Queen Anne's County
M A R Y L A N D

2009

Comprehensive Annual Financial Report
for the Fiscal Year ended
June 30, 2009

Queen Anne's County
MARYLAND

2009

Comprehensive Annual Financial Report
for the Fiscal Year ended
June 30, 2009

Prepared by:
Finance Office
Queen Anne's County, Maryland

Eren L. Rose, CPA
Chief Accounting Officer

Marie K. Lange
Chief Treasury Officer

QUEEN ANNE'S COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009
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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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QUEEN ANNE'S COUNTY

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QUEEN ANNE'S COUNTY DEPARTMENT
OF BUDGET AND FINANCE

THE LIBERTY BUILDING

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CENTREVILLE, MARYLAND 21617

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December 23, 2009

The Board of County Commissioners and
The Citizens of Queen Anne's County, Maryland

Formal transmittal of the Comprehensive Annual Financial Report (CAFR)

State law requires that all general-purpose governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Queen Anne's County, Maryland for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of Queen Anne's County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, the management of Queen Anne's County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Queen Anne's County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Queen Anne's County's comprehensive framework on internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Queen Anne's County's financial statements have been audited by Clifton Gunderson LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Queen Anne's County, for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Queen Anne's County's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Queen Anne's County is part of a broader, federally mandated "Single Audit' designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Queen Anne's County's separately issued Single Audit report.

GAAP require that management provide a narrative introduction, overview, and analysis, entitled Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Queen Anne's County's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

Queen Anne's County is situated on the Eastern Shore of Maryland. It is bordered to the north by Kent County, to the east by the State of Delaware, to the south by Caroline and Talbot counties, and to the west by the Chesapeake Bay. Access to the western shore of Maryland is provided by the Chesapeake Bay Bridge. The County is 373 square miles in area and has approximately 47,091 citizens. The County seat is located in Centreville. The County Commissioners of Queen Anne's County are empowered to levy a property tax on both real and personal properties located within its boundaries.

Queen Anne's County was formed in 1706 and is governed by a five-member Board of County Commissioners. County code provides that one Commissioner be elected purely at large. The remaining four Commissioners must reside in specific districts, but are elected at large. The Commissioners operate under Maryland's Code Home Rule form of government. The Board operates under the Code of Local Laws of Queen Anne's County. Both the executive and legislative functions of the County are vested with the Board of County Commissioners.

Queen Anne's County provides a full range of services including public safety (police, volunteer fire protection, emergency services, detention center, and animal control), highways and streets, sanitation, planning and zoning, economic development, culture and recreation, education, libraries, and general administrative services. In conjunction with the State, the County also operates services related to general community health and social services. In addition, the County operates a water and wastewater utility, an airport, and certain recreational facilities as Enterprise Funds.

The appropriated annual budget is prepared by fund, function (e.g. public safety), and department (e.g. detention center). Department Heads may make transfers of appropriations within a department of up to $10,000 with the approval of the County Administrator. Transfers of appropriations or appropriation of new revenues in excess of $10,000 require the approval of the County Commissioners. Budget to actual comparisons are provided in this report for individual governmental funds for which an appropriated annual budget has been adopted. The budget comparisons for the general fund and major special revenue funds are presented on pages 109 to 114 as part of the Required Supplementary Information portion of this report. For non-major funds with appropriated annual budgets, budget to actual comparisons are presented in the Supplementary Information subsection of this report on pages 128 to 132; on page 138; and on pages 176 to 177.

Information Useful in Assessing the Government's Economic Condition

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

Local Economy. Queen Anne's County currently enjoys a stable economic environment. Local indicators, such as lower than average unemployment, increased wealth levels, and a manageable debt burden all point to continued stability. The local employment base is somewhat limited and centers on several stable manufacturers, as well as the agriculture, maritime, construction, retail, leisure, and hospitality industries. Nearly 60% of the workforce commutes to locations outside the County, primarily to higher paying jobs in the Baltimore/Washington area. Three of the five largest employers are governmental units, including the County, the Board of Education, and Chesapeake College. There is a small, but growing, base of specialty manufacturers. Housing demand and prices are relatively flat compared to prior years. Unemployment is typically below the state and national averages. The June 2009 rate for the County was 6.7% compared to the state's rate of 7.4% and the U.S.'s rate of 9.5%. The 2009 average rate for the county was 5.8%.

Long Term Financial Planning. The County Commissioner's six-year capital program, starting with fiscal year 2010, prioritizes capital expenditures over these years to meet needs. The six-year program includes: $102.6 million for construction and renovation of various school facilities; $15.0 million for a new circuit courthouse; and $8.2 million for the Bay Bridge Airport. Offsetting nearly two thirds of these project costs, grants and other non-operating, non-debt resources are anticipated: $51.0 million for the school construction and renovation; and $7.8 million for the Airport.

Cash Management Policies and Practices. Cash held temporarily idle during the year by the County, excluding component units, was invested in the Maryland Local Government Investment Pool (MLGIP). As of June 30, 2009, about $34.5 million was invested in the pool.

The average yield on MLGIP investments was 1.35%, with a total amount earned in all governmental fund types of $643 thousand. Of this amount, $398 thousand was credited to the County's General Fund and used to pay current expenditures.

The County has a written investment policy that insures that the security of County investments is maximized.

Insurance/Risk Management. Queen Anne's County is a charter member of the Maryland Local Government Insurance Trust (LGIT). The trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverage, and operates under the terms of a Trust Agreement. The County obtains property, general, excess, and vehicle coverage from the Trust and pays LGIT an annual premium. Claims are processed and recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits.

The County obtains worker's compensation insurance through a commercial insurance company. Employee medical coverage is provided through a self-insurance group operated by the Eastern Shore of Maryland Educational Consortium.

Pension and Other Post Employment Benefits. The employees of the County are covered by the Employee's Pension System or the Law Enforcement Officers Pension System, which are cost-sharing multiple employer pension systems. The Pension System of Maryland administers these pension plans. The State Personnel and Pension Article of the Annotated Code of Maryland specifies all plan benefits to plan members. Additional information on the plans can be found in Note 12 of the notes to the financial statements.

The County provides access to medical insurance benefits to retirees who retire from County service in accordance with County policy. Retirees with at least fifteen years of continuous County service may qualify for membership in the County's retiree group medical plan(s) at a reduced rate; those with less than fifteen years service may remain in this plan if they pay the full rate. Full time employees who retire may also insure their spouses and certain dependents. Retirees pay between 10% and 100% of the full premium equivalent cost based upon their years of County service at retirement. The County reports information related to these post-employment benefits on an accrual basis; such information was previously reported on a pay-as-you-go basis. Additional information can be found in Note 14 of the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Queen Anne's County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Queen Anne's County, Maryland has received a Certificate of Achievement for the last ten consecutive years (fiscal years 1999-2008). We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Office. Each member of the department has my sincere appreciation for the contributions made in preparation of this report. Special recognition is given to Eren L. Rose for her dedication and professionalism in the preparation of Queen Anne's County financial statements.

Respectfully submitted,

John P. Borders, Jr., CPA
County Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Queen Anne's County Maryland

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008

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

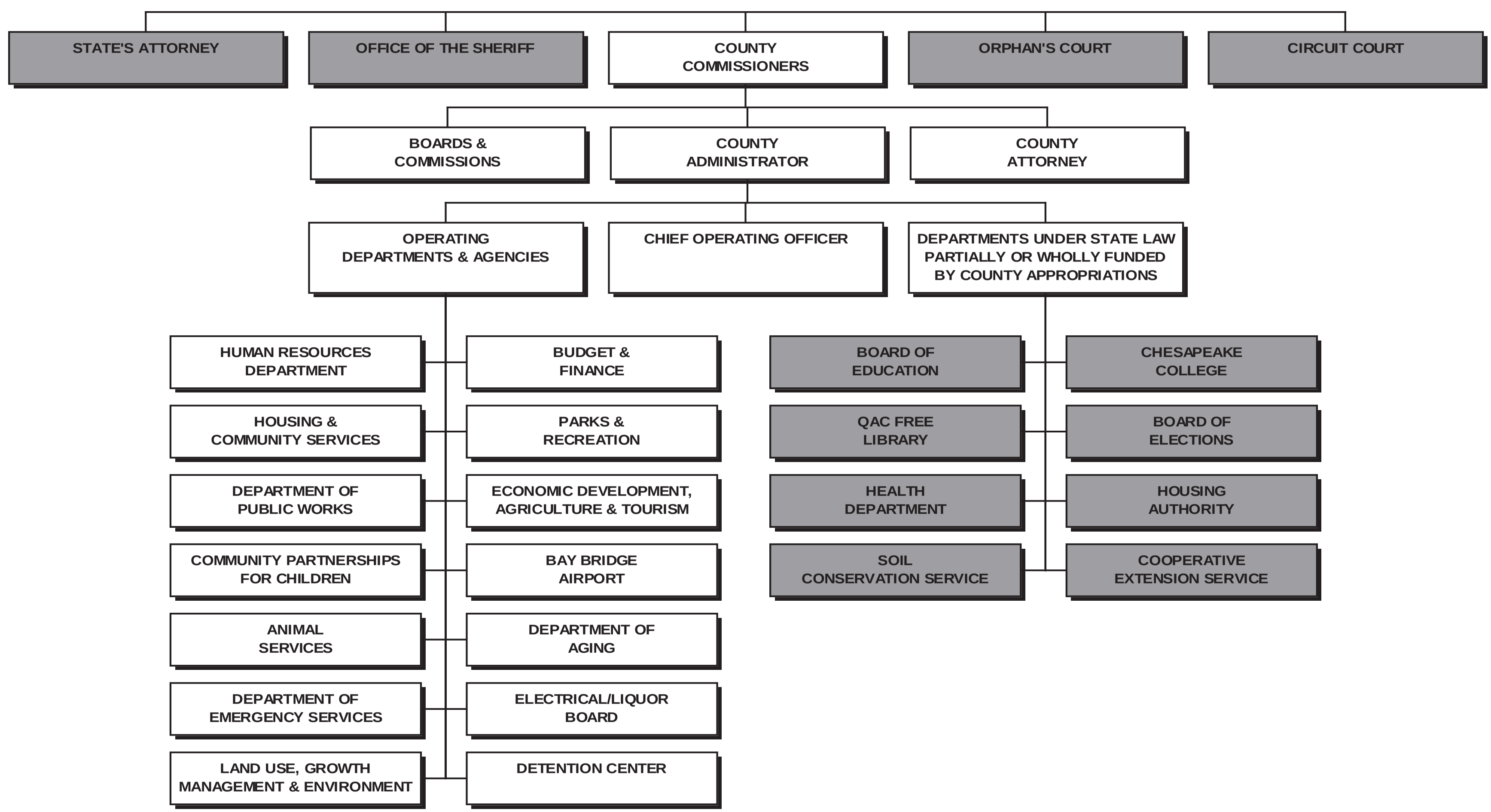
President

Executive Director

QUEEN ANNE'S COUNTY GOVERNMENT
ORGANIZATION CHART

DEPARTMENTS AND AGENCIES SHOWN IN GRAY BOXES ARE NOT UNDER THE CONTROL OR SUPERVISION OF QUEEN ANNE'S COUNTY GOVERNMENT BUT ARE PARTIALLY OR WHOLLY FUNDED BY COUNTY APPROPRIATIONS UNDER STATE LAW.

QUEEN ANNE'S COUNTY VOTERS



QUEEN ANNE'S COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND OTHER OFFICIALS
AS OF JUNE 30, 2009

CERTAIN ELECTED OFFICIALS *

County Commissioners	Eric S. Wargotz, M.D., At Large Courtney M. Billups, District 1 Paul L. Gunther, District 2 Gene M. Ransom, III, District 3 Carol R. Fordonski, District 4
State's Attorney	Lance G. Richardson, Esq.
Sheriff	Raymond G. Hofmann

* As of November 16, 2009.

CERTAIN DEPARTMENT HEADS AND OTHER OFFICIALS **

County Administrator	John P. Borders, Jr., CPA
Chief Operating Officer	Gregg A. Todd
Director of Public Works	Todd R. Mohn
Director of Economic Development, Agriculture, and Tourism	Faith E. Rossing
Chief of Land Use and Zoning	J. Steve Cohoon
Chief of Community and Environmental Planning	Helen M. Spinelli
Chief Accounting Officer	Eren L. Rose, CPA
Chief Treasury Officer	Marie K. Lange
County Attorney	Patrick E. Thompson, Esq.

Independent Auditor	**Bond Counsel**	**Financial Advisor**
Clifton Gunderson LLP Certified Public Accountants Timonium, Maryland	McKennon, Shelton & Henn, LLP Baltimore, Maryland	Public Advisory Consultants Baltimore, Maryland

** As of November 16, 2009.

Queen Anne's County
MARYLAND

2009

Comprehensive Annual Financial Report
for the Fiscal Year ended
June 30, 2009

Financial Section

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

The Board of Commissioners
of Queen Anne's County, Maryland
Centreville, 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 Queen Anne's County, Maryland (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of the Board of Education of Queen Anne's County and the Queen Anne's County Free Library which comprise 86% of the assets and 97% of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned component units, is based solely on 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 opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis; Schedule of Funding Progress; Schedule of Participating Agencies' Contributions; and Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and Roads Board Special Revenue Fund as referenced in the table of contents 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 introductory section, combining and individual fund financial statements and supplementary schedules listed as supplementary data, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and supplementary schedules, listed as supplementary data 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. The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Baltimore, Maryland
December 22, 2009

Management’s Discussion and Analysis

Introduction

This section of the Comprehensive Annual Financial Report of Queen Anne’s County, Maryland (the County) presents a narrative overview and analysis of the financial activities of Queen Anne’s County Government for the fiscal year ended June 30, 2009. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

Adoption of new GASB Statements

During fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 43, *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans,* and No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Implementing these statements required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. The County has established a fiduciary Trust entity, entitled “Other Post-Employment Benefit Trust – County Commissioners of Queen Anne’s County, County Commissioners of Kent County, and Participating Agencies” (OPEB Trust), to account for and report on post-employment healthcare benefit activities and those of its other participating agencies. Because the County only partially funded the actuarially calculated contribution currently required for these benefits, which contribution must be recorded as an expense, a non-current liability of $4.3 million has been recognized on the County’s Statement of Net Assets for governmental and business-type activities. For more information, see Note 14 of the Notes to Financial Statements, which can be found on pages 96 to 101.

The County also adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations.* Information on current year situations can be found in Note 18 on page 103.

In addition, the County adopted GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*, which did not have a significant impact on the County’s financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Queen Anne’s County Government’s basic financial statements. The County’s basic financial statements are comprised of three components:

Government-Wide Financial Statements
Fund Financial Statements
Notes to the Financial Statements

This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-Wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of Queen Anne’s County Government’s finances, in a manner comparable to a private sector business.

The *statement of net assets* presents information on all of Queen Anne's County Government's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position and condition of Queen Anne's County Government is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Queen Anne's County Government that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of Queen Anne's County Government include general government, public safety, public works, health, social services, education, parks and recreation, library, conservation of natural resources, and economic and community development. The business-type activities of Queen Anne's County Government include water and sewer services, an airport, public marinas, parks and various recreational facilities.

The government-wide financial statements include not only Queen Anne's County Government itself (known as the *primary government*), but also legally separate component units. Queen Anne's County Government has the following discretely presented component units: Queen Anne's County Board of Education, Queen Anne's County Free Library, and the Queen Anne's County Public Housing Authority. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 34 to 37 of this report.

Fund Financial Statements: A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Queen Anne's County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Queen Anne's County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements can be found throughout this report, with basic statements found on pages 38 to 53.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the balance sheet for governmental funds and the statement of revenues, expenditures, and changes in fund balances for governmental funds provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.* These two reconciliations begin with *governmental fund* financial data; describe all transactions that are added or subtracted to yield *governmental activities*; and end with *governmental activities* financial data. These reconciliations can be found on pages 41 and 44 to 45.

Queen Anne's County maintains three types of governmental funds: the general fund, a variety of special revenue funds, and five capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all governmental funds; fund type is identified for each fund.

Queen Anne's County adopts an annual appropriated budget for its general fund; school, fire, and parks impact fee capital projects funds; and the following special revenue funds: roads board, department of aging, housing and community services, community partnerships for children, dredging special assessments, Kent Narrows, law library, inmate welfare, agricultural transfer, and rural legacy. A budgetary comparison statement has been provided for each of these funds, which can be found on pages 109 to 114; 128 to 132; 138; and 176 to 177 of this report.

Proprietary funds: Queen Anne's County maintains *enterprise funds* to report the same functions presented as *business-type activities* in the government-wide financial statements. Queen Anne's County Government uses enterprise funds to account for its water and sewer services, airport, marinas, parks, and other recreational facilities. The basic proprietary fund financial statements can be found on pages 46 to 51 of this report, as well as non-major statements on pages 142 to 147.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Queen Anne's County Government's own programs. The County acts as a fiduciary for two trust and six agency funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 52 to 53 of this report, while further detail can be found on pages 152 to 157.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54 to 103 of this report.

Government-wide Financial Analysis

Statement of Net Assets

A summary of government-wide assets, liabilities, and net assets is as follows:

	Governmental Activities		Business Type Activities		Total	
Summary of Net Assets	2009	2008	2009	2008	2009	2008
Current and Other Assets	$ 54,440,061	$ 71,853,636	$ 26,467,702	$ 24,681,001	$ 80,907,763	$ 96,534,637
Capital Assets	137,608,599	132,874,886	99,900,415	101,870,541	237,509,014	234,745,427
Total Assets	192,048,660	204,728,522	126,368,117	126,551,542	318,416,777	331,280,064
Noncurrent liabilities	71,411,949	72,632,089	23,963,800	25,249,167	95,375,749	97,881,256
Other liabilities	7,508,361	13,963,945	5,370,954	5,788,592	12,879,315	19,752,537
Total Liabilities	78,920,310	86,596,034	29,334,754	31,037,759	108,255,064	117,633,793
Net assets:						
Invested in capital assets, net of related debt	123,217,989	117,831,360	77,146,688	77,237,512	200,364,677	195,068,872
Restricted	16,582,660	15,376,330	19,886,675	18,276,271	36,469,335	33,652,601
Unrestricted	(26,672,299)	(15,075,202)	-	-	(26,672,299)	(15,075,202)
Total Net Assets	$ 113,128,350	$ 118,132,488	$ 97,033,363	$ 95,513,783	$ 210,161,713	$ 213,646,271

The County's total current and other assets decreased by $15.6 million, or 16.2 percent, to $80.9 million. The County's total assets exceeded its liabilities at the close of fiscal year 2009 by $210.2 million. Net assets are divided into three categories: invested in capital assets (net of related debt); restricted net assets; and unrestricted net assets.

By far, the largest portion, $200.4 million, of the County's total net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, vehicles, and infrastructure), less any related and outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to citizens; consequently, they 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 the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Ownership reverts to the county government only if the local Board determines a building is no longer needed for educational purposes. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to $50.3 million at June 30, 2009. Absent the effect of this relationship, the County would have reported positive unrestricted net assets of $23.6 million on its government-wide financial statements, rather than the negative unrestricted net assets of $26.7 million reported herein.

An additional $36.5 million of the County's total net assets represents resources that are subject to restrictions on how they may be used. For <u>governmental activities</u>, this amount includes: $7.3 million in net assets restricted for contingency/revenue stabilization during periods of economic downturn (general government function); $3.4 million restricted for housing and revolving loan receivables (economic development function); $3.3 million restricted for State-shared Highway User Tax mandates and developer exaction agreements (public works function); $1.2 million for federally confiscated funds' mandates and donation specifications (public safety function); and $1.1 million restricted for State-shared Agricultural Transfer Tax mandates and Critical Area fine requirements (conservation of natural resources function). For <u>business-type activities</u>, this amount includes: $7.6 million restricted for subsequent year operations in those enterprise funds not reported separately in the following restricted amounts; $7.5 million in allocations restricted for Sanitary District capital projects or debt service; $4.0 million restricted to meet Sanitary District debt covenants; and $753 thousand restricted by Sanitary District developer exaction project requirements.

At the end of the current fiscal year, Queen Anne's County Government is able to report positive balances in two out of three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. Business-type activities report all non-capital net assets as restricted, due to the inherent nature of those activities, and show a positive balance in both categories.

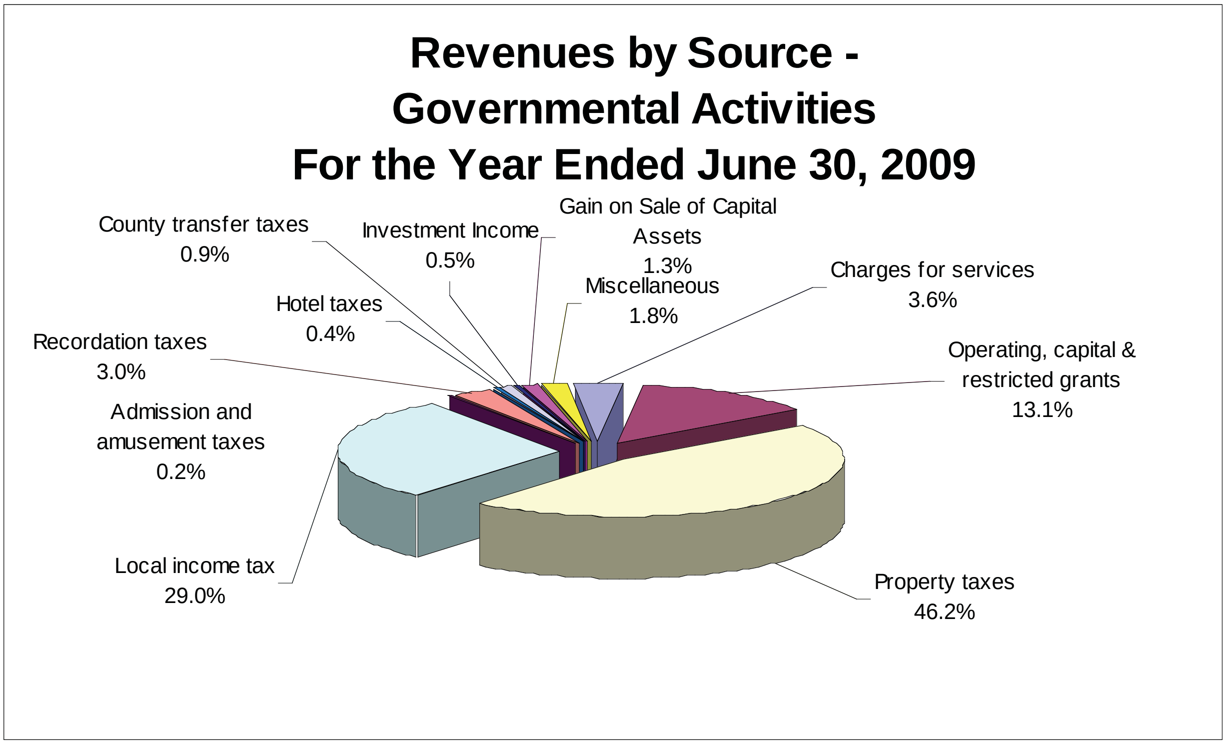
Statement of Activities

The following table summarizes changes in net assets for governmental and business-type activities during the year:

	Governmental Activities		Business Type Activities		Total	
Summary of Changes in Net Assets	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 4,316,993	$ 6,700,093	$ 9,356,501	$ 9,626,951	$ 13,673,494	$ 16,327,044
Operating grants and contributions	12,870,537	11,325,892	45,824	59,663	12,916,361	11,385,555
Capital grants and contributions	2,865,454	7,583,786	1,041,115	3,063,206	3,906,569	10,646,992
General revenues:						
Property taxes	55,362,114	50,021,587	-	-	55,362,114	50,021,587
Local income tax	34,834,937	35,700,111	-	-	34,834,937	35,700,111
Other local taxes						
Admission and amusement taxes	235,588	223,233	-	-	235,588	223,233
Recordation taxes	3,565,584	3,825,394	-	-	3,565,584	3,825,394
Hotel taxes	428,998	503,979	-	-	428,998	503,979
County transfer taxes	1,103,095	1,578,912	-	-	1,103,095	1,578,912
Investment income	642,472	2,128,509	595,279	875,509	1,237,751	3,004,018
Gain on sale of capital assets	1,540,404	-	-	-	1,540,404	-
Miscellaneous	2,182,525	721,946	918,688	919,828	3,101,213	1,641,774
Total Revenues	**119,948,701**	**120,313,442**	**11,957,407**	**14,545,157**	**131,906,108**	**134,858,599**
Expenses:						
Governmental Activities:						
General government	13,317,683	11,167,743	-	-	13,317,683	11,167,743
Public safety	23,570,049	20,721,185	-	-	23,570,049	20,721,185
Public works	10,237,718	10,420,547	-	-	10,237,718	10,420,547
Health	1,590,004	1,441,143	-	-	1,590,004	1,441,143
Social services	5,617,621	4,978,883	-	-	5,617,621	4,978,883
Education	53,296,238	58,034,317	-	-	53,296,238	58,034,317
Parks and recreation	5,060,018	3,330,087	-	-	5,060,018	3,330,087
Libraries	1,414,008	1,270,718	-	-	1,414,008	1,270,718
Conservation of natural resources	2,473,308	2,172,443	-	-	2,473,308	2,172,443
Economic and Community development	2,197,116	3,527,908	-	-	2,197,116	3,527,908
Interest and fiscal charges	2,831,002	3,033,416	-	-	2,831,002	3,033,416
Business-type Activities:						
Water and sewer	-	-	10,689,782	9,621,784	10,689,782	9,621,784
Parks and recreation	-	-	2,178,163	2,179,157	2,178,163	2,179,157
Public marinas	-	-	38,050	27,344	38,050	27,344
Airport	-	-	879,906	812,067	879,906	812,067
Total Expenses	**121,604,765**	**120,098,390**	**13,785,901**	**12,640,352**	**135,390,666**	**132,738,742**
Increase in Net Assets before Transfers	(1,656,064)	215,052	(1,828,494)	1,904,805	(3,484,558)	2,119,857
Transfers in (out)	(3,348,074)	(11,581)	3,348,074	11,581	-	-
Increase (Decrease) in Net Assets	**(5,004,138)**	**203,471**	**1,519,580**	**1,916,386**	**(3,484,558)**	**2,119,857**
Net Assets - Beginning of Year	118,132,488	117,929,017	95,513,783	93,597,397	213,646,271	211,526,414
Net Assets - End of Year	**$ 113,128,350**	**$ 118,132,488**	**$ 97,033,363**	**$ 95,513,783**	**$ 210,161,713**	**$ 213,646,271**

Governmental activities:

Revenues for governmental activities were $120.0 million for fiscal year 2009. The following chart depicts revenues by source for governmental activities:



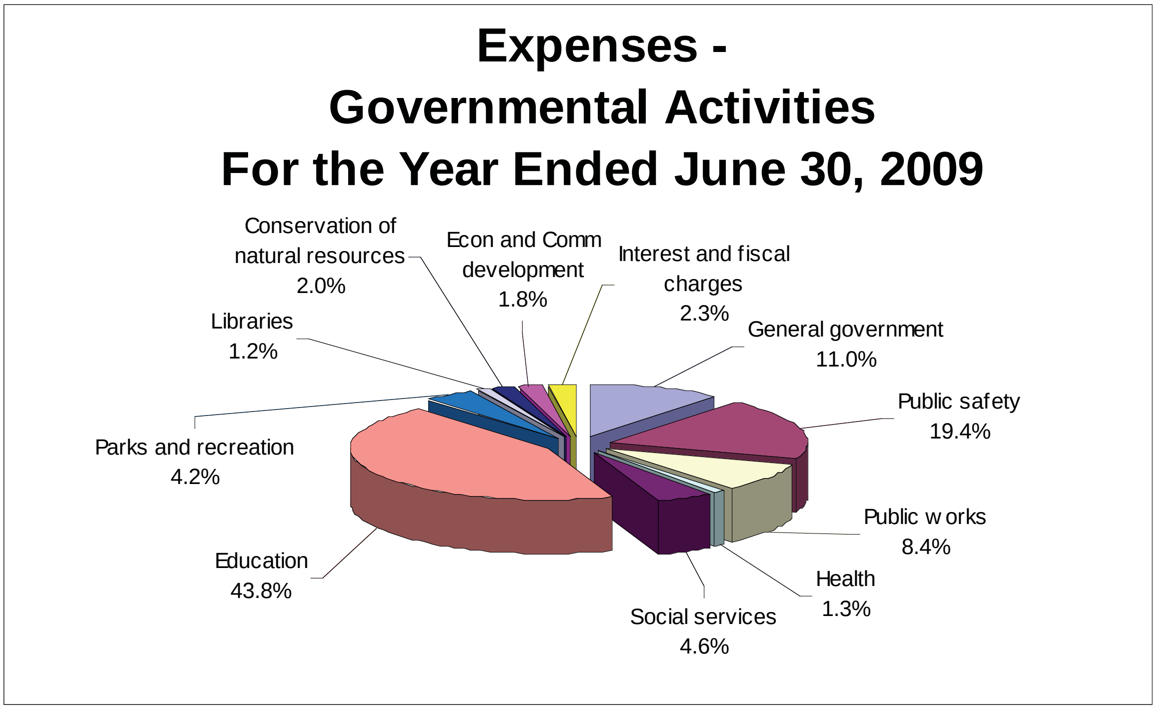
- Taxes comprise the largest source of County revenue, totaling $95.5 million (79.7 percent) of total revenue for fiscal year 2009. Of that amount, property and local income tax together yielded $90.2 million (75.2 percent) of all revenue. Each County sets its own property and income tax rates, within parameters established by the State. For fiscal years 2009 and 2008, the County's property tax rate remained constant at $.770 per $100 of assessed value of real property, based on full cash value of that property. The County's local income tax rate remained at 2.85 percent of the State taxable income for calendar years 2009 and 2008. There is no local sales tax in the State of Maryland.

- Operating grants and contributions, totaling $12.9 million, reflect grants from Federal and State agencies that support specific County programs. Programs that benefitted the most this year are: public works and roads ($7.6 million or 58.9 percent), social services ($2.9 million or 22.8 percent), and public safety ($1.3 million or 9.8 percent).

- Charges for services, totaling $4.3 million, reflect fees charged to County citizens. These primarily support public safety ($1.4 million or 32.3 percent) and general government functions ($1.1 million or 24.5 percent).

- Capital grants and contributions, totaling $2.9 million, reflect contributions from Federal and State agencies, as well as developers. Capital activities that benefit the most this year are: parks and recreation ($1.1 million or 38.0 percent) and conservation of natural resources ($691 thousand or 24.1 percent).

Expenses for all governmental activities were $121.6 million for fiscal year 2009. The following chart depicts expenses by function for governmental activities:



As noted in the chart above and the table below, by far the County's largest program and highest priority is education, with expenses totaling $53.3 million (43.8 percent). In order of priority, public safety expenses totaled $23.6 million (19.4 percent); general government expenses were $13.3 million (11.0 percent); public works and roads expenses were $10.2 million (8.4 percent); social services expenses totaled $5.6 million (4.6 percent); parks and recreation expenses were $5.1 million (4.2 percent); conservation of natural resources were $2.5 million (2.0 percent); economic and community development expenses were $2.2 million (1.8 percent); and other expenses were $5.8 million (4.8 percent).

The following table summarizes costs and program-related revenues for the same programs in order of priority, yielding net service costs:

	Expenses		Program-Related Revenues		Net Cost of Services	
Net Cost of Governmental Activities	2009	2008	2009	2008	2009	2008
Education	$ 53,296,238	$ 58,034,317	$ 909,936	$ 1,011,013	$ (52,386,302)	$ (57,023,304)
Public Safety	23,570,049	20,721,185	2,934,508	4,422,872	(20,635,541)	(16,298,313)
General Government	13,317,683	11,167,743	1,464,530	2,101,244	(11,853,153)	(9,066,499)
Public Works	10,237,718	10,420,547	8,579,913	7,864,175	(1,657,805)	(2,556,372)
Social Services	5,617,621	4,978,883	3,344,801	3,589,641	(2,272,820)	(1,389,242)
Parks and Recreation	5,060,018	3,330,087	1,328,792	6,041,080	(3,731,226)	2,710,993
Conservation of Natural Resources	2,473,308	2,172,443	844,413	411,252	(1,628,895)	(1,761,191)
Economic and Community Development	2,197,116	3,527,908	646,091	168,494	(1,551,025)	(3,359,414)
Other	5,835,014	5,745,277	-	-	(5,835,014)	(5,745,277)
Total	$ 121,604,765	$ 120,098,390	$ 20,052,984	$ 25,609,771	$ (101,551,781)	$ (94,488,619)

Of the total cost of $121.6 million for governmental activities, $20.1 million (16.5 percent), of those costs were covered by program-related revenues paid by individuals and external governmental entities. Of these outside entities, individuals who benefited directly from County programs were charged user fees of $4.3 million, while governments and other organizations that benefited indirectly from these programs contributed operating grants of $12.9 million and capital grants of $2.9 million.

County taxpayers paid for most of the remaining $101.6 million in net program costs, through a variety of County taxes for a total of $95.5 million. Net program costs of services provided to the public, in order of net cost, were: $52.4 million for education; $20.6 million for public safety; $11.9 million for general government; $3.7 million for parks and recreation; $2.3 million for social services; $1.7 million for public works; $1.6 million for conservation of natural resources; $1.6 million for economic and community development; and $5.8 million for other services. See Changes in Net Assets and General Fund Budgetary Highlights for further details.

<u>Changes in net assets:</u> Government-wide revenues, less expenses, plus/minus transfers in/out, yield changes in net assets. During fiscal year 2009, governmental activities decreased the County's net assets overall by $5.0 million, compared to an increase of $204 thousand in fiscal year 2008. The following discussion explains changes in net assets relative to the prior fiscal year.

<u>Revenues for governmental activities decreased by $365 thousand (0.3 percent).</u> Key revenue changes, in order of relative importance, are:

- <u>Property tax</u> revenue increased by $5.3 million (10.7 percent). This gain was partially offset by a decrease in <u>recordation and county transfer taxes</u> of $260 thousand (6.8 percent decrease) and $476 thousand (30.1 percent decrease), respectively. For fiscal year 2008, these three property-tax-related revenues were flat compared to fiscal year 2007. In fiscal year 2009, they increased overall by $4.6 million, or 8.3 percent. The reasons for this net increase are explained as follows:

  - Transfer tax is levied when property is transferred to a new owner. Transfer tax decreased dramatically for the last two years: 30.1 percent in fiscal year 2009, compared to fiscal year 2008, and 37.9 percent in fiscal year 2008, compared to fiscal year 2007.

  - Recordation tax is collected when property owners re-finance property-related debt, as well as when property is sold. For the fiscal year 2010 budget, the County projected only a 10.4% increase in recordation tax, based on fiscal year 2009 actual receipts.

  - County-issued commercial and residential permits, mostly related to building construction and renovation, decreased dramatically during fiscal year 2009, when compared to the prior ten years. As shown in Table 17 of the Statistical Section, on page 206, only 40 commercial permits were issued in fiscal year 2009, compared to well over 200 such permits for six of the prior nine fiscal years. Meanwhile, only 427 residential permits were issued in fiscal year 2009, compared to more than twice that many issued in six of the prior nine fiscal years.

  - Each year, the State re-assesses one third of all real property in each county. The County's fourth tax district, Kent Island, includes much of the County's Chesapeake Bay shoreline and many commercial properties and constitutes about 43 percent of the County's taxable assessed base in fiscal year 2009; it was last re-assessed in December, 2005. The State's normal phase-in policy increases taxable assessments in any given year by one third of the total increased assessed value, based on the three-year assessment. Therefore, the fourth district's taxable assessments reached their full assessed value in time for the fiscal year 2009 tax levy, based on property values in effect prior to December, 2005. Meanwhile, the tax rate remained unchanged.

- Local income tax revenues remained virtually flat, decreasing by $865 thousand (2.4 percent). Flat income tax revenue is an indication that the County is not immune to the current economic recession, although it is still relatively stable.

- Program revenue decreased by $5.6 million (21.7 percent). (1) Of this amount, $4.7 million of this decrease related to capital grant revenue. In fiscal year 2008, the County received a one-time State grant of $4.6 million for parks and recreation to purchase a specific parcel of land. (2) Charges for services (including forfeitures) decreased by $2.4 million, primarily due to receipt of $1.6 million in Federally Confiscated funds in fiscal year 2008 resulting from the Sheriff's Department's participation in an extraordinary, multi-agency case in that year only. (3) Offsetting these two decreases, operating grants (including state-shared tax with a mandated use) increased by $1.6 million. In prior years, unspent highway user tax receipts were deferred until the following year, because mandated expenditures had not been made. Beginning in fiscal year 2009, highway user tax is recognized in the year of receipt, with any unspent funds reported as reserved fund balance.

- Investment income decreased by $1.5 million (70.0 percent), reflecting the change in cash on hand from fiscal year 2008 to fiscal year 2009, as well as lower interest rates. Cash decreased by $14.1 million (31.0 percent) from $45.6 million at the end of fiscal year 2008 to $31.5 million at the end of fiscal year 2009. This occurred because the County (1) repaid debt of $5.1 million, net of new debt and reimbursements; and (2) invested $1.1 million in land, $6.3 million in other capital projects, and $1.2 million in routine capital outlay. Moreover, the average daily rate of interest earned on County investments in the Maryland Local Government Investment Pool (MLGIP), the County's sole investment vehicle, decreased throughout the fiscal year, from 2.1% at June 30, 2008 to 0.47% at June 30, 2009.

- Gain on sale of capital assets increased by $1.5 million, compared to no gain in fiscal year 2008. This gain resulted entirely from an interdepartmental transfer of capital assets, consisting of the County's Exhibition Center and related property. Although this property initially functioned as a parks and recreation facility, it was later converted to an economic and community development facility because of its ideal location at Kent Narrows to serve tourist and business interests.

- Miscellaneous income increased by $1.5 million (202.3 percent), mainly due to two distinct factors. (1) The County belongs to a health insurance consortium that purchases BlueCross BlueShield insurance on behalf of its members, with the provision that claims in excess of premiums will be covered by the collective members of the consortium. To mitigate this risk, the County charges sufficient premiums to County Departments and retirees during the year to cover an estimated 10 percent contingent liability. Every year, the consortium reviews actual claims. Based on their findings, and if no additional amounts are needed, the County periodically reduces its contingent liability account to zero and reimburses both County Departments and retirees. In fiscal year 2009, the County reimbursement covered two fiscal years and totaled $1.0 million, compared to no refund the year before. (2) Workmen's Compensation Insurance costs are estimated at the beginning of the year and collected during the year based on that estimate. A key factor in determining the premium rate assigned to each position is that position's job classification, which carries a specific "risk" factor based on work performed. After initial estimates had been determined for fiscal year 2009, job classifications were re-evaluated and many positions were re-assigned to more accurate job classifications with lower "risk" factors, resulting in lower premiums. In fiscal year 2009, this process contributed toward a refund to the County of $305 thousand more than the small refund that was received in the prior fiscal year.

Expenses for governmental activities increased by $1.5 million (1.1 percent) and transfers out to business-type activities increased by $3.3 million, for a net increase of $4.8 million. Key positive and negative expense changes, in order of relative importance, are:

- Education expenses decreased by a net of $4.7 million (8.2 percent), resulting from opposing events. (1) The County increased its operating *allocations* to the Board of Education by $3.2 million (7.4 percent) and to the local Community College by $10 thousand (0.6 percent). (2) Offsetting these increases, the County's funding for Board of Education projects decreased by $7.8 million (64.1 percent) and for Community College projects by $179 thousand (60.8 percent). The reason the Board of Education capital project costs decreased so dramatically is that $8.7 million was spent to renovate the Kent Island Elementary School during fiscal year 2008, while only $866 thousand was necessary to complete that project in fiscal year 2009.

- Public Safety expenses increased by a net of $2.9 million (13.8 percent) and were entirely funded by the County. (1) Although overall *personnel* costs increased by $3.0 million from fiscal year 2008 to 2009, $1.6 million related to other post-employment benefit costs. New in fiscal year 2009, the County implemented GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*. Implementation of these statements required that the County report retiree benefit information on an accrual basis within each department, which have previously been reported on a pay-as-you-go basis. Additional details can be found in Notes 9 and 14. (2) In addition, regular *personnel* costs increased overall by $1.5 million (11.8 percent). The largest portion related to the Sheriff's Department, which increased by $650 thousand (14.6 percent) as a result of filling vacant Deputy Sheriff positions and a special salary adjustment for uniformed officers. Also, Emergency Services' personnel costs increased by $534 thousand (11.2 percent) due to career ladder promotions.

- General Government expenses increased by $2.2 million (19.3 percent). Of this amount, *personnel* costs increased by $970 thousand (15.8 percent), of which $497 thousand related to other post-employment benefit costs, as mentioned above in Public Safety. Certain departments sustained noteworthy changes: (1) planning *personnel* costs increased by $137 thousand (38.4 percent) because two existing vacant positions were filled; (2) zoning *personnel* costs increased by $106 thousand (8.4 percent) as a result of filling a vacant position also; and (3) the County Administrator's Office *personnel* costs increased by $77 thousand (22.1 percent) due to a change in the executive benefit package. Of the total expense increase for General Government, *loss on disposal of capital assets* increased by $970 thousand (837.7 percent), due to the donation of 40 acres of land purchased in a previous year to the Board of Education.

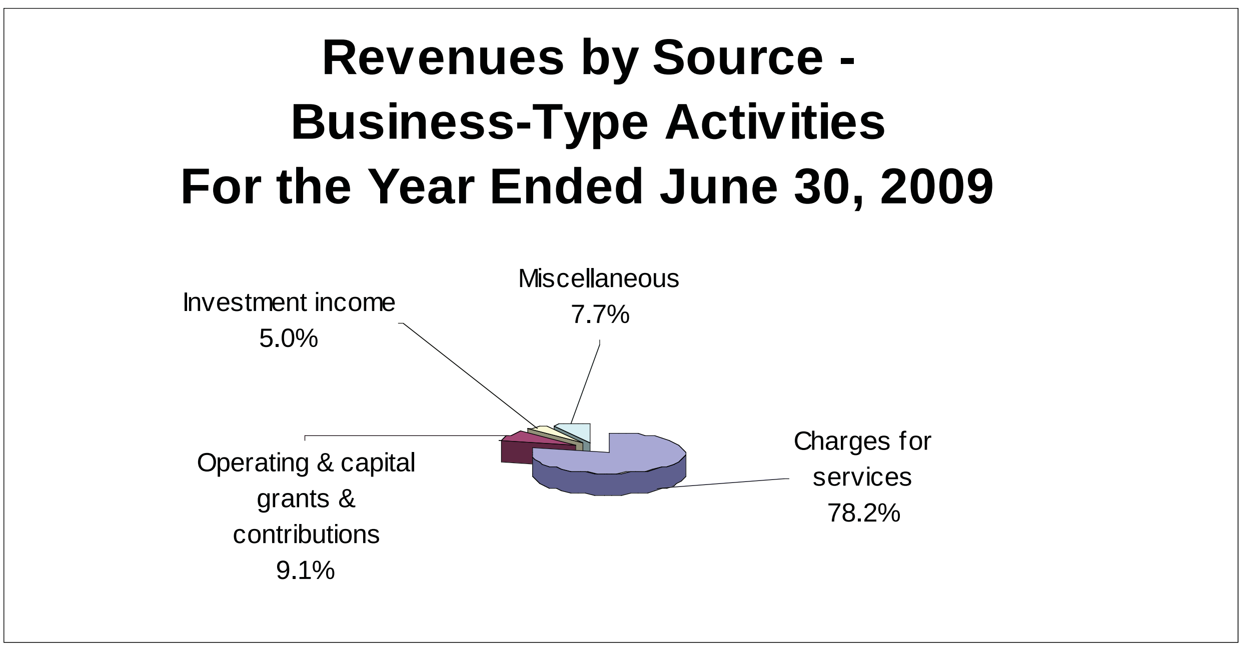
- Parks and Recreation expenses increased by $1.7 million (52.0 percent). (1) Of this amount, *personnel* costs increased by $562 thousand (24.9 percent), primarily due to other post-employment benefit costs of $365 thousand. (2) The rest of this increase was due to a *loss on disposal of capital assets* of $1.5 million, compared to no loss in fiscal year 2008. This loss resulted entirely from an interdepartmental transfer of capital assets, consisting of the County's Exhibition Center and related property. Although this property used to be operated as a parks and recreation facility, it was renovated into a business and tourism facility because of its prime location at Kent Narrows (see section on *gain on sale of capital assets* above).

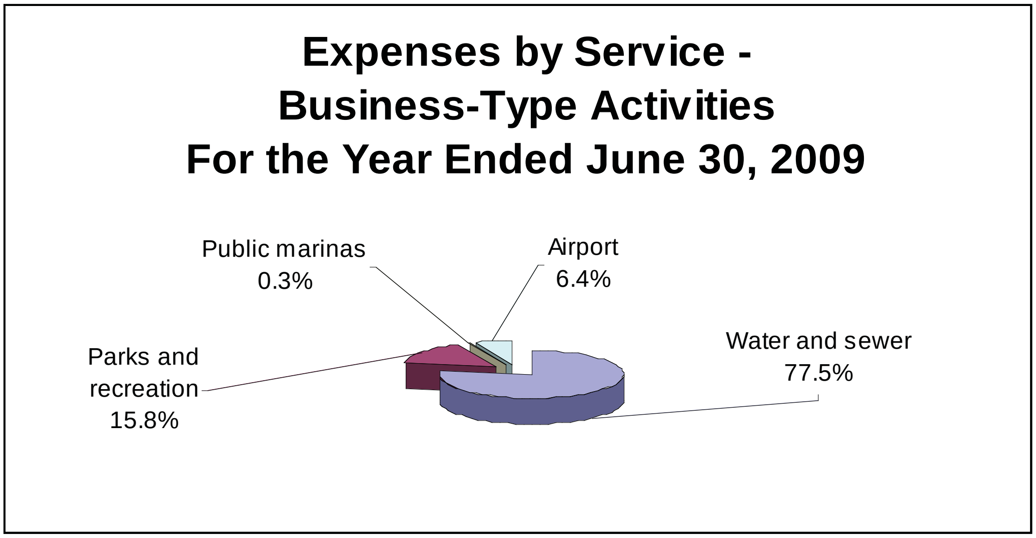
- Economic and Community Development expenses decreased by $1.3 million (37.7 percent). This change resulted entirely from a decrease in *allocations* to the Public Housing Authority (PHA) of $1.4 million. In fiscal year 2008, the County allocated $1.7 million to the Housing Authority, which spent $907 thousand and $765 thousand, respectively, for construction of Foxxtown Apartments and the Sudlersville Senior Center. In fiscal year 2009, these projects were complete and only $328 thousand was allocated to the Housing Authority.

