

**COUNTY COMMISSIONERS OF  
DORCHESTER COUNTY, MARYLAND**

**FINANCIAL REPORT**

**JUNE 30, 2002**

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INDEPENDENT AUDITORS' REPORT

County Commissioners of  
Dorchester County, Maryland  
Cambridge, Maryland

We have audited the accompanying general purpose financial statements of the County Commissioners of Dorchester County, Maryland as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the County Commissioners of Dorchester County, Maryland. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Dorchester County Sanitary Districts, which statements reflect total assets of \$5,462,591 as of June 30, 2002 and total operating revenues of \$512,758 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dorchester County Sanitary Districts, is based solely upon the reports of the other auditors.

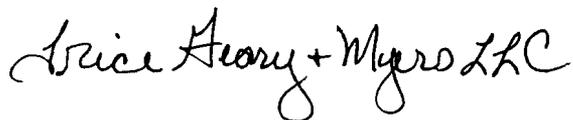
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County Commissioners of Dorchester County, Maryland as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2002 on our consideration of the County Commissioners of Dorchester County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws,

regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the County Commissioners of Dorchester County, Maryland taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents and the schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County Commissioners of Dorchester County, Maryland. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in cursive script that reads "Bruce Heary + Myers LLC". The signature is written in black ink and is positioned above the typed name and date.

Salisbury, Maryland  
October 15, 2002

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNITS**

**June 30, 2002**

	<u>Governmental Fund Types</u>			
	General Fund	Special Revenue	Capital Projects	Debt Service
<b>ASSETS AND OTHER DEBITS</b>				
Cash and short-term investments	\$ 4,116,277	\$ 2,441,133	\$ 7,553,317	\$ -
Receivables:				
Local property taxes	2,018,960	-	-	-
State property taxes	113,102	-	-	-
Accounts, net	297,582	-	-	-
Special assessments	-	-	-	-
Federal government	389,569	34,711	-	-
State of Maryland	2,254,840	309,662	-	-
Dorchester County	-	-	-	-
Other	-	2,759	675	-
Interfund	548,381	504,557	426,212	247,482
Inventories, at cost	-	-	-	-
Unredeemed tax sale properties	46,518	-	-	-
Prepaid expenditures	52,696	35,320	-	-
Workers' compensation deposit	19,574	-	-	-
Property and equipment, net	-	-	-	-
Bond issuance costs, net	-	-	178,228	-
Equity in State administered sinking fund	-	-	-	-
Amount to be provided for retirement of general long-term indebtedness	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 9,857,499</b>	<b>\$ 3,328,142</b>	<b>\$ 8,158,432</b>	<b>\$ 247,482</b>

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

Proprietary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long- Term Debt			
Enterprise					
\$ 4,607,714	\$ -	\$ -	\$ 18,718,441	\$ 6,684,449	\$ 25,402,890
-	-	-	2,018,960	-	2,018,960
-	-	-	113,102	-	113,102
160,268	-	-	457,850	37,114	494,964
-	-	-	-	5,041	5,041
127,192	-	-	551,472	705,168	1,256,640
7,066	-	-	2,571,568	56,760	2,628,328
-	-	-	-	631,772	631,772
-	-	-	3,434	114,907	118,341
629,158	-	-	2,355,790	572,798	2,928,588
18,711	-	-	18,711	27,395	46,106
-	-	-	46,518	-	46,518
-	-	-	88,016	-	88,016
-	-	-	19,574	-	19,574
7,364,397	34,686,700	-	42,051,097	57,224,862	99,275,959
-	-	-	178,228	-	178,228
-	-	114,500	114,500	-	114,500
-	-	28,746,400	28,746,400	557,974	29,304,374
<b>\$ 12,914,506</b>	<b>\$ 34,686,700</b>	<b>\$ 28,860,900</b>	<b>\$ 98,053,661</b>	<b>\$ 66,618,240</b>	<b>\$ 164,671,901</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**  
**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS**  
**AND DISCRETELY PRESENTED COMPONENT UNITS**  
**June 30, 2002**

LIABILITIES, FUND EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General Fund	Special Revenue	Capital Projects	Debt Service
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts payable and accrued expenses	\$ 501,487	\$ 172,646	\$ 807,644	\$ 505
Accrued compensated absences	246,096	-	-	-
Due to State of Maryland	187,920	-	-	-
Due to delinquent taxpayers	96,599	-	-	-
Interfund payables	1,704,089	69,337	322,146	-
Due to others	7,860	-	-	-
Deferred revenue	2,066,425	1,617,873	-	-
Confiscated drug funds	21,723	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
Pension liability	-	-	-	-
Long-term debt	-	-	-	-
<b>Total liabilities and other credits</b>	<b>4,832,199</b>	<b>1,859,856</b>	<b>1,129,790</b>	<b>505</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>FUND EQUITY AND OTHER CREDITS</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Fund balances:				
Reserved for:				
Inventory	-	-	-	-
Prepaid expenditures	58,032	-	-	-
Recreation	3,085	-	-	-
Fund purposes	-	1,468,286	7,028,642	246,977
Unreserved:				
Designated for:				
Insurance	20,000	-	-	-
Legal indemnification	100,000	-	-	-
Subsequent years' expenditures	1,867,365	-	-	-
Courthouse	794,344	-	-	-
Highways	1,106,912	-	-	-
Pension liability	-	-	-	-
Fund purposes	-	-	-	-
Unreserved and undesignated	1,075,562	-	-	-
<b>Total fund equity and other credits</b>	<b>5,025,300</b>	<b>1,468,286</b>	<b>7,028,642</b>	<b>246,977</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 9,857,499</b>	<b>\$ 3,328,142</b>	<b>\$ 8,158,432</b>	<b>\$ 247,482</b>

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

Proprietary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long- Term Debt			
Enterprise					
\$ 62,648	\$ -	\$ -	\$ 1,544,930	\$ 2,243,960	\$ 3,788,890
34,955	-	637,496	918,547	843,750	1,762,297
-	-	-	187,920	-	187,920
-	-	-	96,599	-	96,599
260,218	-	-	2,355,790	572,798	2,928,588
-	-	-	7,860	-	7,860
2,360	-	-	3,686,658	2,059,195	5,745,853
-	-	-	21,723	-	21,723
5,639,144	-	-	5,639,144	-	5,639,144
-	-	524,272	524,272	-	524,272
501,661	-	27,699,132	28,200,793	919,925	29,120,718
6,500,986	-	28,860,900	43,184,236	6,639,628	49,823,864
2,716,083	-	-	2,716,083	4,067,930	6,784,013
-	34,686,700	-	34,686,700	52,717,741	87,404,441
-	-	-	-	124,971	124,971
3,697,437	-	-	3,697,437	772,316	4,469,753
-	-	-	-	27,395	27,395
-	-	-	58,032	-	58,032
-	-	-	3,085	-	3,085
-	-	-	8,743,905	-	8,743,905
-	-	-	20,000	-	20,000
-	-	-	100,000	-	100,000
-	-	-	1,867,365	605,942	2,473,307
-	-	-	794,344	-	794,344
-	-	-	1,106,912	-	1,106,912
-	-	-	-	516,049	516,049
-	-	-	-	681,937	681,937
-	-	-	1,075,562	464,331	1,539,893
6,413,520	34,686,700	-	54,869,425	59,978,612	114,848,037
\$ 12,914,506	\$ 34,686,700	\$ 28,860,900	\$ 98,053,661	\$ 66,618,240	\$ 164,671,901

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
Year Ended June 30, 2002**

	General Fund	Special Revenue
<b>REVENUES:</b>		
Taxes	\$ 25,678,283	\$ -
Licenses and permits	263,750	-
Intergovernmental	6,660,150	-
Service charges and fees	1,715,000	-
Court fines and forfeitures	26,066	-
Federal	-	511,531
State	-	2,123,656
Miscellaneous	683,325	3,227
Interest	-	95,857
<b>Total revenues</b>	<b>35,026,573</b>	<b>2,734,271</b>
<b>EXPENDITURES:</b>		
Current:		
General government	1,942,258	-
Public safety	5,935,977	-
Social services	219,331	-
Recreation and parks	546,863	-
Natural resources	212,152	-
Economic development	347,657	-
Intergovernmental	16,542,849	-
Miscellaneous	1,898,163	87,099
Education	-	-
Public works	3,576,787	-
Federal special revenue programs	-	235,530
State special revenue programs	-	2,679,033
Local special revenue programs	-	48,028
Non-current:		
Debt service:		
Principal	-	-
Interest	-	-
Fixed asset acquisitions	-	-
<b>Total expenditures</b>	<b>31,222,036</b>	<b>3,049,690</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,804,537</b>	<b>(315,419)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Bond and note proceeds	-	-
Increase in pension liability (See Note 7)	-	-
Operating transfers in - governmental funds	-	54,149
Operating transfers out - governmental funds	(3,841,420)	-
Operating transfers out - enterprise funds	(435,707)	-
<b>Total other financing sources (uses)</b>	<b>(4,277,127)</b>	<b>54,149</b>
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b>(472,590)</b>	<b>(261,270)</b>
Fund balances, beginning of year (as restated)	5,497,890	1,729,556
<b>Fund balances, end of year</b>	<b>\$ 5,025,300</b>	<b>\$ 1,468,286</b>

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

	Capital Projects	Debt Service	Totals (Memorandum Only) Primary Government	Component Unit Board of Education of Dorchester County	Totals (Memorandum Only) Reporting Entity
\$	133,080	\$ -	\$ 25,811,363	\$ -	\$ 25,811,363
	-	-	263,750	-	263,750
	-	-	6,660,150	45,136,258	51,796,408
	-	-	1,715,000	-	1,715,000
	-	-	26,066	-	26,066
	-	-	511,531	-	511,531
	-	-	2,123,656	-	2,123,656
	47,572	20,503	754,627	-	754,627
	56,921	-	152,778	-	152,778
	237,573	20,503	38,018,920	45,136,258	83,155,178
	-	-	1,942,258	-	1,942,258
	-	-	5,935,977	-	5,935,977
	-	-	219,331	-	219,331
	-	-	546,863	-	546,863
	-	-	212,152	-	212,152
	-	-	347,657	-	347,657
	-	-	16,542,849	-	16,542,849
	-	-	1,985,262	-	1,985,262
	-	-	-	45,451,140	45,451,140
	-	-	3,576,787	-	3,576,787
	-	-	235,530	-	235,530
	-	-	2,679,033	-	2,679,033
	-	-	48,028	-	48,028
	-	1,988,811	1,988,811	-	1,988,811
	-	1,143,057	1,143,057	-	1,143,057
	3,040,916	-	3,040,916	-	3,040,916
	3,040,916	3,131,868	40,444,510	45,451,140	85,895,650
	(2,803,343)	(3,111,365)	(2,425,590)	(314,882)	(2,740,472)
	7,439,343	-	7,439,343	-	7,439,343
	-	18,286	18,286	-	18,286
	694,192	3,093,079	3,841,420	-	3,841,420
	-	-	(3,841,420)	-	(3,841,420)
	-	-	(435,707)	-	(435,707)
	8,133,535	3,111,365	7,021,922	-	7,021,922
	5,330,192	-	4,596,332	(314,882)	4,281,450
	1,698,450	246,977	9,172,873	2,610,536	11,783,409
\$	7,028,642	\$ 246,977	\$ 13,769,205	\$ 2,295,654	\$ 16,064,859

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	\$ 24,488,599	\$ 25,678,283	\$ 1,189,684
Licenses and permits	239,400	263,750	24,350
Intergovernmental	6,640,294	6,660,150	19,856
Service charges and fees	1,190,660	1,715,000	524,340
Court fines and forfeitures	10,000	26,066	16,066
Miscellaneous	690,588	683,325	(7,263)
<b>Total revenues</b>	<b>33,259,541</b>	<b>35,026,573</b>	<b>1,767,033</b>
<b>EXPENDITURES:</b>			
General government	1,999,463	1,942,258	57,205
Public safety	5,613,143	5,935,977	(322,834)
Social services	264,129	219,331	44,798
Recreation and parks	569,754	546,863	22,891
Natural resources	193,850	212,152	(18,302)
Economic development	350,755	347,657	3,098
Intergovernmental	16,513,704	16,542,849	(29,145)
Miscellaneous	1,899,684	1,898,163	1,521
Public works	3,942,302	3,576,786	365,516
<b>Total expenditures</b>	<b>31,346,784</b>	<b>31,222,036</b>	<b>124,748</b>
Excess of revenues over expenditures	1,912,757	3,804,537	1,891,781
<b>OTHER FINANCING USES:</b>			
Operating transfers out	(4,138,725)	(4,277,127)	(138,402)
Excess of expenditures and other financing uses over revenues	(2,225,968)	\$ (472,590)	\$ 1,753,379
Opening fund balance reappropriated	2,225,968		
	<u>\$ -</u>		

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

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINED STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND EQUITIES  
PROPRIETARY FUND TYPE AND DISCRETELY REPORTED COMPONENT UNIT  
Year Ended June 30, 2002**

	Primary Government	Component Unit Dorchester County Sanitary Districts	Totals (Memorandum Only) Reporting Entity
	Enterprise Funds		
<b>OPERATING REVENUES:</b>			
Tipping fees	\$ 1,930,678	\$ -	\$ 1,930,678
Charges for services	74,080	433,710	507,790
Fuel sales	269,253	-	269,253
Hangar rentals	106,642	-	106,642
Other	7,010	7,384	14,394
Assessments	-	71,664	71,664
<b>Total operating revenues</b>	<b>2,387,663</b>	<b>512,758</b>	<b>2,900,421</b>
<b>EXPENSES:</b>			
Operating expenses, excluding depreciation	1,414,237	432,849	1,847,086
Depreciation	521,422	35,978	557,400
<b>Total operating expenses</b>	<b>1,935,659</b>	<b>468,827</b>	<b>2,404,486</b>
<b>Net operating income</b>	<b>452,004</b>	<b>43,931</b>	<b>495,935</b>
<b>NON-OPERATING REVENUES:</b>			
Grants - Federal government	1,587,049	-	1,587,049
Grants - state government	139,187	-	139,187
Contributions/donations for capital expenditures	17,929	-	17,929
Financial income, net	96,322	11,383	107,705
Transfers from general fund	435,707	-	435,707
<b>Total non-operating revenues</b>	<b>2,276,194</b>	<b>11,383</b>	<b>2,287,577</b>
<b>Net income</b>	<b>2,728,198</b>	<b>55,314</b>	<b>4,692,063</b>
Retained earnings, beginning of year	869,593	841,973	1,711,566
Depreciation on assets acquired with contributed capital	99,646	-	99,646
Retained earnings, end of year	\$ 3,697,437	\$ 897,287	\$ 4,594,724
Contributed capital, beginning of year	\$ 2,815,729	\$ 4,203,429	\$ 7,019,158
Depreciation on assets acquired with contributed capital	(99,646)	(135,499)	(235,145)
Contributed capital, end of year	\$ 2,716,083	\$ 4,067,930	\$ 6,784,013

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

COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND

COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE AND DISCRETELY  
REPORTED COMPONENT UNIT  
Year Ended June 30, 2002

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Operating income

Adjustments to reconcile operating income to net cash provided by (used in) operating activities:

Depreciation

Changes in assets and liabilities:

(Increase) decrease in receivables

(Increase) decrease in due from other governments, net

Increase in interfund receivables

(Increase) decrease in inventories

Increase in accounts payable and accrued expenses

Decrease in deferred revenue

Decrease in interfund payables

Increase in compensated absences payable

Increase in estimated landfill closure and postclosure care costs

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Net cash provided by operating activities

---

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Grant revenue - Federal

Grant revenue - state

Contributions/donations for capital expenditures

Operating transfers from General Fund

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Net cash provided by non-capital financing activities

---

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Repayment of long-term debt

Interest paid

---

Net cash used in capital and related financing activities

---

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment

Investment in certificate of deposit

Interest income received

---

Net cash used in investing activities

---

Net increase in cash and short-term investments

Cash and short-term investments, beginning of year

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Cash and short-term investments, end of year

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

Primary Government	Component Unit	Totals (Memorandum Only)
Enterprise Funds	Dorchester County Sanitary Districts	Reporting Entity
\$ 452,004	\$ 43,931	\$ 495,935
521,422	35,978	557,400
20,012	(10,069)	9,943
(97,835)	5,511	(92,324)
(67,655)	-	(67,655)
(1,191)	1,800	609
12,205	1,205	13,410
-	(277)	(277)
(197,577)	(5,470)	(203,047)
-	1,188	1,188
103,124	-	103,124
<u>744,509</u>	<u>73,797</u>	<u>818,306</u>
1,587,049	-	1,587,049
139,187	-	139,187
17,929	-	17,929
435,707	-	435,707
<u>2,179,872</u>	<u>-</u>	<u>2,179,872</u>
(121,944)	(13,368)	(135,312)
(27,105)	(24,448)	(51,553)
<u>(149,049)</u>	<u>(37,816)</u>	<u>(186,865)</u>
(1,851,334)	-	(1,851,334)
-	(41,538)	(41,538)
123,427	35,319	158,746
<u>(1,727,907)</u>	<u>(6,219)</u>	<u>(1,734,126)</u>
1,047,425	29,762	1,077,187
3,560,289	333,757	3,894,046
<u>\$ 4,607,714</u>	<u>\$ 363,519</u>	<u>\$ 4,971,233</u>

**Note 1. County Commissioners of Dorchester County, Maryland and Its Significant Accounting Policies.**

Dorchester County (“the County”), is a political subdivision of the State of Maryland established in 1669 and subsequently incorporated under Article 25 of the Annotated Code of the State of Maryland and is governed by an elected five-member Board of County Commissioners. The County government directly provides all basic local governmental services.

