

A close-up photograph of a hand with light-colored nail polish holding a yellow pencil. The pencil is positioned vertically, with its eraser tip resting on a white calculator keyboard. The background is softly blurred, showing more of the calculator and the hand. The text is overlaid on this image.

**WASHINGTON COUNTY  
COMMISSIONERS**

**Fiscal Year 2009**

**QUARTERLY FINANCIAL REPORT**

**1ST QUARTER**

## Commissioners



---

**John Barr**  
President, County Commissioner



---

**Terry Baker**  
Vice President, County Commissioner



---

**Kristin Aleshire**  
County Commissioner



---

**William Wivell**  
County Commissioner



---

**James Kercheval**  
County Commissioner

## County Administration



---

**Gregory B. Murray**  
County Administrator

## Washington County

Washington County is a mid-size, multi-service local government serving the needs of approximately 147,000 residents.

The county provided approximately 66,464 jobs with an unemployment rate of 5.3% as of July 2008. This is compared to the State employment rate of 4.6%.

Washington County has nine municipalities within its boundaries, with Hagerstown as the largest. The majority of the residents live outside of any corporate limits.

Washington County has five elected commissioners that govern the County. In addition to having a fiduciary responsibility to the taxpayers, the commissioners have direct oversight of the County Administrator, County Clerk, and the Director of Budget and Finance.

### Table of Contents

Statement of Purpose	1
Current Developments	1
Economic Trends	2
Major Revenue Trends	3
Expenditure and Construction Activity	4
Other Financial/Budgetary Information	5

## Statement of Purpose

This report is designed to communicate the County's major financial operating transactions for the indicated period since the issuance of the prior audited financial statements.

This report is interim in nature and abbreviated in that it does not include details for all the various funds maintained by the County. Additionally, this report omits many of the required note disclosures typically found in a fiscal year-end financial statement report. The information contained here is intended to allow management to make limited assessments of near-term trends that may have impact on operations and financial results. Management views this interim period as an integral part of the annual period.

The report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to the general, landfill, highway, and construction activities of the County including the local economic trends. This report is general in nature. The reader is cautioned that it does not provide the level of detail, nor the comprehensive scope found in a fiscal year-end financial statement. Those desiring or needing such information should contact The Office of Budget and Finance.

We hope that you find this report informative and meaningful. If you have any questions regarding this report, please contact The Office of Budget and Finance at 240-313-2300.

*Please Note:*

This report is provided for general information use only. The information contained in the document speaks only as of its reported date.

## Current Developments

**Fiscal Year 2010:**

Fiscal year 2010 operating and capital budgets are in the process are being developed for release.





**Development Fees:**

Total residential development fee (excise tax, APFO fees, and mitigation fees) revenue trends are lower than recorded permit activity. This can be attributed mainly to the transition of the new rate structure as both the County and City of Hagerstown issued a significant number of permits in fiscal year 2009 that were applied for in fiscal year 2008. This and some large withdrawals by developers due to the economy have caused the discrepancy between the revenue and permit number trends. As the year progresses transition activity should start to subside. However, an overall shortfall based on permit trends is projected.

**Budgetary Forecasts:**

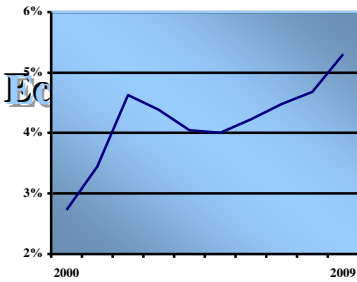
The most recent State cuts are expected to have a minimal impact on the County's general fund as the County anticipated State reductions when preparing its fiscal year budget in March of