- Transfers Out increased from $12 thousand in fiscal year 2008 to $3.4 million in fiscal year 2009. (1) This dramatic change resulted primarily from transfers of $2.8 million from the General Capital Projects Fund to various enterprise funds in order to bring the negative cash and net asset balances in the enterprise funds to a zero or near-zero balance, as these enterprise funds were never intended to be entirely self-supporting. The transfers were made to the: Golf Course for $1.5 million, Airport for $947 thousand, and Property Management for $314 thousand. (2) In addition, in fiscal year 2008, there was a one-time transfer of $580 thousand from the Public Landings enterprise fund to the General Fund to repay cash advanced for the Grove Creek Dredging Project. At the same time, a new special revenue fund was set up and benefit assessments were levied, to be repaid over time. There was no such transfer for fiscal year 2009.

Business-type activities:

Revenues, transfers in, and expenses for business-type activities were $12.0 million, $3.4 million, and $13.8 million, respectively, for fiscal year 2009. The following two charts depict revenues by source and expenses by service for business-type activities:





Business-type activities increased the County's net assets altogether by $1.5 million in fiscal year 2009, which was $400 thousand (20.7 percent) less than the prior year's increase of $1.9 million. The fiscal year 2009 change in net assets resulted primarily from:

- Charges for services decreased by $270 thousand (2.8 percent), from $9.6 million to $9.4 million. This change was almost exclusively due to reduced demand for sewer allocations in the Restricted Fund, compared to the prior fiscal year.

- Capital grants decreased by $2.0 million (66.0 percent), but still added over $1.0 million to funding. The net decrease in funding resulted from $1.1 million less for sewer capital projects; $800 thousand less for water capital projects; and $94 thousand less for airport capital projects. In general, these decreases reflect completion of more capital projects in fiscal year 2008 than in fiscal year 2009, and receipt in fiscal year 2008 of associated grant funding for those completed projects.

- Investment income decreased by $280 thousand (32.0 percent) even though cash on hand increased by $565 thousand from fiscal year 2008 to fiscal year 2009. This decrease was a direct result of lower interest rates. The average daily rate of interest earned on County investments in the MLGIP decreased throughout the fiscal year, from 2.1% at June 30, 2008 to 0.47% at June 30, 2009.

- Transfers in increased from $12 thousand in fiscal year 2008 to $3.4 million in fiscal year 2009. This dramatic change resulted primarily from transfers of $2.8 million from the General Capital Projects Fund to various enterprise funds in order to bring the negative cash and net asset balances in the enterprise funds to a zero or near-zero balance, as these enterprise funds were never intended to be entirely self-supporting. The transfers were made to the: Golf Course for $1.5 million, the Airport for $947 thousand, and to Property Management for $314 thousand. In addition, in fiscal year 2008 there was a one-time transfer of $580 thousand from Public Landings to reimburse the General Fund advancing cash in fiscal year 2007 for the Grove Creek Dredging Project. There was no such transfer out in fiscal year 2009.

- Operating expenses before transfers increased by $1.2 million (9.1 percent), from $12.6 million to $13.8 million, for all business-type activities. This change results from several significant factors: (1) New in fiscal year 2009, the County implemented GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than*

Pension Plans, and No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than* Pensions. Implementation of these statements required that the County report information on an accrual basis related to retiree benefits, which have previously been reported on a pay-as-you-go basis. This new reporting requirement generated an additional $680 thousand in expenses for business-type activities. (2) Depreciation expense for the Sanitary District increased by $1.8 million, resulting primarily from completion of the new BNR/ENR sewer treatment plant, which created about $33.0 million in new depreciable assets. (3) Sanitary District collection expenses increased by $300 thousand, largely as a result of increased equipment repair costs reflecting emergency repairs to replace a leaking portion of sewer force mains, and also repairs to equipment that was damaged in the normal course of business. (4) Interest expense increased by $180 thousand, primarily due to a new Water Quality Revolving Loan Fund loan used to fund construction of the new BNR/ENR sewer treatment plant. Two events offset these expense increases. (1) In fiscal year 2008, sewer operations had a $2.1 million one-time loss on disposal of capital assets resulting from commission of the new BNR/ENR Sewer treatment plant; no such disposals took place in fiscal year 2009. (2) In fiscal year 2008, Public Landings re-categorized $167 thousand of expenses relating to the Grove Creek Dredging Project; this one-time adjustment was not needed in fiscal year 2009.

Financial Analysis of the Government's Funds

As noted earlier, Queen Anne's County Government uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Detailed financial data based on the government's fund accounting can be found in the governmental fund statements in this report.

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

As of the end of the current fiscal year, Queen Anne's County Government's governmental funds reported combined ending fund balances of $36.5 million, compared to $46.2 million for the prior year. Approximately 1.84 percent of this total ($672 thousand) constitutes *unreserved undesignated fund balance*, which is available for spending at the government's discretion.

The *reserved fund balance,* at 70.26 percent of total fund balance ($25.7 million), is not available for new spending because it has already been reserved for prior period commitments and legal restrictions. *Reserved fund balances* have been committed: (1) to liquidate contracts, purchase orders, and capital commitments of the prior period ($8.7 million); (2) to cover loan receivable balances ($3.6 million) and contingencies ($7.3 million); (3) to segregate Critical Areas and Agricultural Transfer Tax collections that are legally committed to land preservation programs ($1.1 million); (4) to restrict the unspent portion of Federal confiscated funds received ($1.1 million); (5) to segregate Highway User Tax that is restricted by State mandate to maintain County roads ($2.4 million); and (6) to earmark other monies for a variety of other specific purposes ($1.5 million).

The remaining 27.89 percent of fund balance ($10.2 million) constitutes *unreserved designated fund balances*. These amounts have been *designated for subsequent year's* operating and capital budgets ($6.3 million and $3.9 million, respectively) and are recorded in the County's budget documents as beginning resources to fund expenditures.

The General Fund is the chief operating fund of Queen Anne's County Government. At the end of the current fiscal year, the *unreserved undesignated fund balance* of the General Fund is $76 thousand, which is available for spending, out of a total fund balance of $15.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both *unreserved undesignated fund balance* and *total fund balance* to total General Fund expenditures and other financing uses ($99.2 million plus 2.6 million = $101.8 million). The *unreserved undesignated fund balance* of $76 thousand represents 0.075 percent of the total General Fund expenditures and other financing uses, while *total fund balance* of $15.0 million represents 14.76 percent of that same amount. Of this total fund balance, $7.3 million has been set aside to cover unforeseen contingencies.

During the current fiscal year, the total fund balance of the government's General Fund increased by $2.1 million, compared to a decrease of $9.5 million in total fund balance at the end of fiscal year 2008. This $7.4 million net change was virtually all due to reduced spending of $7.2 million, as shown in the following table:

	General Fund		Increase
Expenditures and Transfers Out	2009	2008	(Decrease)
Expenditures			
Education	$ 48,856,359	$ 45,610,824	$ 3,245,535
Public Safety	20,083,251	18,438,978	1,644,273
General Government	9,871,927	9,419,224	452,703
Debt Service	7,843,837	8,011,934	(168,097)
Other	12,553,738	12,460,910	92,828
Subtotal Expenditures	99,209,112	93,941,870	5,267,242
Other Financing Uses - Transfers Out to:			
General Capital Projects Fund	21,483	12,176,028	(12,154,545)
Agricultural Transfer Tax Fund	32,000	167,000	(135,000)
Impact Fees - Fire Companies/Contingencies	37,069	156,191	(119,122)
Department of Aging	1,622,471	1,663,342	(40,871)
Other Funds	860,589	869,967	(9,378)
Subtotal Transfers Out	2,573,612	15,032,528	(12,458,916)
Total Expenditures and Transfers Out	$ 101,782,724	$ 108,974,398	$ (7,191,674)

Although the County increased *expenditures* in the General Fund by a total of $5.3 million, as noted in the table above, the reason spending decreased is entirely due to a $12.2 million reduction in *transfers out* from the General Fund to the General Capital Projects Fund. During fiscal year 2008, $8.7 million was spent in the General Capital Projects Fund to renovate the Kent Island Elementary School, another $1.3 million was needed to purchase land ideally situated for a future court house, and a number of smaller projects were under construction. Although these two projects, along with several smaller projects, were due to be funded with bond proceeds, issuance of the bonds was postponed from fiscal year 2008 to early fiscal year 2010. To cover this temporary cash shortfall, a total of $12.2 million in cash was transferred from the General Fund to the General Capital Projects Fund during fiscal year 2008 as a one-time transfer. During fiscal year 2009, no further transfers were needed, as the school renovation was virtually complete and the land had been purchased. In November 2009, which is fiscal year 2010, the bonds were issued and monies were allocated to cover a number of capital projects completed in prior years, including these projects.

Altogether, the General Fund spent and/or transferred $7.2 million less in fiscal year 2009 than it did in fiscal year 2008, as shown in the table above.

For further explanations of General Fund revenues and expenditures, see the General fund Budgetary Highlights section of this MD&A.

The General Capital Projects Fund is the fund in which the County completes all capital projects related to governmental funds, except capital projects related to the Roads Department. The latter projects are accounted for in the Roads Capital Projects Fund, so that Highway User Tax revenues remain separate.

As of June 30, 2009, the General Capital Projects Fund has a total fund balance of $4.8 million, of which $7.7 million is reserved to meet capital commitments of the prior period, leaving an unrestricted deficit of $2.9 million. Usually such a deficit indicates that the Fund is overcommitted. However, this deficit results from the need to complete the Kent Island Elementary School renovation and purchase a specific property, as explained above, during fiscal years 2008 and 2009, while waiting to fund those projects with bond proceeds until fiscal year 2010. In November 2009, which is fiscal year 2010, the County issued bonds for $29.9 million, thereby replenishing financial resources in this fund.

Proprietary funds: Queen Anne's County Government's enterprise fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Also, *due to/due from other funds* are combined in the government-wide statements and reported as Internal Balances between governmental and business-type activities, which net to zero.

Total unrestricted net assets of the Sanitary District Enterprise Funds at the end of fiscal year 2009 amounted to $14.1 million, which is $448 thousand less than the prior year. Total net assets amounted to $76.9 million at the end of fiscal year 2009, which decreased by $1.1 million during that year. These decreases resulted primarily from two events: (1) the new BNR/ENR sewer treatment plant was depreciated for its first full year in operation, resulting in an increase in depreciation expense of $1.8 million and (2) the County implemented GASB Statement 43, Other Post Employment Benefits (OPEB), thereby increasing operating expenses by $567 thousand due to recognition of other post-employment benefits (OPEB) for the current year.

The total unrestricted net assets of the Bay Bridge Airport Enterprise Fund at year end amounted to $74 thousand, which is $800 thousand more than the prior year's $726 thousand deficit. Total net assets amounted to $12.4 million at the end of fiscal year 2009, which increased by $1.0 million during the year. These increases were entirely due to a transfer in from the General Fund of $1.0 million, which brought the Airport's unrestricted net assets to a positive figure. Although the Airport is an enterprise fund, it is intended to be only partially self-supporting and this transfer corrected a cumulative deficit.

A discussion of Enterprise Fund capital assets and long-term debt can be found in those sections presented later in this MD&A.

General Fund Budgetary Comparisons

The County adopts an operating budget for the General Fund as of July 1 each year and amends that budget throughout the year in response to actual events. Three Schedules detail these events: summary, revenues and expenditures. These schedules can be found as part of Required Supplemental Information, which is located after the Notes on pages 109 through 113. These Schedules report original and final budgets, as well as the variance between actual events and final budgets.

Original to Final Budget Comparisons. The final expenditure budget for the General Fund, including transfers out, totaled $105.7 million. Amendments increased spending authority by $1.6 million during fiscal year 2009, when compared to the original budget of $104.1 million.

Major components of these expenditure budget increases are as follows:

- Public Safety budgeted expenditures increased by $1.2 million, of which $709 thousand was for the Sheriff's Office and $483 thousand was for Emergency Services. (1) Of the Sheriff Office's budget increase, $517 thousand utilizes federal funds confiscated from multi-agency enforcement cases to purchase capital equipment items and $168 thousand reflects grants awarded in fiscal year 2009 to pay overtime and benefits for deputies to provide security for County school and community events. (2) Of the Emergency Services' budget increase, $475 thousand was added to take advantage of new Homeland Security grant awards, primarily to purchase capital equipment and fund a new position to assist with emergency planning.

- Public Works budgeted expenditures increased by $193 thousand, of which $171 thousand was for Solid Waste disposal. (1) Per an ongoing agreement, $95 thousand was allocated from the Rubble Surcharge Fund to an outside contractor to purchase equipment to perform specific work for the County's benefit. (2) Another $65 thousand authorized payment for contractual commitments that were approved in fiscal year 2008 but not completed until the following year. (3) A final $12 thousand was reclassified from other General Fund departments to haul recycling materials from "cooperative" entity locations to the County's Recycling collection location.

- Health Department budgeted expenditures increased by $101 thousand. This was for increased allocations to that department for general operations and to augment the County's Adult Day Care effort.

- Miscellaneous budgeted expenditures increased by $101 thousand; virtually all was to cover OPEB costs, which were offset by reductions in other departments.

Budget to Actual Comparisons. Actual revenues for the General Fund, including other financing sources and before appropriated fund balance, were less than final budgetary estimates by $1.2 million. Actual expenditures, and other financing uses, were less than final budgetary appropriations by $3.9 million. The net effect of these two opposing events was a positive variance of actual to final budget of $2.7 million.

The most noteworthy differences between final budgeted amounts and actual amounts are summarized as follows:

Revenues:

- Property tax revenue was $107 thousand less than expected (0.2 percent). This slight variance resulted from relatively static property values, resulting in predictable tax revenues. The property tax estimate consisted of the original tax levy, based on property assessments completed prior to July 1, and the mid-year levy, based on property changes and construction through December 31.

- Local Income tax revenue was only $13 thousand less than expected (0.04 percent), due to a fortuitous initial estimate.

- Recordation tax revenue was $1.1 million less than expected (27.9 percent). For a discussion of recordation tax receipts, see the Statement of Activities – governmental changes in net assets, earlier in this MD&A.

- Intergovernmental revenue was $250 thousand less than budgeted (11.1 percent). This amount consisted of grants and fees due to the Department of Emergency Services. (1) A grant of $429 thousand was awarded by Homeland Security, of which $211 thousand was spent and received during fiscal year 2009; the remaining $218 thousand will be eligible for reimbursement if spent appropriately through May 2011. (2) In addition, telephone 911 fees were estimated at $400 thousand, but $342 thousand were received, resulting in a shortfall of $58 thousand.

- Charges for current services were $278 thousand less than expected (13.5 percent). Over half of this variance, or $165 thousand, was due to lower than estimated ambulance fees collected. These fees are due to volunteer fire companies when they respond to emergency calls. They are difficult to estimate because a component of the fee is a voluntary payment and the fees may be shared if volunteer ambulances are part of the response team.

- Investment income was $1.1 million less than expected (72.6 percent), due almost exclusively from decreasing interest rates throughout the year. For more information, see the Statement of Activities – governmental changes in net assets, earlier in this MD&A.

- Miscellaneous Revenues and Donations were $1.7 million more than budgeted. Of this category, the Miscellaneous portion consists of items that are unpredictable in nature and are not budgeted. Three events make up virtually all of this year's miscellaneous revenue, none of which was budgeted. (1) Reimbursement of "contingent liability" amounts relating to healthcare costs were received in the amount of $1.0 million and (2) a similar reimbursement of workmen's compensation contributions, based on annual audited wages, were received in the amount of $546 thousand. These two events can be positive (reimbursements) or negative (expenditures), depending on circumstances for the particular year, and are explained on page 19. For fiscal year 2009, both of these events were reimbursements, resulting in a positive variance related to the final budget. (3) Another $99 thousand was received for rubble surcharge fees, which are reserved at year end to support the County's multi-year recycling effort, and are also not budgeted.

Expenditures:

- Final Budgeted Salaries and Benefits were $28.2 million for the year, while actual costs were $26.4 million. They remained unspent at year-end by $1.8 million (6.4 percent). Of this amount, public safety was responsible for the majority of the unspent portion ($874 thousand), while general government and public works accounted for most of the rest ($414 thousand and $265 thousand, respectively). This was due to routine turnover and vacant positions. Note that the lump-sum final budget for Salary Reversions was $338 thousand, yielding a net positive variance of $1.5 million for salaries and benefits.

- Final Budgeted Other Operating Charges were $76.0 million for the year, while actual costs were $74.7 million. These costs were lower than budget at year end by $1.3 million (1.8 percent). Operating Charges include contracted services, supplies, debt service, transfers out, and other charges.

    - Contracted Services were underutilized by $536 thousand, primarily in public safety ($300 thousand) and general government ($173 thousand). The largest line-item savings were for: detention center medical fees ($163 thousand); land use and zoning inspection fees ($76 thousand); fire chiefs' association miscellaneous services ($46 thousand); and detention center food services ($23 thousand).

    - Supplies were under spent by $295 thousand, primarily in public works ($125 thousand), public safety ($57 thousand) and general government ($49 thousand). The largest line-item savings were for equipment repair supplies related to solid waste ($94 thousand) and the sheriff's office ($22 thousand).

- o Transfers Out were underutilized by $523 thousand, mainly for the Department of Aging ($337 thousand) and Housing and Community Services ($81 thousand). These transfers did not take place because eligibility criteria were not met.

- Final Budgeted Capital Outlay was $1.5 million for the year, while actual costs were $750 thousand. Capital outlay was underspent by $707 thousand (48.5 percent), mostly in public safety ($469 thousand) and public works ($183 thousand), for a variety of reasons relating to the specific items to be purchased.

Capital Assets and Debt Administration

Capital assets: Queen Anne's County Government's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounts to $237.5 million (net of accumulated depreciation). This investment in capital assets includes land and land improvements, construction in progress, buildings, improvements other than buildings, infrastructure, autos, machinery and equipment.

Capital asset activities, net of depreciation, are summarized as follows:

	Governmental Activities		Business Type Activities		Total	
Capital Assets, Net of Depreciation	2009	2008	2009	2008	2009	2008
Land and Land Improvements	$ 78,853,728	$ 78,661,539	$ 14,209,466	$ 14,012,881	$ 93,063,194	$ 92,674,420
Construction in Progress	14,157,439	10,070,812	1,475,247	2,072,670	15,632,686	12,143,482
Buildings	20,418,727	20,310,045	13,089,146	13,308,995	33,507,873	33,619,040
Improvements other than Buildings	4,135,066	4,005,066	4,389,205	3,931,371	8,524,271	7,936,437
Infrastructure	9,197,613	8,892,964	50,059,533	50,998,221	59,257,146	59,891,185
Auto, Machinery, and Equipment	10,846,026	10,934,460	16,677,818	17,546,403	27,523,844	28,480,863
Total	$ 137,608,599	$ 132,874,886	$ 99,900,415	$ 101,870,541	$ 237,509,014	$ 234,745,427

Queen Anne's County's total investment in capital assets for the current fiscal year, net of depreciation, increased by 1.2 percent, or $2.8 million. Of this amount, governmental investment in capital assets increased by $4.7 million, of which $4.1 million related to construction in progress, while business-type investment in capital assets decreased by $2.0 million, due entirely to depreciation expense ($3.7 million).

Changes in the County's capital assets are summarized as follows, with depreciation shown separately. Completed projects that were reclassified from construction in progress (CIP) to other asset accounts during the year are reported in the same column, as retirements from CIP and transfers to other asset accounts.

	Governmental Activities			
Changes in Capital Assets	2008	Additions	Retirements and Transfers	2009
Land and Land Improvements	$ 78,661,539	$ 1,122,638	$ (930,449)	$ 78,853,728
Construction in Progress	10,070,812	6,040,429	(1,953,802)	14,157,439
Buildings	27,516,120	1,326,717	(879,623)	27,963,214
Improvements other than Buildings	4,667,381	77,570	182,726	4,927,677
Infrastructure	14,876,235	1,695	600,359	15,478,289
Auto, Machinery, and Equipment	25,258,536	1,810,154	(56,123)	27,012,567
Total Assets before depreciation	161,050,623	10,379,203	(3,036,912)	168,392,914
Less Depreciation	(28,175,737)	(3,049,539)	440,961	(30,784,315)
Total Assets after depreciation	$ 132,874,886	$ 7,329,664	$ (2,595,951)	$ 137,608,599

	Business-Type Activities			
Changes in Capital Assets	2008	Additions	Retirements and Transfers	2009
Land and Land Improvements	$ 14,012,881	$ 4,355	$ 192,230	$ 14,209,466
Construction in Progress	2,072,670	745,731	(1,343,154)	1,475,247
Buildings	17,722,910	5,164	458,420	18,186,494
Improvements other than Buildings	5,712,571	14,867	679,952	6,407,390
Infrastructure	67,333,164	682,936	-	68,016,100
Auto, Machinery, and Equipment	22,794,147	248,491	12,552	23,055,190
Total Assets before depreciation	129,648,343	1,701,544	-	131,349,887
Less Depreciation	(27,777,801)	(3,671,671)	-	(31,449,472)
Total Assets after depreciation	$ 101,870,542	$ (1,970,127)	$ -	$ 99,900,415

Noteworthy capital asset events during the current fiscal year for governmental activities included the following:

- Land and Land Improvements increased by $1.1 million and decreased by a net of $931 thousand. Additions include two tracts of undeveloped land, located in Chester and Grasonville, that were purchased for $505 thousand and $603 thousand, respectively. The first parcel is earmarked for use by Parks and Recreation, while the future use of the latter parcel is still being evaluated. Retirements and Transfers consist of one large land retirement offset by three small additions. During fiscal year 2007, a parcel of land, located near Sudlersville and consisting of 142 acres, was acquired with the understanding that 40 acres of that land would be transferred to the Board of Education for their use, but only after certain events had transpired. During fiscal year 2009, all requirements had been met and the property, valued at $1.1 million, was permanently transferred to the Board of Education. Offsetting this transaction were reclassifications to land and land improvements from construction in progress, which include three parcels to augment various County walking trails, located as follows: Sudlersville Park ($44 thousand); Church Hill ($42 thousand); and Kent Island South Trail Spur/Chews Manor ($47 thousand).

- Construction in Progress (CIP) increased by $6.0 million and decreased by $2.0 million. Additions include projects still under construction at year end such as: expansion of the existing Detention Center Facility ($2.3 million); development of White Marsh Park ($1.1 million); construction of a County Transit Garage ($949 thousand); upgrade of the Centreville Recycling Facility ($345 thousand); improvement of the local 4-H Park ($293 thousand); renovation of the Matapeake Club House facility ($244 thousand); upgrade of Wells Cove Public Landing ($186 thousand); and construction of infrastructure to access the new Emergency Room Medical facility associated with the University of Maryland medical system and located in Grasonville ($185 thousand). Retirements and Transfers consist almost entirely of CIP projects completed during the year and transferred to other asset accounts. The larger projects include: reconstruction of the Groff Road Bridge ($602 thousand); completion of a salt storage shed for Roads ($209 thousand); renovation of the animal control building ($122 thousand); and purchase of turf equipment for park maintenance ($112 thousand).

- Buildings and Improvements increased by $1.3 million and decreased by $880 thousand. Additions include the following projects: renovation of the animal control viewing rooms and roof ($122 thousand); construction of a roads salt storage building ($229 thousand), as noted above; and construction of the Sudlersville Park restroom and improvements ($109 thousand). In addition, the Chesapeake Exploration and Visitor Center ($886 thousand) was re-assigned from the Parks and Recreation Department to the Economic Development Office, to reflect current use of this property.

- Infrastructure increased by $602 thousand. This was entirely due to completion of a Roads project which was previously reported as construction in progress: reconstruction of the Groff Road Bridge ($602 thousand).

- Auto, Machinery and Equipment increased by $1.8 million and decreased by $56 thousand. In addition to routine vehicle and equipment purchases and attrition, the County purchased the following items: three passenger buses to augment their "County Ride" public transportation system ($369 thousand); four tractors to maintain the roads ($255 thousand); a Sheriff's Department-wide vehicle camera system to improve officer safety ($166 thousand); heavy equipment to better handle solid waste ($158 thousand); an ambulance for emergency operations ($132 thousand); and a Sheriff's Department-wide vehicle laptop system to improve officer efficiency ($126 thousand).

Noteworthy capital asset events during the current fiscal year for business-type activities included the following:

- Construction in Progress (CIP) increased by $746 thousand and decreased by $1.3 million. Additions include: installation of a new well for the County's Business Park ($289 thousand); improvements to site to expand the Airport northward ($133 thousand); improvements to site to augment the Airport's runway approach ($105 thousand); renovation of the Airport Building ($74 thousand); and reconstruction of the Little Creek public landing ($62 thousand). Retirements and Transfers consist entirely of CIP projects completed during the year and transferred to other asset accounts. The largest of these projects include: replacement of the Romancoke Pier ($581 thousand); renovation of Christ Church as an historic structure ($348 thousand); and final purchase of property located adjacent to the Airport ($139 thousand).

- Buildings increased by $464 thousand. Additions include renovation of Christ Church as an historic structure ($348 thousand), reclassified from CIP above.

- Improvements Other than Buildings increased by $695 thousand. Additions include replacement of the Romancoke Pier ($581 thousand), reclassified from CIP above.

- Infrastructure increased by $683 thousand, due entirely to developer-contributed improvements to extend or upgrade the County's water and sewer lines ($212 thousand and $471 thousand, respectively), thereby linking developer-owned property to the Sanitary District system.

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt: At the end of the current fiscal year, Queen Anne's County Government had total bonded debt, loans, capital leases, other post-employment benefit obligations, and compensated absence obligations of $95.4 million for its governmental and business-type activities.

The full faith, credit and unlimited taxing power of the County are irrevocably pledged to the levy and collection of taxes in order to provide for the payment of principal and interest due on the bonded debt.

Of this $95.4 million in debt, $24.0 million is considered to be self-supporting, in that obligations of the County's enterprise funds will be funded through charges and assessments related to the operations of those funds. In addition, the Sanitary District's Debt Service Fund holds total assets of $6.7 million, which are restricted to payment of the Sanitary District's subsequent year's debt. See Note 10 on pages 89 to 91 for restricted assets and subsequent year debt service obligations.

Debt activities are summarized as follows:

Bonded Debt, Loans, and	Governmental Activities		Business Type Activities		Total	
Compensated Absences	2009	2008	2009	2008	2009	2008
Bonds, Notes, Premiums and						
Deferred Debt Costs	$ 65,480,470	$ 70,663,063	$ 23,083,523	$ 25,005,991	$ 88,563,993	$ 95,669,054
Other Post-Employment Benefit Obligation	3,688,090	-	615,955	-	4,304,045	-
Compensated Absences	2,243,389	1,969,026	264,322	243,176	2,507,711	2,212,202
Total Long-term Debt	$ 71,411,949	$ 72,632,089	$ 23,963,800	$ 25,249,167	$ 95,375,749	$ 97,881,256

During the current fiscal year, the County's total net debt decreased by $2.5 million (2.6 percent). Of this amount, governmental debt decreased by $1.2 million (1.7 percent), while business-type debt decreased by $1.3 million (5.1 percent). In general, these changes reflected changes in accruals, plus the County's repayment of existing debt in accordance with established repayment schedules for bonds, notes, and capital lease agreements.

Additional information on the County's long-term debt can be found in Note 9, pages 80 to 88, of this report.

The public local laws of Queen Anne's County limit the amount of general obligation debt to no more than $8.0 million, unless authorized under specific legislation. Currently, approximately $6.9 million of this authority is available. All other debt has been authorized under specific legislation. Additional information on the computation of the legal debt margin can be found in Table 12 of the Statistical Section of this report.

During the fiscal year 2009, Queen Anne's County Government continued to maintain an "AA" rating from Fitch Rating Service and an "A1" rating from Moody's Investors Service.

Economic Factors and Next Year's Budget and Rates

The following economic factors were considered in preparing Queen Anne's County Government's operating and capital budgets for the 2010 fiscal year:

- Property assessments are projected to grow by 6.3 percent over the previous year, based on State Assessment Office values used to compute the Constant Yield rate.
- For the 2010 fiscal year, the County Commissioners adopted a property tax rate of $.770 per $100 of assessed value of real property, based on full cash value of that property. This is the same rate used for the 2009 fiscal year.
- Income tax revenue is projected to remain virtually flat compared to the previous year.
- During budget deliberations, the County considered the following risk management options and incorporated them into the finished document to a degree:
    - Postponing capital projects based on cost/benefit considerations; and
    - Using bond proceeds to fund capital projects in lieu of pay-as-you-go to preserve cash.
- In the past, the County funded all roads' maintenance with Highway User Tax revenue received from the State. Early in fiscal year 2010, the State reduced its distribution of Highway User Tax from over $5.0 million in fiscal year 2009 to $260 thousand in fiscal year 2010. In response, the County amended its fiscal year 2010 budget by transferring $4.7 million from the General Fund to the Roads Operating Fund and re-allocating certain other Roads expenditures. The net effect is to replace Highway User Tax revenue with County funding to maintain County roads during fiscal year 2010.
- In November 2009, which is fiscal year 2010, the County issued bonds for $29.9 million. Funds from these bonds were allocated to cover a number of capital projects, in keeping with bond covenants, for which most expenditures had been made in fiscal years 2008 and 2009.

Requests for information

This financial report is designed to provide a general overview of Queen Anne's County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Accounting Officer, Queen Anne's County Finance Office, 107 N. Liberty Street, Centreville, Maryland 21617. This report can also be found on the County's website, http://www.qac.org (see Departments, Finance, Financial Reports and Forms, Link to 2009 Comprehensive Annual Financial Report (CAFR)).

Basic Financial Statements

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2009

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in Pooled Cash and Investments	$ 31,466,487	$ 8,883,273	$ 40,349,760
Cash and Cash Equivalents	-	-	-
Taxes Receivable (Net)	340,185	-	340,185
Accounts and Loans Receivable (Net)	3,871,551	635,057	4,506,608
Special Assessments (Net)	1,341,910	-	1,341,910
Internal Balances	40,507	(40,507)	-
Due from Primary Government	-	-	-
Due from Component Units	454,157	-	454,157
Due from Other Governments	16,516,890	124,310	16,641,200
Inventories	392,307	377,148	769,455
Prepaid Items	16,067	9,950	26,017
Restricted Assets:			
Equity in Pooled Cash and Investments	-	12,449,980	12,449,980
Investments	-	-	-
Accounts Receivable (Net)	-	51,141	51,141
Special Assessments Receivable (Net)	-	3,977,350	3,977,350
Capital Assets:			
Nondepreciable Assets	93,011,167	15,684,713	108,695,880
Depreciable Assets, Net	44,597,432	84,215,702	128,813,134
Total Assets	192,048,660	126,368,117	318,416,777
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,900,912	555,031	3,455,943
Accrued Interest Payable	803,131	148,558	951,689
Due to Primary Government	-	-	-
Due to Component Units	635,771	-	635,771
Due to Other Governmental Agencies	623,955	-	623,955
Unearned Revenue	2,544,592	809,449	3,354,041
Escrow Deposits	-	55,046	55,046
Liabilities Payable from Restricted Assets:			
Unearned Revenue	-	3,802,870	3,802,870
Noncurrent Liabilities:			
Due within One Year	6,620,689	2,178,420	8,799,109
Due in More than One Year	64,791,260	21,785,380	86,576,640
Total Liabilities	78,920,310	29,334,754	108,255,064
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	123,217,989	77,146,688	200,364,677
Restricted for:			
Governmental Activities	16,582,660	-	16,582,660
Debt Service	-	4,020,982	4,020,982
Capital/Debt Service	-	7,486,611	7,486,611
Business-type Operations	-	7,625,782	7,625,782
Capital Projects	-	753,300	753,300
Other Purposes	-	-	-
Unrestricted Net Assets (Deficit)	(26,672,299)	-	(26,672,299)
Total Net Assets	$ 113,128,350	$ 97,033,363	$ 210,161,713

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2009

(CONTINUED)

COMPONENT UNITS		
BOARD OF EDUCATION	FREE LIBRARY	HOUSING AUTHORITY
$ -	$ -	$ 1,059,036
11,629,219	625,634	333,652
-	-	-
558,527	17,589	6,727
-	-	-
-	-	-
1,125,352	-	-
-	-	-
604,299	-	630,578
44,180	-	-
59,471	1,100	76,087
-	634,754	-
-	-	100,867
-	-	-
-	-	-
25,133,888	29,850	10,023,637
109,644,191	879,102	12,521,341
148,799,127	2,188,029	24,751,925
9,875,094	65,901	61,625
-	-	12,133
-	-	454,157
-	-	-
-	-	-
440,064	-	20,849
-	-	100,867
-	-	-
286,701	-	68,485
5,104,067	139,766	1,764,358
15,705,926	205,667	2,482,474
134,614,383	908,952	20,712,135
-	-	-
-	-	-
-	-	-
-	-	-
12,313	-	2,125,296
78,983	10,500	-
(1,612,478)	1,062,910	(567,980)
$ 133,093,201	$ 1,982,362	$ 22,269,451

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	PRIMARY GOVERNMENT				
FUNCTIONS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL REVENUE
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	$ 13,317,683	$ 1,055,945	$ 403,018	$ 5,567	$ 1,464,530
Public Safety	23,570,049	1,394,463	1,266,869	273,176	2,934,508
Public Works	10,237,718	714,765	7,566,648	298,500	8,579,913
Health	1,590,004	-	-	-	-
Social Services	5,617,621	68,386	2,928,291	348,124	3,344,801
Education	53,296,238	740,213	8,050	161,673	909,936
Parks & Recreation	5,060,018	240,954	509	1,087,329	1,328,792
Library	1,414,008	-	-	-	-
Conservation of Natural Resources	2,473,308	97,481	55,847	691,085	844,413
Economic/Community Development	2,197,116	4,786	641,305	-	646,091
Interest and Fiscal Charges	2,831,002	-	-	-	-
Total Governmental Activities	121,604,765	4,316,993	12,870,537	2,865,454	20,052,984
Business-type Activities					
Water and Sewer	10,689,782	7,695,100	-	682,935	8,378,035
Parks & Recreation	2,178,163	1,526,244	45,824	69,068	1,641,136
Public Marinas	38,050	100,250	-	-	100,250
Airport	879,906	34,907	-	289,112	324,019
Total Business-type Activities	13,785,901	9,356,501	45,824	1,041,115	10,443,440
Total Primary Government	$ 135,390,666	$ 13,673,494	$ 12,916,361	$ 3,906,569	$ 30,496,424
COMPONENT UNITS					
Board of Education	$ 98,171,138	$ 1,647,805	$ 17,565,782	$ -	$ 19,213,587
Free Library	1,836,342	7,727	108,132	-	115,859
Housing Authority	2,875,677	1,090,628	1,247,615	921,898	3,260,141
Total Component Units	$ 102,883,157	$ 2,746,160	$ 18,921,529	$ 921,898	$ 22,589,587

General Revenues
- Local Property Tax
- Local Income Tax
- Other Local Taxes
  - Admission and Amusement Taxes
  - Recordation Taxes
  - Hotel Taxes
  - County Transfer Taxes
- Grants and Contributions Not Restricted to Specific Programs
- Investment Income
- Gain on Sale of Capital Assets
- Miscellaneous

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Assets

Total Net Assets - Beginning of Year

Total Net Assets - End of Year

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			COMPONENT UNITS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	BOARD OF EDUCATION	FREE LIBRARY	HOUSING AUTHORITY
$ (11,853,153)	$ -	$ (11,853,153)	$ -	$ -	$ -
(20,635,541)	-	(20,635,541)	-	-	-
(1,657,805)	-	(1,657,805)	-	-	-
(1,590,004)	-	(1,590,004)	-	-	-
(2,272,820)	-	(2,272,820)	-	-	-
(52,386,302)	-	(52,386,302)	-	-	-
(3,731,226)	-	(3,731,226)	-	-	-
(1,414,008)	-	(1,414,008)	-	-	-
(1,628,895)	-	(1,628,895)	-	-	-
(1,551,025)	-	(1,551,025)	-	-	-
(2,831,002)	-	(2,831,002)	-	-	-
(101,551,781)	-	(101,551,781)	-	-	-
-	(2,311,747)	(2,311,747)	-	-	-
-	(537,027)	(537,027)	-	-	-
-	62,200	62,200	-	-	-
-	(555,887)	(555,887)	-	-	-
-	(3,342,461)	(3,342,461)	-	-	-
$ (101,551,781)	$ (3,342,461)	$ (104,894,242)	$ -	$ -	$ -
-	-	-	(78,957,551)	-	-
-	-	-	-	(1,720,483)	-
-	-	-	-	-	384,464
-	-	-	(78,957,551)	(1,720,483)	384,464
55,362,114	-	55,362,114	-	-	-
34,834,937	-	34,834,937	-	-	-
235,588	-	235,588	-	-	-
3,565,584	-	3,565,584	-	-	-
428,998	-	428,998	-	-	-
1,103,095	-	1,103,095	-	-	-
-	-	-	82,095,123	1,489,525	271,909
642,472	595,279	1,237,751	33,655	20,198	13,592
1,540,404	-	1,540,404	-	-	-
2,182,525	918,688	3,101,213	287,234	89,001	-
(3,348,074)	3,348,074	-	-	-	-
96,547,643	4,862,041	101,409,684	82,416,012	1,598,724	285,501
(5,004,138)	1,519,580	(3,484,558)	3,458,461	(121,759)	669,965
118,132,488	95,513,783	213,646,271	129,634,740	2,104,121	21,599,486
$ 113,128,350	$ 97,033,363	$ 210,161,713	$ 133,093,201	$ 1,982,362	$ 22,269,451

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

QUEEN ANNE'S COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL FUND	GENERAL CAPITAL	ROADS CAPITAL	SCHOOL IMPACT FEES CAPITAL
ASSETS				
Cash and Cash Equivalents	$ 12,138,458	$ 5,378,481	$ 3,575,008	$ 1,621,088
Prepaid Items	16,067	-	-	-
Receivables				
Taxes Receivable (Net)	196,843	143,342	-	-
Accounts and Loans Receivable (Net)	233,002	8,795	21,182	156,809
Special Assessments (Net)	-	-	570,024	-
Due from Other Governments	14,685,398	442,605	-	-
Due from Other Funds	302,068	40,000	-	-
Due from Component Units	454,157	-	-	-
Inventory	4,000	-	-	-
Total Assets	$ 28,029,993	$ 6,013,223	$ 4,166,214	$ 1,777,897
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Liabilities	$ 1,761,848	$ 475,402	$ -	$ -
Due to Other Funds	-	-	-	-
Due to Component Units	-	635,771	-	-
Due to Other Governmental Agencies	-	3,008	-	-
Deferred Revenue	11,242,702	69,826	629,992	156,809
Total Liabilities	13,004,550	1,184,007	629,992	156,809
Fund Balances				
Reserved				
Encumbrances	120,948	7,508,234	1,030,752	-
Loans Receivable	-	-	-	156,809
Prepaid Items	16,067	-	-	-
Inventory	4,000	-	-	-
Donor-Specified Purposes	94,436	-	-	-
Contingencies	7,271,414	-	-	-
Other Reserved Purposes - Other	1,136,735	-	-	-
Other Reserved Purposes - Highway Activities	-	-	-	-
Other Reserved Purposes - Capital Projects	-	176,741	343,550	-
Total Reserved	8,643,600	7,684,975	1,374,302	156,809
Unreserved				
Designated for Subsequent Years' Expenditures	6,305,856	-	-	-
Designated for Capital Projects	-	-	1,460,770	1,464,279
Undesignated, reported in				
General Fund	75,987	-	-	-
Capital Project Funds	-	(2,855,759)	701,150	-
Special Revenue Funds	-	-	-	-
Total Unreserved	6,381,843	(2,855,759)	2,161,920	1,464,279
Total Fund Balances	15,025,443	4,829,216	3,536,222	1,621,088
Total Liabilities and Fund Balances	$ 28,029,993	$ 6,013,223	$ 4,166,214	$ 1,777,897

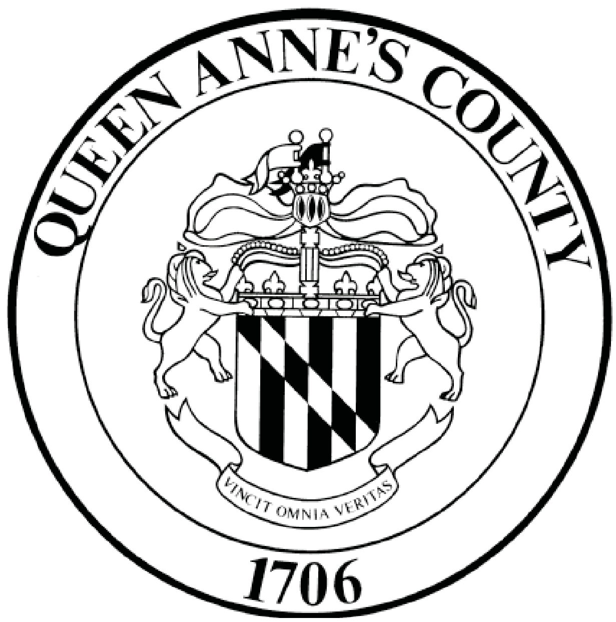
The accompanying notes to the basic financial statements are an integral part of this statement.

QUEEN ANNE'S COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

(CONTINUED)

ROADS BOARD	NON-MAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
$ 2,961,784	$ 5,791,668	$ 31,466,487
-	-	16,067
-	-	340,185
29,366	3,422,397	3,871,551
-	771,886	1,341,910
747,831	641,056	16,516,890
-	-	342,068
-	-	454,157
388,307	-	392,307
$ 4,127,288	$ 10,627,007	$ 54,741,622
$ 209,637	$ 454,025	$ 2,900,912
-	301,561	301,561
-	-	635,771
-	620,947	623,955
604,199	1,068,898	13,772,426
813,836	2,445,431	18,234,625
-	-	8,659,934
-	3,399,042	3,555,851
-	-	16,067
388,307	-	392,307
-	1,050	95,486
-	-	7,271,414
490,479	1,077,738	2,704,952
2,434,666	-	2,434,666
-	-	520,291
3,313,452	4,477,830	25,650,968
-	-	6,305,856
-	952,626	3,877,675
-	-	75,987
-	-	(2,154,609)
-	2,751,120	2,751,120
-	3,703,746	10,856,029
3,313,452	8,181,576	36,506,997
$ 4,127,288	$ 10,627,007	$ 54,741,622

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


QUEEN ANNE'S COUNTY
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QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Fund Balance - Governmental Funds		**$ 36,506,997**
Amounts reported for Governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental fund activities are not financial resources and therefore are not reported in the funds.		
ADD Nondepreciable capital assets		
Land and Land Improvements	$ 38,850,322	
Infrastructure	40,003,406	
Construction in Progress	14,157,439	93,011,167
ADD Depreciable capital assets		
Buildings	27,963,214	
Improvements other than Buildings	4,927,677	
Machinery and Equipment	18,174,835	
Automobiles and Trucks	8,837,732	
Infrastructure	15,478,289	
Less Accumulated depreciation	(30,784,315)	44,597,432
Revenues that are deferred in the governmental funds because they do not provide current financial resources are recognized as revenues in the Statement of Activities.		
ADD Property Taxes deferred in governmental funds	81,977	
ADD Income Taxes deferred in governmental funds	9,048,173	
ADD Loans receivable deferred in governmental funds	2,097,684	11,227,834
Long-term liabilities related to governmental fund activities are not due and payable in the current period and therefore are not reported in the funds.		
SUBTRACT Accrued Interest Payable		(803,131)
SUBTRACT Long-Term Liabilities Due within One Year		
Accrued Compensated Absences	(1,555,115)	
Bonds and Notes Payable	(5,065,574)	(6,620,689)
SUBTRACT Long-Term Liabilities Due in More than One Year		
Other Post-Employment Benefit Obligation	(3,688,090)	
Accrued Compensated Absences	(688,274)	
Bonds and Notes Payable	(60,414,896)	(64,791,260)
Total Net Assets - Governmental Activities		**$ 113,128,350**

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL FUND	GENERAL CAPITAL	ROADS CAPITAL	SCHOOL IMPACT FEES CAPITAL
REVENUES				
Taxes				
Local Property Tax	$ 55,337,698	$ -	$ -	$ -
Local Income Tax	35,988,334	-	-	-
Admission and Amusement Taxes	176,691	-	-	-
Recordation Taxes	2,930,197	-	-	-
Hotel Taxes	428,998	-	-	-
County Transfer Taxes	-	1,103,095	-	-
State Shared Taxes	-	-	-	-
Licenses and Permits	874,639	-	-	-
Intergovernmental	1,991,356	1,672,568	216,673	-
Charges for Current Services	1,777,167	83,427	57,240	740,213
Fines and Forfeitures	30,874	-	-	-
Investment Income	397,616	29,522	78,531	33,535
Donations	10,344	8,559	-	-
Miscellaneous	1,771,223	72,989	622	-
Total Revenues	101,715,137	2,970,160	353,066	773,748
EXPENDITURES				
Current				
General Government	9,871,927	886,416	-	-
Public Safety	20,083,251	25,109	-	-
Public Works	3,319,967	40,350	-	-
Health	1,572,848	-	-	-
Social Services	243,535	52,344	-	-
Education	48,856,359	4,492,154	-	-
Parks and Recreation	2,885,148	260,219	-	-
Library	1,390,398	-	-	-
Conservation of Natural Resources	540,541	-	-	-
Economic/Community Development	1,148,312	327,855	-	-
Miscellaneous	702,558	4,234	-	-
Capital Outlay	750,431	7,378,918	33,363	-
Debt Service				
Principal	5,065,347	-	-	-
Debt Issuance Costs	-	(423)	-	-
Interest and Fiscal Charges	2,778,490	-	-	-
Total Expenditures	99,209,112	13,467,176	33,363	-
Excess of Revenues Over (Under) Expenditures	2,506,025	(10,497,016)	319,703	773,748
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	122,780	-	-	-
Bond Premiums	-	(423)	-	-
Proceeds of Capital Asset Disposals	9,554	-	-	-
Insurance Proceeds	19,404	4,191	-	-
Transfers In	2,020,214	41,483	-	-
Transfers Out	(2,573,612)	(3,808,465)	(20,000)	(1,408,120)
Other Financing Sources (Uses)	(401,660)	(3,763,214)	(20,000)	(1,408,120)
Net Increase (Decrease) in Fund Balances	2,104,365	(14,260,230)	299,703	(634,372)
Fund Balances, July 1	12,921,078	19,089,446	3,236,519	2,255,460
Fund Balances, June 30	$ 15,025,443	$ 4,829,216	$ 3,536,222	$ 1,621,088

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

ROADS BOARD	NON-MAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
$ -	$ 36,355	$ 55,374,053
-	-	35,988,334
-	58,897	235,588
-	635,387	3,565,584
-	-	428,998
-	-	1,103,095
7,542,182	49,647	7,591,829
-	-	874,639
95,935	4,073,163	8,049,695
223,580	445,069	3,326,696
-	84,784	115,658
33,599	69,669	642,472
-	57,964	76,867
253,247	84,444	2,182,525
8,148,543	5,595,379	119,556,033
-	83,136	10,841,479
-	374,878	20,483,238
5,318,398	-	8,678,715
-	-	1,572,848
-	4,733,614	5,029,493
-	-	53,348,513
-	-	3,145,367
-	-	1,390,398
-	1,904,811	2,445,352
-	492,420	1,968,587
-	-	706,792
283,142	149,118	8,594,972
-	24,000	5,089,347
-	-	(423)
-	-	2,778,490
5,601,540	7,761,977	126,073,168
2,547,003	(2,166,598)	(6,517,135)
-	-	122,780
-	-	(423)
3,201	51,334	64,089
9,897	11,415	44,907
30,616	3,357,186	5,449,499
-	(1,069,075)	(8,879,272)
43,714	2,350,860	(3,198,420)
2,590,717	184,262	(9,715,555)
722,735	7,997,314	46,222,552
$ 3,313,452	$ 8,181,576	$ 36,506,997

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

QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Change in Fund Balances - Total governmental funds, per Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds **$ (9,715,555)**

Amounts reported for governmental activities in the Statement of Activities are different because

Capital outlay expenditures are reported in Governmental Funds during the year. However, in the Statement of Activities, costs for capital asset purchases are allocated over the estimated useful lives of those assets and reported as depreciation expense over a number of years. Therefore, the change in assets differs from the change in fund balance by the amount of capital asset purchases that will be capitalized and depreciated over a number of years, less the offsetting depreciation expense for the current year.

