

COUNTY COUNCIL OF  
DORCHESTER COUNTY, MARYLAND

FINANCIAL REPORT

JUNE 30, 2006

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## INDEPENDENT AUDITORS' REPORT

County Council of  
Dorchester County, Maryland  
Cambridge, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Dorchester County, Maryland (the "County") as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Dorchester County, Maryland. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dorchester County Sanitary Districts. 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.

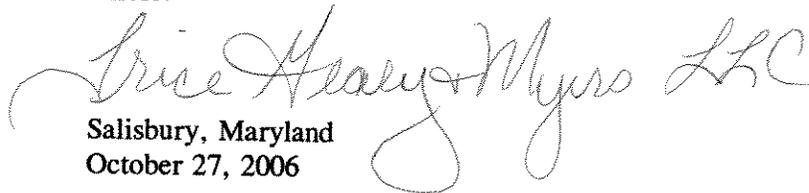
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dorchester County, Maryland as of June 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our separate report dated October 27, 2006 on our consideration of Dorchester County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 18 and 100 through 110, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Salisbury, Maryland  
October 27, 2006

**DORCHESTER COUNTY, MARYLAND**  
**Management's Discussion and Analysis**

**INTRODUCTION**

This management discussion and analysis (MD&A) is designed to a) assist readers in understanding Dorchester County, Maryland's (the County's) basic financial statements, the relationship of different types of statements, and the significant differences in the information they provide; b) assist the reader in focusing on significant financial issues; c) provide an overview of the County's current financial activity; d) identify changes in the County's financial position, i.e., its ability to address the next and subsequent year's financial needs, based on currently known facts; e) identify any material deviations from the approved budget for the fiscal year, and f) identify individual fund issues or concerns. The MD&A is best understood if read in conjunction with the County's basic financial statements.

**FINANCIAL HIGHLIGHTS**

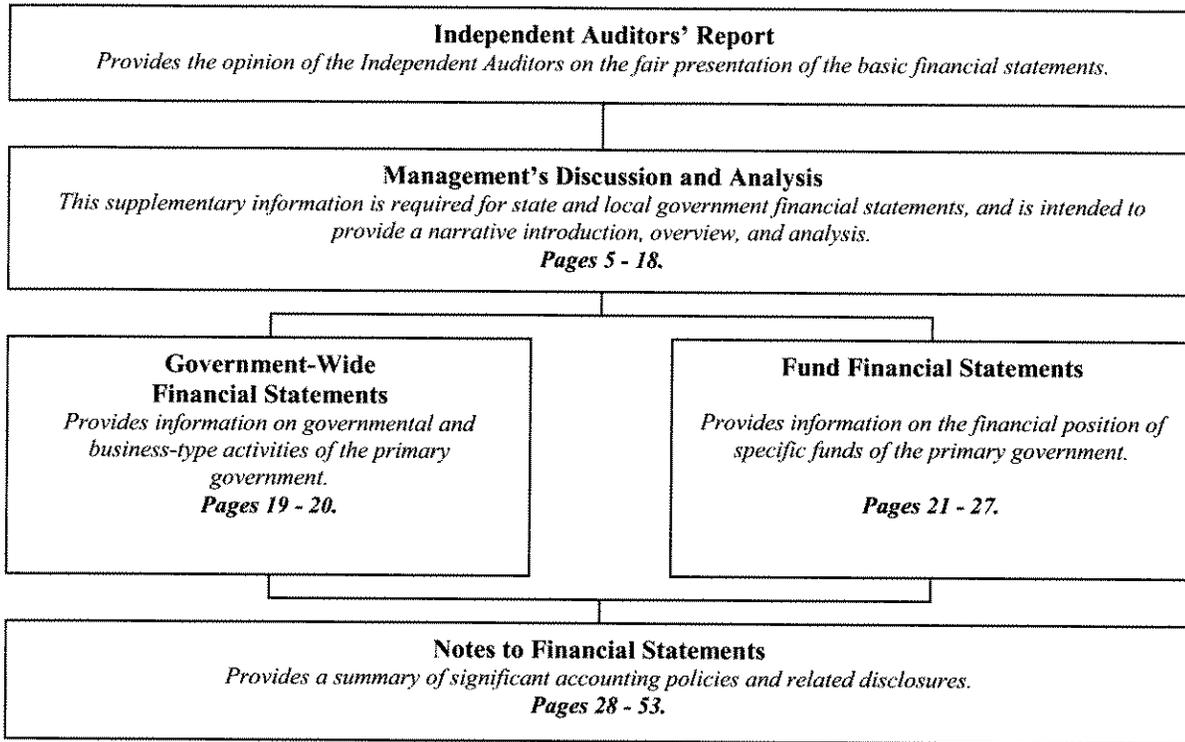
- The government-wide assets of the County exceeded its liabilities at the close of Fiscal Year 2006 (FY06) by \$48.6 million (total net assets). Of this amount, \$13.1 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's overall financial position has improved since the prior fiscal year. Total net assets increased by \$14.9 million or 44%. Investments in capital assets, net of related debt increased by \$12.9 million (primarily land acquisition for airport expansion, land acquisition for an economic development technology park, construction of cells at landfill, acquisition of landfill equipment, acquisition of vehicles for Sheriff's Office, 911 system enhancements funded by State, highway department heavy equipment, and replacement of Suicide Bridge). Income tax and recordation tax revenues exceeded budgeted revenue by \$1.2 million and \$0.5 million respectively.
- As of the close of FY06, the County's governmental funds reported combined ending fund balances of \$16.1 million, an increase of \$2.5 million over the prior year's ending fund balances. Of the total ending fund balances, \$16 million is unreserved and therefore available for spending at the County's discretion.
- At the end of FY06, unreserved fund balance for the General Fund was \$7.9 million, or 20 percent of total General Fund expenditures.
- The County's government-wide long-term debt decreased by \$3.4 million during FY06. The key factors in this decrease are:
  - The County had no major debt issuances during the fiscal year.
  - The retirement of \$2.5 million in general obligation (GO) bonds, \$1 million in notes and loans, and \$0.1 million in capital leases.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The County's financial statements focus on both the County as a whole (government-wide), and on the major individual funds. "Funds" are resources segregated for the purposes of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations. Both the government-wide and fund perspectives allow users to address relevant questions and understand changes in financial conditions. The structure of the financial statements is presented below.

This MD&A is intended to be an introduction to Dorchester County's basic financial statements. Dorchester County's basic financial statements comprise three components, including government-wide financial statements, fund financial statements, and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Organization and Flow of Financial Section Information**



**Government-Wide Financial Statements**

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are reported in columns which add to a total for the primary government. The focus of the statement of net assets is designed to provide bottom line results for the County's governmental and business-type activities. This statement reports governmental funds' current financial resources (i.e., short-term spendable resources) with capital assets and long-term obligations. All infrastructure assets built or purchased by the County are included in the accompanying government-wide financial statements. The difference between the County's assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of County facilities and infrastructure, should be considered to assess the overall health of the County.

The statement of activities is focused on both the gross and net cost of various functions, including governmental and business-type activities. This is intended to summarize and simplify the users' analysis of the cost of various governmental services and/or subsidy to various business-type activities. The governmental activities included reflect the County's basic services, including general government, public safety, public works and transportation, health and human services, and others. Taxes, including the property and income tax, license and permit fees, intergovernmental revenues, charges for services, fines and forfeitures, and investment income finance the majority of these services. The business-type activities reflect private sector-type operations such as airport activities and solid waste activities where fees for services or products are required or designed to recover the cost of operation, including depreciation.

The government-wide financial statements include not only the County itself (known as the Primary Government), but also legally separate entities known as Component Units. Component units, which are other governmental units over which the County Council can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as individual activities in the basic and fund financial statements. The County has two component units – Dorchester County Public Schools and the Dorchester County Sanitary Districts, Inc.

## **Fund Financial Statements**

Traditional users of governmental financial statements may find the fund financial statement presentation more familiar. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In the fund financial statements, the focus is on major funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The County has the following two types of funds:

Governmental Funds – Most of the County’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, a reconciliation of the fund financial statements to the government-wide financial statements is presented immediately after the fund financial statements. For example, the fund financial statements will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will reflect the elimination of these transactions and will incorporate the capital assets and long-term obligations (bonds and others) that are presented in the governmental activities column (in the government-wide statements). The County has 4 major governmental funds – General, Special Revenue, and Capital Projects (2)– and 6 nonmajor funds (all special revenue funds).

Proprietary Funds – The County’s proprietary funds, which consist only of enterprise funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for the County’s enterprise funds. The County has two major enterprise funds – airport and solid waste.

**CONTINUED ON NEXT PAGE**

**FINANCIAL ANALYSIS OF DORCHESTER COUNTY, MARYLAND:  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

A comparative analysis of government-wide financial information is presented below.

**Statement of Net Assets**

The following presents a summary of the Statements of Net Assets for the County as of June 30, 2006 and 2005:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets:</b>						
Current and other assets	\$ 24,216,257	\$ 20,812,861	\$ 6,697,189	\$ 7,567,541	\$ 30,913,446	\$ 28,380,402
Capital assets	39,912,876	35,362,048	15,482,646	10,560,985	55,395,522	45,923,033
<b>Total assets</b>	<b>\$ 64,129,133</b>	<b>\$ 56,174,909</b>	<b>\$ 22,179,835</b>	<b>\$ 18,128,526</b>	<b>\$ 86,308,968</b>	<b>\$ 74,303,435</b>
<b>Liabilities:</b>						
Long-term debt outstanding	\$ 23,904,239	\$ 27,279,052	\$ 624,023	\$ 665,119	\$ 24,528,262	\$ 27,944,171
Other liabilities	5,232,700	5,448,190	7,962,541	7,179,251	13,195,241	12,627,441
<b>Total liabilities</b>	<b>29,136,939</b>	<b>32,727,242</b>	<b>8,586,564</b>	<b>7,844,370</b>	<b>37,723,503</b>	<b>40,571,612</b>
<b>Net assets:</b>						
Invested in capital assets, net						
of related debt	16,949,285	8,974,185	14,895,977	9,924,095	31,845,262	18,898,280
Restricted	3,602,857	2,222,999	-	-	3,602,857	2,222,999
Unrestricted (deficit)	14,440,052	12,250,483	(1,302,706)	360,061	13,137,346	12,610,544
<b>Total net assets</b>	<b>\$ 34,992,194</b>	<b>\$ 23,447,667</b>	<b>\$ 13,593,271</b>	<b>\$ 10,284,156</b>	<b>\$ 48,585,465</b>	<b>\$ 33,731,823</b>

The County's current and other assets increased by \$2.5 million or 8.9 percent over FY05. The County's assets exceeded its liabilities at the close of FY06 by \$48.6 million. The largest portion of the County's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, furniture and equipment, infrastructure), less any related outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is also important to note that although counties in the state of Maryland issue debt for the construction of schools, those school buildings are owned by each county's Board of Education. The County also funds projects for Chesapeake College in the same fashion. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for these entities amounted to \$10.9 million at June 30, 2006. Absent the effect of this relationship, the County would have reported government-wide positive unrestricted net assets of \$24.1 million.

## Statement of Activities

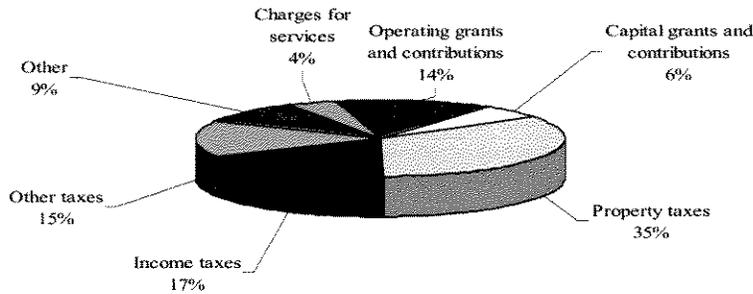
The following table summarizes the County's change in net assets for the years ended June 30, 2006 and 2005:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 2,608,476	\$ 2,328,659	\$ 4,715,319	\$ 3,099,657	\$ 7,323,795	\$ 5,428,316
Operating grants and contributions	8,094,191	9,374,561	-	-	8,094,191	9,374,561
Capital grants and contributions	3,215,707	112,672	2,529,439	154,082	5,745,146	266,754
General revenues:						
Property taxes	19,850,595	19,574,760	-	-	19,850,595	19,574,760
Income taxes	10,164,499	9,839,284	-	-	10,164,499	9,839,284
Other taxes	8,690,855	7,282,239	-	-	8,690,855	7,282,239
Other	5,519,407	3,350,488	474,848	131,573	5,994,255	3,482,061
Total revenues	<u>58,143,730</u>	<u>51,862,663</u>	<u>7,719,606</u>	<u>3,385,312</u>	<u>65,863,336</u>	<u>55,247,975</u>
Expenses:						
Governmental Activities:						
General government	2,889,505	3,707,462	-	-	2,889,505	3,707,462
Public safety	10,788,915	8,188,852	-	-	10,788,915	8,188,852
Social services	2,142,605	2,161,331	-	-	2,142,605	2,161,331
Public works	5,612,183	4,439,561	-	-	5,612,183	4,439,561
Miscellaneous	3,110,469	2,401,454	-	-	3,110,469	2,401,454
Recreation and parks	606,738	614,700	-	-	606,738	614,700
Natural Resources	390,808	390,000	-	-	390,808	390,000
Economic Development	845,842	1,098,176	-	-	845,842	1,098,176
Interest on Debt	975,396	1,102,265	-	-	975,396	1,102,265
Education	17,827,473	18,811,239	-	-	17,827,473	18,811,239
Intergovernmental	929,376	947,596	-	-	929,376	947,596
Business-Type Activities:						
Aviation	-	-	904,327	809,513	904,327	809,513
Solid waste	-	-	3,986,057	2,141,839	3,986,057	2,141,839
Total expenses	<u>46,119,310</u>	<u>43,862,636</u>	<u>4,890,384</u>	<u>2,951,352</u>	<u>51,009,694</u>	<u>46,813,988</u>
Increase (decrease) in net assets before transfers	12,024,420	8,000,027	2,829,222	433,960	14,853,642	8,433,987
Transfers	(479,893)	(256,716)	479,893	256,716	-	-
Increase (decrease) in net assets	11,544,527	7,743,311	3,309,115	690,676	14,853,642	8,433,987
Net assets - beginning of year	23,447,667	15,704,356	10,284,156	9,593,480	33,731,823	25,297,836
Net assets - end of year	<u>\$ 34,992,194</u>	<u>\$ 23,447,667</u>	<u>\$ 13,593,271</u>	<u>\$ 10,284,156</u>	<u>\$ 48,585,465</u>	<u>\$ 33,731,823</u>

**Governmental Activities**

Revenues for the County’s governmental activities were \$58.1 million for FY06. Sources of revenue are comprised of the following items:

**Revenues by Source - Governmental Activities  
For the Fiscal Year Ended June 30, 2006**

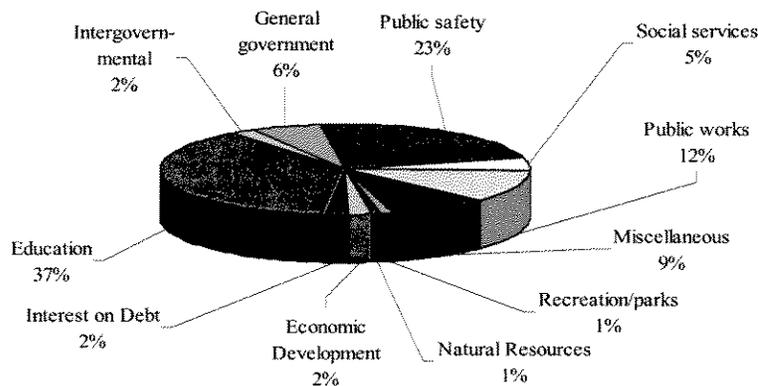


- Taxes constitute the largest source of County revenues, amounting to \$38.7 million for FY06. Property and local income tax combined comprise 52 percent of County governmental activities revenues. Each County in Maryland sets its income tax rate within parameters established by the State. The local income tax rate was 2.62 percent of the State taxable income for calendar year 2006 and was unchanged from 2005. There is no local sales tax in the State of Maryland.
- Operating grants and contributions represent primarily grants from the Federal and State governments and State aid programs. The majority of such revenues are received to fund the following County programs: public works (\$4.5 million), social services (\$1.8 million), and public safety (\$1 million).

A more detailed discussion of the County’s revenue results for FY06 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A.

The cost of all governmental activities for FY06 was \$47 million. As the chart below indicates, education constitutes the County’s largest program and highest priority; education expenses totaled \$17.8 million. Public safety expenses totaled \$10.8 million, public works expenses totaled \$5.6 million, and miscellaneous expenses, the fourth largest expense for the County totaled \$4.0 million.

**Expenses by Function - Governmental Activities  
For the Fiscal Year Ended June 30, 2006**



The following table presents the cost and program revenues of each of the County's governmental activities as well as each activity's net cost (total cost less fees generated by the activities and activity-specific intergovernmental aid).

	Expenses		Revenues		Net Cost of Services	
	2006	2005	2006	2005	2006	2005
Education	\$ 17,827,473	\$ 18,811,239	\$ 25,235	\$ 37,485	\$ 17,802,238	\$ 18,773,754
Public safety	10,788,915	8,188,852	4,279,663	3,016,756	6,509,252	5,172,096
Public works	5,612,183	4,439,561	6,660,575	5,455,935	(1,048,392)	(1,016,374)
General government	2,889,505	3,707,462	625,545	335,243	2,263,960	3,372,219
Miscellaneous	3,110,469	2,401,454	-	-	3,110,469	2,401,454
Social services	2,142,605	2,161,331	1,767,910	2,162,956	374,695	(1,625)
Intergovernmental	929,376	947,596	-	-	929,376	947,596
Interest on Debt	975,396	1,085,831	-	-	975,396	1,085,831
Recreation and parks	606,738	614,700	161,823	81,035	444,915	533,665
Economic Development	845,842	1,098,176	245,398	575,740	600,444	522,436
Natural Resources	390,808	390,000	152,225	150,742	238,583	239,258
<b>Total</b>	<b>\$ 46,119,310</b>	<b>\$ 43,846,202</b>	<b>\$ 13,918,374</b>	<b>\$ 11,815,892</b>	<b>\$ 32,200,936</b>	<b>\$ 32,030,310</b>

Some of the cost of governmental activities was paid by those who directly benefited from the programs (\$2.6 million) and other governments and organizations that subsidized certain programs with grants and contributions (\$8.1 million).

### Business-type Activities

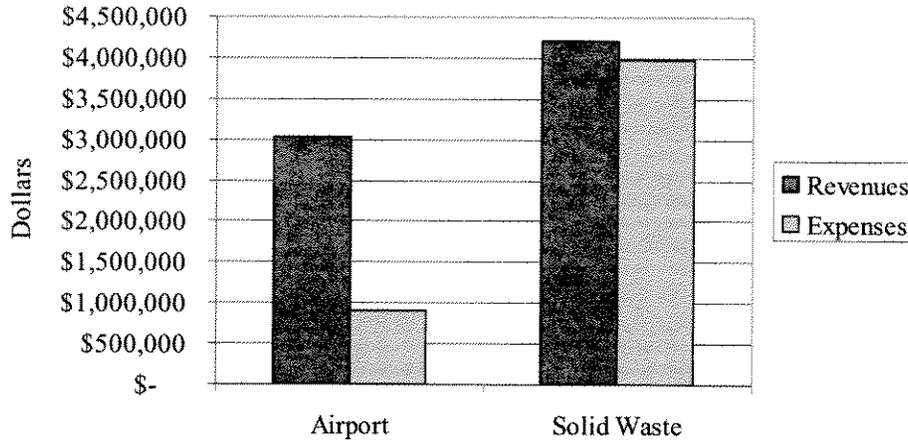
Highlights of the County's business-type activities for FY06 are as follows:

- Business-type activities experienced an increase in net assets of \$3.3 million for FY06. However, this amount is reported after total net transfers in of \$0.48 million. The components of this amount are \$206,793 in operating subsidy from the General Fund to the Airport Enterprise Fund, and \$273,100 in capital budget funding from the General Fund to the Airport Enterprise Fund.
- Charges for services to users comprise 57 percent of total business-type activities revenue, with \$4.2 million (89 percent of charges for services revenue) attributable to solid waste activities and \$0.5 million (11 percent) attributable to airport operations.

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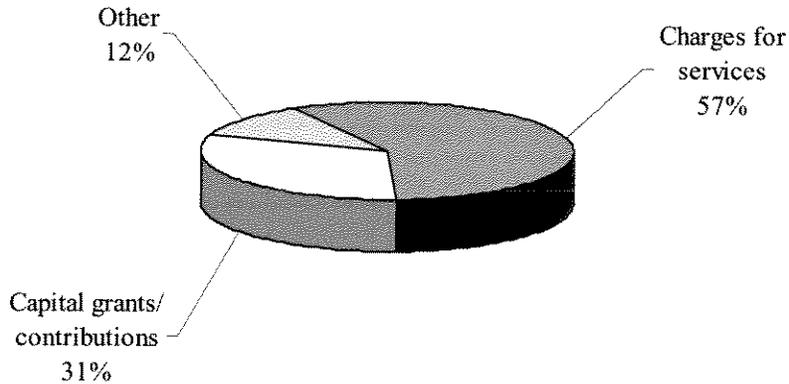
Business-type activities are shown below comparing costs to revenues generated by related services:

**Expenses and Program Revenues - Business-type Activities  
For the Fiscal Year Ended June 30, 2006**



Business-type revenues by source are comprised of the following:

**Revenues by Source - Business-type Activities  
For the Fiscal Year Ended June 30, 2006**



**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**Governmental funds**

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

At the end of FY06, the County's governmental funds reported combined ending fund balances of \$16.2 million, an increase of \$2.2 million from the end of FY05. Of the total ending fund balances, \$16 million constitutes the unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balances of \$158,990 is unavailable for new spending because it has been reserved for prepaid expenditures.

The General Fund is the primary operating fund of the County. At the end of FY06, unreserved and undesignated fund balance of the General Fund was \$2.8 million, while total fund balance was \$8.1 million. As a measure of the General Fund's liquidity, the unreserved and undesignated fund balance represents 6 percent of the total General Fund expenditures and transfers out.

The fund balance of the County's General Fund increased by \$0.6 million during FY06, primarily due to higher than anticipated collections of income tax and recordation tax.

The Reserve Fund ended the year with a fund balance of \$2.7 million, which is an increase of \$0.9 million. The purpose of the Reserve Fund is to provide a fiscal means for the County to respond to potential adversities such as public emergencies, natural disasters, major unanticipated projects or economic downturns. Beginning in fiscal year 2006 and for each subsequent fiscal year, the County shall include in the budget bill an appropriation to the Strategic Reserve Fund equal to at least the lesser of \$200,000 or whatever amount is required for the Strategic Reserve Fund balance to equal 5% of the estimated General Fund operating revenues for that fiscal year.

The Building Excise Tax Fund ended the year with a fund balance of \$2.2 million. This fund was created by Dorchester County Bill Number 2004-6, effective date of September 15, 2004, which established an excise tax on new development. The proceeds of the tax are dedicated for the capital costs associated with new growth specific to schools (\$2.1 million), emergency communications (\$0.05 million), and Sheriff's Office (\$0.05 million).

The Transfer Tax Fund ended the year with a fund balance of \$2.7 million, which is an increase of \$1.0 million. The purpose of this fund is to account for the proceeds of the transfer tax which is dedicated for circuit courthouse repairs, maintenance and security.

