,320,478</b>	<b>\$ 33,584,750</b>	<b>\$ 41,846,533</b>	<b>\$ 50,201,952</b>	
<b>OTHER CHANGES IN NET ASSETS</b>					
<b>Governmental Activities:</b>					
Taxes					
Property Taxes	\$ 86,399,908	\$ 101,463,330	\$ 101,274,085	\$ 102,575,768	
Income Taxes	50,565,845	45,825,168	49,000,281	47,342,973	
Investment Earnings	3,800,175	969,436	571,783	334,147	
Other Revenues including Capital Asset Sales Gains (Losses)	61,174	(2,514)	48,787	40,831	
Grants, Entitlements, and Contributions not Restricted to Specific Programs	6,714,410	109,595	518,068	163,625	
Total Governmental Activities	<u>147,541,512</u>	<u>148,365,015</u>	<u>151,413,004</u>	<u>150,457,344</u>	
<b>Business-Type Activities:</b>					
Investment Earnings	147,605	23,167	32,233	13,410	
Other Revenues including Capital Asset Sales Gains (Losses)	2,905,486	1,348	(229,120)	(470,940)	
Total Business-Type Activities	<u>3,053,091</u>	<u>24,515</u>	<u>(196,887)</u>	<u>(457,530)</u>	
<b>Total Primary Government</b>	<b>\$ 150,594,603</b>	<b>\$ 148,389,530</b>	<b>\$ 151,216,117</b>	<b>\$ 149,999,814</b>	
<b>CHANGE IN NET ASSETS</b>					
Governmental Activities	\$ 5,488,661	\$ (1,375)	\$ 14,010,516	\$ 23,602,966	
Business-Type Activities	7,764,953	(1,469,986)	(1,226,033)	(750,827)	
Total Primary Government	<u>\$ 13,253,614</u>	<u>\$ (1,471,361)</u>	<u>\$ 12,784,483</u>	<u>\$ 22,852,139</u>	

Table III

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GENERAL FUND</b>										
Non-Spendable Fund Balance	\$ 1,055,428	\$ 1,083,012	\$ 984,084	\$ 749,029	\$ 1,200,339	\$ 650,647	\$ 885,779	\$ 1,304,977	\$ 1,807,790	\$ 477,087
Restricted Fund Balance										
Unrestricted Fund Balance	8,008,308	8,609,209	9,886,289	11,124,105	11,508,756	12,091,588	12,254,857	15,089,601	13,885,400	13,118,597
Committed Fund Balance	7,704,491	10,059,038	16,256,302	22,814,258	17,986,174	18,350,751	11,466,595	8,267,000	7,784,000	4,541,000
Assigned Fund Balance	6,548,330	8,534,636	7,938,314	5,533,641	5,106,793	7,629,769	11,762,656	9,979,387	12,876,339	19,633,997
Unassigned Fund Balance										
<b>Total General Fund</b>	<b>\$ 23,316,557</b>	<b>\$ 28,285,895</b>	<b>\$ 35,064,989</b>	<b>\$ 40,221,033</b>	<b>\$ 35,802,062</b>	<b>\$ 38,722,755</b>	<b>\$ 36,369,887</b>	<b>\$ 34,640,965</b>	<b>\$ 36,353,529</b>	<b>\$ 37,770,681</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Non-Spendable Fund Balance	\$ 660,651	\$ 1,655,815	\$ 10,079,721	\$ 319,003	\$ 280,791	\$ 504,735	\$ 452,524	\$ 415,600	\$ -	\$ -
Restricted Fund Balance	2,538,876	1,665,713	2,281,234	4,509,338	4,461,531	4,964,961	4,429,739	3,808,570	6,804,178	7,457,083
Unrestricted Fund Balance:										
Committed Fund Balance	4,975,972	6,530,771	2,548,950	25,630,862	21,888,689	23,923,855	28,322,186	34,784,997	13,006,747	18,650,074
<b>Total All Other Governmental Funds</b>	<b>\$ 8,175,499</b>	<b>\$ 9,852,299</b>	<b>\$ 14,909,905</b>	<b>\$ 30,459,203</b>	<b>\$ 26,631,011</b>	<b>\$ 29,393,551</b>	<b>\$ 33,204,449</b>	<b>\$ 39,009,167</b>	<b>\$ 19,810,925</b>	<b>\$ 26,107,157</b>