Proceeds received on disposal of capital assets are reported in Governmental Funds as current financial resources. In the Statement of Activities, only the gain or (loss) realized on disposal of capital assets is reported. Thus, the change in net assets differs from the change in fund balance by the cost of capital assets sold, net of accumulated depreciation (i.e., book value).
In addition, developer contributions of capital assets (primarily infrastructure) are not reported in Governmental Funds because they do not represent current financial resources available to cover this year's expenditures. Thus, the change in net assets differs from the change in fund balance by the value of capital assets received.

Donated Capital Assets are not reported in Governmental Funds because they are not current financial resources. However, in the Statement of Activities, they are recognized as capital contributions and as capital assets.

The following is a summary of the net increase in capital assets, which is detailed in Note 6 - Capital Assets - Primary Government.

ADD capital assets acquired as capital outlay	$ 1,191,696	
ADD book value of traded/transferred assets	1,461,486	
ADD capital assets resulting from force-in-kind expenditures	296,140	
ADD capital assets resulting from general capital projects	8,657,193	
ADD capital assets resulting from roads capital projects	33,363	
ADD donated equipment & vehicles	17,600	
SUBTRACT general capital project retirements	(1,278,275)	
SUBTRACT book value of disposed capital assets, net of accumulated depreciation	(2,595,951)	
SUBTRACT current year depreciation expense	(3,049,539)	
Net Increase in Capital Assets		**$ 4,733,713**

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

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

Revenues that are earned but not collected within sixty days after the end of the fiscal year are not considered to be "available" to meet current cash requirements and are deferred in the Governmental Funds to the following year. However, these revenues are recognized in the Statement of Activities. The amount by which this type of deferred revenue increased or (decreased) relative to the prior year is as follows:			
ADD current year's Property Tax Deferred Revenue	$ 81,977		
SUBTRACT prior year's Property Tax Deferred Revenue	(93,916)		
		$ (11,939)	
ADD current year's Income Tax Deferred Revenue	9,048,173		
SUBTRACT prior year's Income Tax Deferred Revenue	(10,201,570)		
		(1,153,397)	
Issuance of long-term debt (e.g., bonds, notes, and capital leases) provides current financial resources to Governmental Funds, while repayment of principal due for long-term debt consumes current resources. In the Statement of Net Assets, issuing debt increases long term liabilities, while repayment reduces those liabilties.			
ADD retirements and repayments made on long term debt			
General Bonds Payable	5,331,424		
Notes Payable	32,214		
Bond Premiums, Net of Issuance Costs	64,723		
Deferred Refunding Costs	(170,484)		
Capital Leases	47,496		
	5,305,373		
SUBTRACT proceeds of CELP Loan	**(122,780)**		
SUBTRACT College reimbursement received	**(206,625)**		
ADD County's allocation to College for debt	**52,275**		
		5,028,243	
Some accrued expenses, reported in the Statement of Activities, do not require the use of current financial resources and are not reported as expenditures in the Governmental Funds. The net amount by which these accruals increased or (decreased) over the prior period is as follows:			
ADD prior year's Accrued Interest Payable	880,381		
SUBTRACT current year's Accrued Interest Payable	(803,131)		
		77,250	
ADD prior year's Accrued Compensated Absences	1,969,026		
SUBTRACT current year's Accrued Compensated Absences	(2,243,389)		
		(274,363)	
ADD prior year's Accrued Other Post Employment Benefit Obligation	-		
SUBTRACT current year's Accrued Other Post Employment Benefit Obligation	(3,688,090)		
		(3,688,090)	
Change in Net Assets - governmental activities, per Statement of Activities			**$ (5,004,138)**

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
JUNE 30, 2009

	SANITARY DISTRICT		
ASSETS	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND
Current Assets			
Unrestricted			
Equity in Pooled Cash	$ 5,395,580	$ 2,479,963	$ -
Accounts Receivable (Net)	300,348	135,474	-
Due from Other Funds	40,341	-	-
Due from Other Governments	-	-	-
Inventories	336,079	-	-
Prepaid Expenses	-	-	-
Restricted			
Restricted Equity in Pooled Cash	-	-	8,269,792
Restricted Accounts Receivable (Net)	-	-	10,119
Total Current Assets	6,072,348	2,615,437	8,279,911
Noncurrent Assets			
Restricted			
Special Assessments Receivable (Net)	-	-	1,486,365
Capital Assets			
Land, Improved and Unimproved	816,331	-	-
Buildings and Improvements to Buildings	14,265,248	139,477	-
Improvements Other Than Buildings	1,615,474	128,152	-
Automotive Equipment	926,651	127,402	-
Equipment	19,904,258	1,028,023	-
Furniture and Fixtures	46,715	5,727	-
Infrastructure Improvements	48,091,579	19,924,521	-
Construction in Progress	53,700	320,306	-
Capital Assets before Depreciation	85,719,956	21,673,608	-
Less Accumulated Depreciation	(22,596,438)	(5,535,995)	-
Total Capital Assets, Net of Accumulated Depreciation	63,123,518	16,137,613	-
Total Noncurrent Assets	63,123,518	16,137,613	1,486,365
Total Assets	69,195,866	18,753,050	9,766,276
LIABILITIES			
Current Liabilities			
Payable from Unrestricted Assets			
Accounts Payable	172,175	203,323	-
Accrued Interest Payable	118,148	10,834	-
Escrow Deposits	36,562	-	-
Due to Other Funds	-	-	40,000
Unearned Revenue	791,129	-	-
Current Portion of Compensated Absences	112,681	40,397	-
Current Portion of Bonds/Notes Payable	1,420,889	413,497	-
Payable from Restricted Assets			
Current Portion of Bonds Payable	-	-	-
Total Current Liabilities	2,651,584	668,051	40,000
Noncurrent Liabilities			
Payable from Unrestricted Assets			
Compensated Absences	49,871	17,879	-
Other Post-Employment Benefit Obligation	391,192	105,016	-
Bonds/Notes Payable	17,969,301	1,482,605	-
Payable from Restricted Assets			
Unearned Revenue	-	-	1,486,365
Total Noncurrent Liabilities	18,410,364	1,605,500	1,486,365
Total Liabilities	21,061,948	2,273,551	1,526,365
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	43,733,328	14,241,511	-
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	753,300
Unrestricted	4,400,590	2,237,988	7,486,611
Total Net Assets	$ 48,133,918	$ 16,479,499	$ 8,239,911

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
JUNE 30, 2009

(CONTINUED)

SANITARY DISTRICT DEBT SERVICE FUND	SANITARY DISTRICT TOTAL	BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
$ -	$ 7,875,543	$ -	$ 1,007,730	$ 8,883,273
-	435,822	114,043	85,192	635,057
-	40,341	-	40,000	80,341
-	-	43,106	81,204	124,310
-	336,079	32,637	8,432	377,148
-	-	-	9,950	9,950
4,180,188	12,449,980	-	-	12,449,980
41,022	51,141	-	-	51,141
4,221,210	21,188,906	189,786	1,232,508	22,611,200
2,490,985	3,977,350	-	-	3,977,350
-	816,331	10,670,168	2,722,967	14,209,466
-	14,404,725	1,121,799	2,659,970	18,186,494
-	1,743,626	2,146,831	2,516,933	6,407,390
-	1,054,053	59,470	83,445	1,196,968
-	20,932,281	43,084	796,321	21,771,686
-	52,442	3,344	30,750	86,536
-	68,016,100	-	-	68,016,100
-	374,006	897,399	203,842	1,475,247
-	107,393,564	14,942,095	9,014,228	131,349,887
-	(28,132,433)	(2,093,396)	(1,223,643)	(31,449,472)
-	79,261,131	12,848,699	7,790,585	99,900,415
2,490,985	83,238,481	12,848,699	7,790,585	103,877,765
6,712,195	104,427,387	13,038,485	9,023,093	126,488,965
-	375,498	44,088	135,445	555,031
4,571	133,553	7,922	7,083	148,558
-	36,562	7,730	10,754	55,046
40,341	80,341	-	40,507	120,848
-	791,129	3,268	15,052	809,449
-	153,078	7,000	23,150	183,228
-	1,834,386	34,304	80,046	1,948,736
46,456	46,456	-	-	46,456
91,368	3,451,003	104,312	312,037	3,867,352
-	67,750	3,098	10,246	81,094
-	496,208	43,172	76,575	615,955
283,340	19,735,246	493,574	859,511	21,088,331
2,316,505	3,802,870	-	-	3,802,870
2,599,845	24,102,074	539,844	946,332	25,588,250
2,691,213	27,553,077	644,156	1,258,369	29,455,602
-	57,974,839	12,320,821	6,851,028	77,146,688
4,020,982	4,020,982	-	-	4,020,982
-	753,300	-	-	753,300
-	14,125,189	73,508	913,696	15,112,393
$ 4,020,982	$ 76,874,310	$ 12,394,329	$ 7,764,724	$ 97,033,363

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	SANITARY DISTRICT		
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND
OPERATING REVENUES			
Charges for Services	$ 4,662,820	$ 1,896,791	$ 618,107
Intergovernmental	-	-	-
Material Sales	1,715	6,607	-
Miscellaneous Revenues	52,490	140,100	-
Total Operating Revenues	4,717,025	2,043,498	618,107
OPERATING EXPENSES			
Cost of Sales and Services			
Collection	2,202,132	-	-
Distribution	-	118,040	-
Treatment	1,311,452	992,654	-
Shop	198,702	76,186	-
Airport	-	-	-
Parks and Recreation	-	-	-
Public Marinas	-	-	-
Total Cost of Sales and Services	3,712,286	1,186,880	-
Administration and Inspection	1,301,574	625,584	-
Depreciation	2,879,864	461,761	-
Total Operating Expenses	7,893,724	2,274,225	-
Operating Income (Loss)	(3,176,699)	(230,727)	618,107
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	108,340	49,658	244,666
Interest Expense	(363,493)	(130,663)	-
Gain on Disposal of Capital Assets	-	-	-
Total Non-Operating Revenues (Expenses)	(255,153)	(81,005)	244,666
Income (Loss) Before Contributions and Transfers	(3,431,852)	(311,732)	862,773
Capital Contributions, Fees and Grants	471,395	211,540	-
Transfers In	1,976,223	822,326	-
Transfers Out	-	-	(1,343,312)
Net Transfers In (Out)	1,976,223	822,326	(1,343,312)
Change in Net Assets	(984,234)	722,134	(480,539)
Total Net Assets - Beginning of Year	49,118,152	15,757,365	8,720,450
Total Net Assets - End of Year	$ 48,133,918	$ 16,479,499	$ 8,239,911

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

SANITARY DISTRICT DEBT SERVICE FUND	SANITARY DISTRICT TOTAL	BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
$ 517,382	$ 7,695,100	$ 34,907	$ 1,626,494	$ 9,356,501
-	-	-	45,824	45,824
-	8,322	401,809	54,176	464,307
-	192,590	165,883	95,908	454,381
517,382	7,896,012	602,599	1,822,402	10,321,013
-	2,202,132	-	-	2,202,132
-	118,040	-	-	118,040
-	2,304,106	-	-	2,304,106
-	274,888	-	-	274,888
-	-	709,830	-	709,830
-	-	-	2,012,116	2,012,116
-	-	-	28,427	28,427
-	4,899,166	709,830	2,040,543	7,649,539
-	1,927,158	-	-	1,927,158
-	3,341,625	166,542	163,504	3,671,671
-	10,167,949	876,372	2,204,047	13,248,368
517,382	(2,271,937)	(273,773)	(381,645)	(2,927,355)
192,299	594,963	316	-	595,279
(27,677)	(521,833)	(19,714)	(47,795)	(589,342)
-	-	16,180	35,629	51,809
164,622	73,130	(3,218)	(12,166)	57,746
682,004	(2,198,807)	(276,991)	(393,811)	(2,869,609)
-	682,935	289,112	69,068	1,041,115
1,054,507	3,853,056	981,193	1,971,982	6,806,231
(2,114,845)	(3,458,157)	-	-	(3,458,157)
(1,060,338)	394,899	981,193	1,971,982	3,348,074
(378,334)	(1,120,973)	993,314	1,647,239	1,519,580
4,399,316	77,995,283	11,401,015	6,117,485	95,513,783
$ 4,020,982	$ 76,874,310	$ 12,394,329	$ 7,764,724	$ 97,033,363

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

QUEEN ANNE'S COUNTY, MARYLAND

STATEMENT OF CASH FLOWS

ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	SANITARY DISTRICT		
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 4,673,721	$ 1,884,949	$ 617,930
Receipts from other operating sources	54,205	146,707	-
Payments to suppliers	(2,080,252)	(591,328)	-
Payments to employees and on behalf of employees	(2,586,047)	(974,395)	-
Net Cash Provided (Used) by Operating Activities	61,627	465,933	617,930
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	1,976,223	822,326	-
Receipts from interfund loans	(23,142)	-	40,000
Transfers to other funds	-	-	(1,343,312)
Principal paid on interfund loans	-	-	(80,000)
Net Cash Provided (Used) by Noncapital Financing Activities	1,953,081	822,326	(1,383,312)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the disposition of capital assets	-	-	-
Receipts from capital grants	-	-	-
Principal paid on capital debt	(1,398,740)	(462,283)	-
Receipts from 2006 Bonds	-	-	-
Interest paid on capital debt	(392,183)	(133,212)	-
Acquisition and construction of capital assets	(148,217)	(354,986)	-
Net Cash (Used) by Capital and Related Financing Activities	(1,939,140)	(950,481)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash Provided by Investing Activities - Investment Income	108,340	49,658	244,666
Net Increase (Decrease) in Cash and Cash Equivalents	183,908	387,436	(520,716)
Balances - Beginning of the year	5,211,672	2,092,527	8,790,508
Balances - End of the year	$ 5,395,580	$ 2,479,963	$ 8,269,792
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (3,176,699)	$ (230,727)	$ 618,107
Adjustments to reconcile operating income (loss)			
to net cash provided by operating activities:			
Depreciation	2,879,864	461,761	-
Effect of changes in operating assets and liabilities:			
Accounts receivable, net	(47,456)	(11,842)	(177)
Special assessments receivable, net	-	-	94,288
Operating grants receivable	-	-	-
Inventories and Prepaid Expenses	(8,613)	-	-
Vendor accounts payable	(42,514)	135,272	-
Compensated absences	7,496	6,453	-
Other Post-Employment Benefit Obligation	391,192	105,016	-
Escrow deposits payable	16,697	-	-
Deferred revenue collected in advance	41,660	-	(94,288)
Net Cash Provided by Operating Activities	$ 61,627	$ 465,933	$ 617,930
Noncash investing, capital and financing activities:			
Donation of capital assets (infrastructure) by developers	$ 471,395	$ 211,540	$ -

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

SANITARY DISTRICT DEBT SERVICE FUND	SANITARY DISTRICT TOTAL	BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
$ 544,711	$ 7,721,311	$ 2,574	$ 1,567,465	$ 9,291,350
-	200,912	578,998	233,465	1,013,375
-	(2,671,580)	(447,485)	(1,083,529)	(4,202,594)
-	(3,560,442)	(210,641)	(942,786)	(4,713,869)
544,711	1,690,201	(76,554)	(225,385)	1,388,262
1,054,507	3,853,056	981,193	1,971,982	6,806,231
40,341	57,199	-	40,507	97,706
(2,114,845)	(3,458,157)	-	-	(3,458,157)
(17,199)	(97,199)	(831,509)	(1,676,614)	(2,605,322)
(1,037,196)	354,899	149,684	335,875	840,458
-	-	16,180	35,629	51,809
-	-	289,112	69,068	358,180
(43,409)	(1,904,432)	(36,000)	(68,230)	(2,008,662)
-	-	81,699	-	81,699
(28,038)	(553,433)	(17,559)	(45,094)	(616,086)
-	(503,203)	(406,878)	(108,528)	(1,018,609)
(71,447)	(2,961,068)	(73,446)	(117,155)	(3,151,669)
192,299	594,963	316	-	595,279
(371,633)	(321,005)	-	(6,665)	(327,670)
4,551,821	20,646,528	-	1,014,395	21,660,923
$ 4,180,188	$ 20,325,523	$ -	$ 1,007,730	$ 21,333,253
$ 517,382	$ (2,271,937)	$ (273,773)	$ (381,645)	$ (2,927,355)
-	3,341,625	166,542	163,504	3,671,671
(2,047)	(61,522)	(36,201)	(73,972)	(171,695)
432,742	527,030	-	-	527,030
-	-	11,306	37,557	48,863
-	(8,613)	10,785	(13,127)	(10,955)
-	92,758	(4,487)	(54,183)	34,088
-	13,949	2,234	4,963	21,146
-	496,208	43,172	76,575	615,955
-	16,697	600	3,198	20,495
(403,366)	(455,994)	3,268	11,745	(440,981)
$ 544,711	$ 1,690,201	$ (76,554)	$ (225,385)	$ 1,388,262
$ -	$ 682,935	$ -	$ -	$ 682,935

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST, OTHER POST-EMPLOYMENT BENEFIT TRUST, AND AGENCY FUNDS
JUNE 30, 2009

	PRIVATE PURPOSE TRUST FUND TAX SALE DEPOSITS	OTHER POST-EMPLOYMENT BENEFIT TRUST FUND	AGENCY FUNDS
ASSETS			
Cash and Cash Equivalents	$ 374,570	$ 1,185,042	$ 374,209
Miscellaneous Receivables	-	-	165,626
Total Assets	374,570	1,185,042	$ 539,835
LIABILITIES			
Due to Other Governments	-	155,005	$ 259,123
Deposits and Escrows	-	-	280,712
Total Liabilities	-	155,005	$ 539,835
NET ASSETS			
Held in Trust	$ 374,570	$ 1,030,037	

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2009

	PRIVATE PURPOSE TRUST FUND	
	TAX SALE DEPOSITS	
ADDITIONS		
Total Additions - Tax Sale Collections in Excess of Tax Due	$	26,327
DEDUCTIONS		
Total Deductions - Distributions to Property Holders		19,205
Change in Assets		7,122
NET ASSETS HELD IN TRUST		
Net Assets-Beginning of Year		367,448
Net Assets-End of Year	$	374,570

	OTHER POST-EMPLOYMENT BENEFIT TRUST FUND	
ADDITIONS		
CONTRIBUTIONS		
Employers	$	2,581,144
Members		710,313
TOTAL CONTRIBUTIONS		3,291,457
Investment Income		37
Total Additions		3,291,494
DEDUCTIONS		
Claims Paid		2,261,457
Change in Assets		1,030,037
NET ASSETS HELD IN TRUST		
Net Assets-Beginning of Year		-
Net Assets-End of Year	$	1,030,037

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
INDEX

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local government entities. The following is a summary of significant policies.

A. REPORTING ENTITY

Queen Anne's County, Maryland (the County) was founded in 1706. The County is governed by five Commissioners who are elected to serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly under Code Home Rule and provides the following services: public safety, public facility/infrastructure maintenance and improvements, sanitation, health and social services, education, recreation and culture, library, conservation of natural resources, economic and community development, and general administrative services.

As required by GAAP, these financial statements present the primary government and its component units, which are entities for which the primary government is considered financially accountable. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in the Government Accounting Standards Board (GASB) Statements No. 14 and 39. Blended component units, although separate entities, are, in substance, part of the government's operations. However, each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that it is legally separate from the government.

Blended Component Units
The Queen Anne's County Sanitary District serves all the citizens of the government and is governed by a board comprised of the government's elected Commissioners. The rates for user charges and bond issuance authorizations are approved by the Board of Commissioners and the legal liability for the general obligation portion of the District's debt remains with the government. The Sanitary District is reported as an enterprise fund.

The Queen Anne's County Roads Board serves all the citizens of the government and is governed by a board comprised of the government's elected Commissioners. All operations of the Roads Board are approved by the Board of Commissioners and the legal liability for any debt remains with the government. The Roads Board is reported as a special revenue fund.

Discretely Presented Component Units
The Board of Education of Queen Anne's County is a five-member body responsible for the operation of Queen Anne's County Schools. Beginning with the November 2008 election, the members were elected by the County voters. The Board of Education is a component unit of Queen Anne's County, Maryland by virtue of the Board's fiscal dependency on the County through the County's responsibility for levying taxes, issuing debt, and its budgetary control over the Board of Education.

The Queen Anne's County Free Library is a component unit of the Queen Anne's County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and approves the Library's budget. The Library Board of Trustees governs the Library. Vacancies on the Board of Trustees are filled by vote of the remaining members of that Board.

The Queen Anne's County Public Housing Authority is a component unit of the Queen Anne's County Government because the County Commissioners appoint the members of the Housing Authority's Board of Commissioners. In addition, the County contributes substantial financial and administrative resources to the Housing Authority on an on-going basis, including an annual appropriation, office space and utilities, and administrative services for human resources, accounting, and other functions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

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

Board of Education of
Queen Anne's County
202 Chesterfield Avenue
Centreville, Maryland 21617

Queen Anne's County
Housing Authority
c/o Queen Anne's County
Finance Office
107 N. Liberty Street
Centreville, Maryland 21617

The Queen Anne's County
Free Library
121 S. Commerce Street
Centreville, Maryland 21617

JOINT VENTURE

The operation of the Midshore Regional Landfill is considered a joint venture of the County. Disclosure of the County's participation in this joint venture is presented in Note 17.

Complete financial statements can be obtained at the joint ventures' administrative office listed below:

Maryland Environmental Service
259 Najoles Road
Millersville, Maryland 21108

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements – The government-wide financial statements report information on all of the non-fiduciary activities of the Primary Government and its component units. Since, by definition, assets of fiduciary funds are held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities of the Primary Government, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Statement of Net Assets – This statement is designed to display the financial position of the reporting entity as of year-end. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. Net assets are divided into three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Statement of Activities – This statement demonstrates the degree to which the direct expenses of a given function for the fiscal year are offset by program revenues. Therefore, this statement reflects both the gross and net costs per functional category (general government; public safety; public works; health; social services; education; parks and recreation; library; conservation of natural resources; and economic/community development) that are otherwise supported by general revenues. Direct expenses (including depreciation) are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants, while the capital grants and contributions column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund balance/net assets, revenues, and expenditures/expenses.

Governmental Fund Budget-to-Actual Comparison Statements – Demonstrating compliance with the adopted budget is an important component of government's accountability to the public. The County provides budget-to-actual comparisons of the General Fund and individual major special revenue funds as part of the required supplementary information subsection located after the Notes to the basic financial statements. In addition, budget-to-actual comparisons are provided for the General Fund, on a departmental level, and for all other individual funds with legally adopted budgets in the supplementary information subsection.

The County and many other governments revise their original budgets over the course of the year for a variety of reasons; the County's amended budget is reflected in a separate column in the budget-to-actual comparison statements. Variances are calculated based on final budgets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement Focus and Basis of Accounting

Full Accrual Basis Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets and related depreciation are recorded in these statements, as well as debt, accrued compensated absences, other post-employment benefits, and other accruals.

Modified Accrual Basis Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Revenues are recorded as soon as they are susceptible to accrual (i.e., when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment has matured and is due. Similarly, expenditures related to claims, judgments, compensated absences, and other post-employment benefits are recorded only to the extent that they are expected to be liquidated with expendable available financial resources. Capital assets, and related depreciation, as well as long-term liabilities are not recorded in these statements.

In applying the susceptible to accrual concept to income taxes (distributed by the State), property taxes, and inter-governmental revenues other than grants, the County defines "available" as received within 60 days after year-end.

In the State of Maryland, the State has assumed responsibility for the collection of all income taxes and for distributing those collections to the respective counties. The counties set their individual tax rates within limits provided by State law. However, collections and pursuit of delinquent taxes are the responsibility of the State. The County records estimated receivables relating to income taxes when the underlying income is earned. Amounts not received within 60 days are reported as deferred revenue. At year-end, deferred revenue relating to income taxes primarily includes the final fiscal year distribution (which is normally received in September after the fiscal year-end) and amounts related to late filers, delinquent returns and audits, and unallocated withholding, all of which are not received within the County's availability period. Most deferred revenue is expected to be received from the State within the next fiscal year; however, collections related to delinquent returns and audits as well as unallocated withholding may not be remitted to the County for several years.

In applying the susceptible to accrual concept to operating and capital grants, which are classified with intergovernmental revenues in the fund financial statements, the County records receivables when the applicable eligibility requirements including time requirements are met. Related revenues are recognized to the extent that cash is expected to be received within one year of year-end. Resources received before the eligibility requirements are met are reported as deferred revenue.

Licenses and permits, charges for services, and miscellaneous revenues (except earnings on investments) are generally recorded as revenues when received in cash during the year. At year-end, receivables are recorded for significant amounts due. If such amounts are received in cash after year-end within the County's 60-day availability period, they are recognized as revenue. Benefit assessment receivables not billed at year end are reported as deferred revenue.

Fiduciary Funds – The County's trust fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as is used by proprietary funds. Agency funds report only assets and liabilities; they do not report changes in net assets. Therefore, agency funds are reported using the accrual basis of accounting to recognize receivables and payables. Activity during the year is accounted for as additions to and deductions from asset and liability accounts (for Agency Funds) and Net Assets (for Private Purpose and Other Post-Employment Benefit Trust Funds). Since fiduciary funds are, by their very nature, independent of the County, they are omitted from all government-wide statements.

Financial Statement Presentation - The County reports the following major governmental and proprietary funds, as well as fiduciary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

General Fund – This fund is the general operating fund of the County. It is used to account for all financial resources except those required or recommended, by GAAP, to be accounted for in another fund.

Capital Projects Funds –

General Capital Projects - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, as well as other large multi-year projects that relate to capital assets, that are financed from general governmental resources.

Roads Capital Projects - This fund accounts for financial resources to be used for the construction of County Road infrastructure, as well as other large multi-year projects that relate to capital assets, that are financed from Highway User Tax funds and grants received from State and Federal Governments.

School Impact Fees - This fund accounts for financial resources generated by new residential construction and used for the construction of public school facilities or payment of school debt relating to such construction.

Roads Board - This fund accounts for financial resources received from the State, plus a negligible amount from the County, for the maintenance of County road infrastructure.

Enterprise Funds - Enterprise Funds are used to account for those activities of the Primary Government that are financed and operated in a manner similar to private business enterprises in that all costs and expenses, including depreciation, are recovered primarily or partially through user charges. The Sanitary District Funds are intended to be self-supporting as a whole, while the Airport is intended to be only partially self-supporting. The County reports the following major enterprise funds:

Sanitary District - Sewer Operations - This fund is used to account for the operation of the sewer system serving approximately 6,500 customers.

Sanitary District - Water Operations - This fund is used to account for the operation of the water supply system serving approximately 4,000 customers.

Sanitary District - Restricted Fund - This fund is used to account for the proceeds of sewer and water capacity charges (one-time allocation fees) and is used to fund capital and debt service expenses.

Sanitary District - Debt Service Funds - This fund is used to account for the collection of special benefit assessments, and financial resources from other sources, to fund debt associated with construction of water and sewer facilities in accordance with debt covenants.

Bay Bridge Airport – This fund is used to account for the operation of the County's airport that serves small, private aircraft.

Fiduciary Funds – Fiduciary Funds are used to report assets held in a trustee or agency capacity for entities other than the County. The County reports the following fiduciary fund types:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Private-Purpose Trust Fund – This fund accounts for an arrangement under which monies received at tax sale, in excess of taxes due, are legally held in trust for property owners who have not been located within a legally-defined time frame.

Other Post-Employment Benefit Trust Fund– This fund accounts for the funding of retiree benefit plans of participating agencies, which are: (1) Queen Anne's County, Maryland, including the Queen Anne's County Public Housing Authority; (2) Queen Anne's County Board of Education; and (3) Queen Anne's County Free Library. Other agencies and political subdivisions have the right to participate in this Trust Fund also, as an investment vehicle for their Other Post-Employment Benefit Plan through the pooling of investment resources. Currently, the only other agency participating is Kent County, Maryland.

Agency Funds - These funds are used to account for assets, such as property taxes, held in a purely custodial capacity where the County receives, temporarily invests, and remits such resources to individuals, private organizations or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The effect of interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned.

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1) **Cash and Investments**

Cash and Cash Equivalents – For Statement of Cash Flows reporting purposes, the County has defined "cash equivalents" as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less at time of purchase meet this definition. The balance sheet classification for "cash and cash equivalents" in the Statement of Cash Flows includes the following: "Equity in pooled cash and investments," "Cash and cash equivalents," and "Restricted Equity in pooled cash and investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

2) Receivables and Payables

Due From/To Other Funds and Internal Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are current and are referred to as "due to/from other funds." On the Statement of Net Assets, these balances are referred to as "internal balances" and are reported as positive and negative "assets" that net to zero for the primary government as a whole.

Trade Accounts Receivable – Trade and other receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated based on historical collection data and, in some cases, specific account analysis.

3) Inventories, Prepaids, and Other Assets

Inventories of materials, parts and supplies are stated at cost as determined by the first-in, first-out method. For budgetary purposes, the cost is recorded as an expenditure at the time individual inventory items are purchased (purchase method). The consumption method is used for financial reporting purposes whereby expense is recognized as the items are used (consumed). Reported inventories are equally offset by a fund balance reserve. Inventories in the Proprietary Funds are also recorded using the consumption method.

Prepaid items are payments made to vendors for services that will benefit periods beyond the end of the fiscal year.

4) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of $5,000 ($1,000 for computers) or more and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or functionality of the asset, or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense, incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. Capital projects that are under construction and not yet ready for their intended use at year-end are classified as "construction in progress" (CIP).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

4) Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and structures	20 - 50
Improvements other than buildings	15 - 50
Infrastructure	20 - 50
Machinery and equipment	3 - 20
Office furniture, fixtures and equipment	5 - 15
Automobiles and trucks	7 - 10

5) Other Post-Employment Benefit Obligation

During fiscal year 2009, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 43, *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans* and GASB 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The Queen Anne's County post-employment plan provides medical insurance benefits to retirees and their eligible dependents. The Plan's financial information is prepared based on full accrual accounting. Expenses are recognized on the accrual basis as retirees' insurance costs are incurred. Additional details regarding other post-employment benefits can be found in Notes 9 and 14.

Primary Government – In both the government-wide and enterprise funds, liability for other post-employment benefits is adjusted at the end of the fiscal year. For the year ended June 30, 2009, the other post-employment benefit obligation amounted to $4,304,045, including both governmental ($3,688,090) and business-type activities ($615,955).

Component Unit – Queen Anne's County Housing Authority –The Housing Authority's employees are employees of the primary government, which is ultimately liable for their salaries and benefits. Therefore, for the year ended June 30, 2009 the County recognized a liability for other post-employment benefit obligation for these employees in the amount of $117,628, which is included in the liability of $3,688,090 mentioned above for the Primary Government's governmental activities.

Component Unit - Board of Education – For the year ended June 30, 2009, the other post-employment benefit obligation for the Board of Education amounted to $4,372,045.

Component Unit – Free Library – For the year ended June 30, 2009, the other post-employment benefit obligation for the Library amounted to $139,766.

6) Compensated Absences

Primary Government – The County's policy is to pay employees for any unused vacation time, up to a maximum of 65 days, upon termination of employment. Compensated absences are reported in governmental funds only if they have matured, such as payments upon termination of employment, vacation, and compensatory time paid as they are used during the year. Such time is paid as regular wages. Compensated absences are reported in enterprise funds as they are accrued. In the government-wide statements, liability for compensated absences is adjusted at the end of each fiscal year to current salary costs. Accumulated unpaid leave of the County amounted to $2,507,711 at June 30, 2009, including both governmental ($2,243,389) and business-type activities ($264,322).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

6) Compensated Absences (continued)

Component Unit – Queen Anne's County Housing Authority –The Housing Authority's employees are employees of the primary government, which is ultimately liable for their salaries and benefits. Therefore, for the year ended June 30, 2009 the County recognized a liability for compensated absences for these employees as part of its governmental activities in the amount of $39,396.

Component Unit - Board of Education – Accumulated unpaid annual leave is accrued when earned in the Unrestricted Current Expense Fund using the modified accrual basis of accounting. In fiscal year 1992, the Board adopted the practice of paying for any unused vacation time, up to the maximum number of days that employees can carry over from one year to the next, upon termination of employment. Maximum number of days varies from 20 to 30 days, depending on classification. Liabilities for compensated absences are inventoried at the end of each fiscal year and adjusted to current salary costs. Accumulated compensated absences as of June 30, 2009 amounted to $855,027. Because payment of sick leave is contingent upon employees' future illness or retirement, the Board of Education expects its commitment to provide sick leave to be met during the normal course of activities over the working lives of its present employees. Any accumulated unused sick leave at retirement will ultimately be taken into consideration and paid through retirement benefits by the State of Maryland.

7) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable in the proprietary fund financial statements and noncurrent liabilities in the government-wide financial statements are reported net of the applicable bond premium or discount. Bond issuance costs are generally reported as a deferred asset and amortized over the term of the related debt using the straight-line method.

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

8) Net Assets/Fund Equity

In the government-wide financial statements, the County has reported negative unrestricted net assets of $26,672,299. This deficit is due to the fact that the County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. The capital assets constructed with the proceeds of this debt are reported on the financial statements of Queen Anne's County Board of Education. This amount is also classified as net assets invested in capital assets, net of related debt, in the Board of Education column of the Component Units section of the County's government-wide Statement of Net Assets. Since the Board of Education is not authorized to borrow funds, they do not have any debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

8) Net Assets/Fund Equity (continued)

Since the issuance of such debt has not resulted in capital assets owned by the Primary Government, the effect of this debt is reflected in a deficit balance in unrestricted net assets in the Governmental Activities column of the government-wide Statement of Net Assets. At June 30, 2009, the County has reported outstanding general obligation debt related to assets held by the Board of Education amounting to $50,291,243. Absent the effect of this relationship, the County would have reported positive unrestricted net assets of governmental activities in the amount of $23,618,944.

The County reports a portion of its net assets in its government-wide financial statements as restricted. In this context, restricted means that, as of June 30, 2009, this portion of net assets was restricted for a particular purpose either by external parties; by provision of the County Charter; or by enabling legislation. Net assets restricted by enabling legislation represent legislative restrictions that a party external to the government can compel the government to honor. For the County, such amounts represent primarily accumulated net assets attributed to revenue streams that are restricted for specified purposes in the County Code. This generally includes Capital Projects Fund impact fee collections and developer exactions on hand for outside entities; ending fund balances of substantially all special revenue funds; and ending unrestricted net assets of the Sanitary District and other enterprise funds. Such amounts, which are restricted net assets in the government-wide statement of Net Assets, are as follows at year-end:

Restricted Net Assets		
Governmental activities	$	16,582,660
Business-type activities		19,886,675
Total	$	36,469,335

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

9) Property Tax

The County's real property tax is levied each July 1 on the assessed values certified as of that date for all taxable real property located in the County. The levy functions as a lien against the property. Assessed values are established by the Maryland State Department of Assessments and Taxation at estimated market value. A revaluation of all property is required to be completed every three years. Taxes are then billed to property owners and collected by the County. Property represented by delinquent taxes is sold at a public auction in May of the following calendar year, with title transferring after foreclosure proceedings have been completed.

For principal residences only, an installment plan is offered whereby total tax is paid in two equal installments. The first installment is due by September 30. Beginning October 1, a 1% penalty is charged on the first day of each month that the installment remains unpaid. This 1% penalty is based on the amount of the first installment only. The second installment is due by December 31. Beginning January 1, the 1% penalty would then include all outstanding balances. The County accepts partial payments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

9) Property Tax (continued)

For non-principal residences, payment is due in full by September 30. Beginning October 1, a penalty is charged for each month that taxes remain unpaid.

For new construction, completed and assessed between July 1 and December 31, a supplementary tax is levied equal to half of the full-year levy. Payment in full is due by March 31. Beginning April 1, a penalty is charged for each month that taxes remain outstanding.

Real and personal property taxes are levied at rates enacted by the County Commissioners in the annual budget on the assessed value as determined by the Maryland Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings. The County tax rate for the fiscal year ended June 30, 2009 was $0.770 per $100 of assessed value.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Pursuant to the Code of Public Local Laws of Queen Anne's County, the County Commissioners adopt an annual operating budget and real property tax rate prior to July 1 each year. This action, taken after public hearings, provides the spending authority for the fiscal year beginning on July 1. Unexpended and unencumbered appropriation authority expires the following June 30, except in the case of Capital Projects where appropriations lapse only upon completion or cancellation of each project by the County Commissioners. The appropriated budgets are prepared at the fund, function, and department level. Expenditures/expenses may not legally exceed appropriations, based on the level at which they were adopted. For the General Fund, annual expenditure budgets are legally adopted at the Departmental level. For all other governmental Funds, for which annual budgets are adopted, expenditure budgets are legally adopted at the Fund level.

During the fiscal year, the Commissioners may adopt supplemental appropriations. For the year ended June 30, 2009, supplemental appropriations that increased are as follows:

Supplemental Appropriations	Original Budget	Final Budget	Increase
General Fund - expenditures and transfers	$ 104,050,037	$ 105,651,001	$ 1,600,964
Special Revenue Funds that adopt annual budgets			
Major - Roads Board - expenditures	$ 6,809,660	$ 6,838,270	$ 28,610
Non-Major that adopt annual budgets -			
Department of Aging - expenditures	$ 3,043,627	$ 3,171,247	$ 127,620
Housing and Community Services - expenditures	1,038,575	1,253,657	215,082
Community Partnerships for Children - expenditures and transfers	2,178,837	2,191,130	12,293
Law Library - expenditures	3,000	83,136	80,136
Fire Company Impact Fees - expenditures	600,000	758,333	158,333
Agricultural Transfer - expenditures and transfers	660,000	2,134,894	1,474,894
Rural Legacy - expenditures	-	1,000,000	1,000,000
Total Special Revenue Funds that adopt annual budgets	$ 14,333,699	$ 17,430,667	$ 3,096,968

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

All final budgets are presented as amended. The County Administrator may approve budget amendments of $10,000 or less throughout the year. Amendments greater than $10,000 require the approval of the County Commissioners.

Annual operating budgets are legally adopted for the General Fund, School Impact Fees Capital Projects Funds, Roads Board Operating Fund, and the following non-major governmental funds: Department of Aging, Housing and Community Services, Community Partnerships for Children, Dredging Special Assessments, Kent Narrows, Law Library, Inmate Welfare, Agricultural Transfer, Rural Legacy, Fire Impact Fee Capital Projects, and Parks and Recreation Impact Fee Capital Projects. Proprietary Fund budgets are adopted for management control only and include all enterprise funds. Budgets are adopted using the same method of accounting as that used for Fund reporting purposes.

Budgets for the General Capital Projects Fund and the Roads Capital Projects Fund reflect multi-year appropriations at the individual project level. Expenditures may not legally exceed appropriations at that level and appropriations lapse at the completion or cancellation of individual projects. In that these capital projects funds do not adopt an annual budget per project, a Statement of Revenues, Expenditures, and Changes in Fund Balances on a budget-to-actual basis is not presented for these funds.

GENERAL FUND

The following General Fund Departments exceeded their legally adopted expenditure budgets for the year ended June 30, 2009. Note that actual Salary Reversion amounts are realized in the individual departments and are not reported in this table:

General Fund	Final Budget	Actual	(Negative) Variance
General Government - Legal	$ 336,040	$ 352,901	$ (16,861)
Debt Service	7,745,291	7,843,837	(98,546)
Transfer to Roads Board Operating	30,000	30,616	(616)
Transfer to Sanitary District - Sewer	4,050	4,592	(542)
Transfer to Fire Companies - Impact Fees	-	37,069	(37,069)
Reversions - salary reversions	(338,123)	-	(338,123)

SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS

The following Special Revenue Fund exceeded its legally adopted expenditure budget for the fiscal year ended June 30, 2009:

Special Revenue and Capital Projects Funds	Final Budget	Actual	(Negative) Variance
Agricultural Transfer	$ 2,134,894	$ 2,214,032	$ (79,138)

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME

A. DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT, PUBLIC HOUSING AUTHORITY, AND FIDUCIARY FUNDS

Cash and investments were as follows at year-end:

Primary Government, Public Housing & Fiduciary Cash and Investments	Carrying Amount	Collected Bank Balances or Fair Value	Total Collateral
Demand Deposit Accounts, Short-Term Certificates of Deposit and Petty Cash	$ 21,739,530	$ 23,061,697	$ 26,422,251
Investment in Maryland Local Government Investment Pool (MLGIP)	34,487,586	34,472,660	35,162,114
	$ 56,227,116	$ 57,534,357	$ 61,584,366

Cash and investments reconcile to the basic financial statements as follows:

Cash and Investments	Primary Government	Component Unit-Housing Authority	Fiduciary	Total
Unrestricted				
Equity in Pooled Cash and Investments	$ 40,349,760	$ 1,059,036	$ 1,933,821	$ 43,342,617
Cash and Cash Equivalents	-	333,652	-	333,652
Restricted				
Equity in Pooled Cash and Investments	12,449,980	-	-	12,449,980
Investments	-	100,867	-	100,867
	$ 52,799,740	$ 1,493,555	$ 1,933,821	$ 56,227,116

At year-end, the carrying amount of combined deposits was $21,739,530 and the collected bank balances were $23,061,697. Of the bank balances, $1,004,632 was insured by federal depository insurance (FDIC). The uninsured balances were fully collateralized by securities placed with the respective banks' escrow agents and held in the County's name.

Statutes authorize the County to invest in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations.

Of these options, the County participates in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state with a safe investment vehicle for short-term investment of funds. The State Legislature created MLGIP by enacting Section 22G of Article 94 of the Annotated Code of Maryland. PNC Financial manages the MLGIP, under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants reviews the activities of the Fund on a quarterly basis and provides suggestions to enhance the pool. Standard and Poors rates the MLGIP as AAAm. The MLGIP seeks to maintain a constant value of $1 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a $1 per unit constant value.

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT, PUBLIC HOUSING AUTHORITY, AND FIDUCIARY FUNDS (CONTINUED)

As of June 30, 2009, the County's investments, for both custodial and credit risk purposes, consisted solely of shares in the MLGIP. This investment is not deemed to have either risk and is in conformity with the County's policy relating to minimal credit risk of investments.

COMPONENT UNITS (BOARD OF EDUCATION AND LIBRARY)

Component Unit - Board of Education - At year-end, the carrying amount of deposits was $11,629,219, including $300,000 in certificates of deposit and $1,612 cash on hand for petty cash and excluding the carrying amount of fiduciary funds. The bank balances were $13,097,308. Of the bank balances, $806,000 was insured by federal depository insurance (FDIC). The uninsured balances were fully collateralized by securities held by the agent of the Board, in the Board's name.

Component Unit – Library - At year-end, the carrying amount of all bank deposits, including a $634,754 certificate of deposit, was $1,260,388, while collected bank balances were $1,271,650. Of the bank balances, $580,141 was insured by federal depository insurance (FDIC). The uninsured balances were fully collateralized by securities held in the Library's name.

B. INVESTMENT INCOME

PRIMARY GOVERNMENT

Total investment income earned in all governmental funds was credited for use as follows:

Governmental Funds	Investment Income
General Fund	$ 397,616
Other Funds	29,522
Unrestricted Revenue	427,138
Restricted Revenue	215,334
Total Investment Income	$ 642,472

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2009 for the governmental and business-type activities are as follows:

Accounts Receivable	General Fund	General Capital Projects	Roads Capital Projects	School Impact Fees Capital	Roads Board	Non-Major Governmental Funds	Total Governmental Funds	Total Enterprise Funds	Total Governmental and Enterprise Funds
Receivables									
Taxes - Real Property	$ 111,054	$ -	$ -	$ -	$ -	$ -	$ 111,054	$ -	$ 111,054
Taxes - Other	85,789	143,342	-	-	-	-	229,131	-	229,131
Subtotal Taxes	196,843	143,342	-	-	-	-	340,185	-	340,185
Other Accounts Receivable:									
Health Department	127,776	-	-	-	-	-	127,776	-	127,776
Board of Education	9,007	-	-	-	29,155	-	38,162	-	38,162
Rubble Surcharge	23,135	-	-	-	-	-	23,135	-	23,135
Governmental Funds - User Fees	-	-	21,182	-	-	-	21,182	-	21,182
Retirees Insurance	17,529	-	-	-	-	-	17,529	-	17,529
Sheriff's Department	12,991	-	-	-	-	-	12,991	-	12,991
Recordation Tax Interest	11,170	-	-	-	-	-	11,170	-	11,170
Other Licenses and Permits	9,054	-	-	-	-	-	9,054	-	9,054
Juror Fee Reimbursements	7,005	-	-	-	-	-	7,005	-	7,005
Sanitary District - User and Septage Fees	-	-	-	-	-	-	-	434,857	434,857
Airport - Fuel Sales and User and Rental Fees	-	-	-	-	-	-	-	114,043	114,043
Miscellaneous Receivables	15,335	8,795	-	-	211	23,355	47,696	86,157	133,853
Subtotal Other Accounts Receivable	233,002	8,795	21,182	-	29,366	23,355	315,700	635,057	950,757
Loans Receivable	-	-	-	156,809	-	3,399,042	3,555,851	-	3,555,851
Subtotal Other Accounts and Loans Receivable	233,002	8,795	21,182	156,809	29,366	3,422,397	3,871,551	635,057	4,506,608
Special Assessments	-	-	570,024	-	-	771,886	1,341,910	-	1,341,910
Intergovernmental									
Income Taxes Held by State	11,695,290	-	-	-	-	-	11,695,290	-	11,695,290
Grants Receivable	892,424	442,605	-	-	-	641,056	1,976,085	124,310	2,100,395
State-Shared Highway User Tax	-	-	-	-	747,831	-	747,831	-	747,831
Bonds Receivable	2,097,684	-	-	-	-	-	2,097,684	-	2,097,684
Subtotal Intergovernmental	14,685,398	442,605	-	-	747,831	641,056	16,516,890	124,310	16,641,200
Restricted Receivables									
Accounts Receivable	-	-	-	-	-	-	-	51,141	51,141
Special Assessments	-	-	-	-	-	-	-	3,977,350	3,977,350
Subtotal Restricted Receivables	-	-	-	-	-	-	-	4,028,491	4,028,491
Total Receivables	$ 15,115,243	$ 594,742	$ 591,206	$ 156,809	$ 777,197	$ 4,835,339	$ 22,070,536	$ 4,787,858	$ 26,858,394

Note that receivables from Component Units are not included in the above table.