The financial statements of the County are prepared in accordance with U.S. generally accepted accounting principles (GAAP) applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative literature. The following is a summary of the more significant policies.

**A. Financial Reporting Entity**

For financial reporting purposes, based on the standards established by GASB Statement No. 14, *The Financial Reporting Entity*, the County includes the various departments, agencies, and other organizational units governed directly by the County Commissioners of Dorchester County, Maryland as the Primary Government. The component units are included in the reporting entity because the Primary Government approves budgetary requests, provides a significant amount of funding, appoints members of the boards of the various organizations, or guarantees repayment of debt issued by the various organizations.

The component unit columns in the combined financial statements include the financial data of the Board of Education of Dorchester County and the Dorchester County Sanitary Districts as the County’s two discretely presented component units, which have a fiscal year-end of June 30. Copies of the financial statements for each component unit can be obtained from the County Commissioners office in Cambridge, Dorchester County, Maryland.

**B. Funds and Account Groups**

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

**Governmental Fund Types**

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

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Dorchester County Reserve Fund, the Special Revenue Grants Fund, which includes Local Management Board (LMB) grant activity, and the Commissary Fund are the only special revenue funds of the County.

Capital Projects Funds - The Capital Fund (current year capital activity) and the Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

**Note 1. County Commissioners of Dorchester County, Maryland and Its Significant Accounting Policies (continued).**

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

**Proprietary Fund Types**

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

Enterprise Funds - Enterprise Funds are proprietary funds established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Dorchester County Sanitary Districts, a discretely reported component unit, and the Landfill and Airport are the enterprise funds of the County.

**Account Groups**

The account groups are used to account for fixed assets and long-term liabilities which are not accounted for in the respective governmental funds.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for all long-term liabilities to be financed from governmental fund types.

**C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both "measurable and available"). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A sixty-day availability period is used for revenue recognition for the majority of governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

**Note 1. County Commissioners of Dorchester County, Maryland and Its Significant Accounting Policies (continued).**

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

GAAP allows governments to choose either not to implement, in proprietary fund types, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 unless those pronouncements are specifically adopted by GASB (provided that this is applied on a consistent basis) or to continue to follow FASB standards for these fund types. The Primary Government has elected not to implement FASB pronouncements issued after that date for its proprietary fund types.

**D. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for all Enterprise Funds of the County. The annual budget for all Enterprise Funds of the County is prepared in accordance with the basis of accounting utilized by that fund. The general fund of the County and the general fund of the Board of Education each have a legally adopted annual budget. The Combined Statements of Revenue and Expenditures - Budget and Actual - General Fund is prepared on a basis consistent with the budget. Also, the budgets include appropriations of prior year fund balance as other sources in the current year. The budgets shown in the financial statements are the budget ordinances at the close of the day on June 30, 2002.

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

- (1) Prior to April 30, the County Administrator submits to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes requested expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) No later than the first Tuesday in June, the budget is legally enacted through passage of a budget resolution.
- (4) The County Administrator is not authorized to make any transfers of budgeted amounts. Any commitments which would result in a significant over-expenditure of an appropriation must be approved by the County Commissioners.
- (5) All annual appropriations lapse at fiscal year end.

**E. Assets, Liabilities and Fund Equity**

Cash and Short-Term Investments

For the purpose of the statements of cash flows, the County considers all highly liquid investments with maturities of three months or less to be cash equivalents.

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. County Commissioners of Dorchester County, Maryland and Its Significant Accounting Policies (continued).**

#### Accounts Receivable

Accounts receivable of the Landfill enterprise fund are shown net of an allowance for uncollectible accounts of \$20,000.

#### Federal and State Administered Grant Receivables

Federal and state administered grant receivables consist of receivables for reimbursement of expenditures under various programs and grants. All amounts are expected to be collected within the next fiscal year. (See also Note 12).

#### Interfund Receivables and Payables

The County effects a variety of transactions between funds in its operations. To the extent that certain interfund transactions have not been received or disbursed, appropriate interfund receivables and payables have been established.

#### Inventories

Fuel inventories held by the Airport enterprise fund and food and related inventories held by the Board of Education of Dorchester County are stated at the lower of cost or market on a first-in, first-out basis.

#### Property Taxes

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are due and payable on or before September 30. On October 1 following the levy, unpaid taxes are in arrears. Owner occupied residential property owners may choose to pay their taxes semiannually. The first payment must be paid by September 30. The second payment is due on or before December 31. If the second payment has not been paid by the due date, taxes are assessed interest and penalties. The County bills and collects its own taxes. County property tax revenues are recognized when collected.

#### General Fixed Assets

Fixed assets and improvements used in governmental type operations are accounted for as expenditures in governmental type funds at the time of purchase and are capitalized in the General Fixed Assets Group of Accounts. All fixed assets are valued at cost or estimated cost.

Public domain ("infrastructure") general fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks and lighting systems, are not capitalized along with other general fixed assets.

#### Property, Equipment and Depreciation - Enterprise Funds

Fixed assets used in the enterprise funds are accounted for within those funds rather than within the General Fixed Asset Account Group. Depreciation on enterprise fund fixed assets is charged as an expense against operations and is calculated on the straight-line method over estimated useful asset lives.

Grant funds utilized for capital construction of enterprise fund assets are reported as contributed capital prior to fiscal year 2001. Beginning in fiscal year 2001, the County is required to recognize grant funds as revenue, and not as contributed capital, in accordance with GASB Statement 33. The County received grant funds and contributions of \$1,726,236 for capital construction of enterprise fund assets in 2002, which are reflected as non-operating revenues in the Airport enterprise fund. Depreciation recognized on the assets acquired through such resources in prior years was charged to contributed capital and credited to retained earnings.

**Note 1. County Commissioners of Dorchester County, Maryland and Its Significant Accounting Policies (continued).**

Vacation and Sick Leave

Vacation benefits are earned by employees of the reporting entity based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless sickness causes employees to be absent.

Upon retirement, employees of the Board of Education of Dorchester County receive severance pay for unused sick leave accumulated for service while employed. This estimated liability is computed on the accumulated sick leave of employees who have 20 years of service with the Board of Education of Dorchester County at the rate of \$20 per day. In addition, the accrued leave account includes vacation days earned by certain employees but not used by June 30, 2002.

Long-Term Obligations

Long-term obligations of the enterprise funds are accounted for in those funds. All other unmatured general long-term obligations of the County are accounted for through the General Long-Term Debt Account Group.

**F. Columns Designated "Totals - Memorandum Only"**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund transactions have not been eliminated from the total column of each financial statement.

**Note 2. Cash and Short-Term Investments.**

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

Primary Government

At June 30, 2002, the Primary Government had bank deposits with various commercial banks totaling \$26,149,669 (carrying value \$19,304,402). Deposits in all institutions were fully insured or collateralized with securities in the name of the County.

Board of Education of Dorchester County

At June 30, 2002, the Board of Education of Dorchester County had bank deposits with various commercial banks totaling \$2,393,691 (carrying value \$1,650,796), which were either fully insured or collateralized with securities held in the name of the Board of Education of Dorchester County, and investments of \$4,132,133 with the Maryland Local Government Investment Pool. Investments are recorded at cost, which approximates market value. Statutes authorize the Board of Education of Dorchester County to invest in obligations of the U.S. Treasury and Agencies, municipal securities and repurchase agreements.

**Note 2. Cash and Short-Term Investments (continued).**

Dorchester County Sanitary Districts

At June 30, 2002, the Dorchester County Sanitary Districts had bank deposits with various commercial banks totaling \$904,305 (carrying value \$901,520), which were either fully insured or collateralized with securities held in the name of the Dorchester County Sanitary Districts.

**Note 3. General Fixed Assets and Property and Equipment.**

Summaries of changes in general fixed assets for the Primary Government for the year ended June 30, 2002 are as follows:

Dorchester County General Fixed Assets

	Balances			Balances
	June 30,	Additions	Deletions	June 30,
	2001			2002
Land	\$ 4,999,700	\$ -	\$ -	\$ 4,999,700
Buildings and improvements	20,752,667	-	-	20,752,667
Furniture and equipment	5,255,771	508,198	(64,165)	5,699,517
Vehicles	2,664,195	402,417	-	3,066,617
Leasehold improvements	126,572	-	-	126,572
Construction in progress	-	41,627	-	41,627
	<u>\$ 33,798,905</u>	<u>\$ 952,242</u>	<u>\$ (64,165)</u>	<u>\$ 34,686,700</u>

Summaries of changes in the enterprise fund's property and equipment for the Primary Government for the year ended June 30, 2002 are as follows:

Dorchester County Airport

	Balances				Balances
	June 30,	Additions	Deletions	Transfers	June 30,
	2001				2002
Buildings and improvements	\$ 4,713,333	\$ 2,519	\$ -	\$ 1,833,561	\$ 6,549,413
Machinery and equipment	230,113	12,373	-	-	242,486
Construction in progress	261,428	1,572,133	-	(1,833,561)	-
	<u>5,204,874</u>	<u>1,587,025</u>	<u>-</u>	<u>-</u>	<u>6,791,899</u>
Less: accumulated depreciation	(1,106,296)	(187,329)	-	-	(1,293,625)
	<u>\$ 4,098,578</u>	<u>\$ 1,399,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,498,274</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. General Fixed Assets and Property and Equipment (continued).

Dorchester County Landfill

	Balances June 30, 2001			Balances June 30, 2002		
		Additions	Deletions			
Land	\$ 636,137	\$ -	\$ -	\$ 636,137		
Buildings and improvements	82,089	-	-	82,089		
Machinery and equipment	1,453,591	-	-	1,453,591		
Beulah landfill- Cells 1&2	2,776,707	-	-	2,776,707		
Construction in progress- Cell 3	57,761	264,309	-	322,070		
	5,006,285	264,309	-	5,270,594		
Less: accumulated depreciation	(3,070,374)	(334,097)	-	(3,404,471)		
	\$ 1,935,911	\$ (69,788)	\$ -	\$ 1,866,123		
Total Enterprise Funds, net	\$ 6,034,489	\$ 1,329,908	\$ -	\$ 7,364,397		

Summaries of changes in general fixed assets and property and equipment for the component units for the year ended June 30, 2002 are as follows:

Board of Education of Dorchester County

	Balances June 30, 2001			Balances June 30, 2002		
		Additions	Deletions			
Land	\$ 44,635	\$ -	\$ -	\$ 44,635		
Buildings	43,611,733	-	-	43,611,733		
Construction in progress	-	460,988	-	460,988		
Equipment	7,608,931	416,392	-	8,025,323		
Vehicles	516,556	58,506	-	575,062		
	\$ 51,781,855	\$ 935,886	\$ -	\$ 52,717,741		

Construction in progress consists of the building costs incurred at June 30, 2002 to begin construction of a new middle school.

Dorchester County Sanitary Districts

	Balances June 30, 2001			Balances June 30, 2002		
		Additions	Deletions			
Land	\$ 13,645	\$ -	\$ -	\$ 13,645		
Plant and equipment	6,845,804	-	-	6,845,804		
	6,859,449	-	-	6,859,449		
Less: accumulated depreciation	(2,180,851)	(171,477)	-	(2,352,328)		
	\$ 4,678,598	\$ (171,477)	\$ -	\$ 4,507,121		
Total Component Units, net	\$ 56,460,453	\$ 764,409	\$ -	\$ 57,224,862		

NOTES TO FINANCIAL STATEMENTS

**Note 4. Long-Term Debt.**

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2002:

	General Long-Term Debt Account Group	Enterprise Funds
Amounts payable at June 30, 2001	\$ 23,456,358	\$ 623,605
Proceeds from the Public School Improvement Bonds -Capital Fund	7,000,000	-
Proceeds from Capital Fund note	90,918	-
Proceeds from Capital Fund capital lease obligation	348,425	-
Increase in Pension Liability (See also Note 7)	18,286	-
Decrease in vested vacation benefits and compensatory time	(64,276)	-
Repayment of capital lease obligations	(168,986)	(80,132)
Repayment of long-term debt	(1,819,825)	(41,812)
Amounts payable at June 30, 2002	<u>\$ 28,860,900</u>	<u>\$ 501,661</u>

Long-term debt consists of the following as of June 30, 2002:

Dorchester County General Long-Term Debt

Public Facilities Bonds:

1991 CDA Infrastructure Financing Bonds, Series A, due in annual principal installments from \$45,000 to \$100,000 through May 1, 2006; interest, payable semi-annually, from 4.965% to 7.090%	\$ 4,985,000
1995 Public Facilities Bonds due in annual principal installments of \$185,000 to \$535,000 through February 1, 2015; interest, payable semi-annually, from 4.7% to 6.1%	371,074
1996 Public Facilities Bonds due in annual principal installments of \$190,000 to \$1,065,000 through November 1, 2010; interest, payable semi-annually, from 4.7% to 6.1%	6,520,000
Public School Capital Improvement Bonds of 2000 due in annual principal installments of \$145,000 to \$300,000 through March 1, 2015; interest, payable semi-annually, from 4.5% to 5.2%	2,905,000
Public School Capital Improvement bonds for 2002 due in annual principal installments of \$320,000 to \$650,000 through August 1, 2017; interest, payable semi-annually, from 3.5% to 4.5%	<u>7,000,000</u>
Total bonds payable	<u>21,781,074</u>

**Note 4. Long-Term Debt (continued).**

State of Maryland Department of Natural Resources Loans:

SEC 3-92 - Hoopersville Road Boat Ramp; due in annual installments of \$4,780 through July 2019; no interest	\$ 81,252
SEC 9-92 - Hoopersville Road at Middle Hoopers Island; due in annual installments of \$2,718 through July 2020; no interest	48,927
SEC 8-92 - McCready's Point Road; due in annual installments of \$1,683 through July 2019; no interest	30,300
SEC 7-92 - Middle Hoopers Island Causeway; due in annual installments of \$5,516 through July 2020; no interest	104,804
SEC 3-95 - Punch Island Road; due in annual installments of \$3,519 through July 2011; no interest	35,186
SEC 2-96 - Rooster Island; due in annual installments of \$8,206 to July 2012; no interest	90,272
SEC 04-02 - Hoopers Island Road; due in annual installments of \$6,032 through July 2027; no interest	<u>90,918</u>
Total DNR loans payable	<u>481,659</u>

**Note 4. Long-Term Debt (continued).**

Maryland Industrial Land Act Loans (MILA):

Maryland Industrial Land Act loan due in quarterly installments of \$15,886, including interest at 6.32%, through March 2016, secured by 5.6 acres of land and improvements located in the Chesapeake Industrial Park in Cambridge, Maryland (known as the Regina Building Phase I)	\$ 562,714
Maryland Industrial Land Act loan due in annual installments of \$45,625, including interest at 6.81%, through April 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Shell Building)	385,502
Maryland Industrial Land Act loan due in quarterly installments of \$11,861, including interest at 6.81%, through October 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Jail Site)	404,741
Maryland Industrial Land Act loan due in quarterly installments of \$7,511, including interest at 5.6%, through August 2004, with a final balloon payment of \$282,084, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Regina Building Phase II)	305,725
Maryland Industrial Land Act loan due in quarterly installments of \$21,177, including interest at 4.64%, through April 2012. A final balloon payment of \$397,242 is due at maturity (known as the Connelly Building)	<u>858,048</u>
Total MILA loans payable	<u>2,516,730</u>

Revenue Bonds:

County Transportation Revenue Bonds, Series 1993; due in annual principal installments of \$36,586 to \$151,356, plus interest, through 2006	<u>275,856</u>
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**Note 4. Long-Term Debt (continued).**

Notes Payable:

County Commissioners of Queen Anne's County loan due in annual principal installments of \$20,000 to \$50,000 through January 2020; interest payable annually at 5.173% to 5.25% (known as the Learning Resource Center)	\$ 575,000
County Commissioners of Queen Anne's County loan due in annual principal installments of \$5,500 to \$18,700 through November 2013; interest payable semi-annually at 5.91% (known as the Chesapeake College Economic Development Center)	162,800
Note due in quarterly principal installments of \$24,313, plus interest at 5.33% through 2014 (known as the Delmarva Power and Light Building)	859,147
Suntrust Bank loan for camera system in Detention Center due in quarterly principal installments of \$16,367, plus interest at 4.05%, through 2006	251,430
Note due in quarterly installments of \$16,639 to \$27,525, including interest at 8.5%, through April 2008, secured by 22.0 acres of land (known as the new Eastern Shore State Hospital Center)	<u>307,898</u>
Total notes payable	<u>2,156,275</u>

Capital Lease Obligations:

Associates Commercial Corporation capital lease agreement on pavement roller, due in monthly installments of \$898, including interest at 5.5%, through January 2002	16,344
Kansas State Bank capital lease agreement on the hydraulic excavator, due in semi-annual installments of \$18,593, including interest at 3.4%, through August 2005	116,290
Associates Commercial Corporation capital lease agreement on pavement recycler, due in monthly installments of \$2,217, including interest at 4.9%, through September 2002	6,479
Suntrust Leasing Corporation capital lease agreement on 911 dispatch equipment, due in annual installments of \$79,274, including interest of 3.58% through December 2006	348,425
Total capital leases payable	<u>487,538</u>
Total debt outstanding	27,699,132
Pension liability (See also Note 7)	<u>524,272</u>
Total debt and pension liability outstanding	28,223,404
Accrued vacation	637,496
Total General Long-Term Debt	<u>\$ 28,860,900</u>

NOTES TO FINANCIAL STATEMENTS

**Note 4. Long-Term Debt (continued).**

The annual debt service requirements for all Dorchester County general long-term debt and pension liability through maturity are as follows:

Year Ending June 30	Principal	Interest	Totals
2003	\$ 2,066,341	\$ 1,275,476	\$ 3,341,817
2004	2,242,391	1,257,254	3,499,645
2005	2,620,306	1,141,107	3,761,413
2006	2,414,277	1,026,010	3,440,287
2007	2,293,680	912,168	3,205,848
Subsequent to 2007	16,586,409	5,159,745	21,746,154
Total	<u>\$ 28,223,404</u>	<u>\$ 10,771,760</u>	<u>\$ 38,995,164</u>

Interest expense on all County general long-term debt totaled \$1,143,057 for the year ended June 30, 2002.