Table IV

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Property Taxes	\$ 57,848,567	\$ 60,150,986	\$ 66,492,561	\$ 72,387,227	\$ 78,510,957	\$ 88,508,000	\$ 96,173,901	\$ 101,345,357	\$ 101,811,471	\$ 102,628,643
Income Taxes	34,360,500	39,138,613	40,821,907	44,608,423	46,864,546	50,192,279	48,851,186	46,816,208	46,835,947	48,813,198
Licenses and Permits	1,391,728	2,131,113	1,941,049	2,042,609	1,663,284	1,534,913	1,298,179	1,320,505	1,427,708	1,545,645
Intergovernmental	22,180,465	19,993,244	21,936,800	28,758,685	25,679,805	29,783,816	24,422,814	13,787,534	22,873,190	27,651,332
Charges for Services	2,164,120	2,311,402	2,457,213	2,750,764	3,471,173	2,737,440	2,772,383	6,917,459	6,898,159	5,891,840
Investment Earnings	702,722	621,827	1,227,236	3,049,037	4,940,692	3,559,933	1,911,428	885,570	491,228	292,787
Contributions and Other Revenues	539,958	85,264	201,538	227,147	2,195,952	138,668	178,025	221,808	111,188	85,982
<b>Total Revenues</b>	<b>119,168,080</b>	<b>124,432,449</b>	<b>135,078,304</b>	<b>153,823,992</b>	<b>163,328,319</b>	<b>174,451,047</b>	<b>175,807,926</b>	<b>171,294,441</b>	<b>180,448,889</b>	<b>187,909,427</b>
<b>EXPENDITURES</b>										
General Government	8,952,723	7,186,682	7,704,805	8,719,551	9,750,668	10,819,769	11,643,833	11,767,891	12,158,101	13,106,207
Public Safety	18,355,160	19,400,748	21,987,248	24,051,219	27,881,771	30,385,329	32,059,207	33,410,429	33,121,253	33,444,470
Highways, Streets, and Bridges	8,578,023	7,346,119	9,231,564	15,761,574	16,931,434	11,711,984	12,915,367	8,525,908	9,438,103	9,601,220
Health and Welfare	7,993,921	8,780,866	8,322,146	9,082,543	10,141,388	10,733,945	11,864,962	12,271,033	12,416,523	12,078,386
Recreation and Culture	401,404	177,808	544,098	384,103	1,084,736	5,057,788	825,005	869,983	817,817	928,135
Education	59,697,628	62,051,052	64,940,787	68,968,428	73,076,278	72,085,349	78,055,282	76,577,821	76,475,835	75,267,220
Public Libraries	1,543,402	1,729,574	2,024,034	2,546,162	3,449,390	3,982,188	4,425,607	4,438,926	4,462,309	4,283,617
Economic Development	594,458	697,522	689,124	961,816	1,182,390	1,151,985	1,201,887	1,098,197	987,840	1,806,238
Agriculture	733,528	1,076,089	447,505	464,634	2,388,275	2,182,731	2,126,544	1,233,444	552,009	558,766
Municipalities	402,968	407,229	496,525	498,225	568,077	891,863	757,448	820,631	840,039	725,251
Capital Outlay	11,076,447	11,494,366	7,758,694	20,456,312	40,258,236	35,527,552	28,638,924	14,442,284	31,032,515	27,011,212
Debt Service:										
Principal	5,152,338	5,795,467	5,581,089	6,448,797	7,668,902	8,240,914	8,843,784	10,127,743	10,038,418	10,935,206
Interest	2,953,205	2,851,153	2,892,868	3,147,065	4,026,203	5,102,747	5,399,155	5,858,178	5,694,206	4,838,557
<b>Total Expenditures</b>	<b>124,435,203</b>	<b>128,974,885</b>	<b>132,550,467</b>	<b>181,470,427</b>	<b>198,395,748</b>	<b>197,673,922</b>	<b>198,556,985</b>	<b>181,438,458</b>	<b>198,015,068</b>	<b>194,384,685</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,267,143)</b>	<b>(4,542,236)</b>	<b>2,527,837</b>	<b>(7,646,535)</b>	<b>(35,069,429)</b>	<b>(23,222,875)</b>	<b>(22,949,059)</b>	<b>(10,144,017)</b>	<b>(17,566,179)</b>	<b>(8,475,258)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Capital Asset Disposal	77,703	48,264	214,898	112,617	95,045	129,571	772,086	70,529	80,500	74,639
Capital Leases	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds Issued	13,795,000	21,140,000	9,028,100	27,898,905	26,727,140	28,575,000	23,020,000	13,870,000	-	13,287,000
Premium on Debt Issued	136,928	195,104	85,865	1,029,791	274,166	485,778	732,707	897,594	-	3,370,242
Refunding Bonds Issued	-	(10,194,994)	-	11,755,000	(274,166)	(302,215)	(117,704)	9,710,000	-	25,860,000
Bond Issuance Cost	-	-	-	(895,443)	-	-	-	-	-	(227,456)
Transfer to Refunding Agent	(8,874,041)	-	-	(11,949,000)	-	-	-	(9,819,040)	-	(28,156,780)
Transfers In	14,197,927	14,009,992	15,112,808	21,921,095	31,232,300	26,342,555	28,360,408	27,813,044	19,374,828	23,922,626
Transfers Out	(14,197,927)	(14,009,992)	(15,112,808)	(21,921,095)	(31,232,300)	(26,342,555)	(28,360,408)	(27,813,044)	(19,374,828)	(23,922,626)
<b>Total Other Financing Sources (Uses)</b>	<b>5,135,590</b>	<b>11,188,374</b>	<b>9,308,863</b>	<b>28,351,870</b>	<b>26,822,185</b>	<b>28,888,134</b>	<b>24,407,089</b>	<b>14,219,897</b>	<b>80,500</b>	<b>14,187,643</b>
<b>Net Change in Fund Balances</b>	<b>(131,553)</b>	<b>6,646,138</b>	<b>11,896,700</b>	<b>20,705,335</b>	<b>(8,247,245)</b>	<b>5,885,259</b>	<b>1,458,880</b>	<b>4,075,880</b>	<b>(17,485,679)</b>	<b>7,712,385</b>
<b>Prior Period Adjustments</b>	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$(131,553)</b>	<b>\$ 6,646,138</b>	<b>\$ 11,896,700</b>	<b>\$ 20,705,335</b>	<b>\$(8,247,245)</b>	<b>\$ 5,885,259</b>	<b>\$ 1,458,880</b>	<b>\$ 4,075,880</b>	<b>\$(17,485,679)</b>	<b>\$ 7,712,385</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	7.70%	7.94%	7.28%	7.30%	7.99%	8.97%	8.15%	9.57%	9.42%	9.42%