NOTE 4 - ACCOUNTS RECEIVABLE (CONTINUED)

The County expects to receive all receivables listed in the table within one year, excluding the following items.

Intergovernmental receivables include bonds receivable from four other counties. In years 1994, 2000, and 2003, Queen Anne's County sold $1,000,000, $2,815,000, and $710,000, respectively, of its general obligation bonds for the purpose of providing the local share of capital projects at Chesapeake College. Five counties, including Queen Anne's County, provide local support for the College. The other four counties supporting Chesapeake College have provided their bonds to Queen Anne's County as evidence of their requirement to reimburse their portion of the debt service. Bonds are amortized over the 20-year life of each of the original Queen Anne's County Bonds. The current carrying value for the bonds receivable from the other four counties are $285,000, $1,425,000, and $387,684, respectively, for a total of $2,097,684. The College bills and collects from the original five counties an amount sufficient to cover this debt service and reimburses this amount to Queen Anne's County on a semi-annual basis.

Loans receivable in the amount of $3,555,851 relate to the Housing, Impact Fees, and Revolving Loan Special Revenue Funds. Loans receivable in the amount of $3,261,213 for Housing and Community Services will be repaid when the homes are sold, in virtually all cases. These loans support housing rehabilitation and home-ownership. When the loans are repaid to the County, the funds are then loaned out again to serve the same purpose. Loans for the Revolving Loan Fund in the amount of $102,719 are also repaid over a number of years.

The remaining loan receivable balance of $191,919 relates to school, fire, and parks impact fees. In July 2007, the County began accepting promissory notes for impact fees, in certain situations, with the understanding that when certificate of occupancy was obtained, these notes would be paid in full. To ensure repayment, the notes attach to the property incurring the impact fee; therefore, payment will be required automatically prior to legal transfer of title.

Income taxes held by the State in the amount of $11,695,290 have been estimated by the State as income tax due for "tax years" 2008 and prior. It may take five years or longer for the State to receive all amounts relating to these "tax years" and remit those monies to the County. However, the State indicates that this is a reasonable estimate of their liability to the County and the County reports this amount in accordance with GAAP.

Special Assessments in the amount of $1,341,910 represent receivables for governmental activities. Part of this amount consists of $570,024 for assessments levied on homeowners to reimburse the County for construction or upgrade of private roads prior to their acceptance into the County Roads System. The other part of this amount consists of $771,886 for assessments levied on homeowners relating to dredging costs. Both of these assessments are paid back over a number of years.

Restricted Special Assessments in the amount of $3,977,350 represent restricted receivables for the Sanitary District. These receivables relate to assessments levied on homeowners for the construction of sewer and water lines, as well as for hook up costs. Only the current portion due is billed and the remaining balances are repaid over a number of years, as determined by the original agreement. As the funds are paid back, the County uses the money to repay debt.

NOTE 5 – DEFERRED OR UNEARNED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds defer revenue recognition in connection with resources that have been received, but unearned. At the end of the current fiscal year, the components of *unavailable revenue* and *unearned revenue* were reported in the governmental funds as deferred revenue as follows:

Deferred Revenue	Unavailable	Unearned	Total
General Fund			
Income Taxes Due from State	$ 9,048,173	$ -	$ 9,048,173
Property Taxes Receivable	81,977	-	81,977
Property Tax Deferrals	-	9,416	9,416
Inter-governmental Bonds Receivable	2,097,684	-	2,097,684
Grant Drawdowns in Excess of Expenditures	-	5,452	5,452
Subtotal	11,227,834	14,868	11,242,702
General Capital Projects Fund			
Grant Drawdowns in excess of Expenditures	-	69,826	69,826
Roads Capital Projects Fund			
Benefit Assessments Receivable Not Currently Due	-	570,024	570,024
Benefit Assessments Paid in Advance	-	59,968	59,968
Subtotal	-	629,992	629,992
Roads Board Operating Fund			
Inspection Fees Collected In Advance	-	604,199	604,199
School Impact Fees Fund			
Impact Fees Loans Receivable Not Currently Due	-	156,809	156,809
Non-Major Governmental Funds			
Grant Drawdowns in Excess of Expenditures	-	261,902	261,902
Benefit Assessments Receivable Not Currently Due	-	771,886	771,886
Impact Fees Loans Receivable Not Currently Due	-	35,110	35,110
Subtotal	-	1,068,898	1,068,898
Total Deferred Revenue	$ 11,227,834	$ 2,544,592	$ 13,772,426

NOTE 6 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Changes in the County's capital assets for governmental activities for the year ended June 30, 2009 are summarized as follows, with depreciation shown separately. Completed projects that were reclassified from construction in progress (CIP) to other asset accounts during the year are reported in the same column, as retirements from CIP and transfers to other asset accounts.

Governmental Activities	Balance June 30, 2008	Increases	Decreases/ Transfers	Balance June 30, 2009
Capital Assets, not being depreciated:				
Land	$ 37,025,806	$ 1,090,971	$ (1,062,723)	$ 37,054,054
Land Improvements	1,710,235	-	86,033	1,796,268
Construction in Progress	10,070,812	6,040,429	(1,953,802)	14,157,439
Land - Inexhaustible Infrastructure Improvements	39,925,498	31,667	46,241	40,003,406
Total Capital Assets, not being depreciated	88,732,351	7,163,067	(2,884,251)	93,011,167
Capital Assets, being depreciated:				
Buildings and Building Improvements	27,516,120	1,326,717	(879,623)	27,963,214
Improvements other than Buildings	4,667,381	77,570	182,726	4,927,677
Vehicles	8,141,233	770,122	(73,623)	8,837,732
Equipment	8,046,510	741,378	66,839	8,854,727
Furniture and Fixtures	9,070,793	298,654	(49,339)	9,320,108
Infrastructure Improvements - Depreciable	14,876,235	1,695	600,359	15,478,289
Total Capital Assets, being depreciated	72,318,272	3,216,136	(152,661)	75,381,747
Less Accumulated Depreciation for:				
Buildings	6,581,242	442,867	(116,141)	6,907,968
Building Improvements	624,833	119,309	(107,623)	636,519
Improvements other than Buildings	662,315	132,819	(2,523)	792,611
Vehicles	4,446,687	679,260	(66,276)	5,059,671
Equipment	5,200,908	460,832	(88,200)	5,573,540
Furniture and Fixtures	4,676,481	905,246	(48,397)	5,533,330
Infrastructure Improvements - Depreciable	5,983,271	309,206	(11,801)	6,280,676
Total Accumulated Depreciation	28,175,737	3,049,539	(440,961)	30,784,315
Total Capital Assets, being depreciated, net	44,142,535	166,597	288,300	44,597,432
Governmental activities Capital Assets, net	$ 132,874,886	$ 7,329,664	$ (2,595,951)	$ 137,608,599

Further information about Capital Assets can be found in the Combining and Individual Fund Statements and Schedules following the Notes.

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Changes in the County's capital assets for business-type activities for the year ended June 30, 2009 are summarized as follows, with depreciation shown separately. Completed projects that were reclassified from construction in progress (CIP) to other asset accounts during the year are reported in the same column, as retirements from CIP and transfers to other asset accounts.

Business-Type Activities	Balance June 30, 2008	Increases	Decreases/ Transfers	Balance June 30, 2009
Capital Assets, not being depreciated:				
Land	$ 12,828,312	$ -	$ 145,694	$ 12,974,006
Land Improvements	16,162	-	-	16,162
Construction in Progress	2,072,670	745,731	(1,343,154)	1,475,247
Land - Inexhaustible Infrastructure Improvements	1,168,407	4,355	46,536	1,219,298
Total Capital Assets, not being depreciated	16,085,551	750,086	(1,150,924)	15,684,713
Capital Assets, being depreciated:				
Buildings and Improvements to Buildings	17,722,910	5,164	458,420	18,186,494
Improvements other than Buildings	5,712,571	14,867	679,952	6,407,390
Automotive Equipment	1,146,498	50,470	-	1,196,968
Equipment	21,573,610	185,524	12,552	21,771,686
Furniture and Fixtures	74,039	12,497	-	86,536
Infrastructure Improvements - Depreciable	67,333,164	682,936	-	68,016,100
Total Capital Assets, being depreciated	113,562,792	951,458	1,150,924	115,665,174
Less Accumulated Depreciation for:				
Buildings and Improvements to Buildings	4,413,914	683,434	-	5,097,348
Improvements other than Buildings	1,781,200	236,985	-	2,018,185
Automotive Equipment	703,821	89,794	-	793,615
Equipment	4,486,967	1,035,670	-	5,522,637
Furniture and Fixtures	56,956	4,164	-	61,120
Infrastructure Improvements - Depreciable	16,334,943	1,621,624	-	17,956,567
Total Accumulated Depreciation	27,777,801	3,671,671	-	31,449,472
Total Capital Assets, being depreciated, net	85,784,991	(2,720,213)	1,150,924	84,215,702
Business-Type activities Capital Assets, net	$ 101,870,542	$ (1,970,127)	$ -	$ 99,900,415

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

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

Governmental Activities		Depreciation
General Government	$	133,633
Public Safety		1,382,957
Public Works		896,479
Health		10,117
Social Services		248,110
Parks and Recreation		331,548
Library		23,610
Conservation of Natural Resources		18,018
Economic/Community Development		5,067
	$	3,049,539

Business-Type Activities				
Major Enterprise Funds:				
Sanitary District			$	3,341,625
Airport				166,542
Non-Major Enterprise Funds:				
Parks and Recreation	$	155,473		
Public Marinas		8,031		163,504
			$	3,671,671

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS

Board of Education: Capital asset activity for the year ended June 30, 2009 is as follows:

Board of Education	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets, not being depreciated:				
Land	$ 3,868,870	$ 2,494,170	$ -	$ 6,363,040
Construction in Progress	12,895,416	7,227,162	(1,351,730)	18,770,848
Total Capital Assets, not being depreciated	16,764,286	9,721,332	(1,351,730)	25,133,888
Capital Assets, being depreciated:				
Land Improvements	4,504,001	-	-	4,504,001
Building Improvements	132,776,872	970,796	-	133,747,668
Furniture and Equipment	10,128,063	607,875	(1,284,515)	9,451,423
Total Capital Assets, being depreciated	147,408,936	1,578,671	(1,284,515)	147,703,092
Less Accumulated Depreciation for:				
Land Improvements	2,775,840	210,806	-	2,986,646
Building Improvements	25,744,103	2,570,080	-	28,314,183
Furniture and Equipment	7,548,668	478,728	(1,269,324)	6,758,072
Total Accumulated Depreciation	36,068,611	3,259,614	(1,269,324)	38,058,901
Total Capital Assets, being depreciated, net	111,340,325	(1,680,943)	(15,191)	109,644,191
Capital Assets, net	$ 128,104,611	$ 8,040,389	$ (1,366,921)	$ 134,778,079

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS (CONTINUED)

Queen Anne's County Free Library: Capital asset activity for the year ended June 30, 2009 is as follows:

Library	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets, not being depreciated:				
Artwork	$ 29,850	$ -	$ -	$ 29,850
Capital Assets, being depreciated:				
Books and Media	2,263,148	41,888	-	2,305,036
Building Improvements	239,072	-	-	239,072
Total Capital Assets, being depreciated	2,502,220	41,888	-	2,544,108
Less Accumulated Depreciation for:				
Books and Media	1,469,320	104,531	-	1,573,851
Building Improvements	85,025	6,130	-	91,155
Total Accumulated Depreciation	1,554,345	110,661	-	1,665,006
Total Capital Assets, being depreciated, net	947,875	(68,773)	-	879,102
Capital Assets, net	$ 977,725	$ (68,773)	$ -	$ 908,952

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS (CONTINUED)

Queen Anne's County Housing Authority: Capital asset activity for the year ended June 30, 2009 is as follows:

Housing Authority	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital Assets, not being depreciated:				
Land	$ 735,561	$ -	$ -	$ 735,561
Land Improvements	15,489	-	-	15,489
Construction in Progress	8,586,715	685,872	-	9,272,587
Total Capital Assets, not being depreciated	9,337,765	685,872	-	10,023,637
Capital Assets, being depreciated:				
Buildings and Improvements	15,354,141	-	-	15,354,141
Vehicles	23,490	-	-	23,490
Furniture, Fixtures, and Equipment	233,114	-	-	233,114
Total Capital Assets, being depreciated	15,610,745	-	-	15,610,745
Less Accumulated Depreciation for:				
Buildings and Improvements	2,632,770	318,557	-	2,951,327
Vehicles	14,681	2,349	-	17,030
Furniture, Fixtures, and Equipment	108,378	12,669	-	121,047
Total Accumulated Depreciation	2,755,829	333,575	-	3,089,404
Total Capital Assets, being depreciated, net	12,854,916	(333,575)	-	12,521,341
Capital Assets, net	$ 22,192,681	$ 352,297	$ -	$ 22,544,978

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant or similar resources are received. Occasionally, these receivables and payables are used in lieu of short-term external borrowing, such as for capital lease agreements.

Intra-entity receivables and payables usually relate to capital construction projects, wherein the primary government records a liability to its component unit at year-end while the component unit records a payable to the contractor.

The interfund and intra-entity receivables and payables consist of the following at June 30, 2009:

	Due from Fund					
Due to Fund	General Capital Projects	Non-Major Governmental	Sanitary District	Non-Major Enterprise	Housing Authority - Component Unit	Total Due From Other Funds
General	$ -	$ 301,561	$ -	$ 507	$ 454,157	$ 756,225
General Capital Projects	-	-	40,000	-	-	40,000
Sanitary District	-	-	40,341	-	-	40,341
Non-Major Enterprise	-	-	-	40,000	-	40,000
Board of Education - Component Unit	635,771	-	-	-	-	635,771
Total Due to Other Funds	$ 635,771	$ 301,561	$ 80,341	$ 40,507	$ 454,157	$ 1,512,337

On June 30, 2009, the County issued a check in the amount of $489,581 to the Board of Education as part of a local allocation for fiscal year 2009. The Board recorded receipt of this check in fiscal year 2010, resulting in a receivable on the Board's financial statements of $1,125,352 for fiscal year 2009, which consists of $489,581 for this check, plus $635,771 as shown in the table above. This timing difference resulted in a reconciling item with the Board, as the County appropriately recorded this cash disbursement on its books in fiscal year 2009.

Interfund receivables and payables are reported on the Statement of Net Assets as Internal Balances, net of transactions between the same types of funds. Further information about the interfund and intra-entity receivables and payables can be found in the Detailed Schedule of Interfund Receivables and Payables following the Notes.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers represent a transfer of resources from one fund to another without expectation of repayment. Usually, these transfers are undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County. The following interfund transfers were made during the fiscal year ended June 30, 2009:

		Transfers in Fund						
Transfers Out Fund	Total Transfers Out	General Fund	General Capital Projects	Roads Board	Non-Major Governmental	Major Enterprise	Non-Major Enterprise	Total Transfers In
General Fund	$ 2,573,612	$ -	$ 21,483	$ 30,616	$ 2,222,186	$ 196,207	$ 103,120	$ 2,573,612
General Capital Projects (1)	3,808,465	543,019	-	-	135,000	1,179,885	1,868,862	3,726,766
Roads Capital Projects	20,000	-	20,000	-	-	-	-	20,000
Impact Fees - Schools	1,408,120	1,408,120	-	-	-	-	-	1,408,120
Total Capital Projects Funds	5,236,585	1,951,139	20,000	-	135,000	1,179,885	1,868,862	5,154,886
Non-Major Governmental	1,069,075	69,075	-	-	1,000,000	-	-	1,069,075
Sanitary District - Restricted	1,343,312	-	-	-	-	1,343,312	-	1,343,312
Sanitary District - Debt Service	2,114,845	-	-	-	-	2,114,845	-	2,114,845
Total Sanitary District Funds	3,458,157	-	-	-	-	3,458,157	-	3,458,157
Total Transfers Out	$ 12,337,429	$ 2,020,214	$ 41,483	$ 30,616	$ 3,357,186	$ 4,834,249	$ 1,971,982	$ 12,255,730

(1) In fiscal year 2009, the General Capital Projects Fund transferred 2006 bond proceeds in the amount of $81,699 to the Bay Bridge Airport Enterprise Fund. This transaction was appropriately recorded on the Airport's books as an increase in debt liability and on the General Capital Projects Fund's books as a transfer out. Since enterprise funds and governmental funds record such transactions differently, the $81,699 is reported in the above table only as a transfer out with no corresponding transfer in.

Further information about interfund transfers can be found in the Detailed Schedule of Interfund Transfers following the Notes.

NOTE 9 – NONCURRENT LIABILITIES

A. CHANGES IN NONCURRENT LIABILITIES

During the year ended June 30, 2009, the following changes occurred in the noncurrent liabilities of the primary government's governmental activities:

PRIMARY GOVERNMENT Governmental Activities	Balance June 30, 2008	Additions of new debt	Retirements and Repayments	Balance June 30, 2009	Due Within One Year	Due in More than One Year
General Bonds Payable	$ 70,752,345	$ -	$ 5,331,424	$ 65,420,921	$ 5,060,635	$ 60,360,286
Notes Payable	822,617	122,780	32,214	913,183	61,101	852,082
Bond Premiums, Net of Issuance Costs	716,049	-	64,723	651,326	64,722	586,604
Deferred Refunding Costs	(1,830,926)	-	(170,484)	(1,660,442)	(170,483)	(1,489,959)
Capital Leases	202,978	-	47,496	155,482	49,599	105,883
	70,663,063	122,780	5,305,373	65,480,470	5,065,574	60,414,896
Other Post-Employment Benefit Obligation	-	4,632,723	944,633	3,688,090	-	3,688,090
Compensated Absences	1,969,026	1,650,461	1,376,098	2,243,389	1,555,115	688,274
	$ 72,632,089	$ 6,405,964	7,626,104	$ 71,411,949	$ 6,620,689	$ 64,791,260
Less College Reimbursements			(206,625)			
			$ 7,419,479			

The reconciliation from retirements and repayments in the above table to the total principal payments on the Statement of Revenues, Expenditures, and Changes in Fund Balance is as follows:

Retirements and Repayments	
General Bonds Payable	$ 5,331,424
Notes Payable	32,214
Capital Leases	47,496
LESS: Distributions of 2006 Bonds	(115,162)
LESS: College Reimbursements	(206,625)
Total Principal Payments	$ 5,089,347

Note that distributions of the 2006 bonds for $115,162 represents debt that was distributed during fiscal year 2009 from governmental activities to: the Airport for $81,699 and the Housing Authority for $33,463 for the 2006 bonds.

Note also that college reimbursements of $206,625, for debt payments made by the County for bonds undertaken on behalf of the college, were offset by the County's allocation to the college in the amount of $52,275 for this debt.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

A. CHANGES IN NONCURRENT LIABILITIES (CONTINUED)

During the year ended June 30, 2009, the following changes occurred in the noncurrent liabilities of the primary government's business-type activities:

PRIMARY GOVERNMENT Business-Type Activities	Balance June 30, 2008	Additions of new debt	Retirements and Repayments	Balance June 30, 2009	Due Within One Year	Due in More than One Year
Golf Course	$ 976,075	$ -	$ 60,000	$ 916,075	$ 75,000	$ 841,075
Airport	493,349	81,699	36,000	539,048	35,319	503,729
Public Marinas	67,316	-	8,229	59,087	8,283	50,804
Sanitary District	23,615,821	-	1,931,400	21,684,421	1,901,675	19,782,746
Subtotal Debt	25,152,561	81,699	2,035,629	23,198,631	2,020,277	21,178,354
Bond Premiums, Net of Issuance Costs						
Golf Course	31,817	-	2,651	29,166	2,651	26,515
Airport	9,982	-	832	9,150	832	8,318
Deferred Refunding Costs						
Golf Course	(70,659)	-	(5,888)	(64,771)	(5,888)	(58,883)
Airport	(22,167)	-	(1,847)	(20,320)	(1,847)	(18,473)
Sanitary District	(95,543)	-	(27,210)	(68,333)	(20,833)	(47,500)
Subtotal Bond Premiums, Issuance and Deferred Refunding Costs	(146,570)	-	(31,462)	(115,108)	(25,085)	(90,023)
Other Post-Employment Benefit Obligation	-	679,277	63,322	615,955	-	615,955
Compensated Absences	243,176	191,095	169,949	264,322	183,228	81,094
	$ 25,249,167	$ 952,071	$ 2,237,438	$ 23,963,800	$ 2,178,420	$ 21,785,380

Addition of new debt listed above in the amount of $81,699 for the Airport represents a distribution of the 2006 bonds.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

A. CHANGES IN NONCURRENT LIABILITIES (CONTINUED)

During the year ended June 30, 2009, the following changes occurred in the noncurrent liabilities of the primary government's Component Units:

COMPONENT UNITS Board of Education, Free Library, and Housing Authority	Balance June 30, 2008	Additions of new debt	Retirements and Repayments	Balance June 30, 2009	Due Within One Year	Due in More than One Year
Queen Anne's County						
Board of Education						
Capital Lease	$ 261,176	$ 17,758	$ 115,238	$ 163,696	$ 81,489	$ 82,207
Compensated Absences	787,902	176,981	109,856	855,027	205,212	649,815
Other Post-Employment Benefit Obligation	-	4,372,045	-	4,372,045	-	4,372,045
Subtotal	1,049,078	4,566,784	225,094	5,390,768	286,701	5,104,067
Free Library						
Other Post-Employment Benefit Obligation	-	139,766	-	139,766	-	139,766
Housing Authority						
Terrapin Grove Phase II Loan	736,217	-	40,908	695,309	40,908	654,401
Scattered Site Housing						
Reimbursement to County for Portion of 2003 Bonds	272,311	-	12,563	259,748	13,301	246,447
Repay Loan from County Housing Revolving Loan Fund	502,224	-	-	502,224	-	502,224
Reimbursement to County for Portion of 2006 Bonds	355,859	33,463	13,760	375,562	14,276	361,286
Subtotal	1,866,611	33,463	67,231	1,832,843	68,485	1,764,358
	$ 2,915,689	$ 4,740,013	$ 292,325	$ 7,363,377	$ 355,186	$ 7,008,191

The addition of new debt listed above in the amount of $33,463 for the Housing Authority represents a distribution of the 2006 bonds.

Housing Authority employees are employees of the primary government, which is ultimately liable for their salaries and benefits. Therefore, the County recognized a liability for OPEB obligations and compensated absences for Housing Authority employees as part of the County's governmental activities in the amount of $117,628 and $39,396, respectively.

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of Queen Anne's County and constitutes an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds are payable from ad valorem taxes, unlimited as to rate or amount on all real, tangible, personal, and certain intangible property subject to taxation at full rate for local purposes in the County.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Business-type bonds, while representing general obligations of the County government, are to be paid from income earned by the related enterprise fund. Enterprise funds that have such debt are: Water, Sewer, Bay Bridge Airport, Blue Heron Golf Course, and Public Marinas.

During fiscal year 2009, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 43, *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans* and GASB 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. For governmental funds, the other post-employment benefit obligations are reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these obligations are reported in the enterprise fund in which that employee charges the majority of their productive time. Additional information can be found in Note 14, Other Post-Employment Benefits.

Compensated absences that mature during the fiscal year, in that they are paid when the employee takes vacation or compensatory leave or upon the employee's termination, are typically liquidated from the governmental or enterprise fund in which that employee charges the majority of their productive time. It is paid as regular wages. Compensated absences that do not mature during the fiscal year are accrued at year-end as an adjustment to liability for compensated absences. For governmental funds, these adjustments are reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these adjustments are reported in the enterprise fund in which that employee charges the majority of their productive time. In the case of grant-funded activities that disallow compensated absences as an eligible cost, they are paid as administrative wages in the same Fund. Compensated absences in governmental funds are primarily charged to the General Fund or Special Revenue Funds; they are usually not charged to Capital Projects Funds.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

As of June 30, 2009, general obligation bonds and notes payable for governmental activities are comprised of the following, along with other post-employment benefits and accrued compensated absences:

Governmental Activities	Paying Fund	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2009	Due Within One Year	Due in More than One Year
General Obligation Bonds Payable							
2000 Public Facilities	General	4.25%-5.50%	2010	$ 31,175,000	$ 1,725,000	$ 1,725,000	$ -
2002 Refunding Bonds	General	3.00%-5.00%	2013	6,310,000	3,665,000	835,000	2,830,000
2003 Public Facilities	General	3.50%-4.50%	2023	13,265,000	10,285,252	526,699	9,758,553
2005 Refunding Bonds	General	3.00%-5.00%	2019	30,026,336	28,596,336	1,170,000	27,426,336
2006 Public Facilities	General	4.000%-5.375%	2027	23,049,812	21,149,333	803,936	20,345,397
Subtotal Bonds Payable					65,420,921	5,060,635	60,360,286
Notes Payable							
2009 CELP Loan	General	2.00%	2015	122,780	114,566	16,676	97,890
State of Maryland - Price Ck.	Spec. Rev.	0.00%	2021	625,000	288,000	24,000	264,000
State of Maryland - Grove Ck.	Spec. Rev.	0.00%	2034	510,617	510,617	20,425	490,192
Subtotal Notes Payable					913,183	61,101	852,082
Subtotal Bonds and Notes Payable					66,334,104	5,121,736	61,212,368
2005 Bond Premiums					764,299	76,391	687,908
2005 Bond Issuance Costs					(112,973)	(11,669)	(101,304)
2005 Deferred Refunding Costs					(1,660,442)	(170,483)	(1,489,959)
2006 Bond Premiums					216,404	12,022	204,382
2006 Bond Issuance Costs					(216,404)	(12,022)	(204,382)
Total Governmental Activities					65,324,988	5,015,975	60,309,013
Long-term Obligation under Capital Lease Agreements	General	4.38%	2012	248,460	155,482	49,599	105,883
Other Post-Employment Benefit Obligation					3,688,090	-	3,688,090
Accrued Compensated Absences					2,243,389	1,555,115	688,274
					$ 71,411,949	$ 6,620,689	$ 64,791,260

Details relating to the capital lease obligation can be found in Note 9, Section E – Capital Lease Obligations.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2009 for governmental activities are as follows:

Governmental Activities Year Ending June 30,	Governmental Bonds Payable Principal	Governmental Bonds Payable Interest	Governmental Bonds Payable Total	Governmental Notes Payable Principal	Governmental Notes Payable Interest	Governmental Notes Payable Total
2010	$ 5,060,635	$ 2,716,696	$ 7,777,331	$ 61,101	$ 2,209	$ 63,310
2011	5,248,920	2,490,696	7,739,616	61,436	1,873	63,309
2012	5,456,925	2,286,290	7,743,215	61,777	1,531	63,308
2013	5,195,087	2,078,642	7,273,729	62,127	1,182	63,309
2014	5,432,935	1,876,092	7,309,027	62,483	827	63,310
2015-2019	22,161,417	6,336,049	28,497,466	249,892	557	250,449
2020-2024	12,152,773	2,275,199	14,427,972	150,125	-	150,125
2025-2034	4,712,229	382,208	5,094,437	204,242	-	204,242
	$ 65,420,921	$ 20,441,872	$ 85,862,793	$ 913,183	$ 8,179	$ 921,362

These repayment schedules exclude amortization of bond premiums ($980,703), issuance costs (negative $329,377), and deferred refunding costs (negative $1,660,442).

For the year ended June 30, 2009, total principal, debt issuance costs, and interest incurred by governmental funds relating to general obligation bonds and notes payable, less College reimbursements, were $5,089,347, negative $423, and $2,778,490, respectively.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

General obligation bonds and notes payable outstanding as of June 30, 2009 for business-type activities are comprised of the following, as well as other post-employment benefits and accrued compensated absences:

Business -Type Activities	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2009	Due Within One Year	Due in More than One Year
Golf Course						
2005 Refunding Bonds	3.00%-5.00%	2019	$ 1,076,075	$ 916,075	$ 75,000	$ 841,075
2005 Bond Premiums				33,452	3,041	30,411
2005 Bond Issuance Costs				(4,286)	(390)	(3,896)
2005 Deferred Refunding Costs				(64,771)	(5,888)	(58,883)
Subtotal Golf Course				880,470	71,763	808,707
Airport						
2005 Refunding Bonds	3.00%-5.00%	2019	337,588	267,588	25,000	242,588
2006 Public Facilities Bonds	4.000%-5.375%	2027	185,990	271,460	10,319	261,141
2005 Bond Premiums				10,495	954	9,541
2005 Bond Issuance Costs				(1,345)	(122)	(1,223)
2005 Deferred Refunding Costs				(20,320)	(1,847)	(18,473)
2006 Bond Premiums				2,777	154	2,623
2006 Bond Issuance Costs				(2,777)	(154)	(2,623)
Subtotal Airport				527,878	34,304	493,574
Public Marinas						
2006 Public Facilities Bonds	4.000%-5.375%	2027	4,198	38,645	1,469	37,176
2006 Bond Premiums				395	22	373
2006 Bond Issuance Costs				(395)	(22)	(373)
State of Maryland - Shore Erosion Loan	0%	2015	102,208	20,442	6,814	13,628
Subtotal Marinas				59,087	8,283	50,804
Sanitary District						
2002 Refunding Bonds	3.00%-5.00%	2013	3,385,000	2,080,000	450,000	1,630,000
Maryland Water Quality-Cloverfields	5.09%	2013	4,282,209	856,442	214,110	642,332
Maryland Water Quality-Digester	4.41%	2013	1,121,377	357,052	83,533	273,519
Maryland Water Quality-Bay City	3.50%	2015	3,476,961	1,411,078	215,427	1,195,651
Maryland Water Quality-2005 Enhancement	1.00%	2027	18,252,291	16,571,369	845,595	15,725,774
State of Maryland	6.10%	2010	500,000	68,788	33,485	35,303
Bank of America	5.60%	2010	200,000	28,212	18,712	9,500
Queenstown Bank-Cloverfields Hookup	8.13%	2015	435,000	202,085	28,622	173,463
Queenstown Bank-Bay City Hookup	7.90%	2015	205,000	109,395	12,191	97,204
Subtotal Debt				21,684,421	1,901,675	19,782,746
Prior Issue Deferred Refunding Costs				(68,333)	(20,833)	(47,500)
Subtotal Sanitary District				21,616,088	1,880,842	19,735,246
Total Enterprise Debt before Other Post-Employment Benefit Obligation and Compensated Absences				23,083,523	1,995,192	21,088,331
Other Post-Employment Benefit Obligation				615,955	-	615,955
Accrued Compensated Absences				264,322	183,228	81,094
Total Enterprise Funds				$ 23,963,800	$ 2,178,420	$ 21,785,380

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize business-type bonds and notes outstanding at June 30, 2009, are as follows:

Business-Type Activities

Year Ending June 30,	Business-Type Bonds Payable			Business-Type Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2010	$ 561,788	$ 148,587	$ 710,375	$ 1,458,489	$ 386,922	$ 1,845,411
2011	597,285	121,785	719,070	1,474,191	349,912	1,824,103
2012	617,853	92,718	710,571	1,453,235	312,853	1,766,088
2013	433,350	68,298	501,648	1,471,183	277,186	1,748,369
2014	448,989	48,285	497,274	1,183,289	219,140	1,402,429
2015-2019	639,249	123,895	763,144	4,859,903	792,159	5,652,062
2020-2024	206,161	27,632	233,793	4,764,661	533,891	5,298,552
2025-2027	69,093	5,603	74,696	2,959,912	204,451	3,164,363
	$ 3,573,768	$ 636,803	$ 4,210,571	$ 19,624,863	$ 3,076,514	$ 22,701,377

For the year ended June 30, 2009, total principal and interest incurred by business-type activities relating to bonds and notes payable were $2,035,629 and $589,342, respectively.

C. DEFEASANCE OF DEBT

Prior Years' Refunding Bonds – In prior years, Queen Anne's County defeased certain general obligation bonds by placing the proceeds of new bonds with an escrow agent in an irrevocable trust to provide for all future debt service payments on the old bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the financial statements for Queen Anne's County. At June 30, 2009, $18,465,000 of bonds outstanding are considered defeased. All relate to the 2005 Refunding Bonds that defeased the majority of the County's Series 2000 Bonds.

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

D. ISSUANCE OF NEW DEBT

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES

During fiscal year 2009, Queen Anne's County received loan proceeds from the Maryland Energy Administration in the amount of $122,780 as part of the Community Energy Loan Program (CELP). This loan carries an interest rate of 2.0 percent and is to be repaid in 14 semi-annual installments. The first payment was made in June 2009, with final payment scheduled for December 2015. The CELP proceeds will be used for the purchase and installation of a geothermal heat pump for the Kent Island Elementary School.

E. CAPITAL LEASE OBLIGATIONS

PRIMARY GOVERNMENT

In September 2006, Queen Anne's County entered into a capital lease agreement for two roll-off trucks for a net total of $248,460, after trade-ins. The trucks were purchased for the Solid Waste Department. This lease agreement qualifies as a capital lease; therefore, it has been recorded at the present value of future minimum lease payments as of the inception of the lease.

As of June 30, 2009, the assets acquired and placed in service, net of depreciation, are as follows:

Vehicles	$ 248,460
Less accumulated depreciation	(64,185)
Total asset value for capital lease	$ 184,275

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2009, are as follows:

Fiscal Year Ending June 30,	lease payments
2010	$ 55,872
2011	55,872
2012	55,871
Total future minimum lease payments	167,615
Less amount representing interest	(12,133)
Net present value of minimum lease payments	$ 155,482

NOTE 10 – RESTRICTED ASSETS AND LIABILITIES AND RESERVED/DESIGNATED FUND BALANCES

A. RESTRICTED ASSETS AND RELATED LIABILITIES

PRIMARY GOVERNMENT
BUSINESS-TYPE ACTIVITIES

Queen Anne's County Sanitary District

Restricted Fund - The County Commissioners created a restricted fund within the Sanitary District Enterprise Fund in November of 1989 by enabling legislation. Revenue sources to the fund are sales of water and sewer allocations and interest earned on investments. Authorized uses of restricted funds are major capital expenses for repairs, construction, plant expansion, debt service, or other similar uses within the Sanitary District. To date, such funds have been used almost exclusively for debt service.

Debt Service Fund - Principal and interest payments for water and wastewater debt used to expand the service area are payable primarily from water and sewer special benefit assessments. These assessments, made at the time the expansion is ready for use, are created by enabling legislation and amortized over the same life as underlying debt. They constitute a lien on the served property and may be prepaid at any time. The amount of assessments collectable in future years is recorded as benefit assessments receivable. A portion of those assessments receivable is not due currently and is recorded as unearned revenue.

Water Quality Revolving Loan Fund debt covenants stipulate that sufficient financial resources must be available in the Debt Service Fund as of June 30 of each year to cover the subsequent year's debt service payments. If such resources are not available at that time, the covenants require that the County increase service rates, impose benefit assessments, or otherwise increase financial resources so that debt service payments are covered before they are due throughout the year.

The assets and related liabilities restricted for the above purposes at June 30, 2009 are as follows:

	Sanitary District		
Business -Type Activities	Restricted	Debt Service	Total
Current Restricted Assets			
Equity in Pooled Cash	$ 8,269,792	$ 4,180,188	$ 12,449,980
Accounts Receivable (Net)	10,119	41,022	51,141
Subtotal	8,279,911	4,221,210	12,501,121
LESS Current Liabilities Payable from Current Restricted Assets			
Current Portion of Bonds Payable from Restricted Assets	-	(46,456)	(46,456)
Net Current Restricted Assets	8,279,911	4,174,754	12,454,665
Noncurrent Restricted Assets			
Special Assessments Receivable (Net)	1,486,365	2,490,985	3,977,350
LESS Noncurrent Liabilities Payable from Noncurrent Restricted Assets			
Unearned Revenue	(1,486,365)	(2,316,505)	(3,802,870)
Net Noncurrent Restricted Assets	-	174,480	174,480
Net Restricted Assets	$ 8,279,911	$ 4,349,234	$ 12,629,145

NOTE 10 – RESTRICTED ASSETS AND LIABILITIES AND RESERVED/DESIGNATED FUND BALANCES (CONTINUED)

B. RESTRICTED NET ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES

Net Assets Invested in Capital Assets, Net of Related Debt, for governmental activities, is calculated as follows:

Governmental Activities		
Total Debt excluding Compensated Absences and OPEB Obligation		$ (65,480,470)
Add back: Debt relating to Board of Education Assets	$ 50,291,243	
Add back: Debt relating to non-capital assets (Dredging)	798,617	
Add back debt unrelated to Capital Assets		51,089,860
Net Assets Invested in Capital Assets		137,608,599
Total Capital Assets, net of related debt		$ 123,217,989

BUSINESS-TYPE ACTIVITIES

Net Assets Invested in Capital Assets, Net of Related Debt; Restricted; and Unrestricted Net Assets, for business-type activities, are as follows:

	Sanitary District							
Business-Type Activities	Sewer Operating	Water Operating	Restricted Fund	Debt Service Fund	Total Sanitary	Bay Bridge Airport	Non-Major Enterprise Funds	Total Enterprise Funds
Capital Assets, net of Accumulated Depreciation	$ 63,123,518	$ 16,137,613	$ -	$ -	$ 79,261,131	$ 12,848,699	$ 7,790,585	$ 99,900,415
Less: Debt excluding Compensated Absences and OPEB Obligation	19,390,190	1,896,102	-	-	21,286,292	527,878	939,557	22,753,727
Invested in Capital Assets, Net of Related Debt	43,733,328	14,241,511	-	-	57,974,839	12,320,821	6,851,028	77,146,688
Restricted Net Assets								
Debt Service	-	-	-	4,020,982	4,020,982	-	-	4,020,982
Capital Projects	-	-	753,300	-	753,300	-	-	753,300
Total Restricted Net Assets	-	-	753,300	4,020,982	4,774,282	-	-	4,774,282
Total Unrestricted Net Assets	4,400,590	2,237,988	7,486,611	-	14,125,189	73,508	913,696	15,112,393
Total Net Assets	$ 48,133,918	$ 16,479,499	$ 8,239,911	$4,020,982	$ 76,874,310	$ 12,394,329	$ 7,764,724	$ 97,033,363

Sanitary District debt, excluding compensated absences and OPEB obligation of $21,286,292 above, also excludes $329,796 from the Debt Service Fund, as there are no capital assets related to that debt.

Unrestricted Net Assets total $15,112,393 above for business-type activities. However, these assets become restricted when included in the Government-Wide Financial Statements found on pages 34 to 35. The Sanitary District's Unrestricted Net Assets found in the Restricted Fund of $7,486,611 are restricted in that these resources can only be used for capital purchases or debt payments; hence, they are reported in the Restricted Fund. However, the remaining unrestricted net assets noted in the other business-type funds total $7,625,782 and are restricted when reported in the Government-Wide Financial Statements because they may be used for business-type operations but not for governmental operations.

NOTE 10 – RESTRICTED ASSETS AND LIABILITIES AND RESERVED/DESIGNATED FUND BALANCES (CONTINUED)

C. RESERVED FUND BALANCES

PRIMARY GOVERNMENT

Reserved Fund Balances for governmental funds are as follows:

Governmental Funds	General Fund	General Capital Projects	Roads Capital Projects	School Impact Fees	Roads Board Operating	Non-Major Governmental	Total Governmental Funds
Reserved Fund Balances							
Loan Receivables	$ -	$ -	$ -	$ 156,809	$ -	$ 3,399,042	$ 3,555,851
Donor-Specified Purposes	94,436	-	-	-	-	1,050	95,486
Contingencies per County Code-Mandated							
7% Reserve	7,271,414	-	-	-	-	-	7,271,414
Other Legally Restricted Purposes - Other	1,136,735	-	-	-	490,479	1,077,738	2,704,952
Other Legally Restricted Purposes - Highway Activities	-	-	-	-	2,434,666	-	2,434,666
Other Legally Restricted Purposes - Capital Projects	-	176,741	343,550	-	-	-	520,291
Subtotal	8,502,585	176,741	343,550	156,809	2,925,145	4,477,830	16,582,660
Prepaid Items	16,067	-	-	-	-	-	16,067
Encumbrances	120,948	7,508,234	1,030,752	-	-	-	8,659,934
Inventory	4,000	-	-	-	388,307	-	392,307
Subtotal	141,015	7,508,234	1,030,752	-	388,307	-	9,068,308
Total Reserved Fund Balances	$ 8,643,600	$ 7,684,975	$ 1,374,302	$ 156,809	$ 3,313,452	$ 4,477,830	$ 25,650,968

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government carries commercial insurance to cover such risks. Certain assets of the County such as roads, bridges, and other infrastructure are not insurable due to their nature.

General Insurance Coverage - The County is a participant in the Local Government Insurance Trust (LGIT), which is a consortium of Maryland local governments created to provide insurance coverage and services to Maryland local governments. The LGIT provides general liability, public officials' liability, fleet insurance, and building and property insurance to its members.

Workmen's compensation and fidelity insurance are obtained from various commercial insurance companies.

Risk Sharing - Subscribers to coverage provided by LGIT share the risk among participants of the pools. As a result, the County's annual premium requirements will be affected by the loss experience of the various insurance pools in which it participates. Also, the County may be subject to additional assessments from time to time. These amounts would be recorded as expenditures when they are probable and can be reasonably estimated. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

Health Insurance - Effective with the 1996 fiscal year, the County joined together with other Eastern Shore county governments, libraries, and Boards of Education to form the Eastern Shore of Maryland Education Consortium Health Insurance Alliance (ESMEC), a public entity risk pool currently operating as a common risk management and insurance program for health insurance coverage. CareFirst BlueCross BlueShield, of Maryland, administers this program.

The agreement for formulation of the alliance provides that the pool will be self-sustaining through member premiums. In addition to the annual premiums, the pooling agreement provides for additional assessments, if needed, but not to exceed certain limits. No additional assessments were needed for fiscal 2009 and, as of the date of this report, it is believed that there are no outstanding claims in excess of the equity of the trust.

Settlements - For the last three years, settlements have not exceeded insurance coverage for any type of policy in effect.

NOTE 12 - RETIREMENT PLANS

During the fiscal year 2009, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*, which did not have a significant impact on the County's financial statements.

Virtually all full and eligible part-time employees of Queen Anne's County, Maryland, and its related agencies including the Housing Authority, are covered by one of the statewide contributory systems of the State of Maryland.

PRIMARY GOVERNMENT AND PUBLIC HOUSING AUTHORITY

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS

Description of Plans

The County participates in the following cost-sharing multiple-employer pension plans that are administered by the State of Maryland.

The Employees Pension System of the State of Maryland (Pension System) was established January 1, 1980. The Pension System covers employees hired after December 31, 1979, as well as Retirement System participants who have voluntarily joined the Pension System.

The Employees Contributory Pension System of the State of Maryland (Contributory Pension System) was established July 1, 1998. As of July 1, 1999, and retroactively to July 1, 1998, the County elected to participate in the Contributory Pension System for all service earned on or after July 1, 1998.

Effective the first payroll in fiscal year 2007, the County elected to provide its employees with the "Alternate Contributory Pension Selection Plan of the State of Maryland" (Alternate Contributory Pension System), under Title 23 of the State Pension Article. This plan is an enhanced version of the two pension systems described above, and, as such, includes provisions that originate in those plans. Eligible employees not covered by LEOPS, which is described below, are required to participate in this alternate plan in lieu of other plans previously offered. At this time, all current employees not covered by LEOPS participate in the Alternate Contributory Pension System.

The Law Enforcement Officers Pension System (LEOPS) was established July 2, 1990 and adopted by the County on July 1, 2004. LEOPS currently covers uniformed law enforcement officers of the Sheriff's Department.

Under the terms of the Alternate Contributory Pension System, a member may retire after 30 years of service regardless of age; at age 65 with two years of service; at age 64 with three years of service; at age 63 with four years of service; or at age 62 with at least five years of service. An employee may also take early retirement with reduced benefits at age 55 with 15 years of service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 62.

Under the terms of the LEOPS, a member may retire with full benefits upon attaining age 50 or after completing 25 years of eligible service regardless of age. LEOPS members are not eligible for early service retirement allowances. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 50.

NOTE 12 - RETIREMENT PLANS (CONTINUED)

PRIMARY GOVERNMENT AND PUBLIC HOUSING AUTHORITY (CONTINUED)

On retirement from service, a member of any of these plans shall receive an annual service retirement allowance based on the member's average final compensation (based on the highest three years' wages) and years of creditable service multiplied by a factor. This factor varies from 1.2% to 1.8% for the Alternate Plan or 2.0% for LEOPS. The factor is applied per eligible service year, depending on employee/employer contributions and other plan-specific provisions. Early retirement, where available, is subject to provisions that reduce the benefit received.

Benefits under these plans are established under the State Personnel and Pensions Article of the Annotated Code of Maryland.

The State Retirement and Pension System of Maryland issues a comprehensive annual financial report that includes disclosures regarding: actuarial value of assets; total actuarial accrued liability; unfunded actuarial accrued liability, if any; and funded liability ratio. This report can be obtained from the agency's office as follows:

State Retirement and Pension System of Maryland
120 E. Baltimore St, Suite 1601
Baltimore, Maryland 21202-1600

Funding Policy

Obligations to contribute to the plans are established under the Annotated Code of Maryland. Employees who are members of these two plans contribute a percentage of their gross employee compensation. Members of the Alternate Contributory Pension System contribute 5 percent and LEOPS members contribute 4 percent.

Required contributions under the plans, which are not funded by employee contributions, are funded entirely by the County. Contributions by the County to both State plans take place during the fiscal year and are based upon salaries for the preceding fiscal year. The County contribution for the year ending June 30, 2009 is based on salaries for the year ending June 30, 2008. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees. The County's contributions for the fiscal years ending June 30th were equal to the actuarially determined amounts as follows:

	Fiscal Year Ending		
Retirement Plan Contributions	June 30, 2009	June 30, 2008	June 30, 2007
Total Payroll	$ 27,725,213	$ 25,633,969	$ 23,050,582
Covered Payroll			
Pension System	21,756,765	20,349,987	18,299,851
LEOPS	2,646,509	2,156,204	1,901,081
Expenditure/Expense			
Pension System	1,540,473	1,639,121	1,383,040
LEOPS	490,008	536,266	399,856

NOTE 12 - RETIREMENT PLANS (CONTINUED)

OTHER COMPONENT UNITS

Queen Anne's County Board Of Education

The employees of the Board of Education (other than part-time employees not eligible for participation in the plans) are covered by one of four defined-benefit retirement plans that are administered by the State Retirement and Pension System of Maryland. The Board's share of contributions for teachers and administration employees is primarily the responsibility of the State. In fiscal year 2009, State contributions on behalf of the Board are approximately $4,716,217. This contribution is recognized as both revenue and expenditure for the Board. An additional $572,990 is contributed by the Board of Education for other covered employees.