# Financial update

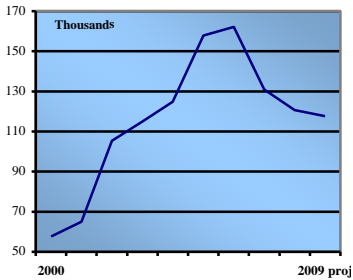
For the period ended September 2008

# 09

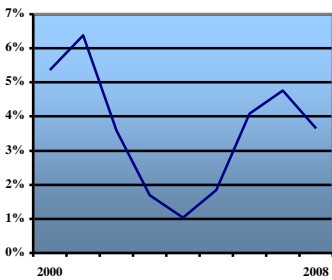
Average Unemployment Rate



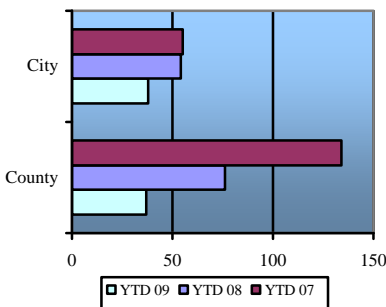
Annual Tonnage History



Annual Average Investment Rate



Permits Issued YTD



## Employment Statistics – July 2008 vs. July 2007

No. Of Employed	No. Of Unemployed	County		State	
		Current Unemployment Rate	Prior Unemployment Rate	Current Unemployment Rate	Prior Unemployment Rate
66,464	3,711	5.3%	4.7%	4.6%	3.9%

## Tonnage Information (tons)

Current Budget Year-to-date tons	Actual Year-to-date tons	Budget Variance - tons		Actual Growth % CY vs. PY
		#	%	
35,309	32,003	(3,306)	(9.36%)	(.65%)

## Investment Portfolio Information

Current		Year-to-date		
Portfolio	Average Yield	Invested	Average Yield	Earnings
189,617,328	2.281%	298,710,236	2.225%	2,501,387

## Number of Permits Issued

Area of Activity	Prior Year Year-to-date	Current Year Year-to-date	Variance	
			#	%
County	76	37	(39)	(51%)
Hagerstown	54	38	(16)	(29%)
Total	130	75	(55)	(42%)

## Major Revenue Trends

The following summarizes key revenue sources that affect the County's overall financial condition. Many of these revenues change with the economy. The revenues shown below are before year-end accrual adjustments. Amounts reflected as of report date unless otherwise noted.

Real Estate Tax (operating revenue)				
Current Budget	Revenue Billed	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
106,003,671	108,089,977	2,086,306,	1.97%	10.31%

Income Tax (operating revenue) – 1 <sup>st</sup> distribution scheduled for October 31				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
0	0	0	0	0

Recordation Tax (operating revenue) -August				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
1,702,475	950,340	752,135	(44.18%)	(29.80%)

Tipping Fees (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
1,909,584	1,765,494	(144,090)	(7.55%)	(4.74%)

Highway User Revenue (operating revenue) - August – includes \$400,000 budget shortfall adjustment				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
1,357,886	1,194,593	(163,293)	(12.03%)	(14.0%)

Total Residential Development Fees (restricted for capital)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
855,066	312,208	(536,858)	(62.79%)	(73.1%)

Transfer Tax (restricted for capital)-August				
--	--	--	--	--

# Financial update

# 08

For the period ended December 2007

## Operating Activity

The table below compares fiscal year-to-date approved budget to fiscal year-to-date expenditures on major funds. It incorporates the variance by dollar and percentage along with a total expenditure activity combining operating and capital is the third chart.

Funds expended & encumbered should average around 25%, if not seasonal

Operating Activity by Major Fund (in millions)					
Major Funds	Adjusted Budget	Expended YTD	Encumbered Funds	Unexpended	% Expended & Encumbered YTD
General	209.2	43.1	2.4	163.7	22%
Highway	8.9	1.8	1.0	6.1	32%
Solid Waste	8.7	1.9	0.0	6.8	22%
Water	1.8	.4	.01	1.39	23%
Sewer	10.6	2.4	.07	8.13	23%
Transit	2.5	.6	.02	1.88	25%
Airport	2.7	.7	.04	1.96	27%
Golf Course (seasonal)	1.2	.4	.03	.77	36%
<b>Total</b>	<b>245.6</b>	<b>51.3</b>	<b>3.57</b>	<b>190.73</b>	<b>22%</b>

## Construction Activity

The table below represents the County's *construction in progress* for the period ended. It discloses the current project budget, expenditure year-to-date, along with variance reporting. The table summarizes the projects by category.