During 1996, the County defeased in-substance certain public facilities bonds by placing proceeds of new bonds (1996 public facilities bonds) in an irrevocable trust to provide for all future debt service payments on defeased bonds. Defeased debt of \$1,635,000 remains outstanding at June 30, 2002.

Enterprise Funds

Dorchester County Landfill:

1989 Solid Waste Facilities Loan Act. Total available \$82,900. Interest-free due within one year of project acceptance, with full payment within two years of commencement of the repayment process	\$ 39,853
Tri-axle roll-off truck note payable - installments payable quarterly through June 2006	107,101
Compactor capital lease payable - installments due yearly in December through 2004	269,220
Golden Hill landfill land purchase - installments payable annually in July through 2005	<u>22,500</u>
Total Enterprise Funds long-term debt	<u>438,674</u>

Dorchester County Airport:

Note Payable, Suntrust Bank, due April 2004, with interest at 4.30%, payable quarterly	<u>62,987</u>
Total Enterprise Fund debt	<u>\$ 501,661</u>

NOTES TO FINANCIAL STATEMENTS

**Note 4. Long-Term Debt (continued).**

The following is a summary of long-term debt transactions of the component units for the year ended June 30, 2002:

	Dorchester County Sanitary Districts	Board of Education of Dorchester County	Total
Amounts payable at June 30, 2001	\$ 375,318	\$ 144,264	\$ 519,582
Capital lease additions	-	30,816	30,816
Claims payable	-	428,000	428,000
Principal retirements	(13,367)	(45,106)	(58,473)
Amounts payable at June 30, 2002	<u>\$ 361,951</u>	<u>\$ 557,974</u>	<u>\$ 919,925</u>

Long-term debt of the Dorchester County Sanitary Districts at June 30, 2002 consists of the following:

Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$9,389 through March 2020	\$ 96,717
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$4,376 through March 2020	48,790
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$9,816 through September 2020	103,993
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.10%. Annual installments of principal and interest amounting to \$2,051 through October 2012	16,090
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 8.18%. Annual installments of principal and interest amounting to \$6,898 through July 2014	53,968
Loan payable to the State of Maryland under the Drinking Water State Water Revolving Fund. Annual interest rate of 3.13%. Annual installments of principal and interest amounting to \$4,653 through February 2013	<u>42,393</u>
Total	361,951
Less: current maturities	<u>14,173</u>
	<u>\$ 347,778</u>

**Note 4. Long-Term Debt (continued).**

The annual requirements to amortize all Dorchester County Sanitary Districts' debt outstanding as of June 30, 2002, including interest payments of \$241,667 are as follows:

<u>Year Ending June 30,</u>	
2003 - 2012	\$ 375,440 (\$37,544 per annum)
2013	37,036
2014	30,839
2015	30,784
2016 - 2020	119,700 (\$23,940 per annum)
2021	9,819
Total payments	<u>\$ 603,618</u>

General long-term obligations of the Board of Education of Dorchester County at June 30, 2002 consist of the following:

Capital lease obligations	\$ 129,974
Claims payable	428,000
	<u>\$ 557,974</u>

Claims payable, as listed above, relate to the Board's purchase of health insurance from a provider through a modified retrospective rating arrangement. Under this arrangement, the callable deficits on the indemnity options and managed care options are 10% and 15%, respectively. The aggregate stop loss on the plan is 125%. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years, except for health insurance for the plan year ending August 31, 2000, in which the Board had a callable deficit of \$189,443. The Board expects to have an additional callable deficit for the plan year ending August 31, 2001 of approximately \$452,000, plus an accumulated deficit carry forward of approximately \$428,000. These liabilities are reported in the Board's general long-term debt group of accounts.

**Note 5. Capital Leases.**

Primary Government

The County entered into a lease agreement during July 1997, for the purpose of acquiring recycling equipment. The County also entered into an agreement in January 1999, for the purpose of acquiring highway and street equipment and into an agreement in August 2000, for the purpose of acquiring a hydraulic excavator. The original cost of the equipment acquired under these capital lease agreements was \$118,000, \$47,000 and \$158,360, respectively. Since the leases are financing arrangements that transfer ownership at the end of the leases, the County has recorded the present value of the future minimum lease payments and the related assets in the appropriate funds.

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Leases (continued).

Future minimum lease payments under these capital lease agreements are as follows:

<u>Year Ending June 30,</u>	
2003	\$ 134,591
2004	123,465
2005	117,180
2006	98,227
2007	<u>79,274</u>
	552,737
Less amounts representing interest	<u>(65,199)</u>
Present value of net minimum lease payments	<u><u>\$ 487,538</u></u>

### Component Unit - Board of Education

The Board of Education of Dorchester County has entered into non-cancellable long-term lease agreements for the purpose of acquiring various equipment. Since these leases are financing arrangements which transfer ownership at the end of the leases, the Board of Education of Dorchester County has recorded the present value of the future minimum lease payments and the related assets in the appropriate funds.

Future minimum lease payments under these capital leases are as follows:

Interest expense on the Board of Education of Dorchester County's capital leases was \$5,404 for the year ended June 30, 2002.

<u>Year Ending June 30,</u>	
2003	\$ 45,959
2004	34,221
2005	34,221
2006	<u>30,508</u>
	144,909
Less amounts representing interest	<u>(14,935)</u>
Present value of net minimum lease payments	<u><u>\$ 129,974</u></u>

NOTES TO FINANCIAL STATEMENTS

**Note 6. Long-Term Operating Lease.**

In July 1995, the County entered into a 10 year non-cancellable operating lease for its sanitary landfill site #2, commonly referred to as the "Golden Hill Landfill". Lease expense for 2002 was \$17,500.

The annual lease requirements for the above lease agreement are as follows:

Year Ending June 30,	
2003	\$ 17,500
2004	17,500
2005	17,500
2006	17,500
	<u>17,500</u>
	<u>\$ 70,000</u>

**Note 7. Pension Plans.**

Generally, all regular employees of the reporting entity participate in the State of Maryland Employees Retirement and Pension Systems (Employees Systems). Teachers employed by the Board of Education of Dorchester County generally participate in the State of Maryland Teachers Retirement and Pensions Systems (Teachers Systems). Both the Employees Systems and the Teachers Systems (collectively the Systems) are cost sharing multiple-employer public retirement systems sponsored by the Maryland State Retirement and Pension Systems and created by the Maryland General Assembly.

Total payroll covered under the Systems, and contributions (excluding on-behalf payments made by the State) for the years ended June 30, 2002, 2001, and 2000 are as follows:

	2002	2001	2000
Total payroll	\$ 33,118,500	\$ 32,014,263	\$ 29,074,719
Payroll covered under the Systems	29,287,692	28,538,803	27,023,231
Contributions	736,919	747,935	780,579

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

Employees are required to contribute varying percentages of their annual salary to the Systems. The County is required to fund the remainder of the cost of its employees' participation in the Employees Systems. The remainder of the cost of teachers' participation in the Teachers Systems is funded by the State. The 2002 contribution of the County represented less than 1% of total contributions required of all participating entities by the Employees and Teachers Systems.

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

The “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess a system’s funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among various public employees retirement systems and employers. The Systems do not make separate measurements of assets and pension benefit obligation for individual employers. At June 30, 2001, the most recent valuation date, the pension benefit obligation for the Systems as determined through an actuarial valuation was as follows:

	<u>Total Systems</u>
	(In Millions)
Total actuarial accrued liability	\$ 32,470
Net actuarial assets available for benefits	<u>31,915</u>
Unfunded actuarial accrued liability	<u>\$ 555</u>

Historical trend information for the past ten years showing the accumulation of sufficient assets to pay benefits is presented in the aggregate for all systems sponsored by the Maryland State Retirement and Pension Systems in its Comprehensive Annual Financial Report for the year ended June 30, 2001.

Funding Status

As a result of a 1997 actuarial study of the State Retirement and Pension System of Maryland, the County Commissioners of Dorchester County, Maryland (Highway Department) were identified as one of 23 municipal corporations not having enough assets in the system to fund the present value of accrued benefits for participants in the retirement system. Under rules of House Bills 1348 and 430, the County will repay the \$524,272 (an increase of \$18,286 over the prior fiscal year) fund deficit over a period of 40 years. The fiscal year 2002 annual net payment will be \$21,355 and will increase 15% for the next year and 5% per year for the remaining 34 years. This liability has been recorded in the General Long-Term Debt Account Group.

**Note 8. Post-Employment Health Care Benefits.**

The County and the Dorchester County Sanitary Districts provide the same post-employment health care benefits to their respective retired employees. Retired employees who complete 16 years of service will receive full health care benefits (including spouse) of which 85% is paid by the employer. Employees with less than 16 years of service will pay on a pro-rata basis. The Board of Education of Dorchester County provides post-employment health care benefits to retired employees with 15 years of service. The amount contributed varies based on age and the number of years of service.

The cost of post-employment health care benefits is recognized as an expenditure or an expense, as applicable, as the premiums are paid. Total premiums paid and participants as of and for the year ended June 30, 2002 are as follows:

	Premiums	Participants
Dorchester County	\$ 175,948	59
Dorchester County Sanitary Districts	2,756	1
Board of Education of Dorchester County	208,180	321

**Note 9. Deferred Compensation.**

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all eligible County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The County funds all amounts of compensation deferred under the Plans, at the direction of the covered employee, through investments underwritten by Variable Annuity Life Insurance Company (VALIC) and Public Employees Benefit Services Corporation (PEBSCO). All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the deferred compensation plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. In accordance with GASB Statement No. 32, adopted by the County in 1998, the plan's assets are not reported on the combined balance sheet of the County. A summary of the activity in the plan is presented in the supplementary information for the year ended June 30, 2002.

**Note 10. Reserved and Designated Fund Equity and Restricted Retained Earnings.**

Reservations of fund equity show amounts that are not available for current appropriations or are legally restricted for specific uses. Within unreserved fund equity, designations are used to show the amounts within unreserved equity which are intended to be used for specific purposes but are not legally restricted. The purpose for each reservation or designation is indicated by the account title on the face of the balance sheet.

Use of per lot assessments totaling \$124,971 at June 30, 2002 by the Dorchester County Sanitary Districts is restricted to capital improvements, repairs and maintenance to the water system, and debt service.

**Note 11. Landfill Closure and Postclosure Care Costs.**

State and Federal laws and regulations require the County to place a final cover on Dorchester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. It is the County's position that the State of Maryland will require continuous monitoring of all closed landfills with no termination period set for post-closure care, and as such will continue to accrue an estimate for these costs over a thirty year period.

The Secretary landfill stopped accepting waste in 1982. The landfill has been capped and only has postclosure care costs associated with it, currently estimated to be approximately \$11,400 each year for the next thirty years.

The Golden Hill landfill stopped accepting waste in 1991. The landfill began the final cover process during fiscal year 1996 and capping was completed in fiscal year 2000. Postclosure care costs for this location are currently estimated to be approximately \$14,200 each year for the next thirty years.

The Old Beulah landfill stopped accepting waste in February 1996. The landfill is expected to be covered during fiscal years 2002 and 2003 at an estimated total cost of \$3,340,264. The County is currently waiting final approval of its plan of closure from the Maryland Department of the Environment. Postclosure care costs for this location are currently estimated to be approximately \$15,800 each year for the next thirty years.

**Note 11. Landfill Closure and Postclosure Care Costs (continued).**

The closure and postclosure care costs associated with each of the aforementioned landfills are as follows:

<u>Secretary landfill</u>	
Postclosure care costs	\$ 342,000
<u>Golden Hill landfill</u>	
Closure costs (estimated landscaping and seeding)	25,000
Postclosure care costs	426,000
	<u>451,000</u>
<u>Old Beulah landfill</u>	
Closure costs	3,340,264
Postclosure care costs	474,000
	<u>3,814,264</u>
<u>New Beulah landfill - cells 1 &amp; 2</u>	
Closure costs	877,097
Postclosure care costs	154,783
	<u>1,031,880</u>
Total closure and postclosure care costs	<u>\$ 5,639,144</u>

The above amounts are based on the current costs to perform all closure and postclosure care as of June 30, 2002. As noted above, the County expects to cap the Old Beulah landfill over the next two fiscal years. However, actual costs may ultimately be higher than estimated costs due to inflation, changes in technology, or changes in regulations.

Though there are currently no legal restrictions on available funds, the County has approximately \$4,600,000 of currently available assets for landfill closure and postclosure care costs. The shortfalls may need to be covered by any combination of charges to future landfill users, future tax revenues, or additional borrowings.

The New Beulah landfill will consist of six cells. Cells 1 & 2 began accepting waste in November 1995 and have an expected life of approximately six years. Accrual of closure and postclosure care costs have been recognized based on estimated capacity used to date (99.03%). Total closure and postclosure care costs for Cells 1 & 2 are estimated to be approximately \$900,000 and \$155,000, respectively.

New Beulah landfill cell 3 is under construction and is expected to begin accepting waste in 2003. The estimated cost to complete is expected to total \$2,150,000.

**Note 12. Commitments and Contingencies.**

**Dorchester County**

Grants

The County receives Federal and State grants for specific purposes that are subject to review and audit by Federal and state agencies. Such audits could result in a request for reimbursement by the Federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant to the County's combined financial statements.

**Note 12. Commitments and Contingencies (continued).**

Conduit Debt

In August 1999, the County issued Economic Development Revenue Bonds in the amount of \$5,000,000 to fund plant expansions at Hi-Tech Plastics in Cambridge, Maryland. While the bonds were issued through the County, there is no liability or responsibility on behalf of the County for repayment of the debt.

Escrow

In April 2002, the County deposited DNR grant funds of \$212,830 in escrow pending resolution of a dispute between the County and the Army Corps of Engineers over the Tedious Creek Project. Should the dispute not be resolved to the satisfaction of the County on or before April 26, 2006, the escrow agent is directed to remit the grant funds back to the DNR.

Risk Management

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

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

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

The County is fully insured for worker's compensation through commercial insurance and certain employees are bonded to limit the loss to the County in the event of employees committing acts of embezzlement or theft. In addition, due to specific exclusions in the County's insurance, the County also has commercial insurance coverage for property liability at the Airport. There has been no significant reduction in insurance coverage from the prior year by major categories of risk, and amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years.

**Dorchester County Sanitary Districts**

The County Commissioners of Dorchester County have guaranteed certain obligations of the Dorchester County Sanitary Districts, Inc. in the amount of \$45,618.

**Board of Education of Dorchester County**

School Finance

The Board of Education of Dorchester County receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on future programs and services.

**Note 13. Restatement of Fund Balances**

Fund balance in the capital projects and the special revenue grant funds were increased by \$208,653 and \$67,018, respectively, relating to accruals of expenditures that were recorded in fiscal year 2001.