Detailed information concerning the Queen Anne's County Board Of Education retirement plan is presented in their June 30, 2009 financial statements, which are publicly available.

Queen Anne's County Free Library

The employees of the Library (other than part-time employees not eligible for participation in the plans) are covered under one of four defined-benefit retirement plans that are administered by the State Retirement and Pension System of Maryland. The Library's share of contributions for employees is primarily the responsibility of the State. In fiscal year 2009, State contributions on behalf of the Library are approximately $78,512. These contributions are recognized as both revenue and expenditures for the Library. An additional $38,376 is contributed by the Library for other covered employees.

Detailed information concerning the Queen Anne's County Free Library retirement plan is presented in their June 30, 2009 financial statements, which are publicly available.

NOTE 13 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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 participants. The County has no liability for losses under the plan.

Investments are managed by the plan's administrator based on several different investment options, or combinations thereof. The choice of the investment option(s) to be used is made by each participant. The County has no management control over the assets of the plan. Accordingly, per GASB Statement No. 32, the assets of the plan are not included in these financial statements.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

During fiscal year 2009, the County implemented the Governmental Accounting Standards Board (GASB) Statement 43, *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans* and GASB 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. To implement these Statements, the County will report information relating to non-pension related post-employment benefits on an accrual basis rather than on a pay-as-you-go basis, as has been done in the past.

Other Post-Employment Benefit Trust (OPEB Trust)

On June 23, 2009, the County enacted County Ordinance No. 09-12, which establishes a Trust entity entitled "Other Post-Employment Benefit Trust – County Commissioners of Queen Anne's County, County Commissioners of Kent County, and Participating Agencies" (OPEB Trust). The purpose of the OPEB Trust is to: (1) fund costs of health insurance and other post-employment benefits to eligible retirees of the primary government (including the Queen Anne's County Public Housing Authority), the Queen Anne's County Board of Education, and the Queen Anne's County Free Library; (2) accumulate and invest financial resources for this purpose; (3) provide health insurance and other post-employment benefits for eligible retirees; and (4) provide related administrative services.

Other agencies and political subdivisions have the right to participate in this Trust now and in the future. Such unrelated entities may deposit funds with the Trust for investment purposes related to their OPEB plans. At June 30, 2009, funds in the amount of $155,005 were held by the Trust on behalf of Kent County, Maryland for the benefit of their plan participants.

OPEB Trustees have exclusive authority to manage the assets of the Trust. The Board of Trustees consists of five members: two representing Queen Anne's County Government; two representing the Queen Anne's County Board of Education; and one representing Kent County. In lieu of separate financial statements for the OPEB Trust, Queen Anne's County presents the Trust entity's complete financial statements within this document.

Plan Description

The County's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit healthcare plan that covers retired employees of the primary government, the Queen Anne's County Board of Education, and the Queen Anne's County Free Library. The Plan was established as specified in County Ordinance No. 09-12.

Plan descriptions and actuarial assumptions for each participant are described: (1) as follows below for the primary government and (2) in financial statements issued separately for all other participants, which are component units of the primary government. Addresses for other participants are noted below in this Note.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Primary Government

The County's post-employment plan provides medical insurance benefits to retirees and their eligible dependents. Depending on the years of County service, the retiree is eligible for a subsidy provided by the County for a specific portion of the cost of the health insurance. The following table describes the primary government's health insurance post-employment benefit plan in effect at this time:

Years of County Service Prior to Retirement	Subsidy Level Description
Retiree retired with 15 years of County service	Retiree or eligible dependent shall be entitled to receive fifty-four percent (54%) of selected County health insurance premium costs.
Retiree retired with 16 years of County service but less than 25 years of County Service	Retiree or eligible dependent shall be entitled to receive three and six tenths percent (3.6%) of selected County health insurance premium costs for every full year of County service.
Retiree with 25 years or more of County Service	Retiree or eligible dependent shall be entitled to receive ninety percent (90%) of selected County health insurance premium costs.
A person in receipt of a special death benefit under the Maryland State Retirement/Pension System	Retiree or eligible dependent shall be entitled to receive ninety percent (90%) of selected County health insurance premium costs.
Retiree retired with less than 15 years of County service	Retiree or eligible dependent shall be entitled to remain in the County's health insurance plan if they pay the full rate to cover all County health insurance premium costs.
All eligible retirees	Coverage may include the retiree, spouse and dependents. Coverage does not cease upon death of the retiree.

Component Units

The other participating entities provide medical benefits to eligible employees who retire from employment with each respective agency. Benefits and eligibility requirements vary among the different agencies. Each agency pays a percentage of the health insurance premium based on certain criteria, including length of service. In addition to medical benefits, the Board of Education pays the cost of providing term life insurance for its retirees in varying amounts, depending upon length of service and date of retirement.

For detailed information on plan benefits provided by other participating agencies, as well as actuarial assumptions used to estimate OPEB obligations, see the agencies' separately-issued financial statements, which can be obtained from their administrative offices as listed below:

Board of Education of
Queen Anne's County
202 Chesterfield Avenue
Centreville, Maryland 21617

The Queen Anne's County
Free Library
121 S. Commerce Street
Centreville, Maryland 21617

Queen Anne's County
Housing Authority
c/o Queen Anne's County
Finance Office
107 N. Liberty Street
Centreville, Maryland 21617

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Membership

Plan membership at July 1, 2008, the date of actuarial valuation, consisted of the following:

Plan Membership	Active	Retirees
County and Housing Authority	479	73
Board of Education	844	195
Library	12	2
Total	1335	270

Basis of Accounting and Financial Statements

The Plan's financial information is prepared based on full accrual accounting. Expenses are recognized on the accrual basis as retirees' insurance costs are incurred. For further information, see Required Supplementary Information, which follow these Notes on page 106, and Combining Statements, located on pages 152 to 153.

Contributions

Each participating agency has the authority to establish and amend benefit provisions that result in contribution requirements of the plan members and the agency. The Plans are contributory plans in which the agencies and their retired members and beneficiaries contribute certain amounts toward the current cost of the healthcare benefits, based on an actuarial valuation. During fiscal year 2009, as shown in the table below, plan members and beneficiaries receiving benefits contributed a total of $710,313 (21.6 percent of current contributions). In addition, the primary government and its component units contributed a total of $2,581,144 (78.4 percent). This amount consisted of $1,551,144 for current premiums, claims and administrative expenses incurred on behalf of current retirees, plus another $1,030,000 toward pre-funding future benefits. Net assets held in trust at June 30, of $1,030,037, include the pre-funding amount and investment earnings. Combining financial statements may be found after the Notes and RSI on pages 152 to 153.

Contributions	Retirees	Employer	Total Contributions	Retiree Percentage	Employer Percentage
County and Housing Authority	$ 182,137	$ 1,007,955	$ 1,190,092	15.3%	84.7%
Board of Education	525,000	1,534,955	2,059,955	25.5%	74.5%
Library	3,176	38,234	41,410	7.7%	92.3%
Total	$ 710,313	$ 2,581,144	$ 3,291,457	21.6%	78.4%

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Contributions (Continued)

Each employer is required to contribute its annual required contribution (ARC), which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The annual OPEB cost, the amounts actually contributed to the trust, and the unfunded net OPEB obligation (NOO) for the year ended June 30, 2009 were as follows:

Percentage of ARC Contributed	Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
Total for All Employers	2009	$ 11,397,000	22.65%

Funding Progress	County and Housing Authority	Board of Education	Library	Total for All Employers
Beginning of the Year NOO	$ -	$ -	$ -	$ -
Annual Required Contribution (ARC)	5,312,000	5,907,000	178,000	11,397,000
Employer Contributions	(1,007,955)	(1,534,955)	(38,234)	(2,581,144)
End of the Year NOO	$ 4,304,045	$ 4,372,045	$ 139,766	$ 8,815,856

Funding Status and Funding Progress

As of July 1, 2008, the date of the most recent actuarial valuation, the total actuarial accrued liability (AAL) for all plans, as shown below, was $113,876,000. As there were no actuarial plan assets at that time, the unfunded actuarial accrued liability (UAAL) was also $113,876,000. The annual covered payroll of all active employees covered by the respective plans was $49,085,982 and the ratio of the unfunded actuarial accrued liability to covered payroll was 231.99 percent for the Trust as a whole.

Funding Progress	Valuation Date	Value of Assets at Valuation Date	Accrued Liability (AAL)	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
County and Housing Authority	July 1, 2008	$ -	$ 49,107,000	$ 49,107,000	0.00%	$ 23,690,163	207.29%
Board of Education	July 1, 2008	-	62,759,000	62,759,000	0.00%	24,267,735	258.61%
Library	July 1, 2008	-	2,010,000	2,010,000	0.00%	1,128,084	178.18%
Total		$ -	$ 113,876,000	$ 113,876,000	0.00%	$ 49,085,982	231.99%

The schedule of funding progress, presented as required supplementary information (RSI) on page 106 following the Notes, will present multiyear trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This year's schedule shows only the initial year of funding.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

For fiscal year 2009, the annual required contribution (ARC), or annual OPEB cost, was based on actuarial valuations as of July 1, 2008, the latest valuation available on the date the County Commissioners and governing bodies of all participating agencies were required to approve their fiscal year 2009 budgets.

As noted in the table below, the total ARC for all plans was $11,397,000 as of June 30, 2009. Actual funding was $2,581,144, or 22.65 percent of the ARC, resulting in a Net OPEB Obligation (NOO) of $8,815,856 remaining at fiscal year end.

Net OPEB Obligation	Actuarial Unfunded Accrued Liablility (1)	Amortization of Actuarial Unfunded Accrued Liablility (2)	Normal Cost (3)	Annual Required Contribution (ARC) (2)+(3)	ARC Funding (4)	Net OPEB Obligation (NOO) (2)+(3)-(4)	Percentage of ARC Contributed	ARC Based on Interest Rate
County and Housing Authority	$ 49,107,000	$ 2,169,000	$ 3,143,000	$ 5,312,000	$ 1,007,955	$ 4,304,045	18.98%	4.76%
Board of Education	62,759,000	2,494,000	3,413,000	5,907,000	1,534,955	4,372,045	25.99%	4.00%
Library	2,010,000	93,000	85,000	178,000	38,234	139,766	21.48%	4.76%
Total	$ 113,876,000	$ 4,756,000	$ 6,641,000	$ 11,397,000	$ 2,581,144	$ 8,815,856	22.65%	

Funding for the ARC for Queen Anne's County and the Housing Authority, listed above in the amount of $1,007,955, consists of $507,955 pay-as-you-go benefits paid by the County plus $488,256 and $11,744 toward pre-funding future benefits paid by the County and the Housing Authority, respectively. Net OPEB Obligation (NOO) for Queen Anne's County and the Housing Authority, listed above in the amount of $4,304,045, consists of $4,186,417 for the Queen Anne's County portion and $117,628 for the Housing Authority.

Actuarial Methods and Assumptions

The actuarial valuations of the individual plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, such as future employment, mortality, and healthcare costs. The actuarially determined amounts regarding the funded status of the plans and the annual required contributions (ARC) of the County and other participating agencies are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Actuarial assumptions used in the actuarial valuation for the County's plan were:

Actuarial Assumptions for Primary Government	
Actuarial valuation date	July 1, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Amortization period	30 years
Interest Assumptions	4.76% investment rate of return
Asset valuation method	Fair value
Salary increases	3% per year
Mortality	RP 2000, separate tables for males and females
Actuarial trend assumptions	Based on Society of Actuaries Long Term Medical Trend and baseline assumptions - Initial rate of 9% decreasing gradually. From 2050-2059 medical costs are assumed to increase 5.9% per year.

NOTE 15 – DEFICIT EQUITY BALANCES

General Capital Projects Fund

The General Capital Projects Fund has a deficit equity balance in unrestricted net assets of $2,855,759 as of June 30, 2009.

During fiscal year 2008, $12.2 million in cash was transferred from the General Fund to the General Capital Projects Fund to cover projects that had incurred expenses, but were due to be funded with bond proceeds. However, the County postponed going to the bond market from fiscal year 2008 to early fiscal year 2010. In November 2009, the bonds were issued for $29.9 million and funds were allocated to cover a number of capital projects, many of which had been completed during fiscal years 2008 and 2009. Therefore, the deficit balance in the General Capital Projects Fund is a result of timing. With the issuance of the bonds in fiscal year 2010, the unrestricted net assets balance becomes positive again.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

PRIMARY GOVERNMENT

Grants - The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by these grantor agencies. If the County has not complied with the rules and regulations governing the programs, refunds of money received may be required and the collectability of any related receivable as of June 30, 2009 may be impaired. The County's management believes that there are no significant contingent liabilities that must be recorded relating to compliance with the rules and regulations governing these programs.

Further, certain grants for capital projects, such as various park projects funded by the State, must be used for the intended purpose of the grant. If, at any time during the useful lives of these projects, the facilities cease to operate in their intended capacity, the County may be required to reimburse the granting agency that portion of the grant or note that is equal to the percentage of useful life remaining. The County's Management believes that no such grant reimbursements will be needed.

Loan Guarantees - The County Government has agreed to provide a guarantee on a loan to Crossroads Community, Inc., a non-profit corporation. The original amount of the loan was $294,627; the amount outstanding as of June 30, 2009 is $19,175.

The County Government has also agreed to provide a guarantee on a loan to Day Care, Inc. The original amount of this loan was $224,728, of which $54,330 is outstanding as of June 30, 2009.

NOTE 17 – JOINT VENTURE

The County Commissioners, in conjunction with Talbot, Caroline, and Kent Counties, created the Midshore Regional Landfill in 1991. The landfill, located in Talbot County, is owned and operated by the Maryland Environmental Service and is designed to serve the four-county area for a twenty-year period. Given that this twenty-year period is set to expire in December 2010, the Maryland Environmental Service has retained Geosyntec Consultants of Columbia, Maryland as the lead design firm for a new landfill to be built in Caroline County. This new state-of-the-art facility, Midshore II, is scheduled to open in 2011. The Midshore Regional Landfill Joint Venture plans to fund construction of the new Caroline County landfill with bond proceeds. After the facility in Caroline County reaches capacity, another landfill will be constructed in Queen Anne's County, with Kent County to follow in turn. Each County is required to, and has, set aside sufficient land to construct a landfill within their borders. The agreement expires when the last of the four landfills is closed.

Each County is required to place its municipal waste in the landfill. The facility is also available to commercial waste disposal firms at the same price per ton as charged to the County governments. Queen Anne's County paid $479,012 in tipping fees to the facility during fiscal 2009.

Each of the participating Counties is contingently liable for the project debt. Queen Anne's County's share of this contingent liability is $3,803,705 as of June 30, 2009. Additionally, the participating Counties are contingently liable for closure costs of the landfill; the County's potential share of this liability is $3,286,946. Based on the capacity of the landfill used to date, it is expected that the landfill will be closed in 2010. The Maryland Environmental Service has instituted a plan to fund all debt and closure costs from the facility's revenues. The project has sufficient revenues and reserves at this time to lead the County to believe that no expenditure of County funds will be required.

NOTE 17 – JOINT VENTURE (CONTINUED)

Audited financial statements for this project can be obtained as follows:

Maryland Environmental Service
259 Najoles Road
Millersville, Maryland 21108

NOTE 18 – POLLUTION REMEDIATION OBLIGATIONS

During fiscal year 2009, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations.*

During the prior fiscal year, 2008, the County agreed to a voluntary Methyl Tertiary Butyl Ether (MTBE) testing program for underground fuel tanks located at the County's Department of Public Works' fuel depot. This testing program was and still is approved by the Maryland Department of Environment (MDE).

The County implemented the initial phases of this testing program during fiscal years 2008 and 2009 and spent $170 thousand and $26 thousand, respectively, in each year. Costs covered remediation work and consulting fees; the latter for testing, studies, and monitoring.

Remediation efforts included demolition and removal of the existing fuel depot at the Public Works Centreville Shop; remediation of the soils via excavation; offsite controlled disposal and backfill; installation of monitoring wells; and miscellaneous environmental consulting services.

Consulting services included a feasibility study, which was completed during fiscal year 2009, and the results of the study were reviewed and commented on by MDE. The County has since addressed those comments and expects to receive a confirmation letter in connection with the study from MDE in February 2010.

It is anticipated that a final remediation solution will be decided and agreed upon by the County and MDE during fiscal year 2010. Remediation, involving significant excavation, offsite controlled disposal, and backfill with clean material, should be concluded before the end of calendar year 2010, or fiscal year 2011.

No liability has been recorded at this time, as specific remediation requirements are not yet known and costs cannot be reliably estimated. None of these outlays met the requirements for capitalization noted in GASB Statement 49 and they were not capitalized.

NOTE 19 – SUBSEQUENT EVENTS

Issued Bonds for Completed Capital Projects

During fiscal years 2008 and 2009, a number of large capital projects were completed, each with bond proceeds as a significant source of funding. As the County did not go to the bond market during this period, a total of $12.2 million was transferred from the General Fund to the General Capital Projects Fund during fiscal year 2008 as a one-time transfer. During fiscal year 2009, no further transfers were needed. As of June 30, 2009, the General Capital Projects Fund had a total fund balance of $4.8 million, of which $7.7 million was reserved to meet capital commitments of the prior period (encumbrances), leaving an unrestricted deficit of $2.9 million.

In November 2009, which is fiscal year 2010, the County issued bonds for $29.9 million. Funds from these bonds were allocated to cover a number of capital projects, in keeping with bond covenants, for which most expenditures had been made in fiscal years 2008 and 2009.

Required Supplementary Information

QUEEN ANNE'S COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

OTHER POST-EMPLOYMENT BENEFITS TRUST

The following required supplementary information relates to the OPEB Trust entity described in Note 14. This information is intended to help users assess the system's funding status on a going-concern basis; assess progress made in accumulating assets to pay benefits when due; and make comparisons among employers.

The Schedule of Funding Progress and the Schedule of Participating Agencies' Contributions will present multiyear trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This year's schedules show only the initial year of funding.

SCHEDULE OF FUNDING PROGRESS

Funding Progress	Valuation Date	Value of Assets at Valuation Date	Accrued Liability (AAL)	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
County and Housing Authority	July 1, 2008	$ -	$ 49,107,000	$ 49,107,000	0.00%	$ 23,690,163	207.29%
Board of Education	July 1, 2008	-	62,759,000	62,759,000	0.00%	24,267,735	258.61%
Library	July 1, 2008	-	2,010,000	2,010,000	0.00%	1,128,084	178.18%
Total		$ -	$ 113,876,000	$ 113,876,000	0.00%	$ 49,085,982	231.99%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial liability in isolation can be misleading. Expressing the assets as a percentage of the actuarial accrued liability (Funded Ratio) provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system is becoming. In this fiscal year, the Funded Ratio will be zero for all participating agencies, because the date of the most recent actuarial valuation, July 1, 2008, preceded the date on which assets were contributed to the OPEB Trust.

Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system is becoming. In this fiscal year, the UAAL as a percentage of covered payroll is 231.99 percent.

SCHEDULE OF PARTICIPATING AGENCIES' CONTRIBUTIONS

Percentage of ARC Contributed	Fiscal Year Ended June 30	Annual Required Contribution (ARC)	ARC Contributed	Percentage of ARC Contributed	Net OPEB Obligation (NOO)
County and Housing Authority	2009	$ 5,312,000	$ 1,007,955	18.98%	$ 4,304,045
Board of Education	2009	5,907,000	1,534,955	25.99%	4,372,045
Library	2009	178,000	38,234	21.48%	139,766
Total		$ 11,397,000	$ 2,581,144	22.65%	$ 8,815,856

QUEEN ANNE'S COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

BUDGETARY COMPARISONS FOR GENERAL AND MAJOR SPECIAL REVENUE FUNDS

Required Supplementary Information provides budget-to-actual comparisons for the General Fund and those major special revenue funds that adopt annual budgets.

Budget-to-actual variances are presented on the following pages for the General Fund and the Roads Board Operating Fund, both of which adopt annual budgets.

For the General Fund, the Schedules provide summary budgetary information, followed by detailed information reported separately by revenues and expenditures with budget variances.

For the Roads Board Operating Fund, the Schedules provide summary budgetary information.

Budgets are adopted using the same method of accounting as that used for reporting purposes, i.e. according to generally accepted accounting principles as used in the United States of America (GAAP).

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Local Property Tax	$ 54,396,626	$ 55,444,798	$ 55,337,698	$ (107,100)
Local Income Tax	36,000,993	36,000,993	35,988,334	(12,659)
Admission and Amusement Taxes	240,000	240,000	176,691	(63,309)
Recordation Taxes	4,500,000	4,064,812	2,930,197	(1,134,615)
Hotel Taxes	500,000	500,000	428,998	(71,002)
Licenses and Permits	802,872	802,872	874,639	71,767
Intergovernmental	1,565,965	2,240,890	1,991,356	(249,534)
Charges for Current Services	1,981,347	2,055,057	1,777,167	(277,890)
Fines and Forfeitures	25,100	25,100	30,874	5,774
Investment Income	1,950,000	1,450,000	397,616	(1,052,384)
Donations	11,000	11,795	10,344	(1,451)
Miscellaneous	83,951	95,931	1,771,223	1,675,292
Total Revenues	102,057,854	102,932,248	101,715,137	(1,217,111)
EXPENDITURES				
Current				
General Government	10,504,320	10,413,890	9,871,927	541,963
Public Safety	20,771,225	21,152,011	20,083,251	1,068,760
Public Works	3,794,401	3,922,908	3,319,967	602,941
Health	1,605,720	1,706,298	1,572,848	133,450
Social Services	259,140	247,323	243,535	3,788
Education	48,919,458	48,927,438	48,856,359	71,079
Parks and Recreation	3,026,976	3,016,178	2,885,148	131,030
Library	1,311,432	1,392,499	1,390,398	2,101
Conservation of Natural Resources	613,613	568,425	540,541	27,884
Economic/Community Development	1,295,935	1,332,274	1,148,312	183,962
Miscellaneous	910,003	1,010,702	702,558	308,144
Reversions	(346,123)	(338,123)	-	(338,123)
Capital Outlay	648,264	1,457,675	750,431	707,244
Debt Service				
Principal	4,895,252	4,993,706	5,065,347	(71,641)
Interest and Fiscal Charges	2,840,596	2,751,585	2,778,490	(26,905)
Total Expenditures	101,050,212	102,554,789	99,209,112	3,345,677
Excess of Revenues Over Expenditures	1,007,642	377,459	2,506,025	2,128,566
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	122,780	122,780
Insurance Proceeds	-	-	19,404	19,404
Proceeds of Capital Asset Disposals	-	-	9,554	9,554
Transfers In	1,642,183	2,145,572	2,020,214	(125,358)
Transfers Out	(2,999,825)	(3,096,212)	(2,573,612)	522,600
Total Other Financing Sources (Uses)	(1,357,642)	(950,640)	(401,660)	548,980
Net Increase (Decrease) in Fund Balance	$ (350,000)	$ (573,181)	2,104,365	$ 2,677,546
Fund Balances, July 1			12,921,078	
Fund Balances, June 30			$ 15,025,443	

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

TAXES - LOCAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE)
Local Property Taxes				
Real and Personal Property (Net)	$ 52,941,626	$ 53,989,798	$ 53,842,995	$ (146,803)
Railroad and Public Utilities	1,300,000	1,300,000	1,237,144	(62,856)
Penalties and Interest	155,000	155,000	257,559	102,559
Total Local Property Taxes	54,396,626	55,444,798	55,337,698	(107,100)
Local Income Tax	36,000,993	36,000,993	35,988,334	(12,659)
Other Local Taxes				
Admission and Amusement Tax	240,000	240,000	176,691	(63,309)
Recordation Tax	4,500,000	4,064,812	2,930,197	(1,134,615)
Hotel Tax	500,000	500,000	428,998	(71,002)
Total Other Local Taxes	5,240,000	4,804,812	3,535,886	(1,268,926)
Total Taxes - Local	95,637,619	96,250,603	94,861,918	(1,388,685)
LICENSES AND PERMITS				
Beer, Wine and Liquor	102,000	102,000	103,110	1,110
Traders	83,500	83,500	84,003	503
Marriage Licenses	3,000	3,000	(1,290)	(4,290)
Animal Control	33,000	33,000	41,429	8,429
Electrical Board of Examiners	40,000	40,000	33,580	(6,420)
Electrical Inspections	9,200	9,200	7,785	(1,415)
Cable TV	260,000	260,000	306,155	46,155
Zoning Permits	62,272	62,272	66,033	3,761
Plumbing Permits	91,000	91,000	79,818	(11,182)
Sediment Fees	16,200	16,200	18,002	1,802
Building Permits	101,500	101,500	133,483	31,983
Other	1,200	1,200	2,531	1,331
Total Licenses and Permits	802,872	802,872	874,639	71,767
INTERGOVERNMENTAL				
Police Protection	345,000	345,000	341,224	(3,776)
Fire/Rescue/Ambulance	600,000	600,000	542,173	(57,827)
Conservation of Natural Resources	35,000	35,000	-	(35,000)
Other	585,965	1,260,890	1,107,959	(152,931)
Total Intergovernmental	1,565,965	2,240,890	1,991,356	(249,534)

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE)
CHARGES FOR CURRENT SERVICES				
Discovery Fees	$ 1,900	$ 1,900	$ 2,099	$ 199
Rezoning Filing	3,000	3,000	1,500	(1,500)
Zoning Appeals	9,000	9,000	7,900	(1,100)
Development Review	139,820	209,820	181,793	(28,027)
Sheriff	84,391	88,101	89,405	1,304
Ambulance Fee	829,400	829,400	664,723	(164,677)
Detention Center Fees	325,000	325,000	305,320	(19,680)
Recycling	128,000	128,000	107,693	(20,307)
Disposal Fees	325,000	325,000	285,145	(39,855)
Inspection Fees	-	-	26,087	26,087
Recreation Fees	69,970	69,970	56,717	(13,253)
Johnsongrass Spraying	60,000	60,000	42,804	(17,196)
Merchandise Sales	366	366	1,281	915
4-H Park Fees	5,500	5,500	3,500	(2,000)
Miscellaneous User Fees	-	-	1,200	1,200
Total Charges for Current Services	1,981,347	2,055,057	1,777,167	(277,890)
FINES AND FORFEITURES				
Court Fines	25,100	25,100	29,805	4,705
Confiscated Assets	-	-	1,069	1,069
Total Fines and Forfeitures	25,100	25,100	30,874	5,774
INVESTMENT INCOME	1,950,000	1,450,000	397,616	(1,052,384)
MISCELLANEOUS REVENUES AND DONATIONS				
Rental Income	28,000	28,000	38,613	10,613
Donations	11,000	11,795	10,344	(1,451)
Miscellaneous	55,951	67,931	1,732,610	1,664,679
Total Miscellaneous Revenues and Donations	94,951	107,726	1,781,567	1,673,841
OTHER FINANCING SOURCES				
Issuance of Debt	-	-	122,780	122,780
Insurance Proceeds	-	-	19,404	19,404
Proceeds of Capital Asset Disposals	-	-	9,554	9,554
Transfers In:				
Impact Fees - School	1,408,120	1,408,120	1,408,120	-
Capital Projects	162,410	665,799	543,019	(122,780)
Kent Narrows	39,427	39,427	39,415	(12)
Community Partnerships	26,226	26,226	23,660	(2,566)
Economic Development Commission	6,000	6,000	6,000	-
Total Transfers In	1,642,183	2,145,572	2,020,214	(125,358)
Total Other Financing Sources	1,642,183	2,145,572	2,171,952	26,380
Total General Fund Revenues and Other Financing Sources Before Appropriated Fund Balance	103,700,037	105,077,820	103,887,089	(1,190,731)
Fund Balance - Appropriation (Surplus)	350,000	953,790	-	(953,790)
Total General Fund Revenues, Other Financing Sources and Fund Balance Appropriation	$ 104,050,037	$ 106,031,610	$ 103,887,089	$ (2,144,521)

QUEEN ANNE'S COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2009

	ACTUAL						VARIANCE
	PERSONNEL COSTS	OTHER OPERATING	CAPITAL OUTLAY	TOTAL	ORIGINAL BUDGET	FINAL BUDGET	POSITIVE (NEGATIVE)
GENERAL GOVERNMENT							
Legislative	$ 559,352	$ 206,920	$ 32,799	$ 799,071	$ 854,283	$ 815,733	$ 16,662
Judicial							
Circuit Court/Macro Mediation/Family Services/Court Master	185,934	222,769	-	408,703	562,331	514,731	106,028
Orphan's Court	57,994	4,773	-	62,767	65,228	65,228	2,461
State's Attorney/Victim Witness/Cease Fire	1,104,347	44,685	-	1,149,032	1,215,230	1,213,210	64,178
Executive							
County Administrator	424,828	16,804	-	441,632	411,258	456,258	14,626
Elections							
Board of Election Supervisors	23,882	386,315	5,115	415,312	492,089	417,089	1,777
Financial Administration	770,027	201,117	-	971,144	1,038,555	991,555	20,411
Human Resources Administration	416,177	119,485	-	535,662	563,607	539,607	3,945
Planning	495,371	27,300	1,003	523,674	571,579	542,612	18,938
Zoning	1,369,206	279,994	-	1,649,200	1,818,176	1,891,943	242,743
Management Information Systems	463,804	166,300	-	630,104	674,044	674,044	43,940
General Services	661,649	1,230,396	-	1,892,045	2,052,012	1,956,012	63,967
Other General Government							
Liquor Board	70,351	3,531	-	73,882	86,072	83,272	9,390
Electrical Board	4,726	989	-	5,715	10,241	10,241	4,526
Legal	-	352,901	-	352,901	291,040	336,040	(16,861)
Total General Government	6,607,648	3,264,279	38,917	9,910,844	10,705,745	10,507,575	596,731
PUBLIC SAFETY							
Sheriff's Office	5,086,666	745,701	417,171	6,249,538	5,745,730	6,454,628	205,090
Volunteer Fire and Rescue Services	-	3,258,713	13,648	3,272,361	3,344,648	3,344,649	72,288
Detention Center	2,928,752	861,393	-	3,790,145	4,420,942	4,425,296	635,151
Animal Control	684,101	144,885	-	828,986	821,227	851,624	22,638
Emergency Services	5,305,802	1,067,238	166,640	6,539,680	6,659,517	7,142,379	602,699
Total Public Safety	14,005,321	6,077,930	597,459	20,680,710	20,992,064	22,218,576	1,537,866
PUBLIC WORKS							
Administration	467,434	7,243	-	474,677	509,627	509,627	34,950
Other Public Roads	185	21,595	-	21,780	20,179	42,179	20,399
Solid Waste Disposal	1,212,878	849,257	100,605	2,162,740	2,622,901	2,794,383	631,643
Engineering Division	702,344	59,031	-	761,375	860,694	860,694	99,319
Total Public Works	2,382,841	937,126	100,605	3,420,572	4,013,401	4,206,883	786,311
HEALTH							
Health Department	109,817	1,463,031	-	1,572,848	1,605,720	1,706,298	133,450
SOCIAL SERVICES							
MEAP - MD Energy Assistance Program	112,107	-	-	112,107	124,659	112,842	735
Other Social Services	124,928	6,500	-	131,428	134,481	134,481	3,053
Total Social Services	237,035	6,500	-	243,535	259,140	247,323	3,788

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

	ACTUAL						VARIANCE
	PERSONNEL COSTS	OTHER OPERATING	CAPITAL OUTLAY	TOTAL	ORIGINAL BUDGET	FINAL BUDGET	POSITIVE (NEGATIVE)
EDUCATION							
Board of Education	$ -	$ 47,176,250	$ -	$ 47,176,250	$ 47,168,270	$ 47,176,250	$ -
Chesapeake College	-	1,680,109	-	1,680,109	1,751,188	1,751,188	71,079
Total Education	-	48,856,359	-	48,856,359	48,919,458	48,927,438	71,079
PARKS AND RECREATION							
Parks	1,591,608	383,477	13,450	1,988,535	2,044,787	2,031,266	42,731
Recreation	317,760	1,230	-	318,990	376,299	376,299	57,309
Administration	547,588	43,485	-	591,073	612,890	622,063	30,990
Total Parks, Recreation, and Culture	2,456,956	428,192	13,450	2,898,598	3,033,976	3,029,628	131,030
LIBRARY							
Queen Anne's County Free Library	-	1,390,398	-	1,390,398	1,311,432	1,392,499	2,101
CONSERVATION OF NATURAL RESOURCES							
Cooperative Extension Services	45,693	184,229	-	229,922	288,515	233,327	3,405
Soil Conservation Services	120,415	6,000	-	126,415	135,228	135,228	8,813
Weed Control	78,293	26,503	-	104,796	118,692	118,692	13,896
4-H Park	-	79,408	-	79,408	71,178	81,178	1,770
Total Conservation of Natural Resources	244,401	296,140	-	540,541	613,613	568,425	27,884
ECONOMIC AND COMMUNITY DEVELOPMENT							
Public Housing Authority	-	271,909	-	271,909	287,909	271,909	-
Business & Tourism	592,657	283,746	-	876,403	1,008,026	1,060,365	183,962
Total Economic and Community Development	592,657	555,655	-	1,148,312	1,295,935	1,332,274	183,962
DEBT SERVICE							
Debt Service - Principal	-	5,065,347	-	5,065,347	4,895,252	4,993,706	(71,641)
Debt Service - Interest and Fiscal Charges	-	2,778,490	-	2,778,490	2,840,596	2,751,585	(26,905)
Total Debt Service	-	7,843,837	-	7,843,837	7,735,848	7,745,291	(98,546)
MISCELLANEOUS							
Aid to Municipalities	-	202,909	-	202,909	199,186	204,186	1,277
Aid to Other Agencies	-	58,809	-	58,809	75,249	75,249	16,440
Other Allocations	-	1,500	-	1,500	1,500	10,747	9,247
Insurance & Benefits / (Reimbursements)	(252,014)	641,696	-	389,682	551,000	650,000	260,318
Contingencies	-	49,658	-	49,658	83,068	70,520	20,862
Total Miscellaneous	(252,014)	954,572	-	702,558	910,003	1,010,702	308,144
REVERSIONS							
Salary Reversions	-	-	-	-	(346,123)	(338,123)	(338,123)
OTHER FINANCING USES							
Transfers Out To:							
Law Library	-	8,520	-	8,520	-	8,520	-
Department of Aging	-	1,622,471	-	1,622,471	1,959,249	1,959,249	336,778
Department of Housing and Community Services	-	416,742	-	416,742	473,089	497,389	80,647
Agricultural Transfer Tax Fund	-	32,000	-	32,000	32,000	32,000	-
Roads Board Operating	-	30,616	-	30,616	30,000	30,000	(616)
Sanitary District - Sewer/Admin	-	4,592	-	4,592	4,050	4,050	(542)
Sanitary District - Water	-	157,307	-	157,307	157,307	157,307	-
Impact Fees - Fire Companies/Contingencies	-	37,069	-	37,069	-	-	(37,069)
General Capital Projects Fund	-	21,483	-	21,483	-	21,483	-
Parks & Recreation Enterprise - Airport	-	34,308	-	34,308	52,237	62,237	27,929
Parks & Recreation Enterprise - Golf Course	-	154	-	154	-	154	-
Parks & Recreation Enterprise - Programs	-	43,000	-	43,000	43,000	43,000	-
Parks & Recreation Enterprise - Property Mgmt	-	56,930	-	56,930	25,000	56,930	-
Parks & Recreation Enterprise - Marinas	-	3,036	-	3,036	55,407	55,407	52,371
Community Partnerships (Admin)	-	5,384	-	5,384	68,486	68,486	63,102
Community Partnerships (Education program)	-	100,000	-	100,000	100,000	100,000	-
Total Transfers Out	-	2,573,612	-	2,573,612	2,999,825	3,096,212	522,600
Total Expenditures and Other Financing Uses	$ 26,384,662	$ 74,647,631	$ 750,431	$ 101,782,724	$ 104,050,037	$ 105,651,001	$ 3,868,277

QUEEN ANNE'S COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROADS BOARD SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
State Shared Taxes	$ 5,580,859	$ 5,580,859	$ 7,542,182	$ 1,961,323
Intergovernmental	15,000	15,000	95,935	80,935
Charges for Current Services	343,517	343,517	223,580	(119,937)
Investment Income	6,000	6,000	33,599	27,599
Miscellaneous	20,000	20,000	253,247	233,247
Total Revenues	5,965,376	5,965,376	8,148,543	2,183,167
EXPENDITURES				
Current				
Public Works	6,014,660	6,014,660	5,318,398	696,262
Capital Outlay	795,000	823,610	283,142	540,468
Total Expenditures	6,809,660	6,838,270	5,601,540	1,236,730
Excess of Revenues Over (Under) Expenditures	(844,284)	(872,894)	2,547,003	3,419,897
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	9,897	9,897	-
Proceeds of Sale of Capital Assets	-	-	3,201	3,201
Transfers In	85,039	85,039	30,616	(54,423)
Total Other Financing Sources (Uses)	85,039	94,936	43,714	(51,222)
Net Increase (Decrease) in Fund Balances	$ (759,245)	$ (777,958)	2,590,717	$ 3,368,675
Fund Balances, July 1			722,735	
Fund Balances, June 30			$ 3,313,452	

Combining and Individual Fund Statements and Schedules

The Combining and Individual Fund Statements and Schedules provide detailed information concerning the financial position, results of operations, and budgetary comparisons for the non-major funds, capital projects, and fiduciary funds.

QUEEN ANNE'S COUNTY

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Non-Major Governmental Funds

Non-Major Governmental Funds are used to account for the proceeds of specific revenue sources (other than capital projects and debt service funds) that are legally restricted to expenditures for specific purposes.

NON-MAJOR GOVERNMENTAL FUNDS

Non-major governmental funds are special revenue funds, unless otherwise noted:

Department of Aging – This fund accounts for activities funded primarily by grants to provide services for the elderly and is included in the social services function.

Housing and Community Services – This fund accounts for activities funded mostly by grants and revolving loan funds that support housing rehabilitation and home-ownership and is included in the economic and community development function.

Community Partnerships for Children – This fund accounts for activities funded by grants allocated to the County that provide services for children and families and is included in the social services function.

Dredging Special Assessments – This fund accounts for activities funded by special assessment funds collected to repay loans for specific dredging projects that benefited Price's Creek and Grove Creek and is included in the conservation of natural resources function.

Kent Narrows – This fund accounts for activities funded by tax revenues to repay parking improvement bonds and is included in the economic and community development function.

Critical Areas – This fund accounts for activities funded by payments in lieu of performance bonds that support efforts to mitigate and preserve critical areas along the shoreline of tidal waters within the County and is included in the conservation of natural resources function.

Law Library – This fund accounts for activities funded by court fees, fines, and contributions from local attorneys to update legal reference materials housed in the courthouse and is included in the general government function.

Sheriff's Drug Task Force – This fund accounts for activities funded by drug-related forfeitures that support drug interdiction efforts by a multi-faceted task force and is included in the public safety function.

Inmate Welfare Fund – This fund accounts for activities funded by profits earned from Detention Center inmate-related services that promote the welfare of the inmates and is included in the public safety function.

Agricultural Transfer Tax – This fund accounts for activities funded primarily by the Agricultural Transfer Tax to purchase agricultural easements that preclude development and is included in the conservation of natural resources function.

Rural Legacy – This fund accounts for activities funded primarily by Maryland's Rural Legacy Program to purchase easements that preclude development and is included in the conservation of natural resources function.

Revolving Loan Fund – This fund accounts for activities funded by community donations and grants to promote and provide economic development loans to local businesses and is included in the economic and community development function.

Capital Projects Fund – Fire Company Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance local volunteer fire company preparedness resulting from new construction and is included in the public safety function.

Capital Projects Fund – Parks and Recreation Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance parks and recreation and is included in the parks and recreation function.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	COMMUNITY PARTNERSHIPS FOR CHILDREN	DREDGING SPECIAL ASSESSMENTS
ASSETS				
Cash and Cash Equivalents	$ 161,757	$ 258,590	$ 970,868	$ 15,669
Receivables				
Accounts Receivable (Net)	-	923	2,140	17
Loans Receivable	-	3,261,213	-	-
Special Assessments (Net)	-	-	-	771,886
Due from Other Governments	229,401	15,273	292,924	-
Total Assets	$ 391,158	$ 3,535,999	$ 1,265,932	$ 787,572
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Liabilities	$ 96,313	$ 10,613	$ 282,046	$ 87
Due to Other Funds	165,291	24,445	39,344	-
Due to Other Governmental Agencies	15,442	-	596,219	-
Deferred Revenue	991	2,624	258,287	771,886
Total Liabilities	278,037	37,682	1,175,896	771,973
Fund Balances				
Reserved				
Loans Receivable	-	3,261,213	-	-
Donor-Specified Purposes	-	-	1,050	-
Other Reserved Purposes - Other	-	-	-	-
Total Reserved	-	3,261,213	1,050	-
Unreserved				
Capital Projects Funds	-	-	-	-
Special Revenue Funds	113,121	237,104	88,986	15,599
Total Unreserved	113,121	237,104	88,986	15,599
Total Fund Balances	113,121	3,498,317	90,036	15,599
Total Liabilities and Fund Balances	$ 391,158	$ 3,535,999	$ 1,265,932	$ 787,572

QUEEN ANNE'S COUNTY, MARYLAND

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

(CONTINUED)

KENT NARROWS	CRITICAL AREAS	LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE FUND
$ 144,303	$ 125,143	$ 30,101	$ 220,839	$ 245,988
12,992	-	-	-	6,525
-	-	-	-	-
-	-	-	-	-
-	-	11,658	-	-
$ 157,295	$ 125,143	$ 41,759	$ 220,839	$ 252,513
$ 395	$ -	$ 5,666	$ 54,377	$ 4,528
-	-	-	-	-
-	-	-	-	7,986
-	-	-	-	-
395	-	5,666	54,377	12,514
-	-	-	-	-
-	-	-	-	-
-	125,143	-	-	-
-	125,143	-	-	-
-	-	-	-	-
156,900	-	36,093	166,462	239,999
156,900	-	36,093	166,462	239,999
156,900	125,143	36,093	166,462	239,999
$ 157,295	$ 125,143	$ 41,759	$ 220,839	$ 252,513

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

(CONTINUED)

	AGRICULTURAL TRANSFER	RURAL LEGACY	REVOLVING LOAN FUND	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES	CAPITAL PROJECTS - PARKS AND RECREATION IMPACT FEES	TOTAL NON-MAJOR GOVERNMENTAL
ASSETS						
Cash and Cash Equivalents	$ 1,072,854	$ 1,003,785	$ 481,554	$ 845,153	$ 215,064	$ 5,791,668
Receivables						
Accounts Receivable (Net)	-	-	758	-	-	23,355
Loans Receivable	-	-	102,719	18,036	17,074	3,399,042
Special Assessments (Net)	-	-	-	-	-	771,886
Due from Other Governments	91,800	-	-	-	-	641,056
Total Assets	$ 1,164,654	$ 1,003,785	$ 585,031	$ 863,189	$ 232,138	$ 10,627,007
LIABILITIES AND FUND BALANCES						
Liabilities						
Accrued Liabilities	$ -	$ -	$ -	$ -	$ -	$ 454,025
Due to Other Funds	-	-	-	72,481	-	301,561
Due to Other Governmental Agencies	1,300	-	-	-	-	620,947
Deferred Revenue	-	-	-	18,036	17,074	1,068,898
Total Liabilities	1,300	-	-	90,517	17,074	2,445,431
Fund Balances						
Reserved						
Loans Receivable	-	-	102,719	18,036	17,074	3,399,042
Donor-Specified Purposes	-	-	-	-	-	1,050
Other Reserved Purposes - Other	952,595	-	-	-	-	1,077,738
Total Reserved	952,595	-	102,719	18,036	17,074	4,477,830
Unreserved						
Capital Projects Funds	-	-	-	754,636	197,990	952,626
Special Revenue Funds	210,759	1,003,785	482,312	-	-	2,751,120
Total Unreserved	210,759	1,003,785	482,312	754,636	197,990	3,703,746
Total Fund Balances	1,163,354	1,003,785	585,031	772,672	215,064	8,181,576
Total Liabilities and Fund Balances	$ 1,164,654	$ 1,003,785	$ 585,031	$ 863,189	$ 232,138	$ 10,627,007

QUEEN ANNE'S COUNTY, MARYLAND

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	COMMUNITY PARTNERSHIPS FOR CHILDREN	DREDGING SPECIAL ASSESSMENTS
REVENUES				
Taxes				
Local Property Tax	$ -	$ -	$ -	$ -
Other Local Taxes - Admission and Amusement Taxes	-	-	-	-
Recordation Taxes	-	82,877	-	-
State Shared Taxes	-	-	-	-
Intergovernmental	1,061,660	370,875	1,697,638	-
Charges for Current Services	68,386	-	-	23,753
Fines and Forfeitures	-	-	-	-
Investment Income	861	5,168	8,736	147
Donations	57,964	-	-	-
Miscellaneous	425	50	25,188	-
Total Revenues	1,189,296	458,970	1,731,562	23,900
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Social Services	2,790,094	-	1,943,520	-
Conservation of Natural Resources	-	-	-	-
Economic/Community Development	-	487,618	-	-
Capital Outlay	30,000	-	-	-
Debt Service				
Principal	-	-	-	24,000
Total Expenditures	2,820,094	487,618	1,943,520	24,000
Excess of Revenues Over (Under) Expenditures	(1,630,798)	(28,648)	(211,958)	(100)
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	-	-	-	-
Insurance Proceeds	11,415	-	-	-
Transfers In	1,622,471	416,742	105,384	-
Transfers Out	-	-	(23,660)	-
Other Financing Sources (Uses)	1,633,886	416,742	81,724	-
Net Increase (Decrease) in Fund Balances	3,088	388,094	(130,234)	(100)
Fund Balances, July 1	110,033	3,110,223	220,270	15,699
Fund Balances, June 30	$ 113,121	$ 3,498,317	$ 90,036	$ 15,599

QUEEN ANNE'S COUNTY, MARYLAND

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

KENT NARROWS	CRITICAL AREAS	LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE FUND
$ 36,355	$ -	$ -	$ -	$ -
58,897	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16,905	-	-
-	27,424	11,213	-	63,398
-	-	15,509	69,275	-
-	-	745	3,384	2,795
-	-	-	-	-
-	-	22,591	-	35,990
95,252	27,424	66,963	72,659	102,183
-	-	83,136	-	-
-	-	-	75,926	73,952
-	-	-	-	-
-	-	-	-	-
4,802	-	-	-	-
-	-	-	119,118	-
-	-	-	-	-
4,802	-	83,136	195,044	73,952
90,450	27,424	(16,173)	(122,385)	28,231
-	-	-	51,334	-
-	-	-	-	-
-	-	8,520	-	-
(45,415)	-	-	-	-
(45,415)	-	8,520	51,334	-
45,035	27,424	(7,653)	(71,051)	28,231
111,865	97,719	43,746	237,513	211,768
$ 156,900	$ 125,143	$ 36,093	$ 166,462	$ 239,999