## Total Expenditure Activity

Grand Total (millions)	561.2	204.51	37.11	319.58	43%
------------------------	-------	--------	-------	--------	-----

Construction Activity (in millions)					
Category	Budget	Expended YTD	Encumbered Under Contract	Unexpended	% Expended & Encumbered YTD
General	13.4	8.3	.6	4.5	67%
Public Safety	32.9	14.4	10.0	8.5	74%
Roads, Bridges, etc.	52.8	15.5	15.1	22.2	58%
Parks	1.4	.4	.03	.97	28%
Education	82.9	44.2	.10	38.6	53%
Solid Waste	12.9	.5	.5	11.9	8%
Utility	39.5	4.8	4.7	30.0	24%
Transportation	3.6	.01	.01	3.58	1%
Airport	76.2	65.1	2.5	8.6	89%
Total	315.6	153.21	33.54	128.85	59%

## Financial update

09

For the period ended September 2008

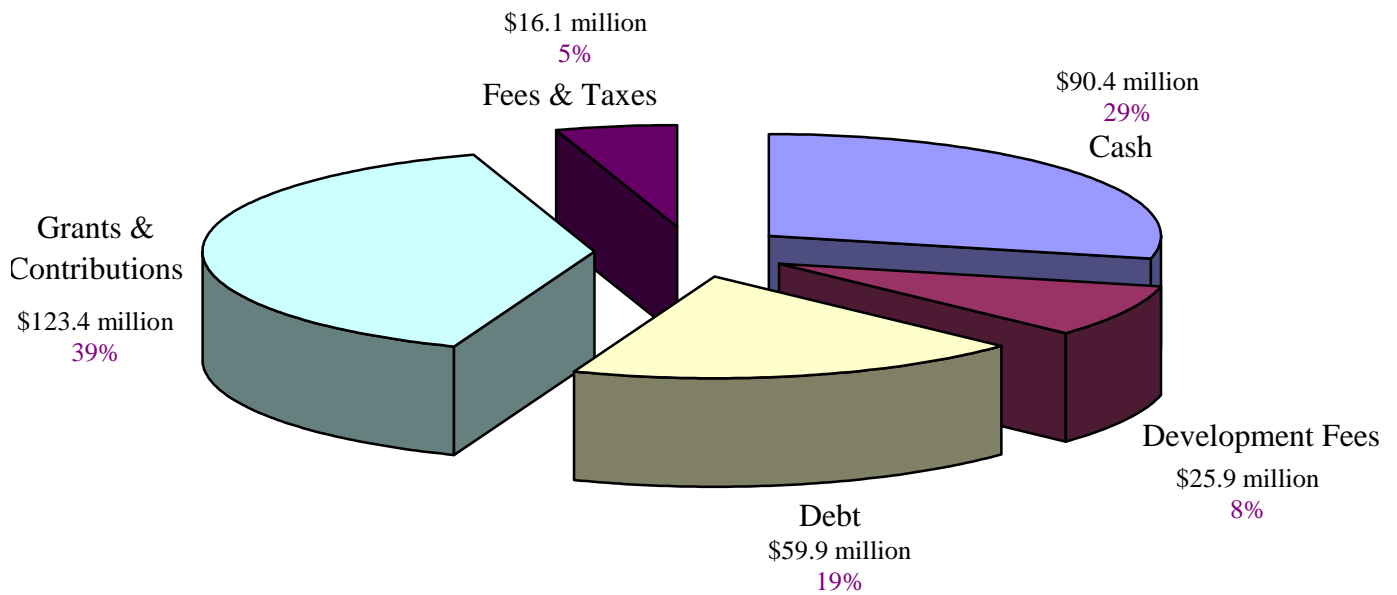
Airport	824.8	\$ 3.540	-	-
Golf Course	3,049.5	\$ 3.500	800.8	\$ 3.850
Highway	18,595.0	\$ 3.295	14,753.2	\$ 3.675
Parks	6,907.3	\$ 3.437	1,876.1	\$ 3.573
Sheriff Operations	32,710.0	\$ 3.389	-	-
Solid Waste	655.0	\$ 3.638	22,002	\$ 3.528
Transit	-	-	27,501.0	\$ 3.432
Water Quality	7,428.2	\$ 3.482	6,983.6	\$ 3.883
Total weighted average	70,169.5	\$ 3.388	73,916.7	\$ 3.560
Unit Price Budgeted		\$ 3.25		\$ 3.25

