

A L L E G A N Y C O U N T Y



*View of Lock House in Oldtown, Maryland as
Photographed by Allegany County Resident Poulter, Hester*

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

M A R Y L A N D

ALLEGANY COUNTY, MARYLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR
JULY 1, 2007 - JUNE 30, 2008**

Prepared by:

The Allegany County Finance Office

Jerry L. Frantz, CPA, Director

ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CONFIDENTIAL REPORT
DATE: 10/10/1964
SUBJECT: [REDACTED]

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INTRODUCTORY SECTION

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ALLEGANY COUNTY, MARYLAND

Finance Office

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BOARD OF COMMISSIONERS

James J. Stakem, *President*

Robert M. Hutcheson

Dale R. Lewis

Vance C. Ishler, *County Administrator*

Jerry L. Frantz, CPA, *Director of Finance*

December 5, 2008

To the Board of County Commissioners and the
Citizens of Allegany County, Maryland

The Comprehensive Annual Financial Report (CAFR) of Allegany County, Maryland for the fiscal year ending June 30, 2008, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of Allegany County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Allegany 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 the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide 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.

The County's financial statements have been audited by Turnbull, Hoover & Kahl, PA., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved 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 the County's financial statements for the fiscal year ended June 30, 2008, 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 the County was part of a broader, federally mandated 'Single Audit' designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the 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 Allegany County's separately issued Single Audit Report.

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

Profile of Allegany County

Allegany County, located on the Potomac River in western Maryland, was established in 1789. It is bordered by Pennsylvania to the north and West Virginia to the south, and comprises an area of 428 square miles. Cumberland, the County seat, covering eight square miles, is at an elevation of 641 feet. Cumberland is situated approximately 100 miles southeast of Pittsburgh and 130 miles northwest of Baltimore and Washington, D.C. There are seven incorporated municipalities in the County: Barton, Cumberland, Frostburg, Lonaconing, Luke, Midland and Westernport.

The County is predominately rural in character. The 1990 census showed a population of 74,946; according to the 2000 Census, the population is 74,930 for the County. The County seat and principal city is Cumberland, with a 2000 population of 21,518.

Both the executive and legislative functions of the County are vested in the elected, three member Board of County Commissioners. Commissioners are elected on a county-wide basis and serve four-year terms. The Board elects one Commissioner to serve as its President. The Board is required to meet monthly.

In 1974, the County adopted the Code Home Rule form of government provided in Article XI-F of the Maryland Constitution and Article 25B of the Annotated Code of Maryland. Under this form of government, the Board has the authority to enact, amend, and repeal public local laws relating to the incorporation, organization, and government of the county, including, laws authorizing the issuance and sale of bonds to finance capital projects for the County. Each member of the board has one vote and, except for emergency bills, a simple majority of the Board is sufficient to enact any bill into law.

In 1996, the Commissioners adopted legislation making the County Administrator of Allegany County responsible to the Board and charged with the administration of all County affairs. The Administrator will carry out the policies of the Board, direct and supervise the administration of all departments and agencies, and perform all duties enumerated in the Allegany County Code Chapter 2, Article 1.

County financial matters are administered through the Department of Finance of the County by the Director of Finance. The Director of Finance is charged with the administration of the financial affairs of the County, which generally include the receiving of County taxes, fees and other revenues and funds of every kind due to the County; the custody and safekeeping of all funds or securities belonging to or by law deposited with, distributed to, or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; and such other functions as may be prescribed by the Board.

BUDGET

The formulation of the County's Budget is a joint responsibility between the Director of Finance, who also serves as Budget Officer, and the County Administrator. In addition to formulating the Budget, the Budget Officer is responsible for the submission to the Board of periodic reports on their efficiency and economy, and such other duties and functions as may be assigned by the Board.

The County Budget is comprised of the Operating Budget, which has current year appropriations for all funds, and the Capital Budget.

Operating Budget

The Operating Budget, which must be balanced, is prepared by the County Administrator and the Director of Finance on a modified accrual basis and submitted for approval of the Board of County Commissioners. It is based upon estimated revenues and expenditures for operations for the ensuing fiscal year that is submitted to the Director of Finance by the department head of each office, Court, department, institution, board, commission, corporation or other agency of the County government. The current Operating Budget must contain the following information: (1) a schedule of all revenues estimated to be received by the County during the ensuing fiscal year, classified to show the receipts by funds and sources of income; (2) a schedule of the debt service requirements for the ensuing fiscal year; (3) schedule of the receipts and expenditures for the last two completed fiscal years, the estimated receipts and expenditures of the current ending fiscal year and the expenditures recommended by the Board of County Commissioners for the ensuing fiscal year for each function, activity, and sub activity; and (5) any other material which the Board of County Commissioners may deem advisable.

Variance reports of actual revenues and expenditures versus budgeted revenues and expenditures are prepared by the Director of Finance on a monthly basis. Additionally, individual offices, departments, boards, commissions, and other agencies of the County review on a monthly basis all events affecting their budgetary estimates and can request the Board for supplemental appropriations to increase their budgetary allowances. The Board in turn has the power to grant such increases.

Capital Budget

The Capital Budget is prepared by the Capital Projects Engineer after approval by the Review Committee and then submitted for approval to the Board of County Commissioners. The Review Committee consists of the County Administrator, the Director of Community Services, the Director of Public Works, the Director of Finance, the Director of Economic Development and the County Engineer. It is based on the need for having certain capital projects undertaken and the availability of financial resources. Each project is identified with estimated costs and estimated sources of funding. All funding requests are then applied to a debt affordability model to ascertain if the proposed debt is within the County's self-imposed debt guidelines.

Adoption of Budget

Before the end of April in each year, the preliminary County Budget is publicly reviewed by the County Commissioners at an announced time and date. Opportunities are then available at the next several public meetings for citizens to express their views. After the public hearings, the Board of County Commissioners may revise the preliminary budget. Line item details of all individual departmental and agency requests and proposed appropriations are available. The Board is further authorized to revise the schedule of anticipated receipts and estimated rates for general and special taxes. The Budget must be approved and signed by a majority of the Commissioners by June 30th.

Factors Affecting Financial 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 Allegany County operates.

Local economy: Allegany County currently enjoys a favorable economic environment and local indicators point to continued stability. The unemployment rate has increased slightly from 5.2% at June 30, 2007 to 5.5% at June 30, 2008. The region has diverse manufacturing and industrial base of paper manufacturing, rail transportation and the manufacturing of window coverings. A varied service provider base gives the area relative stability of the unemployment rate. Major service providers include health services, government, education, and call centers.

The state and federal government have a major economic presence with the operation of correctional facilities. The state also operates a 4-year higher education institution that serves the region offering a variety of undergraduate and graduate programs.

Allegany County has a total labor force of 36,054. The total labor force remains relatively unchanged which mirrors the population census of the county. Recent population projections have the county maintaining its current population which reverses decades of population loss.

Long-term financial planning: The County adopts a five year Capital Improvement Program each year as required by state law. During fiscal year 2008 the County borrowed an additional \$5 million (a total of \$10 million) to complete the new Mt. Ridge High School located in Frostburg, Maryland. An upgrade to the Georges Creek Waste Water Treatment facility was

started in fiscal year 2008, and will continue into fiscal year 2009, with an estimated total cost of \$28.5 million. Allegany County will be required to finance \$9 million of the cost of construction with debt which will be repaid from user charges on customers in the George's Creek district.

The County issued bonds in the amount of \$4.6 million early in the 2009 fiscal year. The proceeds will be used to acquire or construct a computer aided dispatch system for 911, Allegany College's library's renovations and additions, a public safety building acquisition and renovation, and several flood control projects among other capital projects..

Major initiatives: During 2007 Allegany County successfully negotiated a 10 year lease with the General Services Administration (GSA) for the Federal Emergency Management Agency (FEMA) use of the former Pittsburgh Plate Glass plant. It is one of three national distribution centers. The formerly vacant 534,000 square foot building will permit a quick FEMA response to disasters as well as providing an economic boost to the region.

Additionally, Allegany County partnered with Frostburg State University, the State of Maryland, and a private development group to construct the first technology-based building at the Allegany Business Center at Frostburg State University. The project, using University resources, is the key for technology related economic development in the County.

The construction of the Western Maryland Health Systems' new \$268 million hospital is well under way with an expected completion date of October 2009.

Risk Management

Allegany County retains insurance advisors who monitor health, workers compensation, life, and property insurance coverage. Periodical inspections of County buildings and property by the insurance carriers ensure the proper levels of liability and building and contents coverage. The County's exposure to risk is limited to immaterial deductible amounts. The County employs a risk and safety manager to recommend and enforce safety policies and to monitor workers compensation cases.

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 Allegany County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the sixteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government 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. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I wish to acknowledge the support and interest of the Board of County Commissioners and the County Administrator in the recording and reporting of financial matters. It is of the utmost importance that the accounting functions have this support. I also want to express my appreciation to Wm. Jay George, CPA, Assistant Director of Finance and the entire staff of the Finance Office for their cooperation, dedication, and professionalism in the preparation of this report. In conclusion, I want to acknowledge the efforts of the many County employees that support the accounting function.

Respectfully submitted,



Jerry L. Frantz, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Allegany County
Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

**Allegany County, Maryland
Summary of Certain Officials
June 30, 2008**

Board of Commissioners

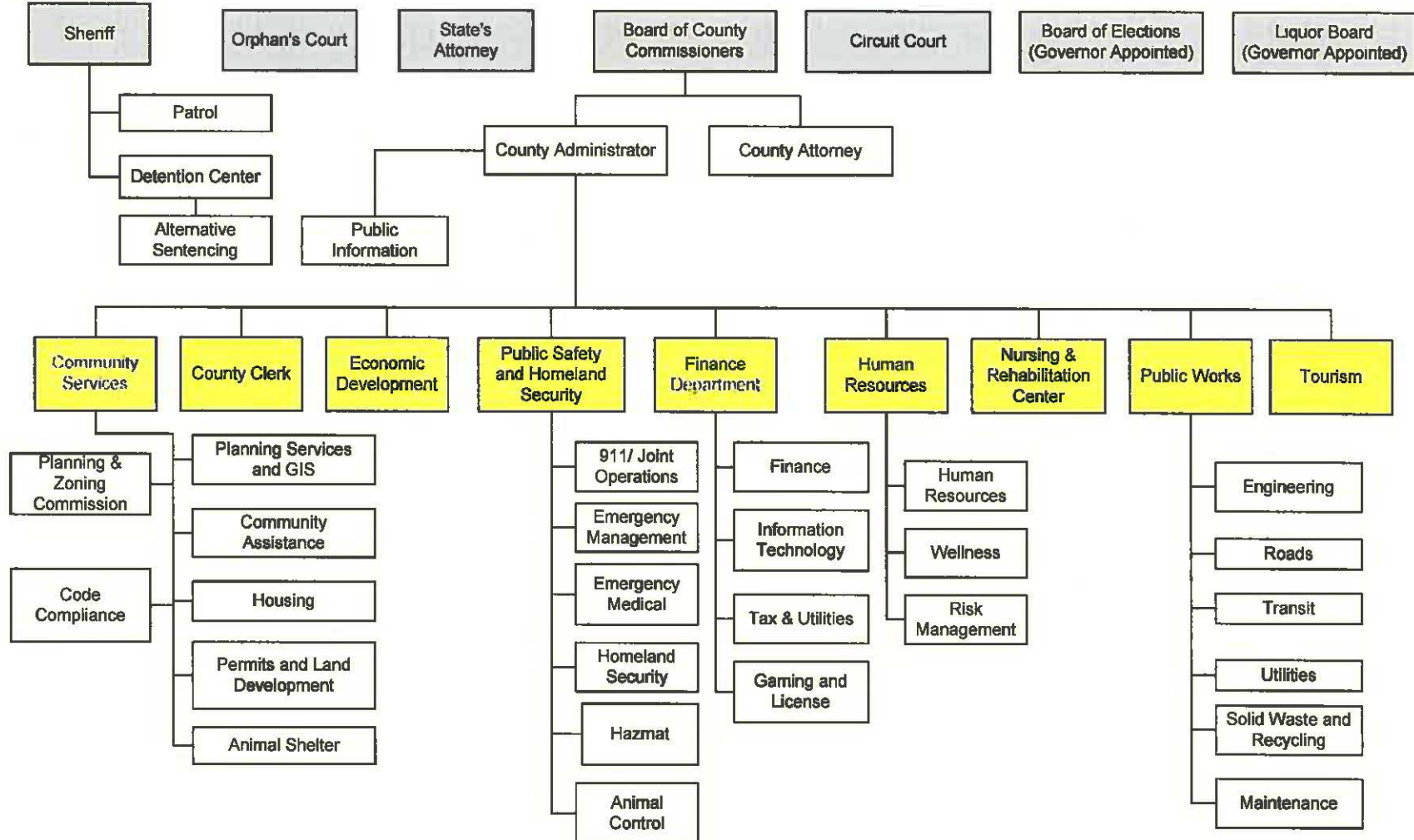
**James J. Stakem, President
Robert M. Hutcheson, Commissioner
Dale R. Lewis, Commissioner**

County Administrator	Vance C. Ishler
Clerk of the Board	Carol A. Gaffney
Director of Finance	Jerry L. Frantz, CPA
Director of Public Works	W. Stephen Young, P.E.
Director of Community Services	David A. Eberly
Director of Economic Development	Matthew W. Diaz
Director of Interagency Data Processing	Nilufer H. Grove
Director of Human Resources & Personnel Services	Brian P. Westfall
Sheriff	David A. Goad
State's Attorney	Michael O. Twigg, Esquire
County Attorney	William M. Rudd, Esquire
Election Administrator	Catherine O. Davis
Health Officer	Sue V. Raver, M.D., M.P.H.



Allegany County, Maryland

Organization Chart 2008



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FINANCIAL SECTION

David W. Turnbull, CPA
Richard J. Hoover, CPA
Bernard B. Kahl, CPA



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Board of Allegany County Commissioners
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Cumberland, Maryland

INDEPENDENT AUDITOR'S REPORT

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 Allegany County, Maryland (the County), as of and for the year ended June 30, 2008, 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 financial statements of the Allegany County Board of Education and the LaVale Sanitary Commission, which collectively represent 72 percent, 70 percent, and 78 percent, respectively, of the assets, net assets, and revenues of the 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 Allegany County Board of Education and the LaVale Sanitary Commission is based on the report 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 report 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 Allegany County, Maryland, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, on our consideration of Allegany County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages B-1 through B-11, the schedule of pension contributions on page D-3, and the budgetary comparison information on pages D-4 through D-14 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 an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Turnbull, Hoover & Kahl, P.C.

Cumberland, Maryland
December 5, 2008

Management's Discussion and Analysis

As management of Allegany County, we offer readers of Allegany County's financial statements this narrative overview and analysis of the financial activities of Allegany County for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at page ix of this report.

Financial Highlights

- The assets of Allegany County exceeded its liabilities at the close of the most recent fiscal year by \$140.5 million (*net assets*). Of this amount, \$140.8 million is invested in capital assets net of related debt and \$6.1 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets are a deficit of \$6.4 million. This total unrestricted net asset amount includes a deficit balance of \$6.4 million from governmental activities, and unrestricted net assets from business-type activities of \$20,000.
- The government's total net assets decreased by \$2.0 million or 1.4%. The governmental net assets decreased \$2.4 million (or 3.0%). Business-type net assets increased by \$372,000 (or .6%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$28.3 million, a decrease of \$7.2 million in comparison with the prior year. The decrease is largely due to debt proceeds which were received in fiscal year 2007 in the Revolving Building Fund and the capital project funds and being spent in the current (2008) fiscal year. Approximately 2.0% of this total amount, \$500,000, is *available for spending* at the government's discretion (*unreserved fund balance*) and another \$20.0 million is unreserved and designated for specific projects, programs and uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1.7 million, or 2.6% of total general fund expenditures.
- Allegany County's governmental activity outstanding debt increased by \$345,000 (or 1.0%) during the current fiscal year reflecting debt principal payments of \$4.9 million and new debt of \$5.2 million. The County's business-type debt decreased by \$718,000 (or 3.8%) due to borrowing for improvements to several small water systems. Debt of approximately \$910,000 was retired.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Allegany County's basic financial statements. Allegany County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 Allegany County's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information of all of Allegany County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Allegany County 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 Allegany County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of Allegany County include general government, public safety, public works, social services, economic development, and payments to component units (the public school system, community college and library). The business-type activities of Allegany County include the Water Fund, Sewer Fund, Loan Fund, Allconet II, and Nursing Home operations.

The government-wide financial statements include not only Allegany County itself (known as the *primary government*), but also a legally separate public school system, community college, library system and a sewer district. 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 C5-C7 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Allegany County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Allegany County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating governments' near-term financial 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Allegany County maintains sixteen individual governmental 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 the general fund, the highway fund, and the capital projects fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages C9-C18 of this report.

Proprietary funds. Allegany County has one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Allegany County uses enterprise funds to account for its water fund, sewer fund, nursing home fund and loan fund

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of the enterprise funds, of which the water, sewer and nursing home funds are considered to be major funds of Allegany County

The basic proprietary fund financial statements can be found on pages C15-C17 of this report.

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 statement because the resources of those funds are *not* available to support Allegany County's own programs. 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 C18 of this report.

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 C19-C56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Allegany County's progress in funding its obligation to provide pension benefits to certain groups of its employees

Also reported as *required supplementary information* are budgetary comparison schedules for the General Fund, the Highway Fund and the Revolving Building which are reported as major funds. Required supplementary information can be found on pages D3-D14 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages E4-E52 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Allegany County, assets exceeded liabilities by \$140.5 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (\$140.8 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Allegany County uses these capital assets to provide services to citizens consequently; these assets are *not* available for future spending. Although Allegany County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ALLEGANY COUNTY'S NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Assets:						
Current and other assets	\$ 35,135,319	\$ 46,054,536	\$ 6,397,428	\$ 6,637,779	\$ 41,532,747	\$ 52,692,315
Capital assets	87,665,207	79,972,859	82,461,931	81,914,089	170,127,138	161,886,948
Total assets	<u>122,800,526</u>	<u>126,027,395</u>	<u>88,859,359</u>	<u>88,551,868</u>	<u>211,669,885</u>	<u>214,579,263</u>
Liabilities:						
Current and other liabilities	11,276,698	12,184,431	2,948,461	2,405,092	14,225,159	14,589,523
Long-term liabilities outstanding	35,413,655	35,329,802	21,511,079	22,118,734	56,924,734	57,448,336
Total liabilities	<u>46,690,353</u>	<u>47,514,233</u>	<u>24,459,540</u>	<u>24,523,826</u>	<u>71,149,893</u>	<u>72,038,059</u>
Net assets:						
Investment in capital assets						
net of related debt	76,516,700	70,105,110	64,244,563	62,978,258	140,761,263	133,083,368
Restricted	5,939,861	13,043,675	175,654	170,832	6,115,515	13,214,507
Unrestricted	(6,346,388)	(4,635,623)	(20,398)	878,952	(6,366,786)	(3,756,671)
Total net assets	<u>\$ 76,110,173</u>	<u>\$ 78,513,162</u>	<u>\$ 64,399,819</u>	<u>\$ 64,028,042</u>	<u>\$ 140,509,992</u>	<u>\$ 142,541,204</u>

An additional portion of Allegany County's net assets (4.4%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* deficit balance of \$6.4 million. The *unrestricted net assets* balance for the governmental activities was a deficit of \$6.4 million and the business-type activities deficit balance was \$20,000.

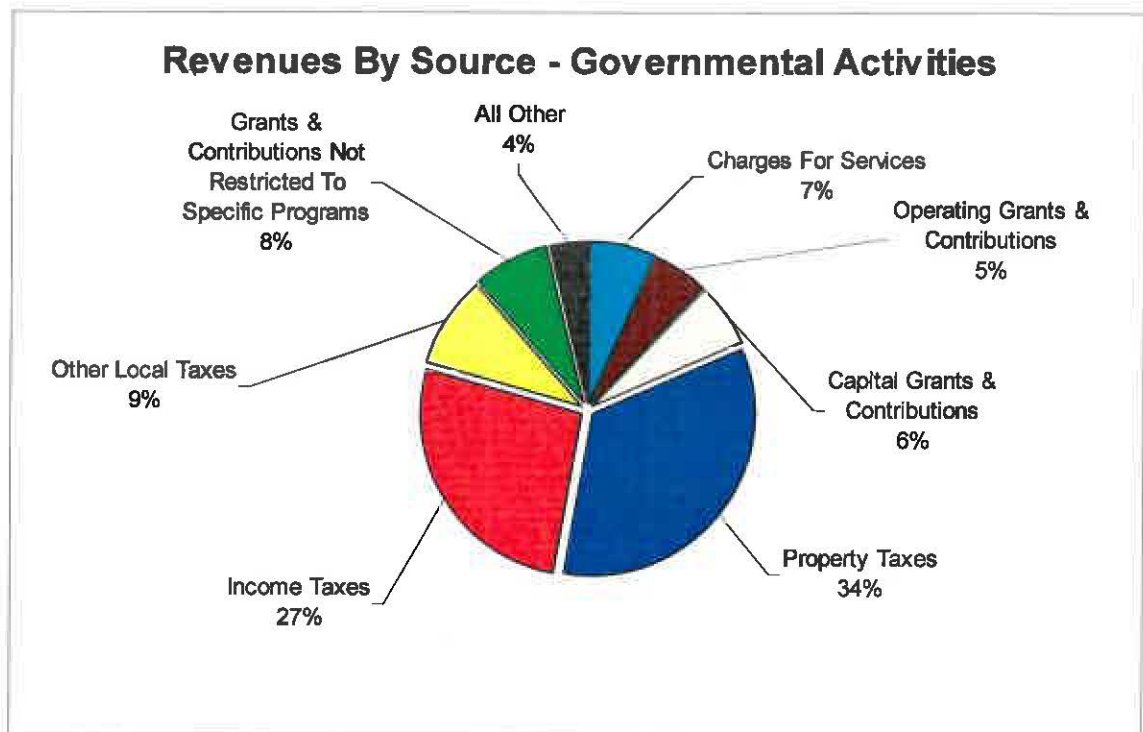
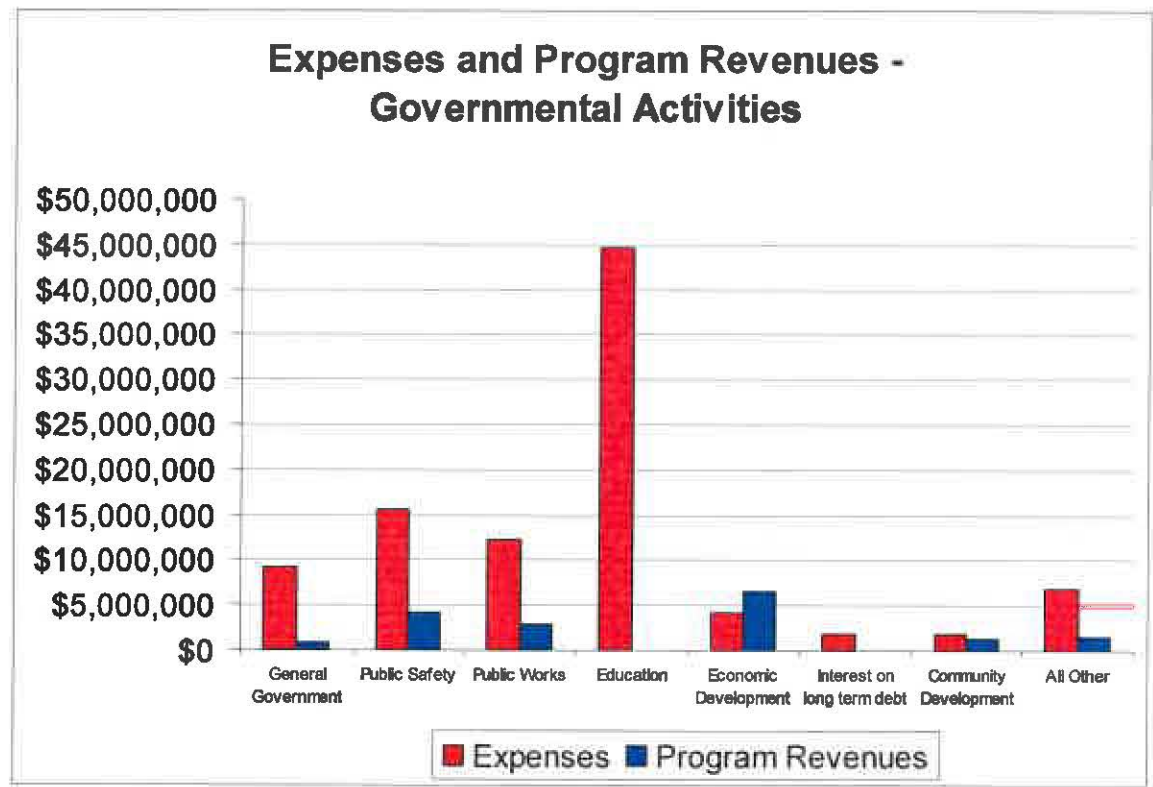
During the current fiscal year, the government's net assets decreased by \$2.0 million. Revenues increased by approximately \$7.0 million to \$115.5 million while expenses increased by \$15.0 million from the prior year to \$117.6 million.

ALLEGANY COUNTY'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Revenues:						
Program revenues:						
Charges for services	\$ 6,159,623	\$ 6,305,308	\$ 17,545,198	\$ 16,454,115	\$ 23,704,821	\$ 22,759,423
Operating grants and contributions	5,130,297	5,564,276	-	-	5,130,297	5,564,276
Capital grants and contributions	6,009,919	5,205,639	3,290,107	803,391	9,300,026	6,009,030
General revenues:						
Property taxes	32,492,011	30,141,707	819,542	884,340	33,311,553	31,026,047
Income taxes	24,990,613	23,177,237	-	-	24,990,613	23,177,237
Other local taxes	8,752,593	8,975,907	-	-	8,752,593	8,975,907
Franchise taxes	332,774	323,025	-	-	332,774	323,025
Grants and contributions not restricted to specific programs	7,173,715	7,570,738	-	-	7,173,715	7,570,738
Unrestricted fees	-	-	-	-	-	0
Unrestricted investment earnings	1,923,408	1,634,969	202,249	196,246	2,125,657	1,831,215
Gain on sale/retirement of capital assets	-	707,145	(685,462)	-	(685,462)	707,145
Miscellaneous	1,288,442	392,063	116,816	192,372	1,465,258	584,435
Total revenues	94,253,395	89,998,014	21,288,450	18,533,464	115,541,845	108,531,478
Expenses:						
General government	8,871,329	7,459,528	-	-	8,871,329	7,459,528
Payment to data processing	328,464	311,568	-	-	328,464	311,568
Public safety	15,612,059	13,998,396	-	-	15,612,059	13,998,396
Public works	12,280,040	11,366,688	-	-	12,280,040	11,366,688
Health	2,083,410	1,778,704	-	-	2,083,410	1,778,704
Social services	2,312,169	2,371,360	-	-	2,312,169	2,371,360
Education	1,274,899	437,620	-	-	1,274,899	437,620
Payment to public school system	36,171,292	29,699,591	-	-	36,171,292	29,699,591
Payment to community college	7,175,000	6,382,000	-	-	7,175,000	6,382,000
Recreation, culture & libraries	1,050,609	1,072,292	-	-	1,050,609	1,072,292
Payment to public library system	905,000	875,000	-	-	905,000	875,000
Conservation of natural resources	327,747	293,066	-	-	327,747	293,066
Community development & housing	1,774,905	1,556,909	-	-	1,774,905	1,556,909
Economic development	4,113,586	3,083,041	-	-	4,113,586	3,083,041
Miscellaneous	250,146	58,202	-	-	250,146	58,202
Interest on long-term debt	1,810,725	1,351,127	-	-	1,810,725	1,351,127
Water	-	-	2,977,733	1,798,200	2,977,733	1,798,200
Sewer	-	-	7,249,345	7,900,344	7,249,345	7,900,344
Nursing Home	-	-	10,425,903	10,292,274	10,425,903	10,292,274
Other proprietary funds	-	-	578,996	446,058	578,996	446,058
Total expenses	96,341,380	82,095,192	21,231,677	20,436,876	117,573,057	102,531,968
Increase in net assets before transfers	(2,087,985)	7,902,922	56,773	(1,906,412)	(2,031,212)	5,996,510
Transfers	(315,004)	(430,187)	315,004	430,187	-	-
Increase (decrease) in net assets	(2,402,989)	7,472,735	371,777	(1,476,225)	(2,031,212)	5,996,510
Net assets, beginning	78,513,162	71,486,340	64,028,042	65,564,267	142,541,204	136,990,807
Prior period adjustment	-	(446,113)	-	-	-	(446,113)
Net assets, ending	\$ 76,110,173	\$ 78,513,162	\$ 64,399,819	\$ 64,028,042	\$ 140,509,992	\$ 142,541,204

Governmental activities. Governmental activities decreased Allegany County's net assets by \$2.4 million. Total revenues increased \$4.3 million (or 4.7%) but expenses increased \$14.2 (or 17.4%). Key elements of the changes in governmental net assets are as follows:

- Property taxes in the governmental funds increased by \$2.35 million (7.8%). The increase was the result of property assessments increasing by \$190 million.
- Income tax revenue increased \$1.8 million or 7.8%. The County increased the income tax rate from 2.93% to 3.05% of Maryland taxable income effective January 1, 2008. The new rate was effective for last half of the current fiscal year but the effect for future years was mitigated due to the State increasing the individual personal exemptions. No significant increase in revenue is expected in the next fiscal year.
- Miscellaneous revenues increased \$900,000 due to the donation of capital assets being recorded as revenue.

- Capital grants increased \$800,000 (or 15.5%) due to grant funding of \$2.5 million for the purchase of the former Biederlack building.

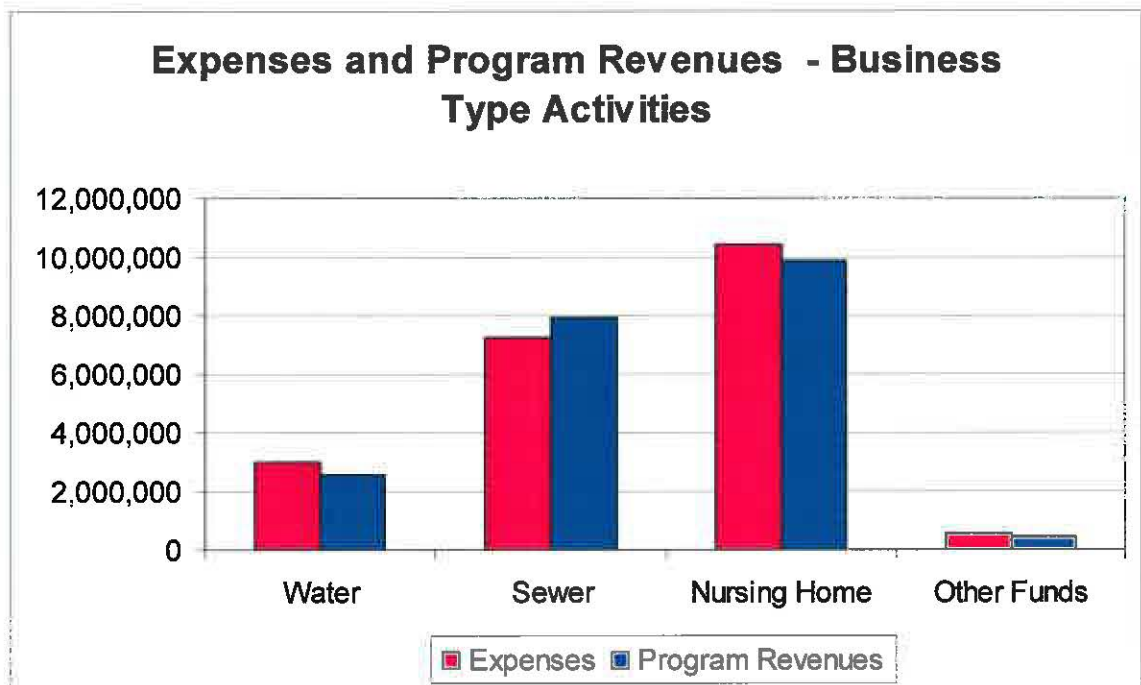


The increase in governmental expenses of \$14.2 (or 17.4%) was the result of the following:

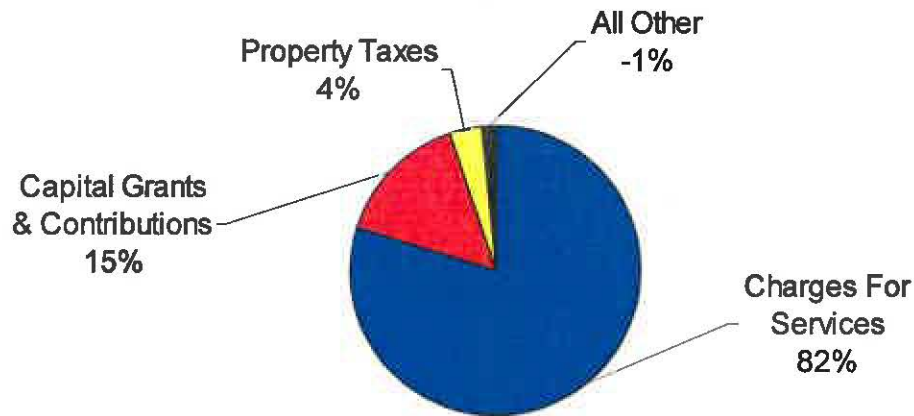
- An increase of \$6.5 million (or 21.8%) to the public school system of which \$1 million was an increase in the annual operating appropriation and the rest was the result of funding for the Mountain Ridge High School.
- Public safety expenses increased \$1.6 million (or 11.5%) primarily due to the increase in costs to operating the County's correctional facility and sheriff's department.
- General government expenses increased \$1.4 million (or 19.0%) as a result of a loss on the sale of buildings required to be reported as a general government expense in entity wide financial statements. During the current fiscal year the County sold several economic development properties to various employers at a price well below book value.
- Economic development expenses increased \$1 million dollars (or 33.4%) largely due to a one time payment to the Maryland Department of Housing and Community Development of \$721,000 of accumulated funds to be used for sewer improvements in the County.

Business-type activities. The net assets of the County's business-type activities increased by \$372,000 after transfers. Key elements of the increase were:

- Charges for services for business-type activities increased by \$1.1 million (6.6%) due to increases in user fees for sanitary and water customers.
- Capital contributions increased dramatically from the previous fiscal year to \$3.3 million in fiscal year 2008. An increase of \$2.5 million. Construction on the George's Creek Wastewater Treatment Plant upgrade started in the current fiscal year with a total estimated cost in excess of \$29 million dollars. Significant grant revenues for the project are anticipated in the next fiscal year.
- As of July 1, 2007, water operations in several sewer districts were transferred to the water district funds. This resulted in expenses for the sanitary funds dropping significantly and a corresponding increase in the water district expenses and revenues. The change was made to better determine the costs of providing water and sewer services separately.



Revenues By Source - Business Type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Allegany County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Allegany County's 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 the fiscal year.