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

	AGRICULTURAL TRANSFER	RURAL LEGACY	REVOLVING LOAN FUND	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES	CAPITAL PROJECTS - PARKS AND RECREATION IMPACT FEES	TOTAL NON-MAJOR GOVERNMENTAL
REVENUES						
Taxes						
Local Property Tax	$ -	$ -	$ -	$ -	$ -	$ 36,355
Other Local Taxes - Admission and Amusement Taxes	-	-	-	-	-	58,897
Recordation Taxes	552,510	-	-	-	-	635,387
State Shared Taxes	49,647	-	-	-	-	49,647
Intergovernmental	-	691,085	235,000	-	-	4,073,163
Charges for Current Services	-	-	-	153,792	97,103	445,069
Fines and Forfeitures	-	-	-	-	-	84,784
Investment Income	26,058	3,479	5,802	10,520	1,974	69,669
Donations	-	-	-	-	-	57,964
Miscellaneous	-	-	200	-	-	84,444
Total Revenues	628,215	694,564	241,002	164,312	99,077	5,595,379
EXPENDITURES						
Current						
General Government	-	-	-	-	-	83,136
Public Safety	-	-	-	225,000	-	374,878
Social Services	-	-	-	-	-	4,733,614
Conservation of Natural Resources	1,214,032	690,779	-	-	-	1,904,811
Economic/Community Development	-	-	-	-	-	492,420
Capital Outlay	-	-	-	-	-	149,118
Debt Service						
Principal	-	-	-	-	-	24,000
Total Expenditures	1,214,032	690,779	-	225,000	-	7,761,977
Excess of Revenues Over (Under) Expenditures	(585,817)	3,785	241,002	(60,688)	99,077	(2,166,598)
OTHER FINANCING SOURCES (USES)						
Proceeds of Capital Asset Disposals	-	-	-	-	-	51,334
Insurance Proceeds	-	-	-	-	-	11,415
Transfers In	167,000	1,000,000	-	37,069	-	3,357,186
Transfers Out	(1,000,000)	-	-	-	-	(1,069,075)
Other Financing Sources (Uses)	(833,000)	1,000,000	-	37,069	-	2,350,860
Net Increase (Decrease) in Fund Balances	(1,418,817)	1,003,785	241,002	(23,619)	99,077	184,262
Fund Balances, July 1	2,582,171	-	344,029	796,291	115,987	7,997,314
Fund Balances, June 30	$ 1,163,354	$ 1,003,785	$ 585,031	$ 772,672	$ 215,064	$ 8,181,576

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	DEPARTMENT OF AGING				HOUSING AND COMMUNITY SERVICES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Local Taxes - Admission and Amusement Taxes	-	-	-	-	-	-	-	-
Recordation Taxes	-	-	-	-	-	-	82,877	82,877
State Shared Taxes	-	-	-	-	-	-	-	-
Intergovernmental	961,008	1,057,852	1,061,660	3,808	165,286	476,275	370,875	(105,400)
Charges for Current Services	40,900	40,900	68,386	27,486	-	-	-	-
Fines and Forfeitures	-	-	-	-	200	200	-	(200)
Investment Income	-	-	861	861	-	-	5,168	5,168
Donations	64,470	84,470	57,964	(26,506)	-	-	-	-
Miscellaneous	8,000	18,776	425	(18,351)	-	-	50	50
Total Revenues	1,074,378	1,201,998	1,189,296	(12,702)	165,486	476,475	458,970	(17,505)
EXPENDITURES								
Current Operating Expenditures	2,972,277	3,099,897	2,790,094	309,803	1,038,575	1,253,657	487,618	766,039
Capital Outlay	71,350	71,350	30,000	41,350	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Total Expenditures	3,043,627	3,171,247	2,820,094	351,153	1,038,575	1,253,657	487,618	766,039
Excess of Revenues Over (Under) Expenditures	(1,969,249)	(1,969,249)	(1,630,798)	338,451	(873,089)	(777,182)	(28,648)	748,534
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	10,000	10,000	-	(10,000)	-	-	-	-
Insurance Proceeds	-	-	11,415	11,415	-	-	-	-
Transfers In	1,959,249	1,959,249	1,622,471	(336,778)	623,089	497,389	416,742	(80,647)
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,969,249	1,969,249	1,633,886	(335,363)	623,089	497,389	416,742	(80,647)
Net Increase (Decrease) in Fund Balances	$ -	$ -	3,088	$ 3,088	$ (250,000)	$ (279,793)	388,094	$ 667,887
Fund Balances, July 1			110,033				3,110,223	
Fund Balances, June 30			$ 113,121				$ 3,498,317	

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

COMMUNITY PARTNERSHIPS FOR CHILDREN				DREDGING SPECIAL ASSESSMENTS				KENT NARROWS			
ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,000	$ 22,000	$ 36,355	$ 14,355
-	-	-	-	-	-	-	-	60,000	60,000	58,897	(1,103)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,992,410	1,874,469	1,697,638	(176,831)	-	-	-	-	-	-	-	-
-	-	-	-	24,200	24,200	23,753	(447)	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	8,736	8,736	-	-	147	147	75	75	-	(75)
-	-	-	-	-	-	-	-	-	-	-	-
17,941	17,941	25,188	7,247	-	-	-	-	-	-	-	-
2,010,351	1,892,410	1,731,562	(160,848)	24,200	24,200	23,900	(300)	82,075	82,075	95,252	13,177
2,148,811	2,161,104	1,943,520	217,584	-	-	-	-	8,500	8,500	4,802	3,698
2,000	2,000	-	2,000	-	-	-	-	-	-	-	-
-	-	-	-	24,000	24,000	24,000	-	-	-	-	-
2,150,811	2,163,104	1,943,520	219,584	24,000	24,000	24,000	-	8,500	8,500	4,802	3,698
(140,460)	(270,694)	(211,958)	58,736	200	200	(100)	(300)	73,575	73,575	90,450	16,875
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
168,486	168,486	105,384	(63,102)	-	-	-	-	-	-	-	-
(28,026)	(28,026)	(23,660)	4,366	-	-	-	-	(45,427)	(45,427)	(45,415)	12
140,460	140,460	81,724	(58,736)	-	-	-	-	(45,427)	(45,427)	(45,415)	12
$ -	$ (130,234)	(130,234)	$ -	$ 200	$ 200	(100)	$ (300)	$ 28,148	$ 28,148	45,035	$ 16,887
		220,270				15,699				111,865	
		$ 90,036				$ 15,599				$ 156,900	

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

	LAW LIBRARY				INMATE WELFARE FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Local Taxes - Admission and Amusement Taxes	-	-	-	-	-	-	-	-
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	16,905	16,905	-	-	-	-	-
Charges for Current Services	3,000	11,213	11,213	-	75,000	75,000	63,398	(11,602)
Fines and Forfeitures	-	15,509	15,509	-	-	-	-	-
Investment Income	-	745	745	-	5,000	5,000	2,795	(2,205)
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	22,591	22,591	-	40,000	40,000	35,990	(4,010)
Total Revenues	3,000	66,963	66,963	-	120,000	120,000	102,183	(17,817)
EXPENDITURES								
Current Operating Expenditures	3,000	83,136	83,136	-	115,250	115,250	73,952	41,298
Capital Outlay	-	-	-	-	20,000	20,000	-	20,000
Debt Service								
Principal	-	-	-	-	-	-	-	-
Total Expenditures	3,000	83,136	83,136	-	135,250	135,250	73,952	61,298
Excess of Revenues Over (Under) Expenditures	-	(16,173)	(16,173)	-	(15,250)	(15,250)	28,231	43,481
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	6,120	8,520	8,520	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,120	8,520	8,520	-	-	-	-	-
Net Increase (Decrease) in Fund Balances	$ 6,120	$ (7,653)	(7,653)	$ -	$ (15,250)	$ (15,250)	28,231	$ 43,481
Fund Balances, July 1			43,746				211,768	
Fund Balances, June 30			$ 36,093				$ 239,999	

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

AGRICULTURAL TRANSFER				RURAL LEGACY			
ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	552,510	552,510	-	-	-	-	-
155,000	155,000	49,647	(105,353)	-	-	-	-
-	-	-	-	-	-	691,085	691,085
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,000	5,000	26,058	21,058	-	-	3,479	3,479
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
160,000	712,510	628,215	(84,295)	-	-	694,564	694,564
660,000	1,134,894	1,214,032	(79,138)	-	1,000,000	690,779	309,221
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
660,000	1,134,894	1,214,032	(79,138)	-	1,000,000	690,779	309,221
(500,000)	(422,384)	(585,817)	(163,433)	-	(1,000,000)	3,785	1,003,785
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
32,000	32,000	167,000	135,000	-	1,000,000	1,000,000	-
-	(1,000,000)	(1,000,000)	-	-	-	-	-
32,000	(968,000)	(833,000)	135,000	-	1,000,000	1,000,000	-
$ (468,000)	$ (1,390,384)	(1,418,817)	$ (28,433)	$ -	$ -	1,003,785	$ 1,003,785
		2,582,171				-	
		$ 1,163,354				$ 1,003,785	

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES				CAPITAL PROJECTS - PARKS & RECREATION IMPACT FEES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Local Taxes - Admission and Amusement Taxes	-	-	-	-	-	-	-	-
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	450,000	450,000	153,792	(296,208)	85,000	85,000	97,103	12,103
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	5,900	5,900	10,520	4,620	6,000	6,000	1,974	(4,026)
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	455,900	455,900	164,312	(291,588)	91,000	91,000	99,077	8,077
EXPENDITURES								
Current Operating Expenditures	600,000	758,333	225,000	533,333	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Total Expenditures	600,000	758,333	225,000	533,333	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(144,100)	(302,433)	(60,688)	241,745	91,000	91,000	99,077	8,077
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	37,069	37,069	-	-	-	-
Transfers Out	-	-	-	-	(91,000)	(91,000)	-	91,000
Total Other Financing Sources (Uses)	-	-	37,069	37,069	(91,000)	(91,000)	-	91,000
Net Increase (Decrease) in Fund Balances	$ (144,100)	$ (302,433)	(23,619)	$ 278,814	$ -	$ -	99,077	$ 99,077
Fund Balances, July 1			796,291				115,987	
Fund Balances, June 30			$ 772,672				$ 215,064	

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used for the acquisition or construction of major capital facilities, as well as other large multi-year projects that relate to capital assets, that are financed from general governmental resources.

General Capital Projects – This fund accounts for capital project activities funded by all governmental resources, except those reserved for use in the Roads Capital Projects Fund, noted below.

Roads Capital Projects - This fund accounts for capital project activities funded by governmental resources specifically reserved for use in the Roads Capital Projects Fund. These resources consist of State-Shared Highway User Tax, which is mandated for this use, plus federal, state, and local roads-related grants and transfers.

QUEEN ANNE'S COUNTY MARYLAND
CAPITAL PROJECTS FUNDS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

			EXPENDITURES				INCLUDED IN	CAPITALIZED
PROJ #	GENERAL CAPITAL PROJECTS:	TOTAL APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED APPROPRIATIONS	CONSTRUCTION IN PROGRESS	CURRENT YEAR
	GENERAL GOVERNMENT							
400003	County Facilities Program	$ 754,548	$ 503,418	$ 125,422	$ 628,840	$ 125,708	$ 628,840	$ 125,422
400007	GASB-34 Implementation	43,000	13,990	-	13,990	29,010	-	-
400009	Finance System (See Transfers)	753,476	673,711	29,135	702,846	50,630	702,846	29,135
400011	Courthouse Renovation	700,500	596,717	-	596,717	103,783	596,717	-
400015	County Wide Mapping	735,000	406,497	205,218	611,715	123,285	-	-
400019	CLS - Land Acquisition Fund	1,330,150	1,323,751	6,400	1,330,151	(1)	-	-
400027	Strategic Planning	646,602	342,379	44,455	386,834	259,768	-	-
400029	Comp & Community Plans	685,000	270,228	147,658	417,886	267,114	-	-
400031	Mgt Info Systems Network	676,000	589,848	34,980	624,828	51,172	-	2,029
400041	IT Infrastructure/Phones	325,000	232,496	10,900	243,396	81,604	243,396	10,900
400047	CLS - Tax Ditch-Longmarsh Oxdale	61,547	61,546	-	61,546	1	-	-
400051	Historic Sites Survey	117,000	94,068	8,558	102,626	14,374	-	-
400053	CLS - Alternative Septic Study	16,716	16,716	-	16,716	-	-	-
400223	Circuit Courthouse Planning	1,300,000	47,615	(4,749)	42,866	1,257,134	-	-
400233	Rec Mgmt Sys - Non Fin	165,000	109,607	9,552	119,159	45,841	-	2,499
400269	Tax Ditches - Beaverdam	44,500	34,496	9,000	43,496	1,004	-	-
400271	Tax Ditches - Longmarsh	64,000	36,540	16,600	53,140	10,860	-	-
400327	FY 07 General Fund Transfer In	5,150,000	-	-	-	5,150,000	-	-
400353	CLS - Grasonville Community Center	175,000	75,000	100,000	175,000	-	-	-
400355	Dry Hydrant Program	25,000	-	-	-	25,000	-	-
400359	Public Drainage	175,000	-	-	-	175,000	-	-
400361	East Shore Museum of Life	4,000	2,000	2,000	4,000	-	-	-
400363	Church Hill Pond Stabilization	200,000	337	14,795	15,132	184,868	-	-
400365	Grasonville Pole Relocation	200,000	-	-	-	200,000	-	-
400367	CLS - Chesterwye Expansion	225,000	100,000	125,000	225,000	-	-	-
400369	CLS - Kent Island Senior Center Site Council	15,000	-	-	-	15,000	-	-
400373	Beautification Committee	5,000	523	-	523	4,477	-	-
400375	Grant Procurement Committee	5,000	-	-	-	5,000	-	-
400377	BNR Septic Retrofit Grant	5,000	-	-	-	5,000	-	-
400389	CLS - Public Information Equipment	79,682	66,007	13,675	79,682	-	-	13,675
400425	Friel Property Management	6,000	5,508	-	5,508	492	-	-
400427	Land - Nesbit	602,670	300,000	302,669	602,669	1	-	302,669
400431	CLS - Land - Courthouse	1,300,000	1,296,182	-	1,296,182	3,818	-	-
400441	CLS - Matapeake Feasability Study	42,800	16,700	26,100	42,800	-	-	-
400443	Kennard Alumni Association	100,000	-	100,000	100,000	-	-	-
400449	Nesbit Road ER Infrastructure	4,066,000	-	184,739	184,739	3,881,261	184,739	184,739
400457	GIS & Strategic Plan Land Use	40,000	-	16,181	16,181	23,819	-	-
400461	Courthouse Basement	25,214	-	8,803	8,803	16,411	8,803	8,803
400527	Sudlersville Parking - Foxxtown	-	-	29,196	29,196	(29,196)	-	-
	Total General Government	20,864,405	7,215,880	1,566,287	8,782,167	12,082,238	2,365,341	679,871
	PUBLIC SAFETY							
400059	CLS - Detention Center Expansion	391,000	243,770	-	243,770	147,230	-	-
400217	Transfer to VFDs	1,157,390	1,084,689	-	1,084,689	72,701	-	-
400227	CLS - Renovate Viewing Rooms & Roof	122,045	118,816	3,228	122,044	1	-	3,228
400281	Detention Center Furniture & Carpet	30,000	-	-	-	30,000	-	-
400283	Detention Center Building Expansion	2,693,329	44,427	2,336,803	2,381,230	312,099	2,381,230	2,336,803
400313	County Wide Mapping - 911	815,530	756,154	25,109	781,263	34,267	-	-
400343	DES Records Management Software	194,000	125,158	62,353	187,511	6,489	187,511	62,353
400435	CLS - Detention Center CCTV System	39,292	39,292	-	39,292	-	-	-
400451	CLS - Ambulance	132,212	-	132,212	132,212	-	-	132,212
400453	CLS - Route 8 EMS Station	42,571	-	42,570	42,570	1	-	42,570
400455	DES Hardware Replacement	160,000	-	89,831	89,831	70,169	89,831	89,831
	Total Public Safety	5,777,369	2,412,306	2,692,106	5,104,412	672,957	2,658,572	2,666,997
	PUBLIC WORKS							
400077	Wetlands Mitigation	216,560	142,957	41	142,998	73,562	-	-
400079	Roof Repair / Replacement	455,000	425,511	2,275	427,786	27,214	-	-
400081	Centreville MCF	602,000	203,012	345,408	548,420	53,580	548,420	345,408
400083	Renovation/Transit Garage (See Transfers)	4,776,629	3,873,529	777,893	4,651,422	125,207	4,651,422	777,893
400087	Fuel Depot Demolition/MTBE	200,000	168,783	26,810	195,593	4,407	195,593	26,810
400091	DPW - Fee In Lieu	20,000	20,000	-	20,000	-	-	-
400235	Solid Waste Capital Equipment	174,001	80,404	92,635	173,039	962	-	92,635
400241	Cash Deposit Agreements	35,748	1,963	33,785	35,748	-	-	-
400287	DPW Records Management System	13,284	2,391	-	2,391	10,893	-	-
400335	CLS - Corsica & Beyond - Stormwater	152,000	123,232	1,049	124,281	27,719	-	-
400405	CLS - Library Rain Garden	23,019	23,020	-	23,020	(1)	-	-
400445	ENG Transportation Plan	100,000	-	-	-	100,000	-	-
400469	Sanitary District Transfer/Allocation	233,000	-	-	-	233,000	-	-
400471	Bio-Swale Drainage Ditch	75,000	-	233	233	74,767	233	233
400481	Sudlersville School Water/Sewer	1,500,000	-	3,200	3,200	1,496,800	-	-
	Total Public Works	8,576,241	5,064,802	1,283,329	6,348,131	2,228,110	5,395,668	1,242,979

CONTINUED

QUEEN ANNE'S COUNTY MARYLAND
CAPITAL PROJECTS FUNDS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

PROJ #	GENERAL CAPITAL PROJECTS:	TOTAL APPROPRIATION	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR	EXPENDITURES TOTAL	UNEXPENDED APPROPRIATIONS	INCLUDED IN CONSTRUCTION IN PROGRESS	CAPITALIZED CURRENT YEAR
	SOCIAL SERVICES							
400099	Kramer Center Improvement	$ 121,100	$ 44,696	$ 13,295	$ 57,991	$ 63,109	$ 57,991	$ 13,295
400103	Kent Island Senior Center	44,000	5,950	6,018	11,968	32,032	-	-
400243	Aging - Large Transit Vehicles	826,145	220,397	369,350	589,747	236,398	-	369,350
400357	CLS - Kramer Center HVAC Units	50,000	13,273	-	13,273	36,727	-	-
400403	CLS - Transportation Development Plan	59,625	-	-	-	59,625	-	-
400437	Dept of Aging Cap Equipment	71,000	-	59,471	59,471	11,529	-	13,145
400487	MTA Capital Grant Equipment	200,250	-	16,258	16,258	183,992	-	16,258
	Total Social Services	1,372,120	284,316	464,392	748,708	623,412	57,991	412,048
	EDUCATION							
700003	Chesapeake College Admin Bldg	779,971	768,411	14,953	783,364	(3,393)	-	-
700055	Ches College Center - Renovations	407,167	402,101	-	402,101	5,066	-	-
700079	CLS - Ches Coll Talbot Science Center Design	584,865	584,865	-	584,865	-	-	-
700147	Ches Coll Talbot Science Building Equipment	65,000	65,000	-	65,000	-	-	-
700171	Ches Coll Kent Humanities Bldg	685,295	-	45,110	45,110	640,185	-	-
700219	Ches Coll Learning Resource Center	-	-	54,863	54,863	(54,863)	-	-
	Subtotal Chesapeake College	2,522,298	1,820,377	114,926	1,935,303	586,995	-	-
	EDUCATION - CONTINUED ALLOCATIONS TO COMPONENT UNIT - BOARD OF EDUCATION							
700007	Centreville Elementary Renovation	5,448,028	5,448,028	-	5,448,028	-	-	-
700019	CLS - Queen Anne's County High	13,196,000	13,082,808	-	13,082,808	113,192	-	-
700059	FY05 Roof Repair	10,000	9,792	-	9,792	208	-	-
700061	Matapeake Middle	17,309,456	16,828,761	(8,019)	16,820,742	488,714	-	-
700063	CLS - Church Hill Elem Land Acquisition	823,130	823,130	-	823,130	-	-	-
700067	CLS - Security Cameras Various Schools	97,048	76,349	20,695	97,044	4	-	-
700077	CLS - BOE Data Warehousing	180,000	164,421	-	164,421	15,579	-	-
700081	Water Treatment -Church Hill/Sudlersville	89,500	9,950	40,000	49,950	39,550	-	-
700089	Kent Island Elementary Renovation	12,498,780	9,275,733	865,645	10,141,378	2,357,402	-	-
700095	CLS - BOE Relocatables	869,402	611,509	240,805	852,314	17,088	-	-
700105	BOE Computer Equipment	357,135	341,921	7,943	349,864	7,271	-	-
700107	Schools - Carpet & Tile	270,000	203,973	36,540	240,513	29,487	-	-
700111	BOE Office Building Upgrade	150,595	7,100	-	7,100	143,495	-	-
700113	Schools - Painting	280,000	166,386	16,020	182,406	97,594	-	-
700115	Playfields - Church Hill & Kent Island Elementary	60,000	22,165	2,379	24,544	35,456	-	-
700117	Playground Repairs - Kent Island Elem School	115,000	11,511	27,723	39,234	75,766	-	-
700125	KIHS Practice Fields	130,000	57,608	72,365	129,973	27	-	-
700131	BOE Microtherm Monitors	80,000	73,174	6,410	79,584	416	-	-
700137	Stevensville Middle PA System	20,000	-	-	-	20,000	-	-
700141	Acoustical Tiles	20,000	13,320	1,480	14,800	5,200	-	-
700149	Bayside Elementary Roof	504,000	26,600	305,796	332,396	171,604	-	-
700151	Bayside Elementary HVAC	420,000	-	37,625	37,625	382,375	-	-
700153	Grasonville Elem Parking Lot	30,000	-	7,335	7,335	22,665	-	-
700155	Payroll Software Upgrade	65,000	-	65,000	65,000	-	-	-
700157	QACHS Field Upgrades	519,132	-	208,160	208,160	310,972	-	-
700159	QACHS Stadium Press	50,000	-	6,385	6,385	43,615	-	-
700161	Financial Software	60,000	-	-	-	60,000	-	-
700163	Central Call System	16,000	-	6,500	6,500	9,500	-	-
700165	Generator - BOE Bldg	50,000	-	-	-	50,000	-	-
700167	Electronic Visitor Register	20,000	-	-	-	20,000	-	-
700169	New Sudlersville Middle School	2,415,600	-	2,205,061	2,205,061	210,539	-	-
700173	Church Hill Elementary Playground	700,173	-	174,936	174,936	525,237	-	-
700175	Bayside Elementary Fire Alarm	15,500	-	15,100	15,100	400	-	-
700177	BOE Security Entrance & Cameras	160,000	-	15,149	15,149	144,851	-	-
700179	Centreville Middle Boiler	195	-	195	195	-	-	-
	Subtotal Board of Education	57,029,674	47,254,239	4,377,228	51,631,467	5,398,207	-	-
	Total Education	59,551,972	49,074,616	4,492,154	53,566,770	5,985,202	-	-

CONTINUED

QUEEN ANNE'S COUNTY MARYLAND
CAPITAL PROJECTS FUNDS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

PROJ #	GENERAL CAPITAL PROJECTS:	TOTAL APPROPRIATION	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR	EXPENDITURES TOTAL	UNEXPENDED APPROPRIATIONS	INCLUDED IN CONSTRUCTION IN PROGRESS	CAPITALIZED CURRENT YEAR
	PARKS AND RECREATION							
400111	Land - Undesignated	$ 195,505	$ 82,517	$ 43,669	$ 126,186	$ 69,319	$ -	$ -
400117	CLS - Church Hill Park II	412,678	412,678	9,000	421,678	(9,000)	-	9,000
400121	CLS - Grasonville Park	87,576	87,575	-	87,575	1	-	-
400123	Matapeake Park Clubhouse (See Transfers)	853,430	548,945	254,162	803,107	50,323	792,922	254,162
400141	Ewing Pond Park	155,000	23,478	39,047	62,525	92,475	62,525	39,047
400147	CLS - Round Top Park Trail	4,050	4,050	-	4,050	-	-	-
400153	Spaniard Point Easements	1,870,000	13,390	-	13,390	1,856,610	13,390	-
400155	Park Survey	46,949	26,756	14,836	41,592	5,357	-	-
400173	Conquest Development	500,000	101,896	-	101,896	398,104	101,896	-
400179	CLS - Pinkney Park Restrooms	48,613	48,553	60	48,613	-	-	60
400183	CLS - Matapeake School Pk Irrigation	111,485	111,485	-	111,485	-	-	-
400187	CLS - Sudlersville Park	246,917	214,018	24,674	238,692	8,225	-	24,674
400215	Preventive Park Maintenance	509,130	337,761	156,688	494,449	14,681	-	22,000
400221	CLS - Capital Equipment Fund - P & R	69,904	69,904	-	69,904	-	-	-
400249	Centreville Trail	505,600	7,250	-	7,250	498,350	7,250	-
400257	CLS - Crumpton Playgrounds	15,790	15,790	-	15,790	-	-	-
400259	CLS - Tiny Tots Building	50,000	35,121	14,878	49,999	1	-	14,878
400297	CLS - Kent Island South Trail Spur - Chews Manor	58,547	58,547	-	58,547	-	-	-
400299	CLS - Church Hill Park Fitness Trail	52,261	52,260	-	52,260	1	-	-
400303	Ferry Point Trail	80,000	127	4,913	5,040	74,960	5,040	4,913
400305	White Marsh Park	1,851,142	654,105	874,195	1,528,300	322,842	1,528,300	874,195
400333	CLS - Kent Island Elementary Playground	29,969	6,556	23,413	29,969	-	-	-
400351	CLS - Kirwan Museum Repairs	9,158	9,158	-	9,158	-	-	-
400387	CLS - Memorial Park (Fallen Heroes)	29,103	9	29,094	29,103	-	-	29,094
400391	Cross County Connec Trail PS1	50,825	312	36,580	36,892	13,933	36,892	36,580
400393	Davidson Property	25,000	-	8,086	8,086	16,914	8,086	8,086
400395	CLS - Round Top Playground Equipment	15,095	15,095	-	15,095	-	-	-
400397	Old Love Point Park Irrigation	125,000	-	-	-	125,000	-	-
400399	Exploration Center Canal Bridge	60,000	7,800	245	8,045	51,955	8,045	245
400409	CLS - KIHS Baseball Field Irrigation	30,000	30,000	-	30,000	-	-	-
400411	CLS - KIHS Practice Field	75,000	29,938	43,613	73,551	1,449	-	-
400415	Land - Trail Easements	25,000	1,845	-	1,845	23,155	1,845	-
400421	CLS - Memorials in Parks	786	-	-	-	786	-	-
400439	Wells Cove Landing	202,097	6,495	185,732	192,227	9,870	192,227	185,732
400459	Ferry Point/CEC Canal Bridge	145,000	-	-	-	145,000	-	-
400467	CLS - Whtie Marsh Park Equipment	203,323	203,322	-	203,322	1	-	-
400473	CLS - Kirwan's Creek Land	504,660	-	504,654	504,654	6	-	504,654
400477	Cross Is & Kent Is Trail Amenities	20,000	-	-	-	20,000	-	-
400479	KI South Trail Maintenance Equipment	30,000	-	29,805	29,805	195	-	29,805
	Total Parks & Recreation	9,304,593	3,216,736	2,297,344	5,514,080	3,790,513	2,758,418	2,037,125
	LIBRARY							
400195	Kent Island Library Expansion I	140,000	-	-	-	140,000	-	-
400385	Kent Island Library Expansion II	297,000	26,000	-	26,000	271,000	26,000	-
	Total Library	437,000	26,000	-	26,000	411,000	26,000	-
	CONSERVATION							
400293	4-H Park Improvements	456,420	115,086	292,676	407,762	48,658	407,762	292,676
	ECONOMIC/COMMUNITY DEVELOPMENT							
400201	Land Sales Proceeds (See Transfers)	30,345	30,345	-	30,345	-	-	-
	ALLOCATION TO COMPONENT UNIT - PUBLIC HOUSING AUTHORITY							
400105	Sudlersville Senior Center	880,000	765,216	114,784	880,000	-	-	-
400205	PHA Allocation	1,100,000	900,000	100,000	1,000,000	100,000	-	-
400207	Housing & Community Service Transfer (See Transfers)	-	100,000	-	100,000	(100,000)	-	-
400209	FY05 PHA Allocation	600,000	500,142	99,858	600,000	-	-	-
400325	FY07 Bond Issuance	-	-	33,463	33,463	(33,463)	-	-
400429	Restricted Allocation-PHA Foxxtown Proj	2,382,098	2,402,343	(20,250)	2,382,093	5	-	-
400463	Sudlersville Alley - Foxxtown	-	-	47,222	47,222	(47,222)	47,222	47,222
400485	Restricted Allocation-Scattered Site	100,000	-	-	-	100,000	-	-
	Subtotal Public Housing Authority	5,062,098	4,667,701	375,077	5,042,778	19,320	47,222	47,222
	Total Economic/Community Development	5,092,443	4,698,046	375,077	5,073,123	19,320	47,222	47,222

CONTINUED

QUEEN ANNE'S COUNTY MARYLAND
CAPITAL PROJECTS FUNDS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

			EXPENDITURES				INCLUDED IN	CAPITALIZED
		TOTAL	PRIOR	CURRENT		UNEXPENDED	CONSTRUCTION	CURRENT
PROJ #	GENERAL CAPITAL PROJECTS:	APPROPRIATION	YEARS	YEAR	TOTAL	APPROPRIATIONS	IN PROGRESS	YEAR
	DEBT SERVICE							
400315	CLS - Debt - Bond Issuance Costs	$ 16,250	$ -	$ -	$ -	$ 16,250	$ -	$ -
400325	FY07 Bond Issuance	310,890	311,311	(423)	310,888	2	-	-
400483	2009 Bond Issuance / Consultants	70,000	-	4,234	4,234	65,766	-	-
	Total Debt Service	397,140	311,311	3,811	315,122	82,018	-	-
	TRANSFERS TO OTHER FUNDS							
400009	Finance System - to Sanitary District	-	1,719	-	1,719	(1,719)	-	-
400045	Land Preservation Transfers	705,000	270,000	135,000	405,000	300,000	-	-
400083	Renovation/Transit Garage - to Roads Cap Proj	48,300	48,300	-	48,300	-	-	-
400123	Matapeake Park Clubhouse	85,191	85,191	-	85,191	-	-	-
400127	Public Landings Allocation	200,000	200,000	-	200,000	-	-	-
400167	Enterprise Transfer/Allocation	2,918,256	360,185	2,815,747	3,175,932	(257,676)	-	-
400201	Land Sale Proceeds	115,000	115,000	-	115,000	-	-	-
400207	Housing & Comm Svc Transfer - to Housing Services	450,000	350,000	-	350,000	100,000	-	-
400213	Loan Fund Transfers	360,000	360,000	-	360,000	-	-	-
400217	Transfer to VFD's	162,410	-	162,410	162,410	-	-	-
400325	FY07 Bond Issuance	-	-	81,699	81,699	(81,699)	-	-
400447	Budgeted General Fund Transfer In	6,000,000	-	380,609	380,609	5,619,391	-	-
400469	Sanitary District Transfer/Allocation	233,000	-	233,000	233,000	-	-	-
	Total Transfers	11,277,157	1,790,395	3,808,465	5,598,860	5,678,297	-	-
	Total General Capital Projects	$ 123,106,860	$ 74,209,494	$ 17,275,641	$ 91,485,135	$ 31,621,725	$ 13,716,974	$ 7,378,918
PROJ #	ROADS BOARD CAPITAL PROJECTS:							
	PUBLIC WORKS							
820005	Asphalt Overlays - Upgrade	$ 2,753,091	$ 986,282	$ -	$ 986,282	$ 1,766,809	$ -	$ -
820091	CLS - Groff Road Bridge	653,100	631,351	2,010	633,361	19,739	-	2,010
820151	Island Creek Road Bridge	1,105,000	20,870	10,968	31,838	1,073,162	31,838	10,968
820195	CLS - Salt Storage Sheds	329,423	208,757	20,385	229,142	100,281	-	20,385
820203 & 221	Taylor Mill Road Bridge	197,500	450	-	450	197,050	450	-
	Total Public Works	5,038,114	1,847,710	33,363	1,881,073	3,157,041	32,288	$ 33,363
	TRANSFERS TO OTHER FUNDS							
820187	To Roads Operating	1,118,523	1,019,487	-	1,019,487	99,036	-	-
820209	County Wide Mapping II	60,000	40,000	20,000	60,000	-	-	-
	Total Transfers to Other Funds	1,178,523	1,059,487	20,000	1,079,487	99,036	-	-
	Total Roads Board Capital Projects	$ 6,216,637	$ 2,907,197	$ 53,363	$ 2,960,560	$ 3,256,077	$ 32,288	$ 33,363
	Total General and Roads Capital Projects	$ 129,323,497	$ 77,116,691	$ 17,329,004	$ 94,445,695	$ 34,877,802	$ 13,749,262	$ 7,412,281
	Force in Kind Capital Projects reported in non-capital projects Funds and added to CIP							$ -
400124	Matapeake Clubhouse FIC	$ -	$ 40,380	$ 35,721	$ 76,101	$ (76,101)	$ 76,101	$ 35,721
400142	Ewing Pond Park FIC	-	16,250	-	16,250	(16,250)	16,250	-
400188	CLS - Sudlersville Park FIC	-	10,787	-	10,787	(10,787)	-	-
400250	Centreville Trail - FIC	-	3,049	202	3,251	(3,251)	3,251	202
400304	Ferry Point Project FIC	-	8,760	5,003	13,763	(13,763)	5,003	5,003
400306	White March Park FIC	-	52,358	200,708	253,066	(253,066)	253,066	200,708
400332	CLS - Kirwan Creek Watershed FIC	-	-	343	343	(343)	-	-
400336	CLS - Corsica & Beyond FIC	-	76,015	20,624	96,639	(96,639)	-	-
400392	Cross County Conn II FIC	-	1,922	5,277	7,199	(7,199)	5,277	5,277
400394	Davidson Property FIC	-	-	2,652	2,652	(2,652)	2,652	2,652
400400	Exploration Center Bridge FIC	-	689	37,414	38,103	(38,103)	37,414	37,414
400472	Bio Swale Drainage Ditch - FIC	-	-	9,163	9,163	(9,163)	9,163	9,163
400478	Cross Is & Kent Is Trail Amenities - FIC	4,000	-	-	-	4,000	-	-
400480	Kent Is South Trail Maintenance Equipment - FIC	6,000	-	-	-	6,000	-	-
		$ 10,000	$ 210,210	$ 317,107	$ 527,317	$ (517,317)	$ 408,177	$ 296,140
	Total Construction in Progress and Capitalized Current Year						$ 14,157,439	$ 7,708,421

QUEEN ANNE'S COUNTY, MARYLAND

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

SCHOOL IMPACT FEES CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Current Services	$ 840,000	$ 840,000	$ 740,213	$ (99,787)
Investment Income	25,000	25,000	33,535	8,535
Total Revenues	865,000	865,000	773,748	(91,252)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	865,000	865,000	773,748	(91,252)
OTHER FINANCING (USES)				
Transfers Out	(1,408,120)	(1,408,120)	(1,408,120)	-
Total Other Financing (Uses)	(1,408,120)	(1,408,120)	(1,408,120)	-
Net (Decrease) in Fund Balances	$ (543,120)	$ (543,120)	(634,372)	$ (91,252)
Fund Balances, July 1			2,255,460	
Fund Balances, June 30			$ 1,621,088	

NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise funds account for activities which are commercial in nature and are primarily or partially intended to be self-supporting; that is, each fund sets its rates and service charges at a level sufficient to: (1) meet all of its operating expenses; (2) provide for depreciation from wear and obsolescence; and (3) to the extent that funds are not borrowed, finance the cost of expansion of physical facilities. All non-major enterprise funds are intended to be only partially self-supporting.

QUEEN ANNE'S COUNTY

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NON-MAJOR ENTERPRISE FUNDS

Non-major enterprise funds include all of the following funds:

Public Marinas – This fund accounts for operation, maintenance, and major repairs of public marinas. For a fee, the general public has access to these marinas for temporary mooring.

Parks and Recreation:

Blue Heron Golf Course – This fund accounts for operation and maintenance of an 18-hole public golf course that is owned and operated by the County.

Recreation Programs – This fund accounts for self-supporting recreation programs wherein user charges cover the majority of operating expenditures.

Public Landings – This fund accounts for operation, maintenance, and major repairs of public landings and bulkheads. For a fee, the general public has access to these landings to launch small craft into the many waterways that surround the County.

Property Management – This fund accounts for the operation, maintenance and major repairs associated with the County's many parks and public facilities.

QUEEN ANNE'S COUNTY, MARYLAND

COMBINING STATEMENT OF NET ASSETS

NON-MAJOR ENTERPRISE FUNDS

JUNE 30, 2009

ASSETS	GOLF COURSE	RECREATION PROGRAMS	PUBLIC LANDINGS
Current Assets			
Equity in Pooled Cash	$ 48,040	$ 276,651	$ 332,111
Accounts Receivable (Net)	-	52,334	-
Due from Other Funds	-	40,000	-
Due from Other Governments	-	-	76,204
Inventories	8,432	-	-
Prepaid Expenses	-	9,950	-
Total Current Assets	56,472	378,935	408,315
Capital Assets			
Land, Improved and Unimproved	1,904,522	-	559,862
Buildings and Improvements to Buildings	297,946	-	-
Improvements Other Than Buildings	122,268	-	1,894,110
Automotive Equipment	22,835	-	10,880
Equipment	583,046	-	56,814
Furniture and Fixtures	-	24,023	4,979
Construction in Progress	-	-	99,034
Capital Assets before Depreciation	2,930,617	24,023	2,625,679
Less Accumulated Depreciation	(511,601)	(10,728)	(203,580)
Total Capital Assets, Net of Accumulated Depreciation	2,419,016	13,295	2,422,099
Total Noncurrent Assets	2,419,016	13,295	2,422,099
Total Assets	2,475,488	392,230	2,830,414
LIABILITIES			
Current Liabilities			
Accounts Payable	8,300	37,959	68,686
Accrued Interest Payable	6,327	-	-
Escrow Deposits	-	4,104	-
Due to Other Funds	40,000	-	-
Unearned Revenue	1,252	1,800	-
Current Portion of Compensated Absences	411	456	22,283
Current Portion of Bonds/Notes Payable	71,763	-	-
Total Current Liabilities	128,053	44,319	90,969
Noncurrent Liabilities			
Compensated Absences	182	202	9,862
Other Post-Employment Benefit Obligation	-	7,579	20,074
Bonds/Notes Payable	808,707	-	-
Total Noncurrent Liabilities	808,889	7,781	29,936
Total Liabilities	936,942	52,100	120,905
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,538,546	13,295	2,422,099
Unrestricted	-	326,835	287,410
Total Net Assets	$ 1,538,546	$ 340,130	$ 2,709,509

QUEEN ANNE'S COUNTY, MARYLAND

COMBINING STATEMENT OF NET ASSETS

NON-MAJOR ENTERPRISE FUNDS

JUNE 30, 2009

(CONTINUED)

PROPERTY MANAGEMENT	TOTAL PARKS AND RECREATION	PUBLIC MARINAS	TOTAL NON-MAJOR ENTERPRISE
$ 60,138	$ 716,940	$ 290,790	$ 1,007,730
32,858	85,192	-	85,192
-	40,000	-	40,000
5,000	81,204	-	81,204
-	8,432	-	8,432
-	9,950	-	9,950
97,996	941,718	290,790	1,232,508
49,335	2,513,719	209,248	2,722,967
2,362,024	2,659,970	-	2,659,970
99,013	2,115,391	401,542	2,516,933
49,730	83,445	-	83,445
156,461	796,321	-	796,321
1,748	30,750	-	30,750
-	99,034	104,808	203,842
2,718,311	8,298,630	715,598	9,014,228
(439,751)	(1,165,660)	(57,983)	(1,223,643)
2,278,560	7,132,970	657,615	7,790,585
2,278,560	7,132,970	657,615	7,790,585
2,376,556	8,074,688	948,405	9,023,093
19,258	134,203	1,242	135,445
-	6,327	756	7,083
6,650	10,754	-	10,754
-	40,000	507	40,507
12,000	15,052	-	15,052
-	23,150	-	23,150
-	71,763	8,283	80,046
37,908	301,249	10,788	312,037
-	10,246	-	10,246
48,922	76,575	-	76,575
-	808,707	50,804	859,511
48,922	895,528	50,804	946,332
86,830	1,196,777	61,592	1,258,369
2,278,560	6,252,500	598,528	6,851,028
11,166	625,411	288,285	913,696
$ 2,289,726	$ 6,877,911	$ 886,813	$ 7,764,724

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GOLF COURSE	RECREATION PROGRAMS	PUBLIC LANDINGS
OPERATING REVENUES			
Charges for Services	$ 282,937	$ 439,774	$ 256,730
Intergovernmental	-	5,198	37,325
Material Sales	41,345	-	-
Miscellaneous Revenues	5,618	27,680	43,296
Total Operating Revenues	329,900	472,652	337,351
OPERATING EXPENSES			
Cost of Sales and Services			
Parks and Recreation	356,321	529,059	381,414
Public Marinas	-	-	-
Total Cost of Sales and Services	356,321	529,059	381,414
Depreciation	41,877	1,650	33,262
Total Operating Expenses	398,198	530,709	414,676
Operating Income (Loss)	(68,298)	(58,057)	(77,325)
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	(46,203)	-	-
Gain on Disposal of Capital Assets	35,629	-	-
Total Non-Operating (Expenses)	(10,574)	-	-
Gain (Loss) Before Contributions and Transfers	(78,872)	(58,057)	(77,325)
Capital Contributions, Fees and Grants	3,464	-	60,604
Transfers In	1,540,671	43,000	-
Change in Net Assets	1,465,263	(15,057)	(16,721)
Total Net Assets - Beginning of Year	73,283	355,187	2,726,230
Total Net Assets - End of Year	$ 1,538,546	$ 340,130	$ 2,709,509

QUEEN ANNE'S COUNTY, MARYLAND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

PROPERTY MANAGEMENT	TOTAL PARKS AND RECREATION	PUBLIC MARINAS	TOTAL NON-MAJOR ENTERPRISE
$ 546,803	$ 1,526,244	$ 100,250	$ 1,626,494
3,301	45,824	-	45,824
12,831	54,176	-	54,176
19,314	95,908	-	95,908
582,249	1,722,152	100,250	1,822,402
745,322	2,012,116	-	2,012,116
-	-	28,427	28,427
745,322	2,012,116	28,427	2,040,543
78,684	155,473	8,031	163,504
824,006	2,167,589	36,458	2,204,047
(241,757)	(445,437)	63,792	(381,645)
-	(46,203)	(1,592)	(47,795)
-	35,629	-	35,629
-	(10,574)	(1,592)	(12,166)
(241,757)	(456,011)	62,200	(393,811)
5,000	69,068	-	69,068
371,250	1,954,921	17,061	1,971,982
134,493	1,567,978	79,261	1,647,239
2,155,233	5,309,933	807,552	6,117,485
$ 2,289,726	$ 6,877,911	$ 886,813	$ 7,764,724

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GOLF COURSE	RECREATION PROGRAMS	PUBLIC LANDINGS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 283,117	$ 397,002	$ 256,601
Receipts from other operating revenues	68,499	32,878	32,507
Payments to suppliers	(314,741)	(401,154)	(37,002)
Payments to employees and on behalf of employees	(64,489)	(162,427)	(279,709)
Net Cash Provided (Used) by Operating Activities	(27,614)	(133,701)	(27,603)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	1,540,671	43,000	-
Loan proceeds from interfund loans	40,000	-	-
Principal paid on interfund loans	(1,436,065)	-	-
Net Cash Provided by Noncapital Financing Activities	144,606	43,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the disposition of capital assets	35,629	-	-
Receipts from capital grants and contributions	3,464	-	60,604
Principal paid on capital debt	(60,000)	-	-
Interest paid on capital debt	(43,474)	-	-
Acquisition and Construction of Capital Assets	(4,571)	(7,518)	(68,945)
Net Cash Provided (Used) by Capital and Related Financing Activities	(68,952)	(7,518)	(8,341)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash Provided (Used) by Investing Activities	-	-	-
Net increase (decrease) in cash and cash equivalents	48,040	(98,219)	(35,944)
Balances - Beginning of year	-	374,870	368,055
Balances - End of year	$ 48,040	$ 276,651	$ 332,111
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (68,298)	$ (58,057)	$ (77,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	41,877	1,650	33,262
Changes in assets and liabilities:			
Accounts receivable, net	660	(43,124)	-
Operating grants receivable	21,536	-	(48,114)
Inventories and Prepaid Expenses	(3,176)	(9,951)	-
Vendor accounts payable	(19,271)	(32,262)	39,316
Compensated absences	(462)	112	5,313
Other Post-Employment Benefit Obligation	-	7,579	20,074
Escrow deposits payable	-	(2)	-
Deferred revenue collected in advance	(480)	354	(129)
Net Cash Provided (Used) by Operating Activities	$ (27,614)	$ (133,701)	$ (27,603)

QUEEN ANNE'S COUNTY, MARYLAND

COMBINING STATEMENT OF CASH FLOWS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

PROPERTY MANAGEMENT	TOTAL PARKS AND RECREATION	PUBLIC MARINAS	TOTAL NON-MAJOR ENTERPRISE
$ 530,495	$ 1,467,215	$ 100,250	$ 1,567,465
99,581	233,465	-	233,465
(281,861)	(1,034,758)	(48,771)	(1,083,529)
(432,854)	(939,479)	(3,307)	(942,786)
(84,639)	(273,557)	48,172	(225,385)
371,250	1,954,921	17,061	1,971,982
-	40,000	507	40,507
(226,524)	(1,662,589)	(14,025)	(1,676,614)
144,726	332,332	3,543	335,875
-	35,629	-	35,629
5,000	69,068	-	69,068
-	(60,000)	(8,230)	(68,230)
-	(43,474)	(1,620)	(45,094)
(4,949)	(85,983)	(22,545)	(108,528)
51	(84,760)	(32,395)	(117,155)
-	-	-	-
60,138	(25,985)	19,320	(6,665)
-	742,925	271,470	1,014,395
$ 60,138	$ 716,940	$ 290,790	$ 1,007,730
$ (241,757)	$ (445,437)	$ 63,792	$ (381,645)
78,684	155,473	8,031	163,504
(31,508)	(73,972)	-	(73,972)
64,135	37,557	-	37,557
-	(13,127)	-	(13,127)
(18,315)	(30,532)	(23,651)	(54,183)
-	4,963	-	4,963
48,922	76,575	-	76,575
3,200	3,198	-	3,198
12,000	11,745	-	11,745
$ (84,639)	$ (273,557)	$ 48,172	$ (225,385)

QUEEN ANNE'S COUNTY

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FIDUCIARY FUNDS

Fiduciary funds account for assets held for others, in a trustee or agency capacity, which cannot be used to support other government programs.