### **Proprietary funds**

The County's proprietary funds provide the same type of information found in the government-wide statements, but include more detail.

The Airport Enterprise Fund total net assets amounted to \$10 million, with unrestricted net assets of \$0.3 million, and an operating loss was \$364,886. After non-operating revenues of \$2.5 million and a subsidy transfer from the General Fund of \$479,893, the fund ended FY06 with an increase in net assets of \$2.6 million.

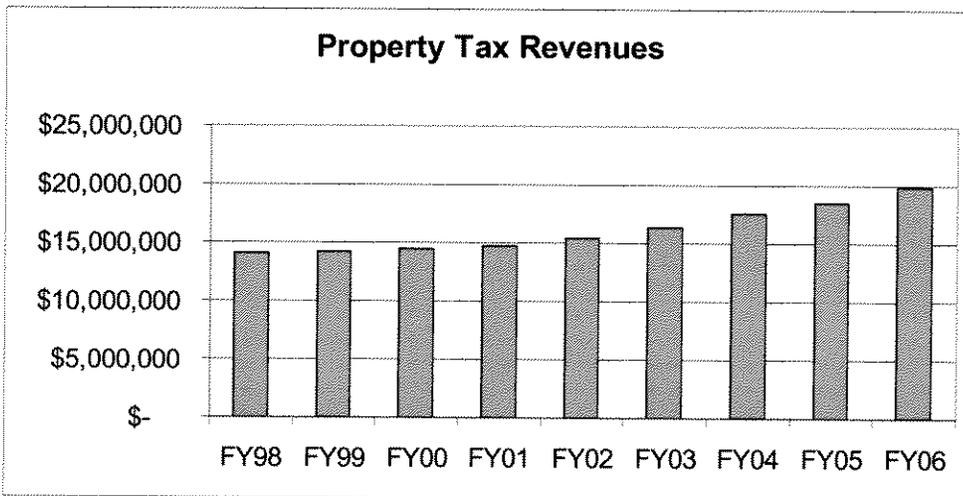
The Landfill Enterprise Fund total net assets amounted to \$3.5 million, with unrestricted net assets of (\$1.6 million), and an operating income of \$0.5 million. The fund ended FY06 with an increase in net assets of \$0.7 million

A discussion of enterprise fund long-term debt can be found in the Long-Term Debt section presented later in this MD&A. Other factors concerning the finances of the enterprise funds are addressed in the discussion of the County's business-type activities.

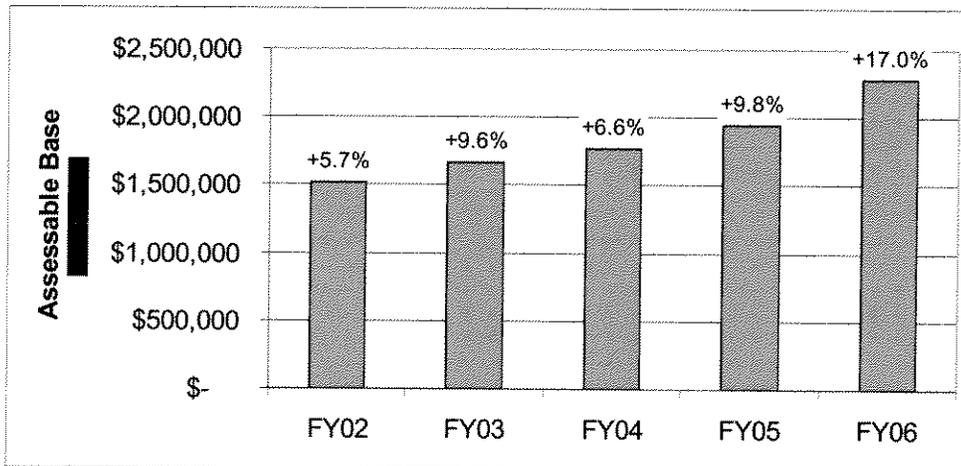
**General Fund Budgetary Highlights**

Actual revenues were greater than budget amount by \$0.99 million, while actual expenditures and transfers out were greater than budget by \$0.4 million. Highlights of the comparison of final budget to actual figures for revenues and expenditures/transfers for the fiscal year-ended June 30, 2006, include the following:

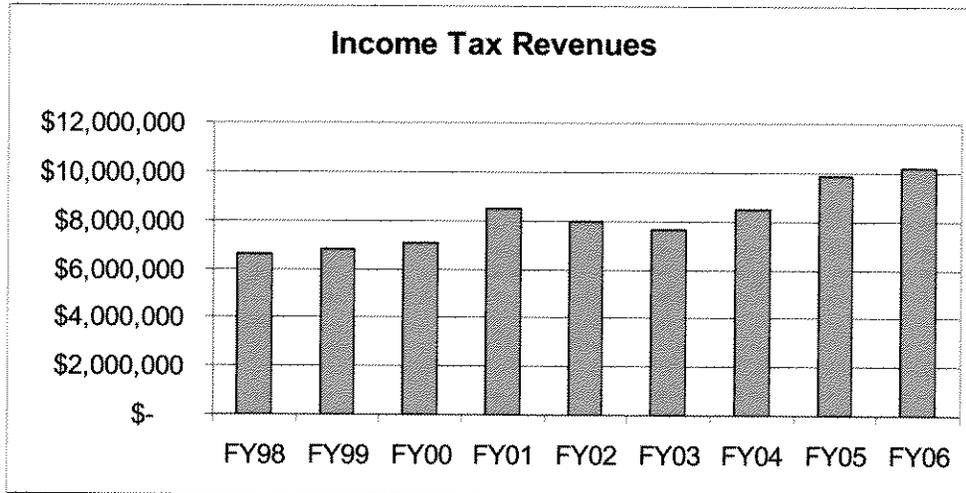
- Overview – Actual revenues for the General Fund totaled \$47 million and were 2.1 percent above the budget estimate for the fiscal year and 10.5 percent above actual revenues for FY05. The two major variances between estimated revenues and actual revenues were the income tax (\$1.2 million above the budget estimate), followed by the recordation tax (\$0.5 million above the estimate).
- Property Taxes – The largest revenue source for the County is property taxes. Net property tax revenue in the General Fund amounted to \$19.9 million in FY06, which was below the budget estimate by \$243,588 or 1.2 percent and \$1.3 million or 6.9 percent above actual revenue in FY05. The increase in property tax revenue was the result of a 17.0 percent increase in the assessable base for real property from FY05 to FY06.



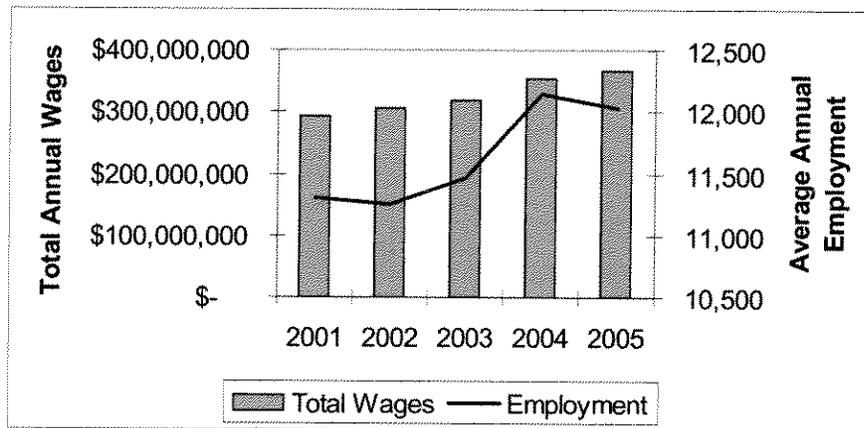
- Assessments of real property continued its strong growth with an increase of 17.0 percent in FY06, following an increase of 9.8 percent in FY05.



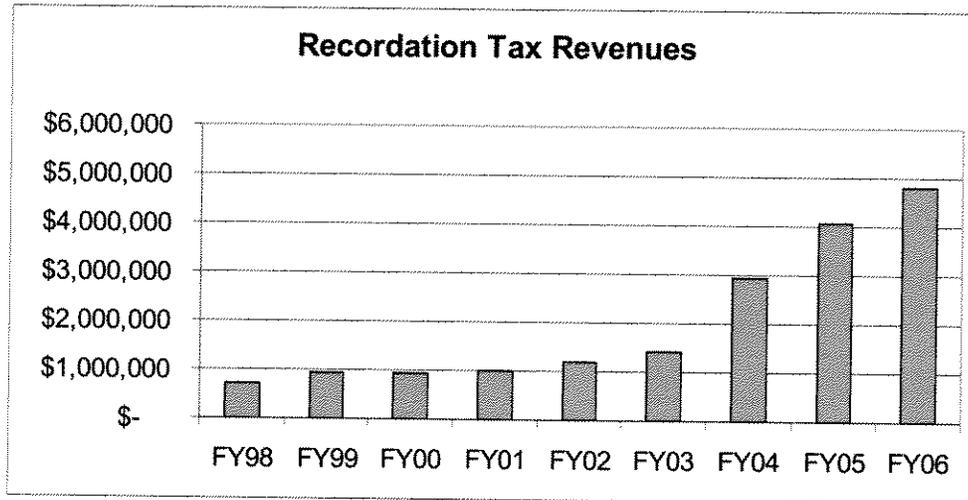
- Income Taxes – The second largest revenue source for the General Fund is the County income tax. Revenues from the income tax were \$10.2 million which were \$1.2 million higher than budget estimate and 3 percent above actual revenues in FY05. Income taxes represent 29 percent of total tax revenues for the General Fund and 21 percent of total General Fund revenues in FY06. The local income tax rate remained unchanged at 2.62%.



- Growth in income tax revenue is attributed to growth in wages, partially offset by a slight net job loss. Total annual payroll wages in Dorchester during calendar year (CY) 2005 was \$366,054,612, which was an increase of \$13.2 million or 3.7%. During CY05, the total number of payroll jobs was 12,035, which was a decrease of 111 or 0.9%. The job loss is primarily attributed to the trade, transportation, and utilities sector with 44 jobs lost, the other services sector with 36 jobs lost, and the education and health services sector with 30 jobs lost.



- Recordation Taxes – The third major revenue category in the County is the real property recordation tax. The tax receipts from this source were \$4.8 million, which was 11.3 percent above the final budget estimate and 18.0 percent above FY05. Collections from recordation taxes continue to reach record highs. As the chart below illustrates, the amount collected from these taxes increased from \$0.7 million in FY98 to \$4.8 million in FY06. The tremendous growth in this account is attributed to two factors: the rate increase from \$3.30 to \$5.00 per \$500 effective 8/1/2003; and the continued high volume of transactions subject to this tax resulting from mortgage refinancing activity and accelerating home prices.



## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets as of June 30, 2006, amounted to \$55.4 million (net of accumulated depreciation), as summarized below:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 6,981,598	\$ 4,912,217	\$ 2,722,769	\$ 674,747	\$ 9,704,367	\$ 5,586,964
Buildings and improvements	20,997,481	20,745,216	9,814,134	9,701,434	30,811,615	30,446,650
Furniture, machinery, equipment	15,692,968	14,728,442	3,509,614	2,037,679	19,202,582	16,766,121
Leasehold improvements	286,572	126,572	-	-	286,572	126,572
Infrastructure	35,492,086	35,365,266	6,323,510	4,740,398	41,815,596	40,105,664
Construction in progress	3,615,194	1,385,488	792,773	186,089	4,407,967	1,571,577
Total assets	83,065,899	77,263,201	23,162,800	17,340,347	106,228,699	94,603,548
Less: Accumulated depreciation	43,153,023	41,901,153	7,680,154	6,779,362	50,833,177	48,680,515
Total	\$ 39,912,876	\$ 35,362,048	\$ 15,482,646	\$ 10,560,985	\$ 55,395,522	\$ 45,923,033

Changes in the County's capital assets for FY06 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total	
	2006	2006	2006	2005
Beginning Balance	\$ 35,362,048	\$ 10,560,985	\$ 45,923,033	\$ 43,575,537
Additions*	6,780,073	6,272,094	13,052,167	5,625,867
Retirements, net*	(34,152)	(314,749)	(348,901)	(369,595)
Depreciation expense	(2,195,093)	(1,035,684)	(3,230,777)	(2,908,776)
Ending Balance	\$ 39,912,876	\$ 15,482,646	\$ 55,395,522	\$ 45,923,033

\*Presented net of transfers from construction in progress; retirements are also net of related accumulated depreciation.

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

- Continued expansion of the county-wide network technology initiative amounting to \$228,116
- 5 replacement vehicles and 5 new vehicles in the Sheriff's Office at a cost of \$282,633
- State funded acquisition of 911 Emergency Communications equipment at \$1.1 million
- \$1.2 million in the Public Works - Highways including \$0.7 million for heavy equipment and \$0.5 million for repairing Suicide Bridge
- \$1.0 million for acquisition of land to be used as an Economic Development Technology Park
- Land and building formerly used for the Maces Lane Middle School whose ownership transferred from the Board of Education to the County government valued at \$0.96 million.
- \$1.3 million land acquisition to be used for airport expansion projects.
- \$1.3 million for heavy equipment at the landfill
- \$1.7 million for construction of new landfill capacity

Additional information pertaining to the County's capital assets can be found in Notes to Financial Statements.

### Long-Term Debt

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2006:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 19,515,000	\$ 22,021,231	\$ -	\$ -	\$ 19,515,000	\$ 22,021,231
Revenue bonds	-	37,482	-	-	-	37,482
Notes payable	3,372,063	4,160,416	560,500	590,500	3,932,563	4,750,916
Capital leases	76,528	168,734	26,169	46,390	102,697	215,124
Pension liability	589,926	573,584	-	-	589,926	573,584
Compensated absences	940,648	891,189	37,354	28,229	978,002	919,418
Total	\$ 24,494,165	\$ 27,852,636	\$ 624,023	\$ 665,119	\$ 25,118,188	\$ 28,517,755

At June 30, 2006, the County had outstanding general obligation bonds of \$19.5 million. General obligation (GO) bonds are backed by the issuer's pledge of its full faith, credit and taxing power for the payment of the bond. GOs are generally viewed as the most secure type of municipal security and typically finance public projects such as schools, parks, libraries, roads and county buildings. Over the last ten years, the County issued its GO bonds four times totaling \$35.4 million. Dorchester County also issues debt to finance the capital construction of Dorchester County Public Schools and Chesapeake College not otherwise financed by the State of Maryland. The County continues to maintain its status as a stable smaller government issuer of municipal securities, with the third highest credit rating possible for a local government. For its GO bonds, the County is rated A2 from Moody's Investors Service, Inc., and A from Standard and Poor's.

These bond ratings, by definition, represent the County is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than counties in higher-rated categories. However, the County's capacity to meet its financial commitment on the bonds is still strong.

For purposes of complying with the County's continuing disclosure undertakings, this Annual Financial Report is provided to each nationally recognized municipal securities information repository.

The County had no significant bond-related debt activities during FY06.

Additional information pertaining to the County's long-term debt can be found in Notes to Financial Statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors are reflected in the County's FY07 budget:

- The County's economic projections in the FY07 budget assume modest growth with the County experiencing steady unemployment, modest growth in payroll wages, and continued residential development.
- Total payroll employment decreased 0.9 percent in CY05, the latest calendar year for which data is available. For the first quarter of CY06, total payroll employment decreased by 1.9 percent compared to the same period in CY05.
- Total payroll wages increased 3.7 percent in CY05, the latest calendar year for which data is available. For the first quarter of CY06, total payroll wages increased by 5.2 percent compared to the same period in CY05.
- The projection in the FY07 budget assumes that personal income will, at minimum, remain constant.
- The CY05 annual average unemployment rate for the County was 5.3 percent while the State of Maryland average was 4.1 percent. Comparatively, the CY04 rates were 5.9 percent for the County and 4.3 percent for the State. For the first half of CY06, the average unemployment rate for the County was 5.6 percent versus 5.8 percent from the same period in CY05.
- The number of residential real property accounts in the County increased from 16,211 to 17,014 in during FY06, an increase of 803 accounts or 5 percent. Of the increase, 336 accounts were improved, and 467 were unimproved.

### **REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of Dorchester County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dorchester County Government, Department of Finance, 501 Court Lane, Cambridge, Maryland, 21613 or sent by email to [mspears@docogonet.com](mailto:mspears@docogonet.com).

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PRIMARY GOVERNMENT AS OF JUNE 30, 2006**  
**COMPONENT UNITS AS OF JUNE 30, 2006**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and short-term investments	\$ 16,742,215	\$ 5,222,713	\$ 21,964,928
Receivables:			
State and local property taxes	3,430,326	-	3,430,326
Accounts receivable, net	223,663	812,864	1,036,527
Federal government	378,778	157,574	536,352
State of Maryland	663,457	52,538	715,995
Local	2,617,163	-	2,617,163
Other	179,667	-	179,667
Internal balances	(420,597)	420,597	-
Inventories, at cost	-	30,903	30,903
Prepaid expenditures	158,990	-	158,990
Bond issuance costs, net	242,595	-	242,595
Other	-	-	-
Capital assets, net	39,912,876	15,482,646	55,395,522
<b>Total assets</b>	<b>64,129,133</b>	<b>22,179,835</b>	<b>86,308,968</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,109,521	319,363	2,428,884
Due to State of Maryland	217,292	-	217,292
Due to delinquent taxpayers	383,685	-	383,685
Deferred revenue	1,840,924	2,100	1,843,024
Landfill closure and postclosure care costs	-	7,641,078	7,641,078
Pension liability	589,926	-	589,926
Other	91,352	-	91,352
Long-term liabilities, due within one year			
Compensated absences	299,305	14,867	314,172
Bonds, notes and capital leases payable	2,884,376	59,669	2,944,045
Long-term liabilities, due in more than one year			
Compensated absences	641,343	22,487	663,830
Bonds, notes and capital leases payable	20,079,215	527,000	20,606,215
<b>Total liabilities</b>	<b>29,136,939</b>	<b>8,586,564</b>	<b>37,723,503</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,949,285	14,895,977	31,845,262
Restricted for:			
Fiscal year 2007 budget	3,602,857	-	3,602,857
Other purposes	-	-	-
Unrestricted	14,440,052	(1,302,706)	13,137,346
<b>Total Net Assets</b>	<b>\$ 34,992,194</b>	<b>\$ 13,593,271</b>	<b>\$ 48,585,465</b>

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

Component Units	
Board of Education of Dorchester County	Dorchester County Sanitary Districts
\$ 5,315,903	\$ 814,122
-	-
-	60,795
498,453	-
19,453	-
381,947	-
-	-
-	-
17,759	4,350
-	-
-	-
334,202	-
46,407,324	4,140,867
<u>52,975,041</u>	<u>5,020,134</u>
2,563,123	94,015
-	-
-	-
546,729	28,999
-	-
-	-
27,000	11,523
-	-
-	22,714
820,448	7,806
3,160	296,642
<u>3,960,460</u>	<u>461,699</u>
46,404,164	3,821,511
729,614	-
254,082	136,619
1,626,721	600,305
<u>\$ 49,014,581</u>	<u>\$ 4,558,435</u>

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2006**

Function/Program	Net (Expense) Revenue and Changes in Net Assets							Component Units	
	Program Revenues				Primary Government			Board of	
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Governmental Activities	Business-Type Activities	Total	Dorchester County	Dorchester County Sanitary Districts
<b>Governmental Activities</b>									
General government	\$ 2,889,505	\$ 194,983	\$ 294,847	\$ 135,715	\$ (2,263,960)	\$ -	\$ (2,263,960)	\$ -	\$ -
Public safety	10,788,915	1,941,481	1,077,230	1,260,952	(6,509,252)	-	(6,509,252)	-	-
Social services	2,142,605	-	1,767,910	-	(374,695)	-	(374,695)	-	-
Recreation and parks	606,738	43,974	117,849	-	(444,915)	-	(444,915)	-	-
Natural resources	390,808	13,200	139,025	-	(238,583)	-	(238,583)	-	-
Economic development	845,842	-	159,376	86,022	(600,444)	-	(600,444)	-	-
Intergovernmental	929,376	-	-	-	(929,376)	-	(929,376)	-	-
Miscellaneous	3,110,469	-	-	-	(3,110,469)	-	(3,110,469)	-	-
Education	17,827,473	25,235	-	-	(17,802,238)	-	(17,802,238)	-	-
Public works	5,612,183	389,603	4,537,953	1,733,019	1,048,392	-	1,048,392	-	-
Interest on long-term debt	975,396	-	-	-	(975,396)	-	(975,396)	-	-
<b>Total Governmental Activities</b>	<b>46,119,310</b>	<b>2,608,476</b>	<b>8,094,191</b>	<b>3,215,707</b>	<b>(32,200,936)</b>	<b>-</b>	<b>(32,200,936)</b>	<b>-</b>	<b>-</b>
<b>Business-Type Activities</b>									
Airport	904,327	505,562	-	2,529,439	-	2,130,674	2,130,674	-	-
Landfill	3,986,057	4,209,757	-	-	-	223,700	223,700	-	-
<b>Total Business-Type Activities</b>	<b>4,890,384</b>	<b>4,715,319</b>	<b>-</b>	<b>2,529,439</b>	<b>-</b>	<b>2,354,374</b>	<b>2,354,374</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 51,009,694</b>	<b>\$ 7,323,795</b>	<b>\$ 8,094,191</b>	<b>\$ 5,745,146</b>	<b>(32,200,936)</b>	<b>2,354,374</b>	<b>(29,846,562)</b>	<b>-</b>	<b>-</b>
<b>Component Units</b>									
Board of Education of Dorchester County	52,140,429	3,025,114	48,838,626	-	-	-	(276,689)	-	-
Dorchester County Sanitary Districts	678,052	548,211	-	-	-	-	-	(129,841)	(129,841)
<b>Total Component Units</b>	<b>\$ 52,818,481</b>	<b>\$ 3,573,325</b>	<b>\$ 48,838,626</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>(276,689)</b>	<b>(129,841)</b>	<b>(129,841)</b>
<b>General Revenues</b>									
Taxes:									
Property					19,850,595		19,850,595		
Income					10,164,499		10,164,499		
Other					8,690,855		8,690,855		
State of MD disparity grant					2,032,786		2,032,786		
Electricity grant					187,442		187,442		
Licenses and permits					351,103		351,103		
Payments in lieu of taxes					130,705		130,705		
Interest					541,573		541,573		
Other					2,275,798		2,275,798		
<b>Total General Revenues</b>					<b>44,225,356</b>		<b>44,225,356</b>		
Transfers					(479,893)		(479,893)		
<b>Total General Revenues and Transfers</b>					<b>43,745,463</b>		<b>43,745,463</b>		
Change in Net Assets					11,544,527	3,309,115	14,853,642	230,341	(112,738)
Net Assets, Beginning of Year, as Restated					23,447,667	10,284,156	33,731,823	48,784,240	4,671,173
Net Assets, End of Year					\$ 34,992,194	\$ 13,593,271	\$ 48,585,465	\$ 49,014,581	\$ 4,558,435