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

Fiscal Year Ended June 30	Real Property			Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>
	Residential Property	Governmental	Commercial / Industrial	Agricultural	Public Utilities			
2012	\$ 7,682,905,130	n/a	\$ 1,952,981,591	\$ 539,244,741	\$ 117,881,000	\$ 975,324,958	\$ 9,577,587,504	0.996
2011	8,289,959,319	n/a	1,865,379,056	580,610,700	129,707,850	1,013,288,272	10,018,045,703	0.956
2010	8,378,308,042	n/a	1,808,137,513	601,504,059	133,390,680	677,356,425	10,427,476,409	0.983
2009	7,810,141,161	n/a	1,679,833,744	548,985,870	133,234,270	1,066,412,895	9,286,650,170	1.009
2008	6,881,115,239	484,633,433	1,346,611,854	483,730,198	133,224,330	1,169,189,852	8,328,946,812	1.012
2007	5,763,862,087	436,840,091	1,547,882,305	422,341,717	138,899,260	901,625,706	7,598,047,084	1.041
2006	4,967,853,196	405,939,220	1,405,862,883	385,797,432	131,382,650	773,489,955	6,678,220,036	1.043
2005	4,449,676,407	393,125,559	1,274,390,137	355,656,994	132,872,830	650,957,586	6,094,800,191	1.046
2004	3,960,790,828	374,799,525	1,003,860,179	330,078,706	129,405,860	183,856,173	5,746,894,815	1.048
2003	3,983,147,689	367,697,250	1,040,058,303	330,078,706	148,352,920	187,428,805	5,831,104,343	1.063