Pension and Other Employee Benefit Trust Funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. The County's one Other Post-Employment Benefit (OPEB) Trust Fund accounts for retiree benefit plans and is reported as part of the Basic Financial Statements. Additional combining schedules for the OPEB Trust Fund are included in this section.

Agency Funds account for assets held by the County on behalf of individuals, private organizations, or other governments and/or funds. Additional combining schedules for the County's Agency Funds are included in this section.

QUEEN ANNE'S COUNTY

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OTHER POST-EMPLOYMENT BENEFIT (OPEB) TRUST FUNDS

The County established a Trust entity, entitled "Other Post-Employment Benefit Trust – County Commissioners of Queen Anne's County, County Commissioners of Kent County, and Participating Agencies" (OPEB Trust), to accumulate resources and account for and report retiree benefit plans for the participating agencies.

Participating agencies in the OPEB Trust Fund are as follows:

Queen Anne's County & Public Housing Authority
Queen Anne's County Board of Education
Queen Anne's County Library
Kent County

AGENCY FUNDS

Agency funds are as follows:

Tax Ditch – This fund accounts for special taxing district revenues that are used to maintain drainage ditches located in parts of the County.

Zoning Deposits – This fund accounts for performance deposits required under various sections of the Zoning Ordinance.

State and Town Tax Collections – This fund accounts for collections received by the County on behalf of the State of Maryland and incorporated towns located within the County. These taxes are collected by the County along with County taxes and are then remitted to the proper jurisdiction.

Motor Vehicle Administration Deposits – This fund accounts for funds collected by the County for State vehicle registration fees.

Mid-shore Regional Recycling Program (MRRP) – This fund accounts for activities of the regional recycling effort that is supported by four counties, including Queen Anne's County.

Escheat – Abandoned Property – This fund accounts for stale-dated County payroll and disbursements checks that are voided by the County after six months and remitted to the State after three years as abandoned property. In accordance with State statutes, these funds are available to be claimed by the original payee or they revert to the State.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
JUNE 30, 2009

	QUEEN ANNE'S COUNTY & PUBLIC HOUSING AUTHORITY	QUEEN ANNE'S COUNTY BOARD OF EDUCATION	QUEEN ANNE'S COUNTY LIBRARY	KENT COUNTY	TOTAL OPEB TRUST FUNDS
ASSETS					
Cash and Cash Equivalents	$ 500,018	$ 500,018	$ 30,001	$ 155,005	$ 1,185,042
Total Assets	500,018	500,018	30,001	155,005	1,185,042
LIABILITIES					
Due to Other Governments	-	-	-	155,005	155,005
Total Liabilities	-	-	-	155,005	155,005
NET ASSETS HELD IN TRUST	$ 500,018	$ 500,018	$ 30,001	$ -	$ 1,030,037

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
OTHER POST-EMPLOYMENT BENEFIT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2009

	QUEEN ANNE'S COUNTY & PUBLIC HOUSING AUTHORITY	QUEEN ANNE'S COUNTY BOARD OF EDUCATION	QUEEN ANNE'S COUNTY LIBRARY	TOTAL OPEB TRUST FUNDS
ADDITIONS				
Contributions				
Employers	$ 1,007,955	$ 1,534,955	$ 38,234	$ 2,581,144
Members	182,137	525,000	3,176	710,313
Total Contributions	1,190,092	2,059,955	41,410	3,291,457
Investment Income	18	18	1	37
Total Additions	1,190,110	2,059,973	41,411	3,291,494
DEDUCTIONS				
Claims Paid	690,092	1,559,955	11,410	2,261,457
Change in Assets	500,018	500,018	30,001	1,030,037
NET ASSETS HELD IN TRUST				
Net Assets - Beginning of Year	-	-	-	-
Net Assets - End of Year	$ 500,018	$ 500,018	$ 30,001	$ 1,030,037

QUEEN ANNE'S COUNTY

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QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2009

	TAX DITCH FUND	ZONING DEPOSITS	STATE & TOWN TAX COLLECTIONS	MOTOR VEHICLE ADMIN DEPOSITS	MIDSHORE REGIONAL RECYCLING	ESCHEAT - ABANDONED PROPERTY	TOTAL AGENCY FUNDS
ASSETS							
Cash and Cash Equivalents	$ 121,219	$ 159,217	$ 81,068	$ 10,342	$ -	$ 2,363	$ 374,209
Miscellaneous Receivables	-	-	-	-	165,626	-	165,626
Total Assets	$ 121,219	$ 159,217	$ 81,068	$ 10,342	$ 165,626	$ 2,363	$ 539,835
LIABILITIES							
Due to Other Governments	$ -	$ -	$ 81,068	$ 10,342	$ 165,626	$ 2,087	$ 259,123
Deposits and Escrows	121,219	159,217	-	-	-	276	280,712
Total Liabilities	$ 121,219	$ 159,217	$ 81,068	$ 10,342	$ 165,626	$ 2,363	$ 539,835

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Cash	Miscellaneous Receivables	Total Assets
TAX DITCH FUND			
Balance 7-1-08	$ 129,983	$ -	$ 129,983
Additions	30,950	-	30,950
Deductions	(39,714)	-	(39,714)
Balance 6-30-09	$ 121,219	$ -	$ 121,219
ZONING DEPOSITS			
Balance 7-1-08	$ 146,698	$ -	$ 146,698
Additions	14,552	-	14,552
Deductions	(2,033)	-	(2,033)
Balance 6-30-09	$ 159,217	$ -	$ 159,217
STATE AND TOWN TAX COLLECTIONS			
Balance 7-1-08	$ 74,928	$ -	$ 74,928
Additions	11,384,904	-	11,384,904
Deductions	(11,378,764)	-	(11,378,764)
Balance 6-30-09	$ 81,068	$ -	$ 81,068
MOTOR VEHICLE ADMIN DEPOSITS			
Balance 7-1-08	$ 4,197	$ -	$ 4,197
Additions	352,957	-	352,957
Deductions	(346,812)	-	(346,812)
Balance 6-30-09	$ 10,342	$ -	$ 10,342
MIDSHORE REGIONAL RECYCLING			
Balance 7-1-08	$ -	$ 114,352	$ 114,352
Additions	942,235	170,896	1,113,131
Deductions	(942,235)	(119,622)	(1,061,857)
Balance 6-30-09	$ -	$ 165,626	$ 165,626
ESCHEAT - ABANDONED PROPERTY			
Balance 7-1-08	$ 1,379	$ -	$ 1,379
Additions	2,323	-	2,323
Deductions	(1,339)	-	(1,339)
Balance 6-30-09	$ 2,363	$ -	$ 2,363
TOTALS - ALL AGENCY FUNDS			
Balance 7-1-08	$ 357,185	$ 114,352	$ 471,537
Additions	12,727,921	170,896	12,898,817
Deductions	(12,710,897)	(119,622)	(12,830,519)
Balance 6-30-09	$ 374,209	$ 165,626	$ 539,835

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

(CONTINUED)

Due to Other Governments	Escrow Deposits	Total Liabilities
$ -	$ 129,983	$ 129,983
-	-	-
-	(8,764)	(8,764)
$ -	$ 121,219	$ 121,219
$ -	$ 146,698	$ 146,698
-	14,552	14,552
-	(2,033)	(2,033)
$ -	$ 159,217	$ 159,217
$ 74,928	$ -	$ 74,928
11,384,904	-	11,384,904
(11,378,764)	-	(11,378,764)
$ 81,068	$ -	$ 81,068
$ 4,197	$ -	$ 4,197
352,250	-	352,250
(346,105)	-	(346,105)
$ 10,342	$ -	$ 10,342
$ 114,352	$ -	$ 114,352
374,575	-	374,575
(323,301)	-	(323,301)
$ 165,626	$ -	$ 165,626
$ 1,339	$ 40	$ 1,379
2,087	236	2,323
(1,339)	-	(1,339)
$ 2,087	$ 276	$ 2,363
$ 194,816	$ 276,721	$ 471,537
12,113,816	14,788	12,128,604
(12,049,509)	(10,797)	(12,060,306)
$ 259,123	$ 280,712	$ 539,835

QUEEN ANNE'S COUNTY

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Changes in Capital Assets
Interfund Receivables and Payables
Interfund Transfers

Capital Assets are material physical assets whose useful lives exceed one year. Capital Assets represent a significant portion of the County's total assets. The capital asset schedule included in this section outlines the types of changes that took place in governmental capital assets during the fiscal year.

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant funds are received. Occasionally, these receivables and payables are used in lieu of short-term external borrowing, such as for capital lease agreements.

Interfund Transfers represent a transfer of resources from one fund to another, without expectation of repayment, and are usually undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County.

The following detailed schedules of changes in capital assets, interfund receivables and payables, and interfund transfers are optional schedules added in order to clarify the tables found in Note 6 – Capital Assets, Note 7 – Interfund Receivables and Payables, and Note 8 – Interfund Transfers. The note schedules are more condensed and show totals by fund type, whereas the following detailed schedules provide totals by individual funds.

QUEEN ANNE'S COUNTY

VINCIT OMNIA VERITAS

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QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Governmental Activities	Governmental Capital Outlay	Traded & Transferred Capital Outlay	Governmental Force in Kind Expenditures	General Capital Projects	Roads Capital Projects	Capital Asset Donations Received	Less General Capital Project Retirements	Less Capital Asset Retirements	Less Current Year Depreciation Expense	Change in Capital Assets
Capital Assets, not being depreciated:										
Land	$ -	$ 283,648	$ -	$ 1,107,323	$ -	$ -	$ -	$ (1,362,723)	$ -	$ 28,248
Land Improvements	-	-	-	86,033	-	-	-	-	-	86,033
Construction in Progress	-	-	296,140	5,915,226	(829,141)	-	(1,278,275)	(17,323)	-	4,086,627
Land - Inexhaustible Infrastructure Improvements	-	-	-	46,837	31,668	-	-	(597)	-	77,908
Total Capital Assets, not being depreciated	-	283,648	296,140	7,155,419	(797,473)	-	(1,278,275)	(1,380,643)	-	4,278,816
Capital Assets, being depreciated:										
Buildings and Building Improvements	103,059	1,138,246	-	372,560	229,144	-	-	(1,395,915)	-	447,094
Improvements other than Buildings	-	35,322	-	262,819	-	-	-	(37,845)	-	260,296
Vehicles	150,397	4,270	-	610,455	-	5,000	-	(73,623)	-	696,499
Equipment	657,789	-	-	226,028	-	12,600	-	(88,200)	-	808,217
Furniture and Fixtures	280,451	-	-	18,203	-	-	-	(49,339)	-	249,315
Infrastructure Improvements - Depreciable	-	-	-	11,709	601,692	-	-	(11,347)	-	602,054
Total Capital Assets, being depreciated	1,191,696	1,177,838	-	1,501,774	830,836	17,600	-	(1,656,269)	-	3,063,475
Less Accumulated Depreciation	-	-	-	-	-	-	-	440,961	(3,049,539)	(2,608,578)
Total Capital Assets, being depreciated, net	1,191,696	1,177,838	-	1,501,774	830,836	17,600	-	(1,215,308)	(3,049,539)	454,897
Total Increase (Decrease) in Capital Assets	$ 1,191,696	$ 1,461,486	$ 296,140	$ 8,657,193	$ 33,363	$ 17,600	$ (1,278,275)	$ (2,595,951)	$ (3,049,539)	$ 4,733,713

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
JUNE 30, 2009

	DUE FROM FUND					
	MAJOR GOVERNMENTAL	NON-MAJOR GOVERNMENTAL				
DUE TO FUND	GENERAL CAPITAL PROJECTS	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	COMMUNITY PARTNERSHIPS FOR CHILDREN	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES	SUBTOTAL
General Fund	$ -	$ 165,291	$ 24,445	$ 39,344	$ 72,481	$ 301,561
Capital Projects Funds						
General Capital Projects	-	-	-	-	-	-
Enterprise Funds						
Sanitary District - Sewer Operating	-	-	-	-	-	-
Parks and Recreation - Recreational Program	-	-	-	-	-	-
Total Transfers Out by Enterprise Funds	-	-	-	-	-	-
Component units						
Queen Anne's County Board of Education	635,771	-	-	-	-	-
TOTAL ALL FUNDS	$ 635,771	$ 165,291	$ 24,445	$ 39,344	$ 72,481	$ 301,561

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
JUNE 30, 2009

(CONTINUED)

MAJOR ENTERPRISE			NON-MAJOR ENTERPRISE			COMPONENT UNITS	
	SANITARY DISTRICT					QUEEN ANNE'S	
RESTRICTED FUND	DEBT SERVICE FUND	SUBTOTAL	GOLF COURSE	PUBLIC MARINAS	SUBTOTAL	COUNTY HOUSING AUTHORITY	TOTAL
$ -	$ -	$ -	$ -	$ 507	$ 507	$ 454,157	$ 756,225
40,000	-	40,000	-	-	-	-	40,000
-	40,341	40,341	-	-	-	-	40,341
-	-	-	40,000	-	40,000	-	40,000
-	40,341	40,341	40,000	-	40,000	-	80,341
-	-	-	-	-	-	-	635,771
$ 40,000	$ 40,341	$ 80,341	$ 40,000	$ 507	$ 40,507	$ 454,157	$ 1,512,337

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND TRANSFERS
JUNE 30, 2009

		TRANSFERS IN FUND			
		MAJOR GOVERNMENTAL			
TRANSFERS OUT FUND	TRANSFERS OUT TOTAL	GENERAL FUND	GENERAL CAPITAL PROJECTS	ROADS BOARD	SUBTOTAL
General Fund	$ 2,573,612	$ -	$ 21,483	$ 30,616	$ 52,099
Capital Projects Funds					
General Capital Projects (1)	3,808,465	543,019	-	-	543,019
Roads Capital Projects	20,000	-	20,000	-	20,000
Impact Fees - Schools	1,408,120	1,408,120	-	-	1,408,120
Total Transfers Out by Capital Projects Funds	5,236,585	1,951,139	20,000	-	1,971,139
Special Revenue Funds					
Kent Narrows	45,415	45,415	-	-	45,415
Community Partnerships	23,660	23,660	-	-	23,660
Agricultural Transfer	1,000,000	-	-	-	-
Total Transfers Out by Special Revenue Funds	1,069,075	69,075	-	-	69,075
Major Enterprise Funds					
Sanitary District - Restricted	1,343,312	-	-	-	-
Sanitary District - Debt Service	2,114,845	-	-	-	-
Total Transfers Out by Major Enterprise Funds	3,458,157	-	-	-	-
Total Transfers Out by All Funds	$ 12,337,429	$ 2,020,214	$ 41,483	$ 30,616	$ 2,092,313

(1) In fiscal year 2009, the General Capital Projects Fund transferred 2006 bond proceeds in the amount of $81,699 to the Bay Bridge Airport Enterprise Fund. This transaction was appropriately recorded on the Airport's books as an increase to debt liability and on the General Capital Projects Fund's books as a transfer out. Because enterprise funds and governmental funds record such transactions differently, the $81,699 is reported only as a transfer out with no corresponding transfer in.

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND TRANSFERS
JUNE 30, 2009

(CONTINUED)

NON-MAJOR GOVERNMENTAL

DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	COMMUNITY PARTNERSHIPS FOR CHILDREN	RURAL LEGACY ADM / EASEMENT	LAW LIBRARY	AGRICULTURAL TRANSFER	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES	SUBTOTAL
$ 1,622,471	$ 416,742	$ 105,384	$ -	$ 8,520	$ 32,000	$ 37,069	$ 2,222,186
-	-	-	-	-	135,000	-	135,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	135,000	-	135,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,000,000	-	-	-	1,000,000
-	-	-	1,000,000	-	-	-	1,000,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 1,622,471	$ 416,742	$ 105,384	$ 1,000,000	$ 8,520	$ 167,000	$ 37,069	$ 3,357,186

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND TRANSFERS
JUNE 30, 2009

(CONTINUED)

	TRANSFERS IN FUND					
	MAJOR ENTERPRISE					
	SANITARY DISTRICT					
TRANSFERS OUT FUND	SEWER OPERATIONS	WATER OPERATIONS	DEBT SERVICE FUND	SUBTOTAL	BAY BRIDGE AIRPORT	SUBTOTAL
General Fund	$ 4,592	$ 157,307	$ -	$ 161,899	$ 34,308	$ 196,207
Capital Projects Funds						
General Capital Projects	233,000	-	-	233,000	946,885	1,179,885
Roads Capital Projects	-	-	-	-	-	-
Impact Fees - Schools	-	-	-	-	-	-
Total Transfers Out by Capital Projects Funds	233,000	-	-	233,000	946,885	1,179,885
Special Revenue Funds						
Kent Narrows	-	-	-	-	-	-
Community Partnerships	-	-	-	-	-	-
Agricultural Transfer	-	-	-	-	-	-
Total Transfers Out by Special Revenue Funds	-	-	-	-	-	-
Enterprise Funds						
Sanitary District - Restricted	-	288,805	1,054,507	1,343,312	-	1,343,312
Sanitary District - Debt Service	1,738,631	376,214	-	2,114,845	-	2,114,845
Total Transfers Out by Enterprise Funds	1,738,631	665,019	1,054,507	3,458,157	-	3,458,157
Total Transfers Out by All Funds	$ 1,976,223	$ 822,326	$ 1,054,507	$ 3,853,056	$ 981,193	$ 4,834,249

QUEEN ANNE'S COUNTY, MARYLAND
DETAILED SCHEDULE OF INTERFUND TRANSFERS
JUNE 30, 2009

(CONTINUED)

NON-MAJOR ENTERPRISE					
GOLF COURSE	RECREATION PROGRAMS	PROPERTY MANAGEMENT	PUBLIC MARINAS	SUBTOTAL	TRANSFERS IN TOTAL
$ 154	$ 43,000	$ 56,930	$ 3,036	$ 103,120	$ 2,573,612
1,540,517	-	314,320	14,025	1,868,862	3,726,766
-	-	-	-	-	20,000
-	-	-	-	-	1,408,120
1,540,517	-	314,320	14,025	1,868,862	5,154,886
-	-	-	-	-	45,415
-	-	-	-	-	23,660
-	-	-	-	-	1,000,000
-	-	-	-	-	1,069,075
-	-	-	-	-	1,343,312
-	-	-	-	-	2,114,845
-	-	-	-	-	3,458,157
$ 1,540,671	$ 43,000	$ 371,250	$ 17,061	$ 1,971,982	$ 12,255,730

QUEEN ANNE'S COUNTY

VINCIT OMNIA VERITAS

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Community Partnerships for Children

Community Partnerships for Children is reported as a Non-Major Special Revenue Fund in the County’s financial statements. In lieu of preparing separate audited financial statements for the Partnership, additional schedules have been added to the County’s financial statements to meet requirements of the Partnership’s grantor agencies.

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
COMBINING BALANCE SHEETS
BY GRANTOR
JUNE 30, 2009 (with Summarized Totals as of June 30, 2008)

	Admin	Fed/State GOCCP GOC	Federal Family Support Ctr	Federal Drug-Free Community SAMHSA	State CSAFE	State OTHER
ASSETS						
Cash and cash equivalents	$ 14,059	$ 913,420	$ 4,131	$ -	$ -	$ 33,908
Accounts receivable	2,140	-	-	-	-	-
Due from State governmental agencies	51,595	157,655	-	-	17,381	-
Due from Federal governmental agencies	-	37,308	-	28,985	-	-
Total Assets	$ 67,794	$ 1,108,383	$ 4,131	$ 28,985	$ 17,381	$ 33,908
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenditures	$ 7,686	$ 267,338	$ -	$ 433	$ 6,589	$ -
Due to other funds	-	-	-	28,552	10,792	-
Due to (from) State governmental agencies	(21,973)	580,153	4,131	-	-	33,908
Deferred revenue	-	258,287	-	-	-	-
Total Liabilities	(14,287)	1,105,778	4,131	28,985	17,381	33,908
FUND BALANCES						
Reserved						
Donor-Specified Purposes	50	1,000	-	-	-	-
Total Reserved	50	1,000	-	-	-	-
Unreserved	82,031	1,605	-	-	-	-
Total Fund Balances	82,081	2,605	-	-	-	-
Total Liabilities and Fund Balances	$ 67,794	$ 1,108,383	$ 4,131	$ 28,985	$ 17,381	$ 33,908

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
COMBINING BALANCE SHEETS
BY GRANTOR
JUNE 30, 2009 (with Summarized Totals as of June 30, 2008)
(CONTINUED)

Total Community Partnerships	Returned Reinvestment Fund	2009 Total	2008 Summarized Total
$ 965,518	$ 5,350	$ 970,868	$ 1,088,399
2,140	-	2,140	91,733
226,631	-	226,631	169,354
66,293	-	66,293	82,712
$ 1,260,582	$ 5,350	$ 1,265,932	$ 1,432,198
$ 282,046	$ -	$ 282,046	$ 713,598
39,344	-	39,344	29,148
596,219	-	596,219	421,218
258,287	-	258,287	47,964
1,175,896	-	1,175,896	1,211,928
1,050	-	1,050	1,050
1,050	-	1,050	1,050
83,636	5,350	88,986	219,220
84,686	5,350	90,036	220,270
$ 1,260,582	$ 5,350	$ 1,265,932	$ 1,432,198

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2009 (with Summarized Totals for the Year Ended June 30, 2008)

		Federal/State GOCCP/GOC				
	Administrative Operating Fund Total	POS Return	POS In-State Diversion	POS Diversion	CASA Start	Resource Promotion
REVENUES						
CPA						
Intergovernmental						
GOC	$ 306,130	$ 160,334	$ -	$ 50,000	$ 59,458	$ 98,020
GOC - Carryforward	-	-	4,733	-	-	-
Subtotal CPA	306,130	160,334	4,733	50,000	59,458	98,020
Non-CPA						
Intergovernmental						
Federal GOCCP Youth Strategies	-	-	-	-	68,844	-
Federal SAMHSA Drug-Free Communities	-	-	-	-	-	-
Federal MSDE Healthy Families	-	-	-	-	-	-
GOC - non-CPA	-	-	-	-	-	-
Other	-	-	-	-	-	-
Investment Income	8,736	-	-	-	-	-
Donations	-	-	-	-	-	-
Miscellaneous	25,188	-	-	-	-	-
Subtotal Non-CPA	33,924	-	-	-	68,844	-
Total Revenues	340,054	160,334	4,733	50,000	128,302	98,020
EXPENDITURES						
CPA						
Program Contracted Services	-	160,334	4,733	-	59,458	98,020
Other Expenditures						
Salaries	216,488	-	-	-	-	-
Fringe Benefit Costs	79,238	-	-	-	-	-
Auditing	2,686	-	-	-	-	-
Consultants	19,498	-	-	-	-	-
Professional Groups	500	-	-	-	-	-
Equipment Rental	4,200	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-
Postage	1,838	-	-	-	-	-
Office Supplies	3,060	-	-	-	-	-
Printing and Publishing	-	-	-	-	-	-
Equipment Operation	380	-	-	-	-	-
Business Travel	152	-	-	-	-	-
Meetings & Conferences	3,558	-	-	-	-	-
Training	368	-	-	-	-	-
Board's Expenditures	5,146	-	-	-	-	-
Advertising	500	-	-	-	-	-
Marketing/Promotions	-	-	-	-	-	-
Communications	1,073	-	-	-	-	-
Utilities	1,654	-	-	-	-	-
Rent	19,185	-	-	-	-	-
Other Charges	1,990	-	-	-	-	-
Subtotal CPA Expenditures	361,514	160,334	4,733	-	59,458	98,020
Non-CPA						
Program Contracted Services	-	-	-	-	68,844	-
Other Expenditures						
Salaries	23,017	-	-	-	-	-
Fringe Benefit Costs	-	-	-	-	-	-
Auditing	903	-	-	-	-	-
Consultants	7,702	-	-	-	-	-
Professional Groups	150	-	-	-	-	-
Equipment Rental	1,251	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Printing and Publishing	-	-	-	-	-	-
Meetings & Conferences	-	-	-	-	-	-
Training	-	-	-	-	-	-
Marketing/Promotions	-	-	-	-	-	-
Communications	54	-	-	-	-	-
Utilities	-	-	-	-	-	-
Rent	847	-	-	-	-	-
Subtotal Non-CPA Expenditures	33,924	-	-	-	68,844	-
Total Expenditures	395,438	160,334	4,733	-	128,302	98,020
Excess of Revenues Over (Under) Expenditures	(55,384)	-	-	50,000	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In (Out) within Partnerships	50,000	-	-	-	-	-
Transfers Out	-	-	-	(50,000)	-	-
Transfers In (Out) for						
Program Contracted Services - In	5,384	-	-	-	-	-
Program Contracted Services - Out	-	-	-	-	-	-
Other Financing Sources (Uses)	55,384	-	-	(50,000)	-	-
Net Increase (Decrease) in Fund Balances	$ -	$ -	$ -	$ -	$ -	$ -

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2009 (with Summarized Totals for the Year Ended June 30, 2008)

(CONTINUED)

Federal/State GOCCP/GOC							
Chesapeake Helps	Healthy Fam/Home Visiting	Family Navigators	MD After School Opportunity	Character Counts	Child Mental Certification	Rising Star Youth Leadership	GOCCP/GOC Operating Fund Total
$ 130,052	$ 99,978	$ 168,753	$ 86,450	$ 20,199	$ -	$ -	$ 873,244
-	-	-	-	-	-	-	4,733
130,052	99,978	168,753	86,450	20,199	-	-	877,977
-	-	-	-	-	-	-	68,844
-	-	-	-	-	-	-	-
-	296,372	-	-	-	-	-	296,372
-	-	-	-	-	1,600	4,000	5,600
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	296,372	-	-	-	1,600	4,000	370,816
130,052	396,350	168,753	86,450	20,199	1,600	4,000	1,248,793
130,052	99,978	168,753	86,450	-	-	-	807,778
-	-	-	-	4,573	-	-	4,573
-	-	-	-	376	-	-	376
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,915	-	-	3,915
-	-	-	-	246	-	-	246
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,539	-	-	1,539
-	-	-	-	224	-	-	224
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	9,326	-	-	9,326
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
130,052	99,978	168,753	86,450	20,199	-	-	827,977
-	296,372	-	100,000	-	1,600	4,000	470,816
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	296,372	-	100,000	-	1,600	4,000	470,816
130,052	396,350	168,753	186,450	20,199	1,600	4,000	1,298,793
-	-	-	(100,000)	-	-	-	(50,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(50,000)
-	-	-	100,000	-	-		100,000
-	-	-	-	-	-	-	-
-	-	-	100,000	-	-	-	50,000
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CONTINUED

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2009 (with Summarized Totals for the Year Ended June 30, 2008)

(CONTINUED)

	Drug Free Community Operating Fund Total	CSAFE Community Policing	CSAFE Youth Prevention	CSAFE Operating Fund Total	All Programs Subtotal
REVENUES					
CPA					
Intergovernmental					
GOC	$ -	$ -	$ -	$ -	$ 1,179,374
GOC - Carryforward	-	-	-	-	4,733
Subtotal CPA	-	-	-	-	1,184,107
Non-CPA					
Intergovernmental					
Federal GOCCP Youth Strategies	-	-	-	-	68,844
Federal SAMHSA Drug-Free Communities	93,883	-	-	-	93,883
Federal MSDE Healthy Families	-	-	-	-	296,372
GOC - non-CPA	-	-	-	-	5,600
Other	-	22,685	26,147	48,832	48,832
Investment Income	-	-	-	-	8,736
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	25,188
Subtotal Non-CPA	93,883	22,685	26,147	48,832	547,455
Total Revenues	93,883	22,685	26,147	48,832	1,731,562
EXPENDITURES					
CPA					
Program Contracted Services	-	-	-	-	807,778
Other Expenditures					
Salaries	-	-	-	-	221,061
Fringe Benefit Costs	-	-	-	-	79,614
Auditing	-	-	-	-	2,686
Consultants	-	-	-	-	19,498
Professional Groups	-	-	-	-	500
Equipment Rental	-	-	-	-	4,200
Other Contracted Services	-	-	-	-	-
Postage	-	-	-	-	1,838
Office Supplies	-	-	-	-	6,975
Printing and Publishing	-	-	-	-	246
Equipment Operation	-	-	-	-	380
Business Travel	-	-	-	-	152
Meetings & Conferences	-	-	-	-	5,097
Training	-	-	-	-	592
Board's Expenditures	-	-	-	-	5,146
Advertising	-	-	-	-	500
Marketing/Promotions	-	-	-	-	9,326
Communications	-	-	-	-	1,073
Utilities	-	-	-	-	1,654
Rent	-	-	-	-	19,185
Other Charges	-	-	-	-	1,990
Subtotal CPA Expenditures	-	-	-	-	1,189,491
Non-CPA					
Program Contracted Services	-	375	26,147	26,522	497,338
Other Expenditures					
Salaries	29,855	-	-	-	52,872
Fringe Benefit Costs	12,438	-	-	-	12,438
Auditing	361	-	-	-	1,264
Consultants	3,944	-	-	-	11,646
Professional Groups	-	-	-	-	150
Equipment Rental	-	-	-	-	1,251
Other Contracted Services	16,806	-	-	-	16,806
Postage	506	-	-	-	506
Office Supplies	-	-	-	-	-
Printing and Publishing	-	-	-	-	-
Meetings & Conferences	19,934	-	-	-	19,934
Training	-	-	-	-	-
Marketing/Promotions	5,142	-	-	-	5,142
Communications	130	-	-	-	184
Utilities	1,242	-	-	-	1,242
Rent	2,175	-	-	-	3,022
Subtotal Non-CPA Expenditures	92,533	375	26,147	26,522	623,795
Total Expenditures	92,533	375	26,147	26,522	1,813,286
Excess of Revenues Over (Under) Expenditures	1,350	22,310	-	22,310	(81,724)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out) within Partnerships	-	-	-	-	50,000
Transfers Out	-	-	-	-	(50,000)
Transfers In (Out) for					
Program Contracted Services - In	-	-	-	-	105,384
Program Contracted Services - Out	(1,350)	(22,310)	-	(22,310)	(23,660)
Other Financing Sources (Uses)	(1,350)	(22,310)	-	(22,310)	81,724
Net Increase (Decrease) in Fund Balances	$ -	$ -	$ -	$ -	-
Fund Balances, July 1					84,686
Fund Balances, June 30					$ 84,686

CONTINUED

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2009 (with Summarized Totals for the Year Ended June 30, 2008)

(CONTINUED)

State GOC		Federal	Federal			Total			
CPA Subtotal	Non-CPA Subtotal	GOCCP Youth Strategies	Drug Free Community	Federal MSDE	Other	Community Partnerships Operating Funds	Returned Reinvestment Fund	2009 Total	2008 Summarized Total
$ 1,179,374	$ -	$ -	$ -	$ -	$ -	$ 1,179,374	$ -	$ 1,179,374	$ 1,165,465
4,733	-	-	-	-	-	4,733	-	4,733	106,755
1,184,107	-	-	-	-	-	1,184,107	-	1,184,107	1,272,220
-	-	68,844	-	-	-	68,844	-	68,844	93,308
-	-	-	93,883	-	-	93,883	-	93,883	51,319
-	-	-	-	296,372	-	296,372	-	296,372	296,372
-	5,600	-	-	-	-	5,600	-	5,600	20,779
-	-	-	-	-	48,832	48,832	-	48,832	52,420
-	-	-	-	-	8,736	8,736	-	8,736	23,985
-	-	-	-	-	-	-	-	-	500
-	-	-	-	-	25,188	25,188	-	25,188	10,774
-	5,600	68,844	93,883	296,372	82,756	547,455	-	547,455	549,457
1,184,107	5,600	68,844	93,883	296,372	82,756	1,731,562	-	1,731,562	1,821,677
807,778	-	-	-	-	-	807,778	-	807,778	726,810
221,061	-	-	-	-	-	221,061	-	221,061	252,024
79,614	-	-	-	-	-	79,614	-	79,614	97,132
2,686	-	-	-	-	-	2,686	-	2,686	-
19,498	-	-	-	-	-	19,498	-	19,498	21,829
500	-	-	-	-	-	500	-	500	500
4,200	-	-	-	-	-	4,200	-	4,200	4,163
-	-	-	-	-	-	-	-	-	3,393
1,838	-	-	-	-	-	1,838	-	1,838	2,296
6,975	-	-	-	-	-	6,975	-	6,975	10,282
246	-	-	-	-	-	246	-	246	1,533
380	-	-	-	-	-	380	-	380	376
152	-	-	-	-	-	152	-	152	215
5,097	-	-	-	-	-	5,097	-	5,097	6,695
592	-	-	-	-	-	592	-	592	724
5,146	-	-	-	-	-	5,146	-	5,146	6,652
500	-	-	-	-	-	500	-	500	-
9,326	-	-	-	-	-	9,326	-	9,326	7,755
1,073	-	-	-	-	-	1,073	-	1,073	1,310
1,654	-	-	-	-	-	1,654	-	1,654	1,324
19,185	-	-	-	-	-	19,185	-	19,185	19,905
1,990	-	-	-	-	-	1,990	-	1,990	1,053
1,189,491	-	-	-	-	-	1,189,491	-	1,189,491	1,165,971
-	5,600	68,844	-	296,372	126,522	497,338	-	497,338	540,874
-	-	-	29,855	-	23,017	52,872	-	52,872	10,774
-	-	-	12,438	-	-	12,438	-	12,438	-
-	-	-	361	-	903	1,264	-	1,264	-
-	-	-	3,944	-	7,702	11,646	-	11,646	750
-	-	-	-	-	150	150	-	150	-
-	-	-	-	-	1,251	1,251	-	1,251	-
-	-	-	16,806	-	-	16,806	130,234	147,040	27,541
-	-	-	506	-	-	506	-	506	109
-	-	-	-	-	-	-	-	-	435
-	-	-	-	-	-	-	-	-	100
-	-	-	19,934	-	-	19,934	-	19,934	16,215
-	-	-	-	-	-	-	-	-	1,575
-	-	-	5,142	-	-	5,142	-	5,142	775
-	-	-	130	-	54	184	-	184	10
-	-	-	1,242	-	-	1,242	-	1,242	1,069
-	-	-	2,175	-	847	3,022	-	3,022	2,190
-	5,600	68,844	92,533	296,372	160,446	623,795	130,234	754,029	602,417
1,189,491	5,600	68,844	92,533	296,372	160,446	1,813,286	130,234	1,943,520	1,768,388
(5,384)	-	-	1,350	-	(77,690)	(81,724)	(130,234)	(211,958)	53,289
50,000	-	-	-	-	-	50,000	-	50,000	50,000
(50,000)	-	-	-	-	-	(50,000)	-	(50,000)	(50,000)
105,384	-	-	-	-	-	105,384	-	105,384	103,921
-	-	-	(1,350)	-	(22,310)	(23,660)	-	(23,660)	(26,976)
105,384	-	-	(1,350)	-	(22,310)	81,724	-	81,724	76,945
100,000	-	-	-	-	(100,000)	-	(130,234)	(130,234)	130,234
209,408	(6,428)	-	(1,025)	-	(117,269)	84,686	135,584	220,270	90,036
$ 309,408	$ (6,428)	$ -	$ (1,025)	$ -	$ (217,269)	$ 84,686	$ 5,350	$ 90,036	$ 220,270

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2009

	COMMUNITY PARTNERSHIPS FOR CHILDREN				RETURNED REINVESTMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental								
GOC - CPA and Non-CPA	$ 1,318,874	$ 1,318,874	$ 1,189,707	$ (129,167)	$ 147,000	$ -	$ -	$ -
Federal GOCCP Youth Strategies	103,990	103,990	68,844	(35,146)	-	-	-	-
Federal SAMHSA Drug-Free Communities	99,948	129,007	93,883	(35,124)	-	-	-	-
Federal MSDE Healthy Families	296,372	296,372	296,372	-	-	-	-	-
Other	26,226	26,226	48,832	22,606	-	-	-	-
Investment Income	-	-	8,736	8,736	-	-	-	-
Miscellaneous	17,941	17,941	25,188	7,247	-	-	-	-
Total Revenues	1,863,351	1,892,410	1,731,562	(160,848)	147,000	-	-	-
EXPENDITURES								
Program Contracted Services	1,459,348	1,451,811	1,305,116	146,695	25,000	-	-	-
Other Expenditures								
Salaries	284,745	312,096	273,933	38,163	-	-	-	-
Fringe Benefit Costs	119,364	128,609	92,052	36,557	-	-	-	-
Auditing	3,302	3,302	3,950	(648)	-	-	-	-
Consultants	30,400	32,060	31,144	916	-	-	-	-
Professional Groups	500	500	650	(150)	-	-	-	-
Equipment Rental	3,500	3,500	5,451	(1,951)	-	-	-	-
Monitoring Costs	5,500	5,500	-	5,500	-	-	-	-
Other Contracted Services	-	-	16,806	(16,806)	122,000	130,234	130,234	-
Postage	3,100	3,100	2,344	756	-	-	-	-
Office Supplies	10,025	10,025	6,975	3,050	-	-	-	-
Printing and Publishing	7,660	4,160	246	3,914	-	-	-	-
Equipment Operation	800	800	380	420	-	-	-	-
Business Travel	1,000	1,000	152	848	-	-	-	-
Meetings & Conferences	31,608	32,793	25,031	7,762	-	-	-	-
Training	1,950	1,950	592	1,358	-	-	-	-
Board's Expenditures	6,000	6,000	5,146	854	-	-	-	-
Advertising	-	-	500	(500)	-	-	-	-
Marketing/Promotions	5,489	5,489	14,468	(8,979)	-	-	-	-
Communications	1,327	1,327	1,257	70	-	-	-	-
Utilities	2,818	2,818	2,896	(78)	-	-	-	-
Rent	23,375	24,030	22,207	1,823	-	-	-	-
Other Charges	-	-	1,990	(1,990)	-	-	-	-
Capital Outlay CPA	2,000	2,000	-	2,000	-	-	-	-
Total Expenditures	2,003,811	2,032,870	1,813,286	219,584	147,000	130,234	130,234	-
Excess of Revenues Over (Under) Expenditures	(140,460)	(140,460)	(81,724)	58,736	-	(130,234)	(130,234)	-
OTHER FINANCING SOURCES (USES)								
Transfers In (Out) within Partnerships	50,000	50,000	50,000	-	-	-	-	-
Transfers Out	(50,000)	(50,000)	(50,000)	-	-	-	-	-
Transfers In (Out) for:								
Program Contracted Services - In	168,486	168,486	105,384	(63,102)	-	-	-	-
Program Contracted Services - Out	(28,026)	(28,026)	(23,660)	4,366	-	-	-	-
Other Financing Sources (Uses)	140,460	140,460	81,724	(58,736)	-	-	-	-
Net Increase (Decrease) in Fund Balances/Net Assets	$ -	$ -	-	$ -	$ -	$ (130,234)	(130,234)	$ -
Fund Balances, July 1			84,686				135,584	
Fund Balances, June 30			$ 84,686				$ 5,350	

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)

TOTAL			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 1,465,874	$ 1,318,874	$ 1,189,707	$ (129,167)
103,990	103,990	68,844	(35,146)
99,948	129,007	93,883	(35,124)
296,372	296,372	296,372	-
26,226	26,226	48,832	22,606
-	-	8,736	8,736
17,941	17,941	25,188	7,247
2,010,351	1,892,410	1,731,562	(160,848)
1,484,348	1,451,811	1,305,116	146,695
284,745	312,096	273,933	38,163
119,364	128,609	92,052	36,557
3,302	3,302	3,950	(648)
30,400	32,060	31,144	916
500	500	650	(150)
3,500	3,500	5,451	(1,951)
5,500	5,500	-	5,500
122,000	130,234	147,040	(16,806)
3,100	3,100	2,344	756
10,025	10,025	6,975	3,050
7,660	4,160	246	3,914
800	800	380	420
1,000	1,000	152	848
31,608	32,793	25,031	7,762
1,950	1,950	592	1,358
6,000	6,000	5,146	854
-	-	500	(500)
5,489	5,489	14,468	(8,979)
1,327	1,327	1,257	70
2,818	2,818	2,896	(78)
23,375	24,030	22,207	1,823
-	-	1,990	(1,990)
2,000	2,000	-	2,000
2,150,811	2,163,104	1,943,520	219,584
(140,460)	(270,694)	(211,958)	58,736
50,000	50,000	50,000	-
(50,000)	(50,000)	(50,000)	-
168,486	168,486	105,384	(63,102)
(28,026)	(28,026)	(23,660)	4,366
140,460	140,460	81,724	(58,736)
$ -	$ (130,234)	(130,234)	$ -
		220,270	
		$ 90,036	

QUEEN ANNE'S COUNTY

VINCIT OMNIA VERITAS

1706

Queen Anne's County
M A R Y L A N D

2009

Comprehensive Annual Financial Report

for the Fiscal Year ended

June 30, 2009

Statistical Section

STATISTICAL SECTION

The Statistical Section, which fully incorporates information mandated by Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section says about the County's overall financial health:

FINANCIAL TRENDS – Information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY – Information to help the reader assess the County's most significant local revenue sources – the property tax and income tax.

DEBT CAPACITY – Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – Indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Many of these tables cover more than two fiscal years and present data from outside the accounting records. Therefore, the Statistical Section is unaudited.

QUEEN ANNE'S COUNTY

VINCIT OMNIA VERITAS

1706

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
NET ASSETS BY COMPONENT - GOVERNMENT-WIDE
(GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST SEVEN FISCAL YEARS
Table 1

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in capital assets, net of related debt	$ 111,710,606	$ 82,209,646	$ 85,784,267	$ 95,644,000	$ 103,657,227	$ 117,831,360	$ 123,217,989
Restricted	22,167,033	8,118,231	8,418,254	9,842,795	18,012,695	15,376,330	16,582,660
Unrestricted (deficit) (1)	(29,783,476)	(14,178,514)	(6,161,281)	7,339,567	(3,740,905)	(15,075,202)	(26,672,299)
Total Governmental Activities Net Assets	104,094,163	76,149,363	88,041,240	112,826,362	117,929,017	118,132,488	113,128,350
Business-type Activities:							
Invested in capital assets, net of related debt	50,984,848	52,094,337	55,612,719	69,672,273	74,463,912	77,237,512	77,146,688
Restricted	6,482,894	7,857,202	7,742,890	11,733,254	19,133,485	18,276,271	19,886,675
Total Business-type Activities Net Assets	57,467,742	59,951,539	63,355,609	81,405,527	93,597,397	95,513,783	97,033,363
Primary Government:							
Invested in capital assets, net of related debt	162,695,454	134,303,983	141,396,986	165,316,273	178,121,139	195,068,872	200,364,677
Restricted	28,649,927	15,975,433	16,161,144	21,576,049	37,146,180	33,652,601	36,469,335
Unrestricted (deficit) (1)	(29,783,476)	(14,178,514)	(6,161,281)	7,339,567	(3,740,905)	(15,075,202)	(26,672,299)
Total Primary Government Net Assets	$ 161,561,905	$ 136,100,902	$ 151,396,849	$ 194,231,889	$ 211,526,414	$ 213,646,271	$ 210,161,713

NOTES:

* Government-wide net asset information is reported on the accrual basis of accounting.
* Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.
* Information prior to FY03 is not available, due to the FY03 implementation of GASB34.
* Source: Statement of Net Assets, pages 34-35.