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

**DORCHESTER COUNTY, MARYLAND**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006**

	General Fund	Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and short-term investments	\$ 9,746,557	\$ 649,594	\$ 1,443,916	\$ 4,902,148	\$ 16,742,215
Receivables:					
State and local property taxes	3,430,326	-	-	-	3,430,326
Accounts, net	-	-	-	223,663	223,663
Federal government	-	378,778	-	-	378,778
State of Maryland	(84)	663,541	-	-	663,457
Local	2,614,738	-	2,425	-	2,617,163
Other	153,827	25,840	-	-	179,667
Interfund	1,367,660	429,902	549,752	2,807,354	5,154,668
Prepaid expenditures	158,990	-	-	-	158,990
Bond issuance costs, net	-	-	242,595	-	242,595
<b>Total assets</b>	<b>\$ 17,472,014</b>	<b>\$ 2,147,655</b>	<b>\$ 2,238,688</b>	<b>\$ 7,933,165</b>	<b>\$ 29,791,522</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 731,863	\$ 353,661	\$ 1,006,309	\$ 316,993	\$ 2,408,826
Due to State of Maryland	217,292	-	-	-	217,292
Due to delinquent taxpayers	383,685	-	-	-	383,685
Interfund payables	4,318,132	21,131	1,224,519	11,483	5,575,265
Due to others	52,573	-	-	-	52,573
Deferred revenue	3,621,478	1,294,217	-	53,334	4,969,029
Other	38,779	-	-	-	38,779
<b>Total liabilities</b>	<b>9,363,802</b>	<b>1,669,009</b>	<b>2,230,828</b>	<b>381,810</b>	<b>13,645,449</b>
<b>FUND BALANCES</b>					
Reserved for:					
Prepaid expenditures	158,990	-	-	-	158,990
Unreserved:					
Designated for legal indemnification	100,000	-	-	-	100,000
Designated for 2007 expenditures	3,602,857	-	-	-	3,602,857
Designated for capital projects	-	-	7,860	-	7,860
Designated for highway use	1,449,904	-	-	-	1,449,904
Designated for other purposes	-	478,646	-	7,551,355	8,030,001
Undesignated	2,796,461	-	-	-	2,796,461
<b>Total fund balances</b>	<b>8,108,212</b>	<b>478,646</b>	<b>7,860</b>	<b>7,551,355</b>	<b>16,146,073</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17,472,014</b>	<b>\$ 2,147,655</b>	<b>\$ 2,238,688</b>	<b>\$ 7,933,165</b>	<b>\$ 29,791,522</b>

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

**DORCHESTER COUNTY, MARYLAND**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2006**

Total fund balances, governmental funds		\$ 16,146,073
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.		39,912,876
Certain revenues that do not provide current financial resources are reported as deferred income in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Assets.		3,128,105
Some liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets. Those liabilities consist of:		
Bonds, notes and capital leases payable	(22,963,591)	
Pension liability	(589,926)	
Compensated absences	(641,343)	
Total long-term liabilities		<u>(24,194,860)</u>
Net assets of governmental activities in the Statement of Net Assets		<u>\$ 34,992,194</u>

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

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2006**

	General Fund	Special Revenue	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 35,357,660	\$ -	\$ -	\$ 3,348,289	\$ 38,705,949
Licenses and permits	351,103	-	-	-	351,103
Intergovernmental:					
Federal	180,031	1,305,512	1,443,487	-	2,929,030
State	7,258,466	2,348,014	1,138,521	-	10,745,001
Service charges and fees	2,595,276	-	-	-	2,595,276
Court fines and forfeitures	47,024	-	-	-	47,024
Miscellaneous	1,364,727	(451)	25,000	839,498	2,228,774
Interest	353,850	-	67,238	95,584	516,672
<b>Total revenues</b>	<b>47,508,137</b>	<b>3,653,075</b>	<b>2,674,246</b>	<b>4,283,371</b>	<b>58,118,829</b>
<b>EXPENDITURES:</b>					
Current:					
General government	3,043,142	-	312,329	35,447	3,390,918
Public safety	8,547,224	822,685	98,876	177,899	9,646,684
Social services	403,833	1,731,349	-	-	2,135,182
Recreation and parks	410,466	138,964	423	-	549,853
Natural resources	363,984	26,824	-	-	390,808
Economic development	398,815	247,365	3,224	137,334	786,738
Intergovernmental	929,376	-	-	-	929,376
Miscellaneous	2,781,090	-	-	329,379	3,110,469
Education	16,948,694	-	878,779	-	17,827,473
Public works	4,322,801	354,215	554,406	-	5,231,422
Debt service:					
Principal	-	-	-	3,657,939	3,657,939
Interest	-	-	-	975,396	975,396
Capital outlay	1,421,096	547,677	4,484,931	326,369	6,780,073
<b>Total expenditures</b>	<b>39,570,521</b>	<b>3,869,079</b>	<b>6,332,968</b>	<b>5,639,763</b>	<b>55,412,331</b>
Excess (deficiency) of revenues over expenditures	7,937,616	(216,004)	(3,658,722)	(1,356,392)	2,706,498
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of debt	-	-	233,667	-	233,667
Increase in pension liability	-	-	-	16,342	16,342
Sale of capital assets	13,284	-	-	-	13,284
Interest and dividend received	-	24,901	-	-	24,901
Transfers, net	(7,381,238)	34,252	2,247,404	4,619,689	(479,893)
<b>Total other financing sources (uses)</b>	<b>(7,367,954)</b>	<b>59,153</b>	<b>2,481,071</b>	<b>4,636,031</b>	<b>(191,699)</b>
Excess (deficiency) of revenues over over expenditures and other financing sources (uses)	569,662	(156,851)	(1,177,651)	3,279,639	2,514,799
Fund balances, beginning of year, as restated	7,538,550	635,497	1,185,511	4,271,716	13,631,274
<b>Fund balances, end of year</b>	<b>\$ 8,108,212</b>	<b>\$ 478,646</b>	<b>\$ 7,860</b>	<b>\$ 7,551,355</b>	<b>\$ 16,146,073</b>

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

**DORCHESTER COUNTY, MARYLAND**

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

**Year Ended June 30, 2006**

Net change in fund balances, governmental funds \$ 2,514,799

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

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

Capital outlay	6,780,073	
Depreciation expense	(2,195,093)	
Excess of capital outlay over depreciation expense		4,584,980

Loan proceeds provide current financial resources to governmental funds; however,  
issuing debt increases long-term liabilities in the Statement of Net Assets. In the  
current period, loans of this amount were issued:

Hoopersville Road Loan	(233,667)
------------------------	-----------

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

Principal payments on long-term debt	3,657,939
--------------------------------------	-----------

In the statement of activities, losses on the sale of capital assets are reported  
as expenses of the general government function, whereas in the governmental  
funds, the proceeds from the sale of capital assets increase financial resources.  
Thus, the change in net assets differs from the change in fund balance by the  
basis of the asset sold.

(34,152)

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

1,101,202

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

Increase in pension liability	(16,342)
Increase in compensated absences	(30,232)

Change in net assets of governmental activities

\$11,544,527

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS**

**June 30, 2006**

	Business-Type Activities		
	Landfill	Airport	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 5,222,388	\$ 325	\$ 5,222,713
Receivables:			
Accounts, net of \$20,000 allowance (landfill)	781,411	31,453	812,864
Federal Government	-	157,574	157,574
State of Maryland	-	52,538	52,538
Interfund	441,648	94,375	536,023
Inventories	-	30,903	30,903
<b>Total current assets</b>	<b>6,445,447</b>	<b>367,168</b>	<b>6,812,615</b>
Noncurrent assets			
Capital assets at cost	10,531,984	12,630,816	23,162,800
Less accumulated depreciation	(5,363,422)	(2,316,732)	(7,680,154)
<b>Total noncurrent assets</b>	<b>5,168,562</b>	<b>10,314,084</b>	<b>15,482,646</b>
<b>Total assets</b>	<b>\$ 11,614,009</b>	<b>\$ 10,681,252</b>	<b>\$ 22,295,261</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 276,501	\$ 42,862	\$ 319,363
Accrued vacation	9,448	5,419	14,867
Deferred revenue	-	2,100	2,100
Interfund payables	115,426	-	115,426
Current maturities long-term debt	28,669	31,000	59,669
<b>Total current liabilities</b>	<b>430,044</b>	<b>81,381</b>	<b>511,425</b>
Noncurrent liabilities			
Accrued vacation	18,154	4,333	22,487
Landfill - closure and postclosure	7,641,078	-	7,641,078
Long-term debt, less current maturities	-	527,000	527,000
<b>Total noncurrent liabilities</b>	<b>7,659,232</b>	<b>531,333</b>	<b>8,190,565</b>
<b>Total liabilities</b>	<b>\$ 8,089,276</b>	<b>\$ 612,714</b>	<b>\$ 8,701,990</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 5,139,893	\$ 9,756,084	\$ 14,895,977
Unrestricted	(1,615,160)	312,454	(1,302,706)
<b>Total net assets</b>	<b>\$ 3,524,733</b>	<b>\$ 10,068,538</b>	<b>\$ 13,593,271</b>

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

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2006**

	Business-Type Activities		
	Landfill	Airport	Totals
<b>OPERATING REVENUES:</b>			
Tipping fees	\$ 3,982,912	\$ -	\$ 3,982,912
Permits	226,845	-	226,845
Fuel sales	-	348,195	348,195
Hangar and tie-down rentals	-	157,367	157,367
Other	248,516	9,857	258,373
<b>Total operating revenues</b>	<b>4,458,273</b>	<b>515,419</b>	<b>4,973,692</b>
<b>OPERATING EXPENSES:</b>			
Salaries and related taxes	648,580	163,528	812,108
Repairs and maintenance	198,509	27,692	226,201
Rental of land, buildings and equipment	46,054	13,200	59,254
Fuel	118,107	276,398	394,505
Closure and postclosure costs accrual	679,441	-	679,441
Utilities	9,460	74,235	83,695
Depreciation	761,134	274,550	1,035,684
Other operating	1,523,130	50,702	1,573,832
<b>Total operating expenses</b>	<b>3,984,415</b>	<b>880,305</b>	<b>4,864,720</b>
<b>Net operating income (loss)</b>	<b>473,858</b>	<b>(364,886)</b>	<b>108,972</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Grants - Federal government	-	2,461,480	2,461,480
Grants - state government	-	67,959	67,959
Interest income	216,475	-	216,475
Interest expense	(1,642)	(24,022)	(25,664)
<b>Total non-operating revenues</b>	<b>214,833</b>	<b>2,505,417</b>	<b>2,720,250</b>
Income before transfers	688,691	2,140,531	2,829,222
Operating transfers	-	479,893	479,893
Change in net assets	688,691	2,620,424	3,309,115
Net assets beginning of year	2,836,042	7,448,114	10,284,156
<b>Net assets end of year</b>	<b>\$ 3,524,733</b>	<b>\$ 10,068,538</b>	<b>\$ 13,593,271</b>

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

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**Year Ended June 30, 2006**

	Landfill	Airport	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 4,480,840	\$ 379,308	\$ 4,860,148
Other receipts	248,516	9,857	258,373
Payments to employees	(639,455)	(163,528)	(802,983)
Payments for services	(9,460)	(74,235)	(83,695)
Payments for rentals	(46,054)	(13,200)	(59,254)
Payments for materials and supplies	(132,641)	(446,789)	(579,430)
Other payments	(1,523,130)	(50,702)	(1,573,832)
Net cash provided (used) by operating activities	2,378,616	(359,289)	2,019,327
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers from General Fund	-	479,893	479,893
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Grant and bond receipts	-	2,529,439	2,529,439
Repayment of long-term debt	(19,221)	(31,000)	(50,221)
Purchases of property and equipment	(3,362,324)	(2,595,021)	(5,957,345)
Interest paid	(1,642)	(24,022)	(25,664)
Net cash used by financing activities	(3,383,187)	(120,604)	(3,503,791)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income received	216,475	-	216,475
Net decrease in cash and short-term investments	(788,096)	-	(788,096)
Cash and short-term investments, beginning of year	6,010,484	325	6,010,809
Cash and short-term investments, end of year	\$ 5,222,388	\$ 325	\$ 5,222,713
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 473,858	\$ (364,886)	\$ 108,972
Adjustments:			
Depreciation	761,134	274,550	1,035,684
Landfill closure and postclosure cost accrual	679,441	-	679,441
(Increase) decrease in assets:			
Accounts receivable	(576,246)	(57,912)	(634,158)
Prepaid expenses	-	-	-
Inventory	-	22,485	22,485
Interfund receivable	847,329	(90,827)	756,502
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	108,119	(4,270)	103,849
Accrued vacation	9,125	-	9,125
Deferred revenue	-	-	-
Interfund payable	75,856	(138,429)	(62,573)
Total adjustments	1,904,758	5,597	1,910,355
Net cash provided (used) by operating activities	\$ 2,378,616	\$ (359,289)	\$ 2,019,327

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

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Reporting Entity

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 County Council. The County government directly provides all basic local governmental services.

#### Financial Reporting Entity

For financial reporting purposes, based on the standards established by GASB Statement No. 39, *The Financial Reporting Entity*, the County includes the various departments, agencies, and other organizational units governed directly by the County Council 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 units column in the combined financial statements includes the financial data of the Board of Education of Dorchester County and the Dorchester County Sanitary Districts as the County's discretely presented component units, which have a fiscal year-end of June 30. Copies of the financial statements for the component units can be obtained from the County Council's office in Cambridge, Dorchester County, Maryland.

### Note 2. Summary of Significant Accounting Policies

The financial statements of the County are prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities.

#### A. Basis of Presentation

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

#### Government-Wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

## NOTES TO FINANCIAL STATEMENTS

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

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

Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

#### Fund Financial Statements

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

#### B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The County does not maintain any fiduciary funds.

#### Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

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

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, the Commissary Fund, the Transfer Tax Fund and the Tourism Marketing 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.

#### Proprietary Fund Types

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The County's enterprise funds may be used to account for any business-type activities for which a fee is charged to external users for goods or services. The following are the County's major enterprise funds:

Landfill Fund - The Landfill fund is used to account for the fees collected at the County landfills for the dumping of waste.

Airport Fund - The Airport fund is used to account for the financial resources to be used for the operation or construction of airport facilities.

## NOTES TO FINANCIAL STATEMENTS

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

#### C. Measurement Focus

##### Government-Wide Financial Statements

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

##### Fund Financial Statements

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

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

#### D. Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, interest, grants, fees and rentals.

Deferred revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

## NOTES TO FINANCIAL STATEMENTS

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

#### D. Basis of Accounting (continued)

Property taxes for which there was an enforceable legal claim at June 30, 2006, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

#### E. Budgets and Budgetary Accounting

All funds, other than agency funds, are legally required to be budgeted and appropriated. The budget is prepared on the budgetary basis of accounting. The budget establishes a limit on the amounts that the County may appropriate and sets annual limits as to the amounts of expenditures at a level of control selected by the County. The legal level of control has been established by the County at the category level within each fund.

The budget may be amended during the year if projected increases or decreases in revenue are identified. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original budget was adopted. The amounts reported in the final budgeted amounts reflect amendments approved by the County during the year.

#### F. Inventory

On government-wide financial statements and the fund financial statements of proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

#### G. Property Tax

Generally, property taxes are levied as of July 1 and become delinquent on October 1. Owner-occupied residential property owners pay their tax on a semi-annual schedule, with the first and second installments due on September 30 and December 31, respectively. Taxpayers may opt to make both payments on or before September 30. Property taxes are attached as an enforceable lien and are in arrears on October 1 for non-owner occupied properties and January 1 for owner occupied properties. The County bills and collects its own taxes. County property tax revenue are recognized when collected.

#### H. Capital Assets

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The County's infrastructure consists of roads, bridges, ramps, and wharves. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not.

## NOTES TO FINANCIAL STATEMENTS

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

#### H. Capital Assets (continued)

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	8 - 40 years	5 - 40 years
Furniture and Equipment	5 - 10 years	3 - 15 years
Vehicles	8 years	N/A
Infrastructure	40 - 50 years	15 - 23 years

#### I. Interfund Receivables and Payables

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

#### J. Compensated Absences

##### 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 (a component unit) ("Board") receive severance pay for unused sick leave accumulated for service while employed at the Board. This estimated liability is computed on the accumulated sick leave of Board employees who have 20 years of service with the Board at the rate of \$20 per day. Employees are granted vacation benefits in varying amounts depending on tenure. In addition, the accrued leave account includes vacation days earned by certain employees but not used by June 30, 2006.

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

## NOTES TO FINANCIAL STATEMENTS

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

#### L. Net Assets

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

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

#### M. Fund Balance Reserves

The County reserves those portions of governmental fund balances that are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

#### N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sanitary landfill, airport fuel sales and airport rental fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

#### O. Interfund Transactions

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

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

#### P. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Note 3. 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, 2006, the Primary Government had bank deposits with various commercial banks totaling \$22,058,706 (carrying value \$21,964,928). As required by law, each depository is required to pledge securities in addition to FDIC insurance at least equal to the amount on deposit at all times. The depository banks pledge collateral for specific accounts which are held in the Primary Government's name at several banks. As of June 30, 2006, bank deposits were not fully insured or collateralized by approximately \$1,259,000 in one financial institution. Petty cash totaled approximately \$1,900 at June 30, 2006.

#### Board of Education of Dorchester County

At June 30, 2006, the Board had bank deposits with various commercial banks totaling \$2,606,639 (carrying value \$2,284,696). As required by law, each depository is to pledge securities in addition to FDIC insurance at least equal to that amount on deposit at all times. The depository banks pledge collateral for specific accounts which are held in the Board's name at the Federal Reserve Bank of Boston. As of June 30, 2006, bank deposits were not fully insured or collateralized by approximately \$38,000 in one local financial institution. Investments of \$3,031,207 consist solely of U.S. Government Securities made through the State of Maryland Local Government Investment Pool which provide local government units of the State a safe investment vehicle for shore-term investment of funds. The State Legislature created MLGIP with the passage of Article 94 22G of the Annotated Code of Maryland. The MLGIP is managed by Mercantile Safe Deposit and Trust Company, a Baltimore based financial institution, which is under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants has been formed to review the activities of the Fund on a quarterly basis and provide suggestions to enhance the pool. The MLGIP is rated AAAm by Standard and Poors. The fair value of the pool is the same as the value of the pool shares. Investments are recorded at cost, which approximates market value. Statutes authorize the Board to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements, collateralized certificates of deposit, bankers acceptance or money market funds. The Board's exposure to investment rate and credit risk is minimal, as all investments are in cash and MLGIP and are thus precluded from having to sell below original cost. Custodial credit risk is mitigated by attempting to have all investments fully collateralized by securities.

#### Dorchester County Sanitary Districts

At June 30, 2006 the Dorchester County Sanitary Districts had bank deposits with various commercial banks totaling \$812,853 (carrying value \$814,122), which were either fully insured or collateralized with securities held in the name of the Dorchester County Sanitary Districts.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balances at June 30, 2005	Additions	Deletions/ Transfers	Balances at June 30, 2006
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 4,912,217	\$ 2,069,381	\$ -	\$ 6,981,598
Const. in progress	1,385,488	2,229,706	-	3,615,194
<b>Total capital assets, not being depreciated</b>	<b>6,297,705</b>	<b>4,299,087</b>	<b>-</b>	<b>10,596,792</b>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	20,745,216	252,265	-	20,997,481
Furniture and equipment	11,058,160	1,475,472	(718,268)	11,815,364
Vehicles	3,670,282	466,429	(259,107)	3,877,604
Leasehold improvements	126,572	160,000	-	286,572
Infrastructure assets	35,365,266	126,820	-	35,492,086
<b>Total capital assets, being depreciated</b>	<b>70,965,496</b>	<b>2,480,986</b>	<b>(977,375)</b>	<b>72,469,107</b>
<b>Less: accumulated depreciation</b>	<b>(41,901,153)</b>	<b>(2,195,093)</b>	<b>943,223</b>	<b>(43,153,023)</b>
<b>Net capital assets, being depreciated</b>	<b>29,064,343</b>	<b>285,893</b>	<b>(34,152)</b>	<b>29,316,084</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 35,362,048</b>	<b>\$ 4,584,980</b>	<b>\$ (34,152)</b>	<b>\$ 39,912,876</b>

NOTES TO FINANCIAL STATEMENTS

**Note 4. Capital Assets (continued)**

	Balances at June 30, 2005	Additions	Deletions/ Transfers	Balances at June 30, 2006
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>Dorchester County Landfill</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 636,137	\$ 239,050	\$ -	\$ 875,187
Construction in progress	66,665	-	(66,665)	-
<b>Total capital assets, not being depreciated</b>	<b>702,802</b>	<b>239,050</b>	<b>(66,665)</b>	<b>875,187</b>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	82,089	-	-	82,089
Machinery and equipment	1,779,263	1,921,576	(449,641)	3,251,198
Beulah landfill- Cells 1-3	4,740,398	1,516,447	66,665	6,323,510
<b>Total capital assets, being depreciated</b>	<b>6,601,750</b>	<b>3,438,023</b>	<b>(382,976)</b>	<b>9,656,797</b>
Less: accumulated depreciation	(4,737,180)	(761,134)	134,892	(5,363,422)
<b>Net capital assets, being depreciated</b>	<b>1,864,570</b>	<b>2,676,889</b>	<b>(248,084)</b>	<b>4,293,375</b>
<b>Landfill capital assets, net</b>	<b>\$ 2,567,372</b>	<b>\$ 2,915,939</b>	<b>\$ (314,749)</b>	<b>\$ 5,168,562</b>
<b>Dorchester County Airport</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 38,610	\$ 1,808,972	\$ -	\$ 1,847,582
Construction in progress	119,424	673,349	-	792,773
<b>Total capital assets, not being depreciated</b>	<b>158,034</b>	<b>2,482,321</b>	<b>-</b>	<b>2,640,355</b>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	9,619,345	112,700	-	9,732,045
Machinery and equipment	258,416	-	-	258,416
<b>Total capital assets, being depreciated</b>	<b>9,877,761</b>	<b>112,700</b>	<b>-</b>	<b>9,990,461</b>
Less: accumulated depreciation	(2,042,182)	(274,550)	-	(2,316,732)
<b>Net capital assets, being depreciated</b>	<b>7,835,579</b>	<b>(161,850)</b>	<b>-</b>	<b>7,673,729</b>
<b>Airport capital assets, net</b>	<b>\$ 7,993,613</b>	<b>\$ 2,320,471</b>	<b>\$ -</b>	<b>\$ 10,314,084</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 10,560,985</b>	<b>\$ 5,236,410</b>	<b>\$ (314,749)</b>	<b>\$ 15,482,646</b>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 569,557
Public safety	1,121,363
Social services	7,423
Recreation and parks	56,885
Economic development	59,104
Public works	380,761
	<u>\$ 2,195,093</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets (continued)

Capital asset activity for the component units for the year ended June 30, 2006 was as follows:

	Balances at June 30, 2005	Additions	Deletions/ Transfers	Balances at June 30, 2006
<b>Board of Education of Dorchester County</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 525,584	\$ 2,351,176	\$ (50,199)	\$ 2,826,561
<b>Total capital assets, not being depreciated</b>	<b>525,584</b>	<b>2,351,176</b>	<b>(50,199)</b>	<b>2,826,561</b>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	70,752,997	81,367	(1,173,301)	69,661,063
Furniture and equipment	1,435,890	119,186	(146,165)	1,408,911
Vehicles	623,252	100,317	-	723,569
<b>Total capital assets, being depreciated</b>	<b>72,812,139</b>	<b>300,870</b>	<b>(1,319,466)</b>	<b>71,793,543</b>
Less: accumulated depreciation	(27,920,218)	(1,506,713)	1,214,151	(28,212,780)
<b>Net capital assets, being depreciated</b>	<b>44,891,921</b>	<b>(1,205,843)</b>	<b>(105,315)</b>	<b>43,580,763</b>
<b>Board of Education capital assets, net</b>	<b>\$ 45,417,505</b>	<b>\$ 1,145,333</b>	<b>\$ (155,514)</b>	<b>\$ 46,407,324</b>
<b>Dorchester County Sanitary Districts</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 2,645	\$ -	\$ -	\$ 2,645
Construction in progress	-	11,458	-	11,458
<b>Total capital assets, not being depreciated</b>	<b>2,645</b>	<b>11,458</b>	<b>-</b>	<b>14,103</b>
<b>Capital assets, being depreciated</b>				
Plant and equipment	7,126,032	16,153	(14,414)	7,127,771
<b>Total capital assets, being depreciated</b>	<b>7,126,032</b>	<b>16,153</b>	<b>(14,414)</b>	<b>7,127,771</b>
Less: accumulated depreciation	(2,849,830)	(165,391)	14,214	(3,001,007)
<b>Net capital assets, being depreciated</b>	<b>4,276,202</b>	<b>(149,238)</b>	<b>(200)</b>	<b>4,126,764</b>
<b>Sanitary Districts capital assets, net</b>	<b>\$ 4,278,847</b>	<b>\$ (137,780)</b>	<b>\$ (200)</b>	<b>\$ 4,140,867</b>
<b>Total component units capital assets, net</b>	<b>\$ 49,696,352</b>	<b>\$ 1,007,553</b>	<b>\$ (155,714)</b>	<b>\$ 50,548,191</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2006:

	Governmental Activities	Business-Type Activities
Amounts payable at June 30, 2005	\$ 27,852,636	\$ 665,119
Borrowings from bonds, notes payable, and capital leases	233,667	1,000
Increase in pension liability (See also Note 9)	16,342	-
Increase in vested vacation benefits and compensatory time	49,459	9,125
Repayment of long-term debt and capital lease obligations	(3,657,939)	(51,221)
Amounts payable at June 30, 2006	\$ 24,494,165	\$ 624,023

Long-term debt consists of the following as of June 30, 2006:

#### Dorchester County Governmental Activities Long-Term Debt

	Balances at June 30, 2005	Additions	Reductions	Balances at June 30, 2006	Amounts Due in One Year
<u>Capital Leases</u>					
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.	\$ 18,329	\$ -	\$ (18,329)	\$ -	\$ -
Suntrust Leasing Corporation capital lease agreement on 911 dispatch equipment, due in annual installments of \$79,274, including interest of 3.58% through December 2007.	150,405	-	(73,877)	76,528	76,528
Total capital leases payable	168,734	-	(92,206)	76,528	76,528

#### Revenue Bonds

County Transportation Revenue Bonds, Series 1993; due in annual principal installments of \$36,586 to \$151,356, plus interest, through 2006.