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

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

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

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

Table VI

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Cecil County Direct Rates</b>										
Real Property	\$0.980	\$0.980	\$0.980	\$0.980	\$0.960	\$ 0.960	\$0.960	\$0.940	\$0.915	\$ 0.940
Personal Property	2.450	2.450	2.450	2.450	2.400	2.400	2.400	2.350	2.288	2.350
<sup>2</sup> Total Direct Tax Rate	1.063	1.048	1.046	1.043	1.041	1.012	1.009	0.983	0.956	0.996
<b>Towns</b>										
Cecilton	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.219	0.219	0.219
Charlestown	0.320	0.320	0.320	0.320	0.280	0.280	0.280	0.280	0.280	0.280
Chesapeake City	0.470	0.472	0.472	0.462	0.462	0.420	0.420	0.425	0.432	0.425
Elkton	0.444	0.544	0.544	0.544	0.544	0.504	0.504	0.464	0.473	0.466
North East	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480
Perryville	0.376	0.376	0.376	0.362	0.362	0.362	0.362	0.353	0.353	0.339
Port Deposit	0.580	0.580	0.551	0.551	0.551	0.551	0.551	0.551	0.551	0.551
Rising Sun	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.360	0.406

**Sources:** Cecil County Treasurer's Office  
The government of each town establishes its respective tax rate.

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

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

Table VII

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2003		2012		
	Taxable Assessed Value	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	\$ 96,241,454	1.82%	\$ 147,156,070	1	1.54%
Ikea Property, Inc.	36,830,300	0.70%	84,121,100	2	0.88%
Delmarva Power & Light Company	65,102,220	1.23%	67,998,670	3	0.71%
Penn Cecil Maryland	-	0.00%	48,040,120	4	0.50%
Wal-Mart Real Estate Business Tr.	-	0.00%	31,183,533	5	0.33%
Chesapeake Ridge, LLC	483,293	0.00%	27,600,500	6	0.29%
Pine Valley, LLC	19,188,300	0.00%	27,049,710	7	0.28%
Mason Dixon Sand & Gravel Co.	214,470	0.00%	26,488,100	8	0.28%
Quality Properties Asset Mgmt.	-	0.00%	25,987,400	9	0.27%
Trea Broadlands, LLC	-	-	24,700,000	10	0.26%
<b>Totals</b>	<b>\$ 218,060,037</b>	<b>3.75%</b>	<b>\$ 510,325,203</b>		<b>5.33%</b>

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

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



Table VIII

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

Fiscal Year	Total Tax Levy'	Collected within the Fiscal Year of Levy		Collections in	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2012	\$ 100,215,039	\$ 99,666,488	99.5%	\$ 178,804	\$ 99,845,292	99.6%
2011	97,464,433	97,214,771	99.7%	138,337	97,353,108	99.9%
2010	95,516,854	94,315,657	98.7%	1,069,084	95,384,741	99.9%
2009	93,799,686	93,433,467	99.6%	348,902	93,782,369	100.0%
2008	84,487,760	84,094,382	99.5%	393,378	84,487,760	100.0%
2007	76,292,949	75,856,903	99.4%	429,290	76,286,193	100.0%
2006	70,138,723	69,744,926	99.4%	391,863	70,136,789	100.0%
2005	63,924,981	63,528,555	99.4%	400,915	63,929,470	100.0%
2004	58,403,516	57,844,275	99.0%	559,241	58,403,516	100.0%
2003	55,623,605	55,312,121	99.4%	249,970	55,562,091	99.9%

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

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

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

Table IX

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

Fiscal Year	Governmental Activities										Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>
	General Obligation Bonds	Economic Development Bonds	Capital Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Capital Leases						
2012	\$ 146,564,707		\$ 316,247	\$ 121,978	\$ 28,440,508	\$ 19,116,764	\$ -				\$ 194,560,204	4.99%	\$1,913
2011	142,990,434	-	930,441	135,263	28,568,841	20,017,483	-				192,642,462	5.18%	1,905
2010	152,424,991	-	1,521,017	148,548	46,887,137	3,190,000	-				204,171,693	5.46%	2,026
2009	147,566,584	-	2,088,882	161,836	31,324,561	3,625,000	699,344				185,466,207	5.21%	1,856
2008	132,552,771	-	2,634,911	173,384	27,435,710	4,040,000	912,603				167,749,379	5.41%	1,688
2007	114,842,045	-	-	184,934	19,289,499	4,430,000	-				138,746,478	4.20%	1,394
2006	94,952,363	831,578	-	184,981	19,358,859	4,800,000	-				120,127,781	4.28%	1,292
2005	73,482,009	883,543	-	53,407	14,494,145	5,150,000	-				94,063,104	3.35%	1,012
2004	69,981,419	933,014	-	57,494	9,485,220	5,485,000	-				85,942,147	3.06%	925
2003	64,337,693	980,020	-	64,681	2,652,381	5,800,000	-				73,834,775	2.80%	817

Source: Cecil County Treasurer's Office

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

<sup>1</sup> See Schedule XIV on page 116 for population data.