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$28.3 million, a decrease of \$7.2 million in comparison with the prior year. Approximately 72.8 percent of this total amount (\$20.58 million) constitutes *unreserved fund balance*, of which the majority is available for spending at the government's discretion. Some amounts reported as *unreserved/designated fund balance*, are not available due to the single purpose of the fund being restricted and the requirement the fund balance be reported as unreserved. The remainder of fund balance, a total of \$7.7 million, is *reserved* to indicate that it is not available for new spending because it has already been committed for non-current assets or legally restricted for a specified use.

The general fund is the chief operating fund of Allegany County. At the end of the current fiscal year, *unreserved/undesignated fund balance* of the general fund was \$1.7 million, out of a total fund balance of \$15.8 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 fund expenditures. *Unreserved/undesignated fund balance* represents 2.6 percent of total general fund expenditures, while total fund balance represents 23.7 percent of that same amount.

Key factors in the \$7.2 million decrease in the governmental fund balances are:

The fund balance of Allegany County's general fund increased slightly, \$298,000; which was the result of:

- Revenues increased \$1.8 million (or 2.5%) and expenditures increased \$2.9 million (or 4.6%).
- Property taxes grew 5.5%, an increase of \$1.7 million from the prior year, due to assessment increases from the housing boom prior to the current housing collapse.
- Offsetting the increases in property and income taxes was a decrease in intergovernmental revenues of \$685,000 (or 6.5%). Both Federal and State grants for operating type of programs decreased. A Federal medical transportation grant decreased \$421,000 and the State disparity grant decreased \$374,000.
- Public safety expenditures increased \$1.1 million as a result of Sheriff's department expenditures increasing \$315,000 (or 15.5%) and Correctional Center expenditures increasing \$598,000 (or 10.4%).
- Payments to the component units increased \$1.8 million. The public school system received an additional \$1.0 million and the community college received an additional \$793,000.

The Highway Fund, a major fund, fund balance decreased \$1.1 million due to the State of Maryland continuing to reduce the amount of shared highway user's taxes being distributed

The Revolving Building Fund, another major fund, reported a decrease in fund balance of \$2.9 million. Expenditures tripled in fiscal year 2008 to \$8.3 million. The fund had borrowed over \$6 million in the last fiscal year to make renovations to the former Pittsburgh Plate Glass factory which is being leased to the Federal Emergency Management Agency (FEMA) for a period of ten years. Most of the increase in expenditures was the costs of those improvements being made in the current fiscal year.

The Capital Projects Fund, another major fund, fund balance decrease \$1.9 million. Most of the debt proceeds borrowed in fiscal year 2007 for the Mt. Ridge High School was spent in the current fiscal year for construction.

The non-major governmental funds fund balance decreased by \$1.5 million as expenditures were made in anticipation of a future bond issue. The bond was issued in September 2008 for \$4.6 million for a variety of projects including buildings for the County's component units, public safety projects, and public works facilities.

Proprietary funds. Allegany County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net assets at year end and the change in net assets during the current year are highlighted below:

	Water Districts	Sanitary Districts	Nursing Home	Other Enterprise Funds	Totals
Net assets:					
Invested in capital assets, net of related debt	\$ 16,531,155	\$ 43,581,021	\$ 1,828,708	\$ 2,303,679	\$ 64,244,563
Restricted for debt service		175,654			175,654
Unrestricted	651,131	924,938	(2,900,280)	1,303,813	(20,398)
Total net assets	<u>\$ 17,182,286</u>	<u>\$ 44,681,613</u>	<u>\$ (1,071,572)</u>	<u>\$ 3,607,492</u>	<u>\$ 64,399,819</u>
Change in net assets during the year, increase (decrease)	<u>\$ (347,131)</u>	<u>\$ 1,244,258</u>	<u>\$ (503,285)</u>	<u>\$ (22,065)</u>	<u>\$ 371,777</u>

Other factors concerning the finances of these four funds have already been addressed in the discussion of Allegany County's business-type activities.

General Fund Budgetary Highlights

During the year, the original budget increased just \$328,000 (includes other sources and uses) to a revised total of \$76.8 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Most of the increase (\$164,000) was for the Sheriff's Department. The increase was to fund a new union contract and various grant programs not approved prior to the start of the fiscal year.
- Most of the remaining increase in the general fund budget was for grants approved after the start of the fiscal year for social services programs.

Revenues exceeded budgetary estimates by \$869,000 million and actual expenditures were less than budgetary estimates by \$2.3 million. Operating transfer to other funds exceeded the budget estimates by \$819,000 due to unanticipated transfers to capital project funds to finance the local share of various construction projects requiring local matches.

- The General Fund's income tax revenue exceeded budget by \$1.8 million (or 7.9%) due to the tax rate increasing from 2.93% to 3.05% of Maryland taxable income. The increase will be mitigated in future years due to the State increasing the personal exemption from \$2,400 to \$3,200 per individual.
- The favorable variance from income taxes was offset by an unfavorable variance for intergovernmental revenues of \$1.3 million. Program Open Space revenue had an unfavorable variance of \$769,000 due to less than expected activity for the program. MedTrans grants had an unfavorable variance of \$311,000 due to the program being transfer to the Allegany County Health Department.
- Other general fund revenues only varied slightly from budgeted amounts.
- General government expenditures had a favorable variance of \$1.3 million due to almost all operating departments finishing well within budget. The larger favorable variances were: financial administration \$397,000 and employee benefits \$284,000.
- Program Open Space had a favorable variance of \$856,000. The remaining general fund departments were either within budget or slightly over with the exception of the Sheriffs Department.
- The Sheriff's Department was \$322,000 over budget primarily due to payroll overtime.

Capital Asset and Debt Administration

Capital assets. Allegany County's investment in capital assets for its governmental and business type activities as of June 30, 2008 was \$170.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture and fixtures, equipment, vehicles, heavy equipment and other miscellaneous assets. The total increase in Allegany County's investment in capital assets for the current fiscal year was 5.1 percent (a 9.6 percent increase for governmental activities and a .7 percent decrease for business-type activities).

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

- Construction began on the Georges Creek waste water treatment plant in Westernport; costs incurred during the fiscal year were \$2.3 million, and this project is projected to have a total cost of nearly \$29 million at its completion.
- Construction continued on the Rye Street Bridge and was completed with a total capitalized project cost of \$779 thousand, including \$608 thousand incurred in FY 2008.
- Construction continued on the Bartlett Run Road Bridge and was completed with a total capitalized project cost of nearly \$1.5 million including \$1.3 million incurred in FY 2008.
- Design and construction continued on the Bedford Road and Jennings Run sewer rehabilitation projects with a total cost incurred of \$513 thousand during the year.

- Two industrial shell buildings in the Riverside Industrial Complex that were previously disposed of by the County as the result of a capital lease were re-acquired by the County at a cost of \$2.5 million, the funding for which was provided by the Maryland Department of Business and Economic Development.
- Work continued on the remodeling of the old PPG building at Mexico Farms with a cost of \$3.4 million during the year; construction in progress for this project is currently \$5.2 million.

ALLEGANY COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 20,594,558	\$ 20,537,494	\$ 79,602	\$ 34,288	\$ 20,674,160	\$ 20,571,782
Work in Progress	7908,401	4,197,814	7,304,253	4,360,096	15,212,654	8,557,910
Buildings	35,596,242	34,499,195	1,693,257	1,780,460	37,289,499	36,279,655
Infrastructure	17,511,878	15,541,127	67,642,008	70,209,430	85,153,886	85,750,557
Furniture & fixtures	209,265	92,059	498,386	557,267	707,651	649,326
Equipment	2,473,465	1,751,515	2,784,682	2,580,022	5,258,147	4,331,537
Vehicles	2,080,598	2,146,586	373,583	164,144	2,454,181	2,310,730
Heavy equipment	823,531	720,234	128,919	142,920	952,450	863,154
Other fixed assets	467,268	486,835	1,957,241	2,085,462	2,424,509	2,572,297
Total	\$ 87,665,206	\$ 79,972,859	\$ 82,461,931	\$ 81,914,089	\$ 170,127,137	\$ 161,886,948

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 7 on pages C-41 through C-42 of this report.

Long-term debt. At the end of the current fiscal year, Allegany County had total debt outstanding of \$58.8 million. Governmental activities debt consists of \$24.9 million in general obligation bonds and \$15.6 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$18.2 million of debt for the business-type activities (revenue bonds) is either paid from revenues restricted for that purpose or by user fees.

ALLEGANY COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation	\$ 24,949,597	\$ 28,532,000	\$ 449,448	\$ 475,926	\$ 25,399,045	\$ 29,007,926
Notes	10,253,745	5,610,818	-	-	10,253,745	5,610,818
Capital leases	288,444	126,929	-	-	288,444	126,929
State loans	5,065,139	5,941,976	9,489,761	10,012,618	14,554,900	15,954,594
Federal loans	-	-	7,813,451	7,952,067	7,813,451	7,952,067
County loans	-	-	464,706	495,220	464,706	495,220
Total	\$ 40,556,925	\$ 40,211,723	\$ 18,217,366	\$ 18,935,831	\$ 58,774,291	\$ 59,147,554

Allegany County issued \$5.5 million of debt and retired \$5.8 million during the current fiscal year for a net decrease of \$.3 million (or.6%). Debt issued during the year for governmental activities was a second \$5 million Farmers Home Administration loan for a new high school in Frostburg. New capital leases were issued for \$110,000 to acquire a transit bus and \$128,000 for new sheriff's department vehicles.

Revenue debt in the amount of \$223,000 was incurred for a second infiltration and inflow (I&I) study for various sanitary districts to reduce the amount of surface water entering the sewer systems. Business type debt retired during the year was \$910,000.

Allegany County has an "A-" rating from Standard & Poor's and a "Baa1" rating from Moody's for general obligation debt.

Additional information on Allegany County's long-term debt can be found in note 10 on pages C-47 through C-50 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for June 2008 for Allegany County was 5.5 percent, which was an increase from a 5.2 percent rate for June 2007.
- Property assessments increased 6.6% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased slightly to \$11.89 million. Allegany County has appropriated \$2 million of this amount for spending in the 2009 fiscal year budget. The use of the unexpended and available fund balance reduced the amount of tax, service charges and fee increases necessary to have a balanced budget for the 2009 fiscal year.

The sewer and water district minimum service charges were increased in a range from 9% - 12% for the 2009 budget year. These rate increases were necessary to pay for the rising costs of operations and State and Federal mandated improvements in the water and sewer systems.

Requests for Information

This financial report is designed to provide a general overview of Allegany County'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 financial information should be addressed to the Allegany County Finance Director, 701 Kelly Road, Suite 205, Cumberland, Maryland 21502 or e-mail at finance@allconet.org.

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
ASSETS:							
Current Assets:							
Cash	\$ 6,526,254	\$ 493,483	\$ 7,019,737	\$ 24,848,306	\$ 6,175,429	\$ 131,586	\$ 2,419,432
Investments	12,107,230	727,973	12,835,203	8,000,000	202,155	1,028,098	-
Property taxes receivable	3,432,604	-	3,432,604	-	-	-	-
Receivables:							
Accounts	-	2,786,482	2,786,482	2,586,453	480,819	2,297	543,347
Other	11,406,659	3,115,757	14,522,416	321,242	1,971,343	-	256,089
Internal balances	1,364,670	(1,364,670)	-	-	-	-	-
Inventory	58,104	135,639	193,743	214,166	287,333	-	238,289
Prepaid expenses	69,672	24,145	93,817	-	52,060	16,481	18,400
Deferred charges	53,356	-	53,356	-	-	-	-
Miscellaneous	74,629	-	74,629	-	-	-	486,509
Restricted Assets:							
Cash	42,142	302,965	345,107	-	541,186	-	21,031
Investments	-	-	-	-	7,588,352	-	-
Taxes	-	94,059	94,059	-	-	-	-
Receivables	-	81,595	81,595	-	-	-	-
Total current assets	35,135,320	6,397,428	41,532,748	35,970,167	17,298,677	1,178,462	3,983,097
Non-current Assets:							
Land	20,594,558	79,602	20,674,160	4,002,794	700,973	-	176,385
Work In Progress	7,908,401	7,304,253	15,212,654	3,031,191	4,034,650	118,174	82,101
Other non-depreciable assets	-	-	-	-	66,893	-	-
Capital assets subject to depreciation/amortization	112,574,573	119,474,235	232,048,808	152,431,436	50,167,601	8,221,432	20,679,559
Accumulated depreciation	(53,412,326)	(44,396,159)	(97,808,485)	(69,322,728)	(20,395,356)	(4,850,106)	(8,706,584)
Total non-current assets	87,665,206	82,461,931	170,127,137	90,142,693	34,574,761	3,489,500	12,231,461
Total Assets	122,800,526	88,859,359	211,659,885	126,112,860	51,873,438	4,667,962	16,214,558
LIABILITIES:							
Current Liabilities:							
Accounts payable	2,973,895	1,640,874	4,614,769	4,524,599	1,093,920	22,078	340,744
Accrued wages payable	387,861	129,423	517,284	3,403,320	574,366	17,451	-
Accrued fringe benefits payable	161,537	52,608	214,145	-	-	-	-
Accrued interest	368,753	93,609	462,362	-	-	-	12,178
Current portion of long-term debt:							
Bonds and loans	4,473,764	835,494	5,309,258	-	84,975	-	39,491
Capital leases	70,130	-	70,130	-	95,044	-	-
Compensated absences	1,083,795	80,341	1,164,136	122,611	45,818	-	-
Due to Agency Fund	156,820	-	156,820	-	-	-	-
Unearned revenue	162,725	-	162,725	2,127,463	447,986	-	-
Miscellaneous liabilities	1,437,418	116,112	1,553,530	10,225,454	1,038,224	-	21,031
Total current liabilities	11,276,698	2,948,461	14,225,159	20,403,447	3,380,333	39,529	413,444
Non-current liabilities:							
Cash advance due general fund	(3,907,309)	3,907,309	-	-	-	-	-
Bonds and loans	35,794,717	16,917,168	52,711,885	-	3,133,012	-	3,632,115
Capital leases	218,314	-	218,314	-	193,421	-	-
Termination benefits	-	-	-	-	694,909	-	-
Compensated absences	3,307,933	686,602	3,994,535	2,528,023	-	66,275	-
Total non-current liabilities	35,413,655	21,511,079	56,924,734	2,528,023	4,021,342	66,275	3,632,115
Total Liabilities	46,690,353	24,459,540	71,149,893	22,931,470	7,401,675	105,804	4,045,559
NET ASSETS							
Invested in capital assets net of related debt	76,516,700	64,244,563	140,761,263	90,142,693	31,068,309	3,489,500	9,061,136
Restricted for:							
Public safety	685,165	-	685,165	-	-	-	-
Highways	836,045	-	836,045	-	-	-	-
Education	871,124	-	871,124	-	-	-	-
Community development & housing	202,835	-	202,835	-	-	-	-
Economic development	3,021,927	-	3,021,927	-	-	-	-
Capital projects	322,765	-	322,765	5,848,553	-	-	-
Other purposes	-	175,654	175,654	231,480	9,555,594	453,508	-
Unrestricted	(6,346,388)	(20,398)	(6,366,786)	6,958,664	3,847,860	619,150	3,107,863
Total Net Assets	\$ 76,110,173	\$ 64,399,819	\$ 140,509,992	\$103,181,390	\$ 44,471,763	\$ 4,562,158	\$12,168,999

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Indirect	Expenses	Program Revenues		
	Before Indirect Expense Allocation	Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government::						
Governmental activities:						
General government:	\$ 9,940,660	\$ (819,185)	\$ 9,121,475	\$ 391,564	\$ 384,624	\$ -
Payment to data processing	328,464	-	328,464	-	-	-
Public safety	15,612,059	-	15,612,059	2,230,875	1,570,988	394,794
Public works	12,226,128	53,912	12,280,040	940,444	717,255	1,265,355
Health	2,083,410	-	2,083,410	-	134,407	-
Social services	2,276,197	35,972	2,312,169	45,486	794,536	-
Education:	1,274,899	-	1,274,899	-	-	-
Payment to public school system	36,171,292	-	36,171,292	-	-	-
Payment to community college	7,175,000	-	7,175,000	-	-	-
Recreation, culture & libraries:	1,050,609	-	1,050,609	306,070	218,930	-
Payment to public library system	905,000	-	905,000	-	-	-
Conservation of natural resources	327,747	-	327,747	33,850	26,563	-
Community development and housing	1,774,905	-	1,774,905	121,183	1,231,000	-
Economic development	4,113,586	-	4,113,586	2,090,151	51,994	4,349,770
Interest on long term debt	1,810,725	-	1,810,725	-	-	-
Total governmental activities	<u>97,070,681</u>	<u>(729,301)</u>	<u>96,341,380</u>	<u>6,159,623</u>	<u>5,130,297</u>	<u>6,009,919</u>
Business-type activities:						
Water	2,909,054	68,679	2,977,733	2,530,078	-	22,040
Sewer	6,886,035	363,010	7,249,045	4,653,216	-	3,268,067
Nursing Home	10,128,291	297,612	10,425,903	9,922,523	-	-
Other funds	578,996	-	578,996	439,381	-	-
Total business-type activities	<u>20,502,376</u>	<u>729,301</u>	<u>21,231,677</u>	<u>17,545,198</u>	<u>-</u>	<u>3,290,107</u>
Total primary government	<u>\$ 117,573,057</u>	<u>\$ -</u>	<u>\$ 117,573,057</u>	<u>\$ 23,704,821</u>	<u>\$ 5,130,297</u>	<u>\$ 9,300,026</u>
Component units:						
Board of Education			\$ 129,789,836	\$ 2,093,260	\$ 18,946,543	\$ 708,796
Allegany College of Md.			32,523,259	11,737,101	13,553,621	3,856,065
County Library			1,952,754	65,022	102,510	17,389
LaVale Sanitary Commission			3,913,436	3,074,529	-	-
Total component units			<u>\$ 168,179,285</u>	<u>\$ 16,969,912</u>	<u>\$ 32,602,674</u>	<u>\$ 4,582,250</u>

General revenues:
 Property taxes
 Income taxes
 Other local taxes
 Appropriation from Allegany County
 Franchise tax
 Grants & contributions not restricted
 to specific programs
 Unrestricted investment earnings
 Gain on sale/retirement of capital assets
 Miscellaneous
 Transfers
 Total general revenues, transfers and special items
 Change in net assets
 Net assets - beginning, as restated
 Net assets - ending

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (8,345,287)	\$ -	\$ (8,345,287)	\$ -	\$ -	\$ -	\$ -
(328,464)	-	(328,464)	-	-	-	-
(11,415,402)	-	(11,415,402)	-	-	-	-
(9,356,986)	-	(9,356,986)	-	-	-	-
(1,949,003)	-	(1,949,003)	-	-	-	-
(1,472,147)	-	(1,472,147)	-	-	-	-
(1,274,899)	-	(1,274,899)	-	-	-	-
(36,171,292)	-	(36,171,292)	-	-	-	-
(7,175,000)	-	(7,175,000)	-	-	-	-
(525,609)	-	(525,609)	-	-	-	-
(905,000)	-	(905,000)	-	-	-	-
(267,334)	-	(267,334)	-	-	-	-
(422,722)	-	(422,722)	-	-	-	-
2,378,329	-	2,378,329	-	-	-	-
(1,810,725)	-	(1,810,725)	-	-	-	-
<u>(79,041,541)</u>	<u>-</u>	<u>(79,041,541)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(425,615)	(425,615)	-	-	-	-
-	672,238	672,238	-	-	-	-
-	(503,380)	(503,380)	-	-	-	-
-	(139,615)	(139,615)	-	-	-	-
-	(396,372)	(396,372)	-	-	-	-
<u>(79,041,541)</u>	<u>(396,372)</u>	<u>(79,437,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(108,041,237)	-	-	-
-	-	-	-	(3,376,472)	-	-
-	-	-	-	-	(1,767,833)	-
-	-	-	-	-	-	(838,907)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,041,237)</u>	<u>(3,376,472)</u>	<u>(1,767,833)</u>	<u>(838,907)</u>
32,492,011	819,542	33,311,553	-	-	-	464,929
24,990,613	-	24,990,613	-	-	-	455,942
8,752,593	-	8,752,593	-	-	-	-
-	-	-	36,499,756	7,175,000	905,000	-
332,774	-	332,774	-	-	-	-
7,173,715	-	7,173,715	81,288,145	-	764,414	-
1,923,408	202,249	2,125,657	882,774	173,981	46,574	85,685
-	(685,462)	(685,462)	-	40,432	(93,848)	11,525
1,288,442	116,816	1,405,258	437,385	26,396	226,185	1,244
(315,004)	315,004	-	-	-	-	-
<u>76,638,552</u>	<u>768,149</u>	<u>77,406,701</u>	<u>119,108,060</u>	<u>7,415,809</u>	<u>1,848,325</u>	<u>1,019,325</u>
(2,402,989)	371,777	(2,031,212)	11,066,823	4,039,337	80,492	180,418
78,513,162	64,028,042	142,541,204	92,114,567	40,432,426	4,481,666	11,988,581
<u>\$ 76,110,173</u>	<u>\$ 64,399,819</u>	<u>\$ 140,509,992</u>	<u>\$ 103,181,390</u>	<u>\$ 44,471,763</u>	<u>\$ 4,562,158</u>	<u>\$ 12,168,999</u>

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

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**FUND
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
ASSETS:						
Cash	\$ 6,525,479	\$ -	\$ -	\$ -	\$ 775	\$ 6,526,254
Cash -restricted	-	-	-	-	42,142	42,142
Investments	4,520,981	-	3,487,159	641,455	3,457,635	12,107,230
Property tax receivable	3,755,804	-	-	-	-	3,755,804
Receivables	-	-	-	-	-	-
Notes and loans	-	-	-	-	457,497	457,497
Other receivables	4,517,733	1,033,655	163,359	1,251,602	2,023,423	8,989,772
Due from other funds	-	-	4,250,334	-	3,751,593	8,001,927
Advances to other funds	3,907,309	-	-	-	-	3,907,309
Inventory	-	-	-	-	58,104	58,104
Prepays	-	-	-	-	69,671	69,671
Miscellaneous assets	74,629	-	-	-	-	74,629
Total Assets	\$ 23,301,935	\$ 1,033,655	\$ 7,900,852	\$ 1,893,057	\$ 9,860,840	\$ 43,990,339
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 618,156	\$ 228,683	\$ 1,313,790	\$ 423,074	\$ 390,188	\$ 2,973,891
Accrued payroll	299,202	64,984	1,843	-	21,832	387,861
Accrued payroll fringe	115,234	36,591	536	-	9,176	161,537
Due to other funds	1,994,929	448,556	-	1,621,238	2,729,354	6,794,077
Amounts held in escrow	894,535	128,500	-	-	168,556	1,191,591
Deferred revenue	3,344,489	-	50,500	-	569,721	3,964,710
Miscellaneous liabilities	235,688	-	2,500	-	7,639	245,827
Total Liabilities	7,502,233	907,314	1,369,169	2,044,312	3,896,466	15,719,494
Fund Balances:						
Reserved:						
For non-current assets	3,907,309	-	-	-	189,401	4,096,710
For prepaid items	-	-	-	-	8,611	8,611
For inventories	-	-	-	-	58,104	58,104
For special revenue programs	-	-	3,021,927	-	500,826	3,522,753
For capital projects	-	-	-	-	-	-
Unreserved/Designated:						
For next fiscal year:						
General fund	2,000,000	-	-	-	-	2,000,000
Special revenue funds	-	126,341	3,509,756	-	59,822	3,695,919
Debt Service Fund	-	-	-	-	195,110	195,110
Capital project funds	-	-	-	-	1,974,434	1,974,434
For contingencies	7,500,000	-	-	-	-	7,500,000
For specific programs, reported in:						
General fund	647,860	-	-	-	-	647,860
Special revenue funds	-	-	-	-	2,194,098	2,194,098
Debt service fund	-	-	-	-	1,458,939	1,458,939
Capital Project funds	-	-	-	-	376,907	376,907
Undesignated:						
General fund	1,744,533	-	-	-	-	1,744,533
Special revenue funds	-	-	-	-	-	-
Capital Project funds	-	-	-	(151,255)	(1,051,878)	(1,203,133)
Total Fund Balances	15,799,702	126,341	6,531,683	(151,255)	5,964,374	28,270,845
Total Liabilities and Fund Balance	\$ 23,301,935	\$ 1,033,655	\$ 7,900,852	\$ 1,893,057	\$ 9,860,840	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	87,665,206
Other long-term assets are not available to pay current-period expenditures and are deferred in the funds.	1,689,547
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(44,948,654)
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	3,433,229

Net assets of governmental activities **\$ 76,110,173**

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
REVENUES:						
Taxes:						
Property taxes	\$ 32,434,205	\$ -	\$ -	\$ -	\$ -	\$ 32,434,205
Income taxes	24,859,124	-	-	-	-	24,859,124
Other local taxes	3,869,462	4,622,525	-	-	773,712	9,265,699
Licenses and permits	621,136	-	-	-	-	621,136
Intergovernmental:						
Federal	1,116,025	-	48,503	678,764	3,046,652	4,889,944
State	8,544,302	-	3,000,000	678,740	909,639	13,132,681
Other	263,037	-	-	-	65,314	328,351
Service charges	2,620,701	-	-	225,362	399,281	3,245,344
Fines and forfeitures	44,522	-	-	-	26,611	71,133
Interest	650,109	-	251,476	136,635	177,759	1,215,979
Miscellaneous	407,736	-	1,915,334	1,882	180,005	2,504,957
Total Revenues	<u>75,430,359</u>	<u>4,622,525</u>	<u>5,215,313</u>	<u>1,721,383</u>	<u>5,578,973</u>	<u>92,568,553</u>
EXPENDITURES:						
Current:						
General government	7,255,258	-	-	-	138,964	7,394,222
Public safety	13,735,683	-	-	-	1,033,834	14,769,517
Public works	2,338,879	7,684,251	-	-	2,749,213	12,772,343
Health and Hospitals	528,516	-	-	-	111,039	639,555
Social Services	2,043,419	-	-	-	155,655	2,199,074
Education	33,511	-	-	-	-	33,511
Recreation, culture and libraries	785,287	-	-	-	-	785,287
Conservation of natural resources	321,258	-	-	-	-	321,258
Community Development and Housing	125,383	-	-	-	1,665,043	1,790,426
Economic development	1,323,185	-	8,326,179	-	-	9,649,364
Miscellaneous	25,267	-	-	-	3,475	28,742
Appropriation to other governments	1,243,264	-	-	-	-	1,243,264
Payments to component units	36,788,464	-	-	-	-	36,788,464
Debt Service:						
Principal	-	-	-	-	4,892,495	4,892,495
Interest	-	-	-	-	1,791,147	1,791,147
Capital Outlay:						
General government	-	-	-	15,649	46,915	62,564
Public safety	-	-	-	346,668	624,061	970,729
Public works	-	-	-	1,044,344	460,041	1,504,385
Health and Hospitals	-	-	-	-	-	-
Education	-	-	-	-	1,241,388	1,241,388
Recreation, culture and libraries	-	-	-	-	102,638	102,638
Economic development	-	-	-	16,766	-	16,766
Miscellaneous	-	-	-	-	192,701	192,701
Payments to component units	-	-	-	7,401,012	390,280	7,791,292
Total Expenditures	<u>66,547,374</u>	<u>7,684,251</u>	<u>8,326,179</u>	<u>8,824,439</u>	<u>15,598,889</u>	<u>106,981,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,882,985</u>	<u>(3,061,726)</u>	<u>(3,110,866)</u>	<u>(7,103,056)</u>	<u>(10,019,916)</u>	<u>(14,412,579)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	190,123	1,960,314	10,765	303,000	8,618,599	11,082,801
Transfers out	(8,776,849)	-	(2,112,836)	(136,838)	(371,282)	(11,397,805)
Debt issued	-	-	-	5,000,000	237,697	5,237,697
Sale of capital assets	1,797	-	2,329,196	-	-	2,330,993
Total Other Financing Sources and uses	<u>(8,584,929)</u>	<u>1,960,314</u>	<u>227,125</u>	<u>5,166,162</u>	<u>8,485,014</u>	<u>7,253,686</u>
Net change in fund balances	298,056	(1,101,412)	(2,883,741)	(1,936,894)	(1,534,902)	(7,158,893)
Fund balance, beginning	15,501,646	1,227,753	9,415,424	1,785,639	7,499,276	35,429,738
Fund balance, ending	<u>\$ 15,799,702</u>	<u>\$ 126,341</u>	<u>\$ 6,531,683</u>	<u>\$ (151,255)</u>	<u>\$ 5,964,374</u>	<u>\$ 28,270,845</u>

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

**ALLEGANY 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, 2008**

Amounts reported for governmental activities in the statement of activities (page C-6)
are different because:

Net change in fund balances - total governmental funds (page C-12) \$ (7,158,893)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlay	\$ 10,542,915	
Depreciation	<u>(3,438,512)</u>	7,104,403

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	587,944
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,298,807)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt proceeds	\$ (5,000,000)	
Lease proceeds	(237,697)	
Effect of bond issuance costs	(5,814)	
Payment of principal	<u>4,892,495</u>	(351,016)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(286,620)</u>
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Change in net assets of governmental activities (pages C6-C7)	<u><u>\$ (2,402,989)</u></u>
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The notes to the financial statements are an integral part of this statement.

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2008

ASSETS	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
Current Assets:					
Cash:					
Cash	\$ -	\$ 492,283	\$ 1,200	\$ -	\$ 493,483
Cash - restricted	-	302,965	-	-	302,965
Investments	194,133	533,840	-	-	727,973
Receivables:					
Accounts (net)	591,824	975,737	1,059,901	159,020	2,786,482
Taxes - restricted	-	94,059	-	-	94,059
Accounts (net) - restricted	-	81,595	-	-	81,595
Other	800	3,062,541	52,416	-	3,115,757
Due from other funds	213,079	7,501,074	-	685,400	8,399,553
Prepaid expenses	-	-	24,145	-	24,145
Inventory	-	108,437	27,202	-	135,639
Miscellaneous assets	-	-	-	-	-
Total current assets	<u>999,836</u>	<u>13,152,531</u>	<u>1,164,864</u>	<u>844,420</u>	<u>16,161,651</u>
Non-current Assets:					
Advances to other funds	-	-	-	464,706	464,706
Land	12,320	67,282	-	-	79,602
Construction in Progress	33,631	7,270,622	-	-	7,304,253
Capital assets subject to depreciation	28,877,400	80,889,342	6,135,604	3,571,889	119,474,235
Accumulated depreciation	(7,497,034)	(31,773,467)	(3,857,448)	(1,268,210)	(44,396,159)
Total noncurrent assets	<u>21,426,317</u>	<u>56,453,779</u>	<u>2,278,156</u>	<u>2,768,385</u>	<u>82,926,637</u>
Total Assets	<u>22,426,153</u>	<u>69,606,310</u>	<u>3,443,020</u>	<u>3,612,805</u>	<u>99,088,288</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	126,602	1,294,173	214,786	5,313	1,640,874
Accrued payroll	-	26,285	103,138	-	129,423
Accrued payroll fringe	-	11,354	41,254	-	52,608
Accrued interest	22,103	67,578	3,928	-	93,609
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	69,754	737,877	27,863	-	835,494
Advances from other funds	31,119	350	-	-	31,469
Compensated absences	-	51,435	28,906	-	80,341
Due to other funds	-	9,764,223	-	-	9,764,223
Miscellaneous liabilities	-	116,112	-	-	116,112
Total current liabilities	<u>249,578</u>	<u>12,069,387</u>	<u>419,875</u>	<u>5,313</u>	<u>12,744,153</u>
Noncurrent Liabilities:					
Cash advance due to General Fund	200,000	400,000	3,307,309	-	3,907,309
Long term debt:					
Revenue debt:					
Bonds and loans	4,379,871	12,115,712	421,585	-	16,917,168
Advance from other funds	414,418	18,819	-	-	433,237
Compensated absences	-	320,779	365,823	-	686,602
Total noncurrent liabilities	<u>4,994,289</u>	<u>12,855,310</u>	<u>4,094,717</u>	<u>-</u>	<u>21,944,316</u>
Total Liabilities	<u>5,243,867</u>	<u>24,924,697</u>	<u>4,514,592</u>	<u>5,313</u>	<u>34,688,469</u>
NET ASSETS					
Invested in capital assets, net of related debt	16,531,155	43,581,021	1,828,708	2,303,679	64,244,563
Restricted for debt service	-	175,654	-	-	175,654
Unrestricted	651,131	924,938	(2,900,280)	1,303,813	(20,398)
Total Net Assets	<u>\$ 17,182,286</u>	<u>\$ 44,681,613</u>	<u>\$ (1,071,572)</u>	<u>\$ 3,607,492</u>	<u>\$ 64,399,819</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
OPERATING REVENUES:					
Service charges	\$ 2,530,076	\$ 4,652,922	\$ -	\$ 438,880	\$ 7,621,878
Patient fees	-	-	9,865,292	-	9,865,292
Miscellaneous	2	294	57,231	501	58,028
Total Operating Revenues	2,530,078	4,653,216	9,922,523	439,381	17,545,198
OPERATING EXPENSES:					
Salaries	247,410	829,847	4,296,279	-	5,373,536
Employee benefits	114,127	388,277	2,480,731	-	2,983,135
Office expenses	-	92,009	153,384	5,150	250,543
Utilities	1,458,576	628,026	289,753	7,854	2,384,209
Repairs & maintenance	200,194	437,932	156,696	15,754	810,576
Contractual services	1,921	29,636	19,886	-	51,443
Treatment costs	-	1,911,785	-	-	1,911,785
Professional services	1,187	19,316	1,191,821	3,872	1,216,196
Materials and supplies	7,267	323,713	962,732	-	1,293,712
Insurance	316	152,081	155,828	15,798	324,023
Indirect cost	68,679	363,010	297,612	-	729,301
Miscellaneous	3	22,849	178,641	100,000	301,493
Depreciation	662,821	1,817,562	218,607	430,568	3,129,558
Total operating expenses	2,762,501	7,016,043	10,401,970	578,996	20,759,510
Operating Income (Loss)	(232,423)	(2,362,827)	(479,447)	(139,615)	(3,214,312)
NON-OPERATING REVENUE (EXPENSES):					
Real and personal property taxes	-	818,188	-	-	818,188
Interest & penalties on taxes	-	24,131	-	-	24,131
Discounts on taxes	-	(4,081)	-	-	(4,081)
Enterprise/industrial exemptions	-	21	-	-	21
Collection fees	-	(18,717)	-	-	(18,717)
Front footage assessments	-	102,581	-	-	102,581
Interest income	55,144	144,403	95	2,607	202,249
Interest income, debt service	-	14,235	-	-	14,235
Interest expense	(215,232)	(233,002)	(23,933)	-	(472,167)
Loss on sale of capital assets	-	(685,462)	-	-	(685,462)
Total non-operating revenue (expenses)	(160,088)	162,297	(23,838)	2,607	(19,022)
Income (Loss) before contributions and transfers	(392,511)	(2,200,530)	(503,285)	(137,008)	(3,233,334)
Capital contributions:					
Federal grants	22,040	24,364	-	-	46,404
State grants	-	3,055,925	-	-	3,055,925
Other	-	187,778	-	-	187,778
Transfers:					
Transfers in	23,340	176,721	-	259,686	459,747
Transfers out	-	-	-	(144,743)	(144,743)
Change in net assets	(347,131)	1,244,258	(503,285)	(22,065)	371,777
Residual equity transfer	2,453,729	(2,453,729)	-	-	-
Total net assets - beginning	15,075,688	45,891,084	(568,287)	3,629,557	64,028,042
Total net assets - ending	\$ 17,182,286	\$ 44,681,613	\$ (1,071,572)	\$ 3,607,492	\$ 64,399,819