	37,482	-	(37,482)	-	-
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## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

	Balances at June 30, 2005	Additions	Reductions	Balances at June 30, 2006	Amounts Due in One Year
<u>Public Facilities Bonds</u>					
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%.	\$ 645,000	\$ -	\$ (315,000)	\$ 330,000	\$ 330,000
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%.	3,700,000	-	(965,000)	2,735,000	1,005,000
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%.	101,231	-	(101,231)	-	-
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%.	6,345,000	-	(355,000)	5,990,000	370,000
General Improvements and Refunding Bonds of 2004, payable in annual payments from \$65,000 to \$1,050,000 beginning Feb 1, 2005; interest payable annually from 2% to 3.9%.	8,835,000	-	(580,000)	8,255,000	590,000
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%.	2,395,000	-	(190,000)	2,205,000	200,000
<b>Total public facilities bonds</b>	<b>\$ 22,021,231</b>	<b>\$ -</b>	<b>\$(2,506,231)</b>	<b>\$ 19,515,000</b>	<b>\$ 2,495,000</b>

NOTES TO FINANCIAL STATEMENTS

**Note 5. Long-Term Debt (continued)**

	Balances at June 30, 2005	Additions	Reductions	Balances at June 30, 2006	Amounts Due in One Year
<u>State of Maryland Department of Natural Resources</u>					
<u>Maryland Industrial Land Act Loans (MILA)</u>					
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).	\$ 345,397	\$ -	\$ (345,397)	\$ -	\$ -
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).	345,089	-	(345,089)	-	-
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).	471,726	-	(34,083)	437,643	36,429
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).	714,327	-	(52,396)	661,931	53,717
<b>Total MILA loans payable</b>	<b>\$ 1,876,539</b>	<b>\$ -</b>	<b>\$ (776,965)</b>	<b>\$ 1,099,574</b>	<b>\$ 90,146</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

	Balances at June 30, 2005	Additions	Reductions	Balances at June 30, 2006	Amounts Due in One Year
<u>State of Maryland Department of Natural Resources</u>					
<u>Shore Erosion Control Loans (SEC)</u>					
SEC 3-92 - Hoopersville Road Boat Ramp; due in annual installments of \$4,780 through July 2019; no interest.	\$ 66,912	\$ -	\$ (4,780)	\$ 62,132	\$ 4,780
SEC 7-92 - Middle Hoopers Island Causeway; due in annual installments of \$5,516 through July 2020; no interest.	88,256	-	(5,516)	82,740	5,516
SEC 8-92 - McCready's Point Road; due in annual installments of \$1,683 through July 2019; no interest.	25,251	-	(1,683)	23,568	1,683
SEC 9-92 - Hoopersville Road at Middle Hoopers Island; due in annual installments of \$2,718 through July 2020; no interest.	40,773	-	(2,718)	38,055	2,718
SEC 3-95 - Punch Island Road; due in annual installments of \$3,519 through July 2011; no interest.	24,629	-	(3,519)	21,110	3,519
SEC 2-96 - Rooster Island; due in annual installments of \$8,207 to July 2012; no interest.	65,651	-	(8,207)	57,444	8,207
SEC 03-03 - Hoopersville Road; due in annual installments of \$8,829 to July, 2032, no interest	-	233,667	-	233,667	8,829
SEC 04-02 - Hoopers Island Road; due in annual installments of \$6,032 through July 2027; no interest.	136,392	-	(5,930)	130,462	6,032
SEC 05-03 - Tayors Island - \$350,000 total loan to be repaid in 25 annual installments of \$14,000, no interest, to begin July 1 after the completion of the project.	95,050	-	-	95,050	-
Total SEC loans payable	\$ 542,914	\$ 233,667	\$ (32,353)	\$ 744,228	\$ 41,284

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

	<u>Balances at June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances at June 30, 2006</u>	<u>Amounts Due in One Year</u>
<u>Notes Payable</u>					
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).	\$ 132,000	\$ -	\$ (11,000)	\$ 121,000	\$ 12,100
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).	515,000	-	(25,000)	490,000	25,000
County Commissioners of Queen Anne's County loan due in annual principal installments of \$5,096 to \$12,314 through January 2023; interest payable semi-annually at 4%.	151,108	-	(5,399)	145,709	5,642
Note due in quarterly principal installments of \$24,313, plus interest at 5.33% through 2014 (known as the Delmarva Power and Light Building).	706,940	-	(60,755)	646,185	65,819
Suntrust Bank loan for camera system in Detention Center due in quarterly principal installments of \$16,367, plus interest at 4.05%, through 2006.	73,950	-	(59,160)	14,790	14,790
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).	161,965	-	(51,388)	110,577	58,067
Total notes payable	<u>1,740,963</u>	<u>-</u>	<u>(212,702)</u>	<u>1,528,261</u>	<u>181,418</u>
Total governmental activities debt	<u>\$ 26,387,863</u>	<u>\$ 233,667</u>	<u>\$(3,657,939)</u>	<u>\$ 22,963,591</u>	<u>\$ 2,884,376</u>

NOTES TO FINANCIAL STATEMENTS

**Note 5. Long-Term Debt (continued)**

Dorchester County Business-Type Activities Long-Term Debt

	<u>Balances at June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances at June 30, 2006</u>	<u>Amounts Due in One Year</u>
<b>Dorchester County Landfill:</b>					
Tri-axle roll-off truck note payable due in quarterly installments of \$5,956, including interest at 4.25%, through June 2007.	\$ 46,390	\$ -	\$ (20,221)	\$ 26,169	\$ 26,169
Refuse and bid bonds payable	<u>1,500</u>	<u>1,000</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total landfill long-term debt	<u>47,890</u>	<u>1,000</u>	<u>(20,221)</u>	<u>28,669</u>	<u>28,669</u>
<b>Dorchester County Airport:</b>					
Airport Improvement Bonds of 2003 issued through M&T Bank for 15 years with annual payments of \$31,000 through 2018 and a final payment of \$186,000 in 2019; interest payable quarterly at 4.19%.	<u>589,000</u>	<u>-</u>	<u>(31,000)</u>	<u>558,000</u>	<u>31,000</u>
Total enterprise fund debt	<u>\$ 636,890</u>	<u>\$ 1,000</u>	<u>\$ (51,221)</u>	<u>\$ 586,669</u>	<u>\$ 59,669</u>

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

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

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

#### Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 2,859,293	\$ 904,929	\$ 3,764,222
2008	2,881,799	779,753	3,661,552
2009	2,040,957	688,459	2,729,416
2010	2,131,917	615,909	2,747,826
2011	2,208,423	536,774	2,745,197
2012 - 2016	8,772,736	1,471,952	10,244,688
2017 - 2021	1,837,940	392,379	2,230,319
2022 - 2026	137,043	277,243	414,286
2027 - 2031	223,343	224,124	447,467
2032 - 2036	460,066	98,490	558,556
Total	<u>23,553,517</u>	<u>5,990,012</u>	<u>29,543,529</u>
Less: pension liability	<u>(589,926)</u>	<u>-</u>	<u>(589,926)</u>
Total governmental activities debt	<u>\$ 22,963,591</u>	<u>\$ 5,990,012</u>	<u>\$ 28,953,603</u>

#### Business-Type Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 59,669	\$ 23,645	\$ 83,314
2008	31,000	21,461	52,461
2009	31,000	20,086	51,086
2010	31,000	18,769	49,769
2011	31,000	17,452	48,452
2012 - 2016	155,000	67,579	222,579
2017 - 2021	248,000	19,776	267,776
Total business-type activities debt	<u>\$ 586,669</u>	<u>\$ 188,768</u>	<u>\$ 775,437</u>

Interest expense on all County long-term debt totaled \$1,001,060 for the year ended June 30, 2006.

Additionally, the County has agreed to execute a shore erosion control project loan agreement with the Maryland Department of Natural Resources for a no interest loan in the amount of \$350,000 to complete the Taylor's Island Environmental Restoration Project to be repaid over 24 years with annual payments of \$14,000 beginning on July 1 of the year in which the project is completed. Of the \$350,000 amount, \$95,050 has been borrowed and included in the governmental activities' long-term debt.

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

Long-term debt of the Dorchester County Sanitary Districts at June 30, 2006 consists of the following:

	Balances at June 30, 2005	Additions	Reductions	Balances at June 30, 2006
<u>Dorchester County Sanitary Districts</u>				
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual level installments of principal and interest of \$9,389 through March 2020.	\$ 87,311	\$ -	\$ (3,563)	\$ 83,748
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.67%. Annual level installments of principal and interest of \$4,736 through March 2020.	44,045	-	(1,798)	42,247
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual level installments of principal and interest of \$9,816 through September 2020.	94,773	-	(3,492)	91,281
Loan payable to Bank of Eastern Shore. Annual interest rate of 6.4%. Monthly installments of principal and interest of \$488 through April 2010. Collateralized by a certificate of deposit held at the Bank of the Eastern Shore.	23,941	-	(4,459)	19,482
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.10%. Annual level installments of principal and interest of \$2,051 through October 2012.	12,681	-	(1,278)	11,403
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 8.18%. Annual level installments of principal and interest of \$6,898 through July 2014.	45,890	-	(3,145)	42,745
Loan payable to the State of Maryland under the Drinking Water State Water Revolving Fund. Annual interest rate of 3.13%. Annual level installments of principal and interest of \$4,653 through February 2013.	32,098	-	(3,648)	28,450
Total Sanitary Districts' debt	\$ 340,739	\$ -	\$ (21,383)	319,356
Less: current maturities				22,714
				\$ 296,642

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt (continued)

The annual requirements to amortize all Dorchester County Sanitary Districts' debt outstanding as of June 30, 2006, including interest payments of \$156,059 are as follows:

Year Ending <u>June 30</u>		
2007	\$	43,403
2008		43,403
2009		43,403
2010		41,938
2011		37,544
2012 - 2016		160,144
2017 - 2021		<u>105,580</u>
Total sanitary districts debt	\$	<u>475,415</u>

### Note 6. Capital Leases

#### Primary Government

The County entered into a lease agreement in December 2001, for the purpose of acquiring 911 dispatch equipment. The County also entered 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 \$357,035, 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.

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

<u>Year Ending June 30,</u>		
2007	\$	79,274
		<u>79,274</u>
Less amounts representing interest		<u>(2,746)</u>
Present value of net minimum lease payments	\$	<u>76,528</u>

#### Component Unit - Board of Education

The Board of Education of Dorchester County has entered into non-cancelable 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. At June 30, 2006, capital lease obligations totaled \$3,160.

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Capital Leases (continued)

#### Component Unit - Board of Education (continued)

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

<u>Year Ending June 30,</u>		
2007	\$	3,923
		3,923
Less amounts representing interest		(763)
Present value of net minimum lease payments	\$	3,160

Interest expense on the Board of Education of Dorchester County's capital leases was \$3,885 for the year ended June 30, 2006.

The cost of items acquired under capital lease arrangements, as included in capital assets, totaled \$94,112 and the related accumulated depreciation was \$77,619 at June 30, 2006.

### Note 7. Long-Term Operating Lease

In July 2005, the County entered into a 3-year non-cancelable operating lease for its sanitary landfill site #2, commonly referred to as the "Golden Hill Landfill". Lease expense for 2006 was \$6,000. Future minimum lease payments are \$6,000 for the years ending June 30, 2007 and 2008.

#### Component Unit - Board of Education

The Board of Education of Dorchester County leases copy machines for the majority of the educational system over three to five year terms.

Approximate future minimum lease commitments are as follows:

<u>Year Ending June 30,</u>		
2007	\$	157,000
2008		154,000
2009		64,000

Rent expense, under these leases, totaled approximately \$205,000 for the year ended June 30, 2006.

### Note 8. Interfund Receivables and Payables

As a result of its operations, the County affects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2006, appropriate due to/from other funds have been established.

Due to/from other funds balances as of June 30, 2006 were as follows:

<u>Primary Government</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental activities	\$ 5,154,668	\$ 5,575,265
Business-Type activities	536,023	115,426
Total due to/from other funds	\$ 5,690,691	\$ 5,690,691

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Pension Plans

#### Plan Description

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

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

#### Funding Policy

The State Personnel and Pensions Article requires active members to contribute to the System at the rate of 2%, 5% or 7% of their covered salary depending upon the retirement option selected. The combined State contribution rate for the year ending 2006 is established by annual actuarial valuations. The current rate is 9.35% of covered payroll for teachers and 5.76% for classified employees. On-behalf payments consist of pension contributions made by the State of Maryland to the State Retirement System for applicable employees of the Board of Education. The amounts recognized as revenue and expenditures for the fiscal year ended June 30, 2006 was \$2,145,324 for the Board of Education.

#### Employer's Payroll and Contributions Under the Plan

The employer's current year payroll for the years ended June 30, 2006, 2005, and 2004, payroll covered under the various state plans, and contributions paid are as follows:

	2006	2005	2004
Total payroll	\$ 38,065,195	\$ 36,582,950	\$ 34,545,172
Payroll covered under the plans	34,909,116	31,367,258	31,554,412
Contributions paid:			
County payments	603,897	581,100	410,298
Board of Education payments	388,622	380,049	316,551
State On-Behalf payments:			
Board of Education	2,145,324	2,125,281	2,031,815

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Pension Plans (continued)

#### 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 \$589,926 fund deficit (an increase of \$16,342 over the prior fiscal year) over a period of 40 years. The fiscal year 2006 annual payment was \$28,429 and will increase 5% per year until maturity at December 31, 2035. This liability has been recorded in the governmental activities column on the Statement of Net Assets.

### Note 10. Post-Employment Health Care Benefits

The County provides 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 the employer pays 85%. 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 Dorchester County Sanitary Districts offers retirees under age 65, family, husband, and wife, parent and child, and individual plans. Effective July 1, 1991 all employees retiring will receive health care benefits paid by the District based on 16 years service to receive full benefits. Those employees with less than sixteen years will pay on a pro-rata basis. When a retiree reaches the age of 65 and has 16 years of service the District will pay full premium for "over 65 supplement" coverage. The retiree pays for full premium of coverage for his/her spouse.

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, 2006 are as follows:

	Premiums	Participants
Dorchester County	\$ 249,007	76
Dorchester County Sanitary Districts	6,796	2
Board of Education of Dorchester	310,681	191

### Note 11. 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, 2006.

## NOTES TO FINANCIAL STATEMENTS

### Note 12. 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 \$136,619 at June 30, 2006 by the Dorchester County Sanitary Districts is restricted to capital improvements, repairs and maintenance to the water system, and debt service.

### Note 13. 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 \$13,900 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 \$21,200 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 year 2007 at an estimated total cost of approximately \$3,650,000. 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 \$24,900 each year for the next thirty years.

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

<u>Secretary landfill</u>	
Postclosure care costs	\$ 417,000
 <u>Golden Hill landfill</u>	
Postclosure care costs	636,000
 <u>Old Beulah landfill</u>	
Closure costs	3,649,997
Postclosure care costs	747,000
	4,396,997
 <u>New Beulah landfill - cells 1 - 3</u>	
Closure costs	1,908,280
Postclosure care costs	282,801
	2,191,081
Total closure and postclosure care costs	\$ 7,641,078

## NOTES TO FINANCIAL STATEMENTS

### Note 13. Landfill Closure and Postclosure Care Costs (continued)

The above amounts are based on the current costs to perform all closure and postclosure care as of June 30, 2006. As noted above, the County expects to cap the Old Beulah landfill over the next fiscal year. 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 \$5,222,000 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 were completely filled in 2003. Accruals of closure and postclosure care costs have been recognized. Total closure and postclosure care costs for Cells 1 & 2 are estimated to be \$1,160,605 and \$171,998, respectively.

New Beulah landfill cell 3 was completed and began accepting waste in October 2002. Accrual of closure and postclosure care costs have been recognized based on the estimated capacity used to date (77.3%). Total closure and postclosure care costs for Cell 3 are estimated to be \$747,675 and \$110,803, respectively.

### Note 14. Restatement of Opening Equity

Net assets in the statement of net assets at June 30, 2005 were increased and deferred revenue was decreased by \$762,513. Fund balances in the balance sheets of the governmental funds at June 30, 2005 were decreased and short term liabilities were increased by \$280,078. The restatements have the following effect on opening equity:

	<b>Net Assets</b>
Net assets, June 30, 2005	\$ 22,685,154
Decrease in deferred revenue	762,513
Net assets, June 30, 2005, as restated	\$ 23,447,667
	<b>Fund Balances</b>
Fund balances, June 30, 2005	\$ 13,911,352
Increase in compensated absences due within one year	(280,078)
Fund balances, June 30, 2005, as restated	\$ 13,631,274

## NOTES TO FINANCIAL STATEMENTS

### Note 15. 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.

##### 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.

##### 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 Council of Dorchester County has guaranteed certain obligations of the Dorchester County Sanitary Districts, Inc. in the amount of \$28,450.

##### Board of Education of Dorchester County

The Board regularly enters into contracts for goods and services during the normal course of operations. The contracts often extend over fiscal years. In the opinion of the Board, there are no approved contracts that would have a material effect on the financial statements. The Board receives a substantial amount of its support from Federal, State and local agencies in the form of grants. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2006 may be impaired. In the opinion of the Board, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

## NOTES TO FINANCIAL STATEMENTS

### Note 16. Required Individual Fund Disclosures

The following fund had an excess of expenditures over appropriations for the year ended June 30, 2006.

Fund	Budgeted Expenditures	Actual Expenditures	Excess of Actual Over Budgeted Expenditures
General Fund	\$ 46,535,032	\$ 46,951,759	\$ 416,727
Special Revenue	2,161,064	3,869,079	1,708,015

Funds to provide for the excess expenditures were made available from additional tax revenue, funding sources or a County match within the fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>LOCAL PROPERTY TAXES:</b>				
Real property taxes - full-year	\$ 18,099,767	\$ 18,099,767	\$ 17,657,336	\$ (442,431)
Real property - semi-annual	230,000	230,000	-	(230,000)
Taxes - railroads & public utilities	1,731,578	1,731,578	1,880,499	148,921
Taxes - ordinary business corporations	1,168,515	1,168,515	980,980	(187,535)
Additions and abatements, net	(165,932)	(165,932)	187,828	353,760
Shore erosion benefit charge	-	-	2,130	2,130
Interest and penalties - delinquent taxes	300,000	300,000	359,303	59,303
	<u>21,363,928</u>	<u>21,363,928</u>	<u>21,068,076</u>	<u>(295,852)</u>
Less:				
Tax credits - Homestead	(269,785)	(269,785)	(254,528)	15,257
Tax credits - MD environment trust	(5,796)	(5,796)	-	5,796
BRFA03 Co Sh SDAT Admin Cost	(154,000)	(154,000)	-	154,000
Tax credits - exempt	(450,374)	(450,374)	(101,092)	349,282
Interest on tax refunds	(5,000)	(5,000)	-	5,000
Deferred taxes	-	-	(1,101,202)	(1,101,202)
Tax credits - enterprise zone	(384,790)	(384,790)	258,170	642,960
Tax credits - natural disaster	-	-	(18,829)	(18,829)
<b>Total net local property taxes</b>	<u>20,094,183</u>	<u>20,094,183</u>	<u>19,850,595</u>	<u>(243,588)</u>
<b>LOCAL INCOME TAXES:</b>				
Income taxes	9,000,000	9,000,000	10,164,499	1,164,499
<b>Total local income taxes</b>	<u>9,000,000</u>	<u>9,000,000</u>	<u>10,164,499</u>	<u>1,164,499</u>
<b>OTHER LOCAL TAXES:</b>				
Recordation tax	4,004,751	4,304,751	4,792,334	487,583
911 telephone fees - local	150,000	150,000	241,824	91,824
Mobile home taxes (parks)	85,000	85,000	75,839	(9,161)
Hotel room rental tax	200,000	200,000	229,439	29,439
<b>Total other local taxes</b>	<u>4,439,751</u>	<u>4,739,751</u>	<u>5,339,436</u>	<u>599,685</u>
<b>STATE SHARED TAXES:</b>				
Admission and amusement	3,000	3,000	3,130	130
<b>Total state shared taxes</b>	<u>3,000</u>	<u>3,000</u>	<u>3,130</u>	<u>130</u>
<b>Total taxes</b>	<u>33,536,934</u>	<u>33,836,934</u>	<u>35,357,660</u>	<u>1,520,726</u>