(1) In the government-wide financial statements, the County has reported negative unrestricted net assets for some years. This is due to the fact that the County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. Absent the effect of this relationship, the County would have reported positive net assets for its governmental activities and for government-wide purposes. Government-wide unrestricted net assets would have been:

	2003	2004	2005	2006	2007	2008	2009
Unrestricted (deficit) net assets reported above	$ (29,783,476)	$ (14,178,514)	$ (6,161,281)	$ 7,339,567	$ (3,740,905)	$ (15,075,202)	$ (26,672,299)
Debt issued for capital on behalf of others	41,941,175	51,839,220	47,345,646	44,460,306	57,496,385	53,758,049	50,291,243
County net assets absent effect of this relationship	$ 12,157,699	$ 37,660,706	$ 41,184,365	$ 51,799,873	$ 53,755,480	$ 38,682,847	$ 23,618,944

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN NET ASSETS - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST SEVEN FISCAL YEARS
Table 2-a

	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
General Government	$ 7,537,390	$ 8,902,751	$ 8,774,831	$ 9,071,760	$ 9,854,468	$ 11,167,743	$ 13,317,683
Public Safety	10,161,429	13,064,686	14,255,183	17,534,652	19,149,388	20,721,185	23,570,049
Public Works	7,594,914	7,512,277	8,303,570	8,898,010	9,913,917	10,420,547	10,237,718
Health	952,194	1,123,795	1,284,216	1,377,717	1,450,866	1,441,143	1,590,004
Social Services	4,003,914	4,084,308	4,786,130	4,420,205	4,474,784	4,978,883	5,617,621
Education	43,050,433	46,142,006	40,377,624	42,303,087	56,118,585	58,034,317	53,296,238
Parks & Recreation	2,068,102	3,810,546	2,385,014	2,562,890	3,158,455	3,330,087	5,060,018
Library	975,549	1,020,653	1,073,222	1,168,232	1,266,183	1,270,718	1,414,008
Conservation of Natural Resources	892,015	537,207	591,986	478,426	497,926	2,172,443	2,473,308
Economic/Community Development	1,775,216	1,634,749	1,546,516	1,575,099	3,258,876	3,527,908	2,197,116
Interest and Fiscal Charges	2,649,524	2,981,403	2,288,442	2,508,070	2,864,493	3,033,416	2,831,002
Total Governmental Activities Expenses	81,660,680	90,814,381	85,666,734	91,898,148	112,007,941	120,098,390	121,604,765
Business-type Activities:							
Water and Sewer	6,603,225	6,975,749	6,974,968	7,127,140	7,802,798	9,621,784	10,689,782
Parks & Recreation	1,929,891	2,007,419	2,524,904	2,509,783	3,273,986	2,179,157	2,178,163
Public Marinas	-	-	-	-	57,372	27,344	38,050
Airport	492,856	522,863	529,755	713,896	674,337	812,067	879,906
Total Business-type Activities Expenses	9,025,972	9,506,031	10,029,627	10,350,819	11,808,493	12,640,352	13,785,901
Total Primary Government Expenses	90,686,652	100,320,412	95,696,361	102,248,967	123,816,434	132,738,742	135,390,666
Program Revenues							
Governmental Activities:							
General Government							
Charges for Services	688,216	1,007,791	1,124,756	1,139,531	1,127,737	1,047,371	1,055,945
Operating Grants and Contributions	146,501	185,597	312,136	454,948	377,412	295,898	403,018
Capital Grants and Contributions	62,382	61,448	22,747	60,000	5,000	757,975	5,567
Total Revenue	897,099	1,254,836	1,459,639	1,654,479	1,510,149	2,101,244	1,464,530
Public Safety							
Charges for Services	720,580	1,197,844	968,857	1,595,738	1,642,258	3,167,090	1,394,463
Operating Grants and Contributions	1,265,912	887,519	1,443,474	1,743,073	1,255,307	1,254,611	1,266,869
Capital Grants and Contributions	-	493,132	271,867	456,993	272,497	1,171	273,176
Total Revenue	1,986,492	2,578,495	2,684,198	3,795,804	3,170,062	4,422,872	2,934,508
Public Works							
Charges for Services	692,471	782,252	1,666,335	1,189,117	871,962	1,014,600	714,765
Operating Grants and Contributions	4,259,700	3,624,359	4,130,984	3,710,398	5,572,760	6,304,965	7,566,648
Capital Grants and Contributions	230,243	168,092	461,499	57,000	1,838,101	544,610	298,500
Total Revenue	5,182,414	4,574,703	6,258,818	4,956,515	8,282,823	7,864,175	8,579,913
Health							
Operating Grants and Contributions	5,241	-	-	150,966	-	-	-
Social Services							
Charges for Services	265,809	188,032	162,958	58,467	73,497	64,041	68,386
Operating Grants and Contributions	2,881,622	2,769,345	3,035,511	2,550,840	2,589,967	2,911,796	2,928,291
Capital Grants and Contributions	459,411	829,082	24,388	-	172,732	613,804	348,124
Total Revenue	3,606,842	3,786,459	3,222,857	2,609,307	2,836,196	3,589,641	3,344,801
Education							
Charges for Services	703,191	1,277,905	917,387	1,696,657	963,216	1,011,013	740,213
Operating Grants and Contributions	-	-	-	18,000	-	-	8,050
Capital Grants and Contributions	-	-	-	-	-	-	161,673
Total Revenue	703,191	1,277,905	917,387	1,714,657	963,216	1,011,013	909,936
Parks & Recreation							
Charges for Services	20,494	14,532	21,724	68,051	158,447	302,195	240,954
Operating Grants and Contributions	8,893	4,619	-	42,690	58,485	72,659	509
Capital Grants and Contributions	585,164	3,103,241	297,537	5,998,982	4,363,393	5,666,226	1,087,329
Total Revenue	614,551	3,122,392	319,261	6,109,723	4,580,325	6,041,080	1,328,792
Conservation of Natural Resources							
Charges for Services	89,691	109,527	150,052	119,580	100,488	88,534	97,481
Operating Grants and Contributions	250,078	324,573	371,960	680,396	597,613	322,718	55,847
Capital Grants and Contributions	-	5,211	28,535	-	-	-	691,085
Total Revenue	339,769	439,311	550,547	799,976	698,101	411,252	844,413
Economic/Community Development							
Charges for Services	24,261	17,615	23,728	11,086	4,083	5,249	4,786
Operating Grants and Contributions	658,808	465,989	247,404	121,497	120,254	163,245	641,305
Capital Grants and Contributions	5,000	-	-	-	-	-	-
Total Revenue	688,069	483,604	271,132	132,583	124,337	168,494	646,091
Total Governmental Activities Program Revenues	14,023,668	17,517,705	15,683,839	21,924,010	22,165,209	25,609,771	20,052,984

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

CHANGES IN NET ASSETS - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES) - CONTINUED

LAST SEVEN FISCAL YEARS

Table 2-a

	2003	2004	2005	2006	2007	2008	2009
Business-type Activities:							
Water and Sewer							
Charges for Services	$ 6,738,431	$ 7,206,833	$ 6,704,817	$ 8,057,402	$ 12,169,440	$ 8,014,366	$ 7,695,100
Operating Grants and Contributions	-	-	541,052	-	-	-	-
Capital Grants and Contributions	2,506,457	868,581	994,303	12,576,490	5,015,603	2,584,371	682,935
Total Revenue	9,244,888	8,075,414	8,240,172	20,633,892	17,185,043	10,598,737	8,378,035
Parks & Recreation							
Charges for Services	883,297	1,051,908	1,099,161	1,576,001	1,581,030	1,459,725	1,526,244
Operating Grants and Contributions	-	-	330,204	387,270	1,279,648	55,953	45,824
Capital Grants and Contributions	658,120	145,975	4,000	469,624	144,844	95,890	69,068
Total Revenue	1,541,417	1,197,883	1,433,365	2,432,895	3,005,522	1,611,568	1,641,136
Public Marinas							
Charges for Services	-	-	-	-	108,100	105,900	100,250
Operating Grants and Contributions	-	-	-	-	92,348	3,710	-
Total Revenue	-	-	-	-	200,448	109,610	100,250
Airport							
Charges for Services	179,029	149,601	182,092	23,661	32,683	46,960	34,907
Operating Grants and Contributions	-	-	-	4,448	1,112	-	-
Capital Grants and Contributions	41,190	23,636	69,595	6,368,327	667,166	382,945	289,112
Total Revenue	220,219	173,237	251,687	6,396,436	700,961	429,905	324,019
Total Business-type Activities Program Revenues	11,006,524	9,446,534	9,925,224	29,463,223	21,091,974	12,749,820	10,443,440
Total Primary Government Program Revenues	25,030,192	26,964,239	25,609,063	51,387,233	43,257,183	38,359,591	30,496,424
Net (Expense) Revenue (1)							
Governmental activities	(67,637,012)	(73,296,676)	(69,982,895)	(69,974,138)	(89,842,732)	(94,488,619)	(101,551,781)
Business-type activities	1,980,552	(59,497)	(104,403)	19,112,404	9,283,481	109,468	(3,342,461)
Total Primary Government Net Expense	$ (65,656,460)	$ (73,356,173)	$ (70,087,298)	$ (50,861,734)	$ (80,559,251)	$ (94,379,151)	$ (104,894,242)
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes (2)	$ 66,274,065	$ 75,137,137	$ 80,932,258	$ 87,157,631	$ 90,910,849	$ 91,853,216	$ 95,530,316
Grants and Contributions Not Restricted to Specific Programs	-	-	88,750	-	-	-	-
Investment income	274,585	285,279	682,682	1,738,114	3,162,830	2,128,509	642,472
Gain (Loss) on Sale of Capital Assets	58,529	(452,997)	-	2,983,087	13,605	-	1,540,404
Miscellaneous	608,688	724,069	1,063,336	997,032	1,928,398	721,946	2,182,525
Transfers In (Out)	(554,940)	(154,916)	(3,055,362)	2,396,851	(1,070,297)	(11,581)	(3,348,074)
Special Items - Gain	832,718	215,000	-	-	-	-	-
Extraordinary Loss	(24,430)	-	-	(477,707)	-	-	-
Total Governmental Activities	67,469,215	75,753,572	79,711,664	94,795,008	94,945,385	94,692,090	96,547,643
Business-type Activities:							
Investment income	756,118	635,674	634,413	771,883	956,687	875,509	595,279
Gain (Loss) on Sale of Capital Assets	(39,866)	-	-	-	4,691	-	-
Miscellaneous	333,402	915,879	772,083	562,482	876,714	919,828	918,688
Transfers In (Out)	554,940	154,916	3,055,362	(2,396,851)	1,070,297	11,581	3,348,074
Special items - (Loss)	-	-	(953,385)	-	-	-	-
Extraordinary Gain	-	951,460	-	-	-	-	-
Total Business-type Activities	1,604,594	2,657,929	3,508,473	(1,062,486)	2,908,389	1,806,918	4,862,041
Total Primary Government	69,073,809	78,411,501	83,220,137	93,732,522	97,853,774	96,499,008	101,409,684
Change in Net Assets							
Governmental activities	(167,797)	2,456,896	9,728,769	24,820,870	5,102,653	203,471	(5,004,138)
Business-type activities	3,585,146	2,598,432	3,404,070	18,049,918	12,191,870	1,916,386	1,519,580
Total Primary Government	$ 3,417,349	$ 5,055,328	$ 13,132,839	$ 42,870,788	$ 17,294,523	$ 2,119,857	$ (3,484,558)

NOTES:

* Government-wide net asset information is reported on the accrual basis of accounting.
* Information prior to FY03 is not available, due to the FY03 implementation of GASB34.
* Source: Statement of Activities, pages 36-37.

(1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

(2) See Table 2-b for detail of General Tax Revenues.

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

GENERAL TAX REVENUES - GOVERNMENTAL ACTIVITIES

LAST SEVEN FISCAL YEARS

Table 2-b

	2003	2004	2005	2006	2007	2008	2009
Local Property Taxes	$ 36,257,473	$ 39,784,933	$ 42,121,614	$ 44,688,709	$ 46,185,050	$ 50,021,587	$ 55,362,114
Local Income Tax	23,471,091	27,738,830	29,957,555	31,959,096	35,346,494	35,700,111	34,834,937
Other Local Taxes	6,545,501	7,613,374	8,853,089	10,509,826	9,379,305	6,131,518	5,333,265
Total Taxes - Governmental Activities	$ 66,274,065	$ 75,137,137	$ 80,932,258	$ 87,157,631	$ 90,910,849	$ 91,853,216	$ 95,530,316

NOTES:

* Government-wide general tax revenue information is reported on the accrual basis of accounting.
* Information prior to FY03 is not available, due to the FY03 implementation of GASB34.
* Source: Statement of Activities, pages 36-37.

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Table 3

	2000	2001	2002	2003	2004
General Fund:					
Reserved	$ 6,333,566	$ 326,382	$ 93,099	$ 5,578,543	$ 5,766,939
Unreserved	733,374	6,486,698	7,426,819	3,269,461	5,669,161
Total General Fund	7,066,940	6,813,080	7,519,918	8,848,004	11,436,100
All Other Governmental Funds:					
Reserved	14,885,770	16,870,563	9,032,415	9,570,304	12,329,623
Unreserved (deficit), reported in:					
Capital Projects Fund	(7,305,034)	10,340,077	12,097,123	6,465,484	11,835,783
Special Revenue Funds	1,938,263	3,046,815	3,127,711	2,972,713	2,698,617
Total All Other Governmental Funds	9,518,999	30,257,455	24,257,249	19,008,501	26,864,023
Total All Governmental Funds	$ 16,585,939	$ 37,070,535	$ 31,777,167	$ 27,856,505	$ 38,300,123

	2005	2006	2007	2008	2009
General Fund:					
Reserved	$ 5,705,316	$ 6,169,255	$ 7,140,303	$ 8,948,231	$ 8,643,600
Unreserved	4,104,926	14,944,399	15,302,827	3,972,847	6,381,843
Total General Fund	9,810,242	21,113,654	22,443,130	12,921,078	15,025,443
All Other Governmental Funds:					
Reserved	15,075,521	13,751,478	20,060,988	16,706,954	17,007,368
Unreserved (deficit), reported in:					
Capital Projects Funds	11,706,521	13,579,649	17,618,012	14,409,216	1,723,066
Special Revenue Funds	3,156,479	2,810,027	3,019,522	2,185,304	2,751,120
Total All Other Governmental Funds	29,938,521	30,141,154	40,698,522	33,301,474	21,481,554
Total All Governmental Funds	$ 39,748,763	$ 51,254,808	$ 63,141,652	$ 46,222,552	$ 36,506,997

NOTES:

* Fund balance information for governmental funds is reported on the modified accrual basis of accounting.
* Source: Balance Sheet, pages 38-39.

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Table 4

	2000	2001	2002	2003	2004
Revenues					
Taxes					
Local Property Taxes	$ 26,879,315	$ 31,470,442	$ 33,760,455	$ 36,238,606	$ 39,771,711
Local Income Taxes	19,373,084	21,498,495	23,217,162	23,517,175	26,765,483
Other Local Taxes	3,000,709	2,961,474	3,987,371	6,545,501	7,613,374
State Shared Taxes	1,503,702	1,890,539	1,941,971	4,424,763	3,660,145
Licenses and Permits	1,451,200	1,657,245	2,152,720	1,410,491	647,633
Intergovernmental	7,805,350	8,588,986	10,471,381	6,351,125	9,261,854
Charges for Current Services	1,121,836	1,279,623	1,460,330	1,248,229	3,464,771
Fines and Forfeitures	20,285	17,299	15,861	29,443	38,798
Special Assessments	60,441	51,174	46,419	43,067	(7,528)
Investment Income	1,248,707	2,169,485	1,042,194	465,164	410,845
Donations	-	-	-	81,350	93,178
Miscellaneous (1)	770,705	823,059	1,020,802	853,309	954,621
Total Revenues	63,235,334	72,407,821	79,116,666	81,208,223	92,674,885
Expenditures					
Current					
General Government (2)	4,777,730	5,493,808	6,139,990	7,729,416	8,851,440
Public Safety	7,169,209	8,190,088	8,726,365	9,829,451	11,970,575
Public Works	5,577,264	5,793,807	6,126,407	6,790,032	7,872,914
Health	879,277	931,775	1,208,954	807,489	1,101,713
Social Services	1,873,674	2,399,938	3,105,830	4,303,930	4,922,755
Education (3)	32,358,138	37,222,432	39,713,371	43,050,433	46,689,001
Parks and Recreation	1,448,363	1,605,717	1,727,072	2,616,946	6,266,051
Library (4)	852,183	904,151	935,439	951,939	997,043
Conservation of Natural Resources	275,513	459,420	880,299	880,058	565,218
Economic/Community Development	1,183,240	1,246,768	1,267,138	1,848,707	1,809,329
Miscellaneous	-	-	-	-	-
Capital Outlay	9,854,345	9,629,250	8,001,582	1,488,726	1,173,687
Debt Service					
Principal	1,498,016	6,666,033	2,920,206	2,690,928	4,029,332
Debt Issuance Costs	-	-	-	-	-
Interest and Fiscal Charges	1,786,854	2,313,472	2,698,380	2,695,664	2,780,312
Total Expenditures	69,533,806	82,856,659	83,451,033	85,683,719	99,029,370
Excess (Deficiency) of Revenues over (under) Expenditures	(6,298,472)	(10,448,838)	(4,334,367)	(4,475,496)	(6,354,485)
Other Financing Sources (Uses)					
Issuance of Debt	400,000	31,175,000	6,310,000	-	16,602,500
Re-allocation of 2006 Bonds	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Proceeds of Capital Asset Disposals	-	-	-	98,000	135,520
Insurance Proceeds	-	-	-	-	-
Capital Contributions - Developer	-	-	-	-	-
Transfers In (5)	4,867,940	5,616,405	6,137,635	3,806,476	9,647,582
Transfers (Out) (6)	(5,184,688)	(6,067,751)	(7,115,841)	(4,361,416)	(9,802,498)
Defeasance of debt	-	-	(6,290,795)	-	-
Total Other Financing Sources (Uses)	83,252	30,723,654	(959,001)	(456,940)	16,583,104
Special and Extraordinary Items					
Special Items	-	-	-	885,140	215,000
Extraordinary Gains (Losses)	-	-	-	(24,430)	-
Total Special Items and Extraordinary Gains (Losses)	-	-	-	860,710	215,000
Net Increase (Decrease) in Fund Balances	$ (6,215,220)	$ 20,274,816	$ (5,293,368)	$ (4,071,726)	$ 10,443,619
Debt service as a percentage of non-capital expenditures (7, 8)	5.40%	12.03%	7.59%	6.67%	7.40%

NOTES:

* Governmental fund information is reported on the modified accrual basis of accounting.

* Source: Statement of Revenues, Expenditures and Changes in Fund Balances, pages 42-43,
and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, pages 44-45.

(1) For FY02 and prior, "Miscellaneous Revenue" includes amounts previously classified as "Operating Transfers in" from Component Units.
(2) For all fiscal years, "General Government" includes amounts previously classified as "Miscellaneous," "Intergovernmental" and/or "Contingency."
(3) For FY02 and prior, "Education Expenditures" includes amounts previously classified as "Operating Transfers out" to Component Unit (Board of Education).
(4) For FY02 and prior, "Library Expenditures" includes amounts previously classified as "Operating Transfers out" to Component Unit (Library).
(5) For FY02 and prior, "Transfers In" exclude amounts previously classified as "Operating Transfers in" from Component Units.
(6) For FY02 and prior, "Transfers Out" exclude amounts previously classified as "Operating Transfers out" to Component Units (Board of Education and Library).
(7) Debt service represents debt service principal and interest expenditures and excludes amortization of debt issuance costs as presented above.
(8) Noncapital expenditures represents Total Expenditures above, less expenditures of the General and Roads Capital Project Funds and governmental capital outlay that resulted in capital assets - see specific line items as part of the reconciliation on page 44.

2005	2006	2007	2008	2009
$ 42,191,297	$ 44,657,603	$ 46,208,342	$ 50,007,054	$ 55,374,053
28,237,534	31,633,987	34,980,663	34,767,725	35,988,334
8,853,089	10,509,826	9,379,305	6,131,518	5,333,265
4,528,046	4,233,139	5,125,419	5,306,763	7,591,829
829,784	824,917	895,931	890,821	874,639
6,049,496	11,476,325	10,661,130	12,199,511	8,049,695
3,394,626	4,864,374	3,806,563	4,049,902	3,326,696
48,654	77,008	239,194	1,759,370	115,658
-	-	-	-	-
907,275	1,738,139	3,162,830	2,128,509	642,472
104,093	98,610	74,694	247,002	76,867
1,567,883	1,346,669	1,853,706	719,067	2,182,525
96,711,777	111,460,597	116,387,777	118,207,242	119,556,033
8,933,985	9,516,299	8,772,229	10,128,699	10,841,479
13,199,057	16,356,949	17,918,740	19,292,661	20,483,238
9,055,472	9,168,186	9,167,362	9,182,618	8,678,715
1,261,488	1,355,057	1,428,395	1,430,670	1,572,848
4,367,736	4,294,781	4,260,927	4,747,491	5,029,493
40,421,109	42,346,958	56,163,966	58,086,283	53,348,513
2,481,296	9,096,593	2,809,748	3,083,038	3,145,367
1,049,612	1,144,622	1,242,573	1,247,108	1,390,398
578,426	508,606	483,810	2,177,820	2,445,352
1,552,689	1,558,978	3,188,316	3,513,153	1,968,587
-	-	915,542	731,771	706,792
1,280,650	1,049,361	14,291,416	13,676,569	8,594,972
5,928,559	3,677,307	3,795,769	4,888,405	5,089,347
-	-	236,899	3,972	(423)
2,555,411	2,569,650	2,257,928	3,147,529	2,778,490
92,665,490	102,643,347	126,933,620	135,337,787	126,073,168
4,046,287	8,817,250	(10,545,843)	(17,130,545)	(6,517,135)
30,026,336	-	23,219,790	510,617	122,780
-	-	-	(345,955)	-
1,069,864	-	236,899	3,972	(423)
(159,647)	-	-	-	-
154,787	1,176,860	88,535	45,494	64,089
-	-	-	8,898	44,907
88,750	-	-	-	-
10,661,440	8,578,135	13,131,736	17,014,307	5,449,499
(13,716,802)	(6,181,284)	(14,202,033)	(17,025,888)	(8,879,272)
(30,722,375)	-	-	-	-
(2,597,647)	3,573,711	22,474,927	211,445	(3,198,420)
-	-	-	-	-
-	(477,707)	(42,242)	-	-
-	(477,707)	(42,242)	-	-
$ 1,448,640	$ 11,913,254	$ 11,886,842	$ (16,919,100)	$ (9,715,555)
9.49%	6.88%	5.26%	6.61%	6.77%

QUEEN ANNE'S COUNTY

VINCIT OMNIA VERITAS

1706

QUEEN ANNE'S COUNTY, MARYLAND

ASSESSED VALUE OF TAXABLE AND EXEMPT PROPERTY

LAST TEN FISCAL YEARS

Table 5

	Real Property (1) (3)				Personal Property	Total		Total
Fiscal Year	Commercial Assessed Value	Residential (2) Assessed Value	Total Assessed Value	Total Direct Tax Rate (4)	Public Utility Assessed Value (3) (5)	Taxable Assessed Value	Exempt Property	Taxable and Exempt Property
2000	$ 634,731,500	$ 2,269,951,675	$ 2,904,683,175	$ 0.876	$ 67,954,700	$ 2,972,637,875	$ 266,713,700	$ 3,239,351,575
2001	662,743,925	2,401,723,715	3,064,467,640	0.976	69,582,528	3,134,050,168	277,039,075	3,411,089,243
2002	692,030,001	2,607,616,738	3,299,646,739	0.976	70,150,240	3,369,796,979	274,858,885	3,644,655,864
2003	728,512,663	2,858,309,623	3,586,822,286	0.976	64,201,229	3,651,023,515	276,953,744	3,927,977,259
2004	771,054,050	3,208,049,692	3,979,103,742	0.976	59,945,270	4,039,049,012	297,843,389	4,336,892,401
2005	849,272,884	3,690,010,496	4,539,283,380	0.926	57,382,490	4,596,665,870	330,840,259	4,927,506,129
2006	950,694,704	4,051,000,772	5,001,695,476	0.870	59,360,390	5,061,055,866	369,542,935	5,430,598,801
2007	1,104,093,458	4,526,502,291	5,630,595,749	0.800	63,168,480	5,693,764,229	419,303,486	6,113,067,715
2008	1,291,356,759	5,045,464,776	6,336,821,535	0.770	61,729,010	6,398,550,545	474,798,401	6,873,348,946
2009	1,503,024,419	5,518,534,961	7,021,559,380	0.770	61,513,370	7,083,072,750	547,163,868	7,630,236,618

NOTES:

* Tax exempt property is included for purposes of calculating total assessed value, which is used on Table 12.

(1) The State of Maryland, under Chapter 80 of the Acts of 2000, required that assessed values of real property be based on full cash value assessments as of October 1, 2000. Prior to that time, assessed values of real property were based on 40% of full cash value. Fiscal years 2000 and 2001 have been restated to full cash value for comparison purposes.

(2) Residential real property includes single-family homes, townhouses, condominiums, and apartment dwellings. The assessed value shown above has been reduced for the Homestead Credit assessment.

(3) Real property and personal property assessments are done every three years and every year, respectively, by the State Department of Assessments and Taxation at 100% of estimated fair value.

(4) See Table 6-a for real property direct tax rates. Tax Rates are applied per $100 of assessed value.

(5) The personal property tax rate for Queen Anne's County is zero.

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

QUEEN ANNE'S COUNTY, MARYLAND
REAL PROPERTY TAX RATES - COUNTY DIRECT RATE
LAST TEN FISCAL YEARS
Table 6-a

Fiscal Year	County Direct Rate (1, 2)
2000	$ 0.876
2001	0.976
2002	0.976
2003	0.976
2004	0.976
2005	0.926
2006	0.870
2007	0.800
2008	0.770
2009	0.770

NOTES:
* No discounts are allowed.
* Taxes are levied as of July 1, are due by September 30, and become delinquent October 1.
* Owner occupied properties may elect to pay on an annual basis. If no election is made, taxes are paid on a semi-annual basis with payment due by September 30 and December 31.
* Non-owner occupied properties must pay on an annual basis.
* Interest at one percent per month is assessed on delinquent tax bills.
* Revised tax bills based upon certifications from the State received after September 1 may be paid within thirty days without interest.
* Delinquent taxes on real property are collected by sale.
* Costs of tax sale, which vary, are added to the redemption.
* Tax sale date: Third Tuesday in May.
* The personal property tax rate for Queen Anne's County is zero.

(1) The State of Maryland, under Chapter 80 of the Acts of 2000, required that assessed values of real property be based on full cash value assessments as of October 1, 2000. Prior to that time, assessed values of real property were based on 40% of full cash value. Tax rates for fiscal years 2000 and 2001 have been restated to full cash value for comparison purposes.
(2) Tax Rates are applied per $100 of assessed value.

QUEEN ANNE'S COUNTY, MARYLAND
REAL PROPERTY TAX RATES - COUNTY SPECIAL TAXING DISTRICTS
LAST TEN FISCAL YEARS
Table 6-b

Fiscal Year	Kent Narrows Commercial Management and Waterfront Improvement District (1)
2000	$ 0.060
2001	0.060
2002	0.060
2003	0.060
2004	0.060
2005	0.060
2006	0.060
2007	0.060
2008	0.060
2009	0.060

NOTES:
* Tax rates are per $100 of assessed value.
* The personal property tax rate for Queen Anne's County is zero.

(1) The State of Maryland, under Chapter 80 of the Acts of 2000, required that assessed values of real property be based on full cash value assessments as of October 1, 2000. Prior to that time, assessed values of real property were based on 40% of full cash value. Tax rates for fiscal years 2000 and 2001 have been restated to full cash value for comparison purposes.

QUEEN ANNE'S COUNTY, MARYLAND
REAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - TOWNS (1)
LAST TEN FISCAL YEARS
Table 6-c

Fiscal Year	Town of Centreville	Town of Barclay	Town of Church Hill	Town of Millington	Town of Queen Anne
2000	$ 0.380	$ 0.100	$ 0.340	$ 0.280	$ 0.180
2001	0.380	0.100	0.340	0.280	0.180
2002	0.480	0.100	0.340	0.280	0.210
2003	0.480	0.100	0.340	0.280	0.180
2004	0.480	0.100	0.340	0.280	0.180
2005	0.480	0.100	0.340	0.280	0.180
2006	0.480	0.100	0.340	0.280	0.180
2007	0.470	0.100	0.340	0.280	0.180
2008	0.430	0.100	0.340	0.280	0.180
2009	0.395	0.100	0.340	0.280	0.180

NOTES:
* Tax rates are per $100 of assessed value.
* The personal property tax rate for Queen Anne's County is zero.
* Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

(1) The State of Maryland, under Chapter 80 of the Acts of 2000, required that assessed values of real property be based on full cash value assessments as of October 1, 2000. Prior to that time, assessed values of real property were based on 40% of full cash value. Tax rates for fiscal years 2000 and 2001 have been restated to full cash value for comparison purposes.

Town of Queenstown	Town of Sudlersville	Town of Templeville
$ 0.200	$ 0.188	$ 0.168
0.200	0.188	0.164
0.200	0.185	0.161
0.200	0.176	0.142
0.200	0.176	0.142
0.200	0.167	0.133
0.200	0.167	0.122
0.200	0.167	0.252
0.200	0.167	0.252
0.200	0.167	0.360

QUEEN ANNE'S COUNTY, MARYLAND
TEN HIGHEST COMMERCIAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
Table 7

For the Fiscal Year Ended June 30, 2009

	Assessable Base			Ratio: Taxpayer Base to Total Assessable Base
	Total	Real Property	Personal Property	
Second Horizon Group Limited Partnership	$ 46,985,218	$ 46,867,598	$ 117,620	0.66 %
KRM Development Corporation	36,871,333	36,871,333	-	0.52
Great American Life Insurance Company	25,675,400	25,675,400	-	0.36
White's Heritage Partners	25,292,490	25,292,490	-	0.36
Waterford Centreville, LLC	13,799,182	13,799,182	-	0.19
Reliable Development Company	13,016,740	13,016,740	-	0.18
Washington Brick and Terra Cotta Company	12,556,666	12,556,666	-	0.18
JSE Investment	12,021,658	12,021,658	-	0.17
K Hovnanian's Four Seasons at Kent Island	11,838,400	11,838,400	-	0.17
Mears Point Association	11,693,204	11,693,204	-	0.17
Total	$ 209,750,291	$ 209,632,671	$ 117,620	2.96 %
Total Assessable Base	$ 7,083,072,750			100.00 %

For the Fiscal Year Ended June 30, 2000

	Assessable Base			Ratio: Taxpayer Base to Total Assessable Base
	Total	Real Property	Personal Property	
Second Horizon Group Limited Partnership	$ 32,305,925	$ 32,159,250	$ 146,675	1.09 %
KRM Development	10,832,550	10,832,550	-	0.36
Washington Brick & Terracotta	8,332,200	8,332,200	-	0.28
Kent Island Joint Venture	7,526,750	7,526,750	-	0.25
Gateway Partnership	5,915,925	5,915,925	-	0.20
Bay Bridge Limited	5,831,900	5,831,900	-	0.20
TC Shopping Center	5,742,700	5,742,700	-	0.19
Mears Point Association	5,647,825	5,647,825	-	0.19
Kent Towne Market	5,388,300	5,388,300	-	0.18
Clyde D. Sisk	5,375,700	5,375,700	-	0.18
Total	$ 92,899,775	$ 92,753,100	$ 146,675	3.12 %
Total Assessable Base	$ 2,972,637,875			100.00 %

NOTES:

(1) The State of Maryland, under Chapter 80 of the Acts of 2000, required that assessed values of real property be based on full cash value assessments as of October 1, 2000. Prior to that time, assessed values of real property were based on 40% of full cash value. Fiscal year 2000 has been restated to full cash value for comparison purposes.

Source: State of Maryland Department of Assessments and Taxation

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2000	$ 25,246,867	$ 25,179,068	99.73%	$ 45,009	$ 25,224,077	99.91%
2001	29,673,499	29,593,289	99.73%	37,057	29,630,346	99.85%
2002	31,834,978	31,759,768	99.76%	115,991	31,875,759	100.13%
2003	34,534,049	34,452,221	99.76%	82,772	34,534,993	100.00%
2004	38,135,222	38,052,633	99.78%	67,374	38,120,007	99.96%
2005	40,608,914	40,542,167	99.84%	211,284	40,753,451	100.36%
2006	43,208,732	43,107,941	99.77%	97,716	43,205,657	99.99%
2007	44,500,414	44,401,745	99.78%	69,517	44,471,262	99.93%
2008	48,575,431	48,505,180	99.86%	73,704	48,578,884	100.01%
2009	53,839,023	53,756,369	99.85%	-	53,756,369	99.85%

NOTES:

* This table includes data for all property taxes billed applicable to all funds for Queen Anne's County, Maryland to include General, Special Revenue, and Enterprise Funds. Property taxes billed for the State of Maryland and various municipalities are excluded.

QUEEN ANNE'S COUNTY, MARYLAND

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Table 9

	Governmental Activities				
Fiscal Year	**General Obligation Bonds**	**Notes Payable**	**Bond Anticipation Notes**	**Capital Leases**	**Total Governmental Activites**
2000	$ 29,465,000	$ 1,304,927	$ 3,500,000	$ 90,152	$ 34,360,079
2001	57,620,000	1,042,742	-	46,304	58,709,046
2002	55,490,000	593,840	-	-	56,083,840
2003	52,800,000	457,912	-	-	53,257,912
2004	62,467,858	3,245,500	-	114,331	65,827,689
2005	60,689,541	684,000	-	-	61,373,541
2006	56,890,501	622,500	-	-	57,513,001
2007	75,938,286	561,000	-	248,460	76,747,746
2008	70,752,345	822,617	-	202,978	71,777,940
2009	65,420,921	913,183	-	155,482	66,489,586

	Business-type Activities						Ratios	
Fiscal Year	**General Obligation Bonds**	**Notes Payable**	**Bond Anticipation Notes**	**Capital Leases**	**Total Business-type Activities**	**Total Primary Government**	**Debt to Total Personal Income (1)**	**Outstanding Debt per Capita (1)**
2000	$ 7,590,000	$ 8,472,616	$ 1,200,000	$ -	$ 17,262,616	$ 51,622,695	4.00%	$ 1,273
2001	8,515,000	7,410,320	-	2,000	15,927,320	74,636,366	5.41%	1,820
2002	7,825,000	6,912,388	-	-	14,737,388	70,821,228	4.85%	1,707
2003	6,865,000	6,402,363	-	-	13,267,363	66,525,275	4.27%	1,584
2004	5,825,000	5,879,764	-	-	11,704,764	77,532,453	4.90%	1,789
2005	5,383,663	5,343,775	-	-	10,727,438	72,100,979	4.50%	1,624
2006	4,943,663	14,580,581	-	-	19,524,244	77,037,245	6.91%	1,695
2007	4,608,851	22,516,916	-	-	27,125,767	103,873,513	5.58%	2,246
2008	4,094,485	21,058,076	-	-	25,152,561	96,930,501	4.82%	2,024
2009	3,573,768	19,624,863	-	-	23,198,631	89,688,217	4.24%	1,905

NOTES:

* Amounts for 2000 to 2002 represent debt relating to total governmental funds (from the General Long-Term Obligations Account Group) and total enterprise funds, since the reporting of governmental activities and business-type activities in government-wide financial statements was implemented in FY03.

(1) See Table 14 for personal income and population data, which are used in calculating these ratios.

QUEEN ANNE'S COUNTY, MARYLAND

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Table 10

Fiscal Year	General Bonded Debt (1)	Percentage of Total Taxable Assessable Base (2)	Per Capita (3)
2000	$ 37,055,000	1.25%	$ 914
2001	66,135,000	2.11%	1,613
2002	63,315,000	1.88%	1,526
2003	59,665,000	1.63%	1,421
2004	68,292,858	1.69%	1,575
2005	66,073,204	1.44%	1,488
2006	61,834,164	1.22%	1,360
2007	80,547,137	1.41%	1,742
2008	74,846,830	1.17%	1,563
2009	68,994,689	0.97%	1,465

NOTES:

* General Bonded Debt includes all general obligation debt, regardless of purpose or repayment source, and other bonded debt financed with general government resources. Other debt is excluded because it is not in the form of bonds.

(1) General Bonded Debt is comprised of both governmental and business-type activities from Table 9.

(2) See Table 5 for taxable assessable base.

(3) See Table 14 for population data.

QUEEN ANNE'S COUNTY

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QUEEN ANNE'S COUNTY, MARYLAND
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT (1)
AS OF JUNE 30, 2009
Table 11

Name of Jurisdiction	Gross Debt
Queen Anne's County:	
County Government	
Total Net Direct Debt (1)	$ 89,688,217
Towns: (2)	
Centreville	10,584,809
Millington	1,356,761
Queenstown	323,428
Total Net Overlapping Debt	12,264,998
Total Net Direct and Overlapping Debt	$ 101,953,215

NOTES:

(1) Net direct debt of the County includes general obligation bonds, notes payable, and capital leases. See Table 9. Overlapping debt is the debt of other governmental entities located within the County that is payable in whole or in part by taxpayers of the County.
(2) Entities are located wholly within Queen Anne's County. Debt information reported by municipalities.

QUEEN ANNE'S COUNTY, MARYLAND
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Table 12

		2000	2001	2002
Computation of Legal Debt Margin - for Queen Anne's County Other than Debt related to the Sanitary District:				
Authorized debt limit under Title 5 (Subtitle 4) (1)		$ 8,000,000	$ 8,000,000	$ 8,000,000
Authorized bonded debt under specific public laws				
	Enterprise Funds, excluding Sanitary District (5)	-	1,715,000	1,625,000
	General Obligation Debt (5)	29,465,000	57,620,000	55,490,000
	Subtotal	29,465,000	59,335,000	57,115,000
	Total authorized debt under Title 5 and specific public laws	37,465,000	67,335,000	65,115,000
LESS	Outstanding bonds, notes payable, and capital leases (6)	51,458,073	74,504,928	70,508,807
	Less: Sanitary District debt (5)	17,097,994	14,003,929	12,731,829
	Subtotal	34,360,079	60,500,999	57,776,978
	Legal Debt Margin - Other than the Sanitary District	$ 3,104,921	$ 6,834,001	$ 7,338,022
Debt related to the Sanitary District Proprietary Fund:				
	Total taxable assessed value (3, 4)	$ 2,972,637,875	$ 3,134,050,168	$ 3,369,796,979
	Plus exempt property (3, 4)	266,713,700	277,039,075	274,858,885
	Total assessed value	$ 3,239,351,575	$ 3,411,089,243	$ 3,644,655,864
	Debt Limit - 6% of total assessed value (2, 3)	$ 194,361,095	$ 204,665,355	$ 218,679,352
LESS	Sanitary District	17,097,994	14,003,929	12,731,829
	Less: Restricted Cash and Investments in the Debt Service Fund available for payment of principal	4,430,101	5,480,724	5,141,449
		12,667,893	8,523,205	7,590,380
	Legal Debt Margin - Sanitary District	$ 181,693,202	$ 196,142,150	$ 211,088,972

NOTES:
(1) Title 5, Subtitle 4 (1), of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow up to $8,000,000 for general operating and capital improvement expenditures. This authority is in addition to any bonded debt authorized under specific public local laws.
(2) Title 24, Subtitle 1, Section 24-146(A) of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow an amount not to exceed 6% of the total value of property assessed. The proceeds of such borrowings must be used for sewer and water system construction payments.
(3) Prior to June 1, 2001, the legal debt limit was 15 percent of the assessable base (real and personal property) of the County. During that time, the assessable base for real property was 40 percent of the full assessed value. Effective June 1, 2001, real property in the State of Maryland began being assessed at 100 percent of full assessed value instead of the previous 40 percent assessment method. Also effective June 1, 2001, the section of the Code referred to above was amended in conjunction with the real property assessment change. Under the amendment, the legal debt margin is a total of 6 percent of the assessable base (presented at 100 percent) of real property of the County and 15 percent of the County's assessable base of personal property and operating real property.
Note that Fiscal Years 2000 and 2001 have been restated to full cash value and the legal debt margin has been calculated at 6% for for all property and all years for comparison purposes.
(4) See Table 5.
(5) See Note 9, Section B.
(6) See Table 9.

2003	2004	2005	2006	2007	2008	2009
$ 8,000,000	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ 8,000,000
1,535,000	1,440,000	1,413,663	1,413,663	1,538,851	1,509,485	1,493,768
52,800,000	62,467,858	60,689,541	56,890,501	75,938,286	70,752,345	65,420,921
54,335,000	63,907,858	62,103,204	58,304,164	77,477,137	72,261,830	66,914,689
62,335,000	71,907,858	70,103,204	66,304,164	85,477,137	80,261,830	74,914,689
66,266,872	77,328,067	72,100,979	77,037,245	103,625,053	96,727,523	89,688,217
11,412,635	10,005,867	9,266,078	18,069,698	25,552,847	23,615,821	21,684,421
54,854,237	67,322,200	62,834,901	58,967,547	78,072,206	73,111,702	68,003,796
$ 7,480,763	$ 4,585,658	$ 7,268,303	$ 7,336,617	$ 7,404,931	$ 7,150,128	$ 6,910,893
$ 3,651,023,515	$ 4,039,049,012	$ 4,596,665,870	$ 5,061,055,866	$ 5,693,764,229	$ 6,398,550,545	$ 7,083,072,750
276,953,744	297,843,389	330,840,259	369,542,935	419,303,486	474,798,401	547,163,868
$ 3,927,977,259	$ 4,336,892,401	$ 4,927,506,129	$ 5,430,598,801	$ 6,113,067,715	$ 6,873,348,946	$ 7,630,236,618
$ 235,678,636	$ 260,213,544	$ 295,650,368	$ 325,835,928	$ 366,784,063	$ 412,400,937	$ 457,814,197
11,412,635	10,005,867	9,266,078	18,069,698	25,552,847	23,615,821	21,684,421
4,264,878	4,289,452	4,105,842	3,940,626	4,746,865	4,551,821	4,180,188
7,147,757	5,716,415	5,160,236	14,129,072	20,805,982	19,064,000	17,504,233
$ 228,530,879	$ 254,497,129	$ 290,490,132	$ 311,706,856	$ 345,978,081	$ 393,336,937	$ 440,309,964

QUEEN ANNE'S COUNTY, MARYLAND

PRINCIPAL EMPLOYERS

CURRENT FISCAL YEAR AND NINE YEARS AGO

Table 13

	Fiscal Year 2009			Fiscal Year 2000		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Queen Anne's County Board of Education	980	1	7.71%	N/A	N/A	N/A
Queen Anne's County Government	522	2	4.10%	N/A	N/A	N/A
S.E.W. Friel	275	3	2.16%	N/A	N/A	N/A
Paul Reed Smith Guitars	250	4	1.97%	N/A	N/A	N/A
Chesapeake College	225	5	1.77%	N/A	N/A	N/A
Safeway	185	6	1.45%	N/A	N/A	N/A
Reeb Millwork	170	7	1.34%	N/A	N/A	N/A
Kmart	150	8	1.18%	N/A	N/A	N/A
Genesis Healthcare	150	9	1.18%	N/A	N/A	N/A
Acme	150	10	1.18%	N/A	N/A	N/A
Total	3,057		24.04%			

NOTES:

* N/A - Information for 2000 is unavailble.

Source: Queen Anne's County Economic Development Office; Tables 15 and 17.

QUEEN ANNE'S COUNTY, MARYLAND
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
Table 14

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (3)	Average Registered Number of Pupils (4)
2000	40,563	$ 1,290,876,912	$ 31,824	3.40%	7,015
2001	41,000	1,379,035,000	33,635	3.60%	7,239
2002	41,500	1,459,638,000	35,172	3.30%	7,266
2003	42,000	1,558,032,000	37,096	3.50%	7,457
2004	43,350	1,582,275,000	36,500	3.10%	7,530
2005	44,392	1,601,707,752	36,081	3.50%	7,649
2006	45,450	1,114,661,250	24,525	3.50%	7,162
2007	46,241	1,861,755,142	40,262	3.50%	7,774
2008	47,886	2,009,392,332	41,962	4.00%	7,790
2009	47,091	2,113,538,262	44,882	6.70%	7,774

NOTES:
(1) Source: Queen Anne's County Division of Land Use and Zoning.
(2) Personal income derived by multiplying population by per capita income.
(3) Source: Maryland Department of Business and Economic Development.
(4) Source: Queen Anne's County Board of Education.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
COUNTY GOVERNMENT EMPLOYEES - FULL-TIME EQUIVALENTS
LAST TEN FISCAL YEARS
Table 15

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Exempt Employees	30	31	31	33	33	35	35	36	31	29
Number of Full Time Employees	364	373	394	399	413	420	432	470	481	475
Number of Part Time Employees (FTE)	50	24	24	29	21	21	23	25	20	18
Total County Government Employees	444	428	449	461	467	476	490	531	532	522

NOTES:
Source: Queen Anne's County Finance Office.

QUEEN ANNE'S COUNTY, MARYLAND
COUNTY GOVERNMENT EMPLOYEES - FULL-TIME ONLY BY FUNCTION
LAST THREE FISCAL YEARS
Table 16

	2007	2008	2009
Governmental Activities:			
General Government	90	90	89
Public Safety:			
Police	49	53	52
Fire - Emergency Management Services	69	68	69
Corrections	37	38	42
Animal Services	11	11	8
Public Works	87	91	85
Health	1	1	1
Social Services	40	38	38
Parks & Recreation	39	40	38
Conservation of Natural Resources	3	3	3
Economic/Community Development	12	12	10
Total Governmental Activities	438	445	435
Business-Type Activities:			
Sanitary District	47	46	45
Bay Bridge Airport	3	3	3
Public Landings	3	3	3
Property Management	5	4	7
Total Business-Type Activities	58	56	58
Component Unit:			
Public Housing Authority	10	11	11
Total Full-Time County Employees	506	512	504

NOTES:

Only full-time County employees are represented in this Table; data relating to full-time equivalents for part-time employees is not available at this time.
County employees include the Public Housing Authority but exclude other component units. Therefore, no employees are listed for the Education or Library functions, which relate to the Board of Education and the Queen Anne's County Free Library component units, respectively.
As data becomes available in future years, this Table will be updated to include data for up to ten fiscal years.

Source: Queen Anne's County Finance Office.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
Table 17

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:										
General Government:										
Planning & Zoning:										
Number of commercial permits issued	294	124	118	219	295	272	256	235	23	40
Number of residential permits issued:										
Single Family Permits	322	374	406	326	271	247	224	160	138	90
Multi Family Permits	54	33	16	36	-	1	-	-	-	13
Renovations and Additions Permits	563	519	550	678	745	680	608	541	539	324
Public Safety:										
Fire and Rescue:										
Number of volunteer members	577	450	577	650	649	630	630	600	663	663
Police:										
Uniformed Police Officers	37	42	42	47	50	49	49	49	53	54
Number of law violations:										
Physical arrests	1,112	1,190	987	1,021	1,112	1,536	1,115	1,413	1,373	1,429
Traffic violations	3,602	3,227	1,904	2,322	4,363	5,307	4,962	5,310	5,745	8,276
Detention Center:										
Detention Center Officers	28	28	29	29	32	30	31	33	35	37
Average yearly prison population	N/A	86	80	92	92	96	99	113	112	97
Public Works:										
Wastewater Treated - Daily (mgd)	1.60	1.50	1.50	1.60	1.50	1.50	1.50	1.50	1.60	1.70
Education:										
Number of Personnel										
Teachers	439	446	447	458	459	479	496	501	522	528
Administrators	41	37	41	39	39	39	39	40	40	38
Support	283	265	303	303	302	321	318	327	338	338
Other	44	56	46	46	43	53	59	55	77	76
Number of Students	7,015	7,239	7,266	7,457	7,530	7,649	7,162	7,774	7,790	7,774
Number of High School Graduates	N/A	N/A	N/A	N/A	N/A	N/A	514	563	560	590

NOTES:
N/A - Data not readily available, or not available in a manner consistent with this display.
Source: Various County departments.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
Table 18

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:										
Public Safety:										
Fire and Rescue:										
Number of volunteer stations	9	9	9	9	9	10	10	10	10	10
Equipment:										
Engines	19	19	17	13	16	17	17	16	16	16
Tankers	9	9	8	8	7	7	7	9	9	9
Aerial Units	3	3	4	3	4	4	4	4	4	4
Rescue Units	4	4	4	5	5	5	5	5	6	6
Brush Units	8	8	8	7	7	7	7	8	8	8
Air Units (MD State Police)	1	1	1	8	8	1	1	1	3	3
Boats	5	4	6	5	5	5	5	3	1	1
Ambulance/Medic Units	15	16	21	15	15	15	18	20	16	16
Cars/Other	7	11	19	15	20	20	20	16	17	17
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles										
Patrol	36	42	38	48	58	43	34	54	57	64
Other	6	8	8	21	6	15	26	15	7	13
Detention Center										
Capacity	104	104	104	104	104	104	104	104	104	104
Public Works:										
County Maintained Roads and Streets										
Paved (miles)	511	508	510	524	522	524	534	536	530	539
Unpaved (miles)	47	27	24	12	13	13	13	12	15	12
County Owned Water and Wastewater Facilities										
Water										
Miles of Mains	35	37	38	38	47	47	49	51	56	57
Water Treatment Plants	10	10	10	10	10	10	10	10	11	11
Booster Stations	2	2	3	2	2	2	2	2	2	2
Wastewater										
Miles of Mains	91	94	96	97	105	105	107	109	114	116
Wastewater Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater Collection, Lift, and Pumping Stations	27	28	28	28	29	29	29	29	31	31
Education:										
Number of Schools										
High Schools	2	2	2	2	2	2	2	2	2	2
Middle Schools	3	3	3	3	3	3	3	3	3	4
Elementary Schools	7	7	7	7	7	8	8	8	8	8
Parks and Recreation:										
Parks	21	25	24	24	24	24	28	29	32	33
Park Acreage	1,842	1,804	1,902	2,022	2,024	2,024	2,579	2,572	2,633	2,633
Public Landings	20	21	22	22	22	21	21	21	21	20
Library:										
Number of Libraries	3	3	3	3	3	3	3	3	3	3

NOTES:
Source: Various County departments.

QUEEN ANNE'S COUNTY

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