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
Cash flows from operating activities:					
Cash received from customers	\$ 2,631,924	\$ 4,434,806	\$ 9,732,374	\$ 592,508	\$ 17,391,612
Cash payments for goods and services	(1,727,379)	(3,801,385)	(3,367,531)	(47,323)	(8,943,618)
Cash payments to employees for services	(361,537)	(1,173,949)	(6,828,747)	-	(8,364,233)
Other operating revenues	3	294	57,231	-	57,528
Net cash provided (used) by operating activities	543,011	(540,234)	(406,673)	545,185	141,289
Cash flows from noncapital financing activities:					
Advances from other funds	3,349,220	15,642,263	10,750,493	752,126	30,494,102
Advances to other funds	(3,668,895)	(12,505,055)	(10,368,839)	(758,868)	(27,301,657)
Transfers from other funds	23,340	176,720	-	259,687	459,747
Transfers to other funds	-	-	-	(144,742)	(144,742)
Net cash provided (used) by noncapital financing activities	(296,335)	3,313,928	381,654	108,203	3,507,450
Cash flows from capital and related financing activities:					
Proceeds from new debt	-	223,413	-	-	223,413
Acquisition and construction of capital assets	(2,886)	(3,200,508)	(40,479)	(631,602)	(3,875,475)
Principal paid on capital debt	(97,010)	(786,386)	(26,478)	-	(909,874)
Interest paid on capital debt	(216,652)	(247,642)	(24,164)	-	(488,458)
Proceeds from sale of assets	-	35,491	-	-	35,491
Grant revenues	22,040	59,551	-	-	81,591
Debt fees	-	932,845	-	-	932,845
Net cash used for capital and related financing activities	(294,508)	(2,983,236)	(91,121)	(631,602)	(4,000,467)
Cash flows from investing activities:					
Purchase of investments	(571,864)	(3,732,051)	-	(24,393)	(4,328,308)
Sale of investments	563,751	3,688,919	-	-	4,252,670
Interest on investments	55,945	144,341	95	2,607	202,988
Net cash used in investing activities	47,832	101,209	95	(21,786)	127,350
Net increase (decrease) in cash	-	(108,333)	(116,045)	-	(224,378)
Cash at beginning of the year	-	903,581	117,245	-	1,020,826
Cash at end of year	\$ -	\$ 795,248	\$ 1,200	\$ -	\$ 796,448
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (232,423)	\$ (2,362,827)	\$ (479,447)	\$ (139,615)	\$ (3,214,312)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	662,821	1,817,562	218,607	430,568	3,129,558
Provision for uncollectible accounts	(9,208)	32,238	110,433	100,000	233,463
Change in assets & liabilities:					
(Increase) decrease in receivables	101,848	(250,346)	(243,351)	153,127	(238,722)
(Increase) decrease in inventory	-	47,731	(718)	-	47,013
(Increase) decrease in prepaids	-	-	(161)	-	(161)
Increase (decrease) in acc'ts payable	19,973	131,229	39,700	1,105	192,007
Increase (decrease) in accrued payroll	-	44,179	(51,736)	-	(7,557)
Total adjustments	775,434	1,822,593	72,774	684,800	3,355,601
Net cash provided (used) by operating activities	\$ 543,011	\$ (540,234)	\$ (406,673)	\$ 545,185	\$ 141,289

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
JUNE 30, 2008

<u>ASSETS:</u>		<u>Agency Fund</u>
Taxes levied for State:		
Taxes receivable - State		\$ 339,643
Bay restoration fee		230,798
Other receivables		1
Taxes levied for Special Areas:		
Lonaconing, Town of	\$ 8,723	
Midland, Town of	3,762	
Westernport, Town of	32,721	
Cumberland differential	4,251	
Bel Air Special Tax Area	1,349	
Bowling Green Fire Co.	3,264	
Bedford Road Fire Co.	4,734	
Bowling Green Special Tax Area	2,157	
Cresaptown Ambulance	9,785	
Cresaptown Civic Imp. Assoc.	2,513	
Cresaptown Fire Co.	11,907	
Corriganville Light & Imp.	1,444	
Ellerslie Special Tax Area	863	
LaVale Volunteer Fire Dept.	11,031	
LaVale Rescue Squad	5,591	
LaVale Sanitary District	43,545	
McCoole Special Tax Area	965	
Moscow Light	619	
Mt. Savage Special Tax Area	942	
Potomac Park Special Tax Area	1,196	
Rawlings Fire Co.	1,927	
Sub-total special areas		153,289
Due from other funds		156,820
Total Assets		<u>\$ 880,551</u>
 <u>LIABILITIES:</u>		
Accounts payable		\$ 156,821
A/P Special Areas		153,289
Taxes payable - State		339,643
A/P Bay restoration fee		230,798
Total Liabilities		<u>\$ 880,551</u>

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

**Notes
to the
Financial Statements
June 30, 2008**

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies

A. *Introduction*

Allegany County, Maryland (the County) was established in 1789. The County in 1974 adopted the Code Home Rule form of government provided in Article XI-F of the Maryland Constitution and Article 25B of the Annotated Code of Maryland. Under this form of government, the Board has the authority to enact, amend and repeal public local laws relating to the incorporation, organization and government of the county, including laws authorizing the issuance and sale of bonds to finance capital projects for the County. Each member of the Board has one vote and, except for emergency bills, a simple majority of the Board is sufficient to enact any bill into law.

In 1996, the Commissioners adopted legislation making the County Administrator the Chief Administrative Officer of Allegany County responsible to the Board and charged with the administration of all County affairs. The Administrator will carry out the policies of the Board, direct and supervise the administration of all departments and agencies and perform all duties enumerated in the Allegany County Code Chapter 2, Article 1.

The executive offices of the County are located at the County Office Complex, 701 Kelly Road, Cumberland, Maryland 21502. The County Commissioners' office telephone number is 301-777-5911. The County's website can be viewed at www.allconet.org.

The financial statements of Allegany County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant County principles, policies and procedures are summarized in the following Notes to the Financial Statements.

B. *Reporting Entity*

The reporting entity includes Allegany County's departments and agencies (the primary government) and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that is legally separate from Allegany County.

As a result of its evaluation, the County has concluded that the following are component units of Allegany County and should be included in the reporting entity:

Blended Component Units – no external governmental units are blended in the combined financial statements.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

B. *Reporting Entity – continued*

Discretely Presented Component Units – the component unit columns of the government wide financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

1. The Board of Education – operates the public school system. The Board of Education may not issue debt without the County's approval and the County provides a significant portion of the Board's funding. The members of the board are elected by the voters of Allegany County.
2. The Allegany County Library – operates the County's Library system. The Library System may not issue debt without the County's approval. The County provides a major portion of the Library's funding and appoints the members of the board.
3. The LaVale Sanitary Commission – provides water and waste treatment facilities for LaVale and surrounding areas. Allegany County has pledged its full faith and credit for the debt of the LaVale Sanitary Commission. The governing board is appointed by the County Commissioners. The County provides no operating subsidies to the LaVale Sanitary Commission.
4. Allegany College of Maryland – offers two years of higher education to area residents. The College is fiscally dependent on Allegany County which provides a significant portion of the funding for its operations and the College can not issue debt without the approval of the Allegany County Board of Commissioners. The College has elected to report its financial information in accordance with GASB 34 special-purpose government type using the business-type activity model.

Complete financial statements of the individual component units can be obtained from their respective administrative offices:

Administrative Offices:

Allegany County Board of Education
108 Washington Street
Cumberland, Maryland 21502

LaVale Sanitary Commission
1 Roselawn Avenue
LaVale, Maryland 21502

Allegany County Library System
31 Washington Street
Cumberland, Maryland 21502

Allegany College
12401 Willowbrook Road
Cumberland, Maryland 21502

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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 revenues in the year for 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues. Other major revenue sources subject to accrual are income taxes, federal and state grants and service charges. All other governmental funds use a 90 day availability period for revenue recognition. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

D. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued*

The following is a description of the governmental fund types of the County:

1. General fund – the general operating fund of the County. It is used to account for all financial resources except those necessary to be accounted for in another fund
2. Special revenue funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.
3. Capital projects funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Highway Fund accounts for the activities used to enhance and maintain the County's highway system. Though not required to be reported as a major fund, due to its relative size and significance the County has elected to do so.

The Revolving Building Fund is used to report the activity associated with the construction, operation and maintenance of County buildings used to enhance its economic development activities.

The Capital Improvements Project Fund accounts for most of the activity used to acquire or construct capital assets for the County or on the behalf of other organizations.

The government reports the following major proprietary funds:

The Water Districts Fund accounts for the activities of fourteen individual water districts in various unincorporated areas of the County.

The Sewer Fund reports the activities of sixteen individual sewer districts in various unincorporated areas of the County.

The Nursing Home Fund accounts for the operations of the County Nursing Home with resources being provided by user's charges paid either by the patient or Medicaid/Medicare on behalf of the patient.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

D. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued*

Additionally, the government reports the following fund type:

The Agency Fund accounts for taxes billed and collected for the State of Maryland, four municipalities and seventeen special taxing districts.

Public-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 the Governmental Accounting Standards Board. Governments also have the *option of* following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Allegany County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions, the nursing home and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are service charges, and the nursing home's principal operating revenue is service fees paid by the patient or the State of Maryland/Federal Government on behalf of the patient. The water and sewer funds also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net assets or equity*

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Article 95, Section 22 of the Annotated Code of Maryland authorizes the County to invest surplus funds in bonds or in other obligations of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued in accordance with an Act of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, any bank or banks in the State of Maryland, any savings and loan association, any building and loan association, in interest-bearing time deposit; and/or savings accounts, or in the Local Government Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables of the enterprise funds are shown net of an allowance for uncollectibles. The allowance accounts for trade accounts receivable for the water and sewer funds are comprised of 50% of the balance six to nine months of age and 100% of account balances in excess of nine months. The allowance accounts of the nursing home and loan fund are based on the analysis of individual accounts the expected ability to collect those accounts. The allowance for property taxes receivable is one-half of one percent of the annual levy and is based on historical trends.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

E. Assets, liabilities, and net assets or equity – continued

2. Receivables and payables - continued

As of July 1, 1996, State law mandates owner-occupied residential property owners may elect to pay real property taxes under a semiannual or annual payment schedule. The first installment for a semiannual payment or the annual payment is due by September 30, and the second installment of a semiannual schedule is due December 31, of the tax year without interest. Any unpaid installments after January 1 are charged interest of 1.5% monthly. Property owners electing to pay real property taxes semiannually may not have delinquent taxes on the property.

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2008 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9829	2.4573
Barton	.9551	2.3878
Cumberland	.9090	2.2725
Frostburg	.9136	2.2840
Lonaconing	.9333	2.3333
Luke	.9302	2.3255
Midland	.9551	2.3879
Westernport	.9333	2.3333

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net assets or equity - continued*

4. Restricted assets

Certain revenues of the County's sewer funds are set aside for their repayment of loans used to fund construction of sewer systems. They are classified as restricted assets on the balance sheet because they are limited by State law and debt covenants to the repayment of debt or construction.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000 (\$50,000 for infrastructure assets) and an estimated useful life of two years or more. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. 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 of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Sewer/Water Systems	30-50
Other infrastructure	30-40
Furniture & Fixtures	7-10
Vehicles	5-7
Equipment	5-10
Heavy equipment	7-10
Other capital assets	7-50

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net assets or equity - continued*

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

A liability is accrued for certain future vacation, sick, and other leave benefits, provided the following conditions are met:

- a. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- b. The obligation relates to rights that vest.
- c. Payment of the compensation is probable and not contingent on a specific event outside the control of the County or the employee.
- d. The amount can be reasonably estimated.

County employees earn vacation time depending upon their length of service and are eligible to use this time in the year in which it is earned. Vacation time may be carried from one year to the next, but may not exceed 200% of the annual accrual at any point in time. Vacation time earned when the 200% ceiling has been reached is accrued as sick time and remains as such. All vacation time outstanding and earned upon leaving County service is paid to the employee at the current salary level.

County employees earn fifteen sick leave days per year with no accumulation ceiling. It is the policy of the County to pay for up to 120 days, if earned, of sick leave accumulated, upon the retirement of most employees. Any reduction in the liability for compensated absences is charged to the fund and function where the employee's time was charged which historically has been the general fund, highway fund or the transit fund for the governmental funds and the Sanitary Districts and the Nursing Home for the enterprise funds.

At June 30, 2008, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 1,083,795	\$ 3,307,934	\$ 4,391,729
Sanitary Districts	51,435	320,779	372,214
Nursing Home	28,906	365,823	394,729
	<u>\$ 1,164,136</u>	<u>\$ 3,994,536</u>	<u>\$ 5,158,672</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1. Summary of Significant Accounting Policies - continued

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 statement of net assets. For debt acquired after July 1, 2003, bond premiums and discounts, as well as issuance costs, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs will be reported as deferred charges and amortized over the term of the related debt.

8. Fund Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “investment in capital assets, net of related debt”.

Fund Statements

Government fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 2. Reconciliation of Government-wide and Fund Financial Statements

- A. Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.” The details of this \$44,948,654 are as follows:

Bonds payable	\$24,949,597
Notes payable	10,253,745
State loans	5,065,139
Capital leases	288,444
Compensated absences	<u>4,391,729</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$44,948,654</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,104,403 difference are as follows:

Capital outlay	\$10,542,915
Depreciation expense	<u>(3,438,512)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$7,104,403</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 2. Reconciliation of Government-wide and Fund Financial Statements - continued

Another element of that reconciliation states the "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this \$587,944 differences are as follows:

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	<u>587,944</u>
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Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> .	<u>\$587,944</u>
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Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

The details of this \$(351,016) difference are as follows:

Debt issued or incurred:	
Debt proceeds	(\$5,000,000)
Leases	(237,697)
Bond issue costs, net of amortization	(5,814)
Principal repayments:	
General obligation debt	4,816,313
Lease payments	<u>76,182</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>(\$351,016)</u></u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(86,617) difference are as follows:

Compensated absences	(\$267,039)
Accrued interest adjustment, net	<u>(19,581)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>(\$286,620)</u></u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted for all General, Special Revenue, Debt Service and Capital Project Funds. All governmental fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances and appropriations generally lapse at year-end and are treated as expenditures in the year the liability is incurred. Budgets are adopted for the Enterprise Funds, though not required, on a revenue and expenditure basis to permit monitoring of the financial activity. Budgets to actual comparisons are presented in this report for all the primary government's major governmental fund types. Budget-to-actual comparisons for the non-major governmental funds, though not required, are presented as supplementary information. Budget-to-actual comparisons are not required for component units and the enterprise funds and are not presented.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the governmental funds for fiscal year 2008 were increased by \$565,000; the majority of the increase was due to increases in funding for public safety of \$ 163,000 for the Sheriff's department in the General Fund and was funded by unexpended fund balance. The other material supplemental appropriation was an increase of \$237,000 for the Highway department (public works function) in the Highway Fund. The increase was also funded using unexpended fund balance.
7. During the year, budget amendments within a department are approved by the Director of Finance. Budget amendments between departments and/or funds require Commissioner public approval.
8. Legally, total expenditures for all individual governmental funds may not exceed the total budget for a particular fund except for emergencies, state-mandated programs, or by approval of a majority of the Board of Commissioners.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 3. Stewardship, Compliance, and Accountability - continued

A. Budgetary Information - continued

9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

The County has elected not to employ the use of encumbrance accounting for financial reporting purposes. The County utilizes an encumbrance-based accounting system for internal reporting. However, these encumbrances lapse at year-end. Accordingly, the County does not prepare budgetary basis statements of revenues, expenditures and changes in fund balance.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2008, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Coal Haul Roads Fund	\$180,771
Community Development Block Grant Fund	367,482
Drug Task Force Fund	885
Capital Improvements Projects Fund	127,439

- The expenditures over budget in the Coal Haul Roads Fund were funded by unexpended fund balance.
- The expenditures over budget in the Community Development Block Grant Fund were funded by unbudgeted block grants approved after the start of the fiscal year.
- The Drug Task Force excess expenditures over budget were funded by unexpended fund balance.
- The excess expenditures in the Capital Improvements Projects Fund will be funded by grant revenues which will be received after the 120 day accrual period.

C. Deficit Fund Equity

At June 30, 2008 the following governmental funds had deficit fund balances.

Fund	Deficit
Capital Improvements Projects Fund	\$151,255
Public Improvement Bonds Capital Projects Fund	127,439

The deficits in both capital projects funds will be funded by future debt issues in fiscal year 2009.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2008, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity in Months			
		Less Than 1	1-6	6-12	Greater than 12
Certificates of Deposit	\$ 12,835,203	\$ 4,095,504	\$ 8,419,339	\$ 320,360	\$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy prohibits investments that mature more than 2 years from the date of purchase. However, the County may collateralize its repurchase agreements using longer dated investments. Reserve funds may be invested in securities exceeding 2 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Credit Risk - The County investment policy and State law requires collateralization of 102% of market value of investments. ARTICLE 95, Section 22 of the Annotated Code of Maryland authorizes the County to invest surplus funds in bonds or in other obligations of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued in accordance with an Act of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, any bank or banks in the State of Maryland, any savings and loan association, any building and loan association, in interest-bearing time deposit; and/or savings accounts, or in the Local Government Investment Pool. Allegany County is in compliance with its investment policy and State law having all deposits and investments collateralized at 102% of market value with bonds or other obligations secured by the full faith and credit of the United States.

Concentration of Credit Risk - The County investment policy limits investments of the portfolio to 5% of Bankers Acceptances, 5% to money market mutual funds, and 5% to commercial paper. The County investment policy complies with Maryland state law limits.

Custodial Credit Risk. Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution, or
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name

The County carries its investments at fair value. Investments consist entirely of nonparticipating contracts (nonnegotiable certificates of deposit) with maturities of less than one year.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board’s primary entity’s deposits was \$7,930,606 and the bank balances were \$9,568,486. Of the bank balances, \$434,730 was covered by depository insurance; \$9,133,756 was covered by collateral held at various banks in the Board’s name.

Investments - As of June 30, 2008, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
Certificates of Deposit	\$ 12,659,208	\$ -	\$ 4,138,892	\$ 4,035,455	\$ 4,484,861
	<u>\$ 12,659,208</u>	<u>\$ -</u>	<u>\$ 4,138,892</u>	<u>\$ 4,035,455</u>	<u>\$ 4,484,861</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2008, the carrying amount of the Library’s deposits was \$131,011.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library’s deposits may not be returned of the Library will not recover collateral securities in the possession of an outside party. The Library’s policy requires deposits with financial institutions to be fully secured by collateral. The Library’s cash balances at financial institutions at June 30, 2008 are fully collateralized with securities held by the Library’s agent in the Library’s name.

Investments – Risks and Policies

As of June 30, 2008, the Library had the following investments and maturities:

Investment Type	Investment Maturity				Credit Rating
	Total	Less than 90 Days	90 Days to One Year	Over One Year	
U.S. Treasury Bonds	\$ 18,084	\$ -	\$ 18,084	\$ -	N/A
Other Federal Government Obligations	320,829	-	-	320,829	N/A
Investment in MD Local Government Fund Pool	689,185	689,185	-	-	N/A
	<u>\$ 1,028,098</u>	<u>\$ 689,185</u>	<u>\$ 18,084</u>	<u>\$ 320,829</u>	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Library System (Continued)

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library investment policy specifies with the exception of U.S. Treasury securities and authorized pools, no more than 5% of Bankers acceptance, 5% of money market mutual funds and 5% to commercial paper.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Library policy provides that to the extent practicable, investments are matched with anticipated cash flows. Unless matched to a specific cash flow, the Library will not directly invest in securities maturing more than one year from the date of purchase. Reserve funds may be invested in securities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. With the exception of U.S. Government securities and authorized pools, the Library may not invest in no more than 5% of Bankers Acceptance, 5% of money market mutual funds, and 5% of commercial paper. The Library's investment policy complies with Maryland State Law limits.

Custodial Credit Risk is the risk that, in the event of a failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Library policy provides that investment collateral is to be held by a third party custodian with whom the Library has a current custodial agreement in the Library's name. All of the Library's investments are collateralized with securities held by the Library's agent in the Library's name. The Library is in compliance with its investments policy and State law having all deposits and investments collateralized at 102% of market value with bonds and other obligations secured by the full faith and credit of the United States.

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$2,440,463. The entire bank balance was either covered by federal depository insurance or by pledged government securities. The commission held no investments at year end.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units - continued:

Allegany College

Cash deposits – At year-end, the carrying amount of the primary entity's cash deposits was \$294,681. The bank balance was fully collateralized with securities held by the college's agent in the College's name.

Investment Type	Total	Less Than 90 Days	90 Days To One Year
Certificates of deposit	\$ 202,155	\$ -	\$ 202,155
Repurchase agreements of U.S. Government obligations	639,707	639,707	-
Maryland Local Government Investment Pool	4,836,100	4,836,100	-
	<u>\$ 5,677,962</u>	<u>\$ 5,475,807</u>	<u>\$ 202,155</u>

Note 5. Property Taxes Receivable

Property taxes are levied each July 1 and due on or before September 30 of that year. Unpaid property taxes attach as an enforceable lien on the property as of October 1. Property tax assessments are performed by the State of Maryland on which the County bills and collects its property taxes.

Property tax receivable at June 30, 2008 was \$3,755,804 (before an allowance of \$323,200) of which \$2,366,360 were current year's taxes receivable and the balance of \$1,389,444 was prior years' unpaid taxes.

Note 6. Other Receivables

Receivables, other than property taxes receivable and loans to the County's enterprise funds, as reported in the Statement of Net Assets as of the year end for the County's individual governmental major funds, non-major funds and in the aggregate, consist of the following:

Governmental Activities:	General Fund	Highway Fund	RBF Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Receivables:						
Interest	\$ 18,174	\$ -	\$ 4,316	\$ 207	\$ 21,495	\$ 44,192
Income taxes	2,214,938	-	-	-	-	2,214,938
Other taxes	154,981	1,033,655	-	-	21,308	1,209,944
Current:						
Accrued revenues	2,129,641	-	159,042	1,251,395	1,980,620	5,520,698
Loans, notes	-	-	9,498	-	-	9,498
Leases, capital	-	-	194,048	-	-	194,048
Long-term:						
Accrued revenues	-	-	-	82,600	76,745	159,345
Loans, notes	634,963	-	27,676	-	457,497	1,120,136
Leases, capital	-	-	933,860	-	-	933,860
Total receivables	<u>\$ 5,152,697</u>	<u>\$ 1,033,655</u>	<u>\$ 1,328,440</u>	<u>\$ 1,334,202</u>	<u>\$ 2,557,665</u>	<u>\$ 11,405,659</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6. Other Receivables - continued

Receivables as reported in the Statement of Net Assets at year end for the County's individual enterprise major funds, non-major funds and in the aggregate, consist of the following:

Business-type Activities:	Water Districts	Sewer Districts	Nursing Home	Non-Major Enterprise Funds	Total
Receivables:					
Interest	\$ 800	\$ 3,730	\$ -	\$ -	\$ 4,530
Accounts, other	-	3,058,811	52,416	-	3,111,227
Accounts, trade	658,152	1,168,684	1,512,468	-	3,339,304
Less allowance	(66,328)	(192,947)	(452,567)	-	(711,842)
Net accounts, trade	591,824	975,737	1,059,901	-	2,627,462
Accounts, restricted	-	184,040	-	-	184,040
Less allowance	-	(8,386)	-	-	(8,386)
Net accounts, restricted	-	175,654	-	-	175,654
Loans	-	-	-	509,020	509,020
Less allowance	-	-	-	(350,000)	(350,000)
Net loans	-	-	-	159,020	159,020
Total receivables	\$ 592,624	\$ 4,213,932	\$ 1,112,317	\$ 159,020	\$ 6,077,893

Leases – Operating and Capital:

The County, as part of its economic development efforts, has constructed numerous shell buildings which are sold (capital leases) or rented (operating leases) to various employers. The amount of capital lease payments and future minimum non-cancelable operating lease payments due each of the next five years and beyond is as follows:

Fiscal Year	Capital Leases			Operating Leases Minimum Payments
	Principal	Interest	Total	
2009	\$ 194,048	\$ 69,306	\$ 263,354	\$ 2,746,197
2010	207,140	56,214	263,354	2,893,809
2011	151,111	43,500	194,611	2,947,273
2012	117,223	35,189	152,412	2,935,139
2013	125,317	27,095	152,412	2,772,382
2014-	333,069	28,727	361,796	10,362,023
Totals	\$ 1,127,908	\$ 260,031	\$ 1,387,939	\$ 24,656,823

The net book value of buildings with operating leases at June 30, 2008 is \$7,467,786.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6. Other Receivables - continued

Unearned Revenues:

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

Delinquent property taxes receivable, General Fund	\$ 3,344,489
Long term housing loans receivable	457,497
Grants/revenues received prior to meeting eligibility requirements:	
Community Development Block Grant Fund	6,076
Community Development & Housing Fund	106,148
Revolving Building Fund	50,500
	<u>\$ 3,964,710</u>

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2008:

Entity	Source of funds	Balance June 30, 2008
County Loan Fund loans:		
Fire Companies	General Fund	\$ 4,076
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	250,000
YMCA	General Fund	100,000
Paving project	General Fund	41,919
Agriculture Expo Building (1)	General Fund	0
Agriculture Expo Building (2)	General Fund	0
Agriculture Expo Building (3)	General Fund	11,467
Upper Potomac Industrial Park flood wall loans	General Fund	28,706
		22,030
Allowance for doubtful accounts		(350,000)
Sub-total		<u>\$ 108,198</u>
Allconet II Fund loans:		
TWR loan	General Fund	50,822
Total		<u>\$ 159,020</u>

The County has established a Loan Fund to account for the long-term receivables due from other entities and the proprietary funds. Except for the payments received from fire companies, which is a revolving pool, the cash receipts are transferred to the General Fund, as they become available.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2008 for the primary government was as follows:

Primary Government:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$20,537,494	\$ 56,325	\$ (16,000)	\$ 16,739	\$20,594,558
Work in Progress	4,197,814	6,281,332	-	(2,570,745)	7,908,401
Total capital assets not being depreciated:	24,735,308	6,337,657	(16,000)	(2,554,006)	28,502,959
Capital assets, being depreciated:					
Buildings	46,576,168	2,864,828	(782,544)	-	48,658,452
Infrastructure	41,418,044	7,183	-	2,554,006	43,979,233
Furniture & Fixtures	590,959	137,305	-	-	728,264
Equipment	5,292,631	1,179,214	-	-	6,471,845
Vehicles	7,828,950	599,167	(351,809)	-	8,076,308
Heavy Equipment	3,525,642	265,828	(48,422)	-	3,743,048
Other Capital Assets	914,004	3,419	-	-	917,423
Total capital assets, being depreciated:	106,146,398	5,056,944	(1,182,775)	2,554,006	112,574,573
Less accumulated depreciation for:					
Buildings	(12,076,973)	(1,533,051)	547,814	-	(13,062,210)
Infrastructure	(25,876,917)	(590,438)	-	-	(26,467,355)
Furniture & Fixtures	(498,900)	(20,099)	-	-	(518,999)
Equipment	(3,541,116)	(457,264)	-	-	(3,998,380)
Vehicles	(5,682,364)	(652,143)	338,797	-	(5,995,710)
Heavy Equipment	(2,805,408)	(162,531)	48,422	-	(2,919,517)
Other Capital Assets	(427,169)	(22,986)	-	-	(450,155)
Total accumulated depreciation	(50,908,847)	(3,438,512)	935,033	-	(53,412,326)
Total capital assets, being depreciated, net:	55,237,551	1,618,432	(247,742)	2,554,006	59,162,247
Governmental activities capital assets, net	\$79,972,859	\$ 7,956,089	\$ (263,742)	\$ -	\$87,665,206

Primary Government:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$34,288	\$ -	\$ -	\$ 45,314	\$ 79,602
Work in Progress	4,360,096	3,020,440	-	(76,283)	7,304,253
Total capital assets not being depreciated:	4,394,384	3,020,440	-	(30,969)	7,383,855
Capital assets, being depreciated:					
Buildings	3,675,284	15,225	-	-	3,690,509
Infrastructure	105,151,384	298,496	(1,165,439)	18,168	104,302,609
Furniture & Fixtures	1,568,149	22,234	-	-	1,590,383
Equipment	4,925,155	743,898	-	-	5,669,053
Vehicles	784,626	291,871	(119,313)	-	957,184
Heavy Equipment	392,720	6,189	-	12,801	411,710
Other Capital Assets	2,852,787	-	-	-	2,852,787
Total capital assets, being depreciated:	119,350,105	1,377,913	(1,284,752)	30,969	119,474,235
Less accumulated depreciation for:					
Buildings	(1,894,824)	(102,428)	-	-	(1,997,252)
Infrastructure	(34,941,954)	(2,168,001)	449,354	-	(36,660,601)
Furniture & Fixtures	(1,010,882)	(81,115)	-	-	(1,091,997)
Equipment	(2,345,133)	(539,239)	-	1	(2,884,371)
Vehicles	(620,482)	(77,563)	114,444	-	(583,601)
Heavy Equipment	(249,800)	(32,991)	-	-	(282,791)
Other Capital Assets	(767,325)	(128,221)	-	-	(895,546)
Total accumulated depreciation	(41,830,400)	(3,129,558)	563,798	1	(44,396,159)
Total capital assets, being depreciated, net:	77,519,705	(1,751,645)	(720,954)	30,970	75,078,076
Business-type activities capital assets, net	\$81,914,089	\$ 1,268,795	\$ (720,954)	\$ 1	\$82,461,931

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7. Capital Assets - continued

Depreciation expense was charged to functions/programs of the primary government, as reported in the statement of activities, for the year ended June 30, 2008 as follows:

<u>Governmental activities:</u>	
General government	\$ 540,691
Public safety	974,908
Public works	1,001,783
Health	218,440
Social services	92,721
Recreation, culture and libraries	162,684
Natural resources	420
Community development and housing	19,387
Economic development	427,478
Total depreciation expense - governmental activities	<u>\$ 3,438,512</u>
<u>Business type activities:</u>	
Water districts	\$ 662,821
Sewer districts	1,817,562
Nursing Home	218,607
Allconet II	430,568
Total depreciation expense - governmental activities	<u>\$ 3,129,558</u>

Construction Commitments

The County has active construction projects as of June 30, 2008. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and a new water district. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Animal Control Addition	\$ 225,920	\$ 11,891
Cresaptown/Bowling Green I&I Design	2,183,454	327,407
Georges Creek WWTP Upgrade	1,791,311	22,692,689
PPG Building, Sprinkler Systems	1,033,858	146,385
PPG Building Windows	545,429	478,530
PPG Building	1,504,137	242,941
Braddock Run Stream Restoration	62,853	3,308
Pea Vine Run Bridge	135,326	315,094
Totals	<u>\$ 7,482,288</u>	<u>\$ 24,218,245</u>

Funding for all projects is a combination of federal and/or state grants and a local share funded by long-term debt. Funding for the projects was in place prior to the commencement of construction.

During fiscal year 2008, \$851,686 in fixed assets was donated to the County for its 911 operations by the State of Maryland. The assets were capitalized and the donation recorded as miscellaneous income in the statement of activities.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7. Capital Assets - continued

Discretely Presented Component Units:

Capital asset activity for the Board of Education of Allegany County for the year ended June 30, 2008, was as follows:

Board of Education Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,557,989	\$ 1,454,505	\$ (9,700)	\$ 4,002,794
Work in process	35,077,646	2,908,656	(34,955,111)	3,031,191
Total capital assets not being depreciated:	37,635,635	4,363,161	(34,964,811)	7,033,985
Capital assets, being depreciated:				
Land Improvements	699,518	2,043,751	(137,471)	2,605,798
Buildings & Improvements	110,714,812	37,060,884	(9,520,430)	138,255,266
Furniture, Equipment & Vehicles	8,561,899	3,547,603	(1,154,183)	10,955,319
Total capital assets, being depreciated:	119,976,229	42,652,238	(10,812,084)	151,816,383
Less accumulated depreciation for:				
Land Improvements	(25,665)	(129,789)	-	(155,454)
Buildings & Improvements	(66,884,360)	(3,743,882)	7,212,174	(63,416,068)
Furniture, Equipment & Vehicles	(5,606,035)	(840,199)	1,123,376	(5,322,858)
Total accumulated depreciation	(72,516,060)	(4,713,870)	8,335,550	(68,894,380)
Total capital assets, being depreciated, net:	47,460,169	37,938,368	(2,476,534)	82,922,003
Governmental activities capital assets, net	\$85,095,804	\$42,301,529	\$(37,441,345)	89,955,988

Board of Education Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	\$ 567,367	\$ 100,396	\$ (52,710)	\$ 615,053
Less accumulated depreciation	(429,001)	(52,057)	52,710	(428,348)
Business-type activities capital assets, net	\$ 138,366	\$ 48,339	\$ -	\$ 186,705

Capital asset activity for the Library of Allegany County for the year ended June 30, 2008 was as follows:

Library Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Construction in Progress	\$ -	\$ 118,174	\$ -	\$ 118,174
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,445,386	\$ -	\$ -	\$ 3,445,386
Furniture & Equipment	788,777	2,748	(148,572)	642,953
Vehicles/Bookmobile	157,740	-	-	157,740
Library Books	4,198,830	223,537	(447,014)	3,975,353
Total capital assets, being depreciated:	8,590,733	226,285	(595,586)	8,221,432
Less accumulated depreciation for:				
Buildings & Improvements	(917,418)	(68,908)	-	(986,326)
Furniture & Equipment	(428,509)	(59,267)	145,314	(342,462)
Vehicles/Bookmobile	(37,750)	(18,383)	-	(56,133)
Library Books	(3,669,549)	(152,036)	356,400	(3,465,185)
Total accumulated depreciation	(5,053,226)	(298,594)	501,714	(4,850,106)
Total capital assets, being depreciated, net:	\$ 3,537,507	\$ (72,309)	\$ (93,872)	\$ 3,371,326
Governmental activities capital assets, net	\$ 3,537,507	\$ 45,865	\$ (93,872)	\$ 3,489,500

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7. Capital Assets - continued

Discretely Presented Component Units - continued:

Capital asset activity for Allegany College of Maryland and its component units for the year ended June 30, 2008, were as follows:

Allegany College of Maryland	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 700,973	\$ -	\$ -	\$ 700,973
Library Collections	4,495	62,398	-	66,893
Work in Progress	255,009	3,794,844	(15,203)	4,034,650
Total capital assets not being depreciated:	960,477	3,857,242	(15,203)	4,802,516
Capital assets, being depreciated:				
Buildings	42,428,865	37,043	-	42,465,908
Equipment	6,322,364	233,770	(81,811)	6,474,323
Auxiliary Equipment	208,667	-	(3,340)	205,327
Library Books	975,225	64,809	(17,991)	1,022,043
Total capital assets, being depreciated:	49,935,121	335,622	(103,142)	50,167,601
Less accumulated depreciation :	(18,874,420)	(1,624,078)	103,142	(20,395,356)
Total capital assets, being depreciated, net:	31,060,701	(1,288,456)	0	29,772,245
Business-type activities capital assets, net	\$32,021,178	\$ 2,568,786	\$ (15,203)	\$34,574,761

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2008, was as follows:

LaVale Sanitary Commission	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 176,385	\$ -	\$ -	\$ 176,385
Work in Progress	3,311,874	840,531	(4,070,304)	82,101
Total capital assets not being depreciated:	3,488,259	840,531	(4,070,304)	258,486
Capital assets, being depreciated:				
Buildings	516,945	-	-	516,945
Infrastructure	15,092,896	3,845,013	-	18,937,909
Machinery, Vehicles & Equipment, Office Furniture and Equipment	1,200,165	51,118	(26,578)	1,224,705
Total capital assets, being depreciated:	16,810,006	3,896,131	(26,578)	20,679,559
Less accumulated depreciation for:	(8,268,713)	(437,871)	-	(8,706,584)
Total capital assets, being depreciated, net:	8,541,293	3,458,260	(26,578)	11,972,975
Business-type activities capital assets, net	\$12,029,552	\$ 4,298,791	\$ (4,096,882)	\$12,231,461

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 1,994,929
Highway Fund	-	448,556
Revolving Building Fund	4,250,334	-
Capital Improvement Projects Fund	-	1,621,238
Non-major Governmental Funds	3,751,593	2,729,354
Sub-total	8,001,927	6,794,077
Enterprise Funds:		
Water Districts	213,079	-
Sanitary Districts	7,501,074	9,764,223
Non-major Enterprise Funds	685,400	-
Sub-total	8,399,553	9,764,223
Fiduciary Funds:		
Agency Fund	156,820	-
TOTALS	\$ 16,558,300	\$ 16,558,300

The interfund balances as of June 30, 2008 are the result of a centralized cash receipt and disbursement function. This results in funds having a deficiency or excess of cash depending on the timing of the receipt of revenues or other sources and/or the payment of expenditures (or expenses) or other uses of cash.