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>LICENSES AND PERMITS - BUSINESS:</b>				
Beer, wine and liquor licenses	\$ 70,000	\$ 70,000	\$ 72,795	\$ 2,795
Seafood buyers permit	500	500	150	(350)
Traders licenses, pinball, bingo, and slots	18,000	18,000	19,845	1,845
<b>Total business licenses and permits</b>	<b>88,500</b>	<b>88,500</b>	<b>92,790</b>	<b>4,290</b>
<b>LICENSES AND PERMITS - OTHER:</b>				
Marriage licenses	1,500	1,500	2,125	625
Animal licenses	100	100	138	38
Zoning permit fees	98,500	98,500	85,641	(12,859)
Building permit fees	94,500	94,500	95,244	744
Planning and zoning HVAC permit fees	12,500	12,500	1,260	(11,240)
Electrical licensing fees	12,500	12,500	19,312	6,812
Plumbing licensing fees	6,000	6,000	6,675	675
Electrical permit fees	9,500	9,500	15,786	6,286
Livability fees	11,000	11,000	8,210	(2,790)
Plumbing permit fees	58,000	58,000	23,922	(34,078)
<b>Total other licenses and permits</b>	<b>304,100</b>	<b>304,100</b>	<b>258,313</b>	<b>(45,787)</b>
<b>Total licenses and permits</b>	<b>392,600</b>	<b>392,600</b>	<b>351,103</b>	<b>(41,497)</b>
<b>INTERGOVERNMENTAL:</b>				
<b>FROM THE FEDERAL GOVERNMENT:</b>				
Civil defense	26,018	26,018	20,662	(5,356)
Federal aid funds	140,000	140,000	-	(140,000)
FEMA reimbursements	-	-	28,664	28,664
	166,018	166,018	49,326	(116,692)
<b>FEDERAL PAYMENT IN LIEU OF TAXES:</b>				
Blackwater Wildlife Refuge	68,000	68,000	130,705	62,705
<b>Total federal intergovernmental</b>	<b>234,018</b>	<b>234,018</b>	<b>180,031</b>	<b>(53,987)</b>

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>INTERGOVERNMENTAL (continued):</b>				
<b>FROM THE STATE OF MARYLAND:</b>				
MEMA - hurricane conf. reimbursement	\$ -	\$ -	\$ 12,640	\$ 12,640
Juror reimbursement	12,000	12,000	25,695	13,695
Soil conservation	117,941	117,941	139,025	21,084
Johnsongrass fees	6,200	6,200	13,200	7,000
State aid for police protection	96,705	96,705	109,959	13,254
Disparity grant	2,032,786	2,032,786	2,032,786	-
508 fire, rescue and ambulance	225,000	225,000	215,645	(9,355)
Electric equipment property tax grant	187,442	187,442	187,442	-
Health custodial reimbursement	34,258	34,258	47,794	13,536
Highway user revenues	4,153,632	4,153,632	4,183,737	30,105
Other state aid	-	-	168,005	168,005
DNR - Waterway improvement projects	-	-	122,538	122,538
DNR - Chesapeake Forest Product Corp.	17,900	17,900	-	(17,900)
<b>Total state intergovernmental</b>	<b>6,883,864</b>	<b>6,883,864</b>	<b>7,258,466</b>	<b>374,602</b>
<b>Total intergovernmental</b>	<b>7,117,882</b>	<b>7,117,882</b>	<b>7,438,497</b>	<b>320,615</b>
<b>SERVICE CHARGES AND FEES:</b>				
<b>SERVICE CHARGES - GENERAL GOVT.:</b>				
Tax sale costs reimbursement	19,500	19,500	23,060	3,560
Clean and lien revenue	-	-	107,309	107,309
Zoning maps	400	400	625	225
Johnsongrass spraying fees	17,500	17,500	25,055	7,555
Planning and zoning fees	20,000	20,000	32,133	12,133
Election fees filing & other	-	-	4,243	4,243
Motor vehicle fees - local	2,000	2,000	2,558	558
<b>Total general government</b>	<b>59,400</b>	<b>59,400</b>	<b>194,983</b>	<b>135,583</b>

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>SERVICE CHARGES AND FEES (continued):</b>				
<b>SERVICE CHARGES - PUBLIC SAFETY:</b>				
Sheriff's fees	\$ 29,271	\$ 29,271	\$ 32,495	\$ 3,224
Reimb. for housing state prisoners	275,000	275,000	353,960	78,960
Reimb. for housing non-co. inmates	900,000	900,000	909,818	9,818
HIV security services	500	500	-	(500)
Fees - community service	2,000	2,000	1,481	(519)
Fees weekend prisoners	3,000	3,000	2,180	(820)
Misc. income - detention center	6,000	6,000	6,452	452
Reimbursement for work release prisoners	40,000	40,000	17,120	(22,880)
EMS billing	525,000	525,000	603,232	78,232
Municipal patrol reimbursement	-	-	2,393	2,393
Haz-mat incident billing	-	-	12,350	12,350
<b>Total public safety</b>	<b>1,780,771</b>	<b>1,780,771</b>	<b>1,941,481</b>	<b>160,710</b>
<b>SERVICE CHARGES - EDUCATION:</b>				
Home study evaluations	5,000	5,000	1,900	(3,100)
Guidance/instructional services	36,888	36,888	23,335	(13,553)
<b>Total education</b>	<b>41,888</b>	<b>41,888</b>	<b>25,235</b>	<b>(16,653)</b>
<b>SERVICE CHARGES - RECREATION:</b>				
Swimming pool fees	28,000	28,000	26,437	(1,563)
Recreation program fees	1,300	1,300	1,828	528
Softball/baseball fees	2,200	2,200	2,890	690
Swimming pool concessions	15,000	15,000	12,819	(2,181)
<b>Total recreation</b>	<b>46,500</b>	<b>46,500</b>	<b>43,974</b>	<b>(2,526)</b>

**DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2006  
(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>SERVICE CHARGES AND FEES (continued):</b>				
<b>SERVICE CHARGES - PUBLIC WORKS:</b>				
Road opening permits	\$ 500	\$ 500	\$ 1,135	\$ 635
Stormwater mgmt. permits	2,000	2,000	11,826	9,826
Forest harvesting permits	1,200	1,200	1,675	475
Grading permits	2,300	2,300	2,035	(265)
Paved streets	-	-	6,752	6,752
Parking lots	-	-	823	823
Snow and ice removal	500	500	428	(72)
Other service charges	7,000	7,000	133,527	126,527
Pipe sales	70,000	70,000	101,824	31,824
Other sales	20,000	20,000	21,673	1,673
Shop service charges	5,000	5,000	28,021	23,021
Cash discounts	4,000	4,000	4,022	22
Mosquito control fees	30,000	30,000	41,393	11,393
Tourism shop sales	-	-	215	215
Tyler's Cove slip rent	8,500	8,500	9,942	1,442
Ragged Point slip rent	13,000	13,000	18,358	5,358
Elliott's Island slip rent	6,000	6,000	5,954	(46)
<b>Total public works</b>	<b>170,000</b>	<b>170,000</b>	<b>389,603</b>	<b>219,603</b>
<b>Total service charges and fees</b>	<b>2,098,559</b>	<b>2,098,559</b>	<b>2,595,276</b>	<b>496,717</b>
<b>FINES AND FORFEITURES:</b>				
Task force - federal	-	-	9,013	9,013
Court fines and forfeitures	12,000	12,000	17,174	5,174
Alcoholic beverage fines	-	-	7,250	7,250
Drug task force	-	-	13,587	13,587
<b>Total fines and forfeitures</b>	<b>12,000</b>	<b>12,000</b>	<b>47,024</b>	<b>35,024</b>

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>MISCELLANEOUS:</b>				
Vending machine commission	\$ 1,500	\$ 1,500	\$ 1,725	\$ 225
Rent - 911 tower	-	-	9,522	9,522
Contributions/donations	-	1,000	-	(1,000)
Donations - MD you are beautiful	-	-	871	871
United fund juvenile services	7,300	7,300	1,000	(6,300)
Recreation - J.E.W. Park	5,000	5,000	5,000	-
Rental - other properties	139,125	140,614	139,847	(767)
Miscellaneous income	-	-	62,315	62,315
Donations - Maces Lane School	-	-	957,200	957,200
Donations - Taylor Island Tower	-	-	160,000	160,000
Insurance proceeds	-	-	25,414	25,414
Tourism - misc. revenues	-	-	584	584
Cash discounts	-	-	792	792
Indirect cost recovery	42,067	42,067	-	(42,067)
Appropriated prior year surplus	2,222,999	2,222,999	457	(2,222,542)
Prior year highway user revenue	573,033	573,033	-	(573,033)
<b>Total miscellaneous</b>	<b>2,991,024</b>	<b>2,993,513</b>	<b>1,364,727</b>	<b>(1,628,786)</b>
<b>INTEREST:</b>				
Principal & interest - Regina MILA loan	63,544	63,544	63,544	-
Interest and dividends on investments	20,000	20,000	290,306	270,306
<b>Total interest</b>	<b>83,544</b>	<b>83,544</b>	<b>353,850</b>	<b>270,306</b>
<b>Total revenues</b>	<b>46,232,543</b>	<b>46,535,032</b>	<b>47,508,137</b>	<b>973,105</b>
<b>OTHER FINANCING SOURCES:</b>				
Sale of capital assets	-	-	13,284	13,284
<b>Total revenues and other financing sources</b>	<b>\$ 46,232,543</b>	<b>\$ 46,535,032</b>	<b>\$ 47,521,421</b>	<b>\$ 986,389</b>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>GENERAL GOVERNMENT:</b>				
<b>LEGISLATIVE AND EXECUTIVE:</b>				
Salaries elected/appointed	\$ 71,000	\$ 71,000	\$ 70,246	\$ 754
Salaries/supervisor	77,868	77,868	83,276	(5,408)
Salaries/other	132,890	132,890	88,958	43,932
Telephone	6,500	7,000	7,837	(837)
Advertising	11,000	11,000	6,135	4,865
Printing, publishing, and publications	500	500	364	136
Contractual services	12,500	12,500	698	11,802
Rental of equipment	4,200	4,200	4,183	17
Office supplies	4,200	4,350	4,288	62
Other expenses	18,500	17,750	16,733	1,017
Postage	1,000	1,000	647	353
Lodging and meals	2,200	2,200	1,812	388
Meeting registration	1,200	1,200	153	1,047
Mileage and conference reimbursement	2,000	2,000	1,657	343
Training expense	1,500	1,500	-	1,500
Dues	400	500	491	9
	<u>347,458</u>	<u>347,458</u>	<u>287,478</u>	<u>59,980</u>
<b>CIRCUIT COURT:</b>				
Salaries/other	80,734	80,734	82,657	(1,923)
Telephone	5,400	5,400	3,363	2,037
Legal counsel/fees	500	500	250	250
State employee reimbursement	9,750	9,750	9,576	174
Rental of equipment	1,760	1,760	1,563	197
Office supplies	1,300	1,300	1,136	164
Other expenses	1,900	1,900	1,159	741
Postage	500	500	389	111
Expenses - petit jury	32,000	32,000	33,985	(1,985)
Expenses - grand jury	2,500	2,500	2,250	250
	<u>136,344</u>	<u>136,344</u>	<u>136,328</u>	<u>16</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>ORPHANS COURT:</b>				
Retirement	\$ 3,600	\$ 3,600	\$ 5,140	\$ (1,540)
Salaries elected/appointed	10,500	10,500	10,500	-
Office supplies	400	400	46	354
Other expenses	710	710	196	514
Expense allowance	2,000	2,000	-	2,000
Mileage and conference reimbursement	500	500	96	404
	<u>17,710</u>	<u>17,710</u>	<u>15,978</u>	<u>1,732</u>
<b>STATE ATTORNEY'S OFFICE:</b>				
Salaries elected/appointed	91,602	91,602	91,602	-
Salaries/other	413,896	413,896	402,454	11,442
Telephone	10,000	10,000	4,333	5,667
Printing and publishing	4,500	4,500	4,704	(204)
Contractual services	-	-	1,690	(1,690)
Code updates	6,000	6,000	6,308	(308)
Rental of land and buildings	54,600	54,600	23,100	31,500
Rental of equipment	3,300	3,300	3,340	(40)
Building repairs and maintenance	630	630	-	630
Office supplies	5,000	5,000	6,868	(1,868)
Other expenses	10,000	10,000	14,551	(4,551)
Postage	6,750	6,750	4,104	2,646
Appeals and extraditions	4,000	4,000	1,714	2,286
Mileage and conference reimbursement	6,500	6,500	6,975	(475)
	<u>616,778</u>	<u>616,778</u>	<u>571,743</u>	<u>45,035</u>
<b>COURT REPORTER:</b>				
Salaries/other	37,694	37,694	6,735	30,959
Other expenses	1,700	1,700	1,322	378
	<u>39,394</u>	<u>39,394</u>	<u>8,057</u>	<u>31,337</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>ELECTIONS:</b>				
Salaries/supervisor	\$ 14,600	\$ 14,600	\$ 14,145	\$ 455
Salaries/other	-	6,750	8,655	(1,905)
Overtime	-	-	124	(124)
Telephone	3,000	3,000	3,217	(217)
Advertising	2,000	2,000	489	1,511
Data processing	5,000	5,000	4,942	58
Contractual services	5,000	2,250	2,250	-
State employee expense reimbursement	176,864	171,864	139,908	31,956
Rental of equipment	43,000	43,000	15,413	27,587
Office supplies	3,000	3,000	2,195	805
Other expenses	4,000	4,000	4,023	(23)
Postage	3,500	3,500	2,173	1,327
Mileage and conference reimbursement	8,000	10,489	8,799	1,690
New vehicles and/or equipment	-	-	2,797	(2,797)
	<u>267,964</u>	<u>269,453</u>	<u>209,130</u>	<u>60,323</u>
<b>TREASURER:</b>				
Salaries elected/appointed	37,500	37,500	37,500	-
Salaries/supervisor	-	63,407	65,236	(1,829)
Salaries/other	93,795	254,951	213,639	41,312
Telephone	3,000	6,000	4,317	1,683
Advertising	8,500	8,500	7,985	515
Data processing	20,000	42,374	45,338	(2,964)
Printing and publishing	-	500	484	16
Rental of equipment	-	2,727	4,421	(1,694)
Legal	300	300	-	300
Office supplies	1,000	11,000	11,928	(928)
Other expenses	1,800	2,300	1,824	476
Postage	10,000	10,500	9,526	974
Lodging and meals	-	500	-	500
Meeting registration	-	1,500	2,775	(1,275)
Dues	-	750	680	70
Mileage and conference reimbursement	900	1,400	1,193	207
Insurance bonds	2,400	2,400	2,200	200
	<u>179,195</u>	<u>446,609</u>	<u>409,046</u>	<u>37,563</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>FINANCE OFFICE:</b>				
Salaries/supervisor	\$ 63,407	\$ -	\$ -	\$ -
Salaries/other	161,156	-	-	-
Telephone	3,000	-	-	-
Data processing	22,374	-	-	-
Printing and publishing	500	-	-	-
Rental of equipment	2,727	-	-	-
Office supplies	10,000	-	-	-
Other expenses	500	-	-	-
Postage	500	-	-	-
Lodging and meals	500	-	-	-
Meeting registration	1,500	-	-	-
Mileage and conference reimbursements	500	-	-	-
Dues	750	-	-	-
	267,414	-	-	-
<b>LEGAL:</b>				
Legal counsel/fees	73,000	73,000	153,191	(80,191)
Legal counsel expenses	15,000	15,000	8,556	6,444
	88,000	88,000	161,747	(73,747)
<b>ETHICS COMMISSION:</b>				
Legal counsel/fees	2,500	2,500	-	2,500
<b>BOARD OF LICENSE COMMISSIONERS:</b>				
Salaries elected/appointed	10,500	10,500	-	10,500
Salaries/other	9,000	31,752	6,000	25,752
Legal counsel/fees	2,000	2,000	-	2,000
	21,500	44,252	6,000	38,252

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>HUMAN RESOURCES:</b>				
Salaries/supervisor	\$ 44,496	\$ 44,496	\$ 45,095	\$ (599)
Employee incentives	1,500	1,500	-	1,500
Telephone	3,800	3,800	1,292	2,508
Advertising	12,500	12,500	5,183	7,317
Printing, publishing, and publications	1,000	1,000	10	990
Contractual services	10,000	10,000	7,598	2,402
Office Supplies	2,000	2,000	1,346	654
Other expenses	200	200	22	178
Postage	500	500	191	309
Lodging and meals	500	500	219	281
Meeting registration	500	500	130	370
Mileage and conference reimbursement	200	200	28	172
Training expense	1,000	1,000	43	957
Dues	400	400	160	240
	<u>78,596</u>	<u>78,596</u>	<u>61,317</u>	<u>17,279</u>
<b>PLANNING AND ZONING:</b>				
Salaries elected/appointed	1,050	1,050	-	1,050
Salaries/supervisor	60,000	60,000	61,385	(1,385)
Salaries/other	246,032	249,032	243,575	5,457
Telephone	4,500	4,500	5,730	(1,230)
Advertising	3,000	3,000	2,396	604
Printing, publishing, and publications	7,000	7,000	5,630	1,370
Contractual services	80,500	60,500	48,075	12,425
Legal counsel/fees	9,000	9,000	8,470	530
Property expenses	-	20,000	-	20,000
Auto expenses	9,000	9,000	12,890	(3,890)
Office supplies	4,000	4,000	5,185	(1,185)
Other expenses	675	675	1,377	(702)
Postage	2,800	2,800	2,702	98
Lodging and meals	2,000	2,000	915	1,085
Meeting registration	1,200	1,200	715	485
Association dues	1,300	1,300	665	635
Mileage and conference reimbursement	250	250	240	10
	<u>432,307</u>	<u>435,307</u>	<u>399,950</u>	<u>35,357</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>PLANNING COMMISSION:</b>				
Salaries elected/appointed	\$ 4,200	\$ 4,200	\$ 3,000	\$ 1,200
<b>PLANNING BOARD OF APPEALS:</b>				
Salaries elected/appointed	3,000	3,000	3,650	(650)
<b>INFORMATION TECHNOLOGY:</b>				
Telephone	1,400	1,400	1,569	(169)
Contractual services	10,000	10,000	10,619	(619)
Mileage and conference reimbursements	1,500	1,500	1,479	21
Dues	9,000	9,000	-	9,000
	<u>21,900</u>	<u>21,900</u>	<u>13,667</u>	<u>8,233</u>
<b>TECHNOLOGY - GENERAL OPERATION:</b>				
Salaries/supervisor	61,182	61,182	48,177	13,005
Salaries/other	81,145	81,145	70,277	10,868
Communications	3,400	3,400	3,373	27
Printing and publishing	1,000	1,000	114	886
Contractual services	-	-	4,820	(4,820)
Office supplies	1,500	1,500	410	1,090
Other expenses	1,500	1,500	649	851
Media and other accessories	500	500	-	500
Lodging and meals	1,000	1,000	452	548
Meeting registration	500	500	-	500
Travel	1,500	1,500	596	904
Training expense	5,000	5,000	112	4,888
	<u>158,227</u>	<u>158,227</u>	<u>128,980</u>	<u>29,247</u>
<b>TECHNOLOGY - COMMUNICATION SYSTEMS:</b>				
Contractual services - comm. systems	10,000	10,000	795	9,205
Rental of land and buildings	8,500	8,500	11,150	(2,650)
Mileage and conference reimbursements	1,500	1,500	323	1,177
	<u>20,000</u>	<u>20,000</u>	<u>12,268</u>	<u>7,732</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>CUSTODIANS - COUNTY BUILDING:</b>				
Salaries/supervisor	\$ 37,211	\$ 37,211	\$ 38,172	\$ (961)
Salaries/other	86,701	86,701	87,728	(1,027)
Overtime	4,500	4,500	541	3,959
Telephone	3,000	3,000	5,872	(2,872)
Auto expenses	3,000	3,000	7,908	(4,908)
Employee uniforms and physicals	3,200	3,200	4,664	(1,464)
	<u>137,612</u>	<u>137,612</u>	<u>144,885</u>	<u>(7,273)</u>
<b>HEALTH DEPARTMENT BUILDING:</b>				
Building maintenance	12,000	12,000	17,136	(5,136)
<b>COUNTY OFFICE BUILDING:</b>				
Water	1,500	1,500	1,811	(311)
Electric	30,000	30,000	37,361	(7,361)
Gas-heat	5,200	5,200	7,147	(1,947)
Building maintenance	17,000	17,000	26,832	(9,832)
Other expenses	10,000	10,000	6,108	3,892
	<u>63,700</u>	<u>63,700</u>	<u>79,259</u>	<u>(15,559)</u>
<b>STATE'S ATTORNEY OFFICE BUILDING:</b>				
Water	400	400	291	109
Electric	5,100	5,100	4,634	466
Building maintenance	1,000	1,000	1,280	(280)
	<u>6,500</u>	<u>6,500</u>	<u>6,205</u>	<u>295</u>
<b>OTHER BUILDINGS:</b>				
Building maintenance	3,000	3,000	75	2,925

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>GENERAL GOVERNMENT (continued):</b>				
<b>OTHER GENERAL GOVERNMENT:</b>				
Holiday Bonus	\$ -	\$ -	\$ 80,151	\$ (80,151)
Performance Bonus	90,000	90,000	-	90,000
Contractual services - audit	60,000	60,000	59,350	650
Salary survey implementation	185,043	185,043	-	185,043
Lodging and meals	15,000	15,000	-	15,000
Code updates	5,300	5,300	-	5,300
Administrative fees	7,000	7,000	2,675	4,325
Auto expenses	14,281	14,281	-	14,281
Other expenses	38,000	38,000	1,002,174	(964,174)
Liability insurance	150,000	150,000	147,117	2,883
Replacement of damaged assets	-	-	2,249	(2,249)
	<u>564,624</u>	<u>564,624</u>	<u>1,293,716</u>	<u>(729,092)</u>
<b>CIRCUIT RIDER PROGRAM:</b>				
Other expenses	11,500	11,500	11,500	-
<b>COMPENSATION ABSENCES:</b>				
Compensation absences	-	-	19,227	(19,227)
<b>Total general government</b>	<u>3,501,423</u>	<u>3,528,664</u>	<u>4,000,342</u>	<u>(471,678)</u>
<b>PUBLIC SAFETY:</b>				
<b>SHERIFF'S DEPARTMENT:</b>				
Salaries elected/appointed	45,000	45,000	45,000	-
Salaries/other	1,437,122	1,437,122	1,404,577	32,545
Salaries/overtime	35,000	35,000	156,116	(121,116)
Overtime - bike patrol	15,000	15,000	3,282	11,718
Telephone	12,000	12,000	17,779	(5,779)
Water	3,500	3,500	3,556	(56)
Electric	6,000	6,000	7,438	(1,438)
Gas - heat	6,000	6,000	9,922	(3,922)
Advertising	1,000	1,000	-	1,000
Printing, publishing, publications	1,500	1,500	246	1,254
Radio expense	2,000	2,000	3,179	(1,179)
Contractual services	48,200	48,200	72,439	(24,239)