This ratio uses population data from the prior calendar year.

Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
	General Obligation Bonds	Economic Development Bonds <sup>3</sup>	Total		
2012	\$ 146,564,707	\$ -	\$ 146,564,707	1.53%	\$ 1,441.23
2011	142,990,434	-	142,990,434	1.43%	1,414.23
2010	152,424,991	-	152,424,991	1.46%	1,512.21
2009	147,566,584	-	147,566,584	1.59%	1,476.76
2008	132,552,771	-	132,552,771	1.59%	1,333.96
2007	114,842,045	-	114,842,045	1.51%	1,154.12
2006	94,952,363	831,578	95,783,941	1.42%	1,030.48
2005	73,482,009	883,543	74,365,552	1.21%	800.05
2004	69,981,419	933,014	70,914,433	1.22%	762.92
2003	64,337,693	980,020	65,317,713	1.10%	722.81

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

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

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

This ratio uses population data from the prior calendar year.

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

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2012**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Cecil County</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property and Income Taxes</b>			
Elkton	\$ 1,846,767	100%	\$ 1,846,767
North East	166,614	100%	166,614
Perryville	205,000	100%	205,000
Rising Sun	1,744,739	100%	<u>1,744,739</u>
Subtotal - Overlapping Debt			3,963,120
<b>Cecil County Direct Debt</b>	146,564,707	100%	<u>146,564,707</u>
<b>Totals</b>			<u>\$ 150,527,827</u>

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

Table XII

**LEGAL DEBT LIMITATION INFORMATION  
(Unaudited)**

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

Table XIII

**PLEGGED - REVENUES COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Wastewater Revenue Bonds				Water Revenue Bonds			
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage
2012	\$ 4,641,400	\$ 4,976,129	\$ (334,729)	\$ 1,638,654	\$ 653,831	\$ 672,752	\$ (18,921)	
2011	3,696,270	4,425,922	(729,652)	1,571,460	1,289,093	1,168,243	120,850	
2010	3,375,394	4,483,019	(1,107,625)	1,554,451	1,234,117	1,097,403	136,714	
2009	3,455,046	4,386,638	(931,592)	1,346,574	1,308,395	1,103,638	204,757	
2008	3,108,223	3,731,492	(623,269)	941,842	1,263,870	922,353	341,517	
2007	2,498,596	3,520,669	(1,022,073)	927,856	787,028	867,921	(80,893)	
2006	3,901,587	3,102,294	799,293	538,983	755,310	824,410	(69,100)	
2005	2,303,816	2,697,826	(394,010)	250,317	651,059	701,969	(50,910)	
2004	2,098,851	3,246,232	(1,147,381)	244,005	590,572	692,929	(102,357)	
2003	2,030,547	1,916,721	113,826	247,221	567,276	639,719	(72,443)	

Fiscal Year	Landfill Revenue Bonds				Special Assessment Bonds			
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Special Assessment Collections	Debt Service Principal	Coverage	
2012	\$ 5,196,182	\$ 5,619,803	\$ (423,621)	\$ 900,718	\$ 13,287	\$ 13,287	100%	
2011	5,294,655	4,822,085	472,570	508,759	13,994	13,994	100%	
2010	4,576,968	5,707,285	(1,130,317)	1,183,102	50,051	50,051	100%	
2009	4,561,929	4,558,610	3,319	628,260	50,132	50,132	100%	
2008	5,383,296	4,245,780	1,137,516	645,989	50,203	50,203	100%	
2007	5,452,622	4,383,786	1,068,836	370,000	44,242	44,242	100%	
2006	5,627,360	3,798,326	1,829,034	350,000	44,242	44,242	100%	
2005	5,470,619	3,738,650	1,731,969	335,000	43,968	43,968	100%	
2004	4,920,518	3,304,058	1,616,460	315,000	43,855	43,855	100%	
2003	3,697,508	2,534,833	1,162,675	300,000	43,753	43,753	100%	