B. Advances and Loans To/From Other Funds

	Advances to Other Funds	Advances from Other Funds
Advances:		
General Fund	\$ 3,907,309	
Nursing Home Fund		\$ 3,307,309
Sanitary Districts		400,000
Water Districts		200,000
Loans:		
Loan Fund	464,706	
Allegany County Sanitary Districts:		
Current portion of long-term debt		350
Long-term debt		18,819
Allegany County Water Districts:		
Current portion of long-term debt		31,119
Long-term debt		414,418
	\$ 4,372,015	\$ 4,372,015

The amounts owed to the General fund from the Nursing Home and Sanitary District Funds and the amounts owed to the County Loan Fund from the Sanitary District and Water District Funds are reported as advances to indicate that such amounts are long-term assets and are not to be considered as "available spendable resources."

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8. Interfund Receivables, Payables, and Transfers - continued

C. Transfers

Transfers to other funds for the year ending June 30, 2008 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 1,852,314	
Capital Projects Fund	273,000	
Non-major funds governmental funds	6,484,822	
Enterprise funds:		
Water Fund	3,340	
Sewer Fund	114,220	
Non-major enterprise funds	49,153	\$ 8,776,849
From the Revolving Building Fund To:		
General Fund	45,380	
Water Fund	20,000	
Sewer Fund	37,500	
Non-major funds governmental funds	2,009,956	2,112,836
From the Capital Projects Fund To:		
Revolving Building Fund	10,765	
Non-major governmental funds	101,073	
Sewer Fund	25,000	136,838
From the Non-major Governmental Funds to:		
Highway Fund	108,000	
Capital Projects Fund	30,000	
Other Non-major governmental fund	22,748	
Non-major enterprise funds	210,534	371,282
From the Non-major Enterprise Funds to:		
General Fund	144,743	144,743
TOTALS	\$ 11,542,548	\$ 11,542,548

Transfers from the General Fund to the Highway Fund were to fund the portion of highway expenditures not funded by revenues restricted for highway maintenance. General Fund transfers to the Capital Project fund and the non-major governmental funds were to fund the local share of grant funded programs, pay debt service and fund the local share of capital projects. Transfers to the enterprise funds were to assist in operating costs. Transfers from the Revolving Building Fund were to pay debt service costs of County economic development buildings and to pay for economic developments share of expenditures in other funds.

Payments to component units for the year ending June 30, 2008 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 28,380,000	
Board of Education, Data Processing	328,464	
Allegany College of Maryland	7,175,000	
Library	905,000	\$ 36,788,464
From the County Capital Projects Funds to:		
Board of Education:		
Mountain Ridge High School	7,401,012	
Board of Education warehouse	390,280	7,791,292
	\$ 44,579,756	\$ 44,579,756

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2008 and had no balance payable at year end.

Note 10. Long-Term Debt, Capital Leases and Compensated Absences

Long-term liability activity of the County for the year ended June 30, 2008, was as follows:

Long-term Debt					
Governmental Activities					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation	\$ 28,532,000	\$ -	\$ (3,582,403)	\$ 24,949,597	\$ 3,762,585
Notes	5,610,818	5,000,000	(357,073)	10,253,745	269,563
Capital Leases	126,929	237,697	(76,182)	288,444	70,130
State Loans	5,941,976	-	(876,837)	5,065,139	441,616
Total	<u>\$ 40,211,723</u>	<u>\$ 5,237,697</u>	<u>\$ (4,892,495)</u>	<u>\$ 40,556,925</u>	<u>\$ 4,543,894</u>
Business-type activities					
	<u>Beginning Balance</u>	<u>Amount Issued/Transferred</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water districts:					
Rural development loans	\$ 4,161,123	\$ 355,331	\$ (66,829)	\$ 4,449,625	\$ 69,754
County loans	475,717	-	(30,180)	445,537	31,119
Total water districts	<u>\$ 4,636,840</u>	<u>\$ 355,331</u>	<u>\$ (97,009)</u>	<u>\$ 4,895,162</u>	<u>\$ 100,873</u>
Sewer districts:					
Maryland water quality loans	\$ 720,834	\$ -	\$ (185,928)	\$ 534,906	\$ 159,269
Maryland environmental loans	9,291,784	223,413	(560,342)	8,954,855	538,117
Rural development loans	3,790,944	(387,336)	(39,782)	3,363,826	40,489
County loans	19,503	-	(334)	19,169	350
Total sewer districts	<u>\$ 13,823,065</u>	<u>\$ (163,923)</u>	<u>\$ (786,386)</u>	<u>\$ 12,872,756</u>	<u>\$ 738,225</u>
Nursing Home					
General obligation debt	\$ 475,926	\$ -	\$ (26,478)	\$ 449,448	\$ 27,863
Total business-type activities:					
General obligation debt	\$ 475,926	\$ -	\$ (26,478)	\$ 449,448	\$ 27,863
Maryland water quality loans	720,834	-	(185,928)	534,906	159,269
Maryland environmental loans	9,291,784	223,413	(560,342)	8,954,855	538,117
Rural development loans	7,952,067	(32,005)	(106,611)	7,813,451	110,243
County loans	495,220	-	(30,514)	464,706	31,469
Total business-type activities	<u>\$ 18,935,831</u>	<u>\$ 191,408</u>	<u>\$ (909,873)</u>	<u>\$ 18,217,366</u>	<u>\$ 866,961</u>
Other Long-term Liabilities					
Governmental Activities					
	<u>Beginning Balance</u>	<u>Current Year Changes</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 4,124,689	\$ 449,626	\$ (182,586)	\$ 4,391,729	\$ 1,083,795
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 335,287	\$ 36,927	\$ -	\$ 372,214	\$ 51,435
Nursing Home					
Compensated Absences	458,326	(26,631)	(36,966)	394,729	28,906
Total	<u>\$ 793,613</u>	<u>\$ 10,296</u>	<u>\$ (36,966)</u>	<u>\$ 766,943</u>	<u>\$ 80,341</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 10. Long-Term Debt, Capital Leases and Compensated Absences - continued

Annual debt service requirements to maturity for Allegany County's governmental activities long-term debt outstanding as of June 30, 2008 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 3,762,585	\$ 1,114,504	\$ 269,563	\$ 438,119	\$ 70,130	\$ 17,513	\$ 441,616	\$ 191,697	\$ 4,543,894	\$ 1,761,833
2010	3,449,810	936,349	282,070	425,611	74,479	13,163	461,377	171,937	4,267,736	1,547,060
2011	3,633,653	758,179	295,164	412,518	33,867	8,544	482,266	151,048	4,444,950	1,330,289
2012	3,210,205	603,206	210,780	400,068	35,879	6,532	504,353	128,961	3,961,217	1,138,767
2013	2,697,566	468,453	219,964	390,884	38,010	4,401	527,714	105,600	3,483,254	969,338
2014-2018	7,851,778	823,729	1,252,290	1,801,950	36,079	3,246	1,940,291	241,702	11,080,438	2,870,627
2019-2023	344,000	12,145	1,550,319	1,503,920	-	-	707,522	17,459	2,691,841	1,533,524
2024-2028	-	-	1,919,661	1,134,580	-	-	-	-	1,919,661	1,134,580
2029-2033	-	-	2,354,541	677,429	-	-	-	-	2,354,541	677,429
2034-2038	-	-	1,899,393	156,388	-	-	-	-	1,899,393	156,388
Totals	\$ 24,949,597	\$ 4,716,565	\$ 10,253,745	\$ 7,341,467	\$ 288,444	\$ 53,399	\$ 5,065,139	\$ 1,008,404	\$ 40,556,925	\$ 13,119,835

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2008 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2008 are:

Year Ending June 30,	Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 69,754	\$ 196,234	\$ 31,119	\$ 15,507	\$ 100,873	\$ 211,741
2010	72,904	193,084	32,099	14,527	105,003	207,611
2011	76,198	189,790	33,110	13,515	109,308	203,305
2012	79,646	186,342	34,154	12,472	113,800	198,814
2013	83,255	182,733	35,231	11,395	118,486	194,128
2014-2018	476,623	853,317	155,639	39,850	632,262	893,167
2019-2023	596,003	733,937	18,544	26,388	614,547	760,325
2024-2028	746,460	583,480	23,213	21,719	769,673	605,199
2029-2033	872,640	394,938	29,058	15,874	901,698	410,812
2034-2038	848,515	209,944	36,375	8,257	884,890	218,201
2039-2043	435,822	60,988	16,995	977	452,817	61,965
2044-2048	91,805	4,105	-	-	91,805	4,105
Totals	\$ 4,449,625	\$ 3,788,892	\$ 445,537	\$ 180,481	\$ 4,895,162	\$ 3,969,373

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2008 are:

Year Ending June 30,	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 159,269	\$ 34,771	\$ 538,117	\$ 83,493	\$ 40,489	\$ 140,375	\$ 350	\$ 867	\$ 738,225	\$ 259,506
2010	95,177	26,166	540,865	82,844	42,229	138,635	366	851	678,637	248,496
2011	99,619	19,743	503,597	76,549	44,043	136,821	383	834	647,642	233,947
2012	89,757	12,988	508,333	71,760	45,936	134,928	400	816	644,426	220,492
2013	72,475	6,777	513,118	66,921	47,910	132,954	419	798	633,922	207,450
2014-2018	18,609	2,566	2,639,147	256,225	272,267	632,053	2,400	3,683	2,932,423	894,527
2019-2023	-	-	2,688,213	131,389	336,046	568,274	3,005	3,079	3,027,264	702,742
2024-2028	-	-	1,023,465	20,328	414,796	489,524	3,761	2,322	1,442,022	512,174
2029-2033	-	-	-	-	512,036	392,284	4,708	1,375	516,744	393,659
2034-2038	-	-	-	-	539,665	276,432	3,377	273	543,042	276,705
2039-2043	-	-	-	-	545,086	168,874	-	-	545,086	168,874
2044-2048	-	-	-	-	523,323	46,984	-	-	523,323	46,984
Totals	\$ 534,906	\$ 103,011	\$ 8,954,855	\$ 789,509	\$ 3,363,826	\$ 3,258,138	\$ 19,169	\$ 14,898	\$ 12,872,756	\$ 4,165,556

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 10. Long-Term Debt, Capital Leases and Compensated Absences - continued

The annual debt service requirements to maturity for the Nursing Home long-term debt outstanding at June 30, 2008 are:

Year Ending June 30,	General Obligation Debt	
	Principal	Interest
2009	\$ 27,863	\$ 22,778
2010	29,320	21,282
2011	30,854	19,709
2012	32,467	18,053
2013	34,165	16,310
2014-2018	199,573	52,053
2019-2023	95,206	5,043
2024-2028	\$ 449,448	\$ 155,228

A summary of individual long-term debt balances for governmental activities for the current and prior year is as follows:

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2008	2007
Public Improvement Bonds:					
Bonds of 1994	01/01/94	01/01/09	4.05-4.70	\$ 465,000	\$ 910,000
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	1,610,000	2,095,000
Bonds of 1997	03/01/97	03/01/10	3.65-5.40	1,075,000	1,575,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	7,285,000	8,320,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	4,390,000	4,690,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,747,000	1,862,000
Bonds of 2006	07/21/06	08/01/16	4.24	2,780,000	3,030,000
Bonds of 2007	06/12/07	06/01/17	5.73	5,597,597	6,050,000
Notes:					
Farmers Home Admin	1992	2032	5.75	248,047	252,782
RDA High School Loan I	06/28/07	06/28/37	4.125	4,835,298	5,000,000
RDA High School Loan II	02/28/08	2038	4.375	4,904,603	-
Tri - County Council Loan	06/22/93	06/22/08	5.00	-	12,355
PPG Loan	01/05/96	2011	5.20	265,797	345,681
Capital Leases:					
Sheriff's vehicles	10/27/04	10/27/06	4.05	-	14,859
Transit Bus	04/11/06	04/11/13	5.94	205,979	112,070
Sheriff vehicles	2008	07/24/09	6.40	82,465	-
State Loans:					
Md Industrial Land Act:					
Superfos Expansion	1991	2028	6.90	469,623	509,191
Blue Cross Bldg	1992	2012	6.80	854,993	911,295
Hunter Douglas	1993	2019	5.93	-	356,072
Micro - Integration	1994	2014	5.93	403,015	465,317
Superfos III	1995	2014	5.93	637,850	719,852
Hunter Douglas II	1998	2018	4.64	-	60,510
MICRF Loans:					
Potomac Farms	06/22/93	06/22/08	5.00	-	45,933
PPG Purchase	01/05/96	2020	5.00	1,785,755	1,910,690
PPG Improvements	2001	2022	4.69	196,628	211,744
MD Historical Trust Loan	2000	2020	1.00	150,000	150,000
Md Environmental Loan	2003	2023	0.89	567,275	601,372
Total Long - Term General Obligation Debt				40,556,925	40,211,723
Compensated Absences				4,391,729	4,124,689
Total long-term liabilities				\$ 44,948,654	\$ 44,336,412

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 10. Long-Term Debt, Capital Leases and Compensated Absences - continued

A summary of individual long-term debt balances for business-type activities is as follows:

Schedule of Business-type Debt					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2008	2007
Water Districts Debt:					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 94,123	\$ 96,010
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	229,782	234,391
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	298,554	303,331
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	447,677	455,754
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	211,220	215,030
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	215,621	219,509
Grahamtown FHA Loan 2001 R-2	2001	2042	4.5	559,272	566,328
Conso! FHA loan	2004	2044	4.5	100,067	101,180
McCoole FHA Loan	1999	2039	4.5	982,727	997,522
Barton Industrial Park	2005	2045	4.5	345,775	349,458
Klondike FHA	2005	2045	4.5	450,416	455,145
Morantown FHA Loan	2005	2046	4.25	165,690	167,465
Mexico Farms	1992	2032	5.5	348,700	355,331
Sub-total				<u>4,449,624</u>	<u>4,516,454</u>
Hoffman Allegany Co. Advance	06/30/93	06/30/23	8.0	-	-
Carlos/Shaft Allegany Advance	2005	2040	4.5	48,164	48,823
Missick Rd Alleg Co Advance	2006	2040	4.5	75,888	76,926
Rt. 51 Allegany Co Advance	2006	2040	4.5	26,782	27,149
PSC Rate case	2007	2017	4.5	294,703	322,819
Sub - total				<u>445,537</u>	<u>475,717</u>
Total debt				<u>4,895,161</u>	<u>4,992,171</u>
Less: Current maturities of long - term debt				<u>(100,872)</u>	<u>(90,290)</u>
Total Water Districts long - term debt				<u>\$ 4,794,289</u>	<u>\$ 4,901,881</u>
Sanitary Districts Debt:					
Maryland Water Quality Loans					
Bowling Green	1980	2010	5.5	\$ 1,776	\$ 2,595
Bowling Green	1984	2014	8.3	26,136	28,818
Cresaptown	1980	2010	5.5	1,702	2,488
Cresaptown	1984	2014	8.3	16,278	17,949
Cresaptown	1986	2015	8.8	8,870	9,617
Bedford Road	1977	2007	5.5	-	10,365
Bedford Road	1983	2013	8.2	127,854	147,965
McCoole	1978	2008	5.5	-	16,726
Oldtown	1981	2011	6.1	11,038	14,310
Flintstone	1980	2010	6.1	33,114	42,931
Georges Creek	1981	2011	6.1	79,911	97,132
Georges Creek	1982	2012	6.1	158,128	184,552
Mexico Farms	1992	2009	3.705	70,098	145,386
Sub - total!				<u>534,905</u>	<u>720,834</u>
Maryland Department of Environment					
Celanese Treatment Plant	1991	2010	3.705	83,374	123,314
Celanese WWTP Upgrade	06/03	2023	0.0867	6,897,031	7,307,707
Inflow and Infiltration Study I	12/03	2023	0.8807	1,026,459	1,096,870
Celanese	2006	2026	0.40	724,578	763,893
Inflow and Infiltration Study II	2008	2028	1.00	223,413	-
Sub - total				<u>8,954,855</u>	<u>9,291,784</u>
Farmers Home Administration Loans					
Georges Creek	1988	2027	5.0	-	32,982
Georges Creek	2007	2047	4.125	500,907	506,000
Mexico Farms	1992	2032	5.5	-	355,331
Cash Valley Road	1996	2036	4.5	125,385	127,623
Oldtown Road	1996	2036	4.5	475,523	484,008
Bowling Green/Cresaptown A	2007	2047	4.125	1,890,788	1,910,000
Bowling Green/Cresaptown B	2007	2047	4.125	371,223	375,000
Sub - total				<u>3,363,826</u>	<u>3,790,944</u>
Allegany County Advances:					
Oldtown	2006	2036	4.5	19,169	19,503
Sub - total				<u>19,169</u>	<u>19,503</u>
Total				<u>12,872,755</u>	<u>13,823,065</u>
Less: Current maturities of long - term debt				<u>(738,225)</u>	<u>(770,323)</u>
Total Sanitary Districts Long - term Debt				<u>\$12,134,530</u>	<u>\$13,052,742</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 10. Long-Term Debt - continued

A summary of individual long-term debt balances for business-type activities continues as follows:

Schedule of Business-type Debt - continued					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2008	2007
Nursing Home Debt:					
General obligation debt	2004	2018	5.23	\$ 449,448	\$ 475,926
Less: Current maturities of long - term debt				(27,863)	(26,478)
Total Nursing Home long -term debt				<u>\$ 421,585</u>	<u>\$ 449,448</u>

The following is a summary of debt transactions for the discretely presented component units for the fiscal year ended June 30, 2008.

Long-term Liabilities - Component Units						
Long-term debt activity for the year ended June 30, 2008:						
	Allegany College of Maryland			LaVale Sanitary Commission		
Payable at July 1, 2007	\$ 367,458			\$ 3,288,006		
Amount issued	13,571			432,291		
Amount retired	(92,564)			(48,691)		
Payable at June 30, 2008	<u>\$ 288,465</u>			<u>\$ 3,671,606</u>		
Annual debt service requirements to maturity:						
	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 95,044	\$ 17,418	\$ 112,462	\$ 39,492	\$ 33,959	\$ 73,451
2010	94,632	10,853	105,485	40,316	33,134	73,450
2011	90,290	4,235	94,525	41,173	32,278	73,451
2012	7,934	268	8,202	42,062	31,388	73,450
2013	565	7	572	42,987	30,463	73,450
2014-2018	-	-	-	230,137	137,113	367,250
2019-2023	-	-	-	259,446	107,823	367,269
2024-2028	-	-	-	174,801	73,099	247,900
2029-2033	-	-	-	215,946	31,954	247,900
2034-2038	-	-	-	33,216	1,270	34,486
	<u>\$ 288,465</u>	<u>\$ 32,781</u>	<u>\$ 321,246</u>	<u>\$ 1,119,576</u>	<u>\$ 512,481</u>	<u>\$ 1,632,057</u>
	Loan anticipation notes			2,552,030		2,552,030
				<u>\$ 3,671,606</u>		<u>\$ 4,184,087</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11. Pension and Retirement Systems

Allegany County Primary Government

Plan Descriptions

Allegany County contributes to the Maryland State Retirement and Pension Systems ("Systems"). Both systems are cost sharing multiple-employer defined benefit plans. The Systems were established by Article 73B of the Annotated Code of Maryland to provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Responsibility for the organization and administration of the Systems is vested in the Board of Trustees of the Maryland State Retirement and Pension Systems. The retirement and pension systems issue a publicly available financial report, which includes financial statements and required supplementary information. The report may be obtained by writing to the following:

Maryland State Retirement Agency
301 W. Preston Street
Baltimore, Maryland 21201

Allegany County has also established two defined contribution plans; the County Administrator's Retirement Plan and the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers both plans. At June 30, 2008, there are 10 members enrolled in the plans.

Funding Policy

Employees covered under the retirement system are required to contribute five percent of their base salary, and the County is required to contribute at an actuarially determined rate. The current rate is 12.7% of covered payroll. The employees belonging to the pension system must contribute four percent of their base salary and five percent of the base salary that exceeds the social security wage base. The County is required to contribute at an actuarially determined rate also. The contribution rate for the County is currently 8.8% of covered payroll. The contribution requirements of plan members and Allegany County are established and may be amended by the plan's board of trustees. Allegany County's contributions for the years ended June 30, 2008, 2007, 2006, were \$1,588,247, \$1,364,471 and \$1,178,405 respectively, equal to the required employer contributions for each year.

The two defined contribution plans require the County to contribute 9% to the Administrators Retirement Plan and 8.8% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$570,830 and the required contribution was \$49,969 which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

The financial statements of the defined contribution plans are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period the contributions are due. Plan investments are reported at fair market value.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Board of Education-Component Unit

The Board of Education participates in the Maryland State Retirement System part of the same cost sharing multiple-employer defined benefit pension and retirement systems the County participates in. The employees are covered under either the Teachers' Retirement System, the Employees' Retirement System, the Teachers' Pension System or the Employees' Pension System Plans. A copy of the report can be obtained by writing to the Maryland State Retirement Agency at the address listed above.

Members of the retirement systems entering on or after July 1, 1973 are required to contribute 5% or 7%, based on personal election, of earnable compensation; members before that date contribute the lesser of 5% or the percentage they were contributing prior to July 1, 1973.

Members of the contributory pensions are required to make contributions of 3% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rates are 12.69% and 8.8% respectively. The contribution requirements of plan members and the Board are established and may be amended by the State Retirement and Pension System Board of Trustees. The Board contributions for the years ended June 30, 2008, 2007 and 2006 were \$993,118, \$866,800, and \$758,376, respectively, equal to the required contributions for each year.

Allegany County Library System-Component Unit

The employees of the Library are provided retirement benefits through the Maryland State Retirement and Pension Systems; the same cost sharing multiple-employer defined benefit retirement system in which the County participates. All employees of the Library System except custodial personnel are covered by the Maryland State Teacher's Retirement Systems. The Maryland State Department of Education is directly responsible for all financial and administrative requirements of the employees' participation in the Teachers Retirement System. The Library System itself is only financially and administratively responsible for custodial employees' participation in the Maryland State Retirement Systems. As of year-end, all custodial employees participated in the pension system. Detailed information on the Library's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2008. The Library's contributions for the years ended June 30, 2008, 2007 and 2006 were \$5,989, \$5,110, and \$6,721, respectively, equal to the required employer contributions for custodial staff for each year. All payments have been made by the State of Maryland for the non-custodial employees for the years ended June 30, 2008, 2007 and 2006 in the amounts of \$84,042, \$65,832, and \$65,434 respectively.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Allegany College-Component Unit

The College's permanent employees are provided pension benefits through one of several pension plans: Maryland State Teachers' Retirement System, Maryland State Teachers' Pension System, TIAA/CREF Retirement Plan, Maryland State Employees' Retirement System, and the Maryland State Employees' Pension System. All of the plans the College participates in are the same cost sharing multiple-employer defined benefit plans the County participates in, with the Exception of TIAA/CREF Retirement Plan which is a separate plan the County is not associated with. The State of Maryland is responsible for funding the employee portion of pension costs for substantially all employees covered by the Teachers' Retirement System, Teachers' Pension System, and the TIAA/CREF Retirement Plan. The State of Maryland's total contributions to these plans for fiscal year 2008 were \$1,219,936.

Detailed information on the College's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2008. Allegany College's contributions for the years ended June 30, 2008, 2007 and 2006 were \$104,644, \$90,588, and \$72,142, respectively, equal to the required employer contributions for each year.

LaVale Sanitary Commission – Component Unit

The Sanitary Commission provides a defined benefit pension plan for all their full-time employees. The plan is a single employer non-contributory plan and is not a part of any of the plans in which the County participates. Detailed information on LaVale Sanitary Commission's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2007. LaVale Sanitary's contributions for the years ended June 30, 2008, 2007 and 2006 were \$56,783, \$57,564, and \$55,189, respectively, equal to the required employer contributions for each year.

Note 12. 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 for which it carries commercial insurance. The County retains no risk for claims up to the maximum amount of the policy except for deductible amounts. During the fiscal year and for the three prior fiscal years, the County did not have any losses exceeding its insurance coverage.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 13. Pending Claims and Litigation

The County is the defendant in several lawsuits in which plaintiffs are seeking to recover amounts from the County as a result of alleged damages incurred by those plaintiffs. Although the outcome of these lawsuits and any other potential proceeding, lawsuit or claim that is pending or threatened are not presently determinable, it is the opinion of the County's legal counsel and County management that resolution of these matters will not have a material effect on the financial condition of the County.

Note 14. Contingent Liabilities

The County participates in a number of state and federally assisted grant programs, principal of which are the U.S. Department of Agriculture, the U.S. Department of Transportation and the U.S. Department of Housing and Urban Developments economic development and housing assistance grant programs. Entitlement to the grant proceeds is generally based on compliance with the terms and conditions of the grant agreements and applicable regulations, including expenditure of the resources for eligible purposes. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2008 may not have been concluded.

Allegany County has borrowed funds on behalf of the LaVale Sanitary District for the purpose of improvements to sewer and water lines and construction of a water treatment plant and water reservoir. The LaVale Sanitary District is responsible for the debt service payments and County has never been called upon to make any of the direct payments of the conduit debt. As of June 30, 2008, such debt included lines-of-credit with Standard Bank of \$3,099,577 and loans with the U.S. Department of Agriculture of \$772,708.

The State of Maryland's Department of the Environment and Allegany County has entered an agreement setting a timetable for fixing the County's combined sewer and storm water system overflow problem. The cost associated with correcting the problem cannot be reasonably estimated. However those costs will likely be spread over an extended period of years and will be borne by the users of the sewer systems.

Note 15. Post-Employment Benefits

In addition to providing pension benefits, the County provides health and life insurance, in accordance with County resolutions, to certain retired employees with ten years of continuous service. Employees hired prior to July 1, 1997 have 95% of their premiums paid for by the County, employees hired on or after July 1, 1997 are responsible for paying 50% of their health insurance premiums. Supplemental insurance premiums for retirees over 65 years of age are paid entirely by the County. Expenditures for post-retirement health and life insurance premiums are recognized on a pay-as-you-go basis. During fiscal year 2008, expenditures of \$900,648 were recorded for post-retirement benefits for 284 retirees in the governmental and proprietary funds.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Note 16. Subsequent Events

On September 16, 2008, the County issued \$4,600,000 of general obligation bonds to fund the following projects:

Courthouse roof	\$250,000
Animal control building addition	180,000
Public safety building acquisition/renovations	700,000
Fire company radio switch system upgrade	538,200
Braddock Run flood control	300,000
Jennings Run flood control	300,000
Computer aided dispatch system	702,000
Allegany College library addition/renovations	1,160,000
LaVale Library parking lot	34,000
Westernport Library renovations	62,000
Allegany College geothermal project	327,000
Bond closing costs	46,800
Total	<u>\$4,600,000</u>

The interest rate on the bonds is 4.36% for a period of ten years and the final maturity is on September 1, 2019. Annual debt service payments range from \$516,937 - \$608,134.

Note 17. Prior Period Adjustments and Restatement of Beginning Net Assets

Board of Education Component Unit:

Starting in fiscal year 2008, the Board of Education has included the Allegany County Public Schools Foundation, Inc. as a component unit of the Board. As a result, the ending net assets of \$91,629,408 at June 30, 2007 were restated to \$92,114,567 at July 1, 2007, an increase of \$485,159.

Allegany College Component Unit:

During fiscal year 2008, Allegany College implemented Governmental Accounting Standards Board Statement No. 47, Accounting for Termination Benefits. As a result, the ending net assets of \$41,002,502 at June 30, 2007 were restated to \$40,432,426 at July 1, 2007, a decrease of \$570,076.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
PENSION CONTRIBUTIONS

Allegany County has established two defined contribution retirement plans, the County Administrators Retirement Plan (one member) and the Management Contractual Employees Retirement Plan (nine members), administered by the ICMA Retirement Corporation. Contributions to the defined contribution plans are made entirely by the County for the Administrators Plan and the Management Contractual Employees Plan.