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
<b>SHERIFF'S DEPARTMENT (continued):</b>				
Code updates	\$ 2,000	\$ 2,000	\$ 1,430	\$ 570
Auto expenses	50,000	50,000	159,010	(109,010)
Office supplies	10,000	10,000	17,699	(7,699)
Other expenses	2,500	2,500	1,505	995
Municipalities patrol	10,000	10,000	-	10,000
Postage	3,000	3,000	2,685	315
Photographic expense	4,000	4,000	1,818	2,182
Law enforcement supplies	19,500	19,500	22,468	(2,968)
Transportation and investigation	2,500	2,500	552	1,948
Mileage and conference reimbursement	3,000	3,000	322	2,678
Employee uniforms and physicals	27,500	27,500	31,572	(4,072)
Liability insurance	20,000	20,000	36,083	(16,083)
Crime prevention	7,000	7,000	3,626	3,374
Training expense	20,000	20,000	40,526	(20,526)
Dues	2,500	2,500	2,025	475
Narcotics Investigations	-	-	586	(586)
	<u>1,795,822</u>	<u>1,795,822</u>	<u>2,045,441</u>	<u>(249,619)</u>
<b>DRUG TASK FORCE:</b>				
Telephone	-	-	2,629	(2,629)
Auto expenses	-	-	1,042	(1,042)
Office supplies	-	-	112	(112)
Other expense	-	-	20,149	(20,149)
	<u>-</u>	<u>-</u>	<u>23,932</u>	<u>(23,932)</u>
<b>DRUG TASK FORCE - FEDERAL FORFEITURES:</b>				
Office supplies	-	-	3,137	(3,137)
Other expenses	-	-	5,876	(5,876)
	<u>-</u>	<u>-</u>	<u>9,013</u>	<u>(9,013)</u>
<b>VOLUNTEER FIRE &amp; AMBULANCE COMPANIES:</b>				
State aid (508 funds)	225,000	225,000	215,645	9,355
Other expenses	13,830	13,830	605	13,225
Fire company appropriations	465,661	465,661	467,021	(1,360)
	<u>704,491</u>	<u>704,491</u>	<u>683,271</u>	<u>21,220</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
<b>EMERGENCY MEDICAL SERVICES:</b>				
Salaries/supervisor	\$ 41,250	\$ 41,250	\$ 41,281	\$ (31)
Salaries/other	721,118	721,118	417,727	303,391
Overtime	-	35,000	26,111	8,889
Telephone	1,260	1,260	5,349	(4,089)
Medical expenses and supplies	30,000	30,000	30,336	(336)
Unallocated fringes	217,513	217,513	-	217,513
Water	1,800	1,800	-	1,800
Electric	7,200	7,200	1,202	5,998
Radio expenses	3,000	3,000	8,792	(5,792)
Contractual services	76,168	76,168	77,292	(1,124)
Rental of equipment	-	-	3,377	(3,377)
BLS transport fees	46,400	46,400	134,500	(88,100)
ALS transport fees	225,000	190,000	169,859	20,141
Haz-mat incident costs	-	-	15,040	(15,040)
Auto expenses	9,000	9,000	22,909	(13,909)
Building maintenance and repair	3,000	3,000	2,571	429
Office supplies	3,000	3,000	4,654	(1,654)
Other expenses	-	-	704	(704)
Postage	900	900	7,889	(6,989)
Fuel oil	-	-	2,814	(2,814)
Uniforms and physicals	24,000	24,000	23,927	73
Insurance-liability and property	-	-	2,087	(2,087)
Training expenses	3,600	3,600	1,288	2,312
New Vehicles and/or equipment	125,000	125,000	125,000	-
Advanced life support appropriations	423,956	423,956	514,954	(90,998)
	<u>1,963,165</u>	<u>1,963,165</u>	<u>1,639,663</u>	<u>323,502</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
<b>DETENTION CENTER:</b>				
Salaries/supervisor	\$ 70,025	\$ 70,025	\$ 71,102	\$ (1,077)
Salaries/other	1,911,766	1,911,766	1,925,858	(14,092)
Overtime	20,000	20,000	30,368	(10,368)
Cadet program - salaries	4,000	4,000	-	4,000
Telephone	6,000	6,000	2,922	3,078
Water	26,000	26,000	24,890	1,110
Electric	48,000	48,000	51,497	(3,497)
Gas heat	52,000	52,000	63,113	(11,113)
Medical expenses and supplies	310,000	310,000	416,265	(106,265)
Radio expenses	4,000	4,000	1,100	2,900
Contractual services	23,500	23,500	22,935	565
Auto expenses	14,000	14,000	12,863	1,137
Building maintenance	-	-	1,620	(1,620)
Office supplies	10,000	10,000	12,876	(2,876)
Other expenses	12,600	12,600	9,126	3,474
Postage	1,200	1,200	1,827	(627)
Food	310,000	310,000	330,925	(20,925)
Photographic expenses	500	500	-	500
Clothing - inmates	1,000	1,000	1,995	(995)
Janitorial/cleaning supplies	19,900	19,900	34,062	(14,162)
Mileage and conference reimbursements	3,000	3,000	2,256	744
Employee uniforms and physicals	10,000	10,000	10,916	(916)
Liability insurance	22,500	22,500	38,520	(16,020)
Training expense	8,000	8,000	8,676	(676)
Trustees expenses	25,000	25,000	23,170	1,830
	<u>2,912,991</u>	<u>2,912,991</u>	<u>3,098,882</u>	<u>(185,891)</u>
<b>DETENTION CENTER BUILDING EXPENSES:</b>				
Salaries/other	56,769	56,769	46,006	10,763
Overtime	2,000	2,000	976	1,024
Auto expenses	1,000	1,000	1,093	(93)
Building maintenance	45,000	45,000	63,445	(18,445)
	<u>104,769</u>	<u>104,769</u>	<u>111,520</u>	<u>(6,751)</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
<b>EMERGENCY MANAGEMENT AND COMMUNICATION:</b>				
Salaries/supervisor	\$ 37,613	\$ 37,613	\$ 36,819	\$ 794
Salaries/other	-	-	884	(884)
Personnel	5,000	5,000	-	5,000
Telephone	3,500	3,500	4,391	(891)
Water	225	225	296	(71)
Electric	6,000	6,000	7,438	(1,438)
Printing, publishing, and publications	1,000	1,000	460	540
Radio expense	250	250	18	232
Contractual services	1,200	1,200	374	826
Auto expenses	1,200	1,200	1,877	(677)
Building maintenance and repairs	100	100	155	(55)
Office supplies	800	800	-	800
Other expenses	500	500	1,368	(868)
Postage	100	100	-	100
Lodging and meals	1,400	1,400	827	573
Association dues	105	105	140	(35)
Mileage and conference reimbursement	1,000	1,000	804	196
Training expense	800	800	169	631
	<u>60,793</u>	<u>60,793</u>	<u>56,020</u>	<u>4,773</u>
<b>ANIMAL CONTROL:</b>				
Salaries/other	49,405	49,405	40,590	8,815
Overtime	2,000	2,000	1,328	672
Telephone	4,000	4,000	1,754	2,246
Medical expenses and supplies	2,000	2,000	15	1,985
Contractual services	59,000	59,000	54,181	4,819
Auto expenses	4,000	4,000	3,923	77
Office supplies	1,500	1,500	964	536
Other expenses	3,500	3,500	1,371	2,129
Employee uniforms and physicals	1,200	1,200	896	304
Training expense	1,500	1,500	418	1,082
New vehicles and/or equipment	3,000	3,000	-	3,000
	<u>131,105</u>	<u>131,105</u>	<u>105,440</u>	<u>25,665</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
<b>911 EMERGENCY COMMUNICATIONS:</b>				
Salaries/supervisor	\$ 38,616	\$ 38,616	\$ 39,153	\$ (537)
Salaries/other	489,527	489,527	484,650	4,877
Overtime	25,000	25,000	99,135	(74,135)
Telephone	62,000	62,000	57,650	4,350
Water	1,000	1,000	1,110	(110)
Electric	25,000	25,000	32,888	(7,888)
Radio expense	10,000	10,000	7,377	2,623
Contractual services	190,500	190,500	146,692	43,808
Auto expenses	3,000	3,000	3,557	(557)
Building maintenance	3,000	3,000	3,258	(258)
Office supplies	1,000	1,000	1,574	(574)
Other expenses	2,000	2,000	5,738	(3,738)
Postage	250	250	333	(83)
Mileage and conference reimbursement	3,500	3,500	2,851	649
Employee uniforms and physicals	2,800	2,800	4,255	(1,455)
Insurance - liability and property	2,500	2,500	4,372	(1,872)
Rental of land and building	-	-	4,800	(4,800)
Training expenses	8,700	8,700	9,994	(1,294)
	<u>868,393</u>	<u>868,393</u>	<u>909,387</u>	<u>(40,994)</u>
<b>OTHER PUBLIC SAFETY</b>				
Other expenses	-	-	160,000	(160,000)
<b>Total public safety</b>	<u>8,541,529</u>	<u>8,541,529</u>	<u>8,842,569</u>	<u>(301,040)</u>
<b>SOCIAL SERVICES:</b>				
<b>YOUTH SERVICES FLEX FUNDS:</b>				
Other expenses	800	800	712	88
<b>YOUTH SERVICES:</b>				
Salaries/supervisor	51,815	51,815	52,612	(797)
Salaries/other	130,033	130,033	113,710	16,323
Telephone	804	804	898	(94)
Contractual services	1,500	1,327	1,386	(59)
Rental of land and buildings	12,000	12,000	-	12,000
Auto expenses	2,500	2,500	3,390	(890)
Office supplies	600	625	767	(142)

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>SOCIAL SERVICES (continued):</b>				
<b>YOUTH SERVICES (continued):</b>				
Other expenses	\$ 800	\$ 1,800	\$ 1,823	\$ (23)
Postage	100	100	100	-
Mileage and conference reimbursements	2,500	2,673	2,841	(168)
Insurance - liability and property	700	700	700	-
Dues	700	700	700	-
Training expense	1,000	975	870	105
	<u>205,052</u>	<u>206,052</u>	<u>179,797</u>	<u>26,255</u>
<b>YOUTH SERVICES UNITED FUND:</b>				
Salaries/other	5,000	5,000	-	5,000
Auto expenses	2,000	2,000	-	2,000
Office supplies	300	300	-	300
	<u>7,300</u>	<u>7,300</u>	<u>-</u>	<u>7,300</u>
<b>COURT ORDERED SERVICES:</b>				
Salaries/other	16,647	16,647	836	15,811
<b>DELMARVA COMMUNITY SERVICES:</b>				
Budgeted appropriations	81,441	81,441	81,441	-
<b>CHESAPEAKE CENTER, INC.:</b>				
Budgeted appropriations	7,975	7,975	7,975	-
<b>DORCHESTER COUNTY COUNCIL ON AGING:</b>				
Expense allowance	2,371	2,371	2,030	341
<b>PLEASANT DAY ADULT DAY CARE:</b>				
Budgeted appropriations	20,586	20,586	20,586	-
<b>OTHER SOCIAL SERVICES:</b>				
Budgeted appropriations	10,368	10,368	-	10,368
Contractual services - clean and lien	-	-	110,456	(110,456)
	<u>10,368</u>	<u>10,368</u>	<u>110,456</u>	<u>(100,088)</u>
<b>Total social services</b>	<u>352,540</u>	<u>353,540</u>	<u>403,833</u>	<u>(50,293)</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>RECREATION AND PARKS:</b>				
<b>RECREATION DEPARTMENT:</b>				
Salaries/supervisor	\$ 45,000	\$ 45,000	\$ 45,606	\$ (606)
Salaries/other	133,739	133,739	142,542	(8,803)
Telephone	2,000	2,000	1,710	290
Water	750	800	797	3
Electric	4,765	4,765	5,253	(488)
Contractual services	9,700	9,700	9,661	39
Rental of equipment	2,100	1,900	1,949	(49)
Auto expenses	7,500	13,750	13,946	(196)
Maintenance and repairs	20,500	20,500	21,444	(944)
Trash removal	1,750	1,978	2,107	(129)
Office supplies	2,000	1,850	2,101	(251)
Other expenses	6,000	5,400	5,607	(207)
Postage	1,000	1,234	1,257	(23)
Recreation program supplies	8,000	7,300	6,988	312
Employee uniforms	1,600	2,200	2,281	(81)
Mileage and conference reimbursement	1,000	800	717	83
	<u>247,404</u>	<u>252,916</u>	<u>263,966</u>	<u>(11,050)</u>
<b>SEASONAL EMPLOYEES:</b>				
Salaries/other - seasonal employees	65,000	65,000	63,152	1,848
<b>SWIMMING POOL:</b>				
Salaries/other - swimming pool	60,000	58,416	51,697	6,719
Telephone	600	600	461	139
Water	800	800	319	481
Electric	11,628	9,900	6,439	3,461
Maintenance and repairs	6,000	6,000	6,075	(75)
Trash removal	650	950	858	92
Other expenses	15,500	16,500	17,468	(968)
Food	9,000	9,000	9,032	(32)
	<u>104,178</u>	<u>102,166</u>	<u>92,349</u>	<u>9,817</u>
<b>BALL PARK:</b>				
Electric	5,445	4,445	3,438	1,007
Maintenance	1,400	1,400	1,336	64
	<u>6,845</u>	<u>5,845</u>	<u>4,774</u>	<u>1,071</u>
<b>Total recreation and parks</b>	<u>423,427</u>	<u>425,927</u>	<u>424,241</u>	<u>1,686</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>NATURAL RESOURCES:</b>				
<b>COOPERATIVE EXTENSION SERVICES:</b>				
Budgeted appropriations	\$ 116,631	\$ 116,631	\$ 116,631	\$ -
<b>OYSTER REPLENISHMENT SERVICES:</b>				
Budgeted appropriations	9,500	9,500	9,500	-
<b>SOIL CONSERVATION:</b>				
Salaries/other	220,683	220,683	195,076	25,607
Other expenses	3,192	3,192	3,192	-
	223,875	223,875	198,268	25,607
<b>FOREST CONSERVATION:</b>				
Gypsy moth program	-	-	735	(735)
Budgeted appropriations	2,500	2,500	2,500	-
	2,500	2,500	3,235	(735)
<b>WEED CONTROL:</b>				
Health insurance	1,000	1,000	3,647	(2,647)
Social security	1,500	1,500	194	1,306
Workers' compensation	590	590	-	590
Salaries/supervisor	21,361	21,361	22,596	(1,235)
Auto expenses	1,920	1,920	2,239	(319)
Other expenses	7,800	7,800	7,543	257
Postage	48	48	76	(28)
Food	75	75	-	75
Meeting registration	100	100	55	45
	34,394	34,394	36,350	(1,956)
<b>Total natural resources</b>	386,900	386,900	363,984	22,916

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>ECONOMIC DEVELOPMENT:</b>				
<b>MID-SHORE REGIONAL COUNCIL:</b>				
Budgeted appropriations	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
<b>ECONOMIC DEVELOPMENT DEPARTMENT:</b>				
Salaries/supervisor	50,552	50,552	69,196	(18,644)
Salaries/other	24,483	24,483	27,293	(2,810)
Telephone	3,500	3,500	2,165	1,335
Advertising	900	900	740	160
Printing, publishing, and publications	1,000	1,000	906	94
Contractual services	3,500	3,500	1,264	2,236
Rental of land and building	3,600	3,600	3,600	-
Office supplies	1,000	1,000	1,003	(3)
Other expenses	500	500	60	440
Postage	300	300	130	170
Lodging & meals	3,500	3,500	2,953	547
Meeting registration	900	900	910	(10)
Association dues	500	500	500	-
Mileage and conference reimbursement	4,000	4,000	5,264	(1,264)
	<u>98,235</u>	<u>98,235</u>	<u>115,984</u>	<u>(17,749)</u>
<b>DELMARVA ADVISORY COUNCIL:</b>				
Budgeted appropriations	1,531	1,531	-	1,531
<b>TOURISM:</b>				
Salaries/supervisor	48,144	48,144	48,888	(744)
Salaries/other	109,880	109,880	99,456	10,424
Telephone	3,500	3,500	6,125	(2,625)
Water	4,000	4,000	3,533	467
Electric	20,000	20,000	12,239	7,761
Printing, publishing, and publications	10,000	7,848	8,112	(264)
Contractual services	4,000	4,000	3,910	90
Rental of equipment	2,800	2,800	2,952	(152)
Building maintenance and repair	3,000	2,200	1,670	530
Office supplies	2,500	2,500	2,094	406
Other expenses	8,000	4,700	5,969	(1,269)

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>ECONOMIC DEVELOPMENT (continued):</b>				
TOURISM (continued):				
Postage	\$ 14,000	\$ 20,500	\$ 21,215	\$ (715)
Photographic expense	1,000	1,000	800	200
Cost of goods	3,000	3,000	2,307	693
Lodging & meals	3,000	2,400	2,298	102
Association dues	800	800	727	73
Other expenses	-	-	870	(870)
Mileage & conference reimbursement	4,000	4,000	3,211	789
	<u>241,624</u>	<u>241,272</u>	<u>226,376</u>	<u>14,896</u>
<b>DELMARVA WATER TRANSPORT:</b>				
Budgeted appropriations	955	955	955	-
<b>VISITOR'S CENTER:</b>				
Capital outlay	21,000	21,000	21,000	-
<b>OTHER ECONOMIC DEVELOPMENT:</b>				
Budgeted appropriations	49,500	49,500	14,500	35,000
<b>Total economic development</b>	<u>432,845</u>	<u>432,493</u>	<u>398,815</u>	<u>33,678</u>
<b>INTERGOVERNMENTAL:</b>				
Tax rebate to municipalities	69,000	69,000	69,000	-
Bank stock - inc. towns	11,544	11,544	11,544	-
Mosquito control	252,000	252,000	181,976	70,024
Dor. Co. Health Department	666,856	666,856	666,856	-
<b>Total intergovernmental</b>	<u>999,400</u>	<u>999,400</u>	<u>929,376</u>	<u>70,024</u>
<b>MISCELLANEOUS:</b>				
<b>EMPLOYEE EXPENSES:</b>				
Health insurance - retirees	116,611	116,611	157,857	(41,246)
Health insurance	1,416,970	1,416,970	1,319,145	97,825
Social security	463,498	463,498	596,559	(133,061)
Retirement	275,000	275,000	408,574	(133,574)
Workers' compensation	115,000	115,000	50,433	64,567
Unemployment insurance	10,000	10,000	21,924	(11,924)
Compensation and leave payout	25,057	25,057	18,793	6,264
	<u>2,422,136</u>	<u>2,422,136</u>	<u>2,573,285</u>	<u>(151,149)</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>MISCELLANEOUS (continued):</b>				
<b>MISCELLANEOUS:</b>				
Miscellaneous budgeted appropriations	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Contingency	346,744	316,092	208,330	107,762
	361,744	331,092	223,330	107,762
<b>Total miscellaneous</b>	<b>2,783,880</b>	<b>2,753,228</b>	<b>2,796,615</b>	<b>(43,387)</b>
<b>EDUCATION:</b>				
Dor. Co. Board of Education	15,422,902	15,422,902	15,422,902	-
Chesapeake College	1,029,570	1,029,570	1,029,570	-
Dor. Co. Public Library	496,222	496,222	496,222	-
<b>Total education</b>	<b>16,948,694</b>	<b>16,948,694</b>	<b>16,948,694</b>	<b>-</b>
<b>PUBLIC WORKS:</b>				
<b>BUCKTOWN AND WOODS ROAD LIGHTING:</b>				
Electric	-	-	500	(500)
<b>SANITARY COMMISSION:</b>				
Salaries/supervisor	6,820	6,820	6,600	220
<b>ENGINEERING:</b>				
Salaries	59,761	59,761	45,137	14,624
Contractual services	1,000	1,000	-	1,000
Office supplies	2,000	2,000	1,392	608
Other expenses	7,000	7,000	7,627	(627)
Meeting and registration	1,225	1,225	1,277	(52)
	70,986	70,986	55,433	15,553
<b>OTHER STATE AID PROJECTS:</b>				
Salaries/other	30,000	30,000	-	30,000
Blacktop materials	140,000	140,000	-	140,000
	170,000	170,000	-	170,000
<b>ROAD CONSTRUCTION AGREEMENT JOBS:</b>				
Salaries/other	2,000	2,000	-	2,000
Other materials	2,000	2,000	-	2,000
	4,000	4,000	-	4,000

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>				
<b>SHOULDER WORK:</b>				
Salaries/other	\$ 7,000	\$ 7,000	\$ 3,695	\$ 3,305
Other materials	1,000	1,000	449	551
	<u>8,000</u>	<u>8,000</u>	<u>4,144</u>	<u>3,856</u>
<b>ROADWAYS:</b>				
Salaries/other	70,000	70,000	166,822	(96,822)
Other materials	90,000	90,000	42,014	47,986
	<u>160,000</u>	<u>160,000</u>	<u>208,836</u>	<u>(48,836)</u>
<b>SURFACE TREATMENT:</b>				
Salaries/other	45,000	45,000	50,937	(5,937)
Contractual services	-	-	1,002	(1,002)
Asphalt S/T materials	100,000	100,000	252,101	(152,101)
Stone S/T materials	100,000	100,000	186,463	(86,463)
	<u>245,000</u>	<u>245,000</u>	<u>490,503</u>	<u>(245,503)</u>
<b>DRAINAGE:</b>				
Salaries/other	130,000	130,000	145,705	(15,705)
Contractual services	1,000	1,000	3,397	(2,397)
Drainage materials	80,000	80,000	76,560	3,440
	<u>211,000</u>	<u>211,000</u>	<u>225,662</u>	<u>(14,662)</u>
<b>BUSHING:</b>				
Salaries/other	50,000	50,000	58,344	(8,344)
Contractual services	2,000	2,000	3,031	(1,031)
Other material	-	-	159	(159)
	<u>52,000</u>	<u>52,000</u>	<u>61,534</u>	<u>(9,534)</u>
<b>BLACKTOPPING:</b>				
Salaries/other	168,796	168,796	114,667	54,129
Contractual services	-	-	1,090	(1,090)
Asphalt materials	266,602	266,602	292,972	(26,370)
Stone materials	266,602	266,602	124,079	142,523
Blacktop materials	-	-	114,545	(114,545)
Fuel oil	33,000	33,000	55,999	(22,999)
	<u>735,000</u>	<u>735,000</u>	<u>703,352</u>	<u>31,648</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>PUBLIC WORKS (continued):</b>				
<b>WIDENING AND IMPROVEMENTS:</b>				
Salaries/other	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
Other materials	1,000	1,000	-	1,000
	41,000	41,000	-	41,000
<b>PATCHING:</b>				
Salaries/other	29,000	29,000	43,120	(14,120)
Stone stabilization	8,000	8,000	10,901	(2,901)
	37,000	37,000	54,021	(17,021)
<b>MOWING:</b>				
Salaries/other	75,000	75,000	88,312	(13,312)
<b>REMOVING DEBRIS:</b>				
Salaries/other	6,000	6,000	6,464	(464)
<b>BRIDGES:</b>				
Salaries/other	-	-	2,782	(2,782)
Contractual services	200,000	200,000	1,516	198,484
Bridge materials	8,000	8,000	465	7,535
	208,000	208,000	4,763	203,237
<b>SHOP:</b>				
Salaries/other	277,705	277,705	271,893	5,812
Contractual services	40,000	40,000	58,613	(18,613)
Repair parts	80,000	80,000	129,638	(49,638)
Tires and tubes	35,000	35,000	29,647	5,353
Shop supplies	18,000	18,000	29,038	(11,038)
Small tools	2,000	2,000	4,420	(2,420)
	452,705	452,705	523,249	(70,544)
<b>YARD:</b>				
Salaries/other	5,000	5,000	-	5,000
Other materials	5,000	5,000	-	5,000
	10,000	10,000	-	10,000
<b>ADOPT-A-HIGHWAY:</b>				
Salaries/other	500	500	760	(260)
Advertising	500	500	1,233	(733)
Other materials	2,000	2,000	1,064	936
	3,000	3,000	3,057	(57)