**Note 14. New Reporting Standard**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*". This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The County is required to implement this standard for the fiscal year ending June 30, 2003. The County has not yet determined the full impact that adoption of GASB 34 will have on the financial statements.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>LOCAL PROPERTY TAXES:</b>			
Real property taxes - full-year	\$ 12,440,576	\$ 12,514,837	\$ 74,261
Real property - semi-annual	79,200	52,607	(26,593)
Taxes - railroads & public utilities	1,796,738	1,753,773	(42,965)
Taxes - ordinary business corporations	1,215,622	1,342,909	127,287
Additions and abatements, net prior years	(165,932)	(168,826)	(2,894)
Tax credits - legislative restrictions	(22,597)	(38,200)	(15,603)
Interest and penalties - delinquent taxes	250,000	338,497	88,497
	15,593,607	15,795,597	201,990
Tax credits - exempt	(281,216)	(337,086)	(55,870)
Interest on tax refunds	-	(1,679)	(1,679)
Personal property - locally assessed	-	112,073	112,073
Deferred taxes	-	(59,834)	(59,834)
Tax credits - enterprise zone	(164,552)	(71,706)	92,846
Shore erosion benefit charge	5,760	-	(5,760)
<b>Total net real and personal property taxes</b>	<b>15,153,599</b>	<b>15,437,365</b>	<b>283,766</b>
<b>LOCAL INCOME TAXES:</b>			
Income tax	7,548,000	7,980,229	432,229
<b>Total local income taxes</b>	<b>7,548,000</b>	<b>7,980,229</b>	<b>432,229</b>
<b>OTHER LOCAL TAXES:</b>			
Recordation tax	825,000	1,180,300	355,300
911 telephone fees - local	150,000	171,272	21,272
Mobile home taxes (parks)	90,000	85,119	(4,881)
Hotel room rental tax	70,000	60,639	(9,361)
Transfer tax	650,000	759,505	109,505
<b>Total other local taxes</b>	<b>1,785,000</b>	<b>2,256,835</b>	<b>471,835</b>
<b>STATE SHARED TAXES:</b>			
Filing fees - vehicle and boat registration	-	660	660
Admission and amusement	2,000	3,196	1,196
<b>Total state shared taxes</b>	<b>2,000</b>	<b>3,856</b>	<b>1,856</b>
<b>Total taxes</b>	<b>24,488,599</b>	<b>25,678,285</b>	<b>1,189,686</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>LICENSES AND PERMITS - BUSINESS:</b>			
Beer, wine and liquor licenses	\$ 70,000	\$ 63,770	\$ (6,230)
Seafood buyers permit	1,000	450	(550)
Traders licenses, pinball, bingo, and slots	15,000	21,645	6,645
<b>Total business licenses and permits</b>	<b>86,000</b>	<b>85,865</b>	<b>(135)</b>
<b>LICENSES AND PERMITS - OTHER:</b>			
Marriage licenses	1,500	1,835	335
Animal licenses	200	153	(47)
Zoning permit fees	48,000	65,610	17,610
Building permit fees	39,000	51,409	12,409
P&Z hvac permit fees	700	585	(115)
Electrical licensing fees	9,000	10,168	1,168
Plumbing licensing fees	4,000	5,550	1,550
Electrical permit fees	4,000	3,190	(810)
Livability fees	12,000	12,830	830
Plumbing permit fees	35,000	26,555	(8,445)
<b>Total other licenses and permits</b>	<b>153,400</b>	<b>177,885</b>	<b>24,485</b>
<b>Total licenses and permits</b>	<b>239,400</b>	<b>263,750</b>	<b>24,350</b>
<b>INTERGOVERNMENTAL:</b>			
<b>FROM THE FEDERAL GOVERNMENT:</b>			
Civil defense	-	14,264	14,264
Federal bridge revenue	200,000	9,760	(190,240)
Federal aid funds	140,000	-	(140,000)
Other Federal revenue	-	352	352
<b>Total federal intergovernmental</b>	<b>340,000</b>	<b>24,376</b>	<b>(315,624)</b>
<b>FEDERAL PAYMENT IN LIEU OF TAXES:</b>			
Blackwater Wildlife Refuge	80,000	75,747	(4,253)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>INTERGOVERNMENTAL (continued):</b>			
FROM THE STATE OF MARYLAND:			
MEMA - hurricane conf. reimbursement	\$ -	\$ 1,500	\$ 1,500
Juror reimbursement	-	15,445	15,445
Soil conservation	93,882	85,155	(8,727)
Johnsongrass fees	6,500	4,144	(2,356)
State aid for police protection	100,000	106,735	6,735
Homeless	-	1,150	1,150
Disparity grant	1,928,683	1,928,463	(220)
508 fire, rescue and ambulance	225,000	241,713	16,713
Electric generation equipment property tax grant	187,721	187,442	(279)
Health custodial reimbursement	41,960	42,704	744
Highway user revenues	3,400,000	3,680,068	280,068
Boat ramp maintenance	30,000	145,879	115,879
DNR - waterway improvement project	175,000	(22,836)	(197,836)
Other state aid	23,000	123,302	100,302
Tax amnesty revenue	-	19,164	19,164
DNR - Chesapeake Forest Product Corporation	8,548	-	(8,548)
<b>Total State intergovernmental</b>	<b>6,220,294</b>	<b>6,560,028</b>	<b>339,734</b>
<b>Total intergovernmental</b>	<b>6,640,294</b>	<b>6,660,151</b>	<b>19,857</b>
<b>SERVICE CHARGES AND FEES:</b>			
SERVICE CHARGES - GENERAL GOVT.:			
Tax sale costs reimbursement	15,000	16,203	1,203
Zoning maps	100	239	139
Johnsongrass spraying fees	16,976	19,115	2,139
Planning and zoning fees	17,000	20,809	3,809
Election fees filing & other	100	1,538	1,438
Motor vehicle fees - local	-	1,888	1,888
Technology services	-	53	53
Gypsy moth spraying fees	-	2,686	2,686
<b>Total service charges general government</b>	<b>49,176</b>	<b>62,531</b>	<b>13,355</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>SERVICE CHARGES AND FEES (continued):</b>			
<b>SERVICE CHARGES - PUBLIC SAFETY:</b>			
Sheriff's fees	\$ 28,000	\$ 35,394	\$ 7,394
Electrical board fees	1,000	-	(1,000)
Reimbursement for housing state prisoners	200,000	337,524	137,524
Reimbursement for housing non-co. inmates	637,000	661,869	24,869
Reimbursement for community services	-	660	660
HIV security services	1,500	2,500	1,000
Fees - community service	500	1,745	1,245
Fees weekend prisoners	3,000	3,480	480
Misc. income - detention center	12,000	16,424	4,424
EMS billing - net	-	187,036	187,036
Municipal patrol reimbursement	-	4,688	4,688
Reimbursement for work release prisoners	45,000	48,085	3,085
<b>Total public safety</b>	<b>928,000</b>	<b>1,299,405</b>	<b>371,405</b>
<b>SERVICE CHARGES - PUBLIC WORKS:</b>			
Road construction agreement funds	16,000	-	(16,000)
Road opening permits	500	216	(284)
Stormwater mgmt. permits	1,500	2,719	1,219
Forest harvesting permits	1,200	2,515	1,315
Grading permits	1,600	2,735	1,135
Paved streets	-	10,267	10,267
Parking lots	-	39,552	39,552
Other service charges	-	12,000	12,000
Pipe sales	-	48,616	48,616
Other sales	20,000	29,231	9,231
Shop service charges	2,000	11,436	9,436
Equipment rent	-	15,467	15,467
Cash discounts	8,000	6,977	(1,023)
<b>Total transportation - public works</b>	<b>50,800</b>	<b>181,731</b>	<b>130,931</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>SERVICE CHARGES AND FEES (continued):</b>			
<b>SERVICE CHARGES - EDUCATION:</b>			
Home study evaluations	\$ 3,500	\$ 3,475	\$ (25)
Guidance/instructional services	56,110	59,701	3,591
<b>Total education</b>	<b>59,610</b>	<b>63,176</b>	<b>3,566</b>
<b>SERVICE CHARGES - RECREATION:</b>			
After school summer programs	26,074	-	(26,074)
Swimming pool fees	25,000	28,436	3,436
Recreation program fees	2,000	1,073	(927)
Softball/baseball fees	1,000	1,690	690
Swimming pool concessions	13,500	16,262	2,762
<b>Total recreation</b>	<b>67,574</b>	<b>47,461</b>	<b>(20,113)</b>
<b>SERVICE CHARGES - PUBLIC ENTERPRISE:</b>			
Mosquito control fees	15,000	37,243	22,243
DCLCB Profits	-	-	-
Tourism shop sales	-	45	45
Tyler's Cove slip rent	7,000	6,575	(425)
Ragged Point slip rent	10,000	11,197	1,197
Elliotts Island slip rent	3,500	5,636	2,136
<b>Total public enterprise</b>	<b>35,500</b>	<b>60,696</b>	<b>25,196</b>
<b>Total service charges and fees</b>	<b>1,190,660</b>	<b>1,715,000</b>	<b>524,340</b>
<b>FINES AND FORFEITURES:</b>			
Court fines and forfeitures	10,000	26,066	16,066
<b>Total fines and forfeitures</b>	<b>10,000</b>	<b>26,066</b>	<b>16,066</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>MISCELLANEOUS:</b>			
Principal and interest - Regina MILA loan	\$ 93,588	\$ 93,588	\$ -
Light safety and risk grants	-	277	277
Vending machine commission	1,000	1,752	752
Rent - 911 tower	26,400	37,680	11,280
Contributions/donations - juvenile services	-	18,751	18,751
United fund juvenile services	6,500	1,750	(4,750)
Interest and dividends on investments	250,000	106,862	(143,138)
Recreation - J.E.W. Park - City of Camb.	4,500	5,000	500
Rental - other properties	300,000	305,732	5,732
Miscellaneous income	-	39,807	39,807
Recreation grant - Board of Education	8,000	4,765	(3,235)
LMB/YS - flex funds revenue	600	-	(600)
Insurance proceeds	-	58,347	58,347
Proceeds - fixed asset sale	-	6,626	6,626
Tourism - misc. revenues	-	1,049	1,049
Cash discounts	-	1,335	1,335
<b>Total miscellaneous revenue</b>	<b>690,588</b>	<b>683,321</b>	<b>(7,266)</b>
<b>Total revenues</b>	<b>\$ 33,259,541</b>	<b>\$ 35,026,573</b>	<b>\$ 1,767,033</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT:</b>			
<b>LEGISLATIVE AND EXECUTIVE:</b>			
Salaries elected/appointed	\$ 60,000	\$ 60,000	\$ -
Salaries/supervisor	55,650	55,650	-
Salaries/other	74,645	72,106	2,539
Telephone	6,000	4,584	1,416
Advertising	8,500	10,229	(1,729)
Printing, publishing, and publications	500	91	409
Rental of equipment	2,727	2,954	(227)
Office supplies	3,500	6,972	(3,472)
Other expenses	14,500	11,261	3,239
Postage	1,000	785	215
Lodging and meals	3,000	1,910	1,090
Meeting registration	2,000	449	1,551
Mileage and conference reimbursement	2,500	2,037	463
Training expense	6,300	6,000	300
Dues	500	50	450
	<hr/> 241,322	<hr/> 235,078	<hr/> 6,244
<b>CIRCUIT COURT:</b>			
Salaries/other	89,501	91,339	(1,838)
Telephone	5,700	2,817	2,883
Legal counsel/fees	500	-	500
Office supplies	1,400	1,243	157
Other expenses	2,000	2,286	(286)
Postage	400	475	(75)
Expenses - Petit jury	36,000	25,063	10,937
Expenses - Grand jury	2,500	990	1,510
Capital Outlay	-	9,060	(9,060)
Salaries/other	34,170	34,170	-
Contractual services	5,000	-	5,000
Other expenses	1,500	1,503	(3)
	<hr/> 178,671	<hr/> 168,946	<hr/> 9,725

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>GENERAL GOVERNMENT (continued):</b>			
ORPHANS COURT:			
Salaries elected/appointed	\$ 10,500	\$ 10,500	\$ -
Retirement	4,800	5,113	(313)
Office supplies	500	-	500
Other expenses	300	94	206
Expense allowance	2,000	-	2,000
Mileage and conference reimbursement	500	101	399
	<hr/> 18,600	15,808	2,792
STATE'S ATTORNEY'S OFFICE:			
Salaries elected/appointed	86,500	87,751	(1,251)
Salaries/other	253,982	244,228	9,754
Telephone	4,400	1,564	2,836
Rental of land and buildings	18,000	17,400	600
Office supplies	7,000	7,705	(705)
Other expenses	10,000	9,956	44
Postage	5,000	4,327	673
Mileage and conference reimbursement	3,000	2,920	80
	<hr/> 387,882	375,851	12,031
ELECTIONS:			
Salaries/supervisor	15,000	13,365	1,635
Salaries/other	6,000	2,716	3,284
Telephone	2,500	2,249	251
Advertising	3,500	179	3,321
Data processing	4,000	1,207	2,793
Contractual services	16,000	-	16,000
State employee expense reimbursement	117,482	99,545	17,937
Rent	3,100	4,000	(900)
Office supplies	2,500	2,735	(235)
Other expenses	1,000	1,027	(27)
Postage	4,500	1,580	2,920

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>			
ELECTIONS (continued):			
Mileage and conference reimbursement	\$ 10,500	\$ 6,761	\$ 3,739
New vehicles and equipment	-	9,622	(9,622)
	186,082	144,986	41,096
<b>TREASURER:</b>			
Salaries elected/appointed	37,500	37,500	-
Salaries/other	84,273	86,389	(2,116)
Telephone	3,200	1,283	1,917
Advertising	8,000	4,851	3,149
Data processing	19,000	15,562	3,438
Legal	500	-	500
Office supplies	1,000	775	225
Other expenses	1,700	1,413	287
Postage	8,000	7,786	214
Dog tag expense	150	62	88
Mileage and conference reimbursement	750	666	84
Insurance bonds	2,600	2,200	400
	166,673	158,487	8,186
<b>FINANCE OFFICE:</b>			
Salaries/supervisor	50,400	50,400	-
Salaries/other	93,875	105,111	(11,236)
Telephone	2,450	1,810	640
Printing and publishing	500	940	(440)
Payroll services	21,000	18,400	2,600
Rental of equipment	2,727	2,727	-
Office supplies	8,125	9,686	(1,561)
Other expenses	500	936	(436)
Postage	500	554	(54)
Lodging and meals	500	320	180
Meeting registration	1,000	1,738	(738)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>GENERAL GOVERNMENT (continued):</b>			
FINANCE (continued):			
Mileage and conference reimbursements	\$ 500	\$ 401	\$ 99
Dues	750	654	96
	<hr/> 182,827	<hr/> 193,677	<hr/> (10,850)
<b>PLANNING AND ZONING:</b>			
Salaries elected/appointed	1,600	1,412	188
Salaries/supervisor	47,458	45,545	1,913
Salaries/other	197,840	193,496	4,344
Telephone	5,720	4,734	986
Advertising	1,500	1,079	421
Printing, publishing and publications	4,850	3,060	1,790
Contractual services	9,500	7,601	1,899
Legal counsel/fees	5,000	6,008	(1,008)
Recording fees	250	219	31
Auto expenses	6,500	7,344	(844)
Office supplies	3,500	3,063	437
Other expenses	1,030	1,220	(190)
Postage	2,000	2,264	(264)
Photographic expense	400	139	261
Lodging and meals	1,700	1,801	(101)
Meeting registration	1,000	330	670
Association dues	1,000	900	100
Mileage and conference reimbursement	250	42	208
Salaries elected/appointed	2,940	2,450	490
Salaries elected/appointed	2,625	2,205	420
	<hr/> 296,663	<hr/> 284,912	<hr/> 11,751
<b>OTHER GENERAL GOVERNMENT:</b>			
Legal counsel/fees	28,000	29,731	(1,731)
Legal counsel/expenses	5,000	18,978	(13,978)
Legal counsel fees	2,500	-	2,500

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>			
OTHER GENERAL GOVERNMENT (continued)			
Salaries elected/appointed	\$ 10,500	\$ 10,500	\$ -
Contractual services	7,000	-	7,000
Salaries/supervisor	47,000	45,192	1,808
Salaries/other	22,979	10,256	12,723
Communications	4,000	2,612	1,388
Printing and publishing	1,200	1,397	(197)
Contractual services	1,000	-	1,000
Office supplies	1,000	856	144
Other expenses	2,500	2,316	184
Media and other accessories	299	152	147
Lodging and meals	1,500	856	644
Meeting registration	500	35	465
Travel	1,500	1,653	(153)
Training expense	4,000	3,674	326
Dues	800	500	300
Contractual services - audit	40,000	42,215	(2,215)
Code updates	5,300	2,357	2,943
Administrative fees	7,000	2,826	4,174
Auto expenses	1,000	-	1,000
Other expenses	36,000	37,754	(1,754)
Liability insurance	97,500	87,780	9,720
Replacement of damaged assets	-	50,373	(50,373)
Other expenses	12,665	12,500	165
	<hr/> 340,743	<hr/> 364,513	<hr/> (23,770)
<b>Total general government</b>	<b>1,999,463</b>	<b>1,942,258</b>	<b>57,205</b>
<b>PUBLIC SAFETY:</b>			
VOLUNTEER FIRE & AMBULANCE COMPANIES:			
State aid (508 funds)	225,000	241,065	(16,065)
Fire company appropriations	457,000	427,000	30,000
	<hr/> 682,000	<hr/> 668,065	<hr/> 13,935

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>			
<b>EMERGENCY MEDICAL SERVICES DEPARTMENT:</b>			
Salaries/supervisor	\$ -	\$ 17,538	\$ (17,538)
Salaries/other	19,000	-	19,000
Contractual services	-	1,719	(1,719)
Other expenses	30,000	2,159	27,841
Rental of equipment	-	1,352	(1,352)
BLS transport fees	-	72,300	(72,300)
ALS transport fees	-	110,060	(110,060)
Auto expenses	-	2,380	(2,380)
Office supplies	-	355	(355)
Postage	-	7	(7)
Mileage and conference	-	153	(153)
Uniforms and physicals	-	116	(116)
Telephone	-	257	(257)
Advanced life support appropriations	420,000	492,500	(72,500)
	<hr/> 469,000	<hr/> 700,896	<hr/> (231,896)
<b>EMERGENCY MGMT. &amp; COMMUNICATIONS:</b>			
Salaries/supervisor	24,675	24,675	-
Personnel	1,100	1,100	-
Telephone	2,800	3,449	(649)
Water	250	218	32
Electric	4,600	5,377	(777)
Printing, publishing and public relations	800	765	35
Radio expense	250	591	(341)
Contractual services	1,400	970	430
Auto expense	700	689	11
Building maintenance and repairs	100	-	100
Office supplies	1,200	1,389	(189)
Other expenses	500	1,437	(937)
Postage	100	99	1