Administrators Plan

<u>Contribution For Fiscal Year</u>	<u>Number of Members</u>	<u>Covered Payroll</u>	<u>Contribution Percentage</u>	<u>Required Contributions</u>	<u>Contribution Made</u>	<u>Unfunded Liability</u>
2008	1	\$123,552	9.00%	\$10,869	\$10,869	-
2007	1	112,838	9.00%	10,344	10,334	-
2006	1	114,393	9.00%	10,157	10,157	-
2005	1	103,089	9.00%	9,278	9,278	-
2004	1	100,700	9.00%	9,063	9,063	-
2003	1	100,467	9.00%	9,042	9,042	-
2002	1	94,833	9.00%	8,535	8,535	-
2001	1	89,377	9.00%	8,044	8,044	-
2000	1	99,856	9.00%	8,987	8,987	-
1999	-	-	0.00%	-	-	-

Management Contractual Employees Plan

<u>Contribution For Fiscal Year</u>	<u>Number of Members</u>	<u>Covered Payroll</u>	<u>Contribution Percentage</u>	<u>Required Contributions</u>	<u>Contribution Made</u>	<u>Unfunded Liability</u>
2008	9	\$447,278	8.80%	\$39,100	\$39,100	-
2007	8	397,024	8.10%	31,172	31,172	-
2006	8	349,344	7.22%	24,938	24,938	-
2005	7	275,281	7.29%	20,068	20,068	-
2004	6	257,246	5.01%	12,888	12,888	-
2003	7	260,252	4.37%	11,373	11,373	-
2002	7	289,448	4.17%	12,070	12,070	-
2001	6	181,731	5.23%	9,505	9,505	-
2000	2	63,333	6.12%	3,876	3,876	-
1999	-	-	0.00%	-	-	-

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 34,690,639	\$ 34,690,639	\$ 34,814,057	\$ 123,418
Payments in lieu of taxes:				
Coal companies	225,000	225,000	211,324	(13,676)
Housing Authorities	36,000	36,000	41,358	5,358
Interest on Delinquent taxes	645,000	645,000	708,551	63,551
Sub-total	35,596,639	35,596,639	35,775,290	178,651
Less:				
Prompt payment discounts	130,000	130,000	142,686	(12,686)
Deferred revenues	210,000	210,000	442,573	(232,573)
Industrial exemptions	2,700,000	2,700,000	2,488,808	211,192
Enterprise zone exemptions	185,000	185,000	157,186	27,814
Residential development tax credit	15,000	15,000	20,294	(5,294)
Tax increment financing	20,000	20,000	7,571	12,429
Historic tax credit	60,000	60,000	50,117	9,883
Real estate tax set-aside	-	-	31,850	(31,850)
Sub-total	3,320,000	3,320,000	3,341,085	(21,085)
Total Net Property Taxes	32,276,639	32,276,639	32,434,205	157,566
Income Taxes	23,045,000	23,045,000	24,859,124	1,814,124
Other Local Taxes:				
Hotel/motel tax	575,000	575,000	664,639	89,639
Admissions	145,000	145,000	157,974	12,974
Recordation	1,837,500	1,837,500	1,889,261	51,761
911 Fees	550,000	550,000	513,106	(36,894)
Trailer court	73,000	73,000	61,814	(11,186)
Transfer Tax	675,000	675,000	582,668	(92,332)
Total Local Taxes	3,855,500	3,855,500	3,869,462	13,962
Total Taxes	59,177,139	59,177,139	61,162,791	1,985,652
Licenses and Permits				
Alcoholic beverage licenses	92,000	92,000	84,002	(7,998)
Amusement licenses	2,600	2,600	7,955	5,355
Traders licenses	96,000	96,000	103,382	7,382
Occupational licenses	1,200	1,200	900	(300)
Animal licenses	13,000	13,000	13,666	666
Building permits	40,000	40,000	39,032	(968)
Marriage licenses	4,500	4,500	5,575	1,075
Cable franchise fees	310,000	310,000	332,774	22,774
Sediment control permits	30,000	30,000	33,850	3,850
Total Licenses and Permits	589,300	589,300	621,136	31,836

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	496,925	496,925	421,916	(75,009)
Justice department grant	-	97,434	155,024	57,590
Civil defense	47,000	47,000	61,380	14,380
EMT Grant	30,000	30,000	-	(30,000)
MTA Grant	123,000	123,000	110,700	(12,300)
MTA Transportation planning	81,400	81,400	55,993	(25,407)
Health and Human Services Grant	24,665	84,882	79,252	(5,630)
Med Trans Grant	396,165	396,165	84,832	(311,333)
Food distribution to the needy	18,000	18,000	19,569	1,569
Summer camp program	2,200	2,200	1,809	(391)
Emergency shelter grant	25,000	25,000	22,075	(2,925)
ARC Grants	20,000	20,000	20,000	-
Masters program	71,162	71,162	66,964	(4,198)
Miscellaneous federal grants	15,000	15,000	12,146	(2,854)
Payments in lieu of property taxes	3,200	3,200	4,365	1,165
Sub-total Federal funds	1,353,717	1,511,368	1,116,025	(395,343)
State Funds:				
Public Health	25,000	25,000	23,368	(1,632)
Police protection	242,000	242,000	234,140	(7,860)
State 911 grant	21,500	21,500	1,560	(19,940)
State MTA operating assistance	61,500	61,500	-	(61,500)
Alltrans Grant	209,945	209,945	265,294	55,349
State transportation planning	10,175	10,175	6,999	(3,176)
Maryland Department of Environment grant	9,200	36,200	44,995	8,795
Juvenile services grant	14,194	14,194	14,094	(100)
JSA Crisis Intervention	36,396	36,396	34,765	(1,631)
Dept. of Social Services	61,500	61,500	55,350	(6,150)
Department of Natural Resources	200,000	200,000	198,013	(1,987)
Conservation aid salary	26,170	26,170	26,563	393
Program Open Space grant	1,055,735	1,055,735	286,430	(769,305)
Fire suppression, DNR	500	500	-	(500)
Disparity grant	6,971,337	6,971,337	6,971,337	-
State Jury Reimbursement	44,000	44,000	41,635	(2,365)
Tourism grant	37,000	46,994	46,994	-
Work Crew Supervisor	42,223	42,223	33,468	(8,755)
Victim/Witness grant	22,958	22,958	-	(22,958)
Miscellaneous	293,257	310,472	259,297	(51,175)
Sub-total State Funds	9,384,590	9,438,799	8,544,302	(894,497)

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (Continued)				
<u>Intergovernmental (continued):</u>				
Other Intergovernmental:				
Other agencies	221,781	239,481	263,037	23,556
Sub-total Other Intergovernmental:	221,781	239,481	263,037	23,556
Total Intergovernmental	10,960,088	11,189,648	9,923,364	(1,266,284)
<u>Service Charges:</u>				
General government charges:				
State civil process	60,000	60,000	66,019	6,019
Child support incentive	-	-	1,465	1,465
Publication sales	-	-	1,300	1,300
Plans & specifications	3,000	3,000	5,486	2,486
Regulation & Maps	10,000	10,000	25,439	15,439
Tax sale fees	16,000	16,000	12,131	(3,869)
Election Filing fee	125	125	75	(50)
Security interest filing fee	100	100	90	(10)
License application fees	8,700	8,700	9,230	530
Liquor License transfer fee	4,250	4,250	7,090	2,840
Bay restoration collection fee	8,000	8,000	2,000	(6,000)
Health Ins Admin fee	600	600	1,123	523
Tourism promotion charges	45,000	57,000	69,085	12,085
Collection fees-special areas	43,000	43,000	51,512	8,512
Liquor License Collection fee	3,600	3,600	3,752	152
Hotel/Motel collection fee	15,000	15,000	16,274	1,274
Partial payment fee	1,000	1,000	984	(16)
Engineering fees	44,000	44,000	149,665	105,665
Miscellaneous general government	632,119	632,119	138,469	(493,650)
Sub-total general government charges	894,494	906,494	561,189	(345,305)
Public safety charges:				
Police protection charges	14,000	14,000	22,895	8,895
Fingerprinting fee	1,500	1,500	1,519	19
Jail work release	35,000	35,000	40,372	5,372
Boarding state prisoners	200,000	200,000	333,691	133,691
Boarding Federal prisoners	750,000	750,000	802,496	52,496
Community service fee	15,000	15,000	17,232	2,232
Home detention fee	32,000	32,000	48,862	16,862
Inmate Medical Copay	3,000	3,000	3,663	663
Building Inspection fees	32,000	32,000	27,302	(4,698)
Sub-total public safety charges	1,082,500	1,082,500	1,298,032	215,532
Sanitation and Waste Removal:				
Landfill fees	140,000	140,000	142,994	2,994
Recycling fees	100,000	100,000	89,659	(10,341)
Recycled material sales	15,000	15,000	20,396	5,396
Sub-total Sanitation and Waste	255,000	255,000	253,049	(1,951)

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Service Charges (continued):</u>				
Health service charges:				
Dog adoption fees	18,000	18,000	21,004	3,004
Sub-total Health service charges	18,000	18,000	21,004	3,004
Recreation Charges:				
Host fee, Rocky Gap	-	-	-	-
Hotel fee, Rocky gap	105,000	105,000	114,560	9,560
Sub-total recreation service charges	105,000	105,000	114,560	9,560
Public service enterprises:				
Upper Potomac River Commission	301,580	301,580	326,714	25,134
Job access fares	-	-	5,409	5,409
AllTrans fares	37,000	37,000	39,994	2,994
Road closing fees	450	450	750	300
Maintenance fees	5,778	5,778	-	(5,778)
Sub-total public service charges	344,808	344,808	372,867	28,059
Total Service Charges	2,699,802	2,711,802	2,620,701	(91,101)
<u>Fines and Forfeitures:</u>				
Circuit court fines	10,000	10,000	6,772	(3,228)
Dog ordinance fines	11,000	11,000	9,118	(1,882)
Other fines	8,600	8,600	28,632	20,032
Total Fines and Forfeitures	29,600	29,600	44,522	14,922
<u>Miscellaneous:</u>				
Interest	437,996	437,996	650,109	212,113
Rents and concessions	319,065	335,230	319,370	(15,860)
Contributions & donations	34,000	34,000	-	(34,000)
Miscellaneous	56,900	56,900	88,366	31,466
Total Miscellaneous	847,961	864,126	1,057,845	193,719
Total Revenues	74,303,890	74,561,615	75,430,359	868,744

(continued)

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
EXPENDITURES:				
<u>General Government:</u>				
Legislative:				
County Commissioners	170,075	170,075	160,726	9,349
County Commissioners Office	191,941	191,941	143,920	48,021
Total legislative	362,016	362,016	304,646	57,370
Judicial:				
Family Support Services	176,227	173,642	171,028	2,614
Alternative dispute resolution	14,452	14,452	5,473	8,979
Circuit court masters program	114,367	114,367	107,685	6,682
Circuit court	342,789	342,789	312,772	30,017
Orphans court	54,735	54,735	50,268	4,467
Family Law Master	59,774	59,774	54,581	5,193
State's attorney	1,083,795	1,079,343	1,097,036	(17,693)
Victim-Witness coordinator	22,958	28,660	20,573	8,087
Law library	38,000	38,000	19,000	19,000
Grand and petit juries	69,425	69,425	65,708	3,717
Total Judicial	1,976,522	1,975,187	1,904,124	71,063
Executive:				
Administrator	338,853	338,853	272,648	66,205
Elections:				
Registration and elections	538,377	538,377	510,441	27,936
Financial Administration:				
Finance Office	736,732	736,732	577,535	159,197
Tax Office	519,384	519,384	284,249	235,135
Professional services	41,000	41,000	38,771	2,229
Total Financial Administration	1,297,116	1,297,116	900,555	396,561
Legal:				
Legal counsel	208,227	208,227	178,419	29,808
Other legal/professional	58,000	58,000	83,202	(25,202)
Total legal	266,227	266,227	261,621	4,606
Personnel Administration:				
Human Resources department	349,549	349,549	196,206	153,343
Human resources board of appeals	6,575	6,575	1,437	5,138
Wellness/Employee recognition	26,210	26,210	14,330	11,880
Total personnel administration	382,334	382,334	211,973	170,361
Planning and Zoning:				
Planning and zoning department	383,231	383,231	355,714	27,517
Land use planning	158,175	158,175	132,114	26,061
Total Planning and Zoning	541,406	541,406	487,828	53,578
General Services:				
County Building Maintenance	1,248,919	1,248,919	1,144,167	104,752
Data Processing	229,990	229,990	203,431	26,559
Total general services	1,478,909	1,478,909	1,347,598	131,311

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amount	
EXPENDITURES (Continued):				
<u>General Government (continued):</u>				
Other general government:				
Liquor control board	122,089	122,089	117,072	5,017
Insurance	325,000	325,000	289,008	35,992
Employee benefits	335,000	335,000	50,631	284,369
Post retirement benefits	569,000	569,000	597,113	(28,113)
Total Other General Government	1,351,089	1,351,089	1,053,824	297,265
Total General Government	8,532,849	8,531,514	7,255,258	1,276,256
<u>Public Safety:</u>				
Police:				
Sheriffs department	1,865,962	2,029,605	2,351,832	(322,227)
Aggressive driver grant	5,000	6,650	152	6,498
Highway safety	4,000	11,500	8,674	2,826
C3I Unit	13,000	13,000	13,041	(41)
Safe School	51,158	51,158	49,767	1,391
Juvenile review board	59,420	59,420	56,062	3,358
Parents and law enforcement	-	-	2,585	(2,585)
Marijuana eradication	2,000	2,000	-	2,000
Total Police	2,000,540	2,173,333	2,482,113	(308,780)
Fire:				
Suppression of forest fires	6,000	6,000	-	6,000
Volunteer fire companies	975,528	975,528	953,957	21,571
Total Fire	981,528	981,528	953,957	27,571
Correction:				
County detention center maintenance	181,912	181,912	174,235	7,677
County detention center	6,394,590	6,394,590	6,375,658	18,932
JSA crisis intervention	36,396	36,396	34,765	1,631
Juvenile service grant	14,194	14,194	14,094	100
Alternative sentencing	161,097	161,097	137,118	23,979
Home detention grant	128,349	128,349	125,519	2,830
Total Correction	6,916,538	6,916,538	6,861,389	55,149
Other Protection:				
Permits & enforcement	320,065	320,065	306,847	13,218
Building Codes	102,887	102,887	87,391	15,496
Emergency Management Agency	210,580	210,580	178,867	31,713
Local emergency planning	9,200	9,200	9,286	(86)
Transportation planning	110,569	110,569	70,011	40,558
Animal control	295,214	295,214	286,469	8,745
Animal shelter	83,755	83,755	82,163	1,592
911	1,591,518	1,591,518	1,531,312	60,206
Hazardous materials operations	78,200	78,200	74,800	3,400
Public safety department	170,656	170,656	217,835	(47,179)
Emergency medical assistance	60,000	60,000	5,343	54,657
Domestic preparedness grant	486,925	486,925	475,091	11,834
Community emergency response	10,000	10,000	10,000	-
Code Enforcement	86,599	86,599	92,809	(6,210)
Flood control	45,000	45,000	10,000	35,000
Total Other Protection	3,661,168	3,661,168	3,438,224	222,944
Total Public Safety	13,559,774	13,732,567	13,735,683	(3,116)

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
EXPENDITURES (Continued):				
<u>Public Works:</u>				
Public Services:				
Airport	240,000	240,000	240,000	-
Waste collection:				
Solid waste disposal	434,345	434,345	443,858	(9,513)
Solid waste recycling	168,326	195,326	182,466	12,860
Household hazardous waste	-	-	-	-
UPRC	376,975	376,975	376,975	-
County engineer	1,142,052	1,142,052	1,095,580	46,472
Total Public Works	2,361,698	2,388,698	2,338,879	49,819
<u>Health and Hospitals:</u>				
Brook Building	224,000	224,000	196,026	27,974
Willowbrook Office	335,600	335,600	268,574	67,026
Health Department supplemental	31,168	60,743	57,251	3,492
Western Maryland Health Planning	6,665	6,665	6,665	-
Total Health and Hospitals	597,433	627,008	528,516	98,492
<u>Social Services:</u>				
Medtrans/Alltrans	1,015,364	1,015,364	1,022,507	(7,143)
HRDC child care operations	-	60,217	60,217	-
Family violence council	-	22,488	22,487	1
Pauper's burials	1,950	1,950	650	1,300
TANF grant	24,665	24,665	-	24,665
Human Resources Devel. Comm.	707,570	707,570	707,570	-
Emergency shelter grant	25,000	25,000	22,075	2,925
New Hope, Inc.	2,200	2,200	1,809	391
Child abuse coordinator	99,486	99,486	98,535	951
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	18,000	18,000	19,569	(1,569)
Total Social Services	1,982,235	2,064,940	2,043,419	21,521
<u>Education:</u>				
Maryland School for the Blind	500	500	-	500
State debt reimbursement	26,761	26,761	26,761	-
Parkside Flag-in-the-Air	7,000	7,000	6,750	250
Total Education	34,261	34,261	33,511	750
<u>Recreation and Culture:</u>				
Program Open Space	1,065,735	1,065,735	209,533	856,202
Allegany County fair	179,725	195,890	195,876	14
Fairgrounds maintenance	210,431	210,431	212,609	(2,178)
Highland trail operations	89,826	89,826	108,019	(18,193)
Allegany County Arts Council	35,000	35,000	35,000	-
Cumberland Summer Theatre	8,000	8,000	8,000	-
Agriculture Expo	14,000	14,000	14,000	-
Allegany Co. homecoming	2,250	2,250	2,250	-
Total Recreation and Culture	1,604,967	1,621,132	785,287	835,845

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<u>EXPENDITURES (Continued):</u>				
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	125,711	125,711	124,701	1,010
Soil conservation services	170,405	170,405	166,161	4,244
Gypsy moth control	7,000	30,310	30,396	(86)
Total Conservation of Natural Resources	303,116	326,426	321,258	5,168
 <u>Community Development & Housing</u>				
Office of Community Assistance	119,831	119,831	117,383	2,448
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	127,831	127,831	125,383	2,448
 <u>Economic Development:</u>				
Department of Economic Development	464,930	464,930	495,775	(30,845)
Scenic railroad development	170,000	170,000	170,000	-
Tri-County Council	25,000	25,000	25,000	-
Tourism department	545,076	567,070	535,766	31,304
Toll House	6,400	6,400	3,544	2,856
Thrasher Museum	67,000	84,500	84,500	-
Community promotion	11,000	11,000	8,600	2,400
Total Economic Development	1,289,406	1,328,900	1,323,185	5,715
 <u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,208,051	1,208,051	1,204,760	3,291
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,246,555	1,246,555	1,243,264	3,291
 <u>Miscellaneous:</u>				
Contingency	76,024	15,677	-	15,677
Miscellaneous	25,600	25,600	25,267	333
Total Miscellaneous	101,624	41,277	25,267	16,010
 <u>Payments to Component Units</u>				
Allegany Co. Board of Education	28,380,000	28,380,000	28,380,000	-
Allegany College	7,175,000	7,175,000	7,175,000	-
Allegany County Library	905,000	905,000	905,000	-
Information Technology	328,460	328,460	328,464	(4)
Total payments to component units	36,788,460	36,788,460	36,788,464	(4)
 Total Expenditures	68,530,209	68,859,569	66,547,374	2,312,195
 Excess (deficiency) of revenues over (under) expenditures	5,773,681	5,702,046	8,882,985	3,180,939

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Unexpended balance - prior years</u>	<u>1,956,579</u>	<u>2,026,964</u>	<u>-</u>	<u>(2,026,964)</u>
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	45,380	45,380	45,380	-
Transfers from capital project funds	-	-	-	-
Transfers from enterprise funds	168,606	168,606	144,743	(23,863)
Total Transfers In	<u>213,986</u>	<u>213,986</u>	<u>190,123</u>	<u>(23,863)</u>
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Highway fund	(1,852,314)	(1,852,314)	(1,852,314)	-
Transit Fund	(354,637)	(354,637)	(354,637)	-
Housing & Section 8 fund	(197,862)	(197,862)	(194,547)	3,315
Narcotics Task Force	(20,592)	(19,342)	(9,982)	9,360
Public Safety Fund	(594,352)	(594,352)	(594,352)	-
Debt service Fund:				
From General government	(4,789,788)	(4,789,788)	(4,445,388)	344,400
From Sheriff department	(60,917)	(60,917)	(60,916)	1
Capital projects funds:				
Capital projects fund	-	-	(273,000)	(273,000)
Pay-As-You-GO Capital Proj. Fund	-	-	(825,000)	(825,000)
Enterprise funds:				
Water fund	-	-	(3,340)	(3,340)
Sanitary fund	(88,784)	(88,784)	(114,220)	(25,436)
Allconet II Fund	-	-	(24,760)	(24,760)
Loan fund	-	-	(24,393)	(24,393)
Total operating transfers to other funds	<u>(7,959,246)</u>	<u>(7,957,996)</u>	<u>(8,776,849)</u>	<u>(818,853)</u>
<u>Sale of capital assets</u>	<u>15,000</u>	<u>15,000</u>	<u>1,797</u>	<u>(13,203)</u>
Total Other Financing Sources and Uses	<u>(5,773,681)</u>	<u>(5,702,046)</u>	<u>(8,584,929)</u>	<u>(2,882,883)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>298,056</u>	<u>298,056</u>
Fund balance, beginning			<u>15,501,646</u>	
Fund balance, ending			<u>\$ 15,799,702</u>	

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES:				
Taxes - State shared	4,900,000	4,900,000	4,622,525	(277,475)
Intergovernmental:				
Federal	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>4,900,000</u>	<u>4,900,000</u>	<u>4,622,525</u>	<u>(277,475)</u>
EXPENDITURES				
Public works - Highway	7,761,596	7,998,596	7,684,251	314,345
Total Expenditures	<u>7,761,596</u>	<u>7,998,596</u>	<u>7,684,251</u>	<u>314,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,861,596)</u>	<u>(3,098,596)</u>	<u>(3,061,726)</u>	<u>36,870</u>
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	1,009,282	1,246,282	-	(1,246,282)
Transfer from other funds	1,852,314	1,852,314	1,960,314	108,000
Transfers to other funds	-	-	-	-
Total Other Financing Sources and Uses	<u>2,861,596</u>	<u>3,098,596</u>	<u>1,960,314</u>	<u>(1,138,282)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(1,101,412)</u>	<u>(1,101,412)</u>
Fund balance, beginning			1,227,753	
Fund balance, ending			<u>126,341</u>	

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES:				
Intergovernmental:				
Federal	400,000	400,000	48,503	(351,497)
State	500,000	500,000	3,000,000	2,500,000
Interest	-	-	251,476	251,476
Miscellaneous	2,272,500	2,272,500	1,915,334	(357,166)
Total Revenues	3,172,500	3,172,500	5,215,313	2,042,813
EXPENDITURES				
Economic development	8,961,861	8,961,861	8,326,179	635,682
Total Expenditures	8,961,861	8,961,861	8,326,179	635,682
Excess (deficiency) of revenues over (under) expenditures	(5,789,361)	(5,789,361)	(3,110,866)	2,678,495
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	1,188,981	1,188,981	-	(1,188,981)
Transfer from other funds	-	-	10,765	10,765
Transfers to other funds	(1,723,290)	(1,723,290)	(2,112,836)	(389,546)
Proceeds from debt issuance	6,000,000	6,000,000	-	(6,000,000)
Sale of capital assets	323,670	323,670	2,329,196	2,005,526
Total Other Financing Sources and Uses	5,789,361	5,789,361	227,125	(5,562,236)
Net change in fund balances	-	-	(2,883,741)	(2,883,741)
Fund balance, beginning			9,415,424	
Fund balance, ending			6,531,683	

Notes to Required Supplementary Information
June 30, 2008

Budgetary Basis

Annual budgets are adopted for the General and all Special Revenue Funds which include the major funds presented in the Required Supplementary Information. All governmental fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances and appropriations generally lapse at year-end and are treated as expenditures in the year the liability is incurred.

**COMBINING & INDIVIDUAL
FUND FINANCIAL
STATEMENTS
&
SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Coal Haul Roads Fund - this fund accounts for taxes levied on mined coal which are locally restricted for repairing those roads used in transporting coal.

Transit Fund - the Transit Fund accounts for the operation of a public transit system. The primary sources of revenues are federal and state grants.

CDBG Fund - this fund accounts for revenues from the federal Department of Housing and Urban Development. These revenues are restricted to accomplish the various objectives of CDBG programs.

Block Grant Program Income Fund - program income from Community Development Block Grants which are restricted to specific programs are recorded in this fund.

Community Development and Housing - this fund accounts for federal grants restricted for low income housing programs as well as various other state and federal housing programs administered by the County.

Gaming Fund - this fund reports paper gaming revenues and their support of County fire companies and public education.

Drug Task Force Fund - this fund accounts for federal and state grants and local seizure revenues that are used to prevent the distribution and manufacture of illegal drugs.

State Fire and Rescue Fund - this fund accounts for the receipt and distribution of State Section 508 funds to the various County fire and rescue organizations.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

Capital Projects Funds

The PAYGO (Pay-As-You-Go) Capital Project Fund is used to accumulate resources for future capital projects and is funded by transfers from the general fund and other sources.

The Public Improvement Bond Fund is used to account for the debt proceeds of various bond issues.

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
ASSETS:						
Cash	\$ -	\$ 275	\$ -	\$ -	\$ -	\$ 500
Cash - restricted	-	-	-	39,907	2,235	-
Investments	650,000	-	-	-	-	100,000
Receivables	-	-	-	-	-	-
Notes and loans	-	-	-	457,497	-	-
Other	1,166,881	720,819	-	-	5,533	151
Due from other funds	-	-	167,474	149,503	45,089	102,281
Inventory	-	58,104	-	-	-	-
Prepays	-	-	-	-	69,671	-
Total Assets	<u>1,816,881</u>	<u>779,198</u>	<u>167,474</u>	<u>646,907</u>	<u>122,528</u>	<u>202,932</u>
LIABILITIES:						
Accounts payable	30,317	11,003	155,481	9	482	(139)
Accrued payroll	-	11,495	-	-	3,385	-
Accrued payroll fringe	-	5,789	-	-	1,667	-
Due to other funds	950,519	591,274	-	-	-	-
Amounts held in escrow	-	-	-	-	2,235	166,321
Unearned revenue	-	-	6,076	457,497	106,148	-
Miscellaneous	-	7,639	-	-	-	-
Total Liabilities	<u>980,836</u>	<u>627,200</u>	<u>161,557</u>	<u>457,506</u>	<u>113,917</u>	<u>166,182</u>
FUND BALANCES						
Reserved:						
For noncurrent assets	-	-	-	189,401	-	-
For prepaid items	-	-	-	-	8,611	-
For inventories	-	58,104	-	-	-	-
For fund projects/programs	-	-	-	-	-	-
Unreserved/Designated:						
For next fiscal year	-	55,000	4,822	-	-	-
For specific programs	836,045	38,894	1,095	-	-	36,750
Undesignated	-	-	-	-	-	-
Total Fund Balances	<u>836,045</u>	<u>151,998</u>	<u>5,917</u>	<u>189,401</u>	<u>8,611</u>	<u>36,750</u>
Total Liabilities and Fund Balances	<u>\$ 1,816,881</u>	<u>\$ 779,198</u>	<u>\$ 167,474</u>	<u>\$ 646,907</u>	<u>\$ 122,528</u>	<u>\$ 202,932</u>

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

Special Revenue Funds			Debt Service	Capital Project Funds			Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$ -	\$ -	\$ 775	\$ -	\$ -	\$ -	\$ -	\$ 775
-	-	42,142	-	-	-	-	42,142
-	259,371	1,009,371	262,701	2,114,022	71,541	2,185,563	3,457,635
-	-	457,497	-	-	-	-	457,497
21,308	89,938	2,004,630	13,473	5,226	94	5,320	2,023,423
1,005,488	435,957	1,905,792	1,377,875	467,926	-	467,926	3,751,593
-	-	58,104	-	-	-	-	58,104
-	-	69,671	-	-	-	-	69,671
<u>1,026,796</u>	<u>785,266</u>	<u>5,547,982</u>	<u>1,654,049</u>	<u>2,587,174</u>	<u>71,635</u>	<u>2,658,809</u>	<u>9,860,840</u>
6,291	14,959	218,403	-	14,787	156,998	171,785	390,188
1,660	5,292	21,832	-	-	-	-	21,832
133	1,587	9,176	-	-	-	-	9,176
-	-	1,541,793	-	-	1,187,561	1,187,561	2,729,354
-	-	168,556	-	-	-	-	168,556
-	-	569,721	-	-	-	-	569,721
-	-	7,639	-	-	-	-	7,639
<u>8,084</u>	<u>21,838</u>	<u>2,537,120</u>	<u>-</u>	<u>14,787</u>	<u>1,344,559</u>	<u>1,359,346</u>	<u>3,896,466</u>
-	-	189,401	-	-	-	-	189,401
-	-	8,611	-	-	-	-	8,611
-	-	58,104	-	-	-	-	58,104
-	500,826	500,826	-	-	-	-	500,826
-	-	59,822	195,110	1,974,434	-	1,974,434	2,229,366
1,018,712	262,602	2,194,098	1,458,939	376,907	-	376,907	4,029,944
-	-	-	-	221,046	(1,272,924)	(1,051,878)	(1,051,878)
<u>1,018,712</u>	<u>763,428</u>	<u>3,010,862</u>	<u>1,654,049</u>	<u>2,572,387</u>	<u>(1,272,924)</u>	<u>1,299,463</u>	<u>5,964,374</u>
<u>\$1,026,796</u>	<u>\$ 785,266</u>	<u>\$ 5,547,982</u>	<u>\$ 1,654,049</u>	<u>\$ 2,587,174</u>	<u>\$ 71,635</u>	<u>\$ 2,658,809</u>	<u>\$ 9,860,840</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
REVENUES:						
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	95,096	-	-	-	-	-
Intergovernmental:						
Federal	1,164,701	493,872	466,871	2,597	879,428	-
State	-	209,323	-	-	296,240	-
Other	-	-	50,082	-	5,250	9,982
Service charges	-	199,149	-	-	25,000	-
Fines and forfeitures	-	-	-	-	-	26,611
Interest	44,865	-	-	18	-	4,373
Miscellaneous	-	38,109	-	51,763	1,481	-
Total Revenues	1,304,662	940,453	516,953	54,378	1,207,399	40,966
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	31,952	-	-	83,620
Public works	-	1,232,498	-	-	-	-
Highway	1,516,715	-	-	-	-	-
Health & hospitals	-	-	111,039	-	-	-
Social Services	-	-	155,655	-	-	-
Community Development and Housing	-	-	216,436	47,183	1,401,424	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Library	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Payments to component units:						
Allegany College	-	-	-	-	-	-
Board of Education	-	-	-	-	-	-
Total Expenditures	1,516,715	1,232,498	515,082	47,183	1,401,424	83,620
Excess (deficiency) of revenues over (under) expenditures	(212,053)	(292,045)	1,871	7,195	(194,025)	(42,654)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	354,637	-	-	194,547	9,982
Transfers out	-	(22,748)	-	-	-	-
Debt issued	-	110,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total Other Financing Sources and uses	-	441,889	-	-	194,547	9,982
Net change in fund balances	(212,053)	149,844	1,871	7,195	522	(32,672)
Fund balance, beginning,	1,048,098	2,154	4,046	182,206	8,089	69,422
Fund balance, ending	\$ 836,045	\$ 151,998	\$ 5,917	\$ 189,401	\$ 8,611	\$ 36,750

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds			Debt Service	Capital Project Funds			Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$	\$	\$	\$	\$	\$	\$	\$
678,616	-	773,712	-	-	-	-	773,712
	39,183	3,046,652	-	-	-	-	3,046,652
	238,965	744,528	-	-	165,111	165,111	909,639
	-	65,314	-	-	-	-	65,314
50,700	124,432	399,281	-	-	-	-	399,281
	-	26,611	-	-	-	-	26,611
	8,816	58,072	13,475	85,327	20,885	106,212	177,759
-	68,652	160,005	-	20,000	-	20,000	180,005
729,316	480,048	5,274,175	13,475	105,327	185,996	291,323	5,578,973
138,964	-	138,964	-	-	-	-	138,964
144,084	774,178	1,033,834	-	-	-	-	1,033,834
	-	1,232,498	-	-	-	-	1,232,498
	-	1,516,715	-	-	-	-	1,516,715
	-	111,039	-	-	-	-	111,039
	-	155,655	-	-	-	-	155,655
	-	1,665,043	-	-	-	-	1,665,043
	-	-	3,475	-	-	-	3,475
	-	-	4,892,495	-	-	-	4,892,495
	-	-	1,791,147	-	-	-	1,791,147
	-	-	-	6,764	40,151	46,915	46,915
	-	-	-	285,029	339,032	624,061	624,061
	-	-	-	460,041	-	460,041	460,041
	-	-	-	-	1,241,388	1,241,388	1,241,388
	-	-	-	-	102,638	102,638	102,638
	-	-	-	192,701	-	192,701	192,701
	-	-	-	-	-	-	-
	-	-	-	-	390,280	390,280	390,280
283,048	774,178	5,853,748	6,687,117	944,535	2,113,489	3,058,024	15,598,889
446,268	(294,130)	(579,573)	(6,673,642)	(839,208)	(1,927,493)	(2,766,701)	(10,019,916)
	594,352	1,153,518	6,640,081	825,000	-	825,000	8,618,599
	-	(22,748)	-	(348,534)	-	(348,534)	(371,282)
	-	110,000	-	127,697	-	127,697	237,697
	-	-	-	-	-	-	-
-	594,352	1,240,770	6,640,081	604,163	-	604,163	8,485,014
446,268	300,222	661,197	(33,561)	(235,045)	(1,927,493)	(2,162,538)	(1,534,902)
572,444	463,206	2,349,665	1,687,610	2,807,432	654,569	3,462,001	7,499,276
\$1,018,712	\$ 763,428	\$ 3,010,862	\$ 1,654,049	\$ 2,572,387	\$ (1,272,924)	\$ 1,299,463	\$ 5,964,374

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

Enterprise funds are used when debt is backed solely by fees or charges, or there is a legal requirement to recover costs through fees or charges or a policy decision has been made to recover costs of providing services through user fees.

Allconet II Fund - this fund is used to account for the assets and operations of the second phase of the Allegany County high speed internet network which provides the infrastructure to connect the private and public sector to broadband/wideband technologies.

County Loan Fund - this fund accounts for the loan activity between the County, various agencies and the community. It includes loans to the County's enterprise funds.