Source: Cecil County Treasurer's Office

Table XIV

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

<b>Calendar Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>a,1</sup></b>	<b>Per Capita Income<sup>a</sup></b>	<b>Average Employment<sup>b,2</sup></b>	<b>Average Unemployment Rate<sup>b,2</sup></b>	<b>Median Price of Housing Sales<sup>d</sup></b>	<b>School Enrollment<sup>c,3</sup></b>
2011	101,694	\$ 3,897,356,000	\$ 38,508	46,188	8.9%	\$ 199,900	15,827
2010	101,108	3,715,479,000	36,861	44,944	9.9%	214,000	15,937
2009	100,796	3,736,203,000	37,381	46,259	9.0%	225,000	16,271
2008	99,926	3,562,166,000	35,648	48,310	5.3%	235,000	16,290
2007	99,368	3,562,166,000	35,848	48,844	3.9%	255,000	16,421
2006	99,506	3,304,992,284	33,214	48,621	4.3%	299,000	16,521
2005	97,796	3,012,408,000	30,960	47,712	4.6%	225,000	16,535
2004	92,951	2,807,169,000	30,201	46,494	4.4%	199,000	16,475
2003	92,951	2,807,169,000	30,201	40,008	7.2%	167,000	16,203
2002	90,366	2,634,131,000	29,150	40,168	6.0%	150,000	16,095

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

<sup>b</sup> Maryland Department of Labor, Licensing, and Regulation (DLLR)  
BEA and DLLR data is presented as revised periodically based on census and survey results and analysis, and changes to statistical benchmarks.

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

<sup>d</sup> Cecil County Board of Education Annual Budgets

<sup>d</sup> Maryland Association of Realtors

**Notes:** <sup>1</sup> Personal Income is a total for the year.

<sup>2</sup> Employment and unemployment rates are adjusted annual averages. Employment is calculated as the count of County citizens employed in any location (i.e., inside or outside the County).

<sup>3</sup> School enrollment is for the school year ended in June of the calendar year.

Table XV

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

Taxpayer	2003			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates, Inc.	2,000	1	5.00%	2,387		5.17%
Cecil County Board of Education	1,933	2	4.83%	2,052		4.44%
Perry Point V.A. Hospital	1,173	3	2.93%	1,500		3.25%
Union Hospital	864	4	2.16%	1,236		2.68%
Wal-Mart Stores, Inc.	300	9	0.75%	500		1.08%
Cecil County Government	500	6	1.25%	479		1.04%
ATK Tactical Systems (formerly Thiokol Corp.)	359	7	0.90%	436		0.94%
IKEA Maryland	*	N/A		370		0.80%
Terumo Medical Corporation	550	5	1.37%	342		0.74%
Terumo Cardiovascular Systems			0.00%	297		0.64%
Basell North America	250	10	0.62%	*	N/A	
Moon Nurseries	250	10	0.62%	*	N/A	
Fleming Companies, Inc.	348	8	0.87%	*	N/A	
<b>Totals</b>	<b>8,527</b>		<b>21.30%</b>	<b>9,599</b>		<b>20.78%</b>

Sources: Cecil County Department of Economic Development

Table XVI

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

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government	86.17	90.00	97.50	85.00	91.00	91.00	103.00	104.00	102.00	107.00
Public Safety	253.95	257.95	260.45	251.00	260.00	282.00	298.00	289.00	291.00	284.00
Law Enforcement	82.00	83.00	84.00	86.00	83.00	87.00	92.00	96.00	97.00	97.00
Detention Center	60.00	60.00	57.50	52.00	57.00	66.00	62.00	55.00	65.00	63.00
EMS & Emergency Services	55.45	56.95	56.95	52.00	61.00	67.00	86.00	80.00	81.00	80.00
Other	56.50	58.00	62.00	61.00	59.00	62.00	58.00	58.00	48.00	44.00
Highways, Streets, and Bridges	68.50	66.00	66.00	69.00	70.00	76.00	72.00	67.00	68.00	64.00
Roads Maintenance	48.00	47.00	46.00	42.00	45.00	47.00	45.00	43.00	45.00	44.00
Engineering and Other	20.50	19.00	20.00	27.00	25.00	29.00	27.00	24.00	23.00	20.00
Health and Welfare	54.75	55.75	59.25	43.00	49.00	44.00	50.00	60.00	50.00	51.00
Senior Services	24.00	24.00	26.00	22.00	33.00	24.00	27.00	27.00	24.00	24.00
Other	30.25	31.75	33.25	21.00	16.00	20.00	23.00	33.00	26.00	27.00
Recreation and Culture	2.00	2.00	2.00	2.00	3.00	5.00	6.00	7.00	8.00	6.00
Economic Development	6.50	5.50	5.50	4.00	5.00	4.00	6.00	6.00	5.00	6.00
Agriculture	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	5.00	5.00	4.00	5.00	3.00	3.00	3.00	-
Wastewater	13.00	13.00	13.00	13.00	14.00	14.00	11.00	12.00	12.00	14.00
Landfill	22.00	22.00	23.00	20.00	24.00	25.00	24.00	24.00	25.00	25.00
Central Garage	-	-	-	-	-	-	-	-	-	-
Totals	515.87	521.20	535.70	496.00	524.00	551.00	578.00	577.00	569.00	562.00