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>			
EMERGENCY MGMT. & COMMUNICATIONS (continued):			
Lodging and meals	\$ 1,000	\$ 986	\$ 14
Association dues	105	105	-
Mileage and conference reimbursement	810	484	326
Training expense	810	-	810
Salaries/supervisor	31,500	-	31,500
Salaries/other	265,310	285,057	(19,747)
Salaries/overtime	10,000	45,500	(35,500)
Telephone	62,000	54,403	7,597
Water	800	1,004	(204)
Electric	16,000	18,556	(2,556)
Radio expense	10,000	12,884	(2,884)
Contractual services	37,110	32,215	4,895
Auto expenses	2,000	2,155	(155)
Building maintenance and repairs	2,000	2,008	(8)
Office supplies	500	497	3
Other expenses	2,000	1,712	288
Postage	200	194	6
Mileage and conference reimbursement	1,000	492	508
Employee uniforms and physicals	2,800	3,478	(678)
Liability insurance	2,500	2,252	248
Training expense	3,850	6,320	(2,470)
	<hr/> 490,770	<hr/> 511,061	<hr/> (20,291)
<b>ANIMAL CONTROL:</b>			
Control of animals	127,076	127,076	-
<b>POLICE DEPARTMENT</b>			
Salaries/supervisor	50,000	-	50,000
Salaries/other	788,950	-	788,950
Overtime	50,000	-	50,000
Telephone	7,500	-	7,500

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance <u>Favorable</u> <u>(Unfavorable)</u>
<b>PUBLIC SAFETY (continued):</b>			
POLICE DEPARTMENT (continued)			
Water	\$ 2,500	\$ -	\$ 2,500
Electric	6,000	-	6,000
Gas heat	8,000	-	8,000
Advertising	250	-	250
Printing and publishing	1,000	-	1,000
Radio expense	7,000	-	7,000
Contractual services	15,000	-	15,000
Code updates	1,500	-	1,500
Auto expenses	70,000	-	70,000
Office supplies	8,000	-	8,000
Other expenses	1,500	-	1,500
Postage	2,000	-	2,000
Photographic expense	3,000	-	3,000
Law enforcement supplies	12,000	-	12,000
Transportation and investigation	500	-	500
Mileage and conference reimbursement	2,000	-	2,000
Uniforms	21,000	-	21,000
Insurance	22,000	-	22,000
Crime prevention	3,000	-	3,000
Traning expense	15,000	-	15,000
Narcotics investigations	1,000	-	1,000
Dues	1,000	-	1,000
	<hr/> 1,099,700	<hr/> -	<hr/> 1,099,700
<b>SHERIFF'S DEPARTMENT:</b>			
Salaries elected/appointed	45,000	45,000	-
Salaries/other	136,450	959,578	(823,128)
Salaries/overtime	-	153,129	(153,129)
Overtime - bike patrol	-	837	(837)
Telephone	-	9,111	(9,111)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>			
SHERRIFF'S DEPARTMENT (continued):			
Water	\$ -	\$ 2,916	\$ (2,916)
Electric	-	5,377	(5,377)
Gas - heat	-	6,719	(6,719)
Advertising	-	190	(190)
Printing, publishing, publications	1,000	637	363
Radio expense	1,000	16,609	(15,609)
Contractual services	40,000	50,730	(10,730)
Code updates	1,500	2,094	(594)
Auto expenses	1,000	86,594	(85,594)
Office supplies	1,500	10,013	(8,513)
Other expenses	-	2,393	(2,393)
Municipalities Patrol	-	4,688	(4,688)
Postage	-	2,227	(2,227)
Photographic expense	-	1,025	(1,025)
Law enforcement supplies	1,000	14,035	(13,035)
Transportation and investigation	-	(275)	275
Mileage and conference reimbursement	500	1,227	(727)
Employee uniforms and physicals	1,000	22,767	(21,767)
Liability insurance	-	18,661	(18,661)
Crime prevention	-	2,117	(2,117)
Training expense	500	12,334	(11,834)
Dues	500	1,260	(760)
New vehicles/equipment	-	1,776	(1,776)
	<hr/> 230,950	<hr/> 1,433,769	<hr/> (1,202,819) <hr/>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>PUBLIC SAFETY (continued):</b>			
<b>DRUG TASK FORCE:</b>			
Telephone - drug task force	\$ -	\$ 7,010	\$ (7,010)
Radio expense - drug task force	-	695	(695)
Other expense - drug task force	-	6,297	(6,297)
	-	14,002	(14,002)
<hr/>			
<b>DETENTION CENTER:</b>			
Radio expense	1,000	1,963	(963)
Auto expenses	12,000	15,656	(3,656)
Building maintenance and repairs	-	220	(220)
Office supplies	7,000	8,051	(1,051)
Other expenses	26,487	27,606	(1,119)
Postage	800	890	(90)
Food	279,625	269,244	10,381
Photographic expense	500	-	500
Clothing - inmates	1,000	-	1,000
Mileage and conference reimbursement	2,488	3,217	(729)
Employee uniforms and physicals	8,000	11,723	(3,723)
Liability insurance	20,000	16,051	3,949
Training expense	6,000	7,334	(1,334)
Trustees expense	21,000	20,752	248
Salaries/supervisor	52,500	52,500	-
Salaries/other	1,601,269	1,579,769	21,500
Salaries/overtime	15,000	11,280	3,720
Cadet program - salaries	8,000	3,148	4,852
Telephone	6,000	2,056	3,944
Water	17,600	20,231	(2,631)
Electric	33,000	35,227	(2,227)
Gas heat	44,000	41,276	2,724

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>			
DETENTION CENTER (continued)			
Medical expenses and supplies	\$ 219,650	\$ 247,556	\$ (27,906)
Salaries/other - building exp.	49,298	49,298	-
Overtime - building exp.	2,500	523	1,977
Auto expenses - building exp.	1,000	2,538	(1,538)
Building maintenance	32,000	34,466	(2,466)
Contractual services	44,600	17,410	27,190
	<hr/> 2,512,317	<hr/> 2,479,985	<hr/> 32,332
<b>OTHER PUBLIC SAFETY:</b>			
Other expenses - fire department	1,330	1,123	207
<b>Total public safety</b>	<hr/> 5,613,143	<hr/> 5,935,977	<hr/> (322,834)
<b>SOCIAL SERVICES:</b>			
YOUTH SERVICES:			
Other expenses	600	600	-
Salaries/supervisor	43,050	43,050	-
Salaries/other	108,334	67,689	40,645
Telephone/communications	1,050	1,039	11
Contractual services	1,100	786	314
Postage - united fund	400	-	400
Mileage & conference reimbursement - united fund	2,500	2,448	52
Liability insurance - united fund	500	-	500
Training expense	300	-	300
Other expense	2,400	799	1,601
Postage	100	102	(2)
Mileage & conference reimbursement	2,000	2,382	(382)
Insurance	700	700	-
Training expense	400	445	(45)
Telephone	1,000	369	631
Printing	400	360	40
Dues	400	-	400
	<hr/> 165,234	<hr/> 120,769	<hr/> 44,465

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>SOCIAL SERVICES (continued):</b>			
<b>OTHER HEALTH AND SOCIAL SERVICES:</b>			
Salaries/supervisor	\$ 6,820	\$ 6,600	\$ 220
Pleasant Day Adult Care - budgeted approp.	20,000	20,000	-
Delmarva Comm. Svcs. - budgeted approp.	49,500	49,500	-
Chesapeake Rehab. - budgeted appropriations	7,975	7,975	-
Expense allowance	2,600	2,487	113
Community development appropriations	12,000	12,000	-
	98,895	98,562	333
<b>Total social services</b>	264,129	219,331	44,798
<b>RECREATION AND PARKS:</b>			
<b>RECREATION DEPARTMENT:</b>			
Salaries/supervisor	47,250	47,250	-
Salaries/other	123,556	126,030	(2,474)
Telephone	2,200	1,341	859
Water	700	680	20
Electric	4,500	4,129	371
Contractual services	10,000	9,878	122
Auto expenses	6,000	6,999	(999)
Maintenance and repairs	5,000	5,744	(744)
Trash removal	1,500	1,703	(203)
Office supplies	2,000	1,441	559
Other expenses	33,100	37,211	(4,111)
Postage	800	800	-
Mileage and conference reimbursement	1,500	516	984
Salaries/other - seasonal employees	62,000	62,490	(490)
Salaries/other - swimming pool	56,000	54,935	1,065
Telephone	850	305	545
Water	1,000	431	569
Electric	16,500	7,786	8,714

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECREATION AND PARKS (continued):</b>			
RECREATION DEPARTMENT (continued):			
Maintenance and repairs	\$ 3,800	\$ 3,342	\$ 458
Trash removal	450	515	(65)
Other expenses	18,700	17,355	1,345
Food	9,000	10,617	(1,617)
Other expenses	15,000	-	15,000
Electric	5,000	3,037	1,963
Maintenance	2,000	1,901	99
Social security	1,446	1,396	50
Worker's compensation insurance	728	737	(9)
Salaries/seasonal	18,900	18,249	651
Other expenses	5,000	4,771	229
	<b>454,480</b>	<b>431,589</b>	<b>22,891</b>
<b>COOPERATIVE EXTENSION SERVICES:</b>			
Budgeted appropriations	108,774	108,774	-
Miscellaneous budgeted appropriation	6,500	6,500	-
	<b>115,274</b>	<b>115,274</b>	<b>-</b>
<b>Total recreation and parks</b>	<b>569,754</b>	<b>546,863</b>	<b>22,891</b>
<b>NATURAL RESOURCES:</b>			
OYSTER REPLENISHMENT SERVICES:			
Budgeted appropriations	-	15,000	(15,000)
SOIL CONSERVATION:			
Salaries/other	157,347	156,139	1,208
Other expenses	3,500	3,500	-
	<b>160,847</b>	<b>159,639</b>	<b>1,208</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>NATURAL RESOURCES (continued):</b>			
FOREST CONSERVATION:			
Gypsy moth program	\$ -	\$ 9,076	\$ (9,076)
Budgeted appropriations	2,500	2,500	-
	<hr/> 2,500	<hr/> 11,576	<hr/> (9,076)
WEED CONTROL:			
Health insurance	-	1,000	(1,000)
Workers' compensation	590	-	590
Social security	1,386	1,351	35
Salaries/supervisor	18,652	17,660	992
Auto expenses	2,000	2,058	(58)
Other expenses	7,625	3,868	3,757
Postage	50	-	50
Food	100	-	100
Meeting registration	100	-	100
	<hr/> 30,503	<hr/> 25,937	<hr/> 4,566
<b>Total natural resources</b>	<hr/> 193,850	<hr/> 212,152	<hr/> (18,302)
<b>ECONOMIC DEVELOPMENT:</b>			
ECONOMIC DEVELOPMENT DEPARTMENT:			
Salaries/supervisor	42,000	42,000	-
Salaries/other	21,051	21,051	-
Telephone	4,000	2,337	1,663
Advertising	900	-	900
Printing, publishing, and publications	1,000	188	812
Contractual services	4,500	1,822	2,678
Office supplies	1,000	948	52
Other expenses	500	88	412
Postage	300	382	(82)
Lodging & meals	4,000	1,445	2,555
Meeting registration	1,400	545	855
Association dues	550	366	184

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>ECONOMIC DEVELOPMENT (continued):</b>			
ECONOMIC DEVELOPMENT DEPARTMENT			
(continued):			
Mileage and conference reimbursement	\$ 4,000	\$ 981	\$ 3,019
Special projects	10,000	10,000	-
	<hr/> 95,201	<hr/> 82,153	<hr/> 13,048
<b>TOURISM:</b>			
Salaries/supervisor	37,800	37,789	11
Salaries/other	89,918	89,278	640
Telephone	3,000	4,070	(1,070)
Water	-	4,864	(4,864)
Electric	-	8,602	(8,602)
Advertising	60,000	60,351	(351)
Printing, publishing, and publications	13,500	9,053	4,447
Contractual services	-	540	(540)
Rental of equipment	2,400	2,293	107
Building maintenance and repair	-	570	(570)
Office supplies	1,300	1,347	(47)
Other expenses	5,350	5,365	(15)
Postage	6,000	10,565	(4,565)
Photographic expense	1,000	1,030	(30)
Cost of goods	5,000	3,129	1,871
Lodging & meals	2,000	1,962	38
Association dues	800	846	(46)
Mileage & conference reimbursement	4,000	3,162	838
	<hr/> 232,068	<hr/> 244,816	<hr/> (12,748)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>ECONOMIC DEVELOPMENT (continued):</b>			
<b>OTHER ECONOMIC DEVELOPMENT:</b>			
Delmarva advisory council appropriation	\$ 1,531	\$ 1,531	\$ -
Water trans. appropriation	955	955	-
Sailwinds appropriation	21,000	-	21,000
Capital outlay	-	18,202	(18,202)
	<u>23,486</u>	<u>20,688</u>	<u>2,798</u>
<b>Total economic development</b>	<b>350,755</b>	<b>347,657</b>	<b>3,098</b>
<b>INTERGOVERNMENTAL:</b>			
Tax rebate to municipalities	69,000	69,000	-
Bank stock - inc. towns	11,544	11,544	-
Mosquito control	235,000	234,145	855
Dor. Co. Board of Education	14,128,372	14,158,372	(30,000)
Chesapeake Community College	904,585	904,585	-
Dor. Co. Public Library	462,740	462,740	-
Dor. Co. Health Department	702,463	702,463	-
	<u>16,513,704</u>	<u>16,542,849</u>	<u>(29,145)</u>
<b>MISCELLANEOUS:</b>			
MD School for the Blind	200	-	200
Health insurance - retirees	99,160	94,223	4,937
Health insurance	643,061	683,419	(40,358)
Social security	362,533	410,688	(48,155)
Retirement	351,159	192,494	158,665
Workers' compensation	98,571	102,711	(4,140)
Unemployment insurance	20,000	2,570	17,430
Compensated absences	25,000	115,040	(90,040)
Contingency	300,000	297,018	2,982
	<u>1,899,684</u>	<u>1,898,163</u>	<u>1,521</u>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>PUBLIC WORKS:</b>			
<b>MAINTENANCE:</b>			
Salaries/supervisor	\$ 31,500	\$ 31,500	\$ -
Salaries/other	115,953	116,177	(224)
Telephone	3,000	1,751	1,249
Auto expenses	2,500	3,818	(1,318)
Trash removal	-	152	(152)
Other expenses	-	1,276	(1,276)
Employee uniforms and physicals	2,000	2,754	(754)
Water	1,200	1,338	(138)
Electric	38,000	44,653	(6,653)
Gas heat	10,000	9,001	999
Building maintenance and repairs	20,000	31,721	(11,721)
Other expenses	5,000	4,227	773
Building maintenance	10,000	16,504	(6,504)
Water	1,200	1,696	(496)
Electric	25,500	25,195	305
Gas-Heat	5,000	4,634	366
Building maintenance and repairs	17,000	26,614	(9,614)
Other expenses	10,000	6,857	3,143
Capital outlay	500	-	500
Water	400	266	134
Electric	3,600	3,332	268
Building maintenance and repairs	500	665	(165)
Building maintenance	500	3,810	(3,310)
Salaries/supervisor	58,800	58,800	-
Contractual services	2,000	-	2,000
Office supplies	1,000	107	893
Other expenses	8,500	1,223	7,277
Meeting and registration	1,225	101	1,124
New vehicles and equipment	-	7,315	(7,315)
	<hr/> 374,878	<hr/> 405,487	<hr/> (30,609) <hr/>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>			
WALLACE CREEK DREDGING			
Contractual services	\$ 175,000	\$ -	\$ 175,000
HOOPERS ISLAND BRIDGE PROJECT:			
Contractual services	-	12,262	(12,262)
OTHER STATE AID PROJECTS:			
Salaries/other	30,000	-	30,000
Blacktop materials	140,000	-	140,000
	170,000	-	170,000
ROAD CONSTRUCTION AGREEMENT JOBS:			
Salaries/other	7,000	4,797	2,203
Blacktop materials	8,400	-	8,400
Other materials	5,600	35	5,565
	21,000	4,832	16,168
SHOULDER WORK:			
Salaries/other	20,000	6,231	13,769
Other materials	1,000	276	724
	21,000	6,507	14,493
ROADWAYS:			
Salaries/other	140,000	123,264	16,736
Other materials	15,000	17,123	(2,123)
	155,000	140,387	14,613
SURFACE TREATMENT:			
Salaries/other	55,000	37,335	17,665
Asphalt S/T materials	140,000	81,089	58,911
Stone S/T materials	140,000	138,466	1,534
	335,000	256,890	78,110