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
June 30, 2008

		Allegany County Loan Fund	Total
ASSETS	Allconet II		
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	50,822	108,198	159,020
Other	-	-	-
Due from other funds	-	685,400	685,400
Miscellaneous assets	-	-	-
Total current assets	<u>50,822</u>	<u>793,598</u>	<u>844,420</u>
Non-current Assets:			
Advances to other funds	-	464,706	464,706
Construction in Progress	-	-	-
Capital assets subject to depreciation	3,571,889	-	3,571,889
Accumulated depreciation	(1,268,210)	-	(1,268,210)
Total noncurrent assets	<u>2,303,679</u>	<u>464,706</u>	<u>2,768,385</u>
Total Assets	<u>2,354,501</u>	<u>1,258,304</u>	<u>3,612,805</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	5,313	-	5,313
Accrued payroll	-	-	-
Accrued payroll fringe	-	-	-
Due to other funds	-	-	-
Miscellaneous liabilities	-	-	-
Total current liabilities	<u>5,313</u>	<u>-</u>	<u>5,313</u>
Noncurrent Liabilities:			
Cash advance due to General Fund	-	-	-
Long term debt:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,313</u>	<u>-</u>	<u>5,313</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,303,679	-	2,303,679
Unrestricted	45,509	1,258,304	1,303,813
Total Net Assets	<u>\$ 2,349,188</u>	<u>\$ 1,258,304</u>	<u>\$ 3,607,492</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Allconet II	Allegany County Loan Fund	Total
OPERATING REVENUES:			
Service charges	\$ 438,880	\$ -	\$ 438,880
Patient fees	-	-	-
Miscellaneous	-	501	501
Total Operating Revenues	438,880	501	439,381
OPERATING EXPENSES:			
Salaries	-	-	-
Employee benefits	-	-	-
Office expenses	5,150	-	5,150
Utilities	7,854	-	7,854
Repairs & maintenance	15,754	-	15,754
Contractual services	-	-	-
Treatment costs	-	-	-
Professional services	3,872	-	3,872
Materials and supplies	-	-	-
Insurance	15,798	-	15,798
Miscellaneous	-	100,000	100,000
Depreciation	430,568	-	430,568
Total operating expenses	478,996	100,000	578,996
Operating Income (Loss)	(40,116)	(99,499)	(139,615)
NON-OPERATING REVENUE (EXPENSES):			
Interest income	2,607	-	2,607
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	2,607	-	2,607
Income (Loss) before contributions and transfers	(37,509)	(99,499)	(137,008)
Transfer in	235,293	24,393	259,686
Transfer out	-	(144,743)	(144,743)
Change in net assets	197,784	(219,849)	(22,065)
Total net assets - beginning	2,151,404	1,478,153	3,629,557
Total net assets - ending	\$ 2,349,188	\$ 1,258,304	\$ 3,607,492

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Allconet II	Allegany County Loan Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 441,024	\$ 151,484	\$ 592,508
Cash payments for goods and services	(47,323)	-	(47,323)
Cash payments to employees for services	-	-	-
Other operating revenues	-	-	-
Net cash provided by operating activities	393,701	151,484	545,185
Cash flows from noncapital financing activities:			
Advances from other funds	678,925	73,201	752,126
Advances to other funds	(678,925)	(79,943)	(758,868)
Transfers from other funds	235,294	24,393	259,687
Transfers to other funds	-	(144,742)	(144,742)
Net cash provided by noncapital financing activities	235,294	(127,091)	108,203
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(631,602)	-	(631,602)
Proceeds from sale of assets	-	-	-
Grant revenues	-	-	-
Net cash used for capital and related financing activities	(631,602)	-	(631,602)
Cash flows from investing activities:			
Purchase of investments	-	(24,393)	(24,393)
Sale of investments	-	-	-
Interest on investments	2,607	-	2,607
Net cash used in investing activities	2,607	(24,393)	(21,786)
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (40,116)	\$ (99,499)	\$ (139,615)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	430,568	-	430,568
Provision for uncollectible accounts	-	100,000	100,000
Change in assets & liabilities:			
(Increase) decrease in receivables	2,144	150,983	153,127
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	1,105	-	1,105
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	433,817	250,983	684,800
Net cash provided by operating activities	\$ 393,701	\$ 151,484	\$ 545,185

**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE -
BUDGET AND ACTUAL**

**Debt Service Fund,
Special Revenue Funds
&
Capital Project Funds**

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ALLEGANY COUNTY, MARYLAND
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Interest	-	-	13,475	13,475
Expenditures:				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 3,475	\$ 21,525
Debt Service:				
Principal payments on :				
General obligation debt	4,069,974	4,069,974	4,015,659	54,315
State loans	445,562	445,562	876,836	(431,274)
Total principal payments	4,515,536	4,515,536	4,892,495	(376,959)
Interest payments on:				
General obligation debt	1,881,168	1,881,168	1,565,871	315,297
State loans	299,845	299,845	225,276	74,569
Total interest payments	2,181,013	2,181,013	1,791,147	389,866
Total Expenditures	6,721,549	6,721,549	6,687,117	34,432
Deficiency of revenues under expenditures	(6,721,549)	(6,721,549)	(6,673,642)	47,907
Other Financing Sources and (Uses):				
Unexpended fund balance	197,035	197,035	-	(197,035)
Transfers from other funds:				
From the General Fund	4,850,704	4,850,704	4,506,304	(344,400)
From the Transit Fund	22,748	22,748	22,748	-
From the Revolving Building Fund	1,651,062	1,651,062	2,009,956	358,894
From the Capital Projects Fund	-	-	101,073	101,073
Total Other Financing Sources and Uses	6,721,549	6,721,549	6,640,081	(81,468)
Net change in fund balances	\$ -	\$ -	(33,561)	\$ (33,561)
Fund balance, beginning			1,687,610	
Fund balance, ending			\$ 1,654,049	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Highway Fund				Coal Haul Roads Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ 4,900,000	\$ 4,900,000	\$ 4,622,525	\$ (277,475)	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	120,000	120,000	95,096	(24,904)
Intergovernmental:								
Federal	-	-	-	-	1,068,755	1,068,755	1,164,701	95,946
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	44,865	44,865
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	4,900,000	4,900,000	4,622,525	(277,475)	1,188,755	1,188,755	1,304,662	115,907
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	7,761,596	7,998,596	7,684,251	314,345	1,335,944	1,335,944	1,516,715	(180,771)
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	7,761,596	7,998,596	7,684,251	314,345	1,335,944	1,335,944	1,516,715	(180,771)
Excess (deficiency) of revenues over (under) expenditures	(2,861,596)	(3,098,596)	(3,061,726)	36,870	(147,189)	(147,189)	(212,053)	(64,864)
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior years	1,009,282	1,246,282	-	(1,246,282)	147,189	147,189	-	(147,189)
Transfer from: other funds	1,852,314	1,852,314	1,960,314	108,000	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	2,861,596	3,098,596	1,960,314	(1,138,282)	147,189	147,189	-	(147,189)
Net change in fund balances	\$ -	\$ -	(1,101,412)	\$(1,101,412)	\$ -	\$ -	(212,053)	\$(212,053)
Fund balance, beginning, As adjusted			1,227,753				1,048,098	
Fund balance, ending			\$ 126,341				\$ 836,045	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Transit Fund				Community Development Block Grant Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
933,900	933,900	493,872	(440,028)	105,300	105,300	466,871	361,571
246,225	246,225	209,323	(36,902)	-	-	-	-
167,000	167,000	199,149	32,149	42,500	42,500	50,082	7,582
-	-	-	-	-	-	-	-
6,000	6,000	38,109	32,109	-	-	-	-
<u>1,353,125</u>	<u>1,353,125</u>	<u>940,453</u>	<u>(412,672)</u>	<u>147,800</u>	<u>147,800</u>	<u>516,953</u>	<u>369,153</u>
-	-	-	-	-	-	-	-
1,685,014	1,685,014	1,232,498	452,516	-	-	31,952	(31,952)
-	-	-	-	50,000	50,000	111,039	(61,039)
-	-	-	-	-	-	155,655	(155,655)
-	-	-	-	92,500	92,500	216,436	(123,936)
-	-	-	-	5,100	5,100	-	5,100
<u>1,685,014</u>	<u>1,685,014</u>	<u>1,232,498</u>	<u>452,516</u>	<u>147,600</u>	<u>147,600</u>	<u>515,082</u>	<u>(367,482)</u>
(331,889)	(331,889)	(292,045)	39,844	200	200	1,871	1,671
-	-	-	-	4,800	4,800	-	(4,800)
354,637	354,637	354,637	-	(5,000)	(5,000)	-	5,000
(22,748)	(22,748)	(22,748)	-	-	-	-	-
-	-	110,000	110,000	-	-	-	-
<u>331,889</u>	<u>331,889</u>	<u>441,889</u>	<u>110,000</u>	<u>(200)</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
<u>\$ -</u>	<u>\$ -</u>	<u>149,844</u>	<u>\$ 149,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,871</u>	<u>\$ 1,871</u>
-	-	2,154	-	-	-	4,046	-
-	-	<u>\$ 151,998</u>	-	-	-	<u>\$ 5,917</u>	-

(Continued)

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Block Grant Program Income Fund				Community Development & Housing Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	2,597	2,597	1,196,936	1,196,936	879,428	(317,508)
State	-	-	-	-	334,940	334,940	296,240	(38,700)
Other	-	-	-	-	7,500	7,500	5,250	(2,250)
Service charges	-	-	-	-	32,800	32,800	25,000	(7,800)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	18	18	-	-	-	-
Miscellaneous	5,400	5,400	51,763	46,363	1,000	1,000	1,481	481
Total Revenues	5,400	5,400	54,378	48,978	1,573,176	1,573,176	1,207,399	(365,777)
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	105,400	105,400	47,183	58,217	1,776,038	1,776,038	1,401,424	374,614
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	105,400	105,400	47,183	58,217	1,776,038	1,776,038	1,401,424	374,614
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(100,000)	7,195	107,195	(202,862)	(202,862)	(194,025)	8,837
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior years	100,000	100,000	-	(100,000)	-	-	-	-
Transfer from other funds	-	-	-	-	202,862	202,862	194,547	(8,315)
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	100,000	100,000	-	(100,000)	202,862	202,862	194,547	(8,315)
Net change in fund balances	\$ -	\$ -	7,195	\$ 7,195	\$ -	\$ -	522	\$ 522
Fund balance, beginning								
As adjusted			182,206				8,089	
Fund balance, ending			<u>\$ 189,401</u>				<u>\$ 8,611</u>	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Drug Task Force Fund				Gaming Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 603,501	\$ 603,501	\$ 678,616	\$ 75,115
-	-	-	-	-	-	-	-
20,593	20,593	9,982	(10,611)	52,800	52,800	50,700	(2,100)
42,800	42,800	26,611	(16,189)	-	-	-	-
-	-	4,373	4,373	-	-	-	-
<u>63,393</u>	<u>63,393</u>	<u>40,966</u>	<u>(22,427)</u>	<u>656,301</u>	<u>656,301</u>	<u>729,316</u>	<u>73,015</u>
-	-	-	-	-	-	-	-
83,985	82,735	83,620	(885)	138,582	138,582	138,964	(382)
-	-	-	-	129,430	129,430	144,084	(14,654)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>83,985</u>	<u>82,735</u>	<u>83,620</u>	<u>(885)</u>	<u>388,289</u>	<u>388,289</u>	<u>-</u>	<u>388,289</u>
-	-	-	-	<u>656,301</u>	<u>656,301</u>	<u>283,048</u>	<u>373,253</u>
<u>(20,592)</u>	<u>(19,342)</u>	<u>(42,654)</u>	<u>(23,312)</u>	<u>-</u>	<u>-</u>	<u>446,268</u>	<u>446,268</u>
-	-	-	-	-	-	-	-
20,592	19,342	9,982	(9,360)	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,592</u>	<u>19,342</u>	<u>9,982</u>	<u>(9,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(32,672)</u>	<u>\$ (32,672)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>446,268</u>	<u>\$ 446,268</u>
		<u>69,422</u>				<u>572,444</u>	
		<u>\$ 36,750</u>				<u>\$ 1,018,712</u>	

(Continued)

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Revolving Building Fund				Fire, Rescue & Public Safety Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	400,000	400,000	48,503	(351,497)	75,110	75,110	39,183	(35,927)
State	500,000	500,000	3,000,000	2,500,000	231,000	231,000	238,965	7,965
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	99,780	99,780	124,432	24,652
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	251,476	251,476	11,000	11,000	8,816	(2,184)
Miscellaneous	2,272,500	2,272,500	1,915,334	(357,166)	50,000	50,000	68,652	18,652
Total Revenues	<u>3,172,500</u>	<u>3,172,500</u>	<u>5,215,313</u>	<u>2,042,813</u>	<u>466,890</u>	<u>466,890</u>	<u>480,048</u>	<u>13,158</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,312,046	1,312,046	774,178	537,868
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	8,961,861	8,961,861	8,326,179	635,682	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>8,961,861</u>	<u>8,961,861</u>	<u>8,326,179</u>	<u>635,682</u>	<u>1,312,046</u>	<u>1,312,046</u>	<u>774,178</u>	<u>537,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,789,361)</u>	<u>(5,789,361)</u>	<u>(3,110,866)</u>	<u>2,678,495</u>	<u>(845,156)</u>	<u>(845,156)</u>	<u>(294,130)</u>	<u>551,026</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior year	1,188,981	1,188,981	-	(1,188,981)	250,804	250,804	-	(250,804)
Transfer from other funds	-	-	10,765	10,765	594,352	594,352	594,352	-
Transfers to other funds	(1,723,290)	(1,723,290)	(2,112,836)	(389,546)	-	-	-	-
Debt issued	6,000,000	6,000,000	-	(6,000,000)	-	-	-	-
Sale of capital assets	323,670	323,670	2,329,196	2,005,526	-	-	-	-
Total Other Financing Sources and Uses	<u>5,789,361</u>	<u>5,789,361</u>	<u>227,125</u>	<u>(5,562,236)</u>	<u>845,156</u>	<u>845,156</u>	<u>594,352</u>	<u>(250,804)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,883,741)</u>	<u>\$(2,883,741)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>300,222</u>	<u>\$ 300,222</u>
Fund balance, beginning								
As adjusted			9,415,424				463,206	
Fund balance, ending			<u>\$ 6,531,683</u>				<u>\$ 763,428</u>	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Total Special Revenue Funds			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ 4,900,000	\$ 4,900,000	\$ 4,622,525	\$ (277,475)
723,501	723,501	773,712	50,211
3,780,001	3,780,001	3,095,155	(684,846)
1,312,165	1,312,165	3,744,528	2,432,363
70,593	70,593	65,314	(5,279)
352,380	352,380	399,281	46,901
42,800	42,800	26,611	(16,189)
11,000	11,000	309,548	298,548
2,334,900	2,334,900	2,075,339	(259,561)
<u>13,527,340</u>	<u>13,527,340</u>	<u>15,112,013</u>	<u>1,584,673</u>
138,582	138,582	138,964	(382)
1,525,461	1,524,211	1,033,834	490,377
1,685,014	1,685,014	1,232,498	452,516
50,000	50,000	111,039	(61,039)
9,097,540	9,334,540	9,200,966	133,574
-	-	155,655	(155,655)
1,973,938	1,973,938	1,665,043	308,895
8,961,861	8,961,861	8,326,179	635,682
5,100	5,100	-	5,100
388,289	388,289	-	388,289
<u>23,825,785</u>	<u>24,061,535</u>	<u>21,864,178</u>	<u>2,197,357</u>
<u>(10,298,445)</u>	<u>(10,534,195)</u>	<u>(6,752,165)</u>	<u>3,782,030</u>
2,701,056	2,938,056	-	(2,938,056)
3,024,757	3,023,507	3,124,597	101,090
(1,751,038)	(1,751,038)	(2,135,584)	(384,546)
6,000,000	6,000,000	110,000	(5,890,000)
323,670	323,670	2,329,196	2,005,526
<u>10,298,445</u>	<u>10,534,195</u>	<u>3,428,209</u>	<u>(7,105,986)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(3,323,956)</u>	<u>\$ (3,323,956)</u>
		<u>12,992,842</u>	
		<u>\$ 9,668,886</u>	

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) 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:								
Federal grants	\$ 2,236,000	\$ 2,236,000	\$ 678,764	\$ (1,557,236)	\$ -	\$ -	\$ -	\$ -
State grants	725,000	725,000	678,740	(46,260)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	225,362	225,362	-	-	-	-
Miscellaneous:								
Interest	-	-	136,635	136,635	-	-	85,327	85,327
Miscellaneous	-	-	1,882	1,882	-	-	20,000	20,000
Total Revenues	<u>2,961,000</u>	<u>2,961,000</u>	<u>1,721,383</u>	<u>(1,239,617)</u>	<u>-</u>	<u>-</u>	<u>105,327</u>	<u>105,327</u>
EXPENDITURES:								
General Government	-	-	15,649	(15,649)	241,500	241,500	6,764	234,736
Public Safety	360,000	360,000	346,668	13,332	-	-	285,029	(285,029)
Public Works	1,686,000	1,686,000	1,044,344	641,656	550,000	550,000	460,041	89,959
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation, Culture & Libraries	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	1,573,000	1,573,000	16,766	1,556,234	200,000	200,000	-	200,000
Miscellaneous	-	-	-	-	-	-	192,701	(192,701)
Payments to component units	<u>5,078,000</u>	<u>5,078,000</u>	<u>7,401,012</u>	<u>(2,323,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,697,000</u>	<u>8,697,000</u>	<u>8,824,439</u>	<u>(127,439)</u>	<u>991,500</u>	<u>991,500</u>	<u>944,535</u>	<u>46,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,736,000)</u>	<u>(5,736,000)</u>	<u>(7,103,056)</u>	<u>(1,367,056)</u>	<u>(991,500)</u>	<u>(991,500)</u>	<u>(839,208)</u>	<u>152,292</u>
OTHER FINANCING SOURCES AND USES:								
Unexpended fund balance	316,000	316,000	-	(316,000)	1,171,500	1,171,500	-	(1,171,500)
Transfers In:								
From other funds	420,000	420,000	303,000	(117,000)	-	-	825,000	825,000
Transfers Out:								
To other funds	-	-	(136,838)	(136,838)	(180,000)	(180,000)	(348,534)	(168,534)
Debt issued	5,000,000	5,000,000	5,000,000	-	-	-	-	-
Capital leases	-	-	-	-	-	-	127,697	127,697
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	<u>5,736,000</u>	<u>5,736,000</u>	<u>5,166,162</u>	<u>(569,838)</u>	<u>991,500</u>	<u>991,500</u>	<u>604,163</u>	<u>(387,337)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,936,894)</u>	<u>\$ (1,936,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(235,045)</u>	<u>\$ (235,045)</u>
Fund balance, beginning			<u>1,785,639</u>				<u>2,807,432</u>	
Fund balance, ending			<u>\$ (151,255)</u>				<u>\$ 2,572,387</u>	

**ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

Public Improvement Bonds Capital Projects Fund				Total All Capital Projects			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ 80,000	\$ 80,000	\$ -	\$ (80,000)	\$ 2,316,000	\$ 2,316,000	\$ 678,764	\$ (1,637,236)
1,000,000	1,000,000	165,111	(834,889)	1,725,000	1,725,000	843,851	(881,149)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	225,362	225,362
-	-	20,885	20,885	-	-	242,847	242,847
17,000	17,000	-	(17,000)	17,000	17,000	21,882	4,882
<u>1,097,000</u>	<u>1,097,000</u>	<u>185,996</u>	<u>(911,004)</u>	<u>4,058,000</u>	<u>4,058,000</u>	<u>2,012,706</u>	<u>(2,045,294)</u>
826,000	826,000	40,151	785,849	1,067,500	1,067,500	62,564	1,004,936
3,323,000	3,323,000	339,032	2,983,968	3,683,000	3,683,000	970,729	2,712,271
100,000	100,000	-	100,000	2,336,000	2,336,000	1,504,385	831,615
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,649,000	1,649,000	1,241,388	407,612	1,649,000	1,649,000	1,241,388	407,612
92,000	92,000	102,638	(10,638)	92,000	92,000	102,638	(10,638)
-	-	-	-	-	-	-	-
-	-	-	-	1,773,000	1,773,000	16,766	1,756,234
-	-	390,280	(390,280)	-	-	192,701	(192,701)
<u>5,990,000</u>	<u>5,990,000</u>	<u>2,113,489</u>	<u>3,876,511</u>	<u>5,078,000</u>	<u>5,078,000</u>	<u>7,791,292</u>	<u>(2,713,292)</u>
-	-	-	-	15,678,500	15,678,500	11,882,463	3,796,037
(4,893,000)	(4,893,000)	(1,927,493)	2,965,507	(11,620,500)	(11,620,500)	(9,869,757)	1,750,743
727,000	727,000	-	(727,000)	2,214,500	2,214,500	-	(2,214,500)
-	-	-	-	420,000	420,000	1,128,000	708,000
(240,000)	(240,000)	-	240,000	(420,000)	(420,000)	(485,372)	(65,372)
4,406,000	4,406,000	-	(4,406,000)	9,406,000	9,406,000	5,000,000	(4,406,000)
-	-	-	-	-	-	127,697	127,697
-	-	-	-	-	-	-	-
<u>4,893,000</u>	<u>4,893,000</u>	<u>-</u>	<u>(4,893,000)</u>	<u>11,620,500</u>	<u>11,620,500</u>	<u>5,770,325</u>	<u>(5,850,175)</u>
\$ -	\$ -	(1,927,493)	\$ (1,927,493)	\$ -	\$ -	(4,099,432)	\$ (4,099,432)
		654,569				5,247,640	
		<u>\$ (1,272,924)</u>				<u>\$ 1,148,208</u>	

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CAPITAL PROJECT FUNDS

**SCHEDULES OF REVENUES,
EXPENDITURES AND PROJECT
BALANCES**

FROM INCEPTION TO JUNE 30, 2008

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Proj No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscell. Revenues
Capital Improvement Projects Fund							
Upper Potomac Ind. Park	409G	1,760,000	1,406,000	-	-	-	83,183
Dry Run Phase II	409L	520,000	89,594				
NRCS Flood Project	409M	2,081,910	1,515,002	91,611	41,360		38,954
Health Department Relocation	409N	8,000,000		197,895	14,000		3,805,352
Barton Reservoir	409O	30,000					
Rye Street Bridge	409R	796,600	585,749	10,738			-
Flood Gate, Savage Dam	409S	-				225,362	
Potomac River Water	409T	70,000	15,000				
Cooperative Extension	409U	-					35,505
Public Safety Building	409V	1,165,000					
Mt Ridge High School	409W	11,000,000					140,677
Flood Mitigation, PDM Scattered	409X	53,000					
FEMA FMAP 06 Flood Mitigation	409Z	200,000	50,206				
Riverside Industrial Park	410R	2,099,971	-	-	-	-	402,872
Highland Trail	410X	10,606,000	3,224,644	5,829,521	6,772	-	215,706
			<u>6,886,195</u>	<u>6,129,765</u>	<u>62,132</u>	<u>225,362</u>	<u>4,722,249</u>
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	150,000	-	-	-	-	-
Roads Paving Program	418R	4,581,608	-	-	-	-	-
Capital Outlay	418Z	276,048	-	-	-	-	-
LaVale Blvd Storm Drain	420O	1,500,000					55,000
County Office Building Addition	420R	250,000					
Payroll/General Ledger Software	420S	485,000	-	-	-	-	-
Disaster Emergency Capital	420V	200,000					
Animal Shelter Quarantine Addn	420X	200,000					49,460
Telecommunications Program	420Z	160,000	-	-	-	-	-
OP Roads Improvements	4203	683,123	-	-	-	16,392	-
Dispatcher Console	4205	100,000					
Water Study, Disinfectant	4206	75,000					
Capital Project Reserves	4181	4,899,285	-	-	-	-	2,866,882
			<u>-</u>	<u>-</u>	<u>-</u>	<u>16,392</u>	<u>2,971,342</u>
Public Improvement Bonds Capital Project Fund							
Bond Closing Costs	4311	75,000	-	-	-	-	-
Allegany College, Library	4312	101,000	-	-	-	-	-
Health Department Bldg	4313	2,125,000	-	-	-	-	-
Hazardous Materials Building	4314	240,000	-	-	-	-	-
BOE Warehouse	4315	487,000	-	-	-	-	-
Westernport Library	4316	202,000	-	-	-	-	-
Bond Interest	431Z	88,120	-	-	-	-	88,120
Library - LaVale Parking Lot	4322	34,000	-	-	-	-	-
Braddock Run Restoration	4323	800,000	-	165,111	-	-	-
Jennings Run Restoration	4324	800,000	-	-	-	-	-
Allegany College, Library	4325	1,160,000	-	-	-	-	-
AC Geothermal Project	4327	327,000	-	-	-	-	-
			<u>-</u>	<u>165,111</u>	<u>-</u>	<u>-</u>	<u>88,120</u>
Total Capital Project Funds			<u>\$ 6,886,195</u>	<u>\$ 6,294,876</u>	<u>\$ 62,132</u>	<u>\$ 241,754</u>	<u>\$ 7,781,711</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	265,500	1,754,683	1,754,683	-	1,754,683	-	5,317
	94,527	184,121	117,142		117,142	66,979	402,858
	526,000	2,212,927	2,177,121	25,000	2,202,121	10,806	(120,211)
	3,112,627	7,129,874	7,128,320	-	7,128,320	1,554	871,680
	30,000	30,000	30,000		30,000	-	-
	187,150	783,637	779,522	-	779,522	4,115	17,078
	220,000	445,362	303,101		303,101	142,261	(303,101)
	75,000	90,000	79,526		79,526	10,474	(9,526)
	(35,505)	-	-		-	-	-
10,000,000	358,322	358,322	997,973		997,973	(639,651)	167,027
	1,000,000	11,140,677	10,725,603	101,073	10,826,676	314,001	173,324
	53,000	53,000	3,772		3,772	49,228	49,228
	82,000	132,206	132,373		132,373	(167)	67,627
-	2,016,465	2,419,337	1,930,767	484,283	2,415,050	4,287	(315,079)
-	261,649	9,538,292	9,653,434	-	9,653,434	(115,142)	952,566
10,000,000	8,246,735	36,272,438	35,813,337	610,356	36,423,693	(151,255)	1,958,788
-	155,725	155,725	114,992	5,725	120,717	35,008	29,283
-	4,581,608	4,581,608	2,910,881	446,990	3,357,871	1,223,737	1,223,737
448,225	279,831	728,056	639,469	88,587	728,056	-	(452,008)
	647,187	702,187	360,772		360,772	341,415	1,139,228
	250,000	250,000	8,500		8,500	241,500	241,500
-	485,000	485,000	392,078		392,078	92,922	92,922
	400,000	400,000	-	200,000	200,000	200,000	-
	6,580	56,040	251,109		251,109	(195,069)	(51,109)
-	170,000	170,000	160,686		160,686	9,314	(686)
-	666,731	683,123	625,609		625,609	57,514	57,514
	68,420	68,420	38,420	30,000	68,420	-	31,580
	75,000	75,000			-	75,000	75,000
-	2,032,403	4,899,285	-	4,408,239	4,408,239	491,046	491,046
448,225	9,818,485	13,254,444	5,502,516	5,179,541	10,682,057	2,572,387	2,878,007
37,598	-	37,598	2,096	35,502	37,598	-	37,402
272,595	-	272,595	272,595	-	272,595	-	(171,595)
2,000,000	-	2,000,000	-	2,000,000	2,000,000	-	125,000
30,807	-	30,807	-	30,807	30,807	-	209,193
487,000	-	487,000	487,000	-	487,000	-	-
202,000	-	202,000	193,236	-	193,236	8,764	8,764
-	-	88,120	88,250	-	88,250	(130)	(130)
-	-	-	33,588	-	33,588	(33,588)	412
-	-	165,111	290,960	-	290,960	(125,849)	509,040
-	-	-	56,777	-	56,777	(56,777)	743,223
-	-	-	1,030,344	-	1,030,344	(1,030,344)	129,656
-	-	-	35,000	-	35,000	(35,000)	292,000
3,030,000	-	3,283,231	2,489,846	2,066,309	4,556,155	(1,272,924)	1,882,965
\$ 13,478,225	\$ 18,065,220	\$ 52,810,113	\$ 43,805,699	\$ 7,856,206	\$ 51,661,905	\$ 1,148,208	\$ 6,719,760

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CAPITAL PROJECT FUNDS

**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES
BY PROJECT**

FOR THE YEAR ENDED JUNE 30, 2008

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

	Upper Potomac Ind Park (409G)	Dry Run Phase II (409L)	NRCS Flood Project (409M)	Health Department Relocation (409N)	Barton Reservoir (409O)
REVENUES:					
Intergovernmental:					
Federal:					
FEMA grant	\$ -	\$ -	\$ -	\$ -	\$ -
Highway grant	-	-	-	-	-
FmHA grant	-	88,694	-	-	-
State:					
State Aid Highway	-	-	-	-	-
Miscellaneous State Grants	-	-	-	-	-
Service charges	-	-	-	-	-
Miscellaneous:					
Interest	-	-	-	-	-
Miscellaneous	-	-	328	1,554	-
Total Revenues	-	88,694	328	1,554	-
EXPENDITURES:					
General government	-	-	-	-	-
Public Safety	-	-	81,546	-	30,000
Public Works	-	115,942	-	-	-
Economic Development	-	-	-	-	-
Payments to component units:					
Board of Education	-	-	-	-	-
Total Expenditures	-	115,942	81,546	-	30,000
OTHER FINANCING SOURCES and (USES):					
Transfers-in from:					
General Fund	-	-	-	-	-
General Fund, internal transfers	-	-	-	-	-
PAYGO Fund	-	-	-	-	-
Transfer to:					
Revolving Building Fund	(10,765)	-	-	-	-
Debt Service Fund	-	-	-	-	-
Sanitary Districts	-	-	(25,000)	-	-
Debt issued	-	-	-	-	-
Total Other Financing Sources and Uses	(10,765)	-	(25,000)	-	-
Net change in fund balances	(10,765)	(27,248)	(106,218)	1,554	(30,000)
Fund Balance, beginning	10,765	94,227	117,024	-	30,000
Fund Balance, Ending	\$ -	\$ 66,979	\$ 10,806	\$ 1,554	\$ -

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

<u>Rye Street Bridge (409R)</u>	<u>UPRC Flood Gate (409S)</u>	<u>Potomac River Water Study (409T)</u>	<u>CoOperative Extension (409U)</u>	<u>Public Safety Building (409V)</u>	<u>Total This Page</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
585,749	-	-	-	-	585,749
-	-	-	-	-	88,694
-	-	-	-	-	-
-	-	-	-	-	-
-	225,362	-	-	-	225,362
-	-	-	-	-	-
-	-	-	-	-	1,882
<u>585,749</u>	<u>225,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>901,687</u>
-	-	-	-	-	-
-	-	-	-	-	-
608,302	303,101	16,999	-	160,157	271,703
-	-	-	-	-	1,044,344
-	-	-	-	-	-
<u>608,302</u>	<u>303,101</u>	<u>16,999</u>	<u>-</u>	<u>160,157</u>	<u>1,316,047</u>
-	-	-	-	-	-
-	220,000	-	-	-	220,000
-	-	25,000	(25,000)	-	-
-	-	-	-	30,000	30,000
-	-	-	-	-	(10,765)
-	-	-	-	-	-
-	-	-	-	-	(25,000)
-	-	-	-	-	-
-	<u>220,000</u>	<u>25,000</u>	<u>(25,000)</u>	<u>30,000</u>	<u>214,235</u>
(22,553)	142,261	8,001	(25,000)	(130,157)	(200,125)
26,668	-	2,473	25,000	(509,494)	(203,337)
<u>\$ 4,115</u>	<u>\$ 142,261</u>	<u>\$ 10,474</u>	<u>\$ -</u>	<u>\$ (639,651)</u>	<u>\$ (403,462)</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

	Total Previous Page	Mt. Ridge High School (409W)
REVENUES:		
Intergovernmental:		
Federal:		
FEMA Grant	\$ -	\$ -
Highway grant	585,749	-
FmHA grant	88,694	-
State:		
State Aid Highway	-	-
Miscellaneous State Grants	-	-
Service charges	225,362	-
Miscellaneous:		
Interest	-	134,034
Miscellaneous	1,882	-
Total Revenues	<u>901,687</u>	<u>134,034</u>
EXPENDITURES:		
General government	-	15,649
Public Safety	271,703	-
Public Works	1,044,344	-
Economic Development	-	-
Payments to component units:		
Board of Education	-	7,401,012
Total Expenditures	<u>1,316,047</u>	<u>7,416,661</u>
OTHER FINANCING SOURCES and (USES):		
Transfers in:		
General Fund	220,000	-
General Fund, internal transfers	-	-
PAYGO Fund	30,000	-
Transfer to:		
Revolving Building Fund	(10,765)	-
Debt Service Fund	-	(101,073)
Sanitary Districts	(25,000)	-
Debt issued	-	5,000,000
Total Other Financing Sources and Uses	<u>214,235</u>	<u>4,898,927</u>
Net change in fund balances	(200,125)	(2,383,700)
Fund Balance, beginning	(203,337)	2,697,701
Fund Balance, Ending	<u>\$ (403,462)</u>	<u>\$ 314,001</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

Flood Mitigation PDM Sites (409X)	FEMA Flood Grant (409Z)	Riverside Industrial Park (410R)	Highland Trail (410X)	Fund Total
\$ -	\$ 4,321	\$ -	\$ -	\$ 4,321
-	-	-	-	585,749
-	-	-	-	88,694
-	-	-	665,647	665,647
-	-	-	13,093	13,093
-	-	-	-	225,362
-	-	2,601	-	136,635
-	-	-	-	1,882
-	4,321	2,601	678,740	1,721,383
-	-	-	-	15,649
3,772	71,193	-	-	346,668
-	-	-	-	1,044,344
-	-	27	16,739	16,766
-	-	-	-	7,401,012
3,772	71,193	27	16,739	8,824,439
53,000	-	-	-	273,000
-	-	-	-	-
-	-	-	-	30,000
-	-	-	-	(10,765)
-	-	-	-	(101,073)
-	-	-	-	(25,000)
-	-	-	-	5,000,000
53,000	-	-	-	5,166,162
49,228	(66,872)	2,574	662,001	(1,936,894)
-	66,705	1,713	(777,143)	1,785,639
\$ 49,228	\$ (167)	\$ 4,287	\$ (115,142)	\$ (151,255)

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

	Computer Network (418I)	Roads Paving Program (418R)	Capital Outlay (418Z)	LaVale Storm Drains (420O)	County Office Building (420R)	Gen Ledger Software Upgrade (420S)
REVENUES:						
Miscellaneous:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions & donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES:						
General Government	-	-	-	-	-	6,764
Public safety	-	-	-	-	-	-
Public works	-	351,274	-	91,140	-	-
Miscellaneous	-	-	192,701	-	-	-
Payments to component units:						
Board of Education	-	-	-	-	-	-
Total Expenditures	-	351,274	192,701	91,140	-	6,764
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General fund	-	500,000	-	200,000	-	-
General Fund, internal transfers	-	-	4	-	-	-
2008 Public Improvement Bonds	-	-	-	-	-	-
Transfers -out to:						
Highway Fund	-	(108,000)	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-
Allconet II Fund	-	-	-	-	-	-
Debt proceeds, capital lease	-	-	127,697	-	-	-
Total Other Financing Sources and Uses	-	392,000	127,701	200,000	-	-
Net change in fund balances	-	40,726	(65,000)	108,860	-	(6,764)
Fund Balance, beginning	35,008	1,183,011	65,000	232,555	241,500	99,686
Fund Balance, Ending	\$ 35,008	\$ 1,223,737	\$ -	\$ 341,415	\$ 241,500	\$ 92,922

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

Emergency Capital (420V)	Animal Shelter Quarantine (420X)	Tele- communications Project (420Z)	Road Improvements (4203)	Dispatcher Consol (4205)	Water Study Disinfection (4206)	Capital Reserves (4181)	Designated Projects (4181)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,327	\$ -	\$ 85,327
-	20,000	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	-	-
-	20,000	-	-	-	-	85,327	-	105,327
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,764
-	246,609	-	-	38,420	-	-	-	285,029
-	-	-	17,627	-	-	-	-	460,041
-	-	-	-	-	-	-	-	192,701
-	-	-	-	-	-	-	-	-
-	246,609	-	17,627	38,420	-	-	-	944,535
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	6,580	-	-	68,420	75,000	83,212	125,000 (233,216)	825,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(108,000)
-	-	-	-	(30,000)	-	-	-	(30,000)
-	-	-	-	-	-	-	(210,534)	(210,534)
-	-	-	-	-	-	-	-	127,697
-	6,580	-	-	38,420	75,000	83,212	(318,750)	604,163
-	(220,029)	-	(17,627)	-	75,000	168,539	(318,750)	(235,045)
200,000	24,960	9,314	75,141	-	-	52,507	588,750	2,807,432
<u>\$ 200,000</u>	<u>\$ (195,069)</u>	<u>\$ 9,314</u>	<u>\$ 57,514</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 221,046</u>	<u>\$ 270,000</u>	<u>\$ 2,572,387</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PUBLIC IMPROVEMENT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

	2006 Public Improvement Bonds				
	Allegany College Library (4312)	Board of Education Warehouse (4315)	Westernport Library (4316)	Bond Interest (431Z)	2006 Public Improvement Bond Total
REVENUES:					
Miscellaneous:					
Md. Department of Environment	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	20,885	20,885
Miscellaneous:	-	-	-	-	-
Total Revenues	-	-	-	20,885	20,885
EXPENDITURES:					
General government	-	-	-	40,151	40,151
Public safety	-	-	-	-	-
Education	176,044	-	-	-	176,044
Recreation, culture and libraries	-	-	69,050	-	69,050
Miscellaneous	-	-	-	-	-
Payments to component units:					
Board of Education	-	390,280	-	-	390,280
Total Expenditures	176,044	390,280	69,050	40,151	675,525
OTHER FINANCING SOURCES and (USES):					
Transfers to:					
Capital projects fund	-	-	-	-	-
PAYGO Capital Projects Fund	-	-	-	-	-
Debt issued	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-
Net change in fund balances	(176,044)	(390,280)	(69,050)	(19,266)	(654,640)
Fund Balance, beginning	176,044	390,280	77,814	19,136	663,274
Fund Balance, Ending	\$ -	\$ -	\$ 8,764	\$ (130)	\$ 8,634

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PUBLIC IMPROVEMENT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2008

2008 Public Improvement Bonds						
LaVale Library (4322)	Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	Allegany College Library (4325)	AC Geothermal Project (4327)	2008 Public Improvement Bond Total	Total Public Improvement Bond Funds
\$ -	\$ 165,111	\$ -	\$ -	\$ -	\$ 165,111	\$ 165,111
-	-	-	-	-	-	20,885
-	165,111	-	-	-	165,111	185,996
-	-	-	-	-	-	-
-	290,232	48,800	-	-	339,032	40,151
-	-	-	1,030,344	35,000	1,065,344	339,032
33,588	-	-	-	-	33,588	1,241,388
-	-	-	-	-	-	102,638
-	-	-	-	-	-	-
33,588	290,232	48,800	1,030,344	35,000	1,437,964	390,280
-	-	-	-	-	-	2,113,489
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(33,588)	(125,121)	(48,800)	(1,030,344)	(35,000)	(1,272,853)	(1,927,493)
-	(728)	(7,977)	-	-	(8,705)	654,569
\$ (33,588)	\$ (125,849)	\$ (56,777)	\$ (1,030,344)	\$ (35,000)	\$ (1,281,558)	\$ (1,272,924)