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>PUBLIC WORKS (continued):</b>				
<b>ROAD MAINTENANCE:</b>				
Addition to reserve	\$ 193,305	\$ 193,305	\$ -	\$ 193,305
<b>SNOW AND ICE:</b>				
Salaries/other	35,000	35,000	68,456	(33,456)
Overtime	5,000	5,000	-	5,000
Other materials	8,000	8,000	15,355	(7,355)
New vehicles/equipment	800	800	419	381
Addition to reserve fund	33,000	33,000	-	33,000
	81,800	81,800	84,230	(2,430)
<b>OTHER ROAD DAMAGE:</b>				
Other materials	5,000	5,000	17,619	(12,619)
Salaries/other	100,000	100,000	26,861	73,139
	105,000	105,000	44,480	60,520
<b>LICENSING AND PERMITS:</b>				
Salaries/other	25,000	25,000	26,018	(1,018)
<b>ELLIOT'S ISLAND DOCK:</b>				
Electric	500	500	1,015	(515)
Contractual services	1,000	1,000	331	669
	1,500	1,500	1,346	154
<b>RAGGED POINT DOCK:</b>				
Electric	700	700	876	(176)
Contractual services	1,000	1,000	-	1,000
Office supplies	-	-	4	(4)
	1,700	1,700	880	820
<b>TYLER'S COVE DOCK:</b>				
Electric	500	500	1,004	(504)
Contractual services	-	-	1,763	(1,763)
Other materials	-	-	168	(168)
	500	500	2,935	(2,435)
<b>BOAT RAMPS:</b>				
Salaries/other	5,000	5,000	21,065	(16,065)
Electric	2,000	2,000	3,748	(1,748)
Contractual services	15,000	15,000	2,436	12,564
Other materials	-	-	103,668	(103,668)
	22,000	22,000	130,917	(108,917)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2006  
(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>				
<b>BILLABLE JOBS:</b>				
Salaries/other	\$ 15,000	\$ 15,000	\$ 25,571	\$ (10,571)
Contractual services	-	-	(9,194)	9,194
Other materials	6,000	6,000	1,357	4,643
	<u>21,000</u>	<u>21,000</u>	<u>17,734</u>	<u>3,266</u>
<b>ADMINISTRATIVE SALARIES:</b>				
Salaries/supervisor	76,136	76,136	63,965	12,171
Salaries/other	104,862	104,862	65,179	39,683
	<u>180,998</u>	<u>180,998</u>	<u>129,144</u>	<u>51,854</u>
<b>LEAVE SALARIES:</b>				
Salaries/other	260,000	260,000	300,647	(40,647)
<b>OTHER ADMINISTRATIVE:</b>				
Water and sewer	400	400	2,358	(1,958)
Electric	36,000	36,000	52,502	(16,502)
Propane	500	500	1,140	(640)
Advertising	3,000	3,000	1,068	1,932
Communications	4,000	4,000	15,425	(11,425)
Contractual services	400	400	1,087	(687)
Maintenance and repairs	5,000	5,000	65,740	(60,740)
Office supplies	6,000	6,000	10,234	(4,234)
Cleaning supplies	200	200	275	(75)
Fuel oil	120,000	120,000	212,943	(92,943)
Gasoline	65,759	65,759	69,763	(4,004)
Conferences, meetings, and conventions	1,500	1,500	1,152	348
Employee uniforms and physicals	22,000	22,000	26,120	(4,120)
Insurance - liability/property	25,000	25,000	40,016	(15,016)
Training	1,200	1,200	385	815
New vehicles/equipment	3,000	3,000	2,865	135
	<u>293,959</u>	<u>293,959</u>	<u>503,073</u>	<u>(209,114)</u>
<b>HIGHWAY SAFETY SIGNS:</b>				
Salaries/other	35,856	35,856	29,170	6,686
Other materials	15,000	15,000	31,142	(16,142)
	<u>50,856</u>	<u>50,856</u>	<u>60,312</u>	<u>(9,456)</u>

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2006  
(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>PUBLIC WORKS (continued):</b>				
<b>HIGHWAY SAFETY STRIPING:</b>				
Salaries/other	\$ 2,500	\$ 2,500	\$ 3,459	\$ (959)
Contractual services	30,000	30,000	39,685	(9,685)
Other materials	1,000	1,000	-	1,000
	<u>33,500</u>	<u>33,500</u>	<u>43,144</u>	<u>(9,644)</u>
<b>EMPLOYEE EXPENSES - HIGHWAYS:</b>				
Health insurance retirees	89,387	89,387	91,151	(1,764)
Health insurance - highways	386,596	386,596	237,158	149,438
Social security	115,000	115,000	121,008	(6,008)
Retirement	75,000	75,000	100,460	(25,460)
Workers' compensation	62,000	62,000	8,558	53,442
Unemployment insurance	20,000	20,000	1,658	18,342
Compensation and leave payout	50,000	50,000	120,769	(70,769)
	<u>797,983</u>	<u>797,983</u>	<u>680,762</u>	<u>117,221</u>
<b>Total public works</b>	<u>4,564,612</u>	<u>4,564,612</u>	<u>4,462,052</u>	<u>102,560</u>
<b>DEBT SERVICE:</b>				
<b>DEBT SERVICE:</b>				
Bond principal	2,310,616	2,310,616	-	2,310,616
Bond interest	761,792	761,792	-	761,792
Note and loan principal	406,999	406,999	-	406,999
Capital lease interest	5,397	5,397	-	5,397
Capital lease principal	73,877	73,877	-	73,877
Note and loan interest	200,225	200,225	-	200,225
	<u>3,758,906</u>	<u>3,758,906</u>	<u>-</u>	<u>3,758,906</u>
<b>HIGHWAYS:</b>				
Bond principal	36,586	36,586	-	36,586
Bond interest	896	896	-	896
Note and loan principal	32,454	32,454	-	32,454
Capital lease interest	625	625	-	625
Capital lease principal	18,329	18,329	-	18,329
State retirement deficit	28,429	28,429	-	28,429
	<u>117,319</u>	<u>117,319</u>	<u>-</u>	<u>117,319</u>
<b>Total debt service</b>	<u>3,876,225</u>	<u>3,876,225</u>	<u>-</u>	<u>3,876,225</u>
<b>Total expenditures</b>	<u>42,811,475</u>	<u>42,811,212</u>	<u>39,570,521</u>	<u>3,240,691</u>

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2006**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>OTHER FINANCING USES:</b>				
<b>OPERATING TRANSFERS OUT:</b>				
Airport fund	\$ 206,793	\$ 206,793	\$ 206,793	\$ -
Capital fund	2,247,404	2,247,404	2,247,404	-
Special revenue grant fund	31,500	34,252	34,252	-
Tourism marketing fund	85,000	85,000	85,000	-
Addition to reserve fund	577,271	877,271	877,271	-
Debt Service fund	-	-	3,657,418	(3,657,418)
	<u>3,147,968</u>	<u>3,450,720</u>	<u>7,108,138</u>	<u>(3,657,418)</u>
<b>CAPITAL FUNDING:</b>				
Airport fund	273,100	273,100	273,100	-
<b>Total other financing uses</b>	<u>3,421,068</u>	<u>3,723,820</u>	<u>7,381,238</u>	<u>(3,657,418)</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 46,232,543</u>	<u>\$ 46,535,032</u>	<u>\$ 46,951,759</u>	<u>\$ (416,727)</u>

**DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>FEDERAL GOVERNMENT REVENUES:</b>				
Transportation grant	\$ -	\$ -	\$ 112,565	\$ 112,565
Marijuana eradication	-	-	271	271
LLEBG project lifesaver grant	-	-	8,069	8,069
NPS CBGN UGRR SB interpretive	-	-	7,739	7,739
Critical areas grant	45,000	45,000	26,824	(18,176)
Weatherization assistance program	-	-	164,586	164,586
Emergency food assistance	-	-	5,595	5,595
Program assistant grant	-	-	12,165	12,165
Body armor grant - sheriff	5,000	5,000	11,032	6,032
DNR recreational trails program	-	-	14,785	14,785
Pre-disaster mitigation grant	-	-	4,000	4,000
Homeland security phase I and II	-	-	10,207	10,207
USDA RBEG DIST/loan fund	-	-	11,759	11,759
CDBG housing rehab program	-	-	86,946	86,946
Byrne task force equipment grant	-	-	(16,455)	(16,455)
Hazard mitigation grant	-	-	125,485	125,485
Homeland security grant	-	-	225,185	225,185
Law enforcement terrorism prevention	-	-	21,380	21,380
Citizens corps program	-	-	19,446	19,446
Homeland security planner grant	-	-	13,415	13,415
HSGP-SHSP	-	-	173,571	173,571
HSGP-LETPP	-	-	58,708	58,708
HSGP-CCP	-	-	756	756
HMEP training grant	-	-	4,550	4,550
HSGP MESIS	-	-	109,764	109,764
BYRNE OT GRANT	-	31,218	7,346	(23,872)
NPS CGBN UGRR BB PHS	-	-	37,450	37,450
NPS NTF INTERP SIGNAGE	-	-	12,000	12,000
FHWA/SHA UGRR SB CMP	-	-	36,368	36,368
<b>Total federal government revenues</b>	<b>50,000</b>	<b>81,218</b>	<b>1,305,512</b>	<b>1,224,294</b>

**DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND**

**Year Ended June 30, 2006**

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>STATE GOVERNMENT REVENUES:</b>				
Family services grant	\$ 156,719	\$ 156,719	\$ 138,389	\$ (18,330)
Transportation grant	-	-	241,650	241,650
Open space grant	58,500	83,263	117,849	34,586
Homeless grant	-	-	43,622	43,622
Tourism development grant	34,000	34,000	31,290	(2,710)
Community service grant	10,000	10,000	12,000	2,000
LMB - after school program fund	90,000	95,000	-	(95,000)
MD heritage area capital grant	12,500	12,500	-	(12,500)
MD heritage area operating grant	65,000	65,000	-	(65,000)
School bus safety enforcement grant	-	-	13,332	13,332
GOCCP - youth strategy	-	-	101,499	101,499
Rural AED grant - EMS	-	-	10,188	10,188
Protective order entry grant	-	-	6,267	6,267
SAO macro grant	-	-	21,479	21,479
SAO case screener grant	-	-	22,500	22,500
MEDAAF grant - tourism	10,000	10,000	-	(10,000)
MDE community's right to know grant	-	-	6,652	6,652
AOC digital recording project	-	-	100,715	100,715
Hazard mitigation grant	-	-	20,914	20,914
MHAA UGRR SB grant	-	-	27,776	27,776
MHAA UGRR SB phase 2	-	-	21,787	21,787
CMP/HTDC/NTF	-	-	14,583	14,583
MHAA FY06 operating grant	-	-	26,604	26,604
MHAA cultural & scenic lands	-	-	3,256	3,256
LMB - subcabinet - OCYF	1,579,112	1,579,112	1,334,391	(244,721)
LMB - incentive awards	-	-	28,771	28,771
LMB - juvenile drug court	-	-	2,500	2,500
<b>Total state government revenues</b>	<b>2,015,831</b>	<b>2,045,594</b>	<b>2,348,014</b>	<b>302,420</b>

**DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>MISCELLANEOUS REVENUES:</b>				
Harriet Tubman Underground Railroad	\$ -	\$ -	\$ 101	\$ 101
Cambridge CSAFE grant	-	-	(4,633)	(4,633)
Parenting seminar fees	-	-	570	570
Supervised visitation fees	-	-	2,490	2,490
Indirect cost recovery - LMB	-	-	3,434	3,434
Miscellaneous income	-	-	(2,413)	(2,413)
<u>Total miscellaneous revenues</u>	<u>-</u>	<u>-</u>	<u>(451)</u>	<u>(451)</u>
<u>Total revenues</u>	<u>2,065,831</u>	<u>2,126,812</u>	<u>3,653,075</u>	<u>1,526,263</u>
<b>OTHER FINANCING SOURCES:</b>				
Interest and dividend received	-	-	24,901	24,901
Operating transfers from general fund	31,500	34,252	34,252	-
<u>Total other financing sources</u>	<u>31,500</u>	<u>34,252</u>	<u>59,153</u>	<u>24,901</u>
<u>Total revenues and other financing sources</u>	<u>\$ 2,097,331</u>	<u>\$ 2,161,064</u>	<u>\$ 3,712,228</u>	<u>\$ 1,526,263</u>

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY</b>				
SAO MACRO GRANT				
Salaries/other	\$ -	\$ -	\$ 37,479	\$ (37,479)
Social security	-	-	325	(325)
Retirement	-	-	1,651	(1,651)
Printing and publishing	-	-	108	(108)
Training expense	-	-	1,917	(1,917)
	-	-	41,480	(41,480)
<b>PROTECTIVE ORDER ENTRY</b>				
Overtime	-	-	6,267	(6,267)
<b>MARIJUANA ERADICATION</b>				
Overtime	-	-	271	(271)
<b>BULLETPROOF VESTS</b>				
Equipment	5,000	5,000	11,032	(6,032)
<b>RURAL ACCESS EMERGENCY DEFIBRILLATOR:</b>				
Equipment	-	-	10,188	(10,188)
<b>DOMESTIC PREPAREDNESS EQUIPMENT:</b>				
New vehicles and equipment	-	-	70,992	(70,992)
<b>LMB COMMUNITY MOBILIZATION:</b>				
Indirect costs	-	-	2,052	(2,052)
Passthrough funds	-	-	42,947	(42,947)
	-	-	44,999	(44,999)
<b>LMB COMMUNITY POLICING:</b>				
Indirect costs	-	-	1,382	(1,382)
Passthrough funds	-	-	55,118	(55,118)
	-	-	56,500	(56,500)
<b>SCHOOL BUS SAFETY ENFORCEMENT:</b>				
Salaries/other	-	-	439	(439)
Overtime	-	-	12,893	(12,893)
	-	-	13,332	(13,332)
<b>PRE-DISASTER MITIGATION GRANT:</b>				
Contractual services	-	-	4,000	(4,000)
<b>LLEBG PROJECT LIFESAVER:</b>				
Equipment	-	-	8,966	(8,966)
<b>STATE HOMELAND SECURITY PHASE II:</b>				
New vehicles and equipment	-	-	5,094	(5,094)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY (continued):</b>				
<b>HAZARD MITIGATION:</b>				
Salaries/other	\$ -	\$ -	\$ 1,235	\$ (1,235)
Auto expenses	-	-	170	(170)
Architectural engineering fees	-	-	2,750	(2,750)
Construction cost	-	-	163,158	(163,158)
	-	-	167,313	(167,313)
<b>HOMELAND SECURITY PLANNER:</b>				
Health insurance	-	-	88	(88)
Social security	-	-	917	(917)
Salaries/other	-	-	12,313	(12,313)
Office supplies	-	-	362	(362)
Mileage and conference reimbursement	-	-	879	(879)
Training	-	-	27	(27)
Equipment	-	-	25	(25)
	-	-	14,611	(14,611)
<b>LAW ENFORCEMENT TERRORISM PREVENTION:</b>				
Equipment	-	-	21,380	(21,380)
<b>CITIZENS CORP PROGRAM:</b>				
Supplies	-	-	350	(350)
Other expenses	-	-	732	(732)
Mileage and conference reimbursement	-	-	162	(162)
Training expense	-	-	4,023	(4,023)
Equipment	-	-	14,179	(14,179)
	-	-	19,446	(19,446)
<b>HOMELAND SECURITY GRANT (2004):</b>				
Training	-	-	5,353	(5,353)
Equipment	-	-	219,832	(219,832)
	-	-	225,185	(225,185)
<b>COMMUNITY SERVICES:</b>				
Social security	-	-	1,849	(1,849)
Salaries/other	10,000	10,000	26,154	(16,154)
	10,000	10,000	28,003	(18,003)

**DORCHESTER COUNTY, MARYLAND**  
**EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL**  
**SPECIAL REVENUE - GRANTS FUND**  
**Year Ended June 30, 2006**  
**(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY (continued):</b>				
<b>PROGRAM ASSISTANT:</b>				
Health insurance	\$ -	\$ -	\$ 3,582	\$ (3,582)
Salaries/other	-	-	12,668	(12,668)
Training expense	-	-	742	(742)
	-	-	16,992	(16,992)
<b>BYRNE OT:</b>				
Social security	-	-	18	(18)
Overtime	-	15,608	3,554	12,054
Pass-through fund - Cambridge	-	15,610	3,774	11,836
	-	31,218	7,346	23,872
<b>MDE CRTK:</b>				
Printing, publishing, and public	-	-	4,349	(4,349)
Contractual services	-	-	668	(668)
Office supplies	-	-	1,635	(1,635)
	-	-	6,652	(6,652)
<b>HMEP TRAINING:</b>				
Training expense	-	-	4,550	(4,550)
<b>HSGP MESIS:</b>				
New equipment	-	-	109,764	(109,764)
<b>HSGP-SHSP:</b>				
Health insurance	-	-	123	(123)
Social security	-	-	1,490	(1,490)
Salaries/other	-	-	19,998	(19,998)
Contractual services	-	-	313	(313)
Rental of buildings	-	-	3,072	(3,072)
Other expenses	-	-	1,000	(1,000)
Mileage and conference reimbursement	-	-	845	(845)
Training expense	-	-	3,179	(3,179)
New equipment	-	-	143,550	(143,550)
	-	-	173,570	(173,570)
<b>HSGP-LETPP:</b>				
New equipment	-	-	58,708	(58,708)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>PUBLIC SAFETY (continued):</b>				
HSGP-CCP:				
New equipment	\$ -	\$ -	\$ 756	\$ (756)
SAO CASE SCREENER:				
New equipment	-	-	2,547	(2,547)
AOC DIGITAL RECORDING PROJECT:				
New equipment	-	-	100,713	(100,713)
<b>Total public safety</b>	<b>15,000</b>	<b>46,218</b>	<b>1,230,657</b>	<b>(1,184,439)</b>
<b>SOCIAL SERVICES:</b>				
FAMILTY SERVICES:				
Health insurance	-	-	10,269	(10,269)
Social security	-	-	4,942	(4,942)
Retirement	-	-	2,741	(2,741)
Workers compensation insurance	-	-	1,591	(1,591)
Unallocated fringes	17,683	17,683	-	17,683
Mental health evaluation	1,400	1,400	-	1,400
Salaries/other	52,927	52,927	47,821	5,106
Overtime - visitation security	31,065	31,065	23,283	7,782
Telephone	2,500	2,500	1,805	695
Alt. dispute resolution	3,260	3,260	1,770	1,490
Childcare	200	200	58	142
Custody investigations	4,500	4,500	825	3,675
Parenting education	1,800	1,800	80	1,720
Pro se assistance	9,950	9,950	10,922	(972)
Substance abuse evaluation	480	480	295	185
Visitation services	15,844	15,844	15,042	802
Guardian ad litem	8,000	8,000	7,361	639
Children psycho education	1,280	1,280	2,168	(888)
Office supplies	1,500	1,500	1,456	44
Travel	500	500	571	(71)
Training expenses	800	800	2,234	(1,434)
Dues/subscriptions	550	550	625	(75)
Equipment	2,480	2,480	2,531	(51)
	<b>156,719</b>	<b>156,719</b>	<b>138,390</b>	<b>18,329</b>

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND**

**Year Ended June 30, 2006**

**(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>SOCIAL SERVICES (continued):</b>				
<b>YS FAMILY:</b>				
Health insurance	\$ 13,265	\$ 13,265	\$ 10,967	\$ 2,298
Social security	6,217	6,217	5,020	1,197
Retirement	5,925	5,925	4,997	928
Workers compensation insurance	3,698	3,698	3,119	579
Salaries/other	81,277	76,680	68,548	8,132
Telephone	400	400	769	(369)
Printing, publishing	200	400	400	-
Auto expenses	1,000	1,500	1,762	(262)
Office supplies	500	1,100	1,200	(100)
Other expenses	1,318	1,865	5,733	(3,868)
Postage	50	50	300	(250)
Mileage & conference reimbursement	850	850	977	(127)
Training expense	300	850	850	-
New vehicles & equipment	-	2,200	2,211	(11)
	<u>115,000</u>	<u>115,000</u>	<u>106,853</u>	<u>8,147</u>
<b>LMB YOUTH SERVICES:</b>				
Health insurance	-	1,785	1,785	-
Social security	4,990	5,071	4,479	592
Retirement	3,110	7,406	4,296	3,110
Worker's compensation insurance	-	2,682	2,682	-
Salaries/other	65,241	55,232	58,934	(3,702)
Other expense	-	1,054	1,061	(7)
Training expense	-	111	111	-
	<u>73,341</u>	<u>73,341</u>	<u>73,348</u>	<u>(7)</u>
<b>LMB SERVICES:</b>				
POS-community service initiative	-	-	1,954	(1,954)
POS diversion	172,494	172,494	-	172,494
POS home visiting	344,725	344,725	363,132	(18,407)
	<u>517,219</u>	<u>517,219</u>	<u>365,086</u>	<u>152,133</u>
<b>LMB WELLNESS CENTERS:</b>				
Passthrough funds	<u>546,000</u>	<u>546,000</u>	<u>451,238</u>	<u>94,762</u>

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>SOCIAL SERVICES (continued):</b>				
<b>LMB COMMUNITY OUTREACH:</b>				
Health insurance	\$ 16,398	\$ 15,325	\$ 10,789	\$ 4,536
Social Security	6,671	6,526	6,586	(60)
Retirement	6,357	6,367	6,425	(58)
Workers compensation insurance	3,967	3,974	4,010	(36)
Salaries/other	83,847	83,990	88,132	(4,142)
Telephone	900	1,004	604	400
Printing, publishing	600	600	700	(100)
Contractual services	350	350	400	(50)
Auto expenses	400	551	451	100
Office supplies	900	1,049	1,049	-
Other expenses	1,210	1,900	1,890	10
Postage	500	503	403	100
Mileage & conference reimbursement	800	814	1,514	(700)
Insurance-liability & prop	850	850	-	850
Training expense	600	547	547	-
Dues	650	650	-	650
	<u>125,000</u>	<u>125,000</u>	<u>123,500</u>	<u>1,500</u>
<b>HOMELESS GRANT:</b>				
Other expenses	-	-	43,622	(43,622)
<b>WEATHERIZATION:</b>				
Other expenses	-	-	164,586	(164,586)
<b>EMERGENCY FOOD ASSESTANCE:</b>				
Other expenses	-	-	5,595	(5,595)
<b>HOUSING REHAB PROGRAM:</b>				
Administration	-	-	27,452	(27,452)
Housing	-	-	59,494	(59,494)
	-	-	86,946	(86,946)
<b>LMB JUVENILE DRUG COURT:</b>				
Other expense	-	-	2,500	(2,500)
<b>CAMBRIDGE CSAFE:</b>				
Other expenses	-	-	(4,634)	4,634

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND**

**Year Ended June 30, 2006**

**(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>SOCIAL SERVICES (continued):</b>				
<b>LMB INCENTIVE OCFY:</b>				
Incentives	\$ -	\$ -	\$ 28,771	\$ (28,771)
<b>LMB ADMINISTRATION:</b>				
Health insurance	21,257	21,257	21,267	(10)
Social security	6,496	6,496	5,581	915
Retirement	3,266	3,266	7,027	(3,761)
Workers compensation insurance	2,049	2,049	-	2,049
Unemployment insurance	850	850	-	850
Salaries/supervisor	43,280	43,280	48,885	(5,605)
Salaries/other	43,545	43,545	28,866	14,679
Telephone	2,000	2,000	4,249	(2,249)
Electric	2,000	2,000	1,246	754
Advertising	2,500	2,500	-	2,500
Contractual services	2,000	2,000	8,173	(6,173)
Rental of land and building	13,000	13,000	10,283	2,717
Office supplies	1,565	1,565	811	754
Other expenses	-	-	381	(381)
Postage	1,192	1,192	932	260
Conferences/conventions	2,500	2,500	2,229	271
Business travel	500	500	527	(27)
Insurance	2,000	2,000	1,256	744
Training expense	-	-	405	(405)
	150,000	150,000	142,118	7,882
<b>LMB COMMUNITY CARE:</b>				
Health insurance	-	-	962	(962)
Social security	-	-	153	(153)
Retirement	-	-	155	(155)
Salaries/other	-	-	2,160	(2,160)
	-	-	3,430	(3,430)
<b>LMB POS EDUCATION BLOCK:</b>				
Passthrough funds	52,552	52,552	-	52,552
<b>Total social services</b>	<b>1,735,831</b>	<b>1,735,831</b>	<b>1,731,349</b>	<b>4,482</b>