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>PUBLIC WORKS (continued):</b>			
DRAINAGE:			
Salaries/other	\$ 110,000	\$ 125,219	\$ (15,219)
Contractual services	-	5,130	(5,130)
Drainage materials	60,000	71,796	(11,796)
	<hr/> 170,000	<hr/> 202,145	<hr/> (32,145)
BUSHING:			
Salaries/other	45,000	37,449	7,551
Other material	-	12	(12)
Contractual services	2,000	3,843	(1,843)
	<hr/> 47,000	<hr/> 41,304	<hr/> 5,696
BLACKTOPPING:			
Salaries/other	100,000	96,311	3,689
Contractual services	-	1,032	(1,032)
Asphalt materials	175,000	199,435	(24,435)
Stone materials	200,000	215,553	(15,553)
Other materials	-	1,702	(1,702)
Fuel oil	-	29,859	(29,859)
	<hr/> 475,000	<hr/> 543,892	<hr/> (68,892)
WIDENING AND IMPROVEMENTS:			
Salaries/other	35,000	50,037	(15,037)
Contract services	-	450	(450)
Other materials	-	1,566	(1,566)
	<hr/> 35,000	<hr/> 52,053	<hr/> (17,053)
PATCHING:			
Salaries/other	40,000	29,245	10,755
Stone stabilization	6,000	7,039	(1,039)
	<hr/> 46,000	<hr/> 36,284	<hr/> 9,716
MOWING:			
Salaries/other	70,000	82,776	(12,776)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>			
<b>REMOVING DEBRIS:</b>			
Salaries/other	\$ 13,000	\$ 10,230	\$ 2,770
Contract services	-	120	(120)
	<hr/> 13,000	<hr/> 10,350	<hr/> 2,650
<b>BRIDGES:</b>			
Salaries/other	15,000	15,406	(406)
Contract services	-	22,999	(22,999)
Bridge materials	19,000	1,660	17,340
	<hr/> 34,000	<hr/> 40,065	<hr/> (6,065)
<b>SHOP:</b>			
Salaries/other	241,351	241,847	(496)
Contractual services	60,000	43,367	16,633
Repair parts	115,000	87,035	27,965
Tires & tubes	22,000	27,976	(5,976)
Shop supplies	28,000	31,316	(3,316)
Small tools	3,000	3,263	(263)
	<hr/> 469,351	<hr/> 434,804	<hr/> 34,547
<b>YARD:</b>			
Salaries/other	1,500	1,255	245
<b>SNOW AND ICE:</b>			
Salaries/other	25,000	38,480	(13,480)
Overtime	5,000	-	5,000
Other materials	10,000	12,084	(2,084)
New vehicles/equipment	-	936	(936)
	<hr/> 40,000	<hr/> 51,500	<hr/> (11,500)
<b>OTHER ROAD DAMAGE:</b>			
Salaries/other	4,000	17,962	(13,962)
Contract services	-	30	(30)
Other materials	-	955	(955)
	<hr/> 4,000	<hr/> 18,947	<hr/> (14,947)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>			
LICENSING AND PERMITS:			
Salaries/other	\$ 27,785	\$ 23,741	\$ 4,044
ELLIOTS ISLAND DOCK:			
Electric	300	567	(267)
Contractual services	250	2,497	(2,247)
Other materials	100	-	100
	650	3,064	(2,414)
RAGGED POINT DOCK:			
Electric	600	803	(203)
Contractual services	250	1,800	(1,550)
Other materials	100	101	(1)
	950	2,704	(1,754)
TYLERS COVE DOCK:			
Other materials	-	450	(450)
Contractual services	-	774	(774)
Electric	400	669	(269)
	400	1,893	(1,493)
BOAT RAMPS:			
Salaries/other	6,000	9,719	(3,719)
Electric	2,200	2,190	10
Contractual services	23,000	28,612	(5,612)
Other materials	500	749	(249)
	31,700	41,270	(9,570)
BILLABLE JOBS:			
Salaries/other	3,000	11,757	(8,757)
Other materials	2,000	620	1,380
	5,000	12,377	(7,377)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>			
ADMINISTRATIVE SALARIES:			
Salaries/supervisor	\$ 60,979	\$ 60,981	\$ (2)
Salaries/other	66,924	66,332	592
	<hr/> 127,903	<hr/> 127,313	<hr/> 590
LEAVE SALARIES:			
Salaries/other	229,607	297,953	(68,346)
OTHER ADMINISTRATIVE:			
Water and sewer	700	1,893	(1,193)
Electricity	42,000	32,489	9,511
Propane	-	330	(330)
Advertising	4,000	2,682	1,318
Communications	7,000	6,523	477
Contractual services	6,000	1,943	4,057
Maintenance and repairs	2,000	8,498	(6,498)
Office supplies	8,000	6,286	1,714
Cleaning supplies	500	727	(227)
Fuel oil	110,000	76,590	33,410
Gasoline	40,000	6,646	33,354
Conferences, meetings and conventions	2,500	749	1,751
Employee uniforms and physicals	26,000	17,817	8,183
Insurance - liability/property	25,000	17,962	7,038
Training	-	1,474	(1,474)
New vehicles/equipment	-	4,234	(4,234)
	<hr/> 273,700	<hr/> 186,843	<hr/> 86,857
HIGHWAY SAFETY SIGNS:			
Salaries/other	30,978	25,933	5,045
Other materials	16,000	26,031	(10,031)
	<hr/> 46,978	<hr/> 51,964	<hr/> (4,986)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>			
Salaries/other	\$ 2,000	\$ 2,344	\$ (344)
Contractual services	25,000	26,054	(1,054)
Other materials	1,000	367	633
	<hr/> 28,000	<hr/> 28,765	<hr/> (765)
<b>EMPLOYEE EXPENSES - HIGHWAYS:</b>			
Health insurance retirees	88,170	81,726	6,444
Social security	105,000	101,711	3,289
Retirement	74,000	61,211	12,789
Unemployment insurance	2,000	10,010	(8,010)
Workers' compensation	49,394	753	48,641
Health insurance - highways	194,336	201,748	(7,412)
	<hr/> 512,900	<hr/> 457,159	<hr/> 55,741
<b>Total public works</b>	<hr/> 3,942,302	<hr/> 3,576,786	<hr/> 365,516
<b>Total expenditures</b>	<hr/> \$ 31,346,784	<hr/> \$ 31,222,036	<hr/> \$ 124,748

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>FEDERAL GOVERNMENT</b>			
<b>LMB FEDERAL REVENUES</b>			
LMB - safe and stable families	\$ 123,175	\$ 139,705	\$ 16,530
Total LMB Federal revenues	123,175	139,705	16,530
<b>OTHER FEDERAL REVENUES</b>			
COPS fast grant - sheriff's office	-	26,938	26,938
Victim witness advocate grant	-	13,270	13,270
Alcohol/drug highway safety	-	50,946	50,946
Critical areas grant	52,000	48,471	(3,529)
Body armor grant - sheriff	-	1,776	1,776
Byrne grant - state's attorney	-	4,375	4,375
DNR recreational trails program	-	15,000	15,000
Transportation grant	-	82,852	82,852
Marijuana eradication grant	-	1,274	1,274
Weatherization assistance program	-	17,859	17,859
Emergency food assistance	-	5,000	5,000
School resource officer grant	-	15,347	15,347
NRCS - cabin creek	-	8,754	8,754
LLEBG workstation grant	-	12,960	12,960
Byrne- safe fam grant	-	1,667	1,667
Byrne - ex-parte	-	2,865	2,865
Total other Federal revenues	52,000	309,354	257,354
Total revenues	175,175	449,059	273,884
<b>STATE GOVERNMENT</b>			
<b>LMB STATE REVENUES</b>			
LMB subcabinet - OCYF	1,165,737	1,287,399	121,662
LMB - after school programs	50,000	41,667	(8,333)
Total LMB state revenue	1,215,737	1,329,066	113,329
<b>OTHER STATE REVENUES</b>			
Program assistance grant	-	22,458	22,458
Family services grant	-	104,011	104,011
Transportation grant	-	323,255	323,255
Homeless grant	-	43,297	43,297

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(Continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued)</b>			
<b>OTHER STATE REVENUES (continued)</b>			
Tourism discretionary grant	\$ -	\$ 26,400	\$ 26,400
Open space grant	-	59,400	59,400
Tourism development grant	-	20,000	20,000
Circuit court master	-	95,863	95,863
Community service grant	-	10,000	10,000
Pilg grant: MD hist trust	-	24,999	24,999
Choptank river heritage tourism grant	-	38,428	38,428
Medco marketing grant	-	5,000	5,000
Rental allowance program	-	20,959	20,959
Tobacco compliance grant	-	520	520
<b>Total other state revenue</b>	-	794,590	794,590
<b>Total state revenues</b>	1,215,737	2,123,656	907,919
Interest and dividends on investments	-	39,005	39,005
Miscellaneous	-	3,227	3,227
<b>Total revenues</b>	\$ 1,390,912	\$ 2,614,947	\$ 1,224,035

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>FEDERAL GOVERNMENT:</b>			
<b>LMB FEDERAL EXPENDITURES</b>			
<b>LMB-HEALTHY FAMILIES</b>			
Passthrough funds	\$ -	\$ 72,270	\$ (72,270)
Total LMB- Federal expenditures	-	72,270	(72,270)
<b>OTHER FEDERAL EXPENDITURES</b>			
<b>BYRNE GRANT - STATE'S ATTORNEY</b>			
Health insurance	-	222	(222)
Social security	-	281	(281)
Salaries/other	-	3,707	(3,707)
Other expenses	-	165	(165)
	-	4,375	(4,375)
<b>CRITICAL AREAS GRANT</b>			
Health insurance	4,000	4,816	(816)
Social security	1,500	1,557	(57)
Retirement	1,200	814	386
Worker's compensation insurance	70	16	54
Salaries/other	29,980	29,270	710
Advertising	600	401	199
Printing, publishing and publication	4,000	1,488	2,512
Contractual services	7,500	7,500	-
Office supplies	1,750	1,665	85
Postage	800	507	293
Mileage and conference reimbursement	600	437	163
	52,000	48,471	3,529
<b>ALCOHOL/DRUG HIGHWAY SAFETY</b>			
Social security	-	1,163	(1,163)
Worker's compensation insurance	-	595	(595)
Overtime	-	14,369	(14,369)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>FEDERAL GOVERNMENT (continued):</b>			
<b>ALCOHOL/DRUG HIGHWAY SAFETY (continued)</b>			
Other expenses	\$ -	\$ 10,522	\$ (10,522)
Dorchester County Health Department	-	10,256	(10,256)
Cambridge/Hurlock agencies	-	14,041	(14,041)
	-	50,946	(50,946)
<b>COPS FAST GRANT - SHERIFF</b>			
Health insurance	-	4,956	(4,956)
Social security	-	1,394	(1,394)
Retirement	-	724	(724)
Worker's compensation insurance	-	771	(771)
Salaries/other	-	19,093	(19,093)
	-	26,938	(26,938)
<b>MARIJUANA ERADICATION GRANT</b>			
Overtime	-	1,276	(1,276)
<b>BULLETPROOF VEST GRANT</b>			
New vehicles/equipment	-	1,776	(1,776)
<b>BRYNE EX PARTE GRANT</b>			
Social Security	-	204	(204)
Overtime	-	2,661	(2,661)
	-	2,865	(2,865)
<b>WEATHERIZATION GRANT</b>			
Other expenses	-	17,859	(17,859)
<b>EMERGENCY SHELTER GRANT</b>			
Other expenses	-	8,754	(8,754)
Total Other Federal expenditures	52,000	163,260	(111,260)
Total Federal expenditures	52,000	235,530	(183,530)
<b>STATE GOVERNMENT:</b>			
<b>LMB STATE EXPENDITURES</b>			
<b>LMB- COMMUNITY POLICING</b>			
Passthrough funds	-	16,852	(16,852)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>LMB-YOUTH SERVICES GRANT</b>			
Health insurance	\$ 863	\$ -	\$ 863
Social security	4,911	4,798	113
Retirement	3,358	3,100	258
Salaries/other	64,209	64,207	2
Mileage and conference reimbursement	-	254	(254)
	<hr/> 73,341	<hr/> 72,359	<hr/> 982
<b>LMB-ADMINISTRATION</b>			
Health insurance	7,893	11,189	(3,296)
Social security	5,587	4,693	894
Retirement	4,686	2,565	2,121
Worker's compensation insurance	2,948	-	2,948
Unemployment insurance	766	-	766
Salaries/supervisor	40,000	38,462	1,538
Salaries/other	23,298	-	23,298
Unallocated salaries	-	24,867	(24,867)
Telephone	3,500	-	3,500
Electric	3,000	1,435	1,565
Advertising	2,500	1,953	547
Contractual services	26,539	28,500	(1,961)
Rental of land and buildings	14,000	11,775	2,225
Office supplies	3,000	2,791	209
Other expense	-	143	(143)
Postage	-	745	(745)
Meeting registration	5,000	5,987	(987)
Mileage and conference reimbursement	2,500	653	1,847
Insurance-liability and property	2,000	1,264	736
Training expense	2,783	1,703	1,080
New vehicles/equipment	-	1,785	(1,785)
	<hr/> 150,000	<hr/> 140,510	<hr/> 9,490

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>LMB-SERVICES</b>			
POS return	\$ -	\$ 99,530	\$ (99,530)
POS diversion	172,494	7,245	165,249
POS home visiting	344,725	344,725	-
	<u>517,219</u>	<u>451,500</u>	<u>65,719</u>
<b>LMB-INCENTIVES-OCYF</b>			
Incentives	-	97,330	(97,330)
<b>LMB-POS EDUCATION BLOCK GRANT</b>			
Passthrough funds	52,552	52,552	-
<b>LMB-WELLNESS CENTERS</b>			
Passthrough funds	110,300	540,300	(430,000)
<b>LMB-COMMUNITY OUTREACH</b>			
Passthrough funds	-	-	-
Health insurance	8,182	11,098	(2,916)
Social security	6,135	4,103	2,032
Worker's compensation	3,087	-	3,087
Salaries/other	80,200	55,848	24,352
Telephone	1,500	290	1,210
Printing and publishing	1,000	823	177
Contractual services	1,000	300	700
Auto expenses	1,500	510	990
Postage	500	295	205
Insurance	750	750	-
Training expense	600	560	40
Office supplies	2,000	1,885	115
Mileage and conference reimbursement	3,500	1,418	2,082
New vehicles/equipment	4,871	34,027	(29,156)
Other expenses	2,500	2,740	(240)
	<u>117,325</u>	<u>114,647</u>	<u>2,678</u>
<b>LMB - LCC FLEX FUNDS</b>			
Contractual services	-	2,269	(2,269)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>LMB-CHILD CARE AND START-UP</b>			
Passthrough funds	\$ 30,000	\$ 10,165	\$ 19,835
<b>LMB-SAFE AND STABLE FAMILIES</b>			
Passthrough funds	123,175	-	123,175
<b>LMB - GCAP/IG99-08</b>			
Passthrough funds	-	60,355	(60,355)
<b>LMB COMMUNITY MOBILIZATION</b>			
Contractual services	-	1,095	(1,095)
Other expenses	-	3,437	(3,437)
	-	4,532	(4,532)
<b>LMD- VICTIM OUTREACH</b>			
Passthrough funds	-	1,667	(1,667)
<b>LMB- HEALTH INSURANCE</b>			
Health insurance	-	1,902	(1,902)
<b>LMB- JUVENILE</b>			
Passthrough funds	-	3,580	(3,580)
<b>FAMILY SERVICES GRANT</b>			
Social security	-	3,743	(3,743)
Worker's compensation insurance	-	2,052	(2,052)
Salaries/other	-	35,769	(35,769)
Other expenses	-	64,744	(64,744)
	-	106,308	(106,308)
<b>Y/S-FAMILY PRESERVATION</b>			
Health insurance	8,967	9,348	(381)
Social security	5,731	5,536	195
Retirement	3,918	2,158	1,760
Worker's compensation insurance	2,884	-	2,884
Salaries/other	74,911	73,991	920
Telephone	600	562	38
Printing and publishing	600	232	368