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

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



Table XVII

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
Physical Arrests	n/a	1,816	1,867	n/a	1,941	2,327	2,666	2,430	2,577	2,611
911 Calls	3,057	3,146	3,332	4,127	198,706	193,323	215,419	191,866	207,019	164,265
Fire/Paramedic Calls	12,228	12,670	13,865	13,304	n/a	16,207	16,553	13,201	13,525	22,751
Building Permits Issued	834	776	721	530	407	362	276	282	323	220
<b>Highways, Streets, and Bridges</b>										
Street Resurfacing (miles)	27.29	22.52	16.22	41.77	48.11	16.26	13.06	3.32	12.67	15.76
<b>Health and Welfare</b>										
Participants (avg. monthly)	1,207	800	967	1,025	1,300	1,600	1,155	1,078	1,170	1,327
Meals served	28,460	25,011	23,791	26,346	24,640	23,783	24,887	23,004	21,276	21,433
Bus Passengers	29,061	31,980	34,984	40,255	43,674	46,043	49,875	49,709	60,066	66,892
<b>Recreation and Culture</b>										
Safetyville (attendance)	146	158	142	139	110	116	102	103	88	71
<b>Agriculture</b>										
Acres under Preservation Agreements	11,686	12,154	12,154	12,154	12,890	12,890	13,750	13,808	23,900	24,739
<b>Water</b>										
Average Daily Consumption (thousands of gallons)	152,618	159,997	164,577	177,399	185,890	168,195	162,417	162,748	169,546	87,039
<b>Wastewater</b>										
Average Daily Sewage Treatment (thousands of gallons)	413,444	435,346	459,973	464,268	480,524	408,599	469,597	509,706	496,752	520,077
<b>Landfill</b>										
Annual Tons of Refuse	87,268	110,947	116,501	166,691	151,926	141,928	128,389	111,313	104,251	94,902

Sources: Various Cecil County departments.

Note: Quantifiable and meaningful capital asset indicators are not available for all functions.  
n/a = Not available

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

Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
Police Patrol Units	60	62	62	66	82	80	85	85	85	89
Paramedic Units	3	4	4	6	7	8	8	8	8	8
<b>Highways, Streets, and Bridges</b>										
Roads & Highways (miles)	588	594	599	601	601	601	601	601	601	601
Bridges	102	104	104	104	104	95	95	95	95	95
<b>Health and Welfare</b>										
Buses	9	9	9	10	11	10	13	15	14	11
<b>Recreation and Culture</b>										
Park Acreage	603	603	603	603	603	717	717	717	717	478
<b>Water</b>										
Production Capacity (millions of gallons per day)	0.400	0.400	0.400	0.468	0.529	0.800	1.348	1.348	1.348	NA
<b>Wastewater</b>										
Wastewater Treatment Capacity (millions of gallons per day)	2.890	3.060	3.060	3.065	3.065	3.065	3.065	3.065	3.065	3.065
<b>Landfill</b>										
Remaining Built Capacity (cubic yards)	1,596,288	1,352,026	1,096,654	740,800	426,427	2,003,582	1,800,984	2,420,000	2,215,500	2,137,740

**Sources:** Various Cecil County departments.

**Note:** Quantifiable and meaningful capital asset indicators are not available for all functions. FY2010 remaining Landfill capacity increased due to ongoing redevelopment project. The County sold the Water Operations to Artisan December 21, 2011.