**ENTERPRISE FUNDS
COMBINING SCHEDULES**

**WATER DISTRICTS
COMBINING SCHEDULE OF
REVENUES, EXPENSES
AND CHANGES IN
NET ASSETS**

**SANITARY DISTRICTS
COMBINING SCHEDULE
OF NET ASSETS**

**SANITARY DISTRICTS
COMBINING SCHEDULE OF
REVENUES, EXPENSES
AND CHANGES IN
NET ASSETS**

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2008

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F
OPERATING REVENUES:							
Service charges	\$ 22,151	\$ 128,155	\$ 32,012	\$ 10,792	\$ 715,331	\$ 47,464	\$ 371,854
Miscellaneous	-	-	-	-	-	-	-
Total Operating Revenues	<u>22,151</u>	<u>128,155</u>	<u>32,012</u>	<u>10,792</u>	<u>715,331</u>	<u>47,464</u>	<u>371,854</u>
OPERATING EXPENSES:							
Salaries	-	15,844	4,660	-	21,182	1,186	48,889
Fringe benefits	-	7,309	2,150	-	9,771	547	22,552
Office expenses	-	-	-	-	-	-	-
Utilities	-	59,817	16,915	13,514	546,471	23,152	277,425
Repairs and maintenance	-	1,649	3,320	1,322	3,915	22,186	72,280
Contractual	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	200	-
Materials and supplies	-	152	45	(46)	3,119	12	470
Insurance	-	-	-	-	-	-	-
Indirect cost	-	6,113	1,799	-	811	46	1,872
Miscellaneous	-	-	-	-	1	1	-
Depreciation	-	39,681	18,243	44,422	43,448	15	39,531
Total Operating Expenses	<u>0</u>	<u>130,565</u>	<u>47,132</u>	<u>59,212</u>	<u>628,718</u>	<u>47,345</u>	<u>463,019</u>
Operating Income (Loss)	<u>22,151</u>	<u>(2,410)</u>	<u>(15,120)</u>	<u>(48,420)</u>	<u>86,613</u>	<u>119</u>	<u>(91,165)</u>
NON-OPERATING REVENUE (EXPENSES):							
Interest income	132	1,172	296	-	1,953	-	7,916
Interest expense	(9,523)	(25,311)	(4,530)	(15,659)	(19,363)	-	-
Total Non-operating Revenue (Expenses)	<u>(9,391)</u>	<u>(24,139)</u>	<u>(4,234)</u>	<u>(15,659)</u>	<u>(17,410)</u>	<u>-</u>	<u>7,916</u>
Income Before Contributions and Transfers	12,760	(26,549)	(19,354)	(64,079)	69,203	119	(83,249)
Capital Contributions:							
Federal grants	-	-	-	-	-	-	-
Transfers in:							
General fund	-	-	-	3,340	-	-	-
Revolving Building Fund	-	-	-	20,000	-	-	-
Change in Net Assets	<u>\$ 12,760</u>	<u>\$ (26,549)</u>	<u>\$ (19,354)</u>	<u>\$ (40,739)</u>	<u>\$ 69,203</u>	<u>\$ 119</u>	<u>\$ (83,249)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2008

Oldtown Road 5012	McCoole 5013	Ellerslie 5014	Eckhart 5015	Hoffman 5016	Route 36 Vale Summit 5017	Borden/ Zhilman/ Morantown 5018	Carlos/Shaft/ Klondike 5019	Total
\$ 160,146	\$ 159,533	\$ 328,566	\$ 230,604	\$ 7,336	\$ 48,796	\$ 98,701	\$ 168,635	\$ 2,530,076
-	-	2	-	-	-	-	-	2
<u>160,146</u>	<u>159,533</u>	<u>328,568</u>	<u>230,604</u>	<u>7,336</u>	<u>48,796</u>	<u>98,701</u>	<u>168,635</u>	<u>2,530,078</u>
19,149	21,352	42,534	30,079	1,017	6,101	13,980	21,437	247,410
8,833	9,849	19,621	13,875	469	2,814	6,449	9,888	114,127
-	-	-	-	-	-	-	-	-
64,083	48,520	159,372	80,654	3,086	30,990	50,035	84,542	1,458,576
4,071	3,019	39,250	43,957	106	635	1,456	3,028	200,194
-	-	1,921	-	-	-	-	-	1,921
-	-	-	750	-	37	-	200	1,187
491	206	409	466	10	1,593	134	206	7,267
-	-	158	158	-	-	-	-	316
6,924	9,694	13,108	10,596	281	2,676	5,008	9,751	68,679
-	-	1	-	-	-	-	-	3
<u>74,019</u>	<u>96,849</u>	<u>64,783</u>	<u>88,793</u>	<u>2,343</u>	<u>28,644</u>	<u>34,709</u>	<u>87,341</u>	<u>662,821</u>
<u>177,570</u>	<u>189,489</u>	<u>341,157</u>	<u>269,328</u>	<u>7,312</u>	<u>73,490</u>	<u>111,771</u>	<u>216,393</u>	<u>2,762,501</u>
<u>(17,424)</u>	<u>(29,956)</u>	<u>(12,589)</u>	<u>(38,724)</u>	<u>24</u>	<u>(24,694)</u>	<u>(13,070)</u>	<u>(47,758)</u>	<u>(232,423)</u>
3,794	4,723	16,484	11,396	76	607	2,628	3,967	55,144
<u>(18,741)</u>	<u>(44,584)</u>	<u>-</u>	<u>(19,587)</u>	<u>-</u>	<u>-</u>	<u>(20,622)</u>	<u>(37,312)</u>	<u>(215,232)</u>
<u>(14,947)</u>	<u>(39,861)</u>	<u>16,484</u>	<u>(8,191)</u>	<u>76</u>	<u>607</u>	<u>(17,994)</u>	<u>(33,345)</u>	<u>(160,088)</u>
(32,371)	(69,817)	3,895	(46,915)	100	(24,087)	(31,064)	(81,103)	(392,511)
-	-	-	11,510	-	-	10,530	-	22,040
-	-	-	-	-	-	-	-	3,340
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
\$ <u>(32,371)</u>	\$ <u>(69,817)</u>	\$ <u>3,895</u>	\$ <u>(35,405)</u>	\$ <u>100</u>	\$ <u>(24,087)</u>	\$ <u>(20,534)</u>	\$ <u>(81,103)</u>	(347,131)
Residual equity transfer								2,453,729
Total net assets - beginning								15,075,688
Total net assets - ending								\$ <u>17,182,286</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2008

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
ASSETS							
Current Assets:							
Cash:							
Cash	\$ 492,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	302,965	-	-	-
Investments	194,133	65,613	44,491	-	57,659	-	-
Receivables:							
Accounts (net)	2,655	82,415	79,923	262,493	105,123	79,865	15,489
Taxes - restricted	-	20,403	17,686	1,134	12,216	5,067	3,787
Accounts (net) - restricted	-	-	-	-	-	5,321	2,884
Other	3,056,426	85	59	-	2,859	-	-
Due from other funds	-	1,226,652	1,881,657	-	-	-	-
Inventory	108,437	-	-	-	-	-	-
Total current assets	<u>3,853,934</u>	<u>1,395,168</u>	<u>2,023,816</u>	<u>566,592</u>	<u>177,857</u>	<u>90,253</u>	<u>22,160</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	4,057,218	-	-	-	-	-	-
Capital assets subject to depreciation	2,961,765	3,450,094	2,718,876	3,472,145	4,968,149	6,123,262	2,282,006
Less: Accumulated depreciation	<u>(1,419,915)</u>	<u>(2,011,073)</u>	<u>(1,531,508)</u>	<u>(2,524,190)</u>	<u>(3,028,580)</u>	<u>(3,728,494)</u>	<u>(1,182,017)</u>
Total noncurrent assets	<u>5,604,068</u>	<u>1,440,021</u>	<u>1,192,368</u>	<u>948,455</u>	<u>1,940,569</u>	<u>2,396,268</u>	<u>1,099,989</u>
Total Assets	<u>9,458,002</u>	<u>2,835,189</u>	<u>3,216,184</u>	<u>1,515,047</u>	<u>2,118,426</u>	<u>2,486,521</u>	<u>1,122,149</u>
LIABILITIES							
Current liabilities:							
Accounts payable	802,604	33,139	1,029	59,593	18,462	16,398	47,939
Accrued wages payable	22,909	-	-	-	-	-	-
Accrued payroll fringe benefits	9,785	-	-	-	-	-	-
Accrued interest payable	4,796	2,685	2,802	-	1,864	-	-
Current portion of long term debt							
Bonds & loans	79,753	16,232	14,953	-	21,757	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	51,435	-	-	-	-	-	-
Due to other funds	6,494,762	-	-	472,031	498,068	1,351,789	491,348
Miscellaneous liabilities	26,702	-	-	49,409	-	-	-
Total current liabilities	<u>7,492,746</u>	<u>52,056</u>	<u>18,784</u>	<u>581,033</u>	<u>540,151</u>	<u>1,368,187</u>	<u>539,287</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	400,000	-
Long term debt:							
Bonds & loans	1,170,119	1,187,926	1,097,662	-	106,097	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	320,779	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,490,898</u>	<u>1,187,926</u>	<u>1,097,662</u>	<u>-</u>	<u>106,097</u>	<u>400,000</u>	<u>-</u>
Total Liabilities	<u>8,983,644</u>	<u>1,239,982</u>	<u>1,116,446</u>	<u>581,033</u>	<u>646,248</u>	<u>1,768,187</u>	<u>539,287</u>
NET ASSETS							
Invested in capital assets, net of related debt	4,354,196	235,863	79,753	948,455	1,812,715	2,396,268	1,099,989
Restricted for debt service	-	20,403	17,686	1,134	12,216	10,388	6,671
Unrestricted	<u>(3,879,838)</u>	<u>1,338,941</u>	<u>2,002,299</u>	<u>(15,575)</u>	<u>(352,753)</u>	<u>(1,688,322)</u>	<u>(523,798)</u>
Total Net Assets	<u>\$ 474,358</u>	<u>\$ 1,595,207</u>	<u>\$ 2,099,738</u>	<u>\$ 934,014</u>	<u>\$ 1,472,178</u>	<u>\$ 718,334</u>	<u>\$ 582,862</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2008

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	492,283
-	-	-	-	-	-	-	-	-	302,965
-	-	171,944	-	-	-	-	-	-	533,840
4,092	8,726	192,213	10,195	20,563	85,384	5,579	20,352	670	975,737
320	2,461	21,448	274	-	3,154	1,035	5,074	-	94,059
2,714	1,285	69,391	-	-	-	-	-	-	81,595
-	-	1,533	-	1,579	-	-	-	-	3,062,541
-	-	2,519,985	460,624	778,713	585,844	-	47,599	-	7,501,074
-	-	-	-	-	-	-	-	-	108,437
7,126	12,472	2,976,514	471,093	800,855	674,382	6,614	73,025	670	13,152,531
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	3,213,404	-	-	-	-	-	-	7,270,622
852,987	1,170,573	22,853,421	561,728	21,662,315	2,051,939	813,332	2,816,919	2,129,831	80,889,342
(459,206)	(591,127)	(10,756,948)	(288,727)	(2,491,497)	(653,190)	(243,999)	(773,680)	(89,316)	(31,773,467)
394,281	582,446	15,356,159	273,001	19,170,818	1,401,249	569,333	2,044,239	2,040,515	56,453,779
401,407	594,918	18,332,673	744,094	19,971,673	2,075,631	575,947	2,117,264	2,041,185	69,606,310
5,268	16,113	215,782	3	8,402	67,802	-	1,117	522	1,294,173
-	-	-	-	3,376	-	-	-	-	26,285
-	-	-	-	1,569	-	-	-	-	11,354
151	1,688	13,671	-	34,599	1,248	850	3,224	-	67,578
3,472	10,415	51,614	-	458,364	70,098	2,341	8,878	-	737,877
-	-	-	-	-	-	-	350	-	350
-	-	-	-	-	-	-	-	-	51,435
101,078	179,425	-	-	-	-	8,448	-	167,274	9,764,223
-	-	-	-	40,001	-	-	-	-	116,112
109,969	207,641	281,067	3	546,311	139,148	11,639	13,569	167,796	12,069,387
-	-	-	-	-	-	-	-	-	400,000
7,567	22,700	687,332	-	7,246,619	-	123,045	466,645	-	12,115,712
-	-	-	-	-	-	-	18,819	-	18,819
-	-	-	-	-	-	-	-	-	320,779
7,567	22,700	687,332	-	7,246,619	-	123,045	485,464	-	12,855,310
117,536	230,341	968,399	3	7,792,930	139,148	134,684	499,033	167,796	24,924,697
383,242	549,331	14,617,213	273,001	11,465,835	1,331,151	443,947	1,549,547	2,040,515	43,581,021
3,034	3,746	90,839	274	-	3,154	1,035	5,074	-	175,654
(102,405)	(188,500)	2,656,222	470,816	712,908	602,178	(3,719)	63,610	(167,126)	924,938
\$ 283,871	\$ 364,577	\$ 17,364,274	\$ 744,091	\$ 12,178,743	\$ 1,936,483	\$ 441,263	\$ 1,618,231	\$ 1,873,389	\$ 44,681,613

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
OPERATING REVENUES:							
Service charges	\$ 10,091	\$ 357,765	\$ 302,177	\$ 931,628	\$ 381,112	\$ 315,445	\$ 59,949
Miscellaneous	1	26	22	80	42	31	6
Total Operating Revenues	10,092	357,791	302,199	931,708	381,154	315,476	59,955
OPERATING EXPENSES:							
Wages and salaries	3,034	53,464	45,076	163,444	87,017	64,310	12,540
Employee benefits	1,415	24,663	20,793	75,394	40,140	29,665	5,784
Office expenses	212	14,654	17,906	18,084	9,710	7,100	1,384
Utilities	3,487	29,723	15,160	61,309	29,265	17,145	11,133
Repairs and maintenance	936	78,203	18,769	33,053	42,527	32,537	5,369
Contractual services	97	2,643	2,228	8,080	4,299	3,176	619
Water/Sewage treatment costs	-	325,824	283,989	643,801	214,698	199,208	73,950
Professional fees	20	619	459	1,664	885	654	128
Materials and supplies	557	14,489	12,717	51,146	24,331	18,564	6,613
Insurance	417	11,635	9,809	35,570	18,927	17,606	2,726
Indirect cost	1,162	32,381	27,298	98,993	52,673	38,915	7,587
Miscellaneous	14	617	1,608	1,684	5,381	4,216	91
Depreciation	640	86,714	69,784	131,005	128,861	145,325	52,680
Total Operating Expenses	11,991	675,629	525,596	1,323,227	658,714	578,421	180,604
Operating Income (Loss)	(1,899)	(317,838)	(223,397)	(391,519)	(277,560)	(262,945)	(120,649)
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	175,371	173,355	13,267	106,281	39,183	16,257
Interest & Penalties, taxes	-	4,290	4,369	227	2,534	1,264	1,215
Discounts, taxes	-	(899)	(853)	(407)	(190)	(202)	(74)
Enterprise/industrial exemptions	-	-	-	21	-	-	-
Collection fees	-	(3,957)	(3,894)	(294)	(2,393)	(899)	(414)
Front footage assessments	-	-	-	-	20	18,050	9,054
Interest income	170	7,288	7,217	20,570	17,694	15,010	3,533
Interest income, debt service	-	2,472	1,720	-	10	665	305
Interest expense	(7,420)	(51,204)	(47,375)	-	(12,002)	-	(711)
Allocated debt service revenue	77,831	(7,013)	(5,913)	(21,426)	(11,406)	(8,430)	(1,646)
Gain (Loss) on disposal of assets	(4)	(123)	(104)	(377)	(200)	(148)	(29)
Total Nonoperating revenue (expenses)	70,577	126,225	128,522	11,581	100,348	64,493	27,490
Income Before Contributions and Transfers	68,678	(191,613)	(94,875)	(379,938)	(177,212)	(198,452)	(93,159)
Capital Contributions:							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Other	-	-	-	186,471	-	-	-
Transfers in:							
General Fund	30,000	-	-	-	-	-	-
Revolving Building Fund	30,000	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	25,000	-	-
Change in Net Assets	128,678	(191,613)	(94,875)	(193,467)	(152,212)	(198,452)	(93,159)
Residual equity transfer	(8,543)	(1,062,157)	0	(1,080)	-	-	-
Net assets - beginning	354,223	2,848,977	2,194,613	1,128,561	1,624,390	916,786	676,021
Net assets - ending	\$ 474,358	\$ 1,595,207	\$ 2,099,738	\$ 934,014	\$ 1,472,178	\$ 718,334	\$ 582,862

				Celanese		Cash		Barton	Total
Oldtown	Flintstone	Georges	Franklin/ Brophytown	Treatment Plant	Mexico Farms	Valley Road	Oldtown Road	Industrial Park	All Districts
\$ 13,523	\$ 29,060	\$ 622,074	\$ 33,809	\$ 1,130,009	\$ 353,189	\$ 19,109	\$ 79,513	\$ 14,469	\$ 4,652,922
1	2	63	3	-	5	3	9	-	294
13,524	29,062	622,137	33,812	1,130,009	353,194	19,112	79,522	14,469	4,653,216
4,116	6,876	198,692	4,575	135,613	9,405	4,575	17,624	19,486	829,847
1,920	3,208	92,668	2,111	65,186	4,338	2,111	8,130	10,751	388,277
291	483	15,927	510	2,251	1,040	510	1,947	-	92,009
14,429	19,633	125,485	319	259,766	16,528	279	12,820	11,545	628,026
45,044	27,844	45,902	625	65,205	25,617	625	6,121	9,555	437,932
130	221	6,351	228	-	465	228	871	-	29,636
178	-	1,631	7,040	-	137,854	14,247	9,365	-	1,911,785
174	95	2,223	47	12,026	96	47	179	-	19,316
1,925	1,772	50,943	1,227	115,576	8,335	1,227	10,722	3,569	323,713
574	2,767	42,344	1,004	-	2,048	1,004	5,650	-	152,081
1,597	2,650	77,793	2,795	-	5,699	2,795	10,672	-	363,010
19	32	8,922	34	-	68	34	129	-	22,849
17,637	24,545	514,602	12,760	443,238	43,107	21,874	81,524	43,266	1,817,562
88,034	90,126	1,183,483	33,275	1,098,861	254,600	49,556	165,754	98,172	7,016,043
(74,510)	(61,064)	(561,346)	537	31,148	98,594	(30,444)	(86,232)	(83,703)	(2,362,827)
2,247	11,125	182,476	6,589	-	29,700	11,011	51,326	-	818,188
75	404	7,100	63	-	920	488	1,182	-	24,131
(13)	(50)	(919)	(56)	-	(135)	(51)	(232)	-	(4,081)
-	-	-	-	-	-	-	-	-	21
(51)	(250)	(4,312)	(148)	-	(675)	(266)	(1,164)	-	(18,717)
2,699	4,076	68,682	-	-	-	-	-	-	102,581
531	1,896	24,767	487	41,379	1,798	646	1,417	-	144,403
75	423	8,565	-	-	-	-	-	-	14,235
(828)	(2,118)	(36,593)	-	(38,511)	(8,063)	(5,695)	(22,482)	-	(233,002)
(348)	(578)	(16,321)	(602)	-	(1,235)	(602)	(2,311)	-	0
(6)	(10)	(684,376)	(11)	-	(22)	(11)	(41)	-	(685,462)
4,381	14,918	(450,931)	6,322	2,868	22,288	5,520	27,695	-	162,297
(70,129)	(46,146)	(1,012,277)	6,859	34,016	120,882	(24,924)	(58,537)	(83,703)	(2,200,530)
-	-	-	-	-	-	-	-	24,364	24,364
-	-	3,055,925	-	-	-	-	-	-	3,055,925
-	-	1,307	-	-	-	-	-	-	187,778
-	-	-	-	43,784	-	-	-	40,437	114,221
-	-	-	-	-	-	-	-	7,500	37,500
-	-	-	-	-	-	-	-	-	25,000
(70,129)	(46,146)	2,044,955	6,859	77,800	120,882	(24,924)	(58,537)	(11,402)	1,244,258
354,000	410,723	15,319,319	737,232	12,100,943	(1,381,949)	466,187	1,676,768	1,884,791	(2,453,729)
\$ 283,871	\$ 364,577	\$ 17,364,274	\$ 744,091	\$ 12,178,743	\$ 1,936,483	\$ 441,263	\$ 1,618,231	\$ 1,873,389	\$ 44,681,613

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AGENCY FUND

STATEMENT OF CHANGES IN ASSETS and LIABILITIES

ALLEGANY COUNTY, MARYLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS:				
Taxes levied for State:				
Taxes receivable - State	\$ 304,590	\$ 3,160,610	\$ 3,125,557	\$ 339,643
Bay restoration fee	197,639	496,167	463,008	230,798
Other receivables	2	8,108	8,109	1
Taxes levied for Special Areas:				
Lonacoring, Town of	10,334	97,081	98,692	8,723
Midland, Town of	3,696	26,211	26,145	3,762
Westernport, Town of	38,809	310,492	316,580	32,721
Cumberland differential	4,931	1	681	4,251
Bel Air Special Tax Area	1,168	24,610	24,429	1,349
Bowling Green Fire Co.	2,921	28,019	27,676	3,264
Bedford Road Fire Co.	3,479	32,275	31,020	4,734
Bowling Green Special Tax Area	970	22,345	21,158	2,157
Cresaptown Ambulance	7,840	112,745	110,800	9,785
Cresaptown Civic Imp. Assoc.	1,951	19,737	19,175	2,513
Cresaptown Fire Co.	9,186	149,463	146,742	11,907
Corriganville Light & Imp.	1,648	14,323	14,527	1,444
Ellerslie Special Tax Area	771	8,366	8,274	863
LaVale Volunteer Fire Dept.	7,535	138,699	135,203	11,031
LaVale Rescue Squad	3,767	69,350	67,526	5,591
LaVale Sanitary District	29,879	501,413	487,747	43,545
McCoole Special Tax Area	940	3,491	3,466	965
Moscow Light	390	2,641	2,412	619
Mt. Savage Special Tax Area	1,148	8,629	8,835	942
Potomac Park Special Tax Area	1,109	9,397	9,310	1,196
Rawlings Fire Co.	1,459	24,441	23,973	1,927
Sub-total special areas	133,931	1,603,729	1,584,371	153,289
Due from other funds	152,748	5,546,138	5,542,066	156,820
Total Assets	\$ 788,910	\$ 10,814,752	\$ 10,723,111	\$ 880,551
LIABILITIES:				
Accounts payable	\$ 152,750	\$ 6,074,629	\$ 6,070,558	\$ 156,821
A/P Special Areas	133,931	1,603,729	1,584,371	153,289
Taxes payable - State	304,590	3,160,610	3,125,557	339,643
A/P Bay restoration fee	197,639	469,088	435,929	230,798
Total Liabilities	\$ 788,910	\$ 11,308,056	\$ 11,216,415	\$ 880,551

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
June 30, 2008 and 2007

ASSETS	Primary Government			
	At June 30, 2008			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2007
Land	\$ 20,594,558	\$ -	\$ 20,594,558	\$ 20,537,494
Construction in progress	7,908,401	-	7,908,401	4,197,814
Buildings	48,658,452	13,062,210	35,596,242	34,499,195
Infrastructure	43,979,233	26,467,355	17,511,878	15,541,127
Furniture & fixtures	728,264	518,999	209,265	92,059
Machinery & equipment	6,471,845	3,998,380	2,473,465	1,751,515
Vehicles	8,076,308	5,995,710	2,080,598	2,146,586
Heavy equipment	3,743,048	2,919,517	823,531	720,234
Other capital assets	917,423	450,155	467,268	486,835
Total Assets	<u>\$ 141,077,532</u>	<u>\$ 53,412,326</u>	<u>\$ 87,665,206</u>	<u>\$ 79,972,859</u>
FUND EQUITY				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,808,483	\$ 9,562,420
Investment in construction in progress			7,908,401	4,197,814
Investment in general capital assets by source:				
General Fund:				
General revenues			6,176,047	5,956,053
Federal grants			2,604,573	1,492,259
State grants			1,682,115	819,691
Miscellaneous revenues			444,626	444,626
Debt proceeds			190,912	212,400
Special Revenue Funds:				
General revenues			41,261,419	40,087,592
Federal grants			5,676,710	4,353,130
State grants			5,500,676	3,002,364
Miscellaneous revenues			194,574	194,574
Debt proceeds			3,431,798	3,316,952
Capital Project Funds:				
General revenues			14,732,962	14,279,214
Federal grants			8,110,162	8,132,663
State grants			21,846,909	21,846,909
Miscellaneous revenues			1,082,822	1,082,822
Debt proceeds			10,052,753	10,528,633
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			<u>(53,412,326)</u>	<u>(50,908,847)</u>
Total Fund Equity			<u>\$ 87,665,206</u>	<u>\$ 79,972,859</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2008

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 1,784,637	\$ 4,533,874	\$ 39,776	\$ 149,381	\$ 1,497,103	\$ 346,390	\$ 170,688	\$ 80,331	\$ 8,602,180	\$ (3,694,704)	\$ 4,907,476
Public Safety	1,744,887	17,520,565	1,743,304	276,224	4,017,037	1,212,145	130,511	773,040	27,417,713	(6,180,392)	21,237,321
Public Works	1,449,166	1,475,503	38,054,746	298,253	746,423	5,767,142	3,841,291	703,467	52,335,991	(35,252,878)	17,083,113
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(240,764)	6,891,678
Social Services	116	3,250	24,331	-	74,650	587,767	13,000	-	703,114	(295,083)	408,031
Recreation & Culture	583,119	2,620,688	214,288	246	6,528	39,246	414,531	-	3,878,646	(909,419)	2,969,227
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(453,287)	1,183,746
Natural Resources	-	-	-	-	15,839	15,999	-	-	31,838	(31,208)	630
Urban Development & Housing	56,637	426,508	-	4,160	35,846	9,302	-	-	532,453	(284,503)	247,950
Economic Development	14,394,877	13,893,829	3,902,788	-	78,419	98,317	86,329	6,351,563	38,806,122	(6,070,088)	32,736,034
Total General Capital Assets	\$ 20,594,558	\$ 48,658,452	\$ 43,979,233	\$ 728,264	\$ 6,471,845	\$ 8,076,308	\$ 4,660,471	\$ 7,908,401	\$ 141,077,532	\$ (53,412,326)	\$ 87,665,206

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Function	General Capital Assets June 30, 2007	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2007	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2008
General Government	\$ 8,349,775	\$ -	\$ -	\$ 252,405	\$ -	\$ 8,602,180	\$ (3,154,013)	\$ (540,691)	\$ -	\$ 4,907,476
Public Safety	25,593,739	-	-	2,010,012	(186,038)	27,417,713	(5,335,539)	(974,908)	130,055	21,237,321
Public Works	49,392,374	-	-	3,115,896	(172,279)	52,335,991	(34,423,374)	(1,001,783)	172,279	17,083,113
Health	7,132,442	-	-	-	-	7,132,442	(22,324)	(218,440)	-	6,891,678
Social Services	786,384	-	-	3,250	(86,520)	703,114	(288,882)	(92,721)	86,520	408,031
Recreation & Culture	3,878,646	-	-	-	-	3,878,646	(808,037)	(101,382)	-	2,969,227
Libraries	1,637,033	-	-	-	-	1,637,033	(391,985)	(61,302)	-	1,183,746
Natural Resources	31,838	-	-	-	-	31,838	(30,788)	(420)	-	630
Urban Development & Housing	532,453	-	-	-	-	532,453	(265,116)	(19,387)	-	247,950
Economic Development	33,547,022	-	-	6,013,038	(753,938)	38,806,122	(6,188,789)	(427,478)	546,179	32,736,034
Total General Capital Assets	\$ 130,881,706	\$ -	\$ -	\$ 11,394,601	\$ (1,198,775)	\$ 141,077,532	\$ (50,908,847)	\$ (3,438,512)	\$ 935,033	\$ 87,665,206

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Statistical Section

Statistical Section

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

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Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

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These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in FY 2003; schedules presenting government-wide information include information beginning in that year.

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FINANCIAL TRENDS

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Allegany County, Maryland
Net Assets By Component
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 49,601,139	\$ 53,978,694	\$ 60,161,453	\$ 66,160,686	\$ 70,105,110	\$ 76,516,700
Restricted	1,684,063	2,093,507	3,021,117	2,277,836	13,043,675	5,939,861
Unrestricted	(11,733,113)	(5,166,240)	(4,128,194)	3,048,018	(4,635,623)	(6,346,388)
Total governmental activities net assets	\$ 39,552,089	\$ 50,905,961	\$ 59,054,376	\$ 71,486,540	\$ 78,513,162	\$ 76,110,173
Business-type activities						
Invested in capital assets, net of related debt	\$ 51,533,344	\$ 56,841,888	\$ 59,474,528	\$ 67,030,468	\$ 62,978,258	\$ 64,244,563
Restricted	185,808	159,657	172,797	167,898	170,832	175,654
Unrestricted	5,398,109	1,439,367	1,552,398	(1,694,100)	878,952	(20,398)
Total business-type activities net assets	\$ 57,117,261	\$ 58,440,912	\$ 61,199,723	\$ 65,504,266	\$ 64,028,042	\$ 64,399,819
Primary Government						
Invested in capital assets, net of related debt	\$ 101,134,483	\$ 110,820,582	\$ 119,635,981	\$ 133,191,154	\$ 133,083,368	\$ 140,761,263
Restricted	1,869,871	2,253,164	3,193,914	2,445,734	13,214,507	6,115,515
Unrestricted	(6,335,004)	(3,726,873)	(2,575,796)	1,353,918	(3,756,671)	(6,366,786)
Total primary government net assets	\$ 96,669,350	\$ 109,346,873	\$ 120,254,099	\$ 136,990,806	\$ 142,541,204	\$ 140,509,992

Allegany County, Maryland
Changes In Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
General Government:	\$ 5,697,910	\$ 6,483,254	\$ 6,863,528	\$ 7,046,308	\$ 7,517,730	\$ 9,121,475
Payment to data processing	255,757	264,767	279,661	294,847	311,568	328,464
Public Safety	10,729,932	10,878,035	13,320,579	14,571,046	13,998,396	15,612,059
Public Works	10,320,589	9,277,395	9,691,963	11,176,350	11,366,688	12,280,040
Health	1,311,200	1,345,102	1,422,154	1,610,957	1,778,704	2,083,410
Social Services	3,158,083	3,372,943	3,220,006	1,987,579	2,371,360	2,312,169
Education:	106,438	51,733	796,573 a	709,684	437,620	1,274,899
Payment to public school system	27,832,107	27,503,531	27,638,498	27,262,735	29,699,591	36,171,292 g
Payments to community college	5,543,512	5,575,000	5,575,000	6,010,000	6,382,000	7,175,000
Recreation, culture & libraries:	525,002	517,927	637,904	720,024	1,072,292	1,050,609
Payment to public library system	769,000	781,000	794,000	835,000	875,000	905,000
Conservation of natural resources	336,469	232,345	264,776	230,040	293,066	327,747
Community development & housing	1,338,847	1,659,272	2,031,225	1,666,691	1,556,909	1,774,905
Economic Development	2,865,480	2,412,668	3,487,397	2,487,755	3,083,041	4,113,586
Interest on long term debt	1,972,084	1,741,664	1,582,097	1,377,559	1,351,127	1,810,725
Total governmental activities expenses	\$ 72,762,410	\$ 72,096,636	\$ 77,605,361	\$ 77,986,575	\$ 82,095,092	\$ 96,341,380
Business-type activities:						
Water	1,446,660	1,483,542	1,448,043	1,751,458	1,798,200	2,977,733 h
Sewer	5,845,641	5,796,718	6,398,687	7,137,019	7,900,344	7,249,045 h
Nursing Home	8,174,160	8,620,622	9,550,145 b	9,657,283	10,292,274	10,425,903
Other Funds	-	-	-	487,108	446,058	578,996
Total business-type activities expenses	15,466,461	15,900,882	17,396,875	19,032,868	20,436,876	21,231,677
Total primary government expenses	\$ 88,228,871	\$ 87,997,518	\$ 95,002,236	\$ 97,019,443	\$ 102,531,968	\$ 117,573,057
Program Revenues						
Governmental activities:						
Charges For services:						
Public safety	\$ 1,279,568	\$ 1,903,640	\$ 2,210,969	\$ 2,585,073	\$ 2,385,029	\$ 2,230,875
Public works	858,844	915,434	834,819	850,935	957,924	940,444
Economic development	1,259,978	1,152,183	1,956,832	2,472,961	2,179,128	2,090,151
Other activities	478,640	597,748	626,097	935,592	783,227	898,153
Operating grants and contributions	5,657,933	6,398,218	6,549,718	6,162,976	5,564,276	5,130,297
Capital grants and contributions	5,783,782	5,704,736	10,626,139 c	4,861,929	5,205,639	6,009,919
Total governmental activities program revenues	15,318,745	16,671,959	22,804,574	17,869,466	17,075,223	17,299,839
Business-type activities:						
Charges For services:						
Water	1,059,355	1,107,522	1,152,638	1,379,464	1,313,974	2,530,078
Sewer	4,522,491	4,614,481	5,142,139	5,488,342	5,671,545	4,653,216
Nursing Home	8,027,848	8,690,049	8,464,607	9,030,901	9,455,148	9,922,523
Other Funds	157,703	128,362	163,815	53,667	13,448	439,381 i
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	2,054,418	3,816,273 d	3,320,783	3,560,637	803,391	3,290,107
Total business-type activities program revenues	15,821,815	18,356,687	18,243,982	19,513,011	17,257,506	20,835,305
Total primary government program revenues	\$ 31,140,560	\$ 35,028,646	\$ 41,048,556	\$ 37,382,477	\$ 34,332,729	\$ 38,135,144

Allegany County, Maryland
Changes In Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental activities	\$ (57,443,665)	\$ (55,424,677)	\$ (54,800,787)	\$ (60,117,109)	\$ (65,019,869)	\$ (79,041,541)
Business-type activities	355,354	2,455,805	847,107	480,143	(3,179,370)	(396,372)
Total primary government net expense	<u>\$ (57,088,311)</u>	<u>\$ (52,968,872)</u>	<u>\$ (53,953,680)</u>	<u>\$ (59,636,966)</u>	<u>\$ (68,199,239)</u>	<u>\$ (79,437,913)</u>
General Revenues And Other Changes In Net Assets						
Governmental Activities:						
Taxes						
Property taxes	\$ 25,545,098	\$ 26,865,528	\$ 27,060,585	\$ 29,094,141	\$ 30,141,707	\$ 32,492,011
Income taxes	19,451,155	21,536,150	21,472,667	23,407,305	23,177,237	24,980,813
Other local taxes	5,384,666	6,170,086	7,132,917	8,769,370	8,975,907	8,752,593
Licenses	411,923	426,638	410,720	308,405	323,025	332,774
Unrestricted grants	8,374,810	7,791,350	6,252,618	6,300,447	7,570,738	7,173,715
Investment earnings	1,641,108	827,216	1,046,600	1,436,172	1,634,969	1,923,408
Gain/(loss) on sale/retirement of capital assets	45,381	(396,544)	(112,531)	2,876,383	707,145	
Miscellaneous	555,409	421,048	505,188	393,305	392,063	1,288,442
Transfers	882,228	1,776,087	551,293	96,895	(430,187)	(315,004)
Special Item	(2,108,051)	1,360,990	-			
Total governmental activities	<u>\$ 60,183,727</u>	<u>\$ 66,778,549</u>	<u>\$ 64,320,057</u>	<u>\$ 72,682,423</u>	<u>\$ 72,492,604</u>	<u>\$ 76,638,552</u>
Business-type activities:						
Property taxes	\$ 474,742	\$ 542,636	\$ 684,529	\$ 732,367	\$ 884,340	\$ 819,542
Investment earnings	71,022	92,621	159,528	181,098	196,246	202,249
Miscellaneous	8,202	8,676	49,342	78,326	192,372	116,816
Gain/(loss) on sale/retirement of capital assets						(685,462)
Transfers	(882,228)	(1,776,087)	(551,293)	(96,895)	430,187	315,004
Total business-type activities	<u>\$ (328,262)</u>	<u>\$ (1,132,154)</u>	<u>\$ 342,106</u>	<u>\$ 894,896</u>	<u>\$ 1,703,145</u>	<u>\$ 768,149</u>
Total primary government	<u>\$ 59,855,465</u>	<u>\$ 65,646,395</u>	<u>\$ 64,662,163</u>	<u>\$ 73,577,319</u>	<u>\$ 74,195,749</u>	<u>\$ 77,406,701</u>
Change In Net Assets						
Governmental activities	\$ 2,740,062	\$ 11,353,872	\$ 9,519,270	\$ 12,565,314	\$ 7,472,735	\$ (2,402,989)
Business-type activities	27,092	1,323,651	1,189,213	1,375,039	(1,476,225)	371,777
Total primary government	<u>\$ 2,767,154</u>	<u>\$ 12,677,523</u>	<u>\$ 10,708,483</u>	<u>\$ 13,940,353</u>	<u>\$ 5,996,510</u>	<u>\$ (2,031,212)</u>

Note: Expenses include indirect expense allocation.