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>Y/S-FAMILY PRESERVATION (continued):</b>			
Auto expenses	\$ 800	\$ 799	\$ 1
Office supplies	1,089	248	841
Other expenses	11,500	10,478	1,022
Postage	500	252	248
Mileage and conference reimbursement	1,000	678	322
Insurance-liability and property	-	500	(500)
Training expense	1,000	307	693
Dues	500	-	500
New vehicles/equipment	1,000	6,810	(5,810)
	<hr/> 115,000	<hr/> 111,899	<hr/> 3,101
Total LMB- state expenditures	<hr/> 1,288,912	<hr/> 1,788,727	<hr/> (499,815)
<b>OTHER STATE EXPENDITURES:</b>			
<b>EMERGENCY FOOD ASSISTANCE</b>			
Other expense	-	5,000	(5,000)
<b>DNR RECREATIONAL TRAILS PROGRAM</b>			
Printing and publishing	-	24,735	(24,735)
Capital outlay	-	-	-
	<hr/> -	<hr/> 24,735	<hr/> (24,735)
<b>PROGRAM ASSISTANCE</b>			
Social security	-	1,638	(1,638)
Workers compensation	-	844	(844)
Salaries/other	-	21,328	(21,328)
	<hr/> -	<hr/> 23,810	<hr/> (23,810)
<b>SCHOOL RESOURCE OFFICER</b>			
Health insurance	-	1,104	(1,104)
Social security	-	961	(961)
Workers compensation	-	511	(511)
Salaries/other	-	12,771	(12,771)
New vehicle and equipment	-	17,222	(17,222)
	<hr/> -	<hr/> 32,569	<hr/> (32,569)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>CIRCUIT COURT MASTER</b>			
Social security	\$ -	\$ 6,001	\$ (6,001)
Worker's compensation insurance	-	263	(263)
Health insurance	-	6,562	(6,562)
Salaries/other	-	79,560	(79,560)
Retirement	-	3,477	(3,477)
	-	95,863	(95,863)
<b>LGIT GRANT</b>			
Other expenses	-	270	(270)
<b>HOMELESS GRANT</b>			
Other expenses	-	44,337	(44,337)
<b>TRANSPORTATION GRANT</b>			
Other expenses	-	367,888	(367,888)
<b>TOBACCO GRANT</b>			
Overtime	-	520	(520)
<b>COMMUNITY SERVICE GRANT</b>			
Social security	-	1,563	(1,563)
Salaries/Other	-	21,259	(21,259)
	-	22,822	(22,822)
<b>PROGRAM OPEN SPACE</b>			
Capital outlay	-	69,543	69,543
<b>QUEST</b>			
Social security	2,295	1,987	308
Worker's compensation	1,155	1,324	(169)
Salaries/other	30,000	25,978	4,022
Contractual services	9,000	13,409	(4,409)
Other expenses	7,550	7,568	(18)
	50,000	50,266	(266)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>STATE GOVERNMENT (continued):</b>			
<b>TOURISM DISCRETIONARY GRANT</b>			
Water	\$ -	\$ 2,120	\$ (2,120)
Electric	-	9,720	(9,720)
Building maintenance and repair	-	1,800	(1,800)
Office supplies	-	215	(215)
Other expenses	-	322	(322)
New vehicles/equipment	-	12,223	(12,223)
	-	26,400	(26,400)
<b>PILG GRANT- MD HIST TRUST</b>			
Contractual services	-	24,653	(24,653)
Travel expense	-	257	(257)
Training expense	-	75	(75)
	-	24,985	(24,985)
<b>CDBG 97-ED-70-CORRPACK</b>			
Administration	-	100	(100)
<b>TOURISM DEVELOPMENT GRANT</b>			
Advertising	-	19,998	(19,998)
<b>CELEBRATION 2000 GRANT</b>			
Other expenses	-	(1,651)	1,651
<b>TRANSPORTATION GRANT</b>			
Other expenses	-	82,851	(82,851)
Total other state expenditures	165,000	890,306	(804,427)
Total state expenditures	1,453,912	2,679,033	(1,304,242)
<b>LOCAL EXPENDITURES:</b>			
<b>HERITAGE TOURISM PLANNING GRANT</b>			
Summary Budget	-	48,028	48,029
Total local expenditures	-	48,028	48,029
<b>OTHER EXPENSES</b>	-	24,627	(24,627)
<b>Total expenditures</b>	\$ 1,505,912	\$ 2,987,218	\$ (1,464,370)

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE AND EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
CAPITAL FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
County transfer tax	\$ 109,034	\$ 133,080	\$ 24,046
Other income	-	47,572	47,572
<b>Total revenues</b>	<b>109,034</b>	<b>180,652</b>	<b>71,618</b>
<b>EXPENDITURES:</b>			
Information technology - capital outlay	50,000	27,086	22,914
Information technology - new vehicles/equipment	-	101,061	(101,061)
Circuit court - capital outlay	9,034	133,080	(124,046)
Couthouse building - capital outlay	100,000	-	100,000
State's attorney - capital outlay	8,600	8,400	200
County office building - capital outlay	10,000	8,888	1,112
Elections - new vehicles and/or equipment	252,500	-	252,500
Finance office - new vehicles/equipment	11,000	10,769	231
Planning and zoning - new vehicles and/or equipment	750	-	750
Police department - new vehicles and/or equipment	185,000	-	185,000
Sheriff's office - new vehicles/equipment	-	100,139	(100,139)
Emergency medical services	-	5,220	(5,220)
Detention center - new vehicles and/or equipment	25,600	44,766	(19,166)
Detention center - capital outlay	27,000	2,970	24,030
Schools - Maces Lane Middle school 2001 bond	-	485,217	(485,217)
Schools - new vehicles and/or equipment	452,000	-	452,000
Schools - capital outlay	4,593,894	-	4,593,894
Schools - Capital Projects FY 2002	-	686,109	(686,109)
Chesapeake college - new vehicles and/or equipment	105,820	105,820	-
Recreation department - new vehicles and/or equipment	13,700	-	13,700
Recreation department - capital outlay	11,600	17,669	(6,069)
911 telephone system - new vehicles/equipment	9,000	356,762	(347,762)
911 telephone system - capital outlay	-	66	(66)
Public works-airport - new vehicles/equipment	16,621	14,892	1,729
Public works-solid waste - new vehicles/equipment	244,000	-	244,000

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**REVENUE AND EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
CAPITAL FUND  
Year Ended June 30, 2002  
(continued)**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (continued):</b>			
Public works-solid waste - capital outlay	6,105,264	-	6,105,264
Public works-highway - new vehicles/equipment	-	6,448	(6,448)
Public works-highway - capital outlay	55,000	-	55,000
Erosion control - contractual services	-	97,618	(97,618)
Road maintenance	395,337	284,823	110,514
New vehicles and equipment	-	17,063	(17,063)
Cost of bond issuance	-	6,555	(6,555)
<b>Total expenditures</b>	<b>12,681,720</b>	<b>2,521,421</b>	<b>10,160,299</b>
<b>Deficiency of revenues over expenditures</b>	<b>(12,572,686)</b>	<b>(2,340,769)</b>	<b>(10,231,917)</b>
<b>OTHER FINANCING SOURCES:</b>			
Note proceeds	3,360,264	90,918	(3,269,346)
Lease purchase agreement	250,000	348,425	98,425
Bond proceeds	5,069,594	7,000,000	1,930,406
Reappropriated beginning fund balance-landfill	3,009,000	-	(3,009,000)
Operating transfers in	883,828	851,435	(32,393)
<b>Total other financing sources</b>	<b>12,572,686</b>	<b>8,290,778</b>	<b>(4,281,908)</b>
<b>Excess of other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 5,950,009</b>	<b>\$ 5,950,009</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES AND EXPENSES**

**BUDGET AND ACTUAL**

**LANDFILL ENTERPRISE FUND**

**Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Operating:			
Tipping fees	\$ 1,477,588	\$ 1,930,678	\$ 453,090
Permits	80,000	74,080	(5,920)
Miscellaneous	9,000	4,475	(4,525)
Total operating revenues	<u>1,566,588</u>	<u>2,009,233</u>	<u>442,645</u>
<b>EXPENSES:</b>			
<b>Public Works - Solid Waste Recycling</b>			
Operating:			
Contractual services	11,000	13,200	(2,200)
Equipment lease and rent	5,000	-	5,000
Miscellaneous	500	20	480
Mileage and conference reimbursements	500	-	500
<b>Public Works - Solid Waste</b>			
Operating:			
Salaries and wages	382,488	349,466	33,022
Fringe benefits, payroll taxes, and workers' compensation	119,300	102,527	16,773
Equipment lease and rent	165,000	32,967	132,033
Contractual services	100,000	63,482	36,518
Closure and postclosure costs accrual	125,000	121,985	3,015
Electric	3,600	4,068	(468)
Fuel	15,000	33,215	(18,215)
Insurance	2,600	2,290	310
Materials	13,200	76	13,124
Office	4,000	4,831	(831)
Phone	3,000	2,028	972
Uniforms	4,000	3,518	482
Repairs and maintenance	25,000	37,935	(12,935)
Legal	1,000	(11,705)	12,705
Miscellaneous	8,400	17,094	(8,694)
Operating expenses before depreciation	<u>988,588</u>	<u>776,997</u>	<u>211,591</u>
Depreciation	<u>658,000</u>	<u>334,097</u>	<u>323,903</u>
Total operating expenses	<u>1,646,588</u>	<u>1,111,094</u>	<u>535,494</u>
Operating income (loss)	(80,000)	898,139	978,139
<b>NON-OPERATING REVENUES:</b>			
Financial income	80,000	99,856	19,856
Total non-operating revenues	<u>80,000</u>	<u>99,856</u>	<u>19,856</u>
Net income	\$ -	\$ 997,995	\$ 997,995

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
AIRPORT ENTERPRISE FUND  
Year Ended June 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Operating:			
Hangar and facility rentals	\$ 44,396	\$ 40,254	\$ (4,142)
T-hangar rentals	63,480	63,368	(112)
Tie-down rentals	2,400	3,020	620
Fuel sales	224,000	269,253	45,253
Miscellaneous revenue	2,000	2,535	535
<b>Total revenues</b>	<b>336,276</b>	<b>378,430</b>	<b>42,154</b>
<b>EXPENSES:</b>			
Operating:			
Electric	8,600	6,917	1,683
Repairs and maintenance	14,000	15,119	(1,119)
Contracted services - other	8,832	8,106	726
Meetings/conferences/registrations	400	321	79
Salaries and wages	105,606	92,233	13,373
Fringes/payroll taxes/workers' compensation	35,248	19,883	15,365
Phone	1,000	1,318	(318)
Uniforms	1,200	998	202
Miscellaneous	7,700	3,060	4,640
Fuel farm	1,000	881	119
Refueler lease	13,200	13,200	-
Fuel	148,000	147,427	573
Office supplies	1,400	1,090	310
Insurance	13,200	14,197	(997)
Architectural and engineering	2,814,000	312,490	2,501,510
Operating expenses, excluding depreciation	3,173,386	637,240	2,536,146
Depreciation	94,482	187,325	(92,843)
<b>Total operating expenses</b>	<b>3,267,868</b>	<b>824,565</b>	<b>2,443,303</b>
<b>Operating loss</b>	<b>(2,931,592)</b>	<b>(446,135)</b>	<b>2,485,457</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Grants - Federal government	1,430,100	1,587,049	156,949
Grants - state government	1,049,450	139,187	(910,263)
Contributions/donations for capital expenditures	20,000	17,929	(2,071)
Interest expense	(3,665)	(3,534)	131
Transfers from general fund	435,707	435,707	-
<b>Total non-operating revenues</b>	<b>2,931,592</b>	<b>2,176,338</b>	<b>(755,254)</b>
<b>Net income</b>	<b>\$ -</b>	<b>\$ 1,730,203</b>	<b>\$ 1,730,203</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING BALANCE SHEET**

**COMPONENT UNITS**

**June 30, 2002**

	Dorchester County Sanitary Districts	Board of Education of Dorchester County	Total
<b>ASSETS</b>			
Cash and investments	\$ 901,520	\$ 5,782,929	\$ 6,684,449
Receivables:			
Accounts	37,114	-	37,114
Special assessments	5,041	-	5,041
Federal	-	705,168	705,168
State of Maryland	-	56,760	56,760
Dorchester County	-	631,772	631,772
Other	-	114,907	114,907
Interfund	11,795	561,003	572,798
Inventories	-	27,395	27,395
Property and equipment, net	4,507,121	52,717,741	57,224,862
Amount to be provided for retirement of general long-term obligations	-	557,974	557,974
<b>Total assets</b>	<b>\$ 5,462,591</b>	<b>\$ 61,155,649</b>	<b>\$ 66,618,240</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 83,527	\$ 2,160,433	\$ 2,243,960
Accrued compensated absences	10,396	833,354	843,750
Deferred revenue	29,705	2,029,490	2,059,195
Interfund payables	11,795	561,003	572,798
Long-term debt	361,951	557,974	919,925
<b>Total liabilities</b>	<b>497,374</b>	<b>6,142,254</b>	<b>6,639,628</b>
Fund equity:			
Contributed capital	4,067,930	-	4,067,930
Investment in general fixed assets	-	52,717,741	52,717,741
Retained earnings:			
Restricted	124,971	-	124,971
Unrestricted	772,316	-	772,316
Fund balances:			
Reserved for:			
Inventory	-	27,395	27,395
Unreserved:			
Designated for:			
Pension liability	-	516,049	516,049
Fund purposes	-	681,937	681,937
Subsequent years' expenditures	-	605,942	605,942
Unreserved and undesignated	-	464,331	464,331
<b>Total fund equity</b>	<b>4,965,217</b>	<b>55,013,395</b>	<b>59,978,612</b>
<b>Total liabilities and fund equity</b>	<b>\$ 5,462,591</b>	<b>\$ 61,155,649</b>	<b>\$ 66,618,240</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
 June 30, 2002**

	Landfill		Airport		Total
<b>ASSETS</b>					
Cash	\$ 4,607,388	\$	326	\$	4,607,714
Receivables:					
Accounts, net	137,868		22,400		160,268
Due from Federal	-		127,192		127,192
State of Maryland	-		7,066		7,066
Interfund	629,158		-		629,158
Inventories	-		18,711		18,711
Property and equipment, net	1,866,119		5,498,278		7,364,397
Total assets	\$ 7,240,533	\$	5,673,973	\$	12,914,506
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 23,269	\$	39,379	\$	62,648
Accrued vacation	24,936		10,019		34,955
Deferred revenue	-		2,360		2,360
Interfund payables	-		260,218		260,218
Landfill - closure and postclosure	5,639,144		-		5,639,144
Long-term debt, including current portion	438,674		62,987		501,661
Total liabilities	6,126,023		374,963		6,500,986
Fund equity:					
Contributed capital	-		2,716,083		2,716,083
Retained earnings	1,114,510		2,582,927		3,697,437
Total fund equity	1,114,510		5,299,010		6,413,520
Total liabilities and fund equity	\$ 7,240,533	\$	5,673,973	\$	12,914,506

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2002**

	Commissary Fund	Special Revenue Grants Fund	Reserve Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 58,102	\$ 592,782	\$ 1,790,249	\$ 2,441,133
Accounts receivable - Federal	-	34,711	-	34,711
Accounts receivable - State	-	309,662	-	309,662
Due from other funds	-	504,557	-	504,557
Accrued interest receivable	-	-	2,759	2,759
Prepaid expenses	-	35,320	-	35,320
<b>Total assets</b>	<b>\$ 58,102</b>	<b>\$ 1,477,032</b>	<b>\$ 1,793,008</b>	<b>\$ 3,328,142</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$ -	\$ 172,646	\$ -	\$ 172,646
Interfund payable	-	69,337	-	69,337
Deferred revenue - Commissary	58,102	-	-	58,102
Deferred revenue - LMB	-	1,424,744	-	1,424,744
Deferred revenue - Incentives	-	129,665	-	129,665
Deferred revenue- Family services	-	4,691	-	4,691
Deferred revenue- Other	-	671	-	671
<b>Total liabilities</b>	<b>58,102</b>	<b>1,801,754</b>	<b>-</b>	<b>1,859,856</b>
Fund equity:				
Reserved for:				
Fund purposes	-	(324,722)	1,793,008	1,468,286
<b>Total liabilities and fund equity</b>	<b>\$ 58,102</b>	<b>\$ 1,477,032</b>	<b>\$ 1,793,008</b>	<b>\$ 3,328,142</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
June 30, 2002**

	Capital Fund	Capital Projects Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,392,394	\$ 1,160,923	\$ 7,553,317
Accounts receivable - other	-	675	675
Due from other funds	426,212	-	426,212
Bond issuance costs, net	91,768	86,460	178,228
<b>Total assets</b>	<b>\$ 6,910,374</b>	<b>\$ 1,248,058</b>	<b>\$ 8,158,432</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$ 799,874	\$ 7,770	\$ 807,644
Interfund payables	105,820	216,326	322,146
<b>Total liabilities</b>	<b>905,694</b>	<b>224,096</b>	<b>1,129,790</b>
Fund equity:			
Fund balances:			
Reserved for:			
Fund purposes	6,004,680	1,023,962	7,028,642
<b>Total fund equity</b>	<b>6,004,680</b>	<b>1,023,962</b>	<b>7,028,642</b>
<b>Total liabilities and fund equity</b>	<b>\$ 6,910,374</b>	<b>\$ 1,248,058</b>	<b>\$ 8,158,432</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITIES  
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
Year Ended June 30, 2002**

	Landfill	Airport	Total
<b>OPERATING REVENUES:</b>			
Tipping fees	\$ 1,930,678	\$ -	\$ 1,930,678
Permits	74,080	-	74,080
Hangar and facility rentals	-	40,254	40,254
T-Hangar rentals	-	63,368	63,368
Tie-down rentals	-	3,020	3,020
Fuel sales	-	269,253	269,253
Miscellaneous revenue	4,475	2,535	7,010
<b>Total operating revenues</b>	<b>2,009,233</b>	<b>378,430</b>	<b>2,387,663</b>
<b>EXPENSES:</b>			
Operating expenses, excluding depreciation	776,997	637,240	1,414,237
Depreciation	334,097	187,325	521,422
<b>Total operating expenses</b>	<b>1,111,094</b>	<b>824,565</b>	<b>1,935,659</b>
<b>Net operating income (loss)</b>	<b>898,139</b>	<b>(446,135)</b>	<b>452,004</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Grants - Federal government	-	1,587,049	1,587,049
Grants - state government	-	139,187	139,187
Contributions/donations	-	17,929	17,929
Financial income (expense), net	99,856	(3,534)	96,322
Transfers from general fund	-	435,707	435,707
<b>Total non-operating revenues</b>	<b>99,856</b>	<b>2,176,338</b>	<b>2,276,194</b>
<b>Net income</b>	<b>997,995</b>	<b>1,730,203</b>	<b>2,728,198</b>
Retained earnings, beginning of year	116,515	753,078	869,593
Depreciation on assets acquired with contributed capital	-	99,646	99,646
<b>Retained earnings, end of year</b>	<b>\$ 1,114,510</b>	<b>\$ 2,582,927</b>	<b>\$ 3,697,437</b>
Contributed capital, beginning of year	\$ -	\$ 2,815,729	\$ 2,815,729
Depreciation on assets acquired with contributed capital	-	(99,646)	(99,646)
<b>Contributed capital, end of year</b>	<b>\$ -</b>	<b>\$ 2,716,083</b>	<b>\$ 2,716,083</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
Year Ended June 30, 2002**

	Commissary Fund	Special Revenue Grants Fund	Reserve Fund	Total
<b>REVENUES:</b>				
<b>Federal:</b>				
FFPSSG (Safe and stable families)	\$ -	\$ 139,705	\$ -	\$ 139,705
Other federal revenue	62,472	309,354	-	371,826
<b>Total federal revenue</b>	<b>62,472</b>	<b>449,059</b>	<b>-</b>	<b>511,531</b>
<b>State:</b>				
LMB subcabinet- OCYF	-	1,287,399	-	1,287,399
Lmb - after school programs	-	41,667	-	41,667
Other state revenue	-	794,590	-	794,590
<b>Total state revenues</b>	<b>-</b>	<b>2,123,656</b>	<b>-</b>	<b>2,123,656</b>
<b>Miscellaneous:</b>				
Miscellaneous revenue	-	3,227	-	3,227
Interest	-	39,005	56,852	95,857
<b>Total miscellaneous revenue</b>	<b>-</b>	<b>42,232</b>	<b>56,852</b>	<b>99,084</b>
<b>Total revenues</b>	<b>62,472</b>	<b>2,614,947</b>	<b>56,852</b>	<b>2,734,271</b>
<b>EXPENDITURES:</b>				
<b>Federal:</b>				
FFPSSG (Safe and stable families)	-	72,270	-	72,270
Other federal expenditures	-	163,260	-	163,260
<b>Total federal expenditures</b>	<b>-</b>	<b>235,530</b>	<b>-</b>	<b>235,530</b>
<b>State:</b>				
LMB - community policing	-	16,852	-	16,852
LMB_ youth services	-	72,359	-	72,359
LMB - administration	-	140,510	-	140,510
LMB_ services	-	451,500	-	451,500
LMB - incentives	-	97,330	-	97,330
LMB - POS education block	-	52,552	-	52,552
LMB - wellness centers	-	540,300	-	540,300
LMB - community outreach	-	114,647	-	114,647
LMB - LCC flex funds	-	2,269	-	2,269
LMB- child care and start-up	-	10,165	-	10,165
LMB - GCAP/IG99-08	-	60,355	-	60,355
LMB - community mobilization	-	4,532	-	4,532
LMB - victim outreach	-	1,667	-	1,667
LMB - health insurance	-	1,902	-	1,902
LMB - juvenile	-	3,580	-	3,580
Family services grant	-	106,308	-	106,308
Y/S - Family preservation	-	111,899	-	111,899
Other state expenditures	-	890,306	-	890,306
<b>Total state expenditures</b>	<b>-</b>	<b>2,679,033</b>	<b>-</b>	<b>2,679,033</b>
<b>Local:</b>				
Heritage tourism planning	-	48,028	-	48,028
<b>Other expenses:</b>	<b>62,472</b>	<b>24,627</b>	<b>-</b>	<b>87,099</b>
<b>Total expenditures</b>	<b>62,472</b>	<b>2,987,218</b>	<b>-</b>	<b>3,049,690</b>
Excess (deficiency) of revenues over expenditures	-	(372,271)	56,852	(315,419)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	54,149	-	54,149
Excess (deficiency) of revenues and other financing sources over expenditures	-	(318,122)	56,852	(261,270)
Fund balances, beginning of year (as restated)	-	(6,600)	1,736,156	1,729,556
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ (324,722)</b>	<b>\$ 1,793,008</b>	<b>\$ 1,468,286</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**CAPITAL PROJECTS FUNDS**

**June 30, 2002**

	Capital Fund	Capital Projects Fund	Total
<b>REVENUES:</b>			
County transfer tax	\$ 133,080	\$ -	\$ 133,080
Other income	47,572	-	47,572
Interest	-	56,921	56,921
<b>Total revenues</b>	<b>180,652</b>	<b>56,921</b>	<b>237,573</b>
<b>EXPENDITURES:</b>			
Capital projects and real estate acquisition	-	519,495	519,495
Fixed asset acquisitions	2,521,421	-	2,521,421
<b>Total expenditures</b>	<b>2,521,421</b>	<b>519,495</b>	<b>3,040,916</b>
<b>Deficiency of revenues over expenditures</b>	<b>(2,340,769)</b>	<b>(462,574)</b>	<b>(2,803,343)</b>
<b>OTHER FINANCING SOURCES:</b>			
Note Proceeds	7,439,343	-	7,439,343
Operating transfers in (out)	851,435	(157,243)	694,192
<b>Total other financing sources</b>	<b>8,290,778</b>	<b>(157,243)</b>	<b>8,133,535</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>5,950,009</b>	<b>(619,817)</b>	<b>5,330,192</b>
Fund balances, beginning of year	54,671	1,643,779	1,698,450
<b>Fund balances, end of year</b>	<b>\$ 6,004,680</b>	<b>\$ 1,023,962</b>	<b>\$ 7,028,642</b>

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
 Year Ended June 30, 2002**

	Landfill	Airport	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 898,139	\$ (446,135)	\$ 452,004
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	334,097	187,325	521,422
Changes in assets and liabilities:			
Decrease in receivables	19,274	738	20,012
Increase in due from other governments	-	(97,835)	(97,835)
Increase in interfund receivables	(67,655)	-	(67,655)
Increase in inventories	-	(1,191)	(1,191)
Increase (decrease) in accounts payable and accrued expenses	12,531	(326)	12,205
Decrease in interfund payables	-	(197,577)	(197,577)
Increase in closure and post closure cost estimate	103,124	-	103,124
Net cash provided by (used in) operating activities	1,299,510	(555,001)	744,509
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Grant revenue - Federal	-	1,587,049	1,587,049
Grant revenue - state	-	139,187	139,187
Contributions/donations for capital expenditures	-	17,929	17,929
Operating transfers from General Fund	-	435,707	435,707
Net cash provided by non-capital financing activities	-	2,179,872	2,179,872
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Repayment of long-term debt	(87,632)	(34,312)	(121,944)
Interest paid	(23,571)	(3,534)	(27,105)
Net cash used in financing activities	(111,203)	(37,846)	(149,049)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(264,309)	(1,587,025)	(1,851,334)
Interest income received	123,427	-	123,427
Net cash used in investing activities	(140,882)	(1,587,025)	(1,727,907)
<b>Net increase in cash and short-term investments</b>	1,047,425	-	1,047,425
<b>Cash and short-term investments, beginning of year</b>	3,559,963	326	3,560,289
<b>Cash and short-term investments, end of year</b>	\$ 4,607,388	\$ 326	\$ 4,607,714

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
DEFERRED COMPENSATION PLAN  
Year Ended June 30, 2002**

	Balances, June 30, 2001	Employee Contributions	Earnings on Investments	Distributions	Gains/Losses	Balances, June 30, 2002
<b>Assets:</b>						
Investments	\$ 601,664	\$ 66,056	\$ 1,500	\$ 928	\$ (8,078)	\$ 660,214
<hr/>						
<b>Liabilities:</b>						
Due to participants	\$ 601,664	\$ 66,056	\$ 1,500	\$ 928	\$ (8,078)	\$ 660,214
<hr/>						

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF AGRICULTURE TAX REVENUE**

**Year Ended June 30, 2002**

Amounts paid in advance	\$	(532)
One-third of previous three years collected		30,709
<hr/>		
Total unexpended balance at July 1, 2001		30,177
Add: Revenues - 2001-2002		72,344
<hr/>		
Total to be accounted for		102,521
<hr/>		
Less: Expenditures under Article 13 - Section 301 Agriculture Transfer Act - 2001-2002		
Two-thirds to Comptroller of the Treasury		48,229
Maryland Department of Agriculture - (Funds over three years old)		-
Expenditures for benefit of Dorchester County Commissioners		-
<hr/>		
Total expenditures		48,229
<hr/>		
Unexpended balance at June 30, 2002	\$	54,292
<hr/>		
Unexpended balance reconciliation:		
One-third of collection due Maryland Department of Agriculture which has reached the age of three years - unexpended	\$	2,996
Amounts Paid in Advance		-
One-third of previous two years collections plus current year		51,296
<hr/>		
Total	\$	54,292
<hr/>		

**OMB CIRCULAR A-133  
SUPPLEMENTARY FINANCIAL INFORMATION**

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2002**

Federal Grantor/Pass-through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. Department of Justice</u>			
Direct			
Bulletproof Vest Partnership	16.607	-----	\$ 1,776
COPS Fast Program	16.710	95CFWX3290	26,938
School Resource Officer	16.710	2001SHWX0438	15,348
<u>U.S. Department of Justice</u>			
Passed through State of Maryland			
Governor's Office of Crime Prevention & Control			
Hotspot-Byrne - DCCO Comm. Police	16.579	HSCI-2002-1188	13,270
Hotspot-Byrne - DCCO Victim outreach	16.579	BYRN-2001-1130	1,667
Hotspot-Byrne - DCCO Comm. prosecution	16.579	BRYN-2000-0572	4,375
Overtime Funding	16.579	BRYN-2000-1038	2,865
			22,177
LLEBG Workstation	16.592	LLEB-2000-1027	12,960
<u>U.S. Department of Justice</u>			
Passed through State of Maryland			
Police Working Fund			
Marijuana Eradication	16.000	-----	1,274

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2002  
(Continued)**

Federal Grantor/Pass-through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Passed through State of Maryland Department of Transportation State Highway Administration			
Comprehensive Traffic Safety Program	20.600	00-159	\$ 50,946
Bridge Replacement - Hooper's Island	20.205	D-567-BM2	9,761
<u>U.S. Department of Transportation *</u>			
Passed through State of Maryland Department of Transportation Mass Transit Administration			
Rural Public Transportation	20.509	MD-18-4019	82,851
<u>U.S. Department of Transportation</u>			
Federal Aviation Administration Passed through State of Maryland Aviation Administration			
Airport Improvement Program	20.106	3-24-0007-13	1,425
Airport Improvement Program	20.106	3-24-0007-14	28,594
Airport Improvement Program	20.106	3-24-0007-15	1,460,539
Airport Improvement Program	20.106	3-24-0007-16	96,491
			1,587,049

\* Subrecipient relationship

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2002**

**(Continued)**

Federal Grantor/Pass-through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Passed through State of Maryland Department of Transportation			
TEA-21-National Trails Project	20.219	-----	\$ 15,000
<u>U.S. Department of Commerce</u>			
Passed through State of Maryland Department of Natural Resources Chesapeake Bay Critical Area Commission			
Critical Areas	11.429	KOOP1200259	9,471
Critical Areas	11.429	KOOP2200161	39,000
			48,471
<u>Federal Emergency Management Agency</u>			
Passed through State of Maryland Emergency Management Agency			
Supplemental SLA Funds	83.534	-----	14,263
<u>U.S. Department of Housing and Urban Develop.</u>			
Passed through State of Maryland Department of Housing & Community Develop.			
Emergency Shelter Grant *	14.231	2000-ESG-BOS-06	8,754

\* Subrecipient relationship

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2002**

**(Continued)**

Federal Grantor/Pass-through Grantor Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture *</u>			
Passed through State of Maryland Department of Human Resources			
Emergency Food Assistance Program	10.568	CSA/FNS 02-010	\$ 5,000
<u>U.S. Department of Energy *</u>			
Passed through State of Maryland Department of Housing & Community Development			
Weatherization Assistance Agreement	81.042	-----	17,859
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Maryland Department of Human Resources			
Federal Family Preservation	93.556	-----	62,721
Federal Family Preservation	93.556	-----	76,984
			139,705
Total Federal Financial Assistance			\$ 2,060,132

\* Subrecipient relationship

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Commissioners of  
Dorchester County, Maryland  
Cambridge, Maryland

We have audited the general purpose financial statements of the County Commissioners of Dorchester County, Maryland as of and for the year ended June 30, 2002, and have issued our report thereon dated October 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County Commissioners of Dorchester County, Maryland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Commissioners of Dorchester County, Maryland's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the County Commissioners of Dorchester County in a separate letter dated October 15, 2002.

This report is intended solely for the information of the County Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Salisbury, Maryland  
October 15, 2002

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commissioners of  
Dorchester County, Maryland  
Cambridge, Maryland

Compliance

We have audited the compliance of the County Commissioners of Dorchester County, Maryland with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The County Commissioners of Dorchester County, Maryland's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County Commissioners of Dorchester County, Maryland's management. Our responsibility is to express an opinion on the County Commissioners of Dorchester County, Maryland's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County Commissioners of Dorchester County, Maryland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County Commissioners of Dorchester County, Maryland's compliance with those requirements.

In our opinion, the County Commissioners of Dorchester County, Maryland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the County Commissioners of Dorchester County, Maryland is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County Commissioners of Dorchester County, Maryland's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the County Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Trice Heary + Myers LLC*

Salisbury, Maryland

October 15, 2002

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2002**

Note 1. Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dorchester County, Maryland and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Sub-recipients

The County Commissioners of Dorchester County, Maryland provided federal awards on-behalf of sub-recipients as follows:

<u>Subrecipients</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Delmarva Community Services, Inc.	Rural Public Transportation	20.509	\$ 82,851
Dorchester Community Development Corp.	Emergency Shelter	14.231	8,754
Dorchester Community Development Corp.	Emergency Food	10.568	5,000
Dorchester Community Development Corp.	Weatherization Assistance	81.042	17,859

**COUNTY COMMISSIONERS OF DORCHESTER COUNTY, MARYLAND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2002**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the County Commissioners of Dorchester County, Maryland.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of the County Commissioners of Dorchester County, Maryland were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs for the County Commissioners of Dorchester County, Maryland are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the County Commissioners of Dorchester County, Maryland expresses an unqualified opinion.
6. No findings relative to major federal award programs for the County Commissioners of Dorchester County, Maryland are reported in Part C. of this Schedule.
7. The programs tested as major programs include:

U.S. Department of Transportation

Airport Improvement Programs	20.106
------------------------------	--------

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County Commissioners of Dorchester County, Maryland was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

# DMCGLAUGH

 **DONNA-FINANCE .181**

 **03-25-04 03:38**



<b>Office Use Only</b>
System Number

**Fixed Asset Inventory  
Add Asset Sheet**

Asset Description: TRACTOR WITH LOADER & BUSH HOG MOWER  
Manufacturer: KUBOTA  
Serial Number: \_\_\_\_\_  
Cost: 23,629.00  
Location/Department: RECREATION & PARKS  
Date Placed in Service: FY 2004  
Voucher Check#: 86127  
Expenditure Account Code: 08.1811.5999  
Vendor Name: EASTERN SERVICE CORP.  
Vendor Phone: \_\_\_\_\_  
Warranty Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Responsible Person\*\*

\_\_\_\_\_  
Date

\*\* Please review for accuracy. Add and correct information as necessary. This information will become incorporated within the County's fixed asset database. After reviewing form, affix included label to asset, sign-off on form and return to County Commissioners' Office.

ALL SURPLUS PROPERTY, ASSET DISPOSALS, OR LOCATION CHANGES SHOULD BE REPORTED IN WRITING TO THE COUNTY COMMISSIONERS' OFFICE.

# DMCGLAUGHL

 **DONNA-FINANCE .183**

 **03-25-04 03:38**



<b>Office Use Only</b>
System Number

**Fixed Asset Inventory  
Add Asset Sheet**

Asset Description: TRACTOR WITH LOADER & BUSH HOG MOWER  
Manufacturer: KUBOTA  
Serial Number: \_\_\_\_\_  
Cost: 23,629.00  
Location/Department: RECREATION & PARKS  
Date Placed in Service: FY 2004  
Voucher Check#: 86127  
Expenditure Account Code: 08.1811.5999  
Vendor Name: EASTERN SERVICE CORP.  
Vendor Phone: \_\_\_\_\_  
Warranty Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Responsible Person\*\*

\_\_\_\_\_  
Date

\*\* Please review for accuracy. Add and correct information as necessary. This information will become incorporated within the County's fixed asset database. After reviewing form, affix included label to asset, sign-off on form and return to County Commissioners' Office.

ALL SURPLUS PROPERTY, ASSET DISPOSALS, OR LOCATION CHANGES SHOULD BE REPORTED IN WRITING TO THE COUNTY COMMISSIONERS' OFFICE.