The above chart represents fuel purchases for the current fiscal year. The average price per gallon is based on weighted averages. Comparisons related to service level, county-wide, and budgetary basis have been provided. Pricing sheets are indicating that both gasoline and diesel fuel prices are trending downward. The unit price began to fall around mid September. We should start seeing a drop in the weighted average if prices stay at the current trend, as the year continues.

**Washington County, Maryland**  
**Investment Portfolio**

<b>Investment Type</b>	<b>Settlement Date</b>	<b>Maturity Date</b>	<b>Cost</b>	<b>Maturity Value</b>	<b>Total Interest Income</b>	<b>Yield</b>
FHLMC	3/27/2008	10/14/2008	14,855,112.50	15,000,000.00	144,887.50	1.775%
FNMA	4/28/2008	1/30/2009	4,928,826.39	5,000,000.00	71,173.61	1.877%
FHLMC	4/28/2008	11/21/2008	4,947,387.50	5,000,000.00	52,612.50	1.849%
FHLMC	5/30/2008	12/30/2008	14,821,666.67	15,000,000.00	178,333.33	2.055%
FNMA	5/30/2008	2/27/2009	9,852,125.00	10,000,000.00	147,875.00	2.006%
FHLMC	6/27/2008	12/30/2008	9,886,333.33	10,000,000.00	113,666.67	2.262%
FHLMC	6/27/2008	3/30/2009	9,823,666.67	10,000,000.00	176,333.33	2.364%
FNMA	7/18/2008	12/17/2008	7,924,000.00	8,000,000.00	76,000.00	2.258%
FHLB	7/18/2008	1/20/2009	6,914,285.00	7,000,000.00	85,715.00	2.439%
FHLB	7/18/2008	4/24/2009	5,885,666.67	6,000,000.00	114,333.33	2.521%
FNMA	7/18/2008	5/1/2009	5,884,721.67	6,000,000.00	115,278.33	2.480%
FHLMC	7/31/2008	4/3/2009	11,800,740.00	12,000,000.00	199,260.00	2.497%
FNMA	7/31/2008	1/14/2009	6,924,339.72	7,000,000.00	75,660.28	2.395%
FHLMC	7/31/2008	12/16/2008	7,931,613.33	8,000,000.00	68,386.67	2.287%
FNMA	8/28/2008	5/29/2009	15,683,377.78	16,000,000.00	316,622.22	2.677%
FHLMC	8/28/2008	11/3/2008	9,958,311.11	10,000,000.00	41,688.89	2.287%
FHLMC	8/28/2008	4/3/2009	4,922,791.67	5,000,000.00	77,208.33	2.620%
FHLB	9/30/2008	3/24/2009	15,007,250.00	15,217,500.00	210,250.00	2.899%
FNMA	9/30/2008	11/11/2008	11,585,835.63	11,605,000.00	19,164.37	1.477%
FHLB	9/30/2008	2/2/2009	9,902,777.78	10,000,000.00	97,222.22	2.875%
FHLB	10/14/2008	5/18/2009	9,859,000.00	10,000,000.00	141,000.00	2.412%
<b>Subtotal</b>			<b>199,299,828.42</b>	<b>201,822,500.00</b>	<b>2,522,671.58</b>	
Worker's Comp	2/6/2008	1/30/2009	176,499.75	180,000.00	3,500.25	2.011%
<b>Total</b>			<b>199,476,328.17</b>	<b>202,002,500.00</b>	<b>2,526,171.83</b>	<b>2.287%</b>

## Current Funding Matrix of Capital Improvement Fund



The above represents the funding matrix of all capital projects currently in progress as of September 30, 2008, which total \$315,608,809. Of the total funding 81% represents a type of cash funding with the remaining 19% funded with general obligation bond borrowing.





Prepared by the Office of Budget and Finance