Explanation of Significant Variances:

- a Increase due to Allegany County's portion of new school construction.
- b Increase due to an increase in personnel salaries and fringe
- c Increase in grants due to significant grants received for Allegany Highlands Trail and Barton Business Park
- d Increase in grants due to grants received for Celanese Wastewater Treatment Plant
- e Increase due to donation of land from the State of Maryland for the Allegany Highlands Trail
- f Increase due to revenue growth from sources such as increase in tax rate, income tax increase, charges from boarding federal/state prisoners while expenses remained relatively the same.
- g Increase due expenditures for new High School
- h Increases/decreases due to separating water districts from combined sewer/water districts, therefore increasing water revenues and decreasing sewer.
- i Increase due to revenue collected for capital replacement of allconet switches
- j Increase due to donation of 911 assets from the State of Maryland in the amount of \$ 851,686

Allegany County, Maryland
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 3,019,557	\$ 2,185,628	\$ 1,928,325	\$ 1,705,332	\$ 2,300,641	\$ 2,709,317	\$ 3,302,308	\$ 3,586,015	\$ 3,825,655	\$ 3,907,309
Unreserved	8,619,547	9,835,272	8,083,225	8,193,358	8,274,597	9,990,236	9,399,968	10,361,286	11,675,991	11,892,393
Total General Fund	<u>\$11,639,104</u>	<u>\$12,020,900</u>	<u>\$10,011,550</u>	<u>\$ 9,898,690</u>	<u>\$10,575,238</u>	<u>\$12,699,553</u>	<u>\$12,702,276</u>	<u>\$13,947,301</u>	<u>\$15,501,646</u>	<u>\$15,799,702</u>
All Other Governmental Funds										
Reserved	\$ 8,439,283	\$ 4,304,911	\$ 2,144,563	\$ 1,740,443	\$ 416,165	\$ 100,856	\$ 1,294,529	\$424,349	\$10,240,090	\$3,778,869
Unreserved, reported in:										
Special revenue funds	2,505,082	3,568,955	1,796,349	2,559,231	3,260,273	3,793,401	5,102,167	5,001,124	5,182,529	5,890,017
Capital project funds	5,850,003	9,689,200	5,724,934	2,745,547	1,370,878	2,228,198	1,220,786	2,487,471	2,817,863	1,148,208
Debt service funds	-	300,000	1,400,000	1,400,000	1,275,000	1,150,000	1,175,000	1,517,200	1,687,610	1,654,049
Total all other governmental funds	<u>\$16,794,368</u>	<u>\$17,863,066</u>	<u>\$11,065,846</u>	<u>\$ 8,445,221</u>	<u>\$ 6,322,316</u>	<u>\$ 7,272,455</u>	<u>\$ 8,792,482</u>	<u>\$ 9,430,144</u>	<u>\$19,928,092</u>	<u>\$12,471,143</u>

Allegany County, Maryland
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Property taxes	\$ 24,974,964	\$ 26,028,928	\$ 26,205,688	\$ 26,949,364	\$ 26,823,761	\$ 27,527,977	\$ 28,460,485	\$ 29,786,204	30,740,703	32,434,205
Income taxes	17,212,342	17,007,620	19,177,773	18,441,780	19,391,155	21,536,150	21,472,667	22,103,548	23,977,520	24,859,124
Highway user taxes	3,936,506	4,025,755	4,108,731	4,207,379	3,942,972	3,360,759	3,688,177	4,813,872	4,823,654	4,643,174
Other local taxes	1,793,090	1,610,351	1,539,919	1,842,004	1,683,107	3,205,042	3,912,061	4,709,748	4,837,769	4,622,525
Licenses and permits	486,641	508,317	534,121	558,218	580,355	606,228	583,575	586,286	616,222	621,136
Intergovernmental:										
Federal	3,720,745	4,674,620	5,484,707	4,528,456	4,012,379	5,047,771	7,136,309	6,784,009	5,206,553	4,889,944
State	6,482,782	13,858,827	8,194,787	12,990,625	14,842,988	13,997,115	13,829,081	10,779,726	14,134,749	13,132,681
Other	73,417	95,310	55,526	110,275	135,025	269,579	495,599	561,733	399,757	328,351
Service charges	1,702,350	1,569,630	1,796,506	1,772,777	1,813,967	2,454,089	3,397,304	3,136,916	2,878,752	3,245,344
Fines and forfeitures	59,531	101,025	58,531	72,008	147,986	2,560	91,420	79,618	109,022	71,133
Interest	1,597,702	1,282,274	1,625,162	680,463	343,052	194,563	402,229	752,182	948,856	1,215,979
Miscellaneous	1,748,194	4,797,971	2,831,075	2,120,149	2,293,436	2,131,346	2,584,812	3,047,951	2,908,467	2,504,957
Total revenues	\$ 63,788,264	\$ 75,560,628	\$ 71,412,526	\$ 74,273,498	\$ 76,010,183	\$ 80,333,179	\$ 86,053,719	\$ 87,141,793	\$ 91,582,024	\$ 92,568,553
Expenditures										
General government	\$ 5,037,060	\$ 5,328,287	\$ 5,879,131	\$ 5,844,282	\$ 5,561,787	5,830,837	6,081,966	6,403,875	7,203,861	7,394,222
Public safety	6,308,244	6,551,254	7,895,973	8,526,503	9,882,124	10,531,391	11,845,960	13,182,203	13,340,006	14,769,517
Public works	7,704,681	7,524,526	8,873,426	8,582,583	9,914,877	8,184,441	9,318,237	11,014,386	10,483,049	12,772,343
Health and Hospitals	310,605	296,818	299,806	291,868	297,275	314,944	365,730	547,635	668,436	639,555
Social Services	1,774,249	1,778,194	2,719,978	2,821,402	3,217,712	3,340,700	3,153,780	2,481,137	2,267,955	2,199,074
Education	400	-	-	6,872	106,438	7,125	6,487	6,788	286,339	33,511
Recreation, culture and libraries	381,286	310,749	284,468	529,568	400,679	416,091	525,238	557,173	785,391	785,287
Conservation of natural resources	179,116	189,422	232,807	212,488	236,697	223,675	254,764	222,849	286,942	321,258
Community Development and Housing	1,217,612	1,269,185	1,360,449	1,485,712	1,362,694	1,640,267	1,981,444	1,666,589	1,535,517	1,790,426
Economic development	2,022,876	2,671,828	3,447,518	1,972,049	1,870,090	2,778,199	5,244,944	4,313,128	4,093,940	9,649,364
Miscellaneous	11,383	21,332	11,693	4,678	18,775	18,721	13,991	17,671	25,749	28,742
Appropriation to other governments	647,446	847,128	905,343	961,388	990,488	1,005,981	1,017,170	1,044,128	1,162,444	1,243,264
Capital Outlay	8,685,724	10,444,573	8,625,593	8,168,579	4,505,874	6,737,970	10,838,212	8,594,428	10,789,035	11,882,463
Debt Service										
Interest	2,455,549	2,648,162	2,530,986	2,178,629	2,027,073	1,839,382	1,624,695	1,442,163	1,317,568	1,791,147
Principal	2,890,117	3,606,289	3,777,228	3,936,483	4,090,571	4,221,604	4,005,632	4,716,262	4,213,086	4,892,495
Payments to Component Units	28,189,806	31,624,945	31,970,969	32,557,486	34,400,376	32,550,767	32,278,661	33,734,847	34,948,568	36,788,464
Total expenditures	\$ 67,816,154	\$ 75,112,692	\$ 78,815,368	\$ 78,080,570	\$ 78,883,530	\$ 79,642,095	\$ 88,556,911	\$ 89,925,262	\$ 93,417,886	\$106,981,132
Excess of revenues over (under)										
Expenditures	\$ (4,027,890)	\$ 447,936	\$ (7,402,842)	\$ (3,807,072)	\$ (2,873,347)	\$ 691,084	\$ (2,503,192)	\$ (2,783,469)	\$ (1,835,862)	\$ (14,412,579)
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 15,251,008	\$ 400,000	\$ -	\$ 322,680	\$ 63,710	\$ 588,807	\$ 2,258,256	\$ 149,483	\$ 14,141,516	\$ 5,237,697
Proceeds from refunding	-	-	-	9,683,148	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(9,683,148)	-	-	-	-	-	-
Transfers in	11,120,891	12,503,364	11,504,826	10,704,292	10,516,889	11,735,629	14,107,776	10,558,497	12,204,383	11,082,801
Transfers from component units	-	-	-	-	65,050	-	390,603	-	-	-
Transfers out	(10,644,868)	(11,900,806)	(12,298,277)	(9,953,385)	(9,634,659)	(9,959,540)	(13,556,482)	(10,461,602)	(12,634,570)	(11,397,805)
Sale of capital assets	-	-	-	-	416,000	18,674	298,110	4,552,930	358,874	2,330,993
Total Other Financing Sources (Uses)	\$ 15,727,031	\$ 1,002,558	\$ (793,451)	\$ 1,073,587	\$ 1,426,990	\$ 2,383,370	\$ 3,498,263	\$ 4,799,308	\$ 14,070,203	\$ 7,253,686
Net Change in fund balances	\$ 11,699,141	\$ 1,450,494	\$ (8,196,293)	\$ (2,733,485)	\$ (1,446,357)	\$ 3,074,454	\$ 995,071	\$ 2,015,839	\$ 12,234,341	\$ (7,158,893)
Debt service as a percentage of noncapital expenditures	9.0%	9.7%	9.0%	8.7%	8.2%	8.3%	7.2%	7.6%	6.7%	7.0%

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Allegany County, Maryland
Assessed Value and Actual Value Of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Real Property Total Direct Tax Rate	Personal Property		Corporate Personal Property		Totals		Personal & Corporate Personal Total Direct Tax Rate
	Market Value	Assessed Value		Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
1999	1,908,270,840	763,308,336	0.9880	10,700,350	10,700,350	529,490,145	529,490,145	2,448,461,335	1,303,498,831	2.4700
2000	1,986,596,538	794,638,615	0.9880	10,869,940	10,869,940	736,321,330	736,321,330	2,733,787,808	1,541,829,885	2.4700
2001	2,027,094,175	810,837,670	0.9840	8,839,920	8,869,920	662,748,955	662,748,955	2,698,683,050	1,482,456,545	2.4600
2002	2,072,981,398	2,072,981,398	0.9840	10,142,410	10,142,410	493,595,405	493,595,405	2,576,719,213	2,576,719,213	2.4600
2003	2,158,322,043	2,158,322,043	0.9838	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763	2.4595
2004	2,223,185,344	2,223,185,344	1.0000	11,255,730	11,255,730	334,611,519	334,611,519	2,569,052,593	2,569,052,593	2.5000
2005	2,346,218,412	2,346,218,412	1.0007	10,253,280	10,253,280	351,375,290	351,375,290	2,707,846,982	2,707,846,982	2.5018
2006	2,439,119,223	2,439,119,223	1.0007	9,047,760	9,047,760	344,568,390	344,568,390	2,792,735,373	2,792,735,373	2.5018
2007	2,542,803,943	2,542,803,943	0.9829	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.4573
2008	2,762,960,350	2,762,960,350	0.9829	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.4573

Source: Allegany County Finance Office & Allegany Tax Office

Note: Tax rates expressed in \$100 of assessed value

Real property tax rate years 2001 and prior have been restated to a full cash value assessment

Allegany County, Maryland **Schedule Of Real Property Tax Rates - Direct And Overlapping** **Last Ten Fiscal Years**

ALLEGANY COUNTY, MARYLAND **SCHEDULE OF REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING** **LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>Allegany County Direct Tax Rates</u>										
Barton	0.9551	0.9494	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480
Cumberland	0.9090	0.9087	0.9309	0.9248	1.0000	0.9838	0.9840	0.9040	0.9040	0.9040
Frostburg	0.9136	0.9111	0.9366	0.9305	0.9312	0.9128	0.9128	0.9120	0.9120	0.9120
Lonaconing	0.9333	0.9283	0.9548	0.9517	0.9535	0.9334	0.9330	0.9320	0.9320	0.9320
Luke	0.9302	0.9227	0.9516	0.9484	0.9498	0.9299	0.9287	0.9280	0.9280	0.9280
Midland	0.9551	0.9474	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480
Westport	0.9333	0.9263	0.9548	0.9517	0.9535	0.9344	0.9330	0.9320	0.9320	0.9320
Unincorporated	0.9829	0.9829	1.0007	1.0007	1.0000	0.9838	0.9840	0.9840	0.9880	0.9880
<u>Municipal Direct Tax Rates</u>										
Barton	0.2156	0.2220	0.2220	0.2220	0.2220	0.2260	0.2320	0.2320	0.2320	0.2320
Cumberland	0.9479	0.9479	0.9479	0.9479	0.8720	0.8720	0.8720	1.0400	1.0480	1.0480
Frostburg	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.5000	0.5000
Lonaconing	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.5000	0.5000	0.5000	0.3500	0.3500	0.2400	0.2400	0.2400	0.2400	0.2400
Midland	0.2708	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<u>Special Taxing Areas</u>										
<u>Sanitary Districts</u>										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0880	0.0880	0.0880
Bowling Green	0.2530	0.2530	0.2530	0.2530	0.1580	0.1480	0.1480	0.1440	0.1560	0.1560
Braddock Run	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0160	0.0160
Cresaptown	0.3000	0.3000	0.3000	0.3000	0.1600	0.0480	0.0480	0.0360	0.0360	0.0360
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0320	0.0320	0.0320
Cash Valley Subdistrict	0.2200	0.2200	0.2200	0.2440	0.2440	0.2440	0.2440	0.2320	0.2440	0.2440
McCoole	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0880	0.0880	0.0880
George's Creek	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.2000	0.2000
Oldtown Road	0.2400	0.2400	0.2400	0.2600	0.2600	0.2600	0.2600	0.2600	0.3840	0.3840
<u>Other Special Districts</u>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0650	0.0320	0.0320	0.0320	0.0320	0.0400	0.0320	0.0320	0.0320	0.0320
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280
Cresaptown Civic Improvement Assoc	0.0400	0.0400	0.0400	0.0400	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320
Cresaptown Special Fire Tax Area	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0400
Ellerslie Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200
LaVale Fire Department	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Volunteer Rescue Squad	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
McCoole Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Moscow Special Taxing Area	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Mt Savage Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Potomac Park Citizens Committee	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600

Notes:

Thirty special taxing areas have been established in the County. As provided by various statutes, taxes are levied and assessed within the special taxing areas to provide revenues for the amortization of bonded indebtedness of sanitary districts and to pay for fire protection, street lighting and other civic services.

All tax rates are per \$100 of assessed value. Years 2001 and prior have been restated to a full cash value assessment.

Source: Allegany County Finance Department; Maryland State Assessment Office

Allegany County, Maryland **Principal Property Tax Payers** **Current Year and Nine Years Ago**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 120,064,736	1	3.82%			
New Page (Mead/Westvaco)	67,328,140	2	2.14%	\$ 316,957,730	1	24.32%
Potomac Edison Co	53,261,440	3	1.70%	52,233,520	2	4.01%
Verizon-Maryland (Bell Atlantic)	37,648,260	4	1.20%	46,271,680	3	3.55%
LaVale Associates	31,192,123	5	0.99%	12,872,670	5	0.99%
Columbia Gas of Maryland	22,397,900	6	0.71%	14,631,120	4	1.12%
CSX Transportation	20,554,238	7	0.65%	10,777,550	6	0.83%
Hunter Douglas Northeast, Inc.	14,946,439	8	0.48%			
Allegany Coal-Land	14,282,888	9	0.45%			
American Woodmark Corp	10,181,600	10	0.32%			
S. Company, Inc.				5,420,550	9	0.42%
Biederlack Of America Corp				7,667,400	7	0.56%
Superfos Packaging, Inc.				6,355,890	8	0.52%
Total	\$ 391,857,764		12.47%	\$ 473,188,110		36.32%

Source: Allegany County Tax and Utility Office

Note: Total county taxable assessed value includes real estate and personal property
Largest assessed properties are not necessarily the largest taxpayer due to tax exemptions

Allegany County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years

Real Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
1999	18,044,743	16,559,997	91.77%	(47,375)	1,412,420	17,997,368	17,972,417	99.86%
2000	18,779,731	17,392,441	92.61%	(79,846)	1,282,094	18,699,885	18,674,535	99.86%
2001	19,287,454	17,801,226	92.29%	(40,881)	1,417,719	19,246,573	19,218,945	99.86%
2002	19,739,787	18,208,781	92.24%	(49,200)	1,445,749	19,690,587	19,654,530	99.82%
2003	20,190,074	18,729,500	92.77%	(9,837)	1,417,390	20,180,437	20,146,890	99.83%
2004	21,239,040	19,838,116	93.40%	(26,002)	1,354,903	21,213,038	21,193,019	99.91%
2005	22,263,407	20,665,084	92.82%	(41,460)	1,523,719	22,221,947	22,188,813	99.85%
2006	23,311,852	21,694,064	93.06%	(14,391)	1,564,353	23,297,461	23,258,417	99.83%
2007	24,152,164	22,574,066	93.47%	(22,413)	829,299	24,129,751	23,403,365	96.99%
2008	26,296,828	24,418,173	92.86%			26,296,828	24,418,173	92.86%

Personal Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
1999	269,137	198,792	73.86%	(43,579)	23,810	225,558	222,602	98.69%
2000	259,145	204,901	79.07%	(49,806)	(769)	209,339	204,132	97.51%
2001	191,726	170,281	88.81%	9,115	23,106	200,841	193,387	96.29%
2002	240,872	195,019	80.96%	(10,898)	21,783	229,974	216,802	94.27%
2003	249,305	196,207	78.70%	(18,456)	14,852	230,849	211,059	91.43%
2004	274,789	216,817	78.90%	(17,943)	17,261	256,846	234,078	91.14%
2005	249,585	217,982	87.34%	(2,164)	15,457	247,421	233,439	94.35%
2006	221,878	201,105	90.64%	(714)	4,648	221,164	205,753	93.03%
2007	208,932	186,368	89.20%	(122)	7,353	208,810	193,721	92.77%
2008	240,950	143,066	59.38%			240,950	143,066	59.38%

Corporate Personal Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
1999	12,431,900	12,085,500	97.21%	(31,988)	281,816	12,399,912	12,367,316	99.74%
2000	17,560,034	17,393,342	99.05%	(114,408)	27,389	17,445,628	17,420,731	99.86%
2001	15,858,558	15,708,793	99.08%	(92,064)	49,300	15,766,494	15,758,093	99.95%
2002	11,671,917	11,416,395	97.81%	(37,345)	198,743	11,634,572	11,615,138	99.83%
2003	9,282,992	9,163,854	98.72%	(14,738)	82,490	9,268,254	9,248,344	99.76%
2004	8,897,728	8,790,614	98.80%	(273,528)	(189,565)	8,624,201	8,601,049	99.73%
2005	8,501,900	8,407,644	98.89%	(96,302)	(32,396)	8,405,598	8,375,248	99.64%
2006	8,408,395	8,276,381	98.43%	(27,817)	60,880	8,380,578	8,337,241	99.48%
2007	8,210,266	8,094,923	98.60%	(6,534)	54,160	8,203,732	8,149,083	99.33%
2008	7,921,091	7,814,936	98.66%			7,921,091	7,814,936	98.66%

Total Taxes Levied

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
1999	30,745,780	28,844,289	93.82%	(122,942)	1,718,046	30,622,838	30,562,335	99.80%
2000	36,598,910	34,990,684	95.61%	(244,060)	1,308,714	36,354,850	36,299,398	99.85%
2001	35,337,738	33,680,300	95.31%	(123,830)	1,490,125	35,213,908	35,170,425	99.88%
2002	31,652,576	29,820,195	94.21%	(97,443)	1,666,275	31,555,133	31,486,470	99.78%
2003	29,722,371	28,089,561	94.51%	(42,831)	1,514,732	29,679,540	29,604,293	99.75%
2004	30,411,557	28,845,547	94.85%	(317,473)	1,182,598	30,094,084	30,028,145	99.78%
2005	31,014,892	29,290,720	94.44%	(139,926)	1,506,780	30,874,966	30,797,500	99.75%
2006	31,942,125	30,171,550	94.46%	(42,923)	1,629,861	31,899,202	31,801,411	99.69%
2007	32,571,362	30,855,357	94.73%	(29,069)	890,812	32,542,293	31,746,169	97.55%
2008	34,458,868	32,376,175	93.96%		-	34,458,868	32,376,175	93.96%

Source: Allegany County Tax and Utility Office & Allegany County Finance Office

DEBT CAPACITY

DEBT CAPACITY

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Allegany County, Maryland
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business -Type Activities							Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Term Notes	Capital Leases	State Loans	Water Term Notes	Water Federal Loans	Sanitary Capital Bonds	Sanitary Term Notes	Sanitary State Loans	Sanitary Federal Loans	Nursing Home Loans			
1999	44,370,000	1,207,551	233,671	8,710,034	307,986	705,333	-	1,504,933	2,365,755	2,213,367	-	81,618,830	4.16%	818
2000	41,215,000	1,145,756	145,619	8,808,593	251,041	1,685,463	-	1,207,983	2,181,089	2,190,587	-	58,831,131	3.78%	786
2001	37,945,000	1,080,232	51,783	8,480,725	189,449	1,665,100	-	2,120,833	2,014,938	2,166,706	-	55,694,766	3.43%	748
2002	35,115,000	1,013,492	82,761	8,046,052	122,832	3,303,469	-	1,792,880	1,840,612	1,079,369	-	52,396,467	3.15%	707
2003	31,580,000	941,011	41,978	7,667,455	50,779	3,263,926	-	1,455,938	1,842,994	1,064,987	-	47,909,068	2.82%	649
2004	27,945,000	864,699	-	7,787,748	4,811	3,326,911	-	172,977	8,432,882	1,049,890	-	49,584,918	2.80%	670
2005	26,596,000	784,473	112,435	7,357,184	3,130	4,103,242	-	115,294	10,177,907	1,034,042	525,000	50,808,687	2.70%	690
2006	22,944,000	699,910	206,123	6,433,258	156,183	4,218,791	-	77,435	10,137,902	1,017,406	501,088	46,392,096	2.40%	639
2007	28,532,000	5,610,818	126,929	5,941,976	475,717	4,161,123	-	19,503	10,012,618	3,790,944	475,926	59,147,554	3.10%	812
2008	24,949,597	10,253,745	288,444	5,065,139	445,537	4,449,625	-	19,169	9,489,761	3,363,826	449,448	58,774,291	3.00%	805

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
Population and Per Capita Income information provided on Demographic and Economic Statistics Chart

Source: Allegany County Finance Office and Bureau Of Economic Analysis

Allegany County, Maryland
Ratios of General Obligation Debt Outstanding
Last Ten Fiscal Years

General Obligation Debt Outstanding

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Debt Per Capita</u>
1999	44,370,000	1,303,498,831	3.40%	75,288	589.34
2000	41,215,000	1,541,829,885	2.67%	74,819	550.86
2001	37,945,000	1,482,426,545	2.56%	74,449	509.68
2002	35,115,000	2,576,719,213	1.36%	74,059	474.15
2003	31,580,000	2,529,321,763	1.25%	73,867	427.53
2004	27,945,000	2,569,052,593	1.09%	73,999	377.64
2005	26,596,000	2,707,846,982	0.98%	73,639	361.17
2006	22,944,000	2,792,735,373	0.82%	72,613	315.98
2007	28,532,000	2,910,366,473	0.98%	72,800	391.92
2008	24,949,597	3,102,478,314	0.80%	73,000	341.78

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
Long-term compensated absences payable balances are not included in this schedule

Source: Allegany County Finance Office and Bureau Of Economic Analysis

Allegany County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population	75,288	74,819	74,449	74,059	73,867	73,999	73,639	72,613	72,800	73,000
Inmate population excluded	-	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279
Net population for debt limit	75,288	71,540	71,170	70,780	70,588	70,720	70,360	69,334	69,521	69,721
Debt Per Capita	585	585	585	585	585	585	585	585	585	585
Debt Limit	44,043,480	41,850,900	41,634,450	41,406,300	41,293,980	41,371,200	41,160,600	40,560,390	40,669,785	40,786,785
Total Net Debt applicable to limit	54,521,256	51,314,968	47,537,740	44,257,305	40,230,444	36,597,447	34,850,072	30,283,291	40,211,723	40,556,925
Legal Debit Margin	(10,477,776)	(9,464,068)	(5,903,290)	(2,851,005)	1,063,536	4,773,753	6,310,528	10,277,099	458,062	229,860
Total net debt applicable to the limit as a percentage of debt limit	123.8%	122.6%	114.2%	106.9%	97.4%	88.5%	84.7%	74.7%	98.9%	99.4%

Source: Bureau of Economic Analysis, U.S. Census Bureau & Allegany County Finance Office

County debt policy dated May 1996

Allegany County, Maryland
Pledged-Revenue Coverage
Last Ten Fiscal Years

SANITARY DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2008	5,756,775	(4) 5,221,279	(4) 535,496	786,386	233,002	1,019,388	0.53
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98
2006	6,390,329	5,189,019	1,201,310	436,091	190,715	626,806	1.92
2005	6,138,374	4,705,332	1,433,042	342,541	206,399	548,940	2.61
2004	5,380,331	4,121,055	1,259,276	379,008	(3) 219,141	598,149	2.11
2003	5,196,676	4,135,237	1,061,439	534,257	253,771	788,028	1.35
2002	5,322,012	3,870,291	1,451,721	515,979	288,075	804,054	1.81
2001	5,225,033	3,805,192	1,419,841	477,182	301,188	778,370	1.82
2000	4,717,029	3,407,505	1,309,524	504,396	333,245	837,641	1.56
1999	4,489,346	3,383,497	1,105,849	473,846	344,220	818,066	1.35

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2008	2,585,222	(4) 2,099,680	(4) 485,542	97,009	215,232	312,241	1.56
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42
2006	1,430,789	1,068,917	361,872	55,436	181,207	236,643	1.53
2005	1,180,132	833,099	347,033	48,352	158,073	206,425	1.68
2004	1,124,973	909,646	215,327	87,484	144,383	231,867	0.93
2003	1,073,757	878,777	194,980	111,596	150,978	262,574	0.74
2002	1,043,256	826,387	216,869	101,883	139,236	241,119	0.90
2001	754,227	682,149	72,078	81,955	87,478	169,433	0.43
2000	606,260	565,537	40,723	70,515	76,905	147,420	0.28
1999	533,325	478,747	54,578	59,657	65,273	124,930	0.44

1 - Total revenues includes interest, but does not include capital grants or gain/loss on sale of assets

2 - Total operating expenses less depreciation and interest expense

3 - Does not include principal payments of \$1,111,052 paid with debt proceeds from current refunding.

4 - Beginning FY 08, several combined water/sewer departments were split into separate water districts and separate sewer districts instead of being reported totally as a sewer department, therefore creating large variances when comparing to prior years

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND
ECONOMIC INFORMATION

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Allegany County, Maryland **Demographic and Economic Statistics** **Last Ten Calendar Years**

Year	Population	Personal Income In 000s	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
1999	75,288	1,479,760	19,655	10,987	7.10%
2000	74,819	1,556,953	20,810	10,678	5.90%
2001	74,449	1,623,601	21,808	10,425	6.70%
2002	74,059	1,661,981	22,441	10,180	6.50%
2003	73,867	1,701,416	23,034	10,128	6.30%
2004	73,999	1,785,371	24,127	9,926	6.40%
2005	73,639	1,884,432	25,590	9,840	6.50%
2006	72,613	1,897,150	26,127	9,715	5.59%
2007	72,800 (a)	1,935,093 (b)	26,581	9,526	5.20%
2008	73,000 (a)	1,973,795 (b)	27,038	9,221	5.60%

Source - Population, personal income and per capita - Bureau of Economic Analysis

Public School Enrollment - Allegany County Board Of Education

Unemployment Rate - Maryland Department Of Labor, Licensing and Regulation

(a) Estimated

(b) Estimated based on 2% growth

**Allegany County, Maryland
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>
Western Maryland Health Systems	2,396	1	7.14%	2,200	1	6.70%
Allegany County Board Of Education	1,421	2	4.24%	1,290	3	3.93%
ATK Tactical Systems	1,279	3	3.81%	-	-	-
New Page Corporation (Westvaco)	950	4	2.83%	1,678	2	5.11%
CSX Transportation	925	5	2.76%	1,000	4	3.04%
Frostburg State University	891	6	2.66%	853	5	2.60%
ACS, Inc.	615	7	1.83%	-	-	-
Allegany County Government	597	8	1.78%	425	10	1.29%
Hunter Douglas	575	9	1.71%	470	7	1.43%
Western Correctional Institution	503	10	1.50%	-	-	-
Allegany College	-	-	-	459	8	-
S. Schwab Company	-	-	-	569	6	1.73%
Unitel	-	-	-	450	9	1.37%
Total	<u>10,152</u>		<u>30.26%</u>	<u>9,394</u>		<u>27.19%</u>

Source: Allegany County Economic Development Office and Maryland Department of Business & Economic Development.

OPERATING INFORMATION

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Allegany County, Maryland
Full-time Equivalent County Government Employees
by Function/Program
Last Six Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30					
	2003	2004	2005	2006	2007	2008
General Government						
Commissioners & Staff	7.0	7.0	7.0	7.0	8.0	8.0
Judicial	28.5	26.5	27.3	27.3	28.0	28.6
Finance	9.3	9.3	9.3	9.6	9.6	9.6
Tax Office	7.5	7.5	7.5	7.5	7.5	7.5
Maintenance	16.1	15.5	16.5	16.1	16.4	16.2
Other	33.3	35.8	28.7	32.1	38.6	40.8
Public Safety						
Sheriff	27.0	24.0	27.9	31.6	33.2	29.4
Detention Center	78.5	79.8	84.8	85.3	85.0	85.5
911	17.2	19.3	21.0	25.0	24.6	25.2
Other	5.1	1.1	13.9	13.1	13.4	21.9
Public Works						
Roads division	76.3	76.3	74.5	74.5	74.5	75.7
Engineering	18.3	18.2	16.7	15.4	16.5	16.3
Solid Waste	5.5	5.4	5.4	5.4	5.3	5.3
Transit	27.1	27.1	27.1	29.6	32.7	33.0
Health and Hospitals	3.3	3.3	3.3	3.3	2.3	2.0
Social Services	6.0	7.0	7.0	1.0	1.0	1.0
Recreation, culture, libraries, tourism	1.0	5.0	2.0	2.0	2.0	2.0
Conservation of natural resources	2.0	2.0	2.0	2.0	2.0	2.0
Community Development and Housing	5.3	4.3	5.6	5.6	4.3	4.3
Economic Development	8.2	9.4	9.1	10.1	7.2	7.5
Sanitary	23.5	23.5	23.0	24.0	25.0	25.0
Nursing Home	150.0	150.0	161.5	165.5	152.1	150.5
Total	<u>556.0</u>	<u>557.3</u>	<u>581.1</u>	<u>593.0</u>	<u>589.2</u>	<u>597.3</u>

Source: Allegany County Finance Office-Budget

Allegany County, Maryland
Operating Indicators By Function/Program
Last Six Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008
General Government						
Average number of tax bills issued	38,000	38,020	38,060	38,130	38,124	38,419
Number of building permits issued	421	479	469	424	460	410
Public Safety						
Total Number of arrests	1,430	1,505	1,341	1,246	608	1,060
Total Number of traffic stops	1,157	199	613	1,527	1,153	1,167
Average number of inmates	176	180	180	172	179	203
Number of Volunteer Fire Stations	23	23	23	23	23	23
Public Works						
Miles of roads maintained	544	544	544	544	544	544
Street resurfacing (miles)	56	47	35	23	31	30
Recycling, total tons (calendar year)	20,577	20,058	22,468	24,685	23,925	Not Available
Social Services						
Transit route miles	538,567	470,456	445,957	500,772	675,570	502,317
Transit passengers	88,650	99,441	94,813	119,027	138,131	179,555
Community Development and Housing						
Number of families' rent subsidized	253	274	253	262	267	190
Low-Income Housing loans issued	42	32	43	36	43	21
Sanitary						
Average number of sanitary/water customers	8,500	8,500	8,500	8,500	8,500	8,500
Nursing Home						
Total Number of Beds Available, Annually	55,845	55,998	55,845	55,845	55,845	55,998
Number of Beds Occupied Annually	49,660	51,427	48,701	47,422	48,400	47,512
Occupancy Rate, Annual	89%	92%	87%	85%	86%	85%
Gaming						
Games Sold	N/A	39,935 *	50,870	49,901	48,800	43,056
Operators Licensed	N/A	79 *	94	100	79	83
Inspections Conducted	N/A	1,200 *	1,180	1,035	965	972

* Only in operation for 7 months of the fiscal year

Source: Various County Departments

Allegany County, Maryland
Capital Asset Statistics by Function/Program
Last Six Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008
General Government						
Number of major buildings maintained	10	10	10	10	11	11
Public Safety						
Number of police stations	1	1	1	1	1	1
Number of patrol vehicles	9	9	9	9	9	
Public Works						
Miles of roads maintained	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140
Number of Garages-Roads Dept	4	4	4	4	4	5
Number of operating transit buses	9	9	9	10	10	
Economic Development						
Number of Industrial parks	8	8	8	8	8	8
Number of Buildings leased	14	14	14	14	15	12
Sanitary						
Sanitary/Water (miles)	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6
Nursing Home						
Number of buildings maintained	1	1	1	1	1	1

Source: Various County Departments

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