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>RECREATION &amp; PARKS:</b>				
PROGRAM OPEN SPACE:				
Capital outlay	\$ 65,000	\$ 92,515	\$ 117,042	\$ (24,527)
QUEST:				
Social security	3,500	4,100	3,771	329
Workers compensation insurance	2,300	2,600	2,243	357
Salaries/other	45,200	49,300	49,298	2
Contractual services	31,000	31,000	30,931	69
Other expenses	8,000	8,000	8,332	(332)
	90,000	95,000	94,575	425
<b>Total recreation &amp; parks</b>	<b>155,000</b>	<b>187,515</b>	<b>211,617</b>	<b>(24,102)</b>
<b>NATURAL RESOURCES:</b>				
CRITICAL AREAS:				
Health insurance	3,821	3,821	-	3,821
Social security	2,369	2,369	-	2,369
Retirement	2,258	2,258	-	2,258
Workers compensation insurance	310	310	-	310
Salaries/other	30,973	30,973	26,824	4,149
Contractual services	5,269	5,269	-	5,269
	45,000	45,000	26,824	18,176
<b>Total natural resources</b>	<b>45,000</b>	<b>45,000</b>	<b>26,824</b>	<b>18,176</b>
<b>ECONOMIC DEVELOPMENT:</b>				
TOURISM MARKETING TIER II:				
Advertising	34,000	34,000	31,290	2,710
MHHA UGRR SB PHASE I:				
Printing, publishing	-	-	1	(1)
Contractual services	-	-	21,786	(21,786)
	-	-	21,787	(21,787)
USDA RBEG DIST/LOAN FUND:				
Social security	-	-	778	(778)
Salaries/other	-	-	10,168	(10,168)
Other expenses	-	-	248	(248)
Travel & mileage	-	-	565	(565)
	-	-	11,759	(11,759)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>ECONOMIC DEVELOPMENT (continued):</b>				
NTHP BARTUS TREW HT/UGRR SP:				
Contractual services	\$ -	\$ -	\$ 101	\$ (101)
MD HERITAGE AREA CRITICAL:				
Summary budget	22,500	-	-	-
New equipment	-	22,500	-	22,500
	22,500	22,500	-	22,500
NPS CBGN UGRR SB INTERPRETIVE:				
Contractual services	-	-	7,739	(7,739)
MD HERITAGE OPERATING:				
Summary budget	70,000	70,000	-	70,000
Health insurance	-	-	(38)	38
Social security	-	-	1,626	(1,626)
Salaries/other	-	-	40,633	(40,633)
Other expenses	-	-	11,122	(11,122)
	70,000	70,000	53,343	16,657
DNR RECREATIONAL TRAILS PROGRAM:				
Capital outlay	-	-	14,785	(14,785)
DNR CPP GT - SAILWINDS PARK EAST:				
New vehicles and/or equipment	-	-	11,800	(11,800)
MHAA UGRR SB PHASE II:				
Historian/writer	-	-	1,594	(1,594)
Graphic design	-	-	5,087	(5,087)
Photography	-	-	1,999	(1,999)
Sign manufacture/install	-	-	8,096	(8,096)
Exhibit manufacture/install	-	-	11,000	(11,000)
	-	-	27,776	(27,776)
NPS CBGN UGRR SB PHASE II:				
Interpretive planner	-	-	13,890	(13,890)
Graphic design	-	-	3,292	(3,292)
Sign manufacture/install	-	-	7,921	(7,921)
Exhibit manufacture/install	-	-	14,000	(14,000)
	-	-	39,103	(39,103)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2006  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>ECONOMIC DEVELOPMENT (continued):</b>				
NPS NTF INTERP SIGNAGE:				
Consultant fees	\$ -	\$ -	\$ 5,000	\$ (5,000)
Sign fabrication	-	-	7,000	(7,000)
	-	-	12,000	(12,000)
FHWA/SHA UGRR SB CMP:				
Contractual services	-	-	36,369	(36,369)
CMP/HTDC/NTF:				
Salaries/other	-	-	9,323	(9,323)
Contractual services	-	-	5,260	(5,260)
	-	-	14,583	(14,583)
MHAA OPERATING:				
Salaries/other	-	-	23,592	(23,592)
Program supplies	-	-	1,453	(1,453)
Discretionary programs	-	-	1,560	(1,560)
	-	-	26,605	(26,605)
MHAA CULTURAL AND SCENIC LANDS:				
Professional fees	-	-	5,377	(5,377)
<b>SUMMARY BUDGET</b>				
Summary budget	20,000	20,000	-	
<b>Total economic development</b>	<b>146,500</b>	<b>146,500</b>	<b>314,417</b>	<b>(187,917)</b>
<b>PUBLIC WORKS:</b>				
PUBLIC ASSISTANCE:				
Other expenses	-	-	354,215	(354,215)
Total public works	-	-	354,215	(354,215)
Total expenditures	\$ 2,097,331	\$ 2,161,064	\$ 3,869,079	\$ (1,728,015)

**ADDITIONAL SUPPLEMENTARY INFORMATION**

**DORCHESTER COUNTY, MARYLAND**

**REVENUE AND EXPENDITURE DETAIL  
BUDGET AND ACTUAL - TRANSFER TAX FUND**

**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>REVENUES</b>				
County transfer tax	\$ 673,367	\$ 673,367	\$ 2,082,438	\$ 1,409,071
Total revenues	673,367	673,367	2,082,438	1,409,071
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>COURTHOUSE MAINTENANCE</b>				
Salaries/other	61,338	61,338	56,084	5,254
Utilities	49,400	49,400	96,600	(47,200)
Maintenance	20,000	20,000	103,922	(83,922)
Other expenses	4,000	4,000	13,856	(9,856)
	134,738	134,738	270,462	(135,724)
<b>PUBLIC SAFETY</b>				
<b>COURTHOUSE SECURITY</b>				
Salaries/other	183,625	183,625	155,046	28,579
Equipment	-	-	28,746	(28,746)
	183,625	183,625	183,792	(167)
<b>MISCELLANEOUS</b>				
Courthouse improvements	20,000	20,000	326,369	(306,369)
Compensated absences	-	-	3,010	(3,010)
Unallocated fringes	77,132	77,132	-	77,132
	97,132	97,132	329,379	(232,247)
Total expenditures	415,495	415,495	783,633	(368,138)
Excess of revenues over expenditures	257,872	257,872	1,298,805	1,040,933
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in/out	-	-	14,484	14,484
Bond principal	(195,615)	(195,615)	(240,060)	(44,445)
Bond interest	(62,257)	(62,257)	(32,296)	29,961
Total other financing uses	(257,872)	(257,872)	(257,872)	-
Excess of revenues over expenditures and other financing uses	\$ -	\$ -	\$ 1,040,933	\$ 1,040,933

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE AND EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>REVENUES:</b>				
Federal bridge revenue	\$ -	\$ -	\$ 1,443,487	\$ 1,443,487
Other state aid	262,500	262,500	1,138,521	876,021
Developer contribution	-	50,000	25,000	(25,000)
Interest	-	-	67,238	67,238
<b>Total revenues</b>	<b>262,500</b>	<b>312,500</b>	<b>2,674,246</b>	<b>2,361,746</b>
<b>EXPENDITURES:</b>				
Information technology - new vehicles/equipment	417,500	417,500	228,116	189,384
Information technology - capital outlay	-	-	46,979	(46,979)
Health department building - capital outlay	25,000	25,000	59,650	(34,650)
Sheriff's office - new vehicles/equipment	357,500	357,500	309,832	47,668
Detention center - new vehicles and/or equipment	154,700	154,700	79,789	74,911
Detention center - capital outlay	-	-	471	(471)
911 telephone system - new vehicles/equipment	190,100	190,100	1,111,897	(921,797)
911 telephone system - capital outlay	45,000	45,000	571,050	(526,050)
Public works - solid waste - capital outlay	-	-	2,812	(2,812)
Public works - shoreline erosion control	-	50,000	543,044	(493,044)
Public works - highway - new vehicles/equipment	477,000	477,000	703,538	(226,538)
Public works - highway - capital outlay	80,000	80,000	476,731	(396,731)
Schools - new vehicles and/or equipment	-	-	108,886	(108,886)
Schools - capital outlay	423,570	423,570	726,280	(302,710)
Schools - Maces Lane Middle school 2001 bond	-	-	21,613	(21,613)
Chesapeake comm. college-capital outlay	22,000	22,000	22,000	-
Recreation - new vehicles and equipment	20,000	20,000	20,000	-
Recreation - capital outlay	67,130	67,130	59,749	7,381
Tourism - new vehicles and/or equip	2,000	2,000	2,000	-
Economic Development - new vehicles and/or equipmen	1,500	1,500	1,225	275
Economic Development - capital outlay	-	-	1,066,790	(1,066,790)
General government - new vehicles and/or equipment	138,904	138,904	63,755	75,149
General government - capital outlay	88,000	88,000	83,050	4,950
Cost of bond issuance	-	-	23,711	(23,711)
<b>Total expenditures</b>	<b>2,509,904</b>	<b>2,559,904</b>	<b>6,332,968</b>	<b>(3,773,064)</b>
<b>Deficiency of revenues over expenditures</b>	<b>(2,247,404)</b>	<b>(2,247,404)</b>	<b>(3,658,722)</b>	<b>(1,411,318)</b>

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE AND EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2006**  
**(continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>OTHER FINANCING SOURCES:</b>				
Issuance of debt	\$ -	\$ -	\$ 233,667	\$ 233,667
Transfers in	2,247,404	2,247,404	2,247,404	-
Total other financing sources	2,247,404	2,247,404	2,481,071	233,667
Excess of expenditures over other financing sources	\$ -	\$ -	\$(1,177,651)	\$ (1,177,651)

**DORCHESTER COUNTY, MARYLAND**  
**REVENUE AND EXPENDITURE DETAIL**  
**BUDGET AND ACTUAL**  
**TOURISM MARKETING FUND**  
**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>REVENUES</b>				
Advertising support	\$ 15,000	\$ 15,000	\$ 52,334	\$ 37,334
<u>Total revenues</u>	<u>15,000</u>	<u>15,000</u>	<u>52,334</u>	<u>37,334</u>
<b>EXPENDITURES</b>				
Advertising and promotion	100,000	100,000	119,086	(19,086)
Printing and publications	-	-	18,248	(18,248)
<u>Total expenditures</u>	<u>100,000</u>	<u>100,000</u>	<u>137,334</u>	<u>(37,334)</u>
<u>Deficiency of revenues over expenditures</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	85,000	85,000	85,000	-
<u>Total other financing sources</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
<u>Excess of revenues and other financing sources over expenditures</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
AIRPORT ENTERPRISE FUND  
Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>REVENUES:</b>				
Operating:				
Hangar and facility rentals	\$ 73,000	\$ 73,000	\$ 86,249	\$ 13,249
T-hangar rentals	69,720	69,720	69,071	(649)
Tie-down rentals	2,700	2,700	2,047	(653)
Fuel sales	294,000	294,000	348,195	54,195
Miscellaneous revenue	13,850	13,850	9,857	(3,993)
<b>Total revenues</b>	<b>453,270</b>	<b>453,270</b>	<b>515,419</b>	<b>62,149</b>
<b>EXPENSES:</b>				
Operating:				
Electric	22,500	22,500	36,644	(14,144)
Repairs and maintenance	14,000	14,000	19,564	(5,564)
Contracted services - other	11,350	11,350	8,128	3,222
Meetings/conferences/registrations	240	240	190	50
Salaries and wages	124,687	124,687	130,109	(5,422)
Fringes/payroll taxes/workers' compensation	46,990	46,990	33,420	13,570
Phone	2,800	2,800	3,745	(945)
Uniforms	1,200	1,200	2,149	(949)
Miscellaneous	5,600	5,600	7,368	(1,768)
Fuel farm	800	800	427	373
Refueler lease	13,200	13,200	13,200	-
Fuel	186,000	186,000	276,398	(90,398)
Office supplies	1,000	1,000	728	272
Insurance	34,196	34,196	25,347	8,849
New vehicles and equipment	45,600	45,600	9,853	35,747
Capital outlay	120,000	120,000	4,640	115,360
Gas - heat	10,500	10,500	33,845	(23,345)
Summary Budget of Airport Grants	4,300,000	2,657,019	-	2,657,019
Operating expenses, excluding depreciation	4,940,663	3,297,682	605,755	2,691,927
Depreciation	139,000	139,000	274,550	(135,550)
<b>Total operating expenses</b>	<b>5,079,663</b>	<b>3,436,682</b>	<b>880,305</b>	<b>2,556,377</b>
<b>Operating loss</b>	<b>(4,626,393)</b>	<b>(2,983,412)</b>	<b>(364,886)</b>	<b>2,618,526</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Grants - Federal government	4,085,000	2,497,457	2,461,480	(35,977)
Grants - state government	107,500	93,136	67,959	(25,177)
Interest expense	(46,000)	(46,000)	(24,022)	21,978
Transfers from general fund	479,893	438,819	479,893	41,074
<b>Total non-operating revenues</b>	<b>4,626,393</b>	<b>2,983,412</b>	<b>2,985,310</b>	<b>1,898</b>
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,620,424</b>	<b>\$ 2,620,424</b>

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENSES**  
**BUDGET AND ACTUAL**  
**LANDFILL ENTERPRISE FUND**  
**Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>REVENUES:</b>				
Operating:				
Tipping fees	\$ 2,045,784	\$ 2,045,784	\$ 3,982,912	\$ 1,937,128
Permits	75,000	75,000	226,845	151,845
Other	2,749,825	2,749,825	248,516	(2,501,309)
Total operating revenues	4,870,609	4,870,609	4,458,273	(412,336)
<b>EXPENSES:</b>				
<b>Public Works - Solid Waste Recycling</b>				
Operating:				
Contractual services	15,000	15,000	1,017	13,983
Equipment lease and rent	1,000	1,000	-	1,000
Miscellaneous	500	500	-	500
Mileage and conference reimbursements	500	500	-	500
<b>Public Works - Solid Waste</b>				
Operating:				
Salaries and wages	527,907	527,907	509,546	18,361
Fringe benefits, payroll taxes, and workers' compensation	222,402	222,402	216,210	6,192
Equipment lease and rent	157,500	157,500	46,054	111,446
Contractual services	84,000	84,000	1,361,116	(1,277,116)
Closure and postclosure costs accrual	125,000	125,000	679,441	(554,441)
Utilities and fuel	59,000	59,000	127,567	(68,567)
Insurance	2,600	2,600	4,539	(1,939)
Materials and supplies	24,500	24,500	20,650	3,850
Uniforms	4,000	4,000	5,805	(1,805)
Repairs and maintenance	60,000	60,000	63,949	(3,949)
Legal	500	500	81,995	(81,495)
Capital outlay	2,500,000	2,500,000	94,949	2,405,051
Miscellaneous	546,200	546,200	10,443	535,757
Operating expenses before depreciation	4,330,609	4,330,609	3,223,281	1,107,328
Depreciation	580,000	580,000	761,134	(181,134)
Total operating expenses	4,910,609	4,910,609	3,984,415	926,194
Operating income (loss)	(40,000)	(40,000)	473,858	513,858
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Financial income, net	40,000	40,000	214,833	174,833
Total non-operating revenues (expenses)	40,000	40,000	214,833	174,833
Net income	\$ -	\$ -	\$ 688,691	\$ 688,691

**DORCHESTER COUNTY, MARYLAND**

**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS**

**June 30, 2006**

	<u>Capital Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,041,860	\$ 402,056	\$ 1,443,916
Accrued interest receivable	2,425	-	2,425
Interfund receivables	-	549,752	549,752
Bond issuance costs, net	184,955	57,640	242,595
<b>Total assets</b>	<b>\$ 1,229,240</b>	<b>\$ 1,009,448</b>	<b>\$ 2,238,688</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,006,309	\$ -	\$ 1,006,309
Interfund payables	1,224,519	-	1,224,519
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>2,230,828</b>	<b>-</b>	<b>2,230,828</b>
<b>FUND BALANCES</b>			
Unreserved:			
Designated for capital projects	(1,001,588)	1,009,448	7,860
<b>Total fund equity</b>	<b>(1,001,588)</b>	<b>1,009,448</b>	<b>7,860</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,229,240</b>	<b>\$ 1,009,448</b>	<b>\$ 2,238,688</b>

**DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2006**

	Capital Fund	Capital Projects Fund	Total
<b>REVENUES</b>			
Federal bridge revenue	\$ 1,443,487	\$ -	\$ 1,443,487
Other state aid	35,000	-	35,000
Emergency Numbers Systems Board	1,103,521	-	1,103,521
Developer Contribution	25,000	-	25,000
Interest	59,618	7,620	67,238
<b>Total revenues</b>	<b>2,666,626</b>	<b>7,620</b>	<b>2,674,246</b>
<b>EXPENDITURES</b>			
Capital outlay	6,309,257	-	6,309,257
Amortization expense	16,506	7,205	23,711
<b>Total expenditures</b>	<b>6,325,763</b>	<b>7,205</b>	<b>6,332,968</b>
<b>Deficiency of revenues over expenditures</b>	<b>(3,659,137)</b>	<b>415</b>	<b>(3,658,722)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Note proceeds	233,667	-	233,667
Operating transfers in	2,247,404	-	2,247,404
<b>Total other financing sources</b>	<b>2,481,071</b>	<b>-</b>	<b>2,481,071</b>
<b>Excess (deficiency) of revenues and other financing financing sources over expenditures</b>	<b>(1,178,066)</b>	<b>415</b>	<b>(1,177,651)</b>
Fund balances, beginning of year	176,478	1,009,033	1,185,511
<b>Fund balances, end of year</b>	<b>\$ (1,001,588)</b>	<b>\$ 1,009,448</b>	<b>\$ 7,860</b>

DORCHESTER COUNTY, MARYLAND

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS

June 30, 2006

	Other Governmental Funds						Totals
	Debt Service Fund	Reserve Fund	Commissary Fund	Building Excise Tax Fund	Transfer Tax Fund	Tourism Marketing Fund	
<b>ASSETS</b>							
Cash	\$ -	\$ 2,707,570	\$ 36,274	\$ 2,158,304	\$ -	\$ -	\$ 4,902,148
Accounts receivable	-	-	1,241	-	222,422	-	223,663
Interfund	266,709	-	-	77	2,524,299	16,269	2,807,354
Total assets	\$ 266,709	\$ 2,707,570	\$ 37,515	\$ 2,158,381	\$ 2,746,721	\$ 16,269	\$ 7,933,165
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,976	\$ 450	\$ 4,426
Accrued leave	299,305	-	-	-	13,262	-	312,567
Deferred revenues	-	-	37,515	-	-	15,819	53,334
Interfund payables	-	-	-	11,483	-	-	11,483
Total liabilities	299,305	-	37,515	11,483	17,238	16,269	381,810
<b>FUND BALANCES</b>							
Unrestricted	(32,596)	2,707,570	-	2,146,898	2,729,483	-	7,551,355
Total liabilities and fund balances	\$ 266,709	\$ 2,707,570	\$ 37,515	\$ 2,158,381	\$ 2,746,721	\$ 16,269	\$ 7,933,165

**DORCHESTER COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2006**

	Other Governmental Funds						Totals
	Debt Service Fund	Reserve Fund	Commissary Fund	Building Excise Tax Fund	Transfer Tax Fund	Tourism Marketing Fund	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 1,265,851	\$ 2,082,438	\$ -	\$ 3,348,289
Phone commissions	-	-	85,461	-	-	-	85,461
Advertising support	-	-	-	-	-	52,334	52,334
Interest and dividends	-	65,072	-	30,512	-	-	95,584
Miscellaneous	701,703	-	-	-	-	-	701,703
<b>Total revenues</b>	<b>701,703</b>	<b>65,072</b>	<b>85,461</b>	<b>1,296,363</b>	<b>2,082,438</b>	<b>52,334</b>	<b>4,283,371</b>
<b>EXPENDITURES</b>							
<b>GENERAL GOVERNMENT</b>							
Salaries	-	-	-	-	56,084	-	56,084
Utilities	-	-	-	-	96,600	-	96,600
Maintenance	-	-	27,964	-	103,922	-	131,886
Other expenses	-	-	57,497	-	13,856	-	71,353
	-	-	85,461	-	270,462	-	355,923
<b>PUBLIC SAFETY</b>							
Salaries/other	-	-	-	-	155,046	-	155,046
Equipment	-	-	-	-	28,746	-	28,746
	-	-	-	-	183,792	-	183,792
<b>ECONOMIC DEVELOPMENT</b>							
Advertising and promotion	-	-	-	-	-	119,086	119,086
Printing and publication	-	-	-	-	-	18,248	18,248
Other expenses	-	-	-	-	-	-	-
	-	-	-	-	-	137,334	137,334
<b>MISCELLANEOUS</b>							
Courthouse improvements	-	-	-	-	326,369	-	326,369
Compensated absences	-	-	-	-	3,010	-	3,010
	-	-	-	-	329,379	-	329,379
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>85,461</b>	<b>-</b>	<b>783,633</b>	<b>137,334</b>	<b>1,006,428</b>
Excess (deficiency) of revenues over expenditures	701,703	65,072	-	1,296,363	1,298,805	(85,000)	3,276,943
<b>OTHER FINANCING SOURCES (USES)</b>							
Bond principal	(3,417,879)	-	-	-	(240,060)	-	(3,657,939)
Bond interest	(943,100)	-	-	-	(32,296)	-	(975,396)
Increase in pension liability	16,342	-	-	-	-	-	16,342
Transfers in	3,642,934	877,271	-	-	14,484	85,000	4,619,689
<b>Total other financing sources (uses)</b>	<b>(701,703)</b>	<b>877,271</b>	<b>-</b>	<b>-</b>	<b>(257,872)</b>	<b>85,000</b>	<b>2,696</b>
Excess of revenues and other financing sources (uses) over expenditures	-	942,343	-	1,296,363	1,040,933	-	3,279,639
Fund balance, beginning of year, as restated	(32,596)	1,765,227	-	850,535	1,688,550	-	4,271,716
<b>Fund balance, end of year</b>	<b>\$ (32,596)</b>	<b>\$ 2,707,570</b>	<b>\$ -</b>	<b>\$ 2,146,898</b>	<b>\$ 2,729,483</b>	<b>\$ -</b>	<b>\$ 7,551,355</b>

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
DEFERRED COMPENSATION PLAN  
Year Ended June 30, 2006**

	Balances, June 30, <u>2005</u>	<u>Employee</u> <u>Contributions</u>	Earnings on <u>Investments</u>	<u>Distributions</u>	<u>Gains/Losses</u>	Balances, June 30, <u>2006</u>
<b>Assets:</b>						
Investments	\$ 1,067,347	\$ 161,250	\$ 43,227	\$ (312,751)	\$ 12,003	\$ 971,076
<hr/>						
<b>Liabilities:</b>						
Due to participants	\$ 1,067,347	\$ 161,250	\$ 43,227	\$ (312,751)	\$ 12,003	\$ 